

### Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+2.17%) gained 105.75 points and closed the week at 4,974.84 points. The blue-chip index DS30 (+2.22%) gained 37.43 points and stood at 1,727.13 points. The Shariah-based index DSES (+1.49%) gained 16.69 points and stood at 1,135.54 points. The large cap index CDSET (+1.88%) gained 18.65 points and closed at 1,009.20 points. DSEX, DS30, DSES and CDSET showed YTD returns of +11.72%, +14.13%, +13.57%, +12.16%, respectively.

**Total Turnover During The Week (DSE):** BDT 39.0 billion (USD 459 million)

**Average Daily Turnover Value (ADTV):** BDT 7.8 billion ( $\Delta\%$  Week: +23.8%)

Market P/E: 16.4x

### Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market remained positive by 0.26% and reverted in the second session by -0.31%. However, in the third session, market closed in positive territory by 0.76% and continued to be positive in the fourth session by 0.63%. Finally, Market closed in the positive ground in the last session by 0.81%.

### Sectoral Performance:

- All the financial sectors posted positive performance this week except Mutual Fund (-5.13%). Life Insurance booked the highest gain of 3.15% followed by NBF1 (+2.64%), Bank (+2.09%), and General Insurance (+1.71%).
- All the non-financial sectors posted positive performance this week except Fuel & Power (-0.32%). Engineering booked the highest gain of 8.51% followed by Food & Allied (+5.00%), Pharmaceutical (+1.09%) and Telecommunication (+0.52%).

### Macroeconomic arena:

- The flow of inward remittances reached USD 10.90 billion in the first five months of the current fiscal year (FY 2020-21), registering an increase of more than 41.0%.
- The volume of non-performing loans (NPLs) fell by nearly 2.0% or BDT 16.76 billion to BDT 944.40 billion as on September 30 from BDT 961.17 billion as on June 30 this year.
- The net sales of national savings certificates stood at BDT 156.4 billion in the July-October period of the current fiscal year 2020-2021 that meets 78.21% of the annual target.
- Bangladesh's foreign aid inflow boosted in the first four months of the current fiscal year, 2020-21, as the development partners disbursed 19.0% higher funds than the corresponding period of the previous fiscal year.
- The country's trade deficit narrowed by 43.5% year-on-year to USD 3.2 billion in the first four months of FY 2020-21.

### Stock Market arena:

- Desh General Insurance Company has got the approval to raise a capital worth BDT 160.0 million through IPO (initial public offering) under the fixed price method. The IPO subscription of Taufika Foods and Agro, familiar with its brand name 'Lovello', will open on January 3, 2021, to raise BDT 300 million. Also, Index Agro Industries will issue IPO shares at BDT 50.0 each with 20% discount offered on the cut-off price fixed at BDT 62.0.
- The Bangladesh Securities and Exchange Commission (BSEC) has approved the proposal of BDT 6.0 billion subordinated bond to be issued by Islami Bank Bangladesh Limited (IBBL).
- Grameenphone, the country's leading mobile phone operator, signed an agreement with edotco Bangladesh recently to set up more than 500 towers.
- Olympic Industries has decided to import new machinery at an estimated total cost of BDT 420.0 million to produce new premium varieties of Cracker and Hard Dough Biscuits.
- Japanese Conglomerate Nipro Corporation has invested around BDT 1.3 billion (USD 15 million) as foreign direct investment (FDI) by merging with JMI Group to launch Nipro JMI Marketing Ltd

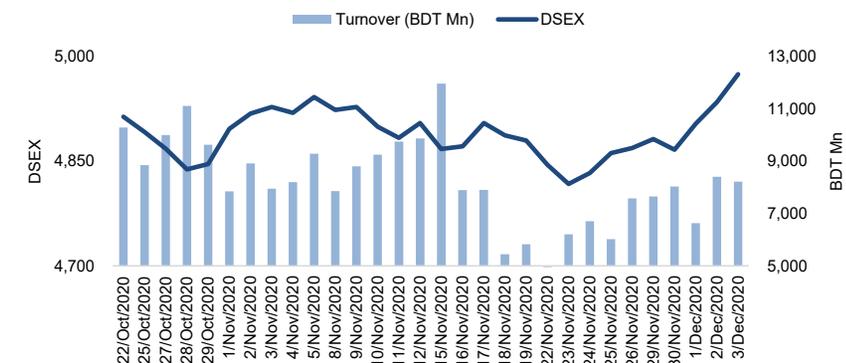
Table 1: Index

Index	Closing	Opening	$\Delta$ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	4,974.84	4,869.09	+105.75	4,452.93	+2.17%	+11.72%
DS30	1,727.13	1,689.70	+37.43	1,513.35	+2.22%	+14.13%
DSES	1,135.54	1,118.85	+16.69	999.83	+1.49%	+13.57%
CDSET	1,009.20	990.55	+18.65	899.76	+1.88%	+12.16%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	3,992,786	3,905,336	
	Mn USD	46,996	45,967	+2.2%
Turnover	Mn BDT	38,980	31,489	+23.8%
	Mn USD	459	371	
Average Daily Turnover	Mn BDT	7,796	6,298	+23.8%
	Mn USD	92	74	
Volume	Mn Shares	1,429	1,205	+18.6%

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
DOMINAGE	22.5	10.0	+125.0%	2,138	0.2	7.9x	1.1x
UNILEVERCL	2,742.6	2,149.1	+27.6%	33,039	176.6	35.9x	23.4x
AAMRANET	47.7	38.8	+22.9%	2,682	375.6	15.3x	1.3x
PENINSULA	22.7	18.6	+22.0%	2,694	219.5	61.3x	0.7x
MIRACLEIND	26.4	21.8	+21.1%	930	138.9	NM	0.7x
PRAGATIINS	72.7	61.7	+17.8%	4,768	821.8	19.0x	1.4x
RDFOOD	14.4	12.3	+17.1%	1,041	94.4	46.5x	1.0x
HFL	19.4	16.7	+16.2%	1,767	24.3	NM	0.5x
NFML	20.9	18.4	+13.6%	1,932	825.1	72.5x	1.7x
NAVANACNG	37.9	33.4	+13.5%	2,597	11.1	42.1x	1.1x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
IFIC1STMF	5.6	6.4	-12.5%	1,020	92.5	NM	0.6x
PROVATIINS	85.2	96.0	-11.3%	2,531	276.4	32.9x	4.1x
SEMLIBLSF	11.0	12.2	-9.8%	1,100	113.9	NM	1.2x
ICBAMCL2ND	8.8	9.7	-9.3%	440	57.3	NM	1.4x
TAKAFULINS	45.7	50.1	-8.8%	1,946	140.7	25.1x	2.5x
SHYAMPSUG	55.4	60.7	-8.7%	277	3.1	NM	NM
POPULAR1MF	5.4	5.9	-8.5%	1,615	95.0	NM	0.6x
ICBAGRANI1	7.6	8.3	-8.4%	746	34.1	NM	1.0x
ASIAPACINS	78.3	85.3	-8.2%	3,316	323.2	43.1x	3.8x
NCCBLMF1	9.1	9.9	-8.1%	987	77.0	NM	1.0x

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

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BXPBARMA	142.9	140.8	+1.5%	63,749	1,914	18.1x	2.0x
BEXIMCO	26.5	24.4	+8.6%	23,222	1,776	52.0x	0.4x
NITOLINS	71.0	68.7	+3.3%	2,855	887	12.3x	2.7x
NFML	20.9	18.4	+13.6%	1,932	825	72.5x	1.7x
PRAGATIINS	72.7	61.7	+17.8%	4,768	822	19.0x	1.4x
BSCCL	141.8	129.1	+9.8%	23,384	756	24.4x	3.5x
NORTHRNINS	43.3	42.7	+1.4%	1,847	669	25.8x	2.1x
REPUBLIC	53.1	48.5	+9.5%	2,462	669	25.7x	3.2x
RUPALIINS	36.1	34.6	+4.3%	2,768	601	20.5x	1.7x
AOL	60.6	55.3	+9.6%	6,218	526	35.0x	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
BXPBARMA	142.9	+126.5%	63,749	18.1x	2.0x
UNILEVERCL	2,742.6	+56.2%	33,039	35.9x	23.4x
ACI	242.2	+46.8%	15,285	NM	1.9x
ISLAMIBANK	26.5	+38.7%	42,665	7.6x	0.7x
IDLC	58.3	+28.4%	21,982	11.0x	1.5x
MARICO	2,135.3	+27.6%	67,262	23.1x	42.2x
LANKABAFIN	21.3	+24.2%	11,477	16.1x	1.2x
BARKAPOWER	26.3	+24.0%	6,193	10.9x	1.4x
TRUSTBANK	31.9	+22.2%	20,521	6.8x	1.1x
RECKITTBN	3,804.4	+19.1%	17,976	24.6x	34.9x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,357.51	1,329.74	1,319.28	+2.09%	+2.90%
NBFIs	1,791.22	1,745.14	1,565.13	+2.64%	+14.45%
Mutual Funds	980.67	1,033.72	591.17	-5.13%	+65.89%
General Insurance	4,065.15	3,996.79	1,927.02	+1.71%	+110.96%
Life Insurance	2,176.40	2,109.94	2,194.70	+3.15%	-0.83%
Telecommunication	4,422.43	4,399.43	3,993.59	+0.52%	+10.74%
Pharmaceuticals	2,968.35	2,936.36	2,492.51	+1.09%	+19.09%
Fuel & Power	1,599.65	1,604.73	1,515.21	-0.32%	+5.57%
Cement	1,238.23	1,170.91	1,132.29	+5.75%	+9.36%
Services & Real Estate	1,030.31	990.24	886.70	+4.05%	+16.20%
Engineering	3,115.50	2,871.04	2,257.22	+8.51%	+38.02%
Food & Allied	13,557.41	12,912.41	12,121.49	+5.00%	+11.85%
IT	2,397.36	2,239.60	1,823.13	+7.04%	+31.50%
Textiles	1,065.09	1,031.92	1,042.04	+3.21%	+2.21%
Paper & Printing	5,249.24	5,190.34	5,233.20	+1.13%	+0.31%
Tannery	1,662.91	1,647.02	1,826.45	+0.96%	-8.95%
Jute	8,500.52	8,711.57	11,393.28	-2.42%	-25.39%
Ceramics	443.16	441.46	459.10	+0.39%	-3.47%
Miscellaneous	1,972.01	1,903.58	1,745.96	+3.59%	+12.95%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	559.5	372.9	+50.1%	7.4%	7.9x	0.8x
NBFI	197.6	205.6	-3.9%	2.6%	126.4x	2.7x
Mutual Fund	653.9	799.3	-18.2%	8.6%	NM	0.8x
General Insurance	2,354.9	1,894.2	+24.3%	31.1%	22.0x	2.0x
Life Insurance	185.9	102.5	+81.3%	2.5%	NM	NM
Telecommunication	191.5	96.3	+98.9%	2.5%	12.4x	9.3x
Pharmaceutical	746.1	616.0	+21.1%	9.9%	18.8x	2.3x
Fuel & Power	334.7	218.4	+53.3%	4.4%	12.2x	1.4x
Cement	79.1	41.6	+90.4%	1.0%	31.0x	1.9x
Services & Real Estate	118.6	58.1	+104.0%	1.6%	88.6x	0.9x
Engineering	548.1	386.1	+41.9%	7.2%	32.3x	1.7x
Food & Allied	162.2	106.4	+52.5%	2.1%	22.0x	6.0x
IT	317.4	202.3	+56.9%	4.2%	26.0x	2.2x
Textile	343.7	188.9	+82.0%	4.5%	342.3x	0.7x
Paper & Printing	32.4	25.4	+27.4%	0.4%	61.3x	1.1x
Tannery	42.5	28.6	+48.3%	0.6%	NM	1.7x
Jute	16.2	26.7	-39.5%	0.2%	NM	10.3x
Ceramics	58.5	47.8	+22.6%	0.8%	57.2x	1.5x
Miscellaneous	623.7	275.0	+126.8%	8.2%	34.8x	1.2x

