

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+3.42%) gained 230.79 points and closed the week at 6,987.45 points. The blue-chip index DS30 (+2.78%) gained 70.50 points and stood at 2,603.09 points. The Shariah-based index DSES (+2.87%) gained 41.03 points and stood at 1,472.15 points. The large cap index CDSET (+2.67%) gained 36.27 points and closed at 1,395.40 points. DSEX, DS30, DSES and CDSET showed YTD returns of +3.42%, +2.78%, +2.87%, +2.67%, respectively.

Total Turnover During the Week (DSE): BDT 64.9 billion (USD 756 million)

Average Daily Turnover Value (ADTV): BDT 13.0 billion (Δ% Week: +55.9%)

Market P/E: 17.4x

Daily Index Movement during the Week

Market performed five sessions during this week. The market started the week positively (+1.43%) on Sunday and continued to gain consecutively over the next 4 days gaining (+0.43%) on Monday, (+0.16%) on Tuesday, (+0.54%) on Wednesday and finally gaining (+0.83%) on Thursday.

Sectoral Performance

- Most of the financial sectors posted positive performance this week. Life Insurance booked the highest gain of 6.45% followed by NBF (4.23%), Mutual Fund (+3.53%), Bank (+3.02%), and General Insurance (-1.67%).

- All the non-financial sectors posted positive performance this week. Fuel & Power booked the highest gain of 7.20% followed by Telecommunication (+3.51%), Food & Allied (+2.66%), Engineering (+1.63%), and Pharmaceutical (+1.21%).

Macroeconomic arena

- Big potential in Bay as 17-103 TCF gas hydrates found. 203 Bangladeshi workers reach Korea since lifting of ban on foreign workers. Railway mulls switching to LNG, electric engines from diesel. BDT 500cr rolled out for those who migrated to villages. Mirsarai economic zone's cost up 74%. BERC lowers LPG prices by 4%. Bangladesh exports fetch record USD4.9b in December. Pharma export may cross USD 5b in 3-5 yrs.

- Tax collection up 14.21% in July-Dec. Only 37% taxpayers file returns. FBCCI proposes withdrawal of tax benefits for foreign investors. Forex reserve falls to USD 44.33b. Bangladesh's trade gap doubles to USD12.53b in July-November period.

- Monthly RMG production capacity to reach USD 8.0b soon, BGMEA president hopes. BGMEA, BKMEA form joint body to benchmark prices, costs of RMG products.

- Banks to get credit guarantee scheme facility even for loans of BDT 25,000. Central bank launches BDT 5.0b scheme for returnee expats. Loan moratorium extended until 15 Jan–informally. RAKUB disburses BDT 600m loans. Interest rate spread of 30 banks increases in November.

Stock Market arena

- DSE app download up 51pc in pandemic. BSEC now mulls market-set interest rates for margin loans. BSEC accords consent to exit plan of Beximco Synthetics. BSEC moves to compel DSE, CSE to achieve demutualization goals. DBA leaders urge for effective initiative to bring MNCs to stock market.

- Bangladesh Finance to open Shariah-based wing in 6 branches. Shahjalal Islami Bank sponsor keeps repaying loans with shares. Chattogram bourse adjusts its Shariah index. Tax relief sought for all investors in all types of bonds.

- Miscellaneous sector posts 116% gain in 2021. KDS Accessories to invest Tk 4.4cr to boost capacity. RN Spinning to merge with its sister concern. eGeneration invests Tk 8 crore of its IPO fund to buy office space. Shyampur Sugar Mills losses mounting. Decline in interest income drags down govt-run oil firms' profits.

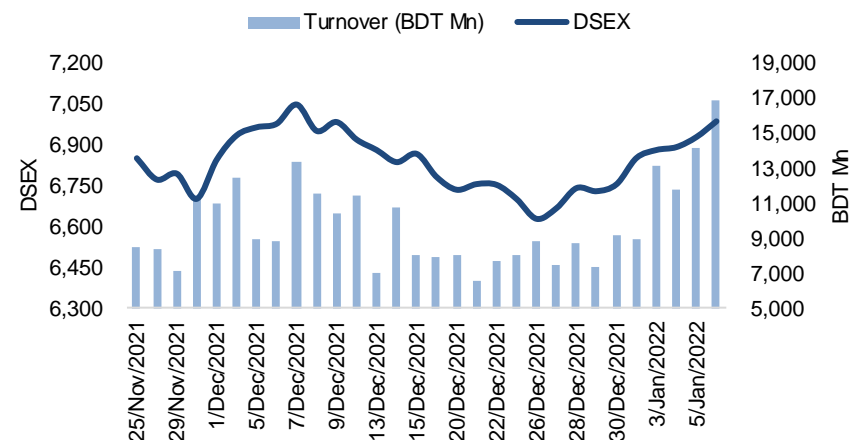
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	30-Dec-2020	Δ% Week	Δ% YTD
DSEX	6,987.45	6,756.66	+230.79	6,756.66	+3.42%	+3.42%
DS30	2,603.09	2,532.58	+70.50	2,532.58	+2.78%	+2.78%
DSES	1,472.15	1,431.12	+41.03	1,431.12	+2.87%	+2.87%
CDSET	1,395.40	1,359.13	+36.27	1,359.13	+2.67%	+2.67%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	5,580,319	5,421,964	+2.9%
	M n USD	65,039	63,193	
Turnover	M n BDT	64,882	41,605	+55.9%
	M n USD	756	485	
Average Daily Turnover	M n BDT	12,976	8,321	+55.9%
	M n USD	151	97	
Volume	M n Shares	1,427	864	+65.2%

