

Weekly Market Update

July 08 2021 (Week: July 05, 2021 - Jul 08, 2021)

Dhaka Stock Exchange

DSEX gained 1.01% in the week

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+1.01%) gained 62.29 points and closed the week at 6,212.77 points. The blue-chip index DS30 (+1.80%) gained 39.83 points and stood at 2,248.21 points. The Shariah-based index DSES (+2.04%) gained 26.79 points and stood at 1,341.55 points. The large cap index CDSET (+0.62%) gained 7.60 points and closed at 1,242.41 points. DSEX, DS30, DSES and CDSET showed YTD returns of +15.01%, +14.47%, +8.01%, +10.63%, respectively.

Total Turnover During The Week (DSE): BDT 64.1 billion (USD 755 million)

Average Daily Turnover Value (ADTV): BDT 16.0 billion ($\Delta\%$ Week: +14.0%)

Market P/E: 19.4x

Daily Index Movement during the Week:

Market performed four sessions during this week. In the first session, market performed positively by +1.13%. The market reverted to negative in the second session by -0.38% and continued to be negative in the third session by -0.31%. The market ended with a positive momentum of +0.58%.

Sectoral Performance:

- Financial sectors posted mixed performance this week. Mutual Fund booked the highest gain of 6.20% followed by NBFI (+0.95%). General Insurance experienced the highest loss of 4.45% followed by Life Insurance (-3.85%), and Bank (-1.58%).
- All the non-financial sectors posted positive performance this week. Pharmaceutical booked the highest gain of 2.41% followed by Fuel & Power (+0.60%), Food & Allied (+0.40%), Engineering (+0.26%), and Telecommunication (+0.22%).

Macroeconomic arena:

- The deficit in the current account balance narrowed by 58.0% to USD 1.8 billion in the first 11 months of the last fiscal year. The growth in export earnings that went to a negative trajectory following the outbreak of Covid-19 has returned to a moderate growth, thanks to a fast recovery in apparel exports.
- The inflow of remittances grew by 36.1% to a record high of USD 24.8 billion in the just-concluded fiscal year (FY) despite the ongoing Covid-19 pandemic. Under the latest relaxations, the Bangladeshi expatriates can get 2.0% incentives without showing any paper for incentives on remittance up to USD 5,000 or BDT 500,000.
- A total of 11,839 people whitened about BDT 205.0 billion in the just-concluded fiscal year – the highest in the country's history in a single year. The National Board of Revenue (NBR) received BDT 20.6 billion in revenue from those investments.
- Transactions through the mobile financial services reached a fresh record of BDT 712.5 billion in May due to addition transactions during Eid-ul-Fitr, one of the biggest religious festivals of the Muslims, and restrictions on public movement amid the Covid outbreak. Daily average transactions though bKash was above BDT 20.0 billion. Though the MFS of Nagad constitutes a notable portion of MFS transactions, the BB is yet to include the MFS operator's transaction data in its report.

Stock Market arena:

- Private companies have offloaded primary shares worth BDT 16.1 billion in the just concluded fiscal year, the highest amount in more than a decade, amid virus-induced sluggish economic activities. With the latest one of Baraka Patenga Power, the country's capital market witnessed 16 initial public offerings (IPOs) in the fiscal year (FY) 2020-2021.
- A general investor will get minimum 54 initial public offering (IPO) shares of Baraka Patenga Power against application of BDT 10,000. Those who applied for BDT 20,000 will get 108 shares, those who applied for BDT 30,000 will get 162 shares, those who applied for BDT 40,000 will get 217 shares and those who applied for BDT 50,000 will get 272 shares. Besides, affected investors will get a minimum of 97 shares and non-residential Bangladeshis (NRBs) will get a minimum 128 shares of the company.
- The securities regulator on Wednesday approved the proposal regarding the formation of the board of governance under which the operations of BDT 210 billion capital market stabilization fund will be conducted. Earlier on January 14, the BSEC issued a directive saying that any amount of cash or stock dividend which has remained unpaid or unclaimed or unsettled, including accrued interest income thereon, within three years from the date of declaration or approval must be transferred to the Capital Market Stabilisation Fund of the BSEC.

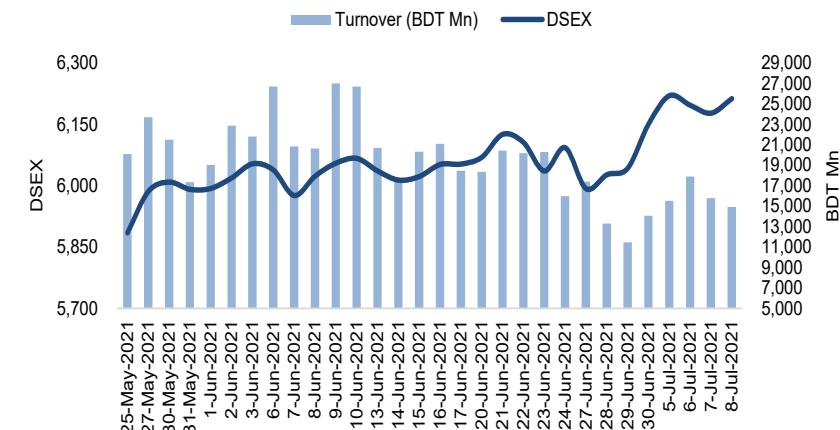
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,212.77	6,150.48	+62.29	5,402.07	+1.01%	+15.01%
DS30	2,248.21	2,208.38	+39.83	1,963.96	+1.80%	+14.47%
DSES	1,341.55	1,314.76	+26.79	1,242.11	+2.04%	+8.01%
CDSET	1,242.41	1,234.81	+7.60	1,123.03	+0.62%	+10.63%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,171,822	5,142,821	+0.6%
	Mn USD	60,874	60,532	
	Mn BDT	64,107	56,247	
	Mn USD	755	662	
Turnover	Mn BDT	16,027	14,062	+14.0%
	Mn USD	189	166	
Average Daily Turnover	Mn BDT	16,027	14,062	+14.0%
Volume	Mn Shares	2,563	1,939	+32.2%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
PAPERPROC	87.1	59.6	+46.1%	325	0.4	NM	3.2x
TAMIJTEX	64.9	44.5	+45.8%	1,951	1.7	NM	0.8x
SONALILIFE	16.0	11.0	+45.5%	760	0.4	NM	NM
BIFC	7.2	5.0	+44.0%	725	17.2	NM	NM
RENWICKJA	993.4	757.7	+31.1%	1,987	26.0	NM	NM
ILFSL	8.0	6.3	+27.0%	1,774	157.8	NM	NM
FAREASTFIN	5.8	4.6	+26.1%	952	25.5	NM	5.0x
FAMILYTEX	4.5	3.6	+25.0%	1,594	112.5	NM	0.4x
AMANFEED	66.4	53.4	+24.3%	8,696	971.6	24.9x	1.8x
CVOPRL	109.5	88.2	+24.1%	2,764	88.0	NM	9.1x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
SAFKOSPINN	24.0	29.3	-18.1%	720	119.6	NM	1.4x
PRAGATIINS	98.9	110.5	-10.5%	6,487	105.3	25.8x	1.9x
MALEKSPIN	31.2	34.7	-10.1%	6,040	1,205.4	NM	0.7x
PHENIXINS	59.2	65.3	-9.3%	2,388	51.6	24.0x	1.6x
SEAPEARL	42.7	46.6	-8.4%	5,156	254.1	56.0x	3.8x
ARAMITCEM	43.9	47.8	-8.2%	1,487	27.4	NM	1.7x
OIMEX	24.1	25.8	-6.6%	1,617	37.8	NM	1.7x
KTL	31.0	33.1	-6.3%	3,605	633.2	31.0x	1.8x
PIONEERINS	160.4	170.7	-6.0%	11,225	509.9	21.0x	3.1x
FORTUNE	44.7	47.5	-5.9%	6,919	475.9	37.2x	3.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	92.4	89.5	+3.2%	82,996	4,364	22.8x	1.3x
LHBL	64.2	59.3	+8.3%	74,560	1,556	26.0x	4.1x
KEYACOSMET	9.4	8.6	+9.3%	10,569	1,365	NM	0.8x
MLDYEING	31.7	29.1	+8.9%	7,368	1,158	58.4x	2.0x
LANKABAFIN	36.4	35.6	+2.2%	19,614	1,031	20.1x	2.0x
NFML	36.0	39.0	-7.7%	3,328	995	27.9x	2.8x
AMANFEED	66.4	53.4	+24.3%	8,696	972	24.9x	1.8x
ALIF	13.6	11.9	+14.3%	3,535	948	26.7x	1.0x
MAKSONSPIN	20.6	19.6	+5.1%	4,908	805	28.2x	1.1x
DELTALIFE	145.0	154.3	-6.0%	17,944	798	NM	NM

