

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+3.52%) gained 183.70 points and closed the week at 5,402.07 points. The blue-chip index DS30 (+4.65%) gained 87.23 points and stood at 1,963.96 points. The Shariah-based index DSES (+3.19%) gained 38.44 points and stood at 1,242.11 points. The large cap index CDSET (+3.80%) gained 41.08 points and closed at 1,123.03 points. DSEX, DS30, DSES and CDSET showed YTD returns of +21.31%, +29.78%, +24.23%, +24.81%, respectively.

Total Turnover During The Week (DSE): BDT 58 billion (USD 683 million)
Average Daily Turnover Value (ADTV): BDT 14.5 billion (Δ% Week: +29.0%)

Market P/E: 18.9x

Daily Index Movement during the Week:

Market performed four sessions during this week. In the first session, market performed positively by 2.11% and continued to be positive in the three following sessions by +0.30%, +0.27% and +0.82% respectively.

Sectoral Performance:

- Financial sectors posted mixed performance this week. NBFIL booked the highest gain of 10.53% followed by Mutual Fund (+2.45%), and Bank (+1.67%). Life Insurance experienced the highest loss of 2.14% followed by General Insurance (-1.34%).
- All the non-financial sectors posted positive performance this week. Telecommunication booked the highest gain of 15.18% followed by Engineering (+10.46%), Food & Allied (+6.00%), Pharmaceutical (+3.88%), and Fuel & Power (+0.08%).

Macroeconomic arena:

- Bangladesh's economy will be 28th largest in 2030 and 25th largest in 2035, the UK's Centre for Economics and Business Research (CEBR) has made the projection in a recent report.
- The BDT 40 billion Sukuk was over-subscribed nearly four times to BDT 151.53 billion in its first auction held on Monday at the central bank.
- The country's trade deficit narrowed down by 30.77% or USD 2.10 billion in the first five months of this fiscal year (FY) amid dismal foreign trade situation due to the Covid-19 pandemic.
- Industrial term loan recovery dropped by 51.56% or BDT 229.04 billion year-on-year in the April-September period of 2020.
- Private credit growth fell to 8.21% (year-on-year) in November this year from 8.61% a month ago, according to the Bangladesh Bank's (BB) latest statistics. This growth was 3.29% points lower than the BB's target of 11.50% for the first half (H1) of the current fiscal year (FY 2020-21).

Stock Market arena:

- Energypac Power Generation is set to hold its IPO (initial public offering) lottery draw on January 3, aiming to allocate about 20.15 million ordinary shares among the successful applicants.
- Lub-rref (Bangladesh) Ltd is going to start its initial public offering (IPO) subscription on 26 January next year. Lub-rref received the securities regulator's approval to publish its IPO prospectus with a view to collecting BDT 1.50 billion to expand its business. The cut-off price is set at BDT 30 each through bidding.
- Trading of the shares of Rahima Food Corporation will resume today (Tuesday) on the Dhaka Stock Exchange's main board after 30 months as the prime bourse approved the resumption of trading.
- The stock market regulator has given the nod to 19 companies this year for raising BDT 15.80 billion by offloading shares to the public for business expansion.

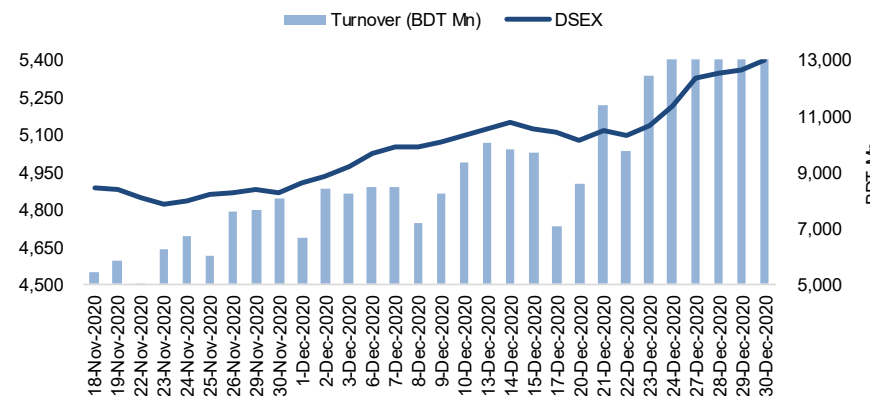
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	5,402.07	5,218.37	+183.70	4,452.93	+3.52%	+21.31%
DS30	1,963.96	1,876.74	+87.23	1,513.35	+4.65%	+29.78%
DSES	1,242.11	1,203.67	+38.44	999.83	+3.19%	+24.23%
CDSET	1,123.03	1,081.95	+41.08	899.76	+3.80%	+24.81%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,482,301	4,257,946	+5.3%
	Mn USD	52,758	50,117	
Turnover	Mn BDT	58,035	56,238	+3.2%
	Mn USD	683	662	
Average Daily Turnover	Mn BDT	14,509	11,248	+29.0%
	Mn USD	171	132	
Volume	Mn Shares	1,982	1,685	+17.6%

