

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.67%) lost -116.57 points and closed the week at 6,868.17 points. The blue-chip index DS30 (-1.74%) lost -45.73 points and stood at 2,586.46 points. The Shariah-based index DSES (-0.89%) lost -13.16 points and stood at 1,462.31 points. The large cap index CDSET (-1.35%) lost -19.07 points and closed at 1,391.70 points. DSEX, DS30, DSES and CDSET showed YTD returns of +27.14%, +31.70%, +17.73%, +23.92%, respectively.

Total Turnover During the Week (DSE): BDT 37.3 billion (USD 435 million)

Average Daily Turnover Value (ADTV): BDT 9.3 billion ($\Delta\%$ Week: -12.1%)

Market P/E: 17.1x

Daily Index Movement during the Week

Market performed four sessions during this week. The market started the week negatively (-0.92%) and continued to perform poorly on the following two days, losing (-0.55%) and (-0.64%) on Monday and Tuesday respectively. It ended the week positively by gaining (+0.44%) on Wednesday.

Sectoral Performance

- Financial sectors posted mixed performance this week. Life Insurance booked the highest gain of 1.19% followed by General Insurance (+0.97%), and NBF1 (+0.42%). Mutual Fund experienced the highest loss of 0.83% followed by Bank (-0.22%).

- Non-financial sectors posted mixed performance this week. Food & Allied booked the highest gain of 0.53% followed by Pharmaceutical (+0.43%). Engineering experienced the highest loss of 0.39% followed by Fuel & Power (-0.23%), and Telecommunication (-0.15%).

Macroeconomic arena

- CEPA negotiations with India start next year. Deeper policy reforms recommended for Bangladesh's post-LDC trade. Bangladesh steps up yarn, fabrics export. Raw material price hike sends glass prices soaring 40%

- Regulation forthcoming to segregate Bangladesh's Tk 500b life fund. Jiban Bima Corporation wants 50% of reinsurance business. Bank profits grow by 9.82pc. Banks allowed to take unrealised interest into profit.

- 5 more services added to BIDA's One Stop Service. Investment proposals soar 50pc despite pandemic. Govt urged to invest heavily in renewable energy

- Higher inflation on the prowl. Bangladesh economy further 'informalised'. Teletalk launches 5G service in six areas on trial basis. Govt plans to complete 80pc vaccination target by April. Bangladesh reports first Omicron cases.

Stock Market arena

- FloWater, FloSolar plan to go public. Central bank suspends Phoenix Finance's cash dividend. Aramit Cement declares a sudden interim cash dividend. Saif Powertec to enter gas, oil exploration business as first private firm. AIBL Mudaraba Perpetual Bond makes debut on DSE after hiatus of 14 years.

- Banks, investors suffer due to regulators' disagreement over interest on perpetual bonds. Maiden green zero-coupon bond for SMEs. Most banks slow to utilise full capacity

- IPO funds at decade-high on Bangladesh's economic recovery. DSE to invite big firms to market. BSEC asks 64 firms to comply with adequate capitalization. DSE sits with 80 business groups on December 21

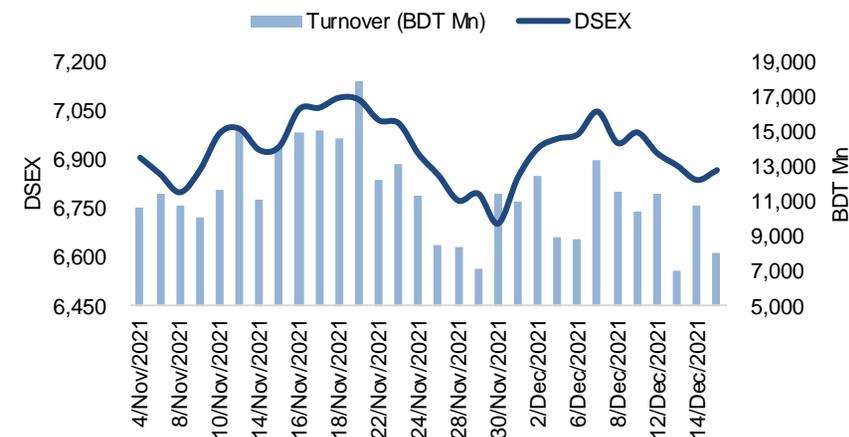
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,868.17	6,984.74	-116.57	5,402.07	-1.67%	+27.14%
DS30	2,586.46	2,632.19	-45.73	1,963.96	-1.74%	+31.70%
DSES	1,462.31	1,475.46	-13.16	1,242.11	-0.89%	+17.73%
CDSET	1,391.70	1,410.77	-19.07	1,123.03	-1.35%	+23.92%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	5,515,908	5,571,905	-1.0%
	M n USD	64,288	64,941	-1.0%
Turnover	M n BDT	37,331	53,090	-29.7%
	M n USD	435	619	-29.7%
Average Daily Turnover	M n BDT	9,333	10,618	-12.1%
	M n USD	109	124	-12.1%
Volume	M n Shares	968	1,458	-33.6%

