

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.10%) lost -78.14 points and closed the week at 7,027.55 points. The blue-chip index DS30 (-1.25%) lost -33.04 points and stood at 2,602.34 points. The Shariah-based index DSES (-0.56%) lost -8.42 points and stood at 1,499.97 points. The large cap index CDSET (-1.07%) lost -15.20 points and closed at 1,403.88 points. DSEX, DS30, DSES and CDSET showed YTD returns of +4.01%, +2.75%, +4.81%, +3.29%, respectively.

Total Turnover During the Week (DSE): BDT 61.5 billion (USD 715 million)

Average Daily Turnover Value (ADTV): BDT 12.3 billion ($\Delta\%$ Week: -25.4%)

Market P/E: 17.7x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started this week negatively (-0.46%) and continued to perform negatively on the following day as well. It fell (0.76%) on Monday. But it gained (0.19%) on Tuesday but market remained flat on Wednesday. At the end market closed negatively on Thursday (-0.07%).

Sectoral Performance

- Financial sectors posted mixed performance this week. NBF1 booked the highest gain of 5.67% followed by Life Insurance (+0.57%). Mutual Fund experienced the highest loss of 2.00% followed by Bank (-0.32%), General Insurance (-0.29%).

- Non-financial sectors posted mixed performance this week. Food & Allied booked the highest gain of 1.86% followed by Engineering (+0.52%). Fuel & Power experienced the highest loss of 2.14% followed by Telecommunication (-1.23%), and Pharmaceutical (-1.17%).

Macroeconomic arena

- Textiles, apparel exports to US increase by 30.68% in 2021. Per capita income to reach USD 2,785 in FY22: Finance Minister. Foreign aid release, commitment surge in H1 of FY22. Five projects of Tk 1,022cr get nod. Bangladesh apparel less competitive than Vietnam's. Default loan of NBFIs rise to BDT 1429 cr in three months.

- Bangladeshi startups finally getting the investment they deserve. BB introduces credit guarantee facility to pace loans disbursement among marginal groups. Import tax revenue up on the back of higher rate. BB aid for stocks ends up salvaging Beximco sukuk. New pay structure for banks to discourage good performers, reduce profitability. BD businesses can avail credit from ESG Fund.

- MFS cash-in hits record BDT 21,208cr in Nov. Almost 50% of total mobile banking transactions now digital. Nagad 'add money' now includes Dhaka Bank. Companies can invest 25% of asset offshore. Business leaders demand extension of loan moratorium until June. Agri credit disbursement rises, 51% target achieved in 6 months. Rising fuel, fertilizer prices fueling farm spending. Gas price hike should be gradual.

Stock Market arena

- BSEC to appoint auditor to review Intech financials. BSEC wants valuation report on strategic partner from DSE. BSEC seeks clarifications on Golden Son's revenue. BSCCL wants to issue 14 lakh shares to employees. Eastern Bank to issue BDT 500 crore subordinated bond. Union Bank shares halted on debut day. JMI Hospital Requisite's IPO subscription to begin Feb 27.

- Magnito Digital, bKash in service exchange deal. Japan Tobacco accuses BATB of anti-competitive practices. Unique Hotel returns to profit. Marico profits up 20%. Meghna Petroleum posts profit growth despite a revenue decline. Padma Oil to invest BDT400cr to build commercial space. Symphony becomes 2nd 'Made in Bangladesh' smartphone exporter. RN Spinning strives for a comeback.

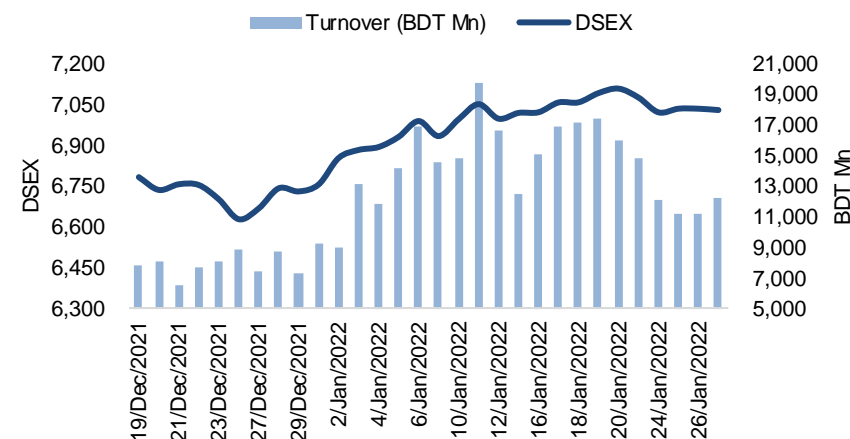
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	7,027.55	7,105.69	-78.14	6,756.66	-1.10%	+4.01%
DS30	2,602.34	2,635.38	-33.04	2,532.58	-1.25%	+2.75%
DSES	1,499.97	1,508.40	-8.42	1,431.12	-0.56%	+4.81%
CDSET	1,403.88	1,419.08	-15.20	1,359.13	-1.07%	+3.29%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	5,629,030	5,652,352	-0.4%
	M n USD	65,454	65,725	
Turnover	M n BDT	61,493	82,432	-25.4%
	M n USD	715	959	
Average Daily Turnover	M n BDT	12,299	16,486	-25.4%
	M n USD	143	192	
Volume	M n Shares	1,211	1,670	-27.5%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
UNIONINS	25.6	16.0	+60.0%	1,239	0.1	20.0x	1.7x
BDTHAIFOOD	14.6	10.0	+46.0%	1,190	0.0	27.4x	1.0x
QUEENSOUTH	32.6	25.6	+27.3%	4,693	675.9	27.4x	2.2x
BDLAMP5	277.4	221.4	+25.3%	2,599	513.1	37.9x	2.9x
YPL	17.7	14.3	+23.8%	1,304	389.4	NM	1.6x
UNIONBANK	12.1	10.0	+21.0%	11,942	1.8	11.4x	0.8x
SONARGAON	22.6	19.1	+18.3%	598	65.6	NM	2.1x
BEACHHATCH	35.2	30.5	+15.4%	1,457	125.0	NM	3.7x
MALEKSPIN	33.9	29.5	+14.9%	6,563	623.8	8.9x	0.7x
PRIMEINSUR	90.9	79.2	+14.8%	3,716	274.3	27.2x	4.9x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
TAMJTEX	162.7	187.9	-13.4%	4,892	317	35.0x	2.0x
KTL	29.4	33.9	-13.3%	3,419	248.5	62.4x	1.7x
PAPERPROC	230.3	260.7	-11.7%	2,407	119.7	NM	22.4x
PREMIERCEM	58.6	65.8	-10.9%	6,179	312	15.0x	0.8x
GHCL	36.0	40.3	-10.7%	2,592	14.0	NM	0.7x
GOLDENSON	19.9	22.2	-10.4%	3,417	477.1	32.6x	1.0x
ACMEPL	29.1	32.2	-9.6%	3,929	104.0	17.8x	1.5x
MONNOFABR	23.0	25.4	-9.4%	2,645	30.3	NM	0.9x
JUTESPINN	112.0	122.6	-8.6%	190	18	NM	NM
GBBPOWER	34.0	37.0	-8.1%	3,461	155.1	22.0x	1.6x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	153.5	160.4	-4.3%	13,4515	4,855.6	13.3x	1.8x
BSC	131.3	139.0	-5.5%	20,028	3,471.9	15.5x	2.0x
POWERGRID	70.2	70.5	-0.4%	50,033	1,710.6	15.1x	0.6x
ASIAINS	99.3	99.2	+0.1%	4,674	1,305.7	34.8x	3.5x
RAK CERAMIC	58.5	53.4	+9.6%	25,036	1,252.8	29.1x	3.5x
BATBC	656.0	645.9	+1.6%	354,240	1,233.4	25.8x	8.8x
FORTUNE	124.9	124.6	+0.2%	20,301	1,233.1	53.6x	8.5x
APEXFOOT	331.8	325.5	+1.9%	3,919	1,117.8	35.1x	1.4x
FUWANGFOOD	23.3	21.8	+6.9%	2,583	1,101.3	NM	2.0x
ORIONPHARM	106.0	102.8	+3.1%	24,804	1,067.8	30.3x	1.3x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
SQUARETEXT	69.8	+33.7%	13,768	12.7x	1.7x
TITASGAS	43.7	+20.4%	43,229	12.6x	0.6x
POWERGRID	70.2	+17.8%	50,033	15.1x	0.6x
LINDEBD	1,820.8	+15.3%	27,709	22.2x	4.9x
GHAIL	18.8	+13.9%	4,058	NM	1.3x
GPHISPAT	59.9	+13.0%	26,165	13.7x	2.1x
HEIDELBCEM	302.4	+11.0%	17,087	29.6x	4.0x
UNILEVERCL	3,298.9	+10.8%	39,740	86.8x	29.7x
ROBI	38.1	+10.1%	199,565	86.9x	3.0x
BSCCL	231.1	+10.0%	38,110	18.1x	4.1x

