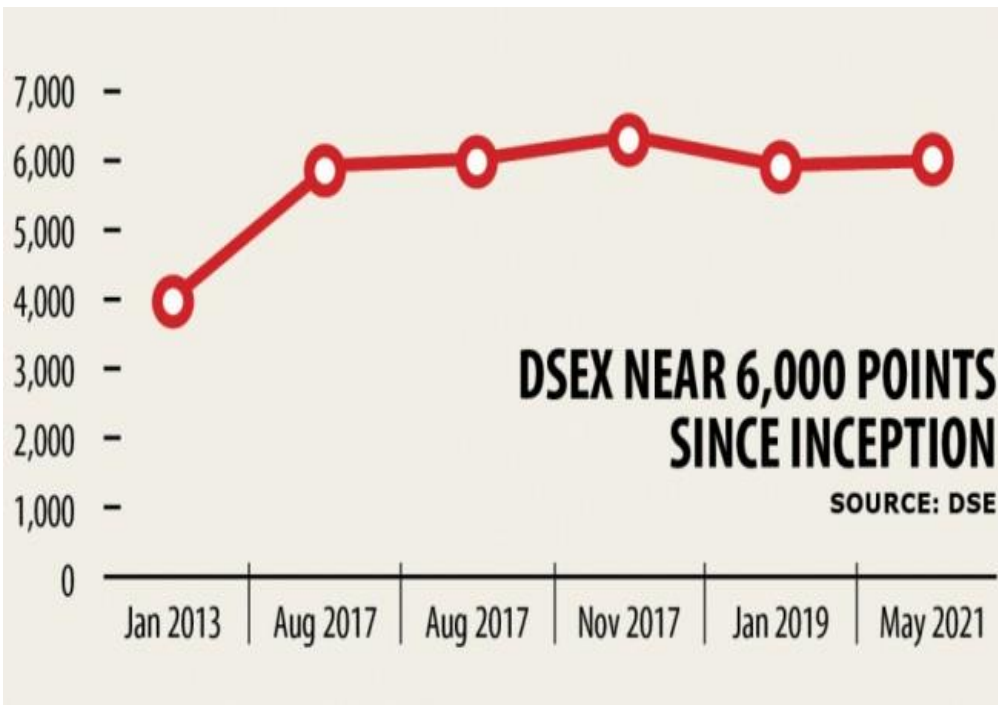




UTTARA FINANCE
CAPITAL MANAGEMENT LIMITED



Daily
Business
News

May 30, 2021

BUSINESS NEWS ANALYSIS REPORT

Capital Market News

DSE crosses 5900-mark again on buying spree

The benchmark index of the Dhaka Stock Exchange (DSE) crossed the 5,900-mark again on Thursday with its market-cap hit an all-time high as enthusiastic investors put fresh bets on stocks amid high hopes. The market jumped at opening and the upbeat trend continued till the end of the session with sign of reversal led by major sector stocks.

DSEX, the prime index of the DSE Exchange (DSE), went up by 101 points or 1.71 per cent to settle at 5,985. DSEX added more than 198 points in the three consecutive

sessions. Turnover, a crucial indicator of the market, stood at Tk 23.68 billion on the country's premier bourse, climbing further by 18 per cent over previous day's mark of Tk 20.08 billion. It happens to be the biggest single-day transaction in the last five months since January 17, when the turnover totalled a record amount of Tk 23.85 billion.

Market capitalisation of DSE stood at an all-time high at more than Tk 5.03 trillion thanks to increased investor participation. Market operators said investors started coming back to the stock market in the last few months since many stocks have become lucrative amid the pandemic driven index fall. The investor enthusiasm sustained as institutional and foreign investors remained active on the market

amid easing virus worries, taking the market-cap to an all-time high, said a leading merchant banker.

Investors are relentlessly taking part in the stock market with fresh funds to enjoy the existing tax benefits ahead of closure of the current fiscal year, he said. He noted that easing virus worries and better than expected quarterly earning disclosures also boosted the investors' confidence in the market.