**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	-29.7%	3,362	NM	10.1x
RUNNERAUTO	48.6	-18.3%	5,518	38.3x	0.8x
HEIDELBCEM	138.9	-15.7%	7,848	NM	2.0x
GHAIL	16.7	-14.8%	3,604	NM	1.1x
BRACBANK	46.0	-13.4%	60,990	14.4x	1.4x
UNIQUEHRL	39.5	-10.0%	11,629	87.8x	0.5x
SHASHADNIM	21.6	-8.2%	3,046	10.5x	0.5x
IFADAUTOS	41.6	-8.2%	10,523	47.7x	1.0x
SINGERBD	167.1	-7.4%	16,660	22.9x	5.4x
BBSCABLES	54.6	-7.1%	9,532	8.2x	1.7x

## Important News: Business & Economy

### Remittance inflow grows over 41.0% in July-September

- The flow of inward remittances reached USD 10.90 billion in the first five months of the current fiscal year (FY 2020-21), registering an increase of more than 41.0%, despite the ongoing Covid-19 pandemic, officials said. The inflow of remittances during the same period (July-November) of the previous fiscal was USD 7.72 billion. The money sent home by Bangladeshis working abroad amounted to USD 2.08 billion in November 2020, down by USD 33.7 million from the previous month's level, according to the central bank's latest data.
- Deputy governor of the Bangladesh Bank (BB) said, a total of USD 24.0 billion in remittances is expected to be received by the end of this fiscal year. He expressed the hope that the existing trend of inward remittance will continue in the coming months as the government has been providing 2.0% incentive for remittance receipts.

<https://today.thefinancialexpress.com.bd/first-page/remittance-inflow-grows-over-41pc-in-five-months-1606846383>  
<https://tbsnews.net/economy/remittance-stumbles-slightly-november-165709>  
<https://www.thedailystar.net/business/news/remittance-hits-2b-mark-third-straight-month-2004465>  
<https://www.newagebd.net/article/123143/country-gets-209b-in-remittance-in-nov>  
<https://www.dhakatribune.com/business/banks/2020/12/02/bangladesh-heading-towards-a-record-setting-year-for-remittance>

### Trade deficit narrows on stuttering economic recovery

- Bangladesh's trade deficit narrowed 43.5% year-on-year to USD 3.2 billion in the first four months of the fiscal year, thanks to the falling trend of import due to the ongoing economic slowdown brought on by the coronavirus pandemic. The deficit fell by USD 2.49 billion to USD 3.23 billion during the July-October period, according to data from the Bangladesh Bank (BB). The trade deficit narrowed due to the negative import growth, which indicates stagnated economic activities and weak domestic demand. Import growth dropped about 13% during the period to USD 15.8 billion from a year earlier.
- The country's export earnings grew only 1.1% to USD 12.5 billion in the first four months of the fiscal year, according to the BB data. Earnings from garment exports fell 1.2% year-on-year USD 10.45 billion in the July-October period of the fiscal year. The country's current account balance posted a surplus of USD 4.05 billion in the first four months of the fiscal year owing to the sharp decline in the trade gap. Even though some may interpret the shrinking of the trade deficit as a good indication but a deeper analysis of the country's import-dependent nature would reveal that it was not sending out a satisfactory message to the economy at all, said a former caretaker government adviser.
- The record foreign exchange reserve is also a reflection of the lower trade deficit and surplus in the current account. The country's foreign exchange reserves stood USD 41.25 billion on December 1, the largest yet. The BB data also showed that the country attained USD 153 million in net foreign direct investment in the first four months of fiscal 2020-21 against USD 307 million a year earlier. The net portfolio investment, meant for investment in the capital market, posted a USD 167 million deficit in July-October from USD 32 million in the positive.

<https://www.dhakatribune.com/business/economy/2020/12/03/trade-deficit-narrows-on>

[stuttering-economic-recovery](#)

<https://www.newagebd.net/article/123250/trade-deficit-shrinks-by-44pc-in-july-oct>  
<https://tbsnews.net/economy/current-account-balance-surplus-crosses-4bn-166402>

### September Non-performing loans drop 2.0% due to relaxed rules

- The volume of non-performing loans (NPLs) fell by nearly 2.0% or BDT 16.76 billion to BDT 944.40 billion as on September 30 from BDT 961.17 billion as on June 30 this year, according to the Bangladesh Bank (BB)'s latest statistics. However, the real picture of the default loans would surface after ending the suspension of loan classification, according to senior bankers. The central bank had extended by three more months the suspension of rigid rules for classification of loans to help the businesses overcome the effect of the pandemic.
- The BB has already asked all the scheduled banks not to be harsh while classifying loans until December 31, 2020. The original deadline for the facility expired on September 30. The default loans include substandard, doubtful and bad/loss of total outstanding credits, which stood at BDT 10,636.26 billion as on September 30, 2020, from BDT 10,497.24 billion as on June 30 this calendar year. It was BDT 10,118.29 billion as on December 31, 2019.

<https://today.thefinancialexpress.com.bd/first-page/sept-npls-drop-20pc-1606758734>  
<https://www.dhakatribune.com/business/banks/2020/12/01/default-loans-drop-in-september-as-expected>  
<https://www.thedailystar.net/business/news/default-loans-fall-slightly-relaxed-rules-2003881>  
<https://www.newagebd.net/article/123063/bbs-policy-relaxations-cut-npls-to-BDT-94440cr-at-sept-end>

### July-October National Savings Certificate (NSC) sales reach 78.0% of FY21 target

- The net sales of national savings certificates stood at BDT 156.4 billion in the July-October period of the current fiscal year 2020-2021 against the government's target of BDT 200.0 billion for the entire fiscal year. The sales in the four months account for 78.21% of the annual target due to a buying spree as people went for buying the high-yield investment tools amid a plunge in bank deposit rates, experts said.
- According to the latest National Savings Directorate data, the net sales of NSCs in the four months of FY21 is 183.79% or BDT 103.4 billion higher than the BDT 55.1 billion in sales in the same period of the previous fiscal year. In July-October of FY21, the gross sales of NSCs stood at BDT 372 billion and the payment of principal amounts BDT 215.5 billion. The NSD data also showed that the sales of NSCs increased by 390.25% or BDT 32.1 billion in October 2020 against the sales of BDT 8.2 billion in the same month of 2019. In October, the gross sales of NSCs stood at BDT 92.5 billion and the payment of principal amounts BDT 52.2 billion.
- The sales of NSCs grew from the very beginning of FY21 after witnessing a dismal FY20. In FY20, the net sales of NSCs plunged to BDT 144.3 billion from BDT 499.4 billion in the previous year. In the budget for FY21, the revenue collection target has been set at BDT 3.8 trillion, leaving deficit of BDT 1.9 trillion. For deficit financing, the government has planned to collect BDT 1.1 trillion from the domestic sources including sales of NSCs.

<https://www.newagebd.net/article/123251/july-oct-nsc-sales-reach-78pc-of-fy21-target>

## Foreign aid inflow up by 19% in July-Oct

• Bangladesh's foreign aid inflow boosted in the first four months of the current fiscal year (FY), 2020-21, as the development partners disbursed 19% higher funds than the corresponding period of last FY, officials said on Friday. The external aid has gone up due to release of a record high assistance, worth USD647.11 million, by the Japan International Cooperation Agency (JICA) during July-October period of this fiscal, they added. The country's bilateral and multilateral development partners released USD 1.72 billion worth of medium- and long-term (MLTs) loans and grants during July-October period of this FY, the Economic Relations Division (ERD) provisional statistics showed. During the corresponding period of last FY, the foreign development partners released USD 1.43 billion worth of assistance, the ERD figure showed.

• The MLT and grant disbursements by other major development partners, including the World Bank (WB), the Asian Development Bank (ADB) and China, were also remarkable, the ERD official added. The Washington-based WB disbursed USD 348.05 million worth of assistance, the ADB USD 246.67 million, and China USD 246.38 million during this July-Oct period. Out of the total USD 1.71 billion worth of foreign aid, the development partners released loans worth USD 1.65 billion and grants worth USD 60.3 million during the first four months of FY 21, the ERD data showed.

