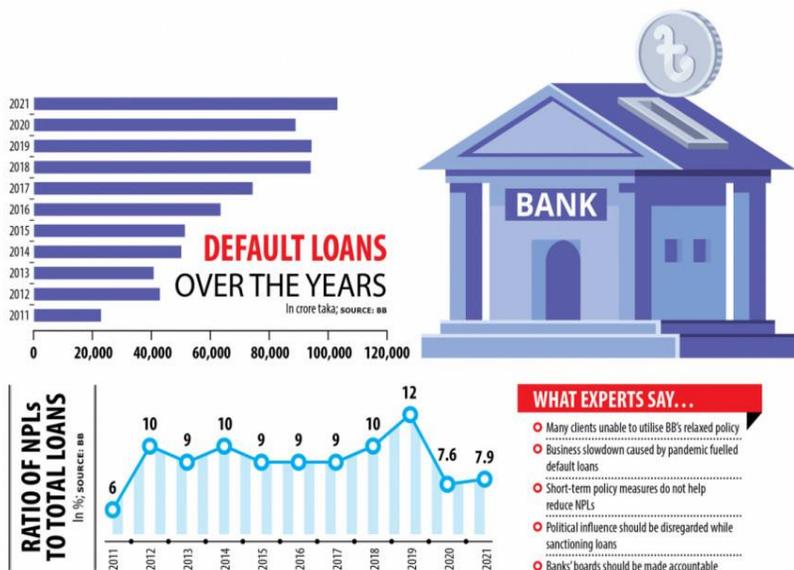




Photo Gallery



Daily Business News

March 3, 2022

BUSINESS NEWS ANALYSIS REPORT

Capital Market News

Dhaka stocks plunge again

Dhaka stocks fell sharply again on Wednesday after a two-day gain as investors went for selling shares heavily amid the Russia-Ukraine conflict. DSEX, the key index of the Dhaka Stock Exchange, dropped by 0.79 per cent, or 53.95 points, to close at 6,699.83 points on Wednesday after gaining 77.64 points in the previous two sessions. After a slight gain at the beginning of Wednesday's session, the market moved downwards sharply and finished the session deep into the negative zone as investors went for jittery share sales amid the escalation in Russia-Ukraine conflict, market operators said.

The crisis has sent world commodity markets into a spiral

over the past week as crude oil surged past \$113 a barrel on Wednesday, the media reported. Average share prices of all the sectors except life insurance dropped on Wednesday. Share prices of non-bank financial institution, telecommunication, engineering and bank sectors declined by 1.4 per cent, 1.3 per cent, 1.28 per cent and 0.9 per cent respectively. Out of the 377 issues traded on Wednesday, 288 declined, 58 advanced and 33 remained unchanged on the DSE. The daily average turnover on the DSE dropped to Tk 656.06 crore on Wednesday compared with that of Tk 798.91 crore in the previous session. Wednesday's turnover was the lowest after December 21, 2021 when it was at Tk 652.01 crore.

The market has already been struggling after the central bank issued a circular saying that

investments of NBFIs in shares and other capital market instruments would be considered as their capital market investments, and investors apprehended that the directive would further squeeze the NBFIs' investments in the stock market, the market operators said. The DS30 index comprising of 30 large capitalised companies decreased by 19.45 points to finish at 2,470.5 points and the DSE Shariah index shed 10.30 points to close at 1,443.42 points.

BEXIMCO topped the turnover chart with its shares worth Tk 110.26 crore changing hands. Bangladesh Shipping Corporation, British American Tobacco, Yeakin Polymer, SAIF Powertec, Orion Pharma, Dragon Sweater, Fortune Shoes, BRAC Bank and Fareast Life Insurance were the other turnover leaders. Sun Life Insurance Company Limited was the day's best performer, posting a

gain of 9.97 per cent, while NCCBL Mutual Fund-1 Limited was the worst loser, shedding 10 per cent.

<https://www.newagebd.net/article/164248/dhaka-stocks-plunge-again>

Stock turnover falls below Tk 700 crore again

Share prices dropped in Dhaka Stock Exchange (DSE) today after experiencing a rebound in the previous two days. The DSEX, the benchmark index of the DSE, plunged 53 points, or 0.79 per cent, to 6,699 at the end of the day. Turnover at the premier bourse plunged around 18 per cent to Tk 656 crore, which is the lowest since December 21 of the last year when the turnover hit Tk 652 crore. Beximco Ltd became the most traded stock with shares worth Tk 110 crore changing hands, followed by Bangladesh Shipping Corporation, British American Tobacco Bangladesh, Yeakin Polymer, and Saif Powertec.