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
BSC	104.6	71.9	+45.5%	15,955	3,428.7	12.3x	1.6x
LOVELLO	43.6	33.6	+29.8%	3,706	1,066.0	27.8x	3.4x
FAREASTLIF	68.3	53.7	+27.2%	5,105	555.8	NM	NM
WMSHIPYARD	13.2	10.7	+23.4%	3,105	149.5	NM	0.6x
SALAMCRST	30.4	25.2	+20.6%	2,990	22.5	35.8x	1.6x
FORTUNE	110.6	92.1	+20.1%	17,976	2,747.9	47.5x	7.5x
BPML	51.2	43.1	+18.8%	8,898	413	20.8x	1.1x
RNSPIN	7.1	6.0	+18.3%	2,787	86.7	NM	59.2x
EGEN	55.9	47.5	+17.7%	4,193	105.1	32.4x	2.7x
COPPERTECH	39.5	33.6	+17.6%	2,489	205.2	33.2x	3.2x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SONALIPAPR	761.1	957.7	-20.5%	16,716	852.4	NM	3.1x
ATLASBANG	107.8	125.7	-14.2%	3,571	8.5	NM	0.8x
ASIANS	103.6	115.0	-9.9%	4,876	736.2	36.4x	3.7x
AMCL(PRAN)	265.6	292.5	-9.2%	2,125	133.3	47.6x	3.1x
RENWICKJA	1,010.3	1,066.3	-8.7%	2,021	6.3	NM	NM
LIBRAINFU	893.4	972.4	-8.1%	1,342	56.7	NM	0.7x
EASTERNINS	106.1	115.1	-7.8%	4,574	424.8	21.8x	2.1x
BATASHOE	906.5	966.9	-6.2%	12,401	8.7	NM	3.6x
BEACHHATCH	27.6	29.4	-6.1%	1,143	213	NM	2.9x
PHARMAID	563.8	600.4	-6.1%	1,759	246.9	32.7x	5.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	149.9	148.4	+1.0%	13,136.0	5,999.1	13.0x	1.8x
BSC	104.6	71.9	+45.5%	15,955	3,428.7	12.3x	1.6x
FORTUNE	110.6	92.1	+20.1%	17,976	2,747.9	47.5x	7.5x
POWERGRID	69.7	59.6	+16.9%	49,677	2,078.1	15.0x	0.6x
DELTALIFE	212.4	196.5	+8.1%	26,285	1,956.8	NM	NM
GSPFINANCE	27.8	27.0	+3.0%	4,367	1,138.4	17.1x	1.4x
ACTIVEFINE	29.9	25.6	+16.8%	7,174	1,126.1	76.7x	1.3x
ONEBANKLTD	14.4	13.8	+4.3%	13,450	1,124.2	7.3x	0.7x
LOVELLO	43.6	33.6	+29.8%	3,706	1,066.0	27.8x	3.4x
SAIFPOWER	43.0	38.3	+12.3%	16,312	1,040.6	24.0x	2.6x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
EGEN	55.9	+17.7%	4,193	32.4x	2.7x
POWERGRID	69.7	+16.9%	49,677	15.0x	0.6x
ACTIVEFINE	29.9	+16.8%	7,174	76.7x	1.3x
LHBL	81.5	+14.6%	94,652	24.0x	4.9x
ROBI	39.0	+12.7%	204,279	88.9x	3.1x
TITASGAS	40.9	+12.7%	40,459	11.8x	0.6x
MIRAKHTER	69.8	+12.6%	8,430	18.3x	1.5x
GPHISPAT	58.6	+10.6%	25,597	14.0x	2.1x
KPCL	33.0	+10.4%	13,115	NM	1.5x
GHAIL	18.1	+9.7%	3,907	NM	1.3x

*BDT
**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,637.6	1,589.7	1,589.69	+3.02%	+3.02%
NBFI	2,426.0	2,327.6	2,327.63	+4.23%	+4.23%
Mutual Fund	914.2	883.0	882.99	+3.53%	+3.53%
General Insurance	4,620.2	4,698.6	4,698.62	-1.67%	-1.67%
Life Insurance	2,861.0	2,687.6	2,687.55	+6.45%	+6.45%
Telecommunication	6,004.1	5,800.4	5,800.37	+3.51%	+3.51%
Pharmaceutical	3,913.2	3,866.6	3,866.63	+1.21%	+1.21%
Fuel & Power	1,922.1	1,793.0	1,793.0	+7.20%	+7.20%
Cement	2,806.0	2,534.8	2,534.76	+10.70%	+10.70%
Services & Real Estate	1,412.6	1,309.4	1,309.43	+7.88%	+7.88%
Engineering	4,804.7	4,727.5	4,727.46	+1.63%	+1.63%
Food & Allied	25,892.9	25,222.8	25,222.81	+2.66%	+2.66%
IT	3,375.6	3,274.6	3,274.61	+3.08%	+3.08%
Textile	1,542.5	1,470.6	1,470.60	+4.89%	+4.89%
Paper & Printing	8,862.5	9,680.0	9,680.03	-8.45%	-8.45%
Tannery	3,445.3	3,236.8	3,236.76	+6.44%	+6.44%
Jute	8,490.4	8,747.8	8,747.84	-2.94%	-2.94%
Ceramics	694.9	675.9	675.88	+2.81%	+2.81%
Miscellaneous	4,772.6	4,625.4	4,625.39	+3.18%	+3.18%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	987.4	743.6	+32.79%	+8.13%	8.2x	0.9x
NBFI	595.4	313.5	+89.95%	+4.90%	22.5x	4.3x
Mutual Fund	85.5	47.5	+79.83%	+0.70%	NM	0.8x
General Insurance	993.0	1,324.3	-25.01%	+8.17%	21.1x	2.3x
Life Insurance	725.1	168.0	+331.71%	+5.97%	NM	NM
Telecommunication	270.6	166.2	+62.84%	+2.23%	17.5x	6.1x
Pharmaceutical	1,192.6	722.9	+64.98%	+9.81%	19.1x	2.7x
Fuel & Power	1,005.2	382.4	+162.87%	+8.27%	12.5x	1.3x
Cement	231.7	121.0	+91.49%	+1.91%	19.5x	2.9x
Services & Real Estate	461.2	169.8	+171.60%	+3.79%	NM	1.1x
Engineering	776.1	334.5	+131.98%	+6.39%	19.2x	2.1x
Food & Allied	606.4	281.0	+115.83%	+4.99%	31.3x	9.2x
IT	338.3	202.1	+67.41%	+2.78%	37.2x	3.1x
Textile	952.8	532.7	+78.85%	+7.84%	36.6x	1.1x
Paper & Printing	225.7	712.4	-68.32%	+1.86%	NM	2.2x
Tannery	566.7	180.1	+214.60%	+4.66%	NM	3.7x
Jute	10.6	11.2	-5.72%	+0.09%	NM	20.1x
Ceramics	67.8	38.2	+77.75%	+0.56%	32.3x	2.0x
Miscellaneous	2,060.8	1,149.1	+79.34%	+16.96%	17.0x	2.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
BATASHOE	906.5	-6.2%	12,401	NM	3.6x
BANKASIA	210	-3.7%	24,484	9.9x	0.9x
PIONEERINS	113.4	-3.0%	8,729	14.8x	2.3x
ENVOYTEX	47.9	-2.0%	8,034	74.8x	1.3x
RECKITT BEN	5,640.1	-1.6%	26,649	33.1x	41.4x
IBNSINA	269.6	-0.6%	8,423	15.9x	3.7x
RENATA	1,304.2	-0.6%	139,801	26.9x	5.2x
UNILEVERCL	2,963.6	-0.5%	35,701	78.0x	26.7x
GP	348.3	-0.3%	470,309	13.0x	11.3x
WALTONHIL	1,146.5	-0.2%	347,307	22.8x	3.8x

Important News: Business & Economy

Tax collection up 14.21% in July-Dec

- Revenue collection by the National Board of Revenue grew by 14.21% year-on-year in 1HFY22. The NBR collected BDT 126,209 crore in 1HFY22 against BDT 110,501 crore in 1HFY21. The revenue collection deficit was BDT 17,081 crore against the target of BDT 143,29 crore for the period. In the six months, the NBR collected 38.25% of the total BDT 330,000 crore target set for FY22.
- Tax officials collected BDT 39,421 crore in income taxes in the six months, up 14.83 % on BDT 34,330 crore in the same period of the previous year. The income tax collection target in this period was BDT 43,513 crore, with the revenue board achieving 90.60 % of the target.
- VAT collection grew by 9.54 % in the period with a collection of BDT 46,558 crore against the target of BDT 52,480 crore. The NBR achieved 88.77 % of the VAT collection target. The customs wing collected BDT 40,202 crore in this period, up 19.50 % on the corresponding period of the previous year.

