

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.32%) gained 20.21 points and closed the week at 6,425.26 points. The blue-chip index DS30 (+0.24%) gained 5.50 points and stood at 2,327.88 points. The Shariah-based index DSES (+0.96%) gained 13.28 points and stood at 1,401.05 points. The large cap index CDSET (-0.84%) lost -10.72 points and closed at 1,266.82 points. DSEX, DS30, DSES and CDSET showed YTD returns of +18.94%, +18.53%, +12.80%, +12.80%, respectively.

Total Turnover During The Week (DSE): BDT 71.3 billion (USD 839 million)
Average Daily Turnover Value (ADTV): BDT 14.3 billion (Δ% Week: -6.7%)

Market P/E: 19.1x

Daily Index Movement during the Week:

Market performed five sessions during this week. The market performed positively by +0.30% in the first session. The market reverted to negative in the second session by -0.31% and continued to be negative in the third session by -0.38%. The market turned positive in the fourth session by +0.59% and ended at a positive momentum of +0.13%.

Sectoral Performance:

- All the financial sectors registered negative performance this week except Bank (+0.50%). NBF1 experienced the highest loss of -5.46% followed by Mutual Fund (-1.85%), Life Insurance (-1.84%), and General Insurance (-0.07%).
- Non-financial sectors posted mixed performance this week. Food & Allied booked the highest gain of 3.65% followed by Pharmaceutical (+1.48%), and Telecommunication (+0.37%). Engineering experienced the highest loss of 1.63% followed by Fuel & Power (-0.74%).

Macroeconomic arena:

- The central bank is set to unveil today its monetary policy for the current fiscal year (FY) with an eye to accelerating recovery of the pandemic-hit economy. According to the officials, the ongoing expansionary monetary policy stance would be continued this fiscal year with necessary adjustment of monetary and other macroeconomic developments. The policy rates, including CRR (cash reserve requirement), SLR (statutory liquidity ratio), repurchase agreement (repo) and reverse repo, might remain unchanged for FY22.
- When businesses hit hard by the pandemic need money the most to recover from shocks, lenders have remained cautious in providing loans, causing a sluggish growth of credits in the private sector. The overall private sector credit growth in the last fiscal year was 8.62%, far from the monetary target of 14.8%.
- Bangladesh ranked in the fourth position in terms of cheapest mobile data among South Asian countries. Globally it came out in the 18th position. According to cable.co.uk data, each gigabyte of data costs USD 0.7 in the country.
- The government on Saturday reaffirmed its decision to keep all factories and industries closed amid the strict lockdown which will begin right after Eid-ul-Azha, from July 23 until August 5.
- The Asian Development Bank (ADB) in its Asian Development Outlook Supplement of July said Bangladesh's economic recovery will continue amid the second wave of Covid-19 much like the previous fiscal year, depending on exports and remittances. It said the impact of the second wave could lead to 8.9% GDP growth of South Asia in 2021, which was 9.5% last April.
- The government has decided to roll out union-level Covid-19 vaccination programme from August 07 next to protect more people in rural areas from the deadly coronavirus.

Stock Market arena:

- Country's medicine manufacturer and exporter Beximco Pharmaceuticals Limited has received US Food and Drug Administration (FDA) approval for Baclofen (10 and 20 mg tablets), a muscle relaxant drug indicated for the treatment of muscle pain, spasms, and stiffness in people with multiple sclerosis or spinal cord injury or disease.
- Nagad, the mobile financial services arm of Bangladesh Postal Department, plans to issue zero-coupon bonds worth BDT 5 billion, which will have a face value of BDT 7.5 billion at the end of its five-year maturity.

