

### Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.26%) gained 13.37 points and closed the week at 5,108.04 points. The blue-chip index DS30 (+1.32%) gained 23.46 points and stood at 1,798.62 points. The Shariah-based index DSES (+0.90%) gained 10.57 points and stood at 1,180.09 points. The large cap index CDSET (+1.13%) gained 11.74 points and closed at 1,046.81 points. DSEX, DS30, DSES and CDSET showed YTD returns of +14.71%, +18.85%, +18.03%, +16.34%, respectively.

**Total Turnover During The Week (DSE):** BDT 36.6 billion (USD 431 million)

**Average Daily Turnover Value (ADTV):** BDT 9.1 billion (Δ% Week: +9.6%)

**Market P/E:** 17.4x

### Daily Index Movement during the Week:

Market performed four sessions during this week. In the first session, market performed positively by 0.62% and continued to be positive in the second session by 0.40%. However, in the third session, market closed in negative territory by 0.47%. Finally, Market closed in the negative ground in the last session by 0.29%.

### Sectoral Performance:

- Financial sectors posted mixed performance this week. Life Insurance booked the highest gain of 1.50% followed by Mutual Fund (+0.81%). General Insurance experienced the highest loss of 2.52% followed by Bank (-1.15%), NBF1 (-0.66%).
- All the non-financial sectors posted positive performance this week except Fuel & Power (-0.21%). Engineering booked the highest gain of 10.18% followed by Food & Allied (+3.37%), Pharmaceutical (+2.02%) and Telecommunication (+1.44%).

### Macroeconomic arena:

- Foreign exchange (forex) reserve crossed USD 42-billion mark for the first time in the history of Bangladesh on Tuesday.
- In October, card transactions stood at BDT 180.90 billion, up 16.9% from a year earlier, according to data from the Bangladesh Bank. Transactions through the mobile financial service, stood at BDT 532.60 billion in October, up 41% y-o-y.
- The ADB kept Bangladesh's growth outlook unchanged from its September update of 6.8% for this fiscal year.
- The central bank has imposed additional 1.0% general provision against all unclassified loans of banks.
- Bangladesh Bank is forming a BDT 10.00 billion fund to provide cheap loans to export-oriented industries to upgrade technologies they currently use.

### Stock Market arena:

- The government on Sunday signed an agreement with Beximco Pharma on the procurement of Oxford-Astrazeneca vaccine from Serum Institute of India (SII).
- Bangladesh Securities and exchange commission is willing to cut down the time to a maximum 10 days to start trading on the stock exchange after subscription for public offering ends. Companies will get approval for ipo within 60 days of application.
- As per the regulatory approval, First Security Islami Bank will issue perpetual bond of BDT 6.0 billion while Trust Bank, City Bank and United Commercial Bank to issue bonds worth BDT 4.0 billion each.
- The IPO subscription of Mir Akhter Hossain will open on December 24, aiming to raise BDT 1.25 billion under the book-building method. On the other hand, subscription of eGeneration Limited will begin on 12 January 2021, to raise BDT 150 million
- The stock market regulator has approved National Polymer's application to raise BDT 547.38 million through rights issue. The company will issue more than 36.49 million rights shares of BDT15 each, including BDT 5.0 as a premium.
- The IPO subscription of Energypac, which is set to be listed under book building method, will be continued till December 13 this year. Besides, The stock market regulator has approved the IPO (initial public offering) proposal of Sonali Life Insurance Ltd which will raise a capital worth BDT 190 million under the fixed price method.

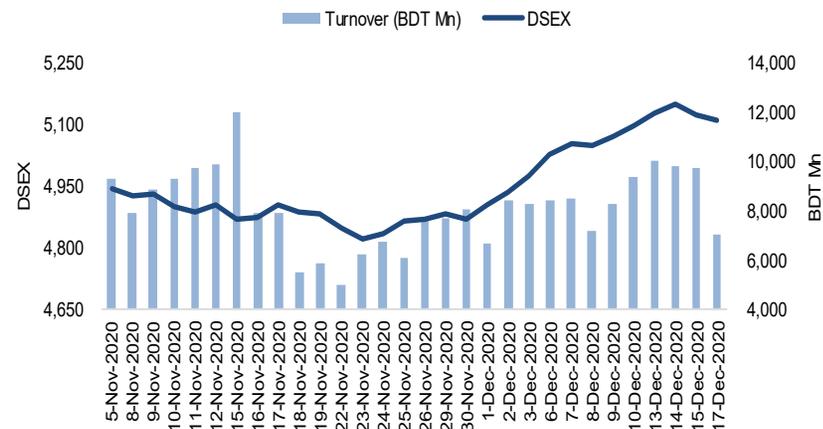
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	5,108.04	5,094.66	+13.37	4,452.93	+0.26%	+14.71%
DS30	1,798.62	1,775.16	+23.46	1,513.35	+1.32%	+18.85%
DSES	1,180.09	1,169.53	+10.57	999.83	+0.90%	+18.03%
CDSET	1,046.81	1,035.07	+11.74	899.76	+1.13%	+16.34%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,169,472	4,106,177	+1.5%
	Mn USD	49,076	48,331	
Turnover	Mn BDT	36,598	41,734	-12.3%
	Mn USD	431	491	
Average Daily Turnover	Mn BDT	9,150	8,347	+9.6%
	Mn USD	108	98	
Volume	Mn Shares	1,335	1,635	-18.3%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
DOMINAGE	42.6	35.9	+28.2%	4,371	728.6	15.9x	2.2x
JMISMDL	346.9	282.0	+23.0%	3,816	334.8	79.7x	2.9x
SONALIANSH	486.6	399.1	+21.9%	1,320	99.1	NM	2.2x
SSSTEEL	16.7	14.3	+16.8%	5,082	795.4	11.6x	1.0x
WALTONHIL	1,026.7	884.5	+16.1%	311,017	740.6	45.8x	3.9x
CAPMIBLMLF	23.5	20.5	+14.6%	1,571	118.8	NM	2.6x
SAVAREFR	246.1	216.0	+13.9%	343	6.1	NM	93.6x
MIRACLEIND	34.2	30.4	+12.5%	1,204	217.9	NM	1.0x
MHSML	14.3	12.8	+11.7%	1,444	77.9	NM	1.0x
EASTRNLAB	1,132.9	1,024.6	+10.6%	1,126	37.5	40.9x	6.2x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
AMANFEED	27.1	33.0	-15.8%	3,549	176.2	10.0x	0.8x
ESQUIRENIT	26.2	30.4	-13.8%	3,534	66.3	14.3x	0.7x
KEYACOSMET	6.0	6.8	-11.8%	6,614	147.9	17.9x	0.5x
FIRSTFIN	6.7	7.5	-10.7%	779	0.6	NM	1.6x
REPUBLIC	56.1	61.3	-8.5%	2,601	509.4	27.2x	3.4x
ACTIVEFINE	15.4	16.8	-8.3%	3,695	155.9	9.8x	0.7x
GOLDENSON	10.5	11.4	-7.9%	1,803	29.1	NM	0.5x
SALVOCHEM	14.5	15.7	-7.6%	943	29.9	48.3x	1.2x
DAFODILCOM	69.3	74.9	-7.5%	3,459	36.2	76.2x	5.0x
AFTABAUTO	25.8	27.8	-7.2%	2,470	28.2	NM	0.4x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BXPBARMA	154.8	145.9	+6.1%	69,058	2,311	19.6x	2.1x
BEXIMCO	32.0	30.0	+6.7%	28,042	2,263	62.7x	0.5x
IFIC	12.9	11.9	+8.4%	20,896	1,626	11.2x	0.8x
RUPALIINS	42.6	44.3	-3.8%	3,266	921	24.2x	2.0x
SSSTEEL	16.7	14.3	+16.8%	5,082	795	11.6x	1.0x
FORTUNE	21.0	21.7	-3.2%	3,251	742	27.6x	1.6x
WALTONHIL	1,026.7	884.5	+16.1%	311,017	741	45.8x	3.9x
DOREENPWR	57.5	57.5	-	8,302	729	8.3x	1.4x
MARICO	2,206.4	2,135.7	+3.3%	69,502	612	23.9x	43.6x
BSCCL	140.5	135.2	+3.9%	23,169	583	24.2x	3.4x