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
ROBI	29.8	15.0	+98.7%	156,090	219.4	NM	2.4x
CRYSTALINS	39.4	27.1	+45.4%	1,576	5.0	19.5x	2.0x
KBPPWBIL	11.1	8.4	+32.1%	1,089	116.6	NM	0.9x
LANKABAFIN	31.4	24.0	+30.8%	16,920	2,135.2	23.8x	1.8x
INTRACO	18.7	14.5	+29.0%	1,701	266.0	35.7x	1.6x
PRIMEFIN	12.6	10.1	+24.8%	3,439	274.3	NM	1.4x
UNIONCAP	8.4	6.8	+23.5%	1,450	52.8	NM	1.8x
BAYLEASING	22.7	18.4	+23.4%	3,198	306.1	12.3x	1.1x
BEXIMCO	57.0	46.3	+23.1%	49,950	5,115.6	NM	0.8x
DSHGARME	151.8	124.2	+22.2%	1,144	48.3	NM	7.8x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
MHSMML	14.7	16.6	-11.4%	1,485	80.7	NM	1.0x
RAHIMAFOD	189.3	213.5	-11.3%	3,786	212.5	NM	19.7x
PIONEERINS	75.3	83.3	-9.6%	5,270	319.7	10.1x	1.6x
PRAGATIINS	63.3	69.0	-8.3%	4,152	154.5	16.5x	1.2x
GQBALLPEN	141.9	154.1	-7.9%	1,267	59.4	NM	1.1x
IFADAUTOS	47.2	51.0	-7.5%	11,939	428.5	54.1x	1.2x
GENEXIL	55.0	59.2	-7.1%	5,677	343.8	17.6x	3.3x
JANATAINS	39.7	42.6	-6.8%	1,679	108.4	NM	2.6x
PHENIXINS	44.7	47.7	-6.3%	1,803	206.9	21.8x	1.2x
PREMIERCEM	61.1	65.0	-6.0%	6,443	8.6	15.0x	1.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	57.0	46.3	+23.1%	49,950	5,116	NM	0.8x
BXPHARMA	190.5	174.6	+9.1%	84,984	3,233	24.2x	2.6x
IFIC	15.2	13.7	+10.9%	24,622	2,844	13.2x	0.9x
LANKABAFIN	31.4	24.0	+30.8%	16,920	2,135	23.8x	1.8x
LHBL	47.8	47.8	-	55,514	1,418	26.9x	3.3x
SQURPHARMA	219.5	207.6	+5.7%	194,576	1,347	14.0x	2.4x
BDFINANCE	29.1	24.7	+17.8%	4,875	1,148	14.5x	1.7x
BSCCL	166.1	164.2	+1.2%	27,391	1,078	28.6x	4.1x
SPCERAMICS	32.8	31.4	+4.5%	4,820	878	NM	1.1x
ORIONPHARM	54.7	55.9	-2.1%	12,800	843	19.3x	0.8x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
FORTUNE	23.2	22.6	+2.7%	3,591	726
BATBC	1,180.8	1,078.4	+9.5%	212,544	693
RUPALIINS	44.2	44.5	-0.7%	3,389	525
CONFIDCEM	121.3	120.2	+0.9%	9,038	520
UPGDCL	263.5	268.4	-1.8%	152,750	518
SONARBAINS	62.5	57.5	+8.7%	2,503	516
JMISMDL	427.0	416.7	+2.5%	4,697	456
BDTHAI	29.8	26.5	+12.5%	3,808	447
GP	347.1	341.1	+1.8%	468,689	447
NFML	22.6	23.8	-5.0%	2,089	433