<https://today.thefinancialexpress.com.bd/last-page/foreign-aid-inflow-up-by-19pc-in-july-oct-1606499379>

## BDT 1.21 trillion Stimulus Packages: 39% disbursed in six months

• After the government announced 21 stimulus packages involving more than BDT 1.21 trillion to tackle the pandemic fallout, 39.23% of the total amount or BDT 476.15 billion was disbursed till October 31, according to a report of the finance ministry. A total of 35.4 million people have received assistance from various stimulus-cash-food support packages over the period. The report also said 7.6 million firms, organizations, entrepreneurs, and other beneficiaries got loan facilities under the economic bailout scheme as of October 31. The bailout packages were announced at different times after March. The combined support of more than BDT 1.21 trillion accounts for 4.34% of the country's Gross Domestic Product (GDP).

<https://www.thedailystar.net/frontpage/news/BDT-121353cr-stimulus-packages-39pc-disbursed-six-months-2002193>

## High remittance growth raising government's incentives expenses

• The government's incentives expenditures are rising due to the high growth of remittance inflow. The Ministry of Finance has approved the disbursement of BDT 13.2 billion for incentives for the second quarter (October-December) of the current financial year – which is BDT 5.6 billion more than the amount in the first quarter. The government is currently giving incentives at a 2.0% rate against remittances coming in through legal channels. In the budget for the current financial year, BDT 30.6 billion was allocated for this sector, with BDT 7.7 billion for each quarter.

• In the first four months of the current fiscal year, USD 8.83 billion came in through legal channels, which was 43.0% more than the amount during the same period last year. Compared to the previous financial year, remittances increased by 62.0% in July this year, 36.0% in August, 45.0% in September, and 28.0% in October. In the first 12 days of November, remittances reached USD 1.0 billion. Never before has so much remittance

come in during such a short time span. This trend of high growth in remittance inflow is expected to continue for a while.

<https://tbsnews.net/economy/high-remittance-growth-raising-govts-incentives-expenses-164452>

## Deepening uncertainty downing credit growth

• Private sector credit growth dropped heavily in October due to the eroding confidence of businesses amid the potential threat of a second wave of coronavirus infections. The year-on-year credit growth stood at 8.61% in October, down 9.48% from a month earlier, according to data from Bangladesh Bank. Credit growth had increased substantially in the first three months of the ongoing fiscal year riding on the implementation of the stimulus packages, bankers said. The quick implementation of the stimulus package for large industries and service sectors had a positive impact on credit growth, they added.

Businesses have adopted a cautious policy once again, given the rising Covid-19 infections. Besides, demand has also gone down as people are now highly careful about purchasing anything amid all the economic uncertainty, the managing director of Bank Asia said. Banks now face excess liquidity due to the collapse in credit demand, the managing director of Mutual Trust Bank said. The excess liquidity in the banking sector stood at BDT 1.61 trillion as of August, up 105% year-on-year.

<https://www.thedailystar.net/business/news/deepening-uncertainty-downing-credit-growth-2001877>

<https://tbsnews.net/economy/banking/private-credit-growth-tumbles-october-163723>

<https://www.newagebd.net/article/122693/private-sector-credit-growth-drops-to-861pc-in-oct>

## Stimulus for CMSMEs: Deadline extended to Dec 31

• The central bank has extended the deadline further to implement the stimulus package for cottage, micro, small and medium enterprises (CMSMEs) from November 30 to December 31. It has also relaxed regulations allowing more trade-based financing under the package in line with the stakeholders' requirements. Banks and non-banking financial institutions (NBFIs) are allowed to lend maximum 35% for trading purposes instead of 30% earlier, according to a Bangladesh Bank (BB) notification on Thursday. The remaining 65% has been allowed for both manufacturing and services.

• The latest move came against the backdrop of slow progress in loan disbursement under the package for CMSMEs until November 19. The banks and NBFIs disbursed BDT 77 billion of the stimulus package by then. The disbursed amount is 37% of the total BDT 200-billion financial support for the sector. Loans amounting to BDT 95 billion were approved for an estimated 55,000 Covid-hit CMSMEs countrywide during the period, according to the latest BB statistics.

<https://today.thefinancialexpress.com.bd/first-page/deadline-extended-to-dec-31-1606414355>

<https://www.thedailystar.net/business/news/more-funds-made-available-small-traders-2001865>

<https://tbsnews.net/economy/banking/sme-stimulus-lending-deadline-extended-till-31-december-163696>

<https://www.newagebd.net/article/122694/bangladesh-bank-raises-again-traders-pie-in-cmsme-stimulus>

## Stimulus yet to reach many businesses

• The finance ministry has claimed to have completed 55% of disbursements from over BDT 1.2 trillion worth of stimulus packages offered to help businesses bounce back from pandemic shocks. However, experts allege that such bailout packages have hardly had any positive impact to offset the damages that small ventures, marginalised people in particular, suffered during the countrywide shutdown. Moreover, a large number of entrepreneurs from manufacturing and service sectors have not received any benefit from the stimulus packages yet, said industry insiders. Economists attribute many businesses not getting loans to poor management on the part of the government coupled with non-cooperation from banks.

• As of October, only BDT 65 billion from the BDT 200 billion package allocated for the SME sector has been disbursed, according to data from the Bangladesh Bank. On the other hand, importers have borrowed BDT 80 billion from the BDT 330 billion package for large industries at 2% interest rate. Besides, only BDT 2.76 billion in agriculture loan from the BDT 30 billion re-financing scheme and BDT 4.97 billion from the prime minister-announced special scheme for agriculture amounting to BDT 50 billion were distributed.

<https://tbsnews.net/economy/stimulus-yet-reach-many-businesses-163711>

## S&P sees banks in 'extremely high' risk

• The banking sector in Bangladesh has been rated as "extremely high" in risk because of weak governance in some banks and high bad loans. S&P – a global credit rating agency – has placed Bangladesh's banking sector in group "9" among its 1-10 groups in the latest rating report, where one represents the highest assessment and 10 the lowest.

• Bangladesh's credit risk remains extremely high, with weak foreclosure laws and underwriting standards, weak governance at some banks, and client concentration leading to sizable stressed assets in the banking industry. Bangladesh is implementing international regulatory standards. However, we believe supervision has gaps and imposes limited market discipline, said the rating agency. However, the rating agency sees stability in the economic risk trend. The country has healthy growth prospects and moderate economic imbalances, with credit growing in line with nominal GDP, and benign inflation and current account positions, the agency said.

• Earlier in October this year, Fitch Solutions projected a rise in bad loans in the Bangladesh's banking industry after the expiry of regulatory forbearance given considering the pandemic situation. Banks' profitability would further worsen as soon as the facility of paying loan instalments expires because the banks will have to keep aside a huge amount from their earnings as a provision against default loans, observed Fitch Solutions.

<https://tbsnews.net/economy/banking/sp-sees-banks-extremely-high-risk-163726>

## Bangladesh starts sending workers abroad

• Bangladesh has started sending workers abroad with jobs after months of uncertainty triggered by the Covid-19 pandemic. The Bureau of Manpower, Employment and Training (BMET) data showed that a total of 2,464 male and female workers went abroad with jobs during the period between October 01 and November 19. When asked, the BMET officials said the outflow of workers will be continuing as the job destination countries are now allowing workers. They also are trying to explore new job markets. Some workers have already been sent to new job destination countries like Uzbekistan and Albania. But the

demand for workers is very low especially in the traditional market due to the impact of the coronavirus pandemic, officials said.

<https://today.thefinancialexpress.com.bd/last-page/bd-starts-sending-workers-abroad-1606499439>

## Tax deducted at source (TDS) a disincentive to exports: Metropolitan Chamber of Commerce and Industry (MCCI)

• The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, a leading trade body, has suggested halving the tax deducted at source (TDS) on exports, describing it as a disincentive to export growth and tax compliance. The MCCI has suggested revising downward the TDS on exports to 0.25% from existing 0.50% for all the sectors and also keeping it unchanged for at least three years.

• The trade body said the existing TDS system on export sales is against the principle of income tax. Most of the time the TDS rates are published in the Finance Act and with no prior idea what rate would be applied in the coming years, causing total uncertainty in its future application, and future financial planning for the businesses, said the MCCI president. Export sales of the company in FY 2019-20 decreased by 1.44 million pairs to 3.527 million pairs as against 4.965 million pairs in FY2018-19 due to the negative effect of COVID-19 on its supply chain, production and export orders.

• The tax expenses of the company increased by 111% although its exports declined by 29.0% in the fiscal year 2019-20 compared to that of the previous FY. The TDS rate on export sales was 0.25% in FY19 but was suddenly increased to 1.0%, a 400% rise, in the budget for FY20, it said. The increased rate remained applicable until October 21, 2019 which is the peak period for export of leather and footwear items.

<https://today.thefinancialexpress.com.bd/first-page/tds-a-disincentive-to-exports-mcci-1606585456>

<https://www.newagebd.net/article/122859/businesses-demand-reduction-in-export-tax-to-025pc>

## Taxpayers may get one month more for returns submission

• Holders of a tax identification number (TIN) may get an extra month to file their income tax returns, due to the novel coronavirus pandemic. The National Board of Revenue (NBR) is awaiting the issuance of a special notification after having completed the legal preparations for this purpose. However, the revenue authority may declare it, instead of time extension, as a scope for waiver of possible interest and fines on taxpayers. They may issue a directive in this regard on the upcoming 30 November or 1 December, multiple NBR sources confirmed.

• According to the Income Tax Ordinance, tax officials will impose a penalty of 50.0% and late interest of 2.0% per month on the taxable money if taxpayers fail to file returns within the stipulated schedule. Many taxpayers have not been able to complete their necessary banking work related to taxpaying as many were in quarantine due to the novel coronavirus. Many were not even able to collect all the necessary documents. Against this backdrop, professionals of various categories, including businessmen and income tax lawyers, wrote to the NBR demanding an extension in time for filing returns.

