



BUSINESS NEWS ANALYSIS REPORT

# Daily Business News

## January 11, 2021

### Capital Market News

#### Bourses await funds from new insurers

Insurance companies intending to raise funds from the stock market will have to invest at least 20 per cent of their equity in securities listed in Bangladesh. The requirement was made public through a notification published by the Bangladesh Securities and Exchange Commission (BSEC) on January 5. This will bring in some fresh funds, said a stock market analyst.

It is normal for insurers to invest their funds in the market but this minimum condition will enhance their participation. The notification exempted insurers from a clause of the public issue rules which states that a company cannot raise funds of less than Tk 30 crore from the stock market through fixed price method.

The 26 non-listed insurance companies are allowed to raise funds of a minimum of Tk 15 crore, according to the notification. The 18 life and remaining eight non-life insurance companies are exempted from some of the clauses of the public issue rules, it read. As the finance minister directed all the insurance companies to offload shares, they are trying to come over, said a top BSEC official.

Finance Minister AHM Mustafa Kamal in September 2019 gave the order for all insurers to get listed with the stock market within three months. He warned that their licences would be cancelled otherwise. Crystal Insurance and Express Insurance then complied with the directive.

In tune with requests by the remaining companies, the BSEC decided to exempt them from the clause so that every issuer comes over to the market, said the official. The minimum 20 per cent equity investment requirement will give a boost to the country's

capital market, he added. Sheikh Kabir Hossain, president of Bangladesh Insurance Association, said some insurance companies have already got listed while others were trying.

<https://www.thedailystar.net/business/news/bourses-await-funds-new-insurers-2025689>

#### NBFI stocks, mutual funds rise amid optimism

The stock price of non-bank financial institutions (NBFI) and mutual funds rose yesterday as investors hope to see good profit in their books amid a bullish market. DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 12.28 points, or 0.21 per cent, to 5,634 yesterday.

As the market gained in the last few months, it is normal that mutual funds made higher profits in 2020. The fund managers make higher profit compared to the index return so investment in their funds is expected, he said. DSEX rose more than 21 per cent or 1,000 points in the last year, DSE data shows.

Many mutual funds have been trading under their net asset value. So, investors are choosing these units, the merchant banker said. However, investors should remain cautious since the unit prices for certain funds are already overvalued, he added. Among 37 mutual funds, two fell and one remained the same while the 34 units advanced on the DSE. However, turnover, another important indicator of the stock market, dropped 11 per cent to Tk 1,505 crore.

At the DSE, 167 stocks rose, 150 fell and 45 remained the same. Phoenix Finance 1st Mutual Fund topped the gainers' list, rising 10 per cent, followed by IPDC, National Housing Finance and Investments, Alltex Industries, and Robi Axiata. Beximco was the most traded stock with Tk 122 crore worth of shares changing hands followed by LankaBangla Finance, LafargeHolcim Bangladesh, Beximco Pharmaceuticals and IFIC Bank.

National Polymar shed the most, losing 20.94 per cent, followed by Active Fine Chemicals, Dulamia Cotton, Prime Insurance, and Zeal Bangla. Meanwhile, the DSE announced that maintenance of its management system software will start immediately and shall be continued for the next three weeks to improve its performance.

As such, the DSE mobile app trading service will be available to users from 10.15am to 2pm during this period, it said. After that, the DSE mobile app service will be available for all sessions and full trading hours.

<https://www.thedailystar.net/business/news/nbfi-stocks-mutual-funds-rise-amid-optimism-2025709>

### **Large cap cos keep Dhaka stocks positive**

Dhaka stocks gained marginally on Sunday as a section of investors continued buying shares, especially those of large capitalised companies, including LafargeHolcim, Grameenphone and Beximco

Pharmaceuticals. DSEX, the key index of Dhaka Stock Exchange, added 0.21 per cent, or 12.28 points, to close at 5,634.04 points on Sunday after losing 18.42 points in the previous session. The DSEX gained 484 points in the last 11 trading sessions with just two negative sessions.

The core index started the session with a positive momentum, gaining more than 40 points within a few minutes as investors, encouraged by the recent surge, continued buying shares, market operators said. However, the gain slowed down later and the market finished with a slight increase as some investors went for profit taking share sales, they said. Share prices of large capitalised companies rebounded that contributed most to Sunday's gain.

Share prices of LafargeHolcim Bangladesh hit the upper limit set in the circuit breaker with a 9.8-per cent gain on the day following media reports that global LafargeHolcim Group would acquire Firestone Building Products based in the United States. Market operators said that despite that fact that the acquisition would have less impact on profits of local LafargeHolcim brand, investors rushed to buy shares of the company.

