

## Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+4.07%) gained 219.70 points and closed the week at 5,621.77 points. The blue-chip index DS30 (+4.28%) gained 84.11 points and stood at 2,048.07 points. The Shariah-based index DSES (+1.92%) gained 23.82 points and stood at 1,265.94 points. The large cap index CDSET (+4.61%) gained 51.77 points and closed at 1,174.80 points. DSEX, DS30, DSES and CDSET showed YTD returns of +4.07%, +4.28%, +1.92%, +4.61%, respectively.

**Total Turnover During The Week (DSE):** BDT 99.5 billion (USD 1,171 million)

**Average Daily Turnover Value (ADTV):** BDT 19.9 billion (Δ% Week: +37.2%)

**Market P/E:** 19.9x

### Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed positively by +4.01% and continued to be positive in the second session by +0.59%. The market turned negative in the third session by -0.75% and reverted to positive in the fourth session +0.54%. The market ended with a negative movement of -0.33%.

### Sectoral Performance:

- All the financial sectors posted positive performance this week except General Insurance (-5.88%). NBF1 booked the highest gain of 13.26% followed by Mutual Fund (+8.04%), Bank (+6.88%), and Life Insurance (+0.26%).

- All the non-financial sectors posted positive performance this week except Engineering (-2.21%). Telecommunication booked the highest gain of 18.26% followed by Fuel & Power (+3.90%), Food & Allied (+2.11%), and Pharmaceutical (+0.10%).

### Macroeconomic arena:

- The World Bank has revised its GDP growth projection upwards for Bangladesh to 2% for the last fiscal year, although the figure is still far lower than the government's estimate. In June, the Washington-based lender had said that Bangladesh's economy would grow by 1.6% in FY20 as the coronavirus pandemic battered the country.

- Bangladesh's average inflation rate in the just concluded calendar year (2020) increased by 0.10% points to 5.69% due to some volatilities in the country's commodity markets. Meanwhile, the point-to-point inflation decreased by 0.23% points to 5.29% in December.

- Merchandise shipment declined 0.36% year-on-year to USD 19.23 billion in July-December 2020 as Bangladesh's major export destinations continued to struggle to tame the rising coronavirus infections. Earnings from the apparel shipment, which typically contributes 84% to the national exports, dropped 2.99% to USD 15.54 billion.

- Bangladesh Bank yesterday rolled out an interoperable QR code as a part of its efforts to boost cashless transactions across the country, particularly in rural areas. The uniform digital payment method named 'Bangla QR', will help clients pay their bills for purchased goods and services through any mobile banking application, mobile financial service (MFS) or payment service provider (PSP).

- The Beximco Pharmaceuticals Ltd. has received formal approval from the Directorate General of Drug Administration (DGDA) to import Covid vaccine developed by Oxford-AstraZeneca.

### Stock Market arena:

- The Bangladesh Securities and Exchange Commission will create a Capital Market Stabilisation Fund worth more than BDT 210.00 billion with unclaimed dividends of listed companies through issuing a notification today. As per the data of Dhaka and Chittagong stock exchanges, 335 listed companies have unclaimed cash dividends worth BDT 9.56 billion and unclaimed or unsettled stock dividends worth BDT 199.86 billion, BSEC officials said.

- Three companies - Taufika Foods & Agro Industries, eGeneration and Lub-rref (Bangladesh) will raise a total of BDT 1.95 billion from the capital market through IPOs in January.

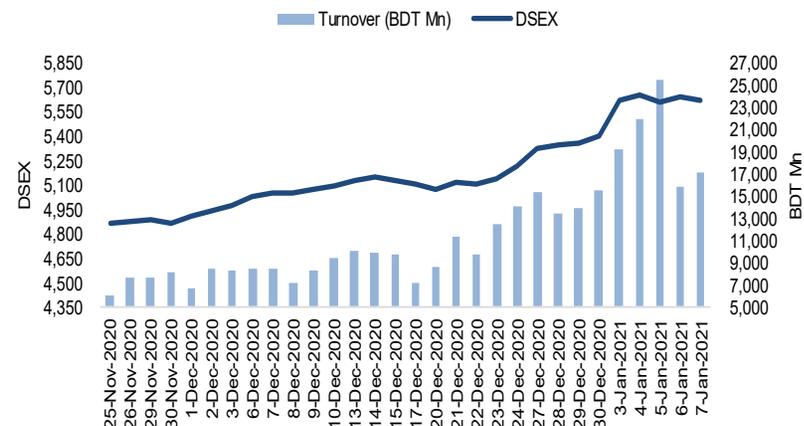
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	5,621.77	5,402.07	+219.70	5,402.07	+4.07%	+4.07%
DS30	2,048.07	1,963.96	+84.11	1,963.96	+4.28%	+4.28%
DSES	1,265.94	1,242.11	+23.82	1,242.11	+1.92%	+1.92%
CDSET	1,174.80	1,123.03	+51.77	1,123.03	+4.61%	+4.61%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,702,700	4,482,301	
	Mn USD	55,352	52,758	+4.9%
Turnover	Mn BDT	99,512	58,035	+71.5%
	Mn USD	1,171	683	
Average Daily Turnover	Mn BDT	19,902	14,509	+37.2%
	Mn USD	234	171	
Volume	Mn Shares	3,555	1,982	+79.4%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
ROBI	47.6	29.8	+59.7%	249,326	4,118.5	NM	3.8x
GBBPOWER	21.6	14.7	+46.9%	2,199	739.2	18.8x	1.1x
ACTIVEFINE	23.6	16.9	+39.6%	5,663	1,295.1	15.0x	1.0x
BAYLEASING	31.4	22.7	+38.3%	4,424	701.9	17.0x	1.5x
ZEALBANGLA	199.9	145.8	+37.1%	1,199	23.2	NM	NM
CRYSTALINS	53.8	39.4	+36.5%	2,152	391.7	26.6x	2.8x
NBL	8.9	7.0	+27.1%	27,291	1,317.1	7.6x	0.5x
LANKABAFIN	39.5	31.4	+25.8%	21,284	4,369.3	29.9x	2.2x
GOLDENSON	13.9	11.2	+24.1%	2,387	103.5	NM	0.7x
SSSTEEL	22.8	18.4	+23.9%	6,938	1,040.3	14.6x	1.4x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BNICL	63.0	73.5	-14.3%	2,788	231.8	20.0x	3.2x
DSHGARME	130.9	151.8	-13.8%	986	29.7	NM	6.7x
SPCERAMICS	28.6	32.8	-12.8%	4,203	1,008.4	NM	1.0x
SONALIANSH	594.7	681.7	-12.8%	1,613	202.8	NM	2.6x
FINEFOODS	56.5	64.6	-12.5%	790	47.7	NM	5.3x
ASIAPACINS	65.8	74.9	-12.1%	2,787	125.6	36.2x	3.2x
DAFODILCOM	64.9	73.8	-12.1%	3,239	30.7	71.3x	4.7x
ASIANS	95.3	107.8	-11.6%	4,486	57.4	32.9x	4.3x
REPUBLIC	49.3	55.6	-11.3%	2,286	415.6	22.1x	3.2x
PROVATIINS	75.8	84.4	-10.2%	2,251	169.9	29.2x	3.6x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	65.6	57.0	+15.1%	57,487	8,128	NM	0.9x
BXPHERMA	176.5	190.5	-7.3%	78,739	7,713	21.1x	2.4x
IFIC	16.5	15.2	+8.6%	26,728	5,033	14.3x	1.0x
LANKABAFIN	39.5	31.4	+25.8%	21,284	4,369	29.9x	2.2x
ROBI	47.6	29.8	+59.7%	249,326	4,119	NM	3.8x
LHBL	54.1	47.8	+13.2%	62,830	3,184	30.4x	3.8x
SQURPHARMA	223.0	219.5	+1.6%	197,679	1,569	14.2x	2.4x
POWERGRID	51.1	41.8	+22.2%	23,553	1,549	11.3x	0.5x
NBL	8.9	7.0	+27.1%	27,291	1,317	7.6x	0.5x
ACTIVEFINE	23.6	16.9	+39.6%	5,663	1,295	15.0x	1.0x