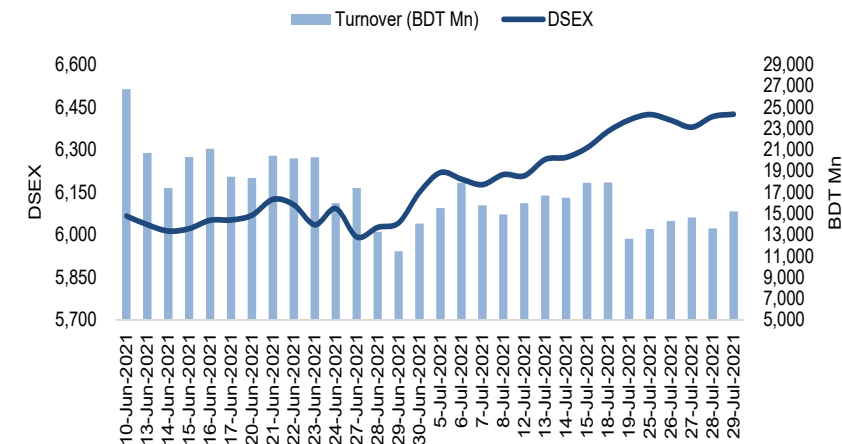
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	6,425.26	6,405.04	+20.21	5,402.07	+0.32%	+18.94%
DS30	2,327.88	2,322.38	+5.50	1,963.96	+0.24%	+18.53%
DSES	1,401.05	1,387.76	+13.28	1,242.11	+0.96%	+12.80%
CDSET	1,266.82	1,277.54	-10.72	1,123.03	-0.84%	+12.80%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,344,048	5,351,852	
	Mn USD	62,901	62,993	-0.1%
Turnover	Mn BDT	71,287	30,575	+133.2%
	Mn USD	839	360	
Average Daily Turnover	Mn BDT	14,257	15,288	
	Mn USD	168	180	-6.7%
Volume	Mn Shares	2,367	1,150	+105.8%

Figure 1: DSEX & Turnover in last four weeks



Analyst:
Anika Mafiz
 (880) 17088052206
 anika.mafiz@bracepl.com

Associate:
Md Mahirul Quddus
 (880) 1709636546
 mmahirul.quddus@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
GPHISPAT	49.5	38.2	+29.6%	19,657	1,824.9	18.3x	2.7x
AFCAGRO	30.3	23.6	+28.4%	3,491	531.4	NM	1.7x
PEOPLESINS	56.6	45.6	+24.1%	2,615	575.9	21.9x	1.9x
FUWANGCER	26.8	22.1	+21.3%	3,652	1,553.9	67.0x	2.3x
CENTRALPHL	17.8	14.8	+20.3%	2,132	484.7	NM	2.7x
GHCL	44.0	36.7	+19.9%	3,168	83.7	NM	0.8x
BEACONPHAR	203.0	170.3	+19.2%	46,893	589.5	46.5x	8.9x
SONALIPAPR	350.7	297.1	+18.0%	6,419	281.6	89.1x	1.1x
RAHIMAFOD	289.9	246.5	+17.6%	5,798	511.3	NM	30.1x
EGEN	63.0	54.0	+16.7%	4,725	544.8	48.5x	2.5x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
TAMIJTEX	76.5	87.0	-12.1%	2,300	5.3	NM	0.9x
ICBIBANK	4.8	5.3	-9.4%	3,191	32.8	NM	NM
AZIZPIPES	100.1	110.0	-9.0%	535	42.0	NM	NM
GQBALLPEN	124.4	136.2	-8.7%	1,111	74.4	NM	1.0x
SAMATALETH	86.4	94.0	-8.1%	892	48.1	NM	6.0x
ICBAMCL2ND	11.5	12.5	-8.0%	575	47.1	NM	1.8x
BDFINANCE	47.5	51.6	-7.9%	8,435	937.5	18.6x	2.7x
ZEALBANGLA	143.3	155.2	-7.7%	860	8.4	NM	NM
SEAPEARL	41.2	44.6	-7.6%	4,975	201.4	54.0x	3.7x
MONOSPOOL	156.6	169.1	-7.4%	516	18.7	NM	3.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
SAIFPOWER	28.3	26.3	+7.6%	10,128	2,509	35.3x	1.8x
BEXIMCO	91.3	97.1	-6.0%	80,008	2,236	22.0x	1.2x
GPHISPAT	49.5	38.2	+29.6%	19,657	1,825	18.3x	2.7x
BATBC	567.2	560.3	+1.2%	306,288	1,709	22.7x	8.2x
FUWANGCER	26.8	22.1	+21.3%	3,652	1,554	67.0x	2.3x
ACTIVEFINE	25.7	23.8	+8.0%	6,166	1,158	NM	1.2x
BDFINANCE	47.5	51.6	-7.9%	8,435	938	18.6x	2.7x
CENTRALINS	65.6	60.1	+9.2%	3,486	870	29.8x	2.7x
IFIC	13.5	13.3	+1.5%	22,962	864	12.5x	0.8x
NRBCBANK	28.7	28.4	+1.1%	21,170	851	10.0x	1.9x

