

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.32%) lost -20.27 points and closed the week at 6,237.98 points. The blue-chip index DS30 (-0.40%) lost -9.29 points and stood at 2,307.39 points. The Shariah-based index DSES (-0.67%) lost -9.33 points and stood at 1,373.71 points. The large cap index CDSET (-0.41%) lost -5.18 points and closed at 1,261.54 points. DSEX, DS30, DSES and CDSET showed YTD returns of -7.68%, -8.89%, -4.01%, -7.18%, respectively.

Total Turnover During the Week (DSE): BDT 30.5 billion (USD 355 million)

Average Daily Turnover Value (ADTV): BDT 6.1 billion ($\Delta\%$ Week: -24.5%)

Market P/E: 15.5x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a negative note (-1.85%) on Sunday. However, it moved back to positive (+1.94%) on Monday. It again moved back to negative note (-0.80%) on Tuesday. It remains negative (-0.38%) on Wednesday. However, market ended at a positive note (+0.81%) on Thursday.

Sectoral Performance

- Financial sectors posted mixed performance this week. NBF1 booked the highest gain of 1.68% followed by Life Insurance (+1.51%). General Insurance experienced the highest loss of 4.79% followed by Bank (-1.54%), Mutual Fund (-0.21%).

- All the non-financial sectors registered negative performance this week. Engineering experienced the highest loss of 0.70% followed by Pharmaceutical (-0.55%), Telecommunication (-0.54%), Food & Allied (-0.09%), and Fuel & Power (+0.44%).

Macroeconomic arena

- BIU to invest USD 450 Mn in Bangladesh in 5 years. NBR's tax receipts BDT 323.90 Bn short of target in July-April. Corporate e-return comes to ease taxing businesses. Bangladesh economy at an inflexion point: CAL Securities. Bankers' summit to set rules of trade. Changes in NBFIs' deposit, lending rates in the offing. Integrated energy-power master plan likely to be ready by Nov. Trouble feared in Bangladesh as India restricts sugar export. Bangladesh to import 1.0 Mn tonnes of wheat from India. BSEC again puts 2% cap on share price fall. Taka devalued again to keep dollar market stable. Corporates go cashless...tax cut on cards. Businessmen urge not to hike gas, power prices. 200 products being listed for regulatory duty hike. Russia offers Dhaka crude oil. Govt to develop metro rail in Ctg. Dhaka drives for import through pvt channel. BSEC raises EIs' investment limit. Remittance: No need to submit papers to get incentive. Fighting inflation, forex crisis: Is hiking policy rate the next tool for BB?

- Additional tax on non-essential, luxurious items likely. Two Korean firms to prepare Bay terminal design. HSIA-Tejgaon phase sees 80.66% progress. Govt to lower fertiliser usage target for FY23. Govt incorporates less fresh projects in next ADP. With 2 months left, 45% ADP fund still unspent. Bangladesh may face debt distress from 2032: Economic Association. BDT 1.0 Bn allocated for digital micro lending. Banks to give more 4% interest loans for import substitution crops. Chevron gives bid to Petrobangla. BPC hunts for dollar to import fuel oil. Net export earnings from RMG drop in Q3. VAT on sales of locally-produced APIs likely to go from FY23. Random use of anti-acidity drugs increases health risks. Outward FDI sees big jump in 2021. Dealer banks makes six-pt proposals. WB to lend USD 940 Mn to Bangladesh for improving healthcare. Govt's bank borrowing 43% of target in 10 months of FY22. Tough conditions get in way of Indian wheat import. Spanish recycled cotton producer opens new facility in Bangladesh.

Stock Market arena

- NRBC Bank to issue BDT 5.0 Bn subordinated bond. Square Pharma projects lower revenue and profit due to a fire incident. Bank Asia and Mercantile Bank sign deal on refinance facility. Walton asked to offload 9pc more shares in 3yrs. Boost investment in stock market, Finance Minister directs regulators. BSEC allows investors to get 100% margin loans against deposits. LR Global Bangladesh enters Agni Systems board with a 9% stake. 37,000 BO account holders sell all shares in 11 days. BSEC to tighten IPO subscription process for eligible investors. BSEC suspends pre-opening session in bourses. BSEC asks bourses to ensure trades through 'genuine' BO accounts. Foreign stakes in small-cap listed companies drop.

May 26, 2022 (Week: May 22, 2022 – May 26, 2022)

