

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+3.98%) gained 277.69 points and closed the week at 7,258.75 points. The blue-chip index DS30 (+6.02%) gained 150.30 points and stood at 2,647.14 points. The Shariah-based index DSES (+5.54%) gained 83.65 points and stood at 1,592.31 points. The large cap index CDSET (+5.49%) gained 74.49 points and closed at 1,431.62 points. DSEX, DS30, DSES and CDSET showed YTD returns of +34.37%, +34.79%, +28.19%, +27.48%, respectively.

Total Turnover During The Week (DSE): BDT 138.9 billion (USD 1,630 million)

Average Daily Turnover Value (ADTV): BDT 27.8 billion (Δ% Week: +24.3%)

Market P/E: 20.4x

Daily Index Movement during the Week:

Market performed five sessions during this week. The market performed positively in all sessions with +1.03%, +0.32%, +0.92%, +0.78% and +0.87% respectively.

Sectoral Performance:

- All the financial sectors posted positive performance this week. NBFi booked the highest gain of 4.87% followed by Life Insurance (+3.22%), Bank (+1.72%), Mutual Fund (+1.25%), and General Insurance (-3.66%).

- All the non-financial sectors posted positive performance this week. Food & Allied booked the highest gain of 11.51% followed by Pharmaceutical (+5.57%), Telecommunication (+5.54%), Engineering (+3.94%), and Fuel & Power (+3.89%).

Macroeconomic arena:

- Bangladesh has so far received 38,913,730 vaccine doses from different global sources and administered 27,235,548 shots in the past eight months, covering only 7.0% of the target. DGHS reported the lowest number of Covid-19 cases in 12 weeks while death toll also dropped to an 11-week low. They have so far conducted 9,038,852 tests to date, leading to an overall test positivity rate of 16.73%. The overall mortality rate of the Covid-19 cases now stands at 1.75%.

- Credit flow rose to 8.38% in July 2021 on a year-on-year basis, from 8.35% in June 2021, according to the central bank's latest statistics. The growth was 7.55% in May 2021. Recent upward trend in credit growth is mainly attributable to a rise in the number of LC (letter of credit) openings. Import expenditure registered a 21.63% growth in July, BB data show.

- Bangladesh has decided to join the world's largest trading bloc, the Regional Comprehensive Economic Partnership (RCEP), to stay eligible for duty-free trade facilities in the markets of nearly one-third of the global economies after it graduates to a developing nation in 2026.

- Bangladesh's woven apparel makers are optimistic about export recovery as they have booked work orders to almost their full capacities for the next five months. Local suppliers estimate that their exports in the next summer might go up by 20 to 30%.

- Remittance inflow declined 8% year-on-year in August to USD 1.8 billion, the lowest in the past six months. At the same time, the remittance in August decreased by about 3.25% compared to July, the first month of the fiscal year. The cash US dollar rate increased by BDT0.30 to BDT0.40 over the past one week and is currently trading at nearly BDT88. The LC (letter of credit) rate also rose by BDT0.30 in the past week to reach BDT85.25 on Sunday

Stock Market arena:

- Listed companies' hands are now tied on issuance of unjustified stock dividends as the securities regulator likes investors to relish cash gains from their money in time, lest they shouldn't be deceived. Five types of companies, including Z-category ones, have also not been allowed to issue stock dividends or bonus shares without prior consent of the BSEC. It will also look into the business activities of asset management companies (AMCs) that do not manage any funds or are not in operation after getting licenses.

- Dhaka Stock Exchange (DSE) has been given a 15-day timeframe to find whether margin loans were disbursed against the securities having P/E ratio above 40. The DSE management will have to submit a report in this regard within a fortnight (15 days).

- NRB Commercial bank was fined BDT 2.4 Mn for overinvestment in stocks. Beximco gets time extension till September 30 to raise BDT 3,000 crore through Sukuk bonds.

