


TOP FIVE LOSERS

Energypac Power Generation	Robi Axiata	Crystal Insurance
9.89%	7.69%	7.12%
Dominage Steel	Associated Oxygen	
5.62%	5.37%	

Daily Business News

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BUSINESS NEWS ANALYSIS REPORT

Capital Market News

Stock market newcomers lose the most

Newly listed companies suffered the biggest hits in the stock market yesterday as most had become overvalued in recent times. Five such firms ended up in the top losers' list. Meanwhile, Mir Akhter Hossain exhibited a break from norms and continued to be traded on in the second day past its appearance.

Normally, a new company remains in limbo on the first few days upon arrival due to a lack of sellers in the midst of a huge number of buyers. The overvaluation should not have occurred, said a top official of a merchant bank. Investors were buying the stocks without taking into consideration their real

valuation and it ultimately turned into a hindrance for the market, he said. So the correction was necessary for the new stocks, he added.

Energypac Power Generation, Robi Axiata, Crystal Insurance Company, Dominage Steel Building Systems and Associated Oxygen entered the list of top losers. The mutual fund sector also shed some value as a falling trend has been sweeping through the market over the last couple of days. The DSEX, the Dhaka Stock Exchange's benchmark index, rose 17.17 points, or 0.30 per cent, to 5,581.86 yesterday. However, if the last 15 days are taken as a whole, it results in a drop of 328 points, or 5.55 per cent.

Mir Akhter Hossain topped the gainers' list rising 23 per cent to Tk 100 followed by Sunlife Insurance Company, Prime Insurance

Company, Phoenix Finance & Investments and LafargeHolcim Bangladesh.

Beximco topped the turnover list with trade worth Tk 92 crore followed by Robi Axiata, British American Tobacco Bangladesh, Mir Akhter Hossain and Beximco Pharmaceuticals. For the port city bourse, it was a drop. The CASPI, the general index of Chittagong Stock Exchange (CSE), fell 31 points, or 0.19 per cent, to 16,166 yesterday. Among 225 stocks to witness trade, 50 rose, 125 dropped and 50 remained the same.

<https://www.thedailystar.net/business/news/stock-market-newcomers-lose-the-most-2038981>

Committee assigned to probe market operators' role in share price-hike

The securities regulator has formed a two-member committee on Wednesday to probe into the role of market operators behind the unusual price hike of shares of the newly-listed companies, observed in their initial trading sessions. The Bangladesh Securities and Exchange Commission (BSEC) formed the body, identifying some orders placed for the shares of Mir Akhter Hossain Ltd (MAH).

The company made its debut trading on Tuesday, and on the day its share price jumped 50 per cent. The share trading even halted at 50 per cent upper circuit as soon as the trading opened. "As part of the move, the securities regulator will conduct a special inspection to probe into IDLC Securities' role behind the price hike of the shares of MAH," said Mohammad Rezaul Karim, the BSEC spokesperson. The securities regulator issued an order to this effect on Wednesday. The BSEC observed that some brokerage firms in different times placed orders at high prices before starting the trading session to halt the companies' trading, Mr. Karim also said.

<https://thefinancialexpress.com.bd/stock/committee-assigned-to-probe-market-operators-role-in-share-price-hike-1612407418>

Decision to issue new TREC to new firms

Dhaka Stock Exchange (DSE) has decided to issue new TREC (Trading Right Entitlement Certificate) for conducting trading activities in the capital market. The premier bourse on Tuesday took the decision at a board meeting following a recent instruction of the securities regulator.

The securities regulator recently has asked both the bourses to submit a detailed plan within 15 days regarding the issuance of new TREC. The regulatory instruction came as part of the demutualisation process of the stock exchanges.

As per the demutualisation scheme, the bourses were supposed to issue new TREC on completion of five years after the demutualisation. Both the bourses completed its demutualisation process in November, 2013 and five years of completing demutualisation also ended in November 20, 2018. In March, 2019 the securities regulator formulated rules for issuing new TREC by both the bourses.

<https://thefinancialexpress.com.bd/stock/decision-to-issue-new-trec-to-new-firms-1612411285>

Increase tax incentive to bring blue-chips to capital market: BSEC chair

Non-listed blue-chip companies will be interested in the capital market if they are provided with more tax incentive, said Professor Shibli Rubayat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC) on Tuesday. He made the remark at a press briefing about the upcoming conference titled "The Rise of Bengal Tiger: Potentials of Bangladesh Capital Markets" organised by the regulator. A roadshow marking the event will be held in Dubai, United Arab Emirates from 9 to 12 February.

Expatriate investors, foreign investors, institutional investors and small groups of investors will take part in the conference that will highlight various issues including economic development and

investment prospects of Bangladesh, investment opportunities and availability of facilities.

The BSEC chair said the operating cost of the blue chips will increase 2% to 3% if they come to the capital market, and so, the corporate tax incentive has to be increased for the multinational companies. Foreign investors along with non-resident Bangladeshis will be able to know the country's capital market as well as the whole economy, said Professor Professor Shibli Rubayat-Ul-Islam.