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
REPUBLIC	56.1	61.3	-8.5%	2,601	509
GP	346.0	341.5	+1.3%	467,204	489
CITYBANK	25.7	26.4	-2.7%	26,121	488
PURABIGEN	33.8	32.5	+4.0%	1,869	465
SQURPHARMA	200.5	196.9	+1.8%	177,733	457
LHBL	42.0	41.2	+1.9%	48,778	452
UPGDCL	259.0	264.4	-2.0%	150,141	418
LANKABAFIN	22.4	22.2	+0.9%	12,070	389
NORTHNRINS	46.8	46.7	+0.2%	1,996	380
ORIONPHARM	48.9	45.6	+7.2%	11,443	357

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,365.56	1,381.46	1,319.28	-1.15%	+3.51%
NBFIs	1,798.60	1,810.52	1,565.13	-0.66%	+14.92%
Mutual Funds	969.23	961.40	591.17	+0.81%	+63.95%
General Insurance	3,939.31	4,041.16	1,927.02	-2.52%	+104.42%
Life Insurance	2,255.00	2,221.68	2,194.70	+1.50%	+2.75%
Telecommunication	4,769.71	4,702.10	3,993.59	+1.44%	+19.43%
Pharmaceuticals	3,103.39	3,041.83	2,492.51	+2.02%	+24.51%
Fuel & Power	1,602.02	1,605.43	1,515.21	-0.21%	+5.73%
Cement	1,308.35	1,271.28	1,132.29	+2.92%	+15.55%
Services & Real Estate	1,026.16	1,045.91	886.70	-1.89%	+15.73%
Engineering	3,702.23	3,360.13	2,257.22	+10.18%	+64.02%
Food & Allied	14,504.73	14,031.22	12,121.49	+3.37%	+19.66%
IT	2,306.27	2,388.59	1,823.13	-3.45%	+26.50%
Textiles	1,075.24	1,091.39	1,042.04	-1.48%	+3.19%
Paper & Printing	5,232.76	5,273.86	5,233.20	-0.78%	-0.01%
Tannery	1,733.14	1,745.77	1,826.45	-0.72%	-5.11%
Jute	9,565.26	8,604.60	11,393.28	+11.16%	-16.04%
Ceramics	448.95	459.41	459.10	-2.28%	-2.21%
Miscellaneous	2,132.53	2,091.73	1,745.96	+1.95%	+22.14%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	963.1	758.9	+26.9%	10.7%	7.9x	0.8x
NBFI	276.5	355.9	-22.3%	3.1%	NM	2.8x
Mutual Fund	408.9	412.9	-1.0%	4.6%	NM	0.8x
General Insurance	1,604.8	1,719.6	-6.7%	17.9%	21.4x	1.9x
Life Insurance	94.9	129.8	-26.9%	1.1%	NM	NM
Telecommunication	268.0	148.7	+80.2%	3.0%	13.4x	10.0x
Pharmaceutical	1,491.2	967.0	+54.2%	16.6%	19.7x	2.4x
Fuel & Power	349.6	357.6	-2.2%	3.9%	12.2x	1.4x
Cement	203.1	125.0	+62.5%	2.3%	32.8x	2.0x
Services & Real Estate	87.3	138.8	-37.1%	1.0%	88.3x	0.9x
Engineering	1,045.3	758.1	+37.9%	11.6%	38.3x	2.1x
Food & Allied	323.4	226.0	+43.1%	3.6%	23.5x	6.5x
IT	181.0	287.4	-37.0%	2.0%	24.9x	2.2x
Textile	516.1	487.2	+5.9%	5.8%	330.8x	0.8x
Paper & Printing	30.4	40.5	-24.8%	0.3%	61.1x	1.1x
Tannery	201.8	200.4	+0.7%	2.2%	NM	1.8x
Jute	34.7	16.4	+111.2%	0.4%	NM	11.6x
Ceramics	98.1	115.2	-14.9%	1.1%	57.9x	1.6x
Miscellaneous	796.5	806.1	-1.2%	8.9%	37.5x	1.3x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ECABLES	140.4	-29.5%	3,370	NM	10.1x
RUNNERAUTO	48.9	-17.8%	5,552	38.5x	0.8x
BRACBANK	44.4	-16.4%	58,869	13.9x	1.3x
GHAIL	16.7	-14.8%	3,604	NM	1.1x
HEIDELBCEM	147.4	-10.6%	8,329	NM	2.1x
UNIQUEHRL	39.5	-10.0%	11,629	87.8x	0.5x
SHASHADNIM	21.6	-8.2%	3,046	10.5x	0.5x
BBSCABLES	54.6	-7.1%	9,532	8.2x	1.7x
DBH	92.6	-6.8%	14,274	16.9x	2.3x
SQUARETEXT	29.0	-6.5%	5,720	NM	0.8x

## Important News: Business & Economy

### Forex reserve hits record USD 42.09 billion

Foreign exchange (forex) reserve crossed USD 42-billion mark for the first time in the history of Bangladesh on Tuesday. Officials ascribed this record reserve to lower import payment obligations and higher growth of inward remittance. According to the central bank's latest data. It was USD 41.02 billion on October 29 this year. The country's overall import payments dropped by nearly 13% to USD 15.78 billion during the July-October period of the current fiscal year (FY), 2020-21. It was USD 18.14 billion during the same period of last fiscal mainly due to the ongoing Covid-19 pandemic.

On the other hand, inward remittance grew by more than 41% to USD 10.90 billion during the July-November period of FY 2021. The amount was USD 7.72 billion in the corresponding period of the previous fiscal. A central banker said the continued purchase of USD directly from commercial banks has contributed to achieving the new reserve record. An estimated USD 5.0 billion has so far been bought from commercial banks in FY 2021 as part of the central bank's intervention into the market, he added.

