

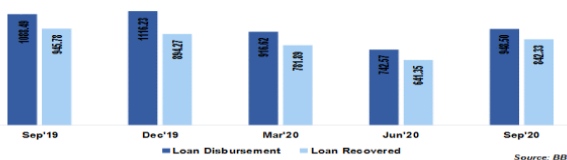
**Direct listing of Best Holdings begets shamble**

The Dhaka Stock Exchange (DSE) was on process to enlist a private infrastructure project-related company, Best Holdings Limited, through direct listing – which, however, evoked a controversy in the local capital market. The move was set forth based on the directive issued by the Finance Ministry on 8 September 2020 asking the regulators in-charge to ease the way for direct listing of private sector projects sharing at least 20% equity with state-owned banks. Since, the four state-run banks - Sonali, Janata, Agrani and Rupali together hold 29.6% of Best Holdings through private placement, the company applied for direct listing in the local stock market referring the letter signed by the Finance Minister on 8 September last alongside relaxation of certain rules. The company, however, could not get the green light though the premier bourse nearly approved the application, owing to an extraordinary move by the Bangladesh Securities and Exchange Commission (BSEC) that prevented the questionable listing. Best Holdings, which is parent company of Le Meridien Hotel, Dhaka, applied to offload 43.5m shares out of its total 871m at Tk65 each sidestepping the requirements for direct listing of 25% of the total paid-up capital and price discovery process. Moreover, the current assets of the company from August 2016 to 2019 were negative, as per their report, contradicting the provisions of the regulations. On the other hand, the regulator is also questioned whether the investment made by the four state banks in the placement shares issued by the company can be considered as owned by the government. Following the order by BSEC to halt the direct listing process of Best Holdings, Ministry of Finance itself backtracked from its earlier decision on direct listing of privately held infrastructure firms. RACE Portfolio and Issue Management Company Limited and ICB Capital Management Limited are the issue managers of the company, according to the company application. However, ICB Capital Management denied that the company came into any issue management agreement with them, inciting further twists in the fiasco. Finance Ministry later issued an order asking the four state banks with the stakes to submit a valuation report.

**Demand for industrial loans yet to rise**

The industrial expansion is yet to pick up as businesses have been enduring suppressed demand indicating slow economic recovery from the distress arising from the Covid-19. Due to the sluggish business activities, disbursement of industrial loans plunged by 12.9% (Y-o-Y) approximately to Tk948.49b in the July to September period of 2020, according to Bangladesh Bank (BB). At the end of September this year, loan disbursement to all the three industries- large, medium and small industry fell by 13.1% (Y-o-Y), 8.9% (Y-o-Y), and 14.9% (Y-o-Y) respectively. Meanwhile, the banking system managed to recover Tk842.32b that advanced to these industries for meeting their capital expenditure. However, total overdue and outstanding loans in this sector grew by nearly 11% (Y-o-Y) and 8.6% (Y-o-Y) respectively during the period owing to the loan moratorium facility levied by the central bank during the pandemic. Hence, the figure of industrial defaulted loans dropped by 14.7% (Y-o-Y) to Tk464.12b as of September 2020. BB statistics showed.

Disbursement and Recovery of Industrial Loan  
Figures in Tk (mn)



**Fund raising through IPOs surges in 2020**

Fund-raising through Initial Public Offerings (IPOs) soared by 74.28% (Y-o-Y) in the outgoing year despite Covid-induced sluggishness in economic activities. However, the Bangladesh Securities and Exchange Commission (BSEC) dumped more than eleven IPO applications in the year for their failure to comply with the securities rules. In 2020, the BSEC allowed eight companies to raise Tk9.62b, the highest amount in last six years, as per records of the Dhaka Stock Exchange (DSE). In the year, Energypac Power Generation raised Tk1.5b under book building system followed by Walton Hi-Tech Industries (Tk1b). Moreover, Mir Akther Hossain was allowed to raise Tk1.25b through book building and the public subscription of the IPO started on December 24, 2020. Under fixed price method, Robi Axiata raised Tk5.23b, the largest ever IPO volume, in the year followed by Dominage Steel Building Systems (Tk300m), Express Insurance (Tk260.79m), Associated Oxygen (Tk150m) and Crystal Insurance (Tk160m). The primary market remained vibrant after the appointment of the new Commission. The IPOs were oversubscribed by twenty to forty times. Moreover, the primary market seemed to remain bullish in the upcoming year too as some companies, including Lub-rref (Bangladesh), NRBC Bank, Lovello Ice Cream, eGeneration, Dosh Insurance and Sonali Life Insurance got regulatory approval to launch their IPOs. However, capital market experts advised the regulator to make the secondary market vibrant to create scopes for the new companies to raise funds through IPOs.