<https://tbsnews.net/economy/taxpayers-may-get-1-month-more-returns-submission-164461>

## Government likely to ease rules on duty-free fabric use to export high-end apparels

- The government may ease the rules on the use of fabric imported duty-free to help local manufacturers shift to high-end apparels and boost export earnings as firms generate more waste while producing fancy items for international markets. It came after garment manufacturers and exporters last week demanded the bond commissioner in Dhaka to increase the ratio of waste in garment manufacturing as the local apparel exporters are shifting to high-end items that need more waste of yarn and fabrics.
- In 1998, the commerce ministry set the waste ratio for garments between 7.0 to 9.0%. Even at that time, local manufacturers and exporters had said that the limit was far too little considering the amount of material used for a finished product. Since more fabric inevitably gets wasted in the making of high-end garment items, both manufacturers and exporters have urged the government to increase the limit to up to 30.0% or more.
- About 40.0% of all garment items shipped from Bangladesh are high-end products. The local garment industry is gradually shifting away from basic and semi-high-end products, and at this time, manufacturers find it difficult to maintain the existing limit on waste. This is because high-end products are subject to three important facets of the manufacturing process: sampling, development and approval from buyers, they added. When it comes to high-end garment making, the volume of fabric used is less, but the value is high. As a result, these products require more fabric compared to basic garment items since apparel makers need to provide small details in their samples.

<https://www.thedailystar.net/business/news/govt-likely-ease-rules-duty-free-fabric-use-export-high-end-apparels-2002869>

## Regulatory forbearance fuels banks' capital

- The banking sector's capital base got stronger in the third quarter this year thanks to the regulatory forbearance provided by Bangladesh Bank. As of this September, the average capital adequacy ratio (CAR), which determines the adequacy of a bank's capital in keeping with their risk exposure, stood at 11.94%, up from 11.63% three months earlier and 11.65% year-on-year, according to central bank data. Four state-run and six private banks enjoyed a regulatory forbearance of BDT 171.9 billion, which, they were supposed to set aside as provisioning against their defaulted and regular loans between July and September.
- Regulatory forbearance is when the regulator refrains from exercising its right to put an insolvent bank out of business. Banks have to keep provisioning ranging from 0.25% to 100% based on the quality of their assets (loans and advances) to absorb shocks emerging from the credit, operational, market and other risks. Had the banks not secured the regulatory forbearance, the actual CAR would have stood at 10.39% in September 2020. Four state banks -- Sonali, Janata, BASIC and Rupali -- failed to manage the required capital despite getting the forbearance from the central bank. Agrani, Bangladesh Krishi and Rajshahi Krishi Unnayan banks also faced capital shortfalls in the third quarter. In addition, Bangladesh Commerce Bank, ICB Islamic Bank, Padma Bank and the National Bank of Pakistan were unable to maintain the required provision. The 11 banks collectively faced a capital shortfall of BDT 193.0 billion as of September.

<https://www.thedailystar.net/business/news/regulatory-forbearance-fuels-banks-capital-2003389>

## Insurance Development and Regulatory Authority (IDRA) to scan non-life insurers' accounts

- The insurance regulator is set to scrutinize the bank accounts of all non-life insurers as part of its efforts to protect the interests of the policyholders and establish good governance in the companies, officials said. The Insurance Development and Regulatory Authority (IDRA) had earlier set the number of bank accounts that a non-life insurer could use for receiving its premium income. The regulator, in a circular issued on July 2, 2019, said the insurance companies could open a maximum of three bank accounts for receiving premium money. The companies had to close down the bank accounts in excess of the limit set by the IDRA within July 2019.
- Each of the non-life insurers, however, is allowed to have one bank account for preserving capital, one for depositing their other incomes, one for payment of insurance claims, and one for management-related expenditures. The insurance companies are not allowed to pay claims, commission, salary and wages in the form of cash under any circumstances. The branches of insurance companies can open only one bank account for maintaining their expenditures. The non-life insurance companies were asked to follow the order and inform the IDRA about the measures taken.

<https://today.thefinancialexpress.com.bd/first-page/idra-to-scan-non-life-insurers-accounts-1606671966>

## National Board of Revenue (NBR) clinches BDT 3.81 billion from money whitening

- Some 3,220 people whitened their undisclosed income by investing in movable and immovable properties between July 01 and November 29 period of the current fiscal year (FY). They have legalised their undisclosed money-making use of a provision incorporated in the national budget for FY 2020-21. The National Board of Revenue (NBR) has received BDT3.81 billion taxes against the funds disclosed by individuals. The money was shown as investment in land, building, cash, bank deposits and other financial instruments.
- According to the NBR data, some 138 people also invested their undisclosed money in the share market, paying BDT 188.4 million taxes until November 29, 2020. Mainly large taxpayers who file tax returns with the help of their tax consultants avail the opportunity, said a senior tax official, adding that those taxpayers usually file time petitions, seeking more time to submit their returns.
- For investment of undisclosed money in the capital market, the income tax wing specified six conditions. They include: (a) investment should be made from July 1, 2020 to June 30, 2021 (both days included); (b) taxes have to be paid within 30 days of investment and (c) a declaration paper in IT2020 form will have to be submitted to the deputy commissioner of taxes on investment. In case of withdrawal of investment within one year from the capital market, the income of taxpayers will be considered as 'other income' and tax would be imposed at a regular rate on the amount.

<https://today.thefinancialexpress.com.bd/first-page/nbr-clinches-Tk-381b-from-money-whitening-1606758504>

<https://tbsnews.net/economy/nbr/3358-people-whiten-untaxed-money-165292>

<https://www.thedailystar.net/business/news/3220-taxpayers-come-clean-nbr-gets-tk-380cr-2003861>

<https://www.newagebd.net/article/123064/nbr-gets-tk-38131cr-in-tax-under-spl-scheme>

## Government eyes USD 1.2 billion World Bank hard-term loan

- Bangladesh is likely to seek a hard-term World Bank (WB) loan worth USD 1.2 billion to finance three of its development projects, officials said on Monday. They said the country may have to choose the alternative window as the Washington-based global lender has already pledged for providing around USD 4.0 billion of concessional loan from its IDA for next three fiscal years (FY2020-23).
- Officials at the Ministry of Finance (MoF) said the IDA fund would not be enough to finance the three projects - electricity distribution modernization system project, Jamuna River economic corridor development programme and Bangladesh road safety programme. When the government approached the WB for the IDA loan for financing the projects, the WB suggested taking USD 500 million, USD 400 million and USD 300 million respectively for the projects from its Scale Up Window (SUW) of lending.
- Economic Relations Division (ERD) officials said the rate of interest on SUW loan is LIBOR or EURIBOR plus 1.5-2.0% with a shorter repayment period (around 15 years) as compared to only 2.0% for the IDA credit that offers 30-year maturity with a grace period of five years for repayment. Since the IDA-19 package is not enough to bankroll the pipeline projects, the WB has offered the loans from its SUW, said an official at ERD.

<https://today.thefinancialexpress.com.bd/first-page/govt-eyes-12b-wb-hard-term-loan-1606758880>

## Swell in demand for biscuits during pandemic

- When the Covid-19 pandemic has put all sectors in the soup, the biscuit and bread industry is the only sector enjoying a green patch with higher sales than in pre-pandemic times. Two leading biscuit manufacturers – Olympic and Pran – and many others have gone for new investments with a significant surge in the demand for their dry food products. Additionally, Reedisha, a new brand of biscuit owned by Kohinoor, recently entered the market while Bashundhara Group is also in the pipeline with its own brand.
- Industry insiders have linked this sudden sales growth to people's preference for packaged biscuits as street food is considered to be unsafe at this time of the pandemic. Most biscuit and bread companies have registered 20% growth between April and October this year, although the sector's growth is not more than 10-12% even in normal times. Olympic's biscuit exports have posted more than 50% growth as well. Olympic, the market leader which accounts for 25% of the industry, witnessed a 22% hike in sales in the April-June quarter of this year when the country was under the 66-day shutdown.
- Olympic has decided to invest BDT 420.0 million to enhance its production capacity. The company will be able to produce around 12,442 more tonnes of bakery items with the added facility, taking the total capacity to 0.13 million tonnes. For the first time since its inception, the company has crossed BDT 15.0 billion-mark in sales in the fiscal 2019-20, thanks to the sudden growth triggered by Covid-19. Olympic has continued to witness its sales growth in the post-shutdown period. In July-September, the company saw a 17% growth in biscuit sales. Its exports also grew by 51% in the last six months (April-September).

<https://www.dhakatribune.com/business/commerce/2020/12/01/marico-rolls-out-two-baby-care-products-as-it-continues-to-branch-out-from-parachute-coconut-oil>

## Ice cream makers pass the worst year

- The ice-cream industry was getting ready for their busiest season of the year in March. But instead of hauling in record sales, the industry witnessed its steepest lean period because of the coronavirus pandemic as people opted to stay indoors mostly. The economy reopened in June, but the sales did not pick up much as many people still prefer avoiding the option of eating out. As winter kicks in, the industry stares at its worst year. Already, many non-branded ice-cream producers have been compelled to shut factories. Ice cream brands are incurring losses and have so far been able to stay afloat because of strong financial backup.
- The primary season for the ice-cream industry starts from March which continues until July. It witnesses lower sales from November to February. The industry usually sees the highest sales in April when temperatures soar. But this year sales dropped from March due to the fear of the contracting the Covid-19, and this continued to July, said the chairman of Golden Harvest Group, which has 15.0% share of the market with Kwality and Bloop brands.
- According to the chairman of Golden Harvest Group, next year would mark the 50th anniversary of Bangladesh's Independence and the industry was hoping for a massive sale during the year. But the second wave may shatter the hope. Sales may drop to 30 to 35% at the end of the year. If the ice-cream industry fails to attain sales of at least 50% in 2021, it will be difficult for many good companies to survive. Annual sales of the industry were around BDT 15.0 billion when circumstances were normal, with brands accounting for 65-70% of the turnover.

<https://www.thedailystar.net/business/news/ice-cream-makers-pass-the-worst-year-2003893>

## 11 banks face capital shortfall despite deferral provisioning facility

- Eleven banks have failed to meet the minimum capital requirement despite the central bank's deferral facility on keeping their provisioning against defaulted loans. Of them, seven are state-run banks. As of September, the banks faced a combined capital shortfall of BDT 192.96 billion, according to the latest data from Bangladesh Bank (BB). The banks are: Sonali, BASIC, Rupali, Janata, Agrani, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, Padma Bank, ICB Islamic Bank, and National Bank of Pakistan. Bangladesh Krishi Bank had the highest amount of capital shortfall of BDT 106.03 billion, as per BB data.
- However, the capital base of the country's banking sector strengthened in the third quarter of this year. The banks' capital adequacy ratio (CAR) stood at 11.9%, up from 11.6% three months earlier, as per the latest data from the BB. The BB set the December 2019 deadline for banks to increase the capital adequacy ratio to 12.5%. The country's state-run commercial banks have maintained a very low capital adequacy ratio as the CAR of those banks stood at 8.3% until September, according to data.