<https://today.thefinancialexpress.com.bd/public/last-page/forex-reserve-hits-record-4209b-1608055736>

<https://www.dhakatribune.com/business/economy/2020/12/15/forex-reserve-hit-record-42bn-for-first-time>

<https://tbsnews.net/economy/forex-reserves-hit-record-high-over-42-billion-172198>

### Bangladesh finally falling in love with digital money

In October, card transactions stood at BDT 180.90 billion, up 16.9% from a year earlier, according to data from the Bangladesh Bank. The amount, in fact, is the second-highest in history. Only in July, which was a record-setting month for digital money across the board, were card transactions were higher. Transactions through the mobile financial service platform, another form of digital money, stood at BDT 532.60 billion in October, up 41% year-on-year. October's figure, which is up 8.5% from a month earlier, is the second-highest since MFS was introduced nearly a decade ago.

In April, card transactions stood at BDT 89.21 billion, the lowest since December 2018 at least, according to data from the Bangladesh Bank. In that month, transactions on the MFS platform was the lowest since February 2018 at BDT 290.3 billion. E-commerce transactions stood at BDT 5.43 billion in October, which is the second-highest in history after July, as per the central bank data. Card transactions will increase further when international travel starts in full swing. Nowadays, conscious people have moved away from the use of notes and in the next couple of years, most of the people in Dhaka will go to the digital transactions, said the managing director of BRAC Bank, which aims to take up the top spot in the card business within the next couple of years.

<https://www.dhakatribune.com/business/economy/2020/12/15/is-bangladesh-finally-falling-in-love-with-digital-money>

### ADB retains growth forecast of 6.8% for Bangladesh

Economic activity in Bangladesh has recovered more strongly than expected with both exports and remittances growing in recent months, said the Asian Development Bank on Thursday. In the first five months of the fiscal year that began in July, Bangladesh received 42.9% higher remittance than a year earlier and about 1.5% lower export receipts,

according to data from the Bangladesh Bank and the Export Promotion Bureau.

But the road ahead is paved with risks for the second wave of COVID-19 in major export destinations, said the Manila-based lender in the December update of the Asian Development Outlook 2020. And there are inflationary risks, too. The average inflation in Bangladesh rose to 5.8% in the first five months of fiscal 2020-21, hitting a seven-year high in October. The ADB though kept Bangladesh's growth outlook unchanged from its September update of 6.8% for this fiscal year.

### Additional 1.0% general provision against unclassified loans

The central bank has imposed additional 1.0% general provision against all unclassified loans aiming to improve financial health along with shock absorbing capacity of banks, officials said. Under the new policy, all scheduled banks will have to keep the additional provision against unclassified including special mention account (SMA) loans under 'Special General Provision-COVID-19' that will not be transferable until further notice of the central bank, according to a notification issued by the Bangladesh Bank (BB) on Thursday. Under the existing regulations, the banks have to keep 0.25% to 2.0% provisions against loans under general category, 20% against substandard category, 50% against doubtful loans, and 100% against bad or loss category.

On the other hand, the banks are allowed to transfer interest incomes excepting cash recovery into their operational profit accounts after fulfilling three conditions of the central bank, the officials added. Under the conditions, approval by the board of directors along with recommendation of the audit committee of the banks concerned will be required for transferring interest against BDT 100 million and above loans into income account. With the recommendation of the branch manager and approved by the managing director or chief executive officer, interest against loans amounting to BDT 50 million or more but less than BDT 100 million will be credited into income accounts while recommendation of branch manager and approved by the regional head for transferring interest against loans amounting to below BDT 50 million into income account.

<https://today.thefinancialexpress.com.bd/last-page/addl-10pc-general-provision-against-unclassified-loans-1607624711>

<https://www.thedailystar.net/business/news/bb-asks-banks-keep-extra-BDT-10000cr-provisioning-2009489>

<https://tbsnews.net/economy/banking/banks-spend-additional-money-payment-pause-170131>

### Bangladesh Bank foresees a spike in bad loans in 2021

Banks will have to keep higher provisioning against their unclassified loans for this year, in what can be viewed as a proactive move from the Bangladesh Bank to protect the sector's financial health once the loan moratorium facility is lifted in the new year. Special Mention Accounts are the ones that show symptoms of bad asset quality in the first 90 days itself or before it is identified as classified. Provisioning is a portion of the income set aside to cover for The BB also tightened the rules for transferring unrealised interest income to the income account. Non-payment of loans has been on the rise, which is creating extra risks for the overall banking sector, said a high official of the BB requesting anonymity.

At the end of September, the country's scheduled banks maintained BDT 610 billion in provisioning against their requirement of BDT 636 billion. Usually, the banks are supposed to keep 0.25% to 2% provisioning against unclassified loans. But now, banks will have to keep 3% provisioning including the 1% additional provisioning under the head of 'Special

General Provision COVID-19' while preparing their financial statement for 2020.

<https://www.dhakatribune.com/business/banks/2020/12/11/bb-foresees-a-spike-in-bad-loans-in-2021>

### **NBR sees tax target unmet**

• The revenue authority faced a BDT 275.56 billion shortfall in tax collection until November of the current fiscal year against its target due to sluggish economic activities amid the COVID-19 pandemic. Tax collection registered a minuscule 1.18% growth, compared with the corresponding period of the last year after showing a 4.41% growth in the first quarter (July-September). Last year, the NBR achieved 6.19% growth in the same period. According to the provisional data of the National Board of Revenue (NBR), the tax authority collected BDT 854.03 billion taxes in July-November period, up from BDT 844.04 billion in the same period last year. Until November, the target for NBR was BDT 1.12 trillion. However, officials are optimistic, saying the growth is a positive sign amid the coronavirus pandemic.

<https://today.thefinancialexpress.com.bd/first-page/nbr-sees-tax-target-unmet-1607623387>  
<https://www.thedailystar.net/business/news/revenue-collection-slow-lane-2009469>  
<https://tbsnews.net/economy/revenue-falls-BDT27557cr-short-target-five-months-170128>

### **Mobile banking loses 7.7 million customers in October**

• The number of active accounts dropped to 33.2 million in October, which is about 19% fewer than the figure in September, according to the monthly report on mobile financial services released by the central bank on Thursday. When asked why such a large number of accounts had disappeared in October, a senior central bank official said a mobile banking account was considered dormant if there were no transactions for a month. The number of active accounts increased after new ones were opened to receive the cash assistance of BDT 2,500 per person allocated by the government for the 5 million marginalized people impacted by the coronavirus. At present, most of those accounts have become inactive due to a lack of activity.

Although the number of active accounts decreased, the total transaction and daily transaction volumes in October led the rate of opening new accounts to increase, compared to September. In October, total transactions increased by 6% to BDT 532.58 billion. On the other hand, the average daily turnover that same month (October) increased by about 5% to BDT 17.18 billion.

<https://tbsnews.net/economy/banking/mobile-banking-loses-77-lakh-customers-october-170083>

### **USD 1.0 billion World Bank, Asian Development Bank funds likely**

• Two major lenders are expected to provide USD1.0 billion in loans to help Bangladesh procure COVID-19 vaccines, officials said on Friday. Both the World Bank (WB) and the Asian Development Bank (ADB) would deploy their preparatory missions in Bangladesh soon for the purpose, they said. The WB has recently informed the government that it would offer USD 500 million assistance as an additional financing for the ongoing "Covid-19 emergency response and pandemic preparedness project," an official said. The ADB has also recently assured the government of extending its support with USD 500 million loans for procuring vaccine as it is going to start a mission soon, an Economic Relations Division (ERD) official said.

