

BSEC drive against defiant intermediaries continuing

The Bangladesh Securities and Exchange Commission (BSEC) continued to police and act against securities rules violation by the market intermediaries. As per the recent punitive action, the securities regulator decided to block out the Initial Public Offering (IPO) quota facility of three recalcitrant merchant banks. The Commission also notified that it would initiate process to cancel their merchant banking licenses if they fail to meet their capital deficit within 30 June 2021. As per the securities rules, merchant banks and portfolio managers must maintain a capital of Tk250m. Additionally, BSEC fined three brokerage houses for violating securities rules following the complaint filed by their clients. BSEC maintained its effort in order to bring discipline and governance in the stock market.

BB limits NBFIs dividend payment capacity

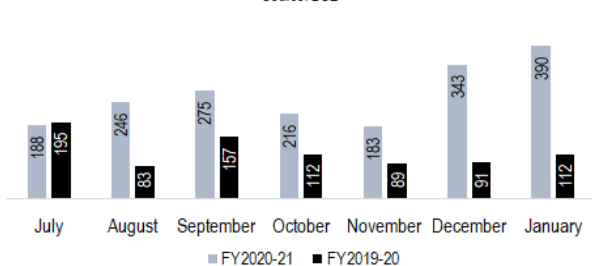
Bangladesh Bank (BB) imposed cap on dividend disbursement by the Non-Bank Financial Institutions (NBFIs) to ensure better liquidity to offset the economic impacts of Covid-19. BB issued a circular in this regard on February 24, 2021. As per the new policy, no NBFIs can disburse more than 15% cash dividend considering the overall situation. The NBFIs which are taking deferral facility from the central bank for their provisioning deficit will not be allowed to declare dividend until the deferral is over. But, in such cases, with permission from the central bank, a maximum 5% stock dividend could be allowed, said the circular. Any NBFIs with more than 10% default loans would need to get central bank's approval to announce dividends. While the NBFIs, which have a Capital Adequacy Ratio (CAR) less than 10% and more than 10% default loans will not be allowed to declare any dividend. Similar measures have been suggested for the banks too earlier on February 07, 2021 to strengthen their capital base considering the pandemic-induced slowdown. As per the new policy, banks having strong capital base can declare higher dividends. The dividend policy shall be followed by all banks from the financial year ended on December 31, 2020.

Tax receipts from DSE soars 119%

Tax receipts from Dhaka Stock Exchange (DSE) swelled by 119% (Y-o-Y) to Tk1,841m in the first seven months of FY2020-21 against Tk839m in the same period of last fiscal year, according to latest statistics of DSE. The government collected Tk390m in tax from the prime bourse in January this year. The figure was 13% (Month-on-Month) higher than Tk343m in the previous month. Of the total earnings in January 2021, Tk339m came from brokerage commission and Tk51m from the share sales by sponsor-directors and placement holders, as per the statistics.

Tax Receipts from DSE

figures in Tk mn
Source: DSE



Regulator to restructure boards of 4 firms

To protect the interest of investors, the Bangladesh Securities and Exchange Commission (BSEC) is set to restructure the boards of four non-performing companies in a move to bring them back to business. The companies are United Airways (BD), C&A Textiles, Familytex (BD) Limited, and Emerald Oil Industries Limited. The restructured boards would be given four years to revive the business of the companies. In case of failure, the company would face forced delisting. Of the four companies, United Airways (BD) was transferred to the Over-the-Counter (OTC) market due to non-operation for a long time and it did not pay any dividend since 2015. C&A Textiles, which got listed in 2015, remained closed from 2017. The production of Emerald Oil Industries Limited, which was listed in 2014, was closed from 2018. On the other hand, Familytex (BD) Limited, which was listed in 2013, had been incurring losses for the last four years. As per the BSEC decision, the companies which have been trading in the 'Z' category for two years or more must restructure their incumbent boards within the next 45 working days. The sales, transfer, replacement and pledges of the shares held by the sponsors and incumbent directors of 'Z' category companies will remain suspended.

