

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+1.84%) gained 99.39 points and closed the week at 5,515.78 points. The blue-chip index DS30 (+2.27%) gained 46.89 points and stood at 2,112.68 points. The Shariah-based index DSES (+1.85%) gained 22.72 points and stood at 1,248.60 points. The large cap index CDSET (+1.83%) gained 21.04 points and closed at 1,173.25 points. DSEX, DS30, DSES and CDSET showed YTD returns of +2.11%, +7.57%, +0.52%, +4.47%, respectively.

Total Turnover During The Week (DSE): BDT 36.0 billion (USD 423 million)
Average Daily Turnover Value (ADTV): BDT 7.2 billion (Δ% Week: +23.2%)

Market P/E: 19.3x

Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed negatively by -0.21%. Market reverted to positive in the second session by +0.41% and continued to be positive in the third session by +1.50%. The market then turned negative in the fourth session by -0.37% and then ended with a positive momentum of +0.50%.

Sectoral Performance:

- All the financial sectors posted positive performance this week. Bank booked the highest gain of 1.82% followed by Life Insurance (+1.59%), Mutual Fund (+1.32%), General Insurance (+0.51%), and NBF1 (+0.33%).
- All the non-financial sectors posted positive performance this week except Engineering (-3.06%). Food & Allied booked the highest gain of 5.90% followed by Telecommunication (+3.50%), Pharmaceutical (+2.12%), and Fuel & Power (+0.80%).

Macroeconomic arena:

- Remittance increased 33.51% year-on-year to USD 16.68 billion in the first eight months of this fiscal year. The inflow since June last year was characterized by robust growth every month in context to that a year ago. But in a sequential monthly comparison the inflow has been gradually declining since October. However, it is still not that much of a matter of concern as February's growth is much higher than that of the same period one year earlier. Expatriate Bangladeshis sent USD 1.79 million in February, up 22.61% year-on-year.
- The country's earnings from export of merchandise goods during the first eight months of the current fiscal year (FY), 2020-21, fell short of the strategic target by 3.61% and reached USD 25.86 billion. Besides, the total export receipts during July-February period of this fiscal also declined by 1.45% over that of the corresponding period of last fiscal.
- The downward trend in private sector credit growth continued in the seventh month of the current fiscal year even though the Covid-19 pandemic has subsided. The growth rate was 8.32% in January, down from 8.37% in December. The projected growth for the current financial year is 14.8%. This is happening as confidence in private sector investment is not returning.
- The Bangladesh Telecommunication Regulatory Commission (BTRC) has revised the terms and conditions of the auction procedure for Radio Frequency Auction-2021 scheduled to be held on 8 March. According to revised terms and conditions, the auction conducting committee may not allow a mobile operator to participate in the auction for 2100MHz band if it does not participate in the auction for 1800MHz band.

Stock Market arena:

- Beximco Ltd. will issue asset backed bond namely Islamic Shariah compliant Sukuk Al Istisna worth BDT 30 billion for the purpose of business expansion. The fund which will be raised through the bond will be utilised in construction of the solar projects of Teesta Solar and Koroloa Solar, two subsidiaries of Beximco Power Company, and in financing and refinancing the machinery and equipment required for expansion of Beximco's textile division. 50% of the Sukuk would be privately placed while 25% would be reserved for Beximco shareholders and the remaining 25% would be floated through public offers.
- Investment of Norway's sovereign wealth fund (SWF), the world's biggest fund, in Bangladesh's capital market hit a record high in 2020 despite the coronaviruscentric sluggishness on the market. In 2020, the fund's investment value on Bangladesh's capital market reached USD 248.35 million, which was USD 188.12 million in 2019.

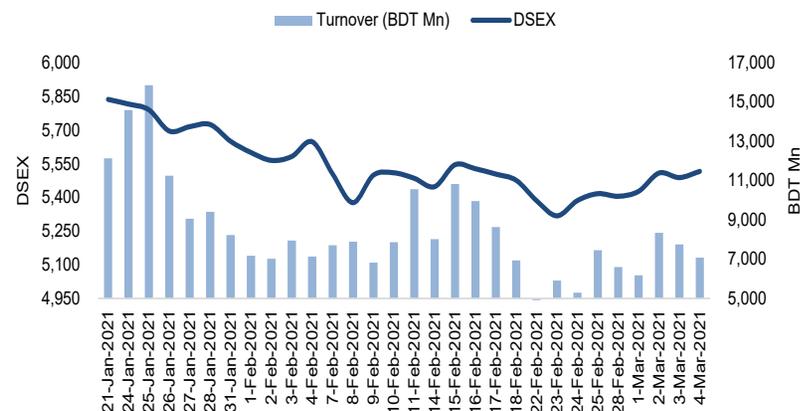
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	5,515.78	5,416.39	+99.39	5,402.07	+1.84%	+2.11%
DS30	2,112.68	2,065.80	+46.89	1,963.96	+2.27%	+7.57%
DSES	1,248.60	1,225.88	+22.72	1,242.11	+1.85%	+0.52%
CDSET	1,173.25	1,152.21	+21.04	1,123.03	+1.83%	+4.47%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,730,957	4,669,555	
	Mn USD	55,685	54,962	+1.3%
Turnover	Mn BDT	35,960	23,353	+54.0%
	Mn USD	423	275	
Average Daily Turnover	Mn BDT	7,192	5,838	+23.2%
	Mn USD	85	69	
Volume	Mn Shares	925	572	+61.7%

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
EGEN	39.4	24.7	+59.5%	2,955	280.2	38.4x	1.9x
CNATEX	2.4	1.9	+26.3%	574	29.8	NM	0.2x
EMERALDOIL	12.2	9.8	+24.5%	729	27.5	NM	0.8x
ANWARGALV	118.8	100.1	+18.7%	1,811	105.6	43.4x	9.5x
GQBALLPEN	135.4	114.4	+18.4%	1,209	106.7	NM	1.0x
GBBPOWER	29.6	25.5	+16.1%	3,013	1,087.5	21.8x	1.5x
BEACONPHAR	118.5	102.1	+16.1%	27,374	525.2	45.4x	5.7x
FAMILYTEX	2.9	2.5	+16.0%	1,027	25.5	NM	0.3x
SHYAMPSUG	48.0	41.8	+14.8%	240	2.7	NM	NM
IMAMBUTTON	22.1	19.4	+13.9%	170	3.1	NM	4.6x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
UNILEVERCL	2,822.2	3,222.5	-12.4%	33,997	89.6	64.2x	22.9x
WALTONHIL	1,193.4	1,264.1	-5.6%	361,515	519.5	47.3x	6.8x
RUPALIBANK	25.3	26.7	-5.2%	10,478	8.7	16.9x	0.6x
PRIMEFIN	10.9	11.5	-5.2%	2,975	56.7	78.1x	1.2x
GOLDENSON	14.1	14.7	-4.1%	2,421	129.3	NM	0.7x
BEXIMCO	82.1	85.5	-4.0%	71,946	5,633.6	NM	1.2x
UNITEDINS	44.2	46.0	-3.9%	1,967	17.2	18.9x	1.3x
PADMALIFE	17.8	18.5	-3.8%	692	2.3	NM	NM
PIONEERINS	63.8	66.1	-3.5%	4,465	75.2	8.6x	1.3x
LANKABAFIN	33.7	34.9	-3.4%	18,159	1,533.4	25.5x	1.9x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	82.1	85.5	-4.0%	71,946	5,634	NM	1.2x
ROBI	48.0	43.7	+9.8%	251,421	2,769	NM	3.8x
BATBC	556.8	1,527.1	+9.4%	300,672	2,416	27.6x	8.1x
BXPBARMA	189.6	181.5	+4.5%	84,583	2,067	21.1x	2.6x
LANKABAFIN	33.7	34.9	-3.4%	18,159	1,533	25.5x	1.9x
SUMITPOWER	45.0	44.5	+1.1%	48,054	1,293	8.8x	1.4x
GBBPOWER	29.6	25.5	+16.1%	3,013	1,087	21.8x	1.5x
LHBL	52.6	52.8	-0.4%	61,088	972	25.9x	3.5x
ORIONPHARM	52.7	50.4	+4.6%	12,332	809	19.3x	0.8x
SQRPHARMA	218.4	214.8	+1.7%	193,601	533	13.6x	2.4x