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
EGEN	49.8	+398.0%	3,735	38.4x	2.0x
HEIDELBCEM	315.7	+111.0%	17,838	52.4x	4.1x
PIONEERINS	156.0	+107.2%	10,917	20.5x	3.0x
SQUARETEXT	47.3	+58.7%	9,330	51.6x	1.3x
MICEMENT	72.2	+55.6%	10,722	15.1x	1.4x
ESQUIRENIT	39.1	+48.7%	5,274	28.1x	1.1x
ROBI	43.6	+46.3%	228,374	NM	3.4x
BSRMLTD	87.1	+44.7%	20,562	7.3x	0.7x
BATBC	540.0	+37.2%	291,600	24.9x	7.7x
LHBL	64.2	+34.3%	74,560	26.0x	4.1x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,529.62	1,554.11	1,372.63	-1.58%	+11.44%
NBFIs	2,166.82	2,146.45	2,033.53	+0.95%	+6.55%
Mutual Funds	1,087.33	1,023.82	959.61	+6.20%	+13.31%
General Insurance	5,363.02	5,612.81	4,103.56	-4.45%	+30.69%
Life Insurance	2,720.47	2,829.28	2,162.58	-3.85%	+25.80%
Telecommunication	6,232.55	6,218.73	5,463.26	+0.22%	+14.08%
Pharmaceuticals	3,567.98	3,483.98	3,306.03	+2.41%	+7.92%
Fuel & Power	1,710.21	1,699.98	1,618.11	+0.60%	+5.69%
Cement	2,127.57	2,033.06	1,416.18	+4.65%	+50.23%
Services & Real Estate	1,044.99	1,054.26	1,083.79	-0.88%	-3.58%
Engineering	4,940.07	4,927.10	3,959.20	+0.26%	+24.77%
Food & Allied	21,404.07	21,318.20	14,705.76	+0.40%	+45.55%
IT	2,812.74	2,684.88	2,350.28	+4.76%	+19.68%
Textiles	1,445.87	1,396.02	1,087.41	+3.57%	+32.96%
Paper & Printing	5,575.05	5,267.72	5,487.56	+5.83%	+1.59%
Tannery	2,009.60	1,984.82	1,771.77	+1.25%	+13.42%
Jute	8,548.60	8,044.68	12,154.61	+6.26%	-29.67%
Ceramics	532.39	525.18	472.38	+1.37%	+12.71%
Miscellaneous	4,000.28	3,881.43	2,539.70	+3.06%	+57.51%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,102.1	1,330.3	-17.2%	7.2%	8.8x	0.8x
NBFI	1,067.2	658.0	+62.2%	7.0%	46.3x	3.4x
Mutual Fund	825.4	323.9	+154.9%	5.4%	NM	1.0x
General Insurance	997.4	1,222.9	-18.4%	6.5%	25.8x	2.6x
Life Insurance	463.0	943.3	-50.9%	3.0%	NM	NM
Telecommunication	188.1	197.6	-4.8%	1.2%	18.8x	5.4x
Pharmaceutical	1,787.2	1,206.0	+48.2%	11.7%	21.3x	2.6x
Fuel & Power	694.4	532.5	+30.4%	4.5%	12.4x	1.4x
Cement	477.4	230.1	+107.5%	3.1%	21.9x	2.7x
Services & Real Estate	236.9	234.8	+0.9%	1.5%	NM	0.9x
Engineering	1,364.2	1,080.5	+26.3%	8.9%	30.0x	2.8x
Food & Allied	559.2	398.1	+40.5%	3.7%	33.0x	8.2x
IT	362.7	199.2	+82.1%	2.4%	30.9x	2.4x
Textile	2,915.4	2,921.1	-0.2%	19.0%	NM	1.0x
Paper & Printing	127.6	139.8	-8.7%	0.8%	42.9x	1.1x
Tannery	134.2	141.9	-5.4%	0.9%	NM	2.2x
Jute	22.5	10.3	+118.0%	0.1%	NM	15.3x
Ceramics	162.3	119.9	+35.4%	1.1%	57.9x	1.8x
Miscellaneous	1,824.5	1,088.1	+67.7%	11.9%	30.2x	2.0x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ADNTEL	51.3	-20.2%	3,317	16.7x	2.0x
KPCL	37.1	-18.1%	14,744	10.9x	1.6x
OLYMPIC	171.3	-10.4%	34,250	16.5x	3.9x
SHAHJABANK	19.9	-8.8%	20,479	9.9x	1.1x
BATASHOE	648.3	-7.7%	8,869	NM	2.5x
DBH	74.9	-7.0%	13,277	14.0x	1.7x
MPETROLEUM	185.4	-6.4%	20,063	7.1x	1.1x
IDLC	59.8	-5.7%	22,548	8.3x	1.5x
BXPHARMA	183.1	-3.9%	81,683	17.9x	2.3x
UNIQUEHRL	38.2	-3.5%	11,246	NM	0.5x

Important News: Business & Economy

Current account deficit narrows 58.0% in Jul-May of FY21

- According to latest data released by the Bangladesh Bank, the deficit in the current account balance narrowed by 58.0% to USD 1.8 billion in the first 11 months of the last fiscal year. The growth in export earnings that went to a negative trajectory following the outbreak of Covid-19 has returned to a moderate growth, thanks to a fast recovery in apparel exports.
- In the immediate past 2020-21 fiscal year, the country's export earnings from the apparel sector grew by 12.6% compared to the previous year to stand at USD 31.5 billion. The annual growth in overall exports, however, was 15.1%. The country's exports raked in USD 38.8 billion in the just-concluded fiscal year. In FY20, the export growth was negative 17.0%, according to the Bangladesh Bank.
- The deficit in trade balance widened by 23.0% to USD 19.8 billion in the July-May of last fiscal year, according to the Bangladesh Bank's data. The import expenditure registered a 17.3% growth in the first 11 months of last fiscal year, after bouncing back from negative 8.6% growth in the previous year.

<https://www.tbsnews.net/dropped/trade/current-account-deficit-narrows-58-jul-may-fy21-271714>

Remittance hits record high of USD 24.8 billion in FY '21

- The inflow of remittances grew by 36.1% to a record high of USD 24.8 billion in the just-concluded fiscal year (FY) despite the ongoing Covid-19 pandemic. The money sent home by Bangladeshis working abroad amounted to USD 1.94 billion in June 2021, down by USD 230.2 million from the previous month. In May last, the remittances stood at USD 2.2 billion. It was USD 1.8 billion in June 2020.
- Under the latest relaxations, the Bangladeshi expatriates can get 2.0% incentives without showing any paper for incentives on remittance up to USD 5,000 or BDT 500,000. Earlier, the ceiling was BDT 150,000. Currently, 29 exchange houses are operating across the globe, setting up 1,452 drawing arrangements abroad, to expedite the remittance inflow, according to the central banker.

<https://today.thefinancialexpress.com.bd/last-page/remittance-hits-record-high-of-2478-billion-in-fy-21-1625508471>
<https://www.tbsnews.net/economy/remittance-inflow-hits-record-high-fy21-270721>
<https://www.thedailystar.net/business/economy/stock/news/remittance-surges-sharpest-pace-three-decades-2124861>
<https://www.newagebd.net/article/142922/fy21-remittance-hits-record-high>
<https://www.dhakatribune.com/business/economy/2021/07/05/remittance-inflows-hit-record-24-77bon-in-fy21>

Record BDT 205.0 billion black money whitened in FY21

- A total of 11,839 people whitened about BDT 205.0 billion in the just-concluded fiscal year – the highest in the country's history in a single year. Of the amount, BDT 168.3 billion of cash, which was kept in banks or cash as a temporary provision of the National Board of Revenue, has been legalised by 7,055 untaxed money holders. The rest of the money was

invested in land, flats or the stock market. The National Board of Revenue (NBR) received BDT 20.6 billion in revenue from those investments.

- Earlier in the 2007-2008 and 2008-2009 fiscal years – during the regime of the military-backed caretaker government – BDT 96.8 billion of black money was whitened, which was the highest amount in Bangladesh's history.
- According to NBR sources, 4,518 people have whitened money by buying land and flats at the end of June. And 268 have invested untaxed money in the stock market. Individual taxpayers whitened undisclosed money amounting to BDT 4.5 billion in the fiscal 2015-2016, but there is no data after that, said NBR sources.
- NBR added that BDT 96.8 billion was whitened during the caretaker government era, while this amount is BDT 133.7 billion during the 44 years between 1972 and 2016. The government also earned revenue amounting to BDT 14.5 billion from this process.

