



Daily Business News

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BUSINESS NEWS ANALYSIS REPORT

Capital Market News

IPO fund raising hits 10-yr high

Fund raising by companies through initial public offerings in Bangladesh in 2021 hit Tk 1,658.44 crore, the highest after 2011. In 2011, a total of 13 companies raised Tk 1,678 crore through IPOs. Fourteen companies raised Tk 1,233.44 crore while BEXIMCO raised Tk 425 crore through an IPO of Sukuk in 2021. Eleven companies raised funds using the fixed-price method of IPO.

Union Bank raised Tk 428 crore, eGeneration Tk 15 crore, Taufika Foods Tk 30 crore, NRB Commercial Bank Tk 120 crore, Desh General Insurance Tk 16 crore, Sonali Life Insurance Tk 19 crore, South Bangla Agriculture &

Commercial Bank Tk 1 crore, Sena Kalyan Insurance Tk 16 crore, ACME Pesticides Tk 30 crore, Union Insurance Tk 19.36 crore and BD Thai Food & Beverage Tk 15 crore.

Union Bank raised Tk 428 crore from the public, which was the largest IPO from the banking sector. Among all sectors, it was the fourth-largest IPO after Robi Axiata Tk 523 crore, Grameenphone Tk 486 crore and MJL Bangladesh Tk 460 crore. Three companies which raised funds under the book-building method are Lub-rref Tk 150 crore, Index Agro Industries Tk 50 crore and Baraka Patenga Power Tk 225 crore.

<https://www.newagebd.net/article/159117/ipo-fund-raising-hits-10-yr-high>

Most listed steel makers report strong profits in FY21

The majority of listed steel companies reported higher profits in the last fiscal year compared to the previous fiscal year as demand surges and prices rise. On-going mega projects, cost-cutting measures, innovation, high prices, and stimulus packages helped make the steel makers strong profits, according to their annual reports. Five out of eight companies gained profits during the period, according to their annual reports. However, the annual report of Appollo Ispat was not available.

BSRM Ltd, one of the country's steel giants, posted a Tk 497.04 crore in profit, resulting in record profit, more than five times higher compared to the last fiscal year, said the annual report. Likewise, BSRM Steels, another subsidiary of BSRM Group, made profits of over Tk 304 crore in FY21, four

times higher than the profit of Tk 74.23 crore made in FY20.

Another steel manufacturing giant GPH Ispat gained 5.5 times more profit to Tk 166.09 crore in FY21, up from almost Tk 30 crore recorded in FY20. GPH Ispat Managing Director Mohammed Jahangir Alam, in the company's latest annual report, said, "In 2020-21, GPH Ispat has delivered a solid performance both in operational and financial business segment despite high competition in local market and raw materials price volatility in the international market."

GPH Ispat also makes its presence globally by starting the export of MS Billet to China. If new players in the steel manufacturing market come in, the steel market will become more competitive and the industry will become export-oriented, the annual report mentioned.

Dominage Steel, a prefabricated steel structure building maker, made Tk 10.69 crore in profits, up from more than Tk 9 crore during the period. On the flip side, Bangladesh Building Systems and Ratanpur Steel (RSRM) incurred losses during the period. The local steel manufacturers believe the steel industry might continue to grow above 10 per cent in the next few years, riding on the government's mega projects in line with its vision 2041.

<https://businesspostbd.com/stock/2022-01-05/most-listed-steel-makers-report-strong-profits-in-fy21>

Stocks spurred by export surge

The Dhaka stock index has edged up as investors were in a buying spree spurred by growing export

earnings of the country. The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 29 points, or 0.42 per cent, to 6,882 yesterday. This was the third day of a continuous rise amounting to 2 per cent or 151 points. Investors' confidence grew with news of higher export earnings last month, said a top official of an asset management company.

December's export earnings were 48.27 per cent higher year-on-year as exporters raked in \$4.9 billion. It was \$3.3 billion in the same month in 2020, according to data from the Export Promotion Bureau. In 2021 overall exports made a 32 per cent year-on-year gain to \$44.22 billion from \$33.6 billion in 2020. It gives a clear indication of strong economic recovery amidst the new challenges posed by the Omicron variant of the coronavirus pandemic, said the asset manager. Exports-focused textile companies underwent a rising trend due to the higher earnings, he added.

Among 58 listed textile and readymade garment companies, stocks of 46 rose, nine dropped and three remained unchanged, shows the DSE data. The DS-30, the blue-chip index of the DSE, rose 15 points, or 0.60 per cent, to 2,576. At the DSE, 217 stocks advanced, 132 fell and 28 remained the same. Turnover of the premier bourse soared 47 per cent to Tk 1,314 crore, up from the previous day's Tk 894 crore.