<https://www.dhakatribune.com/business/banks/2020/12/02/11-banks-face-capital-shortfall-despite-deferral-provisioning-facility>  
[https://www.newagebd.net/article/123146/12-banks-suffer-BDT\\_-9469-cr-provision-shortfall-in-july-september](https://www.newagebd.net/article/123146/12-banks-suffer-BDT_-9469-cr-provision-shortfall-in-july-september)

## Government approves 3<sup>rd</sup> submarine cable project worth BDT 6.93 billion

The government on Tuesday approved the third submarine cable project worth BDT 6.93 billion to upgrade the country's telecommunication system. Upon implementation of the project, Bangladesh will get 6.0 terabyte per second of bandwidth that is expected to result in a massive boost of internet speed and facilitate 5G services across the country, officials said. The Executive Committee of the National Economic Council (ECNEC) approved the project along with three other development projects at a combined cost of BDT 21.15 billion.

Bangladesh would join the SEA-ME-WE-6 cable that also connected Singapore and France. The dispersion of the submarine cable will be from the Indian Ocean to the Mediterranean Sea via the Arab Sea and the Red Sea. Planning Commission member told that once the 3rd submarine cable is installed through implementation of this project, extra bandwidth could be exported to the neighboring states of India (seven sisters) and also to Bhutan. Besides, the Kingdom of Saudi Arabia has also expressed their eagerness to procure bandwidth from Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/govt-approves-3rd-submarine-cable-project-worth-BDT-693b-1606846824>  
<https://www.dhakatribune.com/business/2020/12/01/bandwidth-speed-6-terabyte-per-second-likely-by-june-2024>

## National Board of Revenue (NBR) enforces deterrent

The taxmen are not accepting the financial statements of corporate taxpayers if those are not accompanied by the document verification codes (DVCs) given by the ICAB. A decision to this effect was enforced from yesterday (Tuesday). The tax officials will have to examine the code in all the audited financial statements of corporate tax returns to check production of fake audit reports. The deputy commissioner of taxes (DCT) concerned will have to verify the code by visiting the website ([dvs.icab.org.bd](http://dvs.icab.org.bd)) of the Institute of Chartered Accountants of Bangladesh (ICAB).

According to NBR if the taxmen find that any audit report is not certified by chartered accountants after verifying the information on the ICAB website, or does not have signatures of the adequate number of the company directors, then the DCT will not accept it. In the NBR directive, the taxmen were asked to follow the said procedure from December 1 at the time of assessment of the audited financial statements, submitted with corporate returns.

<https://today.thefinancialexpress.com.bd/first-page/nbr-enforces-deterrent-1606845953>

## Bangladeshi suppliers of Debenhams, Arcadia and JCPenney are on pins and needles over their dues

Bangladeshi suppliers of busted Western retailers Debenhams, JCPenney and Arcadia Group are on tenterhooks as they have no idea when they would be getting the payments for the goods they have already shipped or manufactured. The garment exporters are owed upwards of USD 84 million by the three companies, according to sector people. The stuck payments mean most of the garment factories are in a precarious financial state.

A total of 32 Bangladeshi apparel suppliers are owed about USD 20 million for goods already shipped to what is one of the largest and most historic department store chains in the world. As of May, the work orders cancelled or held by Debenhams stood at USD 23.6

million, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the sector's apex trade body. There is no development on that front, one of the 32 suppliers to Debenhams told

<https://www.dhakatribune.com/business/2020/12/02/no-payment-update-for-bangladeshi-suppliers-of-fallen-western-retail-giants-debenhams-jcpenney-and-arcadia>

## Remittance: Bangladesh Bank loosens regulations

Under the latest relaxations, banks are now allowed to provide the government announced, 2.0% cash incentives to beneficiaries of remittances without verifying relevant documents of the remitters with the overseas exchange houses as well as banks. Such relaxation will be considered only for inward remittances amounting to more than USD 5,000 or BDT 500,000. Besides, those sending more than BDT 500,000 will have two months to submit the papers instead of 15 days earlier.

Beneficiaries will have to submit necessary documents of the remitters to his/her own bank branch, which will disburse the cash incentive against the remittances, according to a notification, issued by the central bank. The disbursing bank will send confirmation to the remittance receiving bank to release such incentive shortly after examining all documents on their own. The remittance receiving bank would release the cash incentive on the basis of confirmation of the disbursing bank, it added.

<https://today.thefinancialexpress.com.bd/first-page/bb-loosens-regulations-1606932760>  
<https://www.thedailystar.net/business/news/bb-relaxes-rules-remittance-incentives-2004933>

## Imports for manufacturing slump

Imports for the manufacturing sector in Bangladesh plunged in the first four months of the current fiscal year, signalling to a weak economic recovery from the coronavirus pandemic. In July-October, imports of capital machinery and industrial raw materials for major industries such as textiles plummeted along with some other intermediate goods. As a result, overall import payments decreased 13% year-on-year to USD 17.06 billion, the CIF import data from the central bank showed.

Import of raw cotton, one of the major raw materials for the readymade garment industry, which accounts for about 85% of the national exports, stood at USD 814 million in the first four months, down 24.24% year-on-year. Staple fibre import fell to USD 267 million in contrast to USD 393 million a year ago, while the import of capital machinery slumped 31% to USD 1.08 billion. The dwindling import payment against relatively stable export earnings helped the country narrow down the trade gap. Exports rose to USD 12.55 billion during the four-month period in contrast to USD 12.41 billion a year ago. Import payments stood at USD 15.78 billion from July to October, down 12.99% if the FoB data of the central bank was considered.

<https://www.thedailystar.net/business/news/imports-manufacturing-slump-2004949>

## Bangladesh witnesses largest fall in Asia and the Pacific (APAC) region

The real minimum wages in Bangladesh witnessed the largest fall in Asia and the Pacific (APAC) region in the last decade while Vietnam recorded highest growth, according to a latest report of the International Labour Organization (ILO). Between 2010 and 2019, the largest decreases in real minimum wages were observed in Bangladesh and Sri Lanka, according to the report. Wages and minimum wages in the time of COVID-19' revealed that

Bangladesh's real minimum wages witnessed 5.9% negative growth against its 5.8% annualized labour productivity growth during the decade.

- Among the countries that have experienced an increase in real minimum wages, according to the report, the highest 11.3% average annual increases were observed in Vietnam followed by 10.1% in Lao People's Democratic Republic and 9.7% in Cambodia. The labour productivity growth was 5.1%, 5.6% and 5.5% respectively in these three countries.

<https://today.thefinancialexpress.com.bd/first-page/bd-witnesses-largest-fall-in-apac-region-1606932681>

<https://www.dhakatribune.com/business/2020/12/03/bangladesh-s-workers-more-productive-in-past-decade-but-actual-wages-dip>

<https://tbsnews.net/economy/bangladeshs-monthly-minimum-wage-lowest-asia-pacific-region-ilo-166438>

### **Government to buy Covid-19 vaccines directly**

- The Cabinet Committee on Economic Affairs has approved a proposal in principle to follow direct procurement method (DPM) for procuring Covid-19 vaccines since it is a matter of urgent state necessity. The approval came from a meeting of the committee held virtually on Wednesday with Law, Justice and Parliamentary Affairs Minister in the chair. While briefing the media after the meeting, Cabinet Division Additional Secretary said any public procurement proposal of over BDT 50.0 million in a year would come before the Cabinet Committee on Economic Affairs.

- After the weekly Cabinet meeting on Monday, Cabinet Secretary informed the media that the government would initially provide 30.0 million doses of Covid-19 vaccine among the people free of cost alongside taking tougher actions to compel the people to wear facemasks to check further spread of the novel coronavirus in the country. Health Secretary expected that Bangladesh would get the first batch of vaccine in February 2021 from India's Serum Institute. He also said the prime minister has already given her consent to procure 30.0 million doses of the Oxford-AstraZeneca vaccine from the Serum Institute of India (SII) while the government has already allocated BDT 7.4 billion to purchase the vaccines.

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/govt-approves-direct-purchase-covid-vaccine-166057>

### **Bangabandhu-1 satellite not minting money yet**

- The Bangabandhu-1 currently earns BDT 1.25 billion for the local bandwidth market annually thanks to the 36 local satellite TV channels availing its services, according to the Bangladesh Communication Satellite Company (BCSCL). This was far below the expected return on its investment, which cost BDT 30 billion to go live, according to BCSCL officials. It was initially anticipated that the cost would be recovered in 5-7 years if the transponder could be rented out of the country. But the reality seems different.

- The supply of satellite bandwidth is abundant as nearly 6,000 satellites circle around the planet, far more than the 2,666 operational satellites. Although the Philippines and Nepal expressed interest in taking bandwidth from Bangabandhu-1, their asking prices were very low.

<https://www.dhakatribune.com/business/2020/12/03/bangabandhu-1-satellite-not-minting->

[money-yet](#)

## **Important News: Capital Market**

### **Bonds finally catching up**

- After decades of fruitless discussions, 2019-20 appeared to be the period for some concrete developments to help build a vibrant bond market. Removals of policy bottlenecks, fast-tracking of approval, and a favourable market reality together are now inspiring an increasing number of issuers, also from diversified sectors, to go for bond financing. In 2019, the Bangladesh Securities and Exchange Commission (BSEC) approved 13 companies to issue bonds amounting to BDT 54.6 billion.

- As of November 2020, the securities regulator has given its nod to 15 issuers to collect a total debt of BDT 64.6 billion from capital market investors, while 16 are now waiting for approval for issuing their bonds worth more than BDT 61.8 billion. From mid-2012 to mid-2019, the BSEC approved 94 corporate bonds worth over BDT 370.0 billion.