<https://www.tbsnews.net/economy/record-amount-black-money-whitened-bangladesh-last-year-amid-pandemic-271474>

<https://www.dhakatribune.com/business/economy/2021/07/07/close-to-12-000-taxpayers-wash-20-600c-black-money-in-fy21>

MFS transactions reach fresh record of BDT 712.5 billion in May

- Transactions through the mobile financial services reached a fresh record of BDT 712.5 billion in May due to addition transactions during Eid-ul-Fitr, one of the biggest religious festivals of the Muslims, and restrictions on public movement amid the Covid outbreak.
- Bangladesh Bank data showed that the transaction volume in May is 12.3% or BDT 78.1 billion higher than the BDT 634.4 billion in transactions in April 2021. The transaction volume in April was the second highest transaction. The third highest transaction volume, BDT 630.0 billion, through MFS took place in July 2020 during Eid-ul-Azha.
- Daily average transactions though bKash was above BDT 20.0 billion with the number of transactions through its platform reaching above one crore in May, taking its monthly transactions to above BDT 600.0 billion and around 30 crore transactions. The total number of transactions through all the MFS licensees of the central bank was 346.7 million in May, the BB data showed.
- Though the MFS of Nagad constitutes a notable portion of MFS transactions, the BB is yet to include the MFS operator's transaction data in its report. The MFS operator also observed a significant surge in transactions through its platform in May. Transactions through Nagad reached to around BDT 200.0 billion in May.
- The BB data showed that shipping spending through MFS reached BDT 36.5 billion, salary disbursement stood at BDT 27.9 billion, the government's payments stood at BDT 13.1 billion and utility bill payment reached BDT 11.1 billion, among others.
- The number of subscribers of the MFS operators reached 98.1 million at the end of the month.

<https://www.newagebd.net/article/143108/mfs-transactions-reach-fresh-record-of-BDT-71247cr-in-may>

July-May NSC sales 3.4 times higher year-on-year

- The net sales of national savings certificates rose by 3.4 times or BDT 263.7 billion year-on-year in July-May of the just concluded fiscal year 2020-2021 as savers rushed to purchase NSCs amid a sharp decline in deposit rates in banks.
- In July-May period of FY21, the net sales of NSCs reached BDT 373.9 billion against the sales of BDT 110.1 billion in the same period of the fiscal year 2019-2020.
- The sales in the first eleven months of FY21 was BDT 173.9 billion higher than the government initial budgetary projection and BDT 70.8 billion higher than the government's revised budgetary target. For FY21, the government's initial target was to borrow BDT 200.0 billion against NSCs. The target was later revised at BDT 303.0 billion.
- In July-May, the National Savings Directorate sold NSCs worth BDT 995.6 billion against its principal payments of BDT 621.7 billion. In May, the NSD sold NSCs worth BDT 76.8 billion against its principal payments of BDT 50.2 billion. With the sales and principal payments, the net NSC sales stood at BDT 26.6 billion in May 2021.

<https://www.newagebd.net/article/142919/july-may-nsc-sales-34-times-higher-year-on-year>

Export target set at USD 51 billion for FY'22

- The government has set the export earnings target at USD 51 billion for the current fiscal year of 2021-22 (FY 22), projecting a 12.37% growth year-on-year. Of the target, USD 43.50 billion will come from goods shipment and USD 7.5 billion from services. The country fetched a total of USD 45.39 billion from export earnings - goods and services - in the just concluded fiscal year.
- The commerce ministry has projected that the RMG sector will be able to earn USD 35.14 billion in FY 22 - the amount will be 11.72% higher than USD 31.45 billion earnings in FY21. Leather and leather goods export is projected to grow by 9.49% and earn USD 1.03 billion. About USD 1.43 billion export earnings target has been set for the country's jute and jute goods sector, with 23.12% growth. Agricultural products are set to grow by 7.38% to USD 1.10 billion in FY 22, compared to FY21. Frozen and live fish, home textile, and engineering products are expected to grow by 4.74%, 21.02% and 21.74% respectively, compared to their respective performance in FY 21.

<https://today.thefinancialexpress.com.bd/first-page/export-target-set-at-51b-for-fy-22-1625597262>

<https://www.thedailystar.net/business/economy/industries/news/export-target-51b-fiscal-year-2125469>

Import rebounds as economy strives for recovery

- Bangladesh's imports rose sharply in the first 11 months of last fiscal year as the economy enjoyed a turnaround for the time being following the first wave of the coronavirus pandemic. Between July and May last fiscal year, overall imports stood at USD 58.62 billion, up 17.31% from a year ago, showed Bangladesh Bank data.
- Analysts say that the country's domestic demand and exports started to rebound since the first quarter of last year, which subsequently continued until at least May. They feared that the pace of recovery of the economy might face a major disruption due to the recent wave of the pandemic. In addition, commodity prices have been rising in the global market fuelled

by demand after the virus was somewhat contained by a majority of countries in North America and West Europe. A distinguished fellow of the Centre for Policy Dialogue said import had increased mainly riding on domestic demand and higher export orders by foreign buyers.

<https://www.thedailystar.net/business/export/news/import-rebounds-economy-strives-recovery-2125485>

Pharma export thrives on Covid medicines

- Pharmaceutical shipments from Bangladesh grew 25% year-on-year to USD 169 million in the last fiscal thanks to the addition of anti-coronavirus drugs to the export basket, continuous improvement of quality and policy support. Bangladesh mainly exports medicine related to malaria, tuberculosis, cancer, leprosy, anti-hepatitis, penicillin, streptomycin, kidney dialysis, homoeopathic, biochemical, Ayurveda and hydrocele.
- Anti-coronavirus drugs were added to the basket in the last fiscal year, giving a leg up to shipments made by the industry. The shipment of anti-viral drugs Remdesivir and Favipiravir, which are used to treat coronavirus patients, drove the export growth in FY21. Around BDT 4 billion worth of anti-coronavirus drugs were exported in the last fiscal year, according to the director for global business at Beacon Pharmaceuticals.

<https://www.thedailystar.net/business/economy/industries/news/pharma-export-thrives-covid-medicines-2125477>

Money whitening hits record

- A total of 11,859 people whitened their black money worth BDT 206 billion under a blanket opportunity in the just concluded fiscal year (FY). It is the highest amount of undisclosed money legalised since the independence, officials said.
- The National Board of Revenue (NBR) received taxes worth BDT 20 billion as it collected a flat rate of 10% tax under the money whitening provision. The disclosed money was invested in terms of investment in share market, cash, bank deposits, debentures, flat, land or other areas, according to a provisional data of NBR.

<https://today.thefinancialexpress.com.bd/first-page/money-whitening-hits-record-1625597467>

Dawn Global launches ETF listed on NYSE

- Cubs is the first active thematic ETF dedicated to emerging and frontier growth markets, focused specifically on five large, fast growing yet historically difficult to access markets spanning over 860m people - Bangladesh, Indonesia, Pakistan, Philippines, and Vietnam. The Asian Growth Cubs ETF, covering the five countries, have a long-term historical growth track-record and strong IMF growth outlook, and have demographics characterised by a young, growing, digitally enabled population, the Founder & CIO of Dawn Global said.
- Bangladesh stock market can attract more foreign investment through easing concerns related to liquidity, potential regulatory involvement, enlistment of local companies, and providing more incentives, said the Founder & CIO of Dawn Global Management. Referring to the weaknesses of Bangladesh's stock market, he said, historically, potential concerns surrounding the Bangladeshi stock market have included 1) liquidity concerns, 2) potential regulatory involvement concerns, 3) lacking incentives and onerous requirements for new

domestic companies to be listed and 4) pipeline of companies listing locally.

<https://today.thefinancialexpress.com.bd/stock-corporate/dawn-global-launches-etf-listed-on-nyse-1625594577>

New company registration surges despite pandemic

- Despite the lengthy coronavirus pandemic, 13,613 new companies were registered in Bangladesh in the just-included fiscal year, highlighting the confidence of businesses in the economy. This is the highest firm registration in a single year, according to data from the Office of the Registrar of Joint Stock Companies and Firms (RJSC). Entrepreneurs are increasingly forming new businesses and making the investment as they hope that things will return to normalcy in the coming months, said the deputy registrar of the Chittagong Office.

