

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.09%) lost -59.60 points and closed the week at 5,416.39 points. The blue-chip index DS30 (-1.89%) lost -39.78 points and stood at 2,065.80 points. The Shariah-based index DSES (-1.34%) lost -16.61 points and stood at 1,225.88 points. The large cap index CDSET (-1.46%) lost -17.12 points and closed at 1,152.21 points. DSEX, DS30, DSES and CDSET showed YTD returns of +0.27%, +5.19%, -1.31%, +2.60%, respectively.

Total Turnover During The Week (DSE): BDT 23.4 billion (USD 275 million)
Average Daily Turnover Value (ADTV): BDT 5.8 billion (Δ % Week: -34.2%)

Market P/E: 19.0x

Daily Index Movement during the Week:

Market performed four sessions during this week. In the first session, market performed negatively by -1.66% and continued to be negative in the second session by -1.25%. The market turned positive in the third session by +1.28% and continued to be positive in the fourth session by +0.57%.

Sectoral Performance:

- All the financial sectors registered negative performance this week except General Insurance (+1.77%). NBF1 experienced the highest loss of -2.58% followed by Life Insurance (-1.35%), Mutual Fund (-0.85%), and Bank (-0.61%).

- Non-financial sectors posted mixed performance this week. Engineering booked the highest gain of 6.16% followed by Fuel & Power (+1.51%), and Telecommunication (+0.21%). Food & Allied experienced the highest loss of 3.17% followed by Pharmaceutical (-1.12%).

Macroeconomic arena:

- Bangladesh's foreign exchange reserve surpassed USD 44- billion mark for the first time in its history, the central bank figures revealed Wednesday. Increased remittance inflows and lower import payments helped the country's foreign exchange reserve reach such a new high (nearly USD 44.03). The foreign currency reserve was recorded at USD 43 billion at the end of December 30 last year. The country's inward remittance reached USD 14.9 billion during the July-January period of this fiscal year, reflecting a nearly 35-per cent rise over the corresponding period of last fiscal.

- Bangladesh is expected to remain among the fastest-growing world economies in 2021, said the International Institute of Finance (IIF) in its outlook. The Washington-based IIF came up with this update on its website outlook for frontier Asian economies, assessing their key risks recently. As per the outlook, Bangladesh and Vietnam are among the few countries that were able to maintain growth in 2020.

- Combined profit of the majority of the listed companies surpassed the pre-Covid level in October-December quarter, pointing to a fast rebound in business and economic activities. An analysis of 185 listed companies representing pharmaceuticals, fuel and power, textile and apparel, IT and telecom, steel, cement, ceramic, automotive, leather, food and consumer goods showed that the combined profits rose 26% year-on-year to BDT 37.58 billion in the last quarter of 2020.

Stock Market arena:

- Moody's Investor Service has upgraded the Foreign Currency credit rating for BRAC Bank to Ba3 from B1 in December 2020, says a statement. Moody's also reaffirmed BRAC Bank's Local Currency Deposit Rating as "Ba3" -- the highest for any Bangladeshi bank rated by Moody's. This is the fourth consecutive year that the bank has obtained the highest credit rating from the internationally renowned rating agency.

- Heidelberg Cement is going to seek approval from its shareholders to amalgamate with Emirates Cement Bangladesh and Emirates Power Company. In 2019, the German cement manufacturer decided to acquire Emirates Cement Bangladesh and Emirates Power Company at a cost of nearly BDT 1.83 billion. Emirates Cement Bangladesh, which was incorporated in 2000, produces and retails cement in both the local and international markets.

- The securities regulator has decided to scrap the IPO (initial public offering) quota facility of three merchant banks for shortage of paid-up capital required to conduct operations as portfolio manager. Their licenses will also be cancelled if they fail to fulfill the shortage of capital by June 30, 2021. The merchant banks which came under the regulatory actions are Bengal Investments, CAPM Advisory and PLFS Investments.

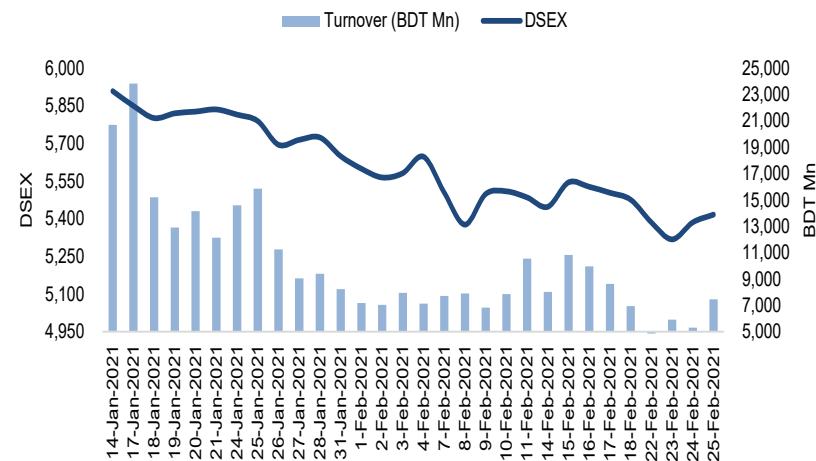
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	Δ % Week	Δ %YTD
DSEX	5,416.39	5,475.99	-59.60	5,402.07	-1.09%	+0.27%
DS30	2,065.80	2,105.58	-39.78	1,963.96	-1.89%	+5.19%
DSES	1,225.88	1,242.49	-16.61	1,242.11	-1.34%	-1.31%
CDSET	1,152.21	1,169.33	-17.12	1,123.03	-1.46%	+2.60%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,669,555	4,656,583	+0.3%
	Mn USD	54,962	54,809	
Turnover	Mn BDT	23,353	44,377	-47.4%
	Mn USD	275	522	
Average Daily Turnover	Mn BDT	5,838	8,875	-34.2%
	Mn USD	69	104	
Volume	Mn Shares	572	982	-41.7%