Stocks of eGeneration topped the gainers' list, rising 9.98 per cent, followed by Fareast Islami Life Insurance Company, Taufika Foods and Lovello Ice-Cream, Ring Shine Textiles and RN Spinning Mills. The Sonali Paper and Board Mills shed the most,

dropping 7.49 per cent, followed by Atlas Bangladesh, Libra Infusions, Agricultural Marketing Company (Pran) and Dacca Dyeing & Manufacturing Company. Stocks of Beximco topped the turnover list with trade worth Tk 181 crore followed by Bangladesh Shipping Corporation, Fortune Shoes, Power Grid Company of Bangladesh, and The Peninsula Chittagong.

<https://www.thedailystar.net/business/economy/stock/news/stocks-spurred-export-surge-2931786>

Industry News

Interest rate spread of 30 banks increases in November

The overall weighted average interest rate spread of 30 banks increased in November as they managed to reduce their cost against deposits. Tightened sales process of national savings certificates and the downward trend of Bangladesh's stock market in the last couple of months enabled the banks to attract more funds, bankers said. As a result, the banks got the scope for offering lower interest rate against their deposit products as they were still having adequate amount of liquidity in their hands, they said.

The officials said that the credit demand in the country's private sector was inadequate to absorb the excess liquidity and so the banks were reluctant to offer higher interest against deposit products. The banks, however, were barred from offering interest rate below the inflation rate against pension funds of the government entities or private entities and term deposits of

any amount meant for the payment of post-retirement benefits.

According to the latest Bangladesh Bank data, still 22 banks' weighted average deposit rates were less than 4 per cent. Against the increase of weighted average interest rate spread of 30 banks, the spread of 27 banks declined and it remained unchanged in three banks. However, the overall interest rate spread of the banks inched up to 0.02 percentage points to 3.16 percentage points in November against 3.14 percentage points in the previous month.

Of the banks, weighted average interest rate of spread was highest 5.15 percentage points in the foreign commercial bank, the rate was 3.3 percentage points in private commercial bank, 2.18 percentage points in state-owned commercial banks and 1.54 percentage points in specialised banks. In November, weighted average lending rate in the banking sector remained unchanged at 7.15 per cent.

In the private commercial banks, the weighted average lending rate was 7.45 per cent, the rate was 5.97 per cent in foreign commercial banks, 6.12 per cent in state-owned commercial banks and 7.09 per cent in the specialised banks.

On the other hand, weighted average deposits rates in the banking sector declined by 0.02 percentage points to 3.99 per cent from 4.01 per cent in the previous month. Weighted average deposit rate in the private commercial banks stood at 4.15 per cent, the rate was 0.82 per cent in foreign commercial bank, 3.94 per cent in state-owned commercial bank and 5.55 per cent in specialised banks.

<https://www.newagebd.net/article/159114/interest-rate-spread-of-30-banks-increases-in-november>

Investment Galore in spinning despite Covid

The spinning sector in Bangladesh witnessed a major jump in investment last year as entrepreneurs set up 26 new mills to meet rising demand despite uncertainty in the global apparel supply chain owing to the pandemic. Entrepreneurs invested Tk 5,970 crore in the new manufacturing plants, adding more than 745,400 new spindles to their combined capacity, according to data from the Bangladesh Textile Mills Association (BTMA).

Mondol Group, one of the leading garment exporters, has invested Tk 450 crore to establish a spinning mill at Mirzapur in Tangail. The plant went into production on December 15 and is producing 50 tonnes of cotton yarn per day. The raw material is used in manufacturing garments items for international buyers. The company now plans to expand the production capacity to 75 tonnes with an investment of another Tk 300 crore this year. It has installed 77,000 spindles through the first investment and another 40,000 spindles will be added this year. The new factory may sell 30 per cent of the yarn to others.

<https://www.thedailystar.net/business/economy/news/investment-galore-spinning-despite-covid-2932676>

Economy News

Mirsarai economic zone's cost up 74pc

The estimated expenditure for the under-construction Mirsarai economic zone has spiralled by about 74 per cent due to changes for further development works and increase in the number of industrial plots. Moreover, it will take another two years, meaning until June 2023, to complete the project, which was first approved in September 2018 and due to be complete by June 2021. The Executive Committee of the National Economic Council yesterday approved the project's first revision, increasing the cost to Tk 1,303 crore from Tk 750 crore. That means, around Tk 552 crore of additional taxpayers' money will be have to be pumped into the project.

According to Planning Commission documents, one of the major reasons for the implementation time period and cost hikes is the increase in the number of industrial plots from 250 to 539, increasing the cost of land development and construction works. Each plot is of 3,600 square feet. The changes are to 61 components, with some 34 increasing costs and 27 enabling reductions. Cumulatively, they increase the project cost by Tk 369 crore.

