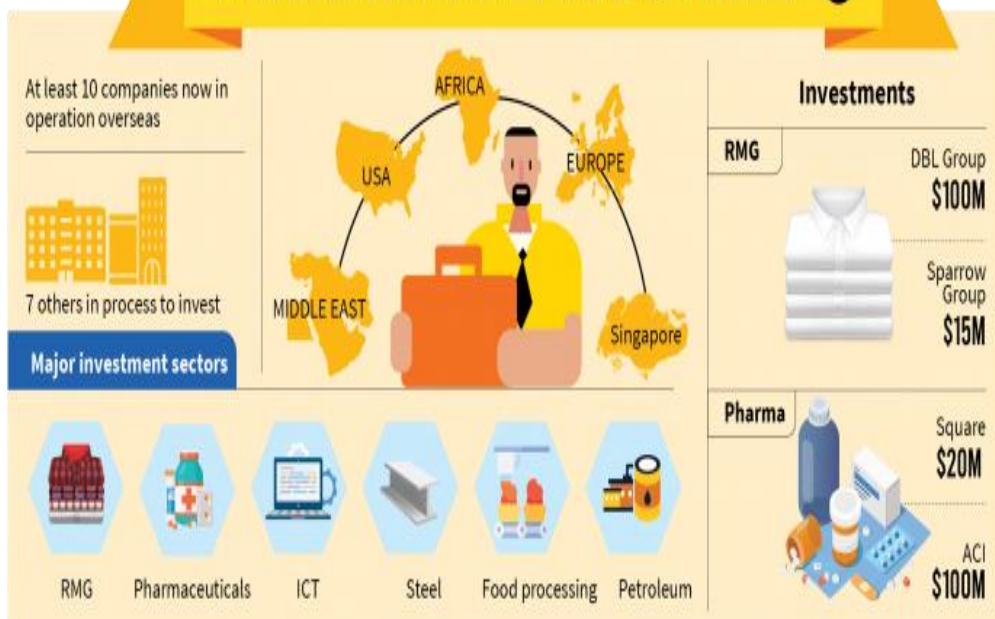



OVERSEAS INVESTMENT OF BANGLADESHI ENTITIES

BUSINESS NEWS ANALYSIS REPORT

Capital Market News

Stocks extend rally to set new highs

Stocks extended their rally on Tuesday with the key index of the Dhaka Stock Exchange (DSE) and market-cap setting new records as investors put fresh bets on bank and insurance issues. DSEX, the prime index of the DSE, went up by 38.24 points or 0.56 per cent to settle at 6,787 -- the highest since its inception more than eight years back on January 27, 2013. DSEX added 170 points in the past four straight sessions.

The DSE Shariah Index (DSES) followed the suit to close at a record high at 1,469 after a fractional gain of 0.20 point.

However, the DS30 index, a group of 30 prominent companies, shed 5.44 points to settle at 2,422. The market capitalisation of the DSE also hit a fresh all-time high at Tk 5,512 billion on Tuesday, surpassing the previous day's record high of Tk 5,490 billion.

Turnover, a crucial indicator of the market, remained high to Tk 26.73 billion on the country's premier bourse, which was 9.0 per cent lower than the previous day's decade high of Tk 29.54 billion. The turnover maintained an average of Tk 24.82 billion in the last 10 consecutive sessions as both the high net worth individual and institutional investors were active on the trading floor.

Market insiders said the market remained bullish over the past few weeks due to lower returns on the

Daily Business News

August 18, 2021

money market and limited scope of investment in other instruments while extended credit facilities have further boosted investor sentiment. The Bangladesh Securities and Exchange Commission (BSEC) on Thursday revised the limit of margin loan facilities based on the DSE key index - at a maximum rate of 1:0.80 when the DSEX is below 8,000. In other words, a maximum margin loan of Tk 80 can be provided against a client's own investment of Tk 100.

