

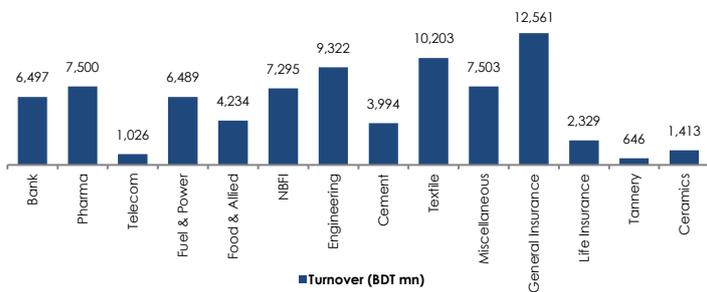


Market Closes in Green | DSEX Up 130 Points

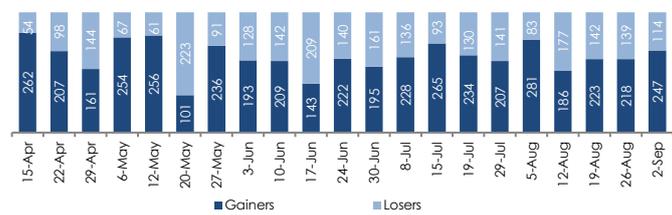
With one red and three green sessions, market closed in green this week. DSEX gained 129.7 points (1.9%) to close at 6,981.06, while DSE30 gained 43.4 points (1.8%) to close at 2,496.84. Average turnover in this week dropped 14.3% compared to previous week.

Fuel & Power and Bank sectors closed flat. NBFI sector dropped 1.6% and Telecom sector dropped 1.1%. Meanwhile, rest of the other sectors closed in green. Tannery sector gained highest 6.3%, while Insurance sector gained 5.9%, Cement sector gained 5.8% and Ceramics sector gained 5.7%. Lafargeholcim Bangladesh posted turnover of BDT 2,982.2mn, and gained 6.9%. Beximco Pharma gained 1.2%, posting turnover of BDT 1,634.1mn. British American Tobacco logged turnover of BDT 1,629.3mn, and gained 2.7%. GPH Ispat gained 9.8%, posting turnover of BDT 1,419.9mn. Among other top traded stocks, Lankabangla Finance logged turnover of BDT 1,161.1mn. IFIC Bank posted turnover of BDT 1,002.9mn.

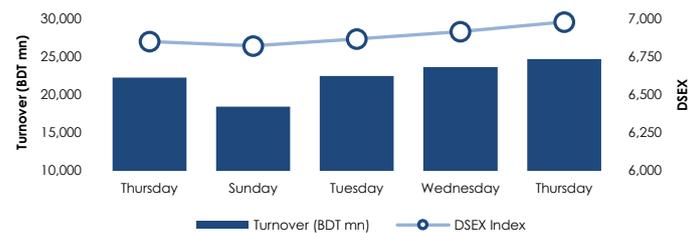
Turnover Composition



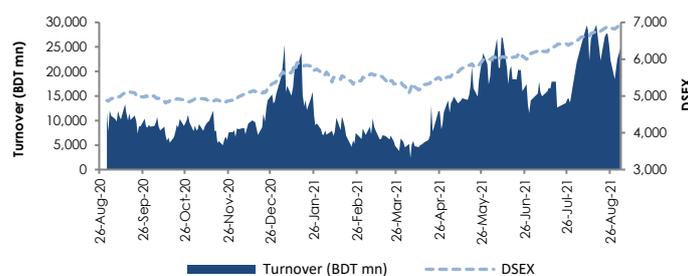
Gainer Loser Chart



DSEX This Week



DSEX 52 week



Sector Summary

(In BDT mn, except indicated)

Sector	Market Cap	Turnover	Turnover Value Change	PER (x)	DY (%)
Bank	726,177	6,497	(7,106)	8.4	3.4%
Pharma	712,523	7,500	(3,284)	23.8	1.6%
Telecom	741,942	1,026	(561)	18.6	2.3%
Fuel & Power	540,836	6,489	(7,605)	14.0	4.6%
NBFI	248,556	7,295	(6,087)	36.4	1.3%
Food & Allied	421,242	4,234	832	28.7	3.0%
Engineering	661,926	9,322	(3,288)	25.5	0.8%
Cement	149,904	3,994	273	21.8	1.1%
Textile	171,246	10,203	(7,913)	191.7	1.2%
Miscellaneous	223,906	7,503	(1,533)	28.8	1.2%
General Insurance	151,395	12,561	591	24.1	1.5%
Life Insurance	77,275	2,329	(729)	45.0	1.5%
Tannery	26,964	646	(472)	NM	0.6%
Ceramics	36,847	1,413	(466)	41.9	1.3%

Market Summary

	Today	Last Week	1W Value Change	% Δ
DSEX	6,981.06	6,851.32	129.7	1.9
DS30	2,496.84	2,453.43	43.4	1.8
Turnover (BDT Mn)	89,369	130,424	(41,055)	(31.5)
Market cap (BDT Bn)	5,637	5,575	62.1	1.1
PER (x)	18.6			
DY (%)	2.2			
Gainers	247	218		
Losers	114	139		
Unchanged	21	25		

Top Turnover (in BDT mn)

Stock	Turnover	Volume	Close	% Δ	PER (x)
BEXIMCO	5,267	48,145,804	115.6	11.0	27.9
LHBL	2,982	37,932,057	78.7	6.9	25.0
BXPHERMA	1,634	8,113,678	206.2	1.2	20.2
BATBC	1,629	2,792,583	585.1	2.7	23.4
SPCL	1,562	13,798,815	112.6	5.3	20.0
MAKSONSPIN	1,491	53,395,189	29.2	13.2	40.0
GPHISPAT	1,420	25,867,569	55.8	9.8	20.6
SAIFPOWER	1,224	39,781,206	30.3	(1.3)	38.0
LANKABAFIN	1,161	28,712,545	40.2	(2.9)	16.9
IFIC	1,003	60,661,503	16.9	3.0	15.7

Top Gainers

Stock	Turnover	Volume	Close	% Δ	PER (x)
TAMIJTEX	22.9	206,766	125.60	39.6	92.9
EASTERNINS	212.8	1,706,712	134.50	28.3	37.7
BNICL	661.7	4,137,713	158.40	26.8	43.9
TALLUSPIN	36.3	2,737,862	15.00	26.1	NM
RANFOUNDRY	117.1	756,251	166.50	21.2	49.6
MONNOCERA	502.7	3,369,645	154.10	20.9	911.5
ISLAMIINS	718.2	10,494,086	72.40	19.1	27.4
MONNOAGML	197.7	244,543	849.40	18.9	93,434.0
NORTHERN	121.4	352,114	371.80	18.1	NM
SAMATALETH	68.6	726,721	101.40	18.0	10,140.0