<https://www.thedailystar.net/business/economy/stock/news/new-company-registration-surges-despite-pandemic-2125465>

Hiked tariff slims down growth of app-based call services

- Internet Protocol Telephony Service Providers (IPTSP) which are providing app-based services said local app users could make calls at zero cost if they were connected to the Internet, but without Internet, calls would cost BDT 0.30 per minute until April. Bangladesh Telecommunication Regulatory Commission (BTRC) in May increased tariff, fixing the minimum price of off-Net calls via apps, such as Brilliant Connect and Alaap at BDT 0.40 per minute, narrowing the gap with the call rate of mobile operators – BDT 0.45 per minute. As a result, the factors – cheaper call rate and off-Net accessibility – which used to encourage people to use the platforms no longer seem significant. Neither the number of subscribers of such apps is growing, nor is the volume of calls.

- Since the beginning, mobile network operators have been opposing local OTT calls as they take away a slice of revenue earnings from them. The Association of Mobile Telecom Operators of Bangladesh (AMTOB), a platform of mobile operators, in a letter to the BTRC in 2019, said that because of OTT calls, market leader Grameenphone would lose BDT 16.93 billion per year while the government would lose BDT 5.76 billion in revenue. The AMTOB urged the regulatory commission not to allow more OTT operators and to set the same tariff for OTT calls as for mobile operators.

<https://www.tbsnews.net/bangladesh/telecom/hiked-tariff-slims-down-growth-app-based-call-services-270901>

Exports make strong rebound, posted 15.1% growth in FY21

- The country's merchandise exports grew by 15.1% to USD 38.8 billion in the just concluded fiscal year of 2020-21, riding on the readymade garment (RMG), jute and agricultural products, amid the pandemic. The overall export earnings, however, fell short of USD 41.0 billion target by 5.5% set for FY21. Bangladesh fetched USD 33.7 billion in FY 2019-20.

- Out of the total USD 38.8 billion export income in FY 21, the RMG sector fetched USD 31.5 billion, recording a 12.6% growth. In the last fiscal, the sector's earnings, however, failed to achieve the target by 6.89%. Earnings from pharmaceutical exports stood at USD 169.0 million, marking a 24.5% growth.

- The earnings in June 2021 grew by 31.8% to USD 3.6 billion compared to that of the corresponding month of 2020. The June earnings also fell short of the target by 2.5%.

<https://today.thefinancialexpress.com.bd/first-page/exports-post-151pc-growth-1625508104>
<https://www.tbsnews.net/economy/bangladesh-export-market-path-recovery-clocking-3875-billion-fy21-270544>

<https://www.thedailystar.net/business/economy/stock/news/exports-make-strong-rebound-2124857>

<https://www.newagebd.net/article/142921/exports-grow-by-15pc-in-fy21>

<https://www.dhakatribune.com/business/2021/07/05/exports-on-way-to-rebound-backed-by-rmg-recovery>

NBFI borrowers now get easy repayment scope till August

- The Bangladesh Bank issued a circular asking all the NBFIIs not to downgrade any loans if the borrowers repay only 50.0% of their June quarter-end overdue amount within August 31. After payment of 50.0% of the overdue amount, the borrowers will have to adjust the remaining 50.0% within the next instalment.

- The BB also barred the NBFIIs from slapping any fines or late payment fees from the borrowers for such payments. The central bank gave the same kind of facility to borrowers of banks on June 27 but the condition imposed was easier for the bank borrowers. The central bank allowed the bank borrowers to avoid defaulting on their loans with 20.0% payment of the June quarter-end overdue amount within August 31.

- On April 20, the BB issued another circular that facilitated the borrowers of NBFIIs to pay their March quarter-end overdue amount by June without facing a down gradation of loans. A central bank circular issued in this regard on the day asked all scheduled banks not to downgrade any loans if the borrowers repay only 20.0% of their June quarter-end overdue amount within August 31.

<https://www.newagebd.net/article/142917/nbfi-borrowers-now-get-easy-repayment-scope-till-august>
<https://www.thedailystar.net/business/economy/banks/news/bb-relaxes-classification-rules-2124849>

Highest ever 153 daily Covid deaths, NTAC seeks one more week of lockdown

- Bangladesh recorded the highest 153 single-day deaths from Covid-19 on Sunday since the virus was first detected in the country in March 2020., taking the death toll to 15,065. Besides, it is the eighth consecutive day that the country reported over 100 deaths from Covid-19. Khulna division, the new Covid-19 hotspot in the country, counted about 51 deaths, followed by Dhaka with 46 deaths, 15 each in Chittagong and Rangpur divisions, Rajshahi 12, Mymensingh nine, Barisal three, and Sylhet two.

- In the meantime, another 8,661 individuals were found positive for the infection from testing a total of 29,879 samples, the DGHS data showed. The positivity rate also increased to 28.99%, up from 27.39% a day ago, while the overall positivity rate stood at 14.05%. The overall death rate was hovering around at 1.59%.

- The total number of coronavirus infected people reached 944,917 of whom 88.3% or 833,897 people recovered. Among the 153 deceased on the day, 96 were men and 57 were women. Of them, 70 were above 60 years old, 45 between 51-60, 24 between 41-50,

11 between 31-40, and three were between 21-30.

- The National Technical Advisory Committee (NTAC) on Covid-19 has recommended continuation of the ongoing countrywide lockdown for one more week as both spread and fatalities from the virus continued to surge across the country. Earlier, the Committee suggested a two-week countrywide 'shutdown' but the government imposed a week-long 'strict lockdown' from July 01, which is scheduled to end on Wednesday midnight.

<https://today.thefinancialexpress.com.bd/first-page/record-daily-deaths-at-153-1625421698>
<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladesh-reports-highest-ever-153-covid-19-deaths>

<https://today.thefinancialexpress.com.bd/first-page/ntac-seeks-one-more-week-of-lockdown-1625421778>

Tax revenue posts 17.0% growth but misses target

- The National Board of Revenue (NBR) managed to collect BDT 2.6 trillion in the FY 2020-21 against BDT 2.2 trillion in the previous FY. However, the NBR missed the revised revenue collection target (BDT 3.0 trillion) by BDT 450 billion and the original target (BDT 3.3 trillion) by BDT 740 billion during the last FY.
- The income tax wing collected BDT 850 billion, VAT wing BDT 940 billion and customs wing BDT 770 billion during the period under review. In FY 21, the VAT collection target was BDT 1.10 trillion, followed by income tax BDT 970 billion and customs duty BDT 940 billion.
- Despite economic slowdown due to the Covid-19 pandemic, revenue collection posted a 17.0% growth in the just concluded fiscal year (FY) over that of the previous FY thanks to contribution of the large corporate taxpayers. Tax collection from the LTU grew by 15.4% in FY 21.
- The opportunity to legalize the undisclosed income made a significant contribution to the revenue collection in the last FY. A number of potential investors whitened money by enhancing the size of the paid-up capital of different projects without legal complexities. Some investors from the readymade garment sector, car business, land and other large ventures also whitened their money under the scheme. Although 20% of the undisclosed money holders are large taxpayers, they contributed 80% of the taxes under the scheme.

<https://today.thefinancialexpress.com.bd/first-page/tax-revenue-posts-17pc-growth-1625421606>
<https://www.newagebd.net/article/142851/tax-receipt-grows-in-fy21-but-misses-target>

July payment to ACU to bring reserve below USD 45.0 billion

- Bangladesh Bank's reserve would fall below USD 45.0 billion in the next several days as the central bank is scheduled to pay Bangladesh's import bills to eight Asian countries through the Asian Clearing Union. According to a BB senior official, ACU payment in the last time was made by May 10 and this time the payment would be made for the month of May and June by July 10.
- ACU, headquartered in Iran, would generate Bangladesh's import bills with its member states today where it would specify the exact date of payment. This time the country's ACU payments would be around USD 1.55 billion for the last two months, the BB official said. After the payments of ACU, the reserve of Bangladesh Bank would drop to around USD

44.5 billion.

- Bangladesh's reserve reached an all-time high at USD 46.1 billion on June 29, riding on heavy inflow of remittance against slow import payments. Inflow of remittance in FY21, excluding the last six days, reached a record high of USD 24.4 billion. So far, the inflow of remittance in FY21 has been 34.2% or USD 6.2 billion higher than the USD 18.2 billion in remittance earnings in FY20.

The reserve has risen by USD 13.0 billion in a span of 15 months since the Covid-19 outbreak in the country to exceed USD 46.0 billion.

