

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.82%) gained 44.58 points and closed the week at 5,479.62 points. The blue-chip index DS30 (+1.12%) gained 23.36 points and stood at 2,110.91 points. The Shariah-based index DSES (+1.00%) gained 12.43 points and stood at 1,249.82 points. The large cap index CDSET (+0.56%) gained 6.60 points and closed at 1,176.12 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.44%, +7.48%, +0.62%, +4.73%, respectively.

Total Turnover During The Week (DSE): BDT 53.2 billion (USD 626 million)
Average Daily Turnover Value (ADTV): BDT 10.6 billion (Δ% Week: +24.9%)

Market P/E: 18.8x

Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed positively by +1.16%. Then the market reverted to negative in the second session by -0.22% and continued to be negative in the third session by -1.16%. The market corrected itself by +0.72% in the fourth session and ended with a positive momentum of +0.33%.

Sectoral Performance:

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 8.30% followed by Life Insurance (+0.83%). NBF1 experienced the highest loss of 3.52% followed by Mutual Fund (-0.35%), and Bank (-0.19%).
- All the non-financial sectors posted positive performance this week except Food & Allied (-0.61%). Fuel & Power booked the highest gain of 1.40% followed by Pharmaceutical (+0.93%), Engineering (+0.58%), and Telecommunication (+0.18%).

Macroeconomic arena:

- The Asian Development Bank (ADB) has downsized its projection about the Bangladesh's GDP growth in the current fiscal year of 2020-21, considering the second wave of Covid pandemic and fresh lockdown that restricted economic activities. The ADB had projected that Bangladesh's GDP growth would pick up to 6.8% in 2020-21 with stimulus package implementation and recovery in global growth and trade.
- The country's foreign exchange reserve has reached near USD 45 billion mainly due to a slowdown in import payments following the fresh spike in Covid-19 infections and surge in remittance ahead of Eid-ul-Fitr, the biggest festivals of the Muslims. With a remittance inflow of USD 1.59 billion in the first 22 days of April, the country has fetched a record USD 20.19 billion in remittance till April 22 of 2020-2021, with more than two months in hand till the end of the fiscal year.
- When all major sectors have experienced a fall in production amid Covid-led disruption in the local supply chain, the pharmaceutical industry has remained unhurt as drugmakers registered a manufacturing boost on the back of high demand for medicines in the pandemic time. The quantum index that measures the production of quantity units of goods crossed 850 in October last year which was at 475 in October 2018.

Stock Market arena:

- The securities regulator has moved to facilitate the renewal of the power purchase agreements (PPAs) earlier signed between the government and some listed power companies. As part of the move, the BSEC has urged the Ministry of Power Energy and Mineral Resources to provide information regarding the scope of renewing the listed power companies' PPA. Besides, the securities regulator is trying to convince the government for the renewal of the listed power companies' PPA.
- The government has opened up licences for submarine cable business, removing the clause that allowed only two companies in the market. The government also wants to attract more local and foreign investments in the sector in a bid to create an ecosystem for competitive and high quality internet in the 5G era. Licenses will be awarded by the Commission as per the evaluation of submitted offers or proposals subject to approval of the government.
- The Bangladesh Submarine Cable Company Limited (BSCCL) is gearing up to sell more bandwidth as internet usage soars amid the lockdown. We had a target of selling 1,450 Gbps by June, but they have already achieved that. The BSCCL has sold 1,600 Gbps of bandwidth, while the sale of an additional 40 Gbps is in the pipeline. Adding that by the end of May, around 60 Gbps more will be sold.

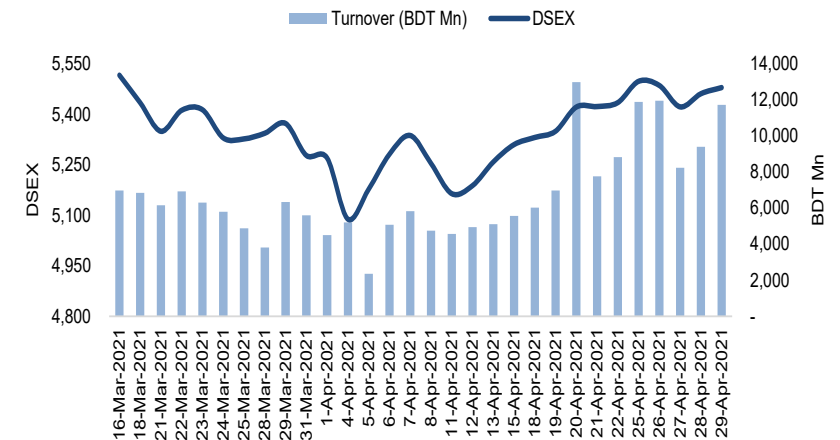
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	5,479.62	5,435.03	+44.58	5,402.07	+0.82%	+1.44%
DS30	2,110.91	2,087.55	+23.36	1,963.96	+1.12%	+7.48%
DSES	1,249.82	1,237.39	+12.43	1,242.11	+1.00%	+0.62%
CDSET	1,176.12	1,169.52	+6.60	1,123.03	+0.56%	+4.73%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,707,128	4,683,168	
	Mn USD	55,404	55,122	+0.5%
Turnover	Mn BDT	53,222	42,599	+24.9%
	Mn USD	626	501	
Average Daily Turnover	Mn BDT	10,644	8,520	+24.9%
	Mn USD	125	100	
Volume	Mn Shares	1,269	1,037	+22.4%

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
NFML	26.1	18.7	+39.6%	2,413	1,227.4	48.8x	2.0x
AOL	55.0	41.2	+33.5%	5,643	545.4	24.9x	3.1x
PROVATIINS	163.2	125.6	+29.9%	5,672	178.2	49.0x	7.3x
CITYGENINS	36.5	28.8	+26.7%	2,488	424.5	44.4x	2.2x
PHENIXINS	52.9	41.8	+26.6%	2,134	663.2	25.8x	1.5x
DHAKAINS	78.7	62.4	+26.1%	3,158	635.4	32.6x	3.9x
MERCINS	46.9	40.5	+15.8%	2,021	309.2	26.4x	2.4x
STANDARINS	46.0	39.8	+15.6%	1,992	231.0	26.3x	2.4x
BGIC	49.5	42.9	+15.4%	2,674	555.0	38.6x	2.6x
SHYAMPSUG	57.0	49.5	+15.2%	285	6.1	NM	NM

