

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.06%) lost -4.03 points and closed the week at 7,023.52 points. The blue-chip index DS30 (-0.38%) lost -10.00 points and stood at 2,592.34 points. The Shariah-based index DSES (+0.28%) gained 4.27 points and stood at 1,504.25 points. The large cap index CDSET (-0.46%) lost -6.41 points and closed at 1,397.47 points. DSEX, DS30, DSES and CDSET showed YTD returns of +3.95%, +2.36%, +5.11%, +2.82%, respectively.

Total Turnover During the Week (DSE): BDT 64.3 billion (USD 748 million)

Average Daily Turnover Value (ADTV): BDT 12.9 billion ($\Delta\%$ Week: +4.5%)

Market P/E: 17.2x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started this week negatively (-0.51%) and continued to perform negatively on the following day as well. It fell (0.93%) on Monday. But it gained (1.03%) on Tuesday and remained positive on Wednesday (+0.27%). At the end market closed positively on Thursday (+0.1%).

Sectoral Performance

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 2.50% followed by Bank (+0.61%), and Mutual Fund (+0.09%). NBFI experienced the highest loss of 5.16% followed by Life Insurance (-1.74%).

- Non-financial sectors posted mixed performance this week. Telecommunication booked the highest gain of 1.09% followed by Pharmaceutical (+0.30%). Food & Allied experienced the highest loss of 0.86% followed by Fuel & Power (-0.67%), and Engineering (-0.38%).

Macroeconomic arena

- Jan remittance rises to support reserves. BD picks US co to negotiate deal. Four firms get nod to invest abroad. Goods exports post 41% growth in January. Forex earnings growing on exports, remittances. 'Export target of USD51b attainable through product diversification'. Private credit flow rises further in Dec. Trade deficit widens to USD 15.62b in July-Dec.

- Business recovery drives up VAT collection from large taxpayers. Investment proposals rise in Oct-Dec. Delta Plan investment on rise, govt meets to form fund on Monday. Lending rate rise widens interest spread. NBR seeks budget proposals from trade bodies, professionals. Government expenditure as fertilizer subsidy quadruples in FY22. FBCCI for just 5 registration requirements to start a business. McDonald Steel first to begin production. Two state jute mills leased to private sector.

- ICT businesses seek scope for investing abroad. ICT Division wants corporate tax waiver for IT sector till 2030. Freelancers to get 4% incentive for export of software, IT-enabled services. Merchant banks for cut in corporate tax rate to 15% for listed companies. 84% rural entrepreneurs availed BDT 220cr stimulus loan.

Stock Market arena

- DSE considering using MFS accounts to bring in new investments. Stock investors can now crosscheck portfolios. Listed govt firms post mixed performances in Q2 F22. Listed textile makers' profits more than double. Businesses lose USD 1.75b in three months due to gas crisis: BTMA. Top drugmakers keep growth trajectory in H1. Electricity companies feeling the pinch as plants shut. Cement industry suffers as profitability keeps squeezing. Paper business recovering from pandemic shocks. Foreign funds in stocks drop.

- Confidence group gets govt nod for 660MW power plant. Submarine Cable Company's profit jumps 57% as internet use surges. BD Building Systems price jumps 53% in a week. Alltex shares jump 19% on sudden profit, 1% dividend. Square Textiles' profit surges six times. Krishibid Seed allowed to raise BDT 11.6cr thru QIO. LafargeHolcim to pay 25% cash dividend. Olympic earnings fall to 6-year low. Renata profits BDT275cr in H1. GPH Ispat's profit soars 36%. EPS of Maksons Spinning rises.

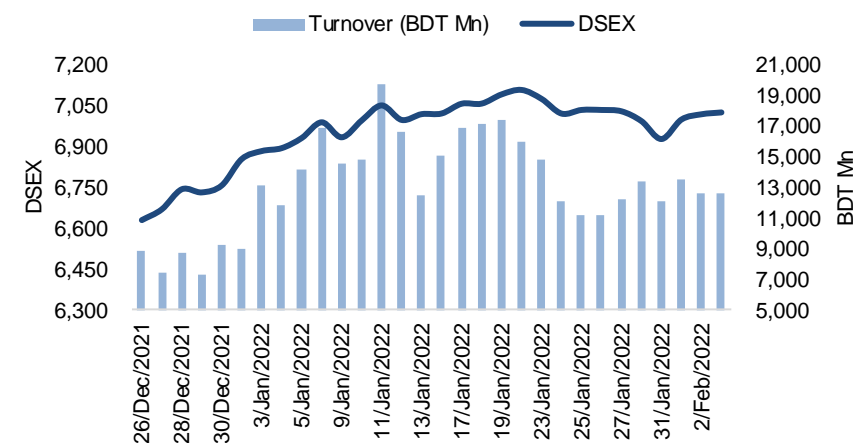
Table 1: Index

| Index | Closing* | Opening* | Δ (Pts) | 30-Dec-2020 | $\Delta\%$ Week | $\Delta\%$ YTD |
|-------|----------|----------|----------------|-------------|-----------------|----------------|
| DSEX | 7,023.52 | 7,027.55 | -4.03 | 6,756.66 | -0.06% | +3.95% |
| DS30 | 2,592.34 | 2,602.34 | -10.00 | 2,532.58 | -0.38% | +2.36% |
| DSES | 1,504.25 | 1,499.97 | +4.27 | 1,431.12 | +0.28% | +5.11% |
| CDSET | 1,397.47 | 1,403.88 | -6.41 | 1,359.13 | -0.46% | +2.82% |

Table 2: Market Statistics

| | | This Week | Last Week | % Change |
|------------------------|------------|-----------|-----------|----------|
| M cap | M n BDT | 5,621,827 | 5,629,030 | -0.1% |
| | M n USD | 65,370 | 65,454 | |
| Turnover | M n BDT | 64,289 | 61,493 | +4.5% |
| | M n USD | 748 | 715 | |
| Average Daily Turnover | M n BDT | 12,858 | 12,299 | +4.5% |
| | M n USD | 150 | 143 | |
| Volume | M n Shares | 1470 | 1211 | +21.4% |

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 |
|--------------|--------|-------|--------|--------|------------|-------|------|
| UNIONINS | 40.9 | 25.6 | +59.8% | 1,980 | 1.8 | 31.9x | 2.7x |
| BDTHAIFOOD | 23.3 | 14.6 | +59.6% | 1,899 | 0.7 | 43.8x | 1.6x |
| BBS | 30.2 | 22.0 | +37.3% | 4,920 | 1,607.7 | 56.5x | 2.0x |
| YPL | 21.9 | 17.7 | +23.7% | 1,614 | 402.8 | NM | 2.0x |
| NPOLYMER | 63.9 | 52.1 | +22.6% | 4,664 | 1,249.8 | 19.0x | 2.3x |
| ALLTEX | 22.0 | 18.7 | +17.6% | 1,231 | 139.6 | NM | 3.7x |
| ACMEPL | 34.2 | 29.1 | +17.5% | 4,617 | 341.0 | 19.4x | 2.0x |
| UNIONBANK | 14.0 | 12.1 | +15.7% | 13,817 | 1,845.8 | 13.2x | 0.9x |
| KTL | 33.2 | 29.4 | +12.9% | 3,861 | 304.5 | 70.5x | 1.9x |
| RUPALILIFE | 78.8 | 69.8 | +12.9% | 2,365 | 342.9 | NM | NM |

Table 4: Top Ten Losers

| Company Name | Close* | Open* | Δ% | Mcap** | Turnover** | PE | PB |
|--------------|---------|---------|--------|---------|------------|-------|------|
| SAMORITA | 92.5 | 112.5 | -17.8% | 1,746 | 146.3 | 43.2x | 1.8x |
| HFL | 23.4 | 26.7 | -12.4% | 2,131 | 154.4 | NM | 0.6x |
| ICB | 127.0 | 143.1 | -11.3% | 102,339 | 158.5 | 53.2x | 2.3x |
| EASTRNLUB | 2,257.7 | 2,521.3 | -10.5% | 2,693 | 74.6 | 54.7x | 9.8x |
| MALEKSPIN | 30.7 | 33.9 | -9.4% | 5,944 | 736.7 | 7.2x | 0.6x |
| NATLIFEINS | 205.6 | 226.9 | -9.4% | 22,312 | 307.9 | NM | NM |
| SIMTEX | 17.7 | 19.4 | -8.8% | 1,409 | 64.6 | 27.6x | 0.8x |
| DSHGARME | 167.7 | 183.7 | -8.7% | 1,264 | 67.2 | NM | 8.4x |
| ACTIVEFINE | 25.5 | 27.8 | -8.3% | 6,118 | 304.1 | NM | 12x |
| SAFKOSPINN | 24.2 | 26.3 | -8.0% | 726 | 140.0 | 5.1x | 1.1x |