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
EASTRN LUB	3,180.2	2,618.2	+21.5%	3,161	184.3	86.4x	14.9x
SONALIPAPR	769.5	642.9	+19.7%	14,084	985.9	NM	2.6x
LIBRAINFU	1,054.3	886.2	+19.0%	1,583	136.6	NM	0.8x
ARAMITCEM	40.1	33.9	+18.3%	1,359	53.0	89.1x	1.5x
FORTUNE	104.0	89.6	+16.1%	16,904	1,698.4	44.6x	7.0x
RECKITTBEN	6,089.0	5,258.3	+15.8%	28,771	160.0	35.8x	44.7x
APEXFOOT	311.2	270.1	+15.2%	3,676	95.1	33.3x	1.3x
RAHIMTEXT	293.8	258.1	+13.8%	2,779	18.8	NM	7.6x
UNILEVERCL	3,304.8	2,955.9	+11.8%	39,811	112.1	87.0x	29.7x
AMCL(PRAN)	300.4	269.0	+11.7%	2,403	202.8	53.8x	3.5x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
ONEBANKLTD	14.4	18.3	-21.3%	13,450	2,916.2	7.3x	0.7x
ANLIMAYARN	39.7	44.1	-10.0%	709	64.9	NM	3.8x
DSHGARME	158.0	175.4	-9.9%	1,191	65.8	NM	7.8x
DELTA SPINN	9.2	10.2	-9.8%	1,532	28.9	NM	0.7x
GENNEXT	5.9	6.5	-9.2%	2,920	16.4	NM	0.5x
SKTRIMS	30.5	33.5	-9.0%	2,583	56.0	35.5x	2.1x
MITHUNKNIT	13.3	14.6	-8.9%	432	2.9	NM	0.7x
KTL	32.8	36.0	-8.9%	3,815	142.6	69.6x	1.9x
ALIF	14.9	16.2	-8.0%	3,873	252.5	33.7x	1.1x
INTECH	29.1	31.6	-7.9%	911	15.8	NM	2.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
ONEBANKLTD	14.4	18.3	-21.3%	13,450	2,916.2	7.3x	0.7x
BEXIMCO	154.3	163.5	-5.6%	135,216	2,839.8	13.4x	1.8x
FORTUNE	104.0	89.6	+16.1%	16,904	1,698.4	44.6x	7.0x
GSPFINANCE	27.6	27.3	+1.1%	3,941	1,255.9	15.4x	1.3x
GENEXIL	177.3	168.3	+5.3%	20,132	1,070.5	52.5x	9.9x
SONALIPAPR	769.5	642.9	+19.7%	14,084	985.9	NM	2.6x
SAIFPOWER	42.2	42.4	-0.5%	16,008	981.7	23.5x	2.5x
DELTALIFE	197.8	196.2	+0.8%	24,478	782.1	NM	NM
IFIC	17.4	18.5	-5.9%	29,595	629.0	14.3x	1.0x
SKICL	81.7	79.5	+2.8%	3,268	569.4	30.7x	4.5x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
EGEN	52.1	+421.0%	3,908	30.2x	2.5x
ENVOYTEX	50.9	+106.9%	8,538	79.5x	1.3x
GPHISPAT	54.4	+95.6%	23,763	13.0x	1.9x
HEIDELBCEM	272.0	+81.8%	15,369	26.6x	3.6x
BSRMLTD	108.1	+79.6%	25,519	5.0x	0.8x
SQUARETEXT	53.5	+79.5%	10,553	9.7x	1.3x
BSRMSTEEL	72.9	+71.5%	27,407	7.3x	1.1x
BATBC	657.4	+67.0%	354,996	25.9x	8.8x
ACTIVEFINE	27.9	+65.1%	6,694	71.5x	1.3x
PIONEERINS	112.2	+63.9%	8,637	14.7x	2.3x