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ROBI	47.6	+59.7%	249,326	NM	3.8x
ACTIVEFINE	23.6	+39.6%	5,663	15.0x	1.0x
LANKABAFIN	39.5	+25.8%	21,284	29.9x	2.2x
POWERGRID	51.1	+22.2%	23,553	11.3x	0.5x
BARKAPOWER	30.0	+16.7%	7,064	11.6x	1.6x
UCB	16.2	+14.9%	19,724	7.2x	0.6x
IDLC	72.1	+13.7%	27,185	13.5x	1.9x
IFADAUTOS	53.6	+13.6%	13,558	61.4x	1.4x
LHBL	54.1	+13.2%	62,830	30.4x	3.8x
GHAIL	18.4	+10.2%	3,971	NM	1.3x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,467.12	1,372.63	1,372.63	+6.88%	+6.88%
NBFIs	2,303.26	2,033.53	2,033.53	+13.26%	+13.26%
Mutual Funds	1,036.80	959.61	959.61	+8.04%	+8.04%
General Insurance	3,862.43	4,103.56	4,103.56	-5.88%	-5.88%
Life Insurance	2,168.13	2,162.58	2,162.58	+0.26%	+0.26%
Telecommunication	6,460.76	5,463.26	5,463.26	+18.26%	+18.26%
Pharmaceuticals	3,309.33	3,306.03	3,306.03	+0.10%	+0.10%
Fuel & Power	1,681.23	1,618.11	1,618.11	+3.90%	+3.90%
Cement	1,550.83	1,416.18	1,416.18	+9.51%	+9.51%
Services & Real Estate	1,130.26	1,083.79	1,083.79	+4.29%	+4.29%
Engineering	3,871.55	3,959.20	3,959.20	-2.21%	-2.21%
Food & Allied	15,015.74	14,705.76	14,705.76	+2.11%	+2.11%
IT	2,338.99	2,350.28	2,350.28	-0.48%	-0.48%
Textiles	1,099.19	1,087.41	1,087.41	+1.08%	+1.08%
Paper & Printing	5,387.95	5,487.56	5,487.56	-1.82%	-1.82%
Tannery	1,756.09	1,771.77	1,771.77	-0.89%	-0.89%
Jute	10,888.65	12,154.61	12,154.61	-10.42%	-10.42%
Ceramics	492.18	472.38	472.38	+4.19%	+4.19%
Miscellaneous	2,685.01	2,539.70	2,539.70	+5.72%	+5.72%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	2,772.3	1,393.3	+99.0%	14.3%	8.4x	0.8x
NBFI	2,059.0	1,401.8	+46.9%	10.6%	NM	3.6x
Mutual Fund	836.6	511.3	+63.6%	4.3%	NM	0.9x
General Insurance	1,438.6	1,527.8	-5.8%	7.4%	20.1x	1.9x
Life Insurance	110.6	109.2	+1.3%	0.6%	NM	NM
Telecommunication	1,209.4	436.0	+177.4%	6.2%	20.9x	6.7x
Pharmaceutical	3,018.6	2,022.3	+49.3%	15.6%	21.2x	2.6x
Fuel & Power	1,387.9	717.0	+93.6%	7.2%	13.5x	1.4x
Cement	831.2	491.0	+69.3%	4.3%	38.1x	2.4x
Services & Real Estate	299.0	249.9	+19.6%	1.5%	98.6x	1.0x
Engineering	1,414.5	1,387.5	+1.9%	7.3%	40.0x	2.2x
Food & Allied	444.1	405.0	+9.6%	2.3%	24.6x	6.8x
IT	307.0	333.8	-8.0%	1.6%	25.3x	2.2x
Textile	743.7	589.6	+26.1%	3.8%	294.9x	0.8x
Paper & Printing	30.8	50.2	-38.7%	0.2%	62.9x	1.1x
Tannery	175.7	190.6	-7.8%	0.9%	NM	1.8x
Jute	57.1	73.6	-22.3%	0.3%	NM	13.3x
Ceramics	269.4	274.6	-1.9%	1.4%	66.2x	1.7x
Miscellaneous	1,964.2	1,621.1	+21.2%	10.1%	48.7x	1.6x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ECABLES	152.8	-9.9%	3,667	NM	11.0x
BXPHERMA	176.5	-7.3%	78,739	21.1x	2.4x
MATINSPIIN	34.3	-5.8%	3,344	12.1x	0.7x
WALTONHIL	1,050.6	-5.7%	318,257	46.9x	4.0x
SHAHJABANK	22.1	-3.5%	21,660	11.5x	1.2x
RECKITBEN	4,008.7	-0.9%	18,941	25.9x	36.8x
LINDEBD	1,269.3	-0.9%	19,317	17.4x	3.8x
BATASHOE	696.3	-0.9%	9,525	NM	2.2x
BANKASIA	18.2	-	21,220	10.7x	0.8x
DBH	92.6	-	14,274	16.9x	2.3x

## Important News: Business & Economy

### World Bank revises up GDP growth projection

- The World Bank has revised its GDP growth projection upwards for Bangladesh to 2% for the last fiscal year, although the figure is still far lower than the government's estimate. In June, the Washington-based lender had said that Bangladesh's economy would grow by 1.6% in FY20 as the coronavirus pandemic battered the country. It had also forecast the economy to expand by 1% in the current fiscal year. Yesterday, the lender said in Bangladesh, which had been one of the fastest-growing emerging market and developing economies prior to the pandemic, growth was estimated to have decelerated to 2% in the last fiscal year.
- It also revised the growth forecast upwards for the next fiscal year to 1.6%, according to the Global Economic Prospects Update. The government may revise down its GDP growth target to 7.4% for the current fiscal year, as suggested in the documents of the Eighth Five-Year Plan, from 8.2% set in June. In economies that rely on external sources of growth such as manufacturing exports (Bangladesh) and tourism (Bhutan, the Maldives, Nepal and Sri Lanka), the recovery is likely to be particularly modest, the WB said. The region is projected to grow by 3.3% in 2021.

<https://today.thefinancialexpress.com.bd/first-page/bd-economy-not-in-middle-of-the-pack-1609956000>

<https://www.thedailystar.net/business/news/world-bank-revises-gdp-growth-projection-2023713>

<https://tbsnews.net/economy/world-bank-keeps-bangladeshs-growth-forecast-unchanged-16-181846>

### Inflation surges in 2020

- Bangladesh's average inflation rate in the just concluded calendar year (2020) increased by 0.10% points to 5.69% due to some volatilities in the country's commodity markets. The 12-month average inflation rate was 5.69% in 2020 as against 5.59% in the previous calendar year. Meanwhile, the point-to-point inflation fell for the second consecutive month in December after a peak in October 2020. The BBS data showed that the inflation rate on point-to-point basis decreased by 0.23% points to 5.29% in December, compared to 5.52% in November.
- In October 2020, the inflation rate picked up to 6.44%, showing the highest monthly figure in 2020. The point-to-point inflation rate in December 2019 was recorded at 5.75%, the BBS statistics showed. It's a good news for the economy that the inflation in December has dropped. He hope inflation will be in a comfortable level in 2021.

