

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+1.05%) gained 55.41 points and closed the week at 5,310.19 points. The blue-chip index DS30 (+1.83%) gained 36.43 points and stood at 2,026.82 points. The Shariah-based index DSES (+0.95%) gained 11.42 points and stood at 1,209.08 points. The large cap index CDSET (+1.63%) gained 18.29 points and closed at 1,140.73 points. DSEX, DS30, DSES and CDSET showed YTD returns of -1.70%, +3.20%, -2.66%, +1.58%, respectively.

Total Turnover During The Week (DSE): BDT 20.2 billion (USD 238 million)

Average Daily Turnover Value (ADTV): BDT 5.0 billion ($\Delta\%$ Week: +8.6%)

Market P/E: 18.3x

Daily Index Movement during the Week:

Market performed four sessions during this week. In the first session, market performed negatively by -1.71% and reverted to positive in the second session by +0.46%. The market continued to be positive in the third session by +1.35% and ended with a positive momentum of +0.98%.

Sectoral Performance:

- All the financial sectors posted positive performance this week. Mutual Fund booked the highest gain of 8.47% followed by NBF1 (+2.38%), General Insurance (+1.67%), Life Insurance (+0.80%), and Bank (+0.28%).

- All the non-financial sectors posted positive performance this week. Telecommunication booked the highest gain of 0.82% followed by Engineering (+0.81%), Pharmaceutical (+0.61%), Fuel & Power (+0.58%), and Food & Allied (+0.30%).

Macroeconomic arena:

- The ongoing pandemic has exacerbated Bangladesh's financial stability risks because of high levels of non-performing loans, weak capital buffers, poor bank governance and risk management. The fragile outlook for the global economic recovery adds external risks if it impacts demand for RMG products and employment of Bangladesh's overseas workforce. Despite the uncertainty created by Covid-19, the outlook for Bangladesh's economy is positive.

- Bangladesh's earnings by exporting readymade garments to the United States in January-February of 2021 fell by 13.11% as the consumption of apparel items still remains low due to the COVID-19 pandemic. The country's apparel export to the US, the largest export destination for Bangladesh, in the first two months of 2021 fell by USD 151 million to USD 1 billion from USD 1.15 billion in the same period of 2020.

- Lending offer at a 7% interest rate, dangled by the head of a corporate banking division at a leading private commercial bank, has met with a refusal from several big clients as they are getting offers at a 5% rate from other private banks. Foreign banks have been much ahead in the competition of catching borrowers by offering even cheaper financing. This is how the lending rate cap regime has changed the pricing situation of the financial market in just a year.

- The regulators have announced limited banking and stock trading hours for seven days from Wednesday as the government has rowed back on its decision to keep them closed in the weeklong coronavirus lockdown. The banks will be open from 10 am to 1 pm for transaction. Trading on the stock market will continue from 10 am to 12:30 pm

Stock Market arena:

- Baraka Patenga Power Limited has received approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue shares at the cut-off price of BDT 32 each, in their initial public offering (IPO). Recently, the securities regulator gave the approval at a meeting held at its office. The company will raise BDT 2.25 billion from the capital market to expand its business. Institutional investors will buy primary shares of Baraka Patenga Power Limited at BDT 32 each while the general public is to get a 10% discount on the price.

- Bangladeshi electronics giant Walton has launched two new models of second-generation refrigerator compressors. These new models are silent and durable, which are also the new invention of the country's only compressor manufacturer Walton. Compressor manufacturing industry is another potential sector in Bangladesh and also has a colossal international market. Bangladesh is the eighth largest compressor-producing country in Asia and 15th in the world. The country's only compressor manufacturing industry Walton has the annual production capacity of about 4 million compressors. Walton plans to increase production capacity to 10 million by 2025.

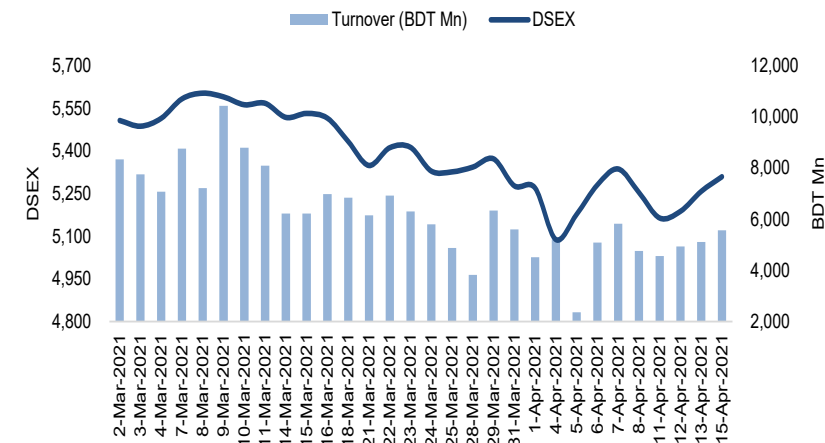
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,310.19	5,254.78	+55.41	5,402.07	+1.05%	-1.70%
DS30	2,026.82	1,990.39	+36.43	1,963.96	+1.83%	+3.20%
DSES	1,209.08	1,197.66	+11.42	1,242.11	+0.95%	-2.66%
CDSET	1,140.73	1,122.44	+18.29	1,123.03	+1.63%	+1.58%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,627,544	4,592,400	
	Mn USD	54,467	54,054	+0.8%
Turnover	Mn BDT	20,192	23,246	-13.1%
	Mn USD	238	274	
Average Daily Turnover	Mn BDT	5,048	4,649	+8.6%
	Mn USD	59	55	
Volume	Mn Shares	569	691	-17.7%

