

## Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.17%) lost -77.70 points and closed the week at 6,565.47 points. The blue-chip index DS30 (-1.90%) lost -46.65 points and stood at 2,406.92 points. The Shariah-based index DSES (-0.79%) lost -11.46 points and stood at 1,432.17 points. The large cap index CDSET (-1.50%) lost -20.01 points and closed at 1,310.90 points. DSEX, DS30, DSES and CDSET showed YTD returns of -2.83%, -4.96%, +0.07%, -3.55%, respectively.

**Total Turnover During the Week (DSE):** BDT 54.0 billion (USD 628 million)

**Average Daily Turnover Value (ADTV):** BDT 10.8 billion ( $\Delta\%$  Week: +130.3%)

**Market P/E:** 16.4x

## Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a positive note (+0.40%) on Sunday. It remains positive (+0.43%) on Monday. But market ended negative on Tuesday (-0.48%) and Wednesday (-1.10%). Additionally, market ended at a negative note (-0.40%) on Thursday.

## Sectoral Performance

• All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -3.36% followed by Bank (-2.67%), Life Insurance (-1.25%), NBF1 (-0.43%), and Mutual Fund (-0.42%).

• All the non-financial sectors registered negative performance this week. Telecommunication experienced the highest loss of 2.91% followed by Engineering (-0.82%), Food & Allied (-0.72%), Fuel & Power (0.00%), and Pharmaceutical (+0.13%).

## Macroeconomic arena

• NSC sales drop by 50.29pc in 9 months. Economy firing on all cylinders. Bangladesh exports rise by 35.14pc in July-April. Bangladesh-Bhutan PTA effective from 1 July. Bangladesh's single-month RMG exports to US top USD 1.0 Bn. NBR bags 62pc revenue target in July-March. ADB to provide USD 500 Mn more as budget support. ADP for transport proposed to be doubled. Social safety fund likely to grow 5pc. BDT falls more against USD. Bangladesh Bank struggles with dollar demand.

• Directors not allowed to be same bank's employee: BB. Non-banks can do real-time gross settlement from June 1. Banks' excess liquidity drops below BDT 2 Tn. Bangladesh to remain RMG hotspot in future. Import surge drives up nine-month trade deficit to \$25b. Bangladesh's remittance inflow tops USD 2.0 Bn in April on Eid. Reserve drops below USD 42 Bn on high imports. Imports jump 50pc in nine months of FY '22.

## Stock Market arena

• Govt to open up submarine cable business to private firms. Tax receipts from DSE jump 41pc in 10 months. BSEC okays Investasia Growth Fund draft prospectus. Midland Bank files for BDT 700 Mn IPO. BSEC roadshow opens in Qatar on May 18 to attract FDI. Domino's Pizza: Indian master franchisee buys unit of Bangladesh. Runner Auto sued over alleged VAT dodging. Aman Feed signs deal with Star Feed Mills. BSEC to probe owners' embezzling of Nurani Dyeing IPO funds. Monospool, Paper Processing allowed to offload 9pc more shares each. BRAC Bank introduces real-time cash deposit machine.

• Walton seeks time to ensure 10% free-float. Shwapno clocks record sales growth. ACL to ship drugs to US market directly from Bangladesh. Meghna Insurance subscription opens Wednesday. Most listed banks post higher EPS growth in 2021. DSE for raising banks' stock market exposure limit to 30pc. Listed cos must disclose loan activities as PSI. Provat Insurance to buy majority stakes of two companies. Shahjibazar Power posts 55% growth in Q3 profit. Most listed textile cos post profit in Q3. Pharma cos perform mixed in Q3.

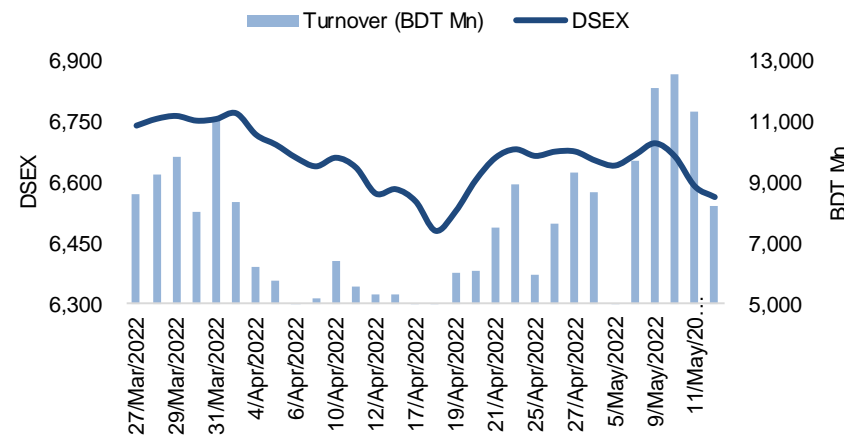
Table 1: Index

Index	Closing*	Opening*	$\Delta$ (Pts)	30-Dec-2021	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,565.47	6,643.17	-77.70	6,756.66	-1.17%	-2.83%
DS30	2,406.92	2,453.57	-46.65	2,532.58	-1.90%	-4.96%
DSES	1,432.17	1,443.64	-11.46	1,431.12	-0.79%	+0.07%
CDSET	1,310.90	1,330.91	-20.01	1,359.13	-1.50%	-3.55%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,310,130	5,365,983	-1.0%
	Mn USD	61,746	62,395	
Turnover	Mn BDT	53,979	4,687	+1051.7%
	Mn USD	628	55	
Average Daily Turnover	Mn BDT	10,796	4,687	+130.3%
	Mn USD	126	55	
Volume	Mn Shares	1,272	114	+1017.5%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SPCERAMICS	43.0	31.1	+38.3%	6,320	1,576.7	96.5x	1.4x
ACIFORMULA	220.2	167.3	+31.6%	10,404	1,600.8	37.3x	3.3x
CVOPRL	206.2	171.9	+20.0%	5,726	324.2	NM	23.9x
NFML	19.1	16.2	+17.9%	1,783	150.6	NM	1.6x
BANGAS	139.3	118.4	+17.7%	1,062	232.7	NM	6.6x
SALVOCHEM	64.0	55.5	+15.3%	4,161	580.9	46.2x	4.6x
BDFINANCE	46.5	40.6	+14.5%	8,258	268.5	33.5x	2.6x
SONARGAON	32.3	28.6	+12.9%	855	128.5	NM	2.9x
SUNLIFEINS	46.5	41.4	+12.3%	1,663	108.7	NM	NM
DACCADYE	21.2	18.9	+12.2%	1,848	264.5	20.2x	0.6x

**Table 4: Top Ten Losers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
CITYBANK	23.3	28.1	-17.1%	24,866	94.8	4.5x	0.8x
SAVAREFR	202.8	237.1	-14.5%	282	5.9	NM	2897x
MONOSPOOL	200.4	233.0	-14.0%	1,882	81.9	65.9x	4.8x
GEMINISEA	342.4	394.0	-13.1%	1,608	275.8	18.9x	59.4x
PAPERPROC	211.0	240.2	-12.2%	2,205	110.6	69.2x	7.1x
TAMIJTEX	216.1	244.6	-11.7%	6,497	52.6	36.1x	2.6x
MHSMML	32.1	36.1	-11.1%	3,242	117.7	15.1x	1.9x
MEGHNAPET	24.8	27.7	-10.5%	298	7.4	NM	NM
PUBALIBANK	25.1	27.7	-9.4%	25,810	7.3	5.7x	0.6x
APEXFOODS	194.4	214.0	-9.2%	1,109	67.3	68.2x	1.4x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	143.6	148.4	-3.2%	125,839	1,831.5	8.8x	1.6x
BEXIMCO	143.6	148.4	-3.2%	125,839	1,831.5	8.8x	1.6x
ACIFORMULA	220.2	167.3	+31.6%	10,404	1,600.8	37.3x	3.3x
SPCERAMICS	43.0	31.1	+38.3%	6,320	1,576.7	96.5x	1.4x
IPDC	54.1	59.0	-8.3%	20,076	1,499.2	22.4x	3.1x
UNIQUEHRL	70.5	75.4	-6.5%	20,755	1,333.0	24.1x	0.7x
ORIONPHARM	98.2	100.9	-2.7%	22,979	1,315.2	23.9x	1.2x
RDFOOD	61.2	57.4	+6.6%	4,650	1,298.1	41.1x	4.0x
FORTUNE	117.8	122.6	-3.9%	19,147	1,186.1	38.0x	7.8x
EHL	64.1	57.2	+12.1%	5,983	1,111.7	13.8x	0.9x