- Apart from the Bangladesh Bank, Royal Monetary Authority of Bhutan, Reserve Bank of India, Central Bank of the Islamic Republic of Iran, Maldives Monetary Authority, Central Bank of Myanmar, Nepal Rastra Bank, State Bank of Pakistan and Central Bank of Sri Lanka are the members of ACU.

- Of the eight countries, Bangladesh's import from India was the highest. Bangladesh Bank data showed that Bangladesh's import from India was worth BDT 491.2 billion in FY20 against India's imports worth BDT 73.4 billion from Bangladesh, representing around one-seventh of India's export to Bangladesh. Apart from the ACU members, China earns highest from Bangladesh. In FY20, the country earned BDT 974 billion or USD 11,490 million from Bangladesh against exports.

<https://www.newagebd.net/article/142850/july-payment-to-acu-to-bring-reserve-below-45b>

RMG export exceeds FY21 target

- Bangladesh's apparel export has surpassed the USD 30.8 billion target set by the Export Promotion Bureau (EPB) for the immediate past FY21, say sources at the garment exporters association. In the fiscal 2020-2021, the country exported apparel items amounting to USD 30.9 billion – which is 10.0% higher than in the previous year.
- RMG exports started plummeting drastically since the Covid-19 outbreak in Bangladesh in March last year. The garment sector contributes about 84.0% to Bangladesh's overall exports. Against a USD 38.2 billion target, apparel export in the 2019-20 fiscal year declined to USD 27.95 billion – that is 18.0% less than the year. In the immediate past 2020-21 fiscal year, the export grew by 10.0% to USD 30.9 billion. As per the BGMEA, the annual growth rate, however, is around 16.0%.
- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) hopes the export volume in the 2021-22 fiscal year might be USD 33.7 billion as the Association President Faruque Hassan recently told The Business Standard that the export might cross the pre-pandemic 2018-19 volume.

<https://www.tbsnews.net/economy/rmg/rmg-export-exceeds-fy21-target-270364>

Cotton price hike strains RMG makers

- The price of cotton was 58-60 cents per pound before the pandemic last year which is now USD 1.2 per pound. Fabric has become costlier as cotton prices almost doubled in a year, but local dressmakers say they cannot revise their prices upward accordingly, keeping in view the low demand in the market and the decline in people's purchasing capacity in these pandemic days.

- According to industry insiders, cotton production is predicted to be on the decline next year. The price of the raw material of yarn is less likely to come down in the future. Rather, it may increase further. According to an industry insider, there are 5,000 companies across the country in this supply chain, including small and big fashion houses and designers. The annual turnover of these companies is BDT 80-100 billion. But their sales have dropped by more than half since the pandemic began.

<https://www.tbsnews.net/economy/rmg/cotton-price-hike-strains-rmg-makers-270361>

Bangladesh Bank (BB) offers special loan facility for CMSME sector

- The Bangladesh Bank (BB) Sunday offered a special loan facility for the cottage, micro, and Small and Medium Enterprises (CMSMEs) sector affected by Novel Coronavirus (Covid-19) pandemic. Under the special facility, cottage, micro and small entrepreneurs will get term loan or investment facility side by side the working capital loan or investment facility, as per a BB circular issued Sunday. In this case, the cottage, micro and small entrepreneurs will get one year interest or profit subsidy.

- As per the previous rules, medium enterprises will get working capital loan or investment facility from the incentive package, announced by the government, and in that case, the benefit of interest subsidy will also be valid for one year. The central bank has offered the special loan facility for encouraging the CMSMEs to borrow under the incentive package of BDT 200 billion. However, till 17 June this year BDT 149.1 billion has been distributed from this package. A total of 94,989 customers has availed loans from the package, including 5,276 women. The package was launched in April last year. The deadline is this June 30. Despite several extensions, the implementation of the package is only 75.0%.

<https://www.tbsnews.net/economy/banking/bb-offers-special-loan-facility-cmsme-sector-270322>

<https://today.thefinancialexpress.com.bd/last-page/bb-offers-special-loan-facility-for-cmsme-sector-1625422354>

<https://www.newagebd.net/article/142849/entrepreneurs-of-cottage-micro-small-business-to-get-term-loan>

Banks and Bourses remain closed today amid lockdown

- Banks will remain closed on today (Sunday) also as per new instructions of the Bangladesh Bank following the countrywide strict lockdown that began on Thursday, July 1. According to a circular of the Bangladesh Bank, issued on June 30, said the banks would remain closed also on Sunday (today) in addition to Friday, Saturday weekends during the lockdown until July 7.
- Banks will conduct transactions from 10 am to 1:30 pm during the 7-day restrictions. However, they can operate until 3:30 pm for conducting their other office activities.
- During this period, the head offices of banks will remain open while state-owned banks will keep open one branch at district level and one branch at upazila level while private banks will keep open one branch at district level and maximum two branches outside the district level with limited manpower.
- From 05 July 2021, trading on the DSE and CSE will start at 10:00 am and continue until 01:00 pm, the Securities and Exchange Commission (BSEC) said in a circular issued on 30 Jun 2021.

<https://today.thefinancialexpress.com.bd/trade-market/banks-remain-closed-today-amid-lockdown-1625327251>

Apparel exports to United States claw back

- Country's apparel exports to the United States bounced back during the first five months of this calendar year, registering a double-digit growth both in terms of value and volume compared to the same period of last year.
- The readymade garment (RMG) exports to the USA grew by 15.38% to USD 2.58 billion during the period from January to May this year than that of the same period last year. Bangladesh had fetched USD 2.24 billion during the corresponding period of 2020.
- During the first five months of 2021 calendar year, Bangladesh shipped 1.02 billion square meters of apparel items, up from 807.67 million square meters or 27.30%. The RMG exports to USA stood at USD 5.22 billion in 2020, down from USD 5.92 billion in 2019.
- The overall apparel imports of USA from across the world during the period under review also increased by 22.19% to USD 29.21 billion from USD 23.91 billion during the same period in 2020. During this period, the US apparel imports from China witnessed 26.17% growth to USD 5.82 billion, which was USD 4.61 billion during the corresponding period of last calendar year.

<https://today.thefinancialexpress.com.bd/first-page/apparel-exports-to-us-claw-back-1625332476>

Import of second-hand clothes cut by 40.0% for this winter

- The government has slashed the import volume of second-hand clothes by 40% for this winter due to the spread of Covid-19. To this effect, the Office of Chief Controller of Imports and Exports (CCIE) under the commerce ministry issued a notification on July 01, 2021. The facility will be applicable for the just-concluded fiscal year (FY) 2020-21.
 - According to the notification, the importers will be selected on the basis of population density in each district and through lottery to be arranged by deputy commissioners (DCs) concerned. Each trader can import used clothes worth a maximum of BDT 50,000 and they will have to submit proper documents certifying that the consignments of clothes are free from all kinds of toxic and hazardous substances.
 - Each trader can import two tonnes of blanket, six tonnes of sweater, six tonnes of ladies cardigan, six tonnes of gents jacket, including zipper jacket, six tonnes of trousers (male) and two tonnes of synthetic and blended shirts, according to the circular. For importing used clothes, the traders will have to apply to the DCs by August 16, 2021. The deadline for opening LCs is October 31, 2021 and shipment of clothes must be completed by December 30 next.

<https://today.thefinancialexpress.com.bd/trade-market/import-of-second-hand-clothes-cut-by-40pc-for-this-winter-1625327168>

Exports caught in container backlogs at inland container depots (ICDs)

- The country's inland container depots (ICDs) that handle almost 100% of the export goods are clogged up with export containers due to a shortage of vessels and congestion at transshipment ports such as Singapore, Colombo and Port Klang, causing the export

activities to hit a snag.

- According to the Bangladesh Inland Container Depots Association (BICDA), the 19 ICDs, also known as off-docks, can collectively store 10,000 TEU (twenty-foot equivalent unit) export containers but currently over 14,000 TEU of exports-laden boxes are waiting for shipping at the ICD yards.

- Usually, it takes 2-3 days only to send a container from the ICDs to Chattogram port for loading to the vessels, but it is now taking 7-10 days for the same process, which has led to huge tailbacks of exports-laden vehicles in front of the ICDs as well.

- Freight charges have almost tripled on the two most regular routes – Europe and the USA – from Bangladesh when compared to the pre-pandemic time. According to Bangladesh Freight Forwarders Association (BFFA) Director, around 80% of Bangladesh's export goods are transported through these two routes. The freight charge for a 40 sq ft container on the route to Europe was USD 300-USD 3,500 before the pandemic, which is now USD 10,000-USD 12,000. During this time, the freight charge of a USA-bound 40 sq ft container has increased from less than USD 5,000 to over USD 9,000.