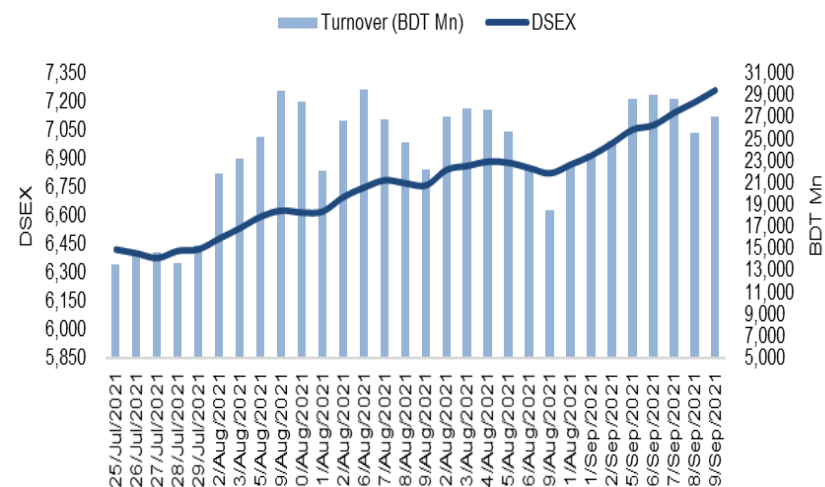
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	7,258.75	6,981.06	+277.69	5,402.07	+3.98%	+34.37%
DS30	2,647.14	2,496.84	+150.30	1,963.96	+6.02%	+34.79%
DSES	1,592.31	1,508.67	+83.65	1,242.11	+5.54%	+28.19%
CDSET	1,431.62	1,357.13	+74.49	1,123.03	+5.49%	+27.48%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,863,190	5,637,156	
	Mn USD	68,817	66,164	+4.0%
Turnover	Mn BDT	138,882	89,369	+55.4%
	Mn USD	1,630	1,049	
Average Daily Turnover	Mn BDT	27,776	22,342	+24.3%
	Mn USD	326	262	
Volume	Mn Shares	3,357	2,371	+41.6%