<https://www.thedailystar.net/busines/news/stock-turnover-falls-below-tk-700-crore-again-2973976>

Industry News

Relaxed policies fail to bring down bad loans

Default loans in the banking sector surged 16.38 per cent year-on-year to Tk 103,274 crore in 2021, rendering the relaxed loan classification policy unveiled by the Bangladesh Bank largely ineffective. So, analysts have urged the central bank to take long-term policy measures in order to rein in

non-performing loans (NPLs) instead of putting in place short-term steps. The central bank earlier took various measures, including relaxing the loan rescheduling and classification policies, to get rid of NPLs. But the measures have proved to be ineffective and have not brought any good for the banking sector.

The ratio of NPLs to outstanding loans and advances stood at 7.9 per cent last year in contrast to 7.6 per cent in 2020, according to the BB data released yesterday. A BB official says that borrowers enjoyed policy support in 2020 and 2021 as the government stepped up to help them withstand the impacts of the pandemic. For instance, the central bank declared a moratorium facility for borrowers throughout 2020 that helped reduce NPLs to Tk 88,734 crore, down 6 per cent from 2019. The relaxed policy continued last year as well.

Under the policy, borrowers were also allowed to avoid slipping into the default zone in exchange of giving only 15 per cent of the total instalments payable last year. The central bank official says that some borrowers had early filed writ petitions with the High Court so that their loans were not shown as classified. But, the High Court later vacated the petitions following submission of pleas from lenders. As a result, classified loans rose.

<https://www.thedailystar.net/busines/economy/news/relaxed-policies-fail-bring-down-bad-loans-2974531>

4G speed of GP, Robi, Teletalk below par in Dhaka: BTRC

Three mobile phone operators — Grameenphone, Robi and Teletalk — failed to maintain 4G internet

speed standards in terms of downloading speed in the Dhaka division, according to a Bangladesh Telecommunication Regulatory Commission test report. The test which was conducted in December 13-31 of 2021, however, did not cover the areas in the Dhaka North City Corporation and the Dhaka South City Corporation, it said.

The test covered Gazipur and Narayanganj city corporations, 13 districts and 39 upazilas in the Dhaka division. As per the BTRC's 4G guidelines, the telecom operators are supposed to provide 4G internet speed at the rate of 7Mbps. The telecom regulator published the report on Wednesday. It was prepared based on 3,502 samples of downloading speed of the country's four mobile operators. During the test, the BTRC covered approximately 1,309 kilometres of the division.

Based on 1,062 samples of downloading speed, the leading mobile phone operator GP's 4G downloading speed stood at 6.99Mbps. The second largest telecom operator Robi's 4G downloading speed stood at 6.41Mbps based on 903 data samples. State-owned Teletalk's 4G internet speed was the poorest among all the telecom operators as it provided 4G download speed of 2.8Mbps to its customers.

The state-owned telecom operator also failed to provide its customers with standard 3G downloading speed at the rate of 2Mbps. Mobile phone operator Banglalink was the lone network operator to maintain standard 4G internet speed for its customers. It provided 4G downloading speed of 8.01Mbps to its customers.

In March 2021, the commission published a test report on the mobile operators' service quality in the Dhaka city. The report covered 1,121 kilometres of the city and found all the telecom operators non-compliant in terms of providing 4G download speed. The BTRC disclosed the sorry state of 4G download speed at a time when the government has planned to launch 5G internet on a limited scale by the year 2022 under a government project.

Of the telecom operators, leading telecom operator GP is serving 8.35 crore connections, Robi 5.37 crore, Banglalink 3.72 crore and Teletalk 66.7 lakh, taking the country's total number of mobile phone connections to 18.1 crore at the end of December 2021.