Table 5: Top Ten Most Traded Shares

| Company Name | Close* | Open* | Δ% | Mcap** | Turnover** | PE | PB |
|--------------|--------|-------|--------|---------|------------|-------|------|
| BEXIMCO | 151.1 | 153.5 | -1.6% | 132,412 | 4,502.4 | 10.6x | 1.8x |
| BSC | 134.8 | 131.3 | +2.7% | 20,562 | 2,971.5 | 15.9x | 2.1x |
| UNIONBANK | 14.0 | 12.1 | +15.7% | 13,817 | 1,845.8 | 13.2x | 0.9x |
| ORIONPHARM | 103.9 | 106.0 | -2.0% | 24,313 | 1,786.7 | 26.0x | 1.3x |
| LHBL | 78.0 | 75.3 | +3.6% | 90,587 | 1,770.0 | 23.4x | 4.6x |
| BBS | 30.2 | 22.0 | +37.3% | 4,920 | 1,607.7 | 56.5x | 2.0x |
| RAK CERAMIC | 55.1 | 58.5 | -5.8% | 23,581 | 1,437.9 | 26.0x | 3.1x |
| QUEENSOUTH | 34.9 | 32.6 | +7.1% | 5,024 | 1,314.5 | 21.7x | 2.3x |
| NPOLYMER | 63.9 | 52.1 | +22.6% | 4,664 | 1,249.8 | 19.0x | 2.3x |
| POWERGRID | 68.1 | 70.2 | -3.0% | 48,537 | 1,191.8 | 13.9x | 0.5x |

Table 6: Most Appreciated YTD in BRAC EPL Universe

| Company Name | Close* | YTD %Δ | Mcap** | PE | PB |
|--------------|---------|--------|---------|-------|------|
| SQUARETEXT | 66.7 | +27.8% | 13,157 | 9.1x | 1.6x |
| GHAL | 20.3 | +23.0% | 4,382 | NM | 1.4x |
| TITASGAS | 41.6 | +14.6% | 41,152 | 12.1x | 0.6x |
| POWERGRID | 68.1 | +14.3% | 48,537 | 13.9x | 0.5x |
| ROBI | 38.9 | +12.4% | 203,756 | 88.7x | 3.1x |
| DOREENPWR | 75.6 | +11.5% | 12,226 | 8.9x | 1.6x |
| LINDEBD | 1,761.0 | +11.5% | 26,799 | 21.4x | 4.7x |
| BBSCABLES | 62.2 | +11.3% | 12,541 | 14.7x | 1.9x |
| LHBL | 78.0 | +9.7% | 90,587 | 23.4x | 4.6x |
| IBNSINA | 297.6 | +9.7% | 9,298 | 16.6x | 4.0x |

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Table 7: Sector Indices

| Sector Name | Week Close* | Week Open* | Year Open* | Δ% Week | Δ% YTD |
|------------------------|-------------|------------|------------|---------|---------|
| Bank | 1,625.1 | 1,615.2 | 1,589.69 | +0.61% | +2.23% |
| NBFI | 2,379.9 | 2,509.4 | 2,327.63 | -5.16% | +2.25% |
| Mutual Fund | 894.9 | 894.1 | 882.99 | +0.09% | +1.35% |
| General Insurance | 4,534.9 | 4,424.5 | 4,698.62 | +2.50% | -3.48% |
| Life Insurance | 2,860.1 | 2,910.8 | 2,687.55 | -1.74% | +6.42% |
| Telecommunication | 6,096.8 | 6,031.0 | 5,800.37 | +1.09% | +5.11% |
| Pharmaceutical | 3,984.9 | 3,972.9 | 3,866.63 | +0.30% | +3.06% |
| Fuel & Power | 1,896.3 | 1,909.2 | 1,792.97 | -0.67% | +5.77% |
| Cement | 2,759.8 | 2,703.9 | 2,534.76 | +2.07% | +8.88% |
| Services & Real Estate | 1,474.1 | 1,489.3 | 1,309.43 | -1.01% | +12.58% |
| Engineering | 4,744.4 | 4,762.7 | 4,727.46 | -0.38% | +0.36% |
| Food & Allied | 26,186.7 | 26,412.5 | 25,222.81 | -0.86% | +3.82% |
| IT | 3,262.4 | 3,197.8 | 3,274.61 | +2.02% | -0.37% |
| Textile | 1,616.4 | 1,639.4 | 1,470.60 | -1.40% | +9.92% |
| Paper & Printing | 9,427.8 | 9,201.0 | 9,680.03 | +2.47% | -2.61% |
| Tannery | 3,678.9 | 3,843.1 | 3,236.76 | -4.27% | +13.66% |
| Jute | 8,513.2 | 8,563.6 | 8,747.84 | -0.59% | -2.68% |
| Ceramics | 792.1 | 830.4 | 675.88 | -4.61% | +17.20% |
| Miscellaneous | 4,751.7 | 4,764.6 | 4,625.39 | -0.27% | +2.73% |

Table 8: Sector Trading Matrix

| Sector Name | Daily average this Week | Daily average last Week | % Change | % of Total Turnover | PE | PB |
|------------------------|-------------------------|-------------------------|----------|---------------------|-------|-------|
| Bank | 914.2 | 522.2 | +75.08% | +7.35% | 8.2x | 0.9x |
| NBFI | 397.6 | 366.4 | +8.49% | +3.19% | NM | 4.2x |
| Mutual Fund | 71.2 | 58.4 | +21.80% | +0.57% | NM | 0.8x |
| General Insurance | 700.8 | 738.7 | -5.14% | +5.63% | 20.7x | 2.2x |
| Life Insurance | 565.9 | 454.9 | +24.40% | +4.55% | NM | NM |
| Telecommunication | 114.6 | 207.0 | -44.66% | +0.92% | 18.6x | 5.7x |
| Pharmaceutical | 1,313.4 | 1,348.2 | -2.58% | +10.55% | 18.6x | 2.7x |
| Fuel & Power | 740.7 | 923.7 | -19.80% | +5.95% | 12.1x | 1.3x |
| Cement | 411.7 | 155.7 | +164.50% | +3.31% | 20.2x | 2.8x |
| Services & Real Estate | 438.7 | 409.6 | +7.11% | +3.53% | NM | 1.1x |
| Engineering | 1,702.9 | 1,024.6 | +66.20% | +13.68% | 18.8x | 2.0x |
| Food & Allied | 720.5 | 1,005.1 | -28.32% | +5.79% | 31.4x | 9.3x |
| IT | 383.3 | 290.7 | +31.85% | +3.08% | 33.2x | 2.9x |
| Textile | 1,510.3 | 1,486.9 | +1.57% | +12.14% | 30.1x | 1.1x |
| Paper & Printing | 188.1 | 308.2 | -38.96% | +1.51% | NM | 2.3x |
| Tannery | 305.5 | 502.4 | -39.19% | +2.46% | NM | 3.9x |
| Jute | 5.0 | 9.7 | -48.78% | +0.04% | NM | 24.4x |
| Ceramics | 327.7 | 320.9 | +2.10% | +2.63% | 34.5x | 2.2x |
| Miscellaneous | 1,632.0 | 1,782.2 | -8.43% | +13.11% | 15.0x | 2.4x |

Table 9: Least Appreciated YTD in BRAC EPL Universe

| Company Name | Close* | YTD %Δ | Mcap** | PE | PB |
|--------------|---------|--------|---------|-------|------|
| WALTONHIL | 1,060.8 | -7.7% | 321,346 | 22.2x | 3.4x |
| BANKASIA | 20.3 | -6.9% | 23,668 | 9.5x | 0.9x |
| PIONEERINS | 110.2 | -5.7% | 8,483 | 14.4x | 2.2x |
| BATASHOE | 914.5 | -5.4% | 12,510 | NM | 3.6x |
| MTB | 19.0 | -3.1% | 15,437 | 26.9x | 0.9x |
| PADMAOIL | 208.0 | -2.1% | 20,432 | 8.8x | 1.2x |
| MPETROLEUM | 192.7 | -2.1% | 20,853 | 7.2x | 1.1x |
| OLYMPIC | 157.4 | -2.0% | 31,470 | 18.7x | 3.5x |
| ENVOYTEX | 48.0 | -1.8% | 8,051 | 30.6x | 1.2x |
| JAMUNA OIL | 168.4 | -1.6% | 18,596 | 9.9x | 0.9x |

Important News: Business & Economy

Four firms get nod to invest abroad

- The Bangladesh Bank has given permission to four private business entities to invest USD10 million in foreign countries, in a major leap forward for reining in capital flight alongside easing global marketing of local products. One of the permitted companies, Square Pharmaceuticals Limited, a subsidiary of Square Group, will invest USD1 million in The Philippines, opening up an opportunity for the company to gain a foothold in the import-dependent USD6 billion pharmaceutical market – the third largest in the Asean region.
- Besides, Renata will also make an investment amounting to USD5 million in the United Kingdom for the same target. ACI Pharmaceuticals, with the central bank's permission on a case-to-case basis, invested USD100 million in 2015 to grab a huge drug market in the United States. Another company that secured the seal of approval is Bangladesh Steel Re-Rolling Mills Ltd (BSRM) will invest USD0.5 million to enhance its paid-up capital in its existing subsidiary in Hong Kong.
- Colombia Garments Limited, a subsidiary of M&J Group - a leading global manufacturer specialised in jeans production, was given permission to invest USD1.5 million in Hong Kong for procurement and business promotion.

