

## Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.66%) gained 40.08 points and closed the week at 6,092.84 points. The blue-chip index DS30 (+0.11%) gained 2.47 points and stood at 2,199.53 points. The Shariah-based index DSES (+0.85%) gained 10.93 points and stood at 1,301.86 points. The large cap index CDSET (+0.16%) gained 1.93 points and closed at 1,226.92 points. DSEX, DS30, DSES and CDSET showed YTD returns of +12.79%, +11.99%, +4.81%, +9.25%, respectively.

**Total Turnover During The Week (DSE):** BDT 95.2 billion (USD 1,121 million)

**Average Daily Turnover Value (ADTV):** BDT 19.0 billion ( $\Delta\%$  Week: -2.8%)

**Market P/E:** 19.1x

### Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed positively by +0.28% and continued to be positive by +0.92% in the second session. Market rebounded in the third session by -0.32% and continued to be negative in the fourth session by -1.14%. The market ended with a positive momentum of +0.94%.

### Sectoral Performance:

- Financial sectors posted mixed performance this week. Bank booked the highest gain of 3.86% followed by Mutual Fund (+2.82%), and NBF1 (+1.22%). General Insurance experienced the highest loss of 7.81% followed by Life Insurance (-6.25%).

- Non-financial sectors posted mixed performance this week. Pharmaceutical booked the highest gain of 1.34% followed by Food & Allied (+1.13%), and Telecommunication (+0.39%). Engineering experienced the highest loss of 1.07% followed by Fuel & Power (-1.02%).

### Macroeconomic arena:

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) estimates that apparel exports will fetch around USD 33.7 billion in the 2021-22 financial year as the US and the EU economies rebound with mass vaccinations. The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) estimates the figure will be USD 35 billion.

- The government is going to allow the investment of untaxed money in the stock market in the next fiscal year beginning from 1 July, subject to paying 25% tax plus a 10% penalty on the payable tax, according to sources at the finance ministry. Undisclosed bank deposits and savings instruments will also be allowed to be legalised on similar conditions. The government will also offer an opportunity to legalise undisclosed property such as flats, paying BDT 200-BDT 6,000 for per square metre depending on sizes and locations, alongside the penalty.

- The industry shows great potential with a steady 60% average increase in collective sales throughout 2015 to 2019. With the ever-increasing traffic and need for private transport, many opt to go for a two-wheeler instead of a car. As motorbikes offer fast mobility without putting much of a dent in wallet for maintenance, the industry shows great potential with a steady 60% average increase in collective sales throughout 2015 to 2019.

### Stock Market arena:

- The country's stock market has returned to standard price movement system, as the securities regulator has lifted floor prices of all listed securities, set earlier to contain abnormal price fall amid the Covid pandemic. As per the latest directive, the normal price change limit - ranging from 3.75% to 10% - will be applicable to all the listed securities.

- Ifad Autos Ltd has secured a 30-acre industrial plot at an economic zone in Chattogram to go ahead with its BDT 4.30 billion automotive project there. The land is being allotted on lease for 50 years on a rental basis. In the last quarter of 2020, Ifad submitted its plan to invest BDT 4.30 billion there to set up a lubricant blending plant for its Gulf brand, a two-wheeler manufacturing unit, and facilities to manufacture crucial automobile components.

- GPH Ispat, a listed steel manufacturing company, started the commercial production at its new BDT 23.90 billion expansion plant from Monday. The company started commercial production using state-of-the-art technology after successful commissioning (partially) with the help of local technicians as well as online support of the technology supplier.

- The initial public offering (IPO) subscription of South Bangla Agriculture & Commerce Bank (SBAC) will begin on 5 July, aiming to raise BDT 1.0 billion under the fixed price method. The private lender's IPO subscription will be continued until July 11.

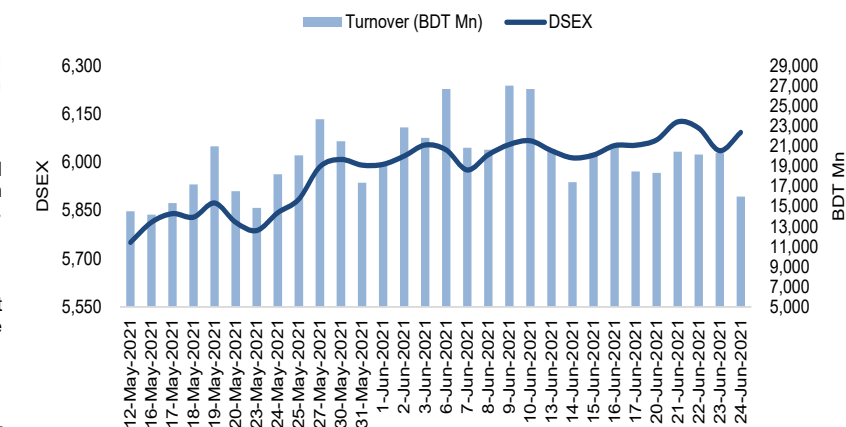
Table 1: Index

Index	Closing	Opening	$\Delta$ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,092.84	6,052.76	+40.08	5,402.07	+0.66%	+12.79%
DS30	2,199.53	2,197.06	+2.47	1,963.96	+0.11%	+11.99%
DSES	1,301.86	1,290.93	+10.93	1,242.11	+0.85%	+4.81%
CDSET	1,226.92	1,224.99	+1.93	1,123.03	+0.16%	+9.25%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,106,388	5,081,348	
	Mn USD	60,103	59,809	+0.5%
Turnover	Mn BDT	95,243	97,987	-2.8%
	Mn USD	1,121	1,153	
Average Daily Turnover	Mn BDT	19,049	19,597	-2.8%
	Mn USD	224	231	
Volume	Mn Shares	3,037	2,912	+4.3%