<https://www.newagebd.net/article/159193/tax-collection-up-1421pc-in-july-dec>

Big potential in Bay as 17-103 TCF gas hydrates found

- Bangladesh now has all the opportunities to tap into a potential "goldmine" in the form of huge gas hydrates and several hundred species of seaweed discovered in the Bay of Bengal. The country has found the presence of around 17 to 103 trillion cubic feet (TCF) of ice-like hydrate deposits containing huge amounts of methane, the foreign ministry revealed on Wednesday.
- While Bangladesh at COP26 committed to gradually cut down its fossil fuel usage and go for green energy, the country still needs fossil fuel like natural gas in the next two decades in order to ensure a smooth transition and energy security.

<https://www.tbsnews.net/bangladesh/gas-hydrate-found-bay-bengal-353539>

203 Bangladeshi workers reach Korea since lifting of ban on foreign workers

- A total of 203 Bangladesh expatriate workers have traveled to Korea since the lifting of suspension on the arrival of foreign workers in December. On Wednesday, 92 Bangladesh workers left for Korea from Hazrat Shahjalal International Airport (HSIA) in Dhaka via chartered flights operated by a Korean air company. Earlier, in December, 111 Bangladesh workers were admitted to Korea, a spokesperson of the Korea Embassy said.

- The South Korean Government suspended accepting foreign workers in March 2020 due to the Covid-19 pandemic and resumed receiving the expatriates from last month. Korea has been admitting medium and low-skilled foreign workers from 16 countries including Bangladesh through the EPS (Employment Permit System) program.

<https://thefinancialexpress.com.bd/economy/bangladesh/203-bangladeshi-workers-reach-korea-since-lifting-of-ban-on-foreign-workers-1641387963>

Forex reserve falls to USD 44.33b

- Swelling import expenses, coupled with routine payment to the Asian Clearing Union (ACU), have put the country's foreign-exchange reserves under pressure again. The reserve fell below USD 44.50 billion on Wednesday after making a routine payment to the ACU against the imports of the November-December period of 2021.
- The forex reserve has been maintaining a falling trend in the last couple of months following higher import payment obligations along with lower flow of inward remittances. Higher prices of essential commodities, including petroleum products, in the global market have pushed up the country's import payments during the period. The central bank has so far sold nearly USD 2.50 billion from the reserve directly to the commercial banks as liquidity support for settling their import payment obligations in FY 22.

<https://today.thefinancialexpress.com.bd/first-page/forex-reserve-falls-to-4433b-1641404853>

Corporate tax cuts turn 'eyewash'

- Corporate taxpayers have to pay around 97% of their taxes in the form of advance, minimum and source taxes while the rest 3.0% they pay with their annual tax returns. Accountants and corporate taxpayers say effective tax rate -- actually payable at the yearend -- for corporates increased up to 10%, depending on nature of companies, due to upward adjustment of source tax or withholding tax.
- National Board of Revenue (NBR) data also show substantial rise in corporate-tax collection that went up by 25% in 2020-21 despite reduction in its rate by 2.5% that year. Advance Income Tax (AIT) at import stage also grew 20% last year, according to the data.

<https://today.thefinancialexpress.com.bd/first-page/corporate-tax-cuts-turn-eyewash-1641404612>

Banks to get credit guarantee scheme facility even for loans of BDT 25,000

- Banks will be able to accept collateral from the Bangladesh Bank's credit guarantee scheme against loans of BDT 25,000 and above given to holders of small accounts worth BDT 10, BDT 15 and BDT 100. The Bangladesh Bank issued a circular on Wednesday giving the banks detailed instruction regarding this.

- Earlier in a circular on 5 September 2021, the central bank mentioned setting up a BDT 500 crore fund under the credit guarantee scheme and instructed the concerned banks not to take any collateral for loans less than BDT3 lakh.

<https://www.tbsnews.net/economy/banking/banks-get-credit-guarantee-scheme-facility-even-loans-tk25000-353701>

Padma Bank's loss of BDT 800 crore to turn into goodwill now

- The Bangladesh Bank has approved a proposal of restructuring Padma Bank's balance sheet by cleaning its accumulated loss of BDT 803 crore, helping the troubled lender get foreign investment for its survival. The bank was allowed to restructure the balance sheet to meet the prior condition of foreign investors who intended to invest in.
- DelMorgan & Co, a USA-based global investment bank, proposed arranging an investment of USD 700 million for the bank. However, it sought policy support from the Bangladesh Bank – allowing the bank to clean up losses from the balance sheet and exempting it from maintaining Statutory Liquidity Ratio or SLR.

<https://www.tbsnews.net/economy/banking/padma-banks-loss-tk800-crore-turn-goodwill-now-353707>

Janata Bank gets go-ahead to regularise AnonTex's default loans

- Bangladesh Bank has allowed Janata Bank to regularise default loans of scam-hit AnonTex Group, relaxing its own rescheduling policy. As per the central bank policy, a defaulter has to pay down payment between 10% and 50% of default loans to reschedule nonperforming loans.
- Ignoring its own rules, the BB gave a no-objection certificate to Janata Bank on Tuesday, which paved the way for the state lender to reschedule default loans around BDT 4,000 crore owned by the group. The group will pay only BDT 86 crore, which is much lower than actual requirement in line with the central bank policy.

<https://www.thedailystar.net/business/news/janata-bank-gets-go-ahead-regularise-anontexs-default-loans-2933376>

Firm sponsors, investors pocketing windfall

- Sponsors and investors in life-insurance firms are picking a windfall profit accrued from fund investment, sometimes at policyholders' expense, sources say. They pocket the profits from investments in secure financial instruments, including government bonds. The life funds are mostly owned by the policyholders.
- Top five local life firms disbursed nearly 68% dividend on average annually over the past 10

years since 2011, according to a calculation by FE. However, higher dividend disbursement was due to unbelievably higher dividend declaration by at least a couple of firms. The returns are higher than the market rate of FDR [fixed deposit receipts] and National Saving Certificates.

<https://today.thefinancialexpress.com.bd/first-page/firm-sponsors-investors-pocketing-windfall-1641404534>

Monthly RMG production capacity to reach USD 8.0b soon, BGMEA president hopes

- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan has expressed his hope that the readymade garment (RMG) industry of the country would achieve the capacity to handle monthly orders worth USD 7.0 to USD 8.0 billion a month.
- He said Bangladesh earned USD 4.0 billion exporting apparel in December 2021 alone, the highest-ever record in one month, as a result of keeping factories in operation and following health guidelines during the pandemic. There are a good number of world-class apparel factories in Bangladesh of which 153 are green ones. The year 2022 will be an important year for investment in backward linkage areas.