<https://www.tbsnews.net/economy/four-firms-get-nod-invest-abroad-365731>

Goods exports post 41% growth in January

- The country's merchandise export earnings maintained hefty growth this January recording over 41% rise year on year following a strong rebound of apparel shipments from the pandemic-spawned recession. Bangladesh fetched USD 4.85 billion during the period in question than last year's USD 3.43 billion. Since last September, the country's single-month export earnings have been surpassing the four-billion mark. The January 2022 earnings also surpassed the target set for the month by 19.73 %.
- Besides, overall merchandise exports in 7MFY22 also grew 30.34% to USD 29.54 billion. The FY21, which fell into full flash of the pandemic, were USD 22.67 billion. Of the total, RMG sector fetched USD 23.98 billion, posting 30.3% growth than last fiscal's rate. Earnings from pharmaceutical exports stood at USD117.11 million, marking 20.93-% growth.

<https://today.thefinancialexpress.com.bd/stock-corporate/goods-exports-post-41pc-growth-in-january-1643823948>

Padma Bridge fund cut proposed

- The Bridges Division has sought BDT 10 billion lower funds than its allocation in the current development budget for the Padma Bridge project following less utilisation, officials say. It has sought BDT 24.99 billion in the upcoming revised annual development programme (RADP) instead of the current allocation of BDT 35 billion for failing to complete the targeted works in time.
- After the revised allocation for FY22, BDT 42.41 billion of the total BDT 301.93 billion project cost for the bridge will remain unspent in the terminal fiscal year (FY2023), the deadline for completing the megaproject.

<https://thefinancialexpress.com.bd/national/padma-bridge-fund-cut-proposed-1643855521>

Jute exports improve, but still in negative territory

- Earnings from jute exports, which went into free fall at the beginning of the current fiscal year, are now on the mend with prices of raw jute dropping to some extent – even though its growth still tanks 9% at the end of the July-January period. A steep rise in raw jute price, shrinking global demand and skyrocketing freight costs, which registered around 32% rise in FY21, had caused the exports to slip into the negative territory with a big margin as high as 40% in July, according to industry insiders.
- The anti-dumping duty imposed by India also played a part in dragging down export exports. Bangladesh's exports of jute goods to the neighbouring country dropped by 60% in the wake of the protective measure that took effect in 2017, they say. The jute and jute goods fetched USD 696 million in export earnings in July-January, a fall from USD 766 million in the same time a year ago.

<https://www.tbsnews.net/economy/jute-exports-improve-still-negative-territory-365728>

Merchant banks for cut in corporate tax rate to 15% for listed companies

- Merchant bankers have made a set of proposals including the reduction of corporate tax rate to 15 % for listed companies in next national budget. As per existing rules, the listed companies, other than the banks, insurers, financial institutions, tobacco companies and telecom operators pay corporate tax at a rate of 22.5%. The BMBA has also made the proposal of setting corporate tax at 25 % for the merchant bankers instead of 37.5 % to facilitate their operations.

- Presently, the stockbrokers and asset management companies pay corporate tax at the rate of 30 % and 15 % respectively. The association has urged the revenue board to consider their advance income tax (AIT), which is imposed on dividend, as final settlement to avoid double taxation. The merchant bankers made another proposal of fixing uniform VAT rate for the listed and non-listed companies as the latest ones are availing different facilities without offloading shares.

<https://today.thefinancialexpress.com.bd/stock-corporate/merchant-banks-for-cut-in-corporate-tax-rate-to-15pc-for-listed-companies-1643823911>

ISPs for revoking double taxation

- Internet service providers (ISPs) have sought steps from the government to resolve the issue of double taxation in providing advertisements to Google, facebook and other social media platforms. Banks deduct 15% VAT at the time of repatriating earnings of the global technological giants from Bangladesh, and service-seekers also have to pay 15% VAT against advertisement bills of the companies. The Internet Service Providers Association of Bangladesh (ISPAB) recently urged the National Board of Revenue (NBR) to consider VAT rebate for all types of online advertisements.
- The ISPs said now they have to pay 32.5 % VAT to avail services from Google, facebook and other social media. In a recent proposal, the ISPAB also demanded to exempt tax on ISP revenues and employee wages until 2030. The service providers also requested to consider the ISPs as IT-enabled services to enjoy tax exemption until 2024. The organisation also requested to cut tax to 5.0 % against import of ISP equipment, such as - router, switch, OLT, ONU, and fibre optic cable, etc. Once tax on dial-up modem tax was above 40%, which was cut to 5.0 % to facilitate users. Now, ONU has replaced dial-up modem, but the tax on it is still about 40 to 50 %.

<https://today.thefinancialexpress.com.bd/last-page/isps-for-revoking-double-taxation-1643826950>

Jan remittance rises to support reserves

- Remittance inflow rose further in January to relieve strain on Bangladesh's reserves, primarily as the government raised cash incentives for remitters, officials say. The money sent home by Bangladeshis working abroad amounted to USD1.70 billion in January 2022, up by USD 73.79 million from the previous month's level, according to the central bank's latest statistics, released Tuesday. In December, the remittances amounted to USD 1.63 billion. However, the inflow of remittances dropped by 13.12 % or USD257.46 million compared to that of the same period of 2021 as the expatriates sent USD1.96 billion during that period.

- The inward flow of remittance dropped by nearly 20% to USD 11.94 billion during the July-January period of the current fiscal year (FY), 2021-22, from USD 14.91 billion in the same period of the previous fiscal. Meanwhile, the government has already raised the cash incentives on inward remittance to 2.5% from 2.0% earlier, aiming to encourage the remitters to send their hard-earned money through official channels instead of the illegal "hundi" system. Effective from January 01, the new rate is a New Year's gift to the remitters from the Prime Minister, according to a statement issued by the finance ministry earlier.

<https://today.thefinancialexpress.com.bd/first-page/jan-remittance-rises-to-support-reserves-1643737658>

Forex earnings growing on exports, remittances

- Bangladesh's forex earnings keep on running on a steady lane, with both exports and remittance inflows maintaining positive growth in January this year. Last month, export earnings witnessed a 41% year-on-year growth, while remittances increased by 4.52% with many Bangladeshi expatriate workers going to overseas workplaces after the pandemic situation has turned the corner. During 7MFY22, the exports, propelled by a strong rebound of apparel shipments and shifting of many work orders from China, raked in more than USD 29 billion.
- Apparel shipments grew by 29% year-on-year in July-January, according to the Bangladesh Garment Manufacturer & Exporters Association (BGMEA). Many orders shifting to Bangladesh from China as part of sourcing diversification by importers and a trade tension between the US and China contributed to Bangladesh's export growth. Remittance inflow to the country has increased by around USD74 million or 4.52% month-on-month in January this year even though the overall receipts fell by around 13% year-on-year. Expatriates sent home USD 1.7 billion January 2022, which was USD1.63 billion in December last year. The government has set a remittance target of USD 26 billion for FY22.

<https://www.tbsnews.net/economy/forex-earnings-growing-exports-remittances-365272>

Investment proposals rise in Oct-Dec

- The value of investment proposals in the October-December period of 2021 increased by 175.23%, but the value of foreign investment proposals fell by 17.20 % in the period, according to Bangladesh Investment Development Authority data. In the three months, BIDA received proposals for investing a total of BDT 64,856 crore for 380 local and foreign companies. The proposed amount was BDT 23,563 crore for 365 industrial units in the October-December quarter in 2020.