Table 7: Sector Indices

*BDT
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Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,615.2	1,620.4	1,589.69	-0.32%	+1.61%
NBFI	2,509.4	2,374.6	2,327.63	+5.67%	+7.81%
Mutual Fund	894.1	912.3	882.99	-2.00%	+1.26%
General Insurance	4,424.5	4,437.3	4,698.62	-0.29%	-5.83%
Life Insurance	2,910.8	2,894.2	2,687.55	+0.57%	+8.31%
Telecommunication	6,031.0	6,105.9	5,800.37	-1.23%	+3.98%
Pharmaceutical	3,972.9	4,020.2	3,866.63	-1.17%	+2.75%
Fuel & Power	1,909.2	1,950.9	1,792.97	-2.14%	+6.48%
Cement	2,703.9	2,709.1	2,534.76	-0.19%	+6.67%
Services & Real Estate	1,489.3	1,515.3	1,309.43	-1.72%	+13.73%
Engineering	4,762.7	4,738.1	4,727.46	+0.52%	+0.74%
Food & Allied	26,412.5	25,929.6	25,222.81	+1.86%	+4.72%
IT	3,197.8	3,219.0	3,274.61	-0.66%	-2.35%
Textile	1,639.4	1,620.5	1,470.60	+1.17%	+11.48%
Paper & Printing	9,201.0	9,340.9	9,680.03	-1.50%	-4.95%
Tannery	3,843.1	3,744.3	3,236.76	+2.64%	+18.73%
Jute	8,563.6	8,687.6	8,747.84	-1.43%	-2.11%
Ceramics	830.4	782.0	675.88	+6.19%	+22.86%
Miscellaneous	4,764.6	5,057.5	4,625.39	-5.79%	+3.01%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	522.2	791.8	-34.05%	+4.38%	8.2x	0.9x
NBFI	366.4	565.3	-35.18%	+3.08%	NM	4.5x
Mutual Fund	58.4	80.2	-27.11%	+0.49%	NM	0.8x
General Insurance	738.7	591.7	+24.84%	+6.20%	20.2x	2.2x
Life Insurance	454.9	961.6	-52.70%	+3.82%	NM	NM
Telecommunication	207.0	271.6	-23.76%	+1.74%	11.0x	5.7x
Pharmaceutical	1,348.2	1,705.5	-20.95%	+11.31%	19.4x	2.7x
Fuel & Power	923.7	1,379.4	-33.04%	+7.75%	12.4x	1.3x
Cement	155.7	238.3	-34.69%	+1.31%	19.0x	2.7x
Services & Real Estate	409.6	1,008.6	-59.39%	+3.44%	NM	1.2x
Engineering	1,024.6	1,519.0	-32.55%	+8.60%	18.8x	2.0x
Food & Allied	1,005.1	945.1	+6.35%	+8.44%	31.5x	9.2x
IT	290.7	276.2	+5.25%	+2.44%	34.8x	2.9x
Textile	1,486.9	1,763.4	-15.68%	+12.48%	38.9x	1.1x
Paper & Printing	308.2	264.6	+16.49%	+2.59%	NM	2.4x
Tannery	502.4	826.9	-39.24%	+4.22%	NM	4.1x
Jute	9.7	12.2	-20.86%	+0.08%	NM	20.0x
Ceramics	320.9	503.3	-36.23%	+2.69%	38.0x	2.4x
Miscellaneous	1,782.2	2,344.3	-23.98%	+14.96%	17.3x	2.4x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
WALTONHIL	1,070.6	-6.8%	324,315	22.5x	3.5x
PIONEERINS	109.0	-6.8%	8,391	14.3x	2.2x
BANKASIA	20.5	-6.0%	23,901	9.6x	0.9x
BATASHOE	929.1	-3.9%	12,710	NM	3.6x
ADNTEL	51.0	-2.7%	3,297	19.7x	1.9x
MPETROLEUM	192.5	-2.2%	20,832	7.2x	1.1x
IDLC	59.1	-2.0%	23,398	9.3x	1.4x
MTB	19.3	-1.5%	15,681	27.3x	0.9x
PADMAOIL	209.6	-1.4%	20,590	9.3x	1.2x
JAMUNAOIL	169.4	-1.0%	18,706	9.5x	0.9x

Important News: Business & Economy

Foreign aid release, commitment surge in H1 of FY22

- Bangladesh witnessed marked jumps in both foreign aid disbursement and commitments for new loans and grants in the first six months of the current 2021-22 fiscal year, mainly riding on Covid-related budget assistance and loans for purchasing vaccines. The country received 83% higher aid commitments year-on-year in the July-December period of FY22, while the amount of assistance released by the development partners in the period was USD1.2 billion higher compared to the same period a year ago, according to the Economic Relations Division's latest data.
- The amount of foreign aid allocation in this year's ADP is BDT 88,024 crore. Because the pace of implementation is slow, the ministries and divisions have proposed to reduce the allocation of foreign aid by BDT17,774 crore in the revised ADP, the officials added. In the first six months of the financial year, the ADB released the highest amount of aid for Bangladesh. The Manila-based development partner freed more than USD1.5 billion during the period. Japan disbursed the second highest amount of foreign aid – USD 817 million – during the period, followed by the World Bank, and China. During the period, the government paid the development partners USD 1 billion in principal and interest on loans. The volume of repayment was 900 million in July-December last year.

<https://www.tbsnews.net/economy/foreign-aid-release-commitment-surge-h1-fy22-362809>

Per capita income to reach USD 2,785 in FY22: Finance Minister

- Finance Minister AHM Mustafa Kamal on Wednesday said the country's economy will recover to normal very soon, expressing optimism that the per capita income will reach USD2,785 in the current fiscal year. According to the provisional estimates of the Bangladesh Bureau of Statistics, the per capita income at the end of the last fiscal year stood at USD 2,554.
- This year USD 231 more will be added to the per capita income, according to the minister. The finance minister said credit flow to the private sector increased by 8.77% year-on-year at the end of September. The private sector credit growth is expected to reach close to 14.8% by the end of the current fiscal year as economic activities will get back full momentum in the current financial year, the minister noted.

<https://www.tbsnews.net/economy/capita-income-reach-2785-fy22-finance-minister-362794>

Companies can invest 25% of asset offshore

- The government issued guidelines permitting Bangladeshi entrepreneurs to make offshore equity investment to the tune of 25% of net asset of a company. Seven core conditions are tied to the investment in foreign countries. They will be allowed to make equity investment abroad up to 20% of their average annual income from exports during the last five years or 25% of net asset mentioned in the last audited financial report. Interested entrepreneurs also must be an exporter with adequate balance in its Exporters' Retention Quota (ERQ) account, and must have sound financials in the past five years. The credit-rating grade of the entrepreneur has to be at least 2.0, and also cannot be a loan defaulter.
- Also, overseas equity investment will get priority in countries with which Bangladesh has agreements on bilateral equity investment, development, expansion, and conservation. However, equity investment by Bangladeshi entrepreneurs would not be allowed in countries where sanctions have been imposed by the United Nations, the European Union, Office of Foreign Asset Control (OFAC), and the countries which are not compatible with Financial Action Task Force (FATF) requirements.