<https://thefinancialexpress.com.bd/trade/monthly-rmg-production-capacity-to-reach-80b-soon-bgmea-president-hopes-1641392097>

Pharma export may cross USD 5b in 3-5 yrs

- Salman Fazlur Rahman, adviser on private industry and investment to Prime Minister Sheikh Hasina, said the country's shipment of pharmaceutical products may cross USD 5.0-billion mark within the next three to five years. "Pharma export makes up about USD 1.0 billion now, but we expect to cross the USD 5.0-billion mark in the next three to five years," he told on the December-January issue of the fDi intelligence, a publication of the Financial Times.
- Bangladesh now exports pharma products to over 100 countries. He noted that the country is self-sufficient in pharmaceuticals with 99% of the demand being met by local production.

<https://today.thefinancialexpress.com.bd/last-page/pharma-export-may-cross-5b-in-3-5-yrs-1641405240>

Build metro rail in Chattogram too: PM

- Chattogram is going to have a metro rail network as the second city in the country after Dhaka where the service is due to be launched in December this year. Prime Minister Sheikh Hasina on Tuesday asked the authorities concerned to build the metro rail from the Shah Amanat International Airport to the Chattogram Railway Station in the port city. She issued

the directive at a meeting of the Executive Committee of the National Economic Council (Ecneec).

<https://www.tbsnews.net/bangladesh/infrastructure/build-metro-rail-chattogram-too-pm-352990>

FBCCI proposes withdrawal of tax benefits for foreign investors

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has come up with a proposal to scrap fiscal incentives, such as tax exemption, offered to foreign investors, lenders and workers, to address the discrimination between local and foreign businesses.
- Citing eight specific areas of fiscal facilities that foreigners are currently enjoying, the FBCCI has made recommendations on what kinds of initiatives should be taken to ensure equal opportunities for both local and foreign businesses.

<https://www.tbsnews.net/economy/fbcci-proposes-withdrawal-tax-benefits-foreign-investors-353215>

Railway mulls switching to LNG, electric engines from diesel

- The Bangladesh Railway is planning to reduce dependency on diesel-run locomotives. As part of the state-owned service provider's modernisation, the authorities are planning to introduce electric-, CNG- and LNG-run engines, Railway Minister Md Nurul Islam Sujon said on Tuesday while sharing his recent experience of visiting railways in some European countries.

<https://www.tbsnews.net/bangladesh/railway-mulls-switching-lng-electric-engines-diesel-353170>

Mirsarai economic zone's cost up 74%

- The estimated expenditure for the under-construction Mirsarai economic zone has spiralled by about 74% due to changes for further development works and increase in the number of industrial plots. Moreover, it will take another two years, meaning until June 2023, to complete the project, which was first approved in September 2018 and due to be complete by June 2021.
- According to Planning Commission documents, one of the major reasons for the implementation time period and cost hikes is the increase in the number of industrial plots from 250 to 539, increasing the cost of land development and construction works. Other developments are purchase of fire station equipment, construction of factory buildings, footpaths and three residential buildings and repairs of vehicles, increasing costs by BDT 182 crore.

<https://www.thedailystar.net/business/economy/news/mirsarai-economic-zones-cost-74pc-2932661>

RAKUB disburses BDT 600m loans

- Rajshahi Krishi Unnayan Bank (RAKUB) has disbursed BDT 600 million in loans to the cottage, micro, small and medium enterprises (CMSMEs) under the government's stimulus package in the country's northwest region in 2020-21 financial year. The government had announced the bailout package for the CMSME sector to help the stakeholders overcome the Covid-19 fallout and the RAKUB attained 100% target in terms of disbursement of the CMSME loan.
- RAKUB has set a target of disbursing agricultural loans of BDT 30 billion in the country's northwest (NW) region during the current fiscal year to help increase crop production and boost rural economy. Target has also been set to recover loans of BDT 26 billion, including classified loans with BDT 5.8 billion, and raise deposit collection to BDT 5.0 billion.

<https://today.thefinancialexpress.com.bd/trade-market/rakub-disburses-tk-600m-loans-1641311258>

Interest rate spread of 30 banks increases in November

- The overall weighted average interest rate spread of 30 banks increased in November as they managed to reduce their cost against deposits. Tightened sales process of national savings certificates and the downward trend of Bangladesh's stock market in the last couple of months enabled the banks to attract more funds, bankers said. As a result, the banks got the scope for offering lower interest rate against their deposit products as they were still having adequate amount of liquidity in their hands, they said.
- The officials said that the credit demand in the country's private sector was inadequate to absorb the excess liquidity and so the banks were reluctant to offer higher interest against deposit products. According to the latest Bangladesh Bank data, still 22 banks' weighted average deposit rates were less than 4 %. Overall interest rate spread of the banks inched up to 3.16 percentage points in November against 3.14 percentage points in the previous month.
- Of the banks, weighted average interest rate of spread was highest 5.15 percentage points in the foreign commercial bank, the rate was 3.3 percentage points in private commercial bank, 2.18 percentage points in state-owned commercial banks and 1.54 percentage points in specialised banks.

<https://www.newagebd.net/article/159114/interest-rate-spread-of-30-banks-increases-in-november>

Sonali bank announces record-breaking operating profit BDT2,205 cr for 2021

- Sonali Bank Limited has made a record-breaking operating profit of BDT 2,205 crore in the year 2021. Previously, the bank earned an operating profit of BDT 2,153 crore in 2020.

According to the data of the bank, the classified loan of the bank also came down to 14.14% at the end of 2021, 4.23% less than the previous year. The bank's Managing Director CEO and Managing Director said that his main objective is to bring the classified loan to single digit by end of year 2022.

- Loans and advances of the bank increased to BDT 69,317 crore, while total deposit increased to BDT 134,307 crore. The bank has attained a satisfactory operating profit in the outgoing year amid a slower growth both in foreign trade as well as in private sector credit due to the Covid-19 pandemic. The number of loss branches has also come down to 16 at the end of 2021, 13 less than previous year. The bank data also confirms that Sonali Bank's advances to deposit ratio is 51.61 at the end of 2021, it was 46.57 in the previous year.

<https://www.tbsnews.net/economy/banking/sonali-bank-announces-record-breaking-operating-profit-tk2205-cr-2021-353056>

Investment Galore in spinning despite Covid

- The spinning sector in Bangladesh witnessed a major jump in investment last year as entrepreneurs set up 26 new mills to meet rising demand despite uncertainty in the global apparel supply chain owing to the pandemic. Entrepreneurs invested BDT 5,970 crore in the new manufacturing plants, adding more than 745,400 new spindles to their combined capacity, according to data from the Bangladesh Textile Mills Association (BTMA).
- Garment shipment rose 28.02 % year-on-year to USD19.9 billion between July and December. Of the sum, USD11.16 billion came from knitwear sales, which was up 30.91%, and USD8.73 billion from woven items, an increase of 24.50%.