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
EMERALDOIL	18.3	14.5	+26.2%	1,093	32.4	NM	1.2x
CAPMIBLBMF	20.1	16.7	+20.4%	1,344	55.9	NM	2.2x
CRYSTALINS	44.9	38.0	+18.2%	1,796	227.6	22.2x	2.3x
FEDERALINS	25.7	22.3	+15.2%	1,739	301.5	36.2x	2.1x
CAPMBDBLMF	8.9	7.8	+14.1%	446	22.3	NM	1.1x
SEMLIBLBSF	9.9	8.7	+13.8%	990	16.7	NM	1.1x
1STPRIMFMF	16.9	14.9	+13.4%	338	24.7	NM	1.6x
BDFINANCE	34.9	30.9	+12.9%	6,198	855.9	18.5x	2.0x
EBLNRBMF	5.4	4.8	+12.5%	1,211	9.8	NM	0.6x
EGEN	33.6	30.0	+12.0%	2,520	57.4	32.7x	1.7x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
INDEXAGRO	61.7	72.4	-14.8%	2,916	85.0	10.3x	1.1x
LIBRAINFU	592.7	677.1	-12.5%	890	15.6	NM	0.5x
PREMIERBAN	11.1	13.6	-12.3%	11,578	184.5	5.6x	0.6x
PARAMOUNT	100.1	109.2	-8.3%	3,731	155.0	20.5x	4.1x
WMSHIPYARD	9.6	10.4	-7.7%	2,258	1.0	11.4x	0.4x
KPPL	14.7	15.9	-7.5%	1,074	0.0	NM	1.2x
NAHEEACP	39.2	42.4	-7.5%	2,680	1.8	22.6x	2.4x
ASIANS	96.8	104.7	-7.5%	4,556	27.6	33.4x	4.4x
MTB	20.1	21.7	-7.4%	13,432	0.5	11.0x	0.9x
KPCL	37.8	40.8	-7.4%	15,022	5.4	12.5x	1.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	76.5	72.7	+5.2%	67,038	2,046	NM	1.1x
ROBI	45.9	46.1	-0.4%	240,421	910	NM	3.6x
BDFINANCE	34.9	30.9	+12.9%	6,198	856	18.5x	2.0x
ASIAPACINS	61.4	63.3	-3.0%	2,600	556	33.8x	3.0x
CENTRALINS	59.5	63.5	-6.3%	2,942	494	28.4x	2.3x
PURABIGEN	32.5	31.3	+3.8%	1,797	489	28.2x	2.5x
BXPBARMA	181.1	178.1	+1.7%	80,791	453	20.2x	2.3x
SONARBAINS	58.2	55.8	+4.3%	2,330	450	27.2x	2.9x
LANKABAFIN	29.0	27.0	+7.4%	15,626	443	22.0x	1.6x
LHBL	52.9	48.6	+8.8%	61,437	435	26.1x	3.6x

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	33.6	+236.0%	2,520	32.7x	1.7x
ROBI	45.9	+54.0%	240,421	NM	3.6x
BATBC	529.5	+34.5%	285,930	26.3x	2.8x
BERGERPBL	1,707.8	+19.5%	79,204	32.1x	8.1x
HEIDELBCEM	177.7	+18.8%	10,041	NM	2.6x
RECKITT BEN	4,602.8	+13.7%	21,748	29.8x	42.2x
LHBL	52.9	+10.7%	61,437	26.1x	3.6x
EBL	39.8	+10.6%	32,310	7.7x	1.1x
SUMITPOWER	42.9	+10.3%	45,812	8.3x	1.3x
RENATA	1,213.7	+9.6%	118,273	26.7x	5.1x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,284.87	1,281.27	1,372.63	+0.28%	-6.39%
NBFIs	1,766.92	1,725.82	2,033.53	+2.38%	-13.11%
Mutual Funds	858.22	791.22	959.61	+8.47%	-10.57%
General Insurance	3,694.69	3,633.84	4,103.56	+1.67%	-9.96%
Life Insurance	1,981.75	1,965.94	2,162.58	+0.80%	-8.36%
Telecommunication	6,163.90	6,113.64	5,463.26	+0.82%	+12.82%
Pharmaceuticals	3,254.84	3,235.22	3,306.03	+0.61%	-1.55%
Fuel & Power	1,609.52	1,600.23	1,618.11	+0.58%	-0.53%
Cement	1,637.67	1,536.41	1,416.18	+6.59%	+15.64%
Services & Real Estate	1,034.55	1,023.36	1,083.79	+1.09%	-4.54%
Engineering	4,268.29	4,234.20	3,959.20	+0.81%	+7.81%
Food & Allied	20,779.04	20,716.60	14,705.76	+0.30%	+41.30%
IT	2,075.08	2,034.91	2,350.28	+1.97%	-11.71%
Textiles	922.94	937.11	1,087.41	-1.51%	-15.13%
Paper & Printing	5,190.08	5,147.16	5,487.56	+0.83%	-5.42%
Tannery	1,653.42	1,654.83	1,771.77	-0.09%	-6.68%
Jute	8,634.35	8,580.12	12,154.61	+0.63%	-28.96%
Ceramics	471.21	479.82	472.38	-1.79%	-0.25%
Miscellaneous	3,411.13	3,385.27	2,539.70	+0.76%	+34.31%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	348.0	404.2	-13.9%	7.7%	7.2x	0.7x
NBFI	377.5	232.4	+62.4%	8.3%	51.9x	2.8x
Mutual Fund	106.1	64.4	+64.7%	2.3%	NM	0.8x
General Insurance	1,637.8	1,220.4	+34.2%	36.0%	19.4x	1.8x
Life Insurance	26.3	16.0	+64.7%	0.6%	NM	NM
Telecommunication	275.1	381.6	-27.9%	6.1%	19.0x	6.3x
Pharmaceutical	306.5	375.1	-18.3%	6.7%	20.9x	2.5x
Fuel & Power	327.4	296.7	+10.3%	7.2%	12.7x	1.3x
Cement	123.6	124.6	-0.8%	2.7%	25.7x	2.3x
Services & Real Estate	27.6	40.5	-31.9%	0.6%	NM	0.8x
Engineering	116.6	170.6	-31.7%	2.6%	32.4x	2.5x
Food & Allied	150.1	192.6	-22.1%	3.3%	34.1x	3.4x
IT	28.3	35.2	-19.5%	0.6%	24.6x	1.8x
Textile	63.1	60.4	+4.4%	1.4%	NM	0.7x
Paper & Printing	1.4	3.0	-53.6%	0.0%	58.0x	1.0x
Tannery	17.0	7.7	+121.4%	0.4%	NM	1.7x
Jute	2.2	3.7	-40.5%	0.0%	NM	13.6x
Ceramics	32.8	56.1	-41.5%	0.7%	60.7x	1.6x
Miscellaneous	577.7	549.1	+5.2%	12.7%	48.2x	1.8x