Dhaka Stock Exchange

DSEX ended red (-0.32%) in the week

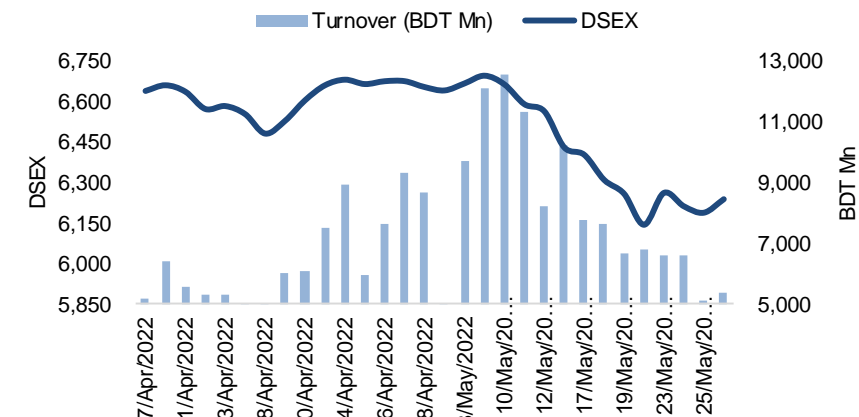
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2021	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,237.98	6,258.25	-20.27	6,756.66	-0.32%	-7.68%
DS30	2,307.39	2,316.68	-9.29	2,532.58	-0.40%	-8.89%
DSES	1,373.71	1,383.04	-9.33	1,431.12	-0.67%	-4.01%
CDSET	1,261.54	1,266.72	-5.18	1,359.13	-0.41%	-7.18%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,080,025	5,098,722	
	Mn USD	59,070	59,287	-0.4%
Turnover	Mn BDT	30,542	32,357	-5.6%
	Mn USD	355	376	
Average Daily Turnover	Mn BDT	6,108	8,089	-24.5%
	Mn USD	71	94	
Volume	Mn Shares	849	882	-3.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SEMLLECMF	10.4	8.9	+16.9%	520	24.6	NM	1.2x
LRBDL	36.1	31.8	+13.5%	5,243	67.0	15.4x	1.0x
GSPFINANCE	32.3	28.5	+13.3%	5,073	707.5	19.9x	1.7x
PTL	78.3	69.5	+12.7%	12,750	108.7	16.5x	2.7x
RENWICKJA	930.7	829.2	+12.2%	1,861	3.0	NM	NM
VFSTDL	24.4	21.9	+11.4%	2,576	152.2	15.0x	1.3x
EMERALDOIL	37.8	34.8	+8.6%	2,257	88.1	NM	2.4x
QUASEMIND	59.4	54.7	+8.6%	4,320	159.3	NM	2.1x
FAREASTFIN	5.1	4.7	+8.5%	837	1.7	NM	4.4x
NFML	18.3	16.9	+8.3%	1,709	62.7	NM	1.6x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SONALIPAPR	567.6	756.6	-25.0%	12,466	233.6	40.1x	2.3x
BANGAS	128.3	151.3	-15.2%	978	128.7	NM	6.1x
RDFOOD	42.5	50.0	-15.0%	3,229	317.7	28.5x	2.8x
PIONEERINS	74.6	85.8	-13.1%	5,743	126.1	9.6x	1.5x
EASTLAND	27.6	31.5	-12.4%	2,315	22.2	18.2x	1.3x
ARAMITCEM	24.9	28.0	-11.1%	844	22.5	NM	1.2x
FIRSTSBANK	10.1	11.3	-10.6%	10,062	73.4	2.8x	0.5x
AMANFEED	34.4	38.4	-10.4%	4,505	100.8	14.2x	1.0x
NRBCBANK	20.1	22.4	-10.3%	14,827	207.6	5.7x	1.2x
DHAKAINS	51.0	56.8	-10.2%	2,046	12.8	14.0x	1.5x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	134.4	132.1	+1.7%	117,777	2,305.1	8.2x	1.5x
IPDC	48.1	46.5	+3.4%	17,850	1,346.1	19.9x	2.7x
JHRML	78.8	80.3	-1.9%	9,873	1,109.2	37.9x	2.6x
SPCERAMICS	36.4	40.5	-10.1%	5,350	1,003.4	81.7x	1.1x
BSC	118.7	116.7	+1.7%	18,106	909.8	8.8x	1.7x
SOUTHEASTB	14.5	14.1	+2.8%	17,240	783.1	9.1x	0.5x
FORTUNE	105.4	110.5	-4.6%	17,131	749.4	34.0x	7.0x
GSPFINANCE	32.3	28.5	+13.3%	5,073	707.5	19.9x	1.7x
DELTALIFE	118.5	112.5	+5.3%	14,664	668.3	NM	NM
ACIFORMULA	166.1	181.6	-8.5%	7,848	540.5	28.1x	2.5x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
SQUARETEXT	67.1	+28.5%	13,236	7.7x	1.5x
IPDC	48.1	+24.6%	17,850	19.9x	2.7x
UNIQUEHRL	62.0	+23.5%	18,253	21.2x	0.6x
ADNTEL	64.6	+23.3%	4,176	25.0x	2.4x
GHAL	19.7	+19.4%	4,252	NM	1.4x
DOREENPWR	77.0	+13.6%	12,452	7.6x	1.5x
TRUSTBANK	37.6	+12.9%	26,607	9.5x	1.4x
SHASHADNIM	26.9	+9.8%	3,794	14.7x	0.6x
CROWNCEMNT	67.8	+9.0%	10,068	34.4x	1.3x
IBNSINA	291.2	+7.3%	9,098	16.2x	3.8x

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,397.9	1,419.8	1,589.69	-1.54%	-12.06%
NBFI	1,942.6	1,910.5	2,327.63	+1.68%	-16.54%
Mutual Fund	846.3	848.1	882.99	-0.21%	-4.15%
General Insurance	3,100.7	3,256.6	4,698.62	-4.79%	-34.01%
Life Insurance	2,228.8	2,195.7	2,687.55	+1.51%	-17.07%
Telecommunication	5,055.1	5,082.6	5,800.37	-0.54%	-12.85%
Pharmaceutical	3,756.9	3,777.6	3,866.63	-0.55%	-2.84%
Fuel & Power	1,758.7	1,751.1	1,792.97	+0.44%	-1.91%
Cement	2,476.2	2,504.5	2,534.76	-1.13%	-2.31%
Services & Real Estate	1,378.5	1,377.0	1,309.43	+0.11%	+5.28%
Engineering	4,595.0	4,627.3	4,727.46	-0.70%	-2.80%
Food & Allied	21,719.4	21,738.6	25,222.81	-0.09%	-13.89%
IT	2,616.0	2,687.1	3,274.61	-2.64%	-20.11%
Textile	1,491.0	1,471.3	1,470.60	+1.34%	+1.39%
Paper & Printing	7,330.9	8,593.7	9,680.03	-14.69%	-24.27%
Tannery	3,407.5	3,506.5	3,236.76	-2.82%	+5.27%
Jute	7,949.0	7,877.7	8,747.84	+0.90%	-9.13%
Ceramics	667.0	680.2	675.88	-1.93%	-1.31%
Miscellaneous	4,392.2	4,395.8	4,625.39	-0.08%	-5.04%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	546.2	794.0	-31.21%	+9.56%	7.7x	0.7x
NBFI	592.1	370.6	+59.76%	+10.36%	NM	3.5x
Mutual Fund	44.7	64.8	-31.10%	+0.78%	NM	0.8x
General Insurance	199.9	291.0	-31.31%	+3.50%	14.5x	1.5x
Life Insurance	192.0	142.9	+34.34%	+3.36%	NM	NM
Telecommunication	68.2	109.8	-37.83%	+1.19%	15.9x	4.4x
Pharmaceutical	748.4	964.9	-22.44%	+13.10%	17.4x	2.5x
Fuel & Power	209.2	306.8	-31.79%	+3.66%	11.4x	1.2x
Cement	84.6	154.9	-45.39%	+1.48%	25.7x	2.6x
Services & Real Estate	178.1	326.0	-45.38%	+3.12%	85.6x	1.0x
Engineering	418.2	646.5	-35.31%	+7.32%	18.6x	1.9x
Food & Allied	365.2	750.5	-51.34%	+6.39%	23.3x	9.1x
IT	175.8	268.8	-34.60%	+3.08%	26.9x	2.3x
Textile	457.7	677.6	-32.46%	+8.01%	22.8x	1.0x
Paper & Printing	84.9	117.4	-27.68%	+1.49%	NM	1.8x
Tannery	166.5	149.7	+11.22%	+2.91%	51.4x	3.6x
Jute	2.4	6.5	-62.37%	+0.04%	NM	27.7x
Ceramics	262.8	579.5	-54.65%	+4.60%	28.2x	1.8x
Miscellaneous	917.6	1,015.8	-9.66%	+16.06%	12.0x	2.1x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
PIONEERINS	74.6	-36.2%	5,743	9.6x	1.5x
BRACBANK	40.3	-27.1%	56,105	10.6x	1.0x
HEIDELBCEM	201.5	-26.0%	11,385	NM	3.2x
OLYMPIC	119.2	-25.8%	23,833	14.2x	2.7x
LANKABAFIN	28.7	-23.1%	15,465	12.0x	1.4x
BXPHERMA	151.4	-21.4%	67,541	11.8x	1.7x
DBH	61.0	-20.9%	10,813	10.4x	1.4x
ACTIVEFINE	20.8	-18.8%	4,991	90.4x	0.9x
RECKITTEN	4,701.6	-17.9%	22,215	29.2x	21.4x
CONFIDCEM	100.4	-17.6%	7,855	11.3x	1.3x

Important News: Business & Economy

BII to invest USD 450 Mn in Bangladesh in 5 years

- British International Investment (BII), formerly known as the Commonwealth Development Corporation, has committed USD 450.0 Mn to invest in Bangladesh's private sector in the next four-five years. Currently, the BII is aiming to retain its investments already made in Bangladesh. The committed fund for the next five years in Bangladesh accounts to over 4% of its global total.
- BII would focus on infrastructure, manufacturing, healthcare, technology and financial sectors are the major areas of BII's interest, while it keeps green transformation, digital transformation, job creation, import substitution and trade facilitation.

