

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+2.97%) gained 172.75 points and closed the week at 5,985.82 points. The blue-chip index DS30 (+0.52%) gained 11.26 points and stood at 2,189.74 points. The Shariah-based index DSES (+0.96%) gained 12.20 points and stood at 1,285.01 points. The large cap index CDSET (+1.14%) gained 13.92 points and closed at 1,236.74 points. DSEX, DS30, DSES and CDSET showed YTD returns of +10.81%, +11.50%, +3.45%, +10.13%, respectively.

Total Turnover During The Week (DSE): BDT 76.8 billion (USD 904 million)
Average Daily Turnover Value (ADTV): BDT 19.2 billion (Δ% Week: +14.0%)

Market P/E: 19.0x

Daily Index Movement during the Week:

Market performed four sessions during this week. In the first session, market performed negatively by -0.44%. Market rebounded in the second session by +0.96% and continued to be positive in the third and fourth sessions by +0.72% and +1.72% respectively.

Sectoral Performance:

- All the financial sectors posted positive performance this week. Life Insurance booked the highest gain of 10.63% followed by General Insurance (+9.45%), Bank (+8.03%), Mutual Fund (+4.62%), and NBF1 (+3.01%).
- Non-financial sectors posted mixed performance this week. Engineering booked the highest gain of 3.30% followed by Telecommunication (+1.45%). Pharmaceutical experienced the highest loss of 0.80% followed by Food & Allied (-0.68%), and Fuel & Power (-0.12%).

Macroeconomic arena:

- The Bangladesh Bank is going to provide a USD 200 million loan to debt-ridden Sri Lanka from the foreign exchange reserve. The central bank made the investment decision at a time when Sri Lanka is at risk of defaulting according to global rating agencies. Under the swap deal, the Bangladesh Bank will provide the fund at 2% interest, which is higher than other current global rates. The deal will be for one year during which the fund will be provided. After getting the fund, Sri Lanka will have to repay it by three months.
- The country's imports were rising as economic activities continued to be normal over a few months before the onset of the second wave of coronavirus. Consequently, the surplus in the current account balance started to decrease and in March, the surplus dropped sharply on the back of imports of rice and industrial raw materials. In the July-March period of the current fiscal year, the current account surplus has dropped to just USD 125 million, from USD 1.36 billion in the July-February period.
- People will be able to transfer funds from their mobile wallets to other accounts belonging to another carrier and banks by December in a development that would give the mobile financial service (MFS) industry a massive boost. Bangladesh Bank has already completed the necessary tasks to ensure interoperability of the service, which was rolled out in 2011. The interoperability will eliminate the charging of fees for sending money. As a result, users will not count any fee in transferring funds within the same carrier and from one carrier to another.
- The government is likely to offer a 10-year tax exemption to investments in manufacturing of home appliance to diversify the country's manufacturing base and cut import dependence. Manufacturing plants launching commercial production of washing machines, electric sewing machines and kitchen appliances such as blenders, microwave ovens and induction cookers from July of fiscal 2021-22 are likely to enjoy the exemption. The incentive may remain effective until June 30, 2030, said officials.

Stock Market arena:

- A move is underway to cover the risks associated with fixed-income financial instruments being approved by the securities regulator. The Bangladesh Securities and Exchange Commission (BSEC) has approved a number of bonds, including perpetual bonds, and preference shares in favour of corporate houses.
- Walton Hi-Tech Industries yesterday made public the good news of its surging profits and plans to strengthen its footprint abroad, leading to a three percent rise of its stocks. The listed local electronic giant decided to open either branches or liaison offices in India, Nepal, the United Arab Emirates and South Korea which not only would expand its market and help source technologies.

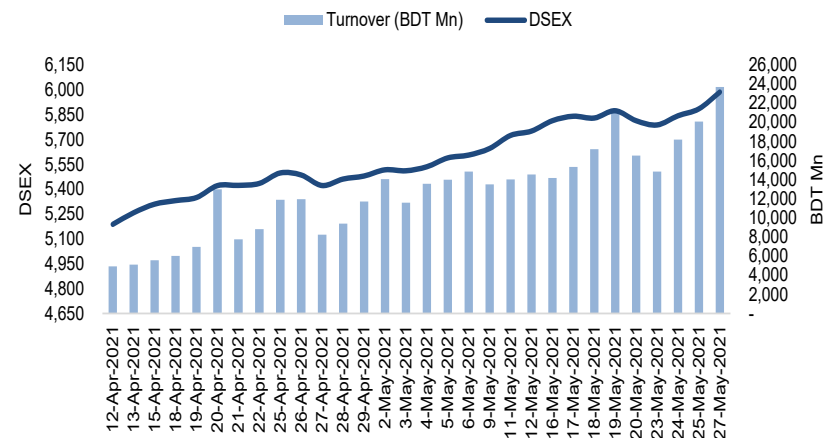
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	5,985.82	5,813.07	+172.75	5,402.07	+2.97%	+10.81%
DS30	2,189.74	2,178.47	+11.26	1,963.96	+0.52%	+11.50%
DSES	1,285.01	1,272.81	+12.20	1,242.11	+0.96%	+3.45%
CDSET	1,236.74	1,222.82	+13.92	1,123.03	+1.14%	+10.13%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,027,435	4,922,921	
	Mn USD	59,174	57,944	+2.1%
Turnover	Mn BDT	76,838	84,245	-8.8%
	Mn USD	904	992	
Average Daily Turnover	Mn BDT	19,209	16,849	+14.0%
	Mn USD	226	198	
Volume	Mn Shares	2,668	2,976	-10.3%

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
SALVOCHEM	17.8	13.0	+36.9%	1,157	237.1	40.1x	1.4x
GREENDEL	89.5	66.2	+35.2%	8,967	944.7	11.2x	1.3x
NORTHRNINS	60.6	45.5	+33.2%	2,585	1,030.3	36.2x	2.9x
ABBANK	15.7	12.0	+30.8%	13,123	944.5	28.7x	0.5x
AMANFEED	41.8	32.0	+30.6%	5,475	513.9	15.7x	1.1x
NRBCBANK	36.3	28.0	+29.6%	25,501	1,640.2	14.2x	2.3x
KTL	17.5	13.5	+29.6%	2,035	790.9	17.5x	1.0x
GSPFINANCE	22.9	17.7	+29.4%	3,270	211.0	17.0x	1.1x
RELIANCINS	76.8	60.3	+27.4%	8,076	224.0	14.4x	1.2x
SUNLIFEINS	37.0	29.1	+27.1%	1,323	39.1	NM	NM