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	41.8	-35.0%	2,702	14.6x	1.7x
MIRAKHTER	63.5	-21.6%	7,669	25.3x	1.4x
ESQUIRENIT	21.2	-19.4%	2,860	13.6x	0.6x
MTB	20.1	-16.6%	13,432	11.0x	0.9x
ACTIVEFINE	14.1	-16.6%	3,383	NM	0.6x
KPCL	37.8	-16.6%	15,022	12.5x	1.7x
IPDC	23.5	-14.9%	8,721	12.6x	1.5x
SHASHADNIM	18.4	-14.8%	2,595	12.6x	0.4x
IDLC	54.8	-13.6%	20,662	10.3x	1.4x
MPETROLEUM	172.0	-13.1%	18,613	6.4x	1.1x

Important News: Business & Economy

Pandemic intensifies financial stability risks

- The ongoing pandemic has exacerbated Bangladesh's financial stability risks because of high levels of non-performing loans, weak capital buffers, poor bank governance and risk management, the World Bank said in its latest report. The fragile outlook for the global economic recovery adds external risks if it impacts demand for RMG products and employment of Bangladesh's overseas workforce. Despite the uncertainty created by Covid-19, the outlook for Bangladesh's economy is positive. Much of the pace of recovery will depend on how fast mass vaccination can be achieved, said the country director of the World Bank, in a press release.
- According to the report, in FY21, growth will be supported by a recovery in manufacturing as export demand strengthens, a rebound in construction supported by accelerating public investment, and robust service sector growth as the vaccination campaign progress. Inflation is projected to remain close to Bangladesh Bank's 5.5% target, and the fiscal deficit is projected to remain at 6% of GDP. The report said although Bangladesh was not fully aligned to international standards prior to Covid-19, the Bangladesh Bank has further relaxed loan classification requirements and allowed banks to freeze loan classifications.

<https://www.thedailystar.net/business/news/pandemic-intensifies-financial-stability-risks-2076849>

<https://www.tbsnews.net/economy/bangladeshs-economic-recovery-or-collapse-depends-vaccination-pace-wb-230848>

<https://www.newagebd.net/article/135166/bangladesh-economy-shows-early-signs-of-recovery-wb>

RMG export to US drops by 13.11% in Jan-Feb

- Bangladesh's earnings by exporting readymade garments to the United States in January-February of 2021 fell by 13.11% as the consumption of apparel items still remains low due to the COVID-19 pandemic. The country's apparel export to the US, the largest export destination for Bangladesh, in the first two months of 2021 fell by USD 151 million to USD 1 billion from USD 1.15 billion in the same period of 2020, according to data released by the US Department of Commerce's Office of Textiles and Apparel.
- Exporters said that the RMG export to the US market decreased in value more than the volume of export. The data showed that Bangladesh's RMG export to the US in January-February of 2021 decreased by 3.94% in terms of quantity while the export decreased by 13.11% in terms of value. The president of the Bangladesh Garment Manufacturers and Exporters Association said that the price trend continued to worsen as the export markets were still struggling to contain the spread of the virus.
- The US apparel import from China in January-February of 2021 declined by 9.22% to USD 2.45 billion from USD 2.70 billion in the same period of the previous year. Vietnam's RMG export to the US in the first two month of 2021 fell by 12.09% to USD 2.09 billion from USD 2.38 billion in the same period of 2020.

<https://www.newagebd.net/article/134828/rmg-export-to-us-drops-by-1311pc-in-jan-feb>

Cheap money chases good borrowers

- Lending offer at a 7% interest rate, dangled by the head of a corporate banking division at

a leading private commercial bank, has met with a refusal from several big clients as they are getting offers at a 5% rate from other private banks. Foreign banks have been much ahead in the competition of catching borrowers by offering even cheaper financing. This is how the lending rate cap regime has changed the pricing situation of the financial market in just a year.

- A year ago, on 1 April 2020, the government enforced a 9% lending rate, aiming to help businesses get low-cost financing as well as to reduce default loans. The effort successfully reduced lending rate but credit growth has since remained depressed – with borrowers showing reluctance to taking out loans despite getting the lowest lending rate in recent history because of the uncertainty amid the pandemic situation. The credit growth has remained sluggish at an 8% level since then, far below the monetary target of 14.8% for June this year set by the Bangladesh Bank.

- The lending rate came down automatically owing to a huge liquidity supply against low demand, said the managing director and chief executive officer of Mutual Trust Bank. However, there is a risk because banks are releasing deposits and managing money from the money market. If the central bank tightens regulatory rules, excess liquidity in the banking system will dry up immediately which will push up the interest rate of the money market, he said.

<https://www.tbsnews.net/economy/banking/cheap-money-chases-good-borrowers-230869>

Interest spread falls slightly in February

- Interest rate spread fell slightly in February this year, as banks slashed both their deposit and lending rates owing to high deposit flow in the sector. The overall weighted average spread between lending and deposit rates of banks stood at 3.02% in February, down from 3.05% in January. Spread fell by 1.07%age point in the last one year owing to the 9% ceiling on bank lending. The interest rate spread fell below 3%age points for the first time in April last year, as most banks implemented the single digit lending rate from the same month.
- Bankers said that the country's lenders are trying to reduce the cost of funds by slashing their interest rates on deposits as there is increasing flow of deposits in the market. Deposit growth in the banking sector stood at 13.03% in January this year, which was 12.76% a year ago. Slow credit demand and increased remittance earning drove deposit flow in the country's banking sector, which encouraged lenders to cut the deposit rate, said a former managing director of Pubali Bank. The record amount of surplus liquidity in the banking sector was another reason for the low interest rate of deposits, he added. Surplus liquidity in the banking sector stood at BDT 2 trillion at the end of February this year.