Bank loan issuance credit rating eased by BB

Bangladesh Bank (BB) amended its Internal Credit Risk Rating System (ICRRS), a mandatory rating system for the banks in issuing credit to their customers. The central bank issued a revised circular on February 23, 2021. Under the latest circular, BB has relaxed the requirements of ICRRS to help avail credit facilities by the borrowers who have suffered economic shocks amid the coronavirus outbreak. The banks were allowed to consider the audited finance statements of either 2019 or 2020 in determining the credit risk rating for the year 2021. The ICRRS consists of 4-notched rating system covering the quantitative and qualitative parameters. The credit for "excellent" is reduced to 75 from 80 while the rating score below 55 is set as "unacceptable" from previous score of 60.

Rating	Scores Aggregate
Excellent	equal to or greater than 75
Good	between 65 and 75
Marginal	between 55 and 65
Unacceptable	less than 55

BB allows OBUs to make advance against export bills

The Offshore Banking Units (OBUs), operating under 35 scheduled banks, have been allowed to make advance payment against purchase of export bills. The Banking Regulation and Policy Department of Bangladesh Bank (BB) has issued a circular in this regard on 22 February, 2021. As per the circular, the OBUs of the banks will be allowed to discount or purchase accepted usance or deferred export bills against direct and deemed exports of products produced in Bangladesh, subject to compliance of applicable instructions. However, interest with relevant charges for early payment against export bills shall not exceed the 6-month USD London Interbank Offered Rate (LIBOR) plus 3.50% annually. As on 19 February, the LIBOR rate was 0.58%. As per the statistics of BB, outstanding advances by the OBUs dropped by 1.01% to Tk630.03b at the end of December 2020 as against Tk636.48b in June 2020.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,811.15	3,906.71	-2.45
FTSE 100	6,483.43	6,624.02	-2.12
Nikkei 225	28,966.01	30,203.84	-4.10
SENSEX	49,099.99	50,860.16	-3.46
KSE 100	45,865.02	46,227.65	-0.78

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,416.39	5,475.99	-1.09
Total Turnover, Tk	23,352,856,679	44,376,697,257	-47.38
Market Capital, Tk	4,077,862,767,865	4,064,563,258,122	0.33
No of Issue Gain	121	127	
No of Issue Loss	126	122	
No of Unchanged Issues	118	117	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Robi Axiata	39.30	43.70	11.20	1,691,528,000
Orion Pharma	45.50	50.40	10.77	297,778,000
VAMLRBBF	8.60	9.40	9.30	5,021,000
Walton Hi-Tech Ind.	1157.90	1264.10	9.17	692,712,000
Summit Power	40.90	44.50	8.80	722,424,000
Beacon Pharma	94.20	102.10	8.39	453,769,000
Power Grid Co.	43.00	46.10	7.21	132,149,000
Al-Haj Textile Mills	34.00	36.30	6.76	43,015,000
ADN Telecom	44.40	47.20	6.31	25,377,000
Pioneer Insurance	62.40	66.10	5.93	71,355,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
NCCBL Mutual Fund-1	9.00	7.70	-14.44	8,684,000
Prime Finance First MF	16.90	15.30	-9.47	11,746,000
Anlima Yarn Dyeing	39.80	36.70	-7.79	52,586,000
IDLC Finance	69.70	64.40	-7.60	95,183,000
National Housing Fin.	34.60	32.00	-7.51	48,181,000
International Leasing	4.70	4.40	-6.38	11,534,000
BEXIMCO	91.10	85.50	-6.15	5,392,232,000
LankaBangla Finance	37.00	34.90	-5.68	1,289,871,000
IPDC Finance	26.60	25.10	-5.64	18,050,000
Mir Akhter Hossain	81.70	77.30	-5.39	271,648,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	366.53	368.72	-0.60	1,195.62	2,073.77	-42.35
Cement	289.21	280.97	2.93	611.27	663.73	-7.90
Ceramic	576.03	578.62	-0.45	124.87	266.85	-53.20
Engineering	6,962.50	6,556.82	6.19	1,543.45	2,452.30	-37.06
Food & Al.	4,748.94	4,904.45	-3.17	1,908.21	4,770.38	-60.00
Fuel & Pow.	3,772.83	3,710.04	1.69	1,938.01	2,735.23	-29.15
Insurance	2,022.13	2,011.02	0.55	1,376.06	2,533.26	-45.68
IT	365.30	333.53	9.52	109.22	172.62	-36.73
Jute	1,112.06	1,144.65	-2.85	14.95	31.29	-52.21
Misc.	1,872.39	1,938.54	-3.41	5,777.92	12,183.44	-52.58
Mutual Fund	476.28	480.36	-0.85	299.89	491.96	-39.04
NBFI	1,132.00	1,162.72	-2.64	1,871.23	3,825.26	-51.08
Paper	6,504.91	6,447.02	0.90	7.89	11.77	-32.96
Pharma	1,353.52	1,367.69	-1.04	3,090.87	5,805.64	-46.76
Service	1,098.35	1,061.54	3.47	174.29	260.50	-33.09
Tannery	597.18	596.21	0.16	52.72	127.33	-58.60
Telecom	4,700.24	4,690.24	0.21	2,115.45	3,203.33	-33.96
Textile	1,120.69	1,125.91	-0.46	530.49	888.08	-40.27
Travel & Leis	551.46	550.92	0.10	7.47	14.09	-46.97