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
CONTININS	48.3	55.4	-9.3%	2,010	580.2	38.9x	2.5x
SHURWID	16.0	17.2	-7.0%	918	78.9	7.3x	1.2x
MLDYEING	30.5	32.7	-6.7%	7,089	298.2	56.2x	1.9x
RAHIMAFOD	214.9	229.5	-6.4%	4,298	160.8	NM	22.3x
ZEALBANGLA	96.7	103.1	-6.2%	580	2.3	NM	NM
NFML	32.7	34.8	-6.0%	3,023	1,067.4	61.1x	2.4x
GQBALLPEN	117.4	124.4	-5.6%	1,048	37.7	NM	0.9x
BEXIMCO	85.7	90.8	-5.6%	75,101	5,235.5	20.7x	1.1x
SAVAREFR	155.6	164.4	-5.4%	217	2.2	NM	71.1x
SHYAMPSUG	47.8	50.5	-5.3%	239	2.4	NM	NM

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	85.7	90.8	-5.6%	75,101	5,235	20.7x	1.1x
PRIMEBANK	26.1	24.1	+8.3%	29,553	2,144	10.3x	1.0x
LANKABAFIN	35.5	35.3	+0.6%	19,129	1,654	19.6x	2.0x
NRBCBANK	36.3	28.0	+29.6%	25,501	1,640	14.2x	2.3x
PIONEERINS	136.1	109.4	+24.4%	9,524	1,579	18.3x	2.8x
SAIFPOWER	24.6	25.3	-2.8%	8,804	1,556	29.1x	1.5x
BATBC	553.2	557.8	-0.8%	298,728	1,215	27.4x	2.9x
IFIC	13.6	12.8	+6.3%	23,132	1,115	19.1x	0.8x
BSCCL	184.9	169.9	+8.8%	30,491	1,114	19.7x	4.1x
NFML	32.7	34.8	-6.0%	3,023	1,067	61.1x	2.4x

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	57.6	+476.0%	4,320	44.4x	2.3x
PIONEERINS	136.1	+80.7%	9,524	18.3x	2.8x
HEIDELBCEM	264.3	+76.7%	14,934	43.8x	3.5x
ROBI	47.0	+57.7%	246,183	NM	3.7x
PRIMEBANK	26.1	+52.6%	29,553	10.3x	1.0x
MICEMENT	69.8	+50.4%	10,365	29.5x	1.5x
BATBC	553.2	+40.5%	298,728	27.4x	2.9x
UCB	18.9	+34.0%	23,011	8.4x	0.7x
BSRMLTD	80.3	+33.4%	18,956	11.0x	0.8x
BERGERPBL	1,786.7	+25.0%	82,863	33.5x	8.5x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,590.95	1,472.73	1,372.63	+8.03%	+15.90%
NBFIs	1,985.54	1,927.50	2,033.53	+3.01%	-2.36%
Mutual Funds	999.59	955.45	959.61	+4.62%	+4.17%
General Insurance	5,007.81	4,575.38	4,103.56	+9.45%	+22.04%
Life Insurance	2,441.73	2,207.04	2,162.58	+10.63%	+12.91%
Telecommunication	6,339.69	6,249.12	5,463.26	+1.45%	+16.04%
Pharmaceuticals	3,352.79	3,379.92	3,306.03	-0.80%	+1.41%
Fuel & Power	1,705.36	1,707.44	1,618.11	-0.12%	+5.39%
Cement	1,923.28	1,871.68	1,416.18	+2.76%	+35.81%
Services & Real Estate	1,083.91	1,088.15	1,083.79	-0.39%	+0.01%
Engineering	4,667.45	4,518.27	3,959.20	+3.30%	+17.89%
Food & Allied	21,577.46	21,725.09	14,705.76	-0.68%	+46.73%
IT	2,696.69	2,548.83	2,350.28	+5.80%	+14.74%
Textiles	1,092.61	1,054.09	1,087.41	+3.65%	+0.48%
Paper & Printing	5,118.10	5,099.23	5,487.56	+0.37%	-6.73%
Tannery	1,731.43	1,730.11	1,771.77	+0.08%	-2.28%
Jute	8,651.69	8,907.97	12,154.61	-2.88%	-28.82%
Ceramics	506.58	510.07	472.38	-0.68%	+7.24%
Miscellaneous	3,744.75	3,774.79	2,539.70	-0.80%	+47.45%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	3,607.2	2,742.2	+31.5%	19.7%	8.9x	0.8x
NBFI	1,104.6	917.4	+20.4%	6.0%	50.7x	3.1x
Mutual Fund	477.2	348.5	+36.9%	2.6%	NM	0.9x
General Insurance	3,782.1	2,773.8	+36.4%	20.6%	24.4x	2.4x
Life Insurance	573.7	269.7	+112.7%	3.1%	NM	NM
Telecommunication	574.4	504.3	+13.9%	3.1%	19.2x	5.5x
Pharmaceutical	849.4	912.0	-6.9%	4.6%	20.1x	2.5x
Fuel & Power	891.6	993.3	-10.2%	4.9%	12.4x	1.4x
Cement	392.9	287.6	+36.6%	2.1%	23.1x	2.4x
Services & Real Estate	429.8	545.3	-21.2%	2.3%	NM	0.9x
Engineering	894.4	910.3	-1.8%	4.9%	31.2x	2.7x
Food & Allied	597.8	661.4	-9.6%	3.3%	35.8x	3.5x
IT	526.1	504.8	+4.2%	2.9%	32.5x	2.3x
Textile	1,559.3	1,271.0	+22.7%	8.5%	NM	0.8x
Paper & Printing	25.9	18.6	+39.3%	0.1%	38.9x	1.0x
Tannery	86.7	151.0	-42.6%	0.5%	NM	1.8x
Jute	11.4	10.5	+8.5%	0.1%	NM	15.6x
Ceramics	81.3	112.8	-27.9%	0.4%	56.6x	1.7x
Miscellaneous	1,864.3	1,986.8	-6.2%	10.2%	28.7x	1.9x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
UNIQUEHRL	32.5	-17.9%	9,568	NM	0.4x
ADNTEL	53.3	-17.1%	3,446	17.4x	2.1x
MIRAKHTER	69.6	-14.1%	8,406	18.6x	1.3x
GHAIL	14.4	-13.8%	3,108	NM	1.0x
OLYMPIC	169.4	-11.4%	33,870	16.3x	3.9x
BXPBARMA	173.1	-9.1%	77,222	16.9x	2.2x
MPETROLEUM	184.2	-7.0%	19,933	7.1x	1.1x
KPCL	42.2	-6.8%	16,771	14.0x	1.9x
ACMELAB	70.1	-6.2%	14,833	9.9x	0.8x
SHASHADNIM	20.3	-6.0%	2,863	13.9x	0.5x

Important News: Business & Economy

Bangladesh becomes a lender for first time

- The Bangladesh Bank is going to provide a USD 200 million loan to debt-ridden Sri Lanka from the foreign exchange reserve, deviating from its internal treasury investment guideline as the borrowing country does not comply with the standard rating requirement for receiving such an investment. This is the first time that the central bank is going to make such an investment in a country through a currency swap deal. The board of the Bangladesh Bank recently approved the agreement under special consideration in response to a request for liquidity support from Sri Lanka.
- The central bank made the investment decision at a time when Sri Lanka is at risk of defaulting according to global rating agencies. The internal treasury investment guideline says the Bangladesh Bank can invest its foreign exchange reserve in high-rated bills and bonds of different countries like the US treasury bills. Global rating agency S&P cut Sri Lanka's long-term foreign currency credit rating to CCC+ from B- for 2020, which exposed the risk of default for the island nation. Sri Lanka's credit score is now the same as the one assigned to Argentina, Mozambique, and Belize.
- Another global rating agency Moody's, which the Bangladesh Bank mostly considers in case of making investments, also downgraded the Sri Lankan government's long-term foreign currency issuer and senior unsecured ratings to Caa1 from B2 in September last year. Under the swap deal, the Bangladesh Bank will provide the fund at 2% interest, which is higher than other current global rates. The deal will be for one year during which the fund will be provided. After getting the fund, Sri Lanka will have to repay it by three months.