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
TAMIJTEX	185.7	125.6	+47.9%	5,583	41.7	NM	2.3x
LIBRAINFU	1,073.7	772.1	+39.1%	1,613	207.8	NM	0.8x
PHARMAID	620.0	460.8	+34.5%	1,934	583.8	41.7x	6.9x
EASTRN LUB	2,316.2	1,751.7	+32.2%	2,302	176.7	62.9x	10.9x
AMCL(PRAN)	307.3	235.5	+30.5%	2,458	324.5	53.5x	3.6x
APEXFOOT	306.6	236.4	+29.7%	3,449	181.1	77.1x	1.2x
BATASHOE	975.2	753.7	+29.4%	13,341	165.6	NM	3.7x
DSHGARME	242.0	190.0	+27.4%	1,823	175.1	NM	12.6x
ENVOYTEX	44.0	34.7	+26.8%	7,380	365.6	NM	1.2x
BSCCL	230.6	185.8	+24.1%	38,027	1,859.8	24.6x	5.1x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
MEGCONMILK	23.1	29.2	-20.9%	370	31.7	NM	NM
MEGHNA PET	29.5	35.9	-17.8%	354	39.1	NM	NM
METROSPIN	28.5	31.8	-10.4%	1,758	351.3	32.8x	1.8x
SEMFLB SLGF	11.0	#N/A	-9.8%	802	68.1	NM	1.1x
SEMFLB SLGF	11.0	#N/A	-9.8%	802	68.1	NM	1.1x
SBACBANK	21.1	23.3	-9.4%	16,556	523.1	27.0x	1.6x
ATCSLGF	11.8	13.0	-9.2%	729	222.4	NM	1.2x
IMAMBUTTON	37.4	41.2	-9.2%	288	25.9	NM	7.8x
ASIAINS	93.3	102.7	-9.2%	4,392	145.1	33.3x	3.7x
SEMILLECMF	11.5	#N/A	-8.0%	575	60.5	NM	1.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	116.9	115.6	+1.1%	102,442	5,950	28.2x	1.6x
BATBC	658.8	585.1	+12.6%	355,752	4,025	26.3x	9.6x
SQURPHARMA	248.1	229.4	+8.2%	219,928	3,522	15.2x	2.6x
BXPHARMA	224.1	206.2	+8.7%	99,974	3,141	21.9x	2.8x
SAIFPOWER	33.8	30.3	+11.6%	12,096	3,112	42.2x	2.1x
LHBL	79.4	78.7	+0.9%	92,213	2,239	25.2x	5.0x
BSCCL	230.6	185.8	+24.1%	38,027	1,860	24.6x	5.1x
BBSCABLES	73.9	66.9	+10.5%	14,191	1,796	17.5x	2.3x
LANKABAFIN	41.0	40.2	+2.0%	22,092	1,749	17.3x	2.2x
DOREENPWR	86.4	77.4	+11.6%	12,475	1,667	11.5x	1.9x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
EGEN	62.7	+527.0%	4,703	48.3x	2.5x
HEIDELBCEM	373.1	+149.4%	21,081	28.9x	4.8x
PIONEERINS	138.6	+102.5%	10,669	18.2x	2.6x
MICEMENT	85.9	+85.1%	12,756	18.0x	1.7x
GPHISPAT	56.2	+83.7%	22,317	20.8x	3.0x
BSRMLTD	110.2	+83.1%	26,015	9.2x	0.9x
SQUARETEXT	53.9	+80.9%	10,632	58.8x	1.5x
ENVOYTEX	44.0	+78.9%	7,380	NM	1.2x
BSRMSTEEL	73.1	+72.0%	27,482	10.5x	1.3x
BATBC	658.8	+67.4%	355,752	26.3x	9.6x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Bank	1,699.95	1,671.19	1,372.63	+1.72%	+23.85%
NBFI	2,668.27	2,544.29	2,033.53	+4.87%	+31.21%
Mutual Fund	1,080.31	1,066.97	959.61	+1.25%	+12.58%
General Insurance	5,668.93	5,884.25	4,103.56	-3.66%	+38.15%
Life Insurance	2,931.84	2,840.36	2,162.58	+3.22%	+35.57%
Telecommunication	6,627.09	6,279.15	5,463.26	+5.54%	+21.30%
Pharmaceutical	4,212.97	3,990.67	3,306.03	+5.57%	+27.43%
Fuel & Power	2,039.94	1,963.53	1,618.11	+3.89%	+26.07%
Cement	2,734.88	2,675.75	1,416.18	+2.21%	+93.12%
Services & Real Estate	1,309.42	1,220.22	1,083.79	+7.31%	+20.82%
Engineering	5,664.11	5,449.45	3,959.20	+3.94%	+43.06%
Food & Allied	26,625.50	23,878.14	14,705.76	+11.51%	+81.05%
IT	3,519.67	3,432.83	2,350.28	+2.53%	+49.76%
Textile	1,695.31	1,647.01	1,087.41	+2.93%	+55.90%
Paper & Printing	7,591.26	7,049.02	5,487.56	+7.69%	+38.34%
Tannery	2,865.72	2,486.54	1,771.77	+15.25%	+61.74%
Jute	10,928.93	10,062.48	12,154.61	+8.61%	-10.08%
Ceramics	797.74	766.09	472.38	+4.13%	+68.88%
Miscellaneous	4,503.29	4,408.24	2,539.70	+2.16%	+77.32%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,758.1	1,624.4	+8.2%	6.6%	8.8x	0.9x
NBFI	2,004.5	1,823.7	+9.9%	7.5%	22.9x	4.2x
Mutual Fund	517.0	528.8	-2.2%	1.9%	NM	1.0x
General Insurance	1,549.6	3,144.9	-50.7%	5.8%	25.1x	2.7x
Life Insurance	994.3	582.3	+70.8%	3.7%	NM	NM
Telecommunication	637.2	256.6	+148.3%	2.4%	19.6x	6.4x
Pharmaceutical	3,093.0	1,875.0	+65.0%	11.6%	25.1x	3.1x
Fuel & Power	2,559.4	1,492.6	+71.5%	9.6%	14.9x	1.7x
Cement	828.5	998.5	-17.0%	3.1%	22.3x	3.3x
Services & Real Estate	1,044.3	414.1	+152.2%	3.9%	NM	1.0x
Engineering	3,485.5	2,330.4	+49.6%	13.1%	25.4x	2.7x
Food & Allied	1,627.2	1,058.5	+53.7%	6.1%	35.0x	10.1x
IT	668.3	350.0	+91.0%	2.5%	37.8x	2.9x
Textile	3,081.4	2,578.0	+19.5%	11.5%	NM	1.2x
Paper & Printing	288.5	157.1	+83.6%	1.1%	58.9x	1.5x
Tannery	207.0	161.5	+28.1%	0.8%	NM	3.2x
Jute	63.2	56.4	+12.0%	0.2%	NM	19.1x
Ceramics	525.7	353.1	+48.9%	2.0%	43.4x	2.5x
Miscellaneous	1,771.7	1,875.7	-5.5%	6.6%	30.2x	2.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
MTB	20.9	-4.6%	16,981	27.6x	0.9x
SHAHJABANK	22.3	+2.2%	22,949	8.3x	1.2x
MPETROLEUM	209.5	+5.8%	22,671	8.0x	1.3x
DBH	85.2	+5.8%	15,103	14.0x	2.3x
UNILEVERCL	2,988.3	+6.4%	35,998	82.6x	30.6x
OLYMPIC	204.0	+6.8%	40,788	19.7x	4.6x
KPCL	49.1	+8.4%	19,513	14.5x	2.1x
GP	386.5	+11.4%	521,891	14.2x	10.5x
BANKASIA	20.3	+11.5%	23,668	12.5x	0.9x
MARICO	2,392.6	+11.9%	75,367	23.6x	27.7x

Important News: Business & Economy

Lowest Covid casualties in weeks

- Bangladesh on Saturday reported the lowest number of Covid-19 cases in 12 weeks while death toll also dropped to an 11-week low. The Directorate General of Health Services (DGHS) confirmed 1,743 new coronavirus-positive cases and 61 deaths countrywide in the past 24 hours till 8:00 am. On June 12, Bangladesh recorded 1,637 infected patients while 60 deaths on June 16, according to the DGHS data.
- Meanwhile, at least 26,493 people have died due to the coronavirus infection since the first case was detected in the country on 08 March 2020. The health authorities have so far conducted 9,038,852 tests to date, leading to an overall test positivity rate of 16.73%. The overall mortality rate of the Covid-19 cases now stands at 1.75%.