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
MONOSPOOL	129.2	80.4	+60.7%	425	2.6	NM	3.1x
TAMIJTEX	30.6	19.1	+60.2%	920	0.0	NM	0.4x
MONNOFABR	25.6	16.0	+60.0%	2,944	178.7	NM	0.9x
PAPERPROC	40.9	25.6	+59.8%	153	0.0	NM	1.5x
MALEKSPIN	34.7	22.7	+52.9%	6,718	1,879.1	NM	0.8x
KBPPWBIL	14.0	10.8	+29.6%	1,373	284.6	NM	1.1x
KTL	33.1	25.7	+28.8%	3,850	1,464.7	33.0x	1.9x
SALVOCHEM	33.6	27.1	+24.0%	2,185	413.0	75.7x	2.6x
SONARGAON	24.6	19.9	+23.6%	651	68.3	NM	1.1x
OAL	10.3	8.4	+22.6%	1,746	214.1	NM	0.8x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
SEAPEARL	46.6	65.1	-28.4%	5,627	331.3	61.1x	4.2x
PRIMELIFE	69.2	90.5	-23.5%	2,112	143.3	NM	NM
STANCERAM	205.9	252.0	-18.3%	1,330	110.0	NM	23.3x
SAMATALETH	72.6	87.7	-17.2%	749	93.4	NM	5.0x
SKTRIMS	42.8	51.2	-16.4%	3,625	691.0	51.2x	3.1x
PIONEERINS	170.7	201.0	-15.1%	11,946	3,672.2	23.0x	3.6x
RELIANCINS	104.6	121.6	-14.0%	11,000	293.8	19.6x	1.7x
GREENDELTA	118.5	135.7	-12.7%	11,872	617.0	14.8x	1.7x
TAKAFULINS	57.0	65.0	-12.3%	2,427	28.7	31.3x	3.1x
CENTRALINS	56.5	68.3	-11.1%	3,003	194.9	25.7x	2.4x

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

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	92.7	97.8	-5.2%	83,266	6,540	22.9x	1.3x
PIONEERINS	170.7	201.0	-15.1%	11,946	3,672	23.0x	3.6x
NFML	40.3	38.1	+5.8%	3,725	2,307	31.2x	3.1x
MAKSONSPIN	20.1	17.1	+17.5%	4,788	1,921	27.5x	1.0x
MALEKSPIN	34.7	22.7	+52.9%	6,718	1,879	NM	0.8x
ORIONPHARM	55.8	56.7	-1.6%	13,057	1,489	20.5x	0.8x
KTL	33.1	25.7	+28.8%	3,850	1,465	33.0x	1.9x
FORTUNE	47.5	43.8	+8.4%	7,353	1,317	39.5x	3.5x
DSSL	19.1	16.5	+15.8%	3,834	1,284	17.8x	1.1x
QUEENSOUTH	32.1	27.2	+18.0%	4,201	1,219	53.6x	2.0x

**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	50.5	+405.0%	3,788	38.9x	2.0x
PIONEERINS	170.7	+126.7%	11,946	23.0x	3.6x
HEIDELBCEM	318.2	+112.7%	17,979	52.8x	4.2x
SQUARETEXT	47.7	+60.1%	9,409	52.1x	1.3x
MICEMENT	71.4	+53.9%	10,603	14.9x	1.4x
ESQUIRENIT	40.4	+53.6%	5,450	29.1x	1.1x
ROBI	44.1	+48.0%	230,993	NM	3.5x
BSRMLTD	87.0	+44.5%	20,538	7.3x	0.7x
DUTCHBANGL	92.7	+42.6%	50,985	9.0x	1.5x
BATBC	539.2	+37.0%	291,168	24.8x	7.7x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,537.09	1,480.03	1,372.63	+3.86%	+11.98%
NBFIs	2,074.97	2,049.92	2,033.53	+1.22%	+2.04%
Mutual Funds	1,035.24	1,006.88	959.61	+2.82%	+7.88%
General Insurance	5,562.39	6,033.78	4,103.56	-7.81%	+35.55%
Life Insurance	2,562.56	2,733.46	2,162.58	-6.25%	+18.50%
Telecommunication	6,183.88	6,159.64	5,463.26	+0.39%	+13.19%
Pharmaceuticals	3,456.90	3,411.31	3,306.03	+1.34%	+4.56%
Fuel & Power	1,699.12	1,716.64	1,618.11	-1.02%	+5.01%
Cement	1,993.32	2,013.52	1,416.18	-1.00%	+40.75%
Services & Real Estate	1,085.91	1,101.68	1,083.79	-1.43%	+0.20%
Engineering	4,892.58	4,945.70	3,959.20	-1.07%	+23.58%
Food & Allied	21,259.24	21,021.79	14,705.76	+1.13%	+44.56%
IT	2,694.35	2,703.90	2,350.28	-0.35%	+14.64%
Textiles	1,389.76	1,251.32	1,087.41	+11.06%	+27.80%
Paper & Printing	5,037.47	5,001.28	5,487.56	+0.72%	-8.20%
Tannery	2,006.30	1,968.88	1,771.77	+1.90%	+13.24%
Jute	7,916.92	7,890.24	12,154.61	+0.34%	-34.86%
Ceramics	525.22	529.79	472.38	-0.86%	+11.19%
Miscellaneous	3,944.65	4,043.43	2,539.70	-2.44%	+55.32%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,560.9	1,334.3	+17.0%	8.7%	8.7x	0.8x
NBFI	712.1	841.6	-15.4%	4.0%	44.0x	3.2x
Mutual Fund	404.6	445.7	-9.2%	2.3%	NM	0.9x
General Insurance	2,491.8	4,170.5	-40.3%	13.9%	26.9x	2.7x
Life Insurance	413.4	744.2	-44.4%	2.3%	NM	NM
Telecommunication	262.9	266.3	-1.3%	1.5%	18.7x	5.4x
Pharmaceutical	1,516.7	1,379.2	+10.0%	8.5%	20.7x	2.6x
Fuel & Power	895.8	1,249.5	-28.3%	5.0%	12.4x	1.4x
Cement	311.1	363.7	-14.5%	1.7%	20.5x	2.5x
Services & Real Estate	346.3	310.5	+11.5%	1.9%	NM	0.9x
Engineering	1,796.1	2,169.4	-17.2%	10.0%	29.7x	2.7x
Food & Allied	452.5	433.1	+4.5%	2.5%	32.7x	8.1x
IT	229.1	283.0	-19.0%	1.3%	29.6x	2.3x
Textile	3,644.7	2,056.9	+77.2%	20.4%	NM	1.0x
Paper & Printing	74.8	45.3	+65.0%	0.4%	38.8x	1.0x
Tannery	300.1	347.4	-13.6%	1.7%	NM	2.2x
Jute	11.0	12.2	-10.2%	0.1%	NM	14.2x
Ceramics	201.2	175.0	+15.0%	1.1%	57.1x	1.8x
Miscellaneous	2,251.1	2,368.6	-5.0%	12.6%	29.9x	2.0x