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
EGEN	24.7	10.0	+147.0%	1,853	0.9	24.1x	1.2x
ARAMITCEM	25.4	20.8	+22.1%	861	17.4	NM	1.0x
ROBI	43.7	39.3	+11.2%	228,898	1,691.5	NM	3.5x
ORIONPHARM	50.4	45.5	+10.8%	11,794	297.8	18.5x	0.7x
VAMLRBBF	9.4	8.6	+9.3%	1,492	5.0	NM	1.0x
WALTONHIL	1,264.1	1,157.9	+9.2%	382,932	692.7	50.1x	7.2x
SUMITPOWER	44.5	40.9	+8.8%	47,521	722.4	8.7x	1.4x
BEACONPHAR	102.1	94.2	+8.4%	23,585	453.8	39.1x	4.9x
POWERGRID	46.1	43.0	+7.2%	21,248	132.1	10.2x	0.4x
AL-HAJTEX	36.3	34.0	+6.8%	809	43.0	NM	4.2x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
NCCBLMF1	7.7	9.0	-14.4%	835	8.7	NM	0.9x
1STPRIMFMF	15.3	16.9	-9.5%	306	11.7	NM	1.4x
ANLIMAYARN	36.7	39.8	-7.8%	656	52.6	NM	3.2x
IDLC	64.4	69.7	-7.6%	24,282	95.2	12.1x	1.7x
NHFIL	32.0	34.6	-7.5%	3,745	48.2	11.9x	1.7x
ILFSL	4.4	4.7	-6.4%	976	11.5	NM	NM
BEXIMCO	85.5	91.1	-6.1%	74,925	5,392.2	NM	1.2x
LANKABAFIN	34.9	37.0	-5.7%	18,805	1,289.9	26.4x	2.0x
IPDC	25.1	26.6	-5.6%	9,314	18.1	13.5x	1.6x
MIRAKHTER	77.3	81.7	-5.4%	9,336	271.6	30.8x	1.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	85.5	91.1	-6.1%	74,925	5,392	NM	1.2x
ROBI	43.7	39.3	+11.2%	228,898	1,692	NM	3.5x
BATBC	1,527.1	1,592.3	-4.1%	274,878	1,451	25.2x	7.4x
LANKABAFIN	34.9	37.0	-5.7%	18,805	1,290	26.4x	2.0x
BXPBARMA	181.5	187.1	-3.0%	80,969	1,033	20.2x	2.5x
SUMITPOWER	44.5	40.9	+8.8%	47,521	722	8.7x	1.4x
WALTONHIL	1,264.1	1,157.9	+9.2%	382,932	693	50.1x	7.2x
SQURPHARMA	214.8	223.5	-3.9%	190,410	553	13.4x	2.3x
LHBL	52.8	50.9	+3.7%	61,321	455	29.7x	3.7x
BEACONPHAR	102.1	94.2	+8.4%	23,585	454	39.1x	4.9x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ROBI	43.7	+46.6%	228,898	NM	3.5x
BATBC	1,527.1	+29.3%	274,878	25.2x	7.4x
RECKITTBN	4,705.3	+16.3%	22,233	30.4x	43.1x
UNILEVERCL	3,222.5	+14.7%	38,820	42.1x	27.5x
SUMITPOWER	44.5	+14.4%	47,521	8.7x	1.4x
WALTONHIL	1,264.1	+13.5%	382,932	50.1x	7.2x
LANKABAFIN	34.9	+11.1%	18,805	26.4x	2.0x
LHBL	52.8	+10.5%	61,321	29.7x	3.7x
POWERGRID	46.1	+10.3%	21,248	10.2x	0.4x
HEIDELBCEM	162.7	+8.8%	9,193	NM	2.3x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,300.75	1,308.70	1,372.63	-0.61%	-5.24%
NBFIs	1,969.79	2,022.02	2,033.53	-2.58%	-3.13%
Mutual Funds	860.43	867.80	959.61	-0.85%	-10.33%
General Insurance	3,468.09	3,407.65	4,103.56	+1.77%	-15.49%
Life Insurance	2,009.19	2,036.69	2,162.58	-1.35%	-7.09%
Telecommunication	5,849.20	5,836.76	5,463.26	+0.21%	+7.06%
Pharmaceuticals	3,302.27	3,339.68	3,306.03	-1.12%	-0.11%
Fuel & Power	1,633.78	1,609.54	1,618.11	+1.51%	+0.97%
Cement	1,480.01	1,437.86	1,416.18	+2.93%	+4.51%
Services & Real Estate	1,040.80	1,025.19	1,083.79	+1.52%	-3.97%
Engineering	4,219.58	3,974.91	3,959.20	+6.16%	+6.58%
Food & Allied	19,508.55	20,147.29	14,705.76	-3.17%	+32.66%
IT	2,096.92	2,019.92	2,350.28	+3.81%	-10.78%
Textiles	1,028.73	1,033.49	1,087.41	-0.46%	-5.40%
Paper & Printing	5,164.50	5,134.10	5,487.56	+0.59%	-5.89%
Tannery	1,681.68	1,678.84	1,771.77	+0.17%	-5.08%
Jute	8,472.91	8,721.24	12,154.61	-2.85%	-30.29%
Ceramics	445.45	447.44	472.38	-0.44%	-5.70%
Miscellaneous	3,089.35	3,198.41	2,539.70	-3.41%	+21.64%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	298.9	414.8	-27.9%	5.3%	7.5x	0.7x
NBFI	467.8	765.1	-38.9%	8.2%	69.6x	3.2x
Mutual Fund	75.0	98.4	-23.8%	1.3%	NM	0.8x
General Insurance	325.1	480.3	-32.3%	5.7%	18.3x	1.7x
Life Insurance	18.9	26.4	-28.3%	0.3%	NM	NM
Telecommunication	528.9	640.7	-17.5%	9.3%	19.3x	6.5x
Pharmaceutical	747.4	1,137.4	-34.3%	13.1%	20.9x	2.6x
Fuel & Power	484.5	547.0	-11.4%	8.5%	13.0x	1.4x
Cement	152.8	132.7	+15.1%	2.7%	28.5x	2.3x
Services & Real Estate	45.4	54.9	-17.3%	0.8%	NM	0.9x
Engineering	385.9	490.5	-21.3%	6.8%	34.3x	2.7x
Food & Allied	502.4	977.8	-48.6%	8.8%	32.4x	7.8x
IT	27.3	34.5	-20.9%	0.5%	24.9x	1.8x
Textile	132.6	177.6	-25.3%	2.3%	NM	0.7x
Paper & Printing	2.0	2.4	-16.2%	0.0%	61.8x	1.1x
Tannery	13.2	25.5	-48.2%	0.2%	NM	1.8x
Jute	3.7	6.3	-40.3%	0.1%	NM	13.1x
Ceramics	31.2	53.4	-41.5%	0.5%	58.6x	1.5x
Miscellaneous	1,444.5	2,436.7	-40.7%	25.4%	52.3x	1.8x

