

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.96%) gained 53.07 points and closed the week at 5,568.86 points. The blue-chip index DS30 (+1.99%) gained 41.99 points and stood at 2,154.67 points. The Shariah-based index DSES (+1.38%) gained 17.17 points and stood at 1,265.77 points. The large cap index CDSET (+1.64%) gained 19.26 points and closed at 1,192.51 points. DSEX, DS30, DSES and CDSET showed YTD returns of +3.09%, +9.71%, +1.90%, +6.19%, respectively.

Total Turnover During The Week (DSE): BDT 43.3 billion (USD 510 million)
Average Daily Turnover Value (ADTV): BDT 8.7 billion ($\Delta\%$ Week: +20.4%)

Market P/E: 19.7x

Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed positively by +1.24% and continued to be positive in the second session by +0.36%. Market reverted to negative in the third session by -0.23% and continued to be negative in the fourth session by -0.50%. The market ended with a positive momentum of +0.09%.

Sectoral Performance:

- All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -7.87% followed by Mutual Fund (-4.61%), NBF1 (-2.87%), Bank (-0.94%), and Life Insurance (-0.65%).
- All the non-financial sectors posted positive performance this week. Engineering booked the highest gain of 10.41% followed by Fuel & Power (+4.13%), Telecommunication (+3.73%), Food & Allied (+2.95%), and Pharmaceutical (+0.30%).

Macroeconomic arena:

- The Bangladesh Bank wants to continue the policy of maintaining excess liquidity in the money market so that there is no shortage of cash to recover the economy from the impacts of Covid-19. That is why no reverse repo auction was held in the two quarters (July-September and October-December) of last year. The central bank has been pursuing a policy of maintaining liquidity since July last year to deal with pandemic's shock.
- The general point-to-point inflation rate increased slightly last month (February) as it went up by 0.30% point to 5.32% point in February, 2021. The general point to point inflation rate was 5.02% point in January, 2021. The food inflation increased to 5.42% in February, 2021 from 5.23% in the previous month, while the non-food inflation rate, also increased to 5.17% last month from 4.69% in January, 2021.
- The number of mobile financial service accounts surpassed 100 million at the end of January with the monthly transaction through the MFS reaching BDT 572.53 million. The number of MFS accounts increased to 100.6 million at the end of January 2021 from 99.3 million a month ago. Active subscribers of the MFS operators increased by 0.3% to 32.4 million in January from 32.3 million a month ago. The number of MFS accounts reached the millstone after posting a 29.26-per cent growth in transactions during coronavirus-hit year 2020.
- The spectrum auction of the telecoms regulator has broken all previous records as two leading market players stayed in the bid until 81st round for a block. The Bangladesh Telecommunication Regulatory Commission (BTRC) held on Monday the auction for nine blocks-five in 1800 megahertz (MHz) and four in 2100 MHz. The bidding fight brought USD 888 million or an estimated BDT 75-billion income for the BTRC, which is the highest ever in an auction by the regulator. However, the mobile operators are to pay BDT 30 billion or 25% of the total auctioned value, including value-added tax until 2027.

Stock Market arena:

- Twelve technology-based startups are interested to enter the stock market in order to raise funds. The companies are: Sheba.xyz, Chaldal, Zantrik, Landknock, Hellotask, Bondstein Technologies, Brain Station 23, eCourier, Khaas Food, Divine IT, AnnaNovas IT, and CMED Health. The small-cap board, called the DSE SME, was rolled out on April 30 of 2019 with a view to helping small and medium enterprises raise funds from the market.
- Golden Harvest Agro Industries, the pioneer in Bangladesh's frozen food business, is stepping into the e-commerce sector that got a massive boost amid the pandemic. The e-commerce platform will sell food, grocery and medicine and will also provide bookings and ticketing. Golden Harvest will own 45% of the venture equivalent to BDT 50 million.

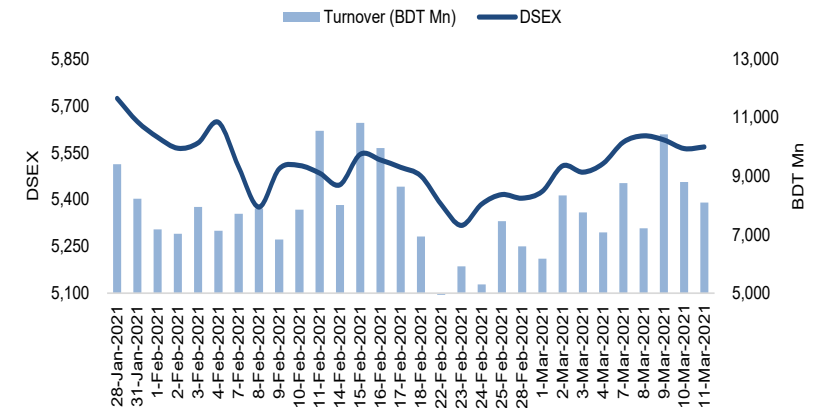
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,568.86	5,515.78	+53.07	5,402.07	+0.96%	+3.09%
DS30	2,154.67	2,112.68	+41.99	1,963.96	+1.99%	+9.71%
DSES	1,265.77	1,248.60	+17.17	1,242.11	+1.38%	+1.90%
CDSET	1,192.51	1,173.25	+19.26	1,123.03	+1.64%	+6.19%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,828,543	4,730,957	
	Mn USD	56,833	55,685	+2.1%
Turnover	Mn BDT	43,309	35,960	+20.4%
	Mn USD	510	423	
Average Daily Turnover	Mn BDT	8,662	7,192	+20.4%
	Mn USD	102	85	
Volume	Mn Shares	1,038	925	+12.2%

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
LRBDL	54.7	27.0	+102.6%	7,945	931.9	36.9x	1.6x
BERGERPBL	1,805.5	1,557.0	+16.0%	83,735	579.5	33.9x	8.6x
RAHIMAFOD	222.9	192.9	+15.6%	4,458	334.2	NM	23.1x
SPCL	83.4	72.3	+15.4%	14,391	441.6	15.6x	2.2x
LHBL	59.3	52.6	+12.7%	68,869	2,934.0	29.2x	4.0x
SUMITPOWER	50.0	45.0	+11.1%	53,394	2,849.7	9.7x	1.5x
ANLIMAYARN	42.9	38.7	+10.9%	767	104.2	NM	3.8x
SALVOCHEM	13.8	12.5	+10.4%	897	25.3	37.9x	1.1x
SSSTEEL	20.6	18.7	+10.2%	6,268	427.7	10.9x	1.2x
BDFINANCE	33.0	30.0	+10.0%	5,528	719.2	16.5x	1.9x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
VAMLRBBF	7.4	9.7	-23.7%	1,175	18.5	NM	0.8x
PRIMEINSUR	31.4	35.9	-12.5%	1,284	19.2	39.3x	1.8x
NITOLINS	44.8	49.2	-8.9%	1,801	78.1	7.7x	1.7x
PARAMOUNT	109.6	120.0	-8.7%	3,714	136.6	20.4x	4.5x
EIL	25.9	28.2	-8.2%	1,689	56.8	22.2x	1.7x
SONARBAINS	46.4	50.5	-8.1%	1,858	55.7	21.7x	2.3x
PEOPLESINS	36.4	39.6	-8.1%	1,682	49.9	14.6x	1.3x
PURABIGEN	24.2	26.3	-8.0%	1,338	39.2	21.0x	1.9x
AGRANINS	35.6	38.6	-7.8%	1,077	122.9	55.9x	2.0x
EGEN	36.4	39.4	-7.6%	2,730	388.0	35.5x	1.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	83.6	82.1	+1.8%	73,260	3,553	NM	1.2x
ROBI	48.5	48.0	+1.0%	254,040	3,132	NM	3.9x
LHBL	59.3	52.6	+12.7%	68,869	2,934	29.2x	4.0x
SUMITPOWER	50.0	45.0	+11.1%	53,394	2,850	9.7x	1.5x
BATBC	570.4	556.8	+2.4%	308,016	2,630	28.3x	8.3x
LANKABAFIN	36.3	33.7	+7.7%	19,560	2,147	27.5x	2.0x
BXPBARMA	189.7	189.6	+0.1%	84,627	1,427	21.2x	2.6x
GBBPOWER	30.7	29.6	+3.7%	3,125	1,095	22.6x	1.5x
LRBDL	54.7	27.0	+102.6%	7,945	932	36.9x	1.6x
ORIONPHARM	51.4	52.7	-2.5%	12,028	843	18.9x	0.7x