<https://www.newagebd.net/article/164251/4g-speed-of-gp-robi-teletalk-below-par-in-dhaka-btrc>

Defaulted bank loans grow by Tk 14,990cr in 2021

The amount of defaulted loans in the country's banking system increased by Tk 14,990 crore in 2021, despite regulatory forbearance. According to Bangladesh Bank data released on Wednesday, the amount of defaulted loans in the country's banks increased to Tk 1,03,274 crore at the end of December 2021 from Tk 88,284 crore a year ago. Economists fear for a further deterioration in the default loan situation as regulatory forbearances made a large volume of unrecovered loans categorised as unclassified. If such loans turn defaulted, the amount of defaulted loans would become double, they said.

Of the amount, the defaulted loans in the private commercial banks increased by Tk 11,605 crore to Tk 51,521 crore in December 2021 from Tk 39,916 crore in December 2020. The amount of defaulted loans in the private commercial banks represents 49.89 per cent of the total defaulted loans while the ratio was 45.21 per cent a year ago. In the state-owned banks, the defaulted loans increased by Tk 2,703 crore to Tk 44,977 crore in December 2021, from Tk 42,274 crore a year ago. The ratio of defaulted loans in SCB stood at 43.55 per cent in December 2021, from 47.88 per cent a year ago.

In the specialised banks and foreign commercial banks, the amount of defaulted loans stood at Tk 3,991 crore and Tk 2,785 crore respectively at the end of December 2021. As part of regulatory forbearance, the banks were allowed to keep any loan unclassified upon payment of 15 per cent of any borrower's overdue loan amount for the year 2021 within January 20, 2021.

<https://www.newagebd.net/article/164252/defaulted-bank-loans-grow-by-tk-14990cr-in-2021>

Banks' non-performing loans see 16% rise

Non-performing loans (NPLs) in the country's banking sector increased 16.38 per cent year-on-year to Tk 103,274 crore in 2021 despite a relaxed loan classification policy taken by the Bangladesh Bank. The ratio of default loans to outstanding loans and advances stood at 7.9 per cent last year in contrast to 7.6 per cent in 2020, according to the central bank data released today. Bangladesh Bank officials said that the amount of non-performing loans would have

been much higher than the existing volume had the central bank not relaxed the loan classification policy.

As per the central bank rules, borrowers were allowed to avoid the default zone by giving only 15 per cent of their total instalments of loans payable for last year. NPLs may escalate further in the second quarter (April and June) of this year as the impact of relaxed policy will be depleted during the period, the BB officials warned.

Against the backdrop, banks should give their all-out efforts to bolster recovery of bad assets in a bid to tackle the upcoming situation, they said. Classified loans in the banking sector stood at Tk 88,734 crore in 2020 compared to Tk 94,331 crore the year before. Borrowers also enjoyed a moratorium facility to repay loans throughout 2020 as the central bank took the move to offset the business slowdown emanating from the coronavirus pandemic.

<https://www.thedailystar.net/business/news/banks-non-performing-loan-rises-16-2974021>

Economy News

Bangladesh feels the heat of Ukraine invasion

The far-reaching implications of an ongoing rally in oil prices amid Russia's invasion of Ukraine have already descended on Bangladesh as the state-owned Bangladesh Petroleum Corporation (BPC) is losing Tk 19 crore per day. Before the war in Europe even began, oil prices were already lodged in an upward trend as demand for the fuel outpaced production after

global economies started to rebound from the Covid-19 pandemic. But with Russia, one of the largest oil suppliers in the world, now engaged in battle with Ukraine, the threat of supply disruptions has only made things worse. With oil topping \$110 a barrel, economists said the subsequent impact on Bangladesh's economy can be seen in rising import payments, fall in export receipts, pressure on the exchange rate, rising commodity prices and soaring inflation.

Octane prices reached \$114.28 per barrel on March 1, up by about 11 per cent from \$102.73 on January 31, according to Platts Asia Pacific/Arab Gulf Marketscan. The price was \$90.04 on January 3. BPC officials said not only diesel, but also the price of all types of fuel is now in an upward trend in international markets. Due to such price hikes in the global market, BPC is incurring losses of Tk 13 per litre when selling diesel and Tk 6 per litre when selling octane. Due to an increase in the cost of imported products, there is a big pressure on import inflation and it could intensify further.