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
FAREASTFIN	3.2	3.6	-11.1%	525	3.8	NM	2.8x
KEYACOSMET	5.1	5.7	-10.5%	5,734	159.0	NM	0.4x
MLDYEING	34.4	37.9	-9.2%	7,996	0.4	63.4x	2.2x
SHURWID	15.4	16.9	-8.9%	883	0.3	11.2x	1.2x
PRIMEBANK	15.7	17.2	-8.7%	17,777	14.1	9.8x	0.6x
SHEPHERD	10.8	11.8	-8.5%	1,623	2.0	NM	0.7x
BDFINANCE	33.5	36.6	-8.5%	5,949	1,150.9	17.8x	1.9x
NURANI	5.6	6.1	-8.2%	687	12.2	NM	0.6x
SAIHAMTEX	17.3	18.8	-8.0%	1,567	0.9	NM	0.4x
SAIHAMCOT	11.7	12.7	-7.9%	1,741	3.5	NM	0.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	87.0	85.7	+1.5%	76,240	6,024	NM	1.3x
LHBL	61.7	57.7	+6.9%	71,657	2,577	25.0x	3.9x
BXPBARMA	192.0	191.2	+0.4%	85,654	2,550	21.4x	2.4x
BATBC	518.2	523.6	-1.0%	279,828	1,623	25.7x	2.7x
LANKABAFIN	32.3	33.5	-3.6%	17,404	1,409	24.5x	1.8x
NFML	26.1	18.7	+39.6%	2,413	1,227	48.8x	2.0x
BDFINANCE	33.5	36.6	-8.5%	5,949	1,151	17.8x	1.9x
ROBI	45.3	45.6	-0.7%	237,278	1,102	NM	3.6x
ASIAPACINS	70.3	71.3	-1.4%	2,977	781	31.7x	3.2x
AGRANINS	61.1	53.5	+14.2%	1,940	775	37.3x	3.5x

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	39.8	+298.0%	2,985	30.7x	1.6x
HEIDELBCEM	243.8	+63.0%	13,776	40.4x	3.2x
ROBI	45.3	+52.0%	237,278	NM	3.6x
BATBC	518.2	+31.7%	279,828	25.7x	2.7x
LHBL	61.7	+29.1%	71,657	25.0x	3.9x
BERGERPBL	1,697.8	+18.8%	78,740	31.9x	8.1x
BSRMLTD	69.8	+15.9%	16,478	9.5x	0.7x
MICEMENT	53.7	+15.7%	7,974	22.7x	1.1x
RENATA	1,264.7	+14.3%	123,243	26.8x	5.1x
RECKITTBN	4,613.9	+14.0%	21,801	29.9x	42.3x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,275.21	1,277.68	1,372.63	-0.19%	-7.10%
NBFIs	1,779.55	1,844.49	2,033.53	-3.52%	-12.49%
Mutual Funds	872.28	875.31	959.61	-0.35%	-9.10%
General Insurance	4,389.63	4,053.20	4,103.56	+8.30%	+6.97%
Life Insurance	2,042.64	2,025.72	2,162.58	+0.83%	-5.55%
Telecommunication	6,154.63	6,143.33	5,463.26	+0.18%	+12.65%
Pharmaceuticals	3,370.93	3,339.82	3,306.03	+0.93%	+1.96%
Fuel & Power	1,662.94	1,640.03	1,618.11	+1.40%	+2.77%
Cement	1,890.37	1,786.88	1,416.18	+5.79%	+33.48%
Services & Real Estate	1,017.55	1,035.27	1,083.79	-1.71%	-6.11%
Engineering	4,309.46	4,284.51	3,959.20	+0.58%	+8.85%
Food & Allied	20,446.52	20,572.70	14,705.76	-0.61%	+39.04%
IT	2,190.28	2,115.12	2,350.28	+3.55%	-6.81%
Textiles	912.32	904.64	1,087.41	+0.85%	-16.10%
Paper & Printing	5,082.69	5,176.49	5,487.56	-1.81%	-7.38%
Tannery	1,693.13	1,671.86	1,771.77	+1.27%	-4.44%
Jute	9,840.93	9,309.04	12,154.61	+5.71%	-19.04%
Ceramics	511.20	514.92	472.38	-0.72%	+8.22%
Miscellaneous	3,603.47	3,569.36	2,539.70	+0.96%	+41.89%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	405.6	329.5	+23.1%	4.2%	7.2x	0.7x
NBFI	598.9	852.8	-29.8%	6.2%	63.0x	2.8x
Mutual Fund	147.2	163.2	-9.8%	1.5%	NM	0.8x
General Insurance	2,742.4	2,109.5	+30.0%	28.5%	22.8x	2.2x
Life Insurance	77.5	52.0	+49.1%	0.8%	NM	NM
Telecommunication	291.2	349.9	-16.8%	3.0%	19.0x	6.3x
Pharmaceutical	1,040.7	602.6	+72.7%	10.8%	21.4x	2.6x
Fuel & Power	685.3	392.6	+74.6%	7.1%	13.4x	1.4x
Cement	596.1	294.9	+102.2%	6.2%	23.4x	2.5x
Services & Real Estate	75.3	64.9	+16.2%	0.8%	NM	0.8x
Engineering	360.8	236.3	+52.7%	3.8%	33.8x	2.5x
Food & Allied	506.3	466.2	+8.6%	5.3%	33.5x	3.3x
IT	107.6	56.7	+90.0%	1.1%	27.1x	1.9x
Textile	224.0	112.2	+99.7%	2.3%	NM	0.6x
Paper & Printing	1.9	2.0	-8.6%	0.0%	49.6x	1.0x
Tannery	55.0	14.9	+268.1%	0.6%	NM	1.8x
Jute	28.5	16.0	+78.7%	0.3%	NM	15.6x
Ceramics	131.7	89.3	+47.4%	1.4%	65.8x	1.7x
Miscellaneous	1,531.0	1,400.2	+9.3%	15.9%	55.9x	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
ADNTEL	47.4	-26.3%	3,064	25.3x	1.9x
KPCL	35.0	-22.7%	13,909	11.6x	1.5x
MIRAKHTER	63.5	-21.6%	7,669	25.3x	1.4x
MTB	19.0	-21.2%	12,697	10.4x	0.8x
UNIQUEHRL	31.7	-19.9%	9,332	NM	0.4x
IPDC	23.4	-15.2%	8,684	11.5x	1.4x
IDLC	54.0	-14.8%	20,361	10.1x	1.4x
GHAIL	14.4	-13.8%	3,108	NM	1.0x
SHASHADNIM	18.9	-12.5%	2,666	12.9x	0.5x
OLYMPIC	167.6	-12.3%	33,510	16.4x	4.0x

Important News: Business & Economy

The Asian Development Bank (ADB) cuts growth projection for second wave

• The Asian Development Bank (ADB) has downsized its projection about the Bangladesh's GDP growth in the current fiscal year of 2020-21, considering the second wave of Covid pandemic and fresh lockdown that restricted economic activities. The ADB had projected that Bangladesh's GDP growth would pick up to 6.8% in 2020-21 with stimulus package implementation and recovery in global growth and trade. However, ADB Country Director said that as the second wave of Covid-19 is ongoing and the situation is still fluid, these impacts were not considered in their outlook. It may be in the range of 5.5 to 6%, which is also quite enviable in the circumstances, he said. According to the ADB outlook, Bangladesh's GDP growth in fiscal 2021-22 is expected to edge up further to 7.2% as both exports and imports were picking up under sustained global recovery.