**Table 6: Most Appreciated YTD in BRAC EPL Universe**

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
UNIQUEHRL	70.5	+40.4%	20,755	24.1x	0.7x
IPDC	54.1	+40.2%	20,076	22.4x	3.1x
ADNTEL	71.8	+37.0%	4,642	27.8x	2.7x
SQUARETEXT	68.7	+31.6%	13,551	7.9x	1.6x
DOREENPWR	79.8	+17.7%	12,905	7.9x	1.6x
SHASHADNIM	28.5	+16.3%	4,020	15.5x	0.7x
TRUSTBANK	37.0	+11.1%	26,182	9.3x	1.3x
GHAIL	18.3	+10.9%	3,950	NM	1.3x
IFADAUTOS	51.9	+9.7%	13,128	35.0x	1.3x
IBNSINA	294.2	+8.4%	9,192	16.4x	3.8x

**Table 7: Sector Indices**

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,446.2	1,485.9	1,589.69	-2.67%	-9.02%
NBFI	2,031.8	2,040.6	2,327.63	-0.43%	-12.71%
Mutual Fund	883.5	887.2	882.99	-0.42%	+0.06%
General Insurance	3,640.9	3,767.4	4,698.62	-3.36%	-22.51%
Life Insurance	2,436.3	2,467.0	2,687.55	-1.25%	-9.35%
Telecommunication	5,240.7	5,398.0	5,800.37	-2.91%	-9.65%
Pharmaceutical	3,883.8	3,878.7	3,866.63	+0.13%	+0.45%
Fuel & Power	1,825.4	1,825.4	1,792.97	-0.00%	+1.81%
Cement	2,602.1	2,694.5	2,534.76	-3.43%	+2.66%
Services & Real Estate	1,540.1	1,569.5	1,309.43	-1.88%	+17.62%
Engineering	4,910.7	4,951.5	4,727.46	-0.82%	+3.88%
Food & Allied	23,166.7	23,334.7	25,222.81	-0.72%	-8.15%
IT	2,953.0	2,980.7	3,274.61	-0.93%	-9.82%
Textile	1,593.5	1,578.6	1,470.60	+0.94%	+8.36%
Paper & Printing	9,546.7	10,213.0	9,680.03	-6.52%	-1.38%
Tannery	3,690.8	3,787.9	3,236.76	-2.56%	+14.03%
Jute	8,546.7	8,522.0	8,747.84	+0.29%	-2.30%
Ceramics	738.8	665.1	675.88	+11.08%	+9.31%
Miscellaneous	4,646.7	4,728.9	4,625.39	-1.74%	+0.46%

**Table 8: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	450.6	358.4	+25.73%	+4.42%	7.9x	0.8x
NBFI	746.3	338.4	+120.52%	+7.32%	NM	3.7x
Mutual Fund	61.7	21.1	+192.04%	+0.60%	NM	0.8x
General Insurance	388.3	237.1	+63.75%	+3.81%	17.1x	1.8x
Life Insurance	149.5	37.9	+294.39%	+1.47%	NM	NM
Telecommunication	104.8	25.9	+304.55%	+1.03%	16.5x	4.5x
Pharmaceutical	1,324.0	382.1	+246.49%	+12.99%	18.0x	2.6x
Fuel & Power	547.7	189.3	+189.39%	+5.37%	11.8x	1.2x
Cement	152.2	87.5	+73.86%	+1.49%	24.2x	2.8x
Services & Real Estate	793.3	402.2	+97.22%	+7.78%	95.7x	1.1x
Engineering	1,089.6	481.2	+126.45%	+10.69%	19.9x	2.0x
Food & Allied	744.6	268.3	+177.51%	+7.30%	25.4x	8.9x
IT	477.4	226.2	+111.02%	+4.68%	30.4x	2.6x
Textile	1,188.8	296.2	+301.41%	+11.66%	24.4x	1.1x
Paper & Printing	143.8	193.1	-25.55%	+1.41%	NM	2.4x
Tannery	298.0	70.4	+323.41%	+2.92%	55.6x	3.9x
Jute	8.9	3.5	+153.68%	+0.09%	NM	29.8x
Ceramics	414.0	131.9	+213.81%	+4.06%	31.2x	2.0x
Miscellaneous	1,112.7	776.7	+43.27%	+10.91%	12.9x	2.2x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
BRACBANK	44.2	-20.1%	61,534	11.6x	1.1x
OLYMPIC	129.7	-19.2%	25,932	15.4x	2.9x
LANKABAFIN	30.9	-17.2%	16,650	13.0x	1.6x
BANKASIA	18.2	-16.5%	21,220	7.7x	0.8x
PIONEERINS	97.7	-16.4%	7,521	12.5x	1.9x
IDLC	51.0	-15.4%	20,191	9.6x	1.3x
DUTCHBANGL	66.3	-15.1%	41,935	7.3x	1.1x
DBH	65.5	-15.0%	11,611	11.1x	1.5x
CITYBANK	23.3	-14.7%	24,866	4.5x	0.8x
BXPHARMA	165.2	-14.3%	73,698	12.9x	1.9x

## Important News: Business & Economy

### NSC sales drop by 50.29pc in 9 months

- The net sales of national savings certificates dropped by 50.29% year-on-year during 9MFY22 as the government has tightened the NSC sale rules to contain people's buying spree of the savings instruments. Net sales of NSCs dropped to BDT 165.0 Bn in 9MFY22 against BDT 332.0 Bn in 9MFY21. For FY22, the government's budgetary target was to borrow BDT 320.0 Bn through NSCs.

<https://www.newagebd.net/article/170250/nsc-sales-drop-by-5029pc-in-9-months>

### Economy firing on all cylinders

- By shaking off the pandemic fallout, the economy will also grow 7.25% in FY22, based on the provisional estimation by the BBS in 9MFY22. The per capita income of Bangladesh is going to increase to UD 2,824 this fiscal year. The World Bank and the International Monetary Fund said the Bangladesh economy would grow at 6.4 percent this fiscal year and the Asian Development Bank has forecast a 6.9 percent expansion.
- The growth momentum is down to the industrial sector, which, according to the BBS data, is roaring, led by the manufacturing activities of the large industries, whose output is estimated to grow at 12.87%. Household consumption is estimated to grow at 13.1%, the highest in five years.