<https://www.tbsnews.net/dropped/trade/exports-caught-container-backlogs-icds-269971>

<https://www.thedailystar.net/business/economy/news/global-container-crisis-hits-local-exporters-2123637>

Operators eye SIM-locked phones to ramp up 4G use

- Mobile phone operators are seeking permission from the government to sell network-locked or fixed-SIM handsets at lower prices so that more people can afford smartphones and use 4G service. A SIM (subscriber identification module) lock or network lock is a technical restriction built into mobile phones by manufacturers to restrict the use of the devices in specific countries or networks.

- Operators in Bangladesh now want to sell 4G-enabled handsets in cooperation with manufacturers on instalments ranging from 12 months to 24 months. The Association of Mobile Telecom Operators of Bangladesh (AMTOB) and handset manufacturers have jointly placed a proposal to the telecom regulator as the use of fourth generation (4G) services is not growing as expected due to the high price of smartphones. Under the proposal, customers will have to buy the handset from an operator, and the operator's SIM must be used until the repayment period is over.

- Operators say they have set up more than 36,000 4G sites and spent heavily in other areas, such as purchasing spectrum. According to the AMTOB, four operators have invested BDT 280.0 billion in the 4G service. To increase the number of 4G subscribers, the AMTOB plans to sell handsets on instalments by locking them to a specific carrier.

- In Bangladesh, operators plan to bring 100% of the population under 4G coverage by 2025. According to their estimate, 40% of the customers will use 4G in 2021, 60% in 2022, 75% in 2023, 85% in 2024, and 100% in 2025. More than 101 million out of 173 million mobile subscribers use the internet, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

<https://www.thedailystar.net/business/economy/industries/news/operators-eye-sim-locked-phones-ramp-4g-use-2123629>

Export orders shifting from India, Myanmar to BD

- Military coup in Myanmar and a grave Covid-19 situation in India have proved to be a boon to Bangladesh's apparel industry. Some export orders from these countries are now shifting to Bangladesh, exporters and economists said on Friday. Since labour and logistical support-related problems emerged in both the countries in recent months, and the garment manufacturing units there faced a production setback, the shifting of orders is taking place, they also said.

- Another report adds: The Walt Disney Company commonly known as Disney will reinstate Bangladesh as its sourcing destination eight years after the American conglomerate suspended buying apparels from the country since the 2013 tragic industrial incidents.

<https://today.thefinancialexpress.com.bd/first-page/export-orders-shifting-from-india-myanmar-to-bd-1625249667>

<https://www.tbsnews.net/economy/rmg/walt-disney-reinstates-bangladesh-sourcing-country-after-8-years-269530>

Paper cone: A thriving backward linkage industry

- Before 2010, Bangladesh would need to import to meet most of the total demand for paper cones. But at present, the local demand for paper cones is met by domestically produced cones using local raw materials and advanced technology. According to the Bangladesh Paper Cone and Tube Manufacturers Association (BPCTMA), there are now some 500 paper cone and tube factories in the country and of those, 180 are registered. The factories are environmentally friendly and the manufactured products are used in around 600 spinning mills across the country. There is a BDT 20 billion investment in the industry, and the government annually collects taxes of around BDT 2.5 billion from this sector. It also employs more than 0.3 million people, almost 80% of whom are women.

<https://www.tbsnews.net/economy/paper-cone-thriving-backward-linkage-industry-269617>

Trade deficit widens by 23% in July-May

- The country's trade deficit rose by 23.48% or USD 3.78 billion year-on-year in the July-May period of the just concluded fiscal year 2020-21 amid a higher import payment growth. The latest Bangladesh Bank data showed that the country's trade deficit rose to USD 19.85 billion in July-May of FY21 from USD 16.07 billion in the same period of FY20.

- Businesses' move to rebuild their industrial input stock was the main reason for the surge in import payments in the last few months amid major vaccination drives in the developed countries especially in the major export destinations of Bangladesh, businesses said. Though the vaccinated population in Bangladesh is still below 4%, the major export destinations for Bangladesh, including the United States, the United Kingdom and Germany, have vaccinated a significant portion of their citizens thus laying the foundation for the countries to reopen their economic activities in a full swing, they said.

- Foreign investors withdrew USD 248 million in portfolio investments from the stock market in July-May of FY21 against USD 21 million in investments in the same period of the previous fiscal year. However, the country's current account deficit stood at USD 1.85 billion in July-May of FY21 against a USD 4.43 billion deficit in the first 11 months of FY20.

<https://www.newagebd.net/article/142547/trade-deficit-widens-by-23pc-in-july-may>

Rod prices surge for costlier raw materials

- The price of mild steel (MS) rods has increased by BDT 1,500 per tonne in Bangladesh in the past month because of the rising cost of raw materials globally, making building houses and implementing infrastructure projects costlier. The spike in the price came even though the source tax was slashed in the budget for fiscal 2021-22. Manufacturers blame the increasing cost of melting scrap in the international market for the price hike in the local market. So, the cost of building private homes and implementing infrastructures and development projects will not decline.
- The price of melting scrap, which was USD 300 to USD 350 per tonne last October, has risen to USD 590 per tonne, prompting several countries, including India, to cut the tariffs on raw material imports. Around 70% to 85% of the melting scrap used by the domestic steel industry has to be imported, while the rest is produced locally. The scrap is imported from the US, Canada, Australia, South Korea, and European countries. Ferroalloys, the main chemical used for rod production, cost between USD 600 and USD 850 per tonne a year ago. The price has spurted to USD 1,400 to USD 1,450 per tonne now.

<https://www.thedailystar.net/business/economy/industries/news/rod-prices-surge-costlier-raw-materials-2122357>

Most of PCBs see uptick in H1 operating profit

- Banks in Bangladesh posted a hefty operating profit in the first half of 2021 despite the business slowdown caused by the coronavirus pandemic, data of 20 lenders showed. The lower interest rate on deposits and the moderate lending rate helped banks register the higher operating profit in the January-June period, bankers said. Lenders also managed a good profit from their investment in the capital market as the bourses performed well during the period. The foreign exchange business also made a turnaround, and banks received good commissions and fees from the sharp rise in exports and imports.
- The BB earlier allowed banks to grant deferral supports to clients in the first quarter, meaning that borrowers had not turned defaulters despite failing to repay the loan. In such a situation, banks might have shown unrealised interest as incomes, inflating profits, said a BB official. A senior executive of a leading PCB said that the banks, which had managed non-performing loans (NPLs) using the BB's relaxed loan classification rules, booked better operating profits during the H1 of 2021.

<https://www.thedailystar.net/business/economy/banks/news/banks-log-higher-expected-profits-despite-slowdown-2122429>
<https://today.thefinancialexpress.com.bd/first-page/most-of-pcbss-see-uptick-1625161476>
<https://www.tbsnews.net/economy/banking/most-banks-post-moderate-half-yearly-operating-profits-269224>

Textile sees investment boom during pandemic

- Textile entrepreneurs came out with a huge investment amid the deadly coronavirus pandemic to boost production capacity and adopt new technology – all to meet the growing export demand of the country's apparel sector. Investments worth about USD 500 million, or over BDT 42 billion – highest in a decade – are in progress to expand and modernise production facilities to meet the growing demand mostly of manmade fibre in the international market, industry insiders say.
- Because the pandemic has weakened in Europe and the United States – two major

destinations of Bangladeshi apparels – thanks to widespread vaccination, the demand for readymade garments is returning to the pre-Covid level, industry people have said. Many textile manufacturers are now overwhelmed with export orders, which they will not be able to complete in time by using their current capacity, they added. Besides, trade tensions between the US and China have also encouraged local entrepreneurs to invest in some value-added yarn and fabrics.

<https://www.tbsnews.net/economy/textile-sees-investment-boom-during-pandemic-269221>

Important News: Capital Market

Fund raising through IPOs hits a decade high

- Private companies have offloaded primary shares worth BDT 16.1 billion in the just concluded fiscal year, the highest amount in more than a decade, amid virus-induced sluggish economic activities. With the latest one of Baraka Patenga Power, the country's capital market witnessed 16 initial public offerings (IPOs) in the fiscal year (FY) 2020-2021.
- Most part of the funds is meant for business expansion, repayment of loans and meeting the working capital requirements. The market also has seen the entry of the largest ever IPO - Robi Axiata-- during the outgoing fiscal year.
- However, fund raising through IPOs hit an 11-year low in the FY 2019-20 due to fierce criticisms over poor IPO approval by the then securities commission and market closure for 66 days (March 26 to May 30) due to coronavirus outbreak. Only two companies -- Ring Shine Textiles and ADN Telecom and one bond Ashuganj Power Station Company--- raised an aggregate amount of BDT 3.07 billion in the FY 2019-20, according to the data available with the Dhaka Stock Exchange (DSE).