Top Losers

Stock	Turnover	Volume	Close	% Δ	PER (x)
GRAMEENS2	346.5	18,647,847	18.00	(15.9)	3.0
NLI1STMF	46.5	2,990,600	15.30	(13.1)	4.9
GREENELMF	105.0	11,012,189	8.70	(10.3)	4.1
DBH1STMF	47.7	4,903,503	8.80	(10.2)	4.1
METROSPIN	692.9	21,314,474	31.80	(9.1)	36.6
ICBEPMF1S1	8.5	1,045,159	8.00	(7.0)	19.5
MIDASFIN	84.6	3,984,814	20.80	(6.7)	NM
PRIMEFIN	359.8	22,936,251	15.50	(6.1)	48.4
UTTARAFIN	35.5	791,200	44.20	(5.4)	19.4
SBACBANK	684.5	29,558,290	23.30	(5.3)	22.2

Upcoming Record Dates

Upcoming AGM

Spot Market Scrips - For Tomorrow's Trading Session

Stocks	Date	Stocks	Date
WALTONHIL	5-Sep-21	MIDASFIN	20-Sep-21
ICB3RDNRB	6-Sep-21	SONARBAINS	23-Sep-21
IFILISLMF1	6-Sep-21	SANDHANINS	28-Sep-21
ICBAMCL2ND	6-Sep-21	GSPFINANCE	28-Sep-21

Stock	Start	End	(might not contain all the stocks)
GSPFINANCE	5-Sep-21	6-Sep-21	
ATCSLGF	5-Sep-21	6-Sep-21	



Weekly News

Economy

Revenue receipts rise slightly

Revenue collection grew 4.0% YoY in Jul'21 owing to the slowdown in business activities triggered by the movement restrictions to combat the coronavirus spread. National Board of Revenue (NBR) logged BDT 15,354 crore in taxes in Jul'21, up from BDT 14,755 crore in Jul'20. NBR's collection in July was BDT 5,613 crore short from its target. NBR said income tax was the main driver to keep the overall receipts in a little bit higher territory as collection of import tariff declined while value-added tax (VAT) was slightly up. Income tax collection went up 15.0% YoY to BDT 4,732 crore in July. Collection of VAT rose 1.3% YoY to BDT 5,697 crore in Jul'21 from BDT 5,620 crore in Jul'20.

Businesses more confident now about economic recovery: Sanem survey

Businesses are more confident about recovery in the current Jul'21-Sep'21 period than the previous quarter owing to the relaxation of countrywide lockdown, according to the Business Confidence Survey of the South Asian Network for Economic Model (SANEM). SANEM said Business Confidence Index (BCI) improved to 49.74 in Jul'21-Sep'21 period of this year from 41.39 in Apr'21-Jun'21 period. The improvement is visible for all of the sub-components, indicating elevated business confidence, and a hope to revive the private sector, said SANEM Executive Director Selim Raihan. Despite improvement from the previous quarter, overall confidence among business is still below the Jul'20-Sep'20 period, when BCI was 51.06, which indicates that recovery process of the economy is slow. Sanem said 64.0% of respondents termed the recovery of economy weak while 27% considered it as moderate, and only 9.0% opined that economy had been on the path of a strong recovery.

CMSME to get Tk200 crore at 4% interest to offset Covid-19 losses

Small and Medium Enterprise (SME) Foundation will provide another Tk200 crore in loans to CMSMEs as part of the government's second round of stimulus packages to accelerate the country's economic recovery and improve the living standards of people in rural areas. SME Foundation Managing Director told that to ensure credit to genuine SMEs, half of all borrowers are to get less than Tk20 lakh each, women entrepreneurs at least 30%, and SME cluster entrepreneurs should get 10% of the total loan package of Tk200 crore. Manufacturing entrepreneurs will be given the highest loan amounts while trading entrepreneurs should get 30%, he said, in elaborating about the distribution of loans, adding that the maximum limit of a loan package could be reduced from Tk75 lakh to Tk50 lakh.

Bangladesh Bank sells \$305m in August for import payments

Bangladesh Bank has increased the volume of dollar sales in August to clear import payments, according to a central bank source. The central bank has sold USD 305.0mn to the scheduled banks in Aug'21. The exchange rate of the US dollar has increased to Tk85.20 in August as its demand has risen recently. The rate was Tk84.80 in Aug'20.

Remittance drops for third month in August

The inflow of remittance dropped for the third consecutive month in Aug'21 though the number of overseas employment has started increasing in 2021. Remittance earnings dropped by USD 230.22mn, USD 69.32mn and USD 61.38mn in June, July and August respectively. Bureau of Manpower, Employment and Training data showed that the remittance earnings in the first five months of 2021 were USD 9.89bn against overseas employment of ~2.0 lakh Bangladeshi national during the same period. Islami Bank Bangladesh brought USD 508.94mn in remittance, followed by Dutch-Bangla Bank USD 188.09mn, Agrani Bank USD 162.56mn and Sonali Bank USD 110.36mn.

Trade deficit surges

The country's trade deficit widened by USD 1.25bn in the first month of FY22 amid an export earnings' contraction against moderate import payments. Trade deficit rose to USD 1.36bn in July of FY22 from USD 85.0mn in July of FY21. The country's trade deficit reached USD 22.8bn in FY21 from USD 17.85bn in FY20. In July of FY22, export earnings dropped to USD 2.89bn from USD 3.25bn in July of FY21. Import payments increased by 21.63% to USD 4.76bn in July from USD 3.91bn in the same month of the past year.



Weekly News

Bangladesh's tax receipts from large units plummet in July

Tax collection from Bangladesh's large manufacturing industries plummeted, registering a negative growth of 25.0% in VAT receipts in Jul'21, as a countrywide 'strict lockdown' for 18 days resulted in a loss of significant amount of revenue, according to field-level tax officials. Revenue collection in Jul'21 dropped 6.24% YoY.

Bangladesh industries most competitive in S Asia after India

Bangladesh has the most competitive industrial sector in South Asia after India, according to a report by the United Nations. The country ranked 67th in the world in the United Nations Industrial Development Organisation's 2021 Competitive Industrial Performance (CIP) Index report. With an overall score of 0.036, Bangladesh was placed in the CIP "Middle" quintile while the global average score is 0.068. Although Bangladesh's position is in the middle on the index, it ranked poorly on several sub-indices. It ranked 109th in manufacturing value added per capita and 113th in manufacturing export per capita. Bangladeshi exports are heavily based on primary products and manufactured goods, the report said. Almost all the manufactured products (96.2%) in Bangladesh are low-technology-based and only 0.4% are high-technology-based. Besides, 1.9% of the manufactured products are resource-based.

Lacklustre economic indicators weaken fiscal framework

Metropolitan Chamber of Commerce and Industry (MCCI) finds some less-promising economic indicators-revenue mobilisation and public expenditure in particular-are weakening the country's fiscal framework. MCCI calls for the policymakers to take appropriate measures for addressing some major areas of concern, in the process of recovery from the covid damage. MCCI points out that in terms of revenue mobilisation and public expenditure, the fiscal framework continues to be weak in view of poor achievements. It noted unemployment situation and low investment as also a challenge in the country. MCCI has mentioned that a significant increase in public and private investment is necessary to maintain competitiveness and generate further growth. MCCI urged the policymakers should focus on strategies for post-covid recovery and concentrate on policies to upgrade various private sectors so that more successful revenue-earnin streams can be generated and reinvestments from existing investors attracted.