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	48.0	+61.1%	251,421	NM	3.8x
BATBC	556.8	+41.5%	300,672	27.6x	8.1x
SUMITPOWER	45.0	+15.7%	48,054	8.8x	1.4x
BSRMLTD	69.6	+15.6%	16,430	9.5x	0.7x
RECKITTBN	4,563.1	+12.8%	21,561	29.5x	41.8x
UCB	15.7	+11.3%	19,115	7.0x	0.5x
HEIDELBCEM	165.7	+10.8%	9,363	NM	2.4x
SQUARETEXT	32.8	+10.1%	6,470	NM	0.9x
LHBL	52.6	+10.0%	61,088	25.9x	3.5x
BSRMSTEEL	46.6	+9.6%	17,519	9.9x	0.8x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,324.37	1,300.75	1,372.63	+1.82%	-3.52%
NBFIs	1,976.31	1,969.79	2,033.53	+0.33%	-2.81%
Mutual Funds	871.79	860.43	959.61	+1.32%	-9.15%
General Insurance	3,485.78	3,468.09	4,103.56	+0.51%	-15.05%
Life Insurance	2,041.18	2,009.19	2,162.58	+1.59%	-5.61%
Telecommunication	6,053.97	5,849.20	5,463.26	+3.50%	+10.81%
Pharmaceuticals	3,372.28	3,302.27	3,306.03	+2.12%	+2.00%
Fuel & Power	1,646.85	1,633.78	1,618.11	+0.80%	+1.78%
Cement	1,488.78	1,480.01	1,416.18	+0.59%	+5.13%
Services & Real Estate	1,064.69	1,040.80	1,083.79	+2.30%	-1.76%
Engineering	4,090.52	4,219.58	3,959.20	-3.06%	+3.32%
Food & Allied	20,660.10	19,508.55	14,705.76	+5.90%	+40.49%
IT	2,219.66	2,096.92	2,350.28	+5.85%	-5.56%
Textiles	1,038.69	1,028.73	1,087.41	+0.97%	-4.48%
Paper & Printing	5,221.22	5,164.50	5,487.56	+1.10%	-4.85%
Tannery	1,680.26	1,681.68	1,771.77	-0.08%	-5.16%
Jute	8,582.74	8,472.91	12,154.61	+1.30%	-29.39%
Ceramics	441.79	445.45	472.38	-0.82%	-6.47%
Miscellaneous	3,062.17	3,089.35	2,539.70	-0.88%	+20.57%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	366.6	298.9	+22.7%	5.3%	7.7x	0.7x
NBFI	483.0	467.8	+3.3%	7.0%	69.8x	3.2x
Mutual Fund	100.9	75.0	+34.6%	1.5%	NM	0.8x
General Insurance	409.3	325.1	+25.9%	5.9%	18.4x	1.7x
Life Insurance	21.9	18.9	+15.8%	0.3%	NM	NM
Telecommunication	644.4	528.9	+21.9%	9.3%	20.0x	6.7x
Pharmaceutical	952.3	747.4	+27.4%	13.7%	21.3x	2.6x
Fuel & Power	790.4	484.5	+63.1%	11.4%	13.1x	1.4x
Cement	244.2	152.8	+59.8%	3.5%	26.3x	2.3x
Services & Real Estate	123.2	45.4	+171.2%	1.8%	NM	0.9x
Engineering	468.7	385.9	+21.5%	6.7%	33.2x	2.6x
Food & Allied	701.9	502.4	+39.7%	10.1%	35.5x	8.3x
IT	99.7	27.3	+265.2%	1.4%	26.3x	2.0x
Textile	183.7	132.6	+38.5%	2.6%	NM	0.7x
Paper & Printing	19.2	2.0	+875.0%	0.3%	62.5x	1.1x
Tannery	19.9	13.2	+50.8%	0.3%	NM	1.8x
Jute	8.3	3.7	+122.2%	0.1%	NM	13.3x
Ceramics	34.7	31.2	+11.2%	0.5%	58.1x	1.5x
Miscellaneous	1,271.5	1,444.5	-12.0%	18.3%	51.9x	1.8x

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	171.0	-13.6%	18,505	6.3x	1.1x
OLYMPIC	167.2	-12.5%	33,430	16.3x	4.0x
PRIMEBANK	15.1	-11.7%	17,097	14.3x	0.6x
JAMUNAOIL	152.1	-8.1%	16,796	8.3x	0.9x
SHAHJABANK	21.1	-7.9%	20,680	11.0x	1.2x
TRUSTBANK	31.0	-7.2%	19,942	6.6x	1.1x
BANKASIA	17.0	-6.6%	19,820	10.0x	0.7x
IPDC	25.8	-6.5%	9,574	13.9x	1.6x
ENVOYTEX	23.0	-6.5%	3,858	27.1x	0.6x

Important News: Business & Economy

Remittance up 33.5%

- Remittance increased 33.51% year-on-year to USD 16.68 billion in the first eight months of this fiscal year. The inflow since June last year was characterised by robust growth every month in context to that a year ago. But in a sequential monthly comparison the inflow has been gradually declining since October. However, it is still not that much of a matter of concern as February's growth is much higher than that of the same period one year earlier. Expatriate Bangladeshis sent USD 1.79 million in February, up 22.61% year-on-year, showed Bangladesh Bank data.
- Migrant workers might have sent more money to support family members during the coronavirus pandemic, said a Bangladesh Bank official. Many migrant workers lost their jobs when the host countries imposed lockdowns to contain the deadly virus, which might have compelled the migrants to send all their assets back home. The hundi system, an illegal cross-border money transfer system, has come to a halt because of the restriction on movement and this might have taken remittance to a new high. The trend would continue until at least when an end is declared of the pandemic, given the global economic scenario and the initiatives taken by the government.
- Remittance may decrease to some extent when the pandemic is declared to have ended as the global hundi cartel will witness a revival, said another central bank official. He, however, said the pandemic would help a large number of migrant workers get accustomed to the formal channel for the transfer of their hard-earned money. This will play a positive role in increasing remittance in the days to come, he said.