*BDT

**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,648.5	1,652.1	1,372.63	-0.22%	+20.10%
NBFI	2,496.5	2,486.0	2,033.53	+0.42%	+22.77%
Mutual Fund	912.2	919.9	959.61	-0.83%	-4.94%
General Insurance	4,807.4	4,761.2	4,103.56	+0.97%	+17.15%
Life Insurance	2,713.5	2,681.6	2,162.58	+1.19%	+25.48%
Telecommunication	6,018.7	6,027.7	5,463.26	-0.15%	+10.17%
Pharmaceutical	4,050.6	4,033.3	3,306.03	+0.43%	+22.52%
Fuel & Power	1,895.0	1,899.4	1,618.11	-0.23%	+17.11%
Cement	2,628.6	2,640.2	1,416.18	-0.44%	+85.61%
Services & Real Estate	1,381.6	1,385.9	1,083.79	-0.31%	+27.48%
Engineering	4,868.0	4,887.2	3,959.20	-0.39%	+22.95%
Food & Allied	25,555.2	25,420.8	14,705.76	+0.53%	+73.78%
IT	3,431.6	3,434.5	2,350.28	-0.09%	+46.01%
Textile	1,607.3	1,624.3	1,087.41	-1.05%	+47.81%
Paper & Printing	7,317.2	7,128.0	5,487.56	+2.65%	+33.34%
Tannery	3,020.9	3,041.5	1,771.77	-0.68%	+70.50%
Jute	7,926.8	8,070.4	12,154.61	-1.78%	-34.78%
Ceramics	689.0	700.8	472.38	-1.69%	+45.85%
Miscellaneous	4,942.1	4,990.3	2,539.70	-0.97%	+94.59%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	1,550.4	1,797.5	-13.75%	+17.58%	8.1x	0.9x
NBFI	594.1	762.9	-22.13%	+6.74%	21.8x	4.1x
Mutual Fund	60.3	78.9	-23.54%	+0.68%	NM	0.8x
General Insurance	458.6	564.4	-18.74%	+5.20%	20.1x	2.2x
Life Insurance	242.3	282.4	-14.19%	+2.75%	NM	NM
Telecommunication	85.0	89.5	-5.04%	+0.96%	17.4x	6.1x
Pharmaceutical	1,025.7	1,246.5	-17.71%	+11.63%	19.4x	2.7x
Fuel & Power	492.6	510.0	-3.40%	+5.59%	11.9x	1.2x
Cement	100.3	154.0	-34.89%	+1.14%	18.6x	2.8x
Services & Real Estate	331.0	233.1	+42.04%	+3.75%	NM	1.1x
Engineering	499.0	686.5	-27.31%	+5.66%	19.0x	2.1x
Food & Allied	568.4	415.1	+36.94%	+6.44%	31.7x	9.3x
IT	369.6	389.5	-5.10%	+4.19%	37.6x	3.1x
Textile	709.3	1,077.9	-34.19%	+8.04%	35.9x	1.0x
Paper & Printing	291.6	215.9	+35.04%	+3.31%	NM	1.8x
Tannery	472.6	183.0	+158.28%	+5.36%	NM	3.7x
Jute	21.0	7.3	+186.76%	+0.24%	NM	21.4x
Ceramics	69.7	88.3	-21.05%	+0.79%	32.2x	2.0x
Miscellaneous	878.4	1,200.9	-26.85%	+9.96%	17.9x	2.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
KPCL	33.1	-26.9%	13,154	NM	1.5x
MIRAKHTER	63.4	-21.7%	7,657	16.6x	1.4x
ADNTEL	54.5	-15.2%	3,524	21.0x	2.0x
OLYMPIC	164.5	-13.9%	32,890	17.5x	3.4x
MTB	19.5	-11.0%	15,844	27.6x	0.9x
BARKAPOWER	24.1	-6.2%	5,675	8.1x	1.1x
UPGDCL	253.0	-4.0%	146,663	13.5x	4.1x
DBH	78.0	-3.1%	13,827	12.4x	2.0x
SINGERBD	173.9	-1.0%	17,338	24.0x	5.0x
SQURPHARMA	217.4	-1.0%	192,714	11.3x	2.0x

Important News: Business & Economy

CEPA negotiations with India start next year

- Negotiations for signing a Comprehensive Economic Partnership Agreement (CEPA) with India will begin next year as the related feasibility study has entered its final stage, according to a senior official of the commerce ministry. The CEPA would cover a range of issues as the concept of such a bilateral trade agreement is wider than that of normal free trade agreements and preferential trade agreements.
- If the CEPA goes through, importers and exporters of both countries can choose their preferred agreement for conducting business as the South Asian Free Trade Agreement (SAFTA) is in effect among members of the South Asian Association for Regional Cooperation. However, a feasibility study found that it may not be possible to minimise the trade imbalance as Bangladesh lacks the product diversity required to satisfy the needs of a vast economy such as India.

<https://www.thedailystar.net/business/economy/news/cepa-negotiations-india-start-next-year-2917866>

Regulation forthcoming to segregate Bangladesh's Tk 500b life fund

- Life fund has contributions from both company sponsors and policyholders. Policyholders usually have the biggest stakes. For this reason life-insurance firms are called by many 'policyholders' company'. Allegations have it that a section of sponsors of the life insurers take unethical financial benefits from the fund despite the fact that their stake on the fund is only around 10 per cent.
- The premiums usually become lower for non-participatory plans. Bangladesh has now 33 life insurances in operations with two multinationals. They have around 8.9 million clients. The aggregate size of the life fund is nearly BDT 500 billion. Of it, BDT 360 has mostly been invested in government securities and FDRs. However, some organisations, including the IDRA, can issue regulations in consultation with the division concerned.

<https://thefinancialexpress.com.bd/economy/regulation-forthcoming-to-segregate-bangladeshs-tk-500b-life-fund-1639189532>

Bank profits grow by 9.82pc

- Banks' net profit grew by 9.82 per cent year-on-year in the July-September quarter of the current fiscal year 2021-2022 amid a substantial surge in earnings against their capital market investments. According to the Bangladesh Bank Quarterly, a central bank report, published on Tuesday, in the July-September quarter of FY22, banks' net profit rose by BDT

647 crore to BDT 7,229 crore. The profit was BDT 6,582 crore in the same quarter of FY21.

<https://www.newagebd.net/article/157358/bank-profits-grow-by-982pc>

Banks allowed to take unrealised interest into profit

- The Bangladesh Bank has come up with a mega discount for banks, allowing them to show unrealised interest incomes as profits if borrowers pay only 25% of their payable amounts of the current year. Moreover, banks can transfer additional 1% provision that was asked to keep against moratorium loans last year, subject to the full recovery of the payable amounts from borrowers.
- The new circular will help banks show a high profit by taking unrealised income in the balance sheet for 2021. As banks are taking a high risk for showing unrealised interest income as profits, they will have to maintain additional 2% provision against those moratorium loans, according to the circular. Borrowers, who will fail to pay 25% of their payable amount by December this year, will be marked as defaulters, according to the circular.

