

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+5.11%) gained 287.54 points and closed the week at 5,909.31 points. The blue-chip index DS30 (+9.21%) gained 188.71 points and stood at 2,236.78 points. The Shariah-based index DSES (+4.55%) gained 57.57 points and stood at 1,323.51 points. The large cap index CDSET (+8.64%) gained 101.50 points and closed at 1,276.30 points. DSEX, DS30, DSES and CDSET showed YTD returns of +9.39%, +13.89%, +6.55%, +13.65%, respectively.

Total Turnover During The Week (DSE): BDT 93.4 billion (USD 1,100 million)

Average Daily Turnover Value (ADTV): BDT 18.7 billion ($\Delta\%$ Week: -6.1%)

Market P/E: 21.1x

Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed positively by +0.22% and continued to be positive in the second and third sessions by +1.50% and +2.49%. The market turned negative in the fourth session by -1.55% and reverted to positive in the final session by +2.41%.

Sectoral Performance:

- All the financial sectors posted positive performance this week except General Insurance (-4.54%). NBF1 booked the highest gain of 5.26% followed by Bank (+0.89%), Mutual Fund (+0.74%), and Life Insurance (+0.48%).

- All the non-financial sectors posted positive performance this week. Telecommunication booked the highest gain of 16.99% followed by Food & Allied (+10.67%), Fuel & Power (+6.37%), Engineering (+5.90%), and Pharmaceutical (+4.81%).

Macroeconomic arena:

- Bangladesh is set to roll out the Covid-19 immunization across the country in early February, ending speculations over the availability of Oxford-AstraZeneca vaccine. The state-run Directorate General of Health Service (DGHS) took the decision as the first consignment of the antidote developed by Oxford University is likely to reach between January 21 and January 25.

- Riding on surged remittance and private sector growth, Bangladesh's economy will promptly bounce back cushioning the virus fallouts in the current fiscal year, the Bangladesh Bank projects. The central bank explained that streaming remittances will help increase domestic demand, which will pave the way for attaining the economic growth target of 7.4% set for the fiscal 2020-21. On top of this, the report said, the private sector credit growth is likely to improve in the coming months favored by the government's stimulus packages and the central bank's reduction of policy rates.

- Banks are flooded with excess liquidity after having made a record BDT 1.95 trillion in November 2020. The excess cash will raise banks' costs to safeguard their customers' money.

- Development spending has marked its highest drop in absolute terms for the first time in 11 years largely due to the government pulling the brakes on implementation of low priority projects. Behind the scenes, the intent is to contain expenditure in tune with sluggish revenue generation for the Covid-19-induced economic downturn. The expenditure in the first half of fiscal 2020-21 declined 10% year-on-year to BDT 512.66 billion from BDT 571.96 billion in the same period a year ago.

Stock Market arena:

- Bangladesh's Beximco Pharmaceuticals will buy up to 3 million doses of the AstraZeneca vaccine from Serum Institute of India at about USD 8 each for sale on the private market. The COO of the company said that was about twice the price of around USD 4 that Beximco had agreed for separate supplies of 5 million doses a month, over the first half of the year, for the Bangladeshi government's subsidised mass-vaccination programme.

- The Bangladesh Submarine Cable Company Limited (BSCCL) is set to export 600 Gbps (gigabits per second) bandwidth worth USD 3.6 million to the Saudi Telecom. The capacity will be transferred from the western part of the core cable of the SMW-5 submarine cable to Yanbu in Saudi Arabia through Marseille in France, BSCCL Managing Director said. In this regard, he also said that the agreement will be signed in March next. The deal will help reduce the operation and maintenance cost of BSCCL on SMW-5 submarine cable, according to a company release.

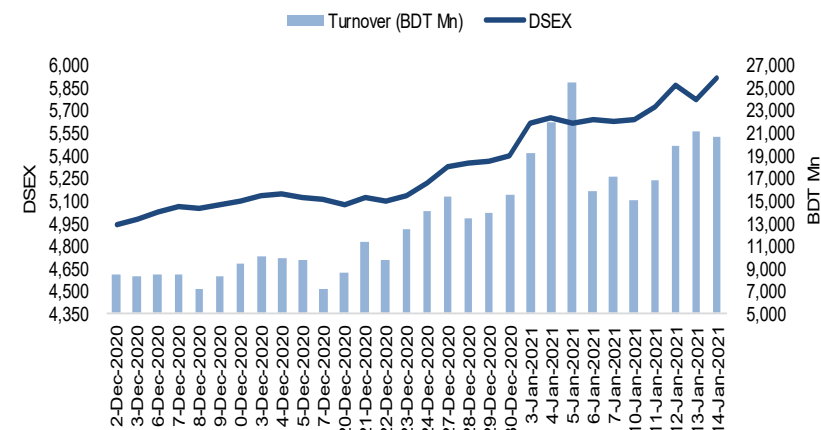
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,909.31	5,621.77	+287.54	5,402.07	+5.11%	+9.39%
DS30	2,236.78	2,048.07	+188.71	1,963.96	+9.21%	+13.89%
DSES	1,323.51	1,265.94	+57.57	1,242.11	+4.55%	+6.55%
CDSET	1,276.30	1,174.80	+101.50	1,123.03	+8.64%	+13.65%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,017,096	4,702,700	
	Mn USD	59,052	55,352	+6.7%
Turnover	Mn BDT	93,433	99,512	-6.1%
	Mn USD	1,100	1,171	
Average Daily Turnover	Mn BDT	18,687	19,902	-6.1%
	Mn USD	220	234	
Volume	Mn Shares	3,130	3,555	-11.9%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
ROBI	70.1	47.6	+47.3%	367,179	5,808.5	NM	5.6x
BEXIMCO	87.4	65.6	+33.2%	76,590	8,122.1	NM	1.3x
ALLTEX	11.8	9.1	+29.7%	660	36.7	NM	0.7x
LHBL	68.5	54.1	+26.6%	79,554	3,944.6	38.5x	4.8x
ALIF	10.1	8.1	+24.7%	2,625	563.8	19.8x	0.7x
BSRMLTD	77.2	63.1	+22.3%	18,224	487.0	17.9x	0.8x
SUMITPOWER	50.3	41.2	+22.1%	53,714	2,036.3	9.9x	1.5x
ASIANS	115.4	95.3	+21.1%	5,432	159.9	39.8x	5.2x
BSRMSTEEL	54.1	44.9	+20.5%	20,339	251.8	21.3x	1.0x
APOLISPAT	8.9	7.5	+18.7%	3,572	470.3	NM	0.5x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
ZEALBANGLA	157.1	199.9	-21.4%	943	13.6	NM	NM
NPOLYMAR	56.6	71.6	-20.9%	2,065	55.4	17.9x	1.6x
CRYSTALINS	45.1	53.8	-16.2%	1,804	459.8	22.3x	2.3x
ADNTEL	51.8	61.0	-15.1%	3,349	333.0	18.1x	2.0x
PEOPLESINS	40.9	47.2	-13.3%	1,890	250.1	16.4x	1.4x
CONTININS	38.1	43.6	-12.6%	1,524	143.1	28.7x	1.9x
NORTHRNINS	38.0	43.3	-12.2%	1,621	172.8	22.7x	1.8x
SONALIANSH	523.4	594.7	-12.0%	1,419	139.1	NM	2.3x
DULAMIACOT	52.7	59.4	-11.3%	398	3.8	NM	NM
MEGHNAPE	11.8	13.3	-11.3%	142	2.9	NM	NM