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	140.1	-17.3%	3,362	NM	11.9x
PRIMEBANK	14.7	-14.0%	16,645	13.9x	0.6x
MPETROLEUM	172.4	-12.9%	18,656	6.4x	1.1x
OLYMPIC	167.8	-12.2%	33,550	16.4x	4.1x
SHAHJABANK	20.7	-9.6%	20,288	10.8x	1.2x
IPDC	25.1	-9.1%	9,314	13.5x	1.6x
JAMUNAOIL	151.2	-8.6%	16,696	8.2x	0.9x
ACMELAB	68.5	-8.3%	14,495	9.9x	0.8x
BANKASIA	16.7	-8.2%	19,471	9.8x	0.7x
ENVOYTEX	22.6	-8.1%	3,791	26.6x	0.6x

Important News: Business & Economy

Forex reserve crosses USD 44 billion

- Bangladesh's foreign exchange reserve surpassed USD 44- billion mark for the first time in its history, the central bank figures revealed Wednesday. Increased remittance inflows and lower import payments helped the country's foreign exchange reserve reach such a new high (nearly USD 44.03). The foreign currency reserve was recorded at USD 43 billion at the end of December 30 last year, according to the central bank data. The country's inward remittance reached USD 14.9 billion during the July-January period of this fiscal year, reflecting a nearly 35-per cent rise over the corresponding period of last fiscal.
- However, in the first 23 days of February, remittance totalled at USD 1.49 billion compared to USD 1.24 billion in the same period last year. On the other hand, import payments declined by nearly 7.0% year on year to USD 25.22 billion during the July-January period of fiscal year 2020-2021, available figures suggested.