Import duty evasion drops as fine doubles

Import-related irregularities have gone down significantly after the National Board of Revenue (NBR) doubled the minimum penalty for evading duties, helping the government earn more in taxes. Customs officials say the doubling of fines increased compliance among the traders to declare the names of the accurate products and prices. The change helped the Chattogram Custom House (CHC) generate 23.23% higher revenue at BDT 51,577 crore in FY21 versus BDT 41,854 crore a year earlier. In June 2020, the NBR fixed the minimum fine for a false declaration that is twice the amount of duty dodged. The penalty could be as high as four times the amount owed, depending on the extent of the irregularities. Earlier, there was no minimum fine.

BSCIC seeks Tk 1,000cr stimulus fund

Bangladesh Small and Cottage Industries Corporation (BSCIC) has sought a BDT 1,000 crore stimulus package from the government to disburse loans for the development and expansion of the CMSMEs. Existing entities and entrepreneurs in remote areas will be allocated BDT 500 crore while those seeking to start business afresh the rest, said the corporation functioning under the Ministry of Industries. The BSCIC has already disbursed BDT 50 crore that was allocated under a stimulus package last fiscal year, BSCIC Chairman told The Daily Star.

Sri Lanka set to get another \$100m from Bangladesh under swap arrangement

Bangladesh is set to send USD 100.0mn more to Sri Lanka to help minimising foreign-exchange crunch on their economy, officials said. Earlier on August 18, the BB transferred USD 50.0mn to the CBSL in the first installment under the currency-swap deal initiated in March this calendar year. As per the agreement, Bangladesh Bank will transfer USD 50.0mn more shortly to its counterpart of Sri Lanka if the CBSL sends a request to the BB within five working days after receiving the second tranche of the aid, according to the officials.



Weekly News

184 industrial establishments get BIDA registration in three months

A total of 184 industrial establishments got registered with the Bangladesh Investment Development Authority (BIDA) during Apr'21-Jun'21 period. The total amount of the proposed investments of the establishments is BDT 141.28bn, which is much higher than the investment proposal of BDT 56.84bn in Apr'20-Jun'20.

AIIB to review Bangladesh projects for quicker execution

Asian Infrastructure Investment Bank (AIIB) is set to review Bangladesh projects shortly for speeding up execution by removing bottlenecks. Officials said Monday the Economic Relations Division (ERD) would arrange the tripartite meeting where project directors and relevant line-ministry officials for the AIIB-funded ongoing and proposed projects will be present. A joint secretary at the ERD said the meeting is expected to be held on September 9 aiming mainly to expedite execution and fund release and eliminate hurdles in the way of implementation of the projects funded by the bank. AIIB has recently emerged as one of the key development partners of Bangladesh as it has so far confirmed a total of US\$560 million worth of assistance during January-August period of this calendar year 2021.

Another Tk20,000cr stimulus needed for SME sector: Dr Atiur

The small and medium enterprise (SME) sector needs a further allocation of at least Tk20,000 crore, according to Dr Atiur Rahman, former governor of the Bangladesh Bank. Unveiling a report on the future of SMEs at a programme, he said coronavirus had reduced SME revenues by 66% while 76% of their products remained unsold. Hardly 42% of SME workers got a partial salary while 4% did not get paid at all during the pandemic, he said. He said the SME sector's contribution to the Bangladesh economy is 25% and that the SME Policy 2019 is an effective initiative for developing the infrastructure and clusters in this sector. He said India had allocated 38% of its Covid-19 incentive packages for the SME sector while it is 33% in Thailand, and 24% in Malaysia. But Bangladesh had allocated only 22% and it should be increased, he said. To recover from the economic impact of Covid-19, he recommended fully implementing the SME Policy 2019, developing cluster-based SMEs, and creating a digital dashboard to monitor loan disbursement from stimulus packages in this sector.

64 types of commodities will be rapidly released from ports to steady supply chain

Some 64 types of import and export goods, including a slew of edible items, will get a speedy release from ports under a maiden decree meant for the steadying supply chain. Bangladesh customs has listed these commodities to be placed under the perishable category deserving rapid port release for priority marketing, officials said. Those products will be released within 48 hours of the bill-of-entry submission to the customs authority after its assessment.

Female employment jacks up GDP growth: Sanem

A 1 per cent increase in female employment can effectively increase economic growth by 0.31 per cent, according to a study by South Asian Network on Economic Modeling (Sanem). SANEM said that if the GDP data of 2021 is taken into consideration, such an increase would have resulted in an additional USD 11.3bn in the economy. However, no significant relationship between GDP growth and female (or male employment) is found in the short run.

ADB approves \$1.78 billion to improve regional trade route in Bangladesh

Asian Development Bank (ADB) approved a USD 1.78bn multitranches financing facility (MFF) to improve mobility, road safety, and regional trade along Dhaka-Sylhet trade corridor in Bangladesh. The Dhaka-Sylhet corridor will support a new trade route that connects Chattogram port with India's northeastern states through three land ports of Akhaura, Sheola, and Tamabil, and from there to Bhutan and Myanmar.



Weekly News

Bank and NBF

BB extends relaxed loan classification policy

Bangladesh Bank has further extended the period during which its relaxed loan classification policy would stay in effect, given the ongoing business slowdown brought on by the coronavirus pandemic. As per the Bangladesh Bank decision, borrowers will be able to avoid the default zone by paying 25 per cent of each instalment of their loans until December this year. The remainder of each instalment will have to be paid within next year. The central bank issued a notice on August 26 asking banks to follow the instruction such that the beleaguered businesses can take a breather from the ongoing slowdown. Non-performing loans stood at Tk 99,205 crore in June, up 11.80 per cent from six months earlier and 3.21 per cent year-on-year, showed data from the BB.

BB tightens monitoring of banks' stock market funds

Bangladesh Bank on Tuesday tightened its supervision over the special funds formed by banks to invest in the capital market as the central bank found a deviation of the banks concerned from complying with rules. A BB circular issued in this regard on the day asked the banks to report the central bank on a monthly basis on their investments in the capital market from the special funds in the prescribed format. As per the BB prescribed format, the banks are supposed to specify the names of the scrips or mutual funds which were purchased from the special fund and lending from the special fund to the merchant bank or brokerage houses, among others. In case of lending to the merchant banks or brokerage houses, the banks will have to collect data on investments from the merchant banks and brokerage houses and submit a compilation of the same to the BB. The banks will have to report the BB about their investments in a particular month within the 5th day of the immediate next month, said the BB circular that came to force immediately after its issuance.