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	87.4	65.6	+33.2%	76,590	8,122	NM	1.3x
ROBI	70.1	47.6	+47.3%	367,179	5,809	NM	5.6x
BXPBARMA	197.6	176.5	+12.0%	88,152	5,390	23.7x	2.7x
LANKABAFIN	45.6	39.5	+15.4%	24,571	5,090	34.5x	2.6x
LHBL	68.5	54.1	+26.6%	79,554	3,945	38.5x	4.8x
IFIC	16.1	16.5	-2.4%	26,080	3,004	14.0x	0.9x
SUMITPOWER	50.3	41.2	+22.1%	53,714	2,036	9.9x	1.5x
POWERGRID	59.5	51.1	+16.4%	27,424	1,932	13.1x	0.5x
SQURPHARMA	238.3	223.0	+6.9%	211,241	1,474	15.2x	2.6x
CITYBANK	30.5	27.1	+12.5%	31,000	1,237	10.0x	1.1x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ROBI	70.1	+135.2%	367,179	NM	5.6x
LANKABAFIN	45.6	+45.2%	24,571	34.5x	2.6x
LHBL	68.5	+43.3%	79,554	38.5x	4.8x
POWERGRID	59.5	+42.3%	27,424	13.1x	0.5x
IDLC	85.4	+34.7%	32,200	16.0x	2.3x
ACTIVEFINE	22.4	+32.5%	5,375	14.2x	1.0x
SUMITPOWER	50.3	+29.3%	53,714	9.9x	1.5x
BSRMLTD	77.2	+28.2%	18,224	17.9x	0.8x
BSRMSTEEL	54.1	+27.3%	20,339	21.3x	1.0x
CITYBANK	30.5	+23.0%	31,000	10.0x	1.1x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,480.25	1,467.12	1,372.63	+0.89%	+7.84%
NBFIs	2,424.30	2,303.26	2,033.53	+5.26%	+19.22%
Mutual Funds	1,044.42	1,036.80	959.61	+0.74%	+8.84%
General Insurance	3,687.27	3,862.43	4,103.56	-4.54%	-10.14%
Life Insurance	2,178.58	2,168.13	2,162.58	+0.48%	+0.74%
Telecommunication	7,558.19	6,460.76	5,463.26	+16.99%	+38.35%
Pharmaceuticals	3,468.63	3,309.33	3,306.03	+4.81%	+4.92%
Fuel & Power	1,788.35	1,681.23	1,618.11	+6.37%	+10.52%
Cement	1,820.57	1,550.83	1,416.18	+17.39%	+28.55%
Services & Real Estate	1,170.42	1,130.26	1,083.79	+3.55%	+7.99%
Engineering	4,100.13	3,871.55	3,959.20	+5.90%	+3.56%
Food & Allied	16,618.28	15,015.74	14,705.76	+10.67%	+13.01%
IT	2,240.82	2,338.99	2,350.28	-4.20%	-4.66%
Textiles	1,115.15	1,099.19	1,087.41	+1.45%	+2.55%
Paper & Printing	5,541.41	5,387.95	5,487.56	+2.85%	+0.98%
Tannery	1,751.31	1,756.09	1,771.77	-0.27%	-1.15%
Jute	9,945.92	10,888.65	12,154.61	-8.66%	-18.17%
Ceramics	489.97	492.18	472.38	-0.45%	+3.72%
Miscellaneous	3,133.17	2,685.01	2,539.70	+16.69%	+23.37%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,755.9	2,772.3	-36.7%	9.6%	8.5x	0.8x
NBFI	2,380.9	2,059.0	+15.6%	13.0%	101.8x	3.8x
Mutual Fund	825.5	836.6	-1.3%	4.5%	NM	0.9x
General Insurance	1,009.1	1,438.6	-29.9%	5.5%	19.2x	1.8x
Life Insurance	94.6	110.6	-14.5%	0.5%	NM	NM
Telecommunication	1,503.9	1,209.4	+24.3%	8.2%	24.4x	7.9x
Pharmaceutical	2,247.7	3,018.6	-25.5%	12.3%	22.5x	2.7x
Fuel & Power	1,697.8	1,387.9	+22.3%	9.3%	14.3x	1.5x
Cement	985.0	831.2	+18.5%	5.4%	43.2x	2.9x
Services & Real Estate	338.3	295.2	+14.6%	1.8%	98.7x	1.0x
Engineering	1,535.1	1,414.5	+8.5%	8.4%	42.0x	2.3x
Food & Allied	513.4	444.1	+15.6%	2.8%	27.3x	7.5x
IT	240.3	307.0	-21.7%	1.3%	24.2x	2.1x
Textile	932.7	743.7	+25.4%	5.1%	191.7x	0.8x
Paper & Printing	30.4	30.8	-1.2%	0.2%	64.7x	1.1x
Tannery	73.1	175.7	-58.4%	0.4%	NM	1.8x
Jute	39.7	57.1	-30.5%	0.2%	NM	12.1x
Ceramics	176.5	269.4	-34.5%	1.0%	65.9x	1.7x
Miscellaneous	1,916.1	1,964.2	-2.4%	10.5%	56.8x	1.9x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ECABLES	148.4	-12.4%	3,562	NM	10.7x
OLYMPIC	181.5	-5.0%	36,289	17.8x	4.4x
MATINSPINN	35.4	-2.7%	3,451	12.5x	0.7x
SHAHJABANK	22.3	-2.6%	21,856	11.6x	1.2x
PRIMEBANK	16.9	-1.2%	19,136	16.0x	0.7x
UNIQUEHRL	39.5	-0.3%	11,629	87.8x	0.5x
MTB	24.1	-	16,105	13.2x	1.0x
GHAIL	16.7	-	3,604	NM	1.1x
DBH	92.6	-	14,274	16.9x	2.3x
BATASHOE	703.0	+0.0%	9,617	NM	2.2x

Important News: Business & Economy

Immunisation set to begin in early February

• Bangladesh is set to roll out the Covid-19 immunisation across the country in early February, ending speculations over the availability of Oxford-AstraZeneca vaccine. The state-run Directorate General of Health Service (DGHS) took the decision as the first consignment of the antidote developed by Oxford University is likely to reach between January 21 and January 25. The Director General of the DGHS said that they would open the online registration of vaccine recipients from January 26, 2021.