<https://www.thedailystar.net/business/news/remittance-335pc-2053385>
<https://www.newagebd.net/article/131519/remittance-rises-by-3351pc-in-july-feb>
<https://www.dhakatribune.com/business/banks/2021/03/02/remittance-inflows-slowly-reverting-to-pre-pandemic-levels>

July-Feb exports drop 1.45%

- The country's earnings from export of merchandise goods during the first eight months of the current fiscal year (FY), 2020-21, fell short of the strategic target by 3.61% and reached USD 25.86 billion. Besides, the total export receipts during July-February period of this fiscal also declined by 1.45% over that of the corresponding period of last fiscal, according to the Bangladesh Export Promotion Bureau (EPB) data. Bangladesh fetched nearly USD 26.24 billion through shipment of goods during the first eight months of FY 2019-20.
- Such downtrend in the aggregate export earnings was primarily due to decline in the earnings from shipment of ready-made garment (RMG) products, specially woven, during the July-February period of the current fiscal. The total export receipts from RMG products - knitwear and woven - during the July-February period of FY 21 fell by 3.73% to over USD 21.03 billion compared to that of the matching period of last fiscal.

<https://tbsnews.net/economy/trade/exports-down-4-february-210562>
<https://today.thefinancialexpress.com.bd/first-page/july-feb-exports-drop-145pc-1614796247>
<https://www.thedailystar.net/business/news/pandemic-keeps-hurting-exports-2054637>

Private sector credit growth fall continues

- The downward trend in private sector credit growth continued in the seventh month of the current fiscal year even though the Covid-19 pandemic has subsided. The growth rate was 8.32% in January, down from 8.37% in December. The projected growth for the current financial year is 14.8%. This is happening as confidence in private sector investment is not returning. Entrepreneurs have been slow in making investment decisions as they are observing domestic and global economic trends. A former president of Dhaka Chamber of Commerce and Industry said that the existing falling trend in private sector credit growth intensified after the pandemic.
- Investors would make quick decisions on new investments before the pandemic, but now they are treading carefully. This has affected credit growth, he explained. He believes that confidence in investment will return within this year as vaccination has begun and demand is growing. But if the situation in the export destinations does not improve, it will have negative impacts on export earnings. Moreover, if exports do not rebound, it will affect investment, he added.

<https://tbsnews.net/economy/private-sector-credit-growth-fall-continues-209413>

Telecom regulator puts cap on spectrum allocation in upcoming auction

- The Bangladesh Telecommunication Regulatory Commission (BTRC) has revised the terms and conditions of the auction procedure for Radio Frequency Auction-2021 scheduled to be held on 8 March. According to revised terms and conditions, the auction conducting committee may not allow a mobile operator to participate in the auction for 2100MHz band if it does not participate in the auction for 1800MHz band. The regulatory commission made the change, as the demand is more than the available spectrum, the BTRC said in a letter issued on February 25 to the mobile operators.
- The total demand for spectrum allocation from 1800MHz band from the country's top three mobile operators is 11.4MHz, while the BTRC is set to auction off only 7.4MHz. The country's leading mobile operator Grameenphone alone applied for more than 4.8MHz spectrum from this band. That upset the other operators who asked the regulatory authority to put a cap on spectrum allocation. According to the spectrum auction guidelines, 7.40MHz spectrum from 1,800MHz band will be auctioned in five blocks and 15MHz spectrum from 2,100MHz band will be auctioned in three blocks.
- According to the BTRC, Grameenphone has the lowest spectrum coverage for its users. Over 2.0mn Grameenphone subscribers are occupying each MHz of spectrum. The second largest operator, Robi serves 1.4mn subscribers operating in each MHz spectrum, while Banglalink has 1.1mn users. At present, Grameenphone has 37MHz of spectrum, Robi 36.4MHz, Banglalink 30.6MHz, and Teletalk 25.2MHz in three different bands.

<https://tbsnews.net/bangladesh/telecom/telecom-regulator-puts-cap-spectrum-allocation-upcoming-auction-209521>

Most government banks not capable of dealing with risks: Bangladesh Bank data

- Most of the government banks are not capable of handling any kind of financial crisis. They do not have the capital adequacy required by international standards, according to the central bank's data. The data shows that these banks also failed to take advantage of the fact that there was no additional cost pressure for provisions as loan classification was

closed last year. The government banks with capital shortfall are – Agrani Bank, BASIC Bank, Janata Bank, Rupali Bank, Sonali Bank, Bangladesh Krishi Bank, and Rajshahi Krishi Unnayan Bank. The two government banks with adequate capital are – Bangladesh Development Bank and Probashi Kallyan Bank.

- At the end of December 2020, the defaulted loans of government commercial and specialised banks stood at BDT 420 billion and BDT 40 billion respectively, which is 21% and 13% of their total disbursed loans, respectively. Last year, the default rate in the overall banking sector was 7.66%. An analysis of the Bangladesh Bank's report shows that private banks are more capable of dealing with risks than the public sector banks. By the international standards, only three of the private banks have deficiency in capital adequacy. These are – Bangladesh Commerce Bank, ICB Islamic Bank and Padma Bank.

<https://tbsnews.net/economy/banking/most-govt-banks-not-capable-dealing-risks-bb-data-210067>

A price war brewing in MFS industry

- Until last year, the charge for withdrawing cash from the mobile financial services platform, introduced in 2011, was BDT 18.5 for every BDT 1,000. That changed when Nagad, the digital financial service provider of the postal department, brought down the charge and also made sending money to other accounts on their network through the mobile app free of charge. The move appears to have worked in its favour, with the two-year-old player eating into the market share of Rocket, the MFS arm of Dutch-Bangla Bank and the number two player after bKash for long.

- This week, bKash announced it was making sending money within its network free of charge to five numbers. Once the transactions to the five numbers hit BDT 25,000 in a month, a BDT 5 charge would be applicable in the subsequent transactions. When the transactions hit BDT 50,000 in the month, a BDT 10 charge is applicable on the following transactions. About 77% of the charges go to the agents and the distributors, said the head of corporate communications at bKash. It is difficult to reduce the charges but we are now emphasising the use of digital money, which will reduce instances of cashing out. We hope soon, customers would not be cashing out their money at all, he added.

- In December last year, the average daily transactions through the MFS operators stood at BDT 18.24 billion. Five years earlier, it was BDT 7.74 billion, according to data from the Bangladesh Bank.