Bangladesh Bank lifts dollar sale to halt taka slide

After buying a record amount of US dollars last year, Bangladesh Bank (BB) has begun selling the American greenback following a decline in remittance and an increase in imports. BB purchased the dollar amounting to USD 205.0mn in July. But it has started selling the greenback from this month as the taka is depreciating after more than a year. BB has sold USD 223.0mn so far this month. The intervention in the foreign exchange market was described by analysts as a timely move. They, however, said remittance would play a crucial role in the foreign exchange regime in the days ahead. If it continues to fall, the central bank will have to intervene on a regular basis. The inter-bank exchange rate stood at BDT 85.20 per dollar on August 25. On August 2, the rate was BDT 84.80, the same level it had hovered around since July last year. Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that remittance had become the pivotal factor in the foreign exchange market. He added that the BB will have to sell more dollars to tackle the greenback shortage if remittance keeps falling.

NBFI borrowers now get loan repayment relaxation till December

Bangladesh Bank extended the tenure of relaxation related to its loan classification policy again by six more months for the borrowers of NBFIs. Under the policy relaxation, the NBFIs are barred from treating any loans as default if the borrowers clear 50% of the dues for the months of January to December of the 2021, even if the payment is made on the last working day of the year under consideration. The facility would be given based on the respective NBFIs' relationship with the customers. Borrowers of NBFIs would be allowed to clear the remaining 50% of their overdue loans for the January-December 2021 period in one year after the expiry of the tenure of the existing loans.

Finance Ministry to forward Padma Bank merger proposal to BB

The Ministry of Finance has decided to forward the merger proposal of Padma Bank to the central bank, a senior official of the ministry told Dhaka Tribune on Tuesday. Earlier on July 8, Padma Bank sent a letter to the Finance Ministry saying that it wants to merge with a state-owned bank. The banks it wants to merge with are Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank and Bangladesh Development Bank.



Weekly News

10 banks face show-cause for low deposit rates

Bangladesh Bank has asked 10 banks - Dutch-Bangla Bank, Shimanto Bank, Brac Bank, Standard Chartered Bangladesh, State Bank of India, Woori Bank, The City Bank, Prime Bank, Eastern Bank and Trust Bank - to explain why they maintained a high interest rate spread for long depriving depositors. The spread was high ignoring the BB rules, which is why the central bank sent letters to them on August 10 seeking an explanation, said a BB official. They have been asked to reply in seven working days. As per the central bank rules, banks have to keep their spread either at or less than four percentage points. But the banks maintained spreads of more than 4.50 percentage points, breaching the central bank policy, in order to make high profits.

Govt mulls a watchdog for defaulting loans

The government is mulling the formation of a watchdog that would deal with the systematic problems of non-performing loans that have troubled some banks and financial institutions over the years, according to an official document. To be named as Financial Stability Council (FSC) the forum will suggest steps to maintain financial stability, improve the resolution regime for financial institutions and design macro-prudential regulations and instruments, reports UNB. The formation of the FSC has long been demanded by international development partners. The World Bank proposed constituting such a body in 2011 while the International Monetary Fund also recommended forming a council to oversee the financial sector. Finance ministry, the central bank, the Bangladesh Securities and Exchange Commission, the Microcredit Regulatory Authority and the Insurance Development and Regulatory Authority as well as relevant government agencies such as the National Board of Revenue will be included in this FSC, according to the sources. The finance minister will chair the FSC while senior secretaries of the finance ministry and the heads of all financial regulators would be members.

Most banks' deposit rates drop further in July

The weighted average deposit rates of 33 banks dropped in Jul'21 after excess liquidity in the country's banking sector reached BDT 2.31 crore in Jun'21. Weighted average deposit rate of all banks dropped to 4.11% in July from 4.13% in June. Of the 33 banks, the range of weighted average deposit rate fall was between 1-33 basis points. In Jan'20, the overall weighted average deposit rate of all banks was 5.69 per cent, 1.58 percentage points higher than the rate in July 2021. Bankers said that the stagnant investment situation was the major reason behind the decline in loan disbursement from the banking sector, resulting in the piling up of idle money at the banks.

Nagad ownership row ends

The government and private firm Third Wave Technologies have agreed to share the ownership of Nagad – the fastest growing mobile financial services (MFS) provider in the country – with a view to fulfilling the licensing conditions set by the Bangladesh Bank. The Directorate of Posts will own 51% of the company, while the remaining 49% share will be held by Third Wave Technologies Limited, said sources at the Posts and Telecommunications Division. According to the minutes of the meeting, the board of directors of Nagad will comprise nine members – five including the chairman will be appointed by the government and the other four including the managing director will be chosen by Third Wave Technologies. The company will be registered with the Registrar of Joint Stock Companies and Firms as Nagad Bangladesh Public Limited Company. The meeting decided that the company will revert to its previous name before registering the MFS as Nagad Bangladesh Public Limited Company.

Over 130 microfinance institutions lose licence to operate

More than 130 micro-finance institutions (MFIs) have faced the axe from the Microcredit Regulatory Authority (MRA) for breaching relevant rules and regulations. Such punitive action were taken against the institutions which were in operation until February 22 this year. The regulator has so far cancelled the operating licences of 134 MFIs, according to an official concerned. It has issued licences to 746 until the period in question, he says.



Weekly News

New-gen banks perform well in pandemic

The 12 new-generation banks are doing well despite the Covid-19 pandemic, with them owning 4.9% of the banking sector's total assets at the end of Dec'20, up from 4.8% YoY. Loans accounted for 69.2% of these assets, down from 71.7% a year ago. Default loans at the new-generation banks dropped to 7.8% at the end of Dec'20. Besides, their loans stood at 5.4% at the end of Dec'20, up from 5.1% a year ago. The new-generation banks are in a slightly better position in terms of loan disbursements compared to the overall banking sector. All the new-generation banks had successfully maintained the required provisions at the end of December 2020, except for one.

Interbank money market vibrant

Banks' overnight borrowing from the call money market increased by 84% to BDT 6,139.06 crore in the second half of August compared BDT 3,340.93 crore in the first half of August after the relaxation of Covid-centric restrictions and subsequent reopening of business and economic activities. During pre-pandemic level, daily borrowing by banks was BDT 4,000-5,000 crore, which dropped to BDT 3,000 crore afterwards till August 11. In Jan'21-Feb'21, overnight borrowings increased above BDT 6,000 crore when the business and economic activities were almost normal. The banks' borrowing from the call money market had declined gradually since the second half of the month of March with the spike in coronavirus infections that prompted the government to issue strict restrictions from April 5.

State banks not keen on Padma's merger request

Managements of the state-owned banks are in a state of discomfort after being informed about the Padma Bank's wish to get merged with a state lender. If Padma Bank is merged with any state bank, the financial health of the lender will worsen more in the days ahead, said managing directors and senior officials of the lenders. Default loans in the five banks stood at BDT 35,850 crore as of Jun'21, which is 18.12% of their total outstanding loans. As of Jun'21, non-performing loans in Padma Bank stood at BDT 3,519 crore, or 61.65% of its outstanding loans. Managing Director of Janata Bank said his bank was already facing different types of problems. The financial indicator of the state bank will worsen if Padma is merged with the lender. Managing Director of Agrani Bank said he was not aware of the merger proposal, however he also said his bank would take a decision to this end as per government instructions.