<https://today.thefinancialexpress.com.bd/last-page/10b-wb-adb-funds-likely-1607709876>

### **MFS subscribers using the platform more and more**

• That the mobile financial services platform is nimbly making a space for itself among people's hearts amid the pandemic has been well-established. But what is more promising for the platform is that people are progressively using MFS to make transfers to one another and make merchant payments, indicating that the money is staying within the system and is not being converted into paper money. In October, person-to-person (P2P) transfers on the platform stood at BDT 165.67 billion, accounting for the biggest share of the total transactions made during the month, according to data from the Bangladesh Bank. October's P2P transfers were an increase of 84.3% from a year earlier 11.5% from the previous month.

• By doing less cash-out transactions, the MFS users are avoiding the cash-out charge. The cash-out charge for bKash and Rocket users is BDT 18.5 for every BDT 1,000 and for Nagad users it is BDT 11.49. Meanwhile, transactions through the platform stood at BDT 532.59 billion in October, up 41% year-on-year. October's figure, which is up 8.5% from a month earlier, is the second-highest since MFS was introduced nearly a decade ago.

<https://www.dhakatribune.com/business/banks/2020/12/11/mfs-subscribers-using-the-platform-more-and-more>

### **More fiscal support, if situation demands**

• Commerce minister on Saturday said that the government would consider providing the second stimulus package for businesses, especially for the apparel sector, if the situation demands. The apex trade body, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) of the readymade garment sector introduced the new initiative comprising seven pledges aimed at making the sector sustainable, human resource-oriented and environment-friendly. The minister said the government is considering the need for more stimulus packages with an open mind. He also underscored the need for considering the extension of repayment period for the funds already disbursed under the stimulus package to give the apparel sector a breathing space.

• BGMEA president said the association introduced the initiative in tune with the government's efforts to achieve the Sustainable Development Goals (SDGs). The initiative constitutes seven pledges aimed at enhancing living standards of the workers by offering them the opportunity to receive higher education, ensuring wellbeing of their kids at the workplaces, and support mental health. She said the BGMEA's other pledges involve the sustainability of the factories, promoting local fashion in the world, ensuring health safety of the workers and prepare the sector for adopting transformative technologies with skill and innovation.

<https://today.thefinancialexpress.com.bd/first-page/more-fiscal-support-if-situation-demands-1607795813>  
<https://www.dhakatribune.com/business/2020/12/13/garment-exporters-can-brace-for-a-second-round-of-rescue-deal>  
<https://www.thedailystar.net/business/news/govt-plans-fresh-apparel-stimulus-2010517>  
<https://tbsnews.net/economy/rmg/govt-may-consider-2nd-stimulus-rmq-sector-minister-170656>

## Liquidity glut in banks

- The advance-deposit ratio (ADR) of the country's banking sector dropped in September 2020 as stimulus money and remittances swelled deposits as against slower credit growth, bankers say. The ADR - a ratio between deposits and credit at any point of time-of all banks came down to 74% as on September 24 from 76.22% as on June 30 this year. It was 77.34% as on December 31, 2019. Though loan is not a liquid asset for banks, deposits are the main source of banks' liquidity. The ADR indicates the portion of deposits used to extend the credit.
- The ADR has already been re-fixed at 87% for all the conventional banks and at 92% for the Shariah-based Islamic banks. The previous ratios were 85% and 90% respectively. On April 12, the Bangladesh Bank (BB) raised the ADR limit by 2.0% points to help the banks implement the stimulus package by investing more in different sectors. The growth in deposits rose to 12.39% in September from 10.49% at the end of June 2020, helped by record remittances.
- Despite the ongoing pandemic, the inflow of remittances surged by more than 41% to USD 10.90 billion during the July-November period of FY 2020-21, from USD 7.72 billion in the same period of the previous fiscal. Higher inflow of remittances pushed up the overall deposit growth in the banking system in recent months, although the banks slashed the interest rates on deposits because of available funds in the market, according to senior bankers.

<https://today.thefinancialexpress.com.bd/first-page/liquidity-glut-in-banks-1607881898>

## Garment exporters face storm as new orders drop

- Apparel makers are once again facing trying times. On the one hand, the flow of new orders for shipment during the summer has fallen. On the other hand, many buyers are deferring placement of new orders as retail sales in the West are yet to pick up because of the second wave of coronavirus infections. This forced a large number of garment manufacturers to cut back on their production and run below capacity at a time when their overheads have not dropped to that extent. As a result, leading manufacturers of apparels, the lifeline of Bangladesh's economy and jobs, are appealing to the government for a fresh stimulus so that the sector can come out of the troubled waters.
- They need a supporting hand from the government to cope with the second wave of coronavirus infections, said the managing director of Plummy Fashions. The buyers are extra cautious in placing orders and are waiting for Christmas sales and the arrival of vaccines, said the chairman of Envoy Group. The demand for another round of stimulus package came on the heels of a slower-than-expected recovery of global trade. Despite substantial improvement in recent months, merchandise trade is still well below the 2019 levels, and preliminary estimates suggest services trade remains severely depressed, the World Trade Organisation said on December 5.
- Local garment manufacturers have received 30% fewer work orders for the next summer season because of the fallouts of the second wave in the main export destinations such as Europe and the US. The production for the next season starts in December and continues up to March.

<https://www.thedailystar.net/bangladesh/news/garment-exporters-face-storm-new-orders-drop-2011077>

## Import, export cost goes up as freight rates rise

- Freight charges have risen in the last few weeks due to the adverse effects of Covid-19 on the global shipping sector, pushing the cost for importers and exporters in Bangladesh, industry people said. Major mainline operations have increased the freight rates citing an acute shortage of empty containers following a surge in demand for imports. Besides, the ongoing coronavirus pandemic has disrupted the global supply chain, causing delays in shipment and congestion at several ports, they said. CMA-CGM, the fourth largest container shipping line in the world, has recently announced that it would implement new freight charges for the routes between base ports in Northern Europe and the Indian subcontinent.
- Similarly, the operators running feeder vessels between Chattogram and various hub ports such as Colombo, Singapore and Port Klang of Malaysia, last month increased the freight charge by imposing an emergency cost recovery surcharge of USD 75 for each loaded container and USD 37.50 for an empty container. The congestion at several ports is causing a pile-up of containers, and this has led to additional operating costs for vessels, forcing shipping lines to increase the freight rates, according to Ahsanul Hoq Chowdhury, chairman of the Bangladesh Shipping Agents Association.
- Last month, he paid USD 3,200 to ship a single 40-foot container from China. Now, the freight charge has risen to USD 4,200 for the same container, said a Chattogram-based fruit importer, adding that he had no other option but to increase the price of his goods to make up for the extra expense.

