

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-2.17%) lost -151.92 points and closed the week at 6,839.44 points. The blue-chip index DS30 (-2.29%) lost -58.87 points and stood at 2,514.98 points. The Shariah-based index DSES (-2.15%) lost -32.42 points and stood at 1,475.72 points. The large cap index CDSET (-1.98%) lost -27.56 points and closed at 1,364.76 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.23%, -0.70%, +3.12%, +0.41%, respectively.

Total Turnover During the Week (DSE): BDT 39.9 billion (USD 464 million)

Average Daily Turnover Value (ADTV): BDT 10.0 billion ($\Delta\%$ Week: -16.5%)

Market P/E: 16.7x

Daily Index Movement during the Week

Market performed four sessions during this week. Market started on a negative note (-0.93%) on Sunday and also remained negative (-0.13%) on Tuesday but became positive (+0.44%) on Wednesday. In the end, Market ended negatively (-1.57%) on Thursday.

Sectoral Performance

- All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -4.56% followed by NBFi (-4.43%), Life Insurance (-3.63%), Bank (-1.97%), and Mutual Fund (-1.30%).

- All the non-financial sectors registered negative performance this week. Telecommunication experienced the highest loss of 3.67% followed by Fuel & Power (-1.84%), Pharmaceutical (-1.47%), Engineering (-1.17%), and Food & Allied (-0.99%).

Macroeconomic arena

- Economic trend promising, but inflation worries remain: DCCI. Four firms to invest USD 50m in BEPZA Economic Zone. Bangladesh to import 3.6 lakh MMBtu LNG. Tipu for target of USD5b ICT exports by 2025. BDT 1,059cr project in the offing to build 5G network. South Korea keen to invest in various sectors in Bangladesh. Maersk wants to run Patenga container terminal. Bangladesh asks Australia to name state agency for trade transaction. Khulna Shipyard inks BDT 423cr deal to make 4 dredgers for BIWTA. Apparel exports to China dwindle. Funding dev projects on backburner. Cut taxes on essentials to give respite to people.

- Universal pension scheme in 6 months or a year: Finance minister. Govt borrows USD300 million from AIIB to refinance CMSMEs. BB relaxes credit rating to facilitate business loans. Cabinet approves draft law for protection of deposits at financial institutions.

- Govt resets knitwear wastage rate up to 32pc Nagad-linked investors desperate for multipurpose NBFi licence. More relief for mobile users on the way. SMEs want change in definition so large peers can't get their benefits. Soft Tech Innovation gets BB's PSO licence. Commerce wants VAT cut on non-cotton yarns to BDT 3 per kg. BIDA introduces eight more services to online OSS centre. Hospitality industry seeks VAT, duty exemption. 60% of agri credit target achieved in Jul-Jan.

Stock Market arena

- Dhaka bourse goes tough against questioned quarterly disclosures. Three firms get BSEC nod for issuing bonus shares. Bourses asked to report on OTC cos' share demat status. DSE seeks tax waiver for interest earnings from bonds, Sukuk. Regulator scraps Dominage Steel's stock dividend proposal. UCB to form subsidiary company in Singapore. UCB to float its second perpetual bond.

- BSEC asks 5 banks to take steps for IPO. Four listed companies allowed to issue stock dividend. 3 firms' profits, shares rise unusually based on 'rumours'. Firms asked to bring BDT 8,674cr negative equity to zero by Dec. Olympic starts operation of new biscuit line. Lub-rref posts 21% surge in half-yearly profits. Steel makers seek 5 more years to repay loans. Fortune Shoes nets more profit from risky stock investment. Chaldal gets the nod to develop PSP services. National Tea plans to raise paid-up capital by issuing right shares. Kay & Que plans to get into LPG filling, food business. AB Bank's bond subscription time extended until May 22.

*: Ticker of MICEMENT has changed to "CROWNCEMNT" from today

** Following the approval of stock dividend by the regulator, new record dates have been declared. As a result, we have undertaken necessary adjustments to keep our reporting in line with DSE

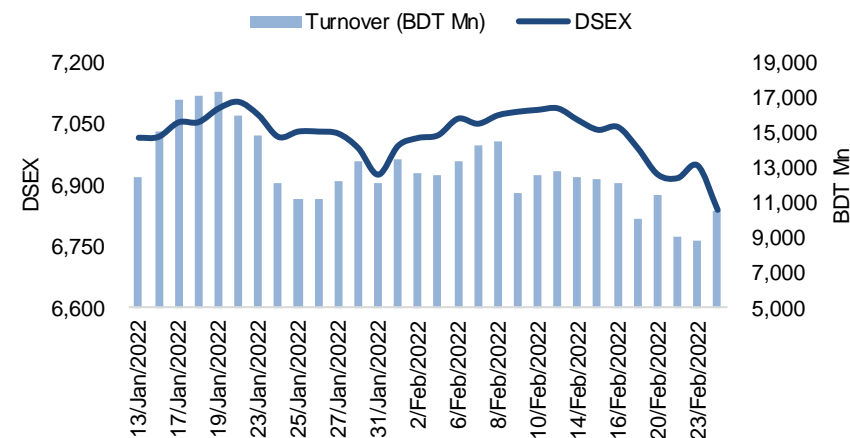
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,839.44	6,991.36	-151.92	6,756.66	-2.17%	+1.23%
DS30	2,514.98	2,573.85	-58.87	2,532.58	-2.29%	-0.70%
DSES	1,475.72	1,508.14	-32.42	1,431.12	-2.15%	+3.12%
CDSET	1,364.76	1,392.32	-27.56	1,359.13	-1.98%	+0.41%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	5,503,560	5,609,299	-19%
	M n USD	63,995	65,224	
Turnover	M n BDT	39,879	59,671	-33.2%
	M n USD	464	694	
Average Daily Turnover	M n BDT	9,970	11,934	-16.5%
	M n USD	116	139	
Volume	M n Shares	864	1,242	-30.4%