<https://www.dhakatribune.com/business/banks/2021/03/04/a-price-war-brewing-in-mfs-industry>

Nearly 3.5 million vaccinated so far

- Some 118,654 more people received the first dose of Covid-19 vaccine in Bangladesh on Wednesday, according to the official figures. With these, the government vaccinated a total of 3,460,159 people until March 3 since the beginning of the mass vaccination programme on February 27 last. Of them, 2,221,269 were men and 1,238,890 women, official data revealed. A total of 547,930 people have, so far, been infected with coronavirus in Bangladesh and 499,627 of them recovered from the deadly disease.

<https://today.thefinancialexpress.com.bd/last-page/nearly-35m-vaccinated-so-far-1614796529>

Covax brings good news

- Bangladesh will get 10.9 million doses of the Oxford vaccine for free under the Covax facility by May. These are part of the 68 million doses the country will receive from the Covax. Officials hope that all of these will eventually be free. Officials said the vials would arrive in several phases between March and May. Health officials on November 25 last year said the government would be paying between USD 1.62 and USD 2 for each dose.

<https://www.thedailystar.net/frontpage/news/covax-brings-good-news-2054437>

Remittance inflow witnesses steady decline

- Though Bangladesh witnessed a sudden rise in money transfers by migrants in the beginning of the fiscal year, the inflow has been declining steadily since October. By the end of January, remittance inflow fell below USD 2 billion, and plummeted further in February. However, the remittance stream in February still clocks a 22.61% growth than the same period of the previous year. Though the monthly flow has been witnessing a downtrend since October, remittance stream in the first eight months of 2020-21 FY registered 33% rise compared to the same period of the previous year. The first eight months of 2019-20 FY had a 20% growth in remittance.

- The executive director of the Policy Research Institute, thinks since the hundi (illegal channels for money transaction) was off during the peak of the pandemic and government provides 2% incentives for remitting through the banks, the first eight months of the current fiscal year saw a growth in remittance. He noted the growth will continue in upcoming days too as many expatriates are investing their savings at home since Bangladesh offers better returns than host countries. Migrants also sent more money to their families owing to flooding and the pandemic. Now the trend is declining, which leads to a crunch in remittance flow, he added.

<https://tbsnews.net/economy/remittance-inflow-witnesses-steady-decline-209500>

Internet banking gaining traction

- Internet banking transactions have surged in recent months as people increasingly embraced the digital mode while opting not to visit branches. The transactions amounted to BDT 80.93 billion in December, up 33.47% year-on-year, showed Bangladesh Bank data. Clients started heavily relying on internet banking transactions when the government declared a lockdown in March last year to limit the spread of the coronavirus.

- There were 2.34 million such transactions in December, which was 41.88% higher year-on-year. The head of SME and retail banking of Mutual Trust Bank, said internet banking gained momentum soon after the government imposed the lockdown as people opted to mostly stay at home to keep the virus at bay. Although the government started easing restrictions from the final week of May, people continued to show interest in settling transactions through internet banking, he said.

- The Bangladesh Bank increased the limit of inter-bank fund transfers through internet banking in September with a view to giving a boost to IT-based financial services. Clients are allowed to transfer a maximum of BDT 0.5mn per day against a previous ceiling of BDT 0.2mn. The central bank also doubled the ceiling of a single transaction to BDT 0.1mn from BDT 50,000. Clients are permitted to settle as much as 10 transactions per day, which was five previously.

<https://www.thedailystar.net/business/news/internet-banking-gaining-traction-2054009>

ADP outlay slashed by 3.26%

- The government has slashed the development budget for the current fiscal year by 3.26%, keeping the local portion of the fund almost unchanged while trimming the foreign part. As a result, the size of the Annual Development Programme (ADP) has come down to BDT 1.97 trillion from BDT 2.05 trillion in the original plan. The allocation of the government fund to the revised ADP was trimmed by only BDT 0.7 million. In the original ADP, the government had contributed BDT 1.34 trillion for 2020-21. Its revised allocation now stands at BDT 1.34 trillion.

<https://www.thedailystar.net/business/news/adp-outlay-slashed-326pc-2053981>

Kitchen appliance sales surge during pandemic

- Dining out has become a rare exercise amid the ongoing coronavirus pandemic as many people prefer to stay at home in a bid to maintain social distancing and avoid infection. To satiate their hunger for restaurant-quality food, many families tried to prepare the dishes themselves. This has led to a sudden rush for electronic kitchen appliances. The market size for electronic kitchen appliances stood at BDT 6.50 billion in 2020, a 55% increase compared to the year before when it was BDT 4.20 billion. Previously, the industry's annual growth was limited to about 10 or 12%. However, industry insiders say that this is not accurate statistics as there is no reliable market data.

- Major producers, including Walton, Electra, Singer, Eco, Miyako, Sebec, Panasonic, Philips and Sharp are active in the market. They saw a sharp rise in demand for electronic kitchen appliances amid the pandemic, said the general manager of Esquire Electronics, the local distributor of Japanese brands General and Sharp. The head of marketing at Transcom Digital, said the demand for appliances such as ovens, rice cookers and blenders witnessed a growth between 40 and 200% amid the pandemic as people now understand the utility of the products.

<https://www.thedailystar.net/business/news/kitchen-appliance-sales-surge-during-pandemic-2054017>

Rules eased to adjust advance VAT

- The revenue authority has relaxed the rules for businesses to help them adjust the VAT they paid in advance earlier as per the Value-Added Tax Act, 1991. From now on, businesses will be able to adjust a maximum of 30% of the amount of net VAT payable as per current monthly VAT return, according to the National Board of Revenue (NBR). The previous adjustable threshold was 10%. The move comes as BDT 25.00 billion VAT got stuck that businesses paid to comply with a provision of the VAT Law 1991 because of the slow progress of adjustment.

- The current VAT law, which came into effect in July 2019, does not have provisions for companies to pay VAT in advance during the release of goods from warehouses. The NBR offered the scope to companies to adjust the previously deposited VAT with their monthly payable amount after the new law became effective. Officials said the NBR hiked the ratio of adjustments with monthly payable VAT thrice to 30% to enable firms to adjust VAT that firms had paid in advance under the 1991 law. This will ease working capital pressure for businesses, the member for VAT policy of the NBR.

<https://www.thedailystar.net/business/news/rules-eased-adjust-advance-vat-2053997>

BTRC to raise watch over telecom companies for service quality

- The telecom regulator will soon raise its vigilance over mobile operators with the view to enhancing the service quality, said its chief. In the wake of the rising number of complaints, including call drops and slow internet services, against these operators, we have decided to increase watch over their networks, the chairman of the Bangladesh Telecommunication and Regulatory Commission said. The move is aimed at ensuring quality service for subscribers. The commission also plans on updating the existing guidelines for telecom operators.