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	48.5	+62.8%	254,040	NM	3.9x
BATBC	570.4	+44.9%	308,016	28.3x	8.3x
SUMITPOWER	50.0	+28.5%	53,394	9.7x	1.5x
BERGERPBL	1,805.5	+26.3%	83,735	33.9x	8.6x
LHBL	59.3	+24.1%	68,869	29.2x	4.0x
BSRMLTD	70.5	+17.1%	16,643	9.6x	0.7x
WALTONHIL	1,297.9	+16.5%	393,171	51.4x	7.4x
LANKABAFIN	36.3	+15.6%	19,560	27.5x	2.0x
RECKITT BEN	4,668.9	+15.4%	22,061	30.2x	42.8x
POWERGRID	48.0	+14.8%	22,124	10.6x	0.4x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,311.96	1,324.37	1,372.63	-0.94%	-4.42%
NBFIs	1,919.52	1,976.31	2,033.53	-2.87%	-5.61%
Mutual Funds	831.58	871.79	959.61	-4.61%	-13.34%
General Insurance	3,211.34	3,485.78	4,103.56	-7.87%	-21.74%
Life Insurance	2,028.00	2,041.18	2,162.58	-0.65%	-6.22%
Telecommunication	6,279.93	6,053.97	5,463.26	+3.73%	+14.95%
Pharmaceuticals	3,382.24	3,372.28	3,306.03	+0.30%	+2.30%
Fuel & Power	1,714.80	1,646.85	1,618.11	+4.13%	+5.98%
Cement	1,713.15	1,488.78	1,416.18	+15.07%	+20.97%
Services & Real Estate	1,109.13	1,064.69	1,083.79	+4.17%	+2.34%
Engineering	4,516.15	4,090.52	3,959.20	+10.41%	+14.07%
Food & Allied	21,268.68	20,660.10	14,705.76	+2.95%	+44.63%
IT	2,169.01	2,219.66	2,350.28	-2.28%	-7.71%
Textiles	1,032.63	1,038.69	1,087.41	-0.58%	-5.04%
Paper & Printing	5,444.35	5,221.22	5,487.56	+4.27%	-0.79%
Tannery	1,693.60	1,680.26	1,771.77	+0.79%	-4.41%
Jute	8,802.54	8,582.74	12,154.61	+2.56%	-27.58%
Ceramics	454.84	441.79	472.38	+2.95%	-3.71%
Miscellaneous	3,577.19	3,062.17	2,539.70	+16.82%	+40.85%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	444.6	366.6	+21.3%	5.3%	7.6x	0.7x
NBFI	672.0	483.0	+39.1%	8.0%	69.9x	3.2x
Mutual Fund	92.1	100.9	-8.7%	1.1%	NM	0.7x
General Insurance	392.2	409.3	-4.2%	4.7%	17.3x	1.6x
Life Insurance	25.3	21.9	+15.6%	0.3%	NM	NM
Telecommunication	781.0	644.4	+21.2%	9.3%	20.3x	6.8x
Pharmaceutical	858.8	952.3	-9.8%	10.3%	21.4x	2.6x
Fuel & Power	1,496.1	790.4	+89.3%	17.9%	13.6x	1.4x
Cement	656.1	244.2	+168.7%	7.8%	28.4x	2.5x
Services & Real Estate	186.8	123.2	+51.6%	2.2%	NM	0.9x
Engineering	568.5	468.7	+21.3%	6.8%	35.3x	2.7x
Food & Allied	786.0	701.9	+12.0%	9.4%	36.5x	8.5x
IT	129.6	99.7	+29.9%	1.5%	26.1x	1.9x
Textile	193.7	183.7	+5.4%	2.3%	NM	0.7x
Paper & Printing	21.2	19.2	+10.2%	0.3%	64.1x	1.1x
Tannery	31.4	19.9	+58.2%	0.4%	NM	1.8x
Jute	10.8	8.3	+30.0%	0.1%	NM	13.8x
Ceramics	53.7	34.7	+54.8%	0.6%	59.0x	1.5x
Miscellaneous	974.2	1,271.5	-23.4%	11.6%	55.4x	2.0x

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	140.1	-17.3%	3,362	NM	11.9x
MPETROLEUM	171.1	-13.6%	18,516	6.4x	1.1x
PRIMEBANK	15.0	-12.3%	16,984	14.2x	0.6x
SHAHJABANK	21.2	-7.4%	20,778	11.1x	1.2x
CONFIDCEM	107.4	-7.0%	8,402	9.9x	1.5x
ENVOYTEX	22.9	-6.9%	3,841	26.9x	0.6x
TRUSTBANK	31.1	-6.9%	20,007	6.6x	1.1x
JAMUNAOIL	154.8	-6.5%	17,094	8.4x	0.9x
OLYMPIC	178.9	-6.4%	35,769	17.5x	4.3x
PADMAOIL	192.2	-6.3%	18,880	7.5x	1.1x

Important News: Business & Economy

Central bank to maintain excess liquidity in money market

• The Bangladesh Bank wants to continue the policy of maintaining excess liquidity in the money market so that there is no shortage of cash to recover the economy from the impacts of Covid- 19. That is why no reverse repo auction was held in the two quarters (July-September and October-December) of last year. The central bank revealed this information in the quarterly report on currency and currency exchange on Tuesday. The liquidity in the currency market, the executive director of the Bangladesh Bank, told The Business Standard that the central bank has been pursuing a policy of maintaining liquidity since July last year to deal with pandemic's shock.

• Although banks have excess liquidity, that policy has been continued in the first quarter of this year (January-March). He said there would be no change in the policy until the private sector's credit growth reaches 10%.The credit growth in the private sector has been steadily declining since September last year. It fell to 8.32% in January this year, but the target for the second half of the current financial year is 11.5%.Moreover, the government is taking fewer loans than usual as it has to spend less. This too is contributing to the excess liquidity in the banking system.

<https://tbsnews.net/economy/banking/central-bank-maintain-excess-liquidity-money-market-213763>

Inflation reaches 5.32% in Feb

• The general point-to-point inflation rate increased slightly last month (February) as it went up by 0.30% point to 5.32% point in February, 2021, reports BSS. The general point to point inflation rate was 5.02% point in January, 2021. The BBS data showed that the food inflation increased to 5.42% in February, 2021 from 5.23% in the previous month, while the non-food inflation rate, also increased to 5.17% last month from 4.69% in January, 2021.