Energy

LNG import: Foreign companies seek long-term deals, but experts want competitive bidding

International suppliers are offering long-term deals with Bangladesh to meet its soaring demand for liquefied natural gas (LNG), while energy experts and consumer right groups want the government to go through a competitive bidding process to ensure transparency. Currently, the government is importing around five to six LNG cargoes, having the quantity of around 138,000 cubic metres every month. But the forecast is that the import will go up gradually as the country's focus is now being shifted to LNG from coal as primary fuel for power generation. Aside from Qatar-based QatarGas and Oman-based Oman Trading International, four more companies have been given green signal to be enlisted with the state-owned Petrbangla to supply LNG from the spot market. A senior official at the Energy and Mineral Resources Division said Excelerate Energy of USA, local Summit Group, Dubai's ENOC, AOT of Switzerland, Vital Asia are among the foreign companies which have recently expressed their interest to supply LNG on long-term basis besides their short-term supply.

Pvt refineries to get condensate on condition of clean energy

The government is likely to import condensate to help resume the operations of 12 private plants that separate the liquid into individual products, such as diesel, petrol and octane. The plants have remained closed due to a supply shortage of condensate from local gas fields and a High Court order on ensuring environment-friendly petroleum products. The imported condensate will contain a high-level of diesel and the refiners will only be allowed to produce diesel after more than a year of production suspension. If they produce other gasoline, they will have to maintain the standards set by the Bangladesh Standards and Testing Institution.



Weekly News

LPG prices to go up again from Sept 1

Consumers will have to pay a higher price to buy LPG as the cost of the imported gas continues to rise across the country. The energy regulator on Tuesday announced its new price, which would require consumers to pay BDT 1,033 for a 12-kg LPG from September 01 instead of BDT 993. Last month, the price was raised by BDT 102. However, the price of LPG of the state-owned LP Gas Company Ltd will remain the same at BDT 591 for 12.5-kg LPG as it sells products from condensates produced in local gas fields and has no relation with Saudi CP.

Textile

Govt decides two-fold hike in RMG's wastage rate

The commerce ministry is going to increase the maximum wastage rate in producing apparel products from raw materials. As per the decision, maximum wastage rates will be 25% for basic RMG items, 28% for specialised items and 3% for sweaters and socks. According to stakeholders, if the production wastage rate of an export-oriented apparel manufacturer – who enjoys duty-free facility for raw material imports – is less than the prescribed rate, they sell the excess raw materials in the open market. This eventually damages the business of local companies that produce raw material. However, if the actual wastage rate is higher than the rate set by the government, the authorities impose duty, supplementary duty and VAT on the extra wastages. Managing director of Rising Group thinks the proposed wastage rate is "better than nothing", as in some cases, the wastage rate is more than 40%. He added that they (BGMEA) demanded to keep it at 30%-35%. BKMEA also demanded that the increased rate be given retrospective effect, which was rejected by the commerce ministry. Dr Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue (CPD), disagreed with the commerce ministry's decision to increase the wastage rate, and told that the ministry should look for ways to reduce the existing 16% wastage rate.

Growing automation to affect job creation in RMG sector, experts say

The growing use of automation in the fourth industrial revolution (4IR) era is expected to boost the country's apparel export in future, but it would affect employment generation in this sector. The experts suggested preparing the sector, particularly its workers by upskilling and reskilling them, for the changed future. Dr Abdur Razzaque, Chairman of Research and Policy Integration for Development (RAPID), said Bangladesh uses 140 workers to make RMG of USD 1.0mn, But China and Vietnam use only 48 workers and India and Cambodia use 75 workers. He added that as the use of automation and advanced technology would rise massively soon in Bangladesh, our apparel export will be increased by 30-40 billion in future. But the sector may not generate new employments, he added.

Weighed down by high production costs

Garment exporters have been feeling the pinch of an unusual rise in the cost of production fuelled by hikes in yarn prices and freight charges in the wake of a recovery in export. Entrepreneurs said the cost per unit soared by as much as Bangladesh was fully dependent on imported goods . Cotton prices have climbed to 93 cents per pound in international futures markets. Prices varied between 70-74 cents per pound in Jan'21-Mar'21. Chairman of Envoy Group told that they have a lot of work orders from international retailers and brands, and are overbooked up to Oct'21. Industry insiders said they received more than 25% higher work orders for the Sep'21-Nov'21 season from that of last season (Apr'21-Jun'21). As a result, the sector witnessed a sudden rise in demand for yarn and other raw materials and thus the surge in freight charges and yarn prices. The cost of production increased mainly over the last one-and-a-half years when freight charges increased from 100% to even by 400% in some cases. Bangladesh imports USD 15.0bn worth of industrial raw materials, particularly for garment and textile industries, from China in a year.

Accord launches its activities for 2 more years

The International Accord on Health and Safety for Textile and Garments Industry has started its activities again on Wednesday and will continue operating in the country for two more years. Four global workers' rights alliances and 77 brands signed an agreement in a bid to ensure a safe and healthy RMG industry, says a press release.



Weekly News

70pc retrenched RMG workers still remain jobless: survey

About 70.0% of RMG workers who have been retrenched from jobs amid the Covid outbreak have still remained unemployed, according to a survey conducted by Citizen's Platform for SDGs, Bangladesh. Apparel factory owners, however, opposed the findings saying that the sample size for the survey was very poor and failed to reflect the real scenario. The Citizen's Platform conducted the survey on 401 current RMG workers and 99 retrenched workers. According to a joint survey conducted by the Centre for Policy Dialogue and Mapped in Bangladesh published in January this year, a total of 3.50 lakh garment workers lost their jobs during the outbreak.

Telecom

Mobile internet connections rise by 27.9 lakh in July

The number of mobile internet connections increased by 27.9 lakh in July in line with a whopping rise in FY21 as people continues to embrace digital services amid the Covid outbreak. The number of mobile internet connections increased to 11.37 crore at the end of July 2021 from 11.09 crore a month ago. The number of fixed broadband connections remained static at 1.01 crore in July. With the increase, the number of total internet connections in the country reached 12.37 crore at the end of July 2021 from 12.1 crore in the previous month.

Banglalink's EBITDA falls by 1.31pc in H1

Mobile phone operator Banglalink's earnings before interest, taxes, depreciation and amortisation (EBITDA) inched down by 1.31 per cent YoY (Tk 12.59 crore) in 1HCY21. Even after the attainment of 6.9 per cent revenue growth by the telecom operator, its EBITDA dropped to Tk 947.22 crore in 1HCY21 from Tk 959.81 crore in 1HCY20. EBITDA of Banglalink was Tk 1,537.85 crore in 2019 and Tk 1,931.49 crore in 2020. Banglalink CEO told that Banglalink succeeded to keep up its growth trajectory in Q2 of 2021 with solid performances in all segments. Banglalink registered a 6.9% YoY revenue growth, which was driven by a 15.1-per cent year on year growth in our data revenue and 7 per cent growth in our service revenue. Data use of our customers was increased by whopping 43.7 per cent in this quarter. Our customer-base and data customer-base also grew by 7 per cent and 8.9 per cent YoY respectively.

