

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.81%) gained 54.05 points and closed the week at 6,756.66 points. The blue-chip index DS30 (+0.82%) gained 20.59 points and stood at 2,532.58 points. The Shariah-based index DSES (+0.52%) gained 7.47 points and stood at 1,431.12 points. The large cap index CDSET (+0.47%) gained 6.42 points and closed at 1,359.13 points. DSEX, DS30, DSES and CDSET showed YTD returns of +25.08%, +28.95%, +15.22%, +21.02%, respectively.

Total Turnover During the Week (DSE): BDT 41.6 billion (USD 485 million)

Average Daily Turnover Value (ADTV): BDT 8.3 billion ($\Delta\%$ Week: +9.1%)

Market P/E: 16.8x

Daily Index Movement during the Week

Market performed five sessions during this week. The market started the week negatively (-1.09%) and continued to perform well on the following two days, gaining 0.59% and 1.10% on Monday and Tuesday respectively. It fell on Wednesday by 0.17% and ended the week positively by gaining 0.38%.

Sectoral Performance

- All the financial sectors posted positive performance this week. NBFi booked the highest gain of 3.05% followed by General Insurance (+1.34%), Life Insurance (+1.05%), Bank (+1.05%), and Mutual Fund (-0.03%).

- Non-financial sectors posted mixed performance this week. Engineering booked the highest gain of 0.61% followed by Food & Allied (+0.51%), and Fuel & Power (+0.28%). Pharmaceutical experienced the highest loss of 0.71% followed by Telecommunication (-0.37%).

Macroeconomic arena

- Bangladesh to become 24th largest economy by 2036: Report. IFC to provide USD9 lakh for CMSMEs. Import bills rise 54% in five months. Thailand offers duty-free market facility to Bangladesh until 2026. Foreign aid inflow soars 49pc in July-Nov. UAE-based Bangladeshi auto industry traders plan to invest in homeland. Non-resident Bangladeshi investment potentials lie untapped.

- Bangladesh Bank asked to transfer foreign exchange reserve from US soon. BB renews Sri Lanka forex loan by three months. BB relaxes outward remittance rules for foreign nationals. Budget outlay to see marginal cut. Govt's bank borrowing surges for lower sales of savings tools. Central bank not to extend loan moratorium facility beyond December 31. NPLs out of control now.

- 2021 Purchasing power falls in. Energy price hike pushes up inflation. Govt extends tenure of four rental power plants. Govt to build 660MW plant in Mirsarai. Land development at Jamalpur Economic Zone nearly ends. 21 firms to invest BDT 10b in three hi-tech parks. Proposal of 25% electricity generation from renewables by 2030 on cards.

- Private sector credit growth returns to pre-pandemic level after two years. 21 firms to invest BDT 10b in three hi-tech parks. 50% of country's population to live in urban areas by 2041. Land development at Jamalpur Economic Zone nearly ends. StanChart completes first deal using risk-free rate. BD Venture, E-Desh ink deal. StanChart completes first deal using risk-free rate.

Stock Market arena

- Stock fluctuations normal. Hungry market devours govt Sukuk. Asian Frontier Capital stands firm on Bangladesh equities. Banks get full discretion in giving interest to bond holders. Perpetual bond complications likely to end soon for banks. ICB to issue BDT 1,000cr Sukuk bond.

- BSEC approved bonds of Meghna, Southeast banks. BSEC eases margin loan rules for category changing stocks. Southeast, Meghna banks get BSEC nod to issue BDT700cr bonds. BSC proposes 12pc dividend. BSCCL to issue BDT1.48cr share to govt against deposit.

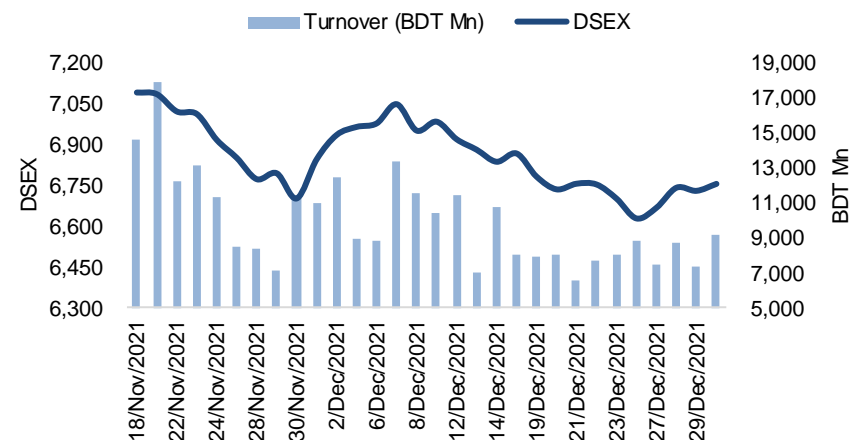
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,756.66	6,702.61	+54.05	5,402.07	+0.81%	+25.08%
DS30	2,532.58	2,511.99	+20.59	1,963.96	+0.82%	+28.95%
DSES	1,431.12	1,423.65	+7.47	1,242.11	+0.52%	+15.22%
CDSET	1,359.13	1,352.71	+6.42	1,123.03	+0.47%	+21.02%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,421,964	5,392,583	
	Mn USD	63,193	62,851	+0.5%
Turnover	Mn BDT	41,605	38,147	+9.1%
	Mn USD	485	445	
Average Daily Turnover	Mn BDT	8,321	7,629	+9.1%
	Mn USD	97	89	
Volume	Mn Shares	864	871	-0.8%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BSC	71.9	49.4	+45.5%	10,967	2,514.6	8.5x	1.1x
ATLASBANG	125.7	99.0	+27.0%	4,164	34.5	NM	1.0x
DAFODILCOM	70.9	61.0	+16.2%	3,539	45.2	97.1x	5.2x
PRIMEINSUR	81.4	70.2	+16.0%	3,327	284.6	24.4x	4.4x
DACCADYE	24.1	21.0	+14.8%	2,100	242.4	42.1x	2.7x
BSCCL	210.1	184.6	+13.8%	34,647	568.0	16.4x	3.8x
SONALIPAPR	957.7	853.5	+12.2%	21,034	3,404.6	NM	3.9x
AIL	44.4	40.0	+11.0%	1,965	57.8	29.8x	2.0x
BBS	18.3	16.5	+10.9%	2,982	52.6	NM	1.3x
BATASHOE	966.9	877.4	+10.2%	13,227	58.8	NM	3.8x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SAVAREFR	191.4	219.0	-12.6%	267	2.4	NM	313.8x
EASTRNLUUB	2,947.5	3,322.1	-11.3%	2,930	358.8	57.7x	12.9x
AMCL(PRAN)	292.5	315.4	-7.3%	2,340	164.8	52.4x	3.4x
STYLECRAFT	122.0	131.5	-7.2%	1,694	42.5	NM	6.1x
ISNLTD	41.7	44.9	-7.1%	455	19.3	NM	16.0x
SONALIANSH	469.0	504.5	-7.0%	1,272	47.3	NM	2.1x
PRAGATILIF	89.1	95.8	-7.0%	2,736	27.3	NM	NM
SKICL	77.3	83.1	-7.0%	3,092	385.7	29.1x	4.2x
MEGCONMILK	14.4	15.4	-6.5%	230	1.3	NM	NM
MEGHAPET	18.4	19.6	-6.1%	221	2.0	NM	NM