<https://www.dhakatribune.com/business/banks/2021/04/08/interest-spread-falls-slightly-in-february>

Everything to stay shut except emergency services, factories

- Nobody will be allowed to go out except for emergencies during the countrywide "strict" lockdown to be put in force from 14 April at 6am to 21 April midnight. All government, semi-government, autonomous, financial and private offices will remain closed; public transports will remain suspended; and markets and shopping centres will remain shuttered during the seven days of strict restrictions. Nonetheless, sales of everyday essentials will be allowed in open spaces from 9am to 3pm and export-oriented factories will be allowed to remain open maintaining health guidelines and complying with a few other conditions. Hotels and

restaurants will be allowed to remain open from noon to 7pm and midnight to 6am only for takeaway and online services.

<https://www.tbsnews.net/bangladesh/govt-and-private-offices-will-remain-closed-14-april-230569>

Banks, stock market to remain closed during lockdown

• The authorities have decided to keep the banks and the stock market closed during the new weeklong total lockdown beginning on Wednesday to limit the spread of the coronavirus. Bangladesh Bank on Monday said all banks will remain closed during lockdown period. The shutdown will remain effective between April 14 and April 21. However, the alternative transactions systems - ATM and internet banking -- will remain open. Banks were asked to maintain adequate cash in ATMs. It has also asked the banks to keep internet banking uninterrupted round the clock. Meanwhile, trading and settlement activities on both the bourses will remain closed during the seven-day strict lockdown, starting from tomorrow (April 14), as the banks will also remain closed during the period.

<https://today.thefinancialexpress.com.bd/first-page/banks-stock-market-to-remain-closed-during-lockdown-1618250487>

<https://www.thedailystar.net/business/news/banks-stay-closed-atms-open-2076837>

<https://www.newagebd.net/article/135183/banks-bourses-to-remain-closed-in-april-14-21>

Stimulus for Small Firms: Disbursement to run till June

• Bangladesh Bank yesterday extended the deadline for disbursing a BDT 200 billion stimulus package for cottage, micro, small and medium enterprises (CMSME) by another three months to June. The extension comes in response to a slow pace in the lending of loans from the package. The central bank declared the package in April last year to help the businesses cope with the economic slowdown caused by the coronavirus pandemic. Banks disbursed 72.31% of the package as of March 31, according to data from the central bank. Though the deadline has already been extended twice, many banks showed unwillingness to disburse loans to the SME sector, which is considered the bedrock of the economy.

• Half of the package would be provided from the BB in the form of a refinance scheme. The stimulus scheme of a three-year tenure acts as a revolving fund, meaning banks would disburse money recovering those from clients. But banks have showcased a lacklustre performance in the first year of the package's disbursement. The loans will be provided at a 9% interest rate. Of the interest rate, 4% will be borne by the borrowers and 5% by the government.

<https://www.thedailystar.net/business/news/disbursement-run-till-june-2076833>

<https://www.tbsnews.net/economy/sme-sector-will-get-loans-incentive-package-till-30-june-230755>

<https://www.newagebd.net/article/135213/bangladesh-bank-extends-cmsme-package-execution-time-to-june-30>

Leather sector businesses get 3 more months

• The Bangladesh Bank on Monday extended the special loan rescheduling facility by three months for the leather sector entities relocated in the Savar Leather Industrial Park on the outskirts of Dhaka. A BB circular issued on the day extended the application submission deadline to June 30, 2021. On January 6 this year, the central bank introduced the policy.

• The approval of the loan rescheduling or restructuring is subject to payment of 2% of the outstanding loans prior to the application submission, it said. The leather sector businesses, which will not be able to continue their enterprises, with outstanding loans less within BDT 50 million will get three years to repay debts while the repayment tenure can be up to five years against the outstanding loans above BDT 50 million. Besides, banks are also empowered to sell assets of the borrowers that were pledged as collaterals. The borrowers, who will be able to continue business, will get up to 10 years repayment tenure, including one year grace period to repay the rescheduled loan. In 2019, the central bank floated the same rescheduling facility for bank loan defaulters in all sectors on easy terms following a government policy decision.

<https://www.newagebd.net/article/135212/leather-sector-businesses-get-3-more-months>

Local power solution providers up their game

• The market for the equipment used in power generation, distribution and transmission is growing very fast in Bangladesh in keeping with expanding electricity production and consumption. Currently, installed power generation capacity stands at 24,594 megawatts (MW), way higher than 4,942MW in 2009, according to the power division. The actual generation hit a record 13,064MW on Saturday from a paltry 3,268MW more than a decade ago. There were 147 power stations in 2020, up from 27 in 2009. Ninety-nine% of the population has access to power, which was 47% a decade ago.

• The market size of the products used in the power system is around BDT 20,000 crore, and the sector has been growing 20% annually for the last eight years, said the chief executive officer of Energypac Engineering. He said just years ago, the industry could manufacture only 30 MVA (mega volt-ampere) transformers. Now, many firms can produce transformers with a capacity as high as 3,000 MVA. At present, 31 small and medium-sized local companies manufacture the equipment used in the power system. Around BDT 30 billion has been invested in the sector in the last 30 years. Major manufacturers include Energypac, TS Transformer, Pran RFL, Adex, and Reverie. But at the moment, local manufacturers can only cater to 20% of the local demand. The rest is met by foreign companies and through imports.

<https://www.thedailystar.net/business/news/local-power-solution-providers-their-game-2076845>

Regulators fix LPG prices

• Bangladesh Energy Regulatory Commission, for the first time, fixed the retail prices of liquefied petroleum gas yesterday disappointing consumers. According to the new rate, the price of gas in a 12.5kg LPG cylinder sold by the state-owned Liquid Petroleum Gas Ltd (LPGL) is BDT 591. The price for gas in a 12kg LPG cylinder of private companies is BDT 975. The price of gas in a 12.5 kg LPG cylinder sold by the state-owned company was BDT 600. This company could meet only 2% of the 1.2 million tonnes of LPG consumed in Bangladesh a year. Currently, gas of a 12kg LPG cylinder is being sold in retail between BDT 980 and BDT 1,000, depending on the supplying companies. The prices are BDT 100 up from last December. In December, gas in a 12kg LPG cylinder of Bashundhara was sold at BDT 950, Beximco at BDT 920, Jamuna BDT 940, Total BDT 950 and Petromax BDT 930.