<https://today.thefinancialexpress.com.bd/first-page/companies-can-invest-25pc-of-asset-offshore-1643220825>

BD businesses can avail credit from ESG Fund

- Bangladeshi businesses can avail credit from USD 250 million worth of ESG First Fund, a finance initiative to promote environmental, social and governance (ESG) practices among the businesses in Asia and Africa. Aavishkaar Capital of India in partnership with KfW, a German state-owned investment and development bank, has introduced the fund recently.
- Exporters, especially the medium-sized ones, who have strong commitment to ESG practices can avail the fund, added Mr Karim. It also aims to enable the businesses with capabilities so that they can capitalise on the increasing consumer preference for ecologically-conscious, gender-equal and purpose-driven businesses and meet increasing demands on corporate due diligence in the course of regulatory measures in the European market.

<https://today.thefinancialexpress.com.bd/trade-market/bd-businesses-can-avail-credit-from-esg-fund-1643216491>

Private banks say unable to implement BB-set pay structure by 1 March

- The Bangladesh Association of Bankers (BAB) has said it is not possible to implement a new pay structure set by the Bangladesh Bank for officers and employees at private banks from 1 March this year. "We have urged the central bank to extend the deadline for the implementation of salaries and allowances and review the pay structure," said BAB Chairman Md Nazrul Islam Mazumder. Asked about ambiguities in the circular, the BAB president said it lacks specific directions on increasing salaries and promotions.

<https://www.tbsnews.net/economy/banking/bb-pay-guideline-bank-officials-difficult-implement-march-bab-chairman-362608>

Banks' shock absorbing capacity deteriorates

- Banks' capacity to absorb shock generated from an increased amount of non-performing loans deteriorated in the July-September quarter of 2021 compared with that in the previous quarter, according to a Bangladesh Bank report. Banks' capital base, also known as capital to risk weighted assets ratio, would drop to 9.36 % if top three large borrowers turn defaulters, the report said. The banks are supposed to maintain a CRAR of above 10 %. Pre-shock CRAR of the country's banks was 11.22 % at the end of September 2021.
- At the end of June 2021, the CRAR of the country's banking sector was 11.57 % and the ratio was 11.63 % in June 2020. Of the rest 48 banks, 16 banks would become non-compliant in maintaining the minimum required CRAR if NPL increases due to defaulting of top three large borrowers of the banks. Defaulted loans in the country's banking sector surged to BDT 1,01,150.3 crore as of September 30, 2021 from BDT 88,734.06 crore as of December 31, 2020.

<https://www.newagebd.net/article/161075/banks-shock-absorbing-capacity-deteriorates>

High engine capacity bikes see faster sales

- The sale of higher engine capacity motorcycles grew thanks to their reduced prices as well as a reduction in registration fees. The demand for motorcycles with a cubic capacity (cc) of 150 achieved a 30% growth last year while that of 125cc models grew only 13%. 100cc to 110cc bikes witnessed 16% growth in demand after the market started recovering from coronavirus-induced shocks, according to market players. But in terms of market share, lower capacity engines still rule the roost with roughly 55 per cent more sales.
- Customers can now purchase a 150cc motorcycle at the same price as a 125cc bike. The price of a 125cc bike is around BDT 200,000 while 150cc models basically cost the same. Executive director of ACI Motors said that, barring any other unforeseen economic disaster, the demand for motorcycles will grow by 20- 25% annually until 2030.

- A total of 375,252 motorcycles were sold in 2021, up 21 per cent compared to 311,016 units the year before, according to data from the Bangladesh Road Transport Authority (BRTA). On average, monthly sales stood at about 31,271 units in 2021 while it was 25,918 units in 2020.

<https://www.thedailystar.net/business/economy/news/high-engine-capacity-bikes-see-faster-sales-2948231>

Ecneec approves five revised projects

- The Executive Committee of the National Economic Council (Ecneec) yesterday endorsed the third revision of a project to develop the approach road to the Bangabandhu Sheikh Mujib Safari Park in Gazipur. In its third draft, the project cost has been set at about BDT 242 crore, up a whopping 344% from the original estimate of around BDT 70 crore.
- With this, the Ecneec approved five revised projects, pushing up the collective completion costs by some BDT 654 crore. As such, the five projects will now cost a total of about BDT 3,142 crore, up 35% from the original estimate of BDT 2,320 crore.

<https://www.thedailystar.net/business/economy/news/ecneec-approves-five-revised-projects-2947431>

Import tax revenue up on the back of higher rate

- The country's tax collection at import stage marks impressive growth as taxmen have been taking a conservative approach as far as rationalisation of tariff is concerned. Import duty rate is one of the highest in Bangladesh, 25%, among top five countries, which experts find as a negative factor for a developing country. As a World Trade Organisation (WTO) member, Bangladesh will have to bring down its average import tariff for the sake of trade liberalisation.
- Data available with the National Board of Revenue shows revenue collection at import stage has grown by 76.12% in the past five years (2016-17 to 2020-21). However, the volume of income tax receipts was higher than customs revenue as almost 60% taxes come at import stage in the form of advance income tax (AIT). Policy Research Institute chairman Dr Zaidi Sattar says total tax incidence (TTI) at import stage stands at 51% on average in Bangladesh.

<https://today.thefinancialexpress.com.bd/first-page/import-tax-revenue-up-on-the-back-of-higher-rate-1643132828>

Govt e-transfer to individuals nearly triples

- A new Bangladesh Bank platform has helped the government settle almost 100% of its payments made to individuals electronically, giving a boost to the country's financial inclusion efforts. The digital transfer of funds to individuals includes salaries paid to public sector employees, cash support to the poor and marginalised, and stipends to students.
- The payment through the platform -- Government eTransaction Processing Hub (GeTPH) -- escalated 159% year-on-year to BDT 92,139 crore last year, according to data from the central bank. The system settles transactions made through the Bangladesh Electronic Fund Transfer Network (BEFTN), enabling beneficiaries to receive funds within a day.

<https://www.thedailystar.net/business/economy/banks/news/govt-e-transfer-individuals-nearly-triples-2947521>

Bangladeshi startups finally getting the investment they deserve

- Bangladeshi startups alone bagged USD 150-200 million investments in 2021, landing almost half of the amount it had received from either venture capital firms or individuals over the past decade, according to industry insiders.
- Of those, around 75% were scored mostly by three tech firms — ShopUp, bKash and Pathao — with the country seeing its first-ever unicorn being born through the mobile financial service provider (MFS), while the mobile-based retail service provider ShopUp raised USD 75 million alone.

<https://www.dhakatribune.com/business/2022/01/25/bangladeshi-startups-finally-getting-the-investment-they-deserve>

Denmark keen to help BD process its agro products

- Denmark shows interest in investing in Bangladesh to help the latter process its agricultural products. The Scandinavian nation will also assist Bangladesh in improving the quality of its farm produce, in a bid to ensure safe food for all. The two countries discussed issues related to mutual cooperation in agriculture, dairy, safe food, reduction of food waste, development of food value chain and modern lab, said a press statement.
- Dr Razzaque said despite achieving an outstanding success in crop production, Bangladesh still lagged behind in export and processing of the agro products. The country has a great potential in processing of mango, pineapple, banana, tomato, potato and vegetables, thereby boosting exports by a large margin, said the minister.

<https://today.thefinancialexpress.com.bd/trade-market/denmark-keen-to-help-bd-process-its-agro-products-1643126897>

Bankers to get promotion even if deposit target missed, BB clarifies

- The Bangladesh Bank, clarifying the salary structure for bankers, on Tuesday said bankers would not be sacked or deprived of benefits if they failed to meet their deposit collection targets. At the same time, the central bank directed banks to ensure that its officials are not forced to resign or sacked on unfounded allegations of incompetence.
- The Bangladesh Bank came up with the clarifications in a circular issued amid recent criticism over its new pay scale for bankers. According to the circular, the issues described in the previous circular regarding bankers' salaries were not properly analysed and the misleading interpretations were interfering with banks' compliance with the new pay scale, the BB said, adding, this was not desirable.

