

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.70%) gained 48.54 points and closed the week at 6,984.74 points. The blue-chip index DS30 (-0.14%) lost -3.75 points and stood at 2,632.19 points. The Shariah-based index DSES (+1.13%) gained 16.54 points and stood at 1,475.46 points. The large cap index CDSET (-0.35%) lost -4.97 points and closed at 1,410.77 points. DSEX, DS30, DSES and CDSET showed YTD returns of +29.30%, +34.02%, +18.79%, +25.62%, respectively.

Total Turnover During the Week (DSE): BDT 53.1 billion (USD 619 million)

Average Daily Turnover Value (ADTV): BDT 10.6 billion ($\Delta\%$ Week: +5.3%)

Market P/E: 17.3x

Daily Index Movement during the Week

Market performed five sessions during this week. The market started the week positively (+0.42%) and continued to perform well on the following two days, gaining 0.19% and 1.01% on Monday and Tuesday respectively. It fell on Wednesday by 1.37% and ended the week positively by gaining 0.47%.

Sectoral Performance

- Financial sectors posted mixed performance this week. NBF1 booked the highest gain of 2.79% followed by Bank (+0.55%), and Mutual Fund (+0.53%). Life Insurance experienced the highest loss of 0.57% followed by General Insurance (-0.08%).

- All the non-financial sectors posted positive performance this week. Food & Allied booked the highest gain of 2.85% followed by Fuel & Power (+1.81%), Engineering (+1.73%), Pharmaceutical (+1.31%), and Telecommunication (-0.52%).

Macroeconomic arena

- Ecneec clears BDT 25b project to turn country into digital economy. FDI to triple within couple of years, hopes Salman F Rahman. WB to lend REB USD 515m. Ministry to move on 'specific allocation for SMEs'.

- Tax exemptions cost 2.28% of GDP, says NBR. Trade deficit rises 35% in October. Net savings tools sales fall 73% in October. Export of plastic products see nearly 30% rise. Industrial credit rises over 12% in July-Sept.

- Japan keen to promote business, economic relations with Ctg companies. Easier transaction needed to boost trade with Russia, says Tipu Munshi. BBIN motor vehicle pact to go ahead without Bhutan. Indonesia slaps safeguard duties on Bangladeshi RMG goods. BTRC moves to open up all areas for foreign investment.

- BGMEA seeks support for RMG industry from IMF delegation. Govt's bank borrowing surges. Loan write-offs decline as banks lose strength. BB collects BDT 6,500cr from banks through two treasury bills. Govt to set up treatment plants to boost agro exports.

Stock Market arena

- DSE to encourage listing of top 100 firms; conference to be held 21 December. Stock Exchange Coordination and Monitoring Committee meets with finance ministry. Tax receipts from DSE fall further in November. SME platform unable to attract investors.

- PGCB to issue preference shares against govt's share deposits. Envoy Textiles to raise BDT 870m through preference shares. Alif Industries to raise BDT 2.0b. Pubali Bank to issue perpetual bond worth BDT 5.0b. IFAD Autos to invest BDT 31.81m.

- BSEC issues ultimatum to 27 non-compliant firms with 30% shareholding rules. Investors park money in potential IT firms. Brummer allowed to sell 2.83 crore shares in Runner Auto. GP gains more market share despite SMP imposition.

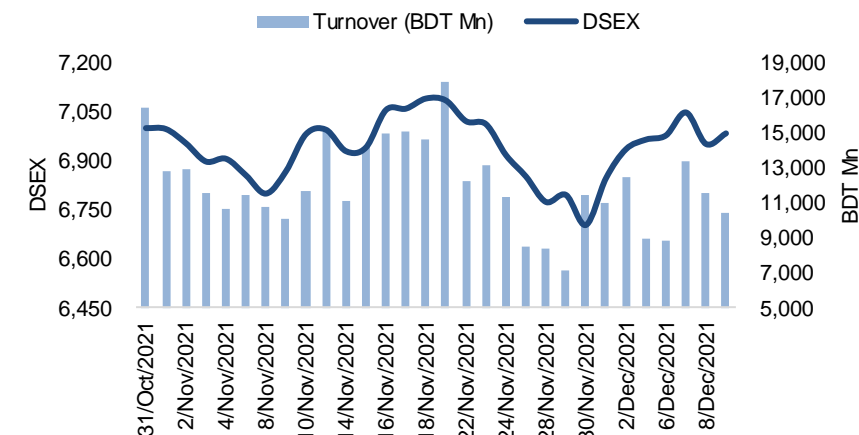
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,984.74	6,936.20	+48.54	5,402.07	+0.70%	+29.30%
DS30	2,632.19	2,635.94	-3.75	1,963.96	-0.14%	+34.02%
DSES	1,475.46	1,458.92	+16.54	1,242.11	+1.13%	+18.79%
CDSET	1,410.77	1,415.74	-4.97	1,123.03	-0.35%	+25.62%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	5,571,905	5,528,406	+0.8%
	M n USD	64,941	64,434	
Turnover	M n BDT	53,090	50,400	+5.3%
	M n USD	619	587	
Average Daily Turnover	M n BDT	10,618	10,080	+5.3%
	M n USD	124	117	
Volume	M n Shares	1,458	1,387	+5.1%

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
CVOPRL	204.0	157.4	+29.6%	5,665	255.4	NM	20.6x
FINEFOODS	51.7	40.0	+29.3%	722	57.8	NM	4.9x
AMCL(PRAN)	269.0	209.3	+28.5%	2,152	92.3	48.2x	3.1x
GEMINISEA	283.8	221.1	+28.4%	1,333	183.9	47.1x	114.0x
ISNLTD	45.2	35.4	+27.7%	494	76.1	NM	17.4x
FUWANGFOOD	17.4	13.9	+25.2%	1,929	225.8	NM	1.5x
TAMIJTEX	151.7	121.2	+25.2%	4,561	8.0	61.4x	1.8x
ZEALBANGLA	129.3	103.6	+24.8%	776	2.9	NM	NM
METROSPIN	24.8	19.9	+24.6%	1,607	176.7	19.4x	1.2x
BEACHPATCH	33.7	27.3	+23.4%	1,395	117.8	NM	3.5x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
ACMEPL	33.4	36.9	-9.5%	4,509	560.6	20.4x	1.8x
VAMLBDMF1	8.1	8.9	-9.0%	845	23.3	NM	0.7x
AMANFEED	56.8	62.4	-9.0%	7,439	262.7	22.1x	1.7x
FIRSTSBANK	14.2	15.4	-7.8%	14,146	1,343.7	5.0x	0.8x
DELTALIFE	196.2	208.4	-5.9%	24,280	1,533.6	NM	NM
FORTUNE	89.6	94.5	-5.2%	14,563	819.2	38.5x	6.1x
MERCANBANK	18.3	19.3	-5.2%	18,908	557.2	4.7x	0.8x
PTL	93.3	98.1	-4.9%	15,192	645.1	22.5x	3.4x
BSCCL	187.1	196.6	-4.8%	30,854	232.1	14.6x	3.4x
ONEBANKLTD	18.3	19.2	-4.7%	17,093	2,134.4	9.3x	0.9x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	163.5	168.2	-2.8%	143,278	4,969.4	14.2x	2.0x
ONEBANKLTD	18.3	19.2	-4.7%	17,093	2,134.4	9.3x	0.9x
GSPFINANCE	27.3	24.8	+10.1%	3,898	1,371.6	15.3x	1.3x
FIRSTSBANK	14.2	15.4	-7.8%	14,146	1,343.7	5.0x	0.8x
IFIC	18.5	19.1	-3.1%	31,466	1,672.2	15.2x	1.1x
DELTALIFE	196.2	208.4	-5.9%	24,280	1,533.6	NM	NM
GENEXIL	168.3	157.7	+6.7%	19,110	972.9	49.9x	9.4x
ORIONPHARM	100.3	102.3	-2.0%	23,470	911.2	28.7x	1.2x
SKICL	79.5	65.5	+21.4%	3,180	878.0	29.9x	4.4x
POWERGRID	60.5	61.6	-1.8%	43,120	869.8	13.0x	0.5x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
EGEN	54.0	+440.0%	4,050	31.3x	2.6x
GPHISPAT	57.1	+105.3%	24,942	13.6x	2.0x
ENVOYTEX	49.0	+99.2%	8,219	76.6x	1.3x
HEIDELBCEM	279.6	+86.9%	15,798	27.4x	3.7x
BSRMLTD	110.9	+84.2%	26,180	5.1x	0.8x
SQUARETEXT	52.8	+77.2%	10,415	9.6x	1.3x
BSRMSTEEL	72.6	+70.8%	27,294	7.2x	1.1x
BATBC	650.2	+65.2%	351,108	25.6x	8.7x
PIONEERINS	112.2	+63.9%	8,637	14.7x	2.3x
LHBL	77.0	+61.1%	89,426	22.6x	4.6x