<https://www.tbsnews.net/economy/banking/banks-allowed-take-unrealised-interest-profit-343771>

Higher inflation on the prowl

- In April, the ADB had projected 7.2 per cent growth in the country's GDP, up from a 5.47% provisional estimate in the last fiscal year, while the government set a similar target. And in its latest report, the ADB said Bangladesh's exports and imports grew more than expected thanks to a surge in global demand for clothing.
- The GDP growth forecast for the sub-region in 2021 was lowered to 8.6% from 8.8% in the update while it is expected to maintain 7.0% in 2022. The report said Covid-19 has receded in developing Asia, but rising infections worldwide and the recent emergence of a fast-spreading variant suggest that the pandemic will take more time to play out.

<https://www.thedailystar.net/business/economy/news/higher-inflation-the-prowl-2917861>

Jiban Bima Corporation wants 50% of reinsurance business

- The state-owned Jiban Bima Corporation (JBC) wants private life insurers to reinsure 50% of their extra policies with the corporation. The local life insurers usually re-insure their extra policies with a third-party organisation – currently, only international companies, allowing a huge amount of money to fly abroad. In such a situation, Jiban Bima has written to the finance ministry on the need to issue a gazette notification making it mandatory for life insurers to insure a part of their reinsurance amount with Jiban Bima.

- The managing director of JBC, Md Zahurul Haque, told that if there is an obligation to reinsure 50% of these insurances with Jiban Bima, the income of the corporation will increase by BDT 500-700 crore annually, he told The Business Standard. The Jiban Bima MD said the corporation is now in deficit due to rising death claims during the coronavirus pandemic, and in many cases, it is struggling to pay its insurance claims.
- Under the Insurance Corporations Act, in the case of non-life insurance business, the obligation to reinsure 50% with Sadharan Bima Corporation has increased the premium income of the state entity. In 2019, the re-insurance income of the corporation was almost one and a half times more than direct premium income.

<https://www.tbsnews.net/economy/jiban-bima-corporation-wants-50-reinsurance-business-343318>

Bangladesh economy further 'informalised'

- Bangladesh economy faced further 'informalisation' with consequent lower wages and higher underemployment under a stumbling upset done by the pandemic, it was revealed Sunday at a conference on post-corona policy choices. And the country's marginal enterprises and underprivileged people were disproportionately affected by the covid-19 fallout. But they are the ones, again, who were "mostly deprived of various recovery schemes" launched by the government. Unavailability of adequate data on the impact of the covid-19 is one of the major causes behind this, said speakers in the opening session of the two-day conference on 'Bangladesh Emerging from the Pandemic: Coping Experiences and Policy Choices'
- The disproportionate impact of the fallout was more prominent in Char, haor and coastal areas, where people had to sell their belongings like livestock, lands and other assets in a bid to cope with the fallouts," he stated in the paper. The people had not only limited access to various services but also they were deprived of digital learning and other issues. Loss of income by the households and long closure of educational institutions paved the way for child marriage and child labour, leading to socioeconomic problems.

<https://thefinancialexpress.com.bd/economy/bangladesh-economy-further-informalised-1639362931>

Economy's three looming challenges

- A persistent higher rate of inflation, the upward trend of the foreign exchange rate and deepening liquidity crunch could pose major challenges to the economy as the government looks to keep up the current economic recovery and accelerate it further. Both the government and the Bangladesh Bank should address the issue promptly, or else the economic rebound will stumble in the coming months, economists say.

<https://www.thedailystar.net/business/economy/news/economys-three-looming-challenges-2917066>

BB fears security of nearly Tk 10,000cr tied up in MFS

- The experts fear that many people in the country will be affected if a large MFS service provider crashes. At the end of June 2021, the number of registered customers of MFS companies stood at 9.97 crore. But half the accounts of this huge customer base are not active. At the end of June, the combined balance sheet of all MFS accounts held BDT 9,200 crore. About 85 per cent of the amount is under the control of the largest player, bKash, which enjoys close to 50 per cent market share. At present, the number of registered customers of bKash is more than 5 crore. Coronavirus has pushed people's reliance on MFS providers such as bKash, Rocket and Nagad. As a result, the number of customers in mobile banking is increasing in the pandemic period.
- According to the latest statistics Bangladesh Bank on MFS, customers have transacted BDT 65,141 crore through mobile banking in September this year. In other words, the average daily turnover stood at BDT 2121 crore. The average daily turnover in August was BDT 2,007 crore. The total turnover in August was BDT 62,230 crore. However, the information of Nagad was not included in this measure as Nagad is yet to come under the BB control.

<https://www.newagebd.net/article/157230/bb-fears-security-of-nearly-tk-10000cr-tied-up-in-mfs>

Deeper policy reforms recommended for Bangladesh's post-LDC trade

- Referring to a previously prepared report, the BTC said the commission reviewed 26 regional trade agreements which include five signed between developed nations, 11 between developed and developing nations, and 10 between the developing nations. It says the peripheries of the RTAs are not limited only to commodity trade--issues like trade in services, movement of natural persons, investment, intellectual property rights, trade facilitation, labour, government procurement, e-commerce, competition policy, and environment are also included.
- Bangladesh is presently party to 22 investment deals, but only the post-establishment commitments are included therein. However, reviewing the sample RTAs it was found that in the case of investment, the pre-establishment commitments will also be incorporated which Bangladesh is new to. Bangladesh also needs to set its position immediately regarding trade facilitation-related deals, like Customs Convention on the ATA Carnet for the temporary admission of goods, UN Economic Commission for Europe, Istanbul Convention-1990, and WCO Customs Data Model. The BTC also suggests taking decision through stakeholder consultations whether labour issues will be added or not in to the future FTAs and PTAs.