Share prices of Grameenphone, Beximco Pharmaceuticals, Investment Corporation of Bangladesh and British American Tobacco Company also surged on the day. DS30, a composition of 30 large capitalised companies, advanced by 0.93 per cent, or 19.12 points, to close at 2,067.19 points on the day. The market has been gaining in recent weeks due mainly to a decline in banks' interest rate that pushed a section of people to invest their funds in the stock market for making better returns, market operators said. Robi Axiata Limited, which made its debut on December 24, continued rising by the maximum limit for the 11th session on Sunday. Share prices of the telecom operator soared to Tk 52.3 a share.

<https://www.newagebd.net/article/126838/large-cap-cos-keep-dhaka-stocks-positive>

## **Industry News**

### **LPG prices rise as global markets heat up in winter**

The retail price of liquefied petroleum gas (LPG) went up 10 per cent in the domestic market in January after demand rose in Western countries because of winter, pushing up the rate in the international markets. The price of the fuel in the global markets reached \$550 per tonne in December, an increase of 17 per cent from \$470 in November. The hike caused the price to go up in Bangladesh from January 1.

Now, a 12kg LPG cylinder is being sold in the retail market at Tk 980 to Tk 1,050, depending on companies, up Tk 100 from ten days ago. In December, a 12kg cylinder of Bashundhara LPG was sold at Tk 950, Beximco LPG at Tk 920, Jamuna LPG at Tk 940, Total LPG at Tk 950, and Petromax LPG Tk 930. The increase came at a time when the Bangladesh Energy Regulatory Commission (BERC) is scheduled to hold a public hearing on the price of private LPG on January 14.

LP Gas meets only 2 per cent of the 12 lakh tonne LPG consumption in Bangladesh every year. The demand is increasing by 15 per cent annually and is expected to touch 30 lakh tonnes in 2030, according to industry insiders. At the beginning of the pandemic, the price of LPG fell significantly in the international market. In April last year, it dipped to \$250 per tonne.

Subsequently, importers had slashed the price. The price went down to Tk 750 per 12kg cylinder in April to May. But the price rose by Tk 300 per 12kg cylinder from May to January, in

keeping with the rising rates in international markets.

In Bangladesh, the LPG price is revised on the first day of every month based on the average international rate of the benchmark fuel and the foreign exchange rate in the preceding month. In Asia, it is usually linked to the price of crude oil.

<https://www.thedailystar.net/business/news/lpg-prices-rise-global-markets-heat-winter-2025733>

## Economy News

### Japan's aid to Bangladesh surpasses WB, ADB lending

Japan has emerged as Bangladesh's largest lender in terms of aid disbursement this fiscal year, overtaking the World Bank and the Asian Development Bank. The country's biggest bilateral donor disbursed US\$714.44 million worth aid in July-November period of the fiscal year 2020-21, almost double the amount delivered by the WB and the ADB combined, officials at the Economic Relations Division (ERD) said.

During the same period, the WB released \$414 million while the ADB did \$300 million, the ERD provisional data showed. In FY2020, the Japanese development partner-Japan International Cooperation Agency (JICA)-disbursed \$1.69 billion worth funds to Bangladesh, according to the data. JICA topped the list this year as Bangladesh for the first time secured US\$ 331 million in budget support from the largest bilateral donor in August for tackling the COVID-19 in the economy. JICA's support has started to pick up since FY'2018 when the development partner disbursed \$1.54 billion worth assistance, up by \$899 million in FY'2017, an FE analysis has found.

Under the 41st ODA package, it would provide \$857.5 million for Jamuna railway bridge construction project, \$770 million for Hazrat Shahjalal International Airport expansion project, \$695.5 million for the MRT line-6, \$536.6 million for MRT line-5 (Northern Route), \$18.4 million for Chattogram-Cox's Bazar highway improvement project, \$108 million for food value chain improvement project and \$272 million for urban development and city governance project.

<https://thefinancialexpress.com.bd/economy/japans-aid-to-bangladesh-surpasses-wb-adb-lending-1610250528>

### 4,865 more accounts with over Tk 1cr in Apr-Sept

The number of bank accounts with more than Tk 1 crore in deposit has significantly increased in the country following the COVID-19 outbreak, indicating a rising inequality and a rapid wealth accumulation by the rich. The total number of bank accounts with deposit of over Tk 1 crore went up by 4,865 to 87,490 in September from 82,625 in April, 2020 when the economic shock of the coronavirus outbreak was at the highest, according to Bangladesh Bank data.