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,372.63	1,350.05	1,319.28	+1.67%	+4.04%
NBFIs	2,033.53	1,839.85	1,565.13	+10.53%	+29.93%
Mutual Funds	959.61	936.63	591.17	+2.45%	+62.32%
General Insurance	4,103.56	4,159.10	1,927.02	-1.34%	+112.95%
Life Insurance	2,162.58	2,209.91	2,194.70	-2.14%	-1.46%
Telecommunication	5,463.26	4,743.37	3,993.59	+15.18%	+36.80%
Pharmaceuticals	3,306.03	3,182.53	2,492.51	+3.88%	+32.64%
Fuel & Power	1,618.11	1,616.77	1,515.21	+0.08%	+6.79%
Cement	1,416.18	1,423.18	1,132.29	-0.49%	+25.07%
Services & Real Estate	1,083.79	1,048.92	886.70	+3.32%	+22.23%
Engineering	3,959.20	3,584.35	2,257.22	+10.46%	+75.40%
Food & Allied	14,705.76	13,873.31	12,121.49	+6.00%	+21.32%
IT	2,350.28	2,286.00	1,823.13	+2.81%	+28.91%
Textiles	1,087.41	1,058.55	1,042.04	+2.73%	+4.35%
Paper & Printing	5,487.56	5,288.03	5,233.20	+3.77%	+4.86%
Tannery	1,771.77	1,754.67	1,826.45	+0.97%	-2.99%
Jute	12,154.61	10,397.74	11,393.28	+16.90%	+6.68%
Ceramics	472.38	468.42	459.10	+0.84%	+2.89%
Miscellaneous	2,539.70	2,343.29	1,745.96	+8.38%	+45.46%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,393.3	753.9	+84.8%	10.1%	7.9x	0.8x
NBFI	1,401.8	323.0	+334.0%	10.2%	NM	3.2x
Mutual Fund	511.3	306.3	+66.9%	3.7%	NM	0.8x
General Insurance	1,527.8	2,615.8	-41.6%	11.1%	22.0x	2.0x
Life Insurance	109.2	103.4	+5.7%	0.8%	NM	NM
Telecommunication	436.0	286.9	+52.0%	3.2%	17.7x	5.7x
Pharmaceutical	2,022.3	1,574.6	+28.4%	14.7%	21.0x	2.5x
Fuel & Power	717.0	370.6	+93.5%	5.2%	12.6x	1.4x
Cement	491.0	384.8	+27.6%	3.6%	35.5x	2.2x
Services & Real Estate	249.9	102.0	+145.0%	1.8%	93.2x	0.9x
Engineering	1,387.5	959.3	+44.6%	10.1%	41.2x	2.2x
Food & Allied	405.0	228.1	+77.5%	2.9%	24.1x	6.6x
IT	333.8	155.7	+114.5%	2.4%	25.4x	2.2x
Textile	589.6	307.8	+91.6%	4.3%	334.6x	0.8x
Paper & Printing	50.2	45.7	+10.0%	0.4%	64.0x	1.1x
Tannery	190.6	214.7	-11.2%	1.4%	NM	1.8x
Jute	73.6	44.2	+66.5%	0.5%	NM	14.8x
Ceramics	274.6	195.8	+40.2%	2.0%	61.0x	1.6x
Miscellaneous	1,621.1	1,271.4	+27.5%	11.8%	45.0x	1.5x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
BRACBANK	44.3	-16.6%	58,736	13.9x	1.3x
ECABLES	169.5	-14.9%	4,068	NM	12.2x
GHAIL	16.7	-14.8%	3,604	NM	1.1x
RUNNERAUTO	50.9	-14.5%	5,779	40.1x	0.8x
UNIQUEHRL	39.6	-9.8%	11,658	88.0x	0.5x
HEIDELBCEM	149.6	-9.2%	8,453	NM	2.2x
SHASHADNIM	21.6	-8.2%	3,046	10.5x	0.5x
DBH	92.6	-6.8%	14,274	16.9x	2.3x
BBSCABLES	54.8	-6.8%	9,566	8.2x	1.7x
POWERGRID	41.8	-6.3%	19,266	9.4x	0.4x

Important News: Business & Economy

Economy to become 28th largest in 2030

- Bangladesh's economy will be 28th largest in 2030 and 25th largest in 2035, the UK's Centre for Economics and Business Research (CEBR) has made the projection in a recent report. Bangladesh ranked 59th in 2010 and 48th in 2015. The CEBR in its report also said by 2025, the ranking of Bangladesh will improve significantly to the 34th, the position currently held by African country Egypt. The report said Bangladesh's annual rate of GDP will accelerate to an average of 6.8% between 2021 and 2025. Bangladesh had a PPP [purchasing power parity] adjusted GDP per capita of USD 5,139 in 2020, making it a lower middle-income country in the world. According to the forecast, the country's GDP at local currency at constant prices will stand at BDT11,983 billion (USD 313 billion) in 2021. By 2025, it will go up to BDT15,979 billion (USD 420 billion).
- Bangladesh came 168th in the World Bank's 2020 Ease of Doing Business rankings, suggesting that the regulatory environment is not conducive to a thriving private sector. In 2016, the country's ranking was 173rd. The CEBR report said Bangladesh's economy enjoyed a strong rate of GDP growth in the years leading up to the COVID-19 pandemic, despite a modest rate of population growth, which averaged just 1.0% per year over the past five years. The government debt as a share of GDP rose to 39.6% in 2020, which remains a low level, it added.

<https://today.thefinancialexpress.com.bd/first-page/economy-to-become-28th-largest-in-2030-1609089686>
<https://tbsnews.net/economy/bangladeshs-economy-be-25th-largest-2035-177334>
<https://www.thedailystar.net/business/news/25th-largest-economy-2035-2018409>

Government's Sukuk auction sparks huge interest

- The BDT 40 billion Sukuk was over-subscribed nearly four times to BDT 151.53 billion in its first auction held on Monday at the central bank. For the first time, the government is mobilising funds from the financial institutions by issuing the Islamic bond. The Bangladesh Bank held an auction, where a total of 39 institutions-both conventional and Shariah-compliant financial institutions-took part. This is the first bidding for the BDT 80 billion Sukuk, the next auction for the remaining BDT 40 billion will be held on June 28, 2021.
- Official of Bangladesh Bank said that the participation by both conventional and non-conventional banks was allowed as a part of diversifying the investment base for the government-guaranteed securities and promoting the financial inclusion. They said the Sukuk has been distributed proportionately to the participating institutions where each gets on an average 25% of their buy-orders. This is a risk-free Shariah product and it will help create a benchmark profit rate for similar other products.

<https://today.thefinancialexpress.com.bd/first-page/govts-sukuk-auction-sparks-huge-interest-1609175563>
<https://www.dhakatribune.com/business/2020/12/29/bangladesh-issues-its-maiden-sukuk>
<https://www.thedailystar.net/business/news/sukuk-era-begins-2018825>
<https://www.newagebd.net/article/125613/first-govt-sukuk-draws-4-times-bid-against-offering>

Trade deficit drops 31% in July-November

- The country's trade deficit narrowed down by 30.77% or USD 2.10 billion in the first five

months of this fiscal year (FY) amid dismal foreign trade situation due to the Covid-19 pandemic, officials said. The overall trade deficit came down to USD4.71 billion during the July-November period of FY2020-21 from USD 6.81 billion in the same period of the previous fiscal, according to latest statistics released by the Bangladesh Bank (BB) on Tuesday. The import growth dropped 8.84% to USD 20.24 billion during the period under review from USD 22.20 billion in the same period of FY'20.