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
DSSL	19.9	16.2	+22.8%	4,195	5517	16.6x	1.1x
CROWNCEMNT	74.6	61.5	+21.3%	11,078	30.3	16.5x	1.4x
APEXSPINN	172.1	147.6	+16.6%	1,446	423.9	57.6x	3.1x
ADNTEL	57.4	51.3	+11.9%	3,711	320.7	22.1x	2.2x
PDL	13.3	11.9	+11.8%	2,441	227.3	NM	1.0x
ZAHINTEX	8.2	7.5	+9.3%	671	17.6	NM	0.6x
SHURWID	19.0	17.4	+9.2%	1,090	612	8.6x	1.5x
ZAHEENSPIN	9.8	9.0	+8.9%	1,116	43.2	NM	1.7x
CNATEX	9.8	9.0	+8.9%	2,345	98.3	NM	0.6x
IMAMBUTTON	30.1	27.9	+7.9%	232	17.6	NM	6.3x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
GENEXIL	137.8	159.2	-13.4%	14,224	310.8	32.8x	6.3x
YPL	22.3	25.6	-12.9%	1,643	390.2	44.6x	1.9x
STYLECRAFT	124.3	139.6	-11.0%	1,726	100.7	NM	6.9x
BDLAMPS	312.9	349.1	-10.4%	2,932	178.0	42.8x	3.2x
BSC	120.1	132.4	-9.3%	18,319	964.1	10.6x	1.8x
1STPRIMFMF	16.7	18.4	-9.2%	334	11.8	NM	1.6x
ASIANS	86.3	95.0	-9.2%	4,062	226.0	30.3x	3.1x
ZEALBANGLA	138.2	151.9	-9.0%	829	3.7	NM	NM
APEXFOODS	211.5	232.1	-8.9%	1,206	202.1	NM	1.8x
RAHIMTEXT	262.7	288.2	-8.8%	2,485	18.5	NM	6.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	149.9	150.9	-0.7%	131,360	2,956.8	10.5x	1.8x
FORTUNE	125.6	134.5	-6.6%	20,414	2,523.8	43.0x	8.3x
ORIONPHARM	104.5	111.1	-5.9%	24,453	1,326.8	26.1x	1.3x
BSC	120.1	132.4	-9.3%	18,319	964.1	10.6x	1.8x
NATLIFEINS	212.9	219.5	-3.0%	23,104	624.2	NM	NM
ANWARGALV	407.4	441.0	-7.6%	6,832	583.6	44.0x	19.5x
BATBC	616.8	622.8	-1.0%	333,072	569.8	22.3x	9.1x
DSSL	19.9	16.2	+22.8%	4,195	5517	16.6x	1.1x
SAIFPOWER	41.6	42.6	-2.3%	14,887	524.2	19.2x	2.3x
SONALIPAPR	718.5	712.8	+0.8%	15,781	498.1	63.6x	2.9x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
SQUARETEXT	64.7	+23.9%	12,762	8.9x	1.6x
CROWNCEMNT	74.6	+19.9%	11,078	16.5x	1.4x
UNIQUEHRL	58.1	+15.7%	17,105	NM	0.7x
TITASGAS	41.5	+14.3%	41,053	12.0x	0.6x
LINDEBD	1,755.0	+11.1%	26,708	21.4x	4.7x
GHAIL	18.1	+9.7%	3,907	NM	1.3x
ADNTEL	57.4	+9.5%	3,711	22.1x	2.2x
IBNSINA	291.6	+7.5%	9,111	16.2x	3.9x
ACMELAB	92.4	+6.8%	19,552	10.4x	0.9x
UNILEVERCL	3,168.3	+6.4%	38,167	83.4x	28.5x

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,580.7	1,612.5	1,589.69	-1.97%	-0.57%
NBFI	2,202.2	2,304.4	2,327.63	-4.43%	-5.39%
Mutual Fund	878.4	890.0	882.99	-1.30%	-0.52%
General Insurance	4,201.8	4,402.8	4,698.62	-4.56%	-10.57%
Life Insurance	2,671.9	2,772.5	2,687.55	-3.63%	-0.58%
Telecommunication	5,812.6	6,034.0	5,800.37	-3.67%	+0.21%
Pharmaceutical	3,959.2	4,018.5	3,866.63	-1.47%	+2.39%
Fuel & Power	1,866.3	1,901.4	1,792.97	-1.84%	+4.09%
Cement	2,638.6	2,742.2	2,534.76	-3.78%	+4.10%
Services & Real Estate	1,469.6	1,503.2	1,309.43	-2.24%	+12.23%
Engineering	4,836.5	4,893.7	4,727.46	-1.17%	+2.31%
Food & Allied	25,087.8	25,339.4	25,222.81	-0.99%	-0.54%
IT	3,142.5	3,290.9	3,274.61	-4.51%	-4.03%
Textile	1,645.8	1,644.2	1,470.60	+0.10%	+11.91%
Paper & Printing	9,051.4	9,228.6	9,680.03	-1.92%	-6.49%
Tannery	3,802.2	3,985.1	3,236.76	-4.59%	+17.47%
Jute	8,578.0	8,883.6	8,747.84	-3.44%	-1.94%
Ceramics	752.3	758.6	675.88	-0.83%	+11.30%
Miscellaneous	4,657.3	4,749.9	4,625.39	-1.95%	+0.69%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	536.5	808.4	-33.64%	+5.62%	8.0x	0.9x
NBFI	345.5	498.2	-30.65%	+3.62%	NM	3.9x
Mutual Fund	47.3	55.6	-14.84%	+0.50%	NM	0.8x
General Insurance	380.1	604.8	-37.16%	+3.98%	19.5x	2.1x
Life Insurance	364.7	441.2	-17.35%	+3.82%	NM	NM
Telecommunication	88.5	90.7	-2.36%	+0.93%	17.7x	5.4x
Pharmaceutical	1,118.4	1,548.0	-27.76%	+11.71%	18.4x	2.7x
Fuel & Power	419.6	489.4	-14.26%	+4.39%	11.9x	1.3x
Cement	162.0	156.5	+3.52%	+1.70%	19.3x	2.7x
Services & Real Estate	268.3	482.4	-44.37%	+2.81%	NM	1.1x
Engineering	1,073.6	1,283.1	-16.33%	+11.24%	19.2x	2.0x
Food & Allied	688.3	778.9	-11.64%	+7.21%	27.7x	9.6x
IT	349.5	249.0	+40.34%	+3.66%	30.7x	2.7x
Textile	1,324.1	1,097.0	+20.71%	+13.86%	30.3x	1.1x
Paper & Printing	319.5	357.1	-10.51%	+3.35%	NM	2.2x
Tannery	763.6	1,119.0	-31.76%	+8.00%	NM	4.0x
Jute	23.9	19.9	+19.86%	+0.25%	NM	24.2x
Ceramics	134.6	116.2	+15.82%	+1.41%	33.0x	2.1x
Miscellaneous	1,142.7	1,384.7	-17.48%	+11.96%	14.4x	2.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
ENVOYTEX	44.8	-8.4%	7,515	28.5x	1.2x
PIONEERINS	108.2	-7.4%	8,329	14.1x	2.2x
ACTIVEFINE	23.8	-7.0%	5,710	NM	1.1x
IDLC	56.1	-7.0%	22,210	10.5x	1.3x
SINGERBD	158.1	-6.9%	15,763	30.4x	4.6x
BANKASIA	20.3	-6.9%	23,668	9.5x	0.9x
BATASHOE	902.8	-6.6%	12,350	NM	3.5x
LANKABAFIN	35.5	-4.8%	19,129	13.7x	1.8x
OLYMPIC	153.1	-4.7%	30,611	18.2x	3.4x
IFADAUTOS	45.3	-4.2%	11,459	30.5x	1.1x

Important News: Business & Economy

Universal pension scheme in 6 months or a year: Finance minister

- Bangladesh is going to roll out the much-anticipated universal pension scheme within the next six months or a year, said Finance Minister AHM Mustafa Kamal.
- Citizens aged between 18 and 50, excluding staffers of government and autonomous organisations, will be able to enroll in the scheme using their national identification numbers. They will become eligible for monthly pension after reaching 60 years of age, on the condition of a 10-year regular deposit. Apart from individuals, institutions also can enroll in the scheme, the finance minister said, adding that the option of quarterly payment will also be kept considering the convenience of expatriate Bangladeshis.

<https://www.tbsnews.net/economy/universal-pension-scheme-6-months-or-year-finance-minister-375013>

Tipu for target of USD5b ICT exports by 2025

- Commerce Minister Tipu Munshi has underscored the need for attaining the target of 5.0 billion US dollar exports from the Information and Communication Technology (ICT) sector by 2025. "By 2025, ICT exports must reach the target of USD 5.0 billion and the Ministry of Commerce will provide all necessary assistance in this regard," he said.