<https://www.thedailystar.net/business/economy/news/bangladesh-feels-the-heat-ukraine-invasion-2974521>

February exports hit another milestone

Earnings from merchandise shipments continued to soar in February, registering growth of 34.54 per cent year-on-year to reach \$4.29 billion on the back of increased garment exports. February's earnings were the highest in the same month of the past 10 years. The February receipts are also 18.80 per cent

higher than the target of \$3.61 billion. In February last year, Bangladesh recorded merchandise shipments amounting to \$3.19 billion, according to data from the Export Promotion Bureau.

In January this year, earnings from merchandise shipments stood at \$4.85 billion, the second-highest single-month receipts. In December, exporters raked in \$4.9 billion, an all-time high for single-month earnings. Meanwhile, the takings were \$4.16 billion in September, \$4.72 billion in October, and \$4.04 billion in November. Between July and February, the first eight months of the current fiscal year, receipts from merchandise shipments grew 30.86 per cent to \$33.84 billion. The July-February earnings are also 16.5 per cent higher than the target of \$29.05 billion. During the July-February period in fiscal 2020-21, the total earnings were \$25.86 billion.

<https://www.thedailystar.net/business/economy/news/february-exports-hit-another-milestone-2974526>

Company News

BSEC okays Tk 500cr bond for Bank Asia

The Bangladesh Securities and Exchange Commission (BSEC) has approved the proposal of Bank Asia to raise a Tk 500 crore fund from the capital market through the perpetual bond. The approval came at a commission meeting, said a BSEC statement on Tuesday. The bank will use the fund to strengthen its additional tier-1 capital base.

According to the commission statement, Tk 450 crore will be raised through private placement and Tk 50 crore through an initial public offering in compliance with the commission's public offer rules. Its unit price is Tk 5,000. The coupon rate of the perpetual bond ranges from 6 per cent to 10 per cent.

Financial institutions, mutual funds, insurance companies, scheduled banks, regional rural banks, trust, organizations, corporations and high net-worth individuals are eligible to purchase the bond. Under the Tier-1 capital, a bank should maintain 6 per cent capital adequacy and Tier-2 it should maintain 4 per cent. The commission also approved the prospectus of an open-end called Mercantile Bank Unite Fund. The initial size of the fund is Tk 50 crore. Of the fund, Mercantile Bank will provide Tk 5 crore as a sponsor and the remaining amount will be raised through IPO. Each unit value of the fund is Tk 10.

National Polymer Industries also got the BSEC nod to raise a Tk 300 crore from the capital market through unsecured, non-cumulative, transferable, redeemable zero-coupon bond bonds. The maturity period of the bond is five years and the yield to maturity is 8 per cent. Per unit price of the bond is Tk 1,000. The fund will be used to pay bank loan repayment, purchase capital machinery and develop infrastructure.

<https://businesspostbd.com/stock/2022-03-02/bsec-okays-tk-500cr-bond-for-bank-asia>

Price Sensitive News

Trading Code: AGRANINS

News Title: AGRANINS: Transmission of Deceased Sponsor's shares to his nominee

News: The Company has informed that Mr. Mahbubur Rahman, one of the Sponsors of the Company passed away on 09.05.2013. His present holding 7,21,671 shares will be transmitted to the account of his nominee Ms. Anjuman Ara Khanam (wife of late Mr. Mahbubur Rahman) by way of nomination.

Post Date: 2022-03-03

Trading Code: BANKASIA

News Title: BANKASIA: Consent from BSEC for issuance of Bank Asia 1st Perpetual Bond

News: (Continuation news of BANKASIA): out of which BDT 450,00,00,000.00 through private placement and the rest amount of BDT 50,00,00,000.00 through public offer. The consent has been accorded subject to compliance with the relevant laws and regulatory requirements and also adherence to the conditions imposed under Section-2CC of the Securities and Exchange Ordinance, 1969. (end)

Post Date: 2022-03-03

Trading Code: BANKASIA

News Title: BANKASIA: Consent from BSEC for issuance of Bank Asia 1st Perpetual Bond

News: Refer to their earlier news disseminated by DSE on 24.06.2021 regarding Board Decision to issue Perpetual Bond and held an EGM, the Company further informed that BSEC has given consent for raising Additional Tier-I capital through issuance of Coupon Bearing Conditional Convertible Perpetual Bond namely Bank Asia 1st Perpetual Bond of BDT 500,00,00,000.00 at BDT 5,000.00 per unit, (cont.)

Post Date: 2022-03-03

Daily Business News

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