

Exit plan for delisted securities formulated

The Bangladesh Securities and Exchange Commission (BSEC) has issued a directive on exit plan for issuer of delisted securities. Under it, any securities delisted from the main board of the stock exchanges, or any delisted securities trading at the Over-the-Counter (OTC) market or at the Alternative Trading Board (ATB), or any other securities as directed by the BSEC can apply for the exit plan. The directive also clarified that if any company is involved in money laundering and terror financing, the illegal drug business, or subversive activities, the commission may direct it to apply the exit plan and delist its securities from the exchanges. As per the directive, the criteria for companies eligible for the exit plan includes- not be in operation for more than two years, incurred net losses for more than three years, accumulated losses exceeding the paid-up capital, failed to pay cash dividends for three consecutive years and failed to hold an Annual General Meeting (AGM) for two consecutive years. The offer price for buying securities under the aforesaid exit plan shall be any of the following whichever is higher, like face value or issue price at the time of IPO, or last trade price, or Net Asset Value per share as per the last audited financial statement, or volume weighted average price for one year immediately preceding the date of suspension or date of delisting as applicable. Recently, Beximco Synthetics applied to the commission to be delisted from the stock exchanges as the company has not been in production for quite a long time.

Black money holders grabbed budget incentive

The government incentive to black money holders in the Budget of FY2020-21 to whiten money appears quite effective this time as individuals with money earned from undisclosed sources legalized a record amount in Bangladesh history during the first half of FY2020-21. According to the National Board of Revenue (NBR) statistics, about 7,650 individuals whitened Tk102.20b untaxed money through investment in various eligible areas. The government offered opportunity to formalize any undisclosed wealth by paying 10% tax at flat rate for the year and also included the provision that no question will be asked by the authorities including the National Board of Revenue (NBR) and the Ant-Corruption Commission (ACC) on such disclosure. This motivated the individuals with untaxed income to take the opportunity, resulting in historical high amount of legalization of undisclosed money. Earlier in FY2007-08 and FY2008-09, around Tk9.68b was legalized which was the highest till this fiscal year. NBR disclosed that around 7,445 individuals legalized their undisclosed money through bank deposits and investment in the real estate. The tax authority received around Tk9.4b in revenue from the investments of around Tk100b in these two sectors while it earned only Tk228.4m from investment of Tk2.28b in the stock market.

ADP implementation hit historic low

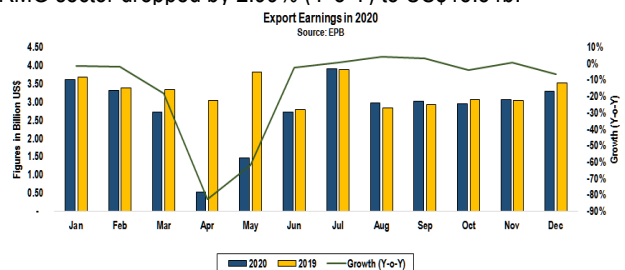
Corona virus pandemic slowed down implementation of Annual Development program (ADP) as the rate of implementation was only 17.93% during the first five months of the current fiscal year, which is lowest in the last 10 years. From July to November of FY2020-21, the ministries and agencies spent Tk384.73b from total Tk2,146.11b in outlay, as per Implementation Monitoring and Evaluation Division (IMED) records. Many foreign-aided projects, especially mega and large ones faced a blow after the outbreak of the pandemic. According to IMED, around 19.12% of the total allocation from government coffer was spent while approximately 16.57% of the total allocation from foreign sources was disbursed in the period.

BSEC scrap IPO allocation lottery system

The Bangladesh Securities and Exchange Commission (BSEC) abolished the lottery system for allocation to general investors from Initial Public Offering (IPO). Shares will be allotted among the applicants on a pro rata basis instead of through lottery. Investors must apply with Tk10,000 or its multiple for an IPO. As per the regulatory decision, to be eligible to apply, the applicant should have a minimum investment of Tk20,000 at market value in the secondary market. The regulator imposed the minimum investment bar on investors to restrain the so-called IPO hunters. This mechanism, which will come into effect from April 1, 2021, is expected to reduce the processing time for IPO subscription.