- The BIDA data showed that the proposals for foreign investments in October-December of 2021 declined to BDT 5,009 crore from BDT 6,050 crore in the same period of 2020. It received proposals from 352 local companies for investing BDT 59,847 crore in the October-December quarter in 2021, which is 241.71 % higher than the same period of previous year. According to BIDA, the highest number of local investment proposals came for the service sector followed by chemical, textiles and agricultural industries. Regarding overseas investment, the service sector also received highest proposals followed by chemicals, engineering and textile industries. BIDA said that the investment proposals from local and foreign companies would create a total of 53,964 jobs in the newly 380 registered industrial units.

<https://www.newagebd.net/article/161594/investment-proposals-rise-in-oct-dec>

Business recovery drives up VAT collection from large taxpayers

- Seven out of top 10 sectors under the large taxpayer's unit (LTU) posted a 20% growth in VAT payments in 1HFY22, thanks to a strong rebound of businesses from pandemic-induced losses. The sectors are cigarettes, banking, pharmaceuticals, gas, electricity, beverage and water supply. Collection from three other top VAT-paying sectors – telecom operators, soap and cement – witnessed a negative growth.
- Overall VAT mobilisation from 110 large companies grew by 15% to around BDT 25,000 crore in 1HFY22, although 42 of them fell short of what they paid during the same period a year ago. But VAT generation from LTU-listed companies, which account for 50% of the total collection, failed to meet the target by around BDT 1,400 crore. The NBR set a target to collect BDT 1,29,000 crore in the form of VAT, while its revenue mobilisation goal was set at BDT 3,30,000 crore for the current fiscal year.
- The gas sector topped the list of VAT payment with a whopping 168% growth, followed by the banking sector 25%, cigarettes 16%, pharmaceuticals 11%, electricity distributors 10%, water supply 3% and beverage 2%. On other hand, VAT collection from mobile operators amounted to BDT 4,216 crore, down by 4% year-on-year, while the collection from Unilever's soap and nine cement companies fell by 13% and 10% respectively. According to the NBR, Grameenphone's VAT payment dropped by 4% and Robi's by 3% in July-December of FY22, while collection from Banglalink rose by 4%.

<https://www.tbsnews.net/nbr/business-recovery-drives-vat-collection-large-taxpayers-365281>

DSE pays BDT 331m taxes thru e-TDS

- The Dhaka Stock Exchange (DSE) paid BDT 331 million availing the electronic tax deducted at source (e-TDS) system to pay taxes to the public exchequer. Officials said automation of the e-TDS system can check leakage of taxes and thwart tax evasion.

<https://today.thefinancialexpress.com.bd/metro-news/dse-pays-tk-331m-taxes-thru-e-tds-1643734096>

84% rural entrepreneurs availed BDT 220cr stimulus loan

- In the wake of the pandemic, the government announced a BDT1500 crore stimulus package in the second phase for the Cottage, Micro, Small, and Medium Enterprise (CMSME) sector in January last year. Eight SME institutions were tasked with disbursing the loans and implementing the stimulus package at the root level.
- SME Foundation received the approval of the Ministry of Finance to disburse loans to the amount of BDT300 crore. Through 18 banks and non-banking financial institutions (NBFIs) the SME Foundation disbursed BDT100 crore in the 2020-21 fiscal year and in the current 2021-22 fiscal it secured approval from the finance ministry to release the remaining BDT200 crore fund.

<https://www.tbsnews.net/economy/84-rural-entrepreneurs-availed-tk220cr-stimulus-loan-365047>

Two state jute mills leased to private sector

- The government handed over two jute mills to the private sector as part of its efforts to modernise the state-run enterprises dealing with the natural fibre. Karnafuli Jute Mills Ltd in Chattogram was leased out to Unitex Group, and Bangladesh Jute Mills Ltd in Narsingdi to Bay Group. The lease period is 20 years. Jute Alliance Ltd, a concern of Bay Group, paid BDT 9.60 crore in advance rents and Unitex Group paid BDT 5.28 crore for 24 months. The bills and other expenditures would be borne by the investors as well.

<https://www.thedailystar.net/business/economy/news/two-state-jute-mills-leased-private-sector-2952561>

Trade deficit widens to USD 15.62b in July-Dec

- The country's trade deficit surged to USD 15.62 billion in 1HFY22 despite a substantial growth in exports. The BB data showed that the country's export earnings increased by 27.25% to USD 23.36 billion while import payments grew by 54.49% to USD 38.97 billion.
- Current account balance turned USD 8.18 billion deficit in 6MFY22 from a positive balance of USD 3.52 billion in 6MFY21. The country's overall balance turned USD 1.79 billion deficit during the period, compared to a surplus of USD 6.16 billion during 6MFY21.

<https://www.newagebd.net/article/161599/trade-deficit-widens-to-1562b-in-july-dec>

BD picks US co to negotiate deal

- Bangladesh has now picked US oil-major Excelerate Energy as a third company to negotiate liquefied natural gas (LNG) purchase on a longer term, on unsolicited deals. Over the last couple of months the state-run Petrobangla had carried out preliminary negotiations with local Summit Group and Middle East's Emirates' National Oil Company (ENOC) for long-term LNG supply sans biddings as per a standing law, said sources.
- Sources say Excelerate has shown interest in supplying LNG for 2022 following JKM (Japan, Korea, Marker) index. For 2023 and onwards, the US firm has proposed to supply the gas at around 11.70 % of the three-month average price of Brent crude oil plus USD 0.35 constant per MMBtu (million British thermal unit), says a senior Petrobangla official. Currently, the country imports LNG under long-term deals from two state-run global suppliers-Qatar's Qatargas and Oman's Oman Trading International (OTI).
- If Petrobangla has more demand during the first five years, it can increase the LNG-import volume annually to 2.5 Mtpa, and during the next 10 years Petrobangla has the option to reduce the amount by 10% a year. Petrobangla has a similar SPA with Oman's OTI to import annually around 1.0 Mtpa of LNG for 15 years. The petroleum marketer is purchasing LNG at around 11.9% of the three-month average of Brent crude oil prices plus USD 0.40 cents per mmBtu from OTI, and the payments are to make within 25 days of delivery.

<https://today.thefinancialexpress.com.bd/first-page/bd-picks-us-co-to-negotiate-deal-1643737423>

Worker shortage a new challenge for RMG

- Almost all garment factories in Bangladesh, especially, the small and medium-sized ones, are suffering from an acute shortage of skilled labourers as the industry is recovering from the severe fallouts of Covid-19 on the back of a higher flow of orders from international retailers and brands as economies reopened. Industry people say they are incurring production losses and missing shipments due to a 15-20% shortage of workers.
- They attributed the shortage of workers, especially the skilled labourers, to the sudden rise in demand and massive expansion of production capacity in the apparel industry. Besides, many workers have not returned after they went home following the outbreak of Covid-19 in Bangladesh in March 2020. Now, many factories are running at nearly 90 per cent capacity compared to usual 60% or even below capacity. He added that even though the higher flow of orders might not be a long-term phenomenon, if it sustains, factory owners may have to choose more automation to raise productivity and ship goods on time.

<https://www.thedailystar.net/business/economy/news/worker-shortage-new-challenge-rmg-2952581>

'Export target of USD51b attainable through product diversification'

- Commerce Minister Tipu Munshi said the country can attain the export target of USD 51 billion by making quality products and their diversification. The 26th edition of DITF got USD16 billion export order. Besides, around BDT 400 million was sold in the fair this year and the government earned BDT 15 million revenue as tax VAT in this fair.

<https://thefinancialexpress.com.bd/economy/export-target-of-51b-attainable-through-product-diversification-1643634876>

FBCCI for just 5 registration requirements to start a business

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has demanded that the number of registrations required for starting businesses be reduced to attract local and foreign investments in the country. Currently, entrepreneurs need to get 33 types of permits to set up a company. To make the process easier, the FBCCI has proposed only five registrations for land, building, fire safety, environment and tax. Sources related to the FBCCI said 33 types of licences or permits are not required for setting up all the industries. Most businesses require 15-20 types of licences, certificates and permits to start operation.

<https://www.tbsnews.net/economy/fbcci-just-5-registration-requirements-start-business-364828>

McDonald Steel first to begin production

- Bangabandhu Sheikh Mujib Shilpa Nagar in Mirsarai, Chattogram finally witnessed the start of operations of its maiden factory last week, as McDonald Steel Building Products started the trial operation of its manufacturing plant.
- Another seven industrial units including that of Asian Paints Bangladesh and Nippon & McDonald Steel Industries will start running one after another by December this year. Nippon & McDonald Steel Industries, a joint venture of Japan's Nippon Steel Corporation and Bangladesh's McDonald Steel Building Products, have agreed to invest USD 59.19 million (BDT 500 crore) in phases to establish the plant.