- He also touched upon the issue of illegally imported handsets: unauthorised mobile phone handsets will be blocked on July 1, when the BTRC rolls out the National Equipment Identification Registrar (NEIR). Mobile phones with fake/clone IMEI will be detected through the NEIR and disconnected from the network, the BTRC chief said.

<https://www.dhakatribune.com/business/2021/03/02/btrc-to-raise-watch-over-telecom-companies-for-quality-services>

No vaccine for private hospitals from govt purchase

- The authorities have rowed back on the decision to allow private hospitals to join the ongoing mass inoculation drive with vaccine doses from the government's purchase. Health directorate Director General (DG) said that some changes have been made to the initial discussions about engaging the private sector in the vaccination drive with government-provided shots. Instead, the private hospitals have been encouraged to import vaccines on their own. And in that case, the government will fix the import and sales prices, and determine how the vaccination at private healthcare facilities will be carried out, he added. On 10 February, private hospitals demanded 1.0 million doses of the Oxford-Astrazeneca vaccine from the government to carry out vaccinations under private arrangements.

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/no-vaccine-private-hospitals-govt-purchase-209458>

Capital base of banks improves marginally

- The capital base of the country's banks has improved marginally in 2020 mainly due to the 'decline' in the volume of their non-performing loans (NPLs), officials said. The capital-to-risk weighted-asset ratio (CRAR) of all the scheduled banks rose to 11.64% as on December 31 last year from 11.57% on the same day of the year before, according to the latest statistics of the Bangladesh Bank (BB). The NPLs shrank by more than 6.0% or BDT 60.49 billion to BDT 882.82 billion, excluding offshore banking operations, as of December 31 from BDT 943.31 billion a year ago.

- The suspension of the usual practice of classifying loans that had been put into effect by the BB in March 2020 following the outbreak of Covid-19 had been largely responsible for the shrinking of the classified loans in the country's banking sector. However, 10 banks out of the total 59 witnessed a total capital shortfall of BDT 289.50 billion in 2020 despite a falling trend in default loans. The 10 banks-five state-owned commercial banks (SoCBs), three private commercial banks (PCBs) and two specialised banks (SBs) -were put on the list of banks that suffered the capital shortfall, according to the BB officials.

- The quality of assets of these banks is poor and those could not generate enough profits

to increase their capital bases, a BB said while explaining the capital shortages of the banks. Most of these banks are chronic defaulters as far as the maintenance of CRAR, according to the central banker. Meanwhile, the total regulatory capital increased by 8.83% or BDT 106.99 billion to BDT 1,318.34 billion in the final quarter of 2020 from BDT 1,211.34 billion a year before. The central banker also said the capital shortfall of the banks may improve in April this year if the central bank offers regulatory forbearance to some banks considering the overall economic situation.

<https://today.thefinancialexpress.com.bd/first-page/capital-base-of-banks-improves-marginally-1614621288>

<https://www.dhakatribune.com/business/banks/2021/03/02/banks-capital-base-swerves-the-wrong-way-in-2020>

https://www.newagebd.net/article/131520/capital-shortfalls-in-10-banks-hit-BDT_-28950cr-in-dec-end-quarter

Spectacular rise of refrigerator market

- The annual market of refrigerators has grown by USD 131 million in just two years from a USD 549 million one in 2018, a Dhaka University research reveals. A rapid rise of a middle-income class, increasing numbers of small families and working women amid countrywide electrification and urbanisation, and the localisation of manufacturing have together helped the Bangladesh refrigerator market grow at a double-digit rate over the past decade. And now the Marketing Watch Bangladesh (MWB), a research initiative of the Dhaka University marketing department, forecasts that the market will reach USD 900 million in 2022.

- As of 2020, local brands already occupy around 80% of the home market and the remaining 20% belong to foreign brands, Marketing Watch Bangladesh said citing industry insiders' data. In fact, the demand for refrigerators began to rise two decades ago but the real takeoff took place in the beginning of last decade as soon as the rural families started to use refrigerators and subdued urban families also opted for one, said Marketing Watch. Regular refrigerators, which tend to accumulate ice in the deep freezer section, are the most affordable ones and make over 80% of the sales. Its market is growing at an annual rate of around 10%.

- Walton, the unbeaten leader of the refrigerator market with 66% market share of Walton brand and over 5% market share for the group's sister brand Marcel, is manufacturing compressors as the eighth company in Asia.

<https://tbsnews.net/economy/industry/spectacular-rise-refrigerator-market-209518>

No demand for credit from businesses yet

- Private sector credit growth edged down in January after a slight recovery in the previous month as businesses remain cagey about making fresh investments. In January, private sector credit growth stood at 8.32%, down from 8.37% in the previous month, according to the provisional data from the central bank. The figure is 6.48% points lower than the BB's target for this fiscal year. The credit growth would not rise until March as a number of sectors, including education, are still affected by the coronavirus-induced economic slowdown, said the managing director of Dhaka Bank.

- The country's educational institutions are still shut and a number of sectors are connected with the educational activities, which is one of the reasons for the slow credit demand. The demand for credit will increase in the March-June quarter centring on PohelaBoishakh, the Bengali new year, and Eid-ul-Fitr, the two biggest festivals in Bangladesh, he added.

<https://www.dhakatribune.com/business/economy/2021/03/01/no-demand-for-credit-from-businesses-yet>

<https://www.newagebd.net/article/131416/pvt-sector-credit-growth-inches-down-in-jan>

Bangladesh gets UN recommendation for graduating from LDC status

- The United Nations Committee for Development Policy has recommended Bangladesh's graduation from Least Developed Country (LDC) status along with Nepal and Lao PDR. Bangladesh has met, for the second time, all the three eligibility criteria for graduation involving income per capita, human assets, and economic and environmental vulnerability. After the recommendation by the UN committee for Bangladesh to become a developing nation, the proposal will be sent to the United Nations Economic and Social Council (ECOSOC) for endorsement in June.

- In view of the impact of the Covid-19 pandemic on the economy, the CDP recommended that Bangladesh and two other countries get five years, till 2026, to prepare for the transition to a developing country instead of three years.

<https://www.thedailystar.net/business/news/bangladesh-gets-un-recommendation-graduating-ldc-status-2051857>

Thirteen banks suffer negative credit growth in 2020

- Thirteen banks faced negative credit growth year-on-year as of December 2020 amid a plunge in demand following the coronavirus outbreak which caused businesses to refrain from taking fresh loans. However, the situation improved in January as the businesses started to rebuild their production inputs following commencement of vaccination drives against the virus in different countries along with restoration of business activities within the country due to a very low infection rate. Officials of the central bank said that the banks had suffered from negative credit growth mainly as the banks' loan recovery from their customers in 2020 was higher than issuance of fresh loans to customers, resulting in negative growth.