<https://thefinancialexpress.com.bd/economy/tipu-for-target-of-5b-ict-exports-by-2025-1645617022>

Planning Commission approves trimming ADP by 7.87%

- The Planning Commission in its extended meeting on Wednesday approved a revision to the Annual Development Programme (ADP), downsizing it by 7.87% as various implementing authorities lagged behind in their spending targets. The National Economic Council (NEC) is expected to give final approval on 02 March to the revised ADP amounting to BDT 2.07 trillion for the current financial year. The commission officials said the government funds – BDT 1.37 trillion – remained unchanged in the revised budget, while foreign aid is to decrease substantially. In the revised ADP, foreign funds are expected to come down to BDT 177.7 billion from the original BDT 880.2 billion.

<https://www.tbsnews.net/economy/planning-commission-approves-trimming-adp-787-375007>

BIDA introduces eight more services to online OSS centre

- Bangladesh Investment Development Authority (BIDA) has included eight more services of four organisations with its online One Stop Service (OSS) centre to ensure ease and swift services for the investors in the country.

- The Department of Explosives will provide two services-- issuance of explosives license and renewal of explosives license. The Office of the Chief Inspector of Boilers will provide four services-- No objection certificate of boiler import, boiler registration along with the issuance, renewal of boiler certificate, and change of ownership. One Bank and Meghna Bank will provide online bank account opening services.

<https://thefinancialexpress.com.bd/economy/bida-introduces-eight-more-services-to-online-oss-centre-1645626257>

Cut taxes on essentials to give respite to people

- Amid higher inflation, the Centre for Policy Dialogue (CPD) yesterday called for cutting duties and taxes, both at import and domestic levels, for key essential commodities to provide respite to low- and limited-income families. The independent think tank's proposal comes at a time when the queue of people at the trucks selling certain essentials at subsidised rates is getting longer with many complaining of returning empty.
- In its proposal, the CPD also suggested the NBR raise the tax-free income threshold for individuals to BDT 3.5 lakh for the next fiscal year from BDT 3 lakh presently, considering the added pressure of the rising food inflation and income erosion induced by the pandemic. The second slab for personal income tax, which is 5 % for an additional BDT 1 lakh, should be increased to BDT 3 lakh to provide a cushion to low-income earners. It, however, recommended reinstatement of the highest tax rate for individuals to 30 % from 25 %.

<https://www.thedailystar.net/business/economy/news/cut-taxes-essentials-give-respite-people-2969261>

Land ready to develop Japanese economic zone: Kamal

- A total of 1,000 acres of land in Araihasar upazila of Narayanganj has been prepared for a special economic zone (SEZ) dedicated to Japanese investors. Bangladesh SEZ Ltd is a "special purpose company" formed as a joint venture between Beza and Japan's Sumitomo Corporation for the development and management of this economic zone.
- The BDT 25.8 billion project would be able to accommodate around 200 companies. Of the total cost, the government will provide about BDT 4.54 billion as an investment while the Japan International Cooperation Agency will contribute the rest as a loan.

<https://www.thedailystar.net/business/economy/news/land-ready-develop-japanese-economic-zone-kamal-2969281>

RJSC allowed access to DVS

- The Registrar of Joint Stock Companies and Firms (RJSC) can now use the Document Verification System (DVS) to confirm the authenticity of audited financial statements of registered businesses. A memorandum of understanding (MoU) in this regard was signed between the Institute of Chartered Accountants of Bangladesh (ICAB) and the RJSC.

<https://www.thedailystar.net/business/economy/news/rjsc-allowed-access-dvs-2969236>

BB relaxes credit rating to facilitate business loans

- The Bangladesh Bank has relaxed conditions related to Internal Credit Risk Rating (ICRR) to facilitate loans to businesses for their rebound amid the pandemic. From now on, aspirant borrowers having rating scores of 50 or more can reschedule their loans for two times. Earlier, at least 55 points were needed for that. The rule will be in effect until 31 December this year.
- Following the Bangladesh Bank ICRR policy, lenders classify their clients into four categories – ones having at least 75 scores as excellent, 65 as good, 50 as marginal and below 50 as unacceptable – analysing the clients' last audited financial reports. Excellent and good clients can avail loans easily, while marginal ones have to go through extra scrutiny.

<https://www.tbsnews.net/economy/banking/bb-relaxes-credit-rating-facilitate-business-loans-375043>

Chaldal gets the nod to develop PSP services

- Chaldal (largest online grocery store) recently received the no-objection certificate (NOC) from the Bangladesh Bank to develop its subsidiary, Chaldal Payments, as a payment service provider (PSP). This would enable Chaldal to facilitate direct digital payments for its customers by settling transactions through a scheduled bank or financial institution.
- Digital services platform Pathao is waiting for final clearance from the BB to launch PathaoPay. The company received NOC to develop its PSP services in April 2021 and has since deployed the necessary technology to this end.

<https://www.thedailystar.net/business/economy/e-commerce/news/chaldal-gets-the-nod-develop-psp-services-2969266>

Bangladesh to import 3.6 lakh MMBtu LNG

- The cabinet committee on government purchases on Wednesday in a meeting approved a proposal for importing 3.60 lakh MMBtu liquefied natural gas at BDT 10.0 billion (USD 29.70/MMBtu) from M/S Vitol Asia Pte Ltd, Singapore.

- Two more proposals — the procurement of a vessel from Karnafuly Ship Builders Ltd at BDT 1,196.5 million by Mongla Port Authority and appointment of the National Development Engineers Ltd as the contractor of the upgrading Elenga-Hatikumrul-Rangpur Highway at BDT 1,519.6 million — were also approved.

<https://www.newagebd.net/article/163466/bangladesh-to-import-36-lakh-mmbtu-lng>

Steel makers seek 5 more years to repay loans

- Steel makers in Bangladesh have urged the government to provide them an additional five years to help them repay their BDT 100.0 billion existing long-term loans through equated monthly installments. President of the Bangladesh Steel Manufacturers Association (BSMA) asked that they be granted two years instead of one year to repay loans taken under the government's stimulus package.
- According to data of the BSMA, steel prices jumped to BDT 77,500 per tonne at the mill gates, up from BDT 69,500 a year ago. However, data of the Trading Corporation of Bangladesh shows that mild steel (MS) rod (60 grade) was sold at BDT 82,500 per tonne.
- Secretary-general of the BSMA said the government should reduce VAT on steel billet alongside MS products to BDT 250 per tonne, which is BDT 1,000 at present. He also sought reducing VAT on billet manufactured from meltable scrap and MS products manufactured from billet to BDT 500 per tonne, which is currently BDT 2,000. He further suggested reducing customs duty on the import of scrap steel to BDT 500 per tonne, which is BDT 1,500 at present.

<https://www.thedailystar.net/business/economy/news/steel-makers-seek-5-more-years-repay-loans-2969206>

Kuwait- Bangladesh joint venture to invest USD10.39m in BEPZA Economic Zone

- Bangladesh Export Processing Zones Authority (BEPZA) signed a land lease agreement on Tuesday with KB Petrochemicals Limited to set up an industry in the economic zone. The company will create employment opportunities for 129 Bangladeshi nationals. The industry will produce 20,000 tonnes of finished lubricants.

- BEPZA Executive Chairman said that BEPZA is now one of the most successful organisations in the country considering its experience, capabilities, expertise, and professional excellence achieved during the journey of 40 years in serving the country's export-oriented industries.