Two other indices also ended higher with the DSE 30 Index, comprising blue chips, rose 19.48 points to finish at 2,189 and the DSE Shariah Index (DSES) advanced 14.41 points to close at 1,285. Gainers took a modest lead over the losers, as out of 364 issues traded, 163 advanced, 143 declined

and 58 remained unchanged on the DSE trading floor.

Beximco - the flagship company of Beximco Group- continued to dominate the turnover chart with shares worth about Tk 961 million changing hands, followed by Prime Bank (Tk 691 million), IFIC Bank (Tk 604 million), LankaBangla Finance (Tk 568 million) and Northern Insurance (Tk 514 million). Northern Insurance was the day's top gainer, posting a 9.98 per cent gain while Shympur Sugar Mills was the worst loser, losing 7.0 per cent.

<https://thefinancialexpress.com.bd/stock/dse-crosses-5900-mark-again-on-buying-spree-1622120037>

Bank stocks soar on quarterly profits

The country's premier bourse – the Dhaka Stock Exchange – saw a sharp rally in the last three trading days, with the large capitalised banking sector that posted surprising earnings in the first quarter of this calendar year, leading this bull run. Out of 31 listed banks, 25 disclosed the quarterly results and 18 of them reported higher profits compared to the previous year. Only six banks' profits declined and one bank incurred losses in the January-March quarter this year compared to the same period of the previous year.

Besides, in stark contrast to the Bangladesh Bank's encouragement to be conservative in disbursing cash dividend amid the pandemic, the banking sector has so far

experienced a 12% increase in cash dividend payout for last year compared to a year ago. In fact, they have disbursed higher cash dividends for the year 2020 than that of the previous year, keeping shareholders happy.

Following the surprising growth, investors are more confident to buy bank shares of capital gain optimism. Riding on investors' buying spree, the banking sector's market cap increased by 9% to Tk69,150 crore in the last three trading days. Moreover, suspension of loan classification which started in January 2020 gave banks relief from provisioning expenses, helping them to show inflated profit despite not having a real income.

<https://www.tbsnews.net/economy/banking/bank-stocks-soar-quarterly-profits-252817>

Industry News

Google, Amazon register for business in Bangladesh

Two of the world's largest tech giants Google and Amazon have obtained their Business Identification Number (BIN) from the National Board of Revenue (NBR) – a mandatory requirement for any business operating in Bangladesh.

For the first time ever, two non-residential companies have registered for BINs in the country, and they will now pay a 15% VAT on revenue derived from Bangladesh, and submit returns on

the total turnover at the end of each year.

This move will speed up the process of such companies opening their offices in Bangladesh, and clear the way for corporations like Facebook to register here as well, NBR officials told The Business Standard.

Last year, Facebook Inc appointed an agent to do business in Bangladesh after facing pressure from the NBR. The company's agent Httpool has been paying VAT to the board, but Facebook still does not have a BIN in Bangladesh. At present, Google operates in 40 countries around the world, having set up 70 offices, while Amazon has offices in 17 nations. Both the companies have local offices and entities in India, including the biggest office of Amazon in Hyderabad.

Google is well known for its popular search engine, email service, web browser, and various online tools used by billions daily at work, at home, and on the go. The bulk of Google's 181-billion-dollar revenue in 2020 came from its proprietary advertising service, Google Ads.

Included in the list of "other revenues" is income from related online, media, and cloud computing businesses such as the Play Store, Chromecast, Chromebooks, Android, Google Apps, and the Google Cloud Platform.

Amazon ranks as one of the world's top companies by market value. As of February 5, 2021, Amazon had a

market cap of \$1.7 trillion. The company posted net income of \$21.3 billion during its 2020 Fiscal Year, which ended 31 December, 2020.

<https://www.tbsnews.net/economy/google-amazon-register-business-bangladesh-252868>

Economy News

Advance tax should be phased out in next two years

Favourable policy by the government, loans with reduced interest rates and subsidy have helped mitigate last year's Covid-19 shock. All the economic indicators are painting a positive picture. Bangladesh's GDP growth was 5.24% in the fiscal year 2019-20. The forex reserves stood at \$43.43 billion until March this year, and remittances reached \$18.6 billion until the first week of May of this fiscal year.