<https://www.thedailystar.net/backpage/news/regulators-fix-lpg-prices-2076717>
<https://www.newagebd.net/article/135167/lpg-prices-up>

Bangladesh Bank asks banks to charge fee once a year

• The Bangladesh Bank on Sunday asked banks to charge account maintenance fee one time in a year in order to rationalise the same amid the coronavirus pandemic. It said one-time maintenance fee instead of two times for savings accounts would encourage small savers to park more money with the banking system. It said commercial banks would realise maintenance fee once in year instead of twice a year from average BDT 1.0-million balance (savings). This order will remain effective only for the 2021 calendar year. Small depositors, meaning those whose deposits amount to up to BDT 1 million, will enjoy the facility, according to a central bank notice.

<https://today.thefinancialexpress.com.bd/last-page/bb-asks-banks-to-charge-fee-once-a-year-1618164624>

<https://www.thedailystar.net/business/banking/news/bb-stands-small-depositors-2076293>

<https://www.tbsnews.net/economy/banking/bank-account-maintenance-cost-halved-2021-230260>

Consumer spending rises sharply ahead of Ramadan

• Consumer spending has increased remarkably ahead of Ramadan this year amid a rising trend in prices of six key essentials including rice, edible oil, sugar, chicken meat, milk and fish. The prices of onion, date, chickpea and some others essentials might remain low or static this Ramadan compared to that of last year but vegetables might be pricier, said insiders. However, consumer association urged the government to cut import duty on some essential items like edible oil and sugar and to step up market monitoring ahead of the fasting month which would start in mid-April. Consumers Association of Bangladesh (CAB) vice-president said commoners were hit hard by skyrocketing prices of six key commodities.

<https://today.thefinancialexpress.com.bd/last-page/consumer-spending-rises-sharply-ahead-of-ramadan-1618076590>

Government's July-Mar bank borrowings drop

• The government's borrowing from the country's banking system dropped significantly in the first nine months of this fiscal year (FY), 2020-21, with an increasing reliance on the National Savings Department (NSD) instruments that intensifies interest risks. The government's borrowing from the banking system dropped by nearly BDT 67 billion in the July-March period of FY 21. Besides, the central bank recently suspended a few auctions involving BDT 121 billion, scheduled to be held with the primary dealer banks, due to poor appetite from the government side.

• The BB statistics showed that there was an excessive reliance on the 'other than banking' sources, especially from the NSD instruments - which offered double-digit interest, in this fiscal. So, borrowing from the NSD schemes stood at BDT 293.1 billion (net) in July-February period of FY 21. The amount is BDT 196 billion or more than 200% higher over the amount of same period a year earlier. Besides, it is 46% higher than the budgetary target of BDT 200 billion (annual).

• Meanwhile, borrowing from the banking system is likely to fall further due to the second wave of Covid-19 pandemic that is hitting new records almost every day breaking its previous day's records. Bangladesh government's borrowing picture is inverse than many frontier and emerging economies of the world, as debts there are soaring due to the Covid-19. The Finance Division officials said that the public exchequer has adequate funds to

spend. So, the bank borrowing volume is lower than expected.

<https://today.thefinancialexpress.com.bd/public/first-page/govts-july-mar-bank-borrowings-drop-1617988802>

Loan recovery from small borrowers rise 12.51% amid pandemic

• Loan recovery from the cottage, micro, small, and medium enterprises (CMSMEs) rose 12.51% last year amid the Covid-19 pandemic, owing to good repayment behaviour. During January to December of last year, 58 banks and 30 non-bank financial institutions (NBFIs) recovered at BDT 1.5 trillion from the CMSME sector — up from BDT 1.33 trillion a year earlier. The recovered amount is 87.51% of the BDT 1.71 trillion of recoverable loans, according to the latest data by the central bank.

• Bankers said that the repayment behaviour of small and medium borrowers is much better than the large borrowers, which was one of the reasons behind the surge of loan recovery. Last year, most of the SME borrowers continued to pay loan instalments despite loan moratorium facilities offered by the Bangladesh Bank, they added. The non-performing loans (NPLs) in the sector dropped by BDT 4.38 billion to BDT 308.5 billion in 2020.

<https://www.dhakatribune.com/business/banks/2021/04/10/loan-recovery-from-small-borrowers-rise-12-51-amid-pandemic>

Online Account Opening: More banks jump on the bandwagon

• People can open bank accounts from anywhere as an increasing number of lenders have made digital options available, helping customers avail financial services without visiting branches during the coronavirus pandemic. Digital account opening that takes a maximum of six minutes has put an end to fill out paper documents and highlights the changes in the behaviour of banks and customers brought in by the unprecedented crisis. Many people are nervous about leaving their homes, let alone visiting bank branches. They have moved to digital platforms to work, shop, communicate and get entertained.

• Dhaka Bank rolled out the opening method titled "ezyBank" last week, allowing clients to open an account on smartphones. Mutual Trust Bank introduced an instant bank account opening product named "MTB Simple Account" last month. Eastern Bank Ltd introduced the product several months ago. City Bank launched the digital account-opening product "Ekhoni Account" in September last year. DBBL came up with the digital product two months ago. Bank Asia, Mercantile Bank, and Southeast Bank have already rolled out the service, said bankers. IFIC Bank is also offering the service, according to its website.

• Brac Bank, South Bangla Agriculture and Commerce Bank, and Jamuna Bank are set to make the digital account opening service available for its clients within a month. Premier Bank and NCC Bank plan to roll it out shortly. Prime Bank has completed the preparation to introduce the product, which may hit the market within the next two months, an official of the bank said.

<https://www.thedailystar.net/business/banking/news/more-banks-jump-the-bandwagon-2075709>

BDT 3 billion industrial park in the making

• The government is developing the country's first industrial park for electrical and light engineering product manufacturers at a cost of BDT 3 billion in Munshiganj, which could

herald a beginning to bring the highly scattered and unorganised industries under a single platform. Already 83% of the project work has been completed, and the Bangladesh Small and Cottage Industries Corporation (BSCIC) said the industrial city would be ready by June next year.

- The light engineering sector makes products worth BDT 100 billion, meeting a third of the local demand of BDT 300 billion annually, according to the Bangladesh Light Engineering Industry Owners Association. Electrical products makers say the local market for electrical items is BDT 200 billion to BDT 250 billion, and they cater to a portion of the gigantic market. According to the association, USD 15 billion has so far been invested in the light-engineering sector. The industry directly employs 0.6 million skilled and about one million semi-skilled workers. Indirectly, about 6 million people are making a living from this industry. The annual growth of the sector is 10%.