<https://www.thedailystar.net/business/economy/news/investment-galore-spinning-despite-covid-2932676>

Central bank launches BDT 5.0b scheme for returnee expats

- Bangladesh Bank (BB) has created a BDT 5.0 billion refinance scheme to generate employment and to eliminate poverty for the expatriates who have returned home due to Covid 19 pandemic and other reasons. The central bank gave the information in a circular on Monday, reports BSS.
- The interest rate of this lending facility will be 6 % and the tenure of the scheme is a maximum of three years. The scheme was formed under the stimulus package that was announced to deal with the possible economic shock from the shutdown enforced for curbing the spread of COVID-19.

<https://thefinancialexpress.com.bd/economy/central-bank-launches-tk-50b-scheme-for-returnee-expats-1641217180>

BDT 500cr rolled out for those who migrated to villages

- The Bangladesh Bank rolled out refinance scheme titled "Ghore Fera" of BDT 500 crore to support people who migrated back to their villages due to the ongoing economic hardship. The returnees will be able to get funds at 6% interest rate from the scheme, without providing any collateral. Banks will get funds at 0.5% interest rate from the central bank. Borrowers who will avail up to BDT 2 lakh will be allowed to repay the loan by two years, which includes a grace period of three months. The repayment tenure will be three years, including a six-month grace period, if the amount of loan ranges between BDT 2 lakh and BDT 5 lakh.

<https://www.thedailystar.net/business/economy/banks/news/tk-500cr-rolled-out-those-who-migrated-villages-2931806>

Loan moratorium extended until 15 Jan – informally

- Borrowers have until 15 January to avoid being classified as loan defaulters by paying at least 15% of their instalments for 2021. Earlier, the Bangladesh Bank asked them to pay the minimum amount within 31 December 2021, otherwise, they would be categorised as loan defaulters – a negative marking for which they would face barriers in getting loans and availing other facilities in future.
- The Bangladesh Bank on 30 December set a loan moratorium facility for all borrowers at 15% of their total repayable loans in 2021, backtracking from its earlier decision of 25% for large borrowers, in the face of pressure from businessmen and bank owners. The decision was made at a meeting between the Federation of Bangladesh Chambers of Commerce and Industry (FCCI) and the Bangladesh Association of Banks (BAB) with the central bank governor. Earlier on 14 December, the central bank issued a circular that says borrowers under the loan moratorium facility will not be considered defaulters if they pay 25% of the payable amount for the year.

<https://www.tbsnews.net/economy/banking/loan-moratorium-extended-until-15-jan-informally-352717>

Bangladesh's trade gap doubles to USD12.53b in July-November period

- Bangladesh saw its trade deficit more than double in the first five months of the current fiscal year as higher import-payment pressure on the economy causes account imbalance, officials say. The deficit in trade with the rest of the world widened by 148.31 % or US\$7.48 billion to USD12.53 billion during the July-November of the FY 2021-22 against USD5.05 billion in the same period of FY'21, according to the central bank's latest statistics. During the period under review, import expenses swelled nearly 54 % while export earnings recorded a 22.65-% growth.
- The overall import cost stood at USD31.17 billion in the July-November period of FY '22

against USD20.24 billion in the same period a year earlier while export earnings rose at a slower pace to USD18.64 billion from USD15.19 billion.

<https://thefinancialexpress.com.bd/economy/bangladeshs-trade-gap-doubles-to-1253b-in-july-november-period-1641177486>

Remittance flow dips after unusual pickup in 2020

- Remittance from migrant Bangladeshi workers dipped over 12 % in the past calendar year from an unusual pandemic-time pickup in 2020, for reasons that include their higher expenditure. The lure of higher gains from sending money home through alternative channels for greater returns on the dollar in kerb markets is deemed another major reason for fall. Bangladeshis working abroad sent a total of USUSD22.07 billion in 2021-the immediate-past year that saw a letup in the Covid-19 invasion. The figure was much higher at USD24.78 billion in 2020, during prime time of the pandemic, according to Bangladesh Bank statistics.
- The previous calendar year had witnessed a record inflow of remittances worth USD24.78 billion with a stellar growth of 36 % which supported the external account of the country. The inflow of remittances enabled the Bangladesh Bank to maintain an overall balance-of-payments surplus as both the export and import performances were poor in the past year. During the July-November five months of this fiscal year, the current account had shown a deficit worth more than USD6.0 billion. May month's money sent home was the largest amount, nearly USD2.2 billion. On the other hand, the lowest monthly remittance was in November last at USD1.55 billion.

<https://thefinancialexpress.com.bd/economy/remittance-flow-dips-after-unusual-pickup-in-2020-1641176391>

Tax receipts rise, still below target

- Revenue collection grew 11 % year-on-year in November powered by the revival of economic activities and higher income tax payments by individuals ahead of the return submission deadline. In November this fiscal year, taxmen collected BDT 21,104 crore, up from BDT 19,064 crore in the same month a year ago, according to data from the National Board of Revenue (NBR).
- With November's receipts, total tax collection by the NBR stood at BDT 100,573 crore since July, the first month of fiscal year 2021-22, registering a 15 % year-on-year growth during the period. The amount was 81 % of the NBR's collection target for the period and 30 % of the whole year's revenue collection goal of BDT 330,000 crore. The tax collector will be required to collect BDT 229,427 crore during the remaining seven months of the fiscal year

in order to hit the target.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-receipts-rise-still-below-target-2931846>

Only 37% taxpayers file returns

- Only 37 % of 6.3 million registered individual taxpayers filed income tax returns until January 2 according to the National Board of Revenue (NBR). In addition, 0.36 million taxpayers applied to the tax offices seeking more time to furnish their tax returns for the income year 2021-22, said a senior NBR official. Officials said nearly 2.3 million taxpayers submitted returns since July 1, which was 7 % higher than the 2.15 million who submitted returns until December 31, 2020. However, tax payments with returns declined 18 % year-on-year to BDT 3,290 crore as of the final day of submission of returns from BDT 4,010 crore a year ago, according to the NBR.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/only-37pc-taxpayers-file-returns-2931781>

BERC lowers LPG prices by 4%

- Bangladesh Energy Regulatory Commission has lowered the price of liquified petroleum gas (LPG) by 4 % in January. BERC fixed the price of LPG per kg, including VAT, at BDT 98.17, a decrease of BDT 4.15 per kg (4%). The price was BDT 102.32 per kg in December. The price of Autogas, or LPG used in vehicles, has been fixed at BDT 54.94 per litre.
- Accordingly, the price of a 12 kg cylinder came down to BDT 1,178 from BDT 1,228. Consumers, therefore, can save BDT 50 per cylinder, reports bdnews24.com. According to the announcement, the prices of propane and butane in January are fixed at USD 740 and USD 210 respectively, and the price of the propane and butane mixture is fixed at USD 720.50.

<https://thefinancialexpress.com.bd/trade/berc-lowers-lpg-prices-by-4pc-1641206198>

Bangladesh receives USD22.07b in remittance last year

- Bangladesh sent 6,17,209 workers overseas and received a record USD 22.07 billion in remittance in 2021 amid the Covid-19 pandemic. Describing the trend of overseas employment as satisfactory amid the pandemic, an official of expatriates' welfare and overseas employment ministry said, overall manpower export from Bangladesh would increase gradually, reports BSS.
- The government encourages documented overseas employment, as an important component of earning foreign currency. Bangladesh has become the 8th largest remittance-

receiving country and the 6th largest migrant-sending country in the world, according to the World Migration Report 2022. Earlier, the government declared the overseas employment sector as a “thrust sector” with maximum stress on further expanding job markets for the Bangladeshi job seekers abroad.