<https://today.thefinancialexpress.com.bd/last-page/forex-reserve-crosses-44b-1614189596>
<https://tbsnews.net/economy/forex-reserve-crosses-44-billion-first-time-206971>
<https://www.thedailystar.net/business/news/forex-reserve-hits-record-4402b-2050769>
<https://www.dhakatribune.com/bangladesh/2021/02/24/forex-reserve-hits-record-high-over-44b>

Bangladesh among 'the fastest growing' economies in 2021: International Institute of Finance (IIF)

- Bangladesh is expected to remain among the fastest-growing world economies in 2021, said the International Institute of Finance (IIF) in its outlook. The Washington-based IIF came up with this update on its website outlook for frontier Asian economies, assessing their key risks recently. As per the outlook, Bangladesh and Vietnam are among the few countries that were able to maintain growth in 2020.
- The IIF expected that both the countries will remain among the fastest growing economics in the world in 2021, saying the robust domestic demand and competitive manufacturing sectors, coupled with rebounding exports, will be the main growth drivers this year. It, however, said economic slowdown has kept inflation in check, allowing for expansionary monetary policies with central banks cutting interest rates and taking additional measures to inject liquidity. Asian frontier markets have provided significant fiscal support to cushion the Covid-19 blow, the IIF cited.

<https://tbsnews.net/economy/bangladesh-among-fastest-growing-economies-2021-iif-204091>

Listed companies sprint to pre-Covid profit level

- Combined profit of the majority of the listed companies surpassed the pre-Covid level in October-December quarter, pointing to a fast rebound in business and economic activities. An analysis of 185 listed companies representing pharmaceuticals, fuel and power, textile and apparel, IT and telecom, steel, cement, ceramic, automotive, leather, food and consumer goods showed that the combined profits rose 26% year-on-year to BDT 37.58 billion in the last quarter of 2020.
- The economy depends on how companies fare. So, their profits do indicate the economy's

trend, said a former chairman of the Bangladesh Securities and Exchange Commission. The rebound in profit is a positive development for the economy. The analyst said the listed companies were a significant part of an economy, so the data reflects that the economy is making a turnaround. The agriculture sector is also doing well, he said.

- The government rolled out 21 stimulus packages involving more than BDT 1.21 trillion since March, when the government announced the maiden cases of coronavirus infections and subsequently a nationwide lockdown for two months to tame the virus. The packages have been provided in the form of low-cost loans to micro, small, medium and large industries and services, food security, social protection and special allowances as the pandemic-induced shutdown paralysed the economy.

<https://www.thedailystar.net/business/news/listed-companies-sprint-pre-covid-profit-level-2047425>

BTRC to hold spectrum auction on March 8

- Bangladesh Telecommunication Regulatory Commission (BTRC) is set to award spectrum or radio frequency between 1800 MHz and 2100 MHz bands to mobile phone operators through auction. The auction will be held on March 08 but operators shall make queries within February 23 and submit applications for the spectrum on March 01. The government is likely to earn around USD250 million from the auction.
- The auction guidelines set a floor bid price of USD30 million per MHz of spectrum in 1800 MHz band and USD27 million in 2100 MHz band. The bid earnest money shall be BDT 10 million for the application of each spectrum band, payable in the form of pay order and bank draft, according to the guidelines.
- The operators will have to pay 25% of fees to the commission after winning bids. The rest of the money will be paid in five instalments in five years. The base price for auction of spectrum under these instructions is based on 15 years. However, the auction winning price will be equally divided by 15 and the quotient will be multiplied by the number of the remaining years of the said licence from the date of assignment of spectrum and the outcome shall be treated as the actual payable spectrum assignment fee. According to the guidelines, 7.40 MHz spectrum from 1800 MHz band will be auctioned in 05 (five) blocks and 15 MHz spectrum from 2100 MHz band will be auctioned in 03 (three) blocks, the guidelines said.

<https://today.thefinancialexpress.com.bd/last-page/btrc-to-hold-spectrum-auction-on-march-8-1613757034>

Bangladesh Bank limits NBFIs' dividends

- For better liquidity to offset the economic impacts of Covid-19, the Bangladesh Bank has decided to put an upper limit on dividends declared by non-bank financial institutions (NBFIs). In a circular on Wednesday, the central bank said no NBFIs can disburse more than a 15% cash dividend. According to the circular, NBFIs with a below 10% capital adequacy ratio and an above 10% non-performing loans (NPL) ratio cannot announce a dividend. Any NBFIs with an above 10% NPL ratio will need the central bank's permission to disburse dividends.
- Meanwhile, NBFIs which availed the facility of provisioning deferral from the Bangladesh Bank can announce at best 5% stock dividend with prior approval from the bank. The circular will remain upheld until further notice. The Bangladesh Bank restricted dividends by

commercial banks in 2020 and in 2021 the restriction is announced to remain there until further notice. Now, the restriction on NBFIs will force IDLC Finance Ltd to revise its dividend for 2020. The board of directors of listed NBFIs recently recommended 35% cash dividends out of their record profit for 2020.