<https://today.thefinancialexpress.com.bd/last-page/inflation-surges-in-2020-1609869821>

<https://today.thefinancialexpress.com.bd/last-page/infection-rate-falls-1609869884>

<https://www.thedailystar.net/business/news/inflation-averages-569pc-2020-3yr-high-2023165>

<https://tbsnews.net/economy/inflation-eases-529-december-181204>

<https://www.newagebd.net/article/126382/dec-inflation-eases-to-529pc>

<https://www.dhakatribune.com/business/economy/2021/01/05/relief-as-inflation-edges-down-in-december>

### Exports slip slightly

- Merchandise shipment declined 0.36% year-on-year to USD 19.23 billion in July-December 2020 as Bangladesh's major export destinations continued to struggle to tame the rising coronavirus infections. Earnings from the apparel shipment, which typically contributes 84% to the national exports, dropped 2.99% to USD 15.54 billion. Of the export receipts, USD 8.52 billion came from knitwear shipment, up 3.9% from a year ago. Woven exports declined 10.22% to USD 7.01 billion. Despite the pandemic, the knitwear shipment rose as people mostly wear casual dresses as they stay indoors and work from home because of the health crisis.
- Garment export was down 9.64% in December as the pandemic continues to batter the global economy. Overall, the garment export witnessed an unprecedented 16.94% year-on-year decline in 2020, according to exporters. As the uncertainties and stresses caused by the second wave persist coupled with the relatively poor administration and unavailability of vaccines, and the impact on global economy it would leave, this downtrend in exports will probably continue until April. said the president of the Bangladesh Garment Manufacturers and Exporters Association.

<https://www.thedailystar.net/business/news/exports-slip-slightly-2023169>

<https://tbsnews.net/economy/trade/export-falls-1h-181294>

<https://www.newagebd.net/article/126269/bangladesh-exports-fall-by-1457pc-in-2020>

<https://www.dhakatribune.com/business/2021/01/05/exports-shrink-to-a-five-year-low-in-2020>

### BB moves to boost cashless transactions

- Bangladesh Bank yesterday rolled out an interoperable QR code as a part of its efforts to boost cashless transactions across the country, particularly in rural areas. The uniform digital payment method named 'Bangla QR', will help clients pay their bills for purchased goods and services through any mobile banking application, mobile financial service (MFS) or payment service provider (PSP).
- And the pandemic has given a further push to cashless transaction as people from all walks of life are increasingly embracing the different digital financial payment tools to avoid cash in order to keep the coronavirus at bay. For instance, transaction through MFS rose 41% year-on-year to BDT 532.59 billion in October last year. The issuance of credit cards stood at 1.6 million as of October, up 8.73% year-on-year, when debit cards grew 8.70% to 21.0 million. The new digital payment method will quickly gain popularity in the remote area as the central bank relaxed the rules for opening personal retail accounts for micro and underprivileged businesses on November 16. Clients will be encouraged to use the QR code as well.

<https://www.thedailystar.net/business/news/bb-moves-boost-cashless-transactions-2023721>

### Bangladesh approves Oxford-AstraZeneca vaccine

- The Beximco Pharmaceuticals Ltd. has received formal approval from the Directorate General of Drug Administration (DGDA) to import Covid vaccine developed by Oxford-AstraZeneca. The spokesperson of the DGDA, confirmed the information to The Business Standard. He said there is now no obstacle from Bangladesh's side to import the vaccine and use it in emergency cases. The development came within hours after Beximco had applied for the authorisation of emergency use of the vaccine in Bangladesh on Monday

noon.

- However, the deal apparently confronted a major setback yesterday when the Indian authority had reportedly banned the commercial export of Oxford-AstraZeneca vaccine. Even though ministers as well as top officials of Beximco came up optimistic and reassured that the reported ban will not affect the deal. The Indian pharmaceutical company is bound to fulfill the agreement and Bangladesh will get the vaccine in due time.

<https://tbsnews.net/bangladesh/govt-approves-oxford-astrazeneca-vaccine-emergency-use-180796>

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/vaccine-hopes-turn-confusions-180907>

<https://www.newagebd.net/article/126268/government-pays-banks-BDT-1390-crore>

<https://www.dhakatribune.com/health/coronavirus/2021/01/04/govt-confident-of-timely-vaccine-delivery-from-india>

### Amazing growth in bank deposits

- The deposit growth in the country's banking sector increased by a record 13% to approximately BDT 12.5 trillion in October last year, even as interest rate is at historic low. The latest data of the Bangladesh Bank said time deposit expanded to over BDT 11.1 trillion in October, while the demand deposit to BDT 1.3 trillion. The deposit growth was registered in October, 2019 was 12.2%. This surge took place at a time when the interest rate on deposits remained significantly low after the government's implementation of single-digit interest rate.

- Bankers said that this rise is due to the adequate liquidity in the money market, driven by stimulus packages. They said this may facilitate lending, although the demand for lending remained poor as the fallout of COVID-19, which has been hitting the economy since March 2020. The managing director and CEO at the privately-owned Mutual Trust Bank, said the formal channel money transfer has boosted in recent times, especially remittances. Meanwhile, the interest on the fixed deposit ranges from 4.0 to 5.0% while the savings interest rate is between 2.0 to 3.0%.

<https://today.thefinancialexpress.com.bd/first-page/amazing-growth-in-bank-deposits-1609955882>

### Housing sector sees almost complete rebound

- The real estate and housing industry passed a relatively good year thanks to policy support for purchasing property with untaxed income as well as cheap bank loans. In the budget of the current fiscal year, the government allowed the use of untaxed income to purchase property, land and apartments in certain areas, without having to answer for the source. Besides, banks provide home loans at very cheap interest rates of below 10% as a secured investment for the lenders, according to industry players. With this backdrop, the real estate industry enjoyed a quick rebound from the Covid-19 fallout.

- The relief is that the ongoing pandemic did not cause as much damage as we had expected for the country's housing sector as apartment sales witnessed a rising trend during July to December last year, said the president of the Real Estate and Housing Association of Bangladesh (REHAB). According to the REHAB president, around BDT 35.0 billion in untaxed income was invested in the sector over the last six months. Regarding the sector's future, he said if any investor wants to keep their business running in the coming days, they have to maintain good communication with the banks.

<https://www.thedailystar.net/business/news/housing-sector-sees-almost-complete-rebound-2023725>

### BB clarifies additional 1.0% general provisioning

- All the scheduled banks will have to keep additional 1.0% general provisioning against loans, which have enjoyed deferral/ time extension facilities, instead of all unclassified loans earlier. Banks as well as their stakeholders will be benefited from the BB's latest clarification, a senior executive of a leading private commercial bank said. He also said the banks would be able to offer higher dividends to their shareholders following the clarification. Earlier on December 28, the BAB urged the central bank to exempt provisions for loans, against which instalments are being paid regularly, from the latest BB's directive on keeping an additional 1.0% provisioning for all unclassified loans.

- Earlier on December 10, the central bank asked the banks to increase provisioning for unclassified loans and loans in special mention accounts (SMA) by 1.0% of performing loans, and incorporate these provisions in their balance sheets of 2020. The amount of unclassified loans in the banking sector stood at about BDT 9.7 trillion as of September 30 last which was 91.12% of total outstanding loans, the BB data showed. A continuous loan, demand loan or term loan, which will remain overdue for a period of 02 (two) months or more, will be put into the SMA that will have to be reported to the Credit Information Bureau (CIB) of the central bank.