<https://www.tbsnews.net/economy/bangladesh-becomes-lender-first-time-250924>
<https://www.dhakatribune.com/business/banks/2021/05/26/bangladesh-s-forex-reserves-to-sri-lanka-s-rescue>

Current account surplus drops in March as imports surge

- The country's imports were rising as economic activities continued to be normal over a few months before the onset of the second wave of coronavirus. Consequently, the surplus in the current account balance started to decrease and in March, the surplus dropped sharply on the back of imports of rice and industrial raw materials. In the July-March period of the current fiscal year, the current account surplus has dropped to just USD 125 million, from USD 1.36 billion in the July-February period. In February, the surplus dropped by USD 652 million. During the July-March period, imports increased by 6% to USD 42.76 billion, compared to the same period in the last fiscal year.
- The government's spending on increasing rice imports to enhance food stocks has played a role in increasing imports. In addition, imports of intermediate raw materials used in industrial production, including crude oil, have also increased significantly. In the first nine months of the current fiscal year, the government has spent about USD 2 billion on rice imports, 41% up from the same period in the last fiscal year. At the same time, consumer goods imports rose 4.39% to USD 2.86 billion. Imports of cement clinker among industrial raw materials have declined.

<https://www.tbsnews.net/economy/trade/current-account-surplus-drops-march-imports-surge-248557>

MFS interoperability by December

- People will be able to transfer funds from their mobile wallets to other accounts belonging to another carrier and banks by December in a development that would give the mobile financial service (MFS) industry a massive boost. Bangladesh Bank has already completed the necessary tasks to ensure interoperability of the service, which was rolled out in 2011. Interoperability refers to the basic ability of different computerised products or systems to readily connect and exchange information with one another, in either implementation or access, without restriction. The upcoming system will allow clients to transfer funds from banks to MFS providers and vice versa.
- The number of registered accounts with MFS providers spurted to 102.7 million at the end of March this year. Transactions rose 50% year-on-year to BDT 596.42 billion. The interoperability will eliminate the charging of fees for sending money. As a result, users will not count any fee in transferring funds within the same carrier and from one carrier to another. A former central bank governor, welcomed the move, saying interoperability would positively impact the entire financial sector. The managing director of Dutch-Bangla Bank, which pioneered MFS in Bangladesh, said MFS would be more convenient for users when the central bank made the service interoperable.

<https://www.thedailystar.net/business/news/mfs-interoperability-december-2099629>

10-year tax exemption likely for new home appliance makers

- The government is likely to offer a 10-year tax exemption to investments in manufacturing of home appliance to diversify the country's manufacturing base and cut import dependence, said finance ministry officials yesterday. Manufacturing plants launching commercial production of washing machines, electric sewing machines and kitchen appliances such as blenders, microwave ovens and induction cookers from July of fiscal 2021-22 are likely to enjoy the exemption. The incentive may remain effective until June 30, 2030, said officials. The National Board of Revenue (NBR) may impose a condition requiring manufacturers to ensure value addition between 20% and 40%. Only new factories are likely to get the tax break, a ministry official said.
- Today the annual market for home appliance is roughly over BDT 100.00 billion, three-fourth of which is comprised of refrigerators, televisions and air conditioners, said industry insiders. Officials said washing machine and microwave oven sales jumped after the outbreak of coronavirus in the country in March last year. Demand for other kitchen appliances has also grown with more than a dozen electronics retailers offering products to attract customers. Currently, the NBR offers progressively declining tax breaks to home appliance-making industries for five to 10 years depending on the location of the factories.

<https://www.thedailystar.net/business/news/10-year-tax-exemption-likely-new-home-appliance-makers-2098201>
<https://www.newagebd.net/article/138705/home-appliance-makers-in-bangladesh-may-get-10-year-tax-holiday>

Imports drop by over 10% in April

- Bangladesh's overall imports dropped by more than 10% or USD 509.03 million in April last mainly due to the second wave of the Covid-19 pandemic, bankers said. Settlement of letters of credit (LCs), generally known as actual import, in terms of value, came down to USD 4.36 billion in April from USD 4.86 billion a month ago, according to the central bank's latest statistics. It was USD 4.23 billion in February 2021. On the other hand, opening of

LCs, generally known as import orders, fell by nearly 14% or USD 801.02 million to USD 5.02 billion in April from USD 5.82 billion a month before. It was USD 3.94 billion in February 2021.

- Our non-funded earnings from the foreign trade covering both export and import dropped significantly in the month of April mainly due to the second wave of the pandemic, an employee of a leading private commercial bank said. The private banker also said that most of the businessmen started to expand their business activities in February that continued until the middle of March because of lower coronavirus infection in Bangladesh. A central bank official said that the overall import dropped slightly in April because of the second wave of the pandemic.

<https://today.thefinancialexpress.com.bd/first-page/imports-drop-by-over-10pc-in-april-1622049867>

Amount of MFS transaction rises to BDT 596.42 billion in March

- The amount of transactions through mobile financial services rose by 49.91% or BDT 198.57 billion year-on-year in March. In March 2021, the amount of MFS-based transactions reached BDT 596.42 billion from BDT 397.85 billion in the same month of 2020, showed the latest Bangladesh Bank data. The growth in transactions through MFS in March was higher than the growth in the previous two months. The year-on-year growth in transactions through MFS in January and February was 35.99% and 33.2% respectively.

- The amount of transactions in March was the second highest after the BDT 629.99 billion in transaction value in July 2020 when the government made salary disbursements through MFS mandatory for the export-oriented industries a must for receiving stimulus fund from the government. The export-oriented industries received over BDT 105.00 billion in stimulus fund at the cost of 2% interest to pay salaries of their workers after the onset of Covid outbreak on March 8, 2020. Apart from the stimulus fund disbursement, the MFS has been attracting additional public attention gradually as MFS operators are coming up with new services and offers, officials of MFS operators said.