<https://thefinancialexpress.com.bd/economy/bangladesh/deeper-policy-reforms-recommended-for-bangladshs-post-ldc-trade-1639276939>

Govt plans to complete 80pc vaccination target by April

- The government plans to complete 80% per cent of its vaccination target by April next year, the Health Secretary told on Sunday. He added that by Dec'21, 59% of the targeted population will be administered with Covid vaccine. Bangladesh on Sunday received 1.2 million AstraZaneca vaccine doses from three European countries - Sweden, Switzerland and Norway- under the Covax facility.

<https://thefinancialexpress.com.bd/national/govt-plans-to-complete-80pc-vaccination-target-by-april-1639310869>

5 more services added to BIDA's One Stop Service

- Bangladesh Investment Development Authority's (BIDA) online One Stop Service (OSS) has added five more services to its operation for different offices and departments. The services are: Third Adhoc Import Registration Certificate Recommendation (BIDA), Issuance of Income Tax Certificate to Foreign Citizens (NBR), Issuance of Export Registration Certificate (Office of the Chief Controller of Imports and Exports), Trade License (Chattogram City Corporation) and Issuance of Country of Origin Certificate (Dhaka Chamber of Commerce and Industries). With the launch of the new services, a total of 56 services including 18 services of BIDA and 38 services of 17 other organisations will be provided through OSS.

<https://www.tbsnews.net/economy/5-more-services-added-bidas-one-stop-service-342436>

Bangladesh steps up yarn, fabrics export

- Bangladesh shipped yarn and fabrics worth USD 154.29 million in FY21, up 15.52% year-on-year. As a result, Bangladesh is currently the second-largest exporter of garment items worldwide after China with a 6.8% global market share. Yarn, fabrics and waste yarn worth USD 80.48 million were exported from Bangladesh during 5MFY22, registering a 38.73% year-on-year growth, according to data from the Export Promotion Bureau.
- According to the president of Bangladesh Textile Mills Association (BTMA), textile millers and yarn and fabrics users in Turkey, South Korea, Egypt and Taiwan are lobbying with the BTMA to buy more yarn and fabrics from Bangladesh. He added that local spinners and weavers are expanding their capacity to produce man-made fibres because of its growing demand. In the next two years, he expects that Bangladesh's yarn production capacity will see an addition of 2.5 million spindles. Currently, 13.5 million spindles are used to manufacture textile raw materials, he said.

<https://www.thedailystar.net/business/export/news/bangladesh-steps-yarn-fabrics-export-2916236>

Teletalk launches 5G service in six areas on trial basis

- Bangladesh has entered the fifth-generation (5G) era as Prime Minister's ICT Affairs Adviser virtually inaugurated the service at a function in the city on Sunday. The state-owned telecom operator Teletalk launched the service at six sites on a trial basis.

<https://thefinancialexpress.com.bd/national/teletalk-launches-5g-service-in-six-areas-on-trial-basis-1639322857>

Raw material price hike sends glass prices soaring 40%

- Glass traders said prices of architectural, interior, automotive and mirror-making glass have surged by 30%-40% in retail, mostly owing to a supercharged construction demand and international supply crunch of the raw materials. According to glass traders, per square foot of window glass, locally known as "Thai glass", is now at BDT 130, up from the previous BDT 80, mercury glass BDT 100 up from the previous BDT 65, and tinted glass BDT 110 up from the previous BDT 75. Flat glass prices per 0.04 inch have spiked by more than 30%. All the raw materials have registered a 30%-35% hike in the international market, thus driving up the rates of fine products.
- The glass industry in the country is growing by 8%-10% every year, mainly due to the increase in commercial building projects, with local companies meeting 90% of domestic demand, industry insiders say. The annual demand for glass is 25 crore square feet, and the annual production capacity of private and public glass manufacturers is 32 crore square feet. The current size of the local glass industry is to the tune of around BDT 2,500-2,500 crore.

<https://www.tbsnews.net/economy/raw-material-price-hike-sends-glass-prices-soaring-40-342193>

Investment proposals soar 50pc despite pandemic

- The current financial year's first three months recorded 46 per cent higher investment proposals, both domestic and foreign, year-on-year despite the pandemic, said Bangladesh Investment Development Authority (Bida). Proposals of BDT 20,464 crore in investments have been registered during 3MFY22, which was BDT 13,964 crore in 3MFY21.
- The latest offers came from 189 industries, of which 177 are local. The chemical industry accounts for most of the locals' investment proposals. In addition, significant investment proposals came from the services, engineering and textile sectors. Of the remaining companies, seven are wholly foreign while five joint ventures with locals. They proposed investing BDT 1,877 crore.

<https://www.thedailystar.net/business/economy/industries/investments/news/investment-proposals-soar-50pc-despite-pandemic-2915316>

Bangladesh enters 5G era tomorrow

- Bangladesh is entering the 5G era as the state-owned telecom operator Teletalk is going to launch the service at six sites on a trial basis on Sunday. Teletalk to provide the service at Tungipara, National Martyrs' Memorial, Bangladesh Secretariat, Prime Minister's Office, Dhanmondi-13, and Sher-e-Bangla Nagar on a test basis. The sites are Tungipara in Gopalganj, National Martyrs' Memorial at Savar, Bangladesh Secretariat, Prime Minister's Office, Dhanmondi-13 and Sher-e-Bangla Nagar in Dhaka.
- Sajeeb Wazed Joy, information and communication technology affairs adviser to the prime minister, is scheduled to virtually inaugurate the service at 7pm. Posts and Telecommunications Minister Mustafa Jabbar, among others, will participate in the function at Radisson Blu Dhaka Water Garden. To ensure 5G telecom services, Teletalk has already partnered with the Chinese ICT solution provider Huawei and the Finland-based Nokia. The two global technology solution providers will provide seamless 5G experience infrastructure and technical support to Teletalk for deploying a 5G network in the six sites on a test basis.