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1652.1	1643.1	1,372.63	+0.55%	+20.36%
NBFI	2,486.0	2,418.5	2,033.53	+2.79%	+22.25%
Mutual Fund	919.9	915.0	959.61	+0.53%	-4.14%
General Insurance	4,761.2	4,765.1	4,103.56	-0.08%	+16.03%
Life Insurance	2,681.6	2,697.0	2,162.58	-0.57%	+24.00%
Telecommunication	6,027.7	6,059.1	5,463.26	-0.52%	+10.33%
Pharmaceutical	4,033.3	3,981.2	3,306.03	+1.31%	+22.00%
Fuel & Power	1,899.4	1,865.6	1,618.11	+1.81%	+17.38%
Cement	2,640.2	2,583.6	1,416.18	+2.19%	+86.43%
Services & Real Estate	1,385.9	1,357.8	1,083.79	+2.07%	+27.87%
Engineering	4,887.2	4,804.3	3,959.20	+1.73%	+23.44%
Food & Allied	25,420.8	24,716.4	14,705.76	+2.85%	+72.86%
IT	3,434.5	3,271.4	2,350.28	+4.99%	+46.13%
Textile	1,624.3	1,521.2	1,087.41	+6.78%	+49.37%
Paper & Printing	7,128.0	7,148.8	5,487.56	-0.29%	+29.89%
Tannery	3,041.5	3,018.9	1,771.77	+0.75%	+71.66%
Jute	8,070.4	7,644.4	12,154.61	+5.57%	-33.60%
Ceramics	700.8	683.0	472.38	+2.60%	+48.36%
Miscellaneous	4,990.3	4,933.3	2,539.70	+1.15%	+96.49%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	1,797.5	2,709.4	-33.66%	+18.01%	8.3x	0.9x
NBFI	762.9	447.1	+70.66%	+7.64%	22.2x	4.2x
Mutual Fund	78.9	72.0	+9.59%	+0.79%	NM	0.8x
General Insurance	564.4	275.6	+104.76%	+5.65%	20.1x	2.2x
Life Insurance	282.4	326.9	-13.63%	+2.83%	NM	NM
Telecommunication	89.5	102.0	-12.31%	+0.90%	17.7x	6.2x
Pharmaceutical	1,246.5	1,254.5	-0.63%	+12.49%	19.5x	2.7x
Fuel & Power	510.0	431.4	+18.20%	+5.11%	12.1x	1.3x
Cement	154.0	131.4	+17.19%	+1.54%	18.8x	2.8x
Services & Real Estate	233.1	213.9	+8.96%	+2.33%	NM	1.1x
Engineering	686.5	445.7	+54.01%	+6.88%	19.3x	2.2x
Food & Allied	415.1	270.8	+53.26%	+4.16%	31.1x	9.2x
IT	389.5	319.1	+22.03%	+3.90%	37.6x	3.1x
Textile	1,077.9	834.5	+29.16%	+10.80%	37.1x	1.1x
Paper & Printing	215.9	117.9	+83.11%	+2.16%	NM	1.6x
Tannery	183.0	183.6	-0.32%	+1.83%	NM	3.3x
Jute	7.3	2.1	+250.00%	+0.07%	NM	20.8x
Ceramics	88.3	43.1	+104.88%	+0.88%	33.2x	2.1x
Miscellaneous	1,200.9	1,256.0	-4.39%	+12.03%	18.4x	2.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
KPCL	33.7	-25.6%	13,393	NM	1.5x
MIRAKHTER	66.2	-18.3%	7,995	17.4x	1.4x
OLYMPIC	164.9	-13.7%	32,970	17.5x	3.4x
ADNTEL	57.0	-11.4%	3,685	22.0x	2.1x
MTB	20.1	-8.3%	16,331	28.5x	0.9x
DBH	78.2	-2.9%	13,862	12.4x	2.0x
UPGDCL	257.0	-2.5%	148,982	13.7x	4.2x
BARKAPOWER	25.2	-1.9%	5,934	8.4x	1.1x
SINGERBD	173.0	-1.5%	17,249	23.9x	4.9x
MPETROLEUM	196.7	-0.7%	21,286	7.5x	1.2x

*BDT

**BDT Mn

Important News: Business & Economy

Tax exemptions cost 2.28% of GDP: NBR

- Bangladesh counts 2.28 % or BDT 578.78 billion in lost Gross Domestic Product (GDP) on offering tax exemptions to various sectors, an analysis finds and suggests periodical updating of the fiscal measure. It also says some 36% of total domestic product or a sum of BDT 9.15 trillion is excluded from the taxation of a financial year's tax base. The amount is equivalent to more than three consecutive fiscal years' tax revenue-collection targets of the government; the FE analysis shows.
- In the current FY, the government has set a BDT 3.30-trillion tax revenue-collection target, just as the original target of last FY. Following widespread allegations of the country's poor tax-GDP ratio in South Asia, below 10% the country's tax authority conducted the study to assess the volume of tax exemptions that have been eating up revenue. The internal study of the National Board of Revenue (NBR) has compiled the data of tax exemptions taking FY 2018-19 a base year in its report.

<https://today.thefinancialexpress.com.bd/first-page/tax-exemptions-cost-228pc-of-gdp-nbr-1638987015>

Trade deficit rises 35% in October

- The country's trade deficit increased to USD 9.09b in the first four months of the current fiscal year with the Covid-19 pandemic fading away, the country's month-on-month trade deficit widened 35% in October owing to an increase in imports compared to exports. Until September, the country's trade deficit was USD 6.73b, which increased to USD 9.09b at the end of October, according to the Bangladesh Bank data released on Wednesday. Economists say imports have been very low over the past year because of Covid-19 and the inflow of remittances has declined since the beginning of the current financial year.
- However, the foreign exchange reserves are still satisfactory. In this situation, even if imports increase, there is no problem. Because if imports increase, the investment will increase. Increasing investment means creating employment opportunities. The economy as a whole will gain momentum. The trade deficit widened to USD 9.09b in the July-October quarter of the fiscal 2021-22, which was USD 3.49b in the same period of the previous fiscal year. Exports in October this year were about USD 4.73b.