<https://today.thefinancialexpress.com.bd/first-page/bb-clarifies-addl-10pc-general-provisioning-1609869447>

### Hyundai cars to be assembled locally

- Fair Technology yesterday came one step closer to realising its plans to assemble Hyundai vehicles in Bangladesh to catch up with the demand from a burgeoning middle class. The concern of Fair Group signed a contract with Bangladesh Hi-Tech Park Authority (BHTPA) to establish a plant on six acres of land. They hope to invest USD 125 million in the next three to five years to develop facilities. Their target is to start commercial production by the second quarter of 2022, said the Chief Marketing Officer.

- The plant will be able to annually churn out 5,000 vehicles. Plans are to initially assemble 1,000 vehicles, he said. Fair Technology is going to be the fourth firm to make a foray into the realm of personal vehicle assembly, thanks to value-added tax and supplementary duty exemptions by the revenue authority on the import of raw materials and components from July 2019.

<https://www.thedailystar.net/business/news/hyundai-cars-be-assembled-locally-2023177>  
<https://www.newagebd.net/article/126381/fair-technology-to-make-hyundai-cars-in-bangladesh>

### Exports fall by 14.57% in 2020

- The country's export earnings in just concluded year of 2020 fell by 14.57% to USD 33.60 billion from USD 39.33 billion in the previous year due to a lower shipment of readymade garment products as the COVID-19 outbreak has hit hard the global business. According to Export Promotion Bureau data, export earnings in the first half (July-December) of the current financial year 2020-21 fell by 0.36% to USD 19.23 billion from USD 19.30 billion in

the same period of FY 2019-20. Overcoming an unprecedented supply chain disruption in March-May of 2020, export earnings began to increase from June but the second wave of COVID 19 started taking its toll on the earnings from October, exporters said.

- They also said that the country's export business faced a dire situation in the first half of 2020 as global buyers halted and cancelled their import orders for readymade garment products due to the coronavirus pandemic. Exporters fear that the downward trend in export would continue till April 2021. Export earnings in the second half (July-December) of 2020 almost backed on track but the second wave of the outbreak in the United States and European countries has caused more woes to the exporters. The export earnings in December 2020 fell by 6.11% to USD 3.31 billion from USD 3.52 billion in the same month of the previous year.

<https://www.newagebd.net/article/126269/exports-fall-by-1457pc-in-2020>  
<https://www.dhakatribune.com/business/2021/01/05/exports-shrink-to-a-five-year-low-in-2020>

### **Government pays banks BDT 13.90 billion**

- The government has paid BDT 13.90 billion to all scheduled banks against waiver of bank borrowers' interest to certain extend for the months of April and May in 2020. The disbursement was a first of its kind that came from the government for all bank borrowers' without any repayment condition. Earlier, disbursements by the government or the central bank were made in the form of loans as part of implementation of stimulus packages announced by the government. Although the government would provide interest subsidy to the borrowers under a number of stimulus packages, the government has made no payments so far as repayment against the loans are yet to start.

- The government completed disbursements of the borrowers' waived interests by December 28, 2020 through the Bangladesh Bank. Bangladesh Bank executive director confirmed that disbursements of the government assistance to all the banks' current account maintained with the central bank had been completed. The BB data showed that as many as 72,80,253 bank borrowers would get the benefit of the interest waiver scheme announced by the government following the COVID-19 outbreak. Bankers said that they had already given their borrowers the interest waiver immediately after issuance of the circular by the central bank.

<https://www.newagebd.net/article/126268/government-pays-banks-BDT-1390-crore>  
<https://www.dhakatribune.com/business/2021/01/05/banks-get-BDT-1-390cr-from-govt-for-interest-waiver>

### **H1 export earnings not 'disappointing'**

- The country's merchandise export earnings during the first half (H1) of current fiscal year (FY), 2020-21, witnessed a marginal decline of 0.36% to USD 19.23 billion over that of the corresponding period of last fiscal. Bangladesh fetched USD 19.30 billion during July-December period of FY 2019-20. Besides, single month earnings in December 2020 witnessed a 6.11% negative growth to USD 3.30 billion against USD 3.52 billion in December 2019, according to the Export Promotion Bureau (EPB) data. During the current FY, single month earnings have witnessed a positive growth since July, except for the month of October.

- After a continuous fall in export earnings since the beginning of 2020, mainly due to the Covid pandemic, exports started recovering from June, and entered positive the territory

from July. Both exporters and experts attributed the second wave of the pandemic to the decline. They expressed the hope that the Covid-19 vaccine might help boost merchandise shipments in 2021. The RMG sector that contributed the lion's share to the total exports fetched USD 15.54 billion in proceeds, marking a 2.99% negative growth during the first half of FY 21. It also missed the target set for the period by 4.12%. Pharmaceuticals export income stood at USD 86.33 million, marking a 17.15% growth.

<https://today.thefinancialexpress.com.bd/first-page/h1-export-earnings-not-disappointing-1609782460>

### **BB eases forex rules further**

- The central bank has relaxed its foreign exchange (forex) regulations further, allowing banks to remit admissible payment abroad on behalf of the companies concerned up to 1.0% of annual sales or USD 0.01 million whichever is higher. Under the relaxations, authorized dealer (AD) banks are allowed to remit admissible expenses up to 1.0% of annual sales as declared in the previous year's income tax return of the remitter-companies concerned or USD 100,000 whichever is higher. Such relaxations will empower the banks to make outward remittances on behalf of their customers for meeting current legitimate expenses within the set threshold, a BB senior official said. The head of finance and commercial at Bangladesh Honda Private Limited (BHL), welcomed the BB's latest move, saying that it has removed an obstacle for sending outward remittances for any kind of services within the limit.

<https://today.thefinancialexpress.com.bd/last-page/bb-eases-forex-rules-further-1609783060>  
<https://www.thedailystar.net/business/news/bb-relaxes-payment-rules-availing-foreign-services-2022621>

### **BB asks banks to comply with order over enlistment of insurers**

- The central bank of Bangladesh on Monday issued two key separate circulars on enlistment of non-life private insurance firms with commercial banks by maintaining credit ratings and submission of audited financial reports by enterprises to banks while renewing loans. The CEO at the Reliance Insurance Company said that this is a very good initiative taken by the central bank as it will ensure more transparency in the sector. On the other hand, the BPRD in another circular asked the banks to consider audited financial reports of the enterprises while renewing loans.

<https://today.thefinancialexpress.com.bd/last-page/bb-asks-banks-to-comply-with-order-over-enlistment-of-insurers-1609782949>

### **Home grown motherboards to make Samsung phones "Made in Bangladesh"**

- Two years ago, Samsung mobile sets sold in Bangladesh were manufactured in China, Vietnam, or South Korea. But now Bangladesh is not only making mobile sets of the South Korean electronics brand but also exporting them. The company, Fair Group, that made the export possible is going to take the business one step farther by beginning production of motherboards to make mobile phones even cheaper. Until now, motherboards have been imported for the phones produced at the factory of Fair Group in Narsingdi's Shibpur. A plant set up at a cost of around BDT 600 million in the factory premises will soon start operation to manufacture motherboards.

- The chairman of the Group said that the whole plant was ready, and the company had requested the National Board of Revenue to inspect the plant and give its approval for the production to begin. The company has also finalised a plan to build a plant to manufacture Samsung washing machines. The locally-made Samsung washing machines would be available in the country this year.