• Beximco has told us it is likely to bring the first consignment of the doses in the country from India's Serum Institute between January 21 and 25, he said. After bringing the first batch of 5.0 million doses, the leading drug maker will keep those in its warehouse for two days to complete the required formalities and then will supply those to the dedicated points of district headquarters in accordance with the directorate's list, he added.

<https://today.thefinancialexpress.com.bd/first-page/immunisation-set-to-begin-in-early-feb-1610389150>

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladesh-begin-covid-vaccination-februarys-first-week>

Economy to rebound on remittance, private sector: Bangladesh Bank

• Riding on surged remittance and private sector growth, Bangladesh's economy will promptly bounce back cushioning the virus fallouts in the current fiscal year, the Bangladesh Bank projects. The central bank explained that streaming remittances will help increase domestic demand, which will pave the way for attaining the economic growth target of 7.4% set for the fiscal 2020-21. On top of this, the report said, the private sector credit growth is likely to improve in the coming months favoured by the government's stimulus packages and the central bank's reduction of policy rates.

• For the current financial year, private sector credit growth was estimated to be 14.8%. However, considering the impacts of the pandemic, the growth target was lowered to 11.5% in December. As of November, private sector credit growth was only 8.21%. Private sector credit growth rebounded but increased slowly because of banks' cautiousness towards quality lending as well as investors' stickiness to survival strategies during the Covid-19 period instead of expanding their businesses, the report said. However, the central bank warned of inflation since a lot of "easy money" has been pumped into the economy in the form of low-cost refinancing lines of credit along with the government's stimulus packages.

<https://tbsnews.net/economy/economy-rebound-remittance-private-sector-bangladesh-bank-185464>

Liquidity glut raises banks' cost, lowers return

• Banks are flooded with excess liquidity after having made a record BDT 1.95 trillion in November 2020. The excess cash will raise banks' costs to safeguard their customers' money. The liquidity glut is invested in government treasury bills and bonds that give banks lower returns in comparison to their deposit costs. The interest rate of short-term treasury bills for three months came down to below 1% in December which was nearly 7% in June last year.

• Burdened with excess liquidity, banks are now actively looking for investment tools. Their participation in auctions for new Islamic bonds demonstrates their investment behaviour. At the first auction of BDT 40.00 billion Sukuk bonds held in December, the Bangladesh Bank received applications of BDT 150.00 billion from banks. High foreign currency inflow through remittances amid low import expenditures mainly shot up excess liquidity, said industry insiders. The central bank purchased USD 5 billion, worth BDT 465.63 billion, in the first six months of the current fiscal year – which was nearly seven times higher than its purchases in the entirety of Fiscal Year 2019-2020.

• The executive director (Research) of the Bangladesh Bank said that the decline in commodity prices globally amid the pandemic saved the import costs for Bangladesh, and as a result, though the imports declined in terms of value, they increased in volume instead. The Bangladesh Bank is not concerned about the excess liquidity as it will not put much pressure on inflation when global inflation is downward.

<https://tbsnews.net/economy/banking/liquidity-glut-raises-banks-cost-lowers-return-182491>

Annual Development Programme (ADP) spending drop deepest in 11yrs

• Development spending has marked its highest drop in absolute terms for the first time in 11 years largely due to the government pulling the brakes on implementation of low priority projects. Behind the scenes, the intent is to contain expenditure in tune with sluggish revenue generation for the Covid-19-induced economic downturn. The expenditure in the first half of fiscal 2020-21 declined 10% year-on-year to BDT 512.66 billion from BDT 571.96 billion in the same period a year ago. Spending had dropped less than 1% in absolute terms in the July-December period of fiscal 2015-16.

• The latest data shows that a fall in expenditure under government-funded projects was one of the reasons behind the drop in overall spending for schemes under the Annual Development Programme (ADP). If the decline is a reflection of restrained funding of low priority projects, it is in fact good news, said a former lead economist of World Bank Bangladesh. This may indeed have happened as indicated by the significant decline in fund release for government funded projects, also he said.

<https://www.thedailystar.net/business/news/adp-spending-drop-deepest-11yrs-2027469>

<https://tbsnews.net/economy/adp-implementation-2389-h1-fy21-185422>

<https://www.newagebd.net/article/127099/adp-execution-hits-10-year-low-in-july-dec>

Bank depositors in distress

• The real rate of return on deposits in the money market had turned negative between the months of April and December last year. The average rate of interest on bank deposits went below or remained close to the rate of inflation prevailing during the period, according to a latest central bank publication. In November last year, the weighted average interest rate on deposits stood at 4.64%, lower than 5.5% rate of inflation in the same month, according to the Monetary Policy Review-December 2020 of the Bangladesh Bank. The rate of inflation, however, dropped to 5.29% in December 2020, but was remained above the weighted average deposit rates.

• The headline inflation went up on the back of rising prices of the staples. Such a situation in an economy means that the real returns for the depositors drop as a result of the higher inflation rates, and it erodes purchasing power significantly. The objective of increasing the efficiency in the banking sector through reducing the lending and deposit rates will be difficult to achieve if the rate of inflation is close to or higher than the deposit rate, the

publication noted. During the period under review, the weighted average lending rate also fell to 7.62% in November from 9.58% in March 2020.

<https://today.thefinancialexpress.com.bd/first-page/bank-depositors-in-distress-1610560435>

Govt to opt for cheaper vaccine

• The government will look for alternative sources for procuring Covid-19 vaccine if the Indian antidote is found costly, says finance minister. Local drug maker Beximco Pharmaceuticals Ltd on November 5 signed a deal with Serum Institute of India Pvt Ltd to collect and supply 30 million doses of Covid-19 vaccines to the government. Each dose of the vaccine, developed by Oxford University in collaboration with AstraZeneca, will cost Bangladesh USD 5.0, up from USD 3.0 to USD 4.0 in India. However, the minister defended the higher costs, saying when India produces vaccine, its cost of production will be low. But when they are selling it they will include cost and profit. They can't expect to get vaccine at their production cost, he added.