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	63.0	+530.0%	4,725	48.5x	2.5x
HEIDELBCEM	327.1	+118.6%	18,482	25.4x	4.2x
PIONEERINS	134.3	+96.2%	10,338	19.4x	2.9x
SQUARETEXT	48.6	+63.1%	9,586	53.1x	1.3x
GPHISPAT	49.5	+61.8%	19,657	18.3x	2.7x
MICEMENT	74.3	+60.1%	11,034	15.5x	1.5x
ACTIVEFINE	25.7	+52.1%	6,166	NM	1.2x
BSRMLTD	89.0	+47.8%	21,010	7.4x	0.7x
DUTCHBANGL	83.5	+47.7%	52,814	9.7x	1.6x
ROBI	43.0	+44.3%	225,231	NM	3.5x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,564.54	1,556.80	1,372.63	+0.50%	+13.98%
NBFIs	2,140.47	2,264.05	2,033.53	-5.46%	+5.26%
Mutual Funds	1,144.26	1,165.82	959.61	-1.85%	+19.24%
General Insurance	5,497.50	5,501.17	4,103.56	-0.07%	+33.97%
Life Insurance	2,747.46	2,798.84	2,162.58	-1.84%	+27.05%
Telecommunication	6,479.46	6,455.46	5,463.26	+0.37%	+18.60%
Pharmaceuticals	3,765.26	3,710.38	3,306.03	+1.48%	+13.89%
Fuel & Power	1,750.68	1,763.76	1,618.11	-0.74%	+8.19%
Cement	2,197.60	2,146.70	1,416.18	+2.37%	+55.18%
Services & Real Estate	1,176.24	1,143.96	1,083.79	+2.82%	+8.53%
Engineering	5,168.00	5,253.57	3,959.20	-1.63%	+30.53%
Food & Allied	23,133.83	22,319.10	14,705.76	+3.65%	+57.31%
IT	3,020.62	2,871.83	2,350.28	+5.18%	+28.52%
Textiles	1,430.24	1,454.36	1,087.41	-1.66%	+31.53%
Paper & Printing	6,091.28	6,001.74	5,487.56	+1.49%	+11.00%
Tannery	2,156.54	2,149.41	1,771.77	+0.33%	+21.72%
Jute	8,424.47	8,803.76	12,154.61	-4.31%	-30.69%
Ceramics	643.12	594.36	472.38	+8.20%	+36.15%
Miscellaneous	3,859.98	4,179.92	2,539.70	-7.65%	+51.99%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,067.3	1,023.0	+4.3%	8.0%	8.3x	0.8x
NBFI	563.5	650.3	-13.3%	4.2%	40.7x	3.4x
Mutual Fund	707.1	1,500.1	-52.9%	5.3%	NM	1.0x
General Insurance	1,532.2	1,072.8	+42.8%	11.5%	25.3x	2.7x
Life Insurance	327.8	400.6	-18.2%	2.5%	NM	NM
Telecommunication	243.4	325.9	-25.3%	1.8%	19.2x	6.3x
Pharmaceutical	1,531.8	1,528.1	+0.2%	11.5%	22.5x	2.8x
Fuel & Power	718.2	880.8	-18.5%	5.4%	12.9x	1.5x
Cement	329.9	301.7	+9.4%	2.5%	18.1x	2.7x
Services & Real Estate	674.5	554.6	+21.6%	5.1%	NM	1.0x
Engineering	1,502.4	1,860.1	-19.2%	11.3%	30.8x	2.9x
Food & Allied	781.2	678.8	+15.1%	5.9%	30.3x	8.8x
IT	460.9	446.5	+3.2%	3.5%	33.0x	2.6x
Textile	1,192.4	1,419.0	-16.0%	9.0%	NM	1.0x
Paper & Printing	99.8	119.2	-16.3%	0.8%	47.0x	1.2x
Tannery	147.4	244.3	-39.7%	1.1%	NM	2.4x
Jute	10.1	19.0	-46.8%	0.1%	NM	15.2x
Ceramics	514.9	588.8	-12.6%	3.9%	36.0x	2.1x
Miscellaneous	903.1	1,444.7	-37.5%	6.8%	28.8x	2.0x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
KPCL	36.9	-18.5%	14,665	10.9x	1.5x
ADYNTTEL	54.5	-15.2%	3,524	17.7x	2.1x
OLYMPIC	174.1	-8.9%	34,809	16.8x	4.0x
BATASHOE	649.4	-7.6%	8,884	NM	2.5x
DBH	76.3	-5.2%	13,525	12.0x	2.0x
SHAHJABANK	20.7	-5.1%	21,302	7.7x	1.1x
BXPBARMA	183.5	-3.7%	81,862	17.9x	2.3x
MPETROLEUM	190.8	-3.6%	20,648	7.3x	1.2x
MTB	21.2	-3.2%	17,225	27.9x	1.0x
IDLC	59.9	-0.8%	23,715	8.2x	1.5x

