



BUSINESS NEWS ANALYSIS REPORT

Daily Business News

February 16, 2021

Capital Market News

BSEC to consider 'adjusted' share price

The securities regulator has decided to consider the 'adjusted' share price as the revised floor price of any listed securities. The Bangladesh Securities and Exchange Commission (BSEC) took the decision on Monday at a meeting held at the BSEC office. It took the decision following the confusions regarding the floor prices of some listed companies including British American Tobacco Bangladesh Limited (BATBC) which declared dividend. The share prices adjusted after the record date for the rights or bonus issues will be considered as the revised floor price. The

BSEC has taken the decision taking into account the dilution effect of the listed securities.

Both the bourses set floor prices of listed securities on March 19 to contain abnormal price fall following a directive issued by the securities regulator. As per the directive, the opening price of any listed security shall be set at the average of the closing price of immediate preceding five trading days of March 19.

And this average price calculated for each security shall be considered as floor price and the lowest limit of the circuit breaker. Before setting the floor prices, the country's both the bourses witnessed free fall in broad index following the outbreak of Covid-19.

At Monday's meeting, the securities regulator fined the directors, other than independent ones, and the managing director of Monno Ceramic Industries Tk 10 million each for breaching the securities rules regarding preparing annual report. The securities regulator has also fined Monno Welfare Foundation Tk 100 million for breaching the securities rules regarding unlawful transactions of the listed securities.

<https://thefinancialexpress.com.bd/stock/bsec-to-consider-adjusted-share-price-1613448926>

Stocks bounce back as large-cap stocks surge

Stocks rebounded strongly on Monday, snapping a two-day losing streak, as optimistic investors showed their appetite on large-cap lucrative issues.

Following the previous two days' price fall, the market opened on a high note which continued until the end of the session with no signs of reversal.

DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 97.45 points or 1.78 per cent to settle at 5,545. Two other indices also ended higher. The DS30 index, comprising blue chips, soared 46.15 points to finish at 2146 and the DSE Shariah Index rose 21.60 points to close at 1,260.

Turnover, a crucial indicator of the market, crossed Tk 10 billion-mark once again and amounted to Tk 10.82 billion, climbing by 35 per cent over the previous day's turnover of Tk 8.01 billion. Market operators said the investors went on buying binge on major sector stocks which saw sharp correction in the past few trading sessions.

Top positive index contributors were Robi, Walton, Grameenphone, Beximco Pharmaceuticals, United Power and LafargeHolcim, according to data from amarstock.com, a stock market data analyst. Gainers took a strong lead over the losers, as out of 351 issues traded, 226 advanced, 34 declined and 91 remained unchanged on the DSE trading floor.

A total number of 169,157 trades were executed in the day's trading session with a trading volume of 217.78 million shares and mutual fund units. Total market capitalisation jumped to Tk 4,748 billion on Monday, from Tk 4,656 billion in the previous day.

Beximco – which gained 4.39 per cent - continued to dominate the turnover chart with 25.22 million shares worth Tk 2.38 billion changing hands. It was followed by British American Tobacco Bangladesh that became the second-best top turnover leader with shares worth Tk 981 million. Other turnover leaders included LankaBangla Finance, Beximco Pharma and Robi Axiata. Bay Leasing was the day's best performer, posting a gain of 10 cent while Golden Son was the worst loser, losing 5.0 per cent.

<https://thefinancialexpress.com.bd/stock/stocks-bounce-back-as-large-cap-stocks-surge-1613382786>

Industry News

Bangladeshi apparel sees sharper fall in prices than Vietnamese

Bangladeshi apparel items have witnessed a sharper fall in prices compared to the Vietnamese products in the European Union and US markets, according to a study by the Centre for Policy Dialogue (CPD). The price of 100 kilogrammes of made-in-Bangladesh cotton fibre T-shirt declined by 1 per cent year-on-year to 1,091.5 euros in 2020.

However, the same product manufactured in Vietnam saw a 3 per cent price rise, reaching 2,157.9 euros last year, the study found. Similarly, the price of each 100 kg of women or girls' cotton fibre pullover made in Bangladesh

decreased by 7 per cent year-on-year to 1,329.5 euros in 2020 whereas the price of the Vietnamese ones remained stable at 2,157.8 euros.