<https://thefinancialexpress.com.bd/economy/bangladesh-receives-2207b-in-remittance-last-year-1641136482>

Bangladesh exports fetch record USD4.9b in December

- Bangladesh has broken the monthly exports record once again, shipping goods worth over USD4.9 billion in December as the country’s economic recovery continued to gather pace after a pandemic-induced slump. Exports grew 48.27 % year on year last month, exceeding the target by 25.45 % after a steady spell in the preceding months. Exporters shipped USD4.04 billion worth of goods in November after posting exports of USD4.73 billion in October, the previous record, and USD4.16 billion in September, reports bdnews24.com.
- The shipments in December took the overall earnings in the first six months of the fiscal year near USD24.7 billion, growing 28.41 % year on year and exceeding the target by 15.5 %, according to data published by the Export Promotion Bureau on Sunday. The government set an export target of USD 43.5 billion for FY22. Readymade garments contributed to about USD 20 billion, or more than 80 %, of the total exports in the July-December period.

<https://thefinancialexpress.com.bd/economy/bangladesh-exports-fetch-record-49b-in-december-1641135962>

Woven garment export makes a strong comeback

- Woven garment shipment began recovering from August after going through more than 10 % negative growth months after months for 18 months. In August, woven exporters fetched USD 1.15 billion, which jumped to USD 1.86 billion in December. Woven shipment grew to USD 8.74 billion in the second half of 2021, an increase of 24.50% YoY.
- Managing director of Classic Fashion, which makes woven shirts and trousers, says international retailers and brands are placing a lot of work orders for woven items. However, since the local weavers can supply only 40 % raw materials for woven garments, manufacturers have to rely on Chinese suppliers for the rest of the fabrics. He added that any disruption to Chinese supply chain may severely affect Bangladesh's garment shipment. So, local garment manufacturers need to strengthen their capacity in the woven sector.

<https://www.thedailystar.net/business/economy/news/woven-garment-export-makes-strong-comeback-2931146>

Sweater emerges as next big bet as China exits market

- Sweater has logged 27% export growth in the past six years as China pulled out from sweater-making, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Exporters say the growth in this area is relatively higher compared to other items. With a supercharged demand as economies reopened shaking off Covid fear, sweater-makers now eye fresh investment and factory expansion. This helped banks register the hefty profit.
- With China as the major supplier, the current size of the international sweater market is around USD 104 billion. The other key players are Bangladesh, Cambodia, Turkey, Vietnam and Myanmar. Mohiuddin Alamgir Romel, managing director of Global Knitwear, says China is leaving the global sweater market owing to rise in production costs and because sweaters are a basic knitwear item. Bangladeshi entrepreneurs are to gain hugely in the upcoming years from the exit.

<https://www.tbsnews.net/economy/rmg/sweater-emerges-next-big-bet-china-exits-market-352327>

Allocation for agriculture likely to increase to reshape rural economy

- The allocation for the agriculture sector in the upcoming budget is likely to see a significant rise as the government has taken various initiatives for this vital sector to ensure food security, boost the incomes of farmers and create jobs and thus improve the lifestyle of the rural poor. The total spending in this sector is projected to grow by 10% on average annually to BDT 377.07 billion in 2023-24 fiscal, according to a budgetary document obtained by UNB. The allocation for this sector in the running FY22 is BDT 319.12 billion while the projection for FY23 is BDT 344.26 billion.
- The allocation was BDT 239.17 billion, BDT 219.77 billion and BDT 297.25 billion in 2018-19, 2019-20 and 2020-21 fiscals respectively. This agriculture sector covers the activities of the Ministry of Agriculture, Ministry of Fisheries and Livestock, Ministry of Environment and Forest, Ministry of Land and Ministry of Water Resources. To enhance agricultural production and increase agricultural productivity, the government has been providing cash subsidies amounting to BDT 95 billion. To facilitate agricultural mechanisation, the government has taken a project of BDT 30.20 billion and the implementation of which has begun in the 2020-21 fiscal, the document mentions. The farmers are getting agricultural machinery at a 50%-70% subsidised rate on the actual sales price of those machinery.

<https://thefinancialexpress.com.bd/economy/allocation-for-agriculture-likely-to-increase-to-reshape-rural-economy-1641038234>

Remitters further incentivized

- Amid the dwindling remittance inflow situation the government has enhanced the rate of incentives for remittance senders to 2.5 % from 2.0 %. The new rate is effective from Saturday, a new year gift for the remitters from the Prime Minister, says a finance ministry statement. The government introduced incentives in 2019 to encourage expatriates to send remittance through the banking channel that helped to raise the inflow.
- Following the incentive introduction, in the fiscal year 2019-20 expatriates sent USD 18.20 billion, which was 13 % higher than that of the previous year. Remittance inflow rose to USD24.80 billion in the fiscal year 2020-21, up by 36% compared to the fiscal year 2019-20. However, remittance inflow saw a significant fall during the last couple of months prompting the government to hike the rate of incentive in efforts to raise the remittance inflow.

<https://thefinancialexpress.com.bd/economy/remitters-further-incentivised-1641025368>

Six China-funded projects hit snags

- Some China-funded projects worth several billion dollars cannot be implemented in time for delays in land acquisition, design change and the pandemic problem. Such drawbacks were discussed in a high-level meeting that reviewed the progress of six crucial projects being funded and implemented by China, sources told the FE. The projects include Construction of tunnel under the Karnaphuli River, Dasherbandi waste-treatment plant and installation of Single Point Mooring. Two power-transmission projects and another digital connectivity project also get slower for similar reasons.
- The Dasherbandi treatment-plant project has faced headwinds since the beginning as the implementing agencies got objection from the Power Grid Company of Bangladesh and Titas Gas Company while initiating the project. China is providing 280 million US dollars as a concessional loan for this project, and its financial progress is 61.50%.
- The Karnaphuli Tunnel project also falls back and the Chinese company sought one-year extension, project officials said. However, Bangladesh side is learnt to have demurred, as it is considered one of the landmarks in government's undertakings for communications-infrastructure development. The financial progress rate of the project is 68.72%.

<https://thefinancialexpress.com.bd/economy/remitters-further-incentivised-1641025368>

BGMEA, BKMEA form joint body to benchmark prices, costs of RMG products

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) have formed a

joint body for benchmarking the minimum price and manufacturing cost of RMG products. The 15-member committee headed by BKMEA Vice President will conduct a thorough analysis of the manufacturing cost, cost of inputs and the export price of the finished goods. The overall objective is to draw a comprehensive and complex picture of the aggregate manufacturing cost of major garment items and their minimum price justification.