Important News: Business & Economy

Daily Covid cases hit an all-time high at 16,230

- The daily Covid-19 caseloads hit an all-time high of 16,230 in Bangladesh on Wednesday, just a day after breaking all previous records of deaths on a single day. Previously, the highest single-day cases were reported at 15,192 along with the highest-ever daily death toll of 258 on Monday, according to the Directorate General of Health Services (DGHS).
- During the last 24 hours until 8:0am on Wednesday, the healthcare authorities reported the fatalities from coronavirus infections at 237. Of the total, the highest number of deaths was reported at 70 in Dhaka division, followed by Chattogram division with 62, Khulna division 34, Rajshahi division 21, Sylhet division 18 and Rangpur division 16.
- According to the official data, the total Covid-19 cases crossed 1.21 million in Bangladesh on the day and out of them, over 1.03 had recovered from the deadly disease. On the other hand, nearly 7.61 million samples had been tested across the country.
- Meanwhile, some 188,003 and 6,529 more people received the 1st and 2nd doses of Chinese Sinopharm vaccine respectively while the government administered 63,738 1st dose of Moderna vaccine on Wednesday. With these, the government administered a total of over 10.11 million doses of Astrazeneca-Covishield vaccine, more than 1.86 million doses Sinopharm vaccine, over 0.545 million doses of Moderna vaccine and nearly 50,500 doses of Pfizer vaccine since the mass vaccination programme was launched in the country on February 7 last.

<https://today.thefinancialexpress.com.bd/first-page/daily-covid-cases-hit-an-all-time-high-at-16230-1627495269>

Monetary policy due today

- The central bank is set to unveil today its monetary policy for the current fiscal year (FY) with an eye to accelerating recovery of the pandemic-hit economy. The Bangladesh Bank (BB) would announce the monetary policy statement for FY 2021-22 through its website to expedite offsetting the adverse impact of coronavirus on the economy through creating scope to finance more in productive sectors.
- According to the officials, the ongoing expansionary monetary policy stance would be continued this fiscal year with necessary adjustment of monetary and other macroeconomic developments. The policy rates, including CRR (cash reserve requirement), SLR (statutory liquidity ratio), repurchase agreement (repo) and reverse repo, might remain unchanged for FY22.
- As part of the strategies, the central bank is not interested in mopping up excess liquidity from the market through using monetary instruments like reverse repo or BB bills immediately. Meanwhile, banks' excess liquidity hit an all-time high of BDT 2.31 trillion as of June 30 this calendar year, fueled by lower private credit growth in a sign that the investment situation has cooled.

<https://today.thefinancialexpress.com.bd/first-page/monetary-policy-due-today-1627495412>

Lockdown's triple trouble for RMG

- The apparel industry is now bracing for a triple whammy - order losses, a burden of high

airfreight costs and labor unrest following possible pay cuts - if factories are not opened by 1 August. But even the reopening of factories before 5 August appears to be a pipe dream for them with no sign of immediate respite from the raging pandemic.

- Industry insiders say buyers will cancel orders if they do not get deliveries on time. Besides, apparel exporters have to use air freight at high charges at half of the product prices. With factories sitting idle, owners will have to pay workers half of regular salaries as per law. Moreover, garment workers have threatened to go for a movement if they do not get full payments on time.
- A group of apparel factory owners have urged the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) board to allow their factories to start operation arguing that most of them cannot afford to pay idle workers. The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) leaders are also facing similar pressure as a number of factory owners have already informed their association that they would go with a "no work, no pay" policy.