• In the rural areas, the general inflation rate increased to 5.33% in the last month from 5.00% in last January. The general inflation rate also increased to 5.30% in February from 5.05% in January in the urban areas. The BBS data showed that the price of rice, broiler chicken, edible oil and sugar increased in February compared to January while the price of potatoes, onion, vegetables, fruits and spices declined in February compared to its previous month.

<https://today.thefinancialexpress.com.bd/last-page/inflation-reaches-532pc-in-feb-1615397674>

<https://www.tbsnews.net/economy/inflation-rose-february-214345>

<https://www.thedailystar.net/business/news/inflation-quickens-532pc-feb-2058441>

<https://www.dhakatribune.com/business/economy/2021/03/11/inflation-hits-5-32-in-february>

Number of MFS accounts crosses 100 million in Jan

• The number of mobile financial service accounts surpassed 100 million at the end of January with the monthly transaction through the MFS reaching BDT 572.53 million. Data showed that the number of MFS accounts increased to 100.6 million at the end of January 2021 from 99.3 million a month ago. Active subscribers of the MFS operators increased by 0.3% to 32.4 million in January from 32.3 million a month ago. The number of MFS accounts reached the millstone after posting a 29.26-per cent growth in transactions during

coronavirus-hit year 2020.

• In November 2020, the central bank allowed banks and mobile financial service operators to open personal retail accounts so that the micro-traders and service providers can be brought under the digital financial ecosystem. As per BB data, 15 MFS operators backed by banks are licenced to provide mobile financial service. Though the cash-in service attainment by subscribers of MFS operators dropped by 0.8% to BDT 172.12 million in January, MFS operators' cash-out transactions increased by 2.4% to BDT 158.08 million.

<https://www.newagebd.net/article/132150/number-of-mfs-accounts-crosses-10-crore-in-jan>

BTRC spectrum auction sets records

• The spectrum auction of the telecoms regulator has broken all previous records as two leading market players stayed in the bid until 81st round for a block. The Bangladesh Telecommuni-cation Regulatory Commission (BTRC) held on Monday the auction for nine blocks-five in 1800 megahertz (MHz) and four in 2100 MHz. The bidding fight brought USD 888 million or an estimated BDT 75-billion income for the BTRC, which is the highest ever in an auction by the regulator. However, the mobile operators are to pay BDT 30 billion or 25% of the total auctioned value, including value-added tax until 2027.

• The largest operator Grameen-phone bought a total of 10.4 MHz in both bands while Banglalink procured 9.4 MHz and Robi purchased 7.6 MHz for 15 years. The bidding for the last block of 2100 MHz started at USD 29 million and ended at USD 46.75 million, breaking all records. Telecoms operators jostle for a higher frequency of airwaves to improve services and stay competitive in the race for 3G, 4G and 5G networks. The telcos bought 15.6 MHz in three blocks while the rest of the spectrum (67% of the total), remained unsold for what they said a high price.

<https://today.thefinancialexpress.com.bd/last-page/btrc-spectrum-auction-sets-records-1615225594>

<https://www.thedailystar.net/business/news/spectrum-auction-fetches-885m-govt-2057409>

<https://www.newagebd.net/article/132133/gp-robi-join-intense-bidding-for-spectrum-in-btrc-auction>

<https://www.dhakatribune.com/business/2021/03/09/grameenphone-snaps-up-most-spectrum-in-auction>

Loan rescheduling drops in 2020 – as expected

• Banks rescheduled about BDT 134.57 billion of defaulted loans in 2020, which is the lowest in five years. In 2019, banks had rescheduled a record BDT 501.86 billion as part of their frenetic efforts to clean up their balance sheet amid ballooning default loans in the sector. The volume of rescheduled loans contracted last year owing to the central bank's moratorium facility on loan instalments, said a top official of the central bank. The central bank unveiled a moratorium facility in March last year that asked lenders not to consider businesspeople as defaulters if they fail to repay instalments until June 30 last year. The facility was extended twice to December 31 last year.

• Thanks to the rescheduling, the size of soured loans looks small in the fourth quarter of last year. At the end of December last year, total defaulted loans in the sector stood at BDT 887.34 billion, down 6% from three months earlier, according to data from the Bangladesh Bank. If the loan moratorium facility was not offered by the BB amid the pandemic, huge amounts of loans would have gone sour, said the managing director of Dhaka Bank. Then the lenders would have to use the instrument more to minimise the defaulted loans. Loan

rescheduling may increase in the March quarter as the moratorium facility on instalments of loans had ended in December last year, he added.

<https://www.tbsnews.net/economy/stock/bsec-use-icabs-document-verification-system-214378>

<https://www.dhakatribune.com/business/stock/2021/03/11/icab-bsec-team-up-to-authenticate-financial-statements>

<https://www.newagebd.net/article/132351/bsec-signs-deal-with-icab-on-dvs>

RMG sector seeks cut in source tax

• Two trade-bodies of primary textile mills and apparel makers suggested reducing the source tax to 0.25% from the existing 0.50% for at least five years. Another body for knitwear makers, however, urged fixing the existing 0.5% source tax as final settlement, and keeping the rate for five years. Textile and apparel makers also demanded withdrawal of 10% income tax on cash incentive, provided against exports. Their other proposals included continuation of 12% and 10% corporate tax for RMG units and green factories respectively for the next five years, considering negative impact of the coronavirus pandemic on the industry, investment and export.

<https://today.thefinancialexpress.com.bd/first-page/rmg-sector-seeks-cut-in-source-tax-1615397301>

<https://www.dhakatribune.com/business/2021/03/11/apparel-exporters-unveil-their-list-of-budgetary-demands>

<https://www.newagebd.net/article/132347/apparel-makers-demand-source-tax-cut-to-025pc>

Another new bank opens for business

• Bengal Commercial Bank launched business operations yesterday targeting to reach small and medium entrepreneurs by way of giving out loans. This takes the total number of banks in Bangladesh to 60. Bangladesh Bank in February last year gave its approval for the business to operate. The central bank gave approval for the opening of three new banks in the past two years. The banks are Community Bank Bangladesh, Bengal Commercial Bank and Citizen Bank. Citizen Bank is yet to start its banking operation. In addition, Bangladesh Bank gave a letter of intent to Peoples Bank to start its preparations in order to get the final approval from the banking regulator.

<https://www.thedailystar.net/business/news/another-new-bank-opens-business-2058449>

Time to invest in Bangladesh as economy is set to grow faster

• Bangladesh has a golden opportunity to strengthen its economic ties with neighbouring countries and forge greater integration with regional and sub-regional blocs to boost exports and accelerate economic growth, according to a top banker. While Bangladesh's achievements so far are no doubt commendable, there always remains potential to do more, said the country head of corporate, commercial and institutional banking at Standard Chartered Bangladesh. Analysis suggests that Bangladesh can leverage only around 40% of its trade potential with its South Asian neighbours, the banker said.

• In order to realise the full potential of regional trade and investment, Bangladesh has been prioritising infrastructure development since the fiscal year of 2011-2012 and has increased infrastructure investment significantly. A number of mega projects have been undertaken to aid trade and investment. The completion of the Padma Bridge will create a host of new investment opportunities, he added..

<https://www.thedailystar.net/business/news/time-invest-bangladesh-economy-set-grow-faster-2057801>

BD income to rise by 17%

• The World Bank estimates the national income of Bangladesh and India to increase as much as 17% and 8.0% respectively through seamless regional transport movement. This would be possible through reaping the benefits of transport movement that remains untapped despite signing rail, road and waterway agreements, it cited. Improving transport connectivity between the two countries may yield a 297-per cent rise in Bangladesh's exports to India and a 172-per cent increase in India's exports to Bangladesh. Previous analysis indicates that Bangladesh's exports could increase by 182% and India's exports by 126% by signing a free trade agreement, said a WB report released on Tuesday.