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SONALIPAPR	957.7	853.5	+12.2%	21,034	3,404.6	NM	3.9x
BEXIMCO	148.4	151.1	-1.8%	130,046	2,776.1	12.9x	1.8x
BSC	71.9	49.4	+45.5%	10,967	2,514.6	8.5x	1.1x
ASIAINS	115.0	115.9	-0.8%	5,413	2,006.5	40.4x	4.1x
ONEBANKLTD	13.8	13.5	+2.2%	12,890	870.8	7.0x	0.7x
FORTUNE	92.1	95.5	-3.6%	14,970	767.7	39.5x	6.2x
GENEXIL	165.4	166.5	-0.7%	18,781	695.6	49.0x	9.3x
BEACONPHAR	243.4	234.0	+4.0%	56,225	641.7	48.6x	9.9x
BXPHERMA	192.7	195.3	-1.3%	85,966	597.0	15.6x	2.2x
EASTERNINS	115.1	115.4	-0.3%	4,962	582.9	23.6x	2.3x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
EGEN	47.5	+375.0%	3,563	27.5x	2.3x
BSRMLTD	103.3	+117.0%	30,844	6.0x	1.0x
ENVOYTEX	48.9	+98.8%	8,202	76.4x	1.3x
GPHISPAT	53.0	+90.5%	23,151	12.6x	1.9x
HEIDELBCEM	272.4	+82.1%	15,392	26.7x	3.6x
SQUARETEXT	52.2	+75.2%	10,297	9.5x	1.3x
PIONEERINS	116.9	+70.8%	8,999	15.3x	2.4x
BSRMSTEEL	71.1	+67.3%	26,730	7.1x	1.1x
BATBC	635.6	+61.5%	343,224	25.0x	8.5x
ACTIVEFINE	25.6	+51.5%	6,142	65.6x	1.1x

*BDT
**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,589.7	1,573.2	1,372.63	+1.05%	+15.81%
NBFI	2,327.6	2,258.7	2,033.53	+3.05%	+14.46%
Mutual Fund	883.0	883.2	959.61	-0.03%	-7.98%
General Insurance	4,698.6	4,636.5	4,103.56	+1.34%	+14.50%
Life Insurance	2,687.6	2,659.6	2,162.58	+1.05%	+24.28%
Telecommunication	5,800.4	5,822.0	5,463.26	-0.37%	+6.17%
Pharmaceutical	3,866.6	3,894.3	3,306.03	-0.71%	+16.96%
Fuel & Power	1,793.0	1,788.0	1,618.11	+0.28%	+10.81%
Cement	2,534.8	2,446.0	1,416.18	+3.63%	+78.99%
Services & Real Estate	1,309.4	1,303.1	1,083.79	+0.48%	+20.82%
Engineering	4,727.5	4,698.6	3,959.20	+0.61%	+19.40%
Food & Allied	25,222.8	25,095.6	14,705.76	+0.51%	+71.52%
IT	3,274.6	3,296.7	2,350.28	-0.67%	+39.33%
Textile	1,470.6	1,458.7	1,087.41	+0.82%	+35.24%
Paper & Printing	9,680.0	9,309.2	5,487.56	+3.98%	+76.40%
Tannery	3,236.8	3,226.5	1,771.77	+0.32%	+82.68%
Jute	8,747.8	9,159.2	12,154.61	-4.49%	-28.03%
Ceramics	675.9	672.1	472.38	+0.57%	+43.08%
Miscellaneous	4,625.4	4,703.6	2,539.70	-1.66%	+82.12%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	743.6	938.9	-20.80%	+9.82%	8.0x	0.9x
NBFI	313.5	356.8	-12.14%	+4.14%	21.6x	4.2x
Mutual Fund	47.5	51.6	-7.81%	+0.63%	NM	0.8x
General Insurance	1,324.3	1,073.3	+23.38%	+17.48%	21.4x	2.3x
Life Insurance	168.0	139.5	+20.41%	+2.22%	NM	NM
Telecommunication	166.2	89.9	+84.87%	+2.19%	16.9x	5.9x
Pharmaceutical	722.9	751.1	-3.75%	+9.54%	18.8x	2.6x
Fuel & Power	357.3	338.2	+5.65%	+4.72%	11.7x	1.2x
Cement	121.0	89.7	+34.84%	+1.60%	17.6x	2.6x
Services & Real Estate	169.8	149.4	+13.62%	+2.24%	NM	1.0x
Engineering	334.5	352.8	-5.17%	+4.42%	18.8x	2.1x
Food & Allied	281.0	427.2	-34.24%	+3.71%	30.5x	9.0x
IT	202.1	232.9	-13.25%	+2.67%	36.1x	3.0x
Textile	532.7	470.7	+13.16%	+7.03%	34.9x	1.0x
Paper & Printing	712.4	287.1	+148.14%	+9.40%	NM	2.4x
Tannery	180.1	262.4	-31.36%	+2.38%	NM	3.5x
Jute	11.2	33.9	-66.94%	+0.15%	NM	20.7x
Ceramics	38.2	46.8	-18.52%	+0.50%	31.4x	2.0x
Miscellaneous	1,149.1	1,037.2	+10.79%	+15.17%	16.4x	2.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
KPCL	29.9	-34.0%	11,883	NM	1.4x
MIRAKHTER	62.0	-23.5%	7,488	16.2x	1.3x
ADNTEL	52.4	-18.5%	3,388	20.2x	2.0x
OLYMPIC	160.6	-16.0%	32,110	17.1x	3.3x
MTB	19.6	-10.5%	15,925	27.8x	0.9x
BARKAPOWER	23.8	-7.4%	5,604	8.0x	1.1x
UPGDCL	244.2	-7.3%	141,562	13.0x	4.0x
DBH	77.1	-4.2%	13,667	12.2x	1.9x
SINGERBD	169.9	-3.2%	16,940	23.4x	4.9x
SQURPHARMA	214.3	-2.4%	189,966	11.2x	2.0x

Important News: Business & Economy

Thailand offers duty-free market facility to Bangladesh until 2026

- Thailand has decided to offer the duty-free, quota-free (DFQF) facility for Bangladeshi products in its market until 2026 to enhance bilateral trade volume, officials said. The previous such arrangement between the countries expired on December 31, 2020. The Thai Embassy in Dhaka has recently conveyed its government's latest decision on the DFQF scheme to the Ministry of Commerce (MoC).
- The Southeast Asian country has announced to extend the facility for the Least Developed Countries (LDCs), including Bangladesh, until December 2026, a senior official of the MoC said. Bangladesh exports products like knitwear, household articles, sewing thread, and jute rope and bags to the country.