<https://www.thedailystar.net/news/bangladesh/news/economy-firing-all-cylinders-3020736>

### Bangladesh exports rise by 35.14pc in July-April

- Bangladesh's export earnings in 10MFY22 stood at USD 43.34 Bn with a 35.14% YoY. The country's export earnings have maintained a robust growth since the beginning of the current financial year due mainly to a higher shipment of readymade garment products.
- Export earnings in Apr'22 increased by 51.18% YoY as a higher number of RMG shipments took place in the month before holidays for Eid-ul-Fitr. Exporters said that freight on board prices of the apparel products also increased due to a price hike of raw materials.
- Earnings from RMG in the 10MFY22 increased by 35.98% to USD 35.36 Bn, as woven garments export rose 34.23% to USD 16.12 Bn, while export earnings from knitwear grew by 37.49% to USD 19.24 Bn.

<https://today.thefinancialexpress.com.bd/trade-market/new-norms-for-diversified-jute-goods-exporters-1652112846>

### NBR bags 62pc revenue target in July-March

- The revenue authority collected BDT 2.04 Tn or 62% of the total tax revenue target for 9MFY22, leaving a large task for its last or fourth quarter (Q4). In Q4, the National Board of Revenue (NBR) will have to collect more than BDT 1.25 Tn taxes to fulfil its target. Tax revenue collection grew by 14.45% year-on-year during the period.
- The government set a tax revenue collection target worth BDT 3.30 Tn for FY22. The NBR has to collect BDT 1.05 Tn income tax, BDT 1.28 Tn VAT, and BDT 956.52 Bn customs revenue. During the period, Income Tax Wing collected BDT 636.58 Bn taxes until March, while the Customs Wing BDT 650.73 Bn, and the VAT Wing BDT 752.76 Bn.
- Tax officials said usually tax collection boosts up in the last quarter of the year following speedy implementation of the government's development work. They expressed optimism to reach close to the target this year, if the economic situation remains stable.

<https://today.thefinancialexpress.com.bd/first-page/nbr-bags-62pc-revenue-target-in-july-march-1652119357>

### Bangladesh-Bhutan PTA effective from 1 July

- The Preferential Trade Agreement (PTA) signed between Bangladesh and Bhutan will be effective from the next financial year, said officials privy to the matter. The Bhutanese Ministry of Foreign Affairs has requested Bangladesh to make it effective from 1 July as all the processes including approval have been completed in the Bhutanese Parliament.
- Dhaka signed the PTA with Thimphu on 6 December last year, which is Bangladesh's first bilateral trade agreement with any country. Under the PTA, 10 Bangladeshi products, including readymade garments, will get duty free access to the Bhutanese market, while 16 Bhutanese items will get the same preference in the Bangladesh market. The two neighbouring countries can add more items to the list.

<https://www.tbsnews.net/economy/bangladesh-bhutan-pta-effective-1-july-415750>

### Bangladesh's remittance inflow tops USD 2.0 Bn in April on Eid

- Remittance inflow in the country reached USD 2.01 Bn after 11 months in Apr'22 on the eve of Eid-ul-Fitr. The inflow of remittance for the last time was above the mark in May'21 when migrants sent USD 2.17 Bn.

- The inflow of remittance has posted a major fall in the current fiscal year 2021-2022 amid the resumption of business and economic activities across the country after the withdrawal of Covid-centric strict restrictions. As the demand for dollars on the 'curb market' has spiked amid a gradual restoration of business activities, the remittance through illegal channel, known as hundi, has also increased.

<https://www.newagebd.net/article/169678/bangladeshs-remittance-inflow-tops-2b-in-april-on-eid>

### **BDT falls more against USD**

- The exchange rate of Bangladesh Taka (BDT) again dropped against the US dollar mainly due to higher demand for the greenback for settling import-payment obligations. The US currency was quoted at BDT 86.70 each on the day against BDT 86.45 on the previous working day. It was BDT 86.20 on April 26. The BDT lost its value by 1.05% or BDT 0.90 since January 2022 on the same ground, they add.

<https://today.thefinancialexpress.com.bd/first-page/bdt-falls-more-against-us-1652119294>

### **Import surge drives up nine-month trade deficit to USD 25 Bn**

- The country's trade deficit is growing sharply owing to a massive increase in imports compared to exports and the rise in prices of all kinds of products such as food items and fuels in the world market. In 9MFY22, the trade deficit was about USD 25 Bn which was 9.25% higher year-on-year. The trade deficit for 9MFY21 was USD 15.3 Bn while it stood at USD 22.8 Bn for the entire fiscal year.

<https://www.tbsnews.net/economy/import-surge-drives-nine-month-trade-deficit-25b-415766>

### **Reserve drops below USD 42 Bn on high imports**

- The Bangladesh Bank's foreign exchange reserve dropped to USD 41.9 Bn after the central bank cleared Asian Clearing Union (ACU) payments of USD 2.24 Bn for March and April. In Nov'20, the country's reserve was USD 41.27 Bn. Bangladesh Bank data showed that the country in March this year was capable of paying import bills for 6.1 months when its foreign exchange reserve was USD 45.15 Bn.

<https://www.newagebd.net/article/169867/reserve-drops-below-42b-on-high-imports>

### **Imports jump 50pc in nine months of FY '22**

- Bangladesh's overall imports jumped by nearly 50% in 9MFY22 following higher imports of fuel oils and industrial raw materials. The settlement of letters of credit (LCs) rose by 49.64% YoY to USD 60.57 Bn during the period, while opening of LCs increased by 46% to USD 68.36 Bn.

- The import-payment pressure on the economy is likely to ease in the coming months as the central bank has already imposed margin on letter of credit (LC) for all imports, save some essentials, the central banker explained. Besides, the depreciating mode of the Bangladesh Taka (BDT) against the US dollar will help discourage the import of non-essential items in the near future, according to the central banker.

- Import of petroleum products rose by 87.12% to USD 5.46 Bn during the period under review. Meanwhile, import of industrial raw materials jumped by nearly 54% to USD 22.13 Bn, import of intermediate goods surged by 50% to USD 5.35 Bn, and import of capital machinery/industrial equipment used for productions jumped by over 42% to USD 3.81 Bn. Import of consumer goods also jumped by more than 41% to USD 6.86 Bn.

<https://www.tbsnews.net/economy/betel-leaf-exports-uk-likely-resume-year-414826>

### **NBR to speed up VAT collection to meet target**

- The National Board of Revenue (NBR) has asked its field offices to expedite the Value Added Tax (VAT) collection as the collection from the pocket is only 56.15% in 8MFY22. Total revenue collection from VAT wing fixed in FY22 budget was BDT 1.28 Tn whereas the collection till Feb'22 is BDT 717.37 Bn, which is only 56.15%. The target for VAT collection from import level was BDT 455.55 Bn, but BDT 284.04 Bn was collected. Target for VAT collection from local level was BDT 821.93 billion, which was BDT 433.33 Bn till Feb'22.

- A senior official of the NBR said that in the present situation of the world or the country during the pandemic is not very conducive for revenue collection with sizeable growth. He said that officials would have to depend on the items like cigarettes, mobile, bank, Bkash, internet and medicine, which pay higher revenue to the national exchequer.

<https://thefinancialexpress.com.bd/economy/nbr-to-speed-up-vat-collection-to-meet-target-1651750898>

### **Bangladesh Bank struggles with dollar demand**

- Bangladesh Bank is struggling to meet growing demand for the US dollar amid a sharp rise in post-pandemic economic activities. In the 9MFY22, traders have opened LCs worth USD 68.36 Bn, up by 46.04% year-on-year.

- On May 5, the BB paid USD 2.24 Bn to Asian Clearing Union as import payment for March-April, which is the highest ever. Similarly, import of goods, raw materials and capital machinery has increased from other countries. The banks are selling greenback at BDT 86 per dollar while it is selling over BDT 92 in the kerb market.