<https://www.tbsnews.net/economy/banking/bankers-get-promotion-even-if-deposit-target-missed-bb-clarifies-362308>

MFS cash-in hits record BDT 21,208cr in Nov

- The amount of cash-in, a form of depositing money, in mobile financial service accounts hit a fresh high in November 2021 as customers found making different kinds of payments through the MFS convenient amid a growing digital financial ecosystem. As per the latest Bangladesh Bank data, cash-in in MFS accounts increased to BDT 21,207.7 crore in November from BDT 21,049.4 crore in the previous month.
- Prompted by rapid technology adoption by people, the MFS operators have brought a wide range of utility service providers under their network with a view to expanding the business after the Covid outbreak, officials of MFS operators said. On the platforms of the MFS operators, one can pay electricity, gas, water, internet, telephone and credit card bills, make payments for cable or DTH and education institutions and deposit government fees, they said.

<https://www.newagebd.net/article/161002/mfs-cash-in-hits-record-tk-21208cr-in-nov>

BTMA seeks 100% duty exemption for all types of fibres

- The Bangladesh Textile Mills Association (BTMA) has sought 100% import duty exemption for any types of fibres as the global demand for diversified clothes has been on the rise. It has also suggested increasing the wastage rate for producing yarn from raw cotton to 17% from the existing 10%. The BTMA, in the letter, requested the ministry to brief the National Board of Revenue about the matter so that the revenue agency can consider the duties exemption in formulating the national budget of the upcoming fiscal (FY2022/23).

- The trade body of textile mills also requested the government to continue the 15% corporate tax rate facility until 2026 for the companies involved in the sector. The tax waiver is supposed to end in June this year, which the sector has been enjoying since 2019-20 fiscal. The trade body demanded reducing import-duties on textile parts to 1%, like capital machinery, from the existing 26-104%. The BTMA also demanded cutting down value-added tax on locally manufactured yarn to BDT3 per kg. Currently, it is BDT6 per kg.

<https://www.tbsnews.net/economy/btma-seeks-100-duty-exemption-all-types-fibres-362374>

Now 66% increase in power price proposed

- Now power board seeks to raise bulk electricity tariffs around 66%, hot on the heels of proposed doubling of gas rates at this trying time, sources say. The state-run Bangladesh Power Development Board (BPDB) has submitted its proposal to Bangladesh Energy Regulatory Commission (BERC) for hike, or upward adjustment, of the tariffs with retrospective effect from January 1, 2022.
- State-run electricity-marketing and distribution companies would have to purchase bulk electricity at higher rates if the tariffs are raised. In a knock-on effect, they might also seek to increase retail-level electricity rates to earn additional revenues from the end-users to make up for the purchase of electricity from the BPDB at the increased bulk rates, they say.

<https://today.thefinancialexpress.com.bd/first-page/now-66pc-increase-in-power-price-proposed-1643133074>

Price of steel rods up BDT 2,000 per tonne in two weeks

- The price of mild steel rods (MS rod), a key construction material, has increased BDT 2,000 per tonne in just two weeks, thanks to the persistent high prices of raw materials globally.
- Entrepreneurs in the industry said the price of rods has gone up due to the higher prices of scrap metal and billet, the raw materials for making rods, in local and global markets. However, traders say that raw materials imported earlier are now being used in MS rod production as the raw material imported at higher prices has not reached yet. So, it is irrational to hike prices at this time.

<https://www.tbsnews.net/bangladesh/price-steel-rods-tk2000-tonne-two-weeks-362383>

Biggest FDI for state-of-the-art shipyard in Patuakhali proposed

- With a finance proposal of BDT 14,000 crore in foreign direct investment, the biggest of its kind, the government is one step closer to realising its plan to build a state-of-the-art shipyard near the Payra seaport in Patuakhali. Representatives from Singapore and Australia-based Gentium Solutions and Netherlands-based Damen Shipyards Group have presented the

project proposal at a meeting with Industries Minister Nurul Majid Mahmud Humayun at his office on Monday.

- The Gentium-Damen delegation also handed over a feasibility study report – Developing a World Class Shipbuilding and Ship Repair Facility (WCSBF) in the Patuakhali District, conducted by EY India – to the industries minister, said sources at the ministry. The report says Gentium-Damen will support the government's project by building high quality vessels in the country for the export market. Transfer of technology for specific areas of the shipbuilding process will be incorporated in dedicated and allocated shipbuilding projects at the facility.

<https://www.tbsnews.net/economy/govt-build-world-class-shipyard-near-payra-port-tk14000cr-361777>

Lender to push limping projects

- Negotiators are doing hectic homework as the World Bank sits shortly with government side to clear bottlenecks to slow-going projects it has financed in Bangladesh, sources say. A number of the World Bank-funded projects, worth USD 2.80 billion, turned "problematic" and "slow-going" for a slew of reasons, insiders said Monday. Ahead of the reappraisal meeting, the government agencies concerned are going to sit tomorrow (Wednesday) to get armed with preparations to face the WB evaluation, they said.
- The Washington-based lender is learnt to be unhappy with the dreary progress on at least 10 development projects bankrolled by it in Bangladesh as those are performing bleak over the years, they added. "Some ongoing projects have been selected as slow-moving and problematic. The Bank will sit for a tripartite review meeting next week to find ways of their acceleration," says a senior Ministry of Finance (MoF) official.

<https://today.thefinancialexpress.com.bd/first-page/lender-to-push-limping-projects-1643045900>

Almost 50% of total mobile banking transactions now digital

- Total transactions through mobile banking also went up from BDT 65,135.06 crore in September of last year to BDT 67,582.24 crore in October — a BDT 2,447.18 crore rise in one month. Digital transactions through mobile banking have been rising very fast, having accounted for 43% of total transactions as of October 2021, Bangladesh Bank data shows.
- Economists and bankers believe that the digital transactions through mobile banking are increasing rapidly because it is easier to reach all types of people and various public and private services through this medium.

<https://www.dhakatribune.com/banks/2022/01/24/almost-50-of-total-mobile-banking-transactions-now-digital>

Default loan of NBFIs rise to BDT 1429 cr in three months

- The amount of default loan of the non-bank financial institutions (NBFIs) has reached the tune of BDT 11,757 crore after September in a gap of three months, which is BDT 1,429 crore higher than the April-June quarter. At the end of the June quarter, the amount of default loan was BDT 10,328 crore, which was 15.39% of the total credit. The amount increased to BDT 11,757, up by 17.62% compared to the previous quarter. Random bank loans provided to companies, which exist in papers only, without proper scrutiny by the NBFIs was blamed for the situation. The information was disclosed in the Quarterly Financial Stability Assessment Report of the Bangladesh Bank.
- A BB official told The Business Standard that negligence to scrutinize while giving loans to any company has increased the number of default loans in the whole NBFIs sector. In many NBFIs, the default loan rate would be as high as 50% to 90%. Many credit recipients who got benefits from the NBFIs during the Covid pandemic are now willingly becoming defaulters.

<https://www.tbsnews.net/economy/banking/default-loan-nbfis-rise-tk1429-cr-three-months-361900>

Agri credit disbursement rises, 51% target achieved in 6 months

- Banks disbursed BDT 14,497 crore of agriculture and rural credit in 1HFY22, up by 16.68% year-on-year. 51% of the target for this fiscal year has been disbursed. In FY22, the target is to disburse BDT 28,391 crore in agricultural loans but banks cannot fulfill the target due to the Covid pandemic. The credit disbursement increased as demand rose among farmers to grow winter vegetables, revealed the latest report of Bangladesh Bank (BB).

<https://www.tbsnews.net/economy/banking/agri-credit-disbursement-rises-51-target-achieved-6-months-361912>

Reconditioned vehicle import rises by 54.8% in July-Dec

- Reconditioned vehicle import from July to December of the ongoing fiscal year increased by 54.8% compared with that in the same period of the previous fiscal year. In July-December of FY22, a total of 8,768 reconditioned vehicles were imported from different countries like Japan, China, South Korea, Germany, the United States and the United Kingdom through Chattogram and Mongla ports. Of the total imports, 70 % was the hybrid fuel run vehicles.