- With a new multinational telecom operator in association with Trust Bank set to launch its MFS service in the country, the existing active MFS operators are trying to strengthen their market grip with attractive offers and services. However, the customers acquired by the MFS operators in March dropped sharply compared with the number of customers acquired by the MFS operators in recent months. With the acquisition of 427,000 new customers in March, the total number of MFS users rose to 102.8 billion. The acquisition of customers in March 2021 was the lowest after August 2019 when the MFS operators added 494,000 customers.

https://www.newagebd.net/article/138894/amount-of-mfs-transaction-rises-to-BDT_-59642cr-in-march

Government's net borrowing target likely at BDT 320 billion

- The government is set to enhance, by over 50%, the net borrowing target from National Savings Schemes to BDT 320 billion in the new fiscal year, up from the current fiscal's BDT 200 billion, sources said. In the new budget for the fiscal year 2021-22, the government is lowering dependence on bank borrowing, while enhancing borrowing from savings instruments and foreign sources for nearly 6.2% deficit financing. Earlier this month, the government revised the net borrowing target for the outgoing fiscal year at BDT 300 billion from the original BDT 200 billion after a massive spike in sales of savings instruments.

- Officials said that the government had launched the online database system for selling the savings instruments in February 2020 and later implemented this countrywide in July last year. Following making some documents mandatory for buying the savings instruments, the sale of the certificates faced a blow at the preliminary stage. However, the savers got accustomed to the new system in the meantime and the sales picked up.

- Due to the upward trend in sales of the instruments, the government, while revising the budget for the current fiscal year, set the new target of net borrowing at BDT 300 billion. A finance ministry official said that the selling of savings instruments is now monitored online to avert any misuse of the facility and to ensure that the benefit goes to the targeted people.

<https://today.thefinancialexpress.com.bd/public/last-page/govts-net-borrowing-target-likely-at-BDT-320-billion-1621962006>

Foreign aid pledge up 40.42% in July-April of FY21

- Aid commitment from development partners increased by 40.42% in the first 10 months of the current financial year compared to the same period of the previous fiscal year. But disbursements did not increase much during this period compared to the same period of the last fiscal year. USD 5,275.43 million was pledged by development partners between July and April of the fiscal year 2020-21. Of this, 88.75% was pledged as loans and the rest was grants. During the same period of the previous fiscal year, development partners committed USD 3,756.94 million.

- On the other hand, USD 4,819.66 million was disbursed in foreign aid till April, which was almost the same amount disbursed during the same period of the previous fiscal year (USD 4,819.47 million). The financial year of development partners depends on project implementations. If implementation is fast, so is disbursement. Officials said that aid commitment had been increasing since the previous financial year primarily due to budget allocations announced by development partners during the ongoing pandemic.

<https://www.tbsnews.net/economy/foreign-aid-pledge-4042-july-april-fy21-250936>

Agent banking deposit balance crosses 170.00 billion in March

- Of the total deposits in agent banking, BDT 127.59 billion deposit was mobilized from rural areas and BDT 45.99 billion from urban areas. Agent banking, the service that takes banking to the unbanked, attained a deposit balance of BDT 170.00 billion in March. At the end of March this year, deposit collection through agent banking channels was BDT 173.58 billion — a 108.38% year-on-year growth. The rising trend of agent banking services amid the pandemic signifies there is huge scope to bring the rural unbanked people under the umbrella of formal banking services, said a senior official of the central bank.

- Now, 26 banks run agent banking windows. Of them, nine lend through the channel, providing an alternative to loan sharks for rural people to get credit. At the end of March this year, loan disbursement through the channels stood at BDT 2.85 billion, which was 396% higher than the same month of the previous year. Now, agents provide services such as cash deposits, withdrawals, remittance disbursement, small-value loan disbursement and recovery of the loans, and cash payments under the government's social safety net programs.

<https://www.dhakatribune.com/business/2021/05/24/agent-banking-deposit-balance-crosses-17-000c-in-march>

Network-locked phone handsets likely soon

Carrier- or network-locked handsets are going to hit the country's market soon for the first time ever under a joint collaboration between mobile network operators (MNOs) and mobile handset manufacturers. The collaborative scheme is going to sell 4G handsets at affordable prices to users, aiming to increase 4G penetration in the industry, according to the sources concerned. Under this collaboration, MNOs will sell handsets to clients with a bundle price linking their call and data rates and instalment payment system. Operators may also sell handsets with their own brand names on those if the regulator permits and handset manufacturers agree.

However, selling of network-locked handsets is not a common practice world over. It is legally allowed in some countries and in some others, including China, Canada and Singapore, such sets are not allowed on the plea that unlocking sets is often complicated and involves hassles and cost for their owners. The Bangladesh Telecommunication Regulatory Commission (BTRC) will consider allowing the sale of network-locked handsets in the country for the first time ever to implement the scheme. If the network-locked handset draws people's interest in general, the BTRC Director General (System & Services) said, the commission will consider allowing the sale of the handsets.

Network-locked devices are tied to one operator. For instance, a network-locked phone from Banglalink will not work with the Robi Axiata SIM card and vice versa. Such types of phones are subsidised and sold at lower prices to increase accessibility.

<https://today.thefinancialexpress.com.bd/first-page/network-locked-phone-handsets-likely-soon-1621877214>

Advance Tax (AT) waiver for some major imports in next budget

Some major industrial goods including MS (mild steel) products, mobile phone, scrap and ship scrap are set to get waiver from payment of Advance Tax (AT) in the upcoming budget for the fiscal year (FY) 2021-22. Official sources said AT collected at the import stage might be withdrawn to facilitate import of raw materials of the manufacturing sector and remove hassle of VAT refund from field-level VAT offices. Businesses have strongly opposed imposition of AT on the industrial sector as their working capital remained blocked in the VAT offices for a longer period due to complexities in getting refund.

Field-level VAT officials also proposed to withdraw AT from the sectors which are exempted from payment of VAT and other taxes at trading stage. They alleged that the businesses face hassle while the VAT officials spend unnecessary time on verification related to the refund claims. Currently, AT is applicable at two different rates--5% and 4%--on imports of the products based on the nature of import products. The decision on waiver of AT has been taken as per the recommendation of a committee which was formed comprising senior VAT officials.

Officials said a specific VAT rate is currently imposed on MS products, scrap and ship scrap ranging from BDT 1,000 and BDT 2,000. There is 4.0% AT on this sector. Due to AT, VAT officials said, the manufacturers are claiming such a volume of VAT refund from the VAT offices that creates a situation of negative VAT collection. They also recommended reducing AT to 1-2% for the sectors or waiving it. Officials said the NBR would set a new rate of AT, 3.0%, in the budget for the next FY for the manufacturing sector.

<https://today.thefinancialexpress.com.bd/first-page/at-waiver-for-some-major-imports-in-next-budget-1621877627>

27 banks invest BDT 14 billion

As many as 27 scheduled banks have so far invested BDT 14 billion in the stock market under the special fund, formed under the central bank's initiative to support the ailing market, officials said. The Bangladesh Bank (BB) officials said those banks invested 39% of the aggregate amount of individual funds. One of the BB officials said that the aggregate amount of the banks' funds stood at BDT 36 billion, of which BDT 14 billion have been invested in the capital market as on May 19. In February 2020, the central bank issued a circular on formation of the special fund following the merchant bankers' request to form a BDT 100-billion fund from the government to support the capital market.