<https://www.thedailystar.net/business/news/import-export-cost-goes-freight-rates-rise-2011101>

## BDT 10.00 billion fund for factories' tech upgrade

- Bangladesh Bank is forming a BDT 10.00 billion fund to provide cheap loans to export-oriented industries to upgrade technologies they currently use. The eligible industries are of 32 types, all falling under top-priority and special development sectors. They include readymade garment factories making high-value additions in production, pharmaceuticals, software and IT-enabled services, jute goods and footwear and leather goods.
- The fund will run under a refinancing scheme, meaning banks will first give out the loans before being reimbursed by the central bank. The interest rate will range between 5% and 6%, according to a central bank document. The central bank will issue a notice within a week or two to this end, said a Bangladesh Bank official, wishing not to be named as he was not authorised to speak to the media. The fund will help make the export-oriented industries more vibrant in keeping with global trends, he said.

<https://www.thedailystar.net/business/news/BDT-1000cr-fund-factories-tech-upgrade-2011081>

## Govt aims to rein in budget deficit back within 5% from next fiscal

- The government has set itself a target to rein in the budget deficit within 5% of GDP once again from the 2021-22 fiscal, relying on a vibrant economic performance resulting from its injection of various stimulus packages for various sectors to overcome the adverse impacts of the Covid-19 pandemic. In the current fiscal, according to the budget document, the overall budget deficit will be BDT 1.90 trillion, which is 6% of GDP. Out of the total deficit, BDT 800.17 billion will be financed from external sources, and BDT 1.09 trillion from

domestic sources of which BDT 849.83 billion will come from the banking system and BDT 250.00 billion from savings certificates and other non-bank sources.

- The original budget deficit for the last 2019-20 fiscal year was BDT 1.45 trillion, within the 5%. However, the deficit in the revised budget was set at BDT 1.53 trillion, which was 5.5% of GDP. Against the original budget deficit, the estimation for external financing was BDT 680.16 billion, which has been reduced to BDT 561.63 billion in the revised budget. From domestic sources, the estimation of financing from the banking system is BDT 824.21 billion. According to an official document, the government has taken a move to put the budget deficit at 5% of the total GDP for the next two fiscals (2021-22 and 2022-23).

<https://tbsnews.net/economy/budget/govt-aims-rein-budget-deficit-back-within-5-next-fiscal-171220>

### **Credit card use back to pre-pandemic levels**

- Spending through credit cards reached the pre-pandemic levels in October in keeping with the economic recovery, a sign that clients are embracing the plastic money sidestepping the use of cash. Total card loans held by lenders stood at BDT 13.81 billion in October, up 11% from that a month earlier and 17% year-on-year. The rise in transactions through credit cards, one of the major purchasing power indicators of clients, hints that economic activity in the country has been increasingly rebounding, said bank officials directly linked to card businesses.

- Spending through credit cards drastically went down in the second quarter of 2020 because of the strict restrictions on movements imposed by the government to keep the deadly flu at bay. In July, card transactions increased at a faster pace, because of either the easing of lockdowns or erosion of the purchasing capacity of consumers. Credit cardholders subsequently made a record amount of transactions to the tune of BDT 15.52 billion in August during Eid-ul-Azha, one of the biggest festivals for Muslims. The figure, however, came down sharply in September.

- The managing director of City Bank, said the bank achieved their usual business from credit cards in the last two months, after a four-to-five-month hiatus due to the economic slowdown caused by the coronavirus pandemic. City Bank is the top player in the country's credit card market. It has issued around 0.5 million cards.

<https://www.thedailystar.net/business/news/credit-card-use-back-pre-pandemic-levels-2011593>

### **H1 Greenfield FDI declines notably**

- Greenfield foreign direct investment (FDI) in Bangladesh declined by 84% during the first half of 2020 over that of the corresponding period of 2019, primarily due to the Covid-19, according to an ILO report. The report titled 'Asia-Pacific Employment and Social Outlook 2020: Navigating the crisis towards a human-centred future of work' showed Bangladesh is among other six countries that witnessed largest decline in Greenfield FDI in January to June 2020 period. The rest six countries--Macau (China), the Maldives, Pakistan, the Philippines and Sri Lanka reflected the largest decline in Greenfield investment, ranging from 84% to 89%, according to the report

- The region experienced a decline in foreign Greenfield investment in the first half of 2020, at 34%, compared with the year before. The drop was 41% for extra-regional FDI, while intraregional FDI dropped by 26%. According to the BIDA, overall investment proposals

both local and foreign declined by 67.11% in April to June compared to that of January to March this year.

- In 2020, Bangladesh received BDT 41.50 billion foreign investment proposals during April to June which was BDT 80.20 billion during January to March showing a 48.25% fall. The proposed foreign investment amount was BDT 12.85 billion during July to September of 2020, according to BIDA.

<https://today.thefinancialexpress.com.bd/first-page/h1-greenfield-fdi-declines-notably-1608055259>

### **Covid restrictions in Europe add to woes of garment suppliers**

- Lockdowns and tightening of coronavirus restrictions ahead of Christmas in several European countries to tackle the second wave of infections have started adding to the woes of garment exporters in Bangladesh. Europe is the largest trading bloc for Bangladesh and accounts for more than 60% of the country's exports. Of the total shipment to the EU, more than 90% are apparel items. Last fiscal year, apparel shipment stood at USD 27.95 billion, which was USD 12.49 billion in FY10.

- The apparel shipment has been facing a crisis from the onset of the unprecedented pandemic. Recently, it has started recovering from the first phase of the pandemic-induced shock. But the second wave, which started from September, may nip the early recovery in the bud. Most of the major export destinations such as Germany, France, Spain, the Netherlands, and Italy have either announced lockdowns or are considering to announce strict measures to restrict the movement of people following a surge of infections in recent weeks.

- The managing director of DBL Group, a garment exporter, said the second wave, as well as the lockdowns ahead of Christmas in Europe, had already impacted the shipment from his company. Although the entrepreneur could manage work orders to a great extent, the prices offered by the retailers and brands are too low.

<https://www.thedailystar.net/business/news/covid-restrictions-europe-add-woes-garment-suppliers-2012745>

### **New provisioning rule creates new unease at banks**

- Around 30% to 40% of the borrowers of all strong banks are getting the loan deferment facility whereas, the number is 70% for the weak ones, according to industry insiders. So, good banks will suffer because of some weak ones by maintaining the additional provision on their total loan books, which is not fair, the managing director and chief executive officer of The City Bank Limited opined. The extra provision will make a severe impact on the international market as foreign banks may charge higher causing substantial losses in banks' profits. As a result, LC (Letter of Credit) cost will increase for importers, he added.

- On 10 December, the Bangladesh Bank issued a circular, instructing banks to maintain an additional 1% provision against all regular loan accounts aiming to strengthen banks against an anticipated wave of loan defaults. Moreover, the additional 1% provisioning will be maintained against all regular loans which will be mentioned differently in the final balance sheet of this year in the name of "Special General Provision-Covid-19", according to the circular. The provision maintained in this special account cannot be transferred to any other one without approval from the central bank.

- The latest directive to maintain the provision against unclassified loans has created an unease in the banking sector as bankers think there will be a drastic fall in their profitability and also increase transaction costs with foreign banks. The total volume of unclassified loans in the country's banking sector stood at BDT 9.24 trillion at the end of September this year. Currently, banks maintain 1% provision for unclassified loans, which will now be 2% following the new instruction from the regulator.