<https://www.tbsnews.net/economy/trade-deficit-rises-35-october-340771>

Unhealthy competition hampers chemical firms' business recovery

- The local chemical manufacturers' profit margin has shrunk as their production cost increased while product prices remained the same. Listed chemical manufacturing companies have been facing challenges on their way to recovery from pandemic-related losses due to an upsurge in raw material prices and an unfair competition with the companies that abuse bond facilities. Industry insiders said raw material prices at home and abroad rose by around 10%-30%, while freight cost doubled or trebled amid the pandemic.
- The chemical manufacturers, who sell their products mainly to local small and medium enterprises (SMEs), said their sales declined as the local consumption and local companies' productions decreased during the pandemic. Consequently, many small companies ran operations partially to survive, while some others closed down their operations temporarily. Besides, an unhealthy competition with bond facility abusers has been harming the chemical manufacturers, alleged the people involved in this sector. They alleged that a number of companies import chemicals using the bond facility and sell them in the local market at comparatively low prices. In this situation, local chemical manufacturers lose business.

<https://www.tbsnews.net/economy/industry/unhealthy-competition-hampers-chemical-firms-business-recovery-340810>

Ecneec clears BDT 25b project to turn country into digital economy

- The Executive Committee of National Economic Council (Ecneec) on Tuesday cleared the 'Enhancing Digital Government and Economy (EDGE)' project involving a huge amount of BDT 25.41 billion (2541.64 crore), aiming to turn Bangladesh into a digital economy
- Bangladesh Computer Council (BCC) under the ICT Division will implement the project in the country by December 2026 with the World Bank's finance of BDT 25.07 billion and the government's finance of BDT 345.9 million. The approval of 10 projects placed by eight ministries came from the Ecneec meeting held with Ecneec Chairperson and Prime Minister Sheikh Hasina in the chair.

<https://today.thefinancialexpress.com.bd/trade-market/ecneec-clears-tk-25b-project-to-turn-country-into-digital-economy-1638903780>

Japan keen to promote business, economic relations with Ctg cos

- More Japanese companies are expected to invest in Bangladesh as Japan is keen on promoting business and economic relations, considering the already improving exports from the South Asian country and the recovering Bangladeshi economy. Japanese ambassador to Bangladesh Ito Naoki made the observations during the inauguration of a Japan desk in Chattogram, which is expected to lead to exploring opportunities for mutual cooperation in terms of trade and investment for Japanese investors in Chattogram.
- The Japan desk was set up in collaboration with the CCCI, Japan External Trade Organization (JETRO) and Japan Bangladesh Chamber of Commerce (JBCCI) to bring Japanese private sector and Bangladeshi, especially Chattogram-based, private sector, closer to each other to explore opportunities for mutual cooperation in the form of trade and investment. During the program, Ambassador of Japan to Bangladesh Ito Naoki urged Bangladesh to create an investment- and business-friendly environment so that more Japanese companies can invest here in the future.

<https://www.tbsnews.net/economy/japan-keen-promote-business-economic-relations-ctg-cos-340222>

Net savings tools sales fall 73% in Oct

- Although the government had been borrowing more than the target through savings certificates in the last couple of years, sales of the savings instruments have decreased in the current fiscal year. In September of the current fiscal year, sales of the savings tools amounted to BDT 8,722 crore, which is BDT 2,627 crore, or 23.14% less than previous September. The government borrowed BDT 766 crore from savings certificates in October that is BDT 2,825 crore in September. Net sales of the savings tools, therefore, fell 72.87%.
- According to officials, the interest cut is one of the key reasons contributing to the fall in the sales. At the same time, the government is borrowing more from the low-interest banking system this fiscal than in the previous one to meet the budget deficit. Ahsan H Mansur, executive director of Policy Research Institute of Bangladesh, said there are limits and restrictions on investing in savings certificates. Besides, there are jail and penalties if instrument purchases are not disclosed. Therefore, the investment in savings certificates is decreasing.

<https://www.tbsnews.net/economy/banking/net-savings-tools-sales-fall-73-oct-340240>

BGMEA seeks support for RMG industry from IMF delegation

- BGMEA President Faruque Hassan on Monday sought support for the readymade garment industry during a meeting with a visiting delegation of the International Monetary Fund (IMF) led by IMF Mission Chief for Bangladesh Rahul Anand. Along with Vice President Miran Ali, Faruque had a discussion with the delegation on the challenges and potential of Bangladesh's RMG industry and also its strategies to make use of the opportunities.
- Their talks also covered possible impacts of and preparation for Bangladesh's LDC graduation. Faruque Hassan shed light on future priorities of the industry, including increased focus on remodeling business from a labour intensive to a value-added one through innovation, diversification, technology upgradation, and up-killing and reskilling of the workforce to make the industry sustainable and cost competitive. The BGMEA president sought IMF's support for the growth and development of Bangladesh's RMG industry.

<https://www.tbsnews.net/economy/rmg/bgmea-seeks-support-rmg-industry-imf-delegation-340147>

BGMEA calls for enhancing capacity and efficiency of land ports

- BGMEA President Faruque Hassan urged Bangladesh Land Port Authority (BLPA) to enhance the capacity and efficiency of all land ports in the country to meet the future demands of expanding trade and commerce. He made the call during his meeting with the BLPA Chairman Mohammad Alamgir.
- Faruque Hassan said the economy of Bangladesh is expanding day by day, alongside the country's imports and exports, and investment is also growing. He added that modern facilities will speed up and boost the trade of the country. The BGMEA president also requested the BLPA to simplify the export-import related services and procedures at the ports to speed up trade activities.

<https://www.tbsnews.net/economy/bgmea-calls-enhancing-capacity-and-efficiency-land-ports-340165>

FDI to triple within couple of years, hopes Salman

- Prime Minister's Private Industry and Investment Adviser Salman F Rahman expressed on Monday his optimism that the Foreign Direct Investment (FDI) to Bangladesh would increase two to three times within the next couple of years. The adviser expressed the hope when a high-level delegation, led by Hartwig Schafer, Vice-President, South Asia Region of the World Bank, held a meeting with him.

- The meeting discussed various issues including expansion of trade and investment opportunities in Bangladesh and capital market development. Hartwig Schafer highly praised the inclusive growth achieved by Bangladesh in the last decade. The vice-president drew the attention of the adviser to the lower GDP-FDI ratio of Bangladesh. In response, the adviser apprised the delegation that the ratio had been steady in the last decade. "As the size of GDP is increasing every year, the inflow of FDI is also growing," he added.