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

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ADNTEL	50.4	-21.6%	3,258	16.4x	2.0x
KPLC	37.9	-16.3%	15,062	11.2x	1.6x
OLYMPIC	171.7	-10.2%	34,330	16.6x	3.9x
SHAHJABANK	20.0	-8.3%	20,582	9.9x	1.1x
IDLC	58.5	-7.7%	22,057	8.1x	1.5x
BXPBARMA	176.1	-7.6%	78,560	17.2x	2.2x
BATASHOE	650.4	-7.4%	8,897	NM	2.5x
MPETROLEUM	183.3	-7.4%	19,836	7.0x	1.1x
DBH	75.4	-6.4%	13,366	14.1x	1.7x
GHAIL	16.0	-4.2%	3,453	NM	1.1x

## Important News: Business & Economy

### RMG hopes good growth in export despite Covid

• The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) estimates that apparel exports will fetch around USD 33.7 billion in the 2021-22 financial year as the US and the EU economies rebound with mass vaccinations. The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) estimates the figure will be USD 35 billion. Numbers reveal that in 11 months of the current fiscal year, Bangladesh exported USD 28.56 billion worth of readymade garments. The BGMEA projects the figure will reach USD 31.2 billion at the end of June. About 54% of this will come from knitwear, and 46% from woven garments.

• Besides, in 11 months since July last year, knitwear exports have grown by more than 20.5%, and woven exports by less than 2%. The first vice-president of the BKMEA, has written to the commerce ministry that knitwear exports will rise by 15% in the next financial year. Exporters estimate knitwear exports will reach USD 16.77 billion at the end of the current fiscal year. The BKMEA estimates the figure will exceed USD 19 billion in the upcoming financial year. The commerce ministry and the Export Promotion Bureau (EPB) set export targets when the financial year begins. They have asked for export targets from export associations.

<https://www.tbsnews.net/economy/rmg/rmg-hopes-good-growth-export-despite-covid-265327>

### Government to allow black money investment with penalty

• The government is going to allow the investment of untaxed money in the stock market in the next fiscal year beginning from 1 July, subject to paying 25% tax plus a 10% penalty on the payable tax, according to sources at the finance ministry. Undisclosed bank deposits and savings instruments will also be allowed to be legalised on similar conditions. The government will also offer an opportunity to legalise undisclosed property such as flats, paying BDT 200-BDT 6,000 for per square metre depending on sizes and locations, alongside the penalty.

• Finance Ministry officials said that the National Board of Revenue (NBR) on Tuesday sent such a proposal responding to demands from the business community and other stockholders. The NBR has also incorporated a legal indemnity provision in the finance bill amendment to bar relevant government agencies from asking any question about the sources of such tainted money. As per the NBR proposal, the applicable rate will be 25% – the highest tax rate for an individual investment in the stock market, and a 10% penalty on the tax amount for ensuring justice to other regular taxpayers.

• If anyone withdraws the investment before one year, he/she must pay another 10% in additional penalty, ministry officials added. The officials also mentioned that the government is offering the opportunity to make scope for investment of undisclosed money to bring that into the formal economy, which also helps prevent capital flight. As per the proposed provision, people who will avail the facility to invest in securities such as stocks, mutual funds and bonds will have to pay a total 27.5% tax (25% regular tax and 10% penalty on tax amount) within 30 days of their investments.

<https://www.tbsnews.net/economy/govt-allow-black-money-investment-penalty-264892>

### Motorcycle industry shows great potential despite pandemic

• The industry shows great potential with a steady 60% average increase in collective sales throughout 2015 to 2019. With the ever-increasing traffic and need for private transport, many opt to go for a two-wheeler instead of a car. As motorbikes offer fast mobility without putting much of a dent in your wallet for maintenance, the industry shows great potential with a steady 60% average increase in collective sales throughout 2015 to 2019. Currently, there are various notable motorcycle manufacturers operating in the market -- Bajaj, TVS, Runner, Walton, Hero Honda, Suzuki, Jamuna Automobiles and others. The Indian Bajaj Auto has been manufacturing locally here since 2015 and was soon followed by the other brands.

• As of right before the pandemic, Bajaj had a staggering 53% market share followed by TVS at 12%, Runner at 8%, Walton at 6%, Hero Honda at 9%, and others at 12%. Clearly, one of the biggest challenges the industry is facing is the competition from Indian brands who are currently dominating the country's entire motorcycle market. However, due to the pandemic, Bangladesh saw a decline in the motorcycle market, the first in years. The market shrank by around 9.3% -- from 550,000 units to 480,000 in 2020 -- which was not much of a surprise.

<https://www.dhakatribune.com/business/2021/06/19/motorcycle-industry-shows-great-potential-despite-pandemic>

### BB for limiting e-commerce companies' liabilities to capacity

• The Bangladesh Bank has recommended taking necessary action to ensure that liabilities of e-commerce companies do not go beyond their financial strength jeopardizing their existence. To streamline the rapidly booming e-commerce sector, the government should introduce a proper accounting system for such companies and regularly monitor them through a registered audit firm to see whether they are conforming to it, the central bank said in its inspection report. In the meantime, the commerce ministry plans to finalise the draft of e-commerce operation guidelines, incorporating three new recommendations in it to protect consumers and formulate policy support to ease the development of the e-commerce sector.

• It is also important to stop e-commerce organisations from engaging in unhealthy competition – selling products even at losses only to draw in customers – or from destroying the competitive market environment, the Bangladesh Bank report said. Besides, there is a need for formulating specific policies and procedures for customer grievance redressal management in the e-commerce sector, the Bangladesh Bank said, adding that it is necessary to define the responsibilities and liabilities of both e-commerce marketplace operators and vendors.

<https://www.tbsnews.net/economy/bb-limiting-e-commerce-cos-liabilities-capacity-265324>

### Another BDT 25.20 billion refinancing fund for CMSME sector launched

• The Bangladesh Bank has launched another BDT 25.20 billion refinancing fund for the cottage, micro, small, and medium enterprises (CMSMEs) to help recover Covid-19 losses. The fund was created with support from the Asian Infrastructure Investment Bank (AIIB). The AIIB signed a deal with the Bangladesh government on 26 February this year to provide this assistance. The fund will be managed by the Bangladesh Bank. Its term is three years and the interest rate will be 4%. The CMSME sector will get loans from the fund as working capital.