<https://www.newagebd.net/article/170050/bangladesh-bank-struggles-with-dollar-demand>



### **ADB to provide USD 500 Mn more as budget support**

- Bangladesh is likely to get another USD 500 Mn worth of budget support from the Asian Development Bank (ADB) within this calendar year as the government has recently completed negotiations in this regard with the lender, officials said on Thursday.
- In the first tranche, they said, the ADB has agreed to provide USD 250 million policy-based loan to minimise deficit in the national budget and facilitate the economic recovery from the impact of the Covid-19 pandemic. A senior official at the Economic Relations Division (ERD) told that they are expecting the remaining tranche-2 of USD 250 Mn. The confirmation of tranche-2 will depend on the reform programmes of the government as agreed in the last meeting, the ERD official said.

<https://thefinancialexpress.com.bd/economy/adb-to-provide-500m-more-as-budget-support-1651893038>

### **BB toughens stance against luxury imports**

- In the face of falling foreign exchange reserves, Bangladesh Bank instructed banks to take up to 75% of import payments in advance from businesses to open letters of credit (LCs) for luxury and non-essential goods. The central bank took the decision in preparation of upcoming import payment adjustments to the Asian Clearing Union (ACU) which are estimated to eat away USD 2.24 Bn of the country's foreign exchange reserves, said a BB official.
- On April 11, banks were instructed to impose a margin of at least 25% on the opening of LCs for non-essential consumer goods. However, this has failed to contain a rise in import payments. The reserves, which stood at USD 44 Bn on April 30, may decline to less than USD 42 Bn (Wednesday) once the BB adjusts the import payments, which have already been paid to the ACU last week.

<https://www.thedailystar.net/business/economy/news/bb-toughens-stance-against-luxury-imports-3020986>

### **Directors not allowed to be same bank's employee: BB**

- Bangladesh Bank on Wednesday barred any bank director having at least one year or above of directorship from becoming its contractual or regular employee. If any director of any bank was appointed as its contractual or regular employee, the individual will have to vacate his or her position by July 31, 2022. It has been a common phenomenon in the banks as many individuals were working in different banks as contractual and regular employees after being in the respective bank's board, bankers said.

- Besides, the central bank also barred any member of any bank's executive committee, audit committee and risk management committee, comprising of its chairman or members of board or directors, from working as chairman or director or members of the bank's any other subsidiary company or any company or foundation-formed and operated with its finance.

<https://www.newagebd.net/article/170251/directors-not-allowed-to-be-same-banks-employee-bb>

### **Non-banks can do real-time gross settlement from June 1**

- The non-bank financial institutions (NBFIs) would be able to use real-time gross settlement (RTGS) system from June 01, according to a Bangladesh Bank notice. The minimum limit of a transaction through RTGS is BDT 100,000 and above, whereas there is no ceiling in the case of government payments.
- The amount of fund settled through the call money market will be transferred through the RTGS when NBFIs are attached to the platform. Different types of transaction, including call money market and inter-bank repurchase agreement (Repo), will be settled through the platform.

<https://www.thedailystar.net/business/news/non-banks-can-do-real-time-gross-settlement-june-1-3020521>

### **Banks' excess liquidity drops below BDT 2 Tn**

- Excess liquidity in the country's banking sector dropped below to BDT 1.98 Tn after a year amid a poor deposit growth against a gradual increase in credit demand. The supply of excess liquidity had remained above BDT 2.0 Tn since Apr'21.
- Year-on-year deposit growth rate in the banking system was 9.05% in Mar'22 when the growth rate of credit to the private sector reached 11.29%. The supply of over USD 4.0 Bn by the central bank throughout the current fiscal year also squeezed supply of the local currency taka from the market, resulting in an excess liquidity fall on the market.

<https://www.newagebd.net/article/170174/banks-excess-liquidity-drops-below-tk-2-lakh-crore>

### **Bangladesh's single-month RMG exports to US top USD 1.0 Bn**

- Bangladesh's single-month apparel export earnings from the United States grew 96.10% year-on-year to USD 1.03 Bn in Mar'22 as both export orders and unit prices witnessed a surge in the market, according to the US Department of Commerce's Office of Textiles and Apparel data. Apparel exports to the US, the single largest export destination for Bangladesh, grew by 62.32% YoY to USD 2.47 Bn in 1QCY22. Exporters said that the US had been shifting its sourcing from China gradually and Bangladesh getting the benefit.

- In terms of volume, the apparel exports to the US in the first quarter of 2022 grew by 50.12% to 909 Mn square metres from 606 Mn square metres in the same period of 2021. In Mar'22, the apparel exports to the US from Bangladesh increased by 77.70% to 379.21 Mn square metres from 213.36 Mn square metres in the same month of 2021.

<https://www.newagebd.net/article/169762/bangladeshs-single-month-rmg-exports-to-us-top-1b>

### **ADP for transport proposed to be doubled**

- Allocation for transport and communication has been proposed to be doubled next year compared to the current 2021-22 fiscal year, which will be the highest in FY23 development spending, according to officials. The proposed transport share stands at 28.73% of the next annual development programme (ADP), prioritising several ongoing mega-projects such as Karnaphuli tunnel, metro rail (MRT-6), Jamuna rail bridge, Padma rail link, Dhaka elevated expressway and Matarbari port.
- Project officials said development projects are now at their peak. Therefore, more money is required to facilitate the progress. The ADP share for transport and communication in the proposed development spending is BDT 706.95 Bn, which is BDT 148.68 Bn more than the revised BDT 558.27 Bn allocation for this year.

<https://www.tbsnews.net/bangladesh/transport/adp-transport-proposed-be-doubled-416466>

### **Minimum value addition for cash incentive eased for textile mills**

- The Bangladesh Bank on Monday eased the value addition requirements for the textile mills to achieve cash incentive facility. On the basis of the government's latest decision, the textile sector would be eligible to receive cash incentive upon ensuring value addition of at least 20%.
- As per the BB circular of September 20, 2021 the textile sector was supposed to ensure value addition of at least 30% to claim cash incentive from the government. Textile sector receives cash incentive at the rate of 4% against export of their products.

<https://www.newagebd.net/article/170064/minimum-value-addition-for-cash-incentive-eased-for-textile-mills>

### **New norms for diversified jute goods exporters**

- The government has decided to provide cash incentive on the export earnings from diversified jute products on the basis of certificates provided by the trade bodies concerned. So, no particular list of the products will be required to receive the incentive. Bangladesh Jute Mills Association (BJMA) and Bangladesh Jute Spinners Association (BJSa) will certify the products as diversified ones.

- Currently, the government provides 20% cash incentive for 282 jute diversified products. Secretary general of the BJMA said that because of this new move, the number of diversified products would increase in coming days.

<https://today.thefinancialexpress.com.bd/trade-market/new-norms-for-diversified-jute-goods-exporters-1652112846>

### **Inflation, hefty subsidy baffle planners**

- Price spiral and consequent hefty subsidy requirements turn a top concern for the authors of next fiscal budget, sources said, prompting thoughts on a fresh hike in key utilities' rates. A senior finance ministry official told the FE that necessary instructions had been given to the ministries concerned to take measures for price adjustment of gas, electricity and fertiliser.
- The official also told that the government was now in a dilemma as to whether to enhance fertiliser prices at this moment though the subsidy requirement for agriculture sector has increased every year. A recent finance ministry proposal to readjust fertiliser prices did not get the go-ahead from the Prime Minister's Office, the official mentioned. He feels that for the next fiscal year some BDT 700 Bn may be required to put aside to foot the bill for subsidies and incentives-accounting for a nearly 50% hike compared to the present budget allocation on this head.

