

BSEC move for transparency in dividend distribution

The Bangladesh Securities and Exchange Commission (BSEC) directed all listed companies and Mutual Funds (MFs) to formulate dividend distribution policies and publish detailed information of unclaimed dividend with a view to ensuring transparency in dividend distribution. As per the recently issued directive, the regulator asked issuers to set aside funds equivalent to the declared cash dividends within 10 days of board meeting. Thereafter, the listed companies would get 30 days for disbursement of dividends approved at the Annual General Meeting (AGM) and MFs would get 45 days of approval in trustee meeting. Additionally, the issuers were asked to convey the notification on disbursement to investors through SMS or e-mail. Under the directive, dividend should be paid directly to the bank account of the entitled share or unit holders as provided with the BO account, through Bangladesh Electronic Funds Transfer Network (BEFTN). If there is no way to reach any investor, issuers must set aside the amounts in a separate account. In the directive, the listed companies and MFs has been ordered to keep all unclaimed cash and stock dividends in separate accounts and any such unclaimed amount would have to be transferred after three years to a proposed special fund of the BSEC. However, any investor claiming from the undistributed dividends would get it back within 15 days with accrued interest. As per the proposed plan of the BSEC, a separate unit of the Investment Corporation of Bangladesh (ICB) will manage the special fund with a view to stabilize the market. As per a compilation by the bourses, the listed companies and MFs currently have nearly Tk10b in undisbursed cash dividend and undistributed stock dividend is worth nearly Tk200b.

NBR lags target

Revenue collection grew by only 2% (Y-o-Y) in the first half of the current fiscal year. The National Board of Revenue (NBR) collected Tk1084.71b during the period against Tk1063.08 in the same period of last fiscal year. According to the provisional statistics of NBR, collection from customs duty grew by 6.66% (Y-o-Y) to Tk336.09b and income tax rose by 5% (Y-o-Y) to Tk342.38b in the period. However, the Value-Added Tax (VAT) wing posted a shortfall by 3.36% (Y-o-Y) to Tk406.24b in the period. The NBR had targeted to log Tk1412.25b during first half of the current fiscal year. However, the revenue collection lagged behind the target set for the period by Tk327.54b. Shortfall in revenue collection continues to widen due to a slowdown in economic activities amid the COVID-19 outbreak and also the ambitious collection targets set.

BB eases financing policy for foreign companies

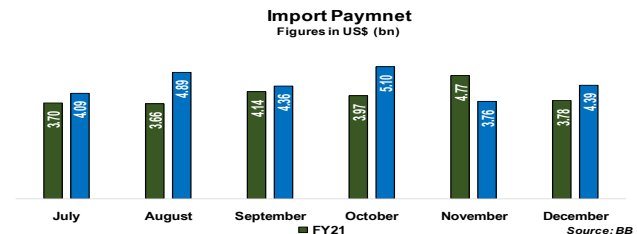
Bangladesh Bank (BB) relaxed the short-term borrowing policy for foreign owned entities to bring flexibility in accessing short term financing from their parent companies or shareholders to a wider extent. BB issued a circular in this regard on January 19, 2021. The central bank took this move against a backdrop of a falling trend in the Foreign Direct Investment (FDI) in recent months mainly due to the ongoing Covid-19 pandemic. As per the circular, service companies under foreign ownership can now avail external loans from their parent shareholders to finance their working capital. Previously, such privilege was allowed only to the foreign owned manufacturing companies for three years. Now, the tenure of the loan will be up to six years from the date of inception of manufacturing and service output activities. Business and industries can avail such loans at maximum 3% interest rate per annum until further directive to the contrary.

Insurers asked to comply with shareholding rule

The Insurance Development and Regulatory Authority (IDRA) issued a letter to the insurance companies asking to comply with the minimum shareholding and paid-up capital requirement commissioned to them, within the next one month. Under Section 21 (3) of the Insurance Act 2010, the minimum paid-up capital and shareholding by sponsors of insurance companies was set at Tk300m-Tk400m and 60% of the total paid-up capital respectively. As per Schedule-1 of the Act, the life and non-life insurance companies, incorporated in either Bangladesh or outside, shall have at least Tk300m and Tk400m in paid-up capital respectively. Of the 49 listed life and non-life insurance companies, only four companies are in full compliance with the requirements, according to Dhaka Stock Exchange (DSE) reports.