<https://today.thefinancialexpress.com.bd/first-page/govt-to-opt-for-cheaper-vaccine-1610560553>

Stimulus Funds: BB steps in as banks charge higher interest

• The central bank yesterday asked banks not to impose more than 4.5% interest rate on the funds disbursed from the stimulus package for the large borrowers in the industrial and service sectors. Some banks had imposed 9% interest rate on the borrowers just after they gave out the loans under the package worth BDT 400.00 billion in violation of a central bank instruction, the Bangladesh Bank said in a notice. The central bank introduced a BDT 300.00 billion stimulus package on April 12 last year as part of its move to shield the industrial and service sectors from the business slowdown brought on by the coronavirus pandemic. The volume of the stimulus package was extended to BDT 400.00 billion in phases.

• The end-users are supposed to get the loans at 4.5%. Banks are allowed to receive an interest rate subsidy of 4.5% from the central bank on the loans. But some lenders are charging 9%, creating a financial loss for the businesses. Against the backdrop, the central bank asked the errant banks to explain why they had charged the higher interest than the rate set by the BB. In response, the lenders said they would adjust the rate after receiving the subsidy from the government, a BB official said. But the central bank rejected the explanation, asking them to follow the interest rate ceiling of 4.5%.

<https://www.thedailystar.net/business/news/bb-steps-banks-charge-higher-interest-2026873>
<https://www.dhakatribune.com/business/2021/01/13/banks-told-not-to-charge-more-than-4-5-interest-on-stimulus-funds>

Mahindra eager to set up farm machinery assembly plant

• Indian automobile manufacturer Mahindra & Mahindra is keen on establishing an assembly plant in Bangladesh for agricultural machinery. The Mumbai-based company will also take the initiative to build up skilled manpower capable of using and maintaining modern technology at the marginal level. It also plans to give loans to farmers taking into consideration financial constraints and the high prices of agricultural machinery.

• Mentioning that the government is putting emphasis on farm mechanisation, the managing director and chief executive officer of the company said that subsidies amounting to BDT

2.00 billion was provided to farmers last year so that they could buy equipment like combine harvesters and reapers. Bangladesh's annual market for agro-machinery now stands at USD 1.2 billion and continues to grow by 10% and India has the opportunity to invest in this large market, he said.

<https://www.thedailystar.net/business/news/mahindra-eager-set-farm-machinery-assembly-plant-2026857>
<https://today.thefinancialexpress.com.bd/trade-market/mahindra-and-mahindra-to-set-up-agri-machinery-assembling-plant-1610469963>
<https://tbsnews.net/economy/industry/indias-mahindra-set-agro-machinery-assembling-plant-bangladesh-184777>

<https://www.dhakatribune.com/health/coronavirus/2021/01/11/dghs-covid-19-vaccination-in-bangladesh-will-begin-in-february>

4.5 million new mobile users in 2020

• The year 2020 saw more than 4.5-million new mobile subscribers despite the impact of Covid-19 on the economy from March last year. Industry insiders said nearly 4.0-million mobile subscribers left their networks at the onset of the pandemic. However, they have returned to the networks in recent months along with the new addition of subscribers. The total number of mobile SIM users, irrespective of operators, reached 170.13 million last December, disclosed the Bangladesh Telecommunication Regulatory Commission (BTRC) from 165.57 in December 2019.

• With this new addition, the country's tele-density surpassed 100% in 2020. In a multi-SIM-driven market like Bangladesh, they had to lose nearly 4.0-million subscribers from our networks, Robi Axiata chief corporate and regulatory officer. The number of total internet, including cellular data, users reached 111.87 million last December from 99.42 million in December 2019, adding 1.2 million in 2020. However, mobile phone operators said much of the benefits of the increased internet usage did not go to their pockets because of reduced data prices.

<https://today.thefinancialexpress.com.bd/trade-market/45m-new-mobile-users-in-2020-1610383815>
<https://www.newagebd.net/article/126959/number-of-mobile-connections-tops-17cr>
<https://www.dhakatribune.com/business/2021/01/12/everyone-in-bangladesh-now-has-a-mobile-connection>

Rising cotton prices take toll on apparel makers

• A rise in international cotton prices has had a ripple effect on local yarn, affecting garment shipments, especially of knitwear, during the ongoing coronavirus pandemic. The widely consumed 30-carded yarn is now selling for USD 3.60 to USD 3.75 per kilogramme (kg) whereas it was USD 2.60 to USD 2.80 two months ago, according to knitwear manufacturers and suppliers. On the other hand, between July last year and January this year, international cotton prices went up nearly 28.60%. In July, New York futures market was trading every pound of it in the range of 63 cents to 63.30 cents. However, yesterday it was ranging between 79 cents and 80.25 cents per pound.

• Charges for its transport to the mills adds to the local importers' costs, which also has an impact on yarn prices. Cotton prices have gone up in international markets mainly for increased imports by China, the largest consumer worldwide, because of a recovery

trending among businesses. The report also said Bangladesh may reduce its import by 500,000 bales in the cotton marketing year (August–July) of 2020-21.

<https://www.thedailystar.net/business/news/rising-cotton-prices-take-toll-apparel-makers-2026249>

Cement companies see profit rise in Q1 despite pandemic

- Most listed cement makers witnessed higher profits in the July-September quarter last year thanks to an increase in demand from the construction sector amid the ongoing coronavirus pandemic. Among the seven listed cement makers, four saw a rise in profits, one a fall, another a reduction of losses and the last an increase in losses. Government development projects helped the cement makers stay afloat in the first few days of the quarter, when the private sector was yet to resume any construction, according to cement makers. The managing director of Premier Cement, said cement makers made a profit in the first quarter of FY20-21 as sales had increased compared to that in the previous quarters.

- The government development activities resumed in full swing in the last quarters of the year, which created a demand for cement, he said. Besides, the manufacturers tried hard and put in their best efforts to reach pre-pandemic levels in sales, he added. So even amid the pandemic, where cement makers incurred huge losses, it was easy for them to quickly recover, he added. The managing director of Confidence Cement, said the company's profit margin slightly increased during the July-September quarter in 2020 as private and government construction work had resumed.

<https://www.thedailystar.net/business/news/cement-companies-see-profit-rise-q1-despite-pandemic-2026241>

<https://www.dhakatribune.com/business/2021/01/12/listed-cement-makers-are-bouncing-back-from-the-pandemic-hit>

Local demand saves the day for ceramics maker

- The local market has emerged as a saviour for ceramics makers as the recovery in construction activities pushed up demand, helping manufacturers make a turnaround from the pandemic-induced losses amid a consistent fall in exports. The relief came in the last three months of 2020 after domestic sales rebounded, allowing them to recover from the loss incurred in the initial months of the countrywide lockdown. The sector started to pick up from June after the demand for sanitary and tile items from the housing and construction sectors rose, said the senior marketing manager at Akij Ceramics.