<https://thefinancialexpress.com.bd/trade/thailand-offers-duty-free-market-facility-to-bangladesh-until-2026-1640744716>

Development budget implementation snails far behind set goals

- Government agencies couldn't speed up development-budget implementation to anywhere near pre-covid levels, officials said Tuesday, and two of them moved at the slowest pace. They said the Shipping Ministry joined the 'weak club' with the Health Services Division in project execution as both performed "worst" in the first five months of the current fiscal year (FY), 2021-22.
- The ministry and the division both implemented only one-third of the average project-execution rate of all the ministries and agencies during the July-November period of this fiscal, the officials said. Implementation Monitoring and Evaluation Division (IMED) data show that the ministries all together had spent 18.61% of the Annual Development Programme (ADP) allocations during the five months.

<https://thefinancialexpress.com.bd/economy/development-budget-implementation-snails-far-behind-set-goals-1640747861>

NPLs out of control now

- Prime Minister's Economic Affairs Adviser Dr Mashiur Rahman has stressed reining in default loans which he felt have gone out of control at present. He has suggested strengthening the capacity of the central bank and reviewing the bankruptcy law to reduce the burden on the country's banking sector.
- Classified loans in Bangladesh's banking system swelled to more than BDT 1.0-trillion mark,

as of September, despite receiving state policy support. The volume of non-performing loans (NPLs) grew by nearly 14% or BDT 124.16 billion to BDT 1011.50 billion as on September 30, from BDT 887.34 billion as on December 31, 2020, according to the central bank's latest statistics.

<https://today.thefinancialexpress.com.bd/first-page/npls-out-of-control-now-1640797910>

HSBC completes first insurance-backed receivables transaction

- The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh has recently completed country's first insurance backed receivables finance transaction for MBM Garments Ltd., one of the leading Ready-made Garment (RMG) exporters in Bangladesh.
- This proposition has been rolled out in line with HSBC's own receivables finance model and within local regulation, wherein the customer gets early payment against their deferred term exports from HSBC Bangladesh, said a statement. It also comes with a bespoke insurance solution to cover and manage buyer's non-payment risk through HSBC's business partners.

<https://today.thefinancialexpress.com.bd/stock-corporate/hsbc-completes-first-insurance-backed-receivables-transaction-1640788525>

Govt to build 660MW plant in Mirsarai

- The government is going to build a 660-megawatt gas or liquified natural gas-based power plant in Mirsarai of Chattogram. A consortium of Confidence Power Holdings Ltd, GE Capital US Holding Inc, Confidence Power Ltd, and Electropac Industries Ltd will implement the project. A unit of electricity from the plant will cost 3.037 US cents, or BDT 2.943, if the plant is gas-based, while it will be 6.796 US cents, or BDT 5.436, if it is based on re-gasified liquified natural gas. The move came after the government scrapped plans to build eight coal-fired power projects recently considering the environmental issues.

<https://www.thedailystar.net/business/economy/news/govt-build-660mw-plant-mirsarai-2928596>

Govt extends tenure of four rental power plants

- Four rental power plants have been given tenure extension on Wednesday while one new power plant has also been given go-ahead for setting up in Chattogram. Of them, a 53 MW gas-based rental power plant in Ashuganj, Brahmanbaria, sponsored by United Energy Ltd, has been extended for five years. The Kumargaon 50 MW gas-based rental power plant, located in Sylhet gets a tenure extension until December next year. Another gas-based 50MW rental power plant of Energy Prima Ltd in Fenchuganj, Sylhet gets a tenure extension of three years. The Energy Prima Ltd's another 20 MW gas-based rental power plant in Bogra district has also been extended for there more years.

<https://thefinancialexpress.com.bd/trade/govt-extends-tenure-of-four-rental-power-plants-1640770281>

21 firms to invest BDT 10b in three hi-tech parks

- Some 21 technology companies are set to invest BDT 10 billion in three hi-tech parks, creating about 2,500 new jobs. To this effect, all the companies signed agreements with the Bangladesh Hi-Tech Park Authority (BHPTA) in a signing ceremony at the ICT Tower in the city's Agargaon area on Wednesday.
- Of the signee organisations, four companies got land allocation in Bangabandhu Hi-tech City at Kaliakoir, 16 companies in Sheikh Jamal Software Technology Park in Chattogram, and one in Sheikh Kamal IT Incubation and Training centre in CUET. Among the firms, Bangladesh Card Limited alone will invest BDT 8.6 billion to manufacture smart card and security gears as well as assemble ATM in a plant, to be established on seven acres of land in Bangabandhu Hi-tech City.

<https://today.thefinancialexpress.com.bd/trade-market/21-firms-to-invest-tk-10b-in-three-hi-tech-parks-1640795155>

Half of beneficiary owners' accounts exist in name only!

- Around half of the active BO (beneficiary owner) accounts have not played any role in daily transactions over the years as those accounts either have zero balance or have never been used in share trading. According to the Central Depository Bangladesh Limited (CDBL), the number of active accounts was above 2.53 million as on June 30, 2021. Of those accounts, above 1.41 million had a share balance while 0.81 million accounts were active with zero balance and the remaining 0.32 million accounts were never used. As a result, 1.13 million or 44.36 per cent of the active accounts played no role in daily share trading during the fiscal year (FY) 2020-21. The number of active accounts having no role in transactions was 51.39 per cent in the FY 2019-20, 54.68 per cent in the FY 2018-19, 53.10 per cent in the FY 2017-18 and 55.63 per cent in the FY 2016-17, according to the CDBL.

<https://thefinancialexpress.com.bd/stock/bangladesh/half-of-beneficiary-owners-accounts-exist-in-name-only-1640832164>

BB eases loan repayment for CMSMEs

- The central bank has relaxed further the loan repayment policy for the cottage, micro, small and medium enterprises (CMSMEs) to help them expedite their recovery effort from the fallouts of Covid-19 pandemic.
- The borrowers under the stimulus package will now have to repay only 15% of their outstanding loans by December 31, 2021 to remain unclassified. Earlier, this ceiling was

25%. The remaining 85% of the outstanding loans during the period from January to December 31 this year will be payable within one year from the date of expiry of the loan tenure, according to officials.