<https://www.newagebd.net/article/160912/reconditioned-vehicle-import-rises-by-548pc-in-july-dec>

Five projects of Tk 1,022cr get nod

- The government yesterday gave the go-ahead to five projects involving BDT 1,022 crore. The projects include a scheme for the spending of an additional BDT 249 crore to prevent erosion of the banks of the Padma river, and another proposal include BDT 640 crore allocation for building a bridge over the Payra river.

<https://www.thedailystar.net/business/economy/news/five-projects-tk-1022cr-get-nod-2945811>

Vaccine diplomacy success as Bangladesh gets most vaccines from Covax

- Bangladesh is the top recipient of vaccines under the Covax facility among all the low- and middle-income countries due to effective vaccine diplomacy, health experts said. Besides, Bangladesh has a good track record of vaccine utilisation which also contributed to getting more vaccines under Covax. Top Covax donor-funded dose recipients are Bangladesh 133.06 million, Indonesia 87.95 million, Pakistan 77.16 million, Philippines 65.14 million, Nepal 22.93 million and Vietnam 49.61 million.
- In Bangladesh, 92.4 million people have received the first dose of coronavirus vaccine, 58.3 million people received two doses and 1.0 million people got booster doses till Saturday. Health Minister Zahid Maleque said at a press briefing that the government has a stock of 90 million doses of vaccines. The government will administer vaccines to 70% of its population or 120 million as per the target. Bangladesh has collected 240 million doses of vaccines through procuring, donation and gifts.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/vaccine-diplomacy-success-bangladesh-gets-most-vaccines>

Dhaka likely to sign PTA with Colombo in April next

- Dhaka wants to conclude a preferential trade agreement (PTA) with Colombo in April next, in order to boost bilateral trade between the two South Asian countries. Final offer lists of products from both sides will be sent virtually later this month, said a senior official of the commerce ministry.
- Under the proposed deal, both the governments have already exchanged request lists of products - Bangladesh earlier sent a list of more than 100 products while Sri Lanka 112, seeking duty-free access from the respective sides.

<https://thefinancialexpress.com.bd/trade/dhaka-likely-to-sign-pta-with-colombo-in-april-next-1642906898>

CWEIC to help BD retain growth pace in post-LDC period

- Commonwealth Enterprise and Investment Council (CWEIC) is willing to assist Bangladesh in sustaining its robust economic growth after the country's graduation from the category of least developed countries (LDCs), says Samantha Cohen, CEO of CWEIC. CWEIC will organise visit of a high-level business delegation to Bangladesh later this year, Ms. Samantha said. She requested FBCCI to arrange B2B meetings and factory visits for the delegation to show them the compliance and competitive advantages of the growing sectors of the country.
- CWEIC will also assist Bangladesh in entering the mainstream market of its major and highly potential trade partners, including the UK, Canada and Australia, as well as highlight Bangladesh's remarkable development accomplishments and innumerable potential among its member states.

<https://today.thefinancialexpress.com.bd/trade-market/cweic-to-help-bd-retain-growth-pace-in-post-ldc-period-1642955830>

ADP execution still below pre-pandemic levels

- The government managed to spend BDT 56,962 crore from its ADP budget in 1HFY22, up from BDT 51,266 crore in 1HFY21. ADP implementation rate was 24.06% during 1HFY22 against 23.89% during 1HFY21. According to the monthly implementation progress report of the IMED, the spending of government funds increased in the first six months year-on-year while of project assistance funds declined. Of the overall ADP spending, BDT 34,679 crore could be spent from government funds while BDT 19,553 crore from project assistance.
- Even amidst the pandemic, the health service division has been one of the low performing divisions spending only 9.84% of its total allocation. Among the 15 largest allocation receivers, the industries ministry implemented 52.84% of its allocation, followed by housing and public works ministry (36.17%), water resources ministry (28.54%), road transport and highways division (28.36%) and railways ministry (26.57%).

<https://www.thedailystar.net/business/economy/news/adp-execution-still-below-pre-pandemic-levels-2945886>

BB introduces credit guarantee facility to pace loans disbursement among marginal groups

- Bangladesh Bank (BB) has introduced a new credit guarantee facility to speed up loan disbursement to landless farmers, low-income professionals, school banking account holders and small traders. The marginal people can take a loan of BDT 25,000 to BDT 500,000 in a single name while BDT 2.0 million can be borrowed as a five-member group

under the new credit guarantee scheme, reports UNB.

- Under the restructured, no security deposit can be taken in case of lending to marginal / landless farmers, low mother professionals, school banking account holders and small traders with accounts of BDT10/50/100.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-introduces-credit-guarantee-facility-to-pace-loans-disbursement-amongmarginal-groups-1642940842>

New pay structure for banks to discourage good performers, reduce profitability

- In a circular issued on 20 January, the Bangladesh Bank asked banks not to deprive their employees of promotion even if they fail to achieve business targets. It also said banks cannot fire employees on the grounds of inefficiency or force them to resign. The central bank also asked banks not to set business targets for employees.
- Industry experts said the central bank circular is encouraging banks to treat both efficient and inefficient employees equally instead of incentivising skilled manpower – which will have a severe impact on the banking business. In the private sector, incentives come through performance resulting in different salary structures for the same post. However, the Bangladesh Bank asked banks not to consider the performance in case of annual increment.

<https://www.tbsnews.net/economy/banking/new-pay-structure-banks-discourage-good-performers-reduce-profitability-361447>

BB aid for stocks ends up salvaging Beximco sukuk

- The central bank announced a special package in February 2020 to prop up the stock market as the benchmark index of the Dhaka Stock Exchange (DSE) was hovering around a seven-year low of 4,385 points. As part of the package, scheduled banks had decided to form a fund of BDT 5,470 crore by borrowing from the central bank. They have so far invested around BDT 3,300 crore, BB data showed.
- As a result, Beximco turned out to be the ultimate beneficiary of the scheme as most banks subscribed to its Green Sukuk Al Istisna'a, thanks to the liberty extended by the Bangladesh Bank to the lenders. As banks invested a huge amount of the fund in the sukuk instead of stocks, the main goal of the BB package was not achieved, said a top official of an asset management company, preferring anonymity.

<https://www.thedailystar.net/business/economy/stock/news/bb-aid-stocks-ends-salvaging-beximco-sukuk-2945911>

Rising fuel, fertiliser prices fuelling farm spending

- Soaring fuel and fertiliser prices are set to fuel government spending in farm subsidy to support agriculture, which acts as economic saviour amid the pandemic, officials say. Although the government has earmarked BDT 95 billion as agricultural subsidy for the current financial year, FY'22, they say, the volume could overshoot the target amid the global as well as local price rises.
- "Costs for subsidy might more than double in FY22 over that of last FY as different fertiliser prices increased by 80230% in a year, of which urea witnessed maximum surge," says an official at the agriculture ministry.

<https://today.thefinancialexpress.com.bd/first-page/rising-fuel-fertiliser-prices-fuelling-farm-spending-1642960205>

Bangladesh government finally goes for bidding for second oil refinery

- The government has finally decided to select through competitive bidding a contractor for construction of the country's second crude fuel oil refinery, after six years of deliberation. Eastern Refinery Ltd, a wholly owned subsidiary of BPC, will implement the project having an estimated refining capacity of 3.0 million tonnes annually.
- Bangladesh Petroleum Corporation (BPC) was negotiating with French firm Technip, which was the contractor of the ERL's existing refinery. Insiders said Technip had proposed USD 2.23 billion, however, the Indian consulting firm opined that the cost might be USD 1.80 billion.

<https://thefinancialexpress.com.bd/trade/bangladesh-government-finally-goes-for-bidding-for-second-oil-refinery-1642921162>

Textiles, apparel exports to US increase by 30.68% in 2021

- The US import from Bangladesh during the mentioned period has increased by 30.68% compared to the same period of 2020, whereas their global import saw 25.43% growth, said Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Director Mohiuddin Rubel on Sunday.
- China being the top import market for USA and having a 24% share of the USA's total apparel import, posted 27.29% growth during this period. During this period USA's import from Vietnam has grown by 12.73%, reports UNB. Countries which have seen significant growth are - Pakistan 59.30%, Honduras 47.10%, India 35.47%, and Mexico 29.67%.