More than 75% of the Tk40,000 crore meant for large-scale enterprises, 72% of Tk20,000 crore for cottage, micro, small and medium enterprises (CMSME), and around 70% of Tk 5,000 crore agriculture refinancing scheme have already been disbursed so that businesses can overcome the impacts of the first wave of Covid-19.

The pandemic is not over yet and we do not know what the new normal will be like for us. We propose that advance income tax and advance tax should be phased out in the next two years, as we did

last year. There are many other ways to increase tax revenue.

Enforcing bank-to-bank transactions at the dealer/retailer/distributor level will increase tax coverage and tax to GDP ratio. The upcoming budget should abolish all hidden charges in the banking sector. I would request the authority to consider issuing alternative credit ratings to widen access to loans.

I would also propose a 1% cash incentive for the banks that have been actively disbursing stimulus packages. The banking business model needs revisiting. The services should be made available at the sub-district, union, and ward levels.

CMSMEs should be able to access collateral-free credit. To this end, the Bangladesh Bank has already started a credit risk guarantee scheme. Additionally, insurance should be more accessible, and we suggest a business insurance scheme by the government to support agriculture and CMSMEs.

We also need to explore a bank-to-bank payment system similar to the back-to-back letter of credit (LC) trade facilitation tools for all industries from CMSME, agriculture, manufacturing, services to ICT sectors.

<https://www.tbsnews.net/interviews/advance-tax-should-be-phased-out-next-two-years-252838>

Govt to allow businesses MFS transactions for tax purpose

The government is likely to allow all types of financial transactions

by businesses for tax purpose through mobile finance services and other digital means for the first time, along with the banking channel, to boost the country's formal economy. Tax officials will disallow the expenditure and will impose income tax on the expenditure, treating those as income if payment is not made through the formal channel.

Payment to contractors should also be made through the banking channel or the MFS, officials of the finance ministry said. Currently, cash payment for purchase of raw materials and payment to the contractors is allowed. The contractors who will decline to receive payment through the banking channel or the MFS will have to pay 50 per cent higher tax at the applicable rate, officials of the finance ministry said.

The contractors who do not have electronic taxpayers identification numbers (TIN) will also be charged tax at 50 per cent higher rates, they said. The tax rate which now ranges between 2 per cent and 7 per cent may also see an increase in the budget, they added.

They said that finance minister AHM Mustafa Kamal might announce the amendments to the Income Tax Ordinance-1984 and Income Tax Rules-1984 in his budget proposals to be placed before the parliament on June 3.

The National Board of Revenue has proposed that these amendments should be incorporated to prevent informal transactions as well as tax evasion. According to the income tax law,

tax is applicable on income excluding business expenditures such as payment for purchase of raw materials, salary, remuneration and rent.

The existing provisions of the ordinance say that businesses will have to make the payment, excluding payment for purchase of raw materials, salary, remuneration and payment to the government, worth above Tk 50,000 through a crossed cheque or bank transfer.

As per the existing provision, salary and remuneration of above Tk 15,000 to an employee and any payment by way of any rent on any property should be made through crossed cheques or bank transfers for claiming the tax-free expenditure.

<http://www.newagebd.net/article/139160/govt-to-allow-businesses-mfs-transactions-for-tax-purpose>

Company News

Sonali Life's IPO subscription begins Sunday

The IPO subscription of Sonali Life Insurance, the first company under the newly introduced pro-rata basis, will begin tomorrow (Sunday), aiming to raise Tk 190 million under the fixed price method. The life insurer's initial public offering (IPO) subscription through electronic subscription system (ESS) under the fixed price method will be continued until June 3, officials said.

Sonali Life is the first company whose IPO shares will be allocated on the newly introduced pro-rata basis instead of lottery system. The IPO shares distribution on pro-rata basis allows every applicant to get shares which came into effective from April 1 of this year.