Gainers took a modest lead over the losers, as out of 374 issues traded, 192 advanced, 174 declined and eight remained unchanged on the Dhaka bourse. Beximco - the flagship company of Beximco Group-topped the turnover list with shares worth Tk 1.07 billion changing hands, followed by IFIC

Bank (Tk 1.0 billion), LankaBangla Finance (Tk 965 million), National Housing Finance & Investment (Tk 533 million) and AB Bank (Tk 497 million). First Security Islami Bank was the best performer, posting a gain of 10 per cent while Tallu Spinning Mills was the worst loser, losing 8.73 per cent.

<https://thefinancialexpress.com.bd/stock/stocks-extend-rally-to-set-new-highs-1629203871>

Market rally continues as banking, insurance stocks gain

The stock market bulls are displaying their eagerness to let the rally continue and push major indices even higher. Mainly banking and insurance stocks drove the rally on Tuesday, as investors seemed to have been curious about the banks' improved half-yearly earnings at the current price level of the stocks, while insurance stocks – both from life and non-life sectors – have corrected to some extent from their recent peaks.

DSEX, the broad-based index at the Dhaka Stock Exchange (DSE), gained 38.2 points or 0.57% to close at 6,787; a newer high for the most-tracked index that was launched in 2013, while its predecessor DGEN went up to near 9,000-mark in the bull market of 2010.

Unlike most common instances, where the market has to absorb some additional supplies as soon as new milestones in volume or turnover are achieved, Dhaka bourse's market capitalisation on

Tuesday continued growing from the record high of Tk5.49 lakh crore. On Monday, DSE registered over a billion of shares and other securities units to be traded for the first time in a single session.

<https://www.tbsnews.net/economy/stocks/market-rally-continues-banking-insurance-stocks-gain-289726>

Industry News

Textile millers to seek govt support to protect local industry

They worry that such facilities will be misused to bring a large quantity of yarn into the country under false declarations, which in turn will flood the domestic market. If Bangladesh allows yarn imports through all land ports across the country, and permits partial imports of the readymade garment industry's key material under the same letters of credit (LCs), it will seriously impact the local textile mills, industry leaders have said.

They worry that such facilities will be misused to bring a large quantity of yarn into the country under false declarations, which in turn will flood the domestic market. The Bangladesh Textile Mills Association (BTMA) has launched an effort to reach out to the National Board of Revenue (NBR) and ministries concerned in a bid to prevent such a scenario, and the decision came following a meeting of the association's senior leaders on Tuesday.

An insider who attended the meeting said, "We will soon reach out to the government to showcase the impact local textile industry will suffer due to irregularities if yarn imports are allowed through every land port and permissions are granted for partial imports.

<https://www.tbsnews.net/dropped/industry/textile-millers-seek-govt-support-protect-local-industry-289747>

NBFIs asked to ensure credit discipline

The Bangladesh Bank yesterday asked non-bank financial institutions to release approved loans to bank accounts owned by genuine borrowers. Some NBFIs have recently credited funds to the accounts held by other persons or entities who have not applied for the loan, flouting rules, according to a central bank notice. As per the Integrated Risk Management Guidelines for Financial Institutions-2016, the NBFIs have to disburse the loans to the borrowers' accounts.

Still, some NBFIs have breached the rules in recent years, the notice said. Such a practice has already created a wide range of corruptions at some NBFIs, paving the way for scamsters to swindle a huge amount of money through fraudulent means, a BB official said. For instance, the central bank unearthed that Proshanta Kumar Halder, popularly known as PK Halder, and his accomplices had used the same tricks to embezzle thousands of crores of taka from four NBFIs.

<https://www.thedailystar.net/business/economy/banks/news/nbfis-asked-ensure-credit-discipline-2154926>

Cash incentive on loans for women-owned SMEs

Bangladesh Bank yesterday declared a cash incentive on dedicated small and medium enterprise (SME) loan programmes for female entrepreneurs. Both the loan disbursing bank and female entrepreneur will avail 1 per cent incentive from Bangladesh Bank's own fund, according to a central bank notice. A central bank official said female entrepreneurs would enjoy the incentive against the principal amount.