<https://today.thefinancialexpress.com.bd/first-page/bb-eases-loan-repayment-for-cmsmes-1640711504>

Private sector credit growth returns to pre-pandemic level after two years

- The banking sector saw 10.11% growth in private sector credit, highest in the last two years, according to recent data of the Bangladesh Bank. However, the growth is still far below the monetary target of 14.8% set for the current fiscal year.
- In the latest quarterly report for July-September period, the Bangladesh Bank expected to continue the expansionary and accommodative monetary policy in coordination with the government's expansionary fiscal policy for FY22 because the economic recovery from the slowdown is a key priority.

<https://www.tbsnews.net/economy/banking/private-sector-credit-growth-returns-pre-pandemic-level-after-two-years-350179>

Central bank not to extend loan moratorium facility beyond December 31

- Bangladesh Bank (BB) has decided not to extend the loan moratorium facility beyond December 31. BB Governor Fazle Kabir announced the decision at a meeting with bankers at the central bank on Tuesday.
- Under the moratorium, bank clients would not be recorded as defaulters even if they failed to pay any instalments in 2020. In 2021, borrowers to remain out of default needed to pay just 25% of their scheduled instalments. The facility was first introduced in mid-2020 amid the Covid-19 pandemic and extended several times to allow people falling into hard times to cope.

<https://thefinancialexpress.com.bd/trade/central-bank-not-to-extend-loan-moratorium-facility-beyond-december-31-1640713088>

Bank accounts to be inoperable after 6 months of inactivity

- From now, bank accounts with six months of inactivity, will become inoperable, according to a central bank circular issued on Tuesday to the managing directors of all scheduled banks in the country.
- After the six-months of inactivity, current and short notice deposit bank accounts will become inoperable, according to the Bangladesh bank circular. For the savings account, it will take time at least 18 months to be considered a dormant account. However, government bank

accounts for minor and court-related accounts will not be considered as dormant accounts beyond the period specified, according to the Bangladesh Bank guideline.

<https://www.tbsnews.net/economy/banking/bank-accounts-be-inoperable-after-6-months-inactivity-350137>

BD Venture, E-Desh ink deal

- BD Venture Limited, country's first venture capital firm, has recently invested in E-Desh Limited, an e-commerce logistics company. Both companies have signed an agreement where Mr. Shafique-ul-Azam, Managing Director of BD Venture Limited, and Mr. Zain Mohammad Yaseen, Managing Director of E-Desh Limited, were present at the agreement-signing ceremony. Maslin Capital Limited, Asian Capital Venture Limited along with some individual foreign investors also participated in this round.

<https://today.thefinancialexpress.com.bd/stock-corporate/bd-venture-e-desh-ink-deal-1640702966>

Proposal of 25% electricity generation from renewables by 2030 on cards

- Although the country's target to generate 10% of electricity from clean and renewable sources by 2020 was not achieved, a fresh target for 25% renewable energy is going to be proposed for 2030. According to official sources, the Sustainable and Renewable Energy Development Authority (SREDA) will propose the new target, to be incorporated in the proposed Integrated Energy and Power Master Plan (IEPMP).
- Ministry of Power, Energy and Mineral Resources (MPEMR) recently started a process to formulate the IEPMP with the technical and financial support of the Japan International Cooperation Agency (JICA). Tokyo-based Institute of Energy Economics, Japan (IEEJ), has been assigned to adopt the plan for both power and energy sectors.

<https://thefinancialexpress.com.bd/national/proposal-of-25pc-electricity-generation-from-renewables-by-2030-on-cards-1640693784>

Unrest in CI sheet market, prices rise 40% in 3 months

- Prices of corrugated iron (CI) sheets, widely known as tin sheets, rose more than 40% in the country's market in just three months with the beginning of the peak season for house and other establishment constructions. The price increase has occurred particularly in rural areas, amid the reopening of the economy after Covid-induced fallouts.
- Manufacturers have blamed the "volatile global market" of the raw materials and increased freight charges for the unusual price hike of the essential construction item. However, it is noteworthy that raw material prices in the international market went down recently, but manufacturers are yet to bring down prices.

<https://www.tbsnews.net/economy/bazaar/unrest-ci-sheet-market-prices-rise-40-3-months-350176>

Foreign aid inflow soars 49pc in July-Nov

- The overseas development partners disbursed USD 3.09 billion worth of medium- to long-term (MLT) loans and grants during the July-November period of FY 22, which is 49.44% higher than that in the same period of FY 21, the Economic Relations Division (ERD) data showed.
- During the first five months of FY 21, the multilateral and bilateral development partners provided USD 2.07 billion as foreign assistance. The development partners, including the ADB, the World Bank (WB), the Japan International Cooperation Agency (JICA), the Islamic Development Bank (IDB) and China, disbursed concessional aid every year for development of Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/foreign-aid-inflow-soars-49pc-in-july-nov-1640625009>

Purchasing power falls in 2021

- The purchasing power of a vast majority of the population fell substantially in 2021 as their cost of living far outstripped the income that also grew, but marginally. People, particularly from low- and lower-middle-income groups, have ruled that their spending on key essentials and utility and other services increased at much faster pace than that of their income.
- Market experts said pandemic-induced sluggish business, higher duties on some imported products, active market syndicate, price hike of diesel and kerosene as well as global raw material price hike cast a cumulative impact on the market.

<https://today.thefinancialexpress.com.bd/first-page/purchasing-power-falls-in-2021-1640624573>

Import bills rise 54% in five months

- Bangladesh's import payments surged by around 54% in the first five months of the current fiscal year compared to the corresponding period of last year – indicating a strong and steady economic recovery in keeping with a sharp fall in coronavirus infections. Import bills in July-November swelled 53.74% year-on-year to USD 30.3 billion, while the settlement of Letters of Credit (LC) in the corresponding period last year stood at USD 19.72 billion. Imports of yarn, capital machinery and intermediate goods had a major contribution to the bills, which means production lines are alive and kicking and there has been a strong consumer demand at home.
- In the first five months of this fiscal year capital machinery import saw 30% growth, the central

bank's latest data show. During the period import growth of intermediate goods was 70%, chemical fertilizer 105%, yarn 103% and drugs and medicines more than 1,000%.

<https://www.tbsnews.net/economy/import-bills-rise-54-five-months-349636>

50% of country's population to live in urban areas by 2041

- At least 50% of the country's population will live in urban areas by 2041, projected Nazrul Islam, chairman of the Centre for Urban Studies (CUS). He added that earlier projection indicated it would happen by 2045-46, but now they believe it can happen by 2041 as the government has enhanced its urbanisation efforts.
- Currently, 38-40% of Bangladesh's population lives in urban areas – 505 towns and cities – while it is 35% in India and 37% in Pakistan, and 58% globally, Nazrul Islam added.