<https://today.thefinancialexpress.com.bd/stock-corporate/fund-raising-through-ipos-hits-a-decade-high-1625416086>

SBAC Bank's IPO subscription time extended till July 12

- The initial public offering (IPO) subscription time of South Bangla Agriculture & Commerce Bank (SBAC) has been extended until July 12. The private lender's IPO subscription, which started on July 5 and supposed to end on July 11, will be continued until July 12. The bank's IPO subscription will now end on July 12 instead of July 11 in accordance with the Bangladesh Bank DOS circular on Tuesday.
- South Bangla Bank is the third company, whose IPO shares will be allotted on the newly introduced pro-rata basis instead of lottery system. Minimum and maximum amount allowed for subscription for general public is BDT 10,000 (or its multiples) and BDT 50,000 respectively.
- Each eligible investor (EI) who intends to submit application shall maintain a minimum investment of BDT 5.0 million for approved pension funds, recognized provident funds and approved gratuity funds and other EIs of BDT 10.0 million only at market price in listed securities as on June 24.

- SBAC, which began commercial operations in Bangladesh on February 20, 2013, will issue 100 million ordinary shares at face value of BDT 10.0 each. With the IPO proceeds, the bank will buy government securities and meet its IPO expenses.
- SBAC Bank Limited has planned to boost its financing in retail and small and medium enterprises (SME) for minimizing risk within the next two years. Under the plans, the investment in retail and SME will be reached at 50% of its total loans and advances by 2023 from the existing level of 30%.

<https://today.thefinancialexpress.com.bd/stock-corporate/sbac-banks-ipo-subscription-time-extended-till-july-12-1625674762>

<https://today.thefinancialexpress.com.bd/stock-corporate/sbac-to-enhance-investment-in-retail-and-sme-sectors-1625674700>

Baraka Patenga Power investors get minimum 54 IPO shares

- A general investor will get minimum 54 initial public offering (IPO) shares of Baraka Patenga Power against application of BDT 10,000. The Dhaka Stock Exchange (DSE) on Monday formally allocated the IPO shares of Baraka Patenga Power, under the newly introduced pro-rata basis. The IPO shares distribution on pro-rata basis allows every applicant to get shares.
- Of the general investors, who have applied for BDT 10,000 will get a minimum of 54 IPO shares. Those who applied for BDT 20,000 will get 108 shares, those who applied for BDT 30,000 will get 162 shares, those who applied for BDT 40,000 will get 217 shares and those who applied for BDT 50,000 will get 272 shares. Besides, affected investors will get a minimum of 97 shares and non-residential Bangladeshis (NRBs) will get a minimum 128 shares of the company.
- Earlier the company completed electronic bidding and explored its cut-off price of shares - a requirement for going public under the book building method. The cut-off price of shares of company was fixed at BDT 32 each. But the general investors got its IPO shares at BDT 29.0 each, a 10% discount on the cut-off price, as per the book-building method. Baraka Patenga Power issued a total of 73,770,488 ordinary shares for raising BDT 2.25 billion from the stock market under the book-building method.
- Of the IPO proceeds, more than BDT 1.44 billion will be invested in two of its subsidiaries - Karnaphuli Power and Shikalbaha Power, partial repay long-term bank loans and bear the expenses of the IPO process.

<https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-power-investors-get-minimum-54-ipo-shares-1625502220>

<https://www.tbsnews.net/economy/stocks/baraka-patenga-investors-get-minimum-54-primary-shares-270688>

Bangladesh Securities and Exchange Commission (BSEC) approves proposal: Capital market stabilization fund

- The securities regulator on Wednesday approved the proposal regarding the formation of the board of governance under which the operations of BDT 210 billion capital market stabilization fund will be conducted. In last week, the securities regulator got gazette notification on formation of the market stabilization fund.

- As per the rules approved for market stabilization fund, the board of governors of the fund shall be comprised of 11 members, including one chairman nominated by the commission. The commission will nominate another three members, while the bourses will nominate two members, depository organization one member and the association of listed companies one member. One member will also be included from the professionals of chartered accountants or cost and management accountants or chartered secretaries or chartered financial analysts as selected by the commission.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-proposal-1625674596>

BSEC okays PRAN's BDT 1.5 billion green bond

- The Bangladesh Securities and Exchange Commission on Wednesday allowed PRAN Agro Limited to float non-convertible coupon bearing green bond worth BDT 1.5 billion. The face value of each unit of the bond is BDT 1.0 million. The coupon rate of PRAN Agro's bond is 9.0%.
- PRAN Agro will utilise the bond proceeds in strengthening its capital and liquidity with keeping environmental balance.
- Only banks, financial institutions, insurance companies, listed banks, trust funds, corporate institutions and other eligible investors will be allowed to purchase the bond through private placement.

<https://www.newagebd.net/article/143104/bsec-okays-prans-BDT-150cr-green-bond>

Market Stabilization Fund: BSEC asks firms to transfer funds by July 30

- The Bangladesh Securities and Exchange Commission on Tuesday asked all listed companies, brokerage houses and merchant banks to transfer amounts held against unclaimed, undistributed or unsettled dividends or non-refunded public subscription money in cash to the Capital Market Stabilization Fund within July 30.
- Earlier on January 14, the BSEC issued a directive saying that any amount of cash or stock dividend which has remained unpaid or unclaimed or unsettled, including accrued interest income thereon, within three years from the date of declaration or approval must be transferred to the Capital Market Stabilisation Fund of the BSEC. As per the data of the Dhaka and Chittagong Stock Exchanges, 335 listed companies have unclaimed cash dividends worth BDT 9.56 billion and unclaimed or unsettled stock dividends worth BDT 199.86 billion, BSEC officials said.

<https://www.newagebd.net/article/143011/bsec-asks-firms-to-transfer-funds-by-july-30>

Bangladesh Petroleum Corporation (BPC) counts loss as global prices soar

- The Bangladesh Petroleum Corporation (BPC) has started counting losses after five years following higher fuel oil prices globally amid the acute coronavirus crisis. It now incurs a loss of an estimated BDT 80 million a day in oil trading, according to sources. To reduce losses, energy ministry increased the price of furnace oil by BDT 11 per litre, or 26.19%, to BDT 53 per litre with effect from July 04.
- Presently, the state-run petroleum corporation incurs a loss of around BDT 6.0 per litre in diesel trading. Despite furnace oil price hike, it suffered a loss of around BDT 1.0-1.5 per

litre as on July 04. Every day, the BPC sells 12,000 to 15,000 tonnes of diesel in domestic market after imports. It also imports nominal quantity of furnace oil and octane to meet the local demand. Diesel, the key petroleum product that is mostly imported from abroad, now retails is BDT 65 per litre. The BPC is at a break-even position in octane trading.

- Officials said the BPC had racked up hefty profits riding on the sharp fall in oil prices globally over the past six years since 2015. It, however, incurred huge losses until late 2014 when the oil price was higher. The price of kerosene at retail level is BDT 65 per litre while octane and petrol prices are at BDT 89 and BDT 86 per litre respectively. The BPC meets most of its furnace oil demand from the Eastern Refinery Ltd that produces around 350,000 tonnes of oil annually after refining crude oil. Most of the country's octane and entire petrol and kerosene demands are met from the plant's output.

<https://today.thefinancialexpress.com.bd/last-page/bpc-counts-loss-as-global-prices-soar-1625508592>

Japanese firm in talks to take over Emerald Oil

- Minori Bangladesh Limited, a subsidiary of Japanese farming company Minori Co Limited, is in talks to inject BDT 500.0 million to help Emerald Oil turn around. The Japanese firm has nominated its local representative Sidratul Mahabub Hasan in the Emerald Oil board and may get more seats there if their investment plan succeeds, said the independent director seeking anonymity.
- The founder of Emerald Oil fled the country a few years back as he faced a corruption trial due to his scam in taking bank loans from BASIC Bank. Since then, the company has been left inoperative and deepened the pains of its shareholders as they suffered stock price drop and got no dividends for four years.
- Emerald Oil, incorporated in 2008, began production of its Spondon-branded rice bran oil in 2011 and entered the bourses in 2014. But, in a few years, it melted down both in its business and in the stock market as soon as the founder's loan scams unfolded.