<https://www.thedailystar.net/business/economy/news/BDT-300cr-industrial-park-the-making-2075713>

Telenor, Axiata in talks to merge Malaysian operations

- Telenor Group and Axiata Group Berhad are in advanced discussions about a potential merger of their Malaysian mobile operations Digi and Celcom, Telenor said yesterday. The merged company will be named Celcom Digi Berhad, the Norwegian company said in a press release. Both parties will have an equal ownership of 33.1% each in the new company, which is expected to be a leading provider of telecommunication services in the Southeast Asian country, with competence and scale to meet increasing expectations and demand from a digitally connected society.

- The transaction will be subject to approval by Digi Board and Celcom shareholders, receipt of regulatory approvals and other customary terms and conditions. The parties acknowledge that there is no certainty that these discussions will result in any agreement, the press release added. Telenor Group owns a 55.6% stake in Grameenphone, the largest mobile phone operator in Bangladesh, while Axiata holds a 61.82% stake in Robi, the second-largest carrier.

<https://www.thedailystar.net/business/news/telenor-axiata-talks-merge-malaysian-operations-2074533>

<https://www.newagebd.net/article/134825/axiata-telenor-in-discussions-to-merge-celcom-digi-in-malaysia>

<https://www.dhakatribune.com/business/2021/04/08/axiata-telenor-in-talks-to-form-malaysia-s-top-mobile-operator>

Generalised System of Preferences (GSP) Plus threshold needs to be negotiated: expert

- Bangladesh needs to negotiate with the European Union (EU) over the trade threshold for enjoying the Generalised System of Preferences (GSP) Plus once it graduates from the least developed country category, said a noted economist on Wednesday. The EU's GSP Plus status allows countries duty-free export to the trade bloc. To be eligible, a country cannot account for over 7.4% of the EU's annual imports. However, Bangladesh has already crossed the threshold and it is already at 26% now, said a distinguished fellow at the Centre for Policy Dialogue (CPD).

- Bangladesh's ambassador to Germany said some 61% of the country's export was destined for the EU, for which the GSP Plus was very important, according to a Bangladesh

German Chamber of Commerce and Industry (BGCCI) statement. He suggested signing a free trade agreement to enjoy the duty-free benefit after 2029 as the local exporters would face an 8.7% duty in the absence of either the GSP Plus or a free trade agreement.

<https://www.thedailystar.net/business/news/gsp-plus-threshold-needs-be-negotiated-expert-2074549>

Economic Recovery: Bangladesh leads the way in South Asia: International Monetary Fund (IMF)

- Despite the recent spike in Covid-19 infections, South Asia excluding India is recovering, led by Bangladesh, due to higher-than-expected exports and remittances, the International Monetary Fund said yesterday. The Washington-based multilateral lender revised its GDP projection for Bangladesh to 5% in 2021, up from its October last year's projection of 4.4%. The nation's economy is expected to grow 7.5% the next year, said the IMF at its Spring Meetings which took place virtually.

- With a remittance income of USD 18.60 billion, the country recorded 35% year-on-year spike in remittances in the first nine months of the current fiscal year, thanks to migrant workers and non-resident Bangladeshis who sent money home, data from Bangladesh Bank shows. While the overall export remained slightly below the last year's level in July-March period of the current fiscal year, shipment soared by 13% year-on-year to USD 3.7 billion from a year ago, shows data of Export Promotion Bureau (EPB).

- The IMF said the pandemic has resulted in unprecedented output losses in the Asia-Pacific region. The IMF said although a recovery is now underway, and the pandemic is receding in some countries, elsewhere, second or third waves of infections are raging, notably in India and some of the ASEAN economies. The IMF predicted that regional growth would be just above 7.5% this year.

<https://www.thedailystar.net/frontpage/news/economic-recovery-bangladesh-leads-the-way-south-asia-2077561>

Government allows limited banking, stock trading hours during lockdown

- The regulators have announced limited banking and stock trading hours for seven days from Wednesday as the government has rowed back on its decision to keep them closed in the weeklong coronavirus lockdown. The banks will be open from 10 am to 1 pm for transaction, said a spokesperson of Bangladesh Bank. To finish the other tasks, the banks have until 2:30 pm, he said on Tuesday. They will be closed on holidays.

- Trading on the stock market will continue from 10 am to 12:30 pm, said a spokesperson for the Securities and Exchange Commission. There will be no pre-opening session and a 15-minute post-closing session, he added.

<https://thefinancialexpress.com.bd/national/govt-allows-limited-banking-stock-trading-hours-during-lockdown-1618325235>

<https://www.thedailystar.net/business/news/govt-decides-keep-banks-open-after-mass-confusion-2077449>

March cost more

- Consumers had to shell out more in March to purchase goods and services owing to an increase in food and non-food prices, shows data of the Bangladesh Bureau of Statistics

(BBS) released yesterday. The BBS said inflation rose 15 basis points to 5.47% in March from that a month ago, with people in rural area bearing the brunt of higher prices. This was the third month in a row that Consumer Price Index (CPI), a measure of general increase in prices of a basket of commodities, has been rising. In January, inflation was 5.02%.

- The BBS data showed that food inflation edged up 9 basis points to 5.51% in March from that the previous month. The ratio of the spike was higher in case of non-food items. Non-food cost soared 22 basis points to 5.39% last month from 5.17% in February.

<https://www.thedailystar.net/business/news/march-cost-more-2077429>

Vaccine Purchase: World Bank to provide USD 500 million more

- The World Bank has agreed to provide USD 500 million to Bangladesh in additional financing to buy Covid-19 vaccines, but set some conditions regarding the procurement of the shots. The main objective of the WB's additional financing for this project is -- vaccination of 31% of the total population of the country through direct purchase of Covid-19 vaccine recognised by the World Health Organization (WHO) or three Stringent Regulatory Authorities or advance purchase from Covid-19 Vaccine Global Access Facility (COVAX).