- In 2020, domestic credit growth and private sector credit growth were 9.91% and 8.37% respectively, remaining far lower than the central bank's monetary projections. The central bank projected to achieve 19.3-per cent domestic credit growth for the fiscal year 2020-2021 but later lowered the projection to 17.4% to check inflation while private sector credit growth was set at 14.8%.

- The thirteen banks which suffered negative growth in 2020, excluding those with Shariah-based banking operations, are BASIC Bank, Eastern Bank, Jamuna Bank, NCC Bank, NRB Bank, Global Islami Bank, Shahjalal Islami Bank, Bank Alfalah, State Bank of India, Standard Chartered Bank, National Bank of Pakistan, Modhumoti Bank and Woori Bank. Global Islami Bank managing director said that they are yet to recover completely from the coronavirus issue and are living under an undeclared restriction.

<https://www.newagebd.net/article/131322/thirteen-banks-suffer-negative-credit-growth-in-2020>

BB mulling incentive against small-value remittance

- The Bangladesh Bank has started an analysis into the possibility of issuing incentive to small-value remitters by reducing the cost of sending money home from abroad. The

central bank has taken the move with a view to reducing the cost burden on remitters who usually send small amounts of money home from abroad. The government may reimburse beneficiaries of the remittance sent in local currency against the charge the remitters would pay to the money transfer agency. To encourage the remitters, the government in the fiscal year 2019-2020 introduced a policy to pay 2-per cent incentive against inward remittance.

<https://www.newagebd.net/article/131248/bb-mulling-incentive-against-small-value-remittance>

Economy starts recovering, but hurdles remain

• Bangladesh's economy has started recovering from the Covid-19 shocks, although some major challenges are there in some areas for maintaining its growth momentum, the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) has said. The challenges are - slow implementation of the government's development projects, unemployment situation, lower investment trend and sluggish growth of tax-revenue income, the trade-body opined in its Review of Economic Situation in Bangladesh for the last October-December period (Q2 of FY 21) on Thursday.

• The MCCI said the major macro-economic indicators like inward remittance, foreign currency reserve, money supply and inflation remained satisfactory during the quarter under review (Q2 of FY 21). The exchange rate has long been stable, while the current account and balance of payments account are also in positive trajectory. Although a large segment of informal industries, services and other activities have resumed their operations, these seem to be running at a much lower level of their capacities, the chamber mentioned.

<https://today.thefinancialexpress.com.bd/first-page/economy-starts-recovering-but-hurdles-remain-1614274690>

<https://www.thedailystar.net/business/news/economy-may-make-turnaround-q3-mcci-2051329>

July-Jan revenue misses target by BDT 368 billion

• The revenue collection fell by BDT 368.41 billion short of the target in the first seven months of the current fiscal year (FY) as businesses are yet to overcome the Covid-19 fallout. However, the National Board of revenue (NBR) achieved 4.55% growth in the revenue earnings in the July-January period over the corresponding period of last FY, according to provisional data. The average growth in last five years was 10.20%. In the first half of this FY (July-December), the revenue collection grew by 2.10%. In July-January period, the NBR collected BDT 1.32 trillion in taxes against the target of BDT 1.69 trillion. The tax revenue collection was BDT 1.26 trillion in the corresponding period last FY.

• The NBR officials, however, expressed satisfaction over the positive growth despite the pandemic and expected that the trend would help mobilise the internal resource. They also expected the collection would increase further in the last quarter (April-June) as the pace of development activities expedited in line with the implementation of the Annual Development Programme (ADP).

<https://www.thedailystar.net/business/news/revenue-collection-455pc-last-7-months-2051321>

<https://www.newagebd.net/article/131146/deficit-in-tax-collection-widens-to-BDT-36842cr-in-july-jan>

<https://today.thefinancialexpress.com.bd/last-page/july-jan-revenue-misses-target-by-BDT-368b-1614275311>

New era beckons

• Bangladesh is confident that it can fend off the challenges stemming from the graduation from the grouping of least-developed countries (LDCs) as the government has taken measures. The United Nations Committee for Development Policy (UN CDP) in its second triennial review assessed the economy of Bangladesh and found that the country met all of the three criteria comfortably to graduate for the group. Bangladesh was well ahead in the gross national income (GNI) criteria: its per capita income was nearly USD 1,827 in 2020 against the threshold of USD 1,230. In the Human Assets Index (HAI) criteria, the country's score stands at 75.3 points, well above the requirement of 66. In the Economic Vulnerability Index (EVI), a country's score has to be less than 32. Bangladesh's score is 27.3 points.

• Bangladesh expects the UN CDP would recommend Bangladesh for graduation in 2026. In the paper, Bangladesh sought continuation of international support measures (ISMs) after graduation and the extension of the transition period for two more years. Three main challenges and vulnerabilities, including the fallouts of Covid-19, the impacts of climate change and the loss of trade-related ISMs were identified for Bangladesh in the post-LDC period.

<https://www.thedailystar.net/business/news/new-era-beckons-2051337>

Textiles fumble as cotton prices fly high

• As cotton and yarn prices keep rising on the back of global production shortfall and speculations, it is having a nervous knock-on effect on the Bangladesh textile industry – from spinners to fabric makers to both domestic and export-oriented readymade garment producers. Production cost has gone up considerably for them with varied impacts. Export-oriented factories cannot make ends meet as global apparel prices are still depressed although orders are aplenty. Higher yarn cost is putting many out of competition and some have slashed production. For fabric and apparel manufacturers for the local market, it is a question of hiking their prices or perishing but with the economic recovery still soft, that slashes their sales figures.

• Small spinners are losing hope as the price of cotton – their main raw material – spirals out of reach. While a factory in Bangladesh imported 30 count yarn from India at USD 3 a kg last year, it has to pay USD 4.1 per kg this year. Unlike big spinners who maintain offices in Singapore to buy cotton from the futures market and hedge themselves from future volatility, these small spinners – mostly feeding the domestic apparel demand – find it a losing battle.

• According to cotton market fundamentals and price outlook, New York Nearby and daily A Index prices of per pound cotton rose USD 0.88 and USD 0.92 respectively in February this year from USD 0.56 and USD 0.60 in May 2020. The United States Department of Agriculture (USDA) data showed that global cotton production was 26.59 million tonnes in the 2019-20 crop year, which is projected to fall to 24.85 million tonnes in 2020-21. For cotton, the crop year runs from 1 August to 31 July.

<https://tbsnews.net/economy/industry/textiles-fumble-cotton-prices-fly-high-206974>

Omega Seiki to invest INR 1 billion for making EVs in Bangladesh

• Omega Seiki, a member of the India-based Anglian Omega Network, has plans to set up a manufacturing plant for electric vehicles (EV) with INR 1 billion. The company said in a statement issued yesterday that the plant would run under the name Omega Seiki Mobility

OSM-Bangladesh, and will be its third manufacturing plant overall, and first one set up overseas. This news comes as a game-changer as several companies had planned to invest in making EVs in Bangladesh, including leading Bangladeshi conglomerate Nitol-Niloy Group, who apparently retreated from their plans due to the Covid-19 pandemic. The vehicles manufactured in Bangladesh will be sold under the OSM brand through local partners and franchises.