<https://thefinancialexpress.com.bd/economy/bangladesh/kuwait-bangladesh-joint-venture-to-invest-1039m-in-bepza-economic-zone-1645536631>

Phase out subsidies on power, gas

- Prime Minister asks for reducing subsidies and finding ways out of the financial backup specially to power and gas. Mr Mannan said the government had been providing subsidies in some sectors and the prime minister suggested coming out from that trend gently in a way that should be economically acceptable.

<https://today.thefinancialexpress.com.bd/first-page/phase-out-subsidies-on-power-gas-1645553070>

Less spending yields H1 budget surplus

- Bangladesh sees budget surplus in December, reaching BDT 13.57 billion. Government's total receipt up to December was recorded at BDT 1.51 trillion. The budget spending, meanwhile, fell overall in December by 3.4 % to BDT 1.49 trillion. The operating expenditure up to December was recorded BDT 1.11 trillion, nearly 2.0-% down from the July-December 2020 mark. Development spending up to December 2021 amounted to BDT 348.28 billion, in a slide by over 8.0 % from the same period a year earlier.
- Collection of tax revenue consisting of NBR taxes and non-NBR taxes rose to BDT 1.36 trillion while the non-tax revenue fell by nearly 61 % in the first half of the ongoing fiscal year. The non-tax revenue, consisting of incomes from the state-owned enterprises and other fees and tolls, came to BDT 154.83 billion in the July-December 2021 period. It was BDT 248.49 billion in July-December 2020. Economists believe the surplus will not last up till the end of the fiscal year when the spending usually becomes much higher.

<https://today.thefinancialexpress.com.bd/first-page/less-spending-yields-h1-budget-surplus-1645553132>

Govt borrows USD300 million from AIIB to refinance CMSMEs

- The government is borrowing USD 300 million from the Asian Infrastructure Investment Bank (AIIB) to provide working capital loans to the companies of cottage, micro, small and medium enterprise (CMSMEs) sector. The government has taken up a project titled "Covid-19 Emergency and Crisis Response Facility" to implement the loan project within FY2023-24. Bangladesh Bank has already started its activities for the current financial year. Entrepreneurs in the CMSME sector will get this working capital for a period of one year with 4% interest and 1% service charge.

<https://www.tbsnews.net/economy/govt-borrows-300-million-aiib-refinance-cmsmes-374446>

Apparel exports to China dwindle

- Apparel shipments to China fell to USD131.20 million in the July-January period of the current fiscal year, a decrease of 19.66 % from USD163.30 million in 2020-21. Of the total garment exports to the world's second-largest economy during the period, knitwear shipments brought home USD53.53 million and woven products fetched USD77.68 million, registering a negative growth of 30.77 % and 10.36 % respectively, data from the Export Promotion Bureau showed.
- China became a highly promising export market for local apparel products after Beijing extended duty-free benefits to 97 % of Bangladesh's garment items considering its status as a least-developed country in July 2020. Currently, the country's share of exports to the Chinese market is 0.05 %, which is equivalent to a bit above USD1 billion.
- Garment exports to China fell in recent months for mainly two reasons. First, China has almost completely stopped importing garment items as a part of its zero-tolerance policy towards the spread of Covid-19. Second, Chinese consumers were affected by a recent depreciation in their local currency.

<https://www.thedailystar.net/business/export/news/apparel-exports-china-dwindle-2968506>

Hospitality industry seeks VAT, duty exemption

- Hospitality industry entrepreneurs have demanded VAT and duty exemption on their services, in a bid to recover from pandemic induced losses and help flourish the sector further. The demands came at a meeting Tuesday evening organised by the standing committee on hotels, motels, resorts and guesthouses of the Federation of Bangladesh Chambers of Commerce & Industries (FBCCI). The total tax burden on income of hotels and resorts was 37 % that required further review for future development of the sector.

<https://today.thefinancialexpress.com.bd/trade-market/hospitality-industry-seeks-vat-duty-exemption-1645550059>

Soft Tech Innovation gets BB's PSO licence

- Bangladesh Bank on Tuesday gave licence to Soft Tech Innovation Ltd to operate as a payment system operator under its brand name of aamarPay, taking the country's total PSO licensees to seven. Apart from aamarPay, five other existing PSO licensees are IT Consultants Ltd, SSL Commerz Ltd, ShurjoMukhi Ltd, Portonics Limited and Walletmix Limited.

<https://www.newagebd.net/article/163410/soft-tech-innovation-gets-bbs-psy-licence>

Germany wants exporters to check on human rights, environment

- Bangladeshi suppliers need to operate with necessary transparency to enable their German sourcing companies to comply with a new supply chain law that obliges the latter to actively perform due diligence to prevent human rights and environmental abuses within their global supply chains.
- BGMEA President told The Business Standard that Bangladeshi apparel exporters will not face any trouble to comply with the new law. BKMEA vice-president Fazlee Shamim Ehsan said large exporters may not be affected by the law. He added that a number of vendors may be eliminated from the supply chain for failure to comply with new due diligence procedures.
- He also added that exporters now have to do such small jobs by setting up their own facilities to maintain the due diligence for preventing human rights violation in the workplace and environmental abuse.

<https://www.tbsnews.net/economy/germany-wants-exporters-check-human-rights-environment-374563>

More relief for mobile users on the way

- The telecom regulator plans on bringing the number of packages to 95 across three categories: regular packages, customer-centric special packages, and research and development packages, from a few hundred packages each now.
- The number of regular packages could be as high as 50, number of customer-centric special packages will be a maximum of 35, and the rest 10 will come in the research and development category. Every package will contain four types of duration: 3-day, 7-day, 15-day, and 30-day.
- From March 1, the customers will be able to transfer the unused data and talk-time to the same package if it is bought before the existing offer expires. The data can be transferred to the new package under the other three types of duration.
- Operators can offer bonuses on the packages but the price of the products cannot be lower than their cost. However, packages can be offered at the floor price.
- Secretary-general of the Association of Mobile Telecom Operators of Bangladesh told that the regulator has fixed the number of packages after discussions and consultations with the operators.

<https://www.thedailystar.net/business/telecom/news/more-relief-mobile-users-the-way-2968501>

Bangladesh asks Australia to name state agency for trade transaction

- The move is made as Bangladesh wants to import a slew of commodities in high demand, like coal, liquefied natural gas (LNG), fertilisers, and wheat, from Australia under G-to-G arrangement. Bangladesh imports AUD 20 billion worth of cotton, fuels, iron and steel, cereals, and oilseeds each. If 20% of the imports are procured from Australia, the bilateral trade could grow to AUD 5.0-6.0 billion by 2025 and AUD 10 billion in next ten years.
- Trade between the two countries now hovers around USD 1.5 billion. In FY20, Bangladesh exported goods worth USD 762.9 million to Australia while imports from there valued USD 695.7 million. The two countries have signed Trade and Investment Framework Arrangement (TIFA) aiming to facilitate enhancement of trade between them.

<https://thefinancialexpress.com.bd/economy/bangladesh-asks-australia-to-name-state-agency-for-trade-transaction-1645424063>

Maersk wants to run Patenga container terminal

- Global ports and terminal operator APM Terminals, a subsidiary of Danish shipping company AP Moller Maersk, has expressed interest in developing and operating the under-construction Patenga Container Terminal of the Chattogram port.
- Maersk is the fifth contender in the race to win the deal for running the terminal under an "Equip, Operate and Maintain" model. The other global firms which earlier expressed their interest are Saudi Arabia-based Red Sea Gateway Terminal, Dubai-based DP World, Indian firm Adani Ports and Special Economic Zone, and Singaporean firm PSA International.
- The Prime Minister's Office was mulling over proposals of DP World and Red Sea Gateway when Maersk's one surfaced, according to sources in the shipping ministry and the Chittagong Port Authority (CPA). A senior official of Maersk Bangladesh told The Daily Star that they submitted a proposal to the government in January and now the company representatives were in discussions with the authorities through the Danish embassy.