<https://www.tbsnews.net/economy/corporates/japanese-firm-talks-take-over-emerald-oil-270367>

Westin Dhaka sees sharp fall in revenue in pandemic

- The Unique Hotel and Resorts Limited (UHRL), owner of The Westin Dhaka and a three-star hotel named Hansa, does not see any sign of riding out the Covid-19 pandemic rampage anytime soon, with its revenue continuing to dwindle because of poor guest occupancy. In this situation, Md Noor Ali, managing director of the UHRL, recently wrote to the National Board of Revenue (NBR) chairman, seeking an exemption from corporate taxes and VAT for the next five years.
- From July to March in FY21, the hospitality company, which is listed on the capital market, registered a 67% decline in revenue to a little over BDT 500 million in contrast to BDT 1.6 billion in FY20. The company's total revenue stood at around BDT 2.2 billion in FY19, the pre-pandemic year.
- Since the inception of the company in Bangladesh in 2007, it has paid over BDT 5.0 billion in taxes to the government. Of the amount, BDT 3.4 billion was paid from FY07 to FY17, BDT 570 million in FY18, BDT 560 million in FY19, BDT 380.0 million in FY2020 and BDT 99.0 million till March in FY21.

- According to the president of the Bangladesh International Hotel Association, Five-star hotels are now running with 10% to 12% occupancy. But it requires 40.0% to 45.0% occupancy to reach the break-even point

<https://www.tbsnews.net/economy/corporates/westin-dhaka-sees-sharp-fall-revenue-pandemic-270379>

Japan Tobacco's huge FDI cannot find footing in Bangladesh

- Japan Tobacco International came to Bangladesh with the highest-ever investment in the country's history, but it failed to fare well because of what its officials claim was the dominance and anti-competitive activities of British American Tobacco Bangladesh (DSE: BATBC). They have also blamed the government's tax policy.
 - The other tobacco companies say Japan Tobacco's allegations are not true – it failed to understand the Bangladesh market and could not maintain a smooth supply chain when Covid-19 broke out last year.
 - Japan Tobacco launched in the Bangladesh market with a BDT 124.0 billion investment after acquiring Akij Group's Dhaka Tobacco in 2018. Its market share was 19.8% at the time, which has now come down to 12.6%.
 - The Japan-based multinational company recently wrote to the Bangladesh Competition Commission, expressing concern about its survival. It claimed to have faced unequal competition from British American Tobacco. Early this year, the Japanese ambassador to Bangladesh wrote to Finance Minister raising similar allegations.
 - Japan Tobacco has operations in 130 countries and employs about 60,000 people. It markets Winston, Camel, Mevius and LD cigarettes, which are well-known brands in different countries. Like the British American Tobacco, Japan Tobacco also markets e-cigarettes. The Japanese government has a 33.35% stake in Japan Tobacco International. Japan Tobacco currently sells cigarettes of several brands, including LD, Navy, Sheikh, K2, and Real.
- <https://www.tbsnews.net/economy/japan-tobaccos-huge-fdi-cant-find-footing-bangladesh-270754>

Tiles company sued for evading VAT worth BDT 390.0 million

- A VAT intelligence team has detected VAT evasion worth BDT 390.0 million by a tiles company named Mohammad Trading in the city. The company used to purchase tiles and other sanitary items from RAK Ceramics (Bangladesh) Limited and Star Ceramics Ltd and supply those in the local market.
- According to the investigation report, the company has paid VAT on its commission worth BDT 10.0 million against BDT 280 million payable on supply of tiles. It has also evaded VAT worth BDT 2.0 million on space rent, concealed information on financial transactions and got involved with irregularities.
- Earlier, the VAT wing also filed another case against the company for evading VAT worth BDT 1.24 billion which is under the judicial process.

<https://today.thefinancialexpress.com.bd/last-page/tiles-co-sued-for-evading-vat-worth-BDT-390m-1625508687>

Dhaka Bank to double investment in retail and SME sectors

• Dhaka Bank Limited has planned to focus its financing in retail and small and medium enterprises (SME) for minimising risk and diversifying portfolios by 2025. Under the plans, the investment in retail and SME will be reached at 40% of its total loans and advances within the next four years from the existing level of 20.0%.

• The leading PCB is also working continuously to develop digital banking instead of the existing 'brick and mortar' one for providing world-class services to its customers. As part of the moves, Dhaka Bank has introduced one of the most prominent mobile banking apps 'DBL Go,' Internet Banking, Bills to Cash, Trade Cloud, Ezy Bank and many other tech-based services for its customers, who are being highly benefited from these services.

• According to the CEO, in case of short-term strategy, Dhaka Bank is monitoring the overall business segments both national and international and trying to move with the best tide so that we can reach our destination up and top. The Bank has already built a large network of correspondence banking with almost all the multilateral agencies and hundreds of correspondents across the world. The leading PCB handles around 3.5% of the country's foreign trade having almost all the large business houses in the portfolio.

<https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-bank-to-double-investment-in-retail-and-sme-sectors-1625416155>

<https://www.thedailystar.net/business/economy/interview/news/dhaka-bank-rides-tech-make-retail-sme-banking-vibrant-2124277>

IDRA sets new office hours for insurers

• Head offices of all life and non-life insurers and their key branches will remain open from 10:00am to 2:00pm daily until July 07, the insurance regulator said in a circular issued on Sunday.

The office of the Insurance Development Regulatory Authority (IDRA) will also remain open as per the new timings for the lockdown period.

<https://today.thefinancialexpress.com.bd/first-page/idra-sets-new-office-hours-for-insurers-1625421905>

X Ceramics to go for high-end tiles

• The demand for premium quality tiles has grown by around 10% annually for the past decade thanks to a section of affluent customers who look for the finest products to decorate their homes and offices. Encouraged by the rising demand, a number of local firms are lining up to enter the industry.

• X Ceramics is set to make a fresh investment of BDT 2.4 billion to establish a high-end tile production facility to cater to the demand among upscale product seekers. The company's annual turnover is about BDT 3.5 billion. With 4,000 employees, X Ceramics is a market leader in the tiles industry with a combined production capacity of 30,000 square metres per day at two manufacturing units.

• Other than X Ceramics, Mir Ceramic, Sheltech, Excellent Ceramic, DBL Ceramic, Akij and CBC all manufacture high-end ceramic items to meet more than 80% of the local demand, which stands at nearly BDT 7.0 billion annually. The rest is met through imports, according to market players. X Ceramics aims to produce 13.4 million square feet of both interior and

exterior ceramic tiles at the new unit.

• According to the Bangladesh Ceramic Manufacturers and Exporters Association, there are currently about 30 tiles manufacturers in the country that produce around 206.4 million square metres of tiles every year with consumption amounting to BDT 46.0 billion in 2019-20.

<https://www.thedailystar.net/business/economy/industries/news/x-ceramics-go-high-end-tiles-2123609>

Two listed ailing Financial Institutions see improvements after recast of boards: Bangladesh Securities and Exchange Commission (BSEC)

• Restructuring of their boards by the securities regulator brought some improvements in operations of two listed ailing financial institutions (FIs): Fareast Finance & Investment and FAS Finance & Investment.

• According to the BSEC chairman, one of the two FIs has already restored their SME activities despite their operations were hampered seriously earlier amid a lot of irregularities. The securities regulator has restructured the boards of Fareast Finance and FAS Finance dissolving previous boards.

• Fareast Finance, presently a 'Z' category company, was listed with the bourse in 2013. The company's sponsor-directors hold 41.88% shares, institutes 12.93%, foreigners 0.05% and general shareholders 45.14% as on May 31, 2021.

• FAS Finance, presently a 'B' category company, was listed with the bourses in 2008. The company's sponsor-directors hold 13.20% shares, institutes 12.14% and general shareholders 74.66% as on May 31, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/two-ailing-fis-see-improvements-after-recast-of-boards-1625327548>

South Bangla Bank's IPO subscription begins Monday

• The initial public offering (IPO) subscription of South Bangla Agriculture & Commerce Bank (SBAC) will begin on Monday, aiming to raise BDT 1.0 billion under the fixed price method. The private lender's IPO subscription will be continued until July 11, officials said. South Bangla Bank is the third company, whose IPO shares will be allotted on the newly introduced pro-rata basis instead of lottery system. With the IPO proceeds, the bank will buy government securities and meet its IPO expenses.

<https://today.thefinancialexpress.com.bd/stock-corporate/south-bangla-banks-ipo-subscription-begins-monday-1625153075>