- An Economic Relations Division (ERD) official told The Daily Star that Bangladesh has sought financial support worth USD 2.4 billion from different international donors, including WB, Asian Development Bank and Japan, for purchasing the vaccine. ADB has already agreed to provide USD 940 million, while its board of directors may approve the funding next month, he said, preferring not to be named.

<https://www.thedailystar.net/frontpage/news/vaccine-purchase-wb-provide-500m-more-2077285>

<https://www.tbsnews.net/economy/foreign-aid/bangladesh-receives-500m-world-bank-buy-covid-19-vaccine-230797>

Bangladesh Bank approves 524.5 million euro loan from forex reserve for Payra Port Authority

- The Bangladesh Bank on Tuesday approved issuance of 524.5 million euros in loan from its foreign currency reserve to state-owned Sonali Bank against government guarantee to be lent to the Payra Port Authority. Under the approval, the BB would disburse loans to Sonali Bank in 12 tranches and each of the tranches would be disbursed upon confirmation on proper utilisation of its preceding instalment, said the BB official, who was also present at the meeting. The fund would solely be used for import purposes in the implementation of the Rabnabad Channel Capital and Maintenance Dredging project of the Payra Port Authority.

<https://www.newagebd.net/article/135299/bangladesh-bank-approves-5245m-euro-loan-from-forex-reserve-for-payra-port-authority>

Important News: Capital Market

Baraka Patenga Power approved for IPO

- Baraka Patenga Power Limited has received approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue shares at the cut-off price of BDT 32 each, in their initial public offering (IPO). Recently, the securities regulator gave the approval at a meeting held at its office. The company will raise BDT 2.25 billion from the capital market to expand its business. Institutional investors will buy primary shares of Baraka Patenga Power Limited at BDT 32 each while the general public is to get a 10% discount on the price.

- The company will utilise BDT 1.44 billion, part of its IPO proceeds, to invest in two of its power generation subsidiaries – Karnaphuli Power Ltd and Baraka Shikalbaha Power Ltd. The remaining funds will be used to repay loans and bear expenses of the IPO process, BSEC said in a statement.

<https://www.tbsnews.net/economy/stock/baraka-patenga-power-approved-ipo-230269>

Price erosion ceiling for 66 listed securities reduced

- The securities regulator has reduced the price erosion ceiling for 66 listed securities to avert the impact of their price fall on the benchmark index amid the ongoing lockdown. As per the regulatory decision, the market prices of these 66 securities can decline up to 2.0% instead of existing 10%. And the upper 10% limit of their circuit breaker remains unchanged and the decision will come into effect from today (Sunday). The Bangladesh Securities and Exchange Commission (BSEC) on Saturday took the decision following the large fall of broad index observed on Thursday.

<https://today.thefinancialexpress.com.bd/stock-corporate/price-erosion-ceiling-for-66-listed-securities-reduced-1618065761>

<https://www.thedailystar.net/business/economy/news/66-stocks-can-fall-max-2pc-day-2075697>

<https://www.tbsnews.net/economy/stock/bsec-lowers-circuit-breaker-limit-2-66-firms-229816>

Walton launches two new 2nd-gen compressors

- Bangladeshi electronics giant Walton has launched two new models of second-generation refrigerator compressors. These new models are silent and durable, which are also the new invention of the country's only compressor manufacturer Walton, reads a press release. Compressor manufacturing industry is another potential sector in Bangladesh and also has a colossal international market, the WHIL managing director mentioned. Bangladesh is the eighth largest compressor-producing country in Asia and 15th in the world. The country's only compressor manufacturing industry Walton has the annual production capacity of about 4 million compressors. Walton plans to increase production capacity to 10 million by 2025.

<https://www.dhakatribune.com/business/2021/04/12/walton-launches-two-new-2nd-gen-compressors>

Investors to decide SEBL 1st Mutual Fund's conversion on 25 May

- The unitholders of the Southeast Bank 1st Mutual Fund (SEBL1STMF) – a closed-end

listed mutual fund – will decide regarding the conversion to open-end or liquidating the fund at a virtual meeting on 25 May 2021. The fund will complete its 10-year tenure on 15 May 2021. As per the trustee's decision, the fund's trade on stock exchanges will be suspended on 16 May and the effective date is 17 May. VIPB Asset Management is the manager of the fund, while the Investment Corporation of Bangladesh (ICB) acts as the custodian and the trustee. This is the first instance where an asset manager voluntarily prefers conversion despite the opportunity to extend the fund's tenure for another 10-year term. The planned conversion will only occur if at least 75% of the unitholders approve the conversion proposal at the meeting. Otherwise, the fund will be liquidated.

<https://www.tbsnews.net/economy/stock/investors-decide-sebl-1st-mutual-funds-conversion-25-may-230263>

ML Dyeing to set up BDT 630 million spinning unit

- ML Dyeing Limited, a listed yarn dyeing company of Far Group, will set up a factory in Gazipur to start its spinning business. The company will invest BDT 625.8 million for the business expansion. Currently, ML Dyeing is engaged in the dyeing business of yarns for export-oriented sweater companies. The company secretary of ML Dyeing said that they have already imported machinery for the new plant. Despite the countrywide lockdown, they hope that the new plant will start operations in May this year. The company sources said the new plant's production capacity will be 16,500 kg yarn per day. The annual turnover of this plant will be BDT 780 million and net profit BDT 120 million. ML Dyeing entered the stock market in 2018. It was the third company of Far Group to be listed in the stock market. The other two companies are RN Spinning and Far Chemical Industries.

<https://www.tbsnews.net/companies/ml-dyeing-set-BDT63cr-spinning-unit-230803>

UCB launches Uclick

- In line with Bangladesh Bank's e-KYC policy, United Commercial Bank (UCB) launched the digital customer on boarding platform Uclick. UCB hopes that this initiative will easily meet the needs and requirements of the customers. Through Uclick, any Bangladeshi citizen 18 years of age or above can open an account at United Commercial Bank anytime and anywhere using his/her valid NID card with easy steps and in a very short time, said a statement. Moreover, a customer can open an account through Uclick without coming to a branch. One can use it regularly by activating it at the same time. Besides, the customers can open their accounts themselves and make an initial deposit through the same app.