• The government also on Sunday for a second time revised down the GDP growth forecast to 6.1% for FY21, reflecting the devastating impacts of the second wave of the coronavirus pandemic on the battered economy. It had initially targeted to achieve an 8.2% expansion of the gross domestic production (GDP) in the current fiscal year and later the target was reset at 7.4%. Earlier in March, World Bank projected that Bangladesh's GDP might grow as high as 5.6% in FY21. International Monetary Fund (IMF) in its latest World Economic Outlook on April 6 forecast that the country would achieve a GDP growth of 5% in FY21.

<https://www.thedailystar.net/business/news/adb-cuts-growth-projection-second-wave-2085613>

<https://www.tbsnews.net/economy/adb-more-optimistic-world-bank-imf-regarding-bangladeshs-economic-growth-238489>

Forex reserve nears USD 45 billion on higher remittance

• The country's foreign exchange reserve has reached near USD 45 billion mainly due to a slowdown in import payments following the fresh spike in Covid-19 infections and surge in remittance ahead of Eid-ul-Fitr, the biggest festivals of the Muslims. With a remittance inflow of USD 1.59 billion in the first 22 days of April, the country has fetched a record USD 20.19 billion in remittance till April 22 of 2020-2021, with more than two months in hand till the end of the fiscal year.

• The central bank had slowed down the purchase of the greenback from local banks in the last couple of months as demand for the currency was on the rise along with the growing volume of imports during the period. The BB data showed that the country's import payments increased by 1.91% to USD 37.07 billion during the period under consideration against USD 36.37 billion payments in the same period of FY20. BB officials, however, said that import had dropped significantly following the fresh spike in Covid-19 infections and imposition of restrictions on movement from April 14.

<https://www.newagebd.net/article/136551/forex-reserve-nears-45b-on-higher-remittance>

Production boom for local drugmakers

• When all major sectors have experienced a fall in production amid Covid-led disruption in the local supply chain, the pharmaceutical industry has remained unhurt as drugmakers registered a manufacturing boost on the back of high demand for medicines in the pandemic time. The quantum index that measures the production of quantity units of goods

crossed 850 in October last year which was at 475 in October 2018, according to Bangladesh Bank data.

• When pharmaceutical production was on an uptrend, the overall manufacturing sector was going in an opposite direction. The growth of the overall manufacturing industry fell to 5.47% in June last year from 14.84% in June 2019 as production fell sharply from January 2020 and continued with this trend till April that year. However, manufacturing began to rise quickly from May last year, according to a central bank survey.

• The import of pharmaceutical raw materials increased by 22.45% in the first seven months of the current fiscal year compared to the same period last year when total industrial raw materials import was negative 2.81%, according to Bangladesh Bank data. The raw material import in the pharmaceutical sector was negative 14% in the last fiscal year, the central bank data shows. The import of raw materials increased as drugmakers are enhancing their production capacity amid rising demand for new medicines related to Covid-19 treatment.

<https://www.tbsnews.net/companies/pharma/production-boom-local-drugmakers-236305>

Handset sales down 40% since January

• Sales of mobile handsets have dropped more than 40% in April compared to the January level after consumers tightened their belt as they see no immediate end to the coronavirus pandemic. And amidst the second wave of Covid-19 infections, sales have fallen further as the government introduced movement restrictions and lockdowns. The sales were great during the first six months of the current fiscal as the pandemic led to soaring digitalisation. Many people had to purchase digital devices to cope with the new normal, including remote offices and virtual meetings. The country's top mobile phone manufacturers and assemblers said that they had started trying to sell the devices online after the new surge of the virus. However, it was not enough as people were more inclined towards purchasing gadget items from the physical stores.

• According to Bangladesh Telecommunication Regulatory Commission (BTRC) data, local manufacturers and assemblers got permission to market around 18.6 million handsets in the first six months of the current fiscal. The total market size of handsets stands at around BDT 110 billion, and the annual demand for mobile phone stands at 32 million. Of it, smartphones account for only 28%, or 9 million, industry people said.

• According to the BTRC, the number of locally manufactured and imported mobile phones in Bangladesh stood at 29.4 million units in the fiscal year of 2019-20. There were 14.9 million units locally manufactured, overtaking the number of imported ones. In that fiscal, the number of manufactured 2G phone (bar phone) was 9.4 million, 3G smartphone 0.98 million and 4G smartphone 4.6 million. Bangladesh imported 13.2 million bar phones, 47.4 million 3G smartphones, and 76.5 million 4G smartphones. It means Bangladesh-made devices can meet more than 80% of the local smartphone demand. Among the handset users in the last fiscal year, 77% uses 2G phone (bar phone), 18% 4G phones, and 5% 3G phones, according to the BTRC.

<https://www.thedailystar.net/business/news/handset-sales-down-40pc-january-2084433>

Tax regime discouraging investment in telecom: Robi

• The high tax regime in Bangladesh – which the telecom operators consider as their biggest challenge – is discouraging investment in this sector, said Robi Axiata Ltd Chief

Executive Officer. Telecoms will not be able to provide 100% 4G connectivity even in the next three years if this taxation structure remains unchanged, he said while discussing the upcoming budget and current issues in the telecom industry at a virtual event. Making a presentation, he continued, From 2011-2015, industry average investment per year was BDT 57.27 billion. But from 2016-2020, the per year investment dropped to BDT 45.55 billion.

- The second largest mobile operator's boss also said the mobile operators are the victims of unfair, irrational and discriminatory tax structure, despite fueling the digital economy as a platform for services such as digital payment, ride sharing, deliveries, education, health, agriculture and e-commerce. Mobile operators are currently paying 2% Minimum Turnover Tax, while the tobacco industry is paying only 1% and others 0.60%. Presenting a comparative scenario of corporate tax in some other countries, the Robi CEO said Bangladesh also imposes a higher corporate tax on telecom operators. Corporate tax in Malaysia, Indonesia and Sri Lanka is only 24%, 25% and 28% respectively, but it is 40% in Bangladesh. Due to this high taxation, mobile phone operators' return on investment is also decreasing gradually.

<https://www.tbsnews.net/bangladesh/telecom/tax-regime-discouraging-investment-telecom-robi-238771>

<https://www.newagebd.net/article/136605/robi-for-minimum-turnover-tax-withdrawal-in-fy22>

Plastic pipe industry growing fast

- The domestic plastic pipe industry is growing at around 20% a year thanks to its rising demand in the ongoing government development projects and modern water supply, sewerage and irrigation systems. Around BDT 60 billion worth of plastic pipes were sold in 2020 and 80% of the demand was met by the major local manufacturers, including RFL Plastics, National Polymer, Lira, Gazi, Anwar Polymer Industries Ltd and Bengal Plastic.

- The rising purchasing capacity of people and increasing tendency of using modern technology in water supply and sewerage system have fuelled the demand for pipe, the managing director of National Polymer. Widespread urbanisation has also played a major role, he said. People are adopting state-of-the-art technologies to boost agricultural yield to ensure best use of land amid rising population and depleting agricultural lands, he said. These are giving a boost to the demand for pipe.