The amount of deposited money in these accounts also rose by Tk 38,002 crore to Tk 5,53,880 crore in September from Tk 5,15,878 crore six months ago. Considering the number of bank accounts in the country, these accounts represent 0.077 per cent of the 11.27 crore bank accounts. These account holders represent more than 42 per cent of the Tk 13,12,630 crore deposits in banks, showed the central bank data.

On the other hand, 10.04 lakh or 89 per cent of the country's total bank accounts hold only Tk 75,583 crore which is only 6 per cent of the total deposit. Experts and economists said that it was evident that the income inequality had long been rising in the

country and the virus outbreak had worsened the situation.

More than half of the country's population suffered income losses with the poverty rate increasing due to the COVID-19-induced slowdown in economic activities. At the same time, according to them, the rise in the number of bank accounts with higher deposits and the rise in the amount of deposits indicate that the rich have become richer.

According to the latest BB data, the number of bank accounts with more than Tk 1 crore in deposit increased by 1,453 over the July-September period with the amount deposited going up by Tk 12,690 crore. The number of these bank accounts has risen almost three times along with a five-time spike in the deposited money in the accounts over the last 10 years.

The number of such accounts was 19,636 and the amount of deposits in those accounts was Tk 79,866 crore in March, 2009. The General Economics Division of the Planning Commission estimated that the poverty rate in the country increased to 29.4 per cent amid the COVID-19 crisis from 18.8 per cent a year earlier.

Urban poverty, however, jumped to 34.8 per cent, it said. The Centre for Policy Dialogue in a June study said that the country's national poverty rate rose to 35 per cent in 2020 from 24.3 per cent in 2016 due to the adverse impacts of the coronavirus pandemic

<https://www.newagebd.net/article/126850/4865-more-accounts-with-over-tk-1cr-in-apr-sept>

## Company News

### LafargeHolcim enters aggregate business

Stocks of LafargeHolcim Bangladesh, a multinational cement maker listed with the Dhaka Stock Exchange

(DSE), rose 9.80 per cent yesterday on news that it made a foray into the aggregate business. Aggregate is a broad category of coarse particulate material used in construction, including sand, gravel, crushed stone, slag, recycled concrete and geosynthetic aggregates.

LafargeHolcim Bangladesh commenced commercial production of clear-size graded aggregate last Saturday, the company said in a filing on the DSE. The aggregate is graded limestone chips having uniform size and shape conforming to international standards, it said.

The company has set up the crushing unit with ancillary equipment on the premises of its existing integrated clinker and cement manufacturing plant in Chhatak, Sunamganj. It has the capacity to produce 12 lakh tonnes of clear-sized graded aggregate per annum. It invested Tk 40.1 crore, which came from the company's own fund, the disclosure added.

The annual demand for clear-sized aggregate is around 1.5 crore tonnes and Bangladesh relies on imports from the countries such as India, Bhutan, Vietnam, Oman and the UAE for supply. Thanks to the manufacturing unit, LafargeHolcim Bangladesh will capture about 2 per cent share of the aggregate market.

On January 7, LafargeHolcim, the world's biggest cement maker, announced a \$3.4 billion deal to buy Firestone Building Products from Japan's Bridgestone Corporation in its biggest acquisition in more than a decade. Firestone Building Products, based in the United States, is a leader in commercial roofing and building envelope solutions, with net sales of \$1.8 billion.

<https://www.thedailystar.net/business/news/lafargeholcim-enters-aggregate-business-2025721>

### **BAT Bangladesh changes its corporate logo**

British American Tobacco Bangladesh Company Limited recently changed its corporate logo which would be shown on website from Sunday, said a press release. The new logo reflects the company today and its journey ahead – a unification of its international businesses as well as the representation of its vision of having multi-category portfolio.

BAT Bangladesh embraced a new vision and purpose to work hand in hand with sustainable development journey of the country. Keeping environmental, social and governance practices in the front and centre of all its actions, BAT Bangladesh aimed to bring impactful changes in the community. The ambition would be to facilitate a transformational journey in pursuit of a better tomorrow for all our stakeholders.

<https://www.newagebd.net/article/126800/bat-bangladesh-changes-its-corporate-logo>

### **City Bank executes cross-border Shariah-based blockchain LC transaction**

City Bank executed a cross-border Letter of Credit (LC) transaction under a Shariah-based financing arrangement executed using blockchain technology. City Bank has partnered with the International Islamic Trade Finance Corporation (ITFC), the trade solutions arm of the Islamic Development Bank (IsDB) Group, which was both the advising as well as financing bank, according to a press release issued by the bank on Thursday. The ITFC financed the LC under the Murabaha Trade Finance line with City Bank.