<https://www.tbsnews.net/economy/bii-invest-450m-bangladesh-5-years-426378>

NBR's tax receipts BDT 323.90 Bn short of target in July-April

- Tax collection by the National Board of Revenue fell 12.45% short of the target set for 10MFY22. NBR managed to collect BDT 2.28 Bn against the target of BDT 2.60 Bn. Revenue earnings grew by 15.21% YoY during the period.
- In 10MFY22, customs revenue witnessed 19.51% growth, to stand at BDT 730.6 Bn, VAT collection saw 10.57% growth reaching BDT 848.95 Bn and direct tax collection grew 16.78% to BDT 696.86 Bn.

<https://www.newagebd.net/article/171510/nbrs-tax-receipts-tk-32390cr-short-of-target-in-july-april>

Corporate e-return comes to ease taxing businesses

- Tasked with pooling higher funds for financing steadily increasing national budget, the revenue authority now moves to automate the corporate tax-return filing for the ease of business taxpayers. Officials say that effective from fiscal year 2023-24, the 'corporate e-return' system is meant for reducing time and cost of tax-return submission that will bring in more potential taxpayers.
- Currently, some 30,000 corporate taxpayers submit tax returns to the tax offices out of 167,000 holders of corporate Taxpayer Identification Number. The income tax official says software will be developed by tax officials for companies like e-return software for individual taxpayers.

<https://today.thefinancialexpress.com.bd/first-page/corporate-e-return-comes-to-ease-taxing-businesses-1653502338>

90% construction work complete

- Some 90% of the construction work of the Patenga Container Terminal of Chittagong Port Authority (CPA) has been completed, they said and hoped that the container terminal can start its operation sometime in July next. The CPA is implementing the over BDT 12.99 Bn project with its own fund to increase draft of the Chittagong Port, enhance its container handling capacity and bring dynamism to the country's prime seaport. Once the container terminal begins its operation, three container ships - each having 190 metres of length and 9.5 metres of draft - will be able to dock at the terminal simultaneously.

<https://today.thefinancialexpress.com.bd/stock-corporate/90pc-construction-work-complete-1653500078>

Census to include new data this time

- For the first time, the Bangladesh Bureau of Statistics (BBS) will include data on remittance, returning migrants, and foreign nationals in the next digital population and housing census-2022, which will take place from June 15 to 21. BBS census will also incorporate all possible datasets focusing on achieving Sustainable Development Goals (SDGs). This will be the last census held until 2030, when the country is scheduled to achieve the SDGs.

<https://www.thedailystar.net/business/economy/news/census-include-new-data-time-3032026>

Bangladesh economy at an inflexion point: CAL Securities

- Despite ongoing macroeconomic challenges, Bangladesh still has the potential to mimic the 1980-1990s growth story of Malaysia and Thailand, said analysts of CAL Securities. With the economy's potential, the country is set to attract more investments, while its capital market similarly has the potential to grow. Per-capita GDP, which is estimated to grow to over USD 4,000 by the end of 2026, would make the country a bigger consumption house with a fast-growing middle-class population and national household income.
- The global supply chain disruption, energy supply shock and inflated commodity prices together are amplifying inflation, putting pressure on the country's balance of payment and the exchange rate.
- CAL's short- and mid-term outlook is, that by the end of 2022, inflation in Bangladesh would soar to 8%, while the central bank is expected to raise the policy rate by 100 basis points to 6.75% for curbing inflation and liquidity absorption. One year-Treasury bills' yield is expected to soar to 7.8% by the end of 2022, from 5.22% now and less than 2% a year ago. However, the official exchange rate of the taka is estimated to devalue by a further 6%-7% to be exchanged at over BDT 93 for a US dollar 16 months later.

- However, the Bangladesh economy in the near long-term is likely to grow much bigger riding on domestic consumption and exports with several positive factors – including the improving connectivity, 100 economic zones, thriving young and female workforce, the booming SME, light engineering sectors alongside several large-scale industries – are in the pipeline to fuel the growth.

<https://www.tbsnews.net/economy/stocks/bangladesh-economy-inflexion-point-cal-securities-426934>

Bankers' summit to set rules of trade

- A bankers' summit meet is going to set rules on how to manage the ongoing volatility on Bangladesh's foreign-exchange market, in the cusp of a global financial crunch. Officials say the central bank will sit with top bankers today (Thursday) with this contingency task on top of the agenda.
- The issues of quoting rates to the overseas exchange houses engaged in remitting money alongside avoiding encashment of export proceeds of other banks' clients are expected to dominate the day's crucial discussions. Meanwhile, ahead of the meeting, the central bank has suspended implementation of a latest directive on quoting rates to the overseas exchange houses until further instructions are issued.

<https://today.thefinancialexpress.com.bd/first-page/bankers-summit-to-set-rules-of-trade-1653502144>

Changes in NBFIs' deposit, lending rates in the offing

- Bangladesh Bank has agreed in principle to change the interest rates on both deposits and lending of non-banking financial institutions (NBFIs). From now on, the interest rate on one-year term deposits of the customers of the institutions will be a maximum of 8% and at the same time, they will be able to disburse loans at up to a maximum of 12%, according to sources in the central bank. According to the Bangladesh Bank sources, the regulator will issue a circular in this regard in the next few days.

<https://www.tbsnews.net/economy/changes-nbfis-deposit-lending-rates-offing-426290>

Integrated energy-power master plan likely to be ready by Nov

- The Institute of Energy Economics, Japan (IEEJ) would prepare "integrated energy-power sector master plan", which is likely to be ready by November this year. The firm has been working following an agreement between the Bangladesh government and Japan International Cooperation Agency (JICA) signed on March 15 in 2021.

- Official sources said this is for the first time, the government has moved to formulate an integrated master plan comprising both power and energy issues. Previously, separate master plans were framed and there was little coordination between the two sectors. The fuel mix strategy should have a reflection of current and future energy sources. It should outline a pattern of consumption in different sectors including agriculture.