- On the other hand, the export earnings grew by 0.86% to USD 15.53 billion in the first five months of FY'21 from USD 15.39 billion a year ago. The low level of trade deficit along with the higher inflow of remittance pushed the current account surplus further up during the period, according to the central bank official. The current account surplus stood at USD 4.11 billion in the five months of FY '21, which was a USD1.46 billion deficit in the same period of the last fiscal year, the BB data showed. Such surplus was USD4.04 billion a month ago. On the other hand, surplus in the financial account dropped significantly during the July-November period of FY '21 due to lower inflow of net foreign direct investment (FDI).

<https://today.thefinancialexpress.com.bd/first-page/trade-deficit-drops-31pc-in-july-nov-1609263698>
<https://www.dhakatribune.com/business/2020/12/30/trade-deficit-narrows-further-in-november>

Industrial term loans recovery dips by 51% in Apr-Sept

- Industrial term loan recovery dropped by 51.56% or BDT 229.04 billion year-on-year in the April-September period of 2020 when the economic impact of the coronavirus outbreak in the country was the most pronounced. Bankers and researchers said that the drop in loan recovery in July-September of 2020 indicated that the banking sector's vulnerability to NPL had increased following the coronavirus outbreak although the volume of NPL fell by BDT 16.76 billion in the period to BDT 944.4 billion at the end of September 2020. The latest central bank data showed that recovery of industrial term loan dropped to BDT 215.1 billion in the April-September period against recovery of BDT 444.14 billion in the same months of the previous year.
- Speaking about the risk of the regulatory forbearance, a recent BIBM research paper said, In order to facilitate business people and combat the economic fallout of coronavirus, Bangladesh asked banks not to downgrade any loan over a failure to pay instalments in the January-September period. There are two fold challenges faced by the banking sector — high defaulted loan and cutting down the lending rate to single digit before the outbreak of the coronavirus, the paper said. If defaulters needed 10 years to repay their debts when they faced no crisis as big as the coronavirus, they now have a bigger excuse to say that 10 years are not sufficient, the researchers said, adding that so, the defaulted loan crisis was not going away and it would deepen further instead.

<https://www.newagebd.net/article/125230/industrial-term-loans-recovery-dips-by-51pc-in-apr-sept>

November private credit growth slows

- Private sector credit growth decelerated further in November as fresh borrowing demand dropped after the second wave of Covid-19 hit the country, experts said. Private credit growth fell to 8.21% (year-on-year) in November this year from 8.61% a month ago, according to the Bangladesh Bank's (BB) latest statistics. This growth was 3.29% points lower than the BB's target of 11.50% for the first half (H1) of the current fiscal year (FY

2020-21).

- Former director general of the Bangladesh Institute of Development Studies (BIDS), suggested the policy makers lay emphasis on selecting and targeting investments to help increase the private sector credit growth in near future. The private sector credit growth has registered a falling trend in the last two months because both bankers and businessmen are now concerned following the second wave of Covid-19 pandemic, according to the director of the Bangladesh Institute of Bank Management (BIBM). Meanwhile, outstanding loans with the private sector rose to BDT 11,209.02 billion in November from BDT 10,358.15 billion from the same period a year ago. It was BDT 11,143.22 billion in October 2020.

<https://today.thefinancialexpress.com.bd/first-page/nov-pvt-credit-growth-slows-1609175687>

<https://www.dhakatribune.com/business/2020/12/29/pandemic-kills-appetite-for-credit-among-businesses>

<https://www.thedailystar.net/business/news/credit-growth-takes-another-beating-nov-2018817>

<https://tbsnews.net/economy/banking/private-sector-credit-growth-dips-further-177802>

<https://www.newagebd.net/article/125614/private-sector-credit-growth-drops-to-821pc-in-nov>

Foreign fund disbursement up, commitment down in Jul-Nov

- Disbursement of foreign aid has risen in the first five months of the current fiscal year 2020-21 while new funding commitments have fallen by 34% in the same period. From July to November of this fiscal, foreign fund release increased by 26% to USD 2,049.19 million compared to USD 1,623.35 million at the same time a year ago, according to an updated report of the Economic Relations Department (ERD). At this time, JICA disbursed the highest amount of USD 714.44 million, followed by the World Bank with USD 414 million, Asian Development Bank with USD 301 million, China with USD 272.22 million and Russia with USD 168.22 million.

- Till November of FY21, international support partners pledged USD 1,712.22 million, which was USD 2,598.21 million at the same time a year ago. According to ERD officials concerned, although aid commitment is down at the beginning of the financial year, it will rise toward the end of the year. However, as the working environment has become somewhat normal, the amount of loans promised for projects by the international support community will also rise during the rest of the financial year. On the other hand, a large sum of credit will be available for budget support to revive the economy and buy Covid vaccines.

<https://tbsnews.net/economy/foreign-fund-disbursement-commitment-down-jul-nov-176194>

Bankers fear sizeable cut in profit this year

- As the year is drawing to a close, the top bankers are found increasingly worried about the profitability of their banks. Some leading bankers said Covid-19 pandemic and single-digit lending rate have caused enough damage to the banks' profitability. The latest directive of the central bank on additional provisioning requirement against unclassified loans has come as a serious blow, they said.