<https://today.thefinancialexpress.com.bd/first-page/lowest-covid-casualties-in-weeks-1630773628>

7.0% of target jabbed

- Bangladesh has so far received 38,913,730 vaccine doses from different global sources and administered 27,235,548 shots in the past eight months, covering only 7.0% of the target. The government has a target to administer 117,856,000 people with two doses, meaning that the country needs 23.4-million jabs.
- According to health ministry statistics, Chinese Sinopharm vaccine tops the list in vaccination as 12,299,323 doses of this vaccine are administered. With 11,394,499 doses in volume, AstraZeneca stands second followed by Moderna with 15,742,065 doses and Pfizer with 98,984 doses.

<https://today.thefinancialexpress.com.bd/first-page/70pc-of-target-jabbed-1630773902>

Private credit flow grows as businesses reopen

- Credit flow into private sector grows gradually as July demand for loans, particularly for working capital, rose for Eid-ul-Azha festival and the after-lockdown reopening of businesses began creating needs for funds. Such credit flow rose to 8.38% in July 2021 on a year-on-year basis, from 8.35% in June 2021, according to the central bank's latest statistics. The growth was 7.55% in May 2021.
- All the scheduled banks have already been asked to implement the second phase of two major stimulus packages amounting to BDT 600 billion to help revamp the coronavirus-hit economy.
- According to bankers, the recent upward trend in credit growth is chiefly attributable to a rise in the number of LC (letter of credit) openings. Import expenditure registered a 21.63% growth in July, central bank data show.

<https://today.thefinancialexpress.com.bd/last-page/private-credit-flow-grows-as-businesses-reopen-1630866232>

<https://www.tbsnews.net/economy/banking/private-credit-growth-moves-upward-2nd-consecutive-month-298750>

Borrowers save BDT9,400 crore on lending rate cap

- The lending rate cap helped borrowers save interest costs of BDT9,400 crore last year as banks lost the amount from their interest income. Even though the interest income of the banking sector declined by 9.4% last year – the first year of imposing the lending rate cap – compared to a year ago, lenders were smarter in diversifying earning sources.
- According to the Bangladesh Bank's financial stability report for the year 2020 released recently, the banking sector posted a 24.5% growth in non-interest income last year. On the other hand, the banking sector's investment in government securities grew by about 50% last year. After posting a negative growth of 11.5% in investment in government securities in 2018, banks started to increase the investment and registered a 44.3% year-on-year growth in 2019.

<https://www.tbsnews.net/economy/banking/borrowers-save-tk9400cr-lending-rate-cap-297808>

Govt borrowing jumps 12.20% in first 2 months of FY22

- Government borrowing stood at BDT1,83,865 crore at the end of August in FY2020-21, which reached BDT2,09,436 crore during the same two months this FY. Government borrowing from the banking sector has gone up by 12.20% during the first two months of Fiscal Year 2021-22 compared to the same period last FY, following the gradual improvement of Covid-19 situation across the country.
- According to the Bangladesh Bank, government borrowing stood at BDT1,83,865 crore at the end of August in FY2020-21, which reached BDT2,09,436 crore during the same two months this FY. Besides, the government borrowed BDT15,710 crore from banks in the first two months of current FY, and repaid loans amounting to BDT8,191 crore to the central bank. The net loan for this FY now stands at BDT7,519 crore, which is around 10% of the government's target.

<https://www.tbsnews.net/economy/banking/govt-borrowing-jumps-1220-first-2-months-fy22-299296>

Bank deposits rise despite low returns

- Deposits at banks saw remarkable growth last fiscal year as the coronavirus-linked uncertainty compelled people to cut non-essential expenses and save more, while lending growth shrank slightly due to business slowdown. Deposits totaled BDT 1,485,601 crore in fiscal 2020-21, up 8.49% from a year ago, according to data from Bangladesh Bank.
- The deposit growth, however, stood at 8.95% in FY20. Last fiscal year, lending growth decelerated to 8.48% from 8.95% a year ago. Banks disbursed BDT 1,154,955 crore in loans in FY21. The loan-deposit ratio stood at 71.55% last fiscal year in contrast to 76.22% a year earlier, comfortably within the regulatory ceiling.