<https://www.tbsnews.net/economy/rmg/lockdown-triple-trouble-rmg-280426>

Foreign aid in pipeline crosses USD 51.0 billion record

- Despite a more than USD 7 billion disbursement, the size of the foreign aid pipeline burgeoned to a record USD 51 billion in the recently concluded 2020-21 fiscal year, thanks to Covid pandemic-led crises, poor implementation capacity of the authorities and bureaucratic tangles of the financiers.
- According to the latest report of the Economic Relations Division (ERD), the volume of the pipeline was USD 48.8 billion at the beginning of the 2020-21 fiscal year. Only 14.5% of the foreign aid committed at the beginning of the last fiscal year was disbursed whereas economic experts think a minimum 20.0% disbursement will be deemed as good performance.
- Deadlines for development projects usually range from three to five years as delays in project recruitment, issues over land acquisition and tenders, frequent changes of project directors and delay in decision-making affect project implementation, officials noted. On top of this, bureaucratic tangles of the development partners sometimes hold back prompt implementation as several phases of such projects require the nod of foreign financiers.

<https://www.tbsnews.net/bangladesh/foreign-aid-pipeline-crosses-51b-record-280435>

Edible oil prices on the rise

- The price of edible oils, including palm oil, palm super oil, and soybean oil, has increased in the last two weeks. The price of palm oil has gone up by BDT550 per maund in the time at the Khatunganj wholesale market in Chattogram, increasing from BDT3,800 to BDT4,350.
- Wholesale edible oil traders and importers said the price of edible oils, especially palm oil, is increasing in the international market and so, the domestic market price of the product has been affected. Due to the upward trend in international price, local trading of palm oil has also increased a lot, leading to abnormal price hike.

- According to sources, palm oil sold for BDT4,350 per maund (40.9kg) on Tuesday at Khatunganj, the largest wholesale market for commodities in the country. Two weeks ago, it

was going for BDT3,800 per maund.

- Currently, BDT Group's Bay Fishing palm oil is selling for BDT4,350 per maund in Khatunganj and S Alam Group's palm oil for BDT4,290, while City Group, Meghna Group and Bashundhara Group palm oil is BDT4,280 per maund.

- Besides palm oil, the price of palm super oil and soybean oil has also gone up by around BDT150 per maund. Two weeks ago, palm super oil was BDT4,400 per maund and is now BDT4,550 a maund.

<https://www.tbsnews.net/economy/edible-oil-prices-rise-280432>

Home appliance assemblers turning into manufacturers

- The value-added tax exemption for producing air conditioners, refrigerators and freezers locally has created interest among home appliance manufacturers in Bangladesh as firms are increasingly setting up full-fledged facilities, cutting their reliance on assembling.

- The revenue authority began to register increased applications from local electronics sellers in 2017 as they look to stay competitive since a 15% VAT waiver provides a considerable advantage in terms of pricing.

- Now 10 local companies are making refrigerators, freezers and ACs. According to the NBR officials, companies that availed the VAT benefit have to invest a lot to fulfil 300% value addition criteria.

- Once fully import-dependent, local manufacturers and assemblers now meet nearly 80% of the annual demand for refrigerators of 2.5 million units. The rest is met through imports from global companies. In the case of ACs, local manufacturers and assemblers cater to almost 70% of the domestic demand, which had been growing until the coronavirus outbreak in the country in March last year.

<https://www.thedailystar.net/business/economy/news/home-appliance-assemblers-turning-manufacturers-2139576>

Facebook seeks National Board of Revenue (NBR) permission to pay VAT through e-pay systems

- Facebook has requested the National Board of Revenue to allow it to pay value added tax through online payment systems for non-resident foreign companies. Ernst and Young Advisory Services Bangladesh Limited, Facebook's local representative, made request for online VAT payment in a letter to the NBR.

- At present, non-residents are not allowed to pay VAT directly from their foreign bank accounts by way of bank transfer or online payment. As per the existing process, taxpayers need to deposit VAT through cheques payable in Dhaka at a prescribed bank for clearance following which the VAT returns can be filed along with the treasury challan.

- In the letter, FB said that it was working out alternative solutions either through the Bank of America's affiliated banks in Bangladesh, if any, or on remitting the net VAT liability through any of its group affiliates in the region whose bankers have a branch in Bangladesh.