<https://tbsnews.net/economy/industry/home-grown-motherboards-make-samsung-phones-made-bangladesh-180919>

### **NSC sales in July-Nov reaches 95.22% of FY21 target**

- Net government borrowing against sales of national savings certificates reached 95.22% of the budgetary target in the first five months of the current fiscal year 2020-2021 amid falling deposit rates in the banking system. The latest National Savings Directorate data showed that net sales of the NSCs reached BDT 190.44 billion against the BDT 200.00-billion projection fixed in the fiscal budget for the year 2020-2021. In July-November of FY21, net sales of the NSCs were 270% or BDT 139.0 billion higher against the National Savings Directorate's net sales of BDT 51.41 billion in the same period of FY20.

- The net NSCs sales, particularly in November of FY21, rose by 961.25% or BDT 30.81 billion to BDT 34.02 billion compared with sales of BDT 3.20 billion in the same month of FY20. Given the existing trend, the NSCs sales in the current fiscal year would be much higher than the government's annual target and the volume may exceed BDT 400.00 billion at the end of the year, a Bangladesh Bank official said. The NSD data also showed that the NSCs sales increased by 390.25% or BDT 32.11 billion in October 2020 against sales of BDT 8.22 billion in the same month of 2019.

<https://www.newagebd.net/article/126196/nsc-sales-in-july-nov-reaches-9522pc-of-fy21-target>

### **Remittance hits USD 21.7 billion, an all-time high**

- Remittance hit an all-time high of USD 21.74 billion last year as migrant workers continued to use formal channels sidestepping the hundi system to send home massive amounts of money. Last year, the inflow posted a magnificent growth of 18.59% compared to that in the previous year, showed data from the central bank. Migrant workers remitted USD 2.05 billion in December, meaning that the inflow crossed the USD 2-billion mark for the fourth straight month. The increasing trend has given a boost to government confidence in managing the macro-economy in times of crisis.

- The country's foreign exchange reserve has already surpassed the USD 43 billion mark riding on the upward trend of remittance, a development that will help the government use the foreign exchange reserve on a rainy day. The reserve stood at USD 32.38 billion in March last year when the coronavirus hit the country. Experts hope that the trend would be maintained until at least the end of the pandemic given the global economic scenario and the initiatives taken by the government.

- They, however, said that there was no scope to pinpoint any reason behind the increase in remittance as this was quite an unusual phenomenon from the perspective of the global scenario. Although the country's workforce export came to a halt in April last year because of the pandemic, remittance has kept the ball rolling. Between January and March last year, 181,218 Bangladeshi citizens went abroad, according to data from the Bureau of Manpower, Employment and Training (BMET).

<https://www.thedailystar.net/business/news/remittance-hits-217b-all-time-high-2022065>  
<https://tbsnews.net/economy/remittances-first-6-months-fiscal-sees-over-37-percent-growth-180382>  
<https://www.newagebd.net/article/126193/remittance-swells-by-38pc-in-h1>

### **BB extends deadline until March 31**

- The central bank yesterday extended the deadline by three months for banks to disburse BDT 200.00-billion stimulus funds among businesses in the cottage, micro, small and medium enterprise (CMSME) sector following lacklustre lending. Local banks have so far disbursed nearly 46% of the package to beleaguered borrowers in the CMSME sector. The deadline was earlier extended for at least three times, but some banks and non-bank financial institutions are yet to take adequate measures to meet their loan disbursement targets, according to a Bangladesh Bank notice.

- The banks and NBFIs, which have failed to reach the disbursement targets, have been asked to submit monthly plans to the BB in order to achieve their goals within March. The slow pace in lending has put an adverse impact on small businesses, creating an unequal recovery among various sectors. On April 13, the BB announced the stimulus package to help the CMSME sector to tackle the economic slowdown brought about by the ongoing coronavirus pandemic. The working capital will be given at 9% interest of which 4% will be borne by borrowers and the rest by the government, according to a guideline.

<https://www.thedailystar.net/business/news/disbursement-deadline-extended-again-2022061>  
<https://today.thefinancialexpress.com.bd/first-page/bb-extends-deadline-until-march-31-1609696844>  
<https://tbsnews.net/economy/cmsme-stimulus-rollout-extended-3-months-180349>  
<https://www.newagebd.net/article/126192/bangladesh-bank-extends-implementation-deadline-again-amid-dismal-disbursement>

### **India bans export of Covid vaccine**

- India has decided not to allow Serum Institute to export of the Oxford University-AstraZeneca vaccine for several months. The ban on exports means that poorer nations will probably have to wait a few months before receiving their first shots. India's Serum Institute's CEO said that, the vaccine has been granted emergency authorisation by the Indian regulator on Sunday, but on the condition that Serum Institute doesn't export the shots to ensure that vulnerable populations in India are protected.

- They can only give the vaccines to the government of India at the moment, he said, adding the decision was also made to prevent hoarding. He further said that the company also has been barred from selling the vaccine in the private market. Earlier in the day, Serum Institute of India said it intends to concentrate on meeting India's own immediate demand in the next two months before exporting to other interested countries.

- After India's Oxford nod, Bangladesh was closer to the jab. Bangladesh's health ministry hoped to get the vaccine by January. Besides, Serum was planning to give 200 to 300 million doses of the vaccine to COVAX by December 2021. The ban on exports, however, means that poorer nations will probably have to wait a few months before receiving their first shots.

<https://tbsnews.net/coronavirus-chronicle/india-bans-export-covid-vaccine-180499>

### **There is tremendous clamour for govt's savings certificates**

- The national savings certificates (NSC) are back in demand after a gap of a year as the shrinking bank interest rate on deposits for the expansionary monetary policy is sending savers towards the government's savings instruments. Most of the banks are collecting deposits at less than 4 % while the government is offering up to 11.3 % interest against the national saving tools.
- Subsequently, sales of savings instruments soared more than three times from a year earlier to BDT 190.5 billion in the first five months of the fiscal year, according to data from the Bangladesh Bank. The government has set a target of borrowing BDT 200 billion against savings certificates for fiscal 2020-21, meaning the amount would be reached less than halfway through the year. So, the net sales of saving certificates increased despite tightened rules and regulations relating to an investment in saving tools. Savers are diverting their money to the NSCs due to the lower yield on bank deposits, said Agrani Bank Chairman

<https://www.dhakatribune.com/business/2021/01/03/there-is-tremendous-clamour-for-govt-s-savings-certificates>

### **Govt to pay Serum 50% of vaccine price in advance**

- Bangladesh will make 50% of its payment for the total purchase price of USD 120 million to the Serum Institute of India – in a day or two – to purchase 30 million doses of the Oxford vaccine, according to sources at the health directorate and Beximco Pharmaceuticals. The remaining 50% of the price will be paid once the Directorate General of Drug Administration gives its approval, they added. The director general of the Directorate General of Health Services (DGHS) said that DGHS plans to pay the bank guarantee to the account of the Serum Institute soon.
- Beximco Pharma's Chief Operating Officer echoed this. He said that the Serum Institute on Thursday handed over the papers of the bank guarantee to the Bangladesh government against the advance payment. The government will deposit 50% of the total purchase price in Serum's bank account on Sunday or Monday as per the agreement. The remaining 50% will be paid before the vaccine is brought, he added.
- Each shot of covid-19 vaccine will be available in the country at a maximum cost of USD 5 (425 Bangladeshi BDT ), Health Minister said on Saturday. He also disclosed that the first consignment containing 5.0 million shots of Oxford's vaccine will hopefully reach the country this month. The government has ordered Covid-19 vaccine for around 60 million people. More orders will be placed in phases, he added. However, the vaccine developed by Oxford-Astrazeneca is yet to receive approval from the World Health Organization. Even though, the United Kingdom and India have approved the vaccine for emergency use.