<https://www.thedailystar.net/business/global-economy/news/maersk-wants-run-patenga-container-terminal-2967041>

South Korea keen to invest in various sectors in Bangladesh

- Ambassador of the Republic of Korea Lee Hang-Keun has expressed his country's interests in investing in other industrial sectors here apart from the readymade garment (RMG) for mutual benefits of both the countries. Efforts are being made to increase Korean investment in other sectors besides the readymade garment sector.

<https://thefinancialexpress.com.bd/economy/bangladesh/south-korea-keen-to-invest-in-various-sectors-in-bangladesh-1645430585>

First Park for electrical, engineering products nearing completion

- The construction of the country's first industrial park for electrical and light engineering product manufacturers in Munshiganj is set to be complete in June. Bangladesh Small and Cottage Industries Corporation (BSCIC) is implementing the project under a BDT 309.59 crore project.
- The project aims to bring electrical and light engineering product manufacturers that have sprung up in an unplanned way across the country under a single platform. Half of plots will go to electrical product makers and the rest to light engineering product manufacturers.

<https://www.thedailystar.net/business/economy/news/first-park-electrical-engineering-products-nearing-completion-2967036>

Chartered accountants propose new audit standards for SMEs

- They suggested developing a separate standard for less complex entities (LCEs) which would distinguish the standard from the ISAs by referring specifically to audits of LCEs, while also maintaining identification as a global IAASB standard. The new standard could be titled as 'International Standard on Auditing (ISA) for Audits of Financial Statements of the Less Complex Entities (ISA for LCE),' which would distinguish the standard from the ISAs by referring specifically to audits of LCEs, while also maintaining identification as a global IAASB standard.

<https://www.tbsnews.net/economy/chartered-accountants-propose-new-audit-standards-smes-373492>

Long-awaited project to complete finally

- The project undertaken in 2013 to enable smooth communication between Dhaka and the northern part of Bangladesh via the Bangabandhu Bridge would cost BDT 6,168 crore.
- The Roads and Highways Department (RHD), the implementation agency, will, however, seek an extension of the deadline for the fifth time, to December 2022 from June this year. The upgradation of the 70-kilometre road to a four-lane highway was scheduled to be completed by March 2018 at a cost of BDT 2,788 crore. The fourth revision saw the expenditure go up to BDT 6,214 crore and the tenure extend to June 2022.

<https://www.thedailystar.net/business/economy/news/long-awaited-project-complete-finally-2967611>

Cabinet approves draft law for protection of deposits at financial institutions

- As per the draft law, the NBFIs will have to provide clients with compensation up to BDT 200,000 if they go bust and fail to provide security for their deposits. Revisions have been made in the existing law and enacted the Bank Deposit Protection Act 2022. Previously, it was Bank Deposit Insurance Act, now it will be a protection law. It was only applicable for banks before, not for the financial companies. 'Banks' have been replaced by 'banks and financial companies.'
- Anyone doing national financial transactions now will have to be registered with Bangladesh Bank, regardless of under whose name it is being done. A specific amount of the total paid-up capital has to remain in the central bank deposit as per the rule defined by it. The Bangladesh Bank has set a cash reserve ratio or CRR of 4 percent for the listed banks. A fresh CRR has to be set now for the finance companies outside banks. Different leasing companies and financial institutions outside banks that carry out trade deposits will fall under the law.

<https://thefinancialexpress.com.bd/economy/cabinet-approves-draft-law-for-protection-of-deposits-at-financial-institutions-1645379713>

60% of agri credit target achieved in Jul-Jan

- Banks disbursed BDT 17,055 crore, which is 60.07% of the sector's annual target and 6.26% up from a year earlier, according to the latest report by the Bangladesh Bank. The disbursement target for fiscal 2021-22 has been set at BDT 28,391 crore. In the July-January period of fiscal 2020-21, the disbursement was BDT 14,149 crore, which was 53.81% of the annual target for the agricultural sector.
- During 7MFY22, loan recovery from the agricultural sector stood at BDT 15,465 crore, which was 4.25% lower compared to the corresponding period of the previous fiscal year. As of Jan'22, outstanding agricultural loans has reached BDT 48,355 crore and classified loans stood at BDT 3,940 crore, which is 8.15% of the outstanding amount.

<https://www.tbsnews.net/economy/banking/60-agri-credit-target-achieved-jul-jan-373564>

Nagad-linked investors desperate for multipurpose NBFi licence

- A group of investors linked with mobile financial service operator Nagad Ltd have turned desperate to obtain a multipurpose licence that does not exist in Bangladesh. Turned down twice by Bangladesh Bank in the past three months, they have approached the central bank again with an almost similar application.
- The proposed company's name has been changed from Amar Fintech Ltd to Nagad Finance Ltd. Financial experts are not in favour of a hybrid financial institution. Financial experts are not in favour of a hybrid financial institution. They instead recommend adopting more regulations for the 34 companies in the NBFi sector.

<https://www.thedailystar.net/business/economy/news/nagad-linked-investors-desperate-multipurpose-nbfi-licence-2967626>

Govt resets knitwear wastage rate up to 32pc

- The government has revised the maximum wastage rate for the knitwear subsector in producing apparel products, from yarns to fabrics and fabrics to garments, to up to 32%. The commerce ministry has gone for the upward revision of the wastage rate just after two months of setting the depreciation rate up to 30% on December 19.
- Knitwear makers however opposed the decision and sent a letter to the commerce minister demanding the maximum depreciation rate up to 35%.

<https://www.newagebd.net/article/163293/govt-resets-knitwear-wastage-rate-up-to-32pc>

Commerce wants VAT cut on non-cotton yarns to BDT 3 per kg

- Currently, the revenue board collects BDT 3 in VAT on sales of 1kg cotton yarns and BDT 6 for non-cotton yarns. To meet growing local demand for non-cotton yarns, the ministry has finally sent a recommendation to NBR Chairman for lowering VAT on non-cotton yarn sales to BDT 3 per kg.
- The local apparel market is also quite large and stands at around USD 8 billion and non-cotton items account for 22% of it. If the VAT on sales of yarns made from artificial and manmade fibres are lowered to BDT 3 per kg, the use of such yarns will increase, reducing dependence on costly cotton yarns.

<https://www.tbsnews.net/economy/commerce-wants-vat-cut-non-cotton-yarns-BDT3-kg-373576>

BDT 1,059cr project in the offing to build 5G network

- The government is undertaking a BDT 1,059 crore project to develop an optical fibre transmission network with a view to building 5G infrastructure all over Bangladesh. It aims to raise the data transmission speed to 100 gigabits per second (Gbps) at upazila levels, according to a project proposal of the planning ministry. The project will be implemented by state-owned Bangladesh Telecommunications Company Ltd (BTCL) by December 2024.
- The project will improve and expand BTCL's optical fibre transmission network, said the managing director of BTCL. He added that bandwidth sold by BTCL has risen to 475 gigabytes per second from 137 GBPS in 2019. The fund of the project will be used to procure and install telecommunication and electrical equipment and establish 146 underground optical fibre cable links with a combined length of 3,144 kilometres.