Real Estate

Geotextile promises new investments big gains

Two new companies have now stepped up to join a team of seven geotextile manufacturers, expecting big gains from this promising sector. The one entrant, Western Superior Jute Industries Limited, has already gone into production on a limited scale, while another newcomer, Confidence Infrastructure Limited, has invested Tk200 crore and is planning to begin manufacturing geotextile products in March next year. CEO of Confidence Infrastructure told The Business Standard that its factory will be able to produce 70-80 tonnes of geotextiles per day once it goes into operation in the first quarter of 2022. Demand for geotextiles will grow day by day as there are many infrastructure development projects on the pipeline, he also said, adding that Bangladesh has potential to export such products in the future too. Senior manager at Western Superior Jute Industries Limited has said that it is now manufacturing six tonnes of geotextiles per day. The company are also setting up new machine lines to enhance production.

Insurance

Insurance regulator devises bond coverage

Insurance Development and Regulatory Authority (IDRA) is aggressively working to introduce insurance products for bond issuers that will guarantee repayment of the principal and all associated benefits to the bondholders in the event of issuer default. Officials said IDRA took the move for insurance coverage of the fixed-income instruments on the capital market. A panel is now exploring product design for risk coverage of the bonds which will raise funds from eligible and general investors in the capital market. One member from the panel told that there are some challenges in designing the tools as there are very limited numbers of re-insurance firms in the world for risk-sharing. Besides, such bond-insurance markets existing in the world have not conformity to one another. Meanwhile, the IDRA has drafted a guideline on the bond insurance, and has been taking opinions from other experts and stakeholders on the issue.



Weekly News

Engineering

Bangladesh looks to start producing Japanese Mitsubishi cars

Bangladesh is looking to start producing Japanese Mitsubishi cars within next few years, according to the Ministry of Industries. Bangladesh and Japan will sign a memorandum of understanding (MoU) to carry out a feasibility study on setting up a manufacturing factory for Mitsubishi cars in Bangladesh. Bangladesh Steel and Engineering Corporation (BSEC) and the Mitsubishi Motors Corporation (MMC) Japan will sign the MoU at the industries ministry to carry out the feasibility study jointly, a high official of the ministry confirmed the matter to the FE on Wednesday.

Microbuses now cheaper

The import of petrol-run microbus becomes cheaper as the government reduced its supplementary duty (SD) by 10% to facilitate transportation. Sources in business circles said around 200 of 10-15-seated microbuses currently remained stuck at the port since July 1, 2021 on a demand for cutbacks on the import tax. The customs wing of the National Board of Revenue (NBR) lowered the SD to 20% from 30% for these microbuses through issuing a Statutory Regulatory Order (SRO). The reduced rate came into effect from August 29, 2021. In the FY22 budget, the NBR cut SD for only diesel-run 10-15-seater microbuses. A senior customs official said the HS code for petrol-run microbus, a widely used public transport, has been dropped unintentionally in the finance act 2021.

Capital Market

Companies must offload at least 10pc shares in IPO

Bangladesh Securities and Exchange Commission has amended its public issue rules, making it mandatory for companies to offload at least 10.0% of their post-IPO paid up capital through IPO. The IPO must be at least BDT 150 crore or more, however, in case of post-IPO paid up capital stands at BDT 75 crore or less, it must offer 30% shares of post-paid up capital, but if the paid up capital stands between Tk 75 crore and Tk 150 crore, the company will have to offer at least 20% of its post-paid up capital. Companies may issue private placements to employees or any other persons maximum 15.0% of its IPO at par value under both the fixed price and the book-building method, however, must be treated as part of the IPO. The regulator also revised IPO quota as general investors and non-resident Bangladeshis will enjoy 70% and 5% quota respectively from IPO. Eligible investors and mutual funds will get 20% and 5% quota from IPO under the fixed price method while all eligible investors, including MFs, will get 25% quota from IPO under the book building method. All placement shares held by alternative investment funds or by foreign investors would be locked in for one year. The timeframe was 2-4 years in the previous rules.

BSEC approves 9 more firms for DSE's TREC

Bangladesh Securities and Exchange Commission has approved nine more companies for trading right entitlement certificates of the Dhaka Stock Exchange. The commission has so far approved 55 firms for TREC of the DSE. It approved 30 companies on May 18 and 16 companies on June 21 for TREC of the bourse. The new nine companies are Assurance Securities and Management Limited, Matrix Securities Limited, CAL Securities Limited, SBI Securities Limited, Wings Fin Limited, Fareast Shares and Securities Limited, Trust Regional Equity Limited, Innova Securities Limited and DP 7 Limited. In addition, the BSEC allowed four companies — Gibson Securities, SQ Wire Cable Company, Fariha Knit Tex and CVC Finance — to complete compliance issues by October 14.

CSE revises its two price indices, effective from Sept 12

Chittagong Stock Exchange (CSE) has revised its two price indices – CSE-30 Index and CSE-50 Index on the basis of the performance of the CSE-listed companies. The new index will be effective from 12 September 2021. After the latest revision of the CSE-30 Index, eight companies -- BBS Cables, Dhaka Bank, Eastern Bank, Green Delta Insurance Company, Pubali Bank, Sandhani Life Insurance Company, Premier Bank and Uttara Bank have been included in CSE-30 Index. On the other hand, eight companies have been excluded from the list. The companies are Argon Denims, Bangladesh National Insurance Company, Bata Shoe Company (BD), Bangladesh Finance & Investment, BSRM Steels, Delta Life Insurance Company, Orion Pharma and Ratanpur Steel Re-rolling Mills.



Weekly News

BSEC's 'no' to plea for waiver from payment of accrued interest

Bangladesh Securities and Exchange Commission (BSEC) turned down the listed companies' association plea for waiving payments of accrued interest gained from undistributed dividends or un-refunded public-subscription funds. Also rejecting their time-extension appeal, BSEC asked the listed companies to transfer such funds along with accumulated interest within the given timeframe (August 30). Asked, a BSEC official said the rules of the CMSF have already come into effect, hence it is not possible to exempt the listed companies from the payments of accrued interest based on the letter of BAPLC only. He said the appeal may be considered on a case-to-case basis following individual applications to be made by listed companies. In that case, the securities regulator will check whether the accrued interest had any role in dividends distributed so far, the BSEC official added.