- The managing director of DBL Ceramics, said the business scenario might have improved but it was yet to regain its previous momentum and therefore, uncertainty remains. The year that just ended was a challenging one not just for the ceramic industry, but for the whole world, he added. Of the 68 ceramic manufacturers currently operating, 20 produce tableware, 32 make tiles, and the rest 16 produce sanitary ware. The sanitary ware and tiles segments made a turnaround in July to October and reached the pre-pandemic level. An additional 10% customs duty on the import of foreign tiles and sanitary wares that was slapped this fiscal year helped the sector recover immediately, he said.

<https://www.thedailystar.net/business/news/local-demand-saves-the-day-ceramics-makers-2026245>

BD studies Pfizer's vaccine

- Bangladesh is now willing to get the Pfizer-BioNTech Covid-19 vaccine, according to official sources at the Directorate General of Health Services (DGHS). Bangladesh has started working positively on it to avail the US vaccine following an offer made by COVAX, a platform developed to supply vaccines globally, in an official letter that asked the authorities concerned to know if Bangladesh is interested in getting the vaccine. The government will have to write back to COVAX by January 18, officials said after holding a meeting on it on Sunday.

- They are working to submit a complete plan to procure, store and distribution of the vaccine. And, there are some challenges which we are working with in storing and distributing the vaccine at the field level, the additional director general (planning and development) at the Directorate General of Health Services (DGHS) said. Meanwhile, the government is going to launch an online-based vaccine registration mobile application for the government-run vaccine programme.

<https://today.thefinancialexpress.com.bd/first-page/bd-studies-pfizers-vaccine-1610300915>

Mobile banking slowed at 2020 end as Covid restrictions eased

- Out of every three registered mobile financial services (MFS) accounts in November last year, only one was active, according to a report of the Bangladesh Bank. Published on Sunday, the report said although the number of active clients and transactions in mobile banking had increased in mid-2020 due to the impacts of the Covid-19 pandemic, it started declining at the end of the year. In October and November last year, the number of active clients decreased by 9.4 million. Earlier, in five months from July to November, the number of clients decreased by 11.1 million.

- A mobile banking account is considered inactive if there is no transaction for three months. After general holidays were announced in March last year because of the pandemic, the number of active subscribers and transactions rose to the highest level in July. But the situation began to change in August. The decline in the number of active clients continued till November. However, transactions began increasing in September. The chief technology officer and deputy managing director at Al-Arafah Islami Bank said that the lockdown caused the use of mobile banking services to increase, and many people opened accounts even though they did not need to.

- The managing director of Nagad said that new account opening increased to receive government allowances, pay garment workers, and also because both Eid festivals were celebrated during the pandemic. Those accounts remained active. However, most of those are now inactive. Many clients actively use mobile banking during festivals or at the beginning and end of the year, said the chief public relations officer of bKash. He described the decrease in the number of active clients at the end of the year as a normal trend.

<https://tbsnews.net/economy/banking/mobile-banking-slowed-2020-end-covid-restrictions-eased-183586>

<https://www.dhakatribune.com/business/2021/01/11/mfs-platform-is-seeing-a-drop-in-active-users-of-late>

Mobile number portability flopped big time in Bangladesh

- After much ado and delay, the mobile number portability, the service that allows subscribers to swap networks without changing their existing 11-digit number within 72

hours, arrived in Bangladesh in 2018. Of the 168 million-odd mobile subscribers as of 2020, only 1.0 million have availed the service since its rollout. Users found the service to be more trouble than it is worth.

<https://www.dhakatribune.com/business/2021/01/11/mobile-number-portability-flopped-big-time-in-bangladesh>

Anti-ulcerant drugs dominate sales chart

- Despite the poor pharma business growth, Serigel, an anti-ulcerant drug, has emerged as a top-selling product in the country. Top executives at the pharmaceutical companies said top products are usually anti-ulcerants in the country due to eating habits, especially consumption of adulterated foods. Currently, five out of 10 top-selling products are anti-gastric products valued at over BDT 18.3 billion a year. The top molecule, imported raw material, is also esomeprazole, which alone holds as much as 8.32% import share. They said the growth in the products would have been much higher if there were no pandemic.

<https://today.thefinancialexpress.com.bd/first-page/anti-ulcerant-drugs-dominate-sales-chart-1610213869>

Steel sector still in a shakeout

- Steel manufacturers registered around 40% less turnover last year compared to 2019 as they were forced to sell finished products at lower prices in the face of low consumption, according to industry insiders. The millers even had to offer additional commission for the dealers in order to make sure that they had enough liquidity to survive the ongoing coronavirus pandemic. During the pre-pandemic period, the production cost of 60 grade MS rod stood at about BDT 58,000 per tonne.

- But in the April-June quarter, the millers had to sell it at BDT 50,000 to BDT 52,000 per tonne due to low demand, which prevailed until September-October, said the secretary general of Bangladesh Steel Manufacturers Association. The millers were compelled to sell their finished steel for lower than the production cost in order to ensure liquidity. Meanwhile, previously imported stocks of raw materials were exhausted after demand picked up in July, when construction on all the government projects resumed, said the managing director of Metrocem Steel.

- The president of the Bangladesh Association of Construction Industry (BACI) said that the price of MS rod increased 25 to 30% in November-December last year. According to the deputy managing director of KSRM group, the industry will need at least three to four years to recover from the losses faced in 2020.

<https://www.thedailystar.net/business/news/steel-sector-still-shakeout-2025153>

Negative Jan borrowing targeted

- The government's net borrowing from the country's banking system is expected to be negative in January, as a move is underway to repay BDT 40 million from the surplus, officials say. The negative bank borrowing will be achieved after deducting BDT 104.04 billion against the government securities, which would mature this month, according to the central bank officials. This came against the backdrop of the adequate liquidity in recent times, they said. The government was awash with around BDT 148 billion in excess liquidity in its accounts as on December 29. The slow implementation of the annual development programme (ADP) in recent months along with the issuing of Shariah-based sukuk bond led

to the lower borrowing from the banking system, a senior official familiar with the government debt management said.