<https://www.thedailystar.net/business/economy/banks/news/bank-deposits-rise-despite-low-returns-2171811>

Ensure easy loan disbursement for SMEs

- Structural reforms are needed to ensure quick and easy loan disbursements for the cottage and micro industry and small and medium enterprises (SME), according to speakers at a webinar yesterday. The webinar, styled "Procedures of availing loan from SME stimulus package", was organised by SME Foundation and the Dhaka Chamber of Commerce & Industry (DCCI). Medium enterprises have better bank relations compared to small entrepreneurs because the latter lacks documentation. A friendly fund and easy access to loan management systems are the needs of the day, said by DCCI president.

<https://www.thedailystar.net/business/economy/news/ensure-easy-loan-disbursement-smes-2171006>

National Board of Revenue (NBR) plugs hole to stop VAT evasion

- Government's revenue authority has issued new directives to check VAT evasion and also simplify the process of business operations of cigarette companies, who, nevertheless, pay a king's ransom to the exchequer. The Value Added Tax (VAT) policy wing under the National Board of Revenue (NBR), avowedly to plug the hole, defined anew the way of transfer of raw materials, machinery, spare parts or supply of manufactured cigarettes from one unit to another of a same company.

- In the budget for current financial year, the NBR has barred the cigarette companies from obtaining central VAT registration along with imposing some new regulations. If a cigarette-manufacturing company under same ownership has multiple production units, it will have to obtain separate VAT registration for each of the units.

<https://today.thefinancialexpress.com.bd/last-page/nbr-plugs-hole-to-stop-vat-evasion-1630774255>

Waivers eat up 8.0% of BD's tax-GDP ratio

- Tax exemptions are eroding 8.0% from Bangladesh's tax-GDP ratio, but the government's revenue authority says it is necessary to spur economic growth. Bangladesh's tax-GDP ratio is one of the lowest in the region.

The country's tax-GDP ratio is currently below 9.0% which could have been 17% if the government refrained from offering exemption, admitted NBR chairman. Some 8.0% of the total revenue collected from customs wing is being lost in the form of tax exemptions, he added.

<https://today.thefinancialexpress.com.bd/first-page/waivers-eat-up-80pc-of-bds-tax-gdp-ratio-1630865539>

Non-tax revenue swells 130%

- Non-tax revenue (NTR), the second-biggest source of government revenues, saw a quantum leap in the past fiscal year following a reform conducted for enhancing resources from state-owned enterprises, sources say. Bangladesh Economic Review 2021, released Wednesday, says the receipt of NTR, consisting of mainly dividends and fees of government-owned entities, swelled to BDT 458.6 billion, up by nearly 130%, during the period from July 2020 to May 2021.

- The state corporation made the highest net profit amounting to BDT 58.39 billion followed

by Bangladesh Telecommunications Regulatory Commission at BDT 22.32 billion during the last fiscal year. On the other hand, the state-owned Trading Corporation of Bangladesh incurred the biggest loss in the year under review. Its losses ballooned to BDT 10.38 billion.

<https://today.thefinancialexpress.com.bd/first-page/non-tax-revenue-swells-130pc-1631124179>

Govt to provide automated services to taxpayers

- The government has taken several measures to provide seamless services to the taxpayers through automation and digitalization of Income Tax, VAT and Customs Departments under the National Board Revenue (NBR), according to an official document, reports UNB. The government believes that internal sources will be the main field of revenue collection for uninterrupted economic progress amid global economic stagnation due to the COVID-19 pandemic and its aftermath.

- Now, the taxpayers can pay their returns from home at their convenience through their own bank accounts without physical presence at the premises of Bangladesh Bank or the state-run Sonali Bank. As in every year, the major portion of the total budget expenditure will be mobilised from internal resources that will be collected by the NBR.

<https://thefinancialexpress.com.bd/economy/govt-to-provide-automated-services-to-taxpayers-1631093915>

Remittance continues to slump in August

- Remittance continued to dip for the third consecutive month in August, with seemingly no respite in the coming days. Remittance inflow declined 8% year-on-year in August to USD1.8 billion, the lowest in the past six months. At the same time, the remittance in August decreased by about 3.25% compared to July, the first month of the fiscal year.

- According to the Bangladesh Bank data, remittances sent by expatriates to the tune of USD1,810 million in August, equivalent to BDT15,385 crore (if a dollar cost BDT85.) The figure of USD1.8 billion is lower than August 2020, when it was USD1.96 billion. Apart from this, compared to the first month of the current FY 2021-22 July, the remittance has decreased by about 3.25% in August. In July, the expatriates sent USD1.87 billion, equivalent to BDT15,900 crore.