<https://today.thefinancialexpress.com.bd/stock-corporate/integrated-energy-power-master-plan-likely-to-be-ready-by-nov-1653500043>

Trouble feared in Bangladesh as India restricts sugar export

- India on Wednesday put a cap on its sugar export after limiting its wheat export recently, raising fear of a negative impact on Bangladesh's already volatile commodity market. Bangladesh meets at least 50% of its yearly sugar demand through import from India. Though Bangladesh mostly depended on Brazil for importing sugar until 2020, the import of the commodity from India started to increase in 2021.

<https://www.newagebd.net/article/171529/trouble-feared-in-bangladesh-as-india-restricts-sugar-export>

Bangladesh to import 1.0 Mn tonnes of wheat from India

- Bangladesh has a plan to import up to 1.0 Mn tonnes of wheat from India under government to government contract and necessary steps already have been taken by the food ministry. After the clearance from the Indian government, then negotiation on fixing import price will be held with the Indian government. Earlier, a tender has been completed with the neighboring India to import around 300,000 tonnes of wheat, where 150,000 tonnes are on unloading process at the port and import of remaining 150,000 tonnes are in pipeline.

<https://www.newagebd.net/article/171470/bangladesh-to-import-1-million-tonnes-of-wheat-from-india>

BSEC again puts 2% cap on share price fall

- Bangladesh Securities and Exchange Commission on Wednesday again reduced the limit on share price fall to 2% from 5% for all listed companies to arrest free fall on the market, effective from Thursday. However, the prices can rise by the maximum 10% set through the previously issued order.

<https://www.newagebd.net/article/171509/bsec-again-puts-2pc-cap-on-share-price-fall>

Rising revenue collection a false dawn, economists say

- According to estimates by the National Board of Revenue (NRB), collection in the 10 months from July to April of the current fiscal 2021-22 increased by about 15% compared to the same period last year. It is also higher than the average growth in the same period over the last five years.

- The NBR has so far collected a little over Tk2.27 lakh crore. Last April, the collection was about Tk23,000 crore. The revenue target for this year has been set at Tk3.30 lakh crore, which is 24% higher than last year.

<https://www.tbsnews.net/economy/rising-revenue-collection-false-dawn-economists-say-425558>

Taka devalued again to keep dollar market stable

- The Bangladesh Bank on Monday depreciated taka by Tk0.40 re-fixing the local currency's exchange rate against the US dollar at Tk87.90 to stabilise the volatile forex market, according to sources at the central bank. This is the third depreciation of the local currency against the greenback this May.

- Till Sunday, the inter-bank exchange rate was Tk87.5, which was fixed on 16 May. On 9 May, the exchange rate had been increased by Tk0.25 to Tk86.7 from Tk86.45.

<https://www.tbsnews.net/economy/interbank-exchange-rate-dollar-rises-tk8790-425338>

Corporates go cashless...tax cut on cards

- The National Board of Revenue (NBR) has proposed that corporate tax rates be slashed by 250 basis points in the upcoming fiscal year, subject to maintaining cashless transactions.
- Listed and non-listed and one-person companies will come under the purview of the new tax cut from the next fiscal year, according to finance ministry officials. However, they will have the option to maintain Tk1 lakh in petty cash a month as per the new conditions.
- To enjoy this facility, listed companies will have to comply with another condition of publicly offloading at least 10% of their shares.

<https://www.tbsnews.net/nbr/corporates-go-cashlesstax-cut-cards-425594>

Businessmen urge not to hike gas, power prices

- The country's businessmen have urged the government not to increase the price of gas and electricity.
- Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Md Jashim Uddin has sent a letter in this regard on Monday to Prime Minister's Power, Energy and Mineral Resources Adviser Tawfiq-e-Elahi Chowdhury.

- On the same day, Bangladesh Textile Mills Association (BTMA) President Mohammad Ali Khokon called on the energy adviser and requested him not to increase the price of gas.

<https://www.tbsnews.net/economy/businessmen-urge-not-hike-gas-power-prices-425562>

200 products being listed for regulatory duty hike

- Bangladesh ramps up belt-tightening measures to save its foreign-exchange reserves with two more fiscal interventions like increase in regulatory duty on over 200 import items and relaxing remittance rules.
- Officials say the government's revenue board has decided to slap additional regulatory taxes to discourage import of this large slew of commodities.
- Fresh flowers and fruits, cosmetics, and home appliances might be on the prohibitive list of products, sources concerned say.

<https://today.thefinancialexpress.com.bd/first-page/200-products-being-listed-for-regulatory-duty-hike-1653327859>

Russia offers Dhaka crude oil

- Russia offers to export crude oil to Bangladesh, at a time of global energy shortages following western sanctions and Russian blockade over Ukraine issue.
- The Russian offer was received by the state-run Bangladesh Petroleum Corporation (BPC), he told reporters on the sidelines of an event at Bidyut Bhaban in Dhaka.

<https://today.thefinancialexpress.com.bd/first-page/russia-offers-dhaka-crude-oil-1653328188>

Govt to develop metro rail in Ctg

- The government has taken an initiative to construct metro rail in the Chittagong metropolitan area to improve the traffic system in the port city.
- Negotiations are on to start the feasibility study for the project, concerned officials told the FE.

<https://today.thefinancialexpress.com.bd/first-page/govt-to-develop-metro-rail-in-ctg-1653328239>

Injection of Tk 3.0b into stocks soon

- Trade operators are set to receive around Tk 3.0 billion in immediate injection from the capital-market refinancing scheme worth 10.09 billion, amid government intervention to stimulate the bourses.

- The supervision committee on the stock-market refinancing scheme sits today (Tuesday) to discuss how to speed up its operations and make it effective for propping up the bearish stock market.

<https://today.thefinancialexpress.com.bd/first-page/injection-of-tk-30b-into-stocks-soon-1653328355>

Dhaka drives for import through pvt channel

- With wheat prices going sky-high following the Indian export ban, Dhaka has pushed New Delhi to let the private sector import the grain alongside the government-to-government (G2G) arrangement.
- In Bangladesh, wheat price has escalated to Tk 1,600 per maund from Tk 900 in March for a supply crunch following the Moscow-Kyiv conflict in late February.

<https://today.thefinancialexpress.com.bd/last-page/dhaka-drives-for-import-through-pvt-channel-1653328677>

Remittance: No need to submit papers to get incentive

- Bangladesh Bank yesterday relaxed the rules related to a 2.5 per cent cash bonus offered as an incentive to remitters if they send money home through official channels.
- It said non-resident Bangladeshis (NRBs) and migrant workers would not be required to present documents when sending \$5,000 or Tk 5,00,000 and above as remittance in order to qualify for the government incentive.