<https://www.thedailystar.net/business/economy/news/mcdonald-steel-first-begin-production-2951746>

Private credit flow rises further in Dec

- Private sector credit grew for the seventh month in December, reaching 10.68% in December year on year as the external and internal economic activities are picking up showing a steady fiscal recovery. The month registered a 0.57 percentage point growth in December against 10.11% in November. In July and August 2021, the growth was 8.38% and 8.42% respectively. It grew to 8.77% in September and 9.88% in October.

<https://www.tbsnews.net/economy/banking/private-credit-flow-rises-further-dec-364819>

Long wait for poor to get cash set to end with new fund transfer software

- Bangladesh Bank is now working on a much bigger data processing software to better manage public transactions by making the process more cost-effective and less time consuming. A nine-member team from the central bank is developing the software that is expected to have a capacity to settle 46 lakh electronic fund transfers (EFTs) every hour and is well on track to launch its full-fledged operation by September this year. A central bank official, seeking anonymity, told that BB is already capable of settling 600,000 transactions per hour through GeTPH. Now we are looking forward to settling more than 4.6 Mn per hour through Nikash.

<https://www.tbsnews.net/economy/banking/long-wait-poor-get-cash-set-end-new-fund-transfer-software-364825>

Delta Plan investment on rise, govt meets to form fund on Monday

- The government is progressively increasing investment in various projects to support the implementation of the 100-year Bangladesh Delta Plan for economic growth, environmental conservation, and enhanced climate resilience. Officials at the Planning Ministry say a series of institutional and policy reforms are also underway to support the implementation of the Delta Plan. There is also a proposal for setting up a fund to ensure smooth investment flow for the Delta Plan and the first meeting of the council will make-a-decision on this on Monday.
- A report of the General Economics Department (GED) shows that the government has set aside 1.13% of GDP, or BDT 34,821 crore, in its FY22 annual development programme for projects under the Delta Plan. The outlay is still slightly less than the government target of 1.30% of the GDP, says the GED report. The department under the Planning Commission suggests that annual investment for the Delta Plan needs to be increased to 2.5% of the GDP in phases by 2025 to meet the deficit.

<https://www.tbsnews.net/economy/delta-plan-investment-rise-govt-meets-form-fund-monday-364393>

Freelancers to get 4% incentive for export of software, IT-enabled services

- About six lakh freelancers will get a 4 % incentive against export of software or IT-enabled services. Freelancers who work at 55 marketplaces and have been selected by the ICT ministry will get the incentive, according to a Bangladesh Bank circular. Popular marketplaces such as Upwork, Fiverr, Freelancer and Guru were among the selected marketplaces.
- The government has been providing a 10% cash assistance against the export of ICT products or services since 2018. But, only institutional IT and freelancing companies having membership with the BASIS are eligible for the work. With the BB circular, almost all of the freelancers having no membership with BASIS will come under a 4 % incentive package.

<https://www.thedailystar.net/business/news/stocks-fall-below-7000-points-again-2950501>

ICT Division wants corporate tax waiver for IT sector till 2030

- The Information and Communication Division (ICT) will apply to the finance ministry seeking extension of corporate tax waiver for information technology firms from 2024 till 2030. According to the ICT Minister, 13 years ago, the export revenue in the ICT sector was only USD 26 million, but now, as a result of policy support and infrastructural development, the ICT industry was generating USD 1.3 billion in export earnings.

<https://www.tbsnews.net/nbr/ict-division-wants-waive-corporate-tax-it-sector-till-2030-364357>

Lending rate rise widens interest spread

- Interest spread widens further as the banks raise their lending rates, riding on higher credit demand, with deposit returns for the savers held in check, bankers say. The weighted average spread between the lending and deposit rates offered by the scheduled banks rose to 3.19% in December 2021 from 3.16% a month before. The weighted average lending rate rose to 7.18% in December 2021 from 7.15% in the previous month while such rate on deposits remained unchanged at 3.99%.
- According to the senior bankers, Bangladesh's credit demand has maintained an upturn in recent months following gradual reopening of economic activities. Higher trade financing for settling import-payment obligations through discounting of bills in foreign currency has pushed up the private-sector-credit growth in the recent months. The growth in the private-sector-credit flow rose to 10.11% in November 2021 on a year-on-year basis from 9.44% a month before. It was 7.55% in May 2021. Another executive of a PCB said some banks were now offering lending rates around minimum 8.0% instead of 7.50% earlier to their 'good paymasters' among the borrowers.

<https://today.thefinancialexpress.com.bd/first-page/lending-rate-rise-widens-interest-spread-1643565306>

Buyers not paying premium prices but taking credit for sourcing from green factories: experts

- Bangladesh's apparel makers on Sunday said global fashion brands were not willing to pay premium prices for products despite taking credit for sourcing from green factories. Bangladesh readymade garment sector has the highest number of green factories in the world, but no buyer pays additional one cent for the environment-friendly production, they said.
- Speakers at the event identified lack of policy support, financing and premium prices for the products as the key challenges for securing green transition of the clothing and textile sector. There are a total of 157 LEED certified factories in Bangladesh RMG sector and it is goodwill of the country, but the green factory owners are not getting any incentive from the government. The government has extended a green fund but the fund remains unused as new entrepreneurs cannot avail the fund due to some conditions. The speakers asked for some incentives for the entrepreneurs for securing environment-friendly production as RMG factory owners had to spend 30 per cent additional money to establish a green factory.

<https://www.newagebd.net/article/161412/buyers-not-paying-premium-prices-but-taking-credit-for-sourcing-from-green-factories-experts>

NBR seeks budget proposals from trade bodies, professionals

- The National Board of Revenue (NBR) has sought proposals on income tax; value added tax (VAT) and import duty for preparation of the budget for FY23. The revenue board asked for the proposals from the Federation of Bangladesh Chamber of Commerce Industry (FBCCI) and other top chambers within February 5, 2022.
- In addition to revenue collection, the NBR formulates fiscal policy after discussing with the traders and stakeholders. Every year the NBR organises pre-budget discussion with representatives from different sectors to ensure participatory budgeting. The NBR is taking similar initiatives for the preparation of budget for FY23.

<https://thefinancialexpress.com.bd/economy/nbr-seeks-budget-proposals-from-trade-bodies-professionals-1643473263>

Government expenditure as fertiliser subsidy quadruples in FY22

- The government expenditure as fertiliser subsidy will fuel up by nearly by four times to BDT 280 billion in FY22, amid an unusual hike in the prices of the inputs in the global market, said the agriculture minister on Saturday. He also stated that the total farm subsidy was BDT 77.0 billion in FY21. He said out of the cost, BDT 190 billion has so far been managed while another BDT 90 billion will be needed within upcoming June.

<https://thefinancialexpress.com.bd/economy/government-expenditure-as-fertiliser-subsidy-quadruples-in-fy22-1643455963>

ICT businesses seek scope for investing abroad

- Local information and communications technology entrepreneurs on Saturday demanded that the government allow them to make investments abroad to promote the country. Businesses of the sector made this demand at the first meeting of the Federation of Bangladesh Chambers of Commerce and Industry standing committee on ICT and digitisation of trade bodies held at the FBCCI conference room in the capital, Dhaka.
- FBCCI president Md Jashim Uddin as chief guest stressed digitisation of all ministries, departments and agencies of the government especially National Board of Revenue and the Bangladesh Bank to continue the pace of development of the country. He also stressed ensuring policy support for the ICT sector to achieve the USD5 billion export target from the sector by 2025. Businesses also wanted to repeal the provision of deducting advance income tax from incentives and urged for extending the tax exemption to the sector till 2030.

<https://www.newagebd.net/article/161310/ict-businesses-seek-scope-for-investing-abroad>

Social media banking faces a setback

- The Bangladesh Bank plans to bar banks from providing financial services through social media platforms as it poses data security risk. The central bank has already rejected applications from two banks that had looked to roll out social media banking.
- Banking services offered through Facebook Messenger, WhatsApp and Viber would make it impossible for the central bank to collect required data from the companies. Mutual Trust Bank (MTB) rolled out social media banking in June last year, however the proposal to operate was rejected by the central bank. In the meantime, 11,000 clients have registered with MTB's platform to avail services through WhatsApp. Dhaka Bank introduced WhatsApp banking in 2020. Eastern Bank Ltd offered banking services through Facebook Messenger and Viber to more than 200,000 customers last year. Prime Bank introduced WhatsApp banking four to five months ago and the platform has already reached 70,000. City Bank says 9,000 queries are placed by clients per month through social media platforms.