<https://www.dhakatribune.com/business/economy/2021/09/05/remittance-continues-to-slump-in-august>

Dollar gets pricier on rising imports

- High import expenditure coupled with low remittance inflow have pushed up the price of the US dollar against the local currency both in the banking channel and the open market, putting the foreign exchange market under pressure.

- The cash US dollar rate increased by BDT0.30 to BDT0.40 over the past one week and is currently trading at nearly BDT88. The LC (letter of credit) rate also rose by BDT0.30 in the past week to reach BDT85.25 on Sunday.

<https://www.tbsnews.net/economy/dollar-gets-pricier-rising-imports-298279>

Bangladesh decides to join largest trade bloc

- Bangladesh has decided to join the world's largest trading bloc, the Regional Comprehensive Economic Partnership (RCEP), to stay eligible for duty-free trade facilities in the markets of nearly one-third of the global economies after it graduates to a developing nation in 2026.
- The country's decision to join the Regional Comprehensive Economic Partnership (RCEP) is very positive to hold the export market in the face of potential adverse conditions. Businesspeople in Bangladesh will face massive difficulties across the globe if they lose priority trade facilities after the transition from the status of the least developed countries (LDCs) in 2026.
- By joining the RCEP, the competing countries will have the opportunity to export goods to our country duty-free. If we want to survive when the market is open, we need to increase the competitiveness of our entrepreneurs. The cost of production should also be reduced by increasing efficiency. After joining an alliance like the RCEP, labor productivity will have to be increased in order to capture the domestic market as well as the external market. The use of new technologies must also be ensured. I believe that this alliance will be helpful in the transfer of technology.

<https://www.tbsnews.net/interviews/rcep-terms-have-be-negotiated-vigorously-299356>
<https://www.tbsnews.net/economy/bangladesh-decides-join-largest-trade-bloc-299347>

BDT 5 billion credit scheme for low-income people

- The Bangladesh Bank (BB) launched a BDT 5.0-billion re-financing scheme on Sunday to help mitigate adverse impact of the Covid-19 pandemic on the marginal/landless farmers, low-income groups, school banking account-holders and small businesses. The central bank, in a press release, said BDT 10, BDT 50 and BDT 100 account-holders are entitled to get money from the special fund.
- Under the scheme, the scheduled banks are allowed to disburse collateral-free loan of maximum BDT 0.5 million to a client. In terms of group funding, the regulator set a loan limit of maximum BDT 2.0 million for a group having two to five members.

<https://today.thefinancialexpress.com.bd/first-page/Tk-5b-credit-scheme-for-low-income-people-1630865473>

PM to open five power plants on September 12

- Prime Minister Sheikh Hasina is expected to inaugurate five power plants, having a total of 879 MW electricity generation capacity, on September 12, reports BSS. The five power plants are Bibiyana-III 400 MW Combined Cycle Power Plant in Habiganj, Zulda, Chattogram 100 MW Power Plant Unit-2, Meghnaghat 104 MW Power Plant in Narayanganj, Modhumoti 100 MW Power Plant in Bagerhat and upgradation of Sylhet 150 MW Power Plant to 225 MW Combined Cycle Power Plant in Sylhet.

<https://today.thefinancialexpress.com.bd/last-page/pm-to-open-five-power-plants-on-september-12-1630774338>

Three maiden one-man company get going

- Bangladesh's company registrar has approved first three 'one-person company (OPC)' firms under a new business-ownership model that is expected to lure investments from home and abroad. Business promoters think the modus operandi for one-man company would diversify company incorporations with smaller ventures becoming formal firms, ushering in a boom-time for business if a few perceived hurdles are removed
- According to the Companies Act, an OPC has to have a minimum paid-up capital of BDT 2.5 million to maximum BDT 50 million. The minimum turnover for the firms should be BDT 10 million in the immediate-past year. In the meantime, some people who are familiar with the OPC methodology told that the minimum paid-up capital of an OPC (BDT 2.5 million) is too high for the small entrepreneurs. It should be open in order to formalize the informal entities.

<https://today.thefinancialexpress.com.bd/first-page/three-maiden-one-man-cos-get-going-1630952094>

Spinners on an expansion spree

- The spinning industry in Bangladesh is witnessing massive investment as local entrepreneurs are either expanding their production capacities or setting up new units as the demand for garment raw materials is rising. Local spinners have a combined capacity to process 13.43 million bales of cotton each year. But due to various drawbacks, they are unable to run at full steam.
- As a result, the mills currently manage to make use of 8.5 million bales of cotton annually, shows data from the Bangladesh Textile Mills Association (BTMA), a platform for entrepreneurs from the primary textile sector. Just earlier this year, around BDT 1,900 crore was invested in the spinning industry despite the ongoing coronavirus pandemic, said chief executive officer of the BTMA.