<https://www.thedailystar.net/business/organisation-news/news/no-need-submit-papers-get-incentive-3030421>

BSEC raises EIs' investment limit

- The securities regulator has taken another initiative to increase liquidity flow in the capital market by enhancing the stipulated investment ceiling, set for availing IPO (initial public offering) quota, by eligible investors (EIs).
- As per the decision on the day, the EIs, other than the approved pension funds, recognised provident funds, and approved gratuity funds, must have a minimum investment of Tk 30 million in listed securities to avail IPO quota. The minimum investment will be Tk 15 million for the approved pension funds, recognised provident funds, and approved gratuity funds.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-raises-eis-investment-limit-1653319640>

Fighting inflation, forex crisis: Is hiking policy rate the next tool for BB?

- Central banks around the world have commenced hiking policy rates in order to contain the inflationary pressure stemming from the ongoing global supply chain disruption and demand recovery.
- Bangladesh has also not been spared from the rising prices, which have also been driven by higher commodity costs.

<https://www.thedailystar.net/business/economy/news/hiking-policy-rate-the-next-tool-bb-3030431>

Additional tax on non-essential, luxurious items likely

- The government is likely to slap additional taxes on the import of luxurious and non-essential items with a view to tackling on-going reserve depletion amid the global commodity price spiral. Along with slapping additional taxes, the government may also ban imports of some luxurious and non-essential items to overcome the economic concerns and supply shortage across the globe induced mainly by the war in Ukraine.
- The finance ministry, the National Board of Revenue and the Bangladesh Bank have agreed in this regard to contain the country's imports amid the concern of economic crisis, according to sources. The NBR was preparing a list of luxurious and non-essential items on which higher taxes would be slapped for their importation.

<https://www.newagebd.net/article/171277/additional-tax-on-non-essential-luxurious-items-likely>

Two Korean firms to prepare Bay terminal design

- The Chhattogram Port Authority is going to appoint Kunhwa Engineering and Consulting Company Limited and Dian Yang Construction and Engineering Company Limited to prepare the design of the Bay terminal for the port and supervise its construction. Port officials say the government wants to implement the project by 2025.
- A total of three terminals will be constructed under the project: one funded by the Chattogram Port and the other two with foreign investment. It is yet to be decided which foreign company will build the other two terminals. China Merchants Sport Holding Company Limited of China; DP World of the United Arab Emirates; PSA International of Singapore, APM Terminals of Denmark, Adani Port of India, and Hyundai Group and International Port Development Cooperation of South Korea have expressed interest to construct and operate the remaining two terminals.

<https://www.tbsnews.net/bangladesh/two-korean-firms-prepare-bay-terminal-design-424934>

HSIA-Tejgaon phase sees 80.66% progress

- Challenges still exist in completing construction of the First Dhaka Elevated Expressway (FDEE) from Hazrat Shahjalal International Airport (HSIA) to Shonir Akhra of the Dhaka-Chattogram Highway by next year. Officials of Italian-Thai Development Public Company said 80.66% progress in its first phase - from HSIA to Tejgaon - has been possible as of April, and there is possibility to open the first 7.45 km for traffic by December.
- The USD 1.2 Bn project is being implemented under public private partnership (PPP) initiative. Its overall progress was recorded 44.8% since its commencement in January 2020. According to the concessionaire agreement - signed between the Bangladesh Bridge Authority (BBA) and the Thai company in 2015, its construction is scheduled to be completed within three and a half years - to collect toll from the 19.7-km elevated road for next 22 years.

<https://today.thefinancialexpress.com.bd/last-page/hsia-tejgaon-phase-sees-8066pc-progress-1653242534>

Govt to lower fertiliser usage target for FY23

- The Department of Agriculture Extension (DAE) under the Ministry of Agriculture primarily has set a requirement for 6.4 Mn tonnes of fertiliser for FY23, which was 6.56 Mn tonnes in FY22, said an official of the DAE. Though the prices of fertilisers have increased by 80-200% across the globe in a year, the government here has decided to keep the existing retail prices of the input for the farmers, he said.
- Meanwhile, officials of the agriculture ministry and the industries ministry told that the country now had a stock of 1.45 Mn tonnes of fertilisers, including urea and non-urea, which is enough to meet the local demand for the upcoming Aman and the ongoing summer vegetable seasons. For the last one decade, the DAE has been raising the requirement by 4.0-5.0% year-on-year basis. The usage of DAP fertiliser might see a cut mostly, while requisition for other fertilisers will remain the same like the last year's.

<https://today.thefinancialexpress.com.bd/first-page/govt-to-lower-fertiliser-usage-target-for-fy23-1653242320>

Govt incorporates less fresh projects in next ADP

- The government has taken a cautious approach towards development budget spending this time around as it has incorporated less fresh projects in the upcoming Annual Development Programme (ADP) than in the past. In the newly approved ADP for FY23, the government has enlisted 783 fresh but unapproved development projects without allocation of funds.

- Besides, the government has also incorporated only 40 unapproved development projects with allocation in the next year's ADP. The unapproved projects without fund allocation are a list of the schemes which are the additional ones of the 1,356 projects in the newly approved ADP for the next FY2023.

<https://thefinancialexpress.com.bd/economy/govt-incorporates-less-fresh-projects-in-next-adp-1653188027>

With 2 months left, 45% ADP fund still unspent

- To utilise the full amount of the revised Annual Development Programme (ADP) allocation, BDT 973.46 Bn is to be spent in the next two months (May-June), which is 45% of the total allocation. ADP implementation during 10MFY22 was 55.18%. In terms of money the expenditure has been so far BDT 1.20 Tn.

<https://www.tbsnews.net/economy/2-months-left-45-adp-fund-still-unspent-424926>

Bangladesh may face debt distress from 2032: Economic Association

- Bangladesh's economy should be on guard for 2027 and 2028 from when the country will start to collectively pay back the interest due on four or five foreign loans taken for domestic mega-projects, according to Bangladesh Economic Association (BEA). Repayment of foreign loans taken for mega-projects may weigh down on the country from 2032, said the BEA, while suggesting the government to focus on its revenue base.

<https://www.tbsnews.net/economy/economic-association-places-tk2050-lakh-crore-alternative-budget-424690>

BDT 1.0 Bn allocated for digital micro lending

- The Bangladesh Bank has allocated BDT 1.0 Bn to refinance the mobile financial services-based digital micro lending business through banking channel. The BB formed the fund so that the mobile financial service operators and the banks are encouraged to disburse collateral free loans to their customers. The applicable highest interest rate on the loans would be 9.0%. The scheme was designed to help marginal and low-income group people who are forced to pay high interest to the microcredit entities.

- The banks would get money for a period of three months from the BB under an agreement with the regulator. In three months, the banks will have to repay the entire amount including interests before receiving further finance from the BB. The central bank has split the refinance fund in two parts. The disbursement of second half would depend on the successful implementation of the first half.

<https://www.newagebd.net/article/171251/tk-100cr-allocated-for-digital-micro-lending>

Banks to give more 4% interest loans for import substitution crops

- The Bangladesh Bank has instructed banks to increase their credit disbursements at 4% interest under a subsidy facility for crops such as lentils, oilseeds, spices, and maize. According to a circular, private banks alongside state-owned banks have already been disbursing farm loans under the Agriculture and Rural Credit Target at a subsidised 4% interest rate backed by the central bank for import substitution products. However, if banks still incur some interest losses, they will be able to show this loss in their Corporate Social Responsibility (CSR) books.