<https://today.thefinancialexpress.com.bd/stock-corporate/ucb-launches-uclick-1618246061>

<https://www.tbsnews.net/economy/banking/united-commercial-bank-launches-uclick-230698>

<https://www.newagebd.net/article/135210/united-commercial-bank-launches-uclick>

Walton-Medtronic ventilators set to hit market finally

- Walton is set to market the ventilators it has produced with the help of world-renowned medical equipment manufacturer Medtronic, a development that would help critical coronavirus patients to receive proper treatment. The clinical trial of the device is over and the ventilators are now ready for sale. An official announcement will be made within a week, said a number of sources with direct knowledge of the development. With this, Walton will be the first firm in Bangladesh to manufacture ventilators.

- The price of a ventilator will be around BDT 0.7 million, the chief executive officer of

Walton's refrigerator department said. The ventilator could be sent to the international market for BDT 1.2 million to BDT 1.3 million, which is 30% to 40% lower than the current price, the ICT state minister said. Ventilators are now in great demand all over the world, including Bangladesh. But the supply is very low compared to that. As of March, 629 ventilators were in use in the hospitals that are dedicated to treating Covid-19 patients.

<https://www.thedailystar.net/business/economy/news/walton-medtronic-ventilators-set-hit-market-finally-2076313>

Stocks trading from 10am to 12.30pm on 12-13 April

- The share trading schedule on the country's two stock exchanges has been extended for 30 minutes from 12-13 April. As per the new direction of the Bangladesh Securities and Exchange Commission (BSEC), the trading will be held between 10am and 12:30pm during those two days. Issuing a press note, the stock market regulator said the central bank has extended transaction time for 30 minutes for the next two days. In line with that, the commission also extended the share trading schedule.

<https://www.tbsnews.net/economy/stock/stocks-trading-10am-1230pm-12-13-april-230293>

BD Finance eyes USD 2 billion US investment

- Bangladesh Finance and Investment Company Ltd (BD Finance) has signed a deal with US-based Sovereign Infrastructure Group (SIG) to attract USD 2 billion worth of investment in infrastructure projects in the next two years. BD Finance, a concern of Anwar Group, inked the agreement in Washington on Thursday, according to a joint press release.

- With a project pipeline of more than USD 2 billion, BD Finance has mandated SIG on the initial financing of a direct loan of USD 40 million to be used for on-lending to SMEs, green energy projects, women entrepreneurs, social housing, economic empowerment initiatives for transgender individuals, and the refinancing of existing BD Finance obligations.

- SIG is a global structured financing company that works with project sponsors and development finance institutions, and national and local governments in originating and structuring infrastructure investments in growth markets. If SIG maintains at least 4% shares in BD Finance during the term of the memorandum, the US company will be guaranteed a seat on the board of the Bangladeshi firm. BD Finance and SIG will give priority to the projects that are supported by the government of Bangladesh, projects in economic zones and export processing zones.

<https://www.thedailystar.net/business/economy/news/bd-finance-eyes-2b-us-investment-2075701>

OTC (over-the-counter) companies to be shifted to newly-introduced trading platforms

- Most of the OTC (over-the-counter) companies are set to be shifted to the newly introduced trading platforms as part of the regulatory move to inject life into the companies' operations. The Bangladesh Securities and Exchange Commission (BSEC) has already allowed the re-listing of four OTC companies with the main trading platforms of the bourses. Apart from the existing main trading platform, the bourses have introduced two trading platforms. The platforms are Alternative Trading Board (ATB) and SME board.

- Presently, there are 66 companies in the OTC market. These companies previously were shifted to the OTC market following their dire straight in operations. The official sources said, out of 66 OTC companies, some 21 are likely to be shifted to the ATB. Another 19 companies are likely to be transferred to SME board and four will be re-listed with the existing main trading platform.

<https://today.thefinancialexpress.com.bd/stock-corporate/otc-companies-to-be-shifted-to-newly-introduced-trading-platforms-1618065871>

Tax receipts from DSE jump 113% in nine months

- The government's revenue earnings from the prime bourse marked a whopping 113% rise in the first nine months of the current fiscal year (FY) compared to the same period of the previous fiscal. Market operators said on the back of rising trading volume, the government earnings from the Dhaka Stock Exchange (DSE) rose accordingly, as earning is related to turnover. The buoyant investors have given boost to the capital market during the period under review amid growing confidence riding on regulatory measures to bring discipline in the market, said a top broker. The government bagged revenue worth BDT 2,274 million in nine months for July-March period of FY 2020-21 which was BDT 1,067 million in the same period of the previous FY, climbing by 113%, according to statistics from the DSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-jump-113pc-in-nine-months-1617895474>

DSE adds three new companies to core index

- The Dhaka Stock Exchange (DSE) has added three newly listed companies to its Broad Index (DSEX) as they met all the criteria of quarterly IPO addition. The companies are Robi Axiata, Energypac Power Generation and Mir Akther Hossain. The indices committee of DSE selected the companies after reviewing the performance of the firms for January-March, 2021 quarter in line with the index methodology designed by S&P Dow Jones Indices. The revised list will be effective from April 18 (subject to continuation/resumption of trading), according to a statement on Tuesday. With inclusion of these companies, the DSEX will have 307 listed companies, around 95% of the prime bourse's total market capitalisation.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-adds-three-new-cos-to-core-index-1618333135>

RD Food to export products worth USD 1.1 million

- Rangpur Dairy & Food Products Limited (RD Food) has obtained USD 1.10 million worth of export orders of flavoured milk and mango juice from several countries. RD Food received these orders at "Gulfood Fair-2021" held on 21-25 February this year in World Trade Centre, Dubai in the United Arab Emirates, according to information revealed by the listed company to the bourses. Most of the orders have come from Burkina Faso, UAE, Ghana, Mali, Republic of Moldova and Yemen.

- Riding on the export orders, the company's turnover will increase by BDT 91.3 million and earnings per share will rise by BDT 0.10. The company has been exporting its products to African countries since last year on a trial basis. RD Food produces UHT milk, flavoured milk, juice and candy. Due to the pandemic induced slowdown in business in the last 2019-2020 fiscal, RD Food's profit dropped by 44%, although its revenue was similar to that of the previous year.

<https://www.tbsnews.net/bangladesh/rd-food-export-products-worth-11mn-230791>