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/govt-pay-serum-50-vaccine-price-advance-180052>

### **Recovery uneven**

- Businesses are experiencing an uneven recovery from the pandemic-induced slowdown as larger firms are bouncing back strongly thanks to the easy access to the stimulus packages while the smaller ones are still mired in the crisis. The large industrial and service sectors have made as much as 80-90% recovery compared to the pre-pandemic level. It is only 30-40% for small and medium enterprises. Since March, the government has unveiled

21 stimulus packages involving more than BDT 1.20 trillion, which is about 4.5% of the GDP of Bangladesh and one of the largest in the world.

- Businesses belonging to the large industrial and service sectors have managed loans smoothly, whereas small enterprises have been largely deprived. The unbalanced recovery means the strong is now getting stronger, said economists, adding that the country is now experiencing a "K-shaped recovery" from the financial meltdown. A K-shaped recovery occurs when, following a recession, different parts of the economy recover at different rates, times, or magnitudes. This is in contrast to an even, uniform recovery across sectors, industries, or groups of people.
- The deputy managing director of Bangladesh Steel Re-Rolling Mills (BSRM), said his company had recovered 80-85% of the business compared to the pre-pandemic level. They hope for a full recovery within the next five to six months if the economy does not face any major setback, he said. As much as 92% of the BDT 330.00-billion package for the large industries and the service sectors was approved by lenders as of December 21. The central bank later increased the fund size to BDT 400.00 billion to cater to the industries located in the economic zones, export processing zones and hi-tech parks.

<https://www.thedailystar.net/business/news/recovery-uneven-2021517>

### **Oil-fed power plants idling**

- The government has kept almost all oil-fired power plants shut and import of expensive LNG to a minimum to reduce energy procurement costs owing to lower winter demand and sluggish economic activities. As on December 30, all diesel and many furnace oil-fired power plants having a total generation capacity of 1,140 megawatts (MW), remained shut, according to state-run Bangladesh Power Development Board or BPDB.
- State-run Petrobangla has been importing the lowest quantity of LNG, or liquefied natural gas, amounting to around 388 million cubic feet per day, or mmmcf, only around 38 % of the terminals' capacity, to slash energy import costs as energy demand waned. The BPDB has asked the plant owners to keep the majority of the oil-fired power plants shut to save the entity from providing large payment for electricity purchase, a senior BPDB official told. The board, however, needs to "incentivise" the power plant owners in the form of capacity payment so that they can keep units idle. Capacity payment is a kind of penalty for the BPDB, which it has to pay to the plant owners, if the government fails to buy a certain portion of power readily available with them.

<https://today.thefinancialexpress.com.bd/first-page/oil-fed-power-plants-idling-1609607933>

### **India approves Oxford's Covid vaccine**

- The Oxford-AstraZeneca Covid-19 vaccine on Friday secured approval from India's drug regulator for emergency use, paving the way for its rollout in the world's second worst affected country. After India's Oxford nod, Bangladesh is now closer to the jab. Bangladesh's health ministry hopes to get the vaccine by January. Bangladesh has already had an agreement with Serum through Beximco to get the Oxford vaccine only. Beximco will now seek approval to implement the vaccine in Bangladesh.

- The Oxford vaccine can be a game-changer for global immunisation as it can be kept at normal fridge temperature unlike the Pfizer-BioNTech jab that has to be kept at -70C. Even though the Indian government has not yet signed a purchase agreement with Serum, the company says it will focus on the home market first, and then exports – mainly to South

Asian countries and Africa.

- On 5 November Bangladesh signed an agreement with the Serum Institute and Beximco Pharmaceuticals for availing 30 million doses of Covidshield. In the initial six months of the first phase, Serum will provide 5 million vaccine doses per month to Bangladesh through Beximco. After the vaccine arrives in Bangladesh, Beximco will initially use its own cold chain to store the doses. Later, the company will deliver the vaccine to designated state-owned warehouses.

<https://tbsnews.net/coronavirus-chronicle/oxford-covid-19-vaccine-cleared-expert-panel-india-179566>

### **Economy bruised, not broken**

- Bangladesh's economy grew the highest in Asia and the third-highest in the world in 2020, when only 23 out of 190 economies managed to post positive growth, according to the International Monetary Fund. The battle against the pandemic showed the real character of Bangladeshi people, businesses and the economy. The farmers defying the threat of catching the virus and fatal consequences continue to feed the nation, dispelling worries of a food crisis and allowing the government to focus on healing the economy and the health sector. Migrant workers soldiered on and sent even higher amount of dollars, saving families and the economy. As a result, remittance is breaking records months after months, so are foreign currency reserves. The macroeconomic stability is broadly intact, according to the executive director of the Policy Research Institute of Bangladesh.

- Inflation is high but is not at an intolerable level yet. A significant achievement is the installation of the last span of Padma Bridge, which will connect both sides of the mighty Padma river. The biggest winners are the mobile financial services and the e-commerce sector during the pandemic. The embracing of digital solutions in life and work would take the country closer to Digital Bangladesh. In view of Bangladesh's glorious graduation from the grouping of the least-developed countries in 2024, the government is working to retain the duty-free market access in export markets.

- On the downside, the pandemic wiped out the gains Bangladesh made over the past decade on poverty reduction. The poverty level at least returned to the level of 2000, when about 40% of the population living below the poverty line. The revenue situation is the weakest part of the economy, and it was not in good shape even before the pandemic as expected reforms did not materialize. The situation exacerbated after the pandemic. As a result, there is pressure on the fiscal space.

<https://www.thedailystar.net/business/news/economy-bruised-not-broken-2020617>

### **July-Nov sales of savings schemes more than triple**

- The net sale of state-run savings instruments more than tripled in the July-November period of this fiscal year (FY), 2020-21, than that of the corresponding period of previous fiscal. The Department of National Savings (DNS) data showed that the net sale of savings tools was BDT 190.44 billion in the first five months of the current FY. The government's net borrowing target from savings instruments is BDT 200.00 billion for FY 2020-21. On the other hand, the net sale of savings schemes was BDT 58.41 billion in the same period of FY 2019-20. The DNS officials said the yield rates of the government's different savings certificates are attractive. So, savers are investing more in these schemes.

<https://today.thefinancialexpress.com.bd/last-page/july-nov-sales-of-savings-schemes-more>

[-than-triple-1609434984](#)

### **Suspension of loan classification not to be extended soon**

- Even though the business community and other related parties demand that suspension of adverse classification of any loan and payment of instalments be extended further, the central bank is not going to extend the deadline anytime soon, said an executive director of the Bangladesh Bank. He said the central bank would make a decision on whether to extend the deadline after monitoring the situation. Banks suspended loan classification and payment of instalments from 1 January to 31 December 2020 on the instructions of the central bank in the wake of the Covid-19 pandemic that hit the economy very hard. The central bank official said that the deadline expired on 31 December 2020. This does not mean that loan classification will start from 1 January 2021. Usually, loan classification begins three months after the deadline.

<https://tbsnews.net/economy/banking/suspension-loan-classification-not-be-extended-soon-179299>

### **Majority of private commercial banks (PCBs) see a dip**

- The operating profit of majority of the private commercial banks (PCBs) shrunk in the just-concluded calendar year mainly due to the impact of Covid-19 and implementation of the single-digit interest rate. Except for a few, most of the PCBs witnessed lower operating profit in 2020 amid a falling trend in both private sector credit growth and interest rate spread that persisted almost throughout the year, senior bankers have said.