According to the Dhaka Stock Exchange, the total transaction of the foreign portfolio investors was Tk10,388 crore in 2020 and Tk7845.45 crore in 2019, which was 7.69% and 6.89% of the total transaction of the exchange respectively.

<https://tbsnews.net/economy/stock/increase-tax-incentive-bring-blue-chips-capital-market-bsec-chair-195898>

Stocks snap 3-day losing streak

Dhaka stocks snapped a three-day losing streak on Wednesday, riding on a few companies as a section of investors went for buying shares of the large capitalised companies while most others remained cautious. DSEX, the key index of the Dhaka Stock Exchange, gained 0.3 per cent, or 17.17 points, to close at 5,581.86 points on Wednesday after losing 160.2 points in the previous three sessions.

The key index went through a volatile session on Wednesday and finished in the positive zone as most of the investors remained cautious on the trading floor while

a section of investors went for buying shares, especially those of large capitalised companies, market operators said. Despite a gain in share prices of only 67 companies on the day, the market managed to gain as share prices of a number of large capitalised companies soared.

Of the 360 scrips traded on the DSE on Wednesday, 180 declined, 67 advanced and 107 remained unchanged. Share prices of LafargeHolcim Bangladesh, British American Tobacco, LankaBangla Finance and Grameenpone soared by 6.46 per cent, 6.25 per cent, 3.43 per cent and 2.36 per cent respectively.

<https://www.newagebd.net/article/129152/stocks-snap-3-day-losing-streak>

Industry News

Bangladesh Bank revises Jan-June monetary policy

The Bangladesh Bank on Tuesday revised the monetary policy statement for the second half (January-June) of the current fiscal year 2020-2021, keeping its projections ambitious in line with the government's budgetary targets. The central bank disclosed the revised MPS by issuing a press release on Tuesday, expressing its optimism about achieving 14.8 per cent growth in private sector investment and 7.4 per cent growth in gross domestic product.

Domestic credit growth and private sector credit growth targets set in the monetary policy statement are not achievable rather the policy would increase excess liquidity in the country's banking system,

Policy Research Institute executive director Ahsan H Mansur told New Age.

An absence of the central bank's measures to mop up excess liquidity from the banking system may create an asset bubble along with inflationary pressure, he said. In the revised MPS, the central bank kept its projection of attaining 14.8 per cent growth in private sector credit even though the growth was only 8.4 per cent in the first half. The BB kept the private sector growth target unchanged keeping in mind that there is possibility of restoration of normal economic activities, overcoming the coronavirus-induced impact.

Despite a dismal 9.7 per cent growth in domestic credit till December 2020, the BB kept it 17.4 per cent, lowering it from 19.3 per cent. Besides, the BB projected to lower broad money, also known as M2 circulation, by 60 basis points to 15 per cent from its initial projection of 15.6 per cent in line with the government's change to GDP growth projection. The government has revised downward its GDP growth projection to 7.4 per cent for FY21 from its initial projection of 8.2 per cent. The country's growth in FY21 would be between 2 per cent and 3 per cent.

<https://www.newagebd.net/article/129093/bangladesh-bank-revises-jan-june-monetary-policy>

Economy News

Inflation drops to 8.5yr low

Inflation dropped to 5.02 per cent in January, the lowest in eight and a half years, on the back of the

arrival of winter vegetables that contributed to the consumer price decline, official figures showed yesterday. This is the third straight month of overall consumer price decline.

In December, inflation, a measure of changes in the prices of a basket of commodities and services, was 5.29 per cent, according to the Bangladesh Bureau of Statistics (BBS). A decline in the price of non-food items also contributed to the fall in the overall inflation, easing pressure on the wallets of consumers. A large number of the population, especially the poor and low-income groups, still suffer for the high price of coarse rice.

The price of coarse grain, a benchmark followed by policy-makers, was Tk 44 to Tk 48 each kilogram on January 31, down 3.16 per cent from Tk 45 to Tk 50 on the last day of 2020, data compiled by the Trading Corporation of Bangladesh showed.

<https://www.thedailystar.net/business/news/inflation-drops-85yr-low-2038985>

ECNEC approves Tk 43.47b project to develop Bangabandhu industrial city

The Executive Committee of the National Economic Council (ECNEC) today approved a Tk 43.47 billion project to develop the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) as a state-of-the-art and international standard greener economic zone of the country. The approval came from the 21st meeting of the ECNEC in the current fiscal year (FY21) held with its Chairperson and Prime Minister Sheikh Hasina in the chair. The premier chaired the

meeting virtually from Ganabhaban, reports BSS.