• In due course, we are looking at full localisation in Bangladesh. We would also be looking to export from Bangladesh to global locations e.g. ASEAN, Africa, etc. Bangladesh has a zero-tax policy for exports to 39 countries. This includes India as well and we are looking at selling in the northeast from there, managing director of Omega Seiki said.

<https://www.dhakatribune.com/business/economy/2021/02/26/omega-seiki-to-invest-rs-100cr-for-making-evs-in-bangladesh>

Important News: Capital Market

Beximco to issue Sukuk

• Beximco Ltd. will issue asset backed bond namely Islamic Shariah compliant Sukuk Al Istisna worth BDT 30 billion for the purpose of business expansion. The fund which will be raised through the bond will be utilised in construction of the solar projects of Teesta Solar and Koroloa Solar, two subsidiaries of Beximco Power Company, and in financing and refinancing the machinery and equipment required for expansion of Beximco's textile division. 50% of the Sukuk would be privately placed while 25% would be reserved for Beximco shareholders and the remaining 25% would be floated through public offers.

• The Sukuk units will have a face value of BDT 100 each, while minimum subscription size will be BDT 5,000 only in public offer with a five years tenure. The base rate of the Sukuk has been set at 9.0%, which means investors would be getting 9.0% secured annual return. The margin was set at 10% of the difference between the base rate and the annual dividend that Beximco will pay in a specific year. The margin would be added to the base rate if Beximco's dividend for the specific year surpasses the base rate. If the dividend is lower than the base rate, there would be no negative margin.

• Sukuk holders can gradually convert their 100% Sukuk to Beximco shares over its five-year tenure, but they can convert a maximum of 20% of the total in a year. 25% discount to the weighted average market price in Dhaka Stock Exchange (DSE) of 20 trading days prior to the record date for conversion.

<https://www.thedailystar.net/business/news/beximco-stocks-fall-despite-BDT3000cr-sukuk-plan-2054597>

<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-to-issue-sukuk-1614793466>

Norway government fund's investment on DSE hits record high

• Investment of Norway's sovereign wealth fund (SWF), the world's biggest fund, in Bangladesh's capital market hit a record high in 2020 despite the coronaviruscentric sluggishness on the market. The SWF has been increasing its stake on Bangladesh's stock market every year since investing around USD 19 million in the country in 2015 amid expectations of better returns from the market. In 2020, the fund's investment value on

Bangladesh's capital market reached USD 248.35 million, which was USD 188.12 million in 2019. The Norwegian government pension fund had footprints in 20 companies in 2020 against 22 companies in the previous year.

• The foreign fund increased its ownership in seven companies, kept unchanged its holdings in six companies and reduced investment in four firms in 2020 compared with the previous year, according to the data of the Norges Bank Investment Management Company which manages the SWF. The fund withdrew ownership in four companies and made fresh investments in three entities in the country's capital market in the year. The net investment value of the SWF on Bangladesh's capital market was USD 202.91 million in 2018, USD 244.41 million in 2017 and USD 111.55 million in 2016.

• The investment value of the SWF shot up by 30% in 2020 due to a significant rise in the share prices of a number of companies, including Beximco Pharmaceuticals, Grameenphone and Bangladesh Submarine Cables Company. The Norwegian government fund did not withdraw funds from an otherwise dull market while the other foreign investors continued to pull funds out of the market as it saw huge potential in the country's stock market, market operators said.

<https://www.newagebd.net/article/131605/norway-government-funds-investment-on-dse-hits-record-high>

12 small-cap companies interested to raise capital

• Some 12 small-cap companies have showed interest to raise capital through the bourses' SME boards to accelerate their business growth. The securities regulator called upon the companies to know their observations along with discussing the rules and regulations of SME board earlier introduced to facilitate the business operations of small-cap companies. The representatives of Seba.xyz, Chaldal.com, Zantrik, Landknock, Hello Task, Bondstein Technologies, and Brain Station 23, among others, attended Tuesday's meeting.

• The companies have showed interest to raise capital through the bourses' SME board. The BSEC has suggested the companies having good position to start the listing process as early as possible, said the BSEC spokesperson. As per the rules formulated for the SME board, the IPO (initial public offering) proposals of small-cap companies will be allowed under both the fixed price and book-building methods. Two small-cap companies had earlier submitted IPO proposals for their listing under the SME boards. The companies are Nialco Alloys and Krishibid Seed. Nialco Alloys has expressed interest to be listed with the SME board of the Chittagong Stock Exchange (CSE).

<https://today.thefinancialexpress.com.bd/stock-corporate/12-small-cap-companies-interested-to-raise-capital-1614703282>

<https://tbsnews.net/economy/stock/12-digital-firms-keen-be-small-cap-board-210028>

Baraka Patenga Power's cut-off price fixed at BDT 32 each

• The cut-off price of shares of Baraka Patenga Power has been fixed at BDT 32 each through electronic bidding by eligible investors. It is the first bidding after the securities regulator imposed an upper limit on the bidding by the institutional investors in the book-building system, in order to check manipulation in the bidding process. During this period, 357 eligible investors offered different prices to buy the company's shares. Among them, most bids were between BDT 32 and BDT 25 each. As per regulatory approval, Baraka Patenga Power will raise BDT 2.25 billion from the capital market under the book-building method.

https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-powers-cut-off-price-fixed-at-BDT_-32-each-1614703361
https://tbsnews.net/economy/stock/institutions-buy-baraka-patenga-primary-shares-BDT_32-each-209971
https://www.dhakatribune.com/business/stock/2021/03/02/cut-off-price-of-baraka-patenga-power-shares-set-at-BDT_-32

Tax receipts from DSE double in 8 months

- The government's revenue earnings from the prime bourse marked a whopping 101% rise in the first eight months of the current fiscal year (FY) compared to the same period of the previous fiscal amid rising trading volume. Market insiders said on the back of rising trading volume, the government earnings from the Dhaka Stock Exchange (DSE) rose accordingly, as earning is related to turnover. The market turnover and index marked rise during the period under review amid growing confidence of investors riding on regulatory measures to bring discipline in the market, said a top broker. The government bagged tax worth BDT 1,998 million in July-February period of FY 2020-21 as against BDT 994 million in the same period in the previous fiscal year, climbing by 101%, according to statistics from the DSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-double-in-8-months-1614793430>

BSEC dissolves 6th errant listed company's board

- The Bangladesh Securities and Exchange Commission (BSEC) yesterday dissolved the board of Emerald Oil and formed a new one in a bid to improve its performance. The listed edible oil producer is the sixth company whose boards were created anew as per a decision taken by the regulator earlier. The previous five companies were C&A Textiles, Ring Shine Textiles, United Airways, Familytex (BD) and Alhaj Textile Mills. The BSEC last year decided to bring about the change if any company remained in losses for at least two years, or if company sponsors fail to hold at least 30% of shares jointly.