<https://today.thefinancialexpress.com.bd/first-page/inflation-hefty-subsidy-baffle-planners-1652205598>

### **BD fails to utilise DFQF facility**

- The country could not increase its exports to the Chinese market as expected due to lack of exportable products, product standards and marketing initiatives, according to a latest report prepared by Bangladesh mission in China. China has so far granted DFQF facility to 8,549 Bangladeshi products or 97% of the tariff lines in July, 2020.
- The Bangladesh mission in China has identified several reasons including shortage of products as compared to China's demand, obligation to supply goods in accordance with the standards set by China, lack of aggressive marketing and deficit of Bangladeshi branded products. It has also mentioned that language barrier and lack of ideas about the Chinese market have also been hindering the export growth.
- The mission, however, suggested going for aggressive marketing, creating brand image online and onsite, and increasing business-to-business (B2B) connectivity to boost the exports to the Chinese market. It also recommended improving images of big Bangladeshi brands by opening their outlets there for promotion, marketing, advertising, cultural exchange, etc.

<https://today.thefinancialexpress.com.bd/trade-market/bd-fails-to-utilise-dfqf-facility-1652201232>

### **Corporates hesitant to confide docs to CAs**

- Corporate taxpayers appear hesitant about providing necessary financial documents to the chartered accountants for verification, slowing tax-return submission and causing evasion by many. All of the financial statements have to be verified through Document Verification System (DVS) from this year and no corporate tax returns would be accepted sans such crosscheck, meant for preventing miscalculations.
- Time for submission of corporate tax return expired on January 15, 2022 for the current tax year, however, many of them obtained time extension until May 15. A senior tax official said the revenue board was actively considering extension of the time for corporate tax return until June 30 in view of the transition into automated system.
- Official sources say the government may revise the corporate tax rate downward in the upcoming budget, to be placed on June 09, to encourage them to submit tax returns showing actual income. The NBR received some 30,000 corporate tax returns in FY21 against 167,000 Taxpayer Identification Number (TIN)- holding companies.

<https://today.thefinancialexpress.com.bd/first-page/corporates-hesitant-to-confide-docs-to-cas-1652291833>

### **Bangladesh Bank issues clarification on operating foreign currency accounts**

- Bangladesh Bank, in a clarification, said that non-resident Bangladeshis can open foreign currency accounts (FCA) in any scheduled banks in the country and any amount of money can be deposited with those accounts without permission from the central bank.
- If the expatriates bring any amount of cash, dollars or other foreign currencies during arrival, they can deposit it with their bank accounts and exchange it for local currency. The expatriates can deposit USD 10,000 to their accounts without declaring it to the customs authorities.

<https://thefinancialexpress.com.bd/national/bangladesh-bank-issues-clarification-on-operating-foreign-currency-accounts-1652277563>

### **Bangladesh improves its performance over cigarette taxation policy**

- Bangladesh has improved its performance over cigarette taxation policy, as its score slightly rose to 2.63 from 2.38 in 2018, according to a global tobacco tax index. The country scored 2.63 out of a scale of 5 in 2021 in the Cigarette Tax Scorecard.

- Dr. Nigar Nargis, a member of the Tobacconomics team, told that when it comes to cigarette tax structure, Bangladesh should introduce uniform specific excise taxes instead of multi-tiered ad valorem taxes and annually adjust tax rates with inflation and economic growth. At the same time, taxes on cigarettes should be increased considerably, she said.

<https://thefinancialexpress.com.bd/national/bangladesh-improves-its-performance-over-cigarette-taxation-policy-1652283360>

### **Bangladesh to remain RMG hotspot in future**

- Bangladesh will remain as the preferred sourcing destination for readymade garment (RMG) items well into the future as the country has substantially improved production facilities and on compliance with regulations over the last few years, said international clothing retailers and brands.
- Regional operations manager of Dutch designer clothing company G-Star told that his company sources garment items worth USD 70.0 Mn per year from Bangladesh and of it, 75% per cent was knitwear items. He added that his company would increase the amount of items sourced from here, taking the value to USD 90 Mn in the next three years, registering a 30 per cent growth.
- Managing director of buying house Cloths "R" Us said work orders were shifting from China, Vietnam, Sri Lanka, Myanmar and Sri Lanka as Bangladesh has grown a lot with respect to its capacity over the last few decades. Regional head of H&M's Bangladesh, Pakistan and Ethiopia told that Bangladesh could export USD 100 Bn garment items in the next 10 years.

<https://www.thedailystar.net/business/economy/news/bangladesh-remain-rmg-hotspot-future-3020991>

### **Sri Lanka crisis may hit BD apparel shipments**

- Local exporters are worried over the latest political turmoil in Sri Lanka, as around 40% of the country's apparel shipments use the port of Colombo as the key transshipment hub to reach the US and European ports. Shipping executives told the FE that more than 10 feeder vessels either remained stuck or on the way to Colombo carrying export goods.
- First vice president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) told the FE that they are also exploring using alternative routes to reach the North American ports via the Chinese ports or Singapore Port. He added that there are some direct shipping services to and from Chittagong - introduced a few months back - that may be used to avoid the Colombo Port.

<https://today.thefinancialexpress.com.bd/first-page/sri-lanka-crisis-may-hit-bd-apparel-shipments-1652205454>

### 3 more garment factories recognised as green

- The United States Green Building Council (USGBC) has recognised three more readymade garment factories in Bangladesh as green – raising the total number of environment-friendly establishments in the apparel sector to 160. The latest, Epyllion Knitwears Ltd was rated gold while Tarasima Apparels Ltd and Remi Holdings Ltd received platinum ratings.
- Bangladesh is the global leader having the highest number of green garment buildings, where 48 are platinum rated, 98 gold rated, 10 silver, and four have no rating.

<https://www.tbsnews.net/economy/rmg/3-more-garment-factories-get-recognised-green-415866>

### Central Bank extends loan repayment time of Sri Lanka by 1 year

- The Bangladesh Bank has extended the repayment time of a loan worth \$200 million provided to Sri Lanka by one more year, considering the dire straits of the country at present. In the first instalment, the country was paid USD 50 Mn on 18 August and another USD 100 Mn in the second instalment on 30 August. Later, USD 50.0 Mn more was paid. A central bank official said the deadline for Sri Lanka to pay USD 50.0 Mn was 18 May, USD 100.0 Mn is due on 31 May and the remaining USD 50.0 Mn is due on 12 June.

<https://www.tbsnews.net/economy/banking/central-bank-extends-loan-repayment-time-sri-lanka-1-year-415758>

### China-funded project seeks third extension

- The cost of an infrastructural project being implemented largely with a Chinese loan to ease fuel oils storage and transportation is likely to be revised for the third time, planning ministry officials have said. The state-owned Eastern Refinery Limited took the 'Installation of Single Point Mooring with Double Pipe Line' project in Cox'sBazar in November 2015 at a cost of BDT 49.4 Bn. The project was scheduled to be completed in December 2018..
- Talking to New Age on Sunday, ERL managing director said they could not complete the project under the second deadline because of the Covid pandemic. Once the project is completed, it will help the company unload imported fuel oils in a much quicker time, he said, adding that the time would reduce to 48 hours from the current 11 days.

<https://www.newagebd.net/article/169992/china-funded-project-seeks-third-extension>

### Social safety fund likely to grow 5pc

- The government is likely to increase the allocation for the social safety net programmes by only 5% in the next national budget despite a considerable increase in the number of poor and the sharp hike in the prices of essentials. Finance Division officials estimated the allocation for the social safety net programmes for FY23 at BDT 1.13 Tn. According to the FY22 budget document, the social safety allocation in the outgoing financial year is 17.83% higher than BDT 955.74 Bn allocated in 2020–21.
- Economists said that the social safety allocation should be higher in the coming budget as the number of poor had increased substantially amid the Covid pandemic. A mid-term review of the National Social Security Strategy released in July 2020 by the General Economics Division said that about 28.7 per cent of the population were benefiting from the social safety net programmes.
- In the outgoing financial year, the projected social safety spending is 3.1 per cent of the country's GDP. Economists noted that the expenditure of the middle-income nations on social safety programme stood between 6%– 8%.