<https://today.thefinancialexpress.com.bd/last-page/negative-jan-borrowing-targeted-1610126108>

Pharma industry growth halves in 2020

- The pharmaceutical industry's growth slowed significantly last year in the aftermath of Covid-19 pandemic. The life-saving drug market expanded at 6.5% in the third quarter of 2020 to September, down from the annual double-digit of 10-12%. The healthcare system, centralised in urban areas, was virtually paralysed from April to July. Out of fear of contracting new coronavirus, doctors, nurses and other healthcare workers almost stopped providing services to patients during the period. They said a large number of urban people consumed some vitamins and antibiotics to build immunity, but these are cheaper drugs in the market, making it difficult for the industry to fill the vacuum created by the lethal virus.

- However, the big players, who dominate the country's market, found their sales volume less-affected. Sales of drugs manufacturers having over-the-counter products were not hampered, thus keeping their financial health almost stable. At the end of September, the total pharmaceutical market stood at around BDT 245 billion, according to IQVIA, a US-based pharma consultancy. This is the retail sales of generic drugs. It does not include homeopathy, traditional and other drugs. Square Pharmaceuticals, the largest drug maker of the country, retained its top position in the industry during the period. It had nearly 17% market share to nearly BDT. 41.6 billion during the period. Incepta also retained its second position with an 11.6% share to BDT 28.4 billion. Beximco Pharmaceuticals was the third top company in Bangladesh and it has now a market share of nearly 9. 0% to BDT 21.4 billion at the end of September.

<https://today.thefinancialexpress.com.bd/first-page/growth-halves-in-2020-1610125638>

BTRC drafts 5G telecom service licencing guidelines

- The Bangladesh Telecommunication Regulatory Commission has issued the draft regulatory and licensing guidelines for the country's cellular mobile services to facilitate the launch of 5G mobile phone service. As of November 2020, 54.71% or 92.9 million of the country's 169.8 million mobile phone connections are 3G and 4G enabled while the remaining 45.29% or 76.9 million mobile phone users still use their handsets for making voice calls only.

- Speaking about the government's plan on the 5G rollout, newly appointed BTRC chairman said that the commission had been moving forward to launch the 5G service by 2023 and had drafted the guidelines in this respect that would be finalised on the basis of public opinion. Even though the country is yet to harvest the benefits of the 4G launch, the commission plans to take forward the development of the 4G and 5G services simultaneously, he said.

<https://www.newagebd.net/article/126637/btrc-drafts-5g-telecom-service-licencing-guidelines>

GDP growth will be 7.4% this fiscal year: Prime Minister

- The government has lowered the GDP growth projection for the current fiscal year to 7.4% taking into account the fallouts of the coronavirus pandemic. In June, Finance Minister AHM

Mustafa Kamal aimed an 8.2% economic growth in 2020-21. Bangladesh is said to have posted the third-highest GDP growth in the world in 2020, according to the International Monetary Fund. Sheikh Hasina informed that the country's per capita income reached USD 2,064 in 2020. Bangladesh will be the 24th largest economy by 2030 as per the World Economic Forum forecast, she said.

<https://www.thedailystar.net/business/news/gdp-growth-will-be-74pc-fiscal-year-pm-2024225>

Forex reserves dip to USD 42 billion

• The country's foreign exchange reserves have come down to USD 42 billion within a week after exceeding the USD 43 billion mark for the first time. Selected Economic Indicators released by the central bank on Thursday showed that the foreign exchange reserves were USD 42.13 billion on January 7. Executive Director of the central bank said that the reserves fell following payment for import bills of USD 1.27 billion through the Asian Clearing Union.

• The reserves increased amid the pandemic due to a high growth in remittance, suspension of investment spending and a decline in demand. Remittance inflow was up 36% to nearly USD 13 billion in the first six months of the current financial year from the corresponding period last year.

<https://tbsnews.net/economy/forex-reserves-dip-42-billion-182347>

H1 tax revenue up

• The country's tax revenue collection grew by 2.10% in the first half (H1) of the current fiscal year (FY), 2020-21, although the Covid-19 pandemic hit economic activities hard. The National Board of Revenue (NBR) collected BDT 1.08 trillion as income tax, travel tax, VAT and import duties in July-December period, according to provisional data of the board. However, the revenue collection lagged behind the target of BDT 1.41 trillion, set for the first six months of the FY, by BDT 327.54 billion. Officials said a major slide in VAT collection from domestic sources aggravated the shortfall in revenue collection.

<https://today.thefinancialexpress.com.bd/first-page/h1-tax-revenue-up-1610041279>
<https://www.thedailystar.net/business/news/revenue-collection-2pc-jul-dec-2024221>

Important News: Capital Market

Beximco could start private sales of AstraZeneca vaccine next month

• Bangladesh's Beximco Pharmaceuticals will buy up to 3 million doses of the AstraZeneca vaccine from Serum Institute of India at about USD 8 each for sale on the private market, Beximco's chief operating officer told Reuters. The COO of the company said that was about twice the price of around USD 4 that Beximco had agreed for separate supplies of 5 million doses a month, over the first half of the year, for the Bangladeshi government's subsidised mass-vaccination programme. Serum Institute will begin deliveries of the shot

later this month, both those for state and private use, he added..

• Private sales of the vaccine by Beximco could begin in Bangladesh next month, and at a retail price of about 1,125 taka (USD 13.27) per dose, Reza said. Currently they have a deal for 1 million doses which could be raised by another 2 million, he added. Though Beximco is initially paying USD 4 per dose for the vaccine for the Bangladeshi government programme, the price will eventually be adjusted to around the average rate the Indian government would pay Serum, he again said.

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladeshs-beximco-could-start-private-sales-astrazeneca>

Bangladesh Submarine Cable Company Limited (BSCCL) to export bandwidth to Saudi Telecom

• The Bangladesh Submarine Cable Company Limited (BSCCL) is set to export 600 Gbps (gigabits per second) bandwidth worth USD 3.6 million to the Saudi Telecom. The capacity will be transferred from the western part of the core cable of the SMW-5 submarine cable to Yanbu in Saudi Arabia through Marseille in France, BSCCL Managing Director said. In this regard, he also said that the agreement will be signed in March next. The deal will help reduce the operation and maintenance cost of BSCCL on SMW-5 submarine cable, according to a company release.

<https://today.thefinancialexpress.com.bd/stock-corporate/bd-to-export-bandwidth-to-saudi-telecom-1610555638>

LafargeHolcim begins commercial production of clear size graded aggregate

• LafargeHolcim Bangladesh commenced the commercial production of clear size graded aggregate Saturday. The company earlier set up a unit having a capacity of producing 1.2 million tones of clear size graded aggregate. The clear size graded aggregate is one kind of graded limestone chips having uniform size and shape conforming to international standards. It also said the cone shaped crushing unit has been set up within the premises of the company's existing integrated clinker and cement manufacturing plant at Chhatak, Sunamganj with an investment of BDT 401 million. The entire investment is made from the company's own fund.