<https://www.tbsnews.net/bangladesh/50-countrys-population-live-urban-areas-2041-349621>

Bangladesh Bank asked to transfer foreign exchange reserve from US soon

- Authorities have been asked to deposit Bangladesh's foreign exchange reserve with banks other than America's to avoid possible US sanctions in the near future. A legal notice has been served, in this regard, upon the government bodies concerned. It demanded that all necessary steps be taken to secure the reserve money transferring it from the Federal Reserve Bank of the USA to any other secured country.
- The Bangladesh Bank governor has been made respondent alongside the finance secretary and the foreign affairs secretary to comply with the notice. They have been asked to take the necessary steps within 30 days from the date of receiving the demand notice.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-bank-asked-to-transfer-foreign-exchange-reserve-from-us-soon-1640600452>

BB relaxes outward remittance rules for foreign nationals

- The central bank will now authorised dealers to remit up to 80% of earned net income after tax at any time of the year subject to availability of fund in the bank accounts of foreign nationals working in Bangladesh. The remaining 20% of foreign nationals' net income will be remittable at the end of the financial year upon completion of income tax assessment, supported by a certificate issued by the tax authority concerned.

<https://www.tbsnews.net/economy/banking/bb-relaxes-outward-remittance-rules-foreign-nationals-349630>

UAE-based Bangladeshi auto industry traders plan to invest in homeland

- UAE-based Bangladeshi auto parts traders and automobile service providers are planning to set up several parts manufacturing plants in Bangladesh's fast-growing USD 4.42 billion automotive markets.
- Over 5,000 Bangladeshi traders dominate the UAE's automotive aftermarket sector, especially the used auto spare parts market. They are involved in the imports, wholesale, retail, servicing and re-export of the auto parts sector while a large number of them also own auto electric service centres, garages that take care of all types of auto servicing and repairs.

<https://www.tbsnews.net/bangladesh/uae-based-bangladeshi-auto-industry-traders-plan-invest-homeland-349597>

Shrimp farming, exports waning

- The country's shrimp exports continued to fall for the last seven fiscal years since FY2013-14 mainly due to decline in the demand for the comparatively high-priced local varieties in the global market. Prices of local varieties - 'black tiger' and 'galda' - are higher than that of the major competitor 'Vannamei', which the restaurants prefer to serve on the tables due to its cheaper rates.
- The earnings from shrimp exports fell to USD 328.84 million in FY 2020-21 from USD 550.16 million in FY 2013-14, according to Export Promotion Bureau (EPB) data. The insiders said the shrimp farming in the country was gradually reducing and processing plants were getting sick for lack of export orders.

<https://today.thefinancialexpress.com.bd/first-page/shrimp-farming-exports-waning-1640624855>

Bangladesh to become 24th largest economy by 2036: Report

- Bangladesh is set to become the 24th largest economy out of 191 countries by 2036 owing to its ability to attract large foreign investments, the rising RMG demand, and macroeconomic stability, says the CEBR. The Centre for Economics and Business Research (CEBR) disclosed the findings in its annual World Economic League Table (WELT 2022) report on Sunday, stating that Bangladesh has been among the world's fastest growing economies over the last decade.
- For the last few years, China has invested heavily in Bangladesh's economy as its strategic location provides an ease of trade accessibility via the Indian Ocean. The report also mentioned that despite the coronavirus pandemic, the country's economy expanded by 3.5% in 2020, a rare achievement compared to international standards. This was due to the strong remittance inflows and rebound of exports. The CEBR expects Bangladesh to have 4.6%

economic growth this year.

<https://www.tbsnews.net/economy/bangladesh-24th-largest-economy-2036-cebr-349177>

IFC to provide USD9 lakh for CMSMEs

- The International Finance Corporation will provide USD 900,000 as technical assistance to implement a credit guarantee scheme for the cottage, micro, small and medium enterprises (CMSMEs). To support small businesses facing financial challenges due to the coronavirus pandemic, the IFC signed an agreement with Bangladesh Bank on December 14 such that the credit guarantee scheme (CGS) can implement efficiently.
- By offering a risk-sharing arrangement for participating banks and non-bank financial institutions, the scheme allows the lenders to provide better access to finance for the CMSMEs that are often deprived of getting funds due to their high-risk profile, according to a BB press release.

<https://www.thedailystar.net/business/news/ifc-provide-9-lakh-cmsmes-2926086>

BB renews Sri Lanka forex loan by three months

- Bangladesh Bank has extended validity of the credit facility it extended to Sri Lanka by three months after the expiry of the first three-month tenure of the credit facility. The loan facility has been renewed following a request from the island nation, a senior official of the central bank told New Age on Sunday. Bangladesh extended the credit facility amounting to USD 200 million under a currency swap deal with Sri Lanka.

<https://www.newagebd.net/article/158346/bb-renews-sri-lanka-forex-loan-by-three-months>

FBCCI demands extension, analysts oppose

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday requested Bangladesh Bank to extend the implementation of the relaxation policy on loan classification until July next year. FBCCI President Md Jashim Uddin told The Daily Star that the central bank's relaxed loan classification policy would cease to come into effect this month. But businesses are still compelled to purchase imported products, including industrial raw materials, at a much higher rate than that in the pre-pandemic period, he said.
- According to the FBCCI proposal, borrowers who have taken loans of up to BDT 10 crore from banks should be treated as non-defaulters in spite of their inability to pay any instalment until June next year. Clients, whose outstanding loans ranged from BDT 10-500 crore should be considered non-defaulters if they can give only 2.0% of their payable instalments within the period. Those who have over BDT 500 crore in loans should be allowed to avoid the

default zone if they are able to pay 1.0% of their payable instalments.

- Ahsan H Mansur, chairman of Brac Bank, said the central bank should not entertain the FBCCI's demand as the economy has been strongly bouncing back. Entrepreneurs of the small and medium enterprises are now repaying their loans efficiently, so extending the facility, especially for the big borrowers, is not a logical demand, he said. Salehuddin Ahmed, a former governor of the BB, echoed Mansur, adding that extending the relaxed classification policy will not bring any good for banks.
- Managing directors of two banks, on condition of anonymity given the sensitivity of the matter, said the lenders would not be able to repay depositors if the relaxed policy was extended further. The private sector itself will face difficulties as banks will be unable to give out loans fulfilling requirements of businesses, they said. They asked how banks would be able to reinvest their funds if they were unable to recover loans in the first place.

<https://www.thedailystar.net/business/economy/news/fbcci-demands-extension-analysts-oppose-2926421>

Energy price hike pushes up inflation

- The Consumer Prices Index (CPI) rose 28 basis points to a 13-month high of 5.98 per cent from October's 5.7 per cent. This was up for the fourth consecutive month, according to the Bangladesh Bureau of Statistics. Non-food inflation, which surged 39 basis points to rocket to a 63-month high, was the driving force for the rising general inflation. The non-food inflation surged to 6.87 per cent last month from 6.48 per cent a month ago, the highest since August 2016, Bangladesh Bank data showed.