Minimum required investment for general public will be Tk 20,000 as on May 19, 2021 in matured listed securities at market price as per latest public issue rules. Minimum and maximum amount allowed for subscription for general public would be Tk 10,000 and 50,000 respectively.

The stock market regulator - Bangladesh Securities and Exchange Commission (BSEC) approved the company's IPO proposal on December 9, 2020. As per the BSEC approval, the Sonali Life Insurance will raise a capital worth Tk 190 million under the fixed price method issuing 19 million ordinary shares at an offer price of Tk 10 each.

The company will invest the IPO proceeds in government Treasury bond, fixed deposit receipt (FDR) and stock market along with bearing the IPO expenses. As per the audited financial statements for the year ended on December 31, 2019 the company's net asset value (NAV) per share is Tk 25.47 (without revaluation) and life insurance fund worth Tk 953.3 million.

ICB Capital Management and Agrani Equity & Investment are jointly working as issue managers of company's IPO process. The authorised capital of Sonali Life

Insurance, which was incorporated in Bangladesh on 7 July 2013, is Tk 1.0 billion.

The company's pre-IPO paid-up capital is Tk 285 million and its post-IPO paid-up capital would be Tk 475 million. Currently, 50 insurance companies - 38 non-life and 12 life insurers are listed with the Dhaka bourse.

Baraka Patenga Power: The IPO subscription of Baraka Patenga Power will open on June 13 and continue until June 17. The company will raise Tk 2.25 billion under the book-building method. Baraka Patenga will be the second company whose IPO shares will be allocated on the newly introduced pro-rata basis instead of lottery system.

Minimum required investment for general public is Tk 20,000 as on June 3, 2021 in matured listed securities at market price as per latest public issue rules. Minimum and maximum amount allowed for subscription for general public would be Tk 10,000 and 50,000 respectively.

Earlier the company completed electronic bidding and explored its cut-off price of shares - a requirement for going public under the book building method. The cut-off price of shares of company has been fixed at Tk 32 each through electronic bidding by eligible investors.

The general investors will get its IPO shares at Tk 29 each, a 10 per cent discount on the cut-off price, as per the book-building method. Baraka Patenga Power will raise

Tk 2.25 billion from the capital market under the book-building method by issuing total 73,770,488 ordinary shares.

Of the IPO proceeds, more than Tk 1.44 billion will be invested in two of its subsidiaries--Karnaphuli Power and Shikalbaha Power, partial repay long-term bank loans and bear the expenses of the IPO process. Subsidiaries of the Baraka Patenga - Karnaphuli Power and Baraka Shikalbaha Power have already started commercial operation after implementing two

(HFO) based IPP (Independent Power Producer) power plants having generation capacity of 110MW and 105MW respectively. Baraka Patenga Power holds 51 per cent shares of both the subsidiaries each.

According to the audited financial statement as of June 30, 2020, the company's consolidated earnings per share (EPS) were Tk 4.37 and separate Tk 1.84, consolidated net asset value per share Tk 23 without re-evaluated reserve and separate Tk 20.98. Besides, the company's

weighted average consolidated earnings per share for the last five years were Tk 3.30 and separate Tk 2.82. Lanka Bangla Investment is the issue manager for the company's IPO. Baraka Power, the parent company of Baraka Patenga Power, is already listed on the bourses since 2011.

<https://thefinancialexpress.com.bd/stock/sonali-lifes-ipo-subscription-begins-sunday-1622261182>

Price Sensitive News

Trading Code: ABBANK

News Title: ABBANK: Decision to issue perpetual Bonds

News: (cont. of ABBANK): and BDT 540 crore through private placement instead of earlier recommended BDT 500 crore through private placement subject to the approval of the Regulatory Authorities, approval of Shareholders and compliance of all formalities in this respect. (end)

Post Date: 2021-05-30

Trading Code: ABBANK

News Title: ABBANK: Decision to issue perpetual Bonds

News: Refer to the earlier news disseminated by DSE on 12.05.2021, the Company has further informed that the Board of Directors has recommended for enhancement of Additional Tier- 1 Capital of the Bank through issuance of Non-convertible, Unsecured and Floating rated perpetual Bonds of BDT 600 crore in two segments - BDT 60 crore through Public issue (cont.)