<https://www.thedailystar.net/business/economy/news/tk-1059cr-project-the-offing-build-5g-network-2967616>

Four firms to invest USD 50m in BEPZA Economic Zone

- The investors-- three foreign companies and a local one-- will manufacture garment, camping and footwear accessories in the industrial park of Mirsharai, generating employment for over 23,000 people. Sri Lankan Univogue Garments Company will set up a unit with an investment of USD 36.49 million to produce woven items.

- China's Fengqun Composite Material will establish a shoe accessories factory with an investment of USD 2.22 million to produce foam, foam PU insole, lamination goods, footwear items and packaging items. Campex (BD) Limited, a USA-owned enterprise, will set up a tent, tent accessories and outdoor garment manufacturing unit with an investment of USD 10 million. Bangladeshi company TexTrim Labels will set up a garment accessories and paper converting unit investing USD 1.27 million.

<https://today.thefinancialexpress.com.bd/trade-market/four-firms-to-invest-50m-in-bepza-economic-zone-1645287069>

Funding dev projects on backburner

- Dhaka has looked to a concrete response from Beijing over the last couple of years regarding the top- priority five projects. "Beijing has assured us of providing USD 276 million worth of loan for Rajshahi WASA project and another USD125 million for bankrolling the Six TV Stations Improvement project of Bangladesh Television," another MoF official said.
- The three other projects in the queue for financing are: Establishing digital connectivity with the proposed USD400- million support from China, Mongla port jetty installation project with the proposed USD353 million support, and the water supply and distribution system from Dasherbandi water- treatment plant.
- Dhaka WASA has already set up the Dasherbandi sewage-treatment plant by borrowing USD273.4 million from Chinese EXIM bank, without installing the relevant supply and distribution system. China signed a USD1.13 billion worth of loan deal in October last year for constructing the Dhaka-Ashulia elevated expressway, one of the megaprojects the neo-rich Asian country helps in Bangladesh, including the iconic Padma Bridge.

<https://today.thefinancialexpress.com.bd/first-page/funding-dev-projects-on-backburner-1645290196>

Economic trend promising, but inflation worries remain: DCCI

- "Export earnings grew by more than 28% during the period. Imports and revenue collection also increased by 54% and 17% respectively," Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry (DCCI) said. The rise in daily commodity prices to be the reason for the increase of the government's revenue collection.
- FDI accounts for only 0.61% of the country's gross domestic product (GDP), while in Vietnam it is 6.2%. The rate is also below that of India and Indonesia where the rate is respectively 2.2% and 1.76%. The DCCI article added that although the overall unemployment rate in the country is 5.3%, the unemployment rate among the educated is 47%.

<https://www.tbsnews.net/economy/economic-trend-promising-inflation-worries-remain-dcci-373063>

SMEs want change in definition so large peers can't get their benefits

- An enterprise in the manufacturing sector should be categorised as a medium industry if the value of its fixed assets except land and buildings is more than BDT 10 crore but less than BDT30 crore, adding those with fixed assets worth BDT30 crore and above should be categorised as large industries. According to the existing industrial policy, a manufacturing enterprise is categorised as medium if the value of its fixed assets except land and buildings is less than BDT50 crore.
- A large enterprise must have an annual turnover of at least BDT50 crore. Bangladesh Bank also have expressed the opinion to consider an enterprise as a medium industry if it employs 101-250 people. Those with 250 and above employees should be categorised as large industries. There are 78.18 lakh business establishments in the country, of which 99.93% are CMSMEs and .07% are large establishments.

<https://www.tbsnews.net/economy/industry/smes-want-change-definition-so-large-peers-cant-get-their-benefits-372667>

Europe-B'desh chamber to expand trade soon: FBCCI

- Europe-Bangladesh Chamber of Commerce (EBCC) will be formed soon to familiarise the country's products other than readymade garments (RMG) considering their market potential that will help expand bilateral trade. The apex trade body chief added the initiative to found EBCC will be implemented by July next.

<https://today.thefinancialexpress.com.bd/stock-corporate/europe-bdesh-chamber-to-expand-trade-soon-fbcci-1645287886>

When subsidies go beyond budget, direct cash transfer can be an option

- If 85 million cubic feet (MCF) of imported LNG is added to the national grid every day to meet the demand for gas in the country, the government's subsidy will stand at around BDT25,000 crore in the current fiscal year alone, which is more than six times the budgetary allocation in FY22. Import cost then will be BDT32,219 crore, which will end up at BDT44,265 crore if all other expenses are added.
- Petrobangla also submitted a proposal to the Bangladesh Energy Regulatory Commission (BERC), seeking a 117% rise in prices of locally-produced gas. From water to oil, such smart designs are needed for all subsidies in addition to expanding direct cash transfers to reach only those people who are targeted and in dire need.

<https://www.tbsnews.net/economy/when-subsidies-go-beyond-budget-direct-cash-transfer-can-be-option-372661>

Wage app to haggle with RMG buyers

- BGMEA and BKMEA will introduce a wage app that will help local garment factories to negotiate better price with buyers keeping the floor costs, mostly wage and other benefits of workers. The move came as part of BGMEA and BKMEA's previous effort to set minimum benchmark price and manufacturing cost of readymade garment (RMG) items to ensure ethical prices from global buyers and tackle unhealthy competition among local manufacturers.
- The app will help member factories calculate their floor costs mostly when wages are enhanced, and other benefits provided to them (workers). They can also bargain with their respective buyers better as they would know the production cost of an item including the wage issues which usually are not considered in times of negotiation.

<https://today.thefinancialexpress.com.bd/last-page/wage-app-to-haggle-with-rmg-buyers-1645291318>

Khulna Shipyard inks BDT 423cr deal to make 4 dredgers for BIWTA

- Khulna Shipyard Limited has recently signed an agreement with Bangladesh Inland Water Transport Authority (BIWTA) to build four cutter suction dredgers at a cost of BDT423 crore within the next one and half years. It will also be the first among the three government shipyards in the country to build such dredgers.
- So far, it has made 770 ships for different public and private organizations. It posted a turnover of BDT780 crore in FY21 amid the raging Covid-19 pandemic. It has built 11 warships for the Bangladesh Navy so far. Khulna Shipyard can build steel and aluminum ships up to 90m in length and 700 tones capacity. Currently, BIWTA has 45 dredgers.

<https://www.tbsnews.net/bangladesh/infrastructure/khulna-shipyard-inks-tk423cr-deal-make-4-dredgers-biwta-373048>

Important News: Capital Market

Lub-rref posts 21% surge in half-yearly profits

- Lub-rref (Bangladesh) Limited, lubricant producer under the BNO brand, reported 21.42% higher earnings year-on-year in 1HFY22, reaching BDT 1.02 per share. Chief financial officer of the company told The Business Standard that their business grew well in the first quarter but in the second quarter, there had been some problems with raw material sourcing and that slightly hindered the timeliness of supply to the market.

<https://www.tbsnews.net/economy/stocks/lub-rref-posts-21-surge-half-yearly-profits-375025>

Olympic starts operation of new biscuit line

- Olympic Industries, the largest biscuit and confectionery maker in Bangladesh, has recently expanded its production of premium hard dough biscuits owing to the rising demand. Olympics' newly installed hard dough biscuit line, which has a production capacity of about 12,442 tonnes per annum, was successfully commissioned with effect from February 22, the listed company said in a filing on the Dhaka Stock Exchange (DSE).