<https://tbsnews.net/economy/banking/new-provisioning-rule-creates-new-unease-banks-172288>

## Important News: Capital Market

### Govt, Beximco enter Oxford vaccine deal

- The government on Sunday signed an agreement with Beximco Pharma on the procurement of Oxford-Astrazeneca vaccine from Serum Institute of India (SII). Under the agreement, Bangladesh will import 30 million doses of vaccine in the next six months from Serum Institute of India, (5.0 million in each month). The agreement was sent to the SII, which will resend the agreement paper to Bangladesh by 15 December.

- The minister said that the vaccine of Oxford-Astrazeneca has been proved to be safer during human trials in different countries. The vaccine also suits the weather of Bangladesh. The government has been continuing discussions with other companies side by side. The vaccine of Astrazeneca is expected to arrive by mid-January. However, experts said the government could have purchased the vaccine directly from Serum instead of the third party. According to them, the procurement cost of the vaccine Beximco will be USD 5.0 per dose here while it will be available at USD 3.0 per dose in India.

<https://today.thefinancialexpress.com.bd/first-page/govt-beximco-enter-oxford-vaccine-deal-1607882096>

### BSEC moves to accelerate companies listing process

- The Bangladesh Securities and Exchange Commission has taken various measures to expedite companies' public offering and listing processes to reduce the time taken up in the processes along with the expenses incurred by the companies. BSEC executive director and spokesperson said that the regulator would cut down the time to a maximum 10 days to start trading on the stock exchange after subscription for public offering ends. Currently, it takes at least 30 working days to begin trading after the end of subscription, he said. If a company complies with all the rules and regulations, it would get the approval for IPO within 60 days, he said.

- BSEC officials said that the regulator had also moved to withdraw the IPO lottery system. If the lottery system is revoked and subscription by eligible investors and general investors is completed within the same time period, at least 10-15 days would also be saved, they said. Subscription by both retail and eligible investors would be completed through the electronic subscription system and shares would be distributed on a pro rata basis, they said. This would also reduce the IPO expense, they added.

- The securities regulator is now trying to cut down the decision making time for an IPO application and the regulatory efforts have already paid off. It approved the IPO of NRB Commercial Bank within one and half months of submission of the application. It approved IPOs worth BDT 12.74 billion of 14 companies and rejected IPO proposals of 11 companies

in just four months.

<https://www.newagebd.net/article/124065/bsec-moves-to-accelerate-cos-listing-process>

### Three banks get Bangladesh Securities and Exchange Commission nod to raise BDT 14 billion

- The stock market regulator has given approval to issue perpetual bonds worth BDT 14 billion in favour of three listed bank - First Security Islami Bank, Trust Bank and City Bank - to strengthen their additional Tier-1 capital base. The perpetual bonds will be unsecured and feature a floating rate. The price per unit of each bond is BDT 1.0 million. As per the regulatory approval, First Security Islami Bank will issue perpetual bond of BDT 6.0 billion while Trust Bank and City Bank to issue bonds worth BDT 4.0 billion each.

- First Security Islami Bank will issue unsecured, contingent-convertible, floating rate, mudaraba perpetual bond worth BDT 6.0 billion. The purpose of the bond issue is to strengthen the additional Tier-1 capital base of the bank. The price per unit of the bond is BDT 1.0 million and the coupon rate is 6.0% to 10%. City bank and Trust bank have informed that that BSEC has accorded consent under the provisions of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012, for raising of capital of the company amounting to BDT 4.0 billion by issuing of unsecured, contingent-convertible, floating rate perpetual bond through private placement in cash consideration.

<https://today.thefinancialexpress.com.bd/stock-corporate/three-banks-get-bsec-nod-to-raise-BDT-14b-1607788472>

### Energypac Power's IPO subscription ends today while subscription of Mir Akhter will open on December 24<sup>th</sup>.

- The IPO subscription of Energypac Power Generation will end today (Sunday) while subscription of Mir Akhter Hossain, one of the leading constructions and engineering companies in Bangladesh, will open on December 24. Energypac Power will raise BDT 1.50 billion while Mir Akhter Hossain will collect BDT 1.25 billion from the capital market under the book-building method. Energypac Power: The IPO subscription of Energypac Power Generation will end today (Sunday) at 5:30pm. The company's IPO subscription started on December 7 at 10:30am.

- The IPO subscription of Mir Akhter Hossain, the country's one of the leading construction and engineering companies, will open on December 24, aiming to raise BDT 1.25 billion under the book-building method. The company's IPO subscription will be continued until December 30 at 5:30pm, according to its abridged prospectus. A market lot consists of 100 shares and an investor needs BDT 5,400 to apply for each lot of the company's IPO shares. The cut-off price of Mir Akhter shares had been fixed at BDT 60 each. The company will issue a total of 20,771,547 ordinary shares, of which 10,385,747 shares are reserved for eligible investors (EIs) at their own bid price.

<https://today.thefinancialexpress.com.bd/stock-corporate/energypac-powers-ipo-subscription-ends-today-1607788567>

<https://tbsnews.net/economy/stock/energypac-ipo-subscription-close-13-december-170842>

### eGeneration's IPO subscription to begin 12 Jan

- The IPO subscription to eGeneration Limited, an IT consulting and software solutions

company, will begin on 12 January, 2021 and continue till the evening of 18 January. During that time, the IPO subscription will be accepted in brokerage houses at BDT 10 per share from 10am to 5pm every day. After receiving subscriptions, investors will get allotment of the company's shares on lottery. Earlier, the securities regulator – Bangladesh Securities and Exchange Commission (BSEC) – approved the company's Initial Public Offerings (IPO) to raise BDT 150 million by issuing 15 million shares.

- The company will use the IPO fund for purchasing business floor space, repaying loans and developing digital healthcare platforms. As of 30 June 2019, the company's net profit was BDT 109.0 million, slightly up from BDT 104.9 million the previous year. During that period, the company's gross profit was BDT 156.8 million, which was BDT 144.1 million a year before. At the same time, its earnings per share was BDT 1.82 and net asset value per share BDT 20.56.

<https://tbsnews.net/economy/stock/egenerations-ipo-subscription-begin-12-jan-171265>  
<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-egeneration-opens-jan-12-1607876386>

### **Bangladesh Securities and Exchange Commission (BSEC) approves National Polymer's rights offer and United Commercial Bank's Perpetual bond**

- The stock market regulator has approved National Polymer's application to raise BDT 547.38 million through rights issue. The company will issue more than 36.49 million rights shares of BDT15 each, including BDT 5.0 as a premium. The raised fund will be used to cope with the business growth, strengthen the capital base of the company, repay bank loans and purchase land. AAA Financial & Investment Ltd will be the issue manager.

- The National Polymer Industries' earnings per share stood at BDT4.25 and net asset value (NAV) per share of 38.98 (with revaluation) for the year ended on June 30, 2019, as per the rights offer document. The company's paid-up capital is BDT364.92 million and authorised capital is BDT 3.0 billion while the total number of securities is 36.49 million. The sponsor-directors own 43.11% stake in the company, while the institutional investors own 10.19% and the general public 46.70% as on October 31, 2020, the DSE data show.