<https://today.thefinancialexpress.com.bd/trade-market/fdi-to-triple-within-couple-of-years-hopes-salman-1638805955>

Export of plastic products see nearly 30pc rise

- The export of plastic products has witnessed an uptrend as its earnings reached USD 57.06 million during 5MFY22, which was also 29.8% higher year-on-year, which was USD 43.96 million during 5MFY21. Earlier, the government set a target of attaining USD 127 million from the export of plastic products in the current fiscal year. According to the Export Promotion Bureau (EPB), out of the total plastic products, the export of PVC bags bagged USD 9.73 million during this five-month period while that of plastic waste earned USD 6.34 million during this period.
- Talking to BSS, Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) President Shamim Ahmed said that the Bangladeshi plastics goods are exported to some 23 countries including the USA, the UK, Germany, France, Poland, Spain and Canada while various items like house décor items, automobiles, medical equipments and other supportive products of export industries are being made from plastics. According to the Association, there are some 5,000 small, medium and large plastic industries across the country manufacturing products in 15 categories.

<https://thefinancialexpress.com.bd/trade/export-of-plastic-products-see-nearly-30pc-rise-1638766289>

Easier transaction needed to boost trade with Russia: Tipu Munshi

- Commerce Minister Tipu Munshi yesterday said trade and commerce between Russia and Bangladesh would increase significantly if double taxation and trade transaction hurdles in banking channels were removed. Tipu Munshi said, "There is a huge demand for Bangladesh-made products in Russian markets. We want to increase export of goods to Russia, a development partner of Bangladesh. Both the countries have long-standing trade and economic relations."

- During the ongoing Covid-19 pandemic situation, Bangladesh exported goods worth USD 665.31 million to Russian markets and imported goods worth USD 466 million in the 2020-21 fiscal year.

<https://www.tbsnews.net/economy/exports-russia-increase-removal-double-taxation-and-payment-hurdles-339616>

Mega project for digital economy

- The government is undertaking a mega project worth BDT 2,541 crore to create an enabling environment for the digital economy as it gears up for the Fourth Industrial Revolution. Under this project, called Enhancing Digital Government and Economy, the objective is to establish a cloud-based infrastructure and software platform for participants in the development and expansion of the digital economy in Bangladesh.
- The initiative will help increase investment efficiency and sustainability in the IT sector. The project also aims to develop skilled manpower in the IT industry so that skilled manpower and employment opportunities are created through the formulation of strategies and action plans for Industry 4.0. Of the amount, BDT 2,507 crore will come from World Bank as loans.

<https://www.thedailystar.net/business/economy/news/mega-project-digital-economy-2911461>

Industrial credit rises over 12% in July-Sept

- Credit flow to the industrial sector has registered a more than 12% jump year-on-year in July-September of the current year as economic activities have now bounced back with the pandemic situation turning the corner. According to the latest data of the Bangladesh Bank, disbursement of bank loans to the sector amounted to BDT 1,06,596 crore, while it was BDT 4,849 crore in the same period a year ago.
- According to Bangladesh Bank, in the first nine months of this year (January-September), disbursements to the industrial sector increased by BDT 44,035 crore or 16.88% to BDT 304,803 crore from BDT 260,768 crore in the same period a year ago.

<https://www.tbsnews.net/economy/industry/industrial-credit-rises-over-12-july-sept-339727>

Govt's bank borrowing surges

- Government bank borrowing sees a sudden surge amid bid for turning its accounts position positive from the negative as fund deficit doubled in a day, officials said. Deficit amount in the government accounts stood at around BDT 45 billion as on December 05 from BDT 22.50 billion two days before.
- Huge payouts on account of salaries of government employees alongside maturity of Bangladesh Government Treasury Bonds (BGTBs) pushed up pressure on government's accounts in last few days. The government borrowed more than double on Sunday through issuing two types of treasury bills (T-bills)--91-day and 364-day ones- to meet its budget deficit partly.

<https://today.thefinancialexpress.com.bd/first-page/govts-bank-borrowing-surges-1638815905>

Ministry to move on 'specific allocation for SMEs'

- The Industries Ministry would take an initiative to ensure that there was a specific allocation in the budget every year for the small and medium enterprises (SMEs), said State Minister for Industries Kamal Ahmed Majumder. He stressed the need for a coordinated development plan for cluster-based SMEs.
- The SMEs are contributing 25% to the country's economy. According to an SME Foundation study in 2013, a total of 70,000 enterprises under the 177 SME clusters in the country were generating a turnover of BDT 300 billion (30,000 crore), said Kamal Ahmed.

<https://today.thefinancialexpress.com.bd/stock-corporate/ministry-to-move-on-specific-allocation-for-smes-1638806618>

Loan write-offs decline as banks lose strength

- Loans written off by banks in Bangladesh nosedived as lenders' ability to keep 100% provisioning against delinquent assets has squeezed amid business slowdown caused by the coronavirus pandemic. Banks wrote off bad debts to the tune of BDT 1,945 crore between January last year and September this year, data from the Bangladesh Bank showed. This compared to BDT 2,597 crore in 2019 and BDT 3,523 crore in 2018.
- It fell as a majority of banks are unable to write off bad loans since they are struggling to survive amid a lower cash flow compared to pre-pandemic levels.

<https://www.thedailystar.net/business/economy/banks/news/loan-write-offs-decline-banks-lose-strength-2911466>

Govt moves to ease collateral requirements

- The government is set to introduce an innovative financing model under a new law to enable small businesses and startups to show their moveable assets as collateral with a view to nurturing entrepreneurs and helping them secure loans. A draft law for the collateral protection for movable assets has already been formulated, according to a finance ministry official. Under the proposed law, raw materials, gold and other precious metals, patents, copyrights, work orders, furniture, tree, vehicles, agriculture and processed foods and fishery will be considered as collateral.
- AKM Fahim Mashroor, founder and chief executive officer of bdjobs.com and AjkerDeal, welcomed the initiative, however, thinks that banks will not provide the loans despite the law unless the central bank sets a mandatory minimum disbursement target. He called for setting a BDT 100 crore disbursement target for the local startups.
- The proposed law is in keeping with the conditions set by the global development partners when they extended budgetary support to the government to help the country recover from the shocks triggered by the coronavirus pandemic. The government is framing the law as it wants to facilitate loans for at least 1,000 cottage, micro, small and medium enterprises (CMSMEs) and startup units by 2024.
- The government will help adopt an alternative credit scoring model by using digital transaction data, mainstreaming cluster and value chain financing, and promoting bank lending based on non-traditional collateral such as trade receivables and warehouse receipts.

<https://www.thedailystar.net/business/economy/news/govt-moves-ease-collateral-requirements-2910716>

BB collects BDT 6,500cr from banks thru' two treasury bills

- The Bangladesh Bank has now collected BDT 6,500 crore from banks against government treasury bills at a time when the banking sector is going through a liquidity crunch. Even a few days ago, to ease the crisis, the central bank suspended mopping up money from the market through Bangladesh Bank bills for a month starting from 1 December.
- According to the central bank's auction calendar, the government on Sunday was supposed

to raise BDT 2,500 crore through two categories of treasury bills based on their maturity – BDT 1,500 crore against the 91-day bill at 2.4% interest and BDT 1,000 crore against the 364-day one at 3.49%. However, the central bank collected BDT 3,841 crore and BDT 2,840 crore respectively through the bills to meet a rising demand for bill payments all of a sudden.