<https://tbsnews.net/economy/bonds-finally-catching-165796>

### **Desh General IPO, Islami Bank Bangladesh Limited (IBBL) bond approved**

- The securities regulator has approved the IPO (initial public offering) proposal of Desh General Insurance Company which will raise a capital worth BDT 160 million. Under the fixed price method, the Desh General Insurance Company will issue 16 million shares at an offer price of BDT 10 each to raise BDT 160 million. The company will utilise the fund for the purpose of investing in treasury bond, fixed deposit receipt (FDR) and capital market along with bearing the IPO expenses

- As the financial statement for the year ended on December 31, 2019 the company's net asset value (NAV) without revaluation stood at BDT11.62 per share. For the same period, the company reported its earnings per share (EPS) of BDT 1.36. The BSEC has also approved the proposal of BDT 6.0 billion subordinated bond to be issued by Islami Bank Bangladesh Limited (IBBL).

- As per the BSEC approval, the IBBL will issue to financial institutions, insurers, offshore development financial institutions, corporate entities and eligible investors through private placement. The tenure of the bond whose characteristics are non-convertible, fully redeemable, unsecured and unlisted will be seven years. The offer price of the units of IBBL's bond will be BDT 10 million per unit. The bank will utilise the fund to strengthen its Tier-II capital base.

<https://today.thefinancialexpress.com.bd/stock-corporate/desh-general-ipo-ibbl-bond-approved-1606926311>

<https://www.dhakatribune.com/business/stock/2020/12/02/desh-general-insurance-s-ipo-gets-the-green-light>

<https://www.dhakatribune.com/business/stock/2020/12/02/islami-bank-s-BDT-600cr-bond-gets-bsec-nod>

<https://tbsnews.net/economy/stock/islami-bank-issue-tk600-crore-bond-166426>

### **IPO subscription of Taufika Foods begins Jan 3**

- The initial public offering (IPO) subscription of Taufika Foods and Agro Industries, which produces ice cream under the brand name of 'Lovello', will open on January 3, 2021. The

ice cream maker will raise BDT 300 million from the capital market under the fixed price method by issuing 30 million ordinary shares. The subscription for shares of the company through electronic subscription system will be continued until January 7, according to the company's IPO prospectus.

- As per the regulatory approval, the Taufika Foods will issue 30 million ordinary shares with an offer price of BDT 10 each using the fixed price method. The company will utilise the IPO proceeds for acquisition of plant and machinery (BDT 90.36 million), purchasing freezer (BDT 57.84 million), purchasing vehicles (BDT 20.56 million), for capacity expansion of its depot (BDT 13.27 million), to repay bank loans (BDT 90 million) and bearing the IPO related expenses (BDT 28 million), as per the IPO prospectus.

- According to the financial statements ended on September 30, 2019, the company's net asset value (NAV) per share and basic earnings per share were BDT 12.17 and BDT 1.20 respectively. The company's authorised capital is BDT 1.0 billion and pre-IPO paid-up capital is BDT 550 million. The market share of the Lavello is approximately 15% in the ice cream industry. Igloo and Polar are two established and popular names in the ice cream industry.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-taufika-foods-begins-jan-3-1606926469>  
<https://www.dhakatribune.com/business/stock/2020/12/02/lovello-ice-cream-s-ipo-subscription-begins-on-jan-3>

### **Crystal Insurance IPO lottery on 3<sup>rd</sup> December**

- A lottery for the Initial Public Offering (IPO) of Crystal Insurance Company, which runs all types of the general insurance business, will be held on 3 December. According to the Chittagong Stock Exchange, the lottery will take place at 11am at Hotel Intercontinental in the capital. Meanwhile, investors have deposited around BDT 4.7 billion in the company, which is 29 times higher than its target to raise from the stock market.

- The insurance company will issue 16.0 million shares to raise BDT 160.0 million for investment in fixed deposits. It had earlier completed its subscription from 10-16 November. On 23 September, Crystal Insurance received approval from the Bangladesh Securities and Exchange Commission (BSEC) for the IPO. Each share of the company will have a face value of BDT 10.0.

<https://tbsnews.net/economy/stock/crystal-insurance-ipo-lottery-3-december-165757>

### **Index Agro Industries offers 20.0% discount in IPO**

- Index Agro Industries will issue IPO (initial public offering) shares at BDT 50 each with 20% discount offered on the cut-off price fixed at BDT 62. Earlier on September 10. Under the book building method, EIs are allowed to purchase 50% shares at their respective prices offered at the bidding. The remaining 50% shares are issued to general investors through IPO at 10% discount on the cut-off price. Due to 20% discount offered by Index Agro Industries, the company's IPO shares now will be issued to general investors at BDT 50 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/index-agro-industries-offers-20-per-cent-discount-in-ipo-1606844948>

### **Grameenphone signs deal with edotco to set up 500 towers**

- Grameenphone, the country's leading mobile phone operator, signed an agreement with edotco Bangladesh recently to set up more than 500 towers to improve connectivity across the country. Both Grameenphone and edotco expressed their gratitude to the Posts and Telecommunications Division and BTRC for their efficient role in intermediating such a contract execution. Grameenphone currently has more than 16000 sites, over 13000 of which are 4G-enabled. Country Managing Director of edotco Bangladesh said that Edotco has a global reputation for its service quality, and so we are confident with our promise to deliver with a remarkable output, which will eventually feed the Digital Bangladesh dream

<https://today.thefinancialexpress.com.bd/trade-market/grameenphone-signs-deal-with-edotco-to-set-up-500-towers-1606847921>  
<https://www.dhakatribune.com/business/2020/12/01/grameenphone-to-get-500-towers-from-edotco>

### **Olympic to import new machinery worth BDT 420.0 million**

- Olympic Industries has decided to import new machinery at an estimated total cost of BDT 420.0 million to produce new premium varieties of Cracker and Hard Dough Biscuits to meet the growing demand. The listed food-maker will finance the amount with its own funds and bank loans, according to the disclosure. With the new machinery, the company will produce new premium varieties of Cracker and Hard Dough Biscuits of around 12,442 metric tons per annum. The company's earnings per share (EPS) stood at BDT 2.85 for July-September, 2020 quarter as against BDT 2.79 for the same period of the previous year.

<https://today.thefinancialexpress.com.bd/stock-corporate/olympic-to-import-new-machinery-worth-BDT-420m-1606753452>

### **Kingsway Fund comes in the rescue of Olympic**

- Kingsway Fund, a leading investment bank in Europe, nominated Tanveer Ali as director to Olympic Industries Ltd's board on 29 November this year. Prior to this appointment, he had served the company as its executive director. He is also an independent director of Genex Infosys Limited, a publicly listed company in the information technology sector. Tanveer Ali is the son of Mubarak Ali, managing director of Olympic.

- According to the Dhaka Stock Exchange (DSE), Kingsway Fund, which is traded as PICTET LUX A/C KFFC on bourses in Bangladesh, holds 11.38% shares of Olympic. Olympic Industries is the country's leading biscuit manufacturer and listed on both stock exchanges. An Olympic official said the company's board did not comply with the 30% shareholding required by the rule of the securities regulator. The foreign investment fund bought the Olympic's share in 2016.

<https://tbsnews.net/economy/stock/kingsway-fund-comes-rescue-olympic-165745>

### **Japanese company invests BDT 1.3 billion in JMI Group amid Covid-19**

- Nipro Asia Pte Ltd, exclusively owned by Nipro Corporation, Japan, and JMI Marketing Ltd, one of the companies of JMI Group in Bangladesh, have formed a joint venture called Nipro JMI Marketing Ltd. This has been deemed an exceptionally promising milestone in the medical devices market in Bangladesh. Despite the Covid-19 situation, Japanese Conglomerate Nipro Corporation has invested around BDT 1.3 billion (USD 15 million) as

foreign direct investment (FDI) by merging with JMI Group to launch Nipro JMI Marketing Ltd. With this investment Nipro Corporation's total investment in JMI Group stands at around BDT 6.8 billion (USD 80 million), read a press release.

- Nipro JMI Marketing Ltd will market the medicine and medical equipment manufactured by JMI Group on the local market in Bangladesh. Moreover, the company will source essential medical equipment across the globe and market the products at home and abroad after ensuring their quality.

<https://tbsnews.net/economy/japanese-company-invests-tk128-crore-jmi-group-amid-covid-19-165688><https://www.thedailystar.net/business/news/japanese-medical-device-maker-launches-jv-jmi-2004429>  
<https://www.dhakatribune.com/business/2020/12/01/bd-japanese-jv-gets-tk-128cr-for-producing-exportable-medical-equipment>

### **International Finance Corporation (IFC) invests USD 25.0 million in Bank Asia**

- In an effort to provide liquidity to businesses affected by the COVID-19 pandemic in Bangladesh and help preserve jobs, IFC, a member of the World Bank Group, is making a fresh investment in the Bank Asia Limited. IFC's USD 25.0 million loan to Bank Asia Limited will provide critical working capital to help small and medium enterprises (SMEs) and corporate clients to continue their operations. SMEs comprise over 90% of businesses in Bangladesh and employ over 20% of the adult population, said a statement.
- The financing package is part of IFC's USD 8.0 billion global COVID-19 fast-track financing facility, aimed at helping companies stay afloat during the ongoing public health crisis. This investment comes under the Working Capital Solutions (WCS) program of the COVID-19 response envelope, which provides USD 2.0 billion globally to emerging-market banks, enabling them to support struggling firms. The International Development Association's Private Sector Window (IDA PSW) Blended Finance Facility is also supporting IFC's WCS program with a first-loss guarantee of up to USD 215.0 million in eligible countries, including Bangladesh.