Post Date: 2021-05-30

Trading Code: BBS

News Title: BBS: Q3 Financials

News: (Continuation news of BBS): Significant deviation in EPS and NOCFPS: EPS decreased due to increase the price of raw materials, increase the amount of depreciation and decrease the income of associate and non-operating income of the Company compared to last year. The sales of the Company has affected by the impact of COVID-19 pandemic. NOCFPS increased due to increase of collection and decreasing the payment of Bank loan and others and also the impact of lower interest rate. (end)

Post Date: 2021-05-30

Trading Code: BBS

News Title: BBS: Q3 Financials

News: (Q3 Un-audited): EPS was Tk. (0.12) for January-March 2021 as against Tk. (0.02) for January-March 2020; EPS was Tk. 0.10 for July 2020-March 2021 as against Tk. 0.92 for July 2019-March 2020. NOCFPS was Tk. 0.82 for July 2020-March 2021 as against Tk. (0.56) for July 2019-March 2020. NAV per share was Tk. 14.57 as on March 31, 2021 and Tk. 14.95 as on June 30, 2020. (cont.)

Post Date: 2021-05-30

Trading Code: PRIME1ICBA

News Title: PRIME1ICBA: Weekly NAV

News: On the close of operation on May 24, 2021, the Fund has reported Net Asset Value (NAV) of Tk. 9.37 per unit on the basis of current market price and Tk. 12.06 per unit on the basis of cost price against face value of Tk. 10.00 whereas total Net Assets of the Fund stood at Tk. 937,249,672.73 on the basis of market price and Tk. 1,206,074,074.24 on the basis of cost price after considering all assets and liabilities of the Fund.

Post Date: 2021-05-30

Trading Code: ICBEPMF1S1

News Title: ICBEPMF1S1: Weekly NAV

News: On the close of operation on May 24, 2021, the Fund has reported Net Asset Value (NAV) of Tk. 8.64 per unit on the basis of current market price and Tk. 11.98 per unit on the basis of cost price against face value of Tk. 10.00 whereas total Net Assets of the Fund stood at Tk. 648,363,138.92 on the basis of market price and Tk. 898,865,086.42 on the basis of cost price after considering all assets and liabilities of the Fund.

Post Date: 2021-05-30

Trading Code: ICBAMCL2ND

News Title: ICBAMCL2ND: Weekly NAV

News: On the close of operation on May 24, 2021, the Fund has reported Net Asset Value (NAV) of Tk. 9.75 per unit on the basis of current market price and Tk. 13.67 per unit on the basis of cost price against face value of Tk. 10.00 whereas total Net Assets of the Fund stood at Tk. 487,570,083.47 on the basis of market price and Tk. 683,669,418.28 on the basis of cost price after considering all assets and liabilities of the Fund.

Post Date: 2021-05-30

Trading Code: 1STPRIMFMF

News Title: 1STPRIMFMF: Weekly NAV

News: On the close of operation on May 24, 2021, the Fund has reported Net Asset Value (NAV) of Tk. 12.82 per unit on the basis of current market price and Tk. 17.89 per unit on the basis of cost price against face value of Tk. 10.00 whereas total Net Assets of the Fund stood at Tk. 256,421,840.22 on the basis of market price and Tk. 357,730,153.51 on the basis of cost price after considering all assets and liabilities of the Fund.

Post Date: 2021-05-30

Trading Code: NLI1STMF

News Title: NLI1STMF: Weekly NAV

News: On the close of operation on May 27, 2021, the Fund has reported Net Asset Value (NAV) of Tk. 15.23 per unit on the basis of current market price and Tk. 13.84 per unit on the basis of cost price against face value of Tk. 10.00 whereas total Net Assets of the Fund stood at Tk. 766,485,582.42 on the basis of market price and Tk. 696,653,523.60 on the basis of cost price after considering all assets and liabilities of the Fund.