As per the circular, a bank can create a five-year special fund with its own resources or with financing received from the BB through repo or re-financing schemes. Most of the banks, which have so far formed the special fund, invested funds ranging from BDT 600 million to BDT 700 million to the stock market, the BB official said. He noted that five of the banks have invested funds ranging from BDT 920 million to BDT 1.0 billion. The banks are Sonali, United Commercial, NCC, IFIC and Rupali.

<https://today.thefinancialexpress.com.bd/first-page/27-banks-invest-BDT-14b-1621877432>

Internet banking transactions top BDT 100.00 billion in March

The volume of internet-based banking transactions rose by 57.42% or BDT 37.83 billion year-on-year in March as the outbreak of Covid-19 has induced many bank customers to get used to the digital mode of banking transactions. The volume of transactions through internet banking amounted to BDT 103.7 billion in March 2021 against BDT 65.88 billion in the same month of the previous year, according to the latest Bangladesh Bank data. The transaction value in March was the highest after the introduction of internet banking. The amount of transactions in January and February was BDT 85.43 billion and BDT 84.77 billion respectively.

People started depending heavily on internet banking after the outbreak of Covid-19 in the country began on March 8, 2020 and the subsequent imposition of restrictions on public movement to control the spread of the virus infection. Customers nowadays enjoy access to a wide range of banking services anytime from anywhere by logging into the banks' online platforms or installing specific applications on their smartphones. Utility bill and credit card bill payments, intra-bank and interbank fund transfers, transaction statements, fund transfers to mobile financial service accounts and account opening are among the services which can be accessed through internet banking.

Apart from the surge in transaction value, the number of clients of internet banking also increased significantly in the last one year. As of March 2021, internet banking clients stood at 34,72,072 with a 31.08-per cent increase year-on-year. In the face of the Covid outbreak, most banks in 2020 introduced mobile banking applications, WhatsApp banking and online account-opening platforms.

<https://www.newagebd.net/article/138640/internet-banking-transactions-top-BDT-10000-crore-in-march>

Banks fast embracing cash recycling machines

Banks are aggressively installing cash recycling machines (CRMs) to provide faster deposit and cash withdrawal services to clients, a move that is helping customers cut reliance on branches and giving them more freedom to carry out banking. The CRMs are

set to make cash deposit machines (CDMs) obsolete, which only allow injecting cash, and replace automated teller machines (ATMs), which permit fund withdrawal, said several bankers. A CRM accepts cash, counts the notes, authenticates them, and credits the amount to accounts on a real-time basis, helping banks do away with the manual labour needed to provide the service.

- The new technology is also allowing users to deposit and transfer cash in others' accounts. In Bangladesh, banks started setting up CRMs in 2017. Until June 30 last year, the number of machines was 272, data from the Bangladesh Bank showed. Since then, more than 550 CRMs have been installed. Today, all the banks have more than 800 CRMs combined, and these machines account for more than BDT 23.00 billion transaction every month. Total transactions through CRMs grew more than nine times to BDT 23.25 billion in March from BDT 2.45 billion in the same month last year. Compared to February this year, transactions grew 41%.

- The importance of the tool has accelerated during the coronavirus pandemic as banks discouraged clients from doing branch-led banking. The number of CRMs will increase manifolds within a year as many banks have taken initiatives to set up the digital tool, bankers say. Islami Bank Bangladesh Ltd, the top lender in the segment, has already set up more than 400 CRMs and will set up another 400 CRMs within the next year. The move aims at reducing clients' dependency on branches, said an official of the lender. The Shariah-based bank introduced the technology in 2019.

<https://www.thedailystar.net/business/banking/news/banks-fast-embracing-cash-recycling-machines-2097725>

More IT services, light engineering to enjoy tax exemption

- The government is extending the tax exemption facility for five new IT sector services in the upcoming fiscal year aiming to take the dream of building a digital Bangladesh one step further. At the same time, tax exemption benefits may be given to the light engineering industry and skills development to reduce import dependence, according to sources in the finance ministry. Currently, 22 IT-enabled services enjoy the tax exemption facility. The five new services are: cloud service, system integration, e-learning platforms, e-book publications, mobile application development services, and freelancing.

- Currently, around 800 software companies are operating in Bangladesh, according to BASIS. Of them, around 250 export ICT goods amounting to USD 800 million to 60 countries per annum. The country generates almost 35% of its revenues from buyers in American and 15% in the UK. Earnings also come from some European countries such as Denmark and the Netherlands, added the US agency.

<https://www.tbsnews.net/economy/budget/more-it-services-light-engineering-enjoy-tax-exemption-249892>

Companies can spend slightly more on promotion

- The National Board of Revenue (NBR) is going to relax the limit on promotional expenses a little by fixing it at 1% from the existing 0.5% in the next budget to draw foreign investment, encourage new entrepreneurs and give some relief to the fast-moving consumer goods sector. Companies – new and small ones in particular – that need to spend more on promotional activities to drive sales, even if they make a low profit, are suffering the most for the low cap on promotional expenditure. The company's corporate tax at a rate of 32.5% stands at BDT 6.5 million. But the business entity has now found itself in

hot water as it expended 6% of its annual turnover on promotion, exceeding the 0.5% allowable tax-free limit.

- According to the National Board of Revenue's Income Tax Ordinance, the promotional expenditure is limited to 0.5% of a company's annual turnover. As a result, the company has to pay an extra BDT 17.9 million. Thus, its total income tax amounts to BDT 24.4 million – which is more than its profit in FY21. Businesses, however, say such a little increase in the cap on promotional activities is not enough for FMCG manufacturers, telecom operators, the apparel industry, pharmaceutical and multinational companies.

- The general secretary at the Bangladesh Foreign Investors' Chamber of Commerce and Industry (FICCI), said companies in the FMCG sector spend 5%-6% of their turnover on promotional activities, which has long been established as a key driver of consumer goods sales. Pharmaceutical companies need to spend more on marketing. Even if the allowable promotional expenditure is increased to 1%, the cost of doing business will still remain high in Bangladesh, he added.

<https://www.tbsnews.net/economy/budget/companies-can-spend-slightly-more-promotion-249883>

Government tamps down allocation amid fears of revenue shortfall

- The government had to allocate BDT 414.49 billion less fund than the demand placed by different ministries under the new annual development programme (ADP) for the upcoming fiscal year (FY) due to a possible resource constraint. Since the COVID-19 pandemic has affected the economy as well as the revenue collection, they said, the government had to take a cautious approach in setting the development expenditure in the next financial year (FY). The government on May 18 last approved the ADP for FY2021-22 with an allocation of BDT 2.25 trillion against a demand for a total of BDT 2.66 trillion by the ministries and agencies, the Planning Commission (PC) officials said.