<https://www.thedailystar.net/business/economy/banks/news/social-media-banking-faces-setback-2950236>

Important News: Capital Market

Maersk to set up 0.2m sft warehouse in Chattogram

- Danish logistics company A.P. Moller - Maersk has moved to expand its footprint in Bangladesh by building 200,000-square-foot customs bonded warehouse in Chattogram. The initiative aims to contribute towards decongesting the logistics ecosystem and solving longstanding challenges for local exporters and overseas buyers. Maersk is building the warehouse in partnership with Ispahani Summit Alliance Terminals Limited (ISATL), the largest of its kind in Chattogram. Maersk Bangladesh has partnered with ISATL to build 200,000-square-foot customs bonded warehouse, it said.
- Under the scope of this partnership, ISATL will construct a brand-new custom bonded warehouse within the existing premises of the facility located at Pahartali in Chattogram. The new warehouse will double the existing capacity at ISATL and add around 8 % additional space to the existing ecosystem in Chattogram. Maersk will also offer customers garment on hanger facility, sorting, product audit, labelling, barcode and RFID scanning, among others.

<https://today.thefinancialexpress.com.bd/first-page/maersk-to-set-up-02m-sft-warehouse-in-chattogram-1643826571>

Include more banks in financing to maintain exposure limit

- Bangladesh Bank has asked Agrani Bank, the lead arranger of a six-bank syndicate loan to a BDT 5,790 crore-gold refinery of Bashundhara Group, to include more banks in the financing. The central bank's instruction came after Agrani Bank applied for a no-objection to issue the syndicate loan to the gold refinery in violation of single borrower exposure limit.
- A BB official said that the excessive lending to a small number of business groups mounted risks of the banking sector. Due to the growing risk of the banking sector, the central bank in January 2022 tightened the single borrower exposure limit.

<https://www.newagebd.net/article/161692/include-more-banks-in-financing-to-maintain-exposure-limit>

Confidence group gets govt nod for 660MW power plant

- Confidence Power Holdings Limited has received government approval for 660MW power plant. It said that Confidence Power, GE Capital US Holdings Inc., Confidence Power Limited and Electropac Industries Limited received a letter of intent from Bangladesh Power Development Board on January 31 for the development of Gas/R-LNG based combined cycle power generation facility of 660 MW capacity power plant at Mirsarai in Chattogram on build-own-operate basis under power purchase agreement. The PPA agreement will be for 22 years from the date of commencement of commercial operation. Confidence Power

Holdings (lead member) holds 62 %, GE Capital 20 %, Confidence Power 9% and Electropac Industries holds 9% shares of the power plant.

<https://www.newagebd.net/article/161655/confidence-group-gets-govt-nod-for-660mw-power-plant>

Listed govt firms post mixed performances in Q2 F22

- The state-run listed companies in different sectors have posted mixed performances in terms of profit during the October-December period of FY22 when the Covid-19 pandemic situation was gradually returning to normal. Out of the 19 government firms listed on the stock market, sixteen published half-yearly financial reports as of 2 February as they follow the June-July fiscal. Among them, five companies reported year-on-year profit growth, four reported a decline, one returned to profit from losses and six continued posting losses.
- According to the financial statements, telecommunication service providers and electricity, petroleum, and oil suppliers posted higher profits while lubricant blender, gas supplier, and power transmission companies posted lower profits in the second quarter of FY22, compared to the same time of the previous fiscal. Meanwhile, sugar manufacturers, electrical, engineering, and glass product makers, which have been incurring losses for many years, continued their losing streak.
- Dhaka Electric Supply Company or Desco's operating revenue grew by 18% to BDT175 crore, while its profit jumped by 686% to BDT14.86 crore in the second quarter of this fiscal compared to the same time of the previous one. Padma Oil's net profit increased by 23% to BDT58.19 crore and its EPS increased to BDT5.92. Six state-owned firms in the sugar, glass, electric, and engineering sectors have incurred losses as they failed to compete with the private companies. Eastern Cables, Renwick Jaineswar, and Atlas Bangladesh's loss per share declined by 61%, 53%, and 39% respectively.

<https://www.tbsnews.net/economy/stocks/listed-govt-firms-post-mixed-performances-q2-f22-365716>

Listed textile makers' profits more than double

- Listed textile manufacturers logged a staggering 152 per cent higher profits year-on-year in the October to December period of the current financial year of 2021-22. Analyst's reason higher yarn prices, unexpended stocks of cotton, higher exports and devaluation of the local currency against the dollar.
- The total profits of the 44 companies rose to BDT 250 crore in the second quarter of the financial year while it was BDT 99 crore in the same period of the previous year. The price of the widely consumed 30 carded yarns had increased to USD 4.71 per kg in December last year while it was USD 3.9 per kg a year ago. On average, yarn prices rose around 40%.

<https://thefinancialexpress.com.bd/national/padma-bridge-fund-cut-proposed-1643855521>

Brac EPL Stock Brokerage sign agreement to share CSE API

- Brac EPL Stock Brokerage has signed a contract with the Chittagong Stock Exchange (CSE) to get its application program interface (API). The API sharing would help the top tier brokerage firm further improve its services, said a statement. Brac EPL CEO Ahsanur Rahman said that the transaction process at CSE has become easier with this agreement. The bourses are sharing their API with the brokers to allow them to integrate the bourses' core trading systems with their own order management system (OMS) that reduces loads on the bourses default OMS and also creates opportunity for brokers to offer customized OMS to their clients.

<https://www.tbsnews.net/economy/stocks/brac-epl-stock-brokerage-sign-agreement-share-cse-api-365473>

Submarine Cable Company's profit jumps 57% as internet use surges

- Bangladesh Submarine Cable Company Ltd (BSCCL) posted 30% growth in revenue and 57% rise in net profit in 1HFY22 as the use of the internet surged across the country recently. The company's revenue rose by 30% to BDT 202.53 crore and its net profit rose by 57% to BDT 112.90 crore in 1H FY22.
- The third submarine cable (SEA-ME-WE-6 Consortium) project will cost BDT692 crore, and at its completion, bandwidth will increase by an additional six terabits per second, increasing the scope for earning foreign currency.

<https://www.tbsnews.net/bangladesh/submarine-cable-companys-profit-jumps-57-internet-use-surges-365266>

BD Building Systems price jumps 53% in a week

- Bangladesh Building Systems, a 'B' category listed company, is witnessing an unprecedented price hike and increase in volume of shares in the last few trading days. The company's share prices started to rise from January 24 and went on flying after the company published a hefty profit growth for October-December 2021.
- The company posted a massive 745 % increase in its second quarter (Q2) earnings for October-December 2021 compared to the same quarter of the previous year, thanks to increasing non-operating income. The company's EPS soared to BDT 0.93 for October-December 2021, as against BDT 0.11 for October-December 2020. Bangladesh Building Systems, a corporate director of BBS Cables, sold 2.50 million BBS Cables shares in December, which helped the company to book a hefty profit, company officials said.

Recently, the company was placed in 'B' category from 'A' category with effect from December 21, 2021, as the company approved 2.0 % cash dividend for the year ended on June 30, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/bd-building-systems-price-jumps-53pc-in-a-week-1643733656>

Alltex shares jump 19% on sudden profit, 1% dividend

- Alltex Industries shares jumped 19.1% on Tuesday at the Dhaka Stock Exchange (DSE) as soon as the loss-making company reported profits for the October-December quarter alongside a meagre 1% cash dividend only for the general shareholders. The troubled home textile exporter, which had been consistently incurring huge losses since 2017, posted BDT 1.36 in earnings per share (EPS) for the second quarter of the current fiscal year, according to an unaudited financial statement. The company's net asset value per share shrank to BDT 5.87 in 2021.

<https://www.tbsnews.net/economy/stocks/alltex-shares-jump-19-sudden-profit-1-dividend-365257>

Square Textiles' profit surges six times

- Square Textiles Ltd, a concern of Square Group, said its profit rocketed in 1HFY22 as revenue growth outpaced the cost of sales. The textile company also cut its finance cost significantly. As such its overall earnings grew nearly six times to BDT 92.28 crore in 1HFY22 from BDT 15.54 crore during 1HFY21. Earnings per share soared to BDT 4.68 from BDT 0.79 a year ago.
- The company posted 46 % year-on-year revenue growth to BDT 795 crore in the first half of the financial year. The cost of sales rose 33 %. Many local spinning mills have either expanded their production capacity or made new investments as international orders for garment items produced in Bangladesh surged in keeping with the recovery of the global supply chain from the severe fallouts of Covid-19.

<https://www.thedailystar.net/business/organisation-news/news/square-textiles-profit-surges-six-times-2952551>

Paper business recovering from pandemic shocks

- The paper industry – one of the biggest victims of the Covid-19 pandemic – has been bouncing back riding on an increase in demand since the reopening of educational institutions in September last year. Paper companies had earlier gone through a hard time as schools, colleges and universities – the main consumers of paper products – remained closed for around 18 months since March 2020 as the coronavirus struck the country. Bashundhara Paper Mills – market leader in the tissue industry, and one of the major players

in the paper industry – has reported a 23% rise in revenue.