The incentive, which is styled "Cash Incentive Support to Disbursed Loans among Women Entrepreneurs in the CMSME sector", will be provided after the entrepreneurs pay their monthly or quarterly instalment to banks. In addition, banks will also get a 1 per cent incentive such that they are prompted to disburse SME loans among women. The central bank has set a target to disburse at least 15 per cent of the annual SME loans among women-owned businesses within 2024.

<https://www.thedailystar.net/business/economy/banks/news/cash-incentive-loans-women-owned-smes-2154961>

Central bank asks non-banking financial institutions to lend rightly

The central bank has instructed non-banking financial institutions (NBFIs) to ensure loan or lease

financing appropriately for improving corporate governance in the financial sector, as some aberrations occurred. Under new provisions dictated by the Bangladesh Bank (BB), the NBFIs will have to preserve the copies of bank statements in the customers' files after disbursement of the loan or lease amounts. In the wake of a string of rulings by the regulator for the financial sector, including money and stock markets, the BB issued a notification Tuesday to the non-banks to this effect.

In case of Shariah-based Islamic NBFIs, consent of the customers will have to be collected and preserved accordingly before disbursement of funds to the concerned, it says. The latest BB moves came against the backdrop of disbursement of loans or leases bypassing the existing credit norms by some NBFIs.

In some cases, the central bank found that loans or leases were disbursed to third-party accounts instead of real borrowers, according to officials. He also said the BB's inspection teams had already found loans or leases disbursed to third-party accounts instead of the genuine borrowers. Earlier on February 28, the central bank asked the NBFIs to ensure proper use of loans through carrying out internal inspections on a regular basis on the loans.

On the other hand, the central bank also asked the NBFIs to verify borrower-submitted financial statements by using Document Verification System (DVS) before

sanctioning loan or leases to ensure credit discipline in the sector.

The BB issued another circular in this connection the same day asking all the managing directors and chief executive officers of the NBFIs to contact the Institute of Chartered Accountants of Bangladesh (ICAB) for using DVS. DVS is an application under which a document verification code (DVC) would be automatically generated by the system after submission of some specific information by the auditor.

<https://thefinancialexpress.com.bd/economy/central-bank-asks-non-banking-financial-institutions-to-lend-rightly-1629254587>

Economy News

Businesses look beyond border to grow, but it's not easy

Political instabilities in host countries and persisting pandemic limit the gains expected from overseas investment of Bangladeshi entrepreneurs, prompting some to pull out. Industry people say overseas investment is preferable to diversify export products and get more duty-free advantages across the globe to help Bangladesh overcome the looming challenges of the post-LDC graduation period.

While some investors are already well on their way to become good performers in overseas businesses, others are preparing to go into production, but the pandemic has been a road bump on their way.

Nevertheless, they are hoping to turn around in the coming days, they add.

<https://www.tbsnews.net/economy/businesses-look-beyond-border-grow-its-not-easy-289753>

Outbound investments up to 5% of forex reserve on cards

The government is set to provide outbound investment opportunities to local exporters and any company running their business in the domestic market for 10 years. This opportunity will be extended to small and medium enterprises interested in establishing backward and forward linkage industries, along with NGOs with a reputation for working towards society's betterment and improving people's quality of life in Bangladesh.

The government will allow local companies with outbound investments to enlist in foreign stock markets too. However, Bangladesh's total outbound investment in a single fiscal year will not exceed 5% of the central bank's foreign exchange reserves for that particular fiscal year.

According to the draft guideline, exporters will be able to make outbound investments reaching up to 25% of their average exports in the past five years. Other companies and NGOs will be able to invest up to 25% of their net assets – per their latest audited balance sheet.

Companies seeking to invest more than these amounts can apply for the opportunity along with a proper rationale behind their decision. If needed, the Bangladesh

government will allow such companies to make outbound investments against bank guarantees.