- The government, however, has allocated as much from the external resources as desired by the ministries and agencies, he added. According to the PC, it had allocated BDT 1.37 trillion from the internal resources against the demand of BDT 1.79 trillion by the ministries. On the other hand, it allocated BDT 880.24 billion from the external resources against a demand for BDT 879.37 billion. Since they got less fund than demand, we have allocated money as much as possible for all the 1,426 ongoing projects, another PC official said.

- Had they received BDT 2.66 trillion from the finance ministry, they would have been able to provide all the 1,426 projects with more fund, he added, requesting for anonymity. They had to allocate even BDT 1.0 million to BDT 10 million for some of the projects. When asked, a finance ministry official said that they would not be able to provide adequate fund in the FY 2021-22 ADP as revenue collection would again face setback due to the pandemic.

<https://today.thefinancialexpress.com.bd/last-page/govt-tamps-down-allocation-amid-fears-of-revenue-shortfall-1621703535>

Cash takes back seat as Covid drives card use

- The use of both credit and debit cards went up heavily in March as people purchased more products and services through digital means amid the recent resurgence of Covid-19. Total card loans held by lenders stood at BDT 17.83 billion in March, up 18% from a month ago and 57% year-on-year. The growth in March was also the highest in the last seven

months since September last year as the previous highest growth was 24% in August. Clients' dependency on debit cards increased substantially in March as the figure stood at BDT 220.00 billion, up 22% from that a month earlier and 45.33% year-on-year.

- The growth of debit card transactions is also the highest in the last eight months as the number of cardholders surged 44.66% in July. The head of card and digital banking at Eastern Bank Ltd (EBL), said that people had prepared in advance to tackle the second wave of the pandemic since March, putting a positive impact on the card transactions. Although the government imposed restriction on public movement in April, it had earlier requested people to stay at home in March to contain the second wave, he said.

- EBL, one of the largest credit card issuers in the country, also observed the upward transaction trend in April, he said. The head of retail banking at Dhaka Bank, mentioned three reasons behind the increase in card transactions at his bank. People came back to their normal lifestyle in February, which also continued in the first half of March, he said. So, transactions through cards maintained an upward trend during the period and many people purchased lifestyle products in advance to celebrate March 26, which is the country's independence day.

<https://www.thedailystar.net/business/economy/news/cash-takes-back-seat-covid-drives-card-use-2097181>

<https://www.tbsnews.net/economy/digital-transactions-surge-march-249406>

Annual Development Programme (ADP) for FY 2021-22: Mega projects, not priority areas, get attention

- The government allocated one-fourth of the next year's development budget to 10 mega projects notwithstanding their unimpressive implementation rate. Like the previous fiscals, the government has kept aside the highest aggregate allocation of BDT 544.51 billion out of the BDT 2.25 trillion Annual Development Programme (ADP) outlay, for the mega projects in the next fiscal year (FY) 2021-22.

- Some development analysts maintained that the decision to allocate a big chunk of resources in the next ADP was not a wise one given the experience gained during the pandemic-hit outgoing FY. They felt that the government should attach priority to health, agriculture, social protection, and education sectors, which are very important to weather the coronavirus impact, they added.

<https://today.thefinancialexpress.com.bd/first-page/mega-projects-not-priority-areas-get-attention-1621617272>

Payra port to host medium-sized ships from Aug 2022

- Belgian company Jan de Nul will begin a 14-month capital dredging in the Rabnabad channel in the southwestern coastal area at the end of June to allow movement of medium-sized ships at the Payra seaport, official sources said. The Belgian company will dredge a 65km stretch of the channel, ensuring a draft of 10.5 metres that would allow entry and anchoring of ships having a capacity of carrying 40,000 tonnes (during low tide) to 55,000 tonnes (during high tide). The Chattogram port, which has a 9.5-metre draft, can handle ships up to 35,000 tonnes. The outer anchorage of Chattogram port in Kutubdia can accommodate 100,000-tonne ships. Import of goods on larger ships significantly reduces the transport cost if they can be anchored at the port instead of the outer anchorage.

<https://www.tbsnews.net/economy/trade/payra-port-host-medium-sized-ships-aug-2022->

[248986](#)

Trade gap widens on imports

- Bangladesh's trade deficit widened by more than 20% in the first nine months of the current fiscal year (FY) because of rising import payment pressure on the economy, officials said. The trade deficit with the rest of the world crossed the USD14 billion level and stood at USD 14.50 billion during the July-March period of FY 2020-21, from USD 12.08 billion during the same period of the previous fiscal, according to the central bank's latest statistics.

- Import payments have increased significantly in recent months mainly due to higher purchase of raw materials for readymade garments along with resumption of infrastructure development works across the country, the officials explained. Import payments grew by 6.04% to USD 42.77 billion during the period under review from USD 40.33 billion in the same period of FY'20. On the other hand, export earnings increased by 0.06% to USD 28.27 billion in the first nine months of FY'21 from USD 28.25 billion a year ago.

<https://today.thefinancialexpress.com.bd/first-page/trade-gap-widens-on-imports-1621529789>

<https://www.thedailystar.net/business/news/trade-deficit-widens-2095993>

<https://www.tbsnews.net/economy/trade/current-account-surplus-drops-march-imports-surge-248557>

Cement manufacturers fear further price hikes

- Cement manufacturers are worried that their products will see another round of price hikes due to a cost escalation. Price hike is negative for the industry as it causes less sale of cement bags, reduces capacity utilisation and increases fixed cost against each bag of cement, said the president of Bangladesh Cement Manufacturers Association (BCMA). The cost escalation is mainly due to a significant increase in international freight charge, while raw material cost is still moderate, according to the industry people.

- Bangladesh has three dozen local and multinational cement manufacturers in production. Against 40 million tonnes of annual demand, the industry already expanded its annual production capacity to 84 million tonne.

<https://www.tbsnews.net/economy/industry/cement-manufacturers-fear-further-price-hikes-248581>

Active mobile financial service users increase by 0.4 million in March

- The number of active customers of the mobile financial services started to increase in March as more people started using the services ahead of Ramadan in April and Eid-ul-Fitr in May. The number of active subscribers increased by 0.41 million in March compared to February and exceeded 34.6 million, shows an analysis of the updated statistics on mobile banking released by the central bank on Thursday. Asked about the growth in active customers, the head of corporate communications at bKash said that inactive accounts are usually activated ahead of any festival.