The LC was issued on behalf of Debonair Group, a leading Bangladeshi RMG exporter, for import of accessories for garments industries from a Hong Kong-based exporter, Apparel Link (HK) Ltd. The transaction was conducted on Contour's network, which was built using R3's Corda blockchain technology.

Processing time for this transaction was extremely short – LC draft initiation to issuance and advising took only 38 minutes compared to the typical 24 to 72 hours required for regular cross-border LCs. Blockchain technology allows parties to manage their own data while transacting and viewing shared information seamlessly and securely with their trading partners and service providers. This results in transparency in transactions, reducing the scope for forgery and fraud significantly.

In addition, as all related parties and clients are members of the network, they can see and share all relevant information without the requirement of visiting the banks in person, a bigger challenge with Covid-19 restrictions. The ITFC, in this case, advised Apparel Link (HK) despite them not having any physical presence in Hong Kong. The increased efficiency results in a reduction of costs at all ends.

<http://www.theindependentbd.com/post/257994>

## Price Sensitive News

Trading Code: AZIZPIPES  
News Title: AZIZPIPES: Decision to Temporarily Shutdown of Production Activities  
News: (Continuation news of AZIZPIPES): As a result, the Company will suffer in marketing the produced product. In this circumstances, production of the Company temporarily stopped from C-shift on January 10, 2021. Production activities will resume once the supply of PVC resin improves and the situation improves. (end)  
Post Date: 2021-01-11

Trading Code: AZIZPIPES  
News Title: AZIZPIPES: Decision to Temporarily Shutdown of Production Activities  
News: The Company has informed that the Board of Directors has decided following decision: due to COVID-19 pandemic, PVC resin (the main raw material) use in production was not delivered on time by the supplier and for lack of stocks of PVC resin sudden hampers production activities. Due to abnormal increase in the price of raw materials in the local market, the price of production will be much higher than the current market price. (cont.)  
Post Date: 2021-01-11

Trading Code: CONFIDCEM  
News Title: CONFIDCEM: Q1 Financials  
News: (Q1 Un-audited): Consolidated EPS was Tk. 3.88 for July-September 2020 as against Tk. 2.51 for July-September 2019; Consolidated NOCFPS was Tk. 0.35 for July-September 2020 as against Tk. (2.74) July-September 2019. Consolidated NAV per share was Tk. 70.65 as on September 30, 2020 and Tk. 66.73 as on June 30, 2020.  
Post Date: 2021-01-11

Trading Code: CONFIDCEM  
News Title: CONFIDCEM: Price Limit Open  
News: There will be no price limit on the trading of the shares of the Company today (11.01.2021) following its corporate declaration, however, as per the BSEC Order No. BSEC/CMRRCD/2001-07/04 dated March 19, 2020, the floor price shall be applicable accordingly.  
Post Date: 2021-01-11

Trading Code: CONFIDCEM  
News Title: CONFIDCEM: Dividend Declaration  
News: (Continuation news of CONFIDCEM): iii) Bonus shares is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the company or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance. (end)  
Post Date: 2021-01-11

Trading Code: CONFIDCEM  
News Title: CONFIDCEM: Dividend Declaration  
News: (Continuation news of CONFIDCEM): as against Tk. 6.76, Tk. 68.51 and Tk. 0.34 respectively for the same period of the previous year. The Company has also informed that i) Bonus Shares have been recommended in view of utilizing its retained amount as capital to continue investment to 5.6 MW Captive Power Plant and factory premises. ii) Bonus shares is declared out of accumulated profit. (cont.2)  
Post Date: 2021-01-11

Trading Code: CONFIDCEM  
News Title: CONFIDCEM: Dividend Declaration  
News: The Board of Directors has recommended 15% cash and 5% stock dividend for the year ended on June 30, 2020. Date of AGM: 28.02.2021, Time: 11:00 AM, Venue: Digital Platform, Record Date: 31.01. 2021. The Company has reported consolidated EPS of Tk. 8.30, Consolidated NAV per share of Tk. 66.73 and Consolidated NOCFPS of Tk. 10.87 for the year ended on June 30, 2020 (cont. 1)  
Post Date: 2021-01-11

# Daily

## Business News

### UFCML Research Team

Contact:

**Rishad Reza Nur**

Analyst

Mob: 01715551555

Email: rishad\_reza@outlook.com

### UTTARA FINANCE CAPITAL MANAGEMENT LIMITED

Jibon Bima Tower (6 th Floor),

10 Dilkusha C/A,

Dhaka-1000, Bangladesh.