<https://www.thedailystar.net/business/news/plastic-pipe-industry-growing-fast-2085605>

Banks allowed to submit balance sheet by June 30

- The central bank has relaxed rules, allowing all the scheduled banks to submit their audited balance sheets by June 30, mainly due to the ongoing Covid-19 pandemic, officials said. Some banks are yet to submit their audited annual reports to the central bank because of the second wave of the (coronavirus) pandemic, a central banker explained. The existing rules stipulate that banks submit their audited balance sheets to the BB within two months after the end of each calendar year.

<https://today.thefinancialexpress.com.bd/first-page/banks-allowed-to-submit-balance-sheet-by-june-30-1619631570>

<https://www.newagebd.net/article/136632/banks-get-two-more-months-for-submission>

March tax revenue soars 22.65%

- Tax revenue collection in the month of March registered a hefty 22.65% growth despite Covid-19 pandemic thanks to surge in import of goods. According to data of the National Board of Revenue (NBR), import stage revenue grew by 46.97% in that month. Officials said China, the major source country for import, almost recovered from the blow of coronavirus pandemic, causing an impressive import growth. Collection of Value Added Tax (VAT) also grew by 20.56%, banking on large taxpayers. However, income tax collection posted an 8.85% growth last month. The NBR data showed that internal tax revenue collection grew by 7.31% in the first three quarters of the current fiscal year (FY), 2020-21.

- The Executive Director of the Policy Research Institute (PRI) said its natural that revenue collection growth in the month of March and April would be impressive compared to that of the previous FY. The country was almost shut in that period last year when Covid-19 hit first.

<https://today.thefinancialexpress.com.bd/first-page/mar-tax-revenue-soars-2265pc-1619546531>

<https://www.thedailystar.net/business/news/import-duty-vat-raise-tax-receipts-march-2085005>

Yields on Bangladesh Government Treasury Bonds (BGTBs) drop notably

- The yield on Bangladesh Government Treasury Bonds (BGTBs) dropped significantly on Tuesday, as the commercial banks preferred to invest their excess funds in the securities due to the ongoing lockdown, bankers said. The cut-off yield, generally known as interest rate, on the 15-year BGTBs came down to 5.87% on the day from 6.66% earlier. The yield on 20-year BGTBs fell to 6.64% from 6.95%, according to the auction results.

- Except a few, most of the banks would further cut their interest rate on deposits to minimize cost of funds, bankers hinted. They also said the banks had already slashed their interest rates on all types of deposits because of a high inflow of liquidity in the market. Lower import payment obligations as well as higher inflow of remittance pushed up inflow of liquidity in the market recently. Besides, the ongoing expansionary monetary policy of the Bangladesh Bank (BB) coupled with implementation of the government's stimulus packages have driven up liquidity in the banking system, they added.

<https://today.thefinancialexpress.com.bd/last-page/yields-on-bgtbs-drop-notably-1619547026>

'Sputnik V' vaccine gets government's nod

- The government on Tuesday approved the 'emergency use' of the Russian vaccine 'Sputnik V' against Covid-19. This is the second vaccine the government has approved after the AstraZeneca's. The Sputnik V has not yet been authorized by the World Health Organisation (WHO). The prestigious medical journal Lancet, however, reported that the vaccine having 91.6% efficacy rate was safe. The approval given by the Bangladesh health authorities has made the import and use of the Russian antidote legal. The government undertook a desperate move to procure vaccines from other sources when it had become certain that the Serum Institute of India (SII) would not be able to supply Coveshield, the Oxford-AstraZeneca vaccine anytime soon. The government has already stopped giving first dose of the AstraZeneca vaccine because of its shortage.

<https://today.thefinancialexpress.com.bd/first-page/sputnik-v-vaccine-gets-govts-nod-1619546337>
<https://www.thedailystar.net/frontpage/news/govt-gives-nod-sputnik-v-emergency-use-2084973>

11 banks, NBFIs to disburse loans

- SME Foundation has assigned 11 banks and non-bank financial institutions (NBFIs) to disburse BDT 3.0 billion as loan among the pandemic-hit cottage, micro, small and medium enterprises (CMSMEs) of different sectors under the stimulus package. Of the total BDT 3.0 billion allotted for SME Foundation under the government declared BDT 27 billion package, BDT 1.0 billion will be disbursed before June and BDT 2.0 billion in the upcoming fiscal year 2021-22.

- According to the Foundation, the designated banks and NBFIs - Brac Bank, Premier Bank, Mutual Trust Bank, Bank Asia, South East Bank, Dhaka Bank, Dutch Bangla Bank, Prime Bank, BASIC Bank, IDLC Finance and Lanka Finance - will disburse the fund among the pandemic-hit entrepreneurs following a policy guideline and agreed modality. The loan amount will be from BDT 100,000 to BDT 7.5 million, to be disbursed based on the bank-client relations and mutual agreement on monthly instalment basis up to 24 months. Group loans will also be released.

<https://today.thefinancialexpress.com.bd/first-page/11-banks-nbfis-to-disburse-loans-1619546468>
<https://www.thedailystar.net/business/news/sme-foundation-disburse-BDT-300cr-2084941>

International Finance Corporation (IFC) provides USD 30 million to Brac Bank to aid Covid-hit cos

- International Finance Corporation (IFC) has provided USD30 million to Brac Bank to support small and medium-sized enterprises (SMEs) and larger companies hit by the impacts of the Covid-19 pandemic. The investment will help keep businesses open and preserve jobs, which is critical to sustaining the Bangladesh's economy, according to a statement. The financing package is part of IFC's USD 8 billion global Covid-19 fast-track financing facility to support companies during the ongoing public health crisis.

- With the financing, Brac Bank is expected to extend loans to its SMEs and corporate customers, supporting businesses that are now coping with a new wave of Covid-19 in Bangladesh. SMEs make up over 90% of businesses in Bangladesh and employ over 20% of the adult population. Their cash flows have been heavily disrupted by the ongoing Covid-19 pandemic, the statement added. An IFC survey in last October showed that nearly one-third of workers in Bangladesh's micro, small and medium-sized enterprises were jobless at the time due to Covid-19 impacts.

<https://today.thefinancialexpress.com.bd/last-page/ifc-provides-30m-to-brac-bank-to-aid-covid-hit-cos-1619547082>
<https://www.thedailystar.net/business/news/brac-bank-get-30m-ifc-loan-2084977>

Banks can form start-up fund with 1.0% of their net profits

- The central bank has amended its policy allowing all banks to form their own start-up fund with 1.0% of net profits instead of operating ones earlier, officials said. To provide start-up entrepreneurs with loans, all the scheduled banks have been asked to keep 1.0% of their net profits for the next five years from 2021, according to a clarification issued by the

Bangladesh Bank (BB) on Monday. Formation of the start-up fund will start with 1.0% of net profits on the basis of the December's financial statement for 2020, it added. The size of the fund will reach around BDT 28 billion if the banks establish their own start-up funds with 1.0% of their operating profits, the official explained. Besides, the banks will be allowed to use the central bank-formed BDT 5.0 billion refinancing fund after completing disbursement of their own start-up funds, according to the central banker.