The prices of each 100 kg of Bangladeshi man-made fibre pullovers for women and girls fell by 6 per cent to 1,319.4 euros from 1,409.6 euros in 2019 at the EU markets. However, the Vietnamese variant has seen only a 3 per cent year-on-year price fall, hitting 1,906.2 euros in 2020. In the US market, the price of a dozen of Bangladeshi T-shirts made from cotton fell by 20 per cent to \$17.99 in 2020 from \$22.43 in 2019 while the price of the same product made in Vietnam declined by 17 per cent to \$31.9 in 2020 from \$38.2 in 2019.

The price of a dozen of Bangladeshi made sweaters and pullovers declined by 2 per cent to \$39.31 in 2020 from \$40.23 in 2019. However, the prices of the same Vietnamese product remained stable at \$47.1 in 2019 and 46.9 in 2020.

The price of a dozen of Bangladeshi manufactured trousers for women and girls made from cotton fibre declined by 12 per cent to \$64.17 in 2020 from \$72.88 in 2019 while its Vietnamese variant has seen only a 6 per cent price fall, reaching \$84.6 in 2020 from \$90.5 in 2019. Bangladesh's export performance was driven by both volume and value factors, according to the CPD study. Exchange rate management is emerging as a key factor, driving export competitiveness, it said.

The CPD also said the export target set for fiscal 2021 to achieve 21 per cent growth over fiscal 2020 will not be achieved. It will take some time to even reach the pre-Covid export level of \$40.5 billion. Knitwear has performed better in the July-January period of FY21 (+3.8 per cent) compared to Woven wear (-10.9 per cent). Jute and jute goods (+27.1 per cent) and home textiles (+44.3 per cent) have posted robust growth.

<https://www.thedailystar.net/business/news/bangladeshi-apparel-sees-sharper-fall-prices-vietnamese-2045521>

Payra Port continues to witness delays, cost spiral

The cost of two projects related to the much-hyped Payra Sea Port continues to shoot up and their completion is facing delays although the port belongs to the government's list of fast-track projects. The lack of a proper feasibility study, inappropriate cost estimations and reluctance of the project officials are mainly responsible for the delays in the port's infrastructure development and the rising construction costs.

Most of the projects linked to the port faced delays while at least one proposal on costs has been revised so far. Another such revised proposal will be placed in the meeting of the Executive Committee of the National Economic Council (EcneC) today. The proposal will demand for increasing the costs alongside seeking more time to build the port's first terminal and related infrastructure.

he project was undertaken in the beginning of January 2019 and due to be completed by December 2021 at a cost of Tk 3,982.10. Now, it will be proposed to increase the cost to Tk 4,516.75 crore and another one-and-a-half year for completion. The cost increase is for adjusting the height of the jetty. After conducting a hydrological study on the Andharmanik Bridge construction area, the length of the bridge was increased from 1.05 kilometres to 1.17 kilometres by the consultant agency. For that, the project seeks another Tk 411 crore from the government.

<https://www.thedailystar.net/business/news/payra-port-continues-witness-delays-cost-spiral-2045529>

Economy News

CPD concerned over fall in export, expenditure

Centre for Policy Dialogue (CPD) on Monday said the decline in government expenditure and fall in export are the major concerns and discomfort for the country's economy. The civil society think tank came up with the observations while presenting an assessment report titled 'State on the Bangladesh Economy in FY2020-21 (First Reading)'.

The virtual function was addressed, among others, by CPD Executive Director Dr Fahmida Khatun, Distinguished Fellow Dr Mustafizur Rahman, and Research Director Dr Golam Moazzem. Its Senior Research Fellow Tawfiqur

Islam Khan presented the keynote paper, as per a UNB report.

The CPD said public expenditure fell by a large amount during the first four months of FY21 compared to the pre-Covid situation. The report found a substantial fall in development expenditure, with a 35.1 per cent decline in annual development programme (ADP) expenditure compared to the corresponding period of FY20.