<https://www.tbsnews.net/economy/banking/bb-collects-tk6500cr-banks-thru-two-treasury-bills-339259>

BBIN motor vehicle pact to go ahead without Bhutan

- Bangladesh, India and Nepal have decided to go ahead with a regional motor vehicles agreement without Bhutan as the country pulled out of the deal. Md Nazrul Islam, secretary of Road Transport and Highways Division, told The Business Standard that there was no conclusive decision about the enforcement date of the pact. He added that officials of the three countries will hold some more talks to finalise everything.
- India had been talking about implementing the pact without Bhutan. According to India, Bhutan could be added to the arrangements anytime if it agrees in future. Though Bangladesh, India and Nepal earlier agreed on most of the provisions of the draft cargo protocol, the three neighbours could not get to the point over issues such as the weight of the cargo, introducing bank guarantees against cargo freights, and the amount of goods a country can transport through others.

<https://www.tbsnews.net/bangladesh/transport/bbin-motor-vehicle-pact-go-ahead-without-bhutan-339274>

Indonesia slaps safeguard duties on Bangladeshi RMG goods

- The duties ranging from USD1.33 to USD4.34 are expected not to be a worry for Bangladesh, which exports little to the Southeast Asian country. Indonesia has imposed safeguard duties ranging from USD1.33 to USD4.34 on imports of garments and accessories from all countries, including Bangladesh. The duties, which entered into force on 12 November, 2021, will continue for three years till November, 2024, a notification dated 17 November from the World Trade Organization (WTO).
- The Business Standard received a copy of the notification. It says that the safeguard duties will apply to imports of garments and accessories, except eight items of headwear and neckwear. As per the regulation, the safeguard duties will range from Rp19,260 to Rp63,000 per item for the first year and will decline gradually. Md Hafijur Rahman, director general of WTO Cell under the commerce ministry, confirmed the matter.

<https://www.tbsnews.net/economy/rmg/indonesia-slaps-safeguard-duties-bangladeshi-rmg-goods-339277>

Five state banks register 8.89% bad debt recovery against target

- The banks are responsible for around 42% of BDT 1 lakh crore defaulted loans. Five state-owned banks collectively recouped BDT 151 crore from their written-off loans in the first nine months of this year, which is only 8.89% against the annual target of BDT 1,697 crores. The lenders are Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank and BASIC Bank.
- Bankers and legal experts said a lengthy legal process, coupled with an inadequate number of money loan courts, are the key barriers to recovering the delinquent loans. According to the Bangladesh Bank, Sonali Bank had around BDT 7,000 crore stuck with the money loan courts until December last year. The lender set a BDT 696 crore recovery target from the written-off loans for 2021. But it could recoup only BDT 81 crore in nine months of the current year. The write-off is a tool that allows banks to clean their balance sheet by removing bad assets. Lenders have to keep 100% provisioning against delinquent loans. Banks have to file lawsuits against the defaulters before writing off loans.

<https://www.tbsnews.net/economy/five-state-banks-register-889-bad-debt-recovery-against-target-339271>

BPC cuts Jet fuel, furnace oil prices by BDT 2 per litre

- The country's annual demand for Jet A-1 fuel and furnace oil is 3.45 lakh tonne and 3.64 lakh tonne respectively. The Bangladesh Petroleum Corporation (BPC) has decided to decrease the jet fuel and furnace oil prices by BDT 2 per litre from today. The decision was taken at a meeting on Sunday, said a BPC official. Jet fuel is used in the aviation sector while furnace oil is used for power generation in large and captive power plants. As per BPC's latest decision, the price of Jet A-1 fuel has decreased from BDT 77 to BDT 75 per litre, and the price of furnace oil from BDT 62 to BDT 60 per litre. Currently, the country's annual demand for Jet A-1 fuel and furnace oil is 3.45 lakh tonne and 3.64 lakh tonne respectively.

<https://www.tbsnews.net/bangladesh/energy/jet-fuel-furnace-oil-prices-go-down-tk2litre-339034>

BTRC moves to open up all areas for foreign investment

- The Bangladesh Telecommunication Regulatory Commission has initiated a move to open up all telecommunication licences to foreign investors as part of a government decision to attract more foreign direct investments. The commission took the initiative as part of a government decision to withdraw investment restrictions on foreign individuals or entities on a wide range of telecom-related business in the country, a BTRC official told New Age on Sunday.
- Under the proposed amendment, foreign entities would be able to set up fully-owned telecom business in the country. Besides, the foreign telecom licensees would also get scope for taking up to 20 per cent of its total loans from local banks upon a prior approval from the BTRC. The foreign entities, already taken loans and have total loans from local sources beyond the fresh limit, will have to bring down the ratio within the stipulated rate within five years of the amendments are approved.

<https://www.newagebd.net/article/156582/btrc-moves-to-open-up-all-areas-for-foreign-investment>

WB to lend REB USD 515m

- The World Bank (WB) will supply over half a billion US dollar to the Rural Electrification Board (REB) to upgrade distribution systems in two divisions. It has recently done negotiations with the Economic Relations Division (ERD) for a USD 515-million loan disbursement for the REB, official said on Saturday. The loan will be provided from the Scale-up Facility (SUF) fund of the WB, a costly window of the lender, government officials said. "We've completed negotiations with the REB in late last month. Now, a deal will be signed for the confirmation of the loan," a senior ERD official told the FE.
- Distribution systems would be upgraded through strengthening the electricity network and setting up substations adopting climate resilience in Dhaka and Mymensingh divisions, he said. The rural electrification body will also work to expand the solar power energy to the remote villages, according to the official. Since the REB's electrification system is a government service with financial and economic returns, another ERD official says, they are going to borrow the SUF loan with costly provisions. Currently, Bangladesh borrows from the WB's concessional wing, IDA, which charges an interest rate of 2.0 % with 30-year maturity.

<https://today.thefinancialexpress.com.bd/last-page/wb-to-lend-reb-515m-1638638708>

Govt to set up treatment plants to boost agro exports

- The government is planning to set up two vapour heat treatment (VHT) plants to safely process fresh mango and vegetables per annum – a move aimed at increasing export agricultural products and finding an entry into countries, including Russia and Japan, that currently do not allow their imports from Bangladesh. According to BADC officials, a demand for Bangladeshi mangoes was created in different countries during last mango season, but they could not as the mandatory standard processing method for exporting such products to those countries is not practiced here. They added that the proposed VHT plants would help to overcome the limitations.
- Officials concerned told The Business Standard that the two proposed VHT plants – to be built at an estimated cost of Tk50 crore – will have a cumulative capacity to process 10,000 tonnes of mangoes and 25,000 tonnes of vegetables per year by removing fungus, bacteria and insects in a chemical-free way. According to the Ministry of Agriculture, Bangladesh exported 1,700 tonnes of untreated mango this season. The country also exported vegetables worth USD 119 million in FY21.

<https://www.tbsnews.net/bangladesh/infrastructure/govt-set-treatment-plants-boost-agro-exports-338368>

BGMEA partners with BRAC

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) signed a memorandum of understanding (MoU) with the BRAC Social Compliance Programme Saturday to prevent garment workers from workplace harassment and gender-based violence. The MoU aims to improve the awareness of factory managers and workers about preventing, reporting and taking actions against workplace harassment and gender-based violence, reports UNB.
- BGMEA and BRAC will work together in ensuring a safe and healthy work environment for the workers in garment factories. Faruque Hassan, president of BGMEA, and AFM Shahidur Rahman, director of programme development for resource mobilization and learning at BRAC, signed the agreement. Miran Ali, vice-president of BGMEA, SK Jenefa Jabbar, director of social compliance and safeguarding at BRAC, were also present.