<https://www.tbsnews.net/bangladesh/telecom/bangladesh-enters-5g-era-tomorrow-342142>

Govt urged to invest heavily in renewable energy

- Currently, out of the country's 25,235MW electricity generation capacity, only 2.8% can be produced from renewable sources. The government needs to invest heavily in renewable energy first for instilling confidence in private investors to put their money in the new sector to help the country meet its climate goals by 2050, speakers said at a roundtable. The government wants to cut carbon emission by 29% compared to that of 2010, but the ongoing reliance on fossil fuel-based energy made it difficult to achieve, they added.
- The Business Standard and the Bangladesh Working Group on External Debt (BWGED) jointly organized the event titled 'The Integrated Energy and Power Master Plan: What should be considered for a just transition' on Saturday in the capital. "Government has allocated only 2% of the energy investment for renewable energy under its Annual Development Programme over the past decade, while the lion's share of the investment went to fossil fuel-based power projects," Hasan Mehedi, member secretary at the BWGED, said while presenting the keynote.

<https://www.tbsnews.net/bangladesh/energy/govt-urged-invest-heavily-renewable-energy-342130>

Bangladesh reports first Omicron cases

- Bangladesh has detected the first cases of the Omicron variant of coronavirus in two Bangladeshi women cricketers who returned from Zimbabwe last week. Health Minister Zahid Maleque said on Saturday that they were both in quarantine and good health. Experts

have now called for getting more vigilant at the border and outside the border of the country. According to them, if individuals and the government are all vigilant to prevent the "variant of concern" by taking lessons from the Delta variant, the loss of life will be reduced and the economy will remain active.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladesh-reports-first-cases-omicron-341929>

Important News: Capital Market

FloWater, FloSolar plan to go public

- Two new types of companies -- a water treatment solution provider and a solar panel producer -- plan to go public on the stock exchanges in Bangladesh as they look to raise funds to expand footprint. FloWater Solutions and FloSolar Solutions have decided to list with the exchanges and signed a memorandum of understanding with MTB Capital to manage the issues on Sunday.
- Set up in 2017, FloWater Solutions works in the areas of water, sewerage and effluent treatment and counts Navana Real estate, Concord, Shanta Holding, ActionAid, SSG, Finlay, and BSRM as its clients, according to its website. It has completed more than 150 projects and has 35 active projects, according to the issue manager. Founded in 2019, FloSolar Solutions is a private limited company providing industrial rooftop solar solutions to industries. It is implementing renewable energy projects and has experience of working with international engineering procurement and construction companies and financial firms.

<https://www.thedailystar.net/business/economy/news/flowater-flosolar-plan-go-public-2917851>

Central bank suspends Phoenix Finance's cash dividend

- The Bangladesh Bank has suspended Phoenix Finance's cash dividend payout six months after the listed company declared it for shareholders for 2020. The suspension came after the central bank spotted inflated profits in the annual financial statement of the non-bank financial institution (NBF). Earlier, ONE Bank was penalised for declaring dividends for 2020 after manipulating financial numbers. Although the bank was allowed to keep declaring the dividend unchanged considering this price-sensitive information for the shareholders but had to change the balance sheet.

- Although Phoenix Finance's net profit declined last year, the share price of the company increased significantly after the cash dividend declaration. Shareholders of the company experienced 20% price gains against each share in a month after it had declared the cash

dividend on 27 June this year. It had declared a 6% stock and 6% cash dividends for its shareholders for 2020. Now, the company will pay a 12% stock dividend only for that year. In a disclosure on the websites of stock exchanges on Tuesday, it said, as per the central bank instructions, a new recommended dividend is 12% stock instead of 6% cash, and 6% stock subject to the approval of shareholders in its annual general meeting (AGM).

<https://www.tbsnews.net/economy/stocks/central-bank-suspends-phoenix-finances-cash-dividend-343765>

Banks, investors suffer due to regulators' disagreement over interest on perpetual bonds

- The banks issue perpetual bonds, which do not have tenure, to strengthen their Additional Tier-I capital base to comply with the Basel-III requirements. The Bangladesh Bank is implementing the Basel-III regulatory accord in the banking industry in line with the international standards to sufficiently capitalise the banks so that they can absorb unwanted shocks in business for an extended extent. The central bank in its recent letters to at least six of the banks that issue perpetual bonds said a clause of the securities regulator's consent letters for the bonds does not allow the central bank to treat the bonds as Additional Tier-I components.
- The BSEC wants perpetual bonds to be excluded from banks' capital market exposure calculation, such as in India and other countries. Capital market groups also urge for it and they are frustrated not to see any positive outcome in this regard following several meetings between the two regulators. The issue of banks' capital market exposure calculation basis has emerged as one of the biggest causes of stock market volatility in recent months.