<https://today.thefinancialexpress.com.bd/last-page/bd-income-to-rise-by-17pc-1615313322>

<https://www.thedailystar.net/business/news/fta-can-raise-exports-india-182pc-wb-2057849>

India to relax import ban on ACs with refrigerants for Bangladesh

• India has agreed to relax its existing ban on imports of air conditioners with refrigerants for Bangladesh. If this happens, Walton, Bangladesh's electric giant, will be able to export such type of air conditioners to India again. In October last year, India's Directorate General of Foreign Trade imposed the ban with a view to boosting domestic production. However, the prohibition does not apply to split ACs. Dhaka on Monday requested the withdrawal of the ban for Bangladesh at a meeting between the two countries' commerce secretaries. Delhi gave its consent to it.

• Commerce ministry officials said Bangladesh does not export many air conditioners to India. In 2019, Walton signed an agreement with Hyundai Electronics to export 100,000 units of refrigerators and 20,000 units of residential air conditioners to India. Most air conditioners imported by India are with refrigerants. In 2020, India imported air conditioners amounting to around USD 480 million from China and USD 240 million from Thailand.

<https://tbsnews.net/economy/trade/india-relax-import-ban-acs-refrigerants-bangladesh-213637>

Current account surplus posts 45% downturn on imports

• On the back of a sharp rise in import costs, the country's current account surplus posted a 45% downturn in just one month. The surplus in the current account balance was USD 4.32 billion in July-December, which dropped to USD 2.24 billion in the July-January period — marking the decline of more than 45%. However, the current account balance in the seven months of the previous fiscal year was not in surplus, rather in a USD 1.8-billion deficit, according to data from the central bank published Monday. It shows the current account balance surplus declined in January due to higher import costs as well as a slight decline in exports.

• The import costs in the first six months of this fiscal year were USD 25.23 billion, while it rose to USD 31.92 billion by the end of January. In other words, January alone saw USD 6.69 billion rise in import costs. While contacted, an Economist said that import costs are rising due to the soaring prices of consumer items, fuel and soybean oil in the international market. On top of this, the high growth in remittances has declined. As a result, the current account balance surplus is declining. The country's imports of consumer items, rice, wheat

and raw materials used in production have increased in the July-January period. But, imports of capital machinery during the seven months has declined.

- After a drastic fall owing to the virus-led situation, oil prices are surging up in the international market with the resumption of economic activities. Meantime, foreign direct investment (FDI) still remained sluggish in the first seven months of 2020-21 fiscal year. Net FDI in July-January fell by more than 27% to USD 530 million. The economist said that more factories are going into production as the virus infection rate drops and the vaccination campaign continues. Therefore, imports of industrial raw materials and consumer items are spiraling. But, the entrepreneurs are still not willing to go for new investments as the pandemic-led uncertainty prevails. Therefore, import of capital machinery and foreign investment show a downturn, he added.

<https://tbsnews.net/economy/trade/current-account-surplus-posts-45-downturn-imports-213169>

Cashless transactions get a fillip

- The central bank made this calculation based on a survey by McKinsey & Company, a consultancy firm from the US. Although Bangladesh Bank is yet to prepare a report on the cost of maintaining cash last year, this expense has surely decreased due to the expansion of digital financial services (DFS), according to an official of the banking regulator. The deepening recession caused by the pandemic has taken its toll on the global economy, including Bangladesh, but there is a ray of hope in the upward trend of DFS usage, said the managing director of Bank Asia.

- The use of all payment modes under DFS increased significantly throughout 2020 and the trend is still ongoing, he added. Transactions through mobile financial services (MFSs) also posted magnificent growth during the same period as underprivileged people are now embracing branchless banking windows in bigger numbers than ever. MFS transaction grew 36% year-on-year to BDT 572.53 billion in January, central bank data shows. The head of retail banking at Brac Bank said that growth in the country's financial sector has advanced by at least five years amid the pandemic as dependency on digital means has increased significantly.

- The use of both credit and debit cards has been on an exceptional rise, meaning that we are moving towards a cashless society, he added. The use of both credit and debit cards did indeed hit an all-time high in December last year, Bangladesh Bank data shows. Total card loans held by lenders stood at BDT 15.61 billion in December, which is a fresh record in terms of the lending amount. December's figures are up 8.84% from that of a month earlier and 23.78% year-on-year.

<https://www.thedailystar.net/business/news/cashless-transactions-get-fillip-2056777>

Remdesivir proves pharma strength

- Amidst the perfect storm stirred up by Covid-19, a drug used to treat a wide range of viral infections emerged as a silver lining for treatment seekers. Proving effective in the treatment of severe Covid-19 cases, the drug taking the generic term remdesivir had countries all over scrambling after it. By the end of fiscal 2020-21, the pharmaceutical sector could fetch up to BDT 7.00 billion exporting remdesivir, according to industry insiders. Currently Eskayef (SK-F), Beacon, Incepta, Beximco, Healthcare and Square are producing the drug, which was first developed by US biopharmaceutical company Gilead Sciences.

- After catering to local demand, Beacon shipped more than BDT 1.30 billion worth of the product to 21 destinations while 18 other countries, including some in Latin America, the Middle East and Africa, are currently in negotiations for supplies. The chief operating officer of Beximco, earlier said his company was exporting remdesivir to 10 countries, including some in Latin America and the Middle East.

<https://www.thedailystar.net/business/news/remdesivir-proves-pharma-strength-2056769>

Time for brake on bank dividends

- In the year 2010, banks had a tendency to declare high dividends, even hiding their financial weaknesses, to allow shareholders to take out profit ignoring the real financial capacity. The new dividend policy issued by the Bangladesh Bank recently revealed the real financial capacity of banks, as dividend is now linked with financial strength. Only 12 out of 30 listed banks in the country have the capacity to declare a maximum of 30% dividend for last year complying with the dividend rule. These banks are – Al-Arafah Islami Bank, Bank Asia, City Bank, Dutch-Bangla Bank, Dhaka Bank, Eastern Bank, Jamuna Bank, Mutual Trust Bank, Prime Bank, Pubali Bank, Southeast Bank and Trust Bank.

- In 2010, when the market was booming, half of the listed banks declared dividends as high as 30%-95%, while 11 banks declared over 20% dividend. Even though there was no rule about declaring dividend previously, the Covid-19 pandemic has brought the Bangladesh Bank to the realisation that shareholder directors must be compelled to concentrate on banks' performance to get reward from public money. According to the new dividend policy, a bank can declare a maximum of 30% dividend including 15% cash for shareholders only if it can maintain a minimum of 15% capital adequacy ratio (CAR).

- Despite having provision forbearance, the average industry CAR declined to 11.64% in December last year from 11.94% in September the same year. The capital base is assumed to deteriorate further in the coming days as regular loan classifications resumed from January this year which will increase provisional burden, eroding capital base.

<https://tbsnews.net/economy/banking/time-brake-bank-dividends-212062>

Jobs getting back to normal

- A significant rise in job postings bears witness to a near-complete recovery of the job market in Bangladesh. And, the corporate world is leading the way in taking employment back to the pre-pandemic level. The number of job adverts for hiring in heavy industry, engineering and construction, hospital and diagnostic centre, agro-based industry and the trading sector has also marked a rise this February similar to the numbers the same time a year ago, according to bdjobs.com, the largest platform for publishing job notifications in Bangladesh.