<https://www.tbsnews.net/economy/govt-offer-more-incentives-foreign-investment-energy-transport-336505>

Over 58% marginal, ultra-poor see notable decline in income

- More than 58 % marginal and ultra-poor in the country witnessed a notable decline in their income due to the Covid-19 pandemic that forced many of them to eat even one meal a day instead of three, a World Vision study revealed. The study, which was disclosed recently, said the number of households eating three meals a day fell from 98 % to 70 % with the advent of Covid-19. "Some families were even forced to survive on one meal a day," according to the study, titled 'Market and Sub-Sector Assessment'.
- World Vision Bangladesh conducted the research work among 443 households belonging to marginal and ultra-poor families in 39 places under 19 districts, including the plain, Barind, coastal and haor regions, between February and March 2021. It said children of 28.4 % of the interviewed households were found to be suffering from various health problems due to significant reductions in consumption spending. Arunava Saha, deputy director of integrated technical programme at the World Vision Bangladesh, told the FE that the research opted for determining key market system dynamics to focus through livelihood technical programmes as well as for identifying potential sub-sectors for marginal poor and livelihood options for the ultra-poor community.

<https://today.thefinancialexpress.com.bd/last-page/over-58pc-marginal-ultra-poor-see-notable-decline-in-income-1638638657>

Poor recovery from default loans new headache for banks

- The recovery from default loans has failed to keep pace with escalating delinquent assets in Bangladesh, hitting banks' income and cash flow. During 9MCY21, banks retrieved BDT 4,195 crore from their non-performing loans, which was BDT 3,751 crore during the same period a year ago. Banks recouped BDT 5,802 crore from their combined NPLs in 2020 in contrast to BDT 15,466 crore the year before. Up until Sep'21, the NPLs stood at BDT 101,150 crore, an increase of 7.1% year-on-year.
- Managing director of Dhaka Bank blamed business slowdown deriving from the pandemic for the adverse impact on the cash recovery. He alleged that a good number of businesses are showing reluctance to pay back loans despite a comfortable cash flow thanks to the business revival. He added that failing to recover sufficient cash from default loans chiefly hits the banks' income, forcing them to keep more provisions. He also mentioned that the bank has decided to take strict actions from January against the defaulters who will not pay back their loans by December.

- Managing director of Mutual Trust Bank said that the lower recovery had forced banks to raise lending rates and squeezed their capacity to reinvest. Managing director of Dutch-Bangla Bank said that banks were now giving more attention to recover the unclassified loans than that of classified ones. A BB official said that some defaulters had frequently secured stay orders from courts to show their default loans as unclassified assets. He added that many delinquent borrowers also have their NPLs rescheduled by making down payment, albeit at insignificant amount, with approval from the central bank. These have made the issue more complex for banks to realise bad loans, he added.

<https://www.thedailystar.net/business/economy/banks/news/poor-recovery-default-loans-new-headache-banks-2909936>

Costly yarn turns more orders into more liabilities for apparel exporters

- With export orders secured three to six months ago, Bangladeshi apparel exporters now struggle to log even the break-even costs thanks to recent price hikes of cotton yarn - used for making T-shirts to jeans. "While receiving the orders in July-August, it was beyond our wildest imagination that the yarn price would spiral this much" Shahidullah Azim, vice-president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told The Business Standard Saturday.
- He said pricier yarns would push many of the apparel-makers to losses as the export orders would eventually turn out to be bank liabilities. Bangladesh imports cotton mainly from Africa, India, the US, Australia and Uzbekistan. With the raw material, local spinners produce yarns and sell the products to the local apparel makers and textile-makers.

<https://www.tbsnews.net/economy/rmg/costly-yarn-turns-more-orders-more-liabilities-apparel-exporters-338782>

Important News: Capital Market

DSE to encourage listing of top 100 firms; conference to be held 21 Dec

- Dhaka Stock Exchange (DSE) has decided to invite the top 100 firms of the country to a conference to encourage them to be listed. The event, to be held on 21 December, will be attended by representatives of a hundred top-tier corporate groups will be invited. Speaking to The Business Standard, Bangladesh, M Shaifur Rahman Mazumdar, chief operating officer of the premier bourse, said, "Bangladesh has several thousand successful corporate entities who are operating as private companies. In the upcoming conference, we will present the benefits of going public. "We will present the prospects, opportunities of the country's capital market to the invited companies."
- Bangladesh Securities and Exchange Commission (BSEC) Chairman Professor Shibli Rubayat-UI-Islam will join the conference as the chief guest. Meanwhile, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Md Jashim Uddin will attend the event as the special guest.

<https://www.tbsnews.net/economy/stocks/dse-encourage-listing-top-100-firms-conference-be-held-21-dec-340819>

PGCB to issue preference shares against govt's share deposits

- Power Grid Company of Bangladesh Limited has decided to issue preference shares against government's huge share money deposits in the company to avoid a significant dilution in earnings and share prices. The share money deposit (money paid in exchange for shares) of the government in Power grid Company was BDT 7,180.55 crore, according to PGCB's audited financial statement for FY21. The ministry of power, energy and mineral resources has recently made the decision in this regard and informed the company.
- As per the decision given by the ministry, the company will issue irredeemable and non-cumulative preference shares in favour of Power Division. The company will provide 0.5 % against the preference shares for the first year and 1 % from the next year against the share money deposit to comply with FRC rules, company's financial statement said. On February 11, 2020, the Financial Reporting Council issued a directive saying that share money deposits must be converted into the company's capital within six months of receiving the money.

<https://www.newagebd.net/article/156847/pgcb-to-issue-preference-shares-against-govts-share-deposits>

Alif Industries to raise BDT 2.0b

- The board of directors of Alif Industries, a yarn producer, has decided to raise capital worth BDT 2.0 billion through share issuance for expansion of its business. The board has decided to raise capital through issuance of new shares to the prospective shareholders or investors at a price of the latest annual audited net asset value or share price of the company, the company said in a filing with the Dhaka Stock Exchange (DSE) on Tuesday.
- The issuance of new shares is subject to approval of shareholders in the 28th annual general meeting (AGM) and Bangladesh Securities and Exchange Commission, according to the filing.

<https://today.thefinancialexpress.com.bd/stock-corporate/alif-industries-to-raise-tk-20b-1638903147>

Pubali Bank to issue perpetual bond worth BDT 5.0b

- Pubali Bank will raise a capital worth BDT 5.0 billion issuing perpetual bond to strengthen its additional Tier-I capital base. The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved the bank's proposal of issuing bond. Green Delta Capital is working trustee of the bond, while City Bank Resources is the arranger and issue manager. And UCB Investment is the underwriter of the bond.
- As per the regulatory approval, BDT 4.5 billion out of BDT 5.0 billion will be raised through private placements while the remaining BDT 500 million will be raised through public offer. The offer price of the units of the Pubali Bank's perpetual bond is BDT 5,000.