<https://tbsnews.net/economy/stock/bangladesh-bank-limits-nbfis-dividends-206878>
<https://www.thedailystar.net/business/news/weak-nbfis-barred-paying-dividend-2050773>
<https://www.newagebd.net/article/131049/weak-nbfis-barred-from-dividend-issuance>
<https://www.dhakatribune.com/business/banks/2021/02/25/bb-restricts-nbfis-cash-dividend-to-15>

BB eases credit rating for fresh bank loan issuance

- The Bangladesh Bank on Tuesday eased the credit rating system so that borrowers, who have suffered economic shocks amid the coronavirus outbreak, can have easy access to bank finance to revive their businesses. To this end, the central bank on the day amended its Internal Credit Risk Rating System, a mandatory rating system for the banks in issuing credit to their customers. Under the latest BB circular, the banks were allowed to consider the audited finance statements of either 2019 or 2020 in determining the credit risk rating for the year 2021.
- The central bank said that the change was made with a view to keeping the impact of the coronavirus outbreak within tolerable levels for the banks' customers. The BB also eased the rating system by lowering the aggregated score requirement of each of the four notches of the system that was prepared based on quantitative and qualitative parameters.

<https://today.thefinancialexpress.com.bd/first-page/bb-relaxes-credit-rating-rules-amid-pandemic-1614103075>
<https://www.newagebd.net/article/130973/bb-eases-credit-rating-for-fresh-bank-loan-issuance>

Rush for family savings tools

- The downing of bank deposit rates is pushing savers towards national savings certificates as they seek higher returns after incomes were wiped out by the coronavirus pandemic. And on the frontline are families with investable funds. Sales of family savings instruments grew nearly threefold year-on-year to BDT 201.49 billion in the July-December period of fiscal 2020-21 from BDT 75.81 billion. Many of the investors bought such certificates in the names of their spouses and children. Overall sales of savings certificates soared 60% year-on-year to BDT 549.76 billion in the first half of the fiscal year.
- The driving factor was the more than 11% interest offered by the government on various savings certificates, including that for families. The interest rate of family saving certificates is the highest, at 11.52%. One can buy BDT 4.5 million-worth of the instrument using a single account. The sale of the certificates through joint accounts is not allowed. The sale of savings certificates for a three-month term also increased because of a higher ceiling for quantities bought and an opportunity to purchase it for the underaged.
- The instrument's sales soared 151% year-on-year to BDT 150.59 billion from July to December. The interest rate for the certificates is 11.04%. One can buy BDT 3.0 million-worth of the certificates and double that using joint accounts. The sale of savings certificates had increased even during the Covid-19 pandemic, which wiped out the incomes of many families. Analysts attribute the spiral to an opportunity to whiten black money on payment of a 10% tax on the declared amount and the increased inflow of

remittance from the Bangladeshi expatriates.

<https://www.thedailystar.net/business/news/rush-family-savings-tools-2049053>

Mobile operators demand a spectrum cap in upcoming auction

- With the Bangladesh Telecommunication Regulatory Commission (BTRC) gearing up to hold its spectrum auction on March 8, the mobile operators are fretting that one of them might cannibalise the spectrum available. The total demand for spectrum allocation among the country's top three mobile operators is 11.4 MHz, but the BTRC is set to auction off only 7.4 MHz. If an operator takes the lion's share of spectrum, the lack of any spectrum allocation cap, which was present in the last auction in 2018, may jeopardise the notion of a level-playing field in the sector.
- The country's leading network operator Grameenphone currently has 19.6 MHz of spectrum in the 1,800 MHz band, which is the highest among the operators. However, they have applied for more than 4.8 MHz spectrum, which may upset the remaining operators, given the BTRC's dwindling spectrum scarcity. Robi, Banglalink and state-run Teletalk have already sent a letter to the telecom regulator requesting a cap during spectrum auction so that no operator was deprived of getting the necessary spectrum.
- Considering the limited spectrum availability in the 1,800 MHz band to be assigned amongst the interested mobile network operators, we request the commission to consider a capping of maximum 2X20 Mhz spectrum so that each mobile operator gets equal spectrum to ensure a level playing field, the letter read. They also requested direct spectrum allocation to the operators in the 1,800 MHz band instead of distributing through an auction.

<https://www.dhakatribune.com/business/2021/02/22/mobile-operators-demand-a-spectrum-cap-in-upcoming-auction>

Advance Income Tax (AIT) on vaccine import to be exempted

- The government is set to exempt advance income tax (AIT) on import of all types of vaccines to make it affordable and facilitate Covid-19 vaccination. The income tax wing of the National Board of Revenue (NBR) offered the waiver from payment of 5.0% AIT through issuing a draft Statutory Regulatory Order (SRO) on Thursday. Stakeholders were requested to give their opinion on the draft amendment within 15 days of the publication of the draft SRO.

<https://today.thefinancialexpress.com.bd/first-page/ait-on-vaccine-import-to-be-exempted-1613756362>
<https://www.newagebd.net/article/130644/nbr-waives-advance-income-tax-on-human-vaccines-import>

Bangladesh braces for global commodity heat

- The prices of commodities are up in the global market and their volatility – both oil and non-oil products – will continue to remain while consumers are concerned worldwide this year. Bangladesh's consumers have already started feeling the heat of global price hike, prompting importers to book for higher amounts and the government to fix the maximum retail prices of common kitchen items. Food prices are expected to rise in 2021 by the fastest rate in a decade, driven by a surge in the prices of grains, oilseeds and sugar, according to a forecast of the Economist Intelligence Unit, a research and analysis division

of The Economist Group.