Other developments are purchase of fire station equipment, construction of factory buildings, footpaths and three residential buildings and repairs of vehicles, increasing costs by Tk 182 crore. This is yet another example of improper projections of government projects costing time and money. The project was taken mainly due to unavailability of

industrial plots in the eight export processing zones (EPZs) run by Bangladesh Export Processing Zones Authority (BEPZA).

<https://www.thedailystar.net/business/economy/news/mirsarai-economic-zones-cost-74pc-2932661>

Company News

Golden Harvest to extend time for use of rights proceeds

Golden Harvest Agro Industries, which is engaged in the frozen food and ice cream business, has decided to extend time for utilisation of unused rights share issue fund until January 21, 2023. Shareholders of the company have approved the time extension in its 17th annual general meeting held on Thursday through a digital platform," said the company in a filing with the Dhaka Stock Exchange (DSE) on Thursday.

Now, the company will apply to Bangladesh Securities and Exchange Commission (BSEC) for

regulatory approval of the time extension, said the company. The company has wanted to extend time for utilisation of unused rights share issue proceeds until January 21, 2023 (one year from existing time) as a special resolution, according to the filing. In December 2019, Golden Harvest Agro Industries raised a capital worth Tk 899.32 million by issuing 89.93 million rights shares for expansion of existing production and distribution channels and repayment of bank loans.

The food and allied sector company issued three rights shares against four existing shares (3R:4) at an offer price of Tk 10 each. The rights issue is an offer of new shares by a company to its existing shareholders in proportion to the shares they already own and usually at a discount to market price. Each share of Golden Harvest, listed on DSE in 2013, closed at Tk 16.50 on Thursday, remaining unchanged over the previous day.

The company bounced back to profit in the July-September 2021 after incurring losses in four consecutive quarters. The company has reported consolidated earnings

per share (EPS) of Tk 0.02 for July-September 2021 as against minus Tk 0.34 for July-September 2020. Meanwhile, the Company has been placed in "B" category from existing "A" category with effect from January 02, 2022 as the company has approved 3.0 per cent final cash dividend to the general shareholders other than sponsors/directors (Total 5.0 per cent cash dividend inclusive 2.0 per cent interim cash dividend, which has already been paid) for the year ended on June 30, 2021.

In 2020, the company declared "No" dividend. It disbursed 7.0 per cent cash and 5.0 per cent stock dividend in 2019. The company's paid-up capital is Tk 2.15 billion and authorised capital is Tk 2.50 billion, while the total number of securities is 215.83 million.

<https://thefinancialexpress.com.bd/stock/golden-harvest-to-extend-time-for-use-of-rights-proceeds-1640923420>

Price Sensitive News

Trading Code: AAMRANET

News Title: AAMRANET: Update of Information

News: (Continuation news of AAMRANET): The Company also request to send the required information to the following email address at aamranet.sharedept@aamra.com.bd and syed.moniruzzaman@aamra.com.bd on or before January 12, 2022 followed by a hard copy at aamra networks limited, level 9, Safura Tower, 20 Kemal Ataturk Avenue, Banani, Dhaka. (end)

Post Date: 2022-01-05

Trading Code: AAMRANET

News Title: AAMRANET: Update of Information

News: The Company has requested all the Stock Brokerage Houses to provide their statement having details of margin loan holders (i.e., BOID numbers, Shareholders' name, client-wise shareholding position, gross dividend receivable,

applicable tax rate and net dividend receivable, bank account number, routing number) as on the Record Date i.e. November 21, 2021 to receive the dividend (5% Cash and 5% Stock declared in last AGM). (cont.)

Post Date: 2022-01-05

Trading Code: RENATA

News Title: RENATA: Dividend Disbursement

News: The Company has informed that it has credited the Bonus shares for the year ended on June 30, 2021 to the respective shareholders' BO Accounts on January 04, 2022.

Post Date: 2022-01-05

Trading Code: BDFINANCE

News Title: BDFINANCE: Approval from Bangladesh Bank for opening Islami Shariah Based Wing

News: The Company has informed that Bangladesh Finance Limited has obtained final approval from Bangladesh Bank for opening Islami Shariah Based Wing in its Principal Branch, Bangshal Branch, Uttara Branch, Gazipur Branch, Chattogram Branch and Jashore Branch.

Post Date: 2022-01-05

Trading Code: BEXIMCO

News Title: BEXIMCO: Buy Confirmation of a Corporate Director

News: Beximco Holdings Ltd., one of the Corporate Directors of the Company, has further reported that it has completed its buying of 3,00,00,000 shares of the Company at prevailing market price through Dhaka Stock Exchange as per declaration disseminated on 23.11.2021.

Post Date: 2022-01-05

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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.