- SME Foundation Chairman said that small and women entrepreneurs in the marginal groups still lag behind in getting loans and securing loans for them will be a key challenge. Banks lag behind in implementing the CMSME incentive package. On the other hand, the demand for credit in this sector is not being met, he further said.

[https://www.tbsnews.net/economy/banking/another-BDT\\_2520cr-refinancing-fund-cmsme-sector-launched-265306](https://www.tbsnews.net/economy/banking/another-BDT_2520cr-refinancing-fund-cmsme-sector-launched-265306)  
[https://www.newagebd.net/article/141712/new-refinance-scheme-worth-BDT\\_-2520cr-launched](https://www.newagebd.net/article/141712/new-refinance-scheme-worth-BDT_-2520cr-launched)

### **Q1 deposits in Islamic banks up by BDT 308.70 billion**

- The market share of Shariah-based banks in the total deposits in the country's banking sector increased to 27.54% in the January-March quarter of the year 2021 as two more conventional banks have started Islamic banking since January 2021. The number of full-fledged Islamic bank increased to 10 in January 2021 after Global Islami Bank Limited and Standard Bank Limited began Shariah-based banking operations. The share of Islamic banks in the total deposits in the country's banking sector increased to BDT 3.57 trillion at the end of March 2021 from BDT 3.26 trillion three months ago.

- Before the addition of BDT 308.70 billion in January-March 2021, the market share of the Islamic banks was 25.33% of the total BDT 12.90 trillion in deposits in the country's banking sector, showed a Bangladesh Bank quarterly report on Islamic banking released on Tuesday. The outstanding lending, known as investments in Shariah-based banks, from Islamic banks grew by BDT 3.22 trillion at the March-end quarter of 2021 from BDT 2.94 trillion a year ago. Among different segments of Bangladesh's Islamic financial sector, Islamic banking sector dominates with more than 27% share of the entire banking sector, it said.

[https://www.newagebd.net/article/141605/q1-deposits-in-islamic-banks-up-by-BDT\\_-30870cr](https://www.newagebd.net/article/141605/q1-deposits-in-islamic-banks-up-by-BDT_-30870cr)

### **Lack of expertise holds back investment in mutual funds**

- Bangladesh Institute of Capital Market (BICM) in a recent study has found 11 barriers – including a lack of expertise and insufficient tax benefit – to investment in mutual funds. Due to the problems, it said, mutual funds could not attract investors and failed to contribute properly to the capital market. The barriers include an extension of tenure for close-end mutual funds, lower demand, investment in non-approved securities, the presence of more asset managers, a lack of awareness among investors and a lower financial literacy rate.

- Absence of the ranking of asset managers, frequent changes of regulator's position, high fees charged by asset managers, and the unusual tax burden on unitholders at liquidation are the other problems mentioned in the study released on Tuesday. According to the BICM research, asset management companies' investment in the capital market is less than 3%. To date, Bangladesh Securities and Exchange Commission (BSEC) has issued 48 licences to asset management companies but many of them are not managing the funds. Thus, it is more likely that many asset managers may not have expertise in this area.

<https://www.tbsnews.net/economy/lack-expertise-barrier-investment-mutual-funds-264814>

### **FDI inflow drops 10.80% in 2020**

- The net inflow of foreign direct investment (FDI) to Bangladesh declined 10.80% to USD 2.56 billion in 2020 from USD 2.87 billion in 2019 in line with the global trend amid Covid pandemic. The global FDI dropped by 35% in 2020 due to the Covid-19 pandemic, according to the United Nations Conference on Trade and Development (UNCTAD). It came down to below USD 1.0-trillion (or USD 998.91 billion) in 2020 after six years from USD 1530.28 billion (or USD 1.53 trillion) in 2019.

- Lockdowns caused by the COVID-19 pandemic around the world slowed down existing investment projects, and the prospects of a recession led multinational enterprises to reassess new projects, it said. The report, however, expressed optimism that FDI flows are expected to bottom out and recover some lost ground with a 10-15% increase in 2021. After two straight years of FDI decline in Bangladesh, the recovery is also likely to take more time. In Bangladesh and Sri Lanka, FDI inflows will take longer to recover, as investment commitments in these countries remained weak, cited the UNCTAD report.

<https://today.thefinancialexpress.com.bd/last-page/fdi-inflow-drops-1080pc-in-2020-1624295572>  
<https://www.dhakatribune.com/business/economy/2021/06/21/fdi-to-bangladesh-fell-11-last-year>  
<https://www.tbsnews.net/economy/fdi-bangladesh-drops-108-last-year-264118>

### **Bangladesh prepares for Libor phase-out**

- The Bangladesh Bank yesterday issued a policy on calculating the interest rate of short-term foreign loans as the London Interbank Offered Rate (Libor) is set to be phased out gradually from next year. The policy will help exporters and importers prepare for the discontinuation of the global benchmark rate so that their borrowing does not suffer. The Libor is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans.

- Like most of the borrowers in other countries, Bangladesh's businesses also take foreign loans based on the rate. The Libor, once dubbed the world's most important number, was discredited after the financial crisis when authorities in the United States and Britain found traders had manipulated it to make a profit, according to Reuters. Against the backdrop, the BB yesterday issued a notice unveiling the policy for banks to calculate the interest rate on short-term foreign loans. Banks will have to consider the benchmark rate of the respective central bank before setting a lending rate.

<https://www.thedailystar.net/business/news/bangladesh-prepares-libor-phase-out-2115701>  
<https://www.dhakatribune.com/business/banks/2021/06/21/phasing-out-libor-bb-sets-new-interest-rate-for-short-term-trade-financing>  
<https://www.newagebd.net/article/141481/bangladesh-bank-adopts-policy-to-phase-out-libor>  
<https://www.tbsnews.net/economy/banking/libor-transition-bb-sets-new-interest-rates-short-term-trade-finance-264091>

### **The bubbles of e-commerce**

- E-commerce platform Aleshmart started operation in January this year with a promotional campaign offering 30% discount in its products and was taking advance payments with a promise to deliver products within 35 days. In the first month of its inception, the online shop received customer orders worth BDT 242.9 million. The e-



commerce site then gradually increased price discounts to as high as 50%, taking the monthly sales to BDT 1.24 billion in April. In the first four months, the online shop's accumulated sales turnover stood at around BDT 2.00 billion. This is how tempting discount offers help online stores witness turbocharged growth in sales.