• Fuel oil prices, which rose to USD 60 a barrel from as low as USD 16 early last year, will fall next year while the price of oilseeds will continue to rally for two more years, said the world leader in global business intelligence in its latest market forecast for five years. A surge in demand for commodities in China – for manufacturing, construction and other industrial activities – fuelled prices of industrial raw materials such as steel, aluminum and copper. Prices of essential food items such as rice and edible oil have been rising over the last two months. Sugar, grams, lentils and grass-peas – items that see a surge in demand during Ramadan – have already become pricier. The government has taken preparations to offset some impact of price hike on consumers. The National Price Monitoring and Determination Committee has already started working to fix local selling prices and pricing systems of 17 essential products.

<https://tbsnews.net/economy/bangladesh-braces-global-commodity-heat-204136>

Stimulus for small businesses, farmers raised to BDT 100 billion

• The government has decided to expand the size of a fresh stimulus package for small traders, entrepreneurs and farmers to BDT 100 billion as they were largely left out of credit support despite being hit hard by the coronavirus pandemic. On January 17, the government approved a new package amounting to BDT 15 billion for small traders, entrepreneurs and farmers, who have no access to finance from banking channels. Now, the government plans to raise it by BDT 85 billion as various state agencies that disburse funds among small borrowers are seeking more funds, said an official of the finance ministry.

• Earlier, the division prepared a guideline for the BDT 15 billion fund, and it was forwarded to the cabinet for approval. At the time, the interest rate was set at 4%. The lenders will take this interest as a cost of transaction and the interest rate can't be more than 4%, Finance Minister said last month. The lending rate may remain unchanged for the BDT 100 billion fund, said the official of the finance ministry.

<https://www.thedailystar.net/business/news/stimulus-small-businesses-farmers-raised-BDT-10000cr-2047429>

Number of mobile connections tops 170 million in January

• The number of mobile phone connections of four mobile phone operators increased to 170.2 million at the end of January with three operators gaining while leading operator Grameenphone losing connections in the month. The total number of connections of the operators increased by 80,000 at the end of January from that of 170.1 million in the previous month, showed Bangladesh Telecommunication Regulatory Commission data. Of the connections, mobile internet connections in the country increased by 0.68 million to 103 million at the end of January 2021 from 102.3 million in December 2020.

<https://www.newagebd.net/article/130564/number-of-mobile-connections-tops-17-crore-in-january>

Important News: Capital Market

Moody's upgrades BRAC Bank's rating

• Moody's Investor Service has upgraded the Foreign Currency credit rating for BRAC Bank to Ba3 from B1 in December 2020, says a statement. Moody's also reaffirmed BRAC Bank's Local Currency Deposit Rating as "Ba3" -- the highest for any Bangladeshi bank rated by Moody's. This is the fourth consecutive year that the bank has obtained the highest credit rating from the internationally renowned rating agency.

• Moody's statement mentions that BRAC Bank's rating reflects the bank's robust profitability and capitalization, strong asset quality compared with those of its industry peers; driven by its competitive advantage in the higher-yielding small and medium-sized enterprise (SME) segment; and stable funding profile and liquidity.

<https://today.thefinancialexpress.com.bd/stock-corporate/moodys-upgrades-brac-banks-rating-1613663622>

<https://www.newagebd.net/article/130570/moodys-upgrades-brac-banks-credit-rating>

Baraka Patenga IPO shares bidding begins Monday

• Baraka Patenga Power's bidding to explore the cut-off price of its IPO shares is set to begin on Monday (February 22), aiming to raise BDT 2.25 billion under the book-building method. The bidding - a requirement for going public under the book-building method - will be continued until February 25 (round the clock) as per the reschedule date. Earlier, the bidding scheduled for Baraka Patenga Power's shares was February 15 to February 18. The stock exchange has deferred the bidding date following an application by the company, officials said. The minimum value for bidding shall be BDT 5.0 million which is accordance with the Bangladesh Securities and Exchange Commission (BSEC) consent letter to the company dated January 11, 2021, according to a statement.

• As per the regulatory approval, Baraka Patenga Power will raise BDT 2.25 billion from the capital market under the book-building method. Of the IPO proceeds, more than BDT 1.44 billion will be invested in two of its subsidiaries --Karnaphuli Power and Shikalbaha Power, partial repay of long-term bank loans and bear the expenses of IPO process. Subsidiaries of the Baraka Patenga - Karnaphuli Power and Baraka Shikalbaha Power have already started commercial operation after implementing two (HFO) based IPP (Independent Power Producer) power plants having generation capacity of 110MW and 105MW respectively.

<https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-ipo-shares-bidding-begins-monday-1613744515>

eGeneration makes debut today

• eGeneration Ltd, the country's one of the leading IT consulting and software solutions companies, will make its share trading debut today (Tuesday) on the bourses under "N" category, officials said. The software solutions company, which raised BDT 150 million from the capital market under the fixed price method, received approval from the Bangladesh Securities and Exchange Commission (BSEC) on October 21, 2020. The company offloaded 15 million ordinary shares with an offer price of BDT 10 each using the fixed price method. Its initial public offering (IPO) subscription was held between January 12 and January 18 this year.