<https://today.thefinancialexpress.com.bd/first-page/imports-jump-50pc-in-nine-months-of-fy-22-1651942555>

### DMTCL seeks BDT 54 Bn for MRT-1&5 in next development budget

- The construction works of two other metro rail lines are expected to start in FY23 as the authorities concerned sought an allocation of BDT 54.07 Bn in the FY's Annual Development Programme (ADP). Of the amount, the Dhaka Mass Transport Company Limited (DMTCL) sought BDT 31.31 Bn for the MRT-5 (northern route) and BDT 22.76 Bn for the MRT-1. In the revised ADP for the current FY, the DMTCL had sought lower funds of BDT 16.46 Bn for the MRT-5 and BDT 4.58 Bn for the MRT-1 as starting the physical works was not planned for this fiscal.
- A Planning Commission official said the Japan International Cooperation Agency (JICA) is also bankrolling the MRT-1 and MRT-5 like Bangladesh's first metro rail, MRT-6. He said that the DMTCL sought funds for the MRT-1 mostly as project aid (PA) instead of the internal resources - BDT 14.80 Bn in project aid, expected to be provided by JICA, and the remaining BDT 7.96 Bn from the internal resources. For the MRT-5, the DMTCL has sought BDT 24.30 Bn from the internal resources and the remaining BDT 4.50 Bn as the PA, to be provided by the JICA.

<https://today.thefinancialexpress.com.bd/first-page/dmtcl-seeks-tk-54b-for-mrt-15-in-next-development-budget-1651943082>



### **Beijing now spotlights USD 1.0 Bn Teesta project**

- The much-talked-about multipurpose project on Teesta river management is now considered a priority one by China and the authorities in Beijing are tasked with its evaluation, competent sources said. Bangladesh has sought USD 938.27 Mn in loan from China to implement the Teesta River Comprehensive Management and Restoration project, which reportedly causes unease to India.
- The project's feasibility study had been completed by Power Construction Corporation of China (Powerchina) two years ago and the works would start after the signing of the loan agreement, officials said. The Teesta project was not included in the 27 projects for which MoU was signed under a line of credit between the two countries during Chinese President Xi Jinping's Bangladesh visit in 2016.

<https://thefinancialexpress.com.bd/trade/beijing-now-spotlights-10b-teesta-project-1651891504>

### **IFC to lend City Group USD 20 Mn for its BDT 10.0 Bn bakery project**

- The International Finance Corporation (IFC) announced to lend USD 20.0 Mn to City Group for its BDT 10.0 Bn greenfield bakery venture - Rupshi Foods Ltd. With this project, City Group — an edible oil, flour, and sugar giant in the country — will enter the growing Bangladeshi bakery products and noodles market. The USD 20.0 Mn loans committed from IFC will have a tenure of 8 years with a two-year grace period. Earlier, IFC lent USD 22.2 Mn to City Group for Rupshi Flour Mills Ltd - a BDT 30.0 Bn flour mill project that further consolidated the group's market position.

<https://www.tbsnews.net/economy/stocks/ifc-lend-city-group-20m-its-tk1000cr-bakery-project-415098>

### **Stimulus funds: Lending loses steam for slow release of interest subsidy**

- Bangladesh's economy might fail to benefit from the government's timely rollout of stimulus packages for cottage, small, medium and large industries as banks have lost the zeal to extend loans since interest subsidy was not paid out at the expected pace as initially thought.
- The unwelcome development came as banks and non-bank financial institutions disbursed only 34.3% of BDT 330.0 Bn funds allocated for large industries as of April 13 of the current fiscal year. Similarly, lenders loaned 45.7% of BDT 200.0 Bn set aside for the cottage, micro, small and medium enterprises (CMSMEs) between July and March.
- Officials of commercial banks and the BB say that lenders had not received any interest subsidy from the government after December 2020, so they are not encouraged to disburse the loans. Lenders were supposed to receive interest subsidies to the tune of BDT 2.86 Bn between Apr'20-Jun'21 on their CMSME loans, but they got only BDT 786 Mn.

- The scenario is the same when it comes to the stimulus package for large industries as lenders did not receive any subsidy after December 2020. The central bank has not furnished the finance ministry with the subsidy data for 2021 and this year.

<https://www.thedailystar.net/business/economy/news/lending-loses-steam-slow-release-interest-subsidy-3018661>

## Important News: Capital Market

### Govt to open up submarine cable business to private firms

- Private companies in Bangladesh are set to get licenses to establish, maintain and operate submarine cables, in a shift that will break the state monopoly and pave the way for a smooth supply of bandwidth amid a surge in internet use.
- Bangladesh Telecommunication Regulatory Commission (BTRC) has floated a tender to grant licenses. Six companies including Summit Communications, Fiber@Home, and Mango Teleservices applied for the license as of May 10, the deadline for the submission of the application.
- The licensee will have to establish its submarine cable systems and offer services within two years from the date of securing the approval. The license will cost companies BDT 100 Mn, and the annual license fee will be BDT 30 Mn. The government will decide how many licenses will be issued, according to a BTRC guideline.

<https://www.thedailystar.net/business/global-economy/news/govt-open-submarine-cable-business-private-firms-3021906>

### Tax receipts from DSE jump 41pc in 10 months

- The government revenue earnings from Dhaka Stock Exchange (DSE) jumped 41% YoY in 10MFY22 backed by rising trading volume. The government bagged revenue worth BDT 3,474 Mn during the period as against BDT 2,468 Mn in 10MFY21. Of the total earnings, BDT 2,865 Mn came from brokerage commission, while BDT 609 Mn came from the share sales by sponsor-directors and placement holders, the DSE data shows.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-jump-41pc-in-10-months-1652203471>

### BSEC okays Investasia Growth Fund draft prospectus

- Bangladesh Securities and Exchange Commission (BSEC) approved the draft prospectus of Investasia Growth Fund, an open-ended mutual fund. According to BSEC, the primary target size of the fund is BDT 250 Mn. Of this, the sponsor will provide BDT 25 Mn and the remaining BDT 225 Mn will be collected by selling the mutual fund units to investors at a face value of BDT 10 each.

- Sentinel Trustee and Custodial Services Ltd is the trustee and custodian of the fund while Invest Asia Capital Asset Management Ltd is the asset manager who will focus on mid-and large-cap stocks, while capital protection will get high priority.

<https://www.tbsnews.net/economy/stocks/bsec-okays-investasia-growth-fund-draft-prospectus-417070>

### Midland Bank files for BDT 700 Mn IPO

- Midland Bank Ltd, a fourth generation private sector commercial bank, recently applied to the Bangladesh Securities and Exchange Commission for raising BDT 700 Mn from initial public offering (IPO). The bank will offer 7.0 Mn ordinary shares at a face value of BDT 10 each. Managing director and chief executive officer (CEO) of Midland Bank told that the bank has been operating with more than adequate capital and the sought amount is mainly to fulfil the regulatory requirements only.
- Of the BDT 700 Mn IPO proceeds, the bank will invest over BDT 610 Mn in Treasury bonds and bills, BDT 50 Mn in the listed 'A' category securities, and the remaining BDT 38.9 Mn to meet the IPO expenses. Midland Bank's paid-up capital is nearly BDT 5.70 Bn, which is set to elevate to nearly BDT 6.40 Bn after the IPO.
- LankaBangla Investments is the issue manager of Midland Bank IPO, while ICB Capital Management, Sonali Investment, Rupali Investment, and Prime Bank Investment - joined as the underwriters to the IPO.