<https://www.thedailystar.net/business/economy/industries/news/spinners-expansion-sprees-2170206>

RMG: Orders cross pre-pandemic level, not price though

- A year and a half into the Covid-19 pandemic, Bangladesh's woven apparel makers are optimistic about export recovery as they have booked work orders to almost their full capacities for the next five months. Some exporters said buyers were still offering prices that were 10-15% below the pre-pandemic levels although a very small number of manufacturers are getting orders at the previous rates or even higher.
- According to the Export Promotion Bureau data, apparel shipments in August recorded an 11.56% growth year-on-year, with exports reaching USD2.75 billion. Of those, woven items saw a 4.47% growth after a 17.78% fall in July year-on-year. Woven garments saw the first-ever lowest exports of USD0.19 billion in April last year while the figure rose to USD1.18 billion in the same month this year.

<https://www.tbsnews.net/economy/rmg/rmg-orders-cross-pre-pandemic-level-not-price-though-298789>

Apparel orders staging a strong comeback

- The flow of work orders to the garment industry is rebounding strongly on the back of the reopening of stores of retailers and brands in Europe and the US, the two main export destinations for the apparel manufacturers in Bangladesh. Local suppliers estimate that their exports in the next summer might go up by 20 to 30%. The production for the season runs from September to March.

<https://www.thedailystar.net/business/economy/news/apparel-orders-staging-strong-comeback-2170196>

Loss of back-to-back LC facility looms on 500 RMG makers

- Around 500 knitwear and home textile exporters without a bond license are now bracing for a big blow as the National Board of Revenue (NBR) takes a hardline on stopping them from getting a back-to-back letter of credit (LC).
- The revenue board in a letter on 31 August requested the Bangladesh Bank not to allow non-bonded apparel factories the facility as it contradicts the central bank's guidelines. But industry people say if the back-to-back LC benefit goes, at least 450 knitwear and around 50 home textile factories will no longer be able to procure raw materials and accessories from local and foreign sources on credit.

<https://www.tbsnews.net/economy/rmg/loss-back-back-lc-facility-looms-500-rmg-makers-299899>

Important News: Capital Market

SMEs can now raise up to BDT 30 crore from capital market

- SME Foundation yesterday signed a memorandum of understanding (MoU) with Dhaka Stock Exchange (DSE) to help small and medium enterprises (SMEs) raise up to BDT 30 crore in funds from the capital market for expanding their businesses. At present, there is an opportunity to raise capital ranging from BDT 5 crore to BDT 30 crore but the change in definition of SMEs will further increase the amount
- The DSE launched a "DSE SME" platform from April 30, 2019, as per the BSEC (Qualified Investor Offer by Small Capital Companies) Rules, 2018, with a view of creating opportunities for small entrepreneurs to extract capital from the market.

<https://www.thedailystar.net/business/economy/stock/news/smes-can-now-raise-Tk-30cr-capital-market-2170161>

Regulator seeks to know role of margin loan

- Amid a bull run of the bourse, the regulator moves to check what lies behind abnormal share-price surge of many listed companies with poor fundamentals, so no bubble does occur. The Bangladesh Securities and Exchange Commission (BSEC) Wednesday asked the premier bourse to find out the causes behind such soaring prices of listed securities with poor price-earning (P/E) ratio.
- Dhaka Stock Exchange (DSE) has been given a 15-day timeframe to find whether margin

loans were disbursed against the securities having P/E ratio above 40. The DSE management will have to submit a report in this regard within a fortnight (15 days).

- According to previous directive issued on April 4, 2021 investors were allowed to avail margin-loan facilities at a ratio of 1:0.8 until the DSEX remaining below 7000 points. And the lower loan ratio was 1:0.5 if the DSEX crosses 7001-point mark or rises above. Of 390 securities listed with the bourses, the P/E ratios of 221 are below 40, while the ratios of 98 securities are above 40 based on the latest interim financials and the market prices of the securities observed on Wednesday.

<https://today.thefinancialexpress.com.bd/first-page/regulator-seeks-to-know-role-of-margin-loan-1631124072>

<https://www.thedailystar.net/business/news/dse-asked-find-reasons-behind-junk-stocks-rising-prices-2171426>

Inactive asset managers to face BSEC probe

- The stock market regulator will look into the business activities of asset management companies (AMCs) that do not manage any funds or are not in operation after getting licenses. The Bangladesh Securities and Exchange Commission (BSEC) has recently identified 10 such inactive asset management companies.
- But the companies are enjoying the quota facility in initial public offerings (IPOs) and qualified investor offers (QIOs) in the capital market as qualified investors. They are Alif Asset Management Company, Invest Asia Capital Asset Management, BDV Asset Management Company, Meghna Asset Management, Bloomance Asset Management Company, Blue-Wealth Assets, Belt and Road Asset Management Company, Maslin Capital, BMSL Asset Management Company, and MBL Asset Management Limited.