<https://thefinancialexpress.com.bd/economy/bangladesh/textiles-apparel-exports-to-us-increase-by-3068pc-in-2021-1642942330>

ILO, BGMEA join hands

- The International Labour Organization (ILO) and the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) have joined hands in a bid to continue the momentum of workplace safety in the garment industry of Bangladesh. An implementation agreement was signed between ILO and BGMEA on Sunday to strengthen the capacity of safety committees, says a press release.
- Safety committees are tasked to implement, monitor and communicate on safety issues at workplaces. Under the deals, 700 safety committee members from 75 garment factories will be trained on occupational safety and health (OSH), hazard identification and risk assessment, building safety culture, management of fire accidents and Covid19 guidelines.

<https://today.thefinancialexpress.com.bd/trade-market/ilo-bgmea-join-hands-1642955875>

Illegal ICD charges increasing business costs: BGMEA

- The readymade garment exporters have alleged that landing charge levied by private inland container depots (ICD) for transporting goods from the factory to the ICD warehouses at Chattogram Port is illegal and increasing the business cost.
- Last week, the Bangladesh Garment Manufacturers & Exporters Association (BGMEA) sent a letter to the Chattogram Port Authority demanding cancellation of the charge. According to the organisation, the charge is supposed to be collected from the forwarders appointed by the importers, but in a competition to get business, it is being collected from the exporters.

<https://www.tbsnews.net/economy/illegal-icd-charges-increasing-business-costs-bgmea-361441>

Business leaders demand extension of loan moratorium until June

- Business leaders have urged the government to extend the moratorium facility on loan instalments at least until June this year. They said the trade and commerce have yet to come back to normal due to the coronavirus pandemic and detection of its new variant.
- FBCCI president said that at least 50 per cent of the borrowers would become defaulters without extension of the loan classification facility. He added that Bangladesh Bank's policy support is now needed even more overcome the pandemic recession.

<https://thefinancialexpress.com.bd/trade/business-leaders-demand-extension-of-loan-moratorium-until-june-1642865704>

ADP implementation yet in the slow lane

- From delay in land acquisition to inadequate feasibility studies to improper public purchase plans, all have got in the way of the annual development programme's (ADP) implementation that registered only a 24% progress in the first six months of the current fiscal year. All ministries and divisions of the government were able to spend only one-fourth of their respective ADP allocations, reveals the latest progress report prepared by the Implementation Monitoring and Evaluation Division (IMED) of the Planning Ministry. In July-December of FY21 when the pandemic was at its peak, the ADP implementation rate was 23.89%, while the rate was 27% on average in the first six months of the prepandemic fiscal years.
- The shipping ministry, one of the highest recipients of allocation, spent only 11%, while the Bridges Division, which is implementing megaprojects such as the Padma Bridge and the Karnaphuli tunnel, could use up 17.68% from the allocation as of December. The implementation rate of the industries ministry was more than 50% – the highest among the top recipients. Ministries and divisions that spent less than 10% from their respective allocations include the Financial Institutions Division, the commerce ministry, the Security Service Division, the Statistics and Informatics Division, and the foreign affairs ministry.

<https://www.tbsnews.net/economy/adp-implementation-yet-slow-lane-360544>

Nagad 'add money' now includes Dhaka Bank

- Nagad has partnered with Dhaka Bank to enable the mobile financial service's users to add money from their bank account round the clock through internet banking without incurring any fees. A minimum of BDT 50 to a maximum of BDT 30,000 can be added to any Nagad wallet five times a day to up to BDT 200,000 and 25 transactions per month.
- Nagad also has similar collaborations with Midland, Exim, NRBC, National, Mutual Trust, First Security Islami, Community, Shahjalal Islami, NRB, Social Islami, Premier, IFIC, Union, City, Padma and Prime banks.

<https://www.thedailystar.net/business/economy/banks/news/nagad-add-money-now-includes-dhaka-bank-2943981>

Bangladesh apparel less competitive than Vietnam's

- Vietnam's fashion industry on the ten leading indices logs at least one score ahead of Bangladesh, while the gaps are 1.5 and 2 respectively on sustainability and political stability. In terms of product quality, lead time, and sustainability, Bangladesh's clothing sector is not as good as its neck and neck market peer Vietnam, according to a recent World Trade Organisation (WTO) competitiveness report, as Dhaka scores remarkably low than Hanoi on ten indices out of a total of twelve.

- In contrast, Bangladesh takes 48 hours to one month to release raw material imports for the apparel industry, said local garment factory owners. They said Vietnamese workers are 10%-15% more efficient in manufacturing, while the country can deliver the final product to European buyers 10-15 days earlier than Bangladesh. Vietnam's fashion industry on the ten leading indices logs at least one score ahead of Bangladesh, while the gaps are 1.5 and 2 respectively on sustainability and political stability, shows the report.

<https://www.tbsnews.net/economy/rmg/bangladesh-apparel-less-competitive-vietnams-360952>

Gas price hike should be gradual

- The government should move gradually and reconsider energy companies' recent proposal to raise gas prices as any sharp hike will increase overall cost of production of industries, said Abul Kasem Khan, chairperson of Business Initiative Leading Development (BUILD). "If gas prices are hiked at a steep rate, it will not be possible for the overall industry to absorb it," he said in a phone interview with The Daily Star.
- Several gas distribution companies had recently proposed that Bangladesh Energy Regulatory Commission increase prices by as much as 117 % following a government directive to reduce dependence on subsidies. The economy has entered into a recovery phase and any price increase will affect its revival, said Khan, a former president of the Dhaka Chamber of Commerce & Industry, adding that a price hike was not a long-term solution.

<https://www.thedailystar.net/business/economy/news/gas-price-hike-should-be-gradual-2945076>

Important News: Capital Market

Eastern Bank to issue BDT 500 crore subordinated bond

- Eastern Bank has decided to issue its third subordinated bond, worth up to BDT 500 crore for seven years, in a bid to enhance the company's capital base. The bond would be non-convertible, non-listed, and redeemable, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday.

<https://www.thedailystar.net/business/news/eastern-bank-issue-tk-500-crore-subordinated-bond-2947831>

Union Bank shares halted on debut day

- Trading of Union Bank Ltd, a fourth-generation private commercial bank, was halted at the upper limit circuit breaker after a few minutes of debut trading on Wednesday. The bank's share price closed at BDT 11 each on the Dhaka Stock Exchange (DSE), rising 10 %, the highest allowable limit on its issue price of BDT 10 each. A total number of 58 trades were

executed with the trading volume of 40,265 shares with turnover value of BDT 0.44 million on the DSE. On the Chittagong Stock Exchange (CSE), the bank's share also rose 10% to close at BDT 11 each. Some eight trades were executed with 2,490 shares changing hands on the CSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/union-bank-shares-halted-on-debut-day-1643215934>

JMI Hospital Requisite's IPO subscription to begin Feb 27

- The initial public offering (IPO) subscription of JMI Hospital Requisite Manufacturing will open on February 27, aiming to raise BDT 750 million from the capital market. The IPO subscription of the medical requisite manufacturer through electronic subscription system (ESS) will be continued until March 3.
- The cut-off price of shares of JMI Hospital Requisite fixed at BDT 25 each through electronic bidding by eligible investors. The general investors, including NRBs, will get its IPO shares at 20 % discount on the cut-off price, meaning the general investor will get IPO shares at BDT 20 each, as per the BSEC approval.