<https://today.thefinancialexpress.com.bd/first-page/banks-can-form-start-up-fund-with-10pc-of-their-net-profits-1619460758>
<https://www.tbsnews.net/economy/banking/banks-lend-start-funds-net-profits-instead-operating-profits-237640>

Interest rate on loan under pre-shipment credit scheme reduced by 1%

- The Bangladesh Bank has cut interest rate by 1% to 5% for borrowers who take out loans under the BDT 50 billion pre-shipment refinance scheme launched, aiming at assisting pandemic-affected export-oriented industries. Pre-shipment finance helps exporters meet the packaging and overhead costs before shipping products. On 13 April 2020, the central bank launched the BDT 50 billion pre-shipment refinance scheme at a 6% interest rate for export-oriented industries amid a slowdown in external trade after the pandemic hit. The duration of the fund will be three years and it will revolve. As per the latest instruction, the interest rate under the scheme will be 5% for borrowers, while banks will keep 3% with them as a profit and pay the remaining 2% to the central bank. Banks will be barred from imposing any charge or fee on customers out of the Bangladesh Bank's existing policy regarding the schedule of charges.

<https://www.tbsnews.net/economy/banking/interest-rate-loan-under-pre-shipment-credit-scheme-reduced-1-237745>
<https://www.thedailystar.net/business/news/bb-cuts-interest-rate-refinance-funds-2084385>

Lockdown to continue until May 5

- The government has decided to extend the ongoing countrywide lockdown for another week as the fatalities and infections from Covid-19 continue to be high. So, restrictions on people's movement to stem the spread of the disease will continue until May 05, according to government officials. The decision came a day after the government closed borders with India where the pandemic is wreaking havoc. But, according to the state minister, shops, markets and malls will remain open from 10am to 8 pm. All other restrictions, now in place, will remain. Healthcare professionals hailed the decision as the second wave of Covid-19 is ripping through neighbouring India with infecting a record number of people every day.

<https://today.thefinancialexpress.com.bd/first-page/lockdown-to-continue-until-may-5-1619460644>

GDP growth target cut again

- The government has revised down the GDP growth projection to 6.1% for 2020-21, the second revision this fiscal year, reflecting the devastating impacts of the second wave of the coronavirus pandemic on the battered economy. The government had initially targeted to achieve an 8.2% expansion in the gross domestic product (GDP) in the current fiscal year. Later, the target was reset at 7.4%. In March, the World Bank projected that Bangladesh's GDP might grow as high as 5.6% in the current fiscal.

- The government is planning for an expansionary budget for 2021-22. The size could be

BDT 6.02 trillion, which is 17.3% of the GDP. The next budget could prioritise buying and producing coronavirus vaccines, stimulus packages and the health sector to face the pandemic-induced economic shock and protect the poor from hunger. The government has unveiled a BDT 2.25 trillion annual development programme (ADP) for FY22. The budget for FY21 has been revised down to BDT 5.40 trillion, from BDT 5.68 trillion initially. The revenue generation target could be set at BDT 3.89 trillion for FY22. The National Board of Revenue (NBR) would be given a task to earn BDT 3.30 trillion, almost similar to the current fiscal's target.

<https://www.thedailystar.net/business/economy/news/gdp-growth-target-cut-again-2083905>
<https://www.tbsnews.net/economy/budget/next-budget-targets-higher-spending-without-raising-taxes-237214>

Yields on treasury bills drop

- The yield on treasury bills (T-bills) dropped further on Sunday as the commercial banks having excess liquidity rushed to offer bids in the auction due to the ongoing lockdown, bankers said. The cut-off yield, generally known as interest rate, on the 91-day T-bill fell to 0.55% on the day from 0.70% of the previous auction, held on April 05, according to the auction results. Besides, such yield on 364-day T-bill came down to 1.54% from 1.75% of the previous auction, held on April 12. The government borrowed BDT 17 billion through issuing the T-bills on Sunday to partly meet its budget deficit, according to the central bank officials. Cancellation of some auctions in the last week of March and second week of April along with the lockdown has pushed down the yield on T-bills, they explained. Bankers feared that the falling trend in yields on T-bills might continue in the coming months if the second wave of the pandemic continues.

- Meanwhile, the excess liquidity with all the scheduled banks almost doubled in January 2021 as significantly lower private credit growth indicates a slower investment situation in Bangladesh. The surplus liquidity grew by more than 97% to BDT 2,040.56 billion as on January 31, 2021 from BDT 1,035.58 billion a year before, according to the central bank's latest statistics. It was BDT 2,047.18 billion as on December 31, 2020. Actually, most of the banks are now forced to invest more in the securities mainly due to lower credit demand for both public and private sectors because of the ongoing pandemic, another senior treasury official of a leading private commercial bank explained.

<https://today.thefinancialexpress.com.bd/last-page/yields-on-treasury-bills-drop-1619374149>

Bad debts hit new and foreign banks too

- The government approved nine fourth generation banks in 2013 to increase competition and also hoped they would open new avenues in the banking sector. But the trend of bad debts, which is common at old banks, affected them as well. A similar situation was observed at foreign banks in the past few years. They were once deemed examples of good governance. But in the last five years, they were also hit by bad loans, although the amount was considerably lower than that at government banks. Analysing data on default and bad loans of 59 banks from 2016 to 2020, it was found that bad debts, although low in amount, increased rapidly at fourth generation banks, and such loans at six foreign banks were almost 100% of the total amount of their default loans.

- Overall, most of the default loans in the banking sector are now bad debts. In the last five years, the amount of bad debts increased by BDT 247.52 billion and reached BDT 770 billion, which is about 87% of the total amount of default loans. The amount of bad debts is

equivalent to the cost of building two Padma bridges or three metro rails or four ports like the Matarbari deep sea port.

<https://www.tbsnews.net/economy/banking/bad-debts-hit-new-and-foreign-banks-too-237190>

Internet Banking: Transaction value tops BDT 80 billion for 4 months in February

- The amount of online banking transactions remained above BDT 80 billion for the fourth consecutive month in February as people found fintech-based transactions more convenient instead of visiting bank branches amid the outbreak of Covid-19. Bangladesh Bank data showed that the amount of transactions through internet banking stood at BDT 84.77 billion in February 2021.

- Since the beginning of Covid crisis in the country in March 2020, people have become more cautious and have been trying to maintain social distancing in their day-to-day activities, including banking transactions. The transaction value through internet banking increased as new internet banking customers increased by 36.82% or 0.91 million within a span of 14 months. The number of internet banking users increased to 3.38 million at the end of February 2021 from 2.47 million in December 2019.

<https://www.newagebd.net/article/136384/transaction-value-tops-BDT-8000cr-for-4-months-in-february>

Online orders boost home appliance sales

- Home appliance makers and retailers are witnessing better sales than previous year on the back of online shopping, promotional offers and free delivery ahead of Eid-ul-Fitr. Usually, home appliance makers and retailers enjoy a festive mood ahead of the biggest spending season of the year. The sales went down during the same period last year because of the pandemic. The scenario is slightly different this year as consumers seem to have overcome nervousness about the deadly pathogen, although the infection rate of Covid-19 and death from the virus have risen to record levels.