- The senior bankers, however, said private sector credit growth has maintained a falling trend in the recent months as fresh demand for loans dropped due to the second wave of Covid-19 pandemic. The private sector credit growth fell to 8.21% (year-on-year) in November this year from 8.61% a month ago, according to the Bangladesh Bank (BB)'s latest statistics. The net interest income has dropped significantly as the banks brought down the lending rate to 9.0% as part of a government move to bring down the rate to single digit from April 01, 2020, they explained. Meanwhile, the weighted average spread between the lending and deposit rates offered by the commercial banks came down to 2.98% in November from 3.97% in January 2020, the BB data showed. Besides, lower foreign trade particularly import businesses has pushed down the operating profit of the banks, the bankers added.

<https://today.thefinancialexpress.com.bd/first-page/majority-of-pcb-see-a-dip-1609435825>  
<https://www.thedailystar.net/business/news/most-banks-see-their-operating-profits-fall-2020609>

## **Important News: Capital Market**

### **BSEC to form BDT 210.00 billion market stabilisation fund**

- The Bangladesh Securities and Exchange Commission will create a Capital Market Stabilisation Fund worth more than BDT 210.00 billion with unclaimed dividends of listed companies through issuing a notification today. As per the data of Dhaka and Chittagong stock exchanges, 335 listed companies have unclaimed cash dividends worth BDT 9.56 billion and unclaimed or unsettled stock dividends worth BDT 199.86 billion, BSEC officials

said. Thirty-six companies were yet to provide information to the stock exchanges on the amount of unclaimed dividends their companies had, they said.

- They also said that the regulator had framed the draft rules which would be finalised through a notification to be issued regarding the matter today. Any amount of cash or stock dividend remained as unpaid or unclaimed or unsettled, including accrued interest income thereon, within three years from the date of declaration or approval must be transferred to the “Capital Market Stabilisation Fund” of the BSEC, the rules said. British American Tobacco Bangladesh Company has the highest amount of unclaimed dividends in its account. The company has unclaimed or unpaid shares worth BDT 84.03 billion and cash dividends of BDT 64.4 million.

<https://www.newagebd.net/article/126464/bsec-to-form-BDT-21000-crore-market-stabilisation-fund>

<https://www.dhakatribune.com/business/2021/01/07/there-is-BDT-21-000cr-of-dividend-begging-to-be-claimed>

### DSE sees highest turnover in a decade

- Despite interruptions in trading due to software problems, turnover of the Dhaka Stock Exchange (DSE) was the highest in a decade at the end of Tuesday's session. DSE turnover was BDT 25.46 billion, which was 16% higher than the previous day. The previous highest transaction, BDT 27.11 billion, took place on 6 December, 2010. On 28 June last year, turnover reached BDT 25.43 billion when Unilever bought GlaxoSmithKline shares in a block transaction.

<https://tbsnews.net/economy/stock/dse-sees-highest-turnover-decade-181273>

<https://www.dhakatribune.com/business/2021/01/05/dse-turnover-hits-a-10-year-high>

### Three companies to raise BDT 1.95 billion through IPOs this month

- Three companies - Taufika Foods & Agro Industries, eGeneration and Lub-rref (Bangladesh) will raise a total of BDT 1.95 billion from the capital market through IPOs in January. The initial public offering (IPO) subscription of Taufika Foods, which produces ice cream under the brand name of 'Lovello', will open today (Sunday). The ice cream maker will raise BDT 300 million under the fixed price method. IPO subscription of eGeneration, one of the leading IT consulting and software solutions companies in Bangladesh, is set to open on January 12, which will raise BDT 150 million under the fixed price method. And, the IPO subscription of Lub-rref, a local lubricant manufacturer, will open January 26, aiming to raise BDT 1.50 billion under the book-building method.

<https://today.thefinancialexpress.com.bd/stock-corporate/three-cos-to-raise-BDT-195b-through-ipos-this-month-1609601920>

### DSE had best performance among Asian bourses in 2020

- DSEX, the benchmark index of the Dhaka Stock Exchange, gained 21.3 %, the highest among its peers, despite the 66-day recess for the countrywide general shutdown to slow the spread of coronavirus, according to LankaBangla Securities. This was quite the turnaround for DSEX, which fell 17.3 % in 2019 while bourses in emerging Asian countries registered growth.

- DSEX closed 2020 at 5,402 points despite being on a free fall between January and March as investors all over the world panic sold as the novel

coronavirus from Wuhan, China was putting down its roots everywhere. At one point, the index was the lowest since January 2013. To stop the bloodbath, the Bangladesh Securities and Exchange Commission in March put a new floor price on all stocks. But a few days later, the market went into recess only to open in May with a new commission in charge. Between June 9 and June 25, turnover at the DSE remained below BDT 1 billion for 13 consecutive sessions, tumbling to a fresh 13-year low of BDT 386 million on June 21. In August, Bangladesh's stock market rose the highest among Asian bourses and also performed the best in the world with a 15.8 % gain in key index, according to Bloomberg.

<https://www.dhakatribune.com/business/2021/01/03/dse-had-best-performance-among-asian-bourses-in-2020>

### BSEC move to improve operational performance of Delta Spinners

- The securities regulator has asked Delta Spinners to take necessary steps for improving its operational performance so that it can come out of 'Z' category for the sake of general investors, the officials said. The Bangladesh Securities and Exchange Commission (BSEC) issued the order through a letter sent to the board and managing director of Delta Spinners on December 27 last. The regulatory order came in line with its recent directive issued to inject life into the operations of 'Z' category companies by restructuring their boards, among other measures.

- In its letter, the securities regulator said the board of directors of Delta Spinners failed to improve the company's performance after the company was shifted to 'Z' category two years ago. The securities regulator has asked the Delta Spinners to comply with the directive issued on September 1, 2020 regarding restructuring board and holding AGM, among others. The company's sponsor-directors hold 18% shares, institutes 15% and general shareholders 67% as on November 30, 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-move-to-improve-operational-performance-of-delta-spinners-1609950097>

<https://www.thedailystar.net/business/news/delta-spinners-asked-reconstitute-board-2023693>

<https://tbsnews.net/economy/stock/bsec-asks-delta-spinners-reconstruct-board-181831>

### Baraka Patenga Power gets nod to find cut-off price

- The Bangladesh Securities and Exchange Commission (BSEC) yesterday gave approval for Baraka Patenga Power to find a cut-off price through bidding for its initial public offering (IPO) to raise BDT 2.25 billion in funds from the stock market. The power producer intends to use the IPO proceeds in making investments on its subsidiaries, Karnaphuli Power and Shikalbaha Power, and repay bank loans. The company's consolidated per share net asset value was BDT 23 as of June 30, 2020. The consolidated earnings per share was BDT 4.37 while weighted average EPS BDT 3.30. LankaBangla Investments is its issue manager.

<https://www.thedailystar.net/business/news/baraka-patenga-power-gets-nod-find-cut-price-2023121>

<https://tbsnews.net/economy/stock/baraka-patenga-power-gets-nod-BDT-225-crore-ipo-181324>

<https://www.newagebd.net/article/126383/baraka-patenga-allowed-to-find-ipo-cut-off-price>

<https://www.dhakatribune.com/business/stock/2021/01/05/baraka-patenga-power-s-ipo-gets-bsec-nod>

### **Hoda Vasi appointed spl auditor to Ring Shine**

- The Bangladesh Securities and Exchange Commission on Tuesday appointed chartered accountant Hoda Vasi Chowdhury and Co as special auditor to Ring Shine Textiles Limited to scrutinise the financial documents of the non-performing company. The regulator is worried over the fact that the company suddenly turned non-performing right after being listed on the stock exchanges. Ring Shine made its debut on the stock exchanges on December 12, 2019. It declared factory lay-off on September 27, 2020 and is yet to resume operations.
- The company's key management members, who are Singaporean nationals, left Bangladesh in January 2020 amid alleged domination of one group over the company management. The sudden departure of the company's foreign directors has damaged its reputation, which has also weighed on its revenues. Bankers of Ring Shine said that the company now faced a shortage of working capital due to irregularities in the company. The company's sales declined significantly and led to losses in the third quarter of the last financial year.