<https://today.thefinancialexpress.com.bd/stock-corporate/pubali-bank-to-issue-perpetual-bond-worth-tk-50b-1638903200>

Core index exceeds 7000-mark on buying spree

- Stocks extended the rally for the fifth straight session on Tuesday as investors continued to put fresh bets on major sector shares amid high expectations. The market started on an upbeat trend which continued till the end of the session with no sign of reversal amid buying pressure across the board.
- The DSEX, the prime index of Dhaka Stock Exchange, crossed 7,000 points-mark after nine trading days to settle at 7,048, after surging 70.45 points or 1.0%. The DSEX added 332 points in the past five consecutive sessions. Turnover jumped to two-week high to BDT 13.31

billion, which was 50% higher than the previous day's tally of BDT 8.87 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/core-index-exceeds-7000-mark-on-buying-spree-1638903058>

Stock Exchange Coordination and Monitoring Committee meets with finance ministry

- The Stock Exchange Coordination and Monitoring Committee on Tuesday met with the Ministry of Finance to discuss seven agendas, including creation of special funds for capital market development, which had been proposed earlier. The committee, comprising representatives from the central bank, BSEC and NBR, met the finance ministry to discuss the current situation of the capital market. It aims to come up with constructive solutions for both the money and capital markets.
- "We talked about seven agendas in the meeting today. We also sought some information from the Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and National Board of Revenue (NBR)," said Financial Institutions Division Additional Secretary Mafiz Uddin Ahmed, also the convener of the committee. He further said, "After getting the information, we will come up with a visible and positive decision by the end of this month or beginning of January."

<https://www.tbsnews.net/economy/stocks/stock-exchange-coordination-and-monitoring-committee-meets-finance-ministry-340219>

BSEC issues ultimatum to 27 non-compliant firms with 30% shareholding rules

- The stock market regulator Bangladesh Securities and Exchange Commission (BSEC) has issued a further ultimatum to 27 listed companies who failed to comply with the mandatory rule on joint ownership of a minimum of 30% shares in their firms' paid-up capital. The commission has sent letters to the firms asking them to comply with the mandatory rule within 30 days.

<https://www.tbsnews.net/economy/stocks/bsec-issues-ultimatum-27-non-compliant-firms-30-shareholding-rules-340171>

Stocks stay positive after choppy trading

- Dhaka stocks ended marginally higher Monday, extending the gaining streak for the four straight session, as investors followed cautious stance ahead of the coordination meeting. The finance ministry has arranged a coordination meeting with Bangladesh Bank and the stock market regulator today (Tuesday) to find out a way-out to resolve the issues of the capital market.
- The market moved between positive and negative territory several times before ending marginally higher as investors opted for booking profit on quick-gaining stocks in early trading. DSEX went up 12.90 points or 0.18% to settle at 6,978. The core index added 275 points in the past four consecutive sessions. Turnover stood at BDT 8.87 billion, which was 0.89% lower than the previous day's tally of BDT 8.94 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/stocks-stay-positive-after-choppy-trading-1638803776>

Tax receipts from DSE fall further in November

- The government's revenue collection from Dhaka Stock Exchange (DSE) fell further by 16% in November compared to a month earlier as trading volume on the decline. The government bagged revenue worth BDT 342 million in November as against BDT 407 million in October, according to available data with the DSE.
- Of the total earnings in November, BDT 267 million came from the TREC (trading right entitlement certificate) holders' commission, popularly known as brokerage commission, while BDT 75 million came from share sales by sponsor-directors and placement holders.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-fall-further-in-november-1638803583>

Investors park money in potential IT firms

- Digital connectivity across the country has brought a bright opportunity for the Information and Technology (IT) sector and to avail of the opportunity, investors have parked money here. In the last several months, the share prices of the companies climbed as investors showed interest in them. But in early November, investors witnessed a price correction due to selling pressures to book the quick profit from the risk-averse investors.

- However, the sector is back on the gaining track as the investors did not lose their interest. On Monday, investors got the highest return of 4.2% from the IT sector at the DSE.

<https://www.tbsnews.net/economy/stocks/investors-park-money-potential-it-firms-339733>

GP gains more market share despite SMP imposition

- Grameenphone has gained more market share despite the imposition of significant market power rules on the company. The two operators have even lost marginally market share to GP and to state-owned telecom operator Teletalk, showed the latest BTRC data.
- Grameenphone's market share inched up to 46.39% at the end of October 2021 from 46.21% in June 2020. The telecom operator's market share was 46.33% at the end of December 2018. Robi's market share inched down to 29.52% at the end of October 2021 from 29.74% at the end of June 2020. Banglalink's market share dropped to 20.5% at the end of October 2021 from 21.35% at the end of June 2020. The market share of Teletalk increased to 3.58% at the end of October 2021 from 2.95% at the end of June 2020.
- The total number of active connections of the mobile phone companies stood at 18.13 crore at the end of October 2021 from 16.13 crore at the end of June 2020. Of the 18.13 crore connections, GP's connection base stood at 8.41 crore, Robi's at 5.35 crore, Banglalink's at 3.72 crore and Teletalk's at 64.9 lakh at the end of October.

<https://www.newagebd.net/article/156677/gp-gains-more-market-share-despite-smp-imposition>

Sena Kalyan Insurance shares skyrocket

- The share price of Sena Kalyan Insurance – a newly-listed insurance company on the stock market – jumped eight times just in a month. The share price rose 692% in the 22 sessions of trading since its debut on the country's stock exchanges.
- On Monday, its share price closed at BDT 79.20 each – at 10% higher than that of the previous trading session. Owing to this unusual share price hike, the Dhaka Stock Exchange (DSE) sent a query to the company on 5 December. In response, Sena Kalyan Insurance on Monday said that there is no undisclosed price sensitive information for recent unusual price hike and increase in the volume of shares.

<https://www.tbsnews.net/economy/stocks/sena-kalyan-insurance-shares-skyrocket-339691>

Listed cos to have mandatory credit rating every year

- The Bangladesh Securities and Exchange Commission has taken initiatives to make it mandatory for all listed companies to have credit rating every financial year with the aim of showing actual health of business of the companies to investors. Now there is no obligation for the listed companies to be credit rated unless they issue new shares with premium.
- According to the draft rules, every listed security or issuer of a listed security must be credit rated by a CRC within six months of the end of each financial year and the credit rating companies must immediately after awarding the rating disseminate it to the exchanges as price sensitive information in the same process of PSI disclosures. Every listed life insurance company must be credit rated by a CRC on biennial, once in every two years, basis, the rules said.

<https://www.newagebd.net/article/156678/listed-cos-to-have-mandatory-credit-rating-every-year>

9 state-owned firms post losses even after economy reopening

- Nine publicly listed state-owned companies in various sectors have posted losses in the first quarter (July to September) of the current fiscal year even after the post-lockdown reopening of the economy. The companies are- Eastern Cables, Atlas Bangladesh, National Tubes, Renwick Jajneswar, Usmania Glass, Shyampur Sugar Mills, Zeal Bangla Sugar Mills Ltd, Bangladesh Services, and Rupali Bank.
- Sources said most of the machinery in state-owned firms are back-dated, and it takes about 6 to 8 months to repair any damaged one of them. The production costs of the firms are higher compared to their competitors because they procure raw materials at a 30% to 40% higher rate as per their tenders. Sources further said many of the employees in state-owned firms have no subjective qualifications and experiences which is why the credibility of the companies are declining every year.