- The firm will utilise the IPO proceeds for purchasing commercial space for office (BDT 80 million), repaying bank loans (BDT 34 million), developing digital healthcare platform (BDT 18.39 million), and IPO-related expenses (BDT 17.61 million). The company has planned to invest about BDT 18.39 million of the IPO funds to enhance its IT infrastructure for development of digital healthcare platform to increase revenue generation. The company has reported profit after tax of BDT 48.76 million and basic earnings per share (EPS) of BDT 0.81 for six months (July-December 2020) period as against profit after tax of BDT 64.93 million and basic EPS of BDT 1.08 for the same period of the previous year.

<https://today.thefinancialexpress.com.bd/stock-corporate/egeneration-makes-debut-today-1614008783>

Heidelberg seeks to amalgamate with Emirates Cement, Emirates Power

- Heidelberg Cement is going to seek approval from its shareholders to amalgamate with Emirates Cement Bangladesh and Emirates Power Company. In 2019, the German cement manufacturer decided to acquire Emirates Cement Bangladesh and Emirates Power Company at a cost of nearly BDT 1.83 billion. Emirates Cement Bangladesh, which was incorporated in 2000, produces and retails cement in both the local and international markets. The company's factory situated in Munshiganj has the capacity to produce 660,000 tonnes of cement per annum.

- Meanwhile, with a production capacity of 10 megawatts, Emirates Power Company supplies energy to Emirates Cement Bangladesh, which registered sales of around BDT 690 million in the last nine months. The listed cement maker has been incurring losses since the second quarter of 2019 due to fierce competition in the market, higher prices of clinker, imposition of advance income tax and higher interest costs.

<https://www.thedailystar.net/business/news/heidelberg-seeks-amalgamate-emirates-cement-emirates-power-2049597>

BSEC to scrap IPO quota facility of three merchant banks

- The securities regulator has decided to scrap the IPO (initial public offering) quota facility of three merchant banks for shortage of paid-up capital required to conduct operations as portfolio manager. Their licenses will also be cancelled if they fail to fulfill the shortage of capital by June 30, 2021. The merchant banks which came under the regulatory actions are Bengal Investments, CAPM Advisory and PLFS Investments. An official of the securities regulator said a merchant bank needs a minimum paid-up capital worth BDT 250 million to avert investment risks.

- Primarily, the BSEC has scrapped their IPO quota facility availed as eligible investors. The process of canceling their licenses will be started if they fail to fulfill the shortage of paid-up capital set for merchant banks, the BSEC official said. The securities regulator has also decided to fix the IPO subscription period for Sonali Life Insurance in May, 2021 instead of March.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-scrap-ipo-quota-facility-of-three-merchant-banks-1614187334>

<https://tbsnews.net/economy/stock/ipo-quota-stopped-3-merchant-banks-206926>

<https://tbsnews.net/economy/stock/sonali-life-ipo-subscription-deferred-206884>

<https://www.newagebd.net/article/131054/bsec-suspends-ipo-quota-for-3-merchant-banks>

<https://www.dhakatribune.com/business/stock/2021/02/25/ipo-quota-of-3-merchant-banks>

[scrapped](#)

BSEC drafts rules on stocks stabilisation fund

- The Bangladesh Securities and Exchange Commission has formulated draft rules on the formation and execution of capital market stabilisation fund. According to the draft rules published for public opinions, the main objective and purpose of the fund are to stabilise the capital market ensuring liquidity to the market by way of selling and buying of listed securities, lending and borrowing of listed securities for short selling purpose and settlement of investors' claims. The fund must be operated by maintaining bank account with any scheduled bank and beneficiary owners account in the name of the Capital Market Stabilisation Fund.

- Any amount of cash or stock dividend remained as unpaid or unclaimed or unsettled, including accrued interest income thereon, within three years from the date of declaration or approval must be transferred to the Capital Market Stabilisation Fund of the BSEC, the rules said. Any cash in the clients' ledger under consolidated customer account and any securities left in the BO account remaining unclaimed for more than three years must also be transferred by the stockbroker and portfolio managers to the fund. The fund may receive any grant or loan from the government or any other organisation for the stabilisation as well as development of the capital market, it said.

- Any delay in transferring of such unclaimed dividends by the issuer, stockbroker or portfolio manager must be subject to charge default interest at the rate of 2% per month on the amount of the unclaimed dividend. The fund could make income from buying and selling of securities and from any investments, from securities lending and borrowing activities and other credit facilities, from interest income on bank deposits, and fees and fine received. If any shareholder or unit holder claims his/her dividends, within 15 days of receiving such claim, the issuer must recommend with detailed information to the chief of operation of the fund paying off such dividend from the fund, and the CO must address the claims within 15 days of such recommendation.