<https://www.newagebd.net/article/170064/minimum-value-addition-for-cash-incentive-eased-for-textile-mills>

### BSEC roadshow opens in Qatar on May 18 to attract FDI

- The Bangladesh Securities and Exchange Commission and the Bangladesh Investment Development Authority are going to organise a roadshow in Qatar from May 18 to May 19 to attract more foreign direct investments. Talking to the BSS, BSEC Chairman said that the BSEC had already organised several roadshows in the UK, the USA and Switzerland to attract foreign investment in the capital market as well as to brand Bangladesh.

<https://www.newagebd.net/article/170248/bsec-roadshow-opens-in-qatar-on-may-18-to-attract-fdi>

### **Domino's Pizza: Indian master franchisee buys unit of Bangladesh**

- Jubilant FoodWorks, the master franchisee of Domino's Pizza in India, Sri Lanka, Bangladesh and Nepal, has fully acquired Jubilant Golden Harvest Ltd (JGHL), the franchisee of Domino's Pizza in Bangladesh. Domino's Pizza entered Bangladesh via a joint venture between India's Jubilant FoodWorks and Bangladesh's Golden Harvest QSR Limited, a part of Golden Harvest Group.
- Jubilant FoodWorks has completed the acquisition of the rest 49% stake held by Golden Harvest on Tuesday at an aggregate amount of BDT 389.0 Mn. One share of JGHL being held by a nominee of the company in order to comply with local law requirements in Bangladesh).

<https://www.thedailystar.net/business/economy/news/dominos-pizza-indian-master-franchisee-buys-unit-bangladesh-3021851>

### **Runner Auto sued over alleged VAT dodging**

- VAT intelligence of the National Board of Revenue has filed a case against Runner Automobiles Limited over alleged evasion of value-added tax of BDT 208.6 Mn in five years between July 2016 and June 2021. The company's sales were worth BDT 18.3 Bn in the five years, but it showed BDT 17.6 Bn in sales in monthly returns. The principal amount is BDT 155.9 Mn while the rest BDT 52.6 Mn as interest.

<https://www.newagebd.net/article/170238/runner-auto-sued-over-alleged-vat-dodging>

### **Aman Feed signs deal with Star Feed Mills**

- Aman Feed has decided to make an agreement with Star Feed Mills for all works related to feed production. Under the agreement all works related to feed production including supply of raw materials will be done by Aman Feed. Additional 6,000 tonnes finished broiler & layer feed per month will be produced with effect from Thursday for the period of consecutive twelve months, said the filing.
- After execution of the agreement the maximum sale volume may increase up to 72,000 tonnes and sales amount also will be increased to approximately BDT 3.45 Bn during the agreement period, it said. The company expects its profit will increase by BDT 100 Mn (approximately) in 12 months.

<https://today.thefinancialexpress.com.bd/stock-corporate/aman-feed-signs-deal-with-star-feed-mills-1652290512>

### **BSEC to probe owners' embezzling of Nurani Dyeing IPO funds**

- The Bangladesh Securities and Exchange Commission (BSEC) formed an inquiry committee on Monday to investigate the initial public offering (IPO) fund embezzlement of Nurani Dyeing and Sweater Ltd
- In its inspection and investigation last year, the Dhaka Stock Exchange (DSE), found that over BDT 410 Mn of IPO funds raised by Nurani Dyeing were embezzled by the company's owner entrepreneurs who have already fled the country.

<https://www.tbsnews.net/economy/stocks/bsec-probe-owners-embezzling-nurani-dyeing-ipo-funds-416442>

### **Monospool, Paper Processing allowed to offload 9pc more shares each**

- The Bangladesh Securities and Exchange Commission has allowed Paper Processing and Packaging Limited and Bangladesh Monospool Paper Manufacturing Company Limited to offload around 9% more shares each on the market.
- As per the approval, Paper Processing and Packaging will offload 8.97% shares, or 1.164 Mn shares, out of 43.97% shares held by its sponsor-directors and Bangladesh Monospool will sell off 8.82% shares, 1.064 Mn shares, out of 53.82% held by its sponsor-directors.

<https://www.newagebd.net/article/170066/monospool-paper-processing-allowed-to-offload-9pc-more-shares-each>

### **BRAC Bank introduces real-time cash deposit machine**

- BRAC Bank has introduced real-time cash deposit machine (RCDM) recently, said a press release. It will allow customers to deposit cash and reflect it instantly in their accounts, it said. In the first phase of the rollout, 39 RCDMs were deployed in Dhaka, Gazipur, Chattogram, Sylhet, Rajshahi, Khulna, Rangpur, Bogura, Jashore and Pabna. More machines will be deployed across the country in phases.

<https://www.newagebd.net/article/169955/brac-bank-introduces-real-time-cash-deposit-machine>

### **Walton seeks time to ensure 10% free-float**

- Walton Hi-Tech Industries Ltd sought time up to three years to comply with the September 2021 regulatory order to offload more of its sponsors-held shares to ensure at least 10% free-float shares. Walton sought an opportunity to offload further sponsor shares in phases within an extended period of three years to avert any adverse impact on its stock price.

<https://www.tbsnews.net/economy/stocks/walton-seeks-time-ensure-10-free-float-415778>

### **Shwapno clocks record sales growth**

- Shwapno, subsidiary of ACI Limited, posted the biggest growth in turnover in the last financial year, posting a 18.7% year-on-year growth to BDT 13.75 Bn in FY21. It was BDT 11.56 Bn in the previous year, according to the recently published annual report of ACI Ltd, the owning company. However, it incurred a loss of BDT 1.42 Bn in FY21, albeit down 9.56% year-on-year, contributed by lower finance cost
- Executive director of ACI Logistics, which operates Shwapno, told that the e-commerce and teleservice helped increasing turnover during this period. Its franchise expansion outside Dhaka has continued, helping it register the record sales growth whereas some competitors suffered de-growth, he added.
- The private-label brands of the chain clocked a 71.7% increase in the number of products in its assortment and a 9.7% year-on-year sales growth. Shwapno express outlets serve ~14,000 customers daily, while the e-commerce platform is making deliveries against more than 30,000 orders each month.

<https://www.thedailystar.net/business/organisation-news/news/shwapno-clocks-record-sales-growth-3018651>

### **ACI to ship drugs to US market directly from Bangladesh**

- ACI Healthcare Ltd, one of the subsidiaries of ACI Ltd, obtained the FDA approval for its healthcare establishment at Tripordi in Narayanganj's Sonargaon for the manufacturing of Gabapentin capsules, which will be exported to US market. The healthcare site is primarily dedicated for export and this will positively impact pharmaceutical export of the company.
- ACI Healthcare had got approval of nine Abbreviated New Drug Application by the US FDA and commercial supply of some of these products started by toll manufacturing arrangement with contract manufacturing companies in India and in the USA.
- Pharma export of ACI Ltd achieved 100 per cent growth in business volume despite the Covid-19 pandemic and problems in supply and logistics in 2020-21, the company said in its latest annual report. Ten new export destinations were added in its list during the year, it said, adding the ACI has received marketing authorisation of 190 products from different regulatory authorities in different countries.