<https://www.tbsnews.net/economy/outbound-investments-5-forex-reserve-cards-289750>

IFC commits \$791m for private firms

The International Finance Corporation (IFC) has committed \$791 million to support Bangladesh's businesses amidst the coronavirus pandemic. The sum is an increase of almost 33 per cent from last year, the private sector lending arm of the World Bank Group said in a press release yesterday.

Working capital facilities for financial institutions, mobile financial services, agribusiness, garment, telecom and e-logistics fall within the 2021 commitment, according to the IFC. Amid a challenging year with massive and ongoing social and economic disruptions caused by Covid-19, the IFC committed more than \$3.8 billion in South Asia as of June 2021.

<https://www.thedailystar.net/business/economy/news/ifc-commits-791m-private-firms-2154941>

Govt to borrow Tk 73 billion in rest of the month

To meet the recurrent spending, the government wants to borrow some Tk 73 billion through treasury bills and bonds during the rest of the ongoing August. As a part to borrow the money from the financial market, Bangladesh Bank

is set to hold an auction of 10-year treasury bond today. Tk 15 billion is targeted to be mobilised by selling the bond.

The auction calendar of the central bank also shows that another bid will be held the next Tuesday (August 24) to sell 15-year treasury bond to collect Tk 5.50 billion and 20-year treasury bond to collect Tk 8.50 billion. In total, Tk 14 billion will be collected through the auction. Meanwhile, an auction of 91-day and 180-day treasury bills is scheduled to be held tomorrow (August 18) to mobilise Tk 10 billion and Tk 12 billion respectively. Again, on August 26, the central bank will hold another auction of 91-day and 364-day treasury bills to borrow Tk 10 billion and Tk 12 billion respectively from the market.

<https://thefinancialexpress.com.bd/economy/govt-to-borrow-tk-73-billion-in-rest-of-the-month-1629185078>

Company News

Anwar Galvanizing's price jumps on expansion news

The share price of Anwar Galvanizing, a subsidiary of Anwar Group, soared following the news that the company has decided to double its production. The share price rose by 3.15 per cent on Tuesday on the Dhaka Stock Exchange (DSE) to close at Tk 343.70 each, after hitting one year highest price. The company's share price jumped 196 per cent or Tk

227 each in the past three months. Its share price was Tk 116 each three month earlier on May 17. In the last one year, the company's shares traded between Tk 76.80 and Tk 345 each.

The board of directors of Anwar Galvanizing has decided to increase its production capacity, said the company in a filing with the Dhaka Stock Exchange (DSE) Tuesday. The company has approved an expansion plan for increasing the production by 2,417 MT per annum requiring additional investment of Tk 273.7 million (including working capital requirement of Tk 20 million). The sources of machinery are in majority same as existing in operation. On completion of the project, the total capacity will stand at 4,725 MT per annum and the market share of the company will increase from 25 per cent to 52 per cent, said the company.

The company received sanction letter from the DESCO (Dhaka Electric Supply Company) for an additional power supply of 1 MW that will support the expansion, it said. The new expansion project will be financed from a mix of own resources and borrowed finance. The project is expected to go into operation from the fourth quarter next year, said the company.

Started operation in mid-1980s, Anwar Galvanizing is involved in manufacturing of galvanized corrugated sheet and galvanized GI fittings of all specifications and grades. The company is the country's first manufacturer of galvanized iron-pipe fittings and brake drums. The company has reported restated earnings per share (EPS) of Tk 0.54 for January-March 2021 as against Tk 0.61 for January-March 2020. In nine months for July 2020 to March 2021, its EPS was Tk 2.13 as

against Tk 1.43 for July 2019-March 2020.

The company's net operating cash flow per share (NOCFPS) was Tk 0.12 for July 2020-March 2021 as against Tk 1.84 for July 2019-March 2020. The net asset value (NAV) per share was Tk 11.52 as on March 31, 2021 and Tk 10.85 as on June 30, 2020. Anwar Galvanizing, which was listed on the DSE in 1996, disbursed 10 per cent cash and 5.0 per cent stock dividend for the year ended on June, 2020. In 2019, it provided a 10 per cent cash dividend.