- The 66-day shutdown starting from March 26 last amid the pandemic had hit the overall banking businesses hard, they added. The net interest income has dropped significantly as the banks brought down the lending rate to single digit (9.0%), except credit cards, from

April 01 this year as part of a government move. As a consequence, the interest rate spread difference between the weighted average lending and deposit rates - also squeezed by more than 1.0 percentage point to 2.94% in October last from 4.07% in March last, according to latest figures of Bangladesh Bank (BB).

- Besides, the bankers said, the lower private sector lending due to subdued demand amid Covid-induced supply chain disruption has pushed down the operational profits of banks. The private sector credit growth declined to 8.61% (year-on-year) in October this year from 9.48% a month ago. This growth was 2.89 percentage points lower than the BB's target of 11.50% for the first half (H1) of the current fiscal year (FY 2020-21). The banks' income from commission has also decreased mainly due to lower import businesses because of the ongoing pandemic, according to the bankers. The import payments dropped by nearly 13% to USD 15.78 billion during the July-October period of FY'21 from USD 18.14 billion during the same period of last fiscal year.

<https://today.thefinancialexpress.com.bd/first-page/bankers-fear-sizeable-cut-in-profit-this-year-1608830855>

Factory activity on slow recovery path

- Factory activity in Bangladesh rose 4.39% year-on-year in August as the economy embarked on a journey to recovery from the wreckage caused by the coronavirus pandemic, official data showed. The manufacturing activity, however, was 12.91% lower than the level of July, pointing to the slower than expected recovery. The Quantum Index of the large and medium-scale manufacturing industry, which accounts for 87.54% of the industrial production in Bangladesh, stood at 409.83 in August this year compared to 392.61 in August last year. It was 470.58 in July, according to the Bangladesh Bureau of Statistics (BBS).

<https://www.thedailystar.net/business/news/factory-activity-slow-recovery-path-2016977>

E-commerce sees hefty growth amid pandemic

- The country's e-commerce sector has witnessed an eventful year with some policy reforms and a robust growth with substantial number of new customers amid the Covid-19 pandemic, insiders have said. They also said the year can be considered a turning point for the sector, as a number of consumers got accustomed to using the digital commerce platforms, and many new entrepreneurs entered the business. When everything was closed, delivery of various products by online shopping companies kept the country's business activities going. As a result, we have witnessed manifold revenue growth this year, said he founder president of e-Commerce Association of Bangladesh (e-CAB).

- Actually most of the businesses remained suspended during the hard lockdown period, when people used the digital commerce platforms for buying their essentials, said the Chief Executive Officer (CEO) of popular e-commerce operator AjkerDeal.com. He opined that the 'new normal' situation taught many people to use internet-enabled services. It can help the local e-commerce sector, which is still city-centric, grow in coming years. The e-commerce sector is expected to grow further in 2021 following rise in number of internet users.

<https://today.thefinancialexpress.com.bd/last-page/e-commerce-sees-hefty-growth-amid-pandemic-1609003406>

Pandemic lifts demand for soap, detergent

- The pandemic has brought many changes in people's habits and practices, one of these being an increase in hygiene consciousness, which is why they use more soaps and detergents to keep the highly contagious coronavirus at bay. This increased consciousness has given a boost to demand for soap and detergent. As a result, production of soaps and detergents increased this year. Soap and detergent making grew 12% year-on-year to 134,411 tonnes in the January-August period of 2020 from 120,211 tonnes in the same period a year ago.
- Unilever Bangladesh, the largest manufacturer of soap, said hygiene consciousness went up dramatically with the Covid-19 crisis becoming apparent from third week of March in the country. The BBS data showed that soap and detergent manufacturing rose in the March-April period and it picked up in June-July period of 2020. The highest production was recorded in July when major industries produced 25,185 tonnes of soap and detergent, 54% higher year-on-year from 16,400 tonnes in the same month a year ago. Executive director of ACI Logistics, which operates the biggest supermarket chain Shwapno, said sales of home cleaning and hygiene items rose since March.

<https://www.thedailystar.net/business/news/pandemic-lifts-demand-soap-detergent-2017953>

Consumers again open purse as confidence returns

- After a long covid-hibernation in the pandemic, consumers indulge in a spending spree to make up for the long period of abstinence contributing to this significant increase in sales. The managing director of Snowtex said that sales of winter garments increased more than what they had anticipated for this season. Sales of other clothing, such as women's outfits, denim shirts, and pants have also come back to what it was in normal times from August when Eid-ul-Adha was celebrated, he added.
- The consumers' moving away from the Covid-induced behaviour – only spending on the very necessary – has also been reflected in bank financing as well, with consumer loans having grown by 12% year-on-year in the July-September quarter. The loan growth was negative 3% in the preceding quarter. Industry insiders said people have now come back to regular spending with economic activities gaining traction after the pandemic-driven slowdown resulting in a dramatic increase in consumer finance. Banks with high excess liquidity are now offering consumer loans at the lowest rate in recent years.
- Sales of high-end products have recovered 80% of normal times while it is not more than 60% when it comes to general commodities. But demand has been on the rise after the shutdown was lifted. Singer Bangladesh's head of marketing communication said that people are buying products to make life easier at home. Washing machines, microwave and electric ovens, refrigerators, and computers – all see a steady rise in demand since the shutdown was lifted, he informed.