<https://www.tbsnews.net/economy/stocks/banks-investors-suffer-due-regulators-disagreement-over-interest-perpetual-bonds>

IPO funds at decade-high on Bangladesh's economic recovery

- Spurred by economic-recovery hopes, initial public offerings in the outgoing calendar year will climb to a decade-high amount of BDT 12.33 billion, including premium, as moves are on to woo blue chips into bourses. Sources say last three IPOs of 2021 will take the funds to this total. The last three IPOs ---- Union Insurance, Union Bank, and BD Thai Food & Beverage - will raise funds between December 15 and December 30.
- The companies followed two methods in issuing the IPOs: fixed-price and book-building methods. Three companies which raised funds under book-building method are Lub-rref (BDT 1.50 billion), Index Agro Industries (BDT 500 million), and Baraka Patenga Power (BDT 2.25 billion). Besides, Union Insurance (BDT 193.60 million), Union Bank (BDT 4.28 billion),

and BD Thai Food & Beverage (BDT 150 million), are set to raise funds this month. Union Bank is set to raise BDT 4.28 billion from the public, which will be the largest IPO from the banking sector. Among all sectors, it will be the fourth-largest IPO after Robi Axiata (BDT 5.23 billion), Grameenphone (BDT 4.86 billion) and MJL Bangladesh (BDT 4.60 billion), according to DSE data.

<https://thefinancialexpress.com.bd/stock/ipo-funds-at-decade-high-on-bangladeshs-economic-recovery-1639450571>

Fareast Life owners embezzle Tk 2,125cr: BSEC probe

- An investigation of the Bangladesh Securities and Exchange Commission found that the owners of Fareast Islami Life Insurance Company Limited embezzled and laundered more than BDT 2,125 crore from the company in the past decade. The BSEC shared its investigation report recently with finance ministry and Bangladesh Financial Intelligence Unit to look into the matter.
- Former FILICL chairman Md Nazrul Islam, managing director Md Hemyet Ullah and sponsor MA Khaleque are 'particularly found to have actively planned and executed the related party transactions, forged documents and ultimately laundered corporate resources to their private gains,' the report said. Of the total BDT 2,125 crore, the persons embezzled BDT 854 crore through unlawful land acquisition of FILICL, BDT 659.67 crore by investment in their firms and BDT 421 crore through taking bank loans against companies' Mudaraba Term Deposits and BDT 191 crore through opening two fraudulent corporate societies.

<https://www.newagebd.net/article/157381/fareast-life-owners-embezzle-tk-2125cr-bsec-probe>

Maiden green zero-coupon bond for SMEs

- Standard Chartered Bank has arranged the first green zero-coupon bond in Bangladesh for Sajida Foundation, a non-governmental organisation. Sajida Foundation will use the proceeds to finance expansion of its microcredit and SME lending portfolio, through investing in new and existing projects with environmental benefits, said the bank in a press release. Standard Chartered was the mandated lead arranger for the transaction. The total face-value of the bond is BDT 100 crore.

<https://www.thedailystar.net/business/economy/banks/news/maiden-green-zero-coupon-bond-smes-2917041>

DSE, CSE asked to be listed on stock market

- The Bangladesh Securities and Exchange Commission on Monday asked the Dhaka Stock Exchange and the Chittagong Stock Exchange to be enlisted on the country's stock market soon. The BSEC also decided to conduct a special audit by a leading chartered accountant

to assess the compliance condition of the two stock exchanges before listing procedures. BSEC commissioner Sheikh Shamsuddin Ahmed told New Age that the regulator had instructed the two bourses to offload shares on the stock exchanges as per obligations under their demutualisation scheme.

- DSE chief operating officer M Shaifur Rahman Mazumdar said that the DSE board had already decided to offload 35 per cent shares (63.13 crore shares) on the market and instructed its management to take necessary initiatives. CSE is yet to find a strategic investor to sell its 25 per cent shares as per its demutualisation scheme, however must offload 35% shares (22.20 crore).

<https://www.newagebd.net/article/157268/dse-cse-asked-to-be-listed-on-stock-market>

DSE to invite big firms to market

- Rangs Group, Transcom, Bashundhara, Nasir Group of Industries, Meghna Group of Industries, Abdul Monem, Rahimafrooz, Nassa Group, Bengal Group of Industries, BRB Cable, Drug International, United Group, Kazi Farms, City Group, Jamuna Group, and Incepta Pharmaceuticals are on the list of invitees.
- The move will be helpful for banks as well as they face trouble in treasury management when giving long-term loans from short-term deposits,

<https://www.thedailystar.net/business/economy/stock/news/dse-invite-big-firms-market-2917046>

Aramit Cement declares a sudden interim cash dividend

- Aramit Cement Limited has suddenly declared a 5% interim cash dividend only for its general shareholders for the current 2021-22 fiscal year. But the company did not pay any dividend for its shareholders in the last fiscal year because of its negative retained earnings. Earlier, the company had paid a 12% cash dividend in FY16. After that, it failed to pay any dividend to its shareholders.
- Meanwhile, based on the sudden declaration of interim cash dividend excluding the sponsor and directors of the company, Aramit's share price increased by 18.50% to BDT 41 each on Monday at the DSE from BDT 34.60 as there was no circuit breaker. According to the company's financials, in the four fiscal years from FY17 up to FY20, it had incurred losses. But it returned to profit by making BDT 2.02 crore in FY21. After adjustment of the profit, its retained earnings or accumulated profit/loss became a negative BDT 59.87 crore as of 30 September 2021. In the July to September quarter of the current fiscal year, the company incurred a loss of BDT 6.64 crore as its revenue fell by 54%, compared to the same period of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/aramit-cement-declares-sudden-interim-cash-dividend-343201>