Import payment drops in July-December

Settlement of Letters of Credit (LC) for imports plummeted by 9.67% (Y-o-Y) in the first half (July- December) of the fiscal year 2020-21 owing to the declining demand of raw materials and capital machineries. According to the provisional data of Bangladesh Bank (BB), payment against overall import stood at US\$24.02b in the first six months of the current fiscal year compared to US\$26.59b during the same period of FY2019-20. Similarly, opening of LC also declined by 1.43% (Y-o-Y) to US\$27.55b than that of US\$27.95b in the same period of the earlier fiscal year.



Only 23.89% of ADP implemented in H1

Annual Development Program (ADP) implementation rate remained under sluggish trend in the first half of the current fiscal year. From July to December of FY2020-21, the ministries and agencies spent Tk512.66b from the total Tk2,146.11b in outlay, as per records of the Implementation Monitoring and Evaluation Division (IMED). Although the economic activities restarted during the last few months, most of the implementing ministries and agencies failed to show efficiency. The foreign-funded projects were the worst-performer as the agencies failed to use aid. During the first half of the current fiscal year, utilization of foreign aid was only Tk175.63b of the total Tk705.02b aid provided for in the current ADP. The ADP, meanwhile, is likely to be revised down soon with a significant cut due to dismal performance of spending local and foreign resources.

Digital BO account soon

To bring transparency in share trading and to prevent opening of fake Beneficiary Owners (BO) accounts, the Bangladesh Securities and Exchange Commission (BSEC) is going to digitalize the account opening process from March 2021. Hopefully, it will minimize the time and complexity for investors. Online account opening procedure will remove the inconveniences of the manual process. Investors will be able to pay BO account fees through online payment systems. Central Depository Bangladesh Limited (CDBL) data shows that as of 20 January 2021, the number of BO accounts was 2.59m.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,841.47	3,768.25	1.94
FTSE 100	6,695.07	6,735.71	-0.60
Nikkei 225	28,631.45	28,519.18	0.39
SENSEX	48,878.54	49,034.67	-0.32
KSE 100	45,868.04	45,931.00	-0.14

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,836.18	5,909.31	-1.24
Total Turnover, Tk	78,248,742,449	93,432,946,921	-16.25
Market Capital, Tk	4,325,176,387,790	4,418,259,068,488	-2.11
No of Issue Gain	84	146	
No of Issue Loss	229	168	
No of Unchanged Issues	51	50	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Agrani Insurance	31.00	37.80	21.94	149,481,000
Provati Insurance	73.50	85.40	16.19	173,130,000
Islami Insurance	41.20	47.40	15.05	208,017,000
GBB Power	22.00	25.20	14.55	980,649,000
BD Finance & Inv.	29.20	33.10	13.36	1,268,816,000
Global Insurance	30.60	33.80	10.46	155,025,000
Anlima Yarn Dyeing	32.60	35.90	10.12	47,779,000
Intraco Refueling	17.40	19.10	9.77	172,331,000
Paramount Ins.	128.20	139.60	8.89	135,963,000
ADN Telecom	51.80	56.30	8.69	206,999,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Alltex Industries	11.80	9.80	-16.95	12,628,000
LafargeHolcim	68.50	58.00	-15.33	1,963,121,000
Savar Refractories	207.40	176.40	-14.95	5,434,000
Alif Manufacturing Co.	10.10	8.70	-13.86	330,694,000
Appollo Ispat Complex	8.90	7.70	-13.48	170,245,000
Jute Spinners	116.10	101.60	-12.49	1,303,000
Mithun Knitting	9.90	8.70	-12.12	3,651,000
C & A Textiles	2.50	2.20	-12.00	18,508,000
Robi Axiata	70.10	61.70	-11.98	9,414,751,000
Delta Spinners	8.70	7.70	-11.49	28,223,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	415.88	411.84	0.98	9,447.41	8,779.56	7.61
Cement	310.84	347.23	-10.48	2,404.58	4,924.89	-51.17
Ceramic	603.17	630.66	-4.36	408.56	882.52	-53.71
Engineering	6,236.55	6,551.96	-4.81	3,881.63	7,675.32	-49.43
Food & Al.	4,510.91	4,440.27	1.59	1,738.86	2,449.17	-29.00
Fuel & Pow.	4,091.75	4,025.88	1.64	11,073.78	8,488.75	30.45
Insurance	2,145.68	2,125.97	0.93	5,501.14	5,518.31	-0.31
IT	352.58	360.21	-2.12	544.06	1,201.61	-54.72
Jute	1,268.31	1,272.34	-0.32	148.70	198.56	-25.11
Misc.	1,868.56	1,922.99	-2.83	9,617.22	9,580.46	0.38
Mutual Fund	550.94	564.47	-2.40	2,051.32	4,127.32	-50.30
NBFI	1,330.59	1,363.77	-2.43	7,919.35	11,904.57	-33.48
Paper	6,893.29	7,136.22	-3.40	97.88	152.05	-35.62
Pharma	1,386.24	1,417.18	-2.18	7,119.56	11,356.53	-37.31
Service	1,320.92	1,345.69	-1.84	1,221.79	1,496.09	-18.33
Tannery	609.41	617.58	-1.32	251.31	365.60	-31.26
Telecom	5,637.36	5,943.87	-5.16	10,752.60	7,519.34	43.00
Textile	1,166.88	1,201.46	-2.88	2,779.11	4,663.74	-40.41
Travel & Leis	558.54	561.54	-0.53	89.86	223.92	-59.87