<https://www.tbsnews.net/economy/stocks/inactive-asset-managers-face-bsec-probe-299848>

Companies reined in on lavish bonus shares

- Listed companies' hands are now tied on issuance of unjustified stock dividends as the securities regulator likes investors to relish cash gains from their money in time, lest they shouldn't be deceived. The Bangladesh Securities and Exchange Commission (BSEC) issued the latest set of rules through a gazette notification, evidently in view of a spree in handing out dividends in terms of stocks as bonus shares.
- Five types of companies, including Z-category ones, have also not been allowed to issue stock dividends or bonus shares without prior consent of the commission. As per the BSEC decrees, immediate after declaration of stock dividends or bonus shares, a listed company will have to disclose price-sensitive information (PSI) that it has not declared such dividend from capital reserves or revaluation reserves.

<https://today.thefinancialexpress.com.bd/first-page/cos-reined-in-on-lavish-bonus-shares-1630865612>

GPH Ispat cares for environment while making steel

- Commitment to safeguarding the environment was the top priority of Bangladesh's leading steelmaker GPH Ispat when it went for a large investment to establish Asia's first quantum electric arc furnace technology-based plant, a cutting-edge technology in steel making. The steelmaker initiated the massive expansion plan in 2016 and invested BDT 2,390 crore to establish the state-of-the-art plant, which is the second of its kind in the world.
- The new plant has a capacity to produce 8.40 lakh tonnes of mild steel (MS) billet annually while its old plant with traditional induction furnaces had melting capacity to produce 1.70 lakh tonnes of billet, he said. Equipped with the newly adopted technology, the combined billet making capacity of GPH Ispat has crossed 1 million tonnes per year, the executive director said.

<https://www.thedailystar.net/business/news/gph-ispac-cares-environment-while-making-steel-2170226>

Beximco gets more time to raise fund through Sukuk

- The stock market regulator has again extended the time for Beximco till September 30 to raise BDT 3,000 crore through Sukuk bonds as it failed to attract investors. The subscription of the Sukuk through initial public offering (IPO) started on August 16 that was supposed to end on August 23, but the time was extended till September 6. Bangladesh Securities and Exchange Commission allowed Beximco to issue the Shariah-compliant Sukuk on July 8.
- Half of the BDT 3,000-crore fund will be raised through private placement and the Sukuk worth BDT 750 crore will be raised from the existing shareholders of the Beximco. The remaining BDT 750 crore will be raised through an IPO. The regulator informed the company in a letter that the public offer would be cancelled if it is not subscribed by September 30.

<https://www.thedailystar.net/business/economy/stock/news/beximco-gets-more-time-raise-fund-through-sukuk-2171031>

NRB Commercial Bank fined for overinvestment in stocks

- The Bangladesh Bank has penalized the new generation NRB Commercial Bank for overinvestment in stocks, violating the Bank Company Act. The newly-listed bank invested more than 27% of its capital in stocks as of July when the banking law allows a maximum 25% investment on a solo basis.
- The NRB Commercial bank was fined BDT23.5 lakh for violating the law, according to a source at the central bank. Chairman of NRB Commercial Bank said the investment crossed the limit owing to an increase in share prices amid rising price indices at the Dhaka Stock Exchange (DSE). The bank's real investment remains within 20%, he added.

<https://www.tbsnews.net/economy/banking/nrb-commercial-bank-fined-overinvestment-stocks-298282>
<https://www.thedailystar.net/business/economy/banks/news/nrb-commercial-bank-fined-breaching-stock-investment-ceiling-2169501>

Subscription of Sena Kalyan Insurance to begin October 3

- The initial public offering (IPO) subscription of Sena Kalyan Insurance Company (SKICL) is set to commence on October 3 aiming to raise BDT 160 million under the fixed-price method. Bangladesh Securities and Exchange Commission (BSEC) approved the company's IPO proposal on August 11 to raise BDT 160 million under the fixed-price method to strengthen its business.
- As per the financial statement for the year ended on December 31, 2020 the company's net asset value per share is BDT 21.09 (without revaluation) and the earnings per share (EPS) of BDT 3.93 while the weighted average EPS for the last five years was BDT 2.65.

<https://thefinancialexpress.com.bd/stock/subscription-of-sena-kalyan-ins-to-begin-october-3-1630728073>

<https://www.thedailystar.net/business/economy/banks/news/remittance-slips-6-month-low-2166641>

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