<https://www.newagebd.net/article/126385/hoda-vasi-appointed-spl-auditor-to-ring-shine>  
<https://www.dhakatribune.com/business/stock/2021/01/05/bsec-sends-auditor-to-ring-shine-textiles>

### **Ifad Autos' cabin manufacturing unit begins production**

- Ifad Autos has started manufacturing cabins for trucks at its industrial park in Dhamrai in Dhaka, the company said in a disclosure yesterday. The cabin manufacturing unit was set up at an investment of BDT 192 million, a senior official of the company told The Daily Star, adding that the unit was first of its kind in Bangladesh. The localisation of cabin manufacturing will create opportunities to develop local vendors, which will in turn generate many jobs, the official said. According to a filing with the Dhaka Stock Exchange, production began on December 31 and it was financed using the proceeds from rights share issuance.
- The cabin or cab of a truck or pickup truck is the inside space in a vehicle where the driver is seated. The plant can produce 3,600 cabins in a single shift and it will go up to 10,000 units per annum when it runs at full-swing.

<https://www.thedailystar.net/business/news/ifad-autos-cabin-manufacturing-unit-begins-production-2022033>

### **Ibn Sina to enter natural medicine business**

- Stocks of the Ibn Sina Pharmaceutical Industry rose 6.60% to BDT 260 yesterday after news broke that it would form a new subsidiary to produce natural medicine products. The listed drug maker plans to launch the subsidiary in the name of "Ibn Sina Natural Medicine" in order to take advantage of the sector's potential. Their plan is to produce Unani, herbal, Ayurvedic, food supplements and medicated consumer products, said the company secretary of the Ibn Sina Pharmaceutical Industry.
- The new company will be launched as the products have huge demand in the local market, he added. The company's authorised and paid-up capital are BDT 400 million and BDT 120 million respectively. The general acceptability and consumption of natural medicine has increased remarkably in comparison with allopathic medicine, the company said in its annual report for 2019-20.

<https://www.thedailystar.net/business/news/ibn-sina-enter-natural-medicine-business-2022037>

### **Energypac IPO 10.6 times oversubscribed**

- Energypac Power Generation's initial public offering (IPO) is raising quite the interest among general investors, who placed orders for shares 10 times their allotted amount. Investors booked shares worth about BDT 6.63 billion for the diversified end-to-end engineering solution provider against the BDT 625 million allocated for them. The company has a bright outlook due to being a diversified end-to-end engineering solution provider in a fast-growing Bangladesh.
- The bulk of the IPO proceeds would go towards ramping up the three-year-old LPG business G-Gas, which has a promising future ahead due to fast depletion of natural gas. For instance, Energypac's sales almost tripled in 2018 due to the start of LPG business in 2017, said recent research by Brac-EPL. LPG has emerged as an alternative to natural gas and is likely to be popular as an alternative automobile fuel due to its cost-effectiveness and environment-friendliness. The current LPG industry size is 0.9 million tonnes, and it is expected to reach 2 million tonnes by 2025, implying a compound annual growth rate of 15.3 %.

<https://www.dhakatribune.com/business/2021/01/03/energypac-ipo-10-6-times-oversubscribed>

### **Beximco raises stakes in solar energy-producer Beximco Power**

- Beximco is pinning great hopes on solar energy, with the company last week raising its stake in its subsidiary Beximco Power, whose main focus is the clean energy. The development comes at a time government has set a target to produce 10 % of its electricity from renewable sources by 2020. But it managed about 3 %. Beximco bought an additional 35 million shares for BDT 350 million of its power-generating subsidiary to bring the total holding to 75 million shares, which is 75 % of the company.
- The remaining 25 % shares are held jointly by ASF Rahman, Salman F Rahman, Nazmul Hassan and OK Chowdhury, according to the copy of a press release obtained by Dhaka Tribune. Beximco Power owns 80 % of two solar generating companies, Teesta Solar and Korotoa Solar, which have previously concluded power purchase agreements with the Bangladesh Power Development Board and an implementation agreement with the government for the supply of 200MW and 30MW solar-generated electricity from solar electricity plants to be established in Gaibandha and Panchagarh respectively.

<https://www.dhakatribune.com/business/2021/01/03/beximco-raises-stakes-in-solar-energy-producer-beximco-power>

### **Foreign portfolio investment dips to BDT 332.94 billion in FY20**

- Stock position of foreign investments into the country's capital market dropped by 14.26% or BDT 55.35 billion (USD 652.76 million) at the end of the fiscal year 2019-2020 amid dismal performance of the country's microeconomic indicators and a rare regulatory move to set a floor price on all listed securities. The latest Bangladesh Bank data showed that the total stock position of portfolio investments in the country stood at BDT 332.94 billion or USD 3.93 billion at the end of the fiscal year 2019-2020 against investment of BDT 388.29 billion or USD 4.58 billion in the previous fiscal year 2018-2019.

- Of the USD 3.93-billion stock of foreign portfolio investments, investments in equity security accounted for 58.3% or USD 2.29 billion of the stock and investments in debt security constituted 41.7% or USD 1.64 billion, the data showed. Asked about the reason behind the fall in portfolio investments in the country the managing director of leading merchant bank IDLC Investments said that foreign investments have been on the selling mode for the last couple of years mainly due to country-specific and global factors.

<https://www.newagebd.net/article/125996/foreign-portfolio-investment-dips-to-BDT-33294cr-in-fy20>

### **DSE market cap to GDP remains low**

- The ratio of the Dhaka Stock Exchange's market capitalization to the country's gross domestic product has remained very low compared with other countries. The ratio of DSE market capitalization to GDP was 16% on December 31, 2020, which was 12% in the previous year. The ratio was 17.21% in 2018 and 21.62% in 2017. Market operators said that the market cap-GDP ratio rose in 2020 mainly due to some positive movements on the market and introduction of a number of large capitalized companies, including Robi Axiata Limited and Walton Hi-Tech Industries Limited.

<https://www.newagebd.net/article/125997/dse-market-cap-to-gdp-remains-low>

### **Every IPO applicant to get shares BSEC decides**

- Every initial public offering (IPO) applicant will get primary shares on a pro rata basis as the stock market regulator scrapped the lottery system for general investors in an IPO. As per the regulatory decision, the IPO applicant should have a minimum secondary market investment on listed securities of BDT 20,000 at the market price for applying for IPO shares. Besides, the beneficiary owner (BO) account-holder should make IPO application involving at least BDT 10,000 or its multiples, according to the BSEC decision.

<https://today.thefinancialexpress.com.bd/first-page/every-ipo-applicant-to-get-shares-bsec-decides-1609435871>

<https://tbsnews.net/economy/stock/every-applicant-get-ipo-stocks-1-april-179356>

### **Lovello's IPO subscription begins Jan 3**

- The initial public offering subscription of ice cream brand Lovello is set to begin on January 3, 2021 and will continue till January 7, 2021. The Bangladesh Securities and Exchange Commission approved the IPO proposal of Taufika Foods and Agro Industries Ltd to raise BDT 300 million. Lovello ice cream is produced and manufactured by Taufika Foods and Agro Industries, a subsidiary of Taufika Group. LOVELLO ice cream will offload 30 million ordinary shares at BDT 10 each under the fixed price method.

<https://www.newagebd.net/article/125889/lovellos-ipo-subscription-begins-jan-3>