- The major players in the household appliance market are Walton Group, Transcom Electronics, Rangs Electronics, Rangs Toshiba, Singer Bangladesh, Best Electronics, MyOne Electronics, Jamuna Electronics, Pran RFL (Vision), Esquire Electronics, Electra International, and Super Star Group. Among the foreign companies, Samsung, LG, General, Sharp, and Whirlpool are popular among the customers.

- The deputy general manager for marketing at Transcom Digital said the middle-income groups had disposable income, and they had no scope to spend on tourism, travel or any other purpose. This boosted the sales of home appliances. The additional senior director at Walton Group said the sales had risen around three times compared to the March-April period last year.

<https://www.thedailystar.net/business/retail/news/online-orders-boost-home-appliance-sales-2083901>

Garment makers want more stimulus

- Garment factory owners are demanding more stimulus funds from the government to pay three months' salaries alongside festival allowances to workers. We demanded that the

government give low-cost funds to us for paying salaries for April, May and June and festival allowance to the workers, said the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The commercial banks affiliated with garment factories have already enabled mobile financial service (MFS) accounts through which workers are already receiving their salaries and allowances. Last year, the government provided BDT 105 billion in stimulus funds to the export-oriented garment, leather and footwear sectors for the payment of salaries and allowances at only 2% service charge.

- The garment sector has been going through a tough time as many of the major export destinations in Europe and the US were in lockdown because of Covid-19. However, while economies of some supplier countries like China and Vietnam started reopening, Bangladesh went into a lockdown, although the garment sector is out of its purview. The local apparel suppliers have been running their factories amidst challenges since March last year for a dearth of work orders from the international retailers and brands. Last year, the local suppliers have faced work order cancellations or hold-ups worth USD 3.18 billion and unusual payment deferrals. So far, some 90% of work orders were reinstated through intense negotiations of the BGMEA, government and suppliers with the international retailers and brands. But still the uncertainty persists as the retailers and brands did not confirm when they will complete making payments to the local suppliers.

<https://www.thedailystar.net/business/economy/news/garment-makers-want-more-stimulus-2083889>

<https://www.tbsnews.net/economy/rmg/garment-owners-want-incentive-pay-workers-wages-bonuses-237184>

Branchless banking gaining ground

- A good number of banks are going towards branchless banking in recent times by way of rolling out different digital products as a part of their efforts to reach out to more people both in rural and urban areas. This is also helping them decrease the cost of doing business in an efficient manner as the expenditure of digital banking is much less than the manual one, said managing directors of four banks. People's habit of branch-led banking has also reduced to a great extent as a large number of clients now prefer to settle transactions sitting from their homes by using internet or mobile app-based banking in order to protect themselves from the coronavirus.

- Banks have to spend around BDT 10 million to set up a branch in the major cities including appointing at least 10 officials to run operations. If they want to set up such an outlet in rural areas, they must count between BDT 5 million and BDT 6 million. Despite that, banks have been forced to expand their branches over the years as people in the country are largely habituated to do banking by going to outlets. Then came the first wave of the coronavirus pandemic in the country in March last year. People had been barred from going outside of their homes amidst a lockdown that had also compelled banks to close a good number of branches for the time being, leaving clients with no choice but to use technology to conduct transactions. The pandemic also created obstacles for banks to set up branches last year. In such a situation, both banks and customers learnt more techniques to do more branchless banking than before.

<https://www.thedailystar.net/business/news/branchless-banking-gaining-ground-2083361>

No vaccines anytime soon

- Bangladesh will not get the Oxford-AstraZeneca vaccine from India anytime soon, India

has said. The supply of the vaccine is delayed due to a crisis of raw materials and a huge internal demand in India, said a note verbale from the Indian High Commission yesterday. The whole world is aware that key countries of the world have been withholding raw materials, which are critical for the manufacture of these vaccines, it added. The note understandably indicated the US ban on export of Covid-19 vaccine raw materials that impacted production of Serum, the largest vaccine producer in the world. The Indian response to the foreign ministry also implies that Bangladesh will get its purchased vaccine doses from Serum Institute of India, branded Covishield, once the dearth of the raw materials is addressed.

<https://www.thedailystar.net/frontpage/news/no-vaccines-anytime-soon-2083157>

Interest-rate volatility looms

- The interest rate of the country's many foreign borrowings is likely to go up, as the London Interbank Offered Rate (LIBOR) will cease to be effective in the case of most currencies, including the US dollar, at the end of the current year. The UK regulator concerned has recently decided to discontinue the publication of LIBOR as some scandals had surfaced involving the LIBOR recently. The Financial Conduct Authority (FCA), which oversees the global benchmarks, recently said the publication of LIBOR would come to an end in December 2021.

- Local experts said that the situation would raise pressure on the banks and companies that took long-term debts. Long-term borrowings by the companies, interest rate swaps and the Bangladesh Bank's refinancing schemes are based on LIBOR. They also said Bangladesh has many power projects that took such long-term funds based on LIBOR. The country's long-term borrowings based on LIBOR may stand at few billion US dollars.

- According to many, LIBOR will be replaced by SOFR (secured overnight financing rate), another interbank reference rate. The Federal Reserve Bank of New York publishes daily rates and volumes. But the rate is based on past transactions, limiting its predictive value or future interest rate. Besides, LIBOR has many tenures, while SOFR is overnight.

<https://today.thefinancialexpress.com.bd/first-page/interest-rate-volatility-looms-1619199231>

Paperless banking booms in Bangladesh over last two years

- Bangladesh's digital and paperless banking has boomed as the number of ATMs, POSs, CDMs, and CRMs has swelled significantly across the country over the last couple of years, insiders said on Friday. Bankers said the Covid-19 pandemic and addition of young customers had facilitated the digital banking growth across the country, including the rural areas, as the people were avoiding visits to branches for their safety. The paperless banking has expanded at a higher rate in the rural areas compared to the urban areas, the financial analysts said.

- An analysis has found that the number of ATM (automated-teller machine) booths swelled to 12,111 in February this year, posting a 10% growth compared to a year ago. The central bank data showed that the cash transfer at the points of sale (POSs) of the banks and financial institutions had also swelled significantly to 77,806 in February this year, maintaining a 21% growth compared to the same period last year.

<https://today.thefinancialexpress.com.bd/first-page/paperless-banking-booms-in-bd-over-last-two-years-1619199610>

No 'strict' lockdown from Sunday

- After repeated urges from businessmen and entrepreneurs, the government has finally decided to reopen all shopping malls and markets across the country from Sunday, 25 April. In a gazette notification on Friday, the Cabinet Division said the decision has been taken considering the livelihood of people. Shops at malls will remain open from 10am to 5pm daily, but the authorities will take legal actions if they do not maintain hygiene rules properly.
- Meanwhile, sources at the Ministry of Road Transport and Bridges said there is also a possibility of resuming public transport from 29 April. Domestic flights – except to and from Cox's Bazar – already resumed on 21 April. State Minister for Public Administration has said no strict lockdown will be imposed after 28 April in the country. The decision has been made after considering the matter of life and livelihood of thousands of people, he added.