<https://www.tbsnews.net/economy/banking/banks-give-more-4-interest-loans-import-substitution-crops-424842>

BB cancels foreign trips of private banks, NBFIs employees

- Bangladesh Bank (BB) has imposed a ban on the employees of banks and non-bank financial institutions from participating in all kinds of training, seminars and workshops at the expense of their employers. The central bank took the decision to reduce pressure on foreign reserves and to resolve the dollar crisis. In a notification issued on Sunday, banks and financial institutions have been instructed not to release dollars for overseas travel of their employees. However, the notice said that there is no bar for personal visits on the employees of banks and non-bank financial institutions at their own expense.

<https://www.tbsnews.net/economy/banking/bb-cancels-foreign-trips-private-banks-nbfi-employees-424838>

Chevron gives bid to Petrobangla

- Chevron Bangladesh has recently submitted an unsolicited proposal to the state-run Petrobangla to develop Rashidpur and Chhatak gas-fields and Block 11 areas - to carry out necessary survey and drilling of wells to produce gas. Officials said Chevron placed the proposal after carrying out 'exploration study' in 11 onshore blocks, fully or partially, to delineate new hydrocarbon prospects over the past couple of years.
- Rashidpur gas-field, owned by Petrobangla's subsidiary Sylhet Gas Fields Ltd (SGFL), is producing around 44 Mn cubic feet per day (mmcf) of natural gas from five producing gas wells against the overall production capacity of 60 mmcf. Rashidpur also produces around 38 barrels of condensate every day. Onshore Block 11 is one of the two blocks that were kept ring-fenced for development by BAPEX, said sources.

<https://today.thefinancialexpress.com.bd/last-page/chevron-gives-bid-to-petrobangla-1653242479>

BPC hunts for dollar to import fuel oil

- Bangladesh Petroleum Corporation (BPC), the lone state-owned fuel oil importer, has asked for the central bank's help in opening letters of credit (LCs) for fuel oil imports, as banks have begun expressing their inability to do so citing dollar shortage. BPC says it has to open 16-17 LCs worth around USD 560-696 Mn each month to import refined and crude oil. But with a hike in the exchange rates, banks are incurring huge exchange losses due to a higher remittance rate in the interbank currency market than the business corresponding (BC) selling rate.

<https://www.tbsnews.net/economy/bpc-hunts-dollar-import-fuel-oil-424950>

Net export earnings from RMG drop in Q3

- The net export earnings from RMG in 3QFY22 dropped by 3.89%, to USD 6.02 Bn from USD 6.26 Bn in 2QFY22 due to a price hike of raw materials on the global market. According to Bangladesh Bank data, the value addition in RMG products dropped to a record low of 52.24% in the third quarter of FY22.
- Exporters said that the prices of raw materials continued rising on the global market and at the same time the demand for RMG products was decreasing as inflation went up in countries all over the world due to the Russia-Ukraine war. Import value of raw materials was USD 5.50 Bn in 3QFY22, accounting for 47.76% of the total RMG export earnings.

<https://www.newagebd.net/article/171256/net-export-earnings-from-rmg-drop-in-q3>

Random use of anti-acidity drugs increases health risks

- Researchers from BSMMU found that the random intake of anti-acidity drugs without prescription or dialysis in Bangladesh is causing serious health problems like stomach cancer, kidney failure and insomnia, physicians and researchers said. 45% of ulcers are caused by the over intake of PPI Proton-Pump Inhibitor drugs (anti-acidity drugs).
- Anti-acidity or PPI drugs are marketed in Bangladesh by dozens of pharmaceutical companies under Omeprazole, Esomeprazole, Rabeprazole, Dexlansoprazole and Pantoprazole groups. In Bangladesh, PPI drugs are one of the 39 OTC (Over the Counter) drugs that people can buy without a prescription.
- Business insiders said that in Bangladesh yearly BDT 35.0 Bn PPI drugs are sold, which made them the top drug items sold. According to a market surveillance report, Esomeprazole was the highest-selling anti-acidity medicine in Bangladesh in 2021, fetching BDT 20.85 Bn, which accounted for 7.97% of total drugs sold in Bangladesh.

<https://www.newagebd.net/article/171244/random-use-of-anti-acidity-drugs-increases-health-risks>

VAT on sales of locally-produced APIs likely to go from FY23

- The government is going to exempt local manufacturers of active pharmaceutical ingredients (API) from paying value-added tax (VAT) at the sale or supply stage to make pharmaceutical raw materials easily available. The National Board of Revenue (NBR) in its budget proposal has suggested VAT exemption at the supply stage of APIs. Currently, local API manufacturers have to pay 15% in VAT on their sales or at the production stage.
- NBR sources said the revenue board has come up with the VAT exemption facility for the API manufacturers with a view to helping the country achieve self-reliance in APIs and laboratory reagents and attract foreign investment. But, to avail of this opportunity, entrepreneurs have to adhere to some conditions, they added.
- According to the Bangladesh Association of Pharmaceutical Industries, the country's pharmaceutical companies have a demand for around BDT 70.0 Bn worth of raw materials, and the market is growing at an annual rate of 12%. Local companies currently manufacture a paltry BDT 4.0-5.0 Bn worth of pharmaceutical raw materials.

<https://www.tbsnews.net/economy/industry/vat-sales-locally-produced-apis-likely-go-fy23-424526>

Govt likely to require BDT 10.15 Tn in three years for executing 1,349 ongoing projects

- The government will require nearly BDT 10.15 Tn to implement some 1,349 ongoing projects over next three years, officials said on Wednesday. However, the government is likely to allocate BDT 8.21 Tn in the next three fiscal years' (FY) Annual Development Programme (ADP), which is BDT 1.94 Tn lower than the demand.
- The fund allocation will gradually come down, but in a single FY23, implementation of the development projects will require around BDT 6.14 Tn funds, an analysis of the Planning Commission (PC) showed. However, the government has allocated BDT 2.46 Tn in the ADP for the next FY.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-likely-to-require-tk-1015t-in-three-years-for-executing-1349-ongoing-projects-1653100809>

WB to lend USD 940 Mn to Bangladesh for improving healthcare

- The World Bank (WB) has decided to lend USD 940 Mn for improving healthcare in Bangladesh, following successful Covid-19 management. The loan will be provided for the development of the health sector.

<https://www.tbsnews.net/economy/wb-lend-940m-bangladesh-improving-healthcare-422974>

Outward FDI sees big jump in 2021

- The outflow of foreign direct investment (FDI) from Bangladesh recorded a big jump in 2021, reaching USD 91.71 Mn, up 209% year-on-year. In 2020, the net outflow of FDI from the country was only USD 11.60 Mn. Gross amount of outward FDI stood at USD 94.69 Mn last year against USD 31.06 Mn in 2020. In the last year, 57% of the total outward FDI landed in the UK, Hong Kong, Nepal, India and United Arab Emirates (UAE).