<https://thefinancialexpress.com.bd/stock/anwar-galvanizings-price-jumps-on-expansion-news-1629258904>

Price Sensitive News

Trading Code: PEOPLESINS

News Title: PEOPLESINS: Appointment of CEO

News: The Company has informed that the Board of Directors has appointed Mr. S. M. Azizul Hossain as the CEO of the Company effective from August 09, 2021. The Insurance Development and Regulatory Authority (IDRA) has approved his appointment.

Post Date: 2021-08-18

Trading Code: PIONEERINS

News Title: PIONEERINS: Board Meeting schedule under LR 16(1)

News: As per Regulation 16(1) of the Dhaka Stock Exchange (Listing) Regulations, 2015, the Company has informed that a meeting of the Board of Directors will be held on August 24, 2021 at 3:00 PM to consider, among others, un-audited financial statements of the Company for the Second Quarter (Q2) period ended on June 30, 2021.

Post Date: 2021-08-18

Trading Code: AMBEEPHA

News Title: AMBEEPHA: Q3 Financials

News: (Q3 Un-audited): EPS was Tk. 0.30 for January-March 2021 as against Tk. 0.75 for January-March 2020; EPS was Tk. 0.65 for July 2020-March 2021 as against Tk. 2.38 for July 2019-March 2020. NOCFPS was Tk. 3.89 for July 2020-March 2021 as against Tk. 0.09 for July 2019-March 2020. NAV per share was Tk. 23.25 as on March 31, 2021 and Tk. 24.10 as on June 30, 2020.

Post Date: 2021-08-18

Trading Code: AMBEEPHA
News Title: AMBEEPHA: Q2 Financials
News: (Q2 Un-audited): EPS was Tk. 0.20 for October-December, 2020 as against Tk. 0.88 for October-December, 2019; EPS was Tk. 0.35 for July-December, 2020 as against Tk. 1.63 for July-December, 2019. NOCFPS was Tk. 0.54 for July-December, 2020 as against Tk. 0.07 for July-December, 2019. NAV per share was Tk. 22.95 as on December 31, 2020 and Tk. 24.10 as on June 30, 2020.
Post Date: 2021-08-18

Trading Code: AMBEEPHA
News Title: AMBEEPHA: Q1 Financials
News: (Q1 Un-audited): EPS was Tk. 0.15 for July-September 2020 as against Tk. 0.75 for July-September 2019; NOCFPS was Tk. 0.68 for July-September 2020 as against Tk. 0.44 for July-September 2019. NAV per share was Tk. 24.25 as on September 30, 2020 and Tk. 24.10 as on June 30, 2020.
Post Date: 2021-08-18

Trading Code: BNICL
News Title: BNICL: Q2 Financials
News: (Q2 Un-audited): EPS was Tk. 1.03 for April-June 2021 as against Tk. 0.19 for April-June 2020; EPS was Tk. 2.04 for January-June 2021 as against Tk. 0.75 for January-June 2020. NOCFPS was Tk. 4.32 for January-June 2021 as against Tk. 2.27 for January-June 2020. NAV per share was Tk. 20.85 as on June 30, 2021 and Tk. 20.17 as on December 31, 2020.
Post Date: 2021-08-18

Trading Code: ASIAINS
News Title: ASIAINS: Q2 Financials
News: (Q2 Un-audited): EPS was Tk. 0.75 for April-June 2021 as against Tk. 0.44 for April-June 2020; EPS was Tk. 1.48 for January-June 2021 as against Tk. 1.03 for January-June 2020. NOCFPS was Tk. 2.57 for January-June 2021 as against Tk. 2.38 for January-June 2020. NAV per share was Tk. 25.30 as on June 30, 2021 and 20.48 as on June 30, 2020.
Post Date: 2021-08-18

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