- Using the same business model, e-commerce platform E-orange got customer orders of more than BDT 4.00 billion in four months since January this year, with its monthly sales amounting to BDT 1.50 billion in April. Dhamakashopping, another online shop popular for offering high discounts in products, accumulated orders worth more than BDT 3.50 billion in four months from January.

<https://www.tbsnews.net/economy/bubbles-e-commerce-264376>

### **Reconditioned car trade loses BDT 15.00 billion to pandemic**

- The coronavirus pandemic dealt a massive blow to the Japanese reconditioned car sale business, with the sector incurring losses of around BDT 15.00 billion in the last 14 months. Import and sale of such cars dropped by almost 40% since the health crisis began. Traders in this BDT 200.00 billion sector did not get any stimulus support from the government. Many left the business as they could not pay showroom and office rents, workers' wages, and bank loans. They now demand that the high duty be reduced a little, the import duties on new and reconditioned vehicles be made equal, and the three-month rent they had to pay when cars remained stuck in port due to the lockdown be refunded.

- Besides, they demand that the deadline for repaying bank loans be extended further and financial assistance be provided by the government. Otherwise, it will be very difficult to recoup losses, they say. The middle class people are the main customers and they do not have money now. Reconditioned car prices have risen in the global market as well because of the pandemic. People are no longer interested in buying such cars, car trader said.

<https://www.tbsnews.net/economy/bazaar/reconditioned-car-trade-loses-BDT-1500cr-pandemic-263902>

### **Jan-Apr RMG export to US market drops**

- US apparel imports from its top five destinations including China, Cambodia and Vietnam recorded a rise while that from Bangladesh and India declined during the first four months of the year 2021. During January to April period in 2021, the US apparel imports from China witnessed 19.86% growth to USD 4.66 billion which was USD 3.89 billion during the corresponding period of last calendar year, according to data available with the Office of Textiles and Apparel (OTEXA), an affiliate of the US Department of Commerce. Exports from Cambodia and Vietnam to the US also witnessed a growth of 8.91% and 8.56% respectively year on year during the period.

- Vietnam exported USD 4.55 billion worth of apparel items to the USA from January to April of 2021, showing a speedy recovery. Cambodia exported USD 1.02 billion during the period, according to OTEXA data. On the other hand, Bangladesh fetched USD 1.99 billion during the period under review through apparel exports to the US, down by 3.71% from USD 2.07 billion during the same period of 2020. Apparel exporters, however, listed the Covid-19 pandemic, among others, as a reason that had further eroded the competitiveness of local RMG exports.

<https://today.thefinancialexpress.com.bd/first-page/jan-apr-rmg-export-to-us-market-drops-1624208652>

### **Now life insurers to save 15% in operating costs: Idra boss**

- The Insurance Development and Regulatory Authority (Idra) has reformed the supervisory level and commission structure to control the management cost of life insurance companies. This will reduce the cost of life insurance firms by up to 15%, Idra Chairman said on Sunday. He made the remarks at a meeting organised by the Insurance Reporters Forum (IRF) to discuss the problems and prospects of the country's insurance sector.

- As per the new notification, at the supervisory level of the life insurance company, officers can be appointed in a maximum of three grades, which were the five grades before. He said according to the law, sponsors, and directors of insurance companies have to hold 60% shares.

<https://www.tbsnews.net/economy/now-life-insurers-save-15-operating-costs-idra-boss-263749>

### **SMEs hung out to dry**

- They were the hardest hit segment when the whole economy came to a halt because of the nationwide pandemic-induced lockdown. But the real struggle for the cottage, micro, small and medium enterprises (CMSMEs) stemmed from the lack of access to funds they needed to make a turnaround when the curbs were partially eased. A credit guarantee scheme was introduced to help reluctant banks disburse the stimulus package among the CMSMEs starving for the credit. But stringent conditions have rendered the initiative unattractive.

- The latest disappointment has been delivered by the proposed budget for the fiscal year starting on July 1, which promises inadequate measures for the segment considered to be the economy's backbone. The government did roll out a BDT 230.00 billion stimulus package to support CMSMEs. But the disbursement did not see much uptick until recently as most banks did not have the focus and infrastructure to take the funds to the enterprises. The stimulus package alone did not upset the CMSMEs.

<https://www.thedailystar.net/business/economy/news/smes-hung-out-dry-2114157>

### **Bangladesh among 3 countries leading recovery in global cotton trade: United States Department of Agriculture (USDA)**

- Bangladesh has joined two other countries to lead the global cotton trade recovery as the demand for the commodity has risen sharply thanks to buoyant apparel shipments, according to the United States Department of Agriculture (USDA). Record global trade is boosted, led by robust demand in China, Bangladesh, and Turkey, the USDA said in its June report. Cotton exports are up for the three largest exporters -- India, Brazil, and the United States. The US forecast has higher exports while stocks are projected at their lowest in four years.

- A lower consumption outlook for India is more than offset by the higher-than-expected demand in China, Bangladesh, and Turkey, driving higher imports for these countries, said the USDA. The recent import growth of cotton in Bangladesh resulted from the skyrocketing demand among local millers, spinners, traders and importers. For instance, the export of yarn in the local markets is deemed to have grown by 163% year-on-year between April and June this year, data from the Bangladesh Textile Mills Association (BTMA) showed. This is a result of higher demand from garment exporters, and for resumption of the full use of capacities of mills by spinners and weavers, it said.

<https://www.thedailystar.net/business/news/bangladesh-among-3-countries-leading-recovery-usda-2113229>

## Important News: Capital Market

### BSEC lifts floor prices of all shares

- The country's stock market has returned to standard price movement system, as the securities regulator has lifted floor prices of all listed securities, set earlier to contain abnormal price fall amid the Covid pandemic. As per the latest directive, the normal price change limit - ranging from 3.75% to 10% - will be applicable to all the listed securities.
- The standard price change limit will also be applicable to the newly listed companies from the day of debut trading. Following the directive issued on Thursday, the price change limit of the newly listed companies will also be 10% instead of 50% from the day of debut trading.