<https://today.thefinancialexpress.com.bd/stock-corporate/jmi-hospital-requisites-ipo-subscription-to-begin-feb-27-1643215980>

Two Monno entities see profit drop

- Two out of three listed companies of Monno Group reported lower earnings in the first half of the financial year owing to increased expenses. Monno Fabrics said its earnings grew 150 % year-on-year in the July-December period. Earnings per share rose to BDT 0.05 from BDT 0.02 recorded in the previous year. Monno Ceramic, one of the oldest concerns of the group, recorded an 11 % decline in net profit, while Monno Agro & General Machinery's earnings dropped 20 %, according to the postings by the concerns on the website of the Dhaka Stock Exchange yesterday.
- Monno Ceramic said despite a 16 % rise in the October-December period, net profit declined in the six-month period, falling 11 %. The EPS declined to BDT 0.64 in July-December from BDT 0.72 recorded in the same period a year ago. The ceramics maker blamed increased operating expenses and finance costs for the EPS drop. Monno Agro closed 2.99 % lower at BDT 564.20, Monno Ceramic was down 0.53 % at BDT 112.70, and Monno Fabrics fell 2.08 % to end the day at BDT 23.50 on the DSE yesterday.

<https://www.thedailystar.net/business/organisation-news/news/two-monno-entities-see-profit-drop-2948211>

Paramount Textile to issue 150m preference shares

- Paramount Textile, a sister concern of Paramount Group, has decided to issue 150 million fully redeemable nonconvertible cumulative preference shares. Through issuing the preference shares, the textile maker would raise a fund of BDT 1.50 billion for five-year tenure, the company said in a filing with the Dhaka Stock Exchange on Tuesday. It would be issued through private placement among the potential investors with a face value of BDT 10 each.
- With the funds, Paramount Textile would finance the upcoming project expansion and pay-off a portion of high-cost short term loan. The share issue is subject to the approval of Bangladesh Securities and Exchange Commission and the extraordinary general meeting of the company.

<https://thefinancialexpress.com.bd/stock/bangladesh/paramount-textile-to-issue-150m-preference-shares-1643092048>

Loss in last quarter drags Singer's annual profit to six-year low

- The multinational electronics and home appliances company posted an annual profit of BDT51.85 crore for the year, which was the lowest in the last six years. The profit was on the decline after a milestone in 2019 – surpassing the BDT100 crore mark. However, the company generated revenue of BDT1,332 crore in the first three quarters (JanuarySeptember) of 2021 that yielded BDT59.5 crore in profit after taxes, slightly higher year-on-year, even in ups and downs in business amid Covid-induced restrictions.
- Equity analysts said the electronics and appliances industry suffered from price hikes in raw material, intermediary raw material and freight costs in the late last year amid the reopening of the country's economy.

<https://www.tbsnews.net/economy/stocks/loss-last-quarter-drags-singers-annual-profit-six-year-low-362365>

RN Spinning strives for a comeback

- RN Spinning Mills has decided to lease land from its own concern, Samin Foods, to re-establish a production unit that has remained shut since 2019, when a fire destroyed the premises at the Cumilla Export Processing Zone. RN Spinning will have to pay a monthly rent of BDT 5 lakh, excluding value-added tax, for the location. At the new premises, the company would set up a cotton spinning factory with a targeted capacity of 40,800 spindles. The estimated project cost of civil and other construction work is around BDT 60 crore while the plant machinery and equipment costs would be around BDT 160 crore.

<https://www.thedailystar.net/business/organisation-news/news/rn-spinning-strives-comeback-2947506>

Magnito Digital, bKash in service exchange deal

- Magnito Digital and bKash recently signed an agreement for the digital marketing firm to handle the mobile financial service platform's related social media communications in exchange for money transfer services via mobile phones.
- Magnito Digital manages digital products and services and creates content for major brands such as Grameenphone, Hero MotoCorp Bangladesh, Fresh, British American Tobacco Bangladesh and Syngenta, says a press release.

<https://www.thedailystar.net/business/organisation-news/news/magnito-digital-bkash-service-exchange-deal-2947436>

Union Bank to debut in stock market today

- Union Bank is going to debut in the stock market today as the 33rd bank. In last September, the stock market regulator gave go-ahead to Union Bank to raise BDT 428 crore from the public, which became the largest initial public offering (IPO) in the banking sector.
- Every general investors has been allocated with a minimum of 792 ordinary shares of the bank on a pro-rate basis. Each non-resident Bangladeshi investors got 537 IPO shares.

<https://www.thedailystar.net/business/economy/banks/news/union-bank-debut-stock-market-today-2947411>

Unique Hotel returns to profit

- Unique Hotel and Resorts Ltd, owner of The Westin Dhaka, has returned to profits as its revenue surged in the October-December period of the 2021-22 financial year. The company recorded revenue of about BDT 40.12 crore in the three months leading up to December 2021, which was 117% higher year-on-year compared to BDT 18.50 crore in the same period a year ago.
- "We had good business, particularly in between November and December, as we saw a lot of banquets and events and presence of guests," said Md Sharif Hasan, company secretary of Unique Hotel and Resorts, adding that they did not have any business last year.

<https://www.thedailystar.net/business/organisation-news/news/unique-hotel-returns-profit-2947416>

Marico profits up 20%

- Marico Bangladesh, a listed fast-moving consumer goods multinational, saw a year-on-year sales growth of just over 17% while profit growth of over 20% in the October-December period of the current financial year. Its revenue grew to BDT 334 crore, profits to BDT 86

crore while earnings per share stood at BDT 27.3, according to a press release issued after a board meeting yesterday.

- Based on its profits, the company announced a 200% interim cash dividend for its shareholders. The revenue growth was driven by overall volume growth through a healthy mix in the portfolio led by growth in coconut oil, hair oils, shampoo and baby care portfolios, said the company.

<https://www.thedailystar.net/business/organisation-news/news/marico-profits-20pc-2946601>

Runner's two-wheeler business back in profits, yet to regain all

- Runner Automobiles Ltd has posted profits in the October-December quarter for both its business segments – passenger and commercial vehicles. In the previous quarter, 41 of the 92 days were lost to Covid-19 lockdowns and the company's two-wheeler and three-wheeler business absorbed losses as passenger vehicles were not allowed to run or be sold amid the restrictions.
- Since the October-December quarter saw no lockdowns, the company's passenger segment business recovered. It earned more revenue compared to the same quarter of the previous year and higher than the previous quarter. But, the hikes in costs of raw material and freight charges did not allow the company to bag a higher year-on-year profit in line with the revenue recovery in its businesses of manufacturing or assembling or merely distributing Runner, Vespa, Aprilia, UM and KTM branded two-wheelers and Bajaj branded three-wheelers.

<https://www.tbsnews.net/economy/stocks/runners-two-wheeler-business-back-profits-yet-regain-all-361885>

IBBL establishes credit guarantee arrangement with USDA

- Islami Bank Bangladesh Ltd (IBBL) recently established a credit guarantee arrangement with the United States Department of Agriculture (USDA) in the US. The organisation provides credit guarantees to US approved banks and financial institutions under this export credit guarantee programme (GSM-102), a press release said.
- The USDA's Foreign Agricultural Service (FAS) administers the programme on behalf of the Commodity Credit Corporation (CCC), which actually issues the credit guarantees. The organisation has already approved USD30 million for IBBL, for which the importers of the bank will get discount facilities for a maximum of 18 months from USDA-enlisted banks at a lower discounting rate.

<https://www.thedailystar.net/business/organisation-news/news/ibbl-establishes-credit-guarantee-arrangement-usda-2946636>

BD Thai Food makes debut Monday

- BD Thai Food & Beverage will make its shares trading debut on Dhaka Stock Exchange and Chittagong Stock Exchange tomorrow (Monday) under the settlement category “N”. BD Thai Food, which received regulatory approval from the Bangladesh Securities and Exchange Commission on October 3, 2021, raised BDT 150 million from the capital market under the fixed price method.
- Each general investor got a minimum 26 IPO shares of BD Thai Food while non-resident Bangladeshi investors received 20 shares against application of BDT 10,000. The company will utilise the IPO proceeds for purchasing machinery and equipment, developing land, complete construction of a new factory building and bearing the IPO expenses.