- The securities regulator also approved an unsecured, floating rate, conditional-convertible, perpetual bond worth BDT4.0 billion in favour of United Commercial Bank Limited. The purpose of the bond issue is to strengthen the capital base Additional Tier-1 of the bank. Per unit price of the bond will be BDT 1.0 million and the couponrate is 8.0% to 10%. The units will be sold to government financial institutions, mutual funds, insurance companies, listed banks, and other eligible investors through private placements. MTB Capital Ltd will act as the Trustee and IDLC Finance arranger for the Bond.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-approves-national-polymers-rights-offer-1608050645>  
<https://www.dhakatribune.com/business/stock/2020/12/16/national-polymer-s-BDT-55-cr-right-offer-gets-the-nod>  
<https://tbsnews.net/economy/ucb-gets-bsec-nod-issue-BDT-400-crore-perpetual-bond-17226>

### **Insurance firms must invest 20% equity for listing**

- Twenty-six insurance companies, which have less than BDT 300 million paid-up capital, must invest at least 20% of their equity in the capital market if they want to

get listed. In addition, any of the companies will have to raise at least BDT 150 million by offloading shares to the stock market. BSEC Executive Director and Spokesman said that recently three insurance firms have received approval where the commission had imposed the conditions. The directive will be applicable for all insurance firms when they come to the capital market for listing, he added.

- Earlier, the securities regulator exempted the insurance companies from the securities rule to enable them to get listed on the stock market under the fixed price method. Under the new facility, the insurance companies will be able to apply to the commission for IPO aiming to raise less than BDT 300 million. BSEC took the decision in response to an application by the Insurance Development and Regulatory Authority of Bangladesh (Idra) in this regard.

<https://tbsnews.net/economy/insurance-firms-must-invest-20-equity-listing-170839>

### **Energypac has all ingredients to be a blockbuster IPO**

- Energypac's initial public offering subscription, which began on December 7, wraps up today. The company has a bright outlook due to being a diversified end-to-end engineering solution provider in a fast-growing Bangladesh. Energypac's sales almost tripled in 2018 due to the start of LPG business in 2017, said recent research by Brac-EPL. LPG has emerged as an alternative to natural gas and is likely to be popular as an alternative automobile fuel due to its cost-effectiveness and environment-friendliness.

- The current LPG industry size is 0.9 million tonnes, and it is expected to reach 2 million tonnes by 2025, implying a compound annual growth rate of 15.3%. Energypac has the same storage capacity as Bashundhara, its daily refill capacity of about 3,500 cylinders pales in comparison to the number one player. • The company would use BDT 262 million of the IPO proceeds to procure LPG carrier and accessories, BDT 523 million for importing LPG cylinders and another BDT 176 million for purchasing material for LPG cylinders. The rest of the IPO proceeds would be used for loan repayment and footing IPO expenses.

- Energypac and its subsidiaries are highly leveraged, said the Brac-EPL report. The company had 2.5 times more debt than its equity investment in the nine months of 2019. It initially borrowed fund at an average rate of 12.5%. The implementation of the single-digit interest rate in 2020 is likely to be advantageous for the company. No wonder then it would use 33% of the IPO proceeds to clear its bank loans.

<https://www.dhakatribune.com/business/stock/2020/12/13/energypac-has-all-ingredients-to-be-a-blockbuster-ipo>

### **Keya's assets melt down after figure jugglery**

- Transferring toxic assets of private concerns to the public company and hiding weakness through questionable accounting over years – all have come to roost now as Keya Cosmetics Limited has announced an annual loss for the fiscal year 2018-19 that surpasses its capital. The huge loss has eroded the listed company's net asset to almost zero. Thanks to actions taken by accounting regulator Financial Reporting Council (FRC), the company was compelled to correct its false accounts. The company posted a meagre profit for the FY20, but the amount is far from being significant in terms of asset rebuilding.

- Keya Cosmetics, by making annual profits more than half of its paid up capital, amalgamated Keya Detergent and its backward linkage Keya Soap Chemicals Ltd in 2010. The amalgamation appeared to be a synergy killer in contrast to the common expectation for synergy boosts as the post-amalgamation listed company's profit dropped by two-thirds within three years. The same story of unwelcomed amalgamation was repeated in the mid 2010s when the group attempted merging three of its textile companies – Keya Spinning Mills, Keya Cotton Mills, and Keya Knit Composite – which had already failed to get listed on the bourses.

<https://tbsnews.net/companies/keyas-net-asset-evaporates-zero-170914>

### **Union Capital to get 11.4 million NCC Bank shares from loan defaulter**

- Union Capital Ltd, a non-bank financial institution (NBFI), will get 1.2% shares of NCC Bank Limited from Mohammad Ali, a client of the NBFI and also a sponsor of the listed commercial bank. The Dhaka Stock Exchange (DSE) has approved the plan to transfer 11.4 million NCC Bank shares from Mohammad Ali's investment account to the beneficiary account of Union Capital in 30 working days, as ordered by the court. However, a Union Capital official said that they applied before the court to liquidate the NCC Bank shares held by Mohammad Ali, who defaulted on loans taken from the NBFI. Union Capital secured the court order in November and based on the order, the DSE approved the share transfer plan recently.

<https://tbsnews.net/economy/stock/union-capital-get-114-crore-ncc-bank-shares-loan-defaulter-171283>

### **Ashuganj Power recommends 8.50% coupon rate**

- Ashuganj Power Station Company Limited (APSCL) has recommended an 8.50% rate for APSCL non-convertible and fully redeemable coupon bearing bond for the first year. The first-year period is from 5 January this year to 4 January, 2021. The record date for entitlement of the bond's coupon rate profit was set for 4 January, 2021. Last year, the company issued bonds worth BDT 5.00 billion through private placements among state-owned banks and financial institutions to finance its 400MW power plant, which is now under construction.

- Acting upon the government's advice to increase tradable bonds on stock exchanges, bonds worth BDT 1.00 billion were sold to general investors through an initial public offering (IPO), with a face value of BDT 5,000 per unit. With a tenure of seven years, the bonds offer an interest rate ranging from 8.50% to 10.50%. They have been traded on the secondary market of Dhaka Stock Exchange (DSE).

<https://tbsnews.net/economy/stock/ashuganj-power-recommends-850-coupon-rate-171271>

### **IPO subscription should be sure-shot at shares**

- Every initial public offering applicant should get shares if they have a minimum secondary market investment of BDT 10,000, said an IPO assessment committee formed by the Bangladesh Securities and Exchange Commission (BSEC) last week. It thinks every BO account-holder should make subscriptions of at least BDT 10,000 in the fixed-price method and BDT 20,000 in the book-building method. Currently, investors offer BDT 5,000 when

they subscribe to an IPO. A lottery is held with winners getting a set number of shares. Those whose names do not come up get the whole of their offer returned to their BO accounts.

- The seven-member committee was formed to suggest how every applicant could get shares from IPOs. It sat in a meeting on Sunday when the opinions came up. IPO's shares should be divided amongst all the subscriptions, doing away with lotteries, a committee member said. Whatever a subscription ends up getting should be deducted from the subscription offer, and the remainder should be returned to the investor, he said. The committee also thinks that the duration from an IPO offer to the debut trading day should be reduced from 45 days to 30 days.