- Manpower recruitment in several sectors climbed back to the pre-pandemic level last December. Recruitment in banks and non-bank financial institutions, pharmaceuticals, education and information technology sectors returned to normal levels in February this year. However, the garment and textile sectors, government, semi-government and autonomous organisations are still hiring less than what they did in February 2020.

<https://tbsnews.net/economy/jobs-getting-back-normal-211576>

Surge in rice prices continues

• Rice, the main staple, has become even costlier during the past week, ending on Friday despite the government's recent measures to improve its supply in the market. The soaring prices have hit hard the consumers who are already hard-pressed by the pandemic fallout. On Friday, coarse rice varieties retailed at BDT 48-52 a kilogramme (kg) and medium varieties at BDT 56-60 a kilogram-a BDT 2.0-3.0 rise in prices per kg over a period of one week.

• Meanwhile, global rice prices also rose by 1.5% in February, marking a consecutive three-month surge, said the latest Food and Agricultural Organisation (FAO) report published on March 04. Current rice prices are 11.4% higher than that of last year, it added. However, food ministry has recently proposed to reduce import duty on parboiled rice to 15% from 25% to spur import of the staple in higher volume. Last January, the government cut the duty to 25% from the previous level of 62.5%.

<https://today.thefinancialexpress.com.bd/first-page/surge-in-rice-prices-continues-1614965912>

Loans now cost less than 9% interest

• A little over a year ago, businesses and banks were sparring over single-digit interest rates on loans. Businesses wanted the interest rate to be single-digit -- and the government sided with them, ordering banks to bring down the rate to 9% from April 1, 2020. Fast forward a year and now most of the banks are offering their loans products, out of their own volition, at 7-8% interest -- a development that now vindicates the bankers and economists' reservations about the interest rate cap.

• The reason for the interest rates on loans slipping below the 9%-mark is the largest pile of excess liquidity that they are sitting on thanks to the central bank's expansionary monetary policy to prevent the high-flying Bangladesh economy from crashlanding for the global coronavirus pandemic, which upended lives and livelihoods like no other. In January, the weighted average lending rate of the 59 commercial banks stood at 7.56%, down from 9.66% a year earlier, as per the central bank's latest data.

<https://www.dhakatribune.com/business/banks/2021/03/05/loans-now-cost-less-than-9-interest>

Excess liquidity falls after 8 months

• Excess liquidity in the banking industry that ballooned because of pandemic-induced lower credit demand and an injection of funds under a massive stimulus package fell in January, the first time in eight months. The surplus liquidity stood at BDT 2.04 trillion as of January in contrast to BDT 2.05 trillion a month ago. The excess fund, however, surged 97% in January compared to the same month a year ago, when the amount stood at BDT 1.03 trillion.

• Despite the fall in January, private sector credit growth went down to 8.32% in the first month of 2021, down from 8.37% a month earlier, said the managing director of Mutual Trust Bank. It showed that investment demand from the private sector is still feeble, he said. The majority of lenders now offer 3-4% interest rate on fixed deposit schemes, upsetting depositors. Inflation stood at 5.02% in January, meaning that the real interest rate is in negative.

• The managing director of Brac Bank said credit demand from businesses had increased slightly, but the trend was yet to reach a satisfactory level. Many businesses are still adopting a slow-go policy to expand businesses as they think that there will be uncertainties in the days to come, he said. Many garment factories are struggling to survive as the majority of countries in North America, and Europe still face economic hardship.

<https://www.thedailystar.net/business/news/excess-liquidity-falls-after-8-months-2055229>

Government borrowings overshoot target by 28.5% in June-Jan

• The government's net borrowing from the state-sponsored savings instruments stood at BDT 257.02 billion in the first seven months of fiscal year (FY) 2020-21, according to official statistics. The amount is 28.51% or BDT 57.02 billion higher than the total target set for the current FY, the Department of National Savings (DNS) data revealed on Thursday. The government's net borrowing target from the savings instruments is BDT 200 billion for the FY 21. Officials said the savers were investing more in these schemes as the yield rates of different savings certificates are attractive.

<https://tbsnews.net/economy/banking/jump-savings-certificate-sales-january-211150>

<https://today.thefinancialexpress.com.bd/last-page/govt-borrowings-overshoot-target-by-285pc-in-june-jan-1614881317>

<https://www.newagebd.net/article/131787/july-jan-nsc-sales-tops-budgetary-target-by-BDT-5702-crore>

Mobile banking grows 29%, cards transaction 6% year-on-year

• People's trend towards availing digital banking services has been increasing more than ever recently, thanks to the emergence of Covid-19. The pandemic-led countrywide shutdown that lasted 66 days, coupled with the obligation to maintain social distancing, had kept customers away from in-person branch interactions, promoting them to go for digital transactions. That is why the number of transactions through cards increased by 6%, mobile banking by 29% and internet banking by 22% in 2020 year-on-year, according to the Monthly Economic Trends report published by the Bangladesh Bank on Thursday. Bankers say customers had been getting used to digital banking even before the Covid-19. The pandemic has just fast-tracked the digital transformation.

<https://tbsnews.net/economy/banking/mobile-banking-grows-29-cards-transaction-6-year-year-211069>

API park to be ready by June for pharma industry

• Bangladeshi pharmaceutical companies will see the existing intellectual property fees on imports of raw materials for medicines go up following the country's graduation from the least developed country status. This elevation is expected to lead to a rise in production costs and push the pharmaceuticals industry into a crisis. Stakeholders concerned, however, hope that the sector will be able to ward off the challenge by starting production of the necessary raw materials in the Active Pharmaceutical Ingredients (API) Industrial Park even before the LDC graduation. The project director of the API Industrial Park said that all the infrastructure of the pharmaceutical industry park would be completed by June this year.

<https://tbsnews.net/economy/industry/api-park-be-ready-june-pharma-industry-211144>

Important News: Capital Market

12 tech startups want to raise funds from public

- Twelve technology-based startups are interested to enter the stock market in order to raise funds. The companies are: Sheba.xyz, Chaldal, Zantrik, Landknock, Hellotask, Bondstein Technologies, Brain Station 23, eCourier, Khaas Food, Divine IT, AnnaNovas IT, and CMED Health. The companies already met with the stock market regulator last week to discuss the matter. The small-cap board, called the DSE SME, was rolled out on April 30 of 2019 with a view to helping small and medium enterprises raise funds from the market. Companies of this size were previously shut out from the process due to their lower turnover.
- A small company should at least have paid-up capital of BDT 50 million to get listed with the country's bourses. After listing, its paid-up capital should be at least BDT 100 million. Not all investors are allowed to trade on the SME board. The qualified investors are: merchant bankers and portfolio managers, asset management companies, mutual funds and collective investment scheme (CIS), stock dealers, banks, financial institutions, insurance companies, alternative investment fund managers, alternative investment funds, market makers, issuer of listed securities, resident or non-resident Bangladeshis, individuals having minimum net worth of BDT 10 million, and other institutions as approved by the commission.

<https://www.thedailystar.net/business/news/12-tech-startups-want-raise-funds-public-2056217>

Golden Harvest stepping into e-commerce ring

- Golden Harvest Agro Industries, the pioneer in Bangladesh's frozen food business, is stepping into the e-commerce sector that got a massive boost amid the pandemic. The e-commerce platform will sell food, grocery and medicine and will also provide bookings and ticketing. Golden Harvest will own 45% of the venture equivalent to BDT 50 million.
- The pandemic has been a mixed bag for us, said the managing director of Golden Agro Industries. The demand for its frozen parathas and bread shot through the roof, but its other frozen food items like nuggets, sausages, samosas, chips as well as ice cream were hardly sought after by consumers.