With a view to saving about Tk 336.61 billion from the ADP in FY21, the Finance Division has allowed ministries and agencies to spend only 75 per cent of the fund allocated by the government for ADP in FY21, the CPD mentioned. According to the CPD, export Bangladesh's earnings declined by 16.9 per cent and missed the growth target by a large margin of 12.2 per cent.

The volatility in export earnings continued during the FY21," the CPD observed adding that the total export earnings declined by 1.1 per cent during the July-January period of FY21. This implies that the total export earnings will require growing by 70.4 per cent during the remainder of FY21 if the annual growth target of 21.8 per cent has to be reached," it mentioned.

The CPD, however, made a positive observation that industrial production for large and medium industries increased by 7.7 per cent during the July-October FY21 period while the corresponding figure for FY20 was 5.4 per cent as per the BBS data. There should be

a second stimulus package by the government to promote the small and median industrial sectors, he said adding that the remittance inflow made a 38 per cent growth but it is not normal as there is no data about remittance outflow.

<https://thefinancialexpress.com.bd/economy/cpd-concerned-over-fall-in-export-expenditure-1613392250>

Company News

Robi declares ‘no’ dividend after listing

Robi Axiata, the country’s second largest telecom operator, has declared “no” dividend for the year ended on December 31, 2020, after listing with the stock market this year. The board of directors of the company recommended ‘no’ dividend at its 91th board meeting held on Monday, according to a price sensitive information posted on its website. The annual general meeting (AGM) will be held on March 21 using a digital platform. The record date is on March 8.

The company’s earnings per share (EPS), however, jumped 725 per cent year-on-year to Tk 0.33 for the year ended on December 31, 2020. Its EPS was Tk 0.04 for the year ended on December 31, 2019. Robi’s net asset value (NAV) per share stood at Tk 13.90 for the year ended on December 31, 2020 against Tk 12.64 for the same period of the previous year.

The company’s net operating cash flow per share (NOCFPS) was Tk

5.36 for the year ended on December 31, 2020 against Tk 6.10 for the same period of the previous year. Each share of the Robi, which joined the stock market with the largest-ever IPO in Bangladesh’s capital market history having 523 million ordinary shares on December 24, 2020, closed at Tk 46 on Monday.

The newly listed company’s shares traded between Tk 15 and Tk 77.10 after making debut on the bourses on December 24, 2020. The mobile phone operator raised roughly Tk 5.24 billion from a wide range of investors including its own employees under the fixed-price method.

The IPO proceeds will be used to expand the company’s network in anticipation of revenue-generating opportunities in the areas such as Internet-of-Things. Robi has emerged as the fourth largest listed company in terms of market capitalisation after Grameenphone, Walton and BATBC.

Robi’s market-cap stood at Tk 220 billion as of Monday while GP’s market-cap stood at Tk 502 billion, Walton (Tk 325 billion), British American Tobacco Bangladesh (Tk 288 billion), according to Dhaka Stock Exchange (DSE) data.

Robi was the first operator to roll out 3.5G services in Bangladesh. It introduced 4.5G services across all 64 districts in 2018. The company’s paid-up capital is Tk 52.37 billion and authorised capital is Tk 60 billion, while the total number of securities is nearly 5.24 billion.

The sponsor-directors own 90.05 per cent stake in the Robi while the institutional investors own 2.03 per cent and the general public 7.92 per cent as on January 31, 2021, the DSE data shows. The mobile phone operator started its journey in 1997 under the brand name of Aktel. It then changed its name to Axiata (Bangladesh) in 2009 and took the present name Robi Axiata in 2010. Axiata holds a 68.69 per cent stake in the company and Delhi-based Bharti Airtel owns the remaining 31.31 per cent.

<https://thefinancialexpress.com.bd/stock/robi-declares-no-dividend-after-listing-1613398625>

Walton enters European market

Bangladeshi electronics brand Walton is set to enter European market with exporting its LED televisions under its own brand to Romania. The company made an announcement in this regard at a programme titled First Walton Television Brand Business in Romania on a virtual platform at Walton Corporate Office in the capital on Sunday, said a press release.

Earlier, Walton and KTN Technology, a Romanian importer, signed a distributor business deal at the programme. Walton’s international business unit president Edward Kim and KTN Technology’s general manager Florian Tirla signed the deal on behalf of their respective organisations.