<https://www.tbsnews.net/bangladesh/no-strict-lockdown-after-28-april-farhad-hossain-236197>

USD 1.15 billion remittance inflows in 15 days of April

- In the first 15 days of April, Bangladeshi expatriates sent home more than USD 1.15 billion in remittances, compared to USD 1.09 billion of the same entire month a year ago. People concerned say that expatriates always send a little more in remittances during Ramadan and Eid festivals, compared to other times of the year. Compounded by the Covid-19 second wave, remittance inflows have increased significantly, they added. Apart from the 2% incentive announced by the government, many banks are also giving an additional 1% incentive. An additional 1% incentive is given for sending remittances to the agent outlet account of Islami Bank. According to a recent analysis by the Centre for Policy Dialogue, the illegal channels of remittances have almost completely stopped as means of normal communication around the world has been disrupted due to the coronavirus pandemic.

<https://www.tbsnews.net/bangladesh/USD-115-bn-remittance-income-first-two-weeks-april-235672>

World Bank to provide Bangladesh USD 250 million as budget support

- The World Bank will provide USD 250 million to help Bangladesh create more and better jobs, recover faster from the Covid-19 pandemic and build resilience to future crises. According to Economic Relations Divisions (ERD), the government has taken initiatives to reform and modernise some policies, strategies and regulations that are conducive to the involvement of various ministries including creating adequate and quality employment opportunities and environment for the working population of the country. To implement the government's initiatives and the proposed reform plan, the World Bank agreed to provide a total of USD 750 million in DPC loan assistance as budget support from 2018-19 FY in three consecutive fiscal years.

<https://www.tbsnews.net/economy/budget/world-bank-provide-bangladesh-250-million-budget-support-235708>

<https://www.dhakatribune.com/business/2021/04/22/government-wb-sign-250m-deal-to-create-better-jobs>

Farm credit interest cut to 8%

- Bangladesh Bank has cut the interest rate of farm credits to 8% from 9% to boost

agricultural activities at a time when the sector has been hit hard by the pandemic. The new rate will be effective from 1 April. In 2017, the maximum interest rate of agriculture and rural credits was reduced to 9% from 10%. Currently, interest on regular loans is capped at 9%, except for interest charged against credit cards.

- In the current fiscal year, the government set a target to distribute BDT 262.92 billion under the agricultural and rural credit programme. In eight months since July, BDT 161.80 billion was disbursed in loans, which was a little over BDT 150 billion in the same period a year ago.

<https://www.tbsnews.net/economy/trade/farm-credit-interest-cut-8-235867>

<https://www.dhakatribune.com/business/banks/2021/04/22/farm-credit-lending-reduced-to-8>

Important News: Capital Market

BSEC move to facilitate renewal of PPAs with listed power companies

- The securities regulator has moved to facilitate the renewal of the power purchase agreements (PPAs) earlier signed between the government and some listed power companies. As part of the move, the BSEC has urged the Ministry of Power Energy and Mineral Resources to provide information regarding the scope of renewing the listed power companies' PPA. Besides, the securities regulator is trying to convince the government for the renewal of the listed power companies' PPA.

- According to BSEC information, Baraka Power, Dhaka Electric Supply Company, Doreen Power Generation and Systems, Energypac Power Generation, GBB Power, Khulna Power Company, Power Grid Company of Bangladesh, Shahjibazar Power Company, Summit Power and United Power Generation and Distribution Company have signed PPAs with the government. Institutions and general investors have shares ranging between 10% and 68.97% in these listed companies.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-move-to-facilitate-renewal-of-ppas-with-listed-power-cos-1619625577>

Submarine cable business: Government amends clause to attract more investments

- The government has opened up licences for submarine cable business, removing the clause that allowed only two companies in the market. The government also wants to attract more local and foreign investments in the sector in a bid to create an ecosystem for competitive and high quality internet in the 5G era. Licenses will be awarded by the Commission as per the evaluation of submitted offers or proposals subject to approval of the government, the circular further said.

- Though there was a provision for two companies, Bangladesh Submarine Cable Company Limited (BSCCL) is the core telecommunications service provider and international submarine cable operator of Bangladesh. It is also an IIG (International Internet Gateway). The service provided by BSCCL represents the long-haul communication between Bangladesh and the rest of the world. The company emerged in July 2008 as a public limited company under the Posts and Telecommunications Division of the Ministry of Posts,

Telecommunications and Information Technology.

<https://today.thefinancialexpress.com.bd/public/trade-market/govt-amends-clause-to-attract-more-investments-1619455198>

The Bangladesh Submarine Cable Company Limited (BSCCL) to sell more bandwidth as internet usage soars amid pandemic

- The Bangladesh Submarine Cable Company Limited (BSCCL) is gearing up to sell more bandwidth as internet usage soars amid the lockdown. We had a target of selling 1,450 Gbps by June, but we have already achieved that, said the Managing Director of BSCCL. The BSCCL has sold 1,600 Gbps of bandwidth, while the sale of an additional 40 Gbps is in the pipeline, he said, adding that by the end of May, around 60 Gbps more will be sold.
- About 2,600-2,700 Gbps of bandwidth is currently being used in the country, of which 1,600 Gbps is being provided by BSCCL. The rest comes from India through International Terrestrial Cable (ITC) operators such as Summit Communications and Fibre@Home. BSCCL has 2,800 Gbps of capacity from its two submarine cables.

<https://www.dhakatribune.com/business/2021/04/22/bsccl-to-sell-more-bandwidth-as-internet-usage-soars-amid-pandemic>

Runner to buy land for its three-wheeler plant

- Runner Automobiles is going to buy land to set up its CNG and LPG-run three-wheeler manufacturing plant near its existing factory in Bhaluka, according to a posting on the Dhaka Stock Exchange (DSE) website. The leading local bike maker will buy a 359.72 decimal plot in the area for BDT 43.2 million, including registration costs. The investment will be carried out with Runner's own funds, the company's disclosure said.
- Runner Automobiles joined hands with Bajaj Auto, a global market leader based in India, to set up a BDT 3 billion manufacturing plant last year. This will be the first-ever international three-wheeler manufacturing plant to be set up in Bangladesh.

<https://www.thedailystar.net/business/news/runner-buy-land-its-three-wheeler-plant-2084389>

City Bank-led consortium to arrange BDT 3 billion for SS Steel

- The City Bank Limited will lead a consortium of lenders to arrange a loan of BDT 3 billion for SS Steel to buy 75% shares of Southeast Union Ceramic Industry Ltd. SS Steel, which produces and sells MS Rods in the local market, has recently signed an agreement with City Bank. As per the agreement, the private sector lender will arrange BDT 2 billion as a term loan and BDT 1 billion as working capital from different banks and non-banking financial institutions. With the money, SS Steel which is listed on the stock exchanges, will buy shares of the country's largest coal-based ceramics company.
- Located in Bagerhat, Southeast Union Ceramics is a China-Bangladesh joint venture initiative with an investment of BDT 9.5 billion. A few Chinese investors and Lockpur Group are the current owners of the company that manufactures ceramic tiles.