Nagad gets nod to raise Tk 510cr through bond

Bangladesh Securities and Exchange Commission (BSEC) has approved Nagad's zero coupon bond to raise funds of BDT 510 crore on condition of fulfilling some regulatory requirement. BSEC however, did not mention the issue of the Nagad's capital raise approval in the press release. Nagad was asked to submit trust deed registration, Credit Information Bureau's clearance of all directors and no objection certificate (NOC) from Bangladesh Bank, said a commissioner of the BSEC, preferring anonymity. As Nagad was not listed company so the news of the approval was not required to include in the press release. Another commissioner of the BSEC told The Daily Star that Nagad's bond was approved despite getting some observation from the capital issue department, particularly it has been doing business by taking NOC instead of licence from the Bangladesh Bank. Nagad has BDT 416 crore in debt, of which the company plans to pay off BDT 350 crore through the bond issuance. It also wants to use BDT 100 crore of the money raised through the bond to manage its day-to-day operations, Nagad said in the application.

Sena Kalyan IPO subscription opens on 3 October

The subscription of the IPO of Sena Kalyan Insurance Company Ltd will open on 3 October and continue till 8 October 2021. Institutional investors with a minimum of Tk1 crore investments in stocks and pension/provident funds with a minimum of Tk0.50 crore investments in stocks can subscribe through the electronic subscription system. BSEC allowed the insurer to raise Tk16 crore through an IPO, which would be used to invest in the government treasury bonds (Tk3 crore), listed securities in the capital market (Tk3.20 crore), land acquisition (Tk2.5 crore), and investment in FDRs (Tk6.2 crore). On 31 December 2020, net profit was Tk9.43 crore, which was Tk9.83 crore in 2019. EPS was BDT 3.93 and NAV per share was BDT 21.09 crore. AAA Finance & Investment Ltd is the issue manager of the company.

Master Feed QIO subscription opens 12 September

The subscription of qualified investor offer (QIO) by Master Feed Agrotec Ltd will open on 12 September and continue till 16 September. The company received consent from the Bangladesh Securities and Exchange Commission (BSEC) last week. Earlier, the company received approval to raise Tk10 crore from the capital market through a QIO. Manufacturing and marketing poultry, fish and cattle feeds are the main activities of the company while it is also engaged in poultry and fish farming. Master Feed Agrotec will use the money as working capital and for issue management and it will also repay bank loans. According to the company's financial statements, its earnings per share was Tk0.68 till 31 December 2020 while the net asset value without revaluation reserve was Tk14.08.

Stock

Lub-ref to invest IPO funds in new refinery instead of modernising plant

Lub-ref (Bangladesh) Ltd has changed its mind regarding utilising public investors' money it collected last year. The lubricant re-refiner and blender had initially planned to modernise its existing lubricant recycling plant at the Chattogram city, co-located to its lubricant blending plant, with nearly two-thirds of its Tk150 crore fund from initial public offering (IPO). As the energy regulation now demands the re-refining plant to be separated from the blending facility, the company had to focus on the new project located at Julda on the bank of the River Karnaphuli. The utilisation plan is subject to approval by the shareholders and the securities regulator.



Weekly News

Emerald Oil to take more time to resume production

The resumption of production of Emerald Oil Industries, one of the early entrants in the domestic rice bran oil market, is not going to begin from September 1 this year. The company is going to take more time to restart operation of its factory, which went out of production in 2017, meaning that investors will have to wait to get dividends from stocks. The rice bran oil maker's shares fell 0.91 per cent to Tk 32.80 at the Dhaka Stock Exchange (DSE). The company on July 12 announced the decision of its regulator-appointed board that it would go into full-fledged commercial operation from September 1 to produce 48 tonnes of rice bran oil and 282 tonnes of de-oiled rice bran.

Eastern Bank better withstands pandemic shocks

Eastern Bank Limited (EBL) has continued to strike a balance between liquidity, profitability and solvency to post a positive growth in 1HCY21. EBL's strong focus on asset quality has driven it to achieve low non-performing loans (NPLs) of 3.60 per cent at the end of Jun'21, while its net NPL ratio was 1.27% at the end of Jun'21. EBL has also kept excess provision of BDT 1.79bn, resulting in NPLs coverage ratio of 143% during the period under review. The PCB's cost to income ratio, a measure of operating efficiency, improved significantly in 1HCY21 to 41% from 47% in 1HCY20. EBL reported profit after tax per employee is at BDT 1.30mn in 2020, one of the highest among peers. However, the net profit after tax (consolidated) of EBL stood at BDT 2.44bn in 1HCY21, up by 55% YoY.

Beximco LPG signs deal with Jamuna Oil to sell LPG at pumps

Jamuna Oil and Bangladesh Petroleum Corporation will each receive a royalty of Tk0.50 per litre of LPG that is sold by Beximco LPG through their established Auto LPG pumps. Currently, Jamuna Oil has a network of 750 filling stations while Beximco LPG was granted 500 franchise licenses for Auto LPG stations and 25 licenses for Conversion Workshops by the Ministry of Energy and Mineral Resources earlier in 2016, said a press release of the Beximco.

Coppertech expects 160% growth in sale

Coppertech Industries Limited is expecting to increase sales by 160% to Tk180 crore with the commencement of its new project. For the new project the company has installed machines based on new technology on existing factory premises to increase production to 1,200 tons yearly. For this project, the company raised BDT 20 crore from IPO. Company sources say investors will see the financial outcome of this project in the next quarter.

BSEC recasts board of Fareast Islami Life Insurance

In order to protect the interests of investors and policyholders, the stock market regulator has restructured the board of directors of Fareast Islami Life Insurance Company Ltd. On Wednesday, the Bangladesh Securities and Exchange Commission (BSEC) also nominated 10 independent directors for the company. The regulator suggested electing Professor Dr Md Rahmat Ullah, dean of the Faculty of Law at the University of Dhaka, as chairman of the new board. Earlier, the stock market regulator appointed A Wahab & Co Chartered Accountants as a special auditor to audit the company's financial statements for 2016, 2017 and 2018. There are allegations that the company does not meet the claims of its customers duly. As a result, customers suffer even after their policies mature.

Junk stocks rule the roost again

Junk stocks took prominent positions in the gainers' list, when the prime index of Dhaka Stock Exchange (DSE) hit a record high. The DSEX, the benchmark index of the country's premier bourse, maintained its upward trend for the second day in a row to surge by 47 points, or 0.68%, to 6,916. Mithun Knitting and Dyeing topped the list with a 10% increase. Similarly, other junk stocks - Tamijuddin Textile Mills, Tallu Spinning Mills and Meghna Condensed Milk Industries -- were among the list's top 10, each rising more than 8%. On condition of anonymity, a senior official of the Bangladesh Securities and Exchange Commission (BSEC) said they would keep an eye out for signs of foul play. The BSEC regularly fines gamblers but still the general investors need to be careful with their funds, he said.



Weekly News

Bata returns to profit

Bata Shoe returned to profit after a year riding on higher sales, as it registered profit of BDT 1.56 crore in 2QCY21 compared to BDT 73.51 crore loss in 2QCY20. The company said its revenue increased by 426% YoY due to higher sales as older merchandise was cleared off by offering bulk discounts to customers. Bata registered sales of Tk 210 crore in 2QCY21 while it was BDT 41 crore during 2QCY20. However, the company incurred losses of BDT 3.33 crore in 1HCY21 compared to BDT 70.6 crore loss in 1HCY20.