<https://www.thedailystar.net/business/organisation-news/news/olympic-starts-operation-new-biscuit-line-2969226>

Firms asked to bring BDT 8,674cr negative equity to zero by Dec

- Bangladesh Securities and Exchange Commission has asked 87 brokerage houses and 29 merchant banks to bring their BDT 8,674 crore negative equity to zero by December 30. Only 27 firms, 15 brokerage houses and 12 merchant banks, hold BDT 7,500 crore or 86% of the total negative equity in the market.
- VIPB Asset management chief executive officer Shahidul Islam said that the commission should have taken such initiative long before as there was no reason for bearing the burden of negative equity for such a long time.

<https://www.newagebd.net/article/163404/firms-asked-to-bring-tk-8674cr-negative-equity-to-zero-by-dec>

UCB to form subsidiary company in Singapore

- United Commercial Bank (UCB) has decided to form a subsidiary company in Singapore for 'remittance business' subject to the regulatory approval. The company's board of directors has taken the decision, said a disclosure posted on the website of Dhaka Stock Exchange (DSE). The disclosure said the paid-up capital of the UCB's subsidiary company will be USD 0.9 million.

<https://today.thefinancialexpress.com.bd/stock-corporate/ucb-to-form-subsiary-company-in-singapore-1645544645>

Thrust on attracting local, foreign VC investment

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Venture Capital and Private Equity Association of Bangladesh (VCPEAB) will work together to develop startups and attract local & foreign venture capital investment. The announcement was disclosed during a meeting between FBCCI and VCPEAB.

<https://today.thefinancialexpress.com.bd/stock-corporate/thrust-on-attracting-local-foreign-vc-investment-1645544476>

GDSL inked deal with Green Delta Dragon Asset Management Company

- Under the agreement, Green Delta Securities Ltd. will work as the panel broker of Green Delta Dragon Asset Management Co. Ltd. Wafi Shafique Menhaz Khan, Managing Director & CEO of GDSL, and Shahbaj Talat, Managing Director & CEO of Green Delta Dragon, signed the agreement on behalf of their respective organisations.

<https://today.thefinancialexpress.com.bd/stock-corporate/gdsl-inked-deal-with-green-delta-dragon-asset-management-company-1645544448>

Dominage Steel not allowed to issue stock dividend

- Apart from the stock dividend, the company also recommended 5.0 % cash dividend for the same time period and both the dividends were approved by the shareholders in the 15th Annual General Meeting (AGM).
- Following the BSEC's notification dated August 31, 2021 an application was made to the securities regulator for final approval of stock dividend dated January 05, 2022, said a disclosure posted on the website of Dhaka Stock Exchange (DSE). Another disclosure said, Dominage Steel Building Systems has been placed in 'B' category from existing 'A' category with effect from today as the company has disbursed 5.0 % cash dividend for the year ended on June 30, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/dominage-steel-not-allowed-to-issue-stock-dividend-1645544553>

Three firms get BSEC nod for issuing bonus shares

- Saif Powertec has got the approval for issuing a 6% stock dividend for FY21. For the shareholders to avail bonus shares, the company has fixed 28 February as the record date. It had also approved a 10% cash dividend for FY21. In FY21, its consolidated earnings per share (EPS) rose by 62% to BDT 1.75 from BDT 1.08 in FY20.
- Quasem Industries got the BSEC consent to issue a 10% stock dividend. The company had approved the dividend in its annual general meeting (AGM). The record date for the dividend is 1 March.
- Advent Pharma got approval for issuing a 2% stock dividend, and the record date has been fixed for 27 February.

<https://www.tbsnews.net/economy/stocks/three-firms-get-bsec-nod-issuing-bonus-shares-374503>

Dhaka bourse goes tough against questioned quarterly disclosures

- Among the companies in question, Atlas Bangladesh Ltd widened its loss by a staggering 67%. The state-run two-wheeler seller posed a BDT1.89 crore loss in 2QFY22 compared to BDT 1.13 crore in 1QFY22. In 1QFY22, its net sale was BDT7.30 crore but the figure dropped to BDT 4.90 crore in the following quarter.
- Savar Refractories Ltd, engaged in producing bricks for the local market, posted a per-share loss of BDT 0.20 despite earning a revenue of BDT 79 lakh during the period. Its auditor said the company was unable to achieve sufficient gross profit to absorb the non-production overhead cost due to poor sales, and the intensity of competition from imports and declining local demand.
- In the October-December quarter, the revenue of Fine Foods Limited stood at BDT 1.60 crore but made a net profit of BDT 5 lakh, a jump from a loss of BDT 4 lakh a year ago. Mozaffar Hossain Spinning Mills Ltd posted a net profit of BDT 7.34 crore, which is 200% higher than BDT2.44 crore in the first quarter, introduction of new ring spinning unit and full capacity utilisation at the rotor unit.
- The stock exchange also issued letters to the Hwa Well Textiles (BD) Limited, Prime Textile Spinning Mills Limited, and Walton Hi-Tech Industries PLC in this regard.

<https://www.tbsnews.net/economy/stocks/dhaka-bourse-goes-tough-against-questioned-quarterly-disclosures-374521>

DSE seeks tax waiver for interest earnings from bonds, Sukuk

- Dhaka Stock Exchange Limited has proposed that the government offer investors exemption from income tax on interest earnings from bond and Sukuk investments in the forthcoming national budget for the fiscal year 2022-2023.
- DSE officials said that the size of corporate bond in the country was very small, but tax exemption for interest from bond might vibrant the local bond market. They also demanded a reduction in the corporate tax rate of listed companies from the existing 22.50% to 17.50%.
- DSE officials also proposed extending the limit of income from dividend received from a listed company up to BDT 2.50 lakh to attract the small investors. DSE also demanded reducing the source tax from the TREC holders at maximum 0.15% on the value of transaction. The bourse proposed a concessional tax rate at 10 per cent for the listed SME companies for a period of five years from the date of listing on the SME board of the stock exchanges. It also proposed reducing tax on dividend income of corporate shareholders at 10% from the existing 20% per cent.

<https://www.newagebd.net/article/163296/dse-seeks-tax-waiver-for-interest-earnings-from-bonds-sukuk>

Bourses asked to report on OTC cos' share demat status

- Bangladesh Securities and Exchange Commission has asked the Dhaka Stock Exchange and the Chittagong Stock Exchange to submit reports about status of dematerialisation process of the share trading on the over-the-counter market or companies to be traded on the small capital platform and alternative trading board.
- There were 60 companies under the DSE's OTC market as on October 1, 2020. Earlier on September 16, the BSEC abolished the OTC market and sent 23 OTC companies to small capital platform and 18 companies to alternative trading board of the country's stock exchanges. Nineteen other companies would be delisted from the market in accordance with the BSEC's December 28, 2020 exit plan directive.

<https://www.newagebd.net/article/163295/bourses-asked-to-report-on-otc-cos-share-demat-status>

AB Bank's bond subscription time extended until May 22

- As per earlier schedule, the bank's bond subscription was held between January 30 and February 17, aiming to raise BDT 600 million. The subscription period of the bond has been extended as per Bangladesh Securities and Exchange letter dated February 16, said the bank in a filing with the Dhaka Stock Exchange (DSE) on Sunday. Participating eligible investors shall be required to pay full subscription amount and subscription fee is BDT 3,000 in the prescribed bank as of May 22.
- Earlier on November 23, 2021, BSEC accorded its consent to AB Bank for raising Additional Tier-I (AT-I) capital through issuance of Perpetual Bonds of BDT 6.0 billion. Of the BDT 6.0 billion, BDT 5.40 billion will be issued through private placement and the remaining BDT 600 million under the public offering, as per the BSEC approval.