- Also, Paper Processing and Packaging, and Bangladesh Monospool Paper Manufacturing Company – two concerns of Magura Group – have witnessed big jumps in revenue and profits. Two other listed paper firms are incurring losses. Of which, Hakkani Pulp and Paper Mills witnessed a fall in sales, and Khulna Printing and Packaging Limited's factory was shuttered down temporarily after a court order to freeze all its bank accounts.

<https://www.tbsnews.net/economy/stocks/paper-business-recovering-pandemic-shocks-365239>

Foreign funds in stocks drop

- Foreign portfolio investment in stocks dropped last month compared to that in the preceding one as the investors had embarked on a selling spree. Net foreign investment was BDT 23.7 crore in the negative as sell-offs from the foreign investors were higher. They bought shares worth BDT 154.18 crore in January while the sales amounted to BDT 177.88 crore, according to the Dhaka Stock Exchange (DSE) data.
- In the month before that, foreign investors bought shares worth BDT 194.19 crore while selling shares worth around BDT 154.66 crore. So, net foreign investment was around BDT 39.53 crore, the DSE data shows. Foreign portfolio investment has undergone a falling trend over the last couple of years as they were disappointed over policy changes regarding listed companies, according to a stockbroker.

<https://www.thedailystar.net/business/economy/stock/news/foreign-funds-stocks-drop-2952556>

DSE considering using MFS accounts to bring in new investments

- The Dhaka Stock Exchange (DSE) is considering setting up beneficiary owner (BO) accounts for people with mobile financial services (MFS) accounts but no traditional bank accounts, so as to increase new investments and the number of investors in the country's capital market.

<https://www.tbsnews.net/economy/stocks/dse-considering-using-mfs-accounts-bring-new-investments-364783>

Top drugmakers keep growth trajectory in H1

- Among the listed, large drug manufacturers have reported good growth in the business while small companies suffered a decline mainly because of the Covid-19 pandemic. Among the top drugmakers, Square Pharma posted a 16% growth in sales, Beximco 18%, Renata 17%, ACI 9%, Acme 16%, IBN Sina 25% and Orion Pharma 13%.

- Alongside a local market boom, the country's pharmaceutical sector is expected to rake in over USD 1.5 billion in export earnings per year by 2030 – almost nine times higher than the USD 169 million earned in FY21. At present, the pharmaceutical market in the country is around BDT 30,000 crore and the companies are exporting medicines to more than 100 countries. Companies like Square, Beximco, Renata, ACI and Acme are leading the market. However, the World Bank says, among the regional peers, Bangladeshi people spend the least portion of their income on healthcare – only 2.4% to lag behind Pakistan, Indonesia, India, the Philippines, Thailand, Myanmar, Nepal and, of course, Vietnam where the ratio is the highest in the region at 6.4%.

<https://www.tbsnews.net/economy/stocks/top-drugmakers-keep-growth-trajectory-h1-364801>

Electricity companies feeling the pinch as plants shut

- Khulna Power Company Ltd (KPCL) incurred a loss of BDT 7 crore during 6MFY22 as KPCL's revenue was zero due to the closure of operation of all of its power plants. The profits of Summit Power dropped due to the closure of three plants—Madanganj Power Plant (Unit 1), Chandina Power Plant (Unit 2) and Madhabdi Power Plant (Unit 2). The profits were down 22% in the first half of 2021-22. The process is underway to have the agreements of the plants renewed, according to the company.
- Chief financial officer of Baraka Patenga Power told that the company's profits rose to BDT 59 crore in 6MFY22. The tenure of its gas-based power plant in Sylhet would expire in 2024. United Power Generation registered profit of BDT 699 crore in 1HFY22.

<https://www.thedailystar.net/business/economy/news/electricity-companies-feeling-the-pinch-plants-shut-2951681>

Cement industry suffers as profitability keeps squeezing

- Cement manufacturers are failing to increase the price of their products in line with the escalated costs of raw materials and transportation owing to stiff competition. Following a robust business growth in FY21, most of the publicly-listed cement makers are posting drastic declines in their profits since the middle of 2021.
- In a year up to last December, the industry's gross profit margin squeezed to single-digit from 14-15% earlier, as per the quarterly financial statements of most of the listed cement manufacturers. Meghna Cement posted a slight quarterly growth in its cement business and EPS. LafargeHolcim's earnings grew significantly in 2021, which analysts believe was mostly due to its robust profit from the disputed aggregate business. After posting BDT 11 in annual EPS in 2020, HeidelbergCement Bangladesh nosedived into losses again.

- Megaprojects are not boosting cement sales like that in the previous few years as many are at their final stages. Both the individual and corporate home builders were consuming enough, but the steel price hike slowed down many of their construction, especially in the latter part of 2021. Construction rod prices rose to around BDT 80,000 per tonne from around BDT 60,000 a year ago, which is good enough to offset the steel industry's raw material cost hikes.

<https://www.tbsnews.net/economy/industry/cement-industry-suffers-profitability-keeps-squeezing-364813>

Krishibid Seed allowed to raise BDT 11.6cr thru QIO

- The securities regulator has approved Krishibid Seed Limited – a sister concern of Krishibid Group – to raise BDT 11.60 crore capital with a qualified investor offer (QIO). As per 1QFY22, the company's NAV per share and EPS were BDT 12.6 and BDT 0.60 respectively.. The company will not be allowed to issue bonus shares for three years after it is listed on the SME platform. SBL Capital Management Limited is working as the issue manager of the company.

<https://www.newagebd.net/article/161493/krishibid-seed-allowed-to-raise-tk-116cr-thru-qio>

LafargeHolcim to pay 25% cash dividend

- LafargeHolcim Bangladesh Limited has recommended a 25% cash dividend for its shareholders for 2021. According to a press release, its sales during the year increased by 27% to BDT 2,053 crore thanks to its aggregates business. But its aggregate production is now suspended as per the High Court order. In 2021, the company reported a profit growth of 64% to BDT 388 crore. Chief executive officer of LHBL said in the press release that top-line improved by 27% and net profit improvement by a staggering 64%.

<https://www.tbsnews.net/economy/stocks/lafargeholcim-pay-25-cash-dividend-364816>

Olympic earnings fall to 6-year low

- Olympic Industries said its earnings slumped to the lowest in six-year suffering an increase in the cost of raw materials. The maker of popular biscuit brands such as Energy Plus and Tip registered BDT 72 crore in net profits in the July-December period of 2021, down 33 % year-on-year.
- Cost of sales of the biscuit and confectionary maker shot up 18% year-on-year to BDT 786 crore in 6MFY22. Besides, the Olympic's administrative and sales expenses rose 23% during the period, which altogether affected its operating profit. The company also incurred losses of BDT 3.27 crore from investments in shares during the period.

<https://www.thedailystar.net/business/organisation-news/news/olympic-earnings-fall-6-year-low-2951701>

Stock investors can now crosscheck portfolios

- Stock investors now can crosscheck their investment portfolios with Central Depository Bangladesh Limited (CDBL). CDBL on Sunday launched a monthly e-statement service as part of its effort to eliminate brokerage house-related irregularities. Under the service, the beneficiary owners' (BO) account holders will receive emails describing their investments on different stocks at the end of every month's first week so that they can identify if there is anything wrong at the brokerage firm's end. The service is free of cost.

<https://www.tbsnews.net/economy/stocks/stock-investors-can-now-crosscheck-portfolios-364387>

ACI profits soar on robust motors, salt, fertiliser sales

- The conglomerate's consolidated revenue which includes figures of all the subsidiary companies grew 27% year-on-year to BDT2,426 crore in that quarter, which was 13% up from the preceding quarter of July-September. FH Ansarey, managing director of ACI Agribusinesses, told The Business Standard.
- ACI Premiaflex could barely raise prices against a 60% raw material cost hike in a year, it still is posting losses, while its Managing Director Ansarey anticipates the company would take roughly 18 months to come to profits. After ACI Motors, ACI Salt secured the biggest jump in business as it registered over 40% revenue and pre-tax profit jump in the first half of the fiscal year. Following its capacity expansion a few years back, the salt business is continuing its industry leadership with roughly one-third market share. The consolidated quarterly profit after taxes grew to over BDT 30.89 crore from BDT11.96 crore a year earlier. ACI's consolidated earnings per share stood at BDT 2.1 for the October-December quarter and BDT 5.51 for the July-December period.