Eastern Bank's net profit grows 55pc amid pandemic

Eastern Bank Limited (EBL) has registered 55-per cent growth in net profit in the first half (H1) of this calendar year amidst the Covid-19 pandemic. This growth has been ascribed to efficient management of its balance sheet complying with all the key regulatory requirements of liquidity. The bank's operating profit grew over 31 per cent to Tk 4.88 billion during the January-June period of 2021 from Tk 3.71 billion in the same period last year. In the meantime, its operating income rose more than 18 percent to Tk 8.32 billion from Tk 7.03 billion. Net interest income (NII), the core component of operating income of a bank, of this lender grew 21 per cent in H1 of 2021 over that of H1 in 2020.

Multinationals recovering from Covid-19 fallouts

Listed multinational companies are seeing a steady recovery of their business performance as they are mostly the first ones to minimise the pandemic shocks and grow even further. In the April-June quarter of 2021, 11 out of 13 listed multinational firms demonstrated improvements in year-on-year earnings while more than three-fourths of them surpassed their profits over the same quarter of 2019. Shahidul Islam, CEO of VIPB Asset Management Company told that MNCs in Bangladesh are mostly operating in the fast moving consumer goods (FMCG) segment, which has strong demand among the flourishing consumer base in the country. In case of durable items, consumers might have deferred their purchases during lockdowns but came back the following weeks as the economy performed well. Multinational companies have experienced an efficient management that can handle any crisis better, said Md Moniruzzaman, CFA, managing director of IDLC Investments. Shahidul said economic recovery since the end of the 2020 lockdown was remarkable and multinationals seemed to lead the corporate recovery. It is also because their accounts reflect their true picture, he added.

Brac Bank to raise Tk 600cr thru bonds

Brac Bank has decided to raise BDT 600 crore by issuing a non-convertible bond with a view to providing home loans to the country's lower and middle income groups. Individuals and entities who will invest in the fund will enjoy an interest rate of 5.5% with a maturity period of five years. The minimum amount of the investment in the instrument will be Tk 10 lakh, a senior official of Brac Bank said. Foreign investors will also be allowed to invest in the securities. The housing loan offered will have repayment tenure of 10-20 years, and the interest rate will be set as per Bangladesh Bank's rules. The bank is yet to fix a ceiling on the loan amount one can receive from the scheme.

Al-Arafah Bank allowed to issue perpetual bond

The securities regulator has approved Al-Arafah Islami Bank Ltd to issue a Mudaraba perpetual bond worth Tk500 crore, which will strengthen its additional Tier-1 capital base. Local institutional investors and high-net-worth individuals can buy the bond units through a private placement. Some Tk450 crore will be issued through private placement and the remaining Tk50 crore through public offering. The coupon rate will be 6% to 10% of the bond. The minimum subscription amount of the bond regarding private placement will be Tk5 crore, and Tk5,000 for public placement. MTB Capital Ltd will act as the trustee of the bond, while Prime Bank Investment Limited and UCB investment Ltd are working as its arranger and issue manager respectively. Besides, Islami Bank Capital Management Limited is working as underwriter of the bond.



Weekly News

IFIC Bank to issue Tk500cr subordinated bond

International Finance Investment and Commerce (IFIC) Bank will issue a bond worth Tk500 crore and use the proceeds to increase the private sector lender's capital base and fulfil its Basel III requirements. Earlier, the share market regulator approved the Tk500 crore bond for IFIC Bank in July this year.

Abnormal price rise of shares of 15 companies

Some 15 listed companies recently saw abnormal rise in share prices though there was no undisclosed price-sensitive information (PSI). According to information of Dhaka Stock Exchange (DSE), the companies' share prices jumped between 16 per cent and 133 per cent in recent sessions. Of the companies, the newly-listed South Bangla Agriculture & Commerce Bank (SBAC) saw the highest price appreciation (133 per cent). The share price of Shahjibazar Power rose 37.58%, Salvo Chemical 26%, The Dacca Dyeing 16.52%, Janata Insurance 49.23%, United Finance 45.50%, Maksons Spinning 27.66%, Paper Processing & Packaging 24.0%, Meghna Pet 68.52%, Meghna Condensed Milk Industries 50% and Ring Shine Textiles rose 43.26%. The share prices of Fareast Finance & Investment, Metro Spinning, Regent Textile Mills and Mithun Knitting and Dyeing also rose abnormally in recent sessions without any undisclosed price sensitive information.

Regulator to fine ICB companies for violation of rules

Bangladesh Securities and Exchange Commission (BSEC) has decided to penalise ICB Securities Trading Company for disbursing margin loans to its clients without any agreement, which is a violation of securities rules. However, the penalty worth Tk 50 million would be applicable unless the company corrects the irregularities in the clients' accounts and inform the regulator accordingly within September 30 next. An additional penalty worth Tk 10,000 per day would be applicable after the deadline. According to the BSEC information, apart from maintaining more than one consolidated customers' in a listed bank, the company operated more than one individual and joint BO (beneficiary owner's) accounts opened by a single client. The company also did not maintain the record of its clients' securities properly, said the BSEC officials.

MFs see robust growth in earnings amid stock market rally

All mutual funds made robust growth in earnings and declared hefty dividends for their unitholders for the financial year 2021 due mainly to bullishness in the country's stock market. According to asset management companies' data, 30 out of 36 listed MFs declared dividends and earnings for the year ended on June 30, 2021. Of the 30 closed-end mutual funds, 20 mutual funds returned to profits in the past financial year from significant losses incurred in the previous fiscal year and declared hefty dividends for their unitholders. Earnings per unit of other 11 MFs also advanced in FY21 compared with that of FY20 as no MF saw fall in EPU in 2021. Officials of asset management companies said that the funds had faced significant losses in the previous year due mainly to a prolonged sluggish market and coronavirus fallout in the country. Out of the 30 MFs, 29 declared more than 5 per cent while 14 MFs declared more than 10 per cent cash dividends for FY21. Only IFIL Islamic Mutual Fund-1 announced 4 per cent cash dividend.

Mercantile Bank opens twenty-five agent banking outlets

Mercantile Bank has launched 25 agent banking outlets across the country to provide basic banking services to the unbanked population of the country, said a press release. At present, the total number of agent banking outlets of Mercantile Bank is 126.

Major Mannan decides to sell Eastern Insurance shares after 290% price hike

Major (ret'd) Abdul Mannan and his wife Umme Kulsum Mannan have decided to sell 1.52% shares of Eastern Insurance after its prices soared 290% in the last one year. As sponsors and directors of the company, they have announced their intention of selling the shares on the website of the Dhaka Stock Exchange (DSE) on Tuesday. The duo will sell a total of 6.59 lakh shares worth BDT 7.66 crore, which was only BDT 1.96 crore a year ago.

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