Ministers, state ministers and others concerned attended the meeting from the NEC Conference Room in the city's Sher-e-Bangla Nagar area. Briefing reporters after the meeting, Planning Minister MA Mannan said that the ECNEC approved a total of eight projects today with an overall estimated cost of Tk 113.24 billion. "Of the total project cost, Tk 51.40 billion will come from the government of Bangladesh, Tk 181.2 million from the concerned organisation's own fund while the rest Tk 61.66 billion will be arranged as loans from foreign sources," he added. Out of the approved eight projects, six are new while two others are revised projects.

The planning minister said Bangladesh Economic Zones Authority (BEZA) under the Prime Minister's Office (PMO) will implement the project titled "Development of Bangabandhu Sheikh Mujib Shilpa Nagar" with an overall estimated cost of Tk 43.47 billion. Of the total project cost, Tk 39.67 billion will come from the World Bank as project loan while the rest Tk 3.80 billion from the government of Bangladesh.

<https://thefinancialexpress.com.bd/economy/ecnec-approves-tk-4347b-project-to-develop-bangabandhu-industrial-city-1612349090>

Company News

Brac to raise Tk 1,350cr through bonds

Brac, a non-listed non-government organisation, has received the nod from the stock market regulator to raise Tk 1,350 crore by issuing zero-coupon bonds. A zero-coupon bond is a debt security that does not pay interest. Instead, it trades at a discount, rendering a profit at maturity, when the bond is redeemed for its full face value.

The Bangladesh Securities and Exchange Commission (BSEC) yesterday approved the bond, whose face value is Tk 1 crore, according to a press release. The bond is unsecured, non-convertible, and fully redeemable, and its tenure is one and half years to five years. Corporate investors and high net-worth individuals are eligible to buy the bonds through private placement. The largest NGO in the world will use the proceeds to expand its micro-finance activities.

<https://www.thedailystar.net/business/news/brac-raise-tk-1350cr-through-bonds-2038997>

Baraka Patenga Power to invest more in electricity generation

The Baraka Patenga Power Limited (BPPL) will utilize part of its initial public offering (IPO) proceeds of Tk 1.44 billion (144.34 crore) to invest in two of its power generating subsidiaries on becoming one of the largest players in the country's private sector power generation. The principal activity of the company is to set up power plants for generation and supply of electricity. The 50MW capacity plant located at Patenga in Chattogram, started its commercial operation on May 4, 2014.

Subsidiaries of the BPPL, the Karnaphuli Power Limited (KPL) and the Baraka Shikalbaha Power

Limited (BSPL) have already started commercial operation after implementing two Heavy Fuel Oil (HFO) based IPP (Independent Power Producer) power plants having generation capacity of 110MW and 105MW respectively.

The private sector now dominates Bangladesh's power generation to a great extent. Earlier, on December 31, 2020, Baraka Patenga Power's bid to raise Tk225 crore from the public received the green light from the Bangladesh Securities and Exchange Commission (BSEC).

The company will utilize portion of its IPO proceeds of Tk144.34 crore to invest in two of its power subsidiary power plants, Karnaphuli Power and Shikalbaha Power. The rest of the funds will be used to repay loans and bear the expenses of the IPO process.

The bidding to discover the cut-off price of shares of the company's Tk225 crore-initial public offering begins on February 15 for 72 hours. The exercise is part of the book-building method that the power generation company chose to raise funds from the public.

The book is 'built' by listing and evaluating the aggregated demand for the issue from the submitted bids. After the bidding the cut-off price will be decided. Retail investors will get the shares at a 10 per cent discounted price.

<https://thefinancialexpress.com.bd/stock/baraka-patenga-power-to-invest-more-in-electricity-generation-1612411300>

Price Sensitive News

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: 2021-02-04

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: 2021-02-04

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: 2021-02-04

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: 2021-02-04

Trading Code: MLDYEING
News Title: MLDYEING: Dividend Disbursement
News: The Company has informed that it has credited the Bonus shares for the year ended on June 30, 2020 to the respective shareholders' BO Accounts and it has also disbursed the cash dividend to the respective shareholders.
Post Date: 2021-02-04

Trading Code: PROVATIINS
News Title: PROVATIINS: Decision to Floor Purchase
News: The Company has informed that the Board of Directors of the Company has decided to purchase of a floor measuring 1497 sqft (including a car parking) for Tk. 2,26,06,000.00 at BDDL, Wahid Tower, 94, Motijheel, Dhaka.
Post Date: 2021-02-04

Trading Code: LHBL
News Title: LHBL: Issuance of a Notice of Arbitration against JGTDS
News: The Company has informed that the Board of Directors of the Company passed a resolution on 03.02.2021 for issuance of a Notice of Arbitration against Jalalabad Gas Transmission & Distribution Systems Ltd. (JGTDS). The Company and JGTDS entered into a Gas Sales Agreement (GSA) dated 19.01.2003 under which JGTDS supplies gas to the plant of the Company located at Chhatak. A dispute has arisen between the parties in relation to the price of gas. The Notice of Arbitration has been issued in terms of the GSA.
Post Date: 2021-02-04

Daily

Business News

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