Export dips notably in 2020

In the just-concluded year 2020, Bangladesh witnessed negative export growth in a decade at 14.64% (Y-o-Y) as the COVID-19 induced global economic shutdown depressed consumer demand. According to the Export Promotion Bureau (EPB), dissatisfying performance of the apparel sector led the overall earnings from overseas sales in the year to dip to US\$33.57b against US\$39.33b in the previous calendar year. Earnings from export of Ready Made Garment (RMG), which contributes almost 84% to the national exports, fell by 16.94% (Y-o-Y) to US\$27.5b in 2020 since buyers halted and cancelled a large number of orders throughout the year after the Coronavirus outbreak, particularly from March to June 2020. Meanwhile, export of leather and leather products also posted a negative growth of around 20% (Y-o-Y) to US\$768m, following the agriculture product shipment with 5.7% and frozen and live fish 6.5%, EPB data showed. However, earnings from jute and jute goods shipment rose by 13.6% to US\$1.0b and pharmaceutical products shipment grew by 10.8% to US\$148.40m during the year. The exporters fetched US\$19.23b in the first half (July-December) of FY2020-21, marginally down by 0.36% (Y-o-Y) from US\$19.23b in the previous fiscal year, as per the EPB statistics. In the first half of FY2020-21, export earnings from RMG sector dropped by 2.99% (Y-o-Y) to US\$15.54b.



Treasury yield drops sharply

Yields on government treasury instruments dropped drastically during December 2020 since the government borrowing through sales of treasury securities declined due to slow implementation of development programs and associated expenditure as well as adequate liquidity in the money market. As per the latest Bangladesh Bank (BB) statistics, the cut-off yield on 91-day bill, 120-day bill, and 364-day bill stood at 0.65%, 1.25%, and 2.07% respectively in December this year where the yields of the corresponding instruments were at 6.50%, 6.77% and 7.25% in last June. The yields on long term treasury instruments plunged substantially as well. The cut-off yield on T-bonds with a maturity of two years, five years, and ten years fell to 3.71%, 4.64% and 5.81% correspondingly in December, BB reports shows.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,824.68	3,756.07	1.83
FTSE 100	6,873.26	6,460.52	6.39
Nikkei 225	28,139.03	27,444.17	2.53
SENSEX	48,782.51	47,868.98	1.91
KSE 100	45,654.34	44,434.80	2.74

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,621.77	5,402.07	4.07
Total Turnover, Tk	99,511,868,870	58,034,623,909	71.47
Market Capital, Tk	4,094,821,973,927	3,887,138,147,500	5.34
No of Issue Gain	215	229	
No of Issue Loss	114	78	
No of Unchanged Issues	36	58	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Robi Axiata Limited	29.80	47.60	59.73	4,118,527,000
GBB Power Limited	14.70	21.60	46.94	739,167,000
Active Fine Chemical	16.90	23.60	39.64	1,295,145,000
Bay Leasing & Inv.	22.70	31.40	38.33	701,886,000
Crystal Insurance	39.40	53.80	36.55	391,700,000
National Bank	7.00	8.90	27.14	1,317,052,000
LankaBangla Fin.	31.40	39.50	25.80	4,369,296,000
S. S. Steel Limited	18.40	22.80	23.91	1,040,291,000
SAIF Powertec	18.00	22.20	23.33	866,769,000
Power Grid Co.	41.80	51.10	22.25	1,548,677,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
BD National Insurance	73.50	63.00	-14.29	231,812,000
Desh Garments	151.80	130.90	-13.77	29,673,000
Shinepukur Ceramics	32.80	28.60	-12.80	1,008,441,000
Sonali Aansh Ind.	681.70	594.70	-12.76	202,802,000
Fine Foods Limited	64.60	56.50	-12.54	47,742,000
Asia Pacific G. Ins.	74.90	65.80	-12.15	125,586,000
Daffodil Computers Ltd.	73.80	64.90	-12.06	30,651,000
Asia Insurance	107.80	95.30	-11.60	57,421,000
Republic Insurance	55.60	49.30	-11.33	415,557,000
Provati Insurance	84.40	75.80	-10.19	169,946,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	408.01	394.68	3.38	13,861.75	5,573.13	148.72
Cement	295.74	270.33	9.40	4,155.96	1,963.87	111.62
Ceramic	633.53	613.55	3.26	1,346.95	1,098.57	22.61
Engineering	6,188.04	6,374.08	-2.92	7,072.69	5,550.10	27.43
Food & Al.	4,012.07	3,929.57	2.10	2,097.58	1,464.28	43.25
Fuel & Pow.	3,773.17	3,745.41	0.74	6,939.64	2,868.09	141.96
Insurance	2,183.51	2,284.30	-4.41	7,746.22	6,547.92	18.30
IT	368.52	380.24	-3.08	1,534.99	1,335.35	14.95
Jute	1,392.93	1,554.88	-10.42	285.69	294.33	-2.94
Misc.	1,647.46	1,560.97	5.54	9,821.03	6,484.44	51.46
Mutual Fund	560.41	518.63	8.06	4,183.09	2,045.23	104.53
NBFI	1,294.46	1,191.56	8.64	10,294.91	5,607.17	83.60
Paper	6,846.42	7,034.52	-2.67	153.90	200.84	-23.37
Pharma	1,353.81	1,421.51	-4.76	15,215.68	8,244.91	84.55
Service	1,257.63	1,180.48	6.54	1,272.84	771.23	65.04
Tannery	619.04	630.06	-1.75	878.31	762.34	15.21
Telecom	5,080.83	4,296.38	18.26	6,047.19	1,744.14	246.71
Textile	1,184.68	1,198.72	-1.17	3,718.48	2,358.59	57.66
Travel & Leis	593.54	589.88	0.62	222.04	228.37	-2.77