<https://www.dhakatribune.com/business/2021/03/09/golden-harvest-stepping-into-e-commerce-ring>

Beximco signs deal with City Bank Capital on Sukuk

- A signing ceremony of Islamic Shariah compliant Sukuk Al Istisna for BDT 30 billion took place between Bangladesh Export Import Company Limited (BEXIMCO) and City Bank Capital Resources Limited on Sunday. Beximco Ltd is the originator of the issue and City Bank Capital is the Arranger, Adviser and Issue Manager of this issue. This Secured Convertible Asset Backed Sukuk will be issued (subject to BSEC approval) for the purpose

of construction of the solar projects of Teesta Solar Ltd and Korotoa Solar Ltd the two subsidiaries of Beximco Power Company Ltd, and for financing and refinancing of the machineries and equipment required for the expansion of Beximco Ltd's textile division, said a statement. Face value has been set at BDT 100. Minimum Subscription size is BDT 5000 and tenure is 5 years. Profit rate is 9% p.a. or above.

<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-signs-deal-with-city-bank-capital-on-sukuk-1615136018>
https://www.newagebd.net/article/132031/beximco-signs-agreement-for-BDT_-3000cr-sukuk-bond
https://www.thedailystar.net/business/news/city-bank-capital-issue-manager-BDT_-3000cr-beximco-sukuk-2056725

Regulator moves to rewrite IPO rules

- Retail investors may get a higher allocation of shares during initial public offerings (IPOs) as the regulator has moved to make the market an attractive investment destination for individuals. The Bangladesh Securities and Exchange Commission (BSEC) has proposed to raise the general investors' portion in the IPO in the draft amendment of related rules. The regulator has published the draft of the amended public issue rules on its website, seeking comments from the stakeholders by March 15. The commission plans to award 70% shares of an IPO to general investors. Now, it stands at 50% for the fixed-price method and 40% for the book-building method.
- The proposal came at a time when the regulator is set to implement a new provision for IPOs that will distribute shares proportionately among the applicants, bringing an end to the lottery system. From April 1, every IPO applicant will get shares if they have a minimum secondary market investment of BDT 20,000. They will have to make a subscription of at least BDT 10,000 in the IPOs. According to one of the amendments, foreign investors and placement shareholders of an IPO-seeking company would face a lock-in period for one year and two years, respectively.
- In a first, the regulator has set a minimum share issuance. If the size of the post-IPO paid-up capital is up to BDT 750 million, at least 30% shares have to be issued. At least 20% of shares have to be offloaded if the post-IPO paid-up capital ranges from BDT 750 million to BDT 1.50 billion. It will be at least 10% when the post-IPO paid-up capital goes past BDT 1.50 billion. An issuer company may offer private placement for up to 15% of the size of the IPO at par value under the fixed-price method or at a cut-off price under the book-building method. It will be treated as a part of the IPO, the draft rule said.

<https://www.thedailystar.net/business/news/regulator-moves-rewrite-ipo-rules-2058457>

BSEC for introducing e-voting system

- The securities regulator has asked the listed companies to introduce e-voting system apart from existing physical system of casting votes by the shareholders at general meetings. To this effect, the Bangladesh Securities and Exchange Commission (BSEC) on Wednesday issued a directive to ensure more transparency at the companies' annual general meetings (AGMs) or extra-ordinary general meetings (EGMs). Using the hybrid system for conducting AGMs or EGMs, an issuer company will have to notify its shareholders the venue and web-link for joining the meeting through online platform with intimation to the commission and the stock exchanges.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-for-introducing-e-voting->

[system-1615391397](https://www.tbsnews.net/economy/stock/firms-must-allow-shareholders-presence-general-meetings-214369)
<https://www.tbsnews.net/economy/stock/firms-must-allow-shareholders-presence-general-meetings-214369>
<https://www.dhakatribune.com/business/stock/2021/03/11/listed-firms-asked-to-hold-hybrid-agms-egms>
<https://www.newagebd.net/article/132350/cos-asked-to-hold-general-meetings-thru-hybrid-system>

BSEC to use Icab's document verification system

• Bangladesh Securities and Exchange Commission (BSEC) signed a memorandum of understanding (MoU) with Institute of Chartered Accountants of Bangladesh (Icab) on Wednesday to access Icab's document verification system (DVS) to check companies' financial reports. Icab introduced the DVS on 1 December last year to curb malpractice of preparing fake financial statements and to establish transparency and accountability in the accounting system of the country. BSEC officials said that the commission would verify the authenticity of any financial statement provided to it through the new DVS of Icab and that would minimise fraudulent preparation and submission of financial statements.

• Icab said in a statement, the DVS has already become quite acceptable to the business community and other regulatory bodies. Icab has such arrangements with the National Board of Revenue (NBR) and the Financial Reporting Council (FRC). As the users of financial statements can verify through the DVS whether the submitted ones are audited by a chartered accountant firm or not, the mutual cooperation would make the accounting system more acceptable and reliable. However, the companies would not be able to commit audit fraud now as the DVS is functioning. The DVS will stop the culture of debt defaulters also, as it helps better due diligences.

<https://www.tbsnews.net/economy/stock/bsec-use-icabs-document-verification-system-214378>
<https://www.dhakatribune.com/business/stock/2021/03/11/icab-bsec-team-up-to-authenticate-financial-statements>
<https://www.newagebd.net/article/132351/bsec-signs-deal-with-icab-on-dvs>

Nagad keen to provide digital financial services to four banks

• Nagad, a digital service of Bangladesh Post Office, has expressed willingness to provide its digital financial services to four banks, including the state-run Rupali Bank. In this connection, the country's fastest-growing mobile financial services (MFS) provider submitted proposal letters to the banks separately on Wednesday. The other three banks are First Security Islami Bank Limited, Bangladesh Commerce Bank Limited and Jamuna Bank Limited. Currently, the state-run MFS provider is providing services to more than 30 million customers, 700-plus corporate entities, including multinational companies, all major government initiatives, integrated 15 banks and over 15,000 merchants through its distribution network of 190,000-plus agent points across the country.

<https://today.thefinancialexpress.com.bd/trade-market/nagad-keen-to-provide-digital-financial-services-to-four-banks-1615394088>

IPO quota for general investors to be enhanced

• The securities regulator is set to enhance the IPO quota for general investors aiming to facilitate their greater access to such facility. To this effect, the Bangladesh Securities and Exchange Commission (BSEC) has already incorporated such provision in its draft

amendments to the public issue rules. As per the existing rules, the general investors have 50% and 40% IPO quota under the fixed price and book building method respectively. As per the new amendment, if approved, the general investors will avail 65% quota both in fixed price and book building method.

• In its draft amendment, the securities regulator has also included the provision of offering private placement up to 15% of the size of IPO at par value under the fixed price method or at cut-off price under the book building method. And the shares offered as private placement will be treated as a part of the IPO. The securities regulator has also enhanced the lock-in period on placement shares to two years from existing one year. The regulator has imposed one year lock-in period on the shares to be held by the foreign shareholders.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-quota-for-general-investors-to-be-enhanced-1615306802>

IDLC wants dividend policy revision

• The IDLC Finance Limited has requested the Bangladesh Bank to revise its policy which bars the non-bank financial institutions (NBFIs) from paying more than 15% cash dividend. IDLC, the country's largest NBFI, sent a letter to the banking watchdog in this regard, citing that IDLC's financial performance is completely different from other NBFIs. In February, the Bangladesh Bank barred NBFIs with sound financial health from paying more than 15% cash dividend considering the challenges posed by the pandemic.