<https://tbsnews.net/economy/consumers-again-open-purse-confidence-returns-176812>

Bangladesh Bank ensured Bangladesh economy avoided hard landing for pandemic

- The economic fallout from the global coronavirus pandemic had set the stage for Bangladesh Bank to show its mettle. Like the rest of the world, the central bank was not prepared for the foreign disease. After a cagey start, the central bank came into its own,

taking a host of measure that prevented the high-flying Bangladesh economy from crashlanding. Like the rest of the world, the central bank was not prepared for the foreign disease. After a cagey start, the central bank came into its own, taking a host of measure that prevented the high-flying Bangladesh economy from crashlanding.

- To implement the government announced stimulus packages, the BB has injected more than BDT300 billion into the money market in the form of refinancing schemes to support the businesses and farmers. On May 3, it suspended the interest on all types of loans for April and May to help borrowers overcome the economic hit from the countrywide shutdown announced by the government on March 26 to slow the spread of coronavirus.
- Earlier on March 20, the BB announced that no banks would be allowed to downgrade any loan until June 30, meaning that failure of any borrower to repay loan instalments in the January-June period would not result in any default of the borrower. The central bank had to play a proactive role in implementing the stimulus package announced by the government said a former lead economist of the World Bank's Dhaka office.

<https://www.dhakatribune.com/business/2020/12/28/bb-ensured-bangladesh-economy-avoided-hard-landing-for-pandemic>

Big blow for the big industry

- For many, 2020 has been a year of despair. The unprecedented effects of Covid-19 have jolted economies and supply chains worldwide with Bangladesh being no exception. As a major player in the garments sector, Bangladesh has been severely affected by the coronavirus fallout. Primarily, the supply of raw materials to local garment factories was disrupted when China—Bangladesh's main source for such goods—halted all shipments between March and April due to the coronavirus outbreak. But despite all the gloom and doom, Bangladesh's apparel exporters hope for brighter days ahead with the arrival of a Covid-19 vaccine that would save both lives and businesses.
- Besides, amid the threat of a second wave of Covid-19 infections, exporters received 30% fewer work orders for next season (December to March) compared to the pre-pandemic levels. What followed were heated protests at major industrial hubs such as Ashulia, Gazipur, Savar, Narayanganj and Chattogram, where terminated workers took to the streets with a demand to get their jobs back.

<https://www.thedailystar.net/business/news/big-blow-the-big-industry-2018829>

External debt per capita on the rise

- The amount of foreign debt per capita rose by 6.8% in the fiscal 2019-20 compared to the previous financial year (2018-19). The per capita debt in FY20 was USD 389.53, which is 6.8% higher than in FY19 when it was USD 364.60. The total external debt stood at USD 65.27 billion in FY20, 8.1% up from the previous fiscal year. Of the foreign loans taken in the last financial year, the government took USD 48.68 billion, the private sector took USD 14.08 billion and USD 2.5 billion was taken as Sovereign (Guaranteed) Debt. The executive director of the Policy Research Institute, opined that foreign debt is not very high in relation to Bangladesh's economic capacity.

- He said that loans from foreign sources are cheaper than domestic ones. This puts less pressure on the government to meet the budget deficit. He said a country combining domestic and foreign sources could borrow up to 50% of GDP. He also stated that the amount of foreign loans in the private sector is also on the rise as the interest rate on

foreign loans is lower than domestic sources.

<https://tbsnews.net/economy/external-debt-capita-rise-177832>

Bangladesh Bank extends deadline to March 31

• The central bank has extended the deadline by three months to execute the stimulus package for small entrepreneurs in the farm sector, officials said. The banks are now allowed to implement the package for the priority sector by March 31 next year, according to a notification, issued by the Bangladesh Bank (BB), on Tuesday. Earlier, the deadline was December 31, 2020. The move came against the backdrop of slow disbursements as 43 participatory banks disbursed only BDT 27.94 billion or 56% of the BDT 50 billion package until December 15 last. Loans amounting to BDT 28.93 billion were approved for nearly 121,000 Covid-affected entrepreneurs in the sector across the country during the period, according to the central bank's latest statistics.

• Earlier on April 13, the central bank issued a guideline to implement the refinance scheme for providing working capital in the agriculture sector. The tenure for the loan is 18 months, including a grace period of six months, at both banks' and clients' ends. Banks will borrow from the refinancing scheme at 1.0% interest rate and lend the money at 4.0%. Also, the central bank is likely to extend the deadline for execution of the stimulus package for the cottage, micro, small and medium enterprises (CMSMEs) by more than three months until April 12, 2021 instead of December 31, 2020.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-deadline-to-march-31-1609263505>

<https://tbsnews.net/economy/agriculture/agri-stimulus-loan-disbursal-deadline-extended-again-178246>

<https://www.dhakatribune.com/business/2020/12/30/agri-stimulus-funds-must-now-be-disbursed-by-mar-31>

Edible oil prices on the rise

• Local consumers now have to spend more on edible oil as prices are rising in the international market almost every week due to decreased production in exporting countries, weakening of supply chain and stockpiling amid the pandemic. Retailers say soybean oil prices in the domestic market have increased by anywhere from BDT 10 to BDT 15 per kilogramme the past month. Now bottled ones are selling for BDT 115 to BDT 120 per kg while that sold loose for BDT 110 to BDT 112. Retailers were found selling one litre containers of Rupchanda brand at BDT 120 to BDT 125 whereas it was BDT 110 a month ago.