<https://today.thefinancialexpress.com.bd/stock-corporate/lafargeholcim-begins-commercial-production-of-clear-size-graded-aggregate-1610294200>

<https://www.thedailystar.net/business/news/lafargeholcim-enters-aggregate-business-2025721>

<https://tbsnews.net/economy/stock/lafargeholcim-hides-price-sensitive-information-regarding-share-price-hike-183565>

<https://www.dhakatribune.com/business/2021/01/10/lafargeholcim-s-stock-price-leap-on-news-of-backward-linkage-setup>

BSEC tightens noose on capital market gamblers

• On Tuesday, the Bangladesh Securities and Exchange Commission (BSEC) asked the managing directors of both the stock exchanges to investigate any unusual price movement and deviation in earnings per share of listed companies from now onwards. If any company's share price rises or falls by more than 50% in a month, an investigation must be carried out, said the directive. The bourses will consider market manipulation, insider trading and other market abuses during the investigation, it said. An investigation must also

be carried out if the company's earnings per share, annual or periodic, changes by 50% or more compared with the previous year or period.

- The bourses were also asked to inquire into price and volume changes by 30% or more in 10 working days before the publication of any price-sensitive information. The BSEC also asked the stock exchanges to probe if the average turnover of one month changes five or more times compared with the average turnover of the previous six months. The bourses were asked to submit an investigation report on the issues within 45 working days of the incidents.

<https://www.dhakatribune.com/business/2021/01/13/bsec-tightens-noose-on-capital-market-gamblers>

<https://www.newagebd.net/article/127024/bourses-asked-to-probe-abnormal-price-eps-deviation-of-cos>

BSEC sets margin loan's maximum interest rate at 12%

- Bangladesh Securities and Exchange Commission (BSEC) has set 12% as the maximum interest rate on margin loans. The decision was made at the BSEC meeting on Wednesday. In a press release, BSEC Executive Director (current charge) and Spokesperson said that stockbrokers and merchant banks that work as portfolio managers would be able to charge customers a maximum of an additional 3% spread along with the cost of funds against the loan. But the margin loan interest rate, he said, would not be more than 12%.

- Previously, there was no fixed interest rate on margin loans. Stockbrokers and merchant banks used to charge interest as they wished, causing it to rise to 14-18%. As a result, investors were dissatisfied. Recently, a group of investors demanded that the interest rate be reduced.

<https://tbsnews.net/economy/stock/bsec-sets-margin-loans-maximum-interest-rate-12-185380>

<https://www.newagebd.net/article/127102/bsec-sets-ceiling-on-stocks-margin-loan-rate-at-12pc>

<https://www.dhakatribune.com/business/2021/01/14/bsec-caps-interest-rate-on-margin-loans>

BSEC halts 'manipulation' probe as key index falls

- Only a day after its issuance, the securities regulator on Wednesday deferred the execution of its order to investigate the reasons for the "abnormal" hike in share prices, trade volumes, and earnings per share of listed companies in recent days. The latest directive came following a sharp correction of the broad index of the stock exchanges on Wednesday. When asked, the BSEC spokesperson said that the Tuesday's order has been deferred considering the interests of the investors and the market'. He, however, did not explain the reasons behind the issuance of the first directive.

<https://today.thefinancialexpress.com.bd/first-page/bsec-halts-manipulation-probe-as-key-index-falls-1610560664>

<https://www.newagebd.net/article/127101/stocks-s slump-bsec-suspends-price-deviation-probe-move>

Capital-raising from bourse set to become more rigorous

- The Bangladesh Securities and Exchange Commission (BSEC) is set to amend a number of rules today particularly with the view to tightening the capital-raising process through the initial public offering (IPO). It will also raise the quota facility for the general investors. Currently, the IPO quota facility for the general investors has been set at 50% under the fixed price method and 40% under the book-building method. The quota for general investors may be increased by 15% points, the official said.

- The commission also proposed to make it mandatory for a listed company to get the consent from the regulator regarding raising capital through issuing equity shares. Companies may not be allowed to apply for IPOs within two years of raising capital through placement shares, they said. A directive would be issued soon, officials said. Meanwhile, the regulator also moved to launch a price bar for bidding in the book-building method.

<https://www.dhakatribune.com/business/2021/01/13/capital-raising-from-bourse-set-to-become-more-rigorous>

<https://www.newagebd.net/article/127025/bsec-to-raise-ipo-quota-for-general-investors>

Move to stop private placement trickery

- Company fattening attempts targeting manipulative initial public offering (IPO) schemes is set to be discouraged as the securities regulator has taken initiatives for some long sought-after reforms. If the reform plan is implemented, companies cannot sell any shares for two years before filing for IPO, according to regulatory drafts. Moreover, no company can apply for stock listing if its existing capital accumulated through private placements exceeds 15% of the amount it plans to raise from the public during the listing. Currently, there is no such restriction.

- Non-listed companies now need no regulatory approval to increase their capital by issuing shares privately. In contrast to public offers, the placements let a company issue securities to any investors privately, usually facing fewer regulations. Currently, in fixed-price IPOs, where a company offers its primary shares at a face value, it must offer at least 10% of its post-IPO shares or BDT 300 million, whichever is higher. The minimum floating threshold may be increased up to 30%, depending on how much capital a company is planning to raise through book-building IPOs.

<https://tbsnews.net/economy/stock/move-stop-placement-trickery-184792>

United Airways kicked out from bourse's main board

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday delisted the now-defunct United Airways (BD) and sent it to the over-the-counter (OTC) market. United Airways have been grounded since March 7, 2016 and is unlikely to take off again. The company has simply failed to comply with the rules and take any initiative to revive its business, said BSEC officials.

<https://www.dhakatribune.com/business/2021/01/13/united-airways-kicked-out-from-bourses-main-board>

Aziz Pipes suspends production for lack of funds

- Aziz Pipes, a listed PVC product maker, has suspended production for a temporary period

as it could not buy raw materials because of a shortage of funds. Their supplier did not deliver PVC resin, the main raw material, on time due to Covid-19, the company said. The lack of stocks of PVC (polyvinyl chloride) resin hampered production. Because of the abnormal increase in the price of raw materials in the local market, the cost of production will also be much higher for the company, Aziz Pipes said. As a result, the company will suffer in marketing products. Under the circumstances, production was temporarily stopped from C-shift on January 10, the disclosure said.