<https://thefinancialexpress.com.bd/trade/bgmea-bkmea-form-joint-body-to-benchmark-prices-costs-of-rmg-products-1641057725>

Important News: Capital Market

BSEC now mulls market-set interest rates for margin loans

- The Bangladesh Securities and Exchange Commission (BSEC) considers retreating from its January 2021 notification that announced to cap the interest rate against margin loans at 12%.
- "Since the situation has changed a lot in a year, the regulator is now thinking about leaving the rate to the market," BSEC Commissioner Dr Shaikh Shamsuddin Ahmed told The Business Standard. In the last year, the market has got a large number of new brokerage firms who will need to come up with competitive offers for a position in the brokerage industry. Besides, the BSEC is encouraging a robust financing environment for the capital market intermediary industries.

<https://www.tbsnews.net/economy/stocks/bsec-now-mulls-market-set-interest-rates-margin-loans-353677>

DBA leaders urge for effective initiative to bring MNCs to stock market

- The leaders of the DSE Brokers Association of Bangladesh (DBA) have suggested listing quality companies to boost the capital market, saying there is a crisis of good companies in the stock market. They made the remarks while congratulating the newly elected committee of the Capital Market Journalists' Forum (CMJF), an organization of journalists working on the capital market.
- The DBA president said, "The regulatory body BSEC is doing a commendable job in various ways, including reforming the different securities rules. However, in order to get the benefits of these works, it is necessary to increase the number of good shares in the market. All stakeholders, including BSEC, have a role to play in this regard".

<https://thefinancialexpress.com.bd/stock/bangladesh/dba-leaders-urge-for-effective-initiative-to-bring-mncs-to-stock-market-1641401045>

BSEC accords consent to exit plan of Beximco Synthetics

- The Bangladesh Securities and Exchange Commission (BSEC) has accorded its consent to the proposed exit plan of Beximco Synthetics purchasing the ordinary shares of the company, a disclosure said.
- According to the regulatory approval, the company will execute its exit plan in line with the existing rules formulated in 2020. As per a previous disclosure, the company applied in November last to the securities regulator seeking its consent-in-principle for the exit plan of above 55.77 million securities.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-accords-consent-to-exit-plan-of-beximco-synthetics-1641398133>

Bangladesh Finance to open Shariah-based wing in 6 branches

- The central bank has allowed the listed company Bangladesh Finance to open Islami shariah-based wing in six branches including the principal one. Bangladesh Finance has received an approval from the central bank for opening this wing.
- "Bangladesh Finance has already formulated policies regarding shariah manuals, implementation of separate Islamic CBS (Core Banking Solutions), formation of shariah supervisory committee, deposit receiving, and income distribution in line with the conditions set by the central bank," Md. Kyser Hamid, managing director at Bangladesh Finance, said in a release.

<https://today.thefinancialexpress.com.bd/stock-corporate/bangladesh-finance-to-open-shariah-based-wing-in-6-branches-1641398162>

DSE app download up 51% in pandemic

- Investors are apparently increasingly opting for executing trade through the Dhaka Stock Exchange (DSE) mobile app as its download has soared by around 51% during the last two years amidst the coronavirus pandemic. At the end of 2021, it had been downloaded 77,064 times, up from 51,199 times on January 1, 2020.
- Due to the pandemic, many investors chose to conduct trade through the app staying back at home, so the figure could be inflated and not reflecting the real scenario, according to market analysts. Turnover through the app in 2021 reached BDT 42,681 crore, which was 12% of the total turnover worth BDT 354,052 crore, according the DSE data.

<https://www.thedailystar.net/business/organisation-news/news/dse-app-download-51pc-pandemic-2932636>

Shyampur Sugar Mills losses mounting

- Shyampur Sugar Mills, a state-run company under the Bangladesh Sugar and Food Industries Corporation (BSFIC), has been burdened with huge losses. The accumulated loss per share of the company mounted by BDT1,114 at the end of the 2020-21 fiscal year.
- Due to the obsolescence of machinery, sugar is extracted at the rate of about 6%, which does not match income with expenditure. Even though the mill is open for a few months during the season, its workers have to be paid their wages even during the off-season

<https://www.tbsnews.net/economy/shyampur-sugar-mills-losses-mounting-353218>

Shahjalal Islami Bank sponsor keeps repaying loans with shares

- Representatives of Mohammed Hasan, whose businesses have been dying due to his poor health, are repaying his bank loans by giving away Shahjalal Islami Bank shares in tranches. The Dhaka Stock Exchange (DSE) has approved a plan for off-platform transfer of 24.5 lakh Shahjalal Islami Bank shares from the account of the bank's sponsor Mohammed Hasan to the Mercantile Bank Ltd, which lent him money.
- The miserable condition of Mohammed Hasan came into discussion in 2017 when the DSE suddenly found that out of his 2.32 crore Shahjalal Islami Bank shares, 56 lakh were sold off without any prior announcement, which is required when a listed company's sponsor or director wants to buy or sell shares. Later, it was found that a bank forcefully sold off the shares to recover their money from Hasan who was not even in a position to discuss the matter with anyone.

<https://www.tbsnews.net/economy/stocks/shahjalal-islami-bank-sponsor-keeps-repaying-loans-shares-353206>

eGeneration invests BDT 8 crore of its IPO fund to buy office space

- The publicly listed IT company – eGeneration Ltd – has invested BDT 8 crore of its initial public offering (IPO) fund to acquire office space, as it had declared in its IPO prospectus. Last year, the company raised BDT15 crore through an IPO.
- In the first year of availing the fund, the company has used around 87% of the fund to accomplish three of its IPO fund utilisation plans by acquiring an office space, paying off debts, and financing the IPO expenses. However, its plan of developing a digital healthcare platform by using the rest of the IPO fund is yet to be implemented.

<https://www.tbsnews.net/economy/stocks/egeneration-invests-tk8-crore-its-ipo-fund-buy-office-space-353176>

BSEC moves to compel DSE, CSE to achieve demutualisation goals

- Bangladesh Securities and Exchange Commission has made a move to compel the Dhaka Stock Exchange and the Chittagong Stock Exchange to achieve demutualisation objectives that the bourses have failed to do in eight years. The stock market regulator issued a letter on Sunday in this connection, asking the stock exchanges to report the regulator about their initiatives taken for achieving those objectives as per their respective demutualisation schemes issued in 2013.
- According to the letter, the bourses must also appoint compliance auditor to conduct special audit and review the function and compliance with requirements, code of conducts and code of ethics as well as to oversee the accomplishment of demutualisation objectives and initiatives taken by the stock exchanges for achievement within 30 working days.

<https://www.newagebd.net/article/159036/bsec-moves-to-compel-dse-cse-to-achieve-demutualisation-goals>

Chattogram bourse adjusts its Shariah index

- Index Agro Industries has entered the list whereas four companies - Aman Cotton Fibrous, Appollo Ispat Complex, Libra Infusions, and Mithun Knitting & Dyeing (CEPZ) - have been dropped off the list because they failed to comply with the Shariah principles. Shariah-compliant securities are those stocks that exclude any business activities that are forbidden in the religion of Islam.
- Due to the growing base of Shariah-compliant investors, mostly institutional funds, both the bourses of the country have been maintaining their own Shariah indices. The concerned investors can easily pick their stocks based on the Shariah index. According to a statement by the CSE, the change will be effective from 13 January.