Technical Talk

Dhaka stocks prolonged the losing streak for the sixth straight week amid dismal participation from investors. In the week, the shaky investors continued their sell-offs due to lack of positive triggers. Among the major sectors, NBFI decreased by 2.64% over the week followed by Pharma 1.04% and Bank 0.60%.

DSE Broad Index (DSEX) stood at 5,416.39 points after decreasing by 59.60 points or 1.09% from the previous week. Total turnover reached at Tk23,352.86m which was 47.38% lower than the previous week. Market capitalization increased by 0.33% and stood at Tk4077.86b (\$48.03b) at the weekend against Tk4064.56b. DSE 30 decreased by 39.78 points or 1.89% and closed at 2,065.80 points against 2,105.58 points. Last week's weighted average Market PE was 17.45 which was 17.39 previous week.

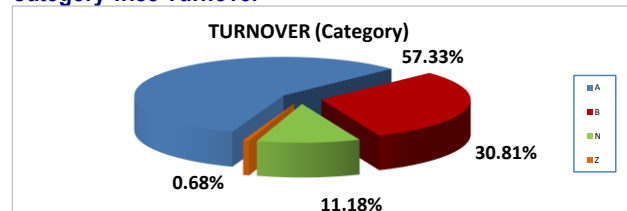
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	62,678,755	5,392,232,000	23.09
Robi Axiata	41,747,133	1,691,528,000	7.24
BATBC	947,707	1,450,681,000	6.21
LankaBangla Finance	36,367,786	1,289,871,000	5.52
Beximco Pharma	5,756,724	1,032,989,000	4.42
Summit Power	17,142,929	722,424,000	3.09

Top 10 Market Capital

Company	Value (Tk)	In million
GP	457,482	143,764
Walton Hi-Tech	382,932	103,162
BATBC	274,878	76,975
ROBI	228,898	74,925
Square Pharma	181,343	73,608

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/ft.oz.)	1,733.00	1,782.10	-2.76
Silver (USD/ft.oz.)	26.70	27.52	-2.98
Brent Crude Oil (USD/bbl.)	64.40	63.68	1.13

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	105.39	105.45	104.25	104.31	1.09	1.09
GBP	123.14	123.71	120.53	120.60	2.17	2.58
AUD	67.95	67.99	66.14	66.17	2.74	2.75
JPY	0.81	0.81	0.81	0.81	0.00	0.00
CAD	68.22	68.26	67.15	67.19	1.59	1.59
SAR	22.76	22.77	22.75	22.77	0.04	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)
Lub-rref(Bangladesh)	Jan 26-Feb 01, 2021	27	1,500
NRB Commercial Bank	Feb 03-Feb 09,2021	10	1,200
Desh General Insurance	Feb 14-Feb 18,2021	10	160
Index Agro Ind. Ltd.	Feb 22-Feb 28, 2021	50	500