- Stock investors were not happy about the upcoming recommendation on raising the subscription offer, saying the change would reduce investors' participation in the primary market. There are more than 2.53 million beneficiary owners accounts, according to the Central Depository of Bangladesh. The new IPO process will benefit real stock investors because it will give them primary shares for sure, said a top merchant banker.

<https://www.thedailystar.net/business/news/ipo-subscription-should-be-sure-shot-shares-2011589>

### **Mir Akhter's IPO is bound to be red-hot**

- The company, which was founded in 1968, is among the top three companies in the infrastructure development sector in terms of capacity. It is involved in the construction of roads, bridges, highways, railway tracks, airports, discharge channels, 5-star luxury hotels, civil construction of power plants, functional buildings, factory buildings and complex infrastructural projects. Mir Akhter has been leveraging its broad spectrum of capabilities and strengths to implement large scale government and private construction projects. It is actively engaged in gas pad drilling using high-tech utility rigs, river dredging, manufacturing of sleepers and soil stabilisation.

- Its revenue, which stood at BDT 12.52 billion in 2019, comes from two major segments: own construction business (about 35%) and joint ventures with internationally reputed construction companies (about 65%). The company, which currently has 37 ongoing projects worth about BDT 5864 billion, has set its sights on making a space for itself in the USD 3.6 trillion global infrastructure market, said its managing director.

<https://www.dhakatribune.com/business/stock/2020/12/15/mir-akhter-s-ipo-is-bound-to-be-red-hot>

### **Stockbrokers can open booths at union parishad and outside Bangladesh**

- Stockbrokers can now set up digital booths under the supervision of its respective head office or branch offices at city corporations, municipality and union parishad headquarters and similar types of areas abroad to cater to more investors. The stockbrokers must have the requisite infrastructure and facilities, financial soundness and manpower to operate the booth, said the directive issued by the BSEC on Sunday. In case of establishing a digital booth outside the country, the stockbroker will have to take necessary permission of the authority of the country concerned after getting the approval from the commission, it added.

- As per the directive, the stockbroker will deposit BDT 0.1 million for each booth in Bangladesh and BDT 1 million for each booth outside of Bangladesh to the exchange as collateral. The amount would be refunded at the closure of the booth.

<https://www.dhakatribune.com/business/stock/2020/12/14/stockbrokers-can-open-booths-at-union-parishad-and-outside-bangladesh>

<https://tbsnews.net/economy/stock/bsec-approves-digital-booths-brokers-171712>

### **Citizens Bank gets Bangladesh Bank licence**

• The central bank issued licence to the Citizens Bank PLC with the number of scheduled banks totaling 61 in the country. On December 07, the BB board of directors gave its final approval to the proposed Citizens Bank, asking the lender to boost paid-up capital to BDT 5.0 billion within two years. The private commercial bank will have to take licences further for establishing branches," the central banker said.

• Managing director (MD) and chief executive officer (CEO) of the bank, said the Citizens Bank will emphasise light engineering, backward linkage industries, and cottage, micro and small enterprises (CMSEs) along with retail banking to facilitate achieving sustainable economic development of the country.

<https://today.thefinancialexpress.com.bd/public/last-page/citizens-bank-gets-bb-licence-1608055562>

### **Le Méridien Dhaka's owner thought it managed shortcut to bourses. Then BSEC stopped it at last minute.**

• Le Méridien Dhaka's parent company Best Holdings's bid to enter the bourses to raise BDT 2.83 billion via the direct listing system for which it does not qualify for has been thwarted by the stock market regulator. Earlier on November 12, Best Holdings applied to the stock market regulator and the Dhaka Stock Exchange (DSE) seeking special permission to offload 43 million ordinary shares through a direct listing.

• Earlier in 2016, the Bangladesh Securities and Exchange Commission in a regulatory notice directed the twin bourses not to allow any private company to being listed directly. Only the government companies or state-owned enterprises are eligible for this method of listing. Earlier in 2016, the Bangladesh Securities and Exchange Commission in a regulatory notice directed the twin bourses not to allow any private company to being listed directly.

• Only the government companies or state-owned enterprises are eligible for this method of listing. Best Holdings, furnished a letter from Finance I recommending the exemption in its application. The rationale for the exemption is that Best Holdings has built special expertise on infrastructure development, said the letter signed by Kamal on September 8.

<https://www.dhakatribune.com/business/2020/12/16/le-m-ridien-dhaka-s-owner-thought-it-managed-shortcut-to-bourses-then-bsec-stopped-it-at-last-minute>

<https://tbsnews.net/economy/stock/controversy-dse-over-best-holdings-direct-listing-172714>

<https://www.thedailystar.net/business/news/dse-ordered-halt-direct-listing-best-holdings-2012741>

### **Bangladesh Securities and Exchange Commission (BSEC) has set sights on cleaning up OTC counter**

• Bangladesh Securities and Exchange Commission (BSEC) has taken the initiative to reform the over-the-counter (OTC) market of both stock exchanges. The OTC market provides an alternative to stock exchange listing for securities of issuers that either chooses

not to be listed on Dhaka Stock Exchange or not to meet the relevant listing requirements. Currently, 64 companies, with a market capitalisation of BDT 518.46 billion, are trading at the OTC counter, which started in September 2009 with 51 companies.

• The stock market regulator yesterday asked the Dhaka and Chittagong stock exchanges to appoint special auditors to review the business affairs of 21 companies that are listed on the OTC market. The move comes as part of the stock market regulator's efforts to rid the OTC market from junk companies and to allow the better-performing ones on to the main board of the bourses. Companies such as Alif Industries, Sonali Paper & Board Mills, Wata Chemicals have graduated to the mainboard from the OTC counter. The bourses would review all financial and non-financial information about the companies, existence of land, building and property at approximate valuation and operational status.

<https://www.dhakatribune.com/business/stock/2020/12/16/bsec-has-set-sights-on-cleaning-the-otc-counter>

### **Banks to shell out another BDT 13.50 billion on stocks**

• Banks are going to invest an additional BDT 13.50 billion in the stock market by utilising Bangladesh Bank's incentive, a development that will likely to boost both liquidity flow and investor confidence. The highest investment commitment came from United Commercial Bank followed by Rupali, Pubali and Janata. As of December 10, lenders had invested BDT 7.00 billion in the market but the additional investment will likely to flow into the market in the coming months. The move comes at a time when local banks are facing excess liquidity due a lack of demand for loans because of a possible second wave of the pandemic.

• The Covid-19 outbreak is also affecting investment decisions, because of which prices of many stocks are staying relatively low. They have decided to invest in the stock market as many scripts are still lucrative and it might be profitable if the investment can continue for a long time, said a top official of a scheduled bank, preferring anonymity. Profitability in the banking sector is in danger due to the ongoing pandemic. So, they are searching for every possible way to utilise our funds, he added.

<https://www.thedailystar.net/business/news/banks-shell-out-another-BDT-1350cr-stocks-2012749>