• Despite these turbulent times though, investment in the cement sector did not cease as around BDT 23.00 billion was spent on the industry over the past few months. Now, the cement maker expects to begin commercial production next March or April. Bangladesh's cement sector has 43% overcapacity and like others local Bashundhara Group also had unused capacity. So the group went beyond borders for opportunities and finally found it in Northeast India.

<https://www.thedailystar.net/business/news/edible-oil-prices-the-rise-2019369>

After a trying year, cement makers bracing for slow recovery

• With the year about to come to a close, the cement sector finally experienced some relief

from the ongoing pandemic thanks to increased consumption alongside fresh investments. Makers of the key construction material have been in a tight spot since the Covid-19 outbreak began as almost all major development projects in the country, both public and private, were halted for an extended period. The cement sector managed to survive even though the manufacturers sat idle throughout April-September, the managing director.

<https://www.dhakatribune.com/business/2020/12/30/jubilee-bank-one-of-bangladesh-s-oldest-bank-is-headed-towards-liquidation>

Govt's bank borrowing reached BDT 800.00 billion in FY20

• In the fiscal 2019-2020, the government borrowed almost the entire amount from banks against its revised target set for the fiscal year to meet the budget deficit. Although the bank borrowing target in the budget announced for FY20 was set at BDT 473.64 billion, the amount almost doubled to BDT 824.21 billion in the revised budget. At the end of the fiscal year, the government borrowed 97.35% or BDT 802.38 billion of the target. In the first four months of the current fiscal year from July to October, the government's bank borrowing stood at only BDT 10.63 billion, down from BDT 360.00 billion in the same period of the last fiscal year, with no pressure of expenses owing to Covid-19.

• The report said amidst the Covid-19 pandemic, the money market in Bangladesh experienced mild liquidity pressure, especially in the latter half of FY20. Similar borrowing pressure was visible in the interbank repo and call money market as both the call money market and the IB repo market play significant roles in day-to-day liquidity management of the banking sector.

<https://tbsnews.net/economy/banking/govts-bank-borrowing-reached-tk80000cr-fy20-178288>

Untaxed money fuels real estate growth

• The real estate sector has almost bounced back from Covid-19 shocks, riding on a handsome investment of untaxed money. When many sectors are still struggling to recover to pre-pandemic levels, many big players have registered a 5%-10% growth in real estate businesses during September-November with a rise in flat sales. Many companies are now planning to come up with new investment in this sector. Some 3,520 persons have bought flats with at least BDT 32.00 billion of undisclosed money.

• According to businessmen in this sector, sales of flats have increased as untaxed money holders got the opportunity to invest their undisclosed money in real estate, paying a flat 10% tax, no questions asked about sources of their incomes. The lowering of interest rates on bank loans and land registration fees has also been an incentive. As a result, about BDT 50.00 billion has so far been invested in this sector in the current fiscal year.

<https://tbsnews.net/companies/real-estate/untaxed-money-fuels-real-estate-growth-178303>

Important News: Capital Market

Energypac Power's IPO lottery draw January 3

• Energypac Power Generation is set to hold its IPO (initial public offering) lottery draw on January 3, aiming to allocate about 20.15 million ordinary shares among the successful

applicants. The stock market regulator, Bangladesh Securities and Exchange Commission (BSEC), approved the company's IPO proposal on October 21. The IPO subscription for shares of the company was held between December 7 and December 13. The cut-off price of Energypac Power shares had been fixed at BDT35 each. The company raised BDT1.50 billion by issuing a total of 40.30 million ordinary shares to expand the LPG business, repay bank loans and bearing the IPO expenses, as per regulatory approval.

<https://today.thefinancialexpress.com.bd/stock-corporate/energypac-powers-ipo-lottery-draw-jan-3-1609082854>
<https://tbsnews.net/economy/stock/energypacs-ipo-lottery-3-january-177274>

Lub-rref IPO subscription begins 26 January

• Lub-rref (Bangladesh) Ltd is going to start its initial public offering (IPO) subscription on 26 January next year. General investors can apply to buy the company's primary shares until 1 February. On 18 November, Lub-rref received the securities regulator's approval to publish its IPO prospectus with a view to collecting BDT 1.50 billion to expand its business. According to the book building method of IPO, half of the company's shares will be issued to eligible institutional investors who have set the cut-off price at BDT 30 each through bidding. The general public can apply to buy the remaining half of the local lubricant company's shares at a 10% discount on the cut-off price.

<https://tbsnews.net/economy/stock/lub-rref-ipo-subscription-begins-26-january-177691>

Rahima Food's trading resumes on DSE today

• Trading of the shares of Rahima Food Corporation will resume today (Tuesday) on the Dhaka Stock Exchange's main board after 30 months as the prime bourse approved the resumption of trading. Earlier on 19 July, 2018, the DSE de-listed the company from its trading platform while the CSE suspended trading then as the company's share price soared abnormally despite remaining out of operation for a prolonged period. Rahima Food was incorporated in 1990 and listed in stock exchanges in 1997. According to the audited financial report ended 30 June this year, the company's loss per share was BDT 1.20 and its net asset value per share was BDT 9.57.