<https://www.thedailystar.net/business/news/aziz-pipes-suspends-production-lack-funds-2026229>

<https://today.thefinancialexpress.com.bd/stock-corporate/aziz-pipes-suspends-production-due-to-lack-of-pvc-resin-1610387417>

Trading hours for DSE mobile app reduced by 45 minutes

• Dhaka Stock Exchange (DSE) has revised the schedule of conducting trading through mobile app for three weeks required to upgrade the exchange's order management system. As per the revised schedule, investors will be able to conduct trading through the DSE mobile app from 10.15 am to 2.0pm, according a release of the premier bourse. The exchange conducts trading for four and half an hour from 10am to 2.30pm. As a result, the trading hours for the DSE mobile app has been reduced by 45 minutes. The revised schedule will come into effect on Monday (today) and to be continued till February 1, 2021. After February 1, investors will be able to conduct trading through mobile app for four and half an hour.

<https://today.thefinancialexpress.com.bd/stock-corporate/trading-hours-for-dse-mobile-app-reduced-by-45-minutes-1610294289>

<https://tbsnews.net/economy/stock/share-trading-through-mobile-apps-dse-reduces-time-16-days-183556>

BRB to buy another 1.93% shares of Eastern Cables

• BRB Group is set to buy another 1.93% shares of the state-run cable manufacturer - Eastern Cables Limited - at the existing market price through the Dhaka Stock Exchange (DSE) in the block market within next 30 days. The managing director of BRB Homes Limited, a sister concern of BRB Group, will buy 510,000 shares of Eastern Cables. Currently, he is a general shareholder of the state-run company. Earlier, BRB Cables and MRS Industries Limited, both of which are sister concerns of BRB Group and also corporate directors of Eastern Cables, bought 521,000 and 525,000 shares respectively.

• After completion of the fresh buying order, BRB Group will hold 23.66% shares of Eastern Cables. This is a bid to establish monopoly in the huge domestic cable market, said a BRB Cables official requesting not to be named. He said BRB now holds around 40% share of the domestic cable market.

<https://tbsnews.net/economy/stock/brb-buy-another-193-shares-eastern-cables-183550>

<https://www.dhakatribune.com/business/2021/01/11/an-ordinary-investor-to-hold-majority-stakes-in-state-run-eastern-cables>

434,000 BO accounts used only for IPO subscription

• As investments in the primary market are risk-free, a section of investors only opt for shares in initial public offerings (IPOs). After getting shares through a lottery, such investors, unwilling to take any risk, sell their shares in the secondary market with a good

profit, and again they wait for new IPOs. Thus more than 434,000 or 17% of the total beneficiary owner (BO) accounts are used for IPO subscription only. Recently, Bangladesh Securities and Exchange Commission (BSEC) has issued a directive making it mandatory for investors to have at least BDT 20,000 investment each in the secondary market to apply for IPO shares.

• A top official at a brokerage house said if these BO account holders comply with the regulator's guideline, the stock exchanges will get an investment of around BDT 8.64 billion in the secondary market. Despite having shares, 617,000 BO accounts are inactive which did not have any transactions of shares for a long time. Sources said that the equity of these accounts are negative and the account holders did not buy or sell shares for a long time.

<https://tbsnews.net/economy/stock/434-lakh-bo-accounts-used-only-ipo-subscription-182368>

DSE app goes haywire amid investor influx

• Stock investors faced problems executing trade through the Dhaka Stock Exchange (DSE) mobile app last week as the system was caving in to participation influxes. The problem was turning acute in the first and last few minutes of the designated trading period, for which the bourse has decided to keep mobile trading on halt from 10am to 10:30am and 2pm to 2:30pm. The mobile trading system was designed to execute around 800,000 trades in six hours but in the last few days it was more than double that, said a DSE official preferring anonymity.

<https://www.thedailystar.net/business/news/dse-app-goes-haywire-amid-investor-influx-2025149>

Only 10 IPO applications in pipeline

• The country's capital market has only 10 initial public offering applications in the pipeline as 10 companies are waiting to raise BDT 3.18 billion from the market through IPOs. Of the 10 pending IPO applications, nine have been submitted for raising capital under the fixed price method of IPO while only one company — JMI Hospital Requisite Manufacturing Limited — has applied to raise fund under the book building method. Market experts said that companies were reluctant to raise funds from the stock market as only four companies submitted IPO applications in 2020 due mainly to the tightening of public issue rules, fear of regulatory supervision, lack of incentives and COVID-19 outbreak.

<https://www.newagebd.net/article/126638/only-10-ipo-applications-in-pipeline>

Runner to make commercial vehicles

• Runner Automobiles is taking preparations to invest BDT 4.33 billion to set up an automobile assembling and manufacturing plant to grab a share of the rapidly growing commercial vehicle market. The Bangladeshi motorcycle manufacturer signed an agreement in this regard with Indian commercial vehicle manufacturer Eicher Motors nearly one and a half years ago for technical cooperation. Equity will provide a portion of the fund and currently we are in talks with a foreign bank for the financing of the project, said the chairman of Runner Automobiles. We wanted to set up the plant by the first half of 2020, but Covid-19 delayed the whole process, he added. The company sought 40 acres of land inside Bangabandhu Sheikh Mujib Shilpa Nagar from Bangladesh Economic Zones Authority (Beza).

- Runner is also the local distributor of light, medium and heavy duty trucks of Eicher. The sales of commercial vehicles are increasing fast in Bangladesh with around 35% of the demand for trucks being met by Eicher. The market size of commercial vehicles grew 15% to 20% every year over the past decade. Around 35,000 commercial vehicles such as buses, trucks, auto-rickshaws, cargo vans, human haulers, pickups and tankers were sold on an average since 2017, way higher than the 2,000 rate 10 years ago, according to data from Bangladesh Road Transport Authority. At present, the market size of commercial vehicles is about BDT 42 billion whereas it was about BDT 20 billion decade ago.

<https://www.thedailystar.net/business/news/runner-make-commercial-vehicles-2024233>

S. S. Steel to invest BDT 2.0 billion in Southeast Union Ceramic

- S. S. Steel will invest BDT 2.0 billion to acquire approximately 75% shares of Southeast Union Ceramic Industries, a joint venture of China and Bangladesh. The listed company S. S. Steel took the decision at a board meeting, according to a disclosure posted on the website of Dhaka Stock Exchange (DSE). The disclosure said the Southeast Union Ceramic Industries is a ceramic tiles manufacturing factory located at Katakhal, in Khulna, having a current production capacity of approximately 96.00 million square feet per annum.

<https://today.thefinancialexpress.com.bd/stock-corporate/s-s-steel-to-invest-BDT-20b-in-southeast-union-ceramic-1610037340>

<https://www.thedailystar.net/business/news/ss-steel-enter-ceramics-market-2024237>