<https://www.thedailystar.net/business/economy/news/energy-price-hike-pushes-inflation-2926426>

StanChart completes first deal using risk-free rate

- Standard Chartered has completed the first deal using risk-free rate (RFR) with its clients, Akij Ceramics Ltd and Unilever Bangladesh Ltd. The deal was completed in line with the detailed guidance from the Bangladesh Bank on how to set the new rates as a replacement for the London Interbank Offered Rate (Libor), according to a press release. The BB has given its consent to banks to transition away from the Libor to other risk-free rates from 1 January 2022.

<https://www.thedailystar.net/business/economy/banks/news/stanchart-completes-first-deal-using-risk-free-rate-2926361>

Budget outlay to see marginal cut

- The budget for the current fiscal year is set to be slashed by 1.6 % in the revised one because of lower development expenditure, with the cut being marginal for healthy revenue collection and higher subsidy spending. According to the finance ministry's revised estimate, the revised budget will stand at BDT 594,000 crore, down from the original budget of BDT 603,681 crore.
- The budget deficit between July and November was BDT 9,320 crore, lower than BDT 12,150 crore registered in the same period in the last fiscal year. The lower budget deficit has been the result of higher revenue collection and lower spending. In the July-November period, the borrowing of the government using savings instruments to bankroll the shortfall was BDT 14,584 crore, down from BDT 19,571 crore in the same period a year ago, owing to the cut of the interest rate on savings certificates and wage-earner bonds by 1 to 3 percentage points. Government's bank borrowing soared to BDT 19,762 crore as of November, which was BDT 12,035 crore in the same period in the previous fiscal year.

<https://www.thedailystar.net/business/economy/news/budget-outlay-see-marginal-cut-2925681>

Govt's bank borrowing surges for lower sales of savings tools

- Government borrowing from the banking sector has seen a rapid surge this fiscal year mainly due to the lower investment of general people and firms in national savings tools, a development that may crowd out the private sector. The government took loans to the tune of BDT 22,344 crore from banks between July 1 and December 14, data from the Bangladesh Bank showed. It borrowed BDT 26,078 crore last fiscal year. The government has set a bank borrowing target of BDT 76,452 crore for the current fiscal year. Between July and October, net investment in the savings tools stood at BDT 9,325 crore, down 40% year-on-year.
- Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that the government borrowing from the banking sector had not brought any negative effect for the private sector so far. But, the ongoing trend has signalled that borrowing will pick up in the days to come, he added. He also told if the government borrows from the banking sector heavily, it will worsen the existing liquidity stress. He suggested the government should take preparations to avoid such a situation.
- He also added that if the liquidity stress deepens, banks may face difficulties in sticking to the lending cap the central bank has put in place since April last year. According to Mansur, the government should think of withdrawing the 9 per cent interest rate ceiling on loans to ensure a smooth credit flow to the private sector. He also suggested that foreign loans and aids can help the government cut its reliance on bank borrowing to meet expenses, adding that Bangladesh had not been able to manage sufficient amount of low-cost loans. He

mentioned that the government will find it tough in securing cheap loans and aids if it fails to reform the financial sector to align it with global best practices.

<https://www.thedailystar.net/business/economy/news/govts-bank-borrowing-surges-lower-sales-savings-tools-2925686>

Land development at Jamalpur Economic Zone nearly ends

- Land development and the installation of required facilities at Jamalpur Economic Zone (JEZ) are almost done as it receives a USD 42.47-million investment proposal from nine companies. BEZA executive chairman said that most of the JEZ plots in the first phase have already been sold, and BEZA has completed land development and utility services. Two companies are preparing to install plants soon while two others are set to ink deals with the BEZA for land allocation.
- The nine companies that have sent proposals are Noble Navigation & Shipping Lines, Bioleap Industry, Bioleap Agro, Max Infotech, Bio-Xin Cosmeceuticals, Step Media, Color Style Bangladesh, Silken Sewing and PPS Plastic Pipe Industries Ltd.

<https://thefinancialexpress.com.bd/economy/land-development-at-jamalpur-economic-zone-nearly-ends-1640405523>

Credit card transactions hit record high in Oct

- Credit card-based transactions reached a record high of BDT 1,964.3 crore in October amid a growing dependency of a section of people on such cards amid Covid-induced economic shocks. A Bangladesh Bank data showed that the transactions through credit cards were 41.21% higher than the BDT 1,381.2 crore in transactions in the same month in 2020.
- In January-October of the current year, transactions through credit cards increased by 51% or BDT 5,763 crore year-on-year. Apart from the significant surge in transactions, the number of cards issued grew by 36.08% or 8.49 lakh from October 2020 to October 2021. The number of cards increased to 32.04 lakh in October 2021 from 23.54 lakh in the same month of the previous year. Bankers said that the growth in e-commerce business was the main reason for the significant growth in credit card-based transactions.

<https://www.newagebd.net/article/158259/credit-card-transactions-hit-record-high-in-oct>

Non-resident Bangladeshi investment potentials lie untapped

- Nearly 2.4 million Bangladeshis are estimated to be living abroad permanently, either as citizens or on long-term permits, but there has been very little effort by the government to tap this huge source of investment. "Survey on the Use of Remittance," conducted by the Bangladesh Bureau of Statistics in 2013 found out that only 25.32% of received remittance

in Bangladesh were invested in businesses while remaining 74.68% were spent for consumption. Currently, over 1.2 crore Bangladeshi workers reside abroad, but only 90,507 beneficiary owners accounts are maintained by NRBs for investing in shares and bonds in the capital market.

- Previously NRBs enjoyed a 10% quota facility for buying Initial Public Offerings (IPO), but this year the Bangladesh Securities and Exchange Commission has decreased the quota to 5% as the expatriate Bangladeshis have not shown much interest in investing in the capital market here. The NRB investment in the bond was BDT1,341.26 crore in FY20 while it was BDT1,902.61 crore in the previous fiscal year. The Ministry of Expatriates' Welfare and Overseas Employment has recently taken up a pilot project to promote diaspora investment in Bangladesh in the agriculture sector. The project is funded by the International Fund for Agricultural Development (IFAD). The pilot project involving BDT9 crore will work in four upazilas to engage diaspora communities in various agricultural production, says Zahid Anwar, deputy director of WEWB.

<https://www.tbsnews.net/economy/non-resident-bangladeshi-investment-potentials-lie-untapped-348454>

Important News: Capital Market

Hungry market devours govt Sukuk

- Bangladesh's hungry securities market swallows a gain-only bond as the BDT 50-billion government Sukuk was oversubscribed nearly five times to BDT 233.04 billion in its auction held Wednesday.
- A total of 31 institutions -- both conventional and Shariah-compliant financial institutions -- along with three individuals took part in the auction of the Bangladesh Government Investment Sukuk (BGIS), generally known as Ijarah Sukuk, held at the central bank, officials say.
- A financial unit styled special-purpose vehicle (SPV) allocated the bond certificates as per set quota for the auction of the blue chip, Sukuk. Bangladesh Bank (BB) had earlier set the quota with priority given to Shariah-based Islamic banks, non-banking financial institutions (NBFIs) and insurance companies for staking their bets. A separate Islamic securities unit under the Debt Management Department of the central bank acts as SPV.