The programme was also addressed by Walton Hi-Tech Industries Limited chairman SM Nurul Alam Rezvi, directors SM

Mahbubul Alam and Nishat Tasnim Shuchi. Among others, Walton Hi-Tech's executive directors SM Zahid Hasan and Walton TV's CEO Mostafa Nahid Hossain, senior deputy operative director Syed Al Imran were also present.

From KTN Technology, chief financial officer Simona Corbeanu and sales and marketing manager Mihai Corbeanu also attended the signing ceremony virtually. Under the business deal, KTN Technology became Walton brand's first-ever distributor in Romania and also in European market.

<https://www.newagebd.net/article/130322/walton-enters-european-market>

Monno Ceramic directors fined Tk 15 crore

The Bangladesh Securities and Exchange Commission on Monday fined sponsor-directors, including managing director, of Monno Ceramic Industries Limited Tk 15 crore for violation of securities

rules. The BSEC slapped the fine at a commission meeting presided over by its chairman Shibli Rubayat-Ul-Islam, a BSEC press release said.

According to the press release, the regulator decided to fine all directors, including managing director, of Monno Ceramic Tk 1 crore each for breaching section 17 (b) of the securities ordinance, 1969 and a notification issued on June 20, 2018.

There are five directors, including the managing director, in the board of Monno Ceramic. The BSEC also decided to fine Monno Welfare Foundation Limited, one of the sponsor-directors of Monno Ceramic, Tk 10 crore for securities rules violation.

The BSEC at the meeting also decided to reset floor prices for bonus or rights share issuing companies at adjusted prices in the aftermath of their corporate declarations. The declaration of stock dividend or rights shares increases number of shares of a

company while the value of the company remains stable. So, the corporate declaration dilutes the book value of a share and the stock price is reduced accordingly.

The BSEC on March 19, 2020 introduced floor price mechanism to bar prices of the listed companies' shares from falling below a certain level. Due to the ceiling on price fall, the Dhaka Stock Exchange had not adjusted prices of a number of companies after issuance of stock dividend or rights shares by them as after adjustment prices could have fallen below the floor prices.

<https://www.newagebd.net/article/130289/monno-ceramic-directors-fined-tk-15-crore>

Price Sensitive News

Trading Code: GREENDELT

News Title: GREENDELT: Update of Information

News: (Continuation news of GREENDELT): to the Company's Corporate Office, Green Delta Aims Tower (6th Floor), 51-52, Mohakhali C/A, Dhaka-1212 on or before March 25, 2021. The shareholders are also requested to provide their BO account with 12 digits e-TIN number, address etc. through respective DPs before the record date. (end)

Post Date: 2021-02-16

Trading Code: GREENDELT

News Title: GREENDELT: Update of Information

News: The Company has requested the concerned Brokerage Houses to provide the statement with the details (shareholder's name, BO ID Number, client wise shareholding position, gross dividend receivables, applicable tax rate and net dividend receivables) of their margin loan holders who hold the shares of the Company, as on the record date along with the name of the contact person in this connection, (cont.)

Post Date: 2021-02-16

Trading Code: ROBI

News Title: ROBI: Price Limit Open

News: There will be no price limit on the trading of the shares of the Company today (16.02.2021) 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: 2021-02-16

Trading Code: ROBI

News Title: ROBI: Dividend Declaration

News: The Board of Directors has recommended No dividend for the year ended on December 31, 2020. Date and Time of the AGM will be notified latter on, Venue: Digital Platform. Record Date: 08.03.2021. The Company has also reported EPS of Tk. 0.33, NAV per share of Tk. 13.90 and NOCFPS of Tk. 5.36 for the year ended on December 31, 2020 as against Tk. 0.04, Tk. 12.64 and Tk. 6.10 respectively for the same period of the previous year.