<https://www.tbsnews.net/economy/stocks/chattogram-bourse-adjusts-its-shariah-index-352330>

Tax relief sought for all investors in all types of bonds

- The securities regulator has recommended making tax-exemption facility available for all investors in all types of bonds to help encourage mobilisation of funds from the capital market for the sake of the country's industrialisation. The Bangladesh Securities and Exchange Commission (BSEC) has made the suggestion in a recent letter to the chairman of the National Board of Revenue (NBR). Currently, individual investors other than banks, insurers and financial institutions are entitled to have tax waiver on the income gained from investments in zero-coupon bonds.
- The BSEC also recommends revising the definition of publicly traded companies, registered

in Bangladesh under the Companies Act 1994, replacing the word 'share' by the 'securities'. Targeting the bond market's development, the regulator has been approving different types of bonds after the incumbent commission took charge in May 2020. In 2021, the BSEC allowed 23 companies to raise BDT 125.73 billion through bonds having different characteristics and sukuk, a bond-like instrument. The characteristics of the bond approved by the BSEC include zero coupon, perpetual and coupon-bearing bonds, fully redeemable, convertible.

<https://thefinancialexpress.com.bd/stock/tax-relief-sought-for-all-investors-in-all-types-of-bonds-1641091007>

Decline in interest income drags down govt-run oil firms' profits

- Padma Oil, Meghna Petroleum, and Jamuna Oil – state-owned fuel distributors under the Bangladesh Petroleum Corporation (BPC) – witnessed a drop in profit in the July-September quarter owing to lower interest income from their fixed deposits — an earning from other income segments. In fiscal 2020-21, Padma Oil – the country's biggest and oldest firm in this sector, and Meghna Petroleum saw a 121% and 79% year-on-year drop in profit, respectively. Only Jamuna Oil – the first national oil company which went into operation in the Pakistan era in 1964, posted a 2.44% increase in profit in FY21. Despite ups and downs in profit, all the three companies declared the same dividend for FY21 as the previous fiscal year.
- According to their financial reports, the companies – which have around BDT10,000 crore in fixed deposits in different banks – earn around 80-90% of their total profits from the interest income. In 2020, the government capped the bank deposit rate at 6%, in a bid to bring down the lending rate to 9%. Following the move, banks began lowering their deposit interest rates. As a result, the lower interest income has been impacting the profits of the oil companies. Padma Oil profit falls 121%. In fiscal 2020-21, the profit of Padma Oil Company, which collects, stores and markets fuel, decreased 121% to BDT228.58 crore from BDT272.98 crore a year ago.

<https://www.tbsnews.net/economy/stocks/decline-interest-income-drags-down-govt-run-oil-firms-profits-352315>

2022's stock market has two major headwinds: Professor Mahmood Osman Imam

- The new year's stock market outlook is not very clear, and it is going to face two headwinds — omicron, and the role of the central bank in 2022, said Dr Mahmood Osman Imam, Professor of Finance at the University of Dhaka. In a recent interview with The Business Standard, he said the corporate earnings will be impacted if the omicron variant of the

coronavirus bites deep. If Bangladesh faces a dire situation because of an outbreak of the new variant, the country's economy would be severely impacted. On the other hand, even if the country manages to withstand any omicron wave, its foreign trade would be disrupted if its major sources or export countries remain locked down, the professor said.

- The capital market exposure calculation method for banks should be cost-based, as it is for other sectors, said the financial market expert. Banks were once allowed to invest up to 10% of their deposits, which was a big portion. But following the 2010-11 stock market crash, the Bank Companies Act was amended and the limit was set at 25% of the banks' solo equity and 50% of the equities of their subsidiaries.

<https://www.tbsnews.net/economy/stocks/2022s-stock-market-has-two-major-headwinds-professor-mahmood-osman-imam-352324>

Miscellaneous sector posts 116% gain in 2021

- Miscellaneous sector was the best performer on the Dhaka Stock Exchange (DSE) in 2021, showing 116 % return while the jute sector was the worst loser, shedding 28 %. The sector, which comprises 14 companies, generated the highest return, led by Bangladesh Export Import Company (Beximco), which posted a 176 % gain during the year. The tannery sector came next with 101% return in the outgoing year. It was followed by Bangladesh Monospool Paper Manufacturing Company and Sonali Paper & Board Mills, which gained 253 % and 252 % respectively during the year. The food & allied sector also surged 44 % as four issues of the sector gained more than 100 %.
- The heavyweight banking sector soared 25 % as four listed banks soared more than 50 % with newly listed NRB Commercial Bank gaining 113 %. Premier Bank, First Security Islami Bank and Mercantile Bank also gained 61 %, 57 % and 53 % respectively. Bangladesh Submarine Cable gained 29 %, followed by Robi with 17 % and largest market-cap Grameenphone gained 5.0 %. Pharmaceutical sector also saw a 21 % return, riding on Salvo Chemicals, Beacon Pharma, ACME Pesticides and Orion Pharma. Only two sectors -- jute and travel & leisure saw negative return, losing 28 % and 6.0 % respectively. Tamijuddin Textile Mills was the stock-wise year's top gainer, posting a 1158 % return, followed by Paper Processing & Packaging (1140 %) and Sena Kalyan Insurance (603 %), according to the International Leasing Securities.

<https://thefinancialexpress.com.bd/stock/miscellaneous-sector-posts-116pc-gain-in-2021-1641029223>

KDS Accessories to invest BDT 4.4cr to boost capacity

- KDS Accessories Ltd has decided to invest BDT 4.4 crores to add new machines and do needed repair work in its plants to boost the production capacity. If utilised fully, the extended capacity and improved productivity would add BDT 10 crore to its annual revenue, the

company informed its shareholders. The garment accessories manufacturer said it would invest BDT 1.61 crores to replace machine parts for its packaging board plant in Chattogram. It will also invest BDT 2.1 crore in its button unit for adding another six tuning machines, two centrifugal casting machines and water polishing machines along with standard spare parts.

<https://www.tbsnews.net/economy/stocks/kds-accessories-invest-tk44cr-boost-capacity-351844>

RN Spinning to merge with its sister concern

- Listed company RN Spinning Mills, a concern of FAR group, is going to be merged with Samin Food and Beverage Industries and Textile Mills, another non-listed firm of the group, as RN Spinning could not get back to production after a massive fire incident in 2019. Samin Food and Beverage Industries and Textile Mills currently has a capacity of producing 79,848 spindles of cotton, viscose, and CVC yarn annually. RN Spinning was producing synthetic, and acrylic yarn. It raised BDT 30 crore through an initial public offering (IPO) in 2010. According to the company secretary, the planned merger would help RN Spinning to resume operation, bring synergy.

<https://www.tbsnews.net/economy/rn-spinning-merge-its-sister-concern-351862>

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