<https://www.tbsnews.net/economy/stocks/9-state-owned-firms-post-losses-even-after-economy-reopening-339730>

Envoy Textiles to raise BDT 870m through preference shares

- Envoy Textiles, an export-oriented denim manufacturer, has decided to raise BDT 870 million through issuing preference shares at par for expansion of a project. Envoy Textiles will issue 87 million shares through a private placement to the potential investors at a face value of BDT 10 each, the company said in a filing with the Dhaka Stock Exchange (DSE) on Sunday. Preference shares mean the shares in a company that are owned by investors who have the right to receive part of the company's profits before the holders of ordinary shares are paid.
- The issuance of preference shares is subject to the approval of general members meeting, and approval from the Bangladesh Securities and Exchange Commission (BSEC), according to the filing. The raised fund will be used to finance the upcoming project expansion for the production of blended yarn and to prepay a portion of high-cost borrowing, it said. The said preference shares shall be fully redeemable cumulative non-convertible within five years.

<https://today.thefinancialexpress.com.bd/stock-corporate/envoy-textiles-to-raise-tk-870m-through-preference-shares-1638723646>

Brummer allowed to sell 2.83 crore shares in Runner Auto

- Bangladesh Securities and Exchange Commission has freed Runner Automobiles Limited's 24.93 per cent or 28,304,347 shares from lock-in after Brummer & Partners (Bangladesh) Limited expressed its interest to sell its entire holdings in the company. The regulator reduced lock-in period for the shares held by Brummer & Partners to two years from usual three years to make the sales possible, BSEC officials said. They said that Brummer requested the BSEC to free their shares so that it could take exit from Runner Automobiles.

<https://www.newagebd.net/article/156586/brummer-allowed-to-sell-283-crore-shares-in-runner-auto>

Paper industry bouncing back

- Absorbing pandemic shocks, the country's paper manufacturers are making a comeback on growing demand following the reopening of the economy, and educational institutions. Most listed paper firms witnessed a higher profit in the July-September quarter of the current fiscal year. A leader of the industry at the Bangladesh Paper Mills Association (BPMA), seeking anonymity, said the paper industry had faced a big blow following the Covid outbreak in the country, but it is now bouncing back following the reopening of the economy.

- Bashundhara Paper Mills (BPML) 1% growth in revenue and 31% growth in profit during Jun-Sep quarter on the back of increasing sales of products. Its profit rose to BDT 6.81 crore from BDT 5.18 crore from the same time of the previous fiscal year while the earning per share (EPS) stood at BDT 0.39, which was BDT 0.30. Net profit of Sonali Paper & Board Mills climbed 957% riding on big jumps in other income from realised, unrealised, and cash dividend income. Its profit rose to BDT 12.18 crore from BDT 1.15 crore in the July-September quarter of FY21.
- Bangladesh Monospool Paper Manufacturing Company and Paper Processing & Packaging also posted higher profit in the July-September quarter. During the period, Monospool Paper's profit rose 163% and its EPS stood at BDT 0.29 from BDT 0.11 at the same time a year ago. On the other hand, Paper Processing & Packaging posted a 3,850% higher profit, while its EPS rose to BDT 0.79 from BDT 0.02 in the same period of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/paper-industry-bouncing-back-339256>

SME platform unable to attract investors

- The SME platform at the Dhaka Stock Exchange (DSE) has so far been unable to attract investors in terms of share trading of its listed firms. Five firms on the platform are trading their shares below face value. Market insiders expects, trading at the platform will increase only after investors take it as a good opportunity. However, entrepreneurs think that the board is not vibrant now because of lack of proper information. Investors do not know the businesses, accounts, products' future, and management properly.
- Professor Abu Ahmed, a capital market analyst, said there is no reason an eligible investor will invest in the SME platform as it does not have a good listing of companies. Moreover, the platform is not functional in the stock exchange. Some companies, that have been listed, fail to comply in an initial public offering (IPO), he added. He said the regulator imposed restrictions for general investors regarding trading that reduce the trading volume of the board.

<https://www.tbsnews.net/economy/stocks/sme-platform-unable-attract-investors-338743>

Stock market key player in the power sector development

- The stock market has played a major role in the country's power sector development as it provided a huge amount of equity capital to the private sector power producers over the last decade, according to a recent review of the power sector by the EBL Securities Research. Also, the sector has consistently generated an above-average annual return for the

shareholders even during the decade-long stock market depression, said the top-tier brokerage firm's analysts.

- Mohammad Asrarul Haque, power sector analyst of EBL Securities told The Business Standard, "The story of mutual benefitting has paved the way for a greater role of the capital market in the country's even bigger upcoming investments for the needed economic infrastructure by the next two decades." As the government a decade ago prioritized power generation to meet the immediate need of the growth-hungry economy, the country's power generation capacity quadrupled to over 22,000 MW, excluding the off-grid solar and captive capacities.

<https://www.tbsnews.net/economy/stock-market-key-player-power-sector-development-338764>

Brokerage firms' own OMS to expand stock market

- The country's stock market will be expanded through introduction of brokerage firms' own OMS (order management system) and trading of bonds. The chairman of Bangladesh Securities and Exchange Commission (BSEC) Prof. Shibli Rubayat Ul Islam said this on Thursday at a ceremony of distributing FIX (financial information exchange) certification for installing OMS by two leading brokerage firms. The FIX Certification is the fourth stage of introducing OMS and this certification is awarded as a confirmation of having adequate knowledge on OMS by the brokerage firms.
- "The quality of customer services will be enhanced if all brokerage firms introduce their own OMS gradually through API (Application Programming Interface) connection," Mr. Islam said. Mr. Islam said the further expansion of the stock market is very urgent and it will be ensured by accelerating customer service and introducing trading of bonds. "The market will be expanded following the trading of bonds and turnover value will be increased gradually," said the BSEC chairman Mr. Islam. Presently, the brokerage firms are dependent on a single OMS earlier installed in DSE by the Nasdaq. The BSEC chairman Prof. Islam said the introduction of the brokerage firms' own OMS will reduce pressure on the OMS of the stock exchange.

<https://today.thefinancialexpress.com.bd/stock-corporate/brokerage-firms-own-oms-to-expand-stock-market-1638629722>

IFAD Autos to invest BDT 31.81m

- IFAD Autos will invest BDT 31.81 million for the company's future expansion of business. The company's board of directors has approved the proposal of business expansion, according to a disclosure posted on the website of Dhaka Stock Exchange (DSE). As per the board's approval, IFAD Autos will purchase a land measuring area of 199 decimals situated in Jessore. Total cost of purchasing land will be BDT 31.81 million including registration, land and building development cost.
- "This land will be used for the future expansion of the business of the company," said the disclosure of IFAD Autos. IFAD Autos, presently an 'A' category company, was listed on stock exchanges in 2015. The company's sponsor-directors hold 54.87% shares, institutes 26.92 %, foreigners 0.08 % and general shareholders 18.13 % as on October 31, 2021. The company's share price closed at BDT 48.90 each on Thursday with a rise of 2.73 % or BDT 1.30 on the DSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/ifad-autos-to-invest-tk-3181m-1638630000>

City Bank launches Shariah-based banking City Islamic

- City Bank on Saturday launched its redesigned Shariah-based Islamic banking service, City Islamic. From now on, City Bank customers will be able to avail Islamic banking services offered under Shariah law in addition to conventional banking at its over 150 branches, sub-branches, Citygem and SME centres across the country. Customers will also be able to avail Islamic banking services through City Bank's digital banking app 'Citytouch'.

<https://www.newagebd.net/article/156481/city-bank-launches-shariah-based-banking-city-islamic>

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