<https://www.tbsnews.net/economy/banking/active-mobile-financial-service-users-increase-4-lakh-march-248545>

Just 274 avail credit guarantee facility in nearly a year

- Small entrepreneurs affected by the pandemic are not aware of a credit guarantee scheme even nearly one year after the facility was introduced for businesses unable to provide collateral against loans under the stimulus package. In July last year, the Bangladesh Bank set up the BDT 20 billion scheme to ensure the loan facility for the badly hit small businesses. The credit guarantee scheme unit set up to manage the fund has so far issued BDT 290 million in favour of three banks and three non-bank financial institutions against just 274 applications.
- Asked about the reasons behind such a low interest in the scheme despite the guarantee scheme, the managing director of Bank Asi said that banks lacked the skills and capacity to lend and manage small loans. Besides, banks do not have the kind of network to reach out to small entrepreneurs. Again, the risk is higher. For these reasons, banks are not showing much interest in this scheme, he added.

<https://www.tbsnews.net/economy/just-274-avail-credit-guarantee-facility-nearly-year-248593>

Final deal on China job in a week likely

- The country is expected to finalise a deal by next week to import Covid-19 vaccine from Chinese state company Sinopharm, officials involved with the process said. They said that two of the three documents sent by China have already been filled up and sent back to China while the rest one will be sent by a couple of days. Completion of the process would facilitate signing the final purchase agreement, a high official of the foreign ministry said.

<https://today.thefinancialexpress.com.bd/first-page/final-deal-on-china-jab-in-a-week-likely-1621530087>

Important News: Capital Market

BSEC, insurers to explore ways of covering risks

- A move is underway to cover the risks associated with fixed-income financial instruments being approved by the securities regulator. The Bangladesh Securities and Exchange Commission (BSEC) has approved a number of bonds, including perpetual bonds, and preference shares in favour of corporate houses. They have approved bonds worth BDT 450 billion over the last five years, a BSEC official said. Many non-governmental organisations (NGOs) also raised such funds upon approval by the regulator. The BSEC approved a fund worth BDT 13.5 billion for BRAC, a leading global non-government organisation, he said. But the bonds and such other types of instruments are considered not secured, he added.
- Officials said that the subordinate or junior bonds are the examples of such market where the investors do not have the priority to get the money back in case of liquidation of a company. The companies or NGOs, which raise such funds under the fixed-income mechanism, may default and, under such circumstances, the investors might face financial losses, they explained. The insurance products usually protect the interest of investors in cases when the borrowers default. Meanwhile, the insurance regulator has undertaken a

move to find appropriate insurance products to protect the interest of the investors.

- BSEC spokesperson said that a mechanism would be proposed at the meeting that the issuer of any instrument will pay the insurance premium and in case of any default on its part, the relevant insurance companies will settle the claims on its behalf. The managing director at the SBC said that he thinks such funds need to be secured with insurance coverage. He said that providing risk coverage for the bonds will help spur the bond market in the country as many will show interest in the instruments.

<https://today.thefinancialexpress.com.bd/public/first-page/bsec-insurers-to-explore-ways-of-covering-risks-1621961482>

Walton going big abroad

- Walton Hi-Tech Industries yesterday made public the good news of its surging profits and plans to strengthen its footprint abroad, leading to a three percent rise of its stocks. The listed local electronic giant decided to open either branches or liaison offices in India, Nepal, the United Arab Emirates and South Korea which not only would expand its market and help source technologies. They are already sending our products to these countries but now they want to strengthen our market share there, said the Managing Director. South Korea will enable research and development of products, he said.

- Its board of directors also decided to invest USD 500,000 in the Walton Corporation United States of America to purchase ordinary and preferential shares, subject to approval of Bangladesh Bank and other relevant regulators. The aforementioned company will provide import, export and procurement services in North America, Walton Hi-Tech Industries said. The demand for freezers, air-conditioners and home appliances was higher this year while televisions topped those being exported, he said. Earlier last February, Walton decided to make a fresh investment of USD 640 million, to expand facilities to produce and increase export of electrical and electronic goods. With it, the company sought 300 acres of land at Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram.

<https://www.thedailystar.net/business/news/walton-going-big-abroad-2098193>
<https://www.dhakatribune.com/business/2021/05/24/walton-to-go-global-through-us-branch>

Government asks KPCL to shut production by May

- Bangladesh Power Development Board has asked Khulna Power Company Limited, listed with the country's two stock exchanges, to shut down the company's production as the tenure of the existing Power Purchase Agreement will end by this month. According to a company's price-sensitive information, the tenure of existing Power Purchase Agreement (PPA) of KPC Unit II 115MW Plant and KPC 40MW Noapara Plant of Khulna Power Company (KPCL) is going to expire on 31 May 2021 and 28 May 2021 respectively.
- 'Accordingly, BPDB has instructed by its letter to shut down KPC Unit II 115MW Plant and KPC 40MW Noapara Plant from 1 June 2021 and 29 May 2021 respectively,' it said. 'However, our persuasion for renewal of PPAs for the mentioned power plants is ongoing,' it also said.

<https://www.newagebd.net/article/138544/govt-asks-kpcl-to-shut-production-by-may>

Investment in BEXIMCO Debentures - Institutional investors' dues paid: trustee

• The Investment Corporation of Bangladesh, trustee of the three debentures issued by the Bangladesh Export Import Company Limited, has declared that no institutional investor, including the ICB, has claims on debentures against their investments as BEXIMCO has cleared all of their dues. The trustee has recently issued a certificate regarding the matter. The trustee also said that documents and charge documents mortgaged by BEXIMCO are also in the process of being release. The debentures — Beximco Textiles Limited, Beximco Denims Limited and Beximco Synthetics Limited — were issued in 1994 and had fund sizes of BDT 240 million, BDT 300 million and BDT 375 million respectively.

• Earlier on April 29, 2021, BEXIMCO wrote to the ICB informing it that the company had already adjusted all of its debenture liabilities and requested the trustee to issue a 'no due certificate' against its debenture liabilities. It also requested the trustee to release all charge documents, along with personal guarantees, mortgaged assets and vacant charges with the Registrar of Joint Stock Companies and Firms. On Monday, the trustee of the debentures issued a notice saying that BEXIMCO had taken the necessary steps to settle the investor liabilities of its three debentures.

<https://www.newagebd.net/article/138893/institutional-investors-dues-paid-trustee>

Nialco Alloys oversubscribed by 17.91 times

• The first SME of stock market Nialco Alloys has received a subscription of BDT 1.34 billion against the shares worth BDT 75 million offered for the qualified investors. As a result, the Nialco Alloys's issue is oversubscribed by 17.91 times. According to issue manager, a total of 309 eligible investors took part in the subscription of the Nialco's qualified investors offer (QIO). According to the prospectus, the company's net proceeds will be used for developing land, purchasing machinery and catering the QIO expenses. Nialco Alloys has reported the EPS (earnings per share) of BDT 0.91 and NAV (without revaluation reserve) of BDT 12.43 for the year ended on September 30, 2020.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/nialco-alloys-oversubscribed-by-1791-times-1621957864>

<https://www.dhakatribune.com/business/stock/2021/05/25/bangladesh-s-first-sme-ipo-s-rakes-in-134c-against-7-5c-demand>

Beximco debenture holders asked to submit claims by 5 June

• The Investment Corporation of Bangladesh (ICB) has asked concerned investors of the debentures issued by three companies of the Beximco Group to claim their principal with interest by 5 June, 2021. The three issuing companies are: Beximco Textile Ltd, Beximco Denim Ltd, and Beximco Synthetics Ltd. ICB is the trustee of the debentures issued by these companies. Of the three debenture issuers, Beximco Denim and Beximco Textile, have merged with Beximco Group's flagship company - Beximco Ltd. But sponsors want to discontinue the venture of publicly listed Beximco Synthetics as it is not a good business nowadays.