<https://today.thefinancialexpress.com.bd/first-page/hungry-market-devours-govt-sukuk-1640798120>

Banks get full discretion in giving interest to bond holders

- The Bangladesh Securities and Exchange Commission on Wednesday informed the

Bangladesh Bank that it exempted banks who issued perpetual bonds from complying with the BSEC instruction of providing interest to bondholders. The regulator issued a letter in this regard on Wednesday, which was forwarded to relevant banks. Earlier, the BSEC had put a condition that the bank must not have full discretion at all time to cancel distribution or payments to the bondholders. Now, the BSEC has withdrawn the condition and given full discretion to banks regarding paying interest or profits to the bondholders.

<https://www.newagebd.net/article/158577/banks-get-full-discretion-in-giving-interest-to-bond-holders>

Navana CNG capitulates to debts

- To diversify its business, Navana CNG entered the bottled liquefied petroleum gas (LPG) sector three years ago but it has ended up with an increasing debt burden by failing to make sales to the expected level.
- Navana CNG started bottled LPG business under a subsidiary company – Navana LPG – in 2018 and, to set up a new plant, it borrowed around BDT 300 crore from several banks with high interest. But its LPG business did not grow at its expected rate in the last three years, and due to insufficient income from LPG, it cannot repay the loan instalments in full.

<https://www.tbsnews.net/economy/stocks/navana-cng-capitulates-debts-350617>

Emerald Oil returns to production after four years

- Emerald Oil Industries Ltd has resumed production of its rice bran edible oil after a hiatus of four years thanks to fresh investment by Minori Bangladesh Limited, a subsidiary of Japanese farming company Minori Co Limited.
- The company, which has completed a successful trial run, is expected to go into full-fledged commercial production from January, said its officials. The newly restructured board of directors are hoping to overcome outstanding losses and reach a break-even point within six months as there is a significant demand for their rice bran edible oil, which is marketed under the brand name Spondon.

<https://www.tbsnews.net/economy/stocks/emerald-oil-returns-production-after-four-years-350644>

Asian Frontier Capital stands firm on Bangladesh equities

- The frontier investment firm has also named Bangladesh as one of its top country pick. Asian Frontier Capital (AFC), the investment management company behind AFC Asia Frontier Fund, expressed a bullish outlook on the Bangladesh economy and the country's blue-chip stocks the firm prefers to invest in.
- The frontier investment firm has also named Bangladesh as one of its top country picks. "Our

top country picks with a 3-5 year view are Bangladesh, Kazakhstan, Uzbekistan, and Vietnam, as they all have a combination of a strong macro-economic platform, structural reforms, attractive demographics, and a growing manufacturing sector," AFC Frontier Fund said in its 25 December report to clients.

<https://www.tbsnews.net/economy/stocks/asian-frontier-capital-stands-firm-bangladesh-equities-350116>

Perpetual bond complications likely to end soon for banks

- The central bank will recommend withdrawing BSEC's condition of mandatory interest payments against some bank perpetual bonds, say bank executives. Bank executives are expecting an end to the complications that have been created recently regarding mandatory interest payments against their issued perpetual bonds.
- Earlier this month, senior BSEC officials expressed their readiness to amend the bond approval letters by withdrawing the condition of mandatory interest payments, if recommended by the central bank. Previously, BSEC in its approval letters to seven banks regarding perpetual bonds said the issuing bank would not enjoy any discretion in interest payments to investors.

<https://www.tbsnews.net/economy/stocks/perpetual-bond-complications-likely-end-soon-banks-350104>

BSCCL to issue BDT1.48cr share to govt against deposit

- The Bangladesh Submarine Cable Company Ltd (BSCCL) has decided to issue shares worth BDT1.48 crore against BDT166 cr share money deposit to the government following the Financial Reporting Council's direction. The board of directors of BSCCL has approved the plan at a meeting that held Tuesday (28 December). The share issue plan will be implemented after approval from the shareholders and securities regulator.

<https://www.tbsnews.net/economy/stocks/bsccl-issue-tk148cr-share-govt-against-deposit-350182>

Indo-Bangla Pharma sponsor to dump entire stake finding no seat on board

- Sponsor shareholder Amin-Ur-Rashid will sell his holdings in the company to the public market within the next 30 days. After failing to regain his seat on the board of Indo-Bangla Pharmaceuticals, its sponsor shareholder Amin-Ur-Rashid has declared to end his relationship with the drugmaker.
- A senior officer at the company said, Amin-Ur-Rashid wanted to be elected as a director at a recently held annual general meeting but the board did not give him that opportunity. Another former director of the company, seeking anonymity, said the current board has made the drugmaker a family property by removing both of them from the board in fiscal 2018-19.

<https://www.tbsnews.net/economy/stocks/indo-bangla-pharma-sponsor-dump-entire-stake-finding-no-seat-board-350119>

ICB to issue BDT 1,000cr Sukuk bond

- The Investment Corporation of Bangladesh (ICB) has decided to raise BDT 1,000 crore by issuing a bond called "ICB 1st Mudaraba Sukuk" to support the capital market. The corporation said the tenure of the Sukuk, a Sharia-compliant bond-like instrument, will be ten years. The company will issue the bond after securing approval from the Bangladesh Securities and Exchange Commission (BSEC) and other regulators.
- The return against the Sukuk bond will not be lower than the Dhaka Stock Exchange's (DSE) average dividend yield, according to the company officials. ICB will distribute at least 75% of the net profit from the Sukuk to the unit holders at the end of each year, and distribute the rest later.
- ICB will invest the fund raised through the Sukuk in various Shariah-based securities or instruments in the capital market and money market. In this case at least 70% will be invested in the capital market and the rest will be invested in the money market.

<https://www.tbsnews.net/economy/stocks/icb-issue-tk1000cr-sukuk-bond-349618>

BSEC approved bonds of Meghna, Southeast banks

- Meghna Bank and Southeast Bank have got permission to issue subordinated bonds to raise funds. Southeast Bank would issue a non-convertible unsecured floating rate bond worth BDT 500 crore through private placement. Meghna Bank would issue non-convertible, fully redeemable, coupon-bearing subordinated bond worth BDT 200 crore. With face value of BDT 10.0 Mn, both bonds would provide coupon at 7-9% range, and would be placed to institutional investor and other eligible investors.