**Fund Raised through IPOs**

Year	No. of IPOs	Tk in Bn	Year	No. of IPOs	Tk in Bn
2020	8	9.62	2014	20	12.63
2019	8	5.52	2013	12	8.3
2018	13	6.46	2012	17	12.08
2017	6	2.19	2011	13	16.78
2016	11	8.49	2010	18	11.86
2015	12	8.3	2009	17	12.72

Source: DSE

**Forex reserve hits all time high**

The foreign exchange (forex) reserve crossed the US\$42b-mark for the first time on December 14, 2020. Sluggish import payment and hike in inward remittance contributed to the robust figure of the central bank reserve. Within a span of one and a half month, forex reserve increased to US\$42.09b from US\$41.02b as on October 29, this year. In July-November period, remittance earnings rose to US\$10.90b as against US\$7.72b in the same period a year ago. At the same time, imports decreased by 12.99% (Y-o-Y) to US\$15.78b.

**LCs settlement rises in November**

Overall payment against import grew by 8.98% (M-o-M) in November 2020 driven by the uprising petroleum prices in the international market. According to the latest statistics of Bangladesh Bank (BB), settlement of Letters of Credit (LCs) stood at US\$3.64b in November as against US\$3.34b in the previous month of the current calendar year. Meanwhile, import orders measured by opening of LCs rose by 7.83% (M-o-M) to US\$4.13b in the last month as against US\$3.83b in October. Import of crude oil went up by 38.71% (M-o-M) to US\$151.15m and import of chemical fertilizers increased more than double to US\$162.79m at the end of November, as per the statistics.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	3,703.06	3,709.41	-0.17
FTSE 100	6,502.11	6,529.18	-0.41
Nikkei 225	26,656.61	26,763.39	-0.40
SENSEX	46,973.54	46,960.69	0.03
KSE 100	43,416.77	43,740.55	-0.74

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,218.37	5,108.04	2.16
Total Turnover, Tk	56,237,500,981	36,598,292,414	53.66
Market Capital, Tk	3,663,796,142,747	3,573,894,617,430	2.52
No of Issue Gain	109	115	
No of Issue Loss	193	182	
No of Unchanged Issues	62	65	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
BEXIMCO	32.00	46.30	44.69	4,802,082,000
BD National Ins.	53.00	70.60	33.21	828,053,000
Shinepukur Ceramic	23.80	31.40	31.93	706,785,000
JMI Syringes	346.90	416.70	20.12	641,062,000
IFAD Autos	42.60	51.00	19.72	546,488,000
Submarine Cable	140.50	164.20	16.87	1,133,871,000
Pioneer Insurance	71.40	83.30	16.67	444,840,000
Phoenix Insurance	40.90	47.70	16.63	329,290,000
M.H. Spinning Mills	14.30	16.60	16.08	100,017,000
Sonali Aansh	486.60	562.20	15.54	169,481,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Dominage Steel	42.60	34.60	-18.78	542,565,000
Unilever	3482.6	2927.6	-15.94	268,969,000
GQ Ball Pen Industries	178.00	154.10	-13.43	52,340,000
Intech Limited	40.00	35.70	-10.75	28,714,000
Bangladesh Lamps	185.70	166.20	-10.50	80,994,000
Savar Refractories	246.10	223.70	-9.10	5,044,000
EBL NRB Mutual Fund	5.90	5.40	-8.47	31,552,000
Aramit Limited	279.90	257.90	-7.86	17,833,000
ICB AMCL 3rd NRB MF	6.40	5.90	-7.81	19,481,000
Central Pharma	13.30	12.30	-7.52	157,282,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	388.19	392.63	-1.13	3,769.59	3,852.55	-2.15
Cement	271.67	249.75	8.78	1,923.87	812.30	136.84
Ceramic	608.42	583.12	4.34	979.19	392.25	149.64
Engineering	5,771.57	5,960.78	-3.17	4,796.71	4,181.22	14.72
Food & Al.	3,602.11	3,692.54	-2.45	871.72	1,058.92	-17.68
Fuel & Pow.	3,739.72	3,710.71	0.78	1,852.76	1,398.33	32.50
Insurance	2,322.60	2,253.24	3.08	13,595.83	6,798.81	99.97
IT	377.17	382.31	-1.34	778.26	723.82	7.52
Jute	1,330.14	1,223.64	8.70	220.98	138.69	59.34
Misc.	1,440.25	1,310.71	9.88	6,357.03	3,186.12	99.52
Mutual Fund	506.21	523.83	-3.36	1,531.54	1,635.70	-6.37
NBFI	1,077.86	1,053.64	2.30	1,614.83	1,106.01	46.00
Paper	6,657.72	6,553.34	1.59	228.29	121.73	87.53
Pharma	1,374.79	1,356.52	1.35	8,141.90	6,199.46	31.33
Service	1,102.04	1,047.02	5.25	378.43	280.23	35.04
Tannery	623.98	616.33	1.24	1,073.39	807.16	32.98
Telecom	3,730.25	3,230.49	15.47	1,434.67	1,071.86	33.85
Textile	1,166.88	1,185.28	-1.55	1,539.10	2,064.29	-25.44
Travel & Leis	585.68	584.32	0.23	131.56	68.98	90.71