<https://thefinancialexpress.com.bd/economy/bangladesh/outward-fdi-sees-big-jump-in-2021-1653131559>

NBR nod to join maritime scheme

- The revenue authority has given the go-ahead to join the critical maritime routes Indo-Pacific project CRIMARIO-II of the European Union (EU). The initiative will help ensure maritime security and drug trafficking through security software. CRIMARIO-II is a four-year EU-funded project at EUR 7.5 Mn. It will be executed exclusively in South Asian and South-East Asian countries.

<https://today.thefinancialexpress.com.bd/first-page/nbr-nod-to-join-maritime-scheme-1653154176>

Dealer banks makes six-pt proposals

- The Bangladesh Foreign Exchange Dealers' Association (BAFEDA) suggested the Bangladesh Bank (BB) providing the state-owned commercial banks (SoCBs) with foreign currency support only for settling of the government's import payments for the next three months.
- The exchange rate to be quoted by the authorised dealer (AD) banks for overseas exchange houses will be BDT 0.10 less per US dollar than that of the inter-bank rate, and necessary arrangement should be made to increase the cash incentive against wage earners' remittances to 5.0% from existing 2.5%. It also proposed to review the inter-bank exchange rates periodically, and that necessary adjustment to be allowed based on the market dynamics. They also suggested ensuring required foreign currency to be injected to the market as and when necessary,

<https://today.thefinancialexpress.com.bd/first-page/dealer-banks-makes-six-pt-proposals-1653154130>

Entrepreneurs want cut in limit to 20pc

- Entrepreneurs seek a cut in the limit of local value addition to leather products, as a condition for availing export incentives, to 20%. Presently, leather goods exporters enjoy 15% cash incentives against their export shipments. Besides, Savar Tannery Industrial Estate and those outside of Savar, having effluent-treatment plant (ETP), get 10% export subsidy on exports of finished and crust leather.

- Because of the newer variety and compliance with the standards set by reputed foreign brands and buyers, Bangladesh's export earnings are increasing from exports of the diversified products. During 10MFY22, the sector achieved 33% export growth, surpassing the government-set target. The export volume of leather and leather goods, and products like footwear and bags made from blend of synthetics and fabrics (non-leather) reached USD 1.29 Bn in 10MFY22.

<https://today.thefinancialexpress.com.bd/first-page/entrepreneurs-want-cut-in-limit-to-20pc-1653154569>

Govt's bank borrowing 43% of target in 10 months of FY22

- The government has so far borrowed 42.50% of the BDT 764.5 Bn target of borrowing in 10MFY22, of which BDT 252.4 Bn was borrowed from the banks and BDT 72.47 Bn from the central bank. The government's net debt in the banking sector stands at BDT 324.88 Bn.
- In 9MFY22, the government implemented 45.56% of the Annual Development Program (ADP). Experts believe if the pressure to implement ADP increases in the coming days, the credit of the banking sector will also increase. The budget deficit in FY22 was BDT 2.15 Tn, which is 6.2% of the country's GDP. Much of this deficit is met by borrowing from the banking sector.

<https://www.tbsnews.net/economy/banking/govts-bank-borrowing-43-target-10-months-fy22-423178>

Ice cream business thrives on Eid sales, warm weather

- The ice cream business that was struggling to recover from the pandemic fallout over the past year has now witnessed a sales spree. The industry sold ice cream worth BDT 2.0 Bn, much more than expectation, in just 30 days before and after Eid-ul-Fitr amid the sweltering summer, industry insiders said.
- With the sales boom, industry insiders now hope their annual turnover will surpass at least BDT 17.0 Bn this year, up by 21% from BDT 14.0 Bn in the previous year. In 2020, turnover drastically fell to BDT 7.30 Bn, nearly half of the pre-pandemic sales – BDT 12.40 Bn in 2019.

<https://www.tbsnews.net/economy/industry/ice-cream-business-thrives-eid-sales-warm-weather-422842>

Tough conditions get in way of Indian wheat import

- India has pledged to keep a window open for supplying wheat to its neighbour Bangladesh but on certain conditions that local importers deem very difficult to comply with. Bangladeshi businesses say they will have to struggle a lot to import the grain on a government-to-government basis.

- Director (operations) at TK Group of Industries, a leading consumer goods importer, told The Business Standard that finding new suppliers will be difficult for us as India will allow only its citizens for exports. He added that they would have to take part in government tenders too, which is a complex process. He also mentioned that the wheat imported has to be given to the government. He also noted that they are worried over not getting supplies of their previously-placed orders.

<https://www.tbsnews.net/economy/tough-conditions-get-way-indian-wheat-import-423710>

Spanish recycled cotton producer opens new facility in Bangladesh

- The Spanish recycled cotton fibre producer Recover has announced the official opening of its new facility in Bangladesh. Recover came forth with this initiative as Bangladesh produces about 400,000 tonnes of garment cutting waste annually, of which, only 5% can be recycled at four mills, according to industry insiders.
- According to the Bangladesh Textile Mills Association, the Spanish company took this initiative as a joint venture project with the Bangladeshi leading apparel exporter Beximco group. However, company officials are not willing to make any comment on this matter. According to the company website, it is the second out of three recycle hubs for this company, where it has plans to set up another six recycle units.
- <https://www.tbsnews.net/economy/industry/spanish-recycled-cotton-producer-opens-new-facility-bangladesh-423878>

Important News: Capital Market

NRBC Bank to issue BDT 5.0 Bn subordinated bond

- The NRB Commercial (NRBC) Bank Limited will issue a subordinated bond worth BDT 5.0 Bn to meet its Tier-2 capital base. The coupon-bearing bond will be unsecured, and non-convertible.

<https://www.tbsnews.net/economy/stocks/nrbc-bank-issue-tk500cr-subordinated-bond-426862>

Square Pharma projects lower revenue and profit due to a fire incident

- Square Pharmaceuticals is anticipating BDT 500.0 Mn decline in annual revenue and BDT 80.0 Mn decline in net profit. The production of 50 of its products will be hampered and the production resumption, after restoring the damaged premises, might take two to three years, according to the disclosure.

<https://www.tbsnews.net/economy/stocks/square-pharma-projects-lower-revenue-and-profit-due-fire-incident-426954>

Bank Asia and Mercantile Bank sign deal on refinance facility

- Bank Asia and Mercantile Bank signed a participation agreement with Bangladesh Bank for refinance facility under the USD 150.0 Mn Supporting Post Covid-19 Small Scale Employment Creation Project (SPCSSECP) by Asian Development Bank (ADB). Under this agreement, the banks will distribute the fund of the SPCSSECP programme to returning migrant workers, unemployed or underemployed youths, rural and women entrepreneurs at a lower interest rate.