• In order to make the claims, investors have to communicate with the trustee services wing of ICB, of course with supporting documents for their claims. The debentures, issued in the mid-1990s, have long been virtually dormant, mainly due to a lack of proper communication between investors, issuers, and the trustee. The Bangladesh Securities and Exchange Commission is working to re-energise the market for debt securities. Thus, Beximco Group

has taken the initiative to pay off any remaining liabilities in debentures.

• The Beximco Group also has two other debentures - Beximco Fisheries Debenture and Beximco Knitting Debenture - still listed on the debenture board of the Dhaka Stock Exchange. But none of these see any trading activity of their units at the bourse. The outstanding amount in the debentures is up to less than BDT 20 million in today's value of Bangladeshi currency. But with added interest, the payable for the issuers may go higher.

<https://www.tbsnews.net/economy/stock/beximco-debenture-holders-asked-submit-claims-5-june-250435>

<https://www.newagebd.net/article/138712/beximco-to-settle-investors-claims-on-3-debentures>

Sonali Paper to add new product line to meet growing demand

• Sonali Paper and Board Mills, a listed company, has decided to add a new product line -- Aluminum foil paper box unit -- by installing a new machine on its factory premises at Rupganj in Narayanganj. The new machine will be imported from China and Sonali Paper has signed a Memorandum of Understanding (MoU) with Chinese firm Zhangjiagang Fineness Aluminum Foil Company to set up an aluminum foil paper unit. The managing director of Younus Group and chairman of Sonali Paper, and the CEO of IBN Corporation signed the deal on behalf of Sonali Paper and Zhangjiagang Fineness Aluminum respectively in Dhaka on Sunday.

• An aluminum foil paper machine, which is fully automated, can produce an average of 100,000 pieces of aluminum foil container boxes per day, the company said in a filing with the Dhaka Stock Exchange (DSE) on Monday. The company strongly believes on utilisation of full capacity of the new machine, will have a significant impact on its competitive position in the market in addition to increasing its revenue. This will increase the annual sales of Sonali Paper by 25%, the MD of the company said.

<https://today.thefinancialexpress.com.bd/stock-corporate/sonali-paper-to-add-new-product-line-to-meet-growing-demand-1621872296>

Trading hours increased by 30 minutes at country's stock exchanges

• The schedule for share trading at the two stock exchanges of the country has been extended by 30 minutes to 2pm from tomorrow. The new schedule will remain in force till 30 May. Regular trading hours before the pandemic was from 10am to 2:30pm. The Bangladesh Securities and Exchange Commission (BSEC) took this decision as transaction hours at banks have been raised by half an hour, operating from 10am to 2:30 pm starting tomorrow. Currently, banks have been open for transactions from 10am to 2pm, where regular banking hours were from 10am to 4pm before the pandemic.

<https://www.tbsnews.net/economy/stock/trading-hours-increased-30-minutes-countrys-stock-exchanges-249745>

<https://www.dhakatribune.com/business/stock/2021/05/23/bourses-extend-trading-hours-from-monday>

4 companies waiting for SME board listing

• Four companies are waiting for the Bangladesh Securities and Exchange Commission's approval for being listed on the country's stock exchanges' small and medium enterprise platform. The companies are Oryza Agro Industries Limited, Subra Systems Limited,

Mostafa Metal Industries Limited and Master Feed Agrotec Limited. Oryza Agro Industries will raise BDT 100 million, Master Feed BDT 100 million, Subra Systems BDT 120 million and Mostafa Metal BDT 110 million through qualified investor offers. As companies with paid up capital of more than BDT 300 million cannot apply for the QIO, the regulator exempted the four companies from complying with the related rules, BSEC spokesperson said.

- The current paid up capital of Mostafa Metal is BDT 378.5 million, that of Subra Systems BDT 500 million, that of Master Feed BDT 571.5 million and that of Oryza Agro BDT 590.8 million. He also said that subscription of shares of the companies under the SME board would be through qualified offering and distribution of those shares would be on pro rata basis.

<https://www.newagebd.net/article/138528/4-cos-waiting-for-sme-board-listing>

Perpetual bonds must be listed through direct listing method

- The Bangladesh Securities and Exchange Commission (BSEC) has issued a directive saying that perpetual bonds which will be issued by the banks must be listed on the bourses through direct listing method in order to increase liquidity in the market. It was also made mandatory for market operators to make investments in listed debt securities, according to the BSEC directives approved at its meeting on Thursday. The regulatory move came as part of the efforts to develop the corporate bond market. BSEC officials said they have introduced the rules to increase liquidity and also encourage investors to invest in the bonds.

- The securities regulator has already allowed 11 banks to issue perpetual bond. The banks include The City Bank, Mutual Trust Bank, Trust Bank, Jamuna Bank and One Bank. In its directive, the securities regulator has included a rule calling for subscription of 10% of a perpetual bond through public offer. According to another directive, the own portfolios of merchant banks and portfolio managers, asset management companies and stock dealers must have three% investment in listed debt securities. They have been asked to comply with the directive within June 30, 2022. The securities regulator has also said the portfolios of mutual funds must have three% investment in the listed debt securities.

<https://today.thefinancialexpress.com.bd/stock-corporate/perpetual-bonds-must-be-listed-through-direct-listing-method-1621527189>

<https://www.thedailystar.net/business/news/bsec-steps-beef-bond-market-2096021>

<https://www.tbsnews.net/economy/stock/10-perpetual-bonds-must-be-floated-through-public-offer-bsec-248554>

Ring Shine Textiles commits forgery

- Ring Shine Textiles has sold shares in the pre-IPO (initial public offering) period free of cost through a private offer, a clear act of forgery, according to a special audit of the Bangladesh Securities and Exchange Commission (BSEC). What is more, it provided stock dividend too to non-paying shareholders. With the share allotment, the company increased its paid-up capital, but in reality, the company had received nothing against the shares. Now, the stock market regulator has ordered the company to rusticate the shares and reduce the paid-up capital.

- Ring Shine Textiles raised BDT 1.5 billion in funds from the stock market in order to purchase machinery and repay bank loans in 2019. A top official of the BSEC, preferring anonymity, said the company had committed a serious offence. So, despite being an export

-based company with good performance records, it had turned into a junk company.

<https://www.thedailystar.net/business/news/ring-shine-textiles-commits-forgery-2095981>

<https://www.newagebd.net/article/138317/bsec-cancels-fake-placement-shares-of-ring-shine-textiles>