<https://www.tbsnews.net/companies/city-bank-led-consortium-arrange-BDT300cr-ss-steel-238765>

Mercantile Bank director Reza removed from board

- Bangladesh Bank has removed AKM Shaheed Reza from the board of Mercantile Bank due to his involvement in a loan scandal. As a result, Reza, a former chairman of the private commercial bank, will not be able to participate in any bank's operational activities in the next two years.
- The BFIU and the central bank inspection teams unearthed that Reza had received a portion of loans, which were actually disbursed to PK Halder, from International Leasing and Financial Services Ltd (ILFSL). Halder, a former managing director of now-defunct NRB Global Bank, is believed to have fled to Canada after he and his accomplices misappropriated about BDT 25 billion from ILFSL, BDT 22 billion from FAS Finance, BDT 30 billion from Peoples' Leasing, and BDT 25 billion from Reliance Finance between 2009 and 2019. Reza has a direct link with Halder, according to the BB inspection.

<https://www.thedailystar.net/business/news/mercantile-bank-director-reza-removed-board-2085573>

<https://www.newagebd.net/article/136630/bangladesh-bank-removes-shaheed-from-mercantile-bank-directorship-bans-for-2yrs>

Margin loan interest cap: BSEC defers execution of directive till January next

- The securities regulator has deferred the implementation of its directive regarding the cap on margin loan interest for another six months until January 1, 2022, considering the interest of the investors and development of the capital market. The implementation of its directive regarding the cap on margin loan interest was supposed to come into effect from July 1, 2021.
- Earlier, on January 14, 2021, the securities regulator issued a directive on setting the highest interest rate at 12% on margin loan disbursed against listed securities. The directive said the highest spread on the cost of margin loans will be 3.0%. BSEC extended the timeframe following an appeal from the top brokers and Bangladesh Merchant Bankers Association (BMBA).

<https://today.thefinancialexpress.com.bd/last-page/bsec-defers-execution-of-directive-till-january-next-1619547136>

<https://www.tbsnews.net/economy/stock/brokers-merchant-banks-have-until-1-january-adjust-margin-loans-238216>

Regulator reshapes board of Agni Systems for business development

- The Bangladesh Securities and Exchange Commission (BSEC) has restructured the board of directors of Agni Systems Ltd in a move to protect the interest of investors and bring the company back to a sound business position. The BSEC has also instructed the company, which got listed on the stock exchanges in 2003, to nominate at least two or more shareholder directors, each holding a minimum of 2% shares in the company. Besides, it has directed the Investment Corporation of Bangladesh (ICB) to include a nominee in the board of directors of Agni Systems, since ICB is a shareholder of the company. Agni Systems was supposed to reshape its board within 45 working days as per the 30% shareholding rules, but the company failed to comply with the provision.

<https://www.tbsnews.net/economy/stock/regulator-reshapes-board-agni-systems-business-development-237688>

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-appoints-two-independent-directors-to-agni-systems-1619456024>

BSEC worried about listed power companies as tenure of Power Purchase Agreements (PPA) ends soon

• The Bangladesh Securities and Exchange Commission has expressed its concern about the future of a number of listed power companies as the tenure of power purchase agreements signed between the companies and the Bangladesh Power Development Board is nearing to an end. The BSEC on April 15 sent a letter to the power, energy and mineral resources ministry, requesting it to inform the securities regulator whether there is any possibility of tenure extension of the PPAs. Earlier on March 11, the parliamentary standing committee on power, energy and mineral resources ministry suggested that the ministry should not extend the tenure of quick rental power plants with the aim of phasing out the power plants by 2024 to reduce the expenditure from growing capacity charges.

• In the letter, the BSEC mentioned the names of 10 companies, including state-run Dhaka Electric Supply Company Limited and Power Grid Company of Bangladesh Limited, and their investors' shareholding position. The eight private power companies mentioned in the letter are Baraka Power Limited, Doreen Power Generation and Systems Limited, Energypac Power Generation Company, GBB Power Limited, Khulna Power Company Limited, Shahjibazar Power Company Limited, Summit Power Limited and United Power Generation and Distribution Company Limited. The PPAs of these companies will gradually end. The PPA tenure of two power plants of Khulna Power Company — KPCL Unit-2 and Khan Jahan Ali Power Company — will end on May 31 and May 28 respectively.

<https://www.newagebd.net/article/136258/bsec-worried-about-listed-power-cos-as-tenure-of-ppas-ends-soon>

IPO funded projects hit a snag in pandemic

• A number of companies have entered the capital market during the Covid-19 pandemic but the projects articulated under the initial public offerings (IPOs) could not make enough progress. These companies are suffering commercially and are not able to complete the work of these projects within the stipulated time, resulting in cost overruns. Returns from such projects are also lagging due to implementation delays and investors are losing out by investing in these businesses. Many such companies could not import machinery due to the pandemic while others imported machinery, but could not install them.

• Sources at BSEC say, due to the coronavirus pandemic, many companies were not able to implement their IPO projects on time. Many companies have applied for an extension while some others have opened FDRs with their IPO funds with permission from the regulator.

<https://www.tbsnews.net/economy/stock/ipo-funded-projects-hit-snag-pandemic-236698>

NBL activities under BB's close monitoring: official

• The Bangladesh Bank has kept the activities of National Bank Limited (NBL) under its close observation and is maintaining its pressure on the bank for the appointment of a fulltime managing director, a senior BB official said. The BB official said that the central bank might take measures like the appointment of administrator to National Bank unless a managing director is appointed by the bank for its operations within the stipulated time.

• The Bangladesh Financial Intelligence Unit has launched an investigation into the bank's recent activities especially into the allegations of sanctioning loans in violation of rules and regulations. They said that the loan proposals were neither approved by the NBL's board nor by the central bank that prompted the central bank's Financial Integrity and Customer Services Department to issue the instruction to the NBL chairperson to release the bank's additional managing director immediately from serving as managing director (current charge) in a direct or indirect manner.

<https://www.newagebd.net/article/136087/nbl-activities-under-bbs-close-monitoring-official>

Submission of financials: BSEC relaxes rules until May 25

• The stock market regulator has temporarily relaxed the listing regulations or other securities laws for all the listed companies relating to the requirements of monthly/quarterly submissions until May 25. Banks, non-bank financial institutions, insurance firms and most multinational companies have closed their accounting year on December 31, it added. According to the securities rules, the BAPLC said, the companies have to prepare and externally audit their financials within the next 120 days and submit the papers by the following 14 days. Hence, the listed companies have to submit their 2020 annual statements by May 14, 2021. Also, they have the May 15 deadline to submit the unaudited statements for the January-March quarter of this year as companies get 45 days to submit first quarterly statements and 30 days for second and third ones since the end of the respective quarters.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-relaxes-rules-until-may-25-1619105812>

<https://www.tbsnews.net/economy/stock/listed-firms-allowed-time-extension-financial-disclosures-235834>