<https://today.thefinancialexpress.com.bd/stock-corporate/ifc-invests-25m-in-bank-asia-1606667677>  
<https://tbsnews.net/economy/banking/ifc-invest-25m-bank-asia-support-pandemic-hit-businesses-164827>  
<https://www.newagebd.net/article/122962/ifc-invests-25m-in-bank-asia-to-help-covid-hit-businesses>  
<https://www.dhakatribune.com/business/banks/2020/11/29/ifc-lends-25m-to-bank-asia-for-supporting-companies-smes>

### **Move to make bonds tradable through BO accounts**

- A high-profile meeting on Sunday decided to take steps to make all kinds of bonds, including Treasury bond (T-bond), tradable through investors' BO (beneficiary owner's) accounts by removing existing legal and technical barriers. Representatives of the finance ministry, Bangladesh Bank (BB), the securities regulator, Dhaka and Chittagong stock exchanges, and the Central Depository Bangladesh Limited (CDBL) attended the meeting held at the office of Dhaka Stock Exchange (DSE).
- Currently, 221 T-bonds are listed at Dhaka bourse, and they are mainly purchased by banks, non-bank financial institutions, insurance companies and corporations. In

Bangladesh, there is no secondary market activity of the bonds and it makes the bond market almost non-functional. As a result, about 25 lakh people will have the opportunity to get involved with it

<https://today.thefinancialexpress.com.bd/first-page/move-to-make-bonds-tradable-through-bo-accounts-1606673328>  
<https://www.dhakatribune.com/business/stock/2020/11/30/bo-accountholders-can-trade-in-secondary-bond-market>

### **Half the IPOs failed their shareholders**

- Bangladesh's capital market has come through a very controversial phase over the last decade in terms of quality of the initial public offerings (IPO), as majority observers believe a large number of companies took advantage of their investors by presenting inflated financial figures. An August 2020 study by a local equity research team reveals that of the 91 company IPOs subscribed between 2011 and early 2020, only 44 generated returns that surpass the popular fixed income alternatives like National Savings Scheme – "Shanchayparta", while 20 yielded losses for primary shareholders and the remaining 27 merely saved the back with a meagre positive annualised average return at single digit.
- Irrespective of company fundamentals, each had enjoyed an overwhelming response from IPO investors as primary shares are popularly perceived as risk-free investments due to market hype for most of the new shares. However, it takes a few years to see the actual face of the company in terms of sustainability in business growth, dividends, and capital gains. Till August 16 this year, even primary investors lost money in 20 companies (check the link given below for the list) that came in the market in the last decade—mostly from textile, hospitality, steel, power generation, paper production, and automobile sectors.

<https://www.dhakatribune.com/business/stock/2020/11/29/now-it-is-golden-harvest-and-square-pharma-s-turn-to-face-bsec-s-music>

### **Robi's Q3 revenue rises to BDT 19.34 billion**

- Robi's revenue grew 9.7% in the July-September period compared to the previous quarter, when it was BDT 19.34 billion. Revenue rose 1.7% year-on-year. Robi's net profit declined a massive 77% year-on-year to BDT 389 million in the third quarter of 2020 because of a higher turnover tax. The profit was also 33.4% lower than a quarter ago. Despite the increased revenue, our profits fell due to the higher turnover tax, said the managing director and CEO of Robi Axiata. The National Board of Revenue imposed 2% turnover tax on telecom companies, which were given a choice to pay either corporate tax or turnover tax depending on whichever is higher.
- Robi has a subscriber base of 51 million, which is 30% of the total market. Of them, 34.7 million use internet, according to a press release issued yesterday. Robi's revenue from voice call services dipped 8.2% year-on-year to BDT 9.72 billion in the third quarter, indicating a sharp decline in 2G-based voice call services amid the ongoing coronavirus pandemic. Data revenue rose 22% year-on-year to BDT 6.84 billion.

<https://today.thefinancialexpress.com.bd/trade-market/robis-q3-revenue-rises-to-BDT-1934b-1606411532>  
<https://www.thedailystar.net/business/news/robis-profit-plummets-77pc-it-heads-mega-market-debut-2001885>  
<https://www.newagebd.net/article/122697/robi-posts-BDT-389cr-in-profits-in-july-sept>  
<https://www.dhakatribune.com/business/stock/2020/11/27/robi-flatters-to-deceive-ahead-of->

[its-mega-stock-market-debut](#)

### **Robi receives 10 times response from institutions**

• Robi Axiata Ltd has received BDT 15.86 billion in subscription from eligible institutional investors (EI) against their quota for the company's primary shares worth BDT 1.55 billion, according to the Dhaka Stock Exchange. The country's second largest telecom operator, in its BDT 5.24 billion initial public offering (IPO), has offered shares worth BDT 3.88 billion to external investors, while BDT 1.36 billion is being collected from its own people under employees stock purchase plan (ESPP). 40% of the public offer is allocated for EIs in an IPO at face value.

<https://tbsnews.net/economy/stock/robi-receives-10-times-response-institutions-163666>  
<https://www.newagebd.net/article/122699/robi-ipo-shares-10-times-oversubscribed-by-eis>

### **Arcadia's Bangladeshi suppliers are bundles of nerves as the British high-street giant edges towards collapse**

• British billionaire Philip Green's high-street retail empire Arcadia is preparing to enter administration, putting hundreds of shops and more than 13,000 jobs at risk in what would be the biggest retail collapse of the pandemic so far. While Arcadia said it is working on contingency options so that it could avert the collapse, it is not of much solace for its Bangladeshi suppliers, who have not received payments, which are in tens of millions, for months.

• According to a June estimation of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the sector's apex trade body, six Arcadia brands including Burton, Dorothy Perkins, Topman, Topshop and Miss Selfridge cancelled or held work orders amounting to USD 26.4 million. Arcadia restored the work orders and took the products it had cancelled when the pandemic began. But it is making an unusual delay in clearing the payment, said a supplier

<https://www.dhakatribune.com/business/economy/2020/11/29/arcadia-s-bangladeshi-suppliers-are-bundle-of-nerves-as-it-giant-edges-towards-collapse>

### **Ratanpur Steel Re-Rolling Mills (RSRM) and IFIC Bank have failed to get nod on rights from Bangladesh Securities and Exchange Commission (BSEC)**

• The securities regulator has rejected the proposal of rights issue of Ratanpur Steel Re-Rolling Mills (RSRM) as the company failed to submit revised proposal with updates on accounts. In last week, the BSEC also turned down another proposal of rights issue of IFIC Bank as the company failed to get under writer. According to BSEC officials, Ratanpur Steel Re-Rolling Mills was supposed to submit the update on accounts by October 31 last to the commission.

• Ratanpur Steel Re-Rolling Mills was supposed to submit the update on accounts by October 31 last to the commission. But the company was not able to submit revised proposal and supporting documents in favour of its proposal of rights, according to BSEC officials. Ratanpur Steel Re-Rolling Mills, presently an 'A' category company, was listed on the stock exchanges in 2014.

<https://today.thefinancialexpress.com.bd/stock-corporate/rsrm-fails-to-get-nod-on-rights-from-bsec-1606576942>

### **Golden Harvest and Square Pharma's turn to face Bangladesh Securities and Exchange Commission (BSEC)'s music**

• Golden Harvest Agro Industries, the pioneer in Bangladesh's frozen food business, has run afoul of the securities regulator for lending to its sister companies free of interest over a five-year period while bearing the BDT 3.79 billion of interest on the sum itself. Between 2016 and 2020, the company had lent BDT 28.09, BDT 893.1 million, BDT 751.7 million and BDT 431.8 million to its associated companies at free of interest or at lower interests of 6 to 10%, said the letter from the Bangladesh Securities and Exchange Commission dated November 18.

• Square Pharmaceuticals, the country's leading drug maker, also got the rap from the BSEC for providing about BDT 3.06 billion as loan and guarantee of another BDT 14.56 billion to its associated/concerned companies by charging interest at 9% or less in the last five years, breaching securities rules. Subsequently, the BSEC sought an explanation from the two companies for their transgressing actions that violated its notification on September 10, 2006. The notification barred any listed company from providing loans to its associate companies, which are usually owned by its sponsor-directors.

<https://www.dhakatribune.com/business/stock/2020/11/29/now-it-is-golden-harvest-and-square-pharma-s-turn-to-face-bsec-s-music>

### **Sponsors lose heart on money doctors, exit from funds**

• Fund managers otherwise known as money doctors are supposed to make money grow and so investors flock to them. But as one after another mutual fund managers flop in Bangladesh, their sponsors are rather leaving them in a hasty retreat. Fund management businesses grew manifold over the last decade with plenty of new entrants, mostly sponsored by banks and non-bank financial institutions. Although money managers take fees up to 2.5% on different fund sizes, returns for investors are zero or at best 3%.

• BD Finance, one of the corporate sponsors of Vanguard AML BD Finance Mutual Fund One (VAMLBDMF1), on 18 November announced the sale of more than half of its stake with intent to exit the investment. BD Finance has an investment of BDT 185.0 million with the fund and got only 3.0% in return this year, which is mainly a negative return as its financing cost was above 9.0%. The company got zero return from the fund last year. Vanguard Asset Management, which manages a total BDT 2.6 billion of funds, is the fund manager of BD Finance sponsored fund.

• In November, Eastern Bank Limited (EBL) announced plans to sell 20% to 30% of its stakes from its three sponsored mutual funds – EBL First Mutual Fund, EBL NRB Mutual Fund, and First Bangladesh Fixed Income Fund. Although EBL is one of the best performers in terms of profitability, it got no dividends for the current year from any of its sponsored mutual funds. The bank got only 3.0% in dividend last year and before 2019, it got reinvestment units instead of cash dividends, which actually added no value to the bank's earnings. RACE, the largest fund manager in the mutual fund sector having around BDT 30.0 billion under its management, is the fund manager of EBL sponsored mutual funds.

<https://tbsnews.net/economy/stock/sponsors-lose-heart-money-doctors-exit-funds-164872>  
<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-be-tough-against-errant-amcs-1606667542>

### **Robi IPO oversubscribed, sees third-highest retail demand**

- Investors have placed bids for BDT 22.3 billion of shares in Robi's initial public offering as the mobile phone operator looks to raise a record fund from the stock market. The bids are 5.74 times the proceeds the second-largest carrier is hoping to receive from the eligible investors, general public and non-resident Bangladeshis. This means the IPO is oversubscribed, which refers to an issue of securities where demand exceeds the available supply.