Post Date: 2021-02-16

Trading Code: EXCH

News Title: DSENEWS: Commencement of ES of Desh General Insurance Company Limited

News: (Continuation of DSENEWS): Participating EIs will be required to pay full subscription amount (100%) and subscription fee BDT 3,000.00 (three thousand only) through Social Islami Bank Limited (A/C Name: Dhaka Stock Exchange Limited, A/C No.: 0021360003343) in between 10:00 a.m. of February 14, 2021 to 2:00 p.m. of February 18, 2021 (during banking hour). Please visit the following website for subscription related updates: <https://www.essbangladesh.com>. (end)

Post Date: 2021-02-16

Trading Code: EXCH

News Title: DSENEWS: Commencement of ES of Desh General Insurance Company Limited

News: (Continuation of DSENEWS): as per Rule 2(1)(e) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015; which is in accordance with the BSEC consent letter to Desh General Insurance Company Limited Ref: BSEC/CI/IPO-275/2018/307 dated January 13, 2021. The Central Depository Bangladesh Limited (CDBL) shall send a report to the exchange regarding the holding of EIs in the listed securities and the exchange shall ensure the compliance in this regard. (Cont. 3)

Post Date: 2021-02-16

Trading Code: EXCH

News Title: DSENEWS: Commencement of ES of Desh General Insurance Company Limited

News: (Continuation of DSENEWS): Each Eligible Investor (EI) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of BDT 50,00,000 (fifty lakh only) for approved pension funds, recognized provident funds and approved gratuity funds and other EIs of BDT 1,00,00,000 (one crore only) at market price in listed securities as on February 04, 2021 (day-end) (Cont. 2)

Post Date: 2021-02-16

Trading Code: EXCH

News Title: DSENEWS: Commencement of ES of Desh General Insurance Company Limited

News: DSENEWS: Commencement of electronic subscription of Desh General Insurance Company Limited through electronic subscription system under fixed price method: The subscription for shares of Desh General Insurance Company Limited by the eligible investors through electronic subscription system under fixed price method of the stock exchanges will be started from 10:00 a.m. of February 14, 2021 and continued till 5:30 p.m. of February 18, 2021 (round the clock). (Cont. 1)

Post Date: 2021-02-16

Trading Code: GPHISPAT

News Title: GPHISPAT: Credit Rating Result

News: Alpha Credit Rating Limited (AlphaRating) has rated the Company as "AA" in the long term and "ST-2" in the short term along with a stable outlook based on audited financial statements of the Company as on June 30, 2020 and relevant qualitative information till February 14, 2021.

Post Date: 2021-02-16

Trading Code: EPGL

News Title: EPGL: Agreement with Meghna Petroleum Limited

News: The Company has informed that, they have signed an agreement in order to establish Liquefied Petroleum Gas (Auto Gas) facilities and filling equipment in the filling station sites under the Dealership of Meghna Petroleum Limited. The agreement aims to transfer and promote technologies between two companies and the joint promotion of Auto Gas business development within the country based on Auto Gas Station.

Post Date: 2021-02-16

Trading Code: GSPFINANCE

News Title: GSPFINANCE: Credit Rating Result

News: Emerging Credit Rating Limited (ECRL) has assigned the Surveillance credit rating of the Company as "A+" in the long term and "ST-2" in the short term along with a Stable outlook of the Company based on audited financial statements up to December 31, 2019 and other relevant quantitative as well as qualitative information up to the date of rating.

Post Date: 2021-02-16

Trading Code: MPETROLEUM

News Title: MPETROLEUM: Agreement with EPGL and LAUGFS

News: The Company has informed that for the purpose of business expansion, the Company has signed agreement with Energypac Power Generation Limited and LAUGFS Gas (Bangladesh) Limited to sale LPG by establishing LPG (Auto gas) Refueling Station and Liquefied Petroleum Gas Conversion workshop parallel with the sale of Refueling oil through registered Filling Station. They also informed that as per the agreement, the Company will receive royalty of Tk. 0.50 against per Liter sale of LPG.

Post Date: 2021-02-16

Trading Code: AFCAGRO

News Title: AFCAGRO: Authorization Certificate from DGDA

News: The Company has informed that they have obtained Emergency Use Authorization (EUA) Certificate from Directorate General of Drug Administration letter dated on February 09, 2021 for producing 2 kits namely (1) AFC Detec nCoV RT-PCR Kit and (2) AFCPrep Viral RNA Extraction Kit. Considering the matter, AFC Agro Biotech Limited will go for commercial production of above mentioned products as early as possible.

Post Date: 2021-02-16

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