<https://thefinancialexpress.com.bd/stock/bangladesh/bd-thai-food-makes-debut-monday-1642922602>

Meghna Petroleum posts profit growth despite a revenue decline

- Despite a marginal drop in its sales, Meghna Petroleum Ltd posted higher year-on-year profits in the October-December quarter of the current fiscal year - thanks to its control over costs, and higher income from investments. Its net profit after taxes for the last three months of 2021 increased to BDT70.4 crore from BDT61.7 crore a year ago. The company's Managing Director Mir Saifullah-Al-Khaled told The Business Standard, "Operational income dropped due to a big drop in furnace oil sales, and no revenue from the business with local fractionation plants."
- However, the state-owned fuel distributor successfully reduced its administrative, selling and distribution, and financial expenses that helped post BDT30.83 crore in operational profits, up from BDT28.58 crore in the same quarter of 2020. Also, its non-operating income, mainly the income from its over BDT1,800 crore investments in fixed deposits and other securities, increased to over BDT65 crore from BDT58.3 crore.

<https://www.tbsnews.net/economy/stocks/meghna-petroleum-posts-profit-growth-despite-revenue-decline-361396>

Padma Oil to invest BDT400cr to build commercial space

- State-owned oil distributor Padma Oil Company Limited will build a commercial space in the capital by investing around BDT400 crore. For the project, the company on Sunday signed an agreement with the joint venture of National Development Engineers Ltd, and Engineers & Architects Limited. According to officials at the company, it will construct a 12-storey modern residential cum commercial building by 2025.

<https://www.tbsnews.net/economy/stocks/padma-oil-invest-tk400cr-build-commercial-space-361414>

BSEC to appoint auditor to review Intech financials

- The Bangladesh Securities and Exchange Commission (BSEC) has decided to appoint a special auditor to review recent financial statements of the poorly performing IT firm Intech Limited after the Intech chairman brought allegations of fund embezzlement against the former chairman.
- A member of the board of directors of the company, seeking anonymity, said he also observed some irregularities in the finances of the company. BSEC Commissioner Dr Sheikh Shamsuddin Ahmed said the commission wants to review the last three years' financial statement of the company for the interest of investors, and take legal actions if the allegations are proved true.

<https://www.tbsnews.net/economy/stocks/bsec-appoint-auditor-review-intech-financials-361417>

BSCCL wants to issue 14 lakh shares to employees

- Bangladesh Submarine Cable Company Limited wants to give its employees 10% or 14 lakh shares of 1.48 crore shares which would be issued against government's BDT 166 crore share money deposit. BSCCL has recently sought opinions from different regulatory bodies whether there is any regulatory barrier to issuing shares in favour of employees after the initial public offering.
- The company in the letter to the BSEC said that the government could transfer BSCCL's employees 10% shares of the total shares to be issued against its BDT 166 crore share money deposit at BDT 10 each or any other price. However, the current holdings of the public other than the government must remain unchanged at 26.15% even after issuing shares to the employees, the letter said.

<https://www.newagebd.net/article/160814/bsccl-wants-to-issue-14-lakh-shares-to-employees>

Japan Tobacco accuses BATB of anti-competitive practices

- The Bangladesh Competition Commission (BCC) is investigating a complaint of anti-competitive practices filed by Japan Tobacco International (JTI) against British American Tobacco Bangladesh (BATB). In its complaint, United Dhaka Tobacco Company Ltd (UDTCL), a concern of JTI, alleged that BATB was abusing its dominant position. JTI, which markets cigarettes in all segments, alleged that BATB operates a programme with its retailers, directly or indirectly, to prevent competition in the market and stop rivals from gaining more market access. Under the programme, if a BATB partner retailer stocks or sells products of United Dhaka Tobacco, BATB or its representatives.

<https://www.thedailystar.net/business/organisation-news/news/japan-tobacco-accuses-batb-anti-competitive-practices-2945906>

Incepta gets go-ahead to produce Covid drug Molnupiravir

- Incepta Pharmaceuticals Ltd has announced the receipt of a sublicense from the Medicine Patent Pool (MPP), on behalf of originator company Merck & Co., Inc. to produce Covid-19 oral drug "molnupiravir". The sublicensee Incepta Pharmaceuticals Ltd has Stringent Regulatory Authority (SRA) approved or World Health Organisation pre-qualified manufacturing facilities and experience as a major supplier to global and key low and middle-income procurers.

<https://www.thedailystar.net/business/news/incepta-gets-go-ahead-produce-covid-drug-molnupiravir-2944741>

Symphony becomes 2nd 'Made in Bangladesh' smartphone exporter

- Symphony has become the second local brand to export "Made in Bangladesh" smartphones by sending its smartphones to Apex Group of Nepal. The parent company Edison Group plan plans to grab handset markets of five more countries including Vietnam, Sri Lanka, Oman and Nigeria by 2022. At present, the brand has a demand of 7.2 million devices that include smartphones and feature phones. Earlier, local tech conglomerate Walton started exporting its smartphones as the first local company to the USA on 1 March 2020 from its Gazipur plant.

<https://www.tbsnews.net/tech/smartphones/symphony-export-made-bangladesh-smartphones-nepal-360760>

BSEC wants valuation report on strategic partner from DSE

- The stock market regulator has asked the Dhaka Stock Exchange to submit a technical and financial evaluation report on a foreign strategic partner's agreement. Bangladesh Securities and Exchange Commission (BSEC) has issued a letter to the premier bourse in this regard last week. Earlier in May 2018, a Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange bought a 25% stake of DSE as the strategic partner required by the demutualisation scheme. The consortium bought 45 crore shares from the DSE at BDT22 each, for which the DSE members got around BDT947 crore in total.
- The consortium offered to establish an electronic platform for listed firms, analytics tools, and an online complaint portal. Besides, they also offered to provide a trade-matching engine and surveillance software to the bourse after the existing agreement expires. In early January this year, the BSEC instructed the stock exchanges to submit reports on their achievements of demutualisation objectives and initiatives. The stock exchanges were also directed to appoint auditors to conduct a special audit within the next 30 working days.

<https://www.tbsnews.net/economy/stocks/bsec-wants-valuation-report-strategic-partner-dse-360895>

BSEC seeks clarifications on Golden Son's revenue

The Bangladesh Securities and Exchange Commission (BSEC) has sought an explanation from Golden Son Limited about its sales revenue and term loans for the last three years. The stock market regulator issued a letter in this regard last week. Golden Son Ltd, which produces garment accessories, household items, screws, electric fans, and plastic toys for the local market, has been listed on the Dhaka Stock Exchange (DSE) since 2007. The paid-up capital of the company is BDT171.73 crores.

- The company may face difficulties due to unfavourable movements in the interest rate and monetary policy that may result in short-term crunch and cash flow crises. The commission is highly doubtful and concerned about the ongoing status of the company. On 30 June 2021, the receivables of the company stood at 256.07 crores, which was BDT178.96 crores as of 30 June 2020. The commission sought details along with the names of 20 customers. Besides, the commission observed that its turnover, gross profit and net profit have increased significantly.

<https://www.tbsnews.net/economy/stocks/bsec-seeks-clarifications-golden-sons-revenue-360871>

Heavy fuel oil import duty pushes up Doreen Power's business costs

- Import duty on heavy fuel oil has pushed up the business cost of Doreen Power Generations and Systems by 51% in the first half of fiscal 2021-2022 from a year earlier. In the July-December period, its profit grew by 26%, which is way below compared to the consolidated revenue growth of 42%. In fiscal 2020-21, the government imposed a 15% duty on the import of heavy fuel oil used for power generation.
- At the end of the first half of FY22, Doreen Power's consolidated revenue stood at BDT463.59 crore, net profit BDT79 crore, and earnings per share (EPS) BDT4.86. Doreen Power operates three power plants with a 22-megawatt capacity each in Tangail, Feni, and Narsingdi. The plants will expire in 2023. It also has two subsidiaries – Dhaka Southern Power Generation and Dhaka Northern Power Generation – with 55-megawatt capacity each. The subsidiaries have been in commercial operation since 2016. Doreen has also received approval from the Bangladesh Power Development Board in 2019 to set up a power plant with a capacity of 115 megawatt for 15 years. It is constructing the plant under its subsidiary named Chandpur Power Generation Ltd.

<https://www.tbsnews.net/economy/stocks/heavy-fuel-oil-import-duty-pushes-doreen-powers-business-costs-360877>

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