## Technical Talk

Dhaka stocks continued the winning streak in the last week, with the key index of the Dhaka Stock Exchange (DSE) hitting a 16-month high, as the bargain hunters showed their buying appetite amid enthusiasm over debut of Robi. Among the major sectors, Telecom increased by 15.47% over the week followed by Insurance 3.08%, NBFI 2.30% and Pharma 1.35%.

DSE Broad Index (DSEX) stood at 5,218.37 points increased by 110.33 points or 2.16% from the previous week. Total turnover reached at Tk56237.50m which was 53.66% higher than the previous week. Market capitalization increased by 2.52% and stood at Tk3663.80b (\$43.15b) at the weekend against Tk3573.89b. DSE 30 increased by 78.12 points or 4.34% and closed at 1,876.74 points against 1,798.62 points. Last week's weighted average Market PE was 14.39 which was 14.04 previous week.

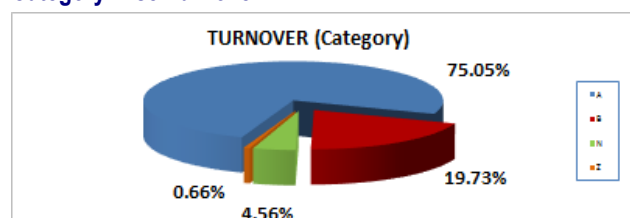
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	123,437,165	4,802,082,000	8.54
Beximco Pharma	19,413,747	3,220,945,000	5.73
IFIC Bank Ltd.	149,915,966	1,928,914,000	3.43
LafargeHolcim	31,630,975	1,394,372,000	2.48
Orion Pharma Ltd.	24,118,318	1,281,283,000	2.28
Rupali Insurance	26,024,516	1,176,991,000	2.09

### Top 10 Market Capital

Company	Volume	Value (Tk)	In million
GP	460,587	RENATA	105,293
Walton Hi-Tech	293,053	ICB	78,569
BATBC	194,112	Marico	77,891
Square Pharma	184,027	Berger Paint	71,959
United Power	155,590	Brac Bank	67,391

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/Toz.)	1,882.60	1,886.80	-0.22
Silver (USD/Toz.)	25.95	26.00	-0.21
Brent Crude Oil (USD/bbl.)	51.37	52.31	-1.80

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	105.72	105.78	105.76	105.82	-0.04	-0.04
GBP	117.90	117.97	117.12	117.79	0.66	0.15
AUD	64.74	64.78	64.77	64.81	-0.05	-0.05
JPY	0.83	0.83	0.83	0.83	0.00	0.00
CAD	66.43	66.47	67.04	67.09	-0.91	-0.92
SAR	22.75	22.76	22.75	22.76	0.00	0.00

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

### Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
Mir Akhter	Dec 24-30, 2020	54	560.83
Energypac Power	Dec 07-13, 2020	31	1,500
Taufika Foods and Agro	Jan 03-07, 2021	10	300