<https://www.thedailystar.net/business/news/aci-ship-drugs-us-market-directly-bangladesh-3017256>

### **Meghna Insurance subscription opens Wednesday**

- The subscription of the initial public offering (IPO) of Meghna Insurance Company Ltd will open on 11 May and continue till 18 May. The principal business of the insurance company is to provide all kinds of insurance, guarantees, and indemnities, other than life insurance.
- Earlier, the Bangladesh Securities and Exchange Commission (BSEC) allowed the company to raise BDT 160 Mn from the stock market. The insurer will issue 16 Mn ordinary shares at a face value of BDT 10 each. It will invest BDT 24 Mn in government treasury bonds, BDT 32 Mn in listed securities, and BDT 95.2 Mn in fixed deposit receipts.
- Asian Tiger Capital Partners Investments, Prime Bank Investment, and UCB Investment are the issue managers for the IPO.

<https://www.tbsnews.net/economy/stocks/meghna-insurance-subscription-opens-wednesday-415062>

### **Most listed banks post higher EPS growth in 2021**

- Most of the listed banks posted higher profits in 2021, compared to the previous year, largely due to higher operating income. According to market insiders, the central bank's latest relaxation on provisioning, bullish stock market and record imports and exports helped many banks to earn more last year.
- Of the 33 banks listed on the Dhaka Stock Exchange (DSE), the consolidated earnings per share (EPS) of 21 banks increased, 11 others saw their EPS fall while one continued to incur losses in 2021, according to data available with the DSE. Most banks clocked higher EPS due to increased operating income while non-performing loans were under control as a result of extraordinary policy support on provisioning from the central bank, said the managing director of a private commercial bank, preferring anonymity.

<https://thefinancialexpress.com.bd/stock/most-listed-banks-post-higher-eps-growth-in-2021-1651895352>

### **DSE for raising banks' stock market exposure limit to 30pc**

- Dhaka Stock Exchange has urged Bangladesh Securities and Exchange Commission to request the Bangladesh Bank for raising stock market exposure limit of the banks to 30% from existing 25%, in a bid to increase institutional participations in the market. The Banking Companies Act 1991, which was amended in 2013, has limited a bank's stock market exposure to 25% of its prescribed capital. It also wanted to raise investment limit of non-bank financial institutions by 5 percentage points.



- The DSE in a pre-budget meeting proposed the NBR that the minimum gap in the corporate tax rate between the listed and unlisted companies should be at least 15 percentage points to motivate the potential companies to be listed. Tax on dividend income of corporate shareholders should be reduced to 10% instead of existing 20%, the DSE proposed. The exempted limit on dividend income may be increased from existing BDT 50,000 to BDT 250,000.
- Interest earnings arising from any corporate bonds, similar to zero-coupon bond, listed on any board of stock exchanges, irrespective of issuer and investors, may be exempted from tax to establish a vibrant bond market.

<https://www.tbsnews.net/economy/rmg/rmg-sees-new-investments-strong-global-demand-414618>

### Listed cos must disclose loan activities as PSI

- Listed companies must disclose all kinds of loan activities as price sensitive information, according to a draft on Prohibition of Insider Trading Rules formulated by Bangladesh Securities and Exchange Commission. The BSEC sought public opinion on the draft rules within May 26. The rules will repeal SEC (Prohibition of Insider Trading) Rules, 1995. The rules also changed definition of price sensitive information saying that PSI means such information which may affect share price or asset valuation of a listed company.
- According to the new rules, the company must disclose information about any local and foreign loan or investment agreement, loan disbursement and receivable, asset mortgage, and failure to repay any loan or liability to bank or creditor or LC recipient within three months. Information on loan payment or advance loan payment or loan received between inter-company or subsidiary or associate company or with director of the company must also be made public.
- In addition, the company must disclose information if it jointly or individually acquired assets worth above 5 per cent of its existing assets. Proposal of taking over another company, changes in company ownership and capital reorganisation and decision on buying or selling of permanent assets must be made public immediately.

<https://www.newagebd.net/article/169869/listed-cos-must-disclose-loan-activities-as-psi>

### Provati Insurance to buy majority stakes of two companies

- The board of directors of Provati Insurance Company, a listed general insurer, has decided to purchase majority stakes of two non-listed companies worth BDT 355 Mn. The insurance company has decided to purchase 63% shares of Al-Muntaha Trading Company Ltd at BDT 290 Mn, and 65% shares of Reliance General & Renal Hospital at a price of BDT 65 Mn.

<https://thefinancialexpress.com.bd/stock/provati-insurance-to-buy-majority-stakes-of-two-companies-1651817914>

### Shahjibazar Power posts 55% growth in Q3 profit

- Shahjibazar Power Company Limited has posted an impressive net profit in 3QFY22 owing to reduced operating costs. During the period, the consolidated net profit stood at BDT 455.1 Mn and the consolidated revenue at BDT 1.8 Bn. During the period, the cost of goods sold has dropped by 8.39% YoY, while its administrative expenses and financing costs fell by 13% and 6% respectively.

<https://www.tbsnews.net/economy/stocks/shahjibazar-power-posts-55-growth-q3-profit-415090>

### Most listed textile cos post profit in Q3

- Most of the listed spinning and textile millers witnessed a jump in profit in 3QFY22 riding on spiralling yarn prices and revitalised apparel exports. The business outlook differs strikingly with a gas crisis, volatile cotton price in the international market and a global freight cost hike in the January-March quarter, as the mills posted up to 447% year-on-year growth in the quarter, according to financial statements of the companies.
- Based on the publication of the listed ones, 29 companies has reported an increase in profit, seven declined and nine incurred losses.
- Industry insiders said they could bag more profit with higher production if there was no shortage in gas supply. The increasing transportation expenses have pushed up the costs of business. However, an increase in yarn and textile prices has helped the companies boost their profits, they added.
- To keep pace with apparel export growth, yarn makers planned to invest USD 2.5 Bn to boost production capacity by next year. Managing director of Shasha Denim said the spinning millers had earlier been enjoying high growth in profits due mainly to the surge in yarn prices. Several other insiders said cotton prices rose 35% in the global market over the last couple of months, which was why they raised the yarn prices.

<https://www.tbsnews.net/economy/stocks/most-listed-textile-cos-post-profit-q3-415154>

### Pharma cos perform mixed in Q3

- Listed drug makers have performed mixed in reporting the growth of EPS for January-March (Q3), 2022 compared to the same period of the previous year. Of 15 listed pharmaceutical companies, the EPS of eight companies advanced moderately year-on-year for January-March, 2022.

- Of the companies which saw rise in EPS, ACI registered the highest growth of 46.66% in EPS for the Q3 compared to the same period of the previous year. Ambee Pharmaceuticals saw 33.33% rise in EPS to close at BDT 0.40 for 3QFY22 against BDT 0.30 for 3QFY21.
- ACME Laboratories has registered 29.34% growth in EPS to close at BDT 2.38 for 3QFY22 against BDT 1.84 for 3QFY21. Of other companies which saw rise in EPS, Advent Pharma has registered 31.81% growth, Square Pharmaceuticals 18.11%, SILVA Pharmaceuticals 15.78%, Pharma Aids 12.37%, and Renata 12.76%.
- The consolidated EPS of Square Pharmaceuticals has stood at BDT 5.15 for 3QFY22 against BDT 4.36 for 3QFY21. Of the companies whose EPS declined, Beacon Pharmaceuticals saw the highest fall of 50.74% during the quarter, Beximco Pharmaceuticals' EPS declined 24.69%, Orion Pharma 10.52%, Central Pharmaceuticals 20.0%, and IBN SINA's EPS declined 1.07%.

<https://thefinancialexpress.com.bd/stock/pharma-cos-perform-mixed-in-q3-1651810371>

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