Technical Talk

Dhaka stocks went on correction in the last week snapping a seven-week winning streak as investors booked quick profit on large-cap stocks. Moreover, some others opted to rebalance their portfolios ahead of year-end corporate declarations. Among the major sectors, Cement decreased by 10.48% over the week followed by Telecom 5.16%, Engineering 4.81%, Textile 2.88% and NBFI 2.43%.

DSE Broad Index (DSEX) stood at 5,836.18 points after decreasing by 73.13 points or 1.24% from the previous week. Total turnover reached at Tk78,248.74m which was 16.25% lower than the previous week. Market capitalization decreased by 2.11% and stood at Tk4,325.18b (\$50.94b) at the weekend against Tk4,418.26b. DSE 30 decreased by 28.33 points or 1.27% and closed at 2,208.45 points against 2,236.78 points. Last week's weighted average Market PE was 18.43 which was 18.83 previous week.

Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Robi Axiata Limited	150,049,517	9,414,751,000	12.03
BEXIMCO	102,608,203	8,332,401,000	10.65
Summit Power	82,617,864	4,515,021,000	5.77
LankaBangla Finance	88,729,279	3,937,693,000	5.03
Beximco Pharma	18,589,153	3,605,860,000	4.61
City bank	70,897,086	2,289,659,000	2.93

Top 10 Market Capital

Company	Market Capital (In million)
GP	503,932
ROBI	323,180
Walton Hi-Tech	319,559
BATBC	256,392
Square Pharma	193,922
United Power	142,183
RENATA	102,294
ICB	85,800
Beximco Pharma	80,381
Berger Paint	71,932

Category wise Turnover

Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz)	1,855.50	1,827.70	1.52
Silver (USD/oz)	25.57	24.83	2.96
Brent Crude Oil (USD/bbl.)	55.15	54.82	0.60

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	105.09	105.15	105.20	105.26	-0.10	-0.10
GBP	119.08	119.15	118.70	118.77	0.32	0.32
AUD	66.37	66.40	66.07	66.11	0.45	0.44
JPY	0.83	0.83	0.82	0.82	1.22	1.22
CAD	67.65	67.69	67.22	67.26	0.64	0.64
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)
eGeneration Limited	Jan 12-18, 2021	10	150
Lub-rref(Bangladesh)	Jan 26-Feb 01, 2021	27	1,500
NRB Commercial Bank	Feb 03-Feb 09,2021	10	1,200