Technical Talk

Dhaka stocks greeted 2021 with an enthusiastic start thanks to ongoing regulatory moves and improvement of economic activities. The investors took interest on large cap stocks especially in bank and financial institution sectors following on the clarification of the Bangladesh Bank regarding keeping additional 1% general provisioning against loans. Among the major sectors, Telecom increased by 18.26% over the week followed by Cement 9.40%, NBFI 8.64%, Mutual Fund 8.06% and Bank 3.38%.

DSE Broad Index (DSEX) stood at 5,621.7 points increased by 219.70 points or 4.07% from the previous week. Total turnover reached at Tk99,511.87m which was 71.47% higher than the previous week. Market capitalization increased by 5.34% and stood at Tk4,094.82b (\$48.23b) at the weekend against Tk3,887.14b. DSE 30 increased by 84.11 points or 4.28% and closed at 2,048.07 points against 1,963.96 points. Last week's weighted average Market PE was 17.46 which was 16.57 previous week.

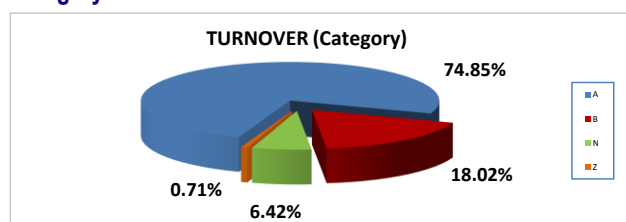
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	126,451,281	8,127,933,000	8.17
Beximco Pharma	39,145,891	7,713,400,000	7.75
IFIC Bank Ltd.	306,130,340	5,033,080,000	5.06
LankaBangla Finance	118,140,095	4,369,296,000	4.39
Robi Axiata Limited	100,314,515	4,118,527,000	4.14
LafargeHolcim BD	57,450,761	3,184,216,000	3.20

Top 10 Market Capital

			In million
GP	494,480	RENATA	139,759
Walton Hi-Tech	318,378	ICB	99,787
BATBC	249,326	Marico	88,026
Square Pharma	217,422	Berger Paint	71,581
United Power	188,265	Brac Bank	67,694

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,849.90	1,901.60	-2.72
Silver (USD/t oz.)	25.50	26.53	-3.86
Brent Crude Oil (USD/bbl.)	56.24	51.91	8.34

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	106.78	106.85	106.37	106.43	0.39	0.39
GBP	118.39	118.46	117.83	117.90	0.48	0.47
AUD	66.52	66.56	65.22	65.26	1.99	1.99
JPY	0.83	0.83	0.83	0.83	0.00	0.00
CAD	67.32	67.36	66.67	66.71	0.97	0.97
SAR	22.75	22.76	22.74	22.75	0.04	0.04

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)
Taufika Foods and Agro	Jan 03-07, 2021	10	300
eGeneration Limited	Jan 12-18, 2021	10	150
Lub-rref(Bangladesh)	Jan 26-Feb 01, 2021	27	1,500