• Meantime, IDLC declared a 35% cash dividend to its shareholders for 2020 – the third time in a row. IDLC Managing Director and Chief Executive Officer said that they requested the central bank to either reconsider the policy for IDLC, or to provide us a guideline about how we will adjust the dividend to 15%.

<https://tbsnews.net/economy/stock/idlc-wants-dividend-policy-revision-213706>

BSEC defers directive of execution date

• The securities regulator has deferred the implementation of its directive regarding the highest interest rate on margin loans. As per a fresh directive, the highest interest rate on margin loan will come into effect from July 1 instead of February 1, 2021. In a directive issued on January 14, the securities regulator fixed the highest interest rate at 12% on margin loan disbursed by stock brokers. The directive said the highest spread on the cost of margin loans will be 3.0%. This interest rate was supposed to come into effect from February 1, 2021. Finally, the securities regulator on Sunday said its directive on the highest interest rate will be effective from July 1 in lieu of February 1, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-defers-directive-of-execution-date-1615222230>

Intermediaries asked to prepare action plan to minimize negative equity

• Stockbrokers and merchant banks have been asked to prepare their action plan on how they can minimize negative equity, which did not come down in line with the recent stock market rally. Upon instructions of Bangladesh Securities and Exchange Commission (BSEC), the two bourses wrote to their member firms that disburse margin loans and the firms' money is stuck due to the bad shape of investment portfolios. According to regulatory filings by brokers and merchant banks, the total negative equity in the stock market portfolios was BDT 127.00 million at the end of June last year when DSEX, the key index of

the Dhaka Stock Exchange (DSE), was below the 4,000-mark.

- The industry, at the end of December, reported a quarter-on-quarter reduction in total negative equities in investment accounts – from BDT 123.55 million at the end of September to BDT 122.50 million at the end of December – but the progress is not satisfactory, BSEC said in a letter to the bourses and the association of merchant bankers last week. BSEC wants the bourses to guide their member firms on how brokers would minimise their portion in handicapped assets.

<https://tbsnews.net/economy/stock/intermediaries-asked-prepare-action-plan-minimise-negative-equity-213106>

Companies must float at least 10% of paid-up capital in IPO

- The Bangladesh Securities and Exchange Commission has moved to make it mandatory for an initial public offering intending company to float at least 10% of its paid-up capital on the stock market. BSEC officials said that the stock market regulator took the move after facing a spate of criticisms when Walton Hi Tech Industries floated only 0.93% of its total paid-up capital to raise BDT 1.00 million through an IPO. According to the draft amendments, an IPO intending company must ensure the size of public offer on the basis of post-IPO paid-up capital. The size of the public offer must be at least 30% of the paid-up capital, including the intended offer, if the size of post-IPO paid-up capital is up to BDT 750 million.

- If the post-IPO paid up capital is between BDT 750 million and BDT 1.50 billion, the IPO size must be at least 20% of the paid-up capital. If the post-IPO paid up capital crosses BDT 1.50 billion, the company must float 10% of the paid-up capital, including intended offer. The rules also allowed an IPO intending company to issue placement shares up to 15% of the size of its IPO at par value under the fixed price method or at cut-off price under the book-building method to anyone, which must be treated as part of the IPO.

- According to the draft rules, general investors would enjoy 65%, non-resident Bangladeshi 5%, eligible investors 20% and mutual funds 10% of the IPO shares under the fixed price method. Under the book building method, general investors will enjoy 65%, NRB 5% and eligible investors 30%.

<https://www.newagebd.net/article/132149/cos-must-float-at-least-10pc-of-paid-up-capital-in-ipo>

UCB plans to set up separate MFS subsidiary “upay”

- With the aim to expand business in the mobile financial services (MFS) market, United Commercial Bank (UCB) is planning to set up a separate subsidiary named "upay" replacing the existing "Ucash".upay will debut by this month and will be the second subsidiary the bank is going to set up through United Fintech Company Limited after bKash. UCB is the sole owner of upay while bKash has multiple investors. Currently, Ucash is being operated for providing MFS as a product of the bank, said a senior executive of UCB. After forming the subsidiary, the MFS platform will be a completely separate company with a separate CEO and board, he said.

- The restarting of MFS as a separate company will allow existing customers to get more services. Officials said UCB's existing MFS brand Ucash will be replaced by upay while Ucash customers will be migrated to the new platform and they will enjoy all kinds of services.

<https://tbsnews.net/economy/banking/ucb-plans-set-separate-mfs-subsiary-upay-213115>

EBL to get BDT 10.00 billion BB fund

- Eastern Bank Limited is going to use a revolving refinance fund amounting BDT 10.00 billion to support customers in technological development and upgradation of their export-oriented industries. The fund, formed from the Bangladesh Bank's own resources, aims at supporting export-oriented industries to improve their skillset and preparing them to enjoy a competitive advantage in the international arena.

- The fund will be channelled by EBL to its customers at competitive pricing for development and upgradation of capital machinery and technology, energy-efficient machinery or technology, business process reengineering or automation-related machinery or technology, operations management-related machinery or technology, waste management machinery or technology, air management machinery or technology, heat management machinery or technology, workplace management machinery or technology, water management machinery or technology, human resource development and management-related upgraded technology and account, sales and marketing management automation machinery or technology upgradation.

<https://www.newagebd.net/article/132035/eb1-to-get-BDT-1000cr-bb-fund>

Lub-rref to debut on bourses Tuesday

- Lub-rref (Bangladesh) is waiting for its debut on the bourses on Tuesday, following its BDT 1.50 billion initial public offering (IPO) under the book building method. The lubricant manufacturer said in its IPO filing that it would invest BDT 980 million to expand its existing manufacturing plant which would enable the company to capture 20% of the market share – a significant jump from its existing 8% market share in terms of volume. BNO Lubricants – a brand of the company – sells around 10,000 tonnes of lubricant annually for BDT 1.75 billion. Incorporated in 2001, Lub-rref commercially launched its manufacturing plant in 2006.

- As of the fiscal year that ended on 30 June, 2019, Lub-rref earned BDT 2.08 against each of its shares, while the company's five-year average earnings per share was BDT 2.23. The net asset value per share of the company with BDT 1.00 billion paid-up capital (pre-IPO) was BDT 31.92 a year ago. It would be BDT 25.96 without adding the revaluation surplus of assets. NRB Equity Management is working as the issue manager to facilitate the stock market listing of the company.

<https://tbsnews.net/economy/stock/lub-rref-debut-bourses-tuesday-212470>

<https://www.dhakatribune.com/business/2021/03/07/lub-rref-makes-its-debut-at-bourse-on-tuesday>

<https://today.thefinancialexpress.com.bd/stock-corporate/lub-rref-bangladesh-makes-debut-tomorrow-1615135994>

Thayaparan appointed Robi chairman

- Thayaparan Sangarapillai, a fellow of the Institute of Chartered Accountants in England and Wales, has been appointed chairman of the board of directors of Robi, said a press release. Thaya brings with him over 35 years of experience in providing audit and business advisory services to clients in a wide range of industries. He is also a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

<https://www.newagebd.net/article/132060/thayaparan-appointed-robi-chairman>

Record profit for Dutch-Bangla Bank in 2020

• Dutch Bangla Bank logged in a record profit of BDT 5.50 billion in 2020 -- incredible seeing that it came amid the global coronavirus pandemic that wreaked havoc on lives and livelihoods like never before. While the reasons for the surge in profit has not been disclosed yet, one can assume the host of facilities extended by the Bangladesh Bank to soften the blow of the global coronavirus pandemic is to thank for the 26.7% higher profit in 2020. On March 19 last year, 11 days after Bangladesh announced its first confirmed cases of Covid-19, the central bank asked lenders not to consider businesspeople as defaulters if they fail to repay their instalments until June 30.