<https://www.thedailystar.net/business/economy/stock/news/bsec-approved-bonds-meghna-southeast-banks-2926561>

BSEC eases margin loan rules for category changing stocks

- The Bangladesh Securities and Exchange Commission (BSEC) has relaxed its 2015 order that restricted margin loans for buying shares that change their category in the bourses. According to the current rule, any stock that changes its category will remain non-marginable for the first 30 days of trading. As per the new rule, the shares which improve their category from 'Z' to 'A' or 'B' will remain non-marginable only for their first seven days of trading.
- Earlier, the regulator announced that investors cannot take margin loans for more than 50%

of their equity as soon as the Dhaka bourse's broad index DSEX goes above the 8,000 mark. Amid the market downturn in recent months, it repealed the index-linked margin loan control mechanism and made the debt-to-equity ratio for portfolio investors to 80% in any market condition.

<https://www.tbsnews.net/economy/stocks/bsec-eases-margin-loan-rules-category-changing-stocks-349168>

Southeast, Meghna banks get BSEC nod to issue BDT700cr bonds

- The Bangladesh Securities and Exchange Commission (BSEC) has approved Southeast Bank and Meghna Bank to collect BDT 200 crore and BDT 500 crore, respectively, by issuing bonds. The two-coupon bearing subordinated bonds are non-convertible and fully redeemable. The coupon rates for the two bonds are between 7% (floor) and 9% (ceiling). The face value of each unit of the two bonds is BDT 1.0 crore.
- Meghna Bank will issue bonds in favor of institutional investors and other eligible investors. Through the issuance of this bond, the bank will strengthen its additional Tier-II capital base. On the other hand, Southeast Bank will issue bonds to financial institutions, mutual funds, insurance companies, listed banks, corporate entities and other eligible investors.

<https://www.tbsnews.net/economy/stocks/southeast-meghna-banks-get-bsec-nod-issue-tk700cr-bonds-349171>

Eastern Lubricant profit jumps for low-cost base oil imports

- Eastern Lubricant Blenders Ltd – a state-owned lubricant blender and base oil importer – posted 9.6 times higher profits in the 2020-21 fiscal year. Thanks to its occasional (on-demand) base oil import business which helped the small-cap listed firm earn a good revenue against no base oil import in the previous fiscal year. Eastern Lubricant's annual blending volume dropped to 1,576 tonnes in the 2019-20 fiscal year, from 21,878 tonnes in fiscal 1996-97, while its decades-old plant can blend 24,000 tonnes of lubricant a year.
- Moreover, the firm had procured base oil at a cheaper price from the pandemic-hit international market during the first wave of Covid-19 and sold that to its only three buyers – state-owned companies Padma Oil, Meghna Petroleum, and Jamuna Oil Company – at a regular price over fiscal 2020-21.

<https://www.tbsnews.net/economy/stocks/eastern-lubricant-profit-jumps-low-cost-base-oil-imports-349162>

Stock fluctuations normal

- Prof Shibli Rubayat-UI-Islam, chairman of the Bangladesh Securities and Exchange

Commission (BSEC), has urged investors not to panic when the stock market index falls, reasoning those fluctuations are normal. The problem is that investors become worried if they see that the index is dropping. If they start making purchases at that time, the index will also rise, he said.

- To make the SME market of the stock exchanges vibrant, people who have investments of at least BDT 10 lakh should be allowed to trade there, said Sayadur Rahman, president of Bangladesh Merchant Bankers Association. Investors with a minimum of BDT 50 lakh investment in the stock market are allowed to trade shares of companies on the SME platforms, according to the BSEC rules. On the other hand, listed companies in the SME board should not be imposed the condition that they have to provide dividends in the first two years, he added.

<https://www.thedailystar.net/business/economy/stock/news/stock-fluctuations-normal-2925676>

Union Bank's IPO subscription opens tomorrow

- The IPO subscription of Union Bank Ltd will commence tomorrow (Sunday), aiming to raise BDT 4.28 billion from the capital market under the fixed price method. The initial public offering (IPO) subscription of the fourth-generation private commercial bank will be continued until December 30, according to Dhaka Stock Exchange. Union Bank's IPO will be the largest IPO in the banking sector to date. Among all sectors, it will be the fourth-largest IPO after Robi Axiata (BDT 5.23 billion), Grameenphone (BDT 4.86 billion) and MJL Bangladesh (BDT 4.60 billion), according to DSE data.
- Each eligible investor who intends to submit an application should maintain a minimum investment of BDT 10 million as on December 15 while the amount would have to be BDT 5.0 million for pension funds, recognised provident funds and gratuity funds. Maximum amount allowed for a subscription for an eligible investor is BDT 21.40 million. Union Bank received the regulatory approval from the Bangladesh Securities and Exchange Commission (BSEC) on September 5 this year to raise BDT 4.28 billion by issuing 428 million ordinary shares at an offer price of BDT 10 each from the capital market under the fixed price method. The bank has reported net asset value (NAV) per share of BDT 16.38 (without revaluation reserve) and earnings per share (EPS) of BDT 1.77 for the year ended on December 31, 2020. The weighted average EPS of five years was BDT 1.82. The bank's pre-IPO paid-up capital is more than BDT 5.58 billion and authorised capital is BDT 10 billion.

<https://thefinancialexpress.com.bd/stock/union-banks-ipo-subscription-opens-tomorrow-1640407956>

Envoy Textiles to issue a BDT200cr zero-coupon bond for project financing & loan repayment

- Envoy Textiles Ltd has decided to issue a non-convertible zero-coupon bond worth BDT200 crore at a coupon rate of 6.5% to 7.5%. Of the amount, the company will use BDT168.4 crore to finance its new gas-based 19MW captive power plant project and to repay some bank loans.
- Unlike coupon-bearing bonds, zero-coupon bonds are sold at a discounted rate, and they are redeemed at the face value. The discount income is income tax exempted in the country for investors other than banks and insurers. Earlier, Envoy Textiles announced its plan to issue preference shares worth BDT87 crore to partially finance its BDT170 crore project for a blended yarn production unit. The project is expected to be completed by the middle of 2022 and almost the entire blended yarn is expected to be consumed by the denim plant of Envoy, he added. Investors would be offered 7%-7.5% preferred dividends against the non-redeemable preference shares to be issued for five years.

<https://www.tbsnews.net/economy/stocks/envoy-textiles-issue-tk200cr-zero-coupon-bond-project-financing-loan-repayment-348763>

BSC proposes 12pc dividend

- Bangladesh Shipping Corporation (BSC) proposed to disburse 12% dividend to the shareholders due to increased profits made during FY21. The BSC has made profits worth over BDT 662 million during 1QFY22, which was BDT 88 million during 1QFY21. The meeting informed that 10% dividend was disbursed to the shareholders during the FY20.

<https://thefinancialexpress.com.bd/stock/bsc-proposes-12pc-dividend-1640319662>

IMPORTANT DISCLOSURES

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