<https://today.thefinancialexpress.com.bd/first-page/bsec-lifts-floor-prices-of-all-shares-1623950736>  
<https://www.thedailystar.net/business/news/bsec-removes-floor-price-all-listed-firms-2113221>

### Ifad Autos secures 30-acre plot for BDT 4.30bn project

- Ifad Autos Ltd has secured a 30-acre industrial plot at an economic zone in Chattogram to go ahead with its BDT 4.30 billion automotive project there. The listed automobile firm informed its shareholders on Thursday that Bangladesh Economic Zones Authority (Beza) has allotted the land in favour of the company to develop and operate industries, run commercial activities and construct onsite infrastructures at Bangabandhu Sheikh Mujib Shilpa Nagar. The land is being allotted on lease for 50 years on a rental basis, Ifad Autos said, adding it would disclose the details immediately after making a deed with Beza.
- In the last quarter of 2020, Ifad submitted its plan to invest BDT 4.30 billion there to set up a lubricant blending plant for its Gulf brand, a two-wheeler manufacturing unit, and facilities to manufacture crucial automobile components. The managing director of Ifad Autos said that they are planning to build the lubricant blending plant at first as the products are already popular in the market. In 2017, Ifad partnered with Gulf Oil International UK to jointly run the business of the lubricant brand in Bangladesh.

<https://www.tbsnews.net/economy/ifad-autos-secures-30-acre-plot-BDT-430cr-project-262507>  
<https://www.tbsnews.net/economy/ifad-autos-get-30-acres-economic-zone-business-expansion-262075>

### GPH Ispat starts commercial production at new plant

- GPH Ispat, a listed steel manufacturing company, started the commercial production at its new BDT 23.90 billion expansion plant from Monday. The company started commercial production using state-of-the-art technology after successful commissioning (partially) with the help of local technicians as well as online support of the technology supplier, said the company in a filing with the Dhaka Stock Exchange (DSE) on Monday. The machinery used at the new plant was brought from Primetal Technologies Austria, a joint venture of

Siemens and Mitsubishi Heavy Industries & Partners.

- Due to pandemic Covid-19 impact, it is not possible to avail on-site support of technicians from Primetal Technologies Austria GmbH, who are the main technology supplier of the plant which lead to barrier of the completion of commissioning its all products, said the company. According to local technicians, the plant and product are fit to start commercial production of certain items specially MS Rod and MS Billet. The new factory, which is an expansion of GPH Ispat's existing operations, has the annual capacity to produce 840,000 tonnes of mild steel (MS) billet and 640,000 tonnes MS rod and medium section products such as steel beam, angle, channel, flat bar etc.
- But the company has to wait for certain period of time for the full fledged production to yield the said capacity, according to the filing. With this, the annual production capacity of the company will be 1,008,000 tonnes of billets and 760,000 tonnes of rod and medium section products. The cost to develop the new factory was paid through loans and equity, company officials said.

<https://today.thefinancialexpress.com.bd/stock-corporate/gph-ispate-starts-commercial-production-at-new-plant-1624289405>  
<https://www.thedailystar.net/business/news/gph-begins-production-new-plant-2115693>  
<https://www.tbsnews.net/economy/macro-economy/gph-ispate-starts-commercial-production-new-plant-264013>

### South Bangla Bank's IPO subscription begins July 5

- The initial public offering (IPO) subscription of South Bangla Agriculture & Commerce Bank (SBAC) will begin on 5 July, aiming to raise BDT 1.0 billion under the fixed price method. The private lender's IPO subscription will be continued until July 11, officials said. Minimum required investment for general public will be BDT 20,000 only as on June 24 in matured listed securities at market price, according to a filing with the Dhaka Stock Exchange (DSE) on Thursday.
- SBAC, which began commercial operations in Bangladesh on February 20, 2013 will issue 100 million ordinary shares at face value of BDT 10 each. With the IPO proceeds, the bank will buy government securities and meet its IPO expenses.

<https://today.thefinancialexpress.com.bd/stock-corporate/south-bangla-banks-ipo-subscription-begins-july-5-1624027787>

### BSEC initiates steps to make ailing companies viable

- The securities regulator has initiated a move to make the ailing listed companies, including state-owned ones, operationally sound and financially viable for the greater interest of the shareholders and stock market. The Bangladesh Securities and Exchange Commission (BSEC) has already started restructuring the boards and suggested the state-owned companies to reassess their assets and liabilities to reflect fair valuation of the companies. It would also conduct special audit in some errant companies. According to the BSEC officials, initially they were working with 35 non-performing companies while the other ones would come under their supervision gradually.
- BSEC chairman that the regulator preferred not to issue any directive for the state-owned listed companies. Now, they are trying to pursue the companies to consider our suggestions made based on findings for the sake of their viable operations, he said. As part of the move, the BSEC has been holding separate meetings with the companies, most of

which presently were out of operations amid huge accumulated losses. It has also asked a non-compliant company to handover their ownership to another party having sound operational background if they are unable to run the entity.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-initiates-steps-to-make-ailing-cos-viable-1624470153>

### **BDT 30 billion Beximco Sukuk gets nod**

• The securities regulator has approved the proposal of issuing asset-backed Green-Sukuk bond worth BDT 30 billion by the BEXIMCO for the purpose of business expansion. The Bangladesh Securities and Exchange Commission (BSEC) on Wednesday approved the proposal setting some conditions. The Beximco will utilise the fund for expansion of its textile unit and implementing the solar projects of Teesta Solar and Korotoa Solar, two subsidiaries of Beximco Power Company. Of BDT 30 billion, BDT 22.50 billion will be raised through private placements from the existing shareholders and others. The remaining BDT 7.5 billion will be raised through IPO (initial public offering).

• The BSEC officials said the Beximco's existing shareholders will be entitled to subscribe the placement portion worth BDT 7.5 billion within the record date. "It's optional." The tenure of the convertible or redeemable asset-backed green-sukuk will be five years and the offer price of the bond will be BDT 100 per unit. The lowest subscription amount of the bond is BDT 5,000 and the market lot will consist of 50 units. Investment Corporation of Bangladesh (ICB) is the trustee of sukuk bond while City Bank Capital Resources and Agrani Equity & Investment are working as issue managers.