• The deadline was extended twice since to December 31 this year. Banks usually keep aside 0.5% to 100% in provisioning. They keep lower provisioning for regular loans but 20 to 100% for default loans. The payment holiday meant banks were not obliged to set aside funds from their income to account for future losses. Besides, Dutch-Bangla Bank owns Rocket, a formidable player in the mobile financial services field that got a boost amid the pandemic. They have been able to maintain our growth despite the pandemic and the single-digit interest rates, but it will be difficult for us to maintain the growth in the coming days, said a senior official of Dutch-Bangla Bank on condition of anonymity.

• With the weaning off of loan moratorium facility from this year and given the tough operating conditions last year, the amount of bad loan is expected to see a spike, meaning a big hit to banks' balance sheet in 2021. Besides, banks' fresh credit disbursement, their bread-and-butter, has been on the slow lane since last year, so their interest income is expected to shrink much. But because of the central bank's cap on dividend handout the bank announced the maximum 30% it is allowed this year: 15% cash and 15% stock dividends. In 2019, it gave 15% cash and 10% stock dividends.

<https://www.dhakatribune.com/business/stock/2021/03/06/record-profit-for-dutch-bangla-bank-in-2020#:~:text=Dutch%20Bangla%20Bank%20logged%20in,and%20livelihoods%20like%20never%20before.>

Citibank's profit takes a hit for pandemic

• The Bangladesh subsidiary of American financial services behemoth Citigroup, Citibank, saw its profit shrink 12.4% in 2020 to BDT 908 million as the pandemic ate away the appetite for loans for its client base, businesses. The performance is better than its parent group, which saw its profit crash 41.2% to USD 11.4 billion because of the "massive economic impact of COVID-19". Citibank's loans and advances contracted 26.5% year-on-year to BDT 13.58 billion last year. Its roster of large loan clients increased from 28 to 31. Names include Grameenphone, Banglalink, Robi, Nestle Bangladesh, British American Tobacco, Pran, Heidelberg Cement, LafargeHolcim, Incepta, Renata, Brac, among others.

• Their outstanding loans with Citibank stood at BDT 23.96 billion at the end of 2020, down 1.4% year-on-year. As a result, its interest income crashed 30.8% to BDT 1.22 billion in 2020. Citibank's default loan ratio increased from 1.2% in 2019 to 1.6% -- which is way below the sector's average of 7.7% in 2020. Its loan to deposit ratio is 33%, down from 47.8% in 2019 -- and much below the ceiling of 85%.

<https://www.dhakatribune.com/business/stock/2021/03/06/citibank-s-profit-takes-a-hit-for-pandemic>

Teletalk finally opts to take part in spectrum auction to stay afloat

• State-owned mobile phone operator Teletalk has finally decided to participate in the spectrum auction on March 8 to acquire sufficient spectrum and continue running its 4G services. Earlier, the top three mobile operators - Grameenphone (GP), Robi, and Banglalink's demand were for 11.8 MHz spectrum. Grameenphone specifically sought 4.8 MHz spectrum, Robi 2.6 MHz and Banglalink 4.4 MHz from the 1800 MHz. But the Bangladesh Telecommunication Regulatory Commission (BTRC) officials said that they only have 7.4 MHz from 1800 MHz, and they will allocate the rest of the spectrum from the 2100MHz band in the upcoming auction.

• Teletalk operator's demand is 5 MHz this time. But the state-owned operator will have no problem if it is allocated from the 100 MHz band, said Mohammad Shahabuddin, managing director of Teletalk. Meanwhile, the telecom regulator has set certain conditions for the participants in March 8's auction.

<https://www.dhakatribune.com/business/2021/03/07/teletalk-finally-opts-to-take-part-in-spectrum-auction-to-stay-afloat>

BSEC unlikely to stop issuing IPOs despite sluggish market

• The securities regulator is unlikely to put off the process of bringing new IPOs (initial public offerings) in the capital market amid the recent trend of poor transactions. One of the commissioners at the Bangladesh Securities and Exchange Commission (BSEC) made the observation as different market operators suggested not to approve IPOs due to the ongoing down trend in the secondary market. They are not in favour of going slowly or putting off the IPO proposals, a BSEC commissioner said. They're eagerly waiting for quality IPOs which will be cleared as per the normal procedure and without any delay, he said, apparently rejecting the idea of holding back the IPO processing.

• He also informed that the regulator did not have sufficient IPO proposals at present. President of the Bangladesh Merchant Bankers Association (BMBA) said that many operators and few experts suggested putting off the IPO process due to the sluggish market trend. Without putting off the IPOs, what we can do at best is to defer the public subscription period of a company subject to their application, a BSEC commissioner said.

<https://today.thefinancialexpress.com.bd/last-page/bsec-unlikely-to-stop-issuing-ipos-despite-slow-market-1615050492>

IFAD Autos gearing up to enter luxury bus assembly segment

• IFAD Autos is all set to make a foray into the assembling business as it is now putting together different components to build 160 luxury buses to cater to the domestic market. We have been assembling commercial vehicles in our BDT 3 billion plant in Dhamrai since 2017 and we began assembling luxury buses last year, said the managing director of the company. Of the 48,126 air-conditioned and non-air-conditioned buses registered with the Bangladesh Road Transport Authority as of February, around 10,000 units were sold by IFAD Autos, occupying 21% of the total market, he said.

• Since 1988, IFAD Autos has been distributing commercial vehicles of India's leading automobile manufacturer Ashok Leyland. So far, the company has sold over 60,000 such vehicles. Ashok Leyland has been providing technical support to the 125-bigha plant of IFAD Autos, which will create a total of 800 jobs, including 500 for mechanical and electrical engineers and technical persons.

- The demand for luxury buses has been annually increasing at around 20% for the last five years, said the managing director of IFAD Autos. The price of locally assembled air-conditioned bus would be BDT 5.6-8.0 million, while the imported one will cost around BDT 13 million, he said. The price of each of the local non-air-conditioned bus is around BDT 3.5 million, which hovers around BDT 4.5 million for the foreign ones, he said. India's Tata, Eicher, Japan's Hino, Volvo of Sweden and Hyundai of South Korea are the other market players in the local commercial vehicles segment.

<https://www.thedailystar.net/business/news/ifad-autos-gearing-enter-luxury-bus-assembly-segment-2055197>

Pubali Bank to raise BDT 5.0 billion through perpetual bond

- The board of directors of Pubali Bank Ltd. has decided to raise BDT 5.0 billion through issuance of perpetual bond to strengthen the additional tier-1 capital base. The bank will issue the bond for raising funds to strengthen the additional Tier-1 (AT-1) capital to support the bank's Basel-III compliance in line with Bangladesh Bank guidelines on risk based capital adequacy dated December 2014. The perpetual bonds issue is subject to approval from the authorities concerned -- Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) -- and compliance with regulatory requirements, the bank said in a filing with the Dhaka Stock Exchange (DSE) on Thursday.

<https://today.thefinancialexpress.com.bd/stock-corporate/pubali-bank-to-raise-BDT-50b-through-perpetual-bond-1614876700>