<https://www.newagebd.net/article/130972/bsec-drafts-rules-on-stocks-stabilisation-fund>
<https://tbsnews.net/economy/stock/bsec-unveils-draft-rule-form-stock-market-stabilisation-fund-206467>

BSEC appoints special auditor at Delta Life

- Amid contradictory claims by Delta Life Insurance Company and its primary regulator, Bangladesh Securities and Exchange Commission (BSEC) has appointed a special auditor at the listed company. BSEC officials said that the Standard chartered accountants of MABS & J Partners would audit Delta Life for several weeks and submit the special audit findings to the securities regulator.

<https://tbsnews.net/economy/stock/bsec-appoints-special-auditor-delta-life-205837>

<https://www.thedailystar.net/business/news/bsec-appoints-special-auditor-find-out-reasons-2049629>

Regulator to restructure boards of 4 firms

- The stock market regulator will restructure the boards of directors of four poorly performing companies in a move to bring them back to business. The companies are United Airways (BD), C & A Textiles, Familytex (BD) Limited, and Emerald Oil Industries Limited. To protect the interest of investors, the Bangladesh Securities and Exchange

Commission (BSEC) has recently taken the decision. The regulator said the restructured boards will get four years to revive the business of the companies. In case of failure, they will be delisted from the stock market.

<https://tbsnews.net/economy/stock/regulator-restructure-boards-4-firms-205843>
<https://www.dhakatribune.com/business/stock/2021/02/23/bsec-to-restructure-boards-of-four-companies>

Index Agro's IPO subscription begins Monday

- Subscription of the initial public offering (IPO) of poultry and fish feed manufacturer - Index Agro Industries Limited - will begin on 22 February (Monday). General investors can apply to buy the company's primary shares until 28 February. They will get a 20% discount on the cut-off price of the shares. Eligible institutional investors through bidding set the cut-off price of the primary shares at BDT 62 each. On 23 December last year, the company received the nod from the Bangladesh Securities and Exchange Commission (BSEC) to issue shares at BDT 50 each through an IPO. It will raise BDT 500 million from the capital market to expand its business.

- The fund will be used to construct buildings, execute other civil work, acquire new machinery and equipment, and meet the expenditures of the IPO process. According to the audited financial statement as of 30 June 2019, the company's consolidated earnings per share (EPS) was BDT 7.07 and weighted average EPS was BDT 5.60.

<https://tbsnews.net/economy/stock/index-agros-ipo-subscription-begins-monday-205249>

25 banks invest BDT 10.33 billion

- As many as 25 banks have so far invested BDT 10.33 billion in the capital market in a bid to prop it up in response to the Bangladesh Bank's circular issued last year when the market remained volatile. The BB issued the circular calling for the formation of a special fund of BDT 2.0 billion by each scheduled bank for the purpose of investing in the capital market. An official of the central bank said some 25 banks, out of 41, had earlier submitted information regarding their plans to invest BDT 26.73 billion through the formation of the special funds.

- According to the BB circular, a bank can create a five-year special fund with its own resources or with financing received from the BB through the repo or re-financing schemes. The funds can be used to invest in equity shares, mutual funds, bonds or debentures, and special purpose funds, maintaining the prescribed criteria. And the banks will not need to make any provision for a decrease in the market value of their investments.

<https://today.thefinancialexpress.com.bd/first-page/25-banks-invest-BDT-1033b-1613669623>

eGeneration to make debut on bourse Tuesday

- eGeneration Ltd will make its debut on the country's stock exchanges on 23 February. Under the code "EGEN", eGeneration shares will be trading under the 'N' category, as per usual practice. The IPO subscription of the company, which started its journey in November 2003, was held from 12 to 18 January. eGeneration has raised BDT 150 million by issuing 15 million of its shares to use the fund to purchase business floor space, repay loans and develop digital healthcare platforms.

- The company, which went into commercial operation more than seven years ago, aims to make Bangladesh a global brand in providing innovative solutions and moving beyond being a low-cost IT solutions provider. The managing director of eGeneration said that they wanted to pave the way for other technology companies in Bangladesh to be inspired by their success, raise funds from the local market, and share their accomplishments with small investors.

<https://tbsnews.net/economy/stock/egeneration-make-debut-bourse-tuesday-204103>

A ray of hope for worried Ring Shine investors

- In 2019, investors raced for a slice of Ring Shine Textile Limited's shares in the hope of a good yield. But their dream got shattered in less than one year when the cent% export-oriented company stopped its production last year amid the Covid-19 pandemic. Now the investors again see the light at the end of the tunnel after the stock market regulator came to the rescue of the company engaged in manufacturing gray and finished fleece fabrics of various qualities and dyed yarn.

- In January this year, the Bangladesh Securities and Exchange Commission (BSEC) reconstructed the board of the company consisting of former police officials, Dhaka University teachers, former bankers, and market professionals after the company had failed to run the factory. Also, the stock market regulator has appointed a special auditor and set up a committee to investigate the reason behind the failure of the company owned by entrepreneurs from Singapore. The new board has already visited the factory in the Dhaka Export Processing Zone (DEPZ) in Gazipur, identified some problems and set a target to resume operation by the next two months.

<https://tbsnews.net/economy/stock/ray-hope-worried-ring-shine-investors-204115>