Post Date: 2021-05-30

Trading Code: ATCSLGF

News Title: ATCSLGF: Weekly NAV

News: On the close of operation on May 27, 2021, the Fund has reported Net Asset Value (NAV) of Tk. 12.40 per unit on the basis of current market price and Tk. 11.95 per unit on the basis of cost price against face value of Tk. 10.00 whereas total Net Assets of the Fund stood at Tk. 766,110,091.00 on the basis of current market price and Tk. 738,262,165.00 on the basis of cost price after considering all assets and liabilities of the Fund.

Post Date: 2021-05-30

Trading Code: NAHEEACP

News Title: NAHEEACP: Q3 Financials

News: (Q3 Un-audited): EPS was Tk. 0.62 for January-March 2021 as against Tk. 0.60 for January-March 2020; EPS was Tk. 1.64 for July 2020-March 2021 as against Tk. 2.19 for July 2019-March 2020. NOCFPS was Tk. 1.60 for July 2020-March 2021 as against Tk. 1.11 for July 2019-March 2020. NAV per share was Tk. 16.87 as on March 31, 2021 and Tk. 15.86 as on June 30, 2020.

Post Date: 2021-05-30

Trading Code: JAMUNABANK

News Title: JAMUNABANK: Credit Rating Result

News: Credit Rating Agency of Bangladesh Limited (CRAB) has announced the rating of the Company as "AA2" in the long term and "ST-2" in the short term along with a stable outlook based on audited financial statements of the Company up to December 31, 2020 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Post Date: 2021-05-30

Trading Code: RINGSHINE
News Title: RINGSHINE: Lay Off permission
News: The Company has informed that the Bangladesh Export Processing Zone Authority (BEPZA) has given permission to keep Lay Off of the factory up to 22 June 2021.
Post Date: 2021-05-30

Trading Code: EHL
News Title: EHL: Revaluation of land
News: The company has informed that the Board of Directors has approved the valuation report on the Property, Plant and Equipment (land item only) as certified by the professionally qualified valuation firm. The book value of the said assets was BDT 378.88 crore as at March 2021. After valuation the value of the said assets stands at BDT 429.09 crore.
Post Date: 2021-05-30

Trading Code: EHL
News Title: EHL: Q3 Financials
News: (Q3 Un-audited): EPS was Tk. 1.02 for January-March 2021 as against Tk. 0.52 for January-March 2020. EPS was Tk. 2.99 for July 2020-March 2021 as against Tk. 2.77 for July 2019-March 2020. NOCFPS was Tk. 9.37 for July 2020-March 2021 as against Tk. 22.40 for July 2019-March 2020. NAV per share was Tk. 63.96 as on March 31, 2021 and Tk. 62.47 as on June 30, 2020. NOCFPS was decreased due to less collection from customers and payment to suppliers/land owners.
Post Date: 2021-05-30

Trading Code: BATBC
News Title: BATBC: Q1 Financials (Revised)
News: (Q1 Un-audited): Reference to their earlier news of Q1 Financial disseminated by DSE on 27.05.2021, the company has further informed that after issuance of bonus shares, EPS was Tk. 7.17 for January-March 2021 as against Tk. 5.62 for January-March 2020. NOCFPS was Tk. 1.60 for January-March 2021 as against Tk. 2.21 for January-March 2020. NAV per share was Tk. 53.47 as on March 31, 2021 and Tk. 71.90 as on March 31, 2020.
Post Date: 2021-05-30

Trading Code: DELTASPINN
News Title: DELTASPINN: Q3 Financials
News: (Q3 Un-audited): Consolidated EPS was Tk. 0.04 for January-March 2021 as against Tk. 0.04 for January-March 2020. Consolidated EPS was Tk. 0.11 for July 2020-March 2021 as against Tk. 0.16 for July 2019-March 2020. Consolidated NOCFPS was Tk. 0.04 for July 2020-March 2021 as against Tk. 0.03 for July 2019-March 2020. Consolidated NAV per share (including revaluation) was Tk. 13.54 as on March 31, 2021 and Tk. 13.73 as on June 30, 2020.
Post Date: 2021-05-30

Daily Business News

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