<https://www.thedailystar.net/business/economy/banks/news/bb-bank-asia-sign-deal-refinance-facility-3031981>

BSEC allows investors to get 100% margin loans against deposits

- The Bangladesh Securities and Exchange Commission on Sunday allowed brokerage houses and merchant banks to raise margin loan facilities to their clients to 100% of the clients' deposit for any listed company. The BSEC made the decision after observing in recent weeks a continued plunge in share prices that raised concern that the brokerage firms would trigger 'forced sale' in clients margin loan accounts if the fall crosses the limit.

<https://www.newagebd.net/article/171254/bsec-allows-investors-to-get-100pc-margin-loans-against-deposits>

LR Global Bangladesh enters Agni Systems board with a 9% stake

- LR Global Bangladesh Asset Management Company entered the board of Agni Systems by buying 8.96% shares through the secondary market. In a meeting on Sunday, the internet service provider (ISP) Agni Systems has decided to appoint Reaz Islam, and Muhammad Omar Soeb Chowdhury as its directors, nominated by the LR Global Bangladesh where Reaz Islam is the chief investment officer (CIO).

- According to a price sensitive information (PSI) by a company official, Agni Systems will appoint both of them to meet the regulatory requirement of a minimum 30% shareholding by the sponsor-directors. Currently, the company's sponsor-directors hold 23.81% shares.

<https://www.tbsnews.net/economy/stocks/lr-global-bangladesh-enters-agni-systems-board-9-stake-424882>

Walton asked to offload 9pc more shares in 3yrs

- The Bangladesh Securities and Exchange Commission has asked Walton Hi-Tech Industries Limited to offload additional 9 per cent shares in three years to ensure 10 per cent free-float shares of the listed company on the market.

<https://www.newagebd.net/article/171355/walton-asked-to-offload-9pc-more-shares-in-3yrs>

Boost investment in stock market, Finance Minister directs regulators

- Finance Minister at a meeting with Bangladesh Bank (BB) Governor and other senior officials of the ministry asked them to work on boosting stock market investment. In order to attract capital in the market, state-owned investment institution ICB has been instructed to keep the bank's investment outside the investment limit or exposure limit of this institution in the capital market.

- It has also been decided to double the size of the BDT 1.50 Bn funds given to the ICB for small investors, which had expired. The finance minister asked for an increased tenure of the funds along with doubling the funds' size. The investments will be made from this fund from Monday.

<https://thefinancialexpress.com.bd/stock/boost-investment-in-stock-market-finance-minister-directs-regulators-1653227521>

37,000 BO account holders sell all shares in 11 days

- Investors have sold all shares held by 37,243 beneficiary owner (BO) accounts in just 11 days of continuous decline in the Dhaka Stock Exchange (DSE) index in May. According to the Central Depository Bangladesh Limited (CDBL), the number of the BO accounts that held shares on 27 April was 1.51 Mn. At the end of the trading session on 19 May, it had come down to 1.47 Mn.
- A top official at a brokerage firm said on condition of anonymity mentioned that big investors are not active in the stock market, which has made retail investors more disoriented. A top official of a merchant bank said that due to the decline of the stock market, shares are also being sold from margin loan accounts. Because when the share price goes down, it becomes difficult to repay this loan.

<https://www.tbsnews.net/economy/stocks/37000-bo-account-holders-sell-all-shares-11-days-424274>

BSEC to tighten IPO subscription process for eligible investors

- The Bangladesh Securities and Exchange Commission has initiated a move to tighten subscription of initial public offering shares by eligible investors by increasing the minimum stock market investment to BDT 30.0 Mn from the existing BDT 10.0 Mn. The minimum investment for approved pension funds, recognised provident funds and approved gratuity fund would be increased to BDT 15.0 Mn from the existing BDT 5.0 Mn. The conditions, if approved, will be mentioned in the consent letter of each IPO prospectus.

<https://www.newagebd.net/article/171167/bsec-to-tighten-ipo-subscription-process-for-eligible-investors>

BSEC suspends pre-opening session in bourses

- The Bangladesh Securities and Exchange Commission (BSEC) temporarily suspended the 15-minute pre-opening session on the bourses because of misuse of the opportunity. Pre-opening session of the Dhaka Stock Exchange and the session of opening auction call and opening price publication of Chittagong Stock Exchange will be suspended temporarily until further instruction. The new directive will be effective from Sunday (May 22). However, the 10-minute post-closing session will continue.

<https://thefinancialexpress.com.bd/stock/bsec-suspends-pre-opening-session-in-bourses-1653054194>

BSEC asks bourses to ensure trades through 'genuine' BO accounts

- The securities regulator has asked the bourses and depository authority to ensure trades through 'genuine' BO (beneficiary owners) accounts only. The regulatory instruction came in the backdrop of conducting trades using some closed BO accounts.

- It said the securities regulator's market surveillance and intelligence department has been observing regular sale conducted using some closed BO accounts. After analysing international trade practice, the BSEC has found no example of trade using closed BO account and explanation given by trading brokers who are involved in such trading activities is not satisfactory.

<https://thefinancialexpress.com.bd/stock/bangladesh/bsec-asks-bourses-to-ensure-trades-through-genuine-bo-accounts-1653018570>

Foreign stakes in small-cap listed companies drop

- Foreign stakes in many small-cap listed companies declined significantly in last 10 months as the foreigners offloaded their shares held in those companies. The foreign stakes in large-cap companies, however, declined marginally during the period.
- The foreign investors offloaded the entire 18.52% stake in ML Dyeing, while stake in Aamra networks came down from 15.98% in Jun'21 to 0.88% on Apr'22. Foreign stake in Queen South Textile Mills came down from 3.06% on Jun'21 to 1.17% as on Apr'22. Foreign investment in Shepherd Industries dropped to 12.42% from 18.40% in Jun'21. Foreigners held 1.07% shares in IFIC Bank as of Jun'21, which came down to 0.97%.
- Of the large cap companies, foreign investors held 14.20% stake in Square Pharma as against 15.27% as on Jun'21. Foreigners held 37.37% as against 37.88% (Jun'21) in BRAC Bank, Foreigners had 20.48% as against 20.58% in Islami Bank, 1.12% stake against 1.47% in Beximco Limited, 29.19% against 30.55% in Beximco Pharma, and 2.86% against 3.11% in Grameenphone.
- Of other companies which saw marginal decline in foreign stakes are IDLC Finance, Bata Shoe, British American Tobacco, Olympic Industries, Delta Brac Housing, The City Bank and Singer Bangladesh.
- Renata and Eastern Housing saw rise in foreign stakes in last 10 months. The amount of foreign stake in Eastern Housing was zero on Jun'21 and increased to 2.07% as of Apr'22. Foreigners held 22.74% stake in Renata which stood at 22.91% as of Apr'22.

<https://today.thefinancialexpress.com.bd/stock-corporate/foreign-stakes-in-small-cap-listed-companies-drop-1653144955>

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