<https://today.thefinancialexpress.com.bd/first-page/BDT-30b-beximco-sukuk-gets-nod-1624473839>

<https://www.thedailystar.net/business/news/first-green-sukuk-gets-bsec-nod-2116945>

<https://www.tbsnews.net/economy/beximco-gets-nod-float-BDT-3000cr-sukuk-265276>

<https://www.dhakatribune.com/business/stock/2021/06/23/beximco-sets-off-with-maiden-3-000c-green-sukuk>

<https://www.newagebd.net/article/141648/beximcos-BDT-3000cr-sukuk-gets-bsecs-primary-approval>

### **SB plans BDT 100 billion perpetual bonds**

• Sonali Bank Ltd (SBL) has planned to raise a fund of BDT 100 billion through issuing perpetual bond to meet its capital shortfall. The state-owned bank has already written to the financial institutions division under the finance ministry and requested it to take necessary steps in this regard. The state-owned bank has already written to the financial institutions division under the finance ministry and requested it to take necessary steps in this regard. Since the bank is required to enhance its capital base to comply with the existing BASEL-III guideline, it needs to raise BDT 100 billion, SBL Managing Director (MD) argued in the letter.

• The bank had aggregate capital shortfall of over BDT 78.26 billion as of December, 2020, according to a provisional calculation under the BASEL- III guidelines. A perpetual bond is often considered as a type of equity with no maturity date and that it is not redeemable. They sought funds to offset its capital shortfall, a senior executive at the largest state-owned bank said, adding that the bank needed fresh funds immediately to comply with the BASEL-III guidelines.

<https://today.thefinancialexpress.com.bd/first-page/sb-plans-BDT-100b-perpetual-bonds-1624473839>

[1624473648](https://today.thefinancialexpress.com.bd/stock-corporate/bsec-fixes-minimum-credit-balance-for-receiving-interest-income-1624473648)

### **BSEC fixes minimum credit balance for receiving interest income**

• The securities regulator has revised the rules regarding the distribution of net interest incomes that come from consolidated customers' accounts (CCA) maintained by stock brokers. The revised directive was issued on Monday in a bid to ensure more transparency in maintaining the CCAs along with removing some complexities occurred while distribution of interest income among the clients of stock brokers. In its directive, the Bangladesh Securities and Exchange Commission (BSEC) included eligibility criteria of getting the interest income from the CCA.

• An investor or customer will be eligible to receive interest income if his minimum credits balance worth BDT 0.1 million remains in a CCA continuously at least for one month in a financial year, the directive said. Besides, an investor will not be allowed to receive interest income unless his interest income worth at least BDT 500.00 is accrued for a customer's account in a financial year.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-fixes-minimum-credit-balance-for-receiving-interest-income-1624384255>

### **Sinobangla to invest BDT 168.1 million in machinery, warehouse**

• Sinobangla Industries, a manufacturer of plastic packaging products, will install new machinery and build a raw material warehouse with an investment of BDT 168.1 million to expand its production capacity. According to the company's disclosure, after the implementation of the investment decision, its production capacity will increase by 150 tonnes per month. According to the disclosure, to achieve the additional production target, the company will procure a tape extrusion line loom machine, needle looms, filler cord, and water chiller machine and build a raw material warehouse. The investment will come from internal cash and bank loans.

<https://www.tbsnews.net/economy/corporates/sinobangla-invest-BDT-1681cr-machinery-warehouse-264799>

### **IPDC to issue BDT 1.50 billion bond to strengthen capital base**

• IPDC Finance – one of the leading non-bank financial institutions in the country – wants to issue a BDT 1.50 billion subordinate bond to meet its ongoing financial and capital adequacy requirements. It will be a non-convertible, unsecured, floating rate, coupon-bearing subordinated bond and the proceeds will be regarded as Tier 2 capital of the issuer. The tenure of the bond will be six years.

• The lender will issue the bond on a private placement subject to the regulatory and shareholders' approval. The company has not yet fixed the date for an extraordinary general meeting (EGM) and the record date for shareholders' approval. The company recommended a 12% cash dividend for its shareholders for the year that ended on 31 December 2020.

<https://www.tbsnews.net/economy/ipdc-issue-BDT-150cr-bond-strengthen-capital-base-264790>

## GP retrenches 159 employees

- Grameenphone retrenched 159 employees on Sunday after they refused to accept its voluntary retirement scheme (VRS). One hundred employees left Grameenphone in 2020 when the carrier urged its redundant employees to leave the organisation under the scheme. The operator revived the scheme on June 3 this year and asked the employees to inform it by June 17 whether they wanted to accept the offer. One hundred employees showed interest this time as well. But an additional 159 employees lost jobs after the operator sent the "notice of retrenchment" to them on June 20 with immediate effect.
- In one of the letters, GP said in the view of the ever-changing dynamics of the needs of customers and service delivery modalities, the retail functions of Grameenphone had been restructured, making the operations of Grameenphone centre functions redundant. In a statement, Grameenphone said it retrenched redundant employees who had no role in the organisation for more than 13 months.

<https://www.thedailystar.net/business/news/gp-retrenches-159-employees-2115789>

## Telenor, Axiata to merge Malaysian telecoms units

- The Norwegian and Malaysian telecoms groups Telenor and Axiata said on Monday that they would merge their Malaysian operations into a group worth around USD 12 billion. Celcom, which is owned by Axiata and Digi, owned by Telenor, would form a company whose name was not immediately revealed and in which each parent group would hold a stake of 33.1%, a statement said. The remaining shares are to be listed on the Kuala Lumpur stock exchange. Excluding savings to be made through the merger, the new company is estimated to have a market capitalisation 'of close to 50 billion ringgit' or USD 12 billion, the statement said. It is expected to serve 19 million clients and make a net annual profit of 1.9 billion ringgit on 12.4 billion in sales.

<https://www.newagebd.net/article/141474/telenor-axiata-to-merge-malaysian-telecoms-units>  
<https://www.dhakatribune.com/business/2021/06/21/axiata-telenor-seal-15bn-deal-to-form-malaysia-s-biggest-mobile-operator>

## 16 more firms get BSEC nod for DSE's TREC

- The Bangladesh Securities and Exchange Commission on Monday approved 16 more companies for trading right entitlement certificates of the Dhaka Stock Exchange. The BSEC sent a letter to the bourse on Monday, mentioning the names of 30 companies. Earlier on May 18, the BSEC approved 30 new companies for TREC of the bourse. On April 21, the DSE found 51 out of 66 applicants eligible for the bourse's TREC and sent their names to the BSEC for approval.