- Emerald Oil's stocks were being traded as junk since 2017 due to the incurring of losses and announcement of no dividend, showed Dhaka Stock Exchange (DSE) data. The company was transferred to the "Z" category in January 2018. Its board of directors did not initiate any action and, therefore, failed to improve its performance during the last four years, the BSEC said in letters sent to the directors.

<https://www.thedailystar.net/business/news/bsec-dissolves-6th-errant-listed-companys-board-2053989>
<https://www.dhakatribune.com/business/stock/2021/03/03/bsec-recasts-board-of-emerald-oil-industries>

IDLC Managing Director Arif Khan resigns

- Arif Khan, managing director and chief executive officer of IDLC Finance, the largest non-bank financial institution in the country, resigned from his post on Sunday. The resignation will be effective after approval from the board. Confirming his resignation, Arif said that he had been planning for long to start his own business. Sharing his business plan, Arif said he would start a share market-related venture. He added that he had voluntarily resigned for a fresh start.

- Even amid the Covid-19 pandemic, IDLC made the highest profit of BDT 2.53 billion in its 35-year history. The pandemic could not affect its dividend either as the company declared

35% cash dividend for last year, which was the same in the previous year. The company has been maintaining a mere 2-3% default loan ratio for the last five years even after lending at higher rates. The average non-performing loan ratio in the NBF1 industry was above 9% last year, while that in the banking sector was over 10%.

<https://tbsnews.net/economy/idlc-managing-director-arif-khan-resigns-209347>
<https://www.thedailystar.net/business/news/arif-khan-steps-down-idlc-finance-ceo-2053389>
<https://www.dhakatribune.com/business/banks/2021/03/01/arif-khan-architect-of-idlc-s-golden-era-leaving-to-start-investment-vehicle>

IFIC Bank to issue BDT 500cr subordinated bond

- The board of directors of IFIC Bank has given its nod to issuing a bond worth BDT 5.00 billion to strengthen its capital base. However, the issuance of the Tier-2 capital -- expected to help the bank fulfil its Basel-III requirement -- will be subject to approval from the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC), said a disclosure yesterday.

https://www.dhakatribune.com/business/stock/2021/03/02/ific-bank-to-issue-BDT_-500cr-subordinated-bond

Regulator recasts three Z-category companies' boards

- The stock market regulator has reformed the boards of directors of three poorly-performing companies in a move to bring them back to business. The three are United Airways (BD), C&A Textiles and Familytex (BD) Limited. The Bangladesh Securities and Exchange Commission (BSEC) recently decided to restructure the three Z-category companies' boards in order to protect the interest of investors. The capital market regulator said the new boards will get four years to revive their businesses. In case of failure, they will be delisted from the stock market.

- However, the companies will not be allowed the sale, mortgage, transfer, replacement, share pledge or disposal of any assets – including FDR – without prior approval of the commission. As per the BSEC decision, the companies which have been doing trade under the "Z" category for two years or so must restructure their incumbent boards within 45 working days. Otherwise, the directors and sponsors of those business entities will not be allowed to hold the posts of director of other listed companies and market intermediaries, it added.

<https://tbsnews.net/economy/stock/regulator-recasts-three-z-category-companies-boards-208930>

BO accounts on the rise

- The number of new beneficiary owners' (BO) accounts, used to invest and trade in the stock market, continued to rise following regulatory measures taken to ease the account opening process. The regulatory approval for a good number of IPO (initial public offering) proposals this year has also inspired investors to open BO accounts, according to market insiders. The number of active BO accounts stood at over 2.66 million as of Thursday, up from 2.63 million on February 1. The data of the Central Depository Bangladesh Limited (CDBL) revealed that the BO accounts saw a rising trend in its number over the last several months.

- The number of accounts was 2.51 million on December 1, 2020 and the figure surpassed

2.55 million on January 4 this year. To increase the investors' participation, the securities regulator inaugurated the online BO account opening system in Dubai as well as at its own office in Dhaka early February. As a result, investors are now able to open BO accounts from their home without going to brokerage houses in person.

<https://today.thefinancialexpress.com.bd/stock-corporate/bo-accounts-on-the-rise-1614442691>

Walton plans fresh USD 640 million investment

- Walton Hi-Tech Industries Ltd is going to make a fresh investment of USD 640 million, equivalent to BDT 54.40 billion, to expand facilities to produce and increase export of electrical and electronic goods. The company has already submitted its plan to the Bangladesh Economic Zones Authority (Beza), seeking 300 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram. Under the investment, the company intends to set up a second unit of Walton Hi-Tech Industries, said Walton Group Managing Director.

- The investment will be made over a period of eight years and would be comprised, in equal parts, of retained earnings and long-term bank loans. The group plans to borrow from domestic and foreign banks. The Walton managing director hopes the second unit would widen its global footprint. The proposal said all manufacturing machinery would be imported from countries, including Japan, China, Italy, Korea, Belgium, Turkey, Austria, Germany and the US. Its forecast domestic and export sales revenue in the seventh year following investment is around BDT 56.90 billion.

<https://www.thedailystar.net/business/news/walton-plans-fresh-640m-investment-2052241>

Preference shares start enticing investors

- Individual investors are now showing interest in preference shares as reflected in the closing of a debt instrument subscription. People familiar with the development said high returns and tax benefit were the main reasons for the interest. The City Bank has recently issued preference shares to raise BDT 1.49 billion for two power projects -- Confidence Power Bogura Unit 1 and Unit 2. Individuals invested in 23% shares and institutions 77%. The rate of dividend for the Unit-2 is 12% and for the Unit-1 is 10.5%, according to the fund arranger. The power project has a debt-to-equity ratio of 70:30. It issued preference shares accounting for only 10%.

- Meanwhile, MTB Capital has launched subscription of Impress Composite to raise BDT 900 million through preference shares. The subscription will continue until March-end.

<https://today.thefinancialexpress.com.bd/last-page/preference-shares-start-enticing-investors-1614361036>

Sonali Life IPO subscription deferred

- The opening date of the Sonali Life Insurance Company's initial public offering (IPO) subscription has been deferred. It will be held in May instead of March this year. Earlier, on 9 December 2020, the regulator gave approval to the company for raising BDT 190 million from the stock market by issuing 19 million shares through IPO. The shares will be offered to the public at a face value of BDT 10 each. The company will invest the fund in government securities, fixed deposit receipts (FDRs) and in the secondary market.

- As per the BSEC's decision, institutional investors with a minimum of BDT 10 million investment in stocks can subscribe to the shares of the company through the electronic subscription system. Besides, institutional investors of recognized pension funds and provident funds with a minimum of BDT 5 million investment in stocks will also be able to subscribe to the shares in the same way.

<https://tbsnews.net/economy/stock/sonali-life-ipo-subscription-deferred-206884>