• The trading of shares of Rahima Food will resume today (Tuesday) on main board of the DSE under 'A' category as the company is already traded at CSE under 'A' category, the DSE said in a statement on Monday. At DSE, trading code for Rahima Food is "RAHIMAFood" and DSE company code is 14281. The reference price will be the close price of the company traded at CSE on Monday since the shares of the company are already being traded in CSE, according to the statement. The reference floor price will be the floor price of the company traded at CSE which is BDT 175.40.

<https://today.thefinancialexpress.com.bd/stock-corporate/rahima-foods-trading-resumes-on-dse-today-1609169704>
<https://tbsnews.net/economy/stock/rahima-food-resume-trading-dse-today-after-2-years-177694>
<https://www.newagebd.net/article/125610/share-trading-of-rahima-food-resumes-today-on-dse>

The year that IPOs were back in vogue

• While the country's private investment is going through a stagnant situation, the stock market regulator has given the nod to 19 companies this year for raising BDT 15.80 billion

by offloading shares to the public for business expansion. The amount approved through the initial public offerings (IPO) and rights shares issues more than doubled from last year. As many as 17 companies got the approval from the securities regulator to raise BDT 15.02 billion through IPOs and two listed firms got the nod to boost their capital base by issuing right shares amounting to BDT 778 million. Most of the approvals came at a time when the economy was reeling from the fallout of the global coronavirus pandemic, suggesting the companies are not engulfed in doom and gloom.

<https://www.dhakatribune.com/business/stock/2020/12/27/the-year-that-ipo-were-back-in-vogue>

DSE market cap hits an all-time high

• Market capitalisation of Dhaka Stock Exchange (DSE) stood at an all-time high at BDT 4.41 trillion yesterday thanks to increased investor participation. The value of listed securities with the country's premier bourse rose BDT 518.49 billion, or 13%, over the past month, when investors started pouring their money into the market. Investors started coming back to the stock market in the last few months since many stocks have become lucrative amid the pandemic driven index fall, said a portfolio manager of a top asset management company.

<https://www.thedailystar.net/business/news/dse-market-cap-hits-all-time-high-2018809>

Ifad Autos has big plans for future

• Ifad Autos, the sole distributor of Indian commercial vehicle giant Ashok Leyland, is going full steam ahead with its expansion plans even though its profit took a beating for the pandemic. The publicly-traded company on Sunday announced buying additional 33 decimals of land at Tejgaon Industrial Area in Dhaka for BDT198.4 million for business expansion, according to a posting of the website of the Dhaka Stock Exchange. Investments are being planned here. This will benefit the shareholders, said company secretary of Ifad Autos. The future investment on the land will be carried out with the company's own fund, he added.

• While the company's profit tumbled 79.9% in its 2019-20 financial year that ended on June 30, it picked up from July. Between July and September, Ifad Autos's profit leapt 37.6% year-on-year to BDT1.72 billion. Last year, the company acquired 49% holding of Gulf Oil (BD), a subsidiary company of Gulf Oil International (UK) that sells lubricants, grease and car care products, for about BDT119 million to give a backward linkage.

<https://www.dhakatribune.com/business/2020/12/28/ifad-autos-has-big-plans-for-future>
<https://tbsnews.net/economy/stock/ifad-autos-purchase-land-future-expansion-177280>

BSEC forms body to probe Familytex's irregularities

• The stock market regulator has formed a two-member inquiry committee to investigate the irregularities in the sales of shares of Familytex (BD) Ltd directors without any declaration. The committee – formed a few years after the irregularities took place – will submit its report within 30 working days to the commission. The commission formed the committee to know the company's actual business scenario as well as that of the shareholding of the sponsors and directors. Sources said the company's sponsors and directors started selling shares in 2015 without any declaration. In 2017, they had sold 41% of their total holdings. On 31 December, 2018, the company's sponsors and directors held 22.43% of shares. But on 31 January, 2019, their shareholding came down to 4.02%. The board of directors sold

110 million shares without any declaration. At the time, the company's share price was BDT 15 each.

<https://tbsnews.net/companies/bsec-forms-body-probe-familytexas-irregularities-177826>

Bangladesh Securities and Exchange Commission (BSEC) issues exit plan for issuers of delisted securities

- The stock market regulator on Tuesday issued a directive on exit plan for issuers of the delisted securities in the interest of the investors and the capital market. According to the directive, any securities delisted from the main board of the stock exchanges, or any delisted securities trading at the OTC market, or any securities trading at alternative trading board or any other securities as directed by the commission shall apply for exit plan.
- For the exit plan, offeror alone, or along with concert party shall be in an agreement or a contract with the applicant with regard to offer for buying securities from the shareholders or securities holders other than the offeror and concert party, according to the directive. The stock exchanges shall take necessary action to suspend the trade of securities of the applicant if traded at the OTC platform or ATB immediately after receiving the information, the directive said. The commission shall accord its consent or issue a rejection letter within 30 working days after receiving the application.

<https://today.thefinancialexpress.com.bd/last-page/bsec-issues-exit-plan-for-issuers-of-delisted-securities-1609264195>

<https://tbsnews.net/economy/stock/bsec-issues-directive-exit-plan-delisting-firms-178252>