- Robi has got an approval to raise BDT 5.2 billion through the IPO. It mobilised around BDT 1.4 billion from its employees, and the rest BDT 3.9 billion will be raised from the stock market. The subscription is the third highest in Bangladesh's stock market history, according to the Dhaka Stock Exchange. Acme Laboratories topped the IPO subscription chart with bids for BDT 27.6 billion of its shares, followed by Mobil Jamuna's BDT 22.4 billion. Robi's IPO size is the highest in Bangladesh's history, overtaking market leader Grameenphone's floatation of BDT 4.9 billion in 2009.

<https://www.thedailystar.net/business/news/robi-ipo-oversubscribed-sees-third-highest-retail-demand-2003349>

<https://www.newagebd.net/article/122958/128-lakh-general-investors-apply-for-robis-ipo-shares>

### **Dominage Steel makes debut tomorrow**

- Dominage Steel Building Systems will make its shares trading debut tomorrow (Wednesday) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) under 'N' category. The board of directors of the newly-listed company has recommended 2.0% cash and 8.0% stock dividend for the year ended on June 30, 2020, according to an official disclosure on Monday. The board has also decided to increase authorised capital from BDT 1.0 billion to BDT 1.50 billion by amending Clause V of the Memorandum of Association and Article 6 of the Articles of Association of the company subject to approval of the shareholders in the EGM

- The company has also reported earnings per share (EPS) of BDT. 1.42, net asset value (NAV) per share of BDT. 21.23 and net operating cash flow per share (NOCFPS) of BDT. 4.78 for the year ended on June 30, 2020 as against BDT. 1.83, BDT. 19.81 and BDT. 5.40 respectively for the same period of the previous year. The company will utilise the IPO proceeds for acquisition of new plant & machinery (55.77%), building and other construction (30.14%), electrical installation (7.56%) and bearing the IPO related expenses (6.53%)

<https://today.thefinancialexpress.com.bd/stock-corporate/dominage-steel-makes-debut-tomorrow-1606753389>

### **Index Agro's shares 20.0% cheaper for retail investors**

- General investors will be able to buy Index Agro's shares at BDT 50 instead of BDT 62 at its initial public offering (IPO) after the Bangladesh Securities and Exchange Commission (BSEC) approved a 20% discount on the company's primary shares. According to the securities regulator's book-building rules, shares sold to general investors must be at a 10% discount on the cut-off price. But the stock market regulator permitted it to increase the discount to 20% after the company made a request.

- The agro-based company will use BDT 500 million from the IPO fund to install new machinery at its plant and repay some of its bank loans. According to its audited financial

statements for the year ending on June 30, 2019, Index Agro's weighted net asset value per share was BDT 45, while earnings per share was BDT 7.1. The company produces poultry and fish feed and day-old chicks.

<https://www.dhakatribune.com/business/stock/2020/11/30/investors-to-get-20-off-on-index-agro-shares>

### **Ring Shine's foreign sponsors desperate to sell stake**

- Sponsor-directors of the debt-burdened Ring Shine Textiles, all hailing from either Singapore or Taiwan, are frantically trying to sell their 31.5% stake and get out of Bangladesh. The sponsors have reached out to several institutional investors offering to sell their stake. The revelation comes after the company last week announced the closure of its factory in Savar's Dhaka Export Processing Zone for one more month until December 24 for want of orders amid the global coronavirus pandemic, even though its listed counterparts are all running their plants in full steam.

<https://www.dhakatribune.com/business/stock/2020/12/01/ring-shine-s-foreign-sponsors-desperate-to-sell-stake>

<https://www.newagebd.net/article/123065/ring-shines-sponsors-looking-for-buyers-to-sell-their-shares>

### **Marico rolls out two baby care products as it continues to branch out from Parachute Coconut Oil**

- Indian fast-moving consumer goods company Marico has added two new products to its baby care range as part of the Parachute Coconut Oil maker's efforts to cut down on its dependency on the much-loved hair oil for its earnings. The new products, a face cream and rash cream, takes the number of products under Marico's baby care line Parachute Just for Baby, which was launched in February 2019, to seven.

- Between July and September, its profit soared 17.8% year-on-year to BDT 789 million as demand returned for its personal grooming products with the reopening of the economy from June. During the quarter, the Bangladesh subsidiary of the Mumbai-based company performed better than its parent, whose profit was up 8% to INR 2.73 billion. The development is yet another spot of good news for its shareholders, which had announced an interim cash dividend of 200% for the first half of its 2020-21 financial year, which runs from April to March.

<https://www.dhakatribune.com/business/commerce/2020/12/01/marico-rolls-out-two-baby-care-products-as-it-continues-to-branch-out-from-parachute-coconut-oil>

### **28 companies fail to meet minimum shareholding by sponsors within deadline**

- As many as 28 publicly listed companies' directors have failed to comply with a mandatory rule of holding a combined minimum stake of 30% in their companies within the deadline given by the securities regulator. Earlier on July 29, the Bangladesh Securities and Exchange Commission found 44 companies were not meeting the regulatory requirement and gave them 60 days to comply with it. Only three of the 44 companies acted on the BSEC order. Then on September 30, the securities regulator gave the 41 companies until November 30 to comply with it. A mere 13 companies have responded to the call of the regulator; two-thirds of the companies have defied the directive.

- Earlier, the commission decided to strip 17 directors of 10 listed companies from their posts for not holding a minimum of 2% shares in their own organizations. Before, the securities regulator asked 61 directors of 22 listed companies to ensure a minimum 2% shareholding in their own companies within 45 days to continue their directorship.

<https://tbsnews.net/companies/27-firms-yet-comply-30-shareholding-rules-165742>  
<https://www.dhakatribune.com/business/stock/2020/12/02/28-companies-fail-to-meet-minimum-shareholding-by-sponsors-within-deadline>  
<https://www.newagebd.net/article/123144/28-companies-fail-to-comply-with-rules>

### **BD Lamp's share price soaring sans PSI**

- The share price of Bangladesh Lamps, a sister concern of Transcom Group, is soaring with no undisclosed price sensitive information (PSI). Within two weeks, the company's share price jumped more than 52% or BDT 74 each to close at BDT 212.40 on Tuesday. Its share price was BDT 140.90 on November 15, this year. The company, however, in a knee-jerk response informed the DSE on Tuesday that there was no undisclosed price sensitive information for recent unusual price hike and increase in volume of shares. The company's share price also almost doubled in less than two months as its share price was BDT 115.30 on October 11, this year which soared to BDT 212.40 on Tuesday.

- The Bangladesh Lamps declared 10% cash dividend for the year ended on June 30, 2020. In 2019, the company disbursed 20% cash dividend. The company returned to profits in July-September 2020 after incurring loss in the same quarter last year despite pandemic. The company's earnings per share (EPS) stood at BDT 1.18 for July-September 2020 as against BDT 1.48 in the negative for July-September 2019. The company has informed that earnings per share increased due to the decrease in finance cost and increase in other income including dividend income.

<https://today.thefinancialexpress.com.bd/stock-corporate/bd-lamps-share-price-soaring-sans-psi-1606845121>

### **Dominage trading halted few minutes into transaction**

- Dominage Steel Building Systems made a flying trading debut on Wednesday as its shares price jumped 50%, the highest allowable limit, riding on investors' 'irrational hype' over the new issue. The steel building maker's share closed at BDT 15 each on the Dhaka Stock Exchange (DSE), soaring 50%, the highest allowable limit on its issue price of BDT 10 each. The company's trading was halted within few minutes of transactions as investors rushed to buy its shares. But no sellers were seen on the trading board. The price of the shares of the company could not go up further despite high demand from investors due to the imposition of a new circuit breaker on shares which made debut, said a leading broker

- The Dominage Steel raised BDT 300 million from the capital market by issuing 30 million ordinary shares with an offer price of BDT 10 each using the fixed price method. As per audited annual financial statements, profit after tax was BDT 92.27 million for the year ended on 30 June 2020 against profit after tax of BDT 96.72 million for the year ended on 30 June 2019. The company's post-IPO basic earnings per share (EPS) was BDT 0.97 for the year ended on 30 June 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/dominage-trading-halted-few-minutes-into-transaction-1606926396>  
<https://www.dhakatribune.com/business/stock/2020/12/03/dominage-steel-building-s-profit-caves-in-8-9-for-pandemic>

### **Bangladesh Securities and Exchange Commission (BSEC) okays UCB AML fund draft prospectus**

- BSEC approved the draft prospectus of UCB AML First Mutual Fund, an open-end mutual fund. The approval was given on Wednesday at the 751st commission meeting, said a press release. Sandhani Life Insurance Company is the trustee and Brac Bank is the custodian of the fund while UCB Asset Management Limited is the sponsor and asset manager.

- According to BSEC, the primary target size of the fund is BDT 200.0 million. Of this, the sponsor will provide BDT 20.0 million and the remaining BDT 180.0 million will be collected by selling units of the mutual fund to investors at a face value of BDT 10.0 each. Typically, the asset management firm will focus on mid- and large-cap stocks, while capital protection will get high priority. Open-end mutual funds have no mandatory endpoint, and according to current regulations, their units are not listed with stock exchanges. Therefore, investors buy and sell open-end fund units based on current asset value from the asset manager's office or through authorised agents.

<https://tbsnews.net/economy/stock/bsec-okays-ucb-aml-fund-draft-prospectus-166444>

### **Baraka Patenga Power aims to contribute to Bangladesh's socioeconomic development**

- Baraka Patenga Power (BPPL), which is all set to make its capital market debut to raise BDT 2.25 billion, has set its sights on becoming the largest player in the country's private sector power generation, said its chief. The private sector now dominates Bangladesh's power generation. As of December 2018, its contribution was 54.4% of the total electricity against 45.7% produced by the state-owned power plants. By the Power Division data, the country's total power generation capacity reached 20,343 MW in the year, of which 11,057 MW came from private sector producers.

- Of the IPO proceeds, BPPL, whose parent company Baraka Power intends to spend BDT 1.44 billion on equity investments in Karnaphuli Power and Baraka Shikalbaha Power, and BDT 749.0 million to pay back bank loans said the chairman of BPPL. BPPL holds 51% shares of both the two companies, whose main role is to set up power plants and supply electricity to the national grid.

<https://www.dhakatribune.com/business/stock/2020/12/02/baraka-patenga-power-aims-to-contribute-to-bangladesh-s-socioeconomic-development>