<https://www.tbsnews.net/economy/industry/textile-mills-profit-skyrockets-q2-364015>

Booming tissue sales boost Bashundhara Paper's revenue, profits

- The booming sales of tissue and hygiene products in the coronavirus pandemic have boosted both the profit and revenue of Bashundhara Paper Mills. The market leader in the tissue industry has reported a 23% year-on-year growth in revenue in the first half of the current fiscal year, while its profit grew by 42%. The revenue of Bashundhara Paper Mills Limited, which is also a major player in the country's paper industry, comes mainly from two segments – paper and tissue products. A significant portion of revenue also comes from the sales of various hygiene products such as diapers and sanitary napkins.

- The sales of Bashundhara Paper Mills products have been increasing gradually in both local and international markets. According to the company data, its 91.08% revenue came from local sales, and 8.92% from exports in the July-December period of fiscal 2021-22. Its local sales grew 25% to BDT 492.06 crore and exports rose 9% to BDT 48.24 crore, up from BDT 393.56 crore, and BDT 44.15 crore, respectively.

<https://www.thedailystar.net/business/news/gph-ispats-profit-soars-36-2949896>

Loss in last quarter drags Singer's annual profit to six-year low

- Following the disrupted sales, profits and cash flow in the third (July-September) quarter due to the pandemic, Singer Bangladesh absorbed losses in the fourth quarter of 2021, according to a disclosure of the company on Tuesday. The multinational electronics and home appliances company posted an annual profit of BDT 51.85 crore for the year, which was the lowest in the last six years. Singer Bangladesh posted BDT 5.2 in its annual earnings per share (EPS) for 2021, which was BDT 8.06 in 2020. Its net asset value per share stood at BDT 34.06 at the end of December. Singer shareholders are set to get 60% cash dividends for 2021, which was 30% in 2020 from 77% in 2019.
- The company generated revenue of BDT 1,332 crore in the first three quarters (January-September) of 2021 that yielded BDT 59.5 crore in profit after taxes, slightly higher year-on-year, even in ups and downs in business amid Covid-induced restrictions.

<https://www.tbsnews.net/economy/stocks/loss-last-quarter-drags-singers-annual-profit-six-year-low-362365s>

The devastating stocks of 2021

- ML Dyeing Limited that dyes textile yarns literally faded the colours of its shareholders' lives in 2021. Once flying too high on the bourses after its market debut in late 2018, its share price dropped more than 53% last year and the stock led the Dhaka Stock Exchange's (DSE) annual losers' table. Three-fourths of the listed companies generated more or less wealth for their investors in the bull market of 2021, according to the EBL Securities Research.
- Some of the losing one-fourth, like ML Dyeing, caused a significant capital erosion for the investors, and experts say they have left some lessons. The top 20 losing stocks of 2021 generated negative returns that ranged from 53% to 22%, according to another research report by the merchant bank PLFS Investments Ltd. Prior to the beginning of 2021, each of the top losers were trading at price levels much higher than they deserved in terms of their business fundamentals, said Chartered Financial Analyst Md Abdul Muktedir, chief executive officer of PLFS Investments.

<https://www.tbsnews.net/economy/stocks/devastating-stocks-2021-361918>

BPC losing BDT 75m per day as oil price rises

- Bangladesh Petroleum Corporation (BPC) has again started counting losses worth around BDT 75 million per day as the fuel oil price in the international market remains bullish over the past one month. The loss would be around BDT 5.0 per litre in diesel trading as on Saturday, said a senior BPC official. If the uptrend in the international market lasts long, the BPC's losses will increase further.
- Brent crude, the benchmark in international oil price, surged past USD 90 per barrel for the first time in seven years due to global market volatility buoyed by limited inventory and Russia-Ukraine standoff. The Brent crude price was around USD 82 per barrel on November 4, 2021, when the prices of diesel and kerosene were raised by around 23 per cent to BDT 80 per litre from previous BDT 65.

<https://thefinancialexpress.com.bd/trade/bpc-losing-tk-75m-per-day-as-oil-price-rises-1643510703>

Businesses lose USD 1.75b in three months due to gas crisis: BTMA

- Leaders of the Bangladesh Textile Mills Association on Saturday claimed that the sector faced production loss worth USD 1.75 billion in the last three months due to a supply shortage of gas. Opposing the proposal by state-owned distribution companies for a 116%-hike in gas price, the BTMA said that any increase in gas price would erode the competitiveness of the sector as the overhead production cost of yarns would double from the existing 25 cents.
- The BTMA president said that a good number of spinning, weaving, dyeing and printing mills located in Dhaka, Gazipur, Narayanganj, Savar, Ashulia, Manikganj, Narsingdi and Chattogram could not run with a full capacity due to the shortage of gas. Under the circumstances, if the price of gas is increased by 103-116 %, the electricity cost would increase by BDT 20.47 to BDT 23 to produce a kilogram of yarns, he said.

<https://www.newagebd.net/article/161280/businesses-lose-175b-in-three-months-due-to-gas-crisis-btma>

Shurwid Industries seeks regulatory help to be back in business

- Poorly performing and non-operative Shurwid Industries Limited has recently sought help from the Bangladesh Securities and Exchange Commission (BSEC) to revive its business by resolving issues regarding lawsuits, and dividends. In 2014, the company raised BDT 14 crore through an initial public offering (IPO). Its factory has remained closed since 26 March 2020.

- Current Chairman Engineer Mahmudul Hasan alleged that the IPO fund was embezzled by the company's former Chairman and Managing Director, and that they took it over in 2018 after the former management failed to run the company smoothly. Refuting allegations, the former Managing Director told that the current management took over the company without having any doubts or questions during the handover. He added that the former management failed to continue the business because the gas generator got damaged. He added that following the purchase of a new generator afterwards, Shurwid did not get the gas line permission from the government.

<https://www.tbsnews.net/economy/industry/shurwid-industries-seeks-regulatory-help-be-back-business-363973>

Textile mills' profit skyrockets in Q2

- The country's spinning and textile millers witnessed a jump in profit in the second quarter (October-December) of fiscal year 2021-22, despite a gas crisis and subsequent production losses in the period. They posted up to 2,357% year-on-year growth in the quarter, according to an analysis on the financial statements of the 58 listed textile companies. Mozaffar Hossain Spinning, Envoy Textile, Maksons Spinning and Metro Spinning were some of the top gainers.
- According to the Export Promotion Bureau, the RMG exports increased by 46.21% to USD10.84 billion in the second quarter of FY2021-22, while it was USD7.42 billion in the corresponding period of the last fiscal (FY2020-21). To keep pace with apparel export growth, yarn makers planned to invest about USD2.5 billion to boost production capacity by the next year.

<https://www.tbsnews.net/economy/industry/textile-mills-profit-skyrockets-q2-364015>

Renata profits BDT275cr in H1

- Renata Limited has reported a BDT275.23 crore profit, or a 13% year-on-year growth, in the first half of the current fiscal year. The revenue of the company, also rose 6% to BDT1,542.87 crore. In the 2020-21 fiscal year, it had touched the BDT500 crore-mark in profit for the first time since its inception and paid 145% cash, and 10% stock dividends to its shareholders.
- Renata Limited, which got listed on the Dhaka Stock Exchange (DSE) in 1979, is exporting drugs to 27 countries. Till December 2021, sponsor and directors held 51.27%, institutional investors 20.72%, foreign investors 22.77%, and general investors 5.24% of the shares in the company. On 27 January, its share price was BDT1,332 each.

<https://www.tbsnews.net/bangladesh/health/renata-profits-tk275cr-h1-363970>

GPH Ispat's profit soars 36%

- Listed steel maker GPH Ispat's profit soared in the first half of the current financial year. The company logged BDT 94.93 crore in profits, posting a 36 % year-on-year rise from the same period previous year's BDT 69.64 crore. Its paid-up capital was BDT 436 crore, according to the DSE data. On December 31 last year, the net asset value per share of GPH Ispat dropped to BDT 27.52, which was BDT 29.86 on June 30 of same year, according to the company's financial reports.
- Its earnings per share was BDT 2.17 in the latest half year, which was BDT 1.59 previously. However, the steel maker's net operating cash flow per share dropped to BDT 0.86 from BDT 3.64. In the last one month, stocks of GPH Ispat rose around 17 % to BDT 59 until last Thursday at the Dhaka Stock Exchange (DSE).

<https://www.thedailystar.net/business/news/gph-ispats-profit-soars-36-2949896>

EPS of Maksons Spinning rises

- Maksons Spinning Mills Limited posted Q2FY22 earnings per share of BDT 1.76 compared to BDT 0.51. As of December 31, the company's net asset value per share stood at BDT 21.86.

<https://www.newagebd.net/article/161312/eps-of-maksons-spinning-rises>

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