<https://thefinancialexpress.com.bd/stock/ab-banks-bond-subscription-time-extended-until-may-22-1645432572>

Kay & Que plans to get into LPG filling, food business

- "Along with the existing CNG station, we want to add LPG filling and fuel filling services on our premise, which will make us a one-stop station for all types of vehicles," said Abdul Awal Mintoo, chairman of the company, in its annual report for fiscal 2020-21. Also, speaking on condition of anonymity, a senior official at Kay and Que (Bangladesh) Ltd, said the company board has not yet finalised its decision on opening a food business. But it is now assessing the food market.

- Besides, the listed company is going to amalgamate with MultiSourcing Ltd, an ICT-based firm, with the hope that income from the ICT wing will boost the company's overall profit performance which will subsequently make a positive impact on the shareholders' interest. The High Court already endorsed the amalgamation, but the Bangladesh Securities and Exchange Commission (BSEC) moved a petition against approval.

<https://www.tbsnews.net/economy/stocks/kay-que-plans-get-lpg-filling-food-business-373996>

National Tea plans to raise paid-up capital by issuing right shares

- The tea manufacturer has recently sought approval from the Bangladesh Securities and Exchange Commission (BSEC). In the July-December period of 2021, the net profit of the company was BDT 5.72 crore, up from BDT 1.59 crore a year earlier. In this situation, the company will be able to increase its paid-up capital by issuing rights shares if the stock market regulator provides legal exemptions for the company. The company will take the next decision after getting approval from the stock market regulator.

<https://www.tbsnews.net/economy/stocks/national-tea-plans-raise-paid-capital-issuing-right-shares-373555>

UCB to float its second perpetual bond

- UCB's 2nd Perpetual Bond will be an unsecured, non-cumulative bond without any tenure. But, in certain circumstances, the bond may be recalled by the issuer with regulatory approval. Also, in cases of equity shortfall, the bank can convert part of the bonds into its equity. UCB issued its first perpetual bond worth BDT 400 crore last year.

<https://www.tbsnews.net/economy/stocks/ucb-float-its-second-perpetual-bond-373963>

Four listed companies allowed to issue stock dividend

- The companies are SAIF Powertec, Associated Oxygen, Intraco Refueling Station and Kay & Que (Bangladesh). SAIF Powertec will issue 6.0 % stock dividend for the year ended on June 30, 2021 and the record date for entitlement of such dividend is February 28 this year. Associated Oxygen has received the BSEC's consent to issue 7.0 % stock dividend for the year ended on June 30, 2021 and the record date for the entitlement of such dividend is March 2, 2022.

- Intraco Refueling Station will issue 8.0 % stock dividend for the year ended June 30, 2021. The company has fixed the record date on March 1, 2022. Kay & Que (Bangladesh) has received the BSEC's consent to issue 5.0 % stock dividend for the year ended June 30, 2021. The company has also informed that the record date is February 28, 2022, for entitlement of the aforesaid bonus shares.

<https://thefinancialexpress.com.bd/stock/four-listed-companies-allowed-to-issue-stock-dividend-1645430714>

Why BDBL is selling Investment Corporation shares

- After selling 100,000 shares of the Investment Corporation of Bangladesh (ICB) in January, its corporate director the Bangladesh Development Bank Ltd (BDBL) last week announced offloading of another 1.0 million ICB shares on the public market.
- BDBL is pursuing its approved plan to sell more than 10.0 million ICB shares out of its total holding of 206,538,492 (25.63% of total) in phases. The development bank is reducing its stake in the Investment Corporation in a move to comply with the ICB Act 2014 which does not allow it to hold more than 24% of ICB shares.
- A senior BDBL official told The Business Standard that the bank would enjoy flexibility in offloading its stake. The divestment would partially helping ICB to ensure 10% free-float shares. Free float shares represent 3.2% of holdings. BDBL, Sonali Bank, Agrani Bank, Janata Bank and Sadharan Bima Corporation collectively own 69.8% stake.

<https://www.tbsnews.net/economy/stocks/why-bdbl-selling-investment-corporation-shares-373990>

BSEC asks 5 banks to take steps for IPO

- The five banks are Meghna Bank, Midland Bank, Modhumoti Bank, NRB Bank and Shimanto Bank Limited. The BSEC letters sent to the five banks said that the banks had been in business in the country for a long time without complying with the Bangladesh Bank's condition.
- Therefore, the banks are asked to inform the BSEC after taking necessary steps on offloading shares on the stock market. The BSEC did not issue any letter to Padma Bank, formerly known as Farmers Bank, to get enlisted with the stock exchanges.

<https://www.newagebd.net/article/163207/bsec-asks-5-banks-to-take-steps-for-ipo>

3 firms' profits, shares rise unusually based on 'rumours'

- Much before their stock exchange filings, investors turned to Anwar Galvanising, Sonali Paper, and Fortune Shoes for high returns after a message had spread that the companies would come up with a hefty profit. In June-September last year, Anwar Galvanising's share price jumped by 422% to BDT483 each, according to the Dhaka Stock Exchange (DSE).
- The GI fittings manufacturer reported a 64% profit rise from its core business while the figure was way higher at 103% from stock returns. Its profit from GI fittings fell 9%, still, the company reported a 380% growth in its EPS to BDT 7.63.
- In the six months through December, Sonali Paper earned BDT17.75 crore from its core business while its gains from stock investments were BDT17.84 crore. As a result, the company's total profit increased by 578%. Fortune Shoes had earnings of BDT18 crore and BDT19.39 from its core business and stock market returns, respectively, which drove its total profit up by 222%.

<https://www.tbsnews.net/economy/stocks/3-firms-profits-shares-rise-unusually-based-rumours-373060>

Fortune Shoes nets more profit from risky stock investment

- Fortune Shoes earned more money from its stock market investment than its core business of footwear selling in the first half of the current financial year. Fortune Shoes earned more money from its stock market investment than its core business of footwear selling in the first half of the current financial year. It logged in profit before tax of BDT 18 crore from its shoe operation whereas BDT 19.39 crore came from the stock market investment.
- The portfolio of Fortune Shoes seems it has the intention of participating in manipulation. In the last eight months, stocks of Sonali Paper surged 267 % to BDT 724, Genex Infosys climbed 160 % to BDT 159, Bangladesh National Insurance rocketed 529 % to BDT 106, and Asia Insurance rose 464 % to BDT 97, DSE data showed.

<https://www.thedailystar.net/business/organisation-news/news/fortune-shoes-nets-more-profit-risky-stock-investment-2966151>

Regulator scraps Dominage Steel's stock dividend proposal

- The market regulator turned down a proposal of a 5% stock dividend by Dominage Steel Building Systems last week – to protect the interest of its investors. It recommended a 10% dividend – 5% cash and 5% stock – for the last fiscal year that ended in June 2021.
- The company, engaged in the prefabricated steel structure business, had raised BDT30 crore from stock exchanges through an initial public offering (IPO) in August 2020. It could not use the IPO funds due to the Covid-19 pandemic even after taking approval from its shareholders and the regulator. In this situation, the stock dividends will not be an effective way for business.

<https://www.tbsnews.net/economy/stocks/regulator-scraps-dominage-steels-stock-dividend-proposal-373009>

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