Saif Powertec to enter gas, oil exploration business as first private firm

- Saif Powertec Limited wants to enter the gas and oil exploration business by investing BDT 473 crore as the first local private company in this industry. The board of the company, which got listed on the capital market in 2014, decided on 12 December. The project cost will come from bank loans. According to its website, Saif Powertec's principal activities are to carry on the business of infrastructure-support service.
- It will acquire 55% shares of the subsidiary company by investing BDT 11 crore, while the total project cost is BDT 75 crore. The rest of the amount will come from bank loans. The container terminal will generate BDT 3,482 crore revenue in 20 years. Saif Powertec Ltd will invest 80% of the construction cost. Its share price jumped over 120% to BDT 48 between June and October at the Dhaka Stock Exchange. At the end of Monday's trading session, its share closed at BDT 43.40

<https://www.tbsnews.net/economy/stocks/saif-powertec-enter-gas-oil-exploration-business-first-private-firm-343195>

AIBL Mudaraba Perpetual Bond makes debut on DSE after hiatus of 14 years

- The pro-Rata allotment ceremony of IBBL Second Perpetual Bond and SJIBL Mudarba Perpetual Bond was held in DSE Tower as well. The public offer of both of the bonds are fully subscribed and the trading of these bonds will start soon on Dhaka Stock Exchange. IBBL Second Mudaraba Perpetual Bond is the largest issuance issued by any bank to date.
- UCB Investment Limited is the Issue Manager and Arranger of all three bonds. UCB Investment Ltd. has started the journey last year under the leadership of Tanzim Alamgir, Founding Managing Director & CEO. The company has made strides within just one year. The company is also mandated to raise funds for different banks and NBFIs through the issuance of the perpetual bond, subordinate bond and zero-coupon bond.

<https://thefinancialexpress.com.bd/stock/aibl-mudaraba-perpetual-bond-makes-debut-on-dse-after-hiatus-of-14-years-1639408326>

Most banks slow to utilise full capacity

- Thirty-two banks which formed special funds for stock market investments under Bangladesh Bank guidelines are yet to utilise 56% of their aggregated funds even after 20 months of the introduction of the scope by the central bank. The rest of the country's 60 banks have not showed interest till now to invest in the country's capital market by forming special funds.

- The aggregated amount of the funds formed by the banks reached BDT 4,510 crore at the end of November 2021. Of the funds, the banks have so far invested BDT 1,990.04 crore in the capital market, representing 44.1% of the funds formed by them. On average, the banks invested BDT 94.76 crore. Banks' exposure in the capital market was 14.4 per cent in solo basis and 23.9 per cent in consolidated basis at the end of June 2021, a BB report showed.

<https://www.newagebd.net/article/157189/most-banks-slow-to-utilise-full-capacity>

BSEC asks 64 firms to comply with adequate capitalization

- As per the listing regulation of the Dhaka stock exchange, a company needs to have a minimum paid-up capital of BDT 30 crore. Bangladesh Securities and Exchange Commission (BSEC) has asked 64 companies for plans on how they would comply with the minimum paid-up capital criteria to remain on the main board of the bourses. The commission issued letters to the companies in this regard last week. As per the listing regulation of the Dhaka stock exchange, a company needs to have a minimum paid-up capital of BDT 30 crore. Earlier in September this year, the commission formed a committee to scrutinize the overall condition of those firms and look for a mechanism to improve the financial performances of the low-paid-up companies.
- The companies were asked to submit their plan reports to the commission within 30 days after receiving the letters. Of these companies, 13 firms remain with a paid-up capital below BDT 5 crore, 17 firms are below BDT 10 crore, 20 firms are below BDT 20 crore, and the rest of the firms remain below BDT 30 crore in the capital market. 20 firms posted a loss in the first quarter of the current fiscal year. And 7 companies remain on the list that have paid-up capital below BDT 30 crore. The companies that have paid-up capital above BDT 20 crore now will have to comply with the rule within 30 June 2022.

<https://www.tbsnews.net/economy/stocks/bsec-asks-64-firms-comply-adequate-capitalisation-342103>

DSE sits with 80 business groups on December 21

- The securities regulator and Dhaka Stock Exchange (DSE) have accelerated separate moves to enhance the depth of the country's stock markets ensuring the listing of good companies including state-owned enterprises (SoEs). As part of the move, the premier bourse DSE has invited some 80 business groups including top ones to attend a conference to be held on December 21. According to the DSE officials, the business groups which have been invited to attend the conference include Akij, Transcom, Bashundhara, PHP, Jamuna, Meghna, City Group, United, Rahimafrooz, Incepta, Kazi Firms and Bengal Group.
- Bangladesh Securities and Exchange Commission (BSEC) on Thursday asked 17 SoEs having good fundamentals to go public. Asked, Dr. Shaikh Shamsuddin Ahmed, a BSEC commissioner, said Financial Institutions Division of the Ministry of Finance earlier sent a

letter to the BSEC to be informed of the status of the listing of SoEs. "Earlier, no notable progress of the companies' listing was visible due to country wide lockdown enforced amid Covid-19 pandemic. The BSEC now has accelerated its move for listing of the SoEs," Mr. Ahmed said. The securities regulator on Thursday sent a letter to 17 SoEs asking them to get listed on stock exchanges raising capital.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-sits-with-80-business-groups-on-december-21-1639236798>

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