<https://www.newagebd.net/article/141475/16-more-firms-get-bsec-nod-for-dses-trec>

## Berger launches Flexible Roofing Compound

- Berger Paints Bangladesh Ltd. (BPBL) recently introduced its new Flexible Roofing Compound in the market. It is an excellent coating for roofs which seals and stops penetration of moisture from exterior surfaces and keeps the roof protected, said a press release. Berger Flexible Roofing Compound contains specially formulated acrylic-based dry film and Recron® modified polyester hollow fibers, which can stretch to an impressive extent to provide a crack-free surface on the roof. With excellent Total Solar Reflectance (TSR), it is capable of reflecting 75-84% of solar energy, which helps to reduce the surface

temperature by up to 3° Celsius compared to conventional coatings.

- As the surfaces of roofs are subjected to harsh weather conditions and wear and tear of movement, traditional wall coatings are not recommended for application on roofs, the senior general manager of Sales and Marketing, Berger. Berger has been developing various paint solutions for every kind of surface, and Berger Flexible Roofing Compound came as a result of such extensive and dedicated research, he added.

<https://www.dhakatribune.com/business/2021/06/20/berger-launches-flexible-roofing-compound>

## IFIC Bank to raise BDT 10bn through perpetual bond

- The board of directors of IFIC Bank has decided to raise BDT 10 billion through issuance of perpetual bonds to boost the capital base of the bank. The bank will issue perpetual bond for raising funds as additional Tier-1 capital, to support the bank's BASEL-III norms complying with Bangladesh Bank (BB) guidelines on risk based capital adequacy, said the bank in a filing with the Dhaka Stock Exchange (DSE) on Sunday. The bond will be issued through private placement basis for BDT 9.0 billion and on public offer basis for BDT 1.0 billion in line with the latest directive of Bangladesh Securities and Exchange Commission in this regard issued on 23 May, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/ific-bank-to-raise-BDT-10b-through-perpetual-bond-1624204200>

<https://www.tbsnews.net/economy/banking/ific-bank-issue-BDT-1000-crore-bond-strengthen-risk-based-capital-adequacy-263473>

## 23,210 investors with shares worth BDT 10mn or more found eligible

- The Bangladesh Securities and Exchange Commission has found that 23,210 beneficiary owners' account holders eligible for share subscription of initial public offerings of small capitalised companies as their BO accounts hold shares worth BDT 10 million or above each. According to the rules, individuals having the minimum net worth of BDT 10 million are the qualified investors along with the other qualified investors for IPO subscription of SMEs.

- The other qualified investors are merchant bankers and portfolio managers, asset management companies, mutual funds and collective investment scheme, stock dealers, banks, financial institutions, insurance companies, alternative investment fund managers, alternative investment funds, market makers, issuer of listed securities, resident or non-resident Bangladeshis, and other institutions as approved by the BSEC. BSEC officials said that the commission collected data on investors to identify qualified investors for the share subscription of small capitalised companies' IPOs.

- According to the data that the Central Depository Bangladesh Limited submitted to the BSEC, there are 8,800 BO accounts with shares worth BDT 10-20 million, 4,800 accounts with BDT 20-30 million, 3,410 accounts with BDT 30-40 million, 2,700 accounts with BDT 40-50 million, 2,250 accounts with BDT 50-100 million and 1,250 accounts with shares worth above BDT 100 million.

<https://www.newagebd.net/article/138822/23210-investors-with-shares-worth-BDT-1cr-or-more-found-eligible>



### **Issuance of country's first municipal bond being delayed**

- The issuance of the country's first municipal bond still hangs in balance even though two key government agencies issued clearance in this regard nine months ago. Dhaka North City Corporation (DNCC) earlier took an initiative of constructing a multi-purpose complex at Gulshan-2 raising fund through the issuance of the maiden municipal bond. The officials of the Bangladesh Securities and Exchange Commission and the DNCC said that the update of issuing the bond is yet to be satisfactory over the delay of getting architect's design for the DNCC's multi-purpose complex. A BSEC commissioner, said they are waiting to facilitate the issuance of the country's first municipal bond.

<https://today.thefinancialexpress.com.bd/stock-corporate/issuance-of-countrys-first-municipal-bond-being-delayed-1624116488>

<https://today.thefinancialexpress.com.bd/stock-corporate/10pc-fund-to-be-raised-through-public-offer-1623944583>

### **Ifad Autos gets land to build industrial complex**

- Ifad Autos has been allotted 30 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar by the Bangladesh Economic Zones Authority (Beza) to set up an industrial complex. The company has a plan to establish a manufacturing and assembly plant for motorcycles, a factory for automotive components, and a blending plant for machine lubricants in the complex.

- There are more than 1 million commercial and 1.6 million passenger vehicles in the country which need spare parts, according to the Managing Director. He sees a good market for high-end motorcycles in Bangladesh in the coming days. There is a demand for around 0.5 million motorcycles in the country per year and it would double within the next five years, he said. The market size of automotive components in Bangladesh was about BDT 14 to 15 billion last year while the annual growth rate was around 10% to 12% over the previous decade, according to an estimate by automotive part importers.

- Ifad Group and Gulf Oil International UK will engage in a joint venture, Gulf Oil Bangladesh, which would be blending the lubricants. Ifad is keen on investing over BDT 4.3 billion to set up the complex, according to its plan that was placed before Beza last year.

<https://www.thedailystar.net/business/news/ifad-autos-gets-land-build-industrial-complex-2113213>

<https://www.tbsnews.net/economy/ifad-autos-secures-30-acre-plot-BDT430cr-project-262507>

### **Mercantile Bank Perpetual Bond: 10% fund to be raised through public offer**

- The board of directors of Mercantile Bank has now decided to issue 'Mercantile Bank Perpetual Bond' of BDT 7.0 billion in a revised manner in order to comply with the securities regulator's latest directive. As per the revised manner, the bank will raise BDT 6.30 billion (90%) through private placement and BDT 700 million (10%) through public offer instead of 100% private placement as previously decided, according to a filing with the Dhaka Stock Exchange (DSE) on Thursday.

- According to the BSEC directive, if an issuer intends to raise debt capital through issuance of perpetual bond, it shall make public offer for at least 10% of its intended offer. The stock market regulator's directive also include that perpetual bonds which will be issued by the banks must be listed on the bourses through the direct listing method. Previously, the perpetual bonds were issued only through private placement and they were not tradable at the stock market.