<https://www.newagebd.net/article/144834/fb-seeks-nbr-permission-to-pay-vat-thru-e-pay->

[systems](#)

Bangladesh Bank in a fix with next monetary policy

- The Bangladesh Bank faces a complex situation as it draws up its monetary policy statement for the current fiscal year in the wake of escalating excess liquidity and ongoing business slowdown. The central bank has followed an unconventional monetary policy since March last year when the coronavirus arrived on the shore of the country. It cut both the policy rates and the cash reserve ratio (CRR) in phases to inject liquidity into the market to make the economy vibrant. Now, the BB is going to announce another expansionary monetary policy, which might be unveiled tomorrow.

- Despite the availability of funds, the private sector is still adopting a go-slow policy to expand their businesses as the pandemic shows no signs of abating. If the central bank continues to follow the existing monetary measures, it will create more excess liquidity in the banking system. Excess liquidity in the banking sector stood at BDT 2.31 trillion as of June, up 66% year-on-year and 9% a month ago. This has primarily happened due to the weak private sector credit growth, which stood at 8.40% last fiscal year against the central bank target of 14.80%.

- The benchmark index of the Dhaka Stock Exchange has surged in recent months riding on the excess liquidity. The DSEX stood at 6,389 points yesterday, up 54% one year ago.

<https://www.thedailystar.net/business/economy/banks/news/bb-fix-next-monetary-policy-2138661>

Union-level jabbing from Aug 7

- The government has decided to roll out union-level Covid-19 vaccination programme from August 07 next to protect more people in rural areas from the deadly coronavirus. In a bid to further bolster the inoculation activities in rural areas where coronavirus-related fatalities are higher, people will be allowed to sign up for the jabs by visiting the vaccination centres with their national identity cards.

- At the same time, the meeting decided to order the agencies concerned to enforce the lockdown more strictly. It also decided to reject the plea of the industrialists to allow industrial production during the lockdown period. About the request of the industrialists to resume production, the home minister said the ongoing lockdown will continue until August 5, considering the Covid-19 situation. Regarding a possible extension of the lockdown, the minister said no decision was yet taken about further extension of the restrictions.

<https://today.thefinancialexpress.com.bd/first-page/union-level-jabbing-from-aug-7-1627408937>

AstraZeneca vaccination to resume next week

- The long and anxious wait of more than 1.5 million people for the second dose of AstraZeneca is set to come to an end, as the government is likely to resume inoculation with this vaccine next week, an official concerned said. The government has planned to resume the second dose with 245,000 Oxford University-developed jabs sent by the Japanese government very recently as gift. The East Asian nation will provide a total of 3.0 million Covishield vaccines in phases.

- The government started the inoculation campaign from February 07 with AstraZeneca

vaccine (Covishield) manufactured by Serum Institute of India (SII). But things went wrong in March last when the SII suddenly stopped the supply of the jabs after delivering only 7.0 million doses, out of 30 million as per a deal signed with it. The vaccine maker expressed its inability to supply more vaccines following a ban imposed by the Indian government on vaccine export. The government had received another 3.2 million doses of the Covishield vaccine as a gift.

<https://today.thefinancialexpress.com.bd/first-page/astrazeneca-vaccination-to-resume-next-week-1627409179>

Extreme poverty may hit 80 million more: IMF

• An additional 80-million people of low-income countries, including Bangladesh, are likely to enter into Covid-induced extreme poverty during 2020-21, the International Monetary Fund (IMF) has predicted. According to the IMF's World Economic Outlook (WEO) Update, slow vaccine rollout in low-income countries is the main factor for slower economic recovery and poverty. IMF chief economist says the 2021 growth forecast for the group of low-income developing countries is marked down 0.4%age point for slow vaccine rollout.

• Global economy is projected to grow 6.0% in 2021 and 4.9% in 2022, which is unchanged from the April 2021 WEO. But the growth projection for developing and emerging economies by 0.4%age points is due to the slow rollout of vaccine and possible inflationary pressure. However, the IMF has not projected any gross domestic product (GDP) growth for Bangladesh in its outlook. In the April 2021 WEO, the multilateral lender had projected 5.0-per cent GDP growth for Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/extreme-poverty-may-hit-80m-more-imf-1627409550>
<https://www.thedailystar.net/business/global-economy/south-asia/news/imf-cuts-emerging-asia-growth-forecast-2138591>

Foreign funding: New pledges, fund release fall slightly

• New commitments for foreign funding dropped by 2.14%, while disbursements also registered a 2.28% fall in FY21. In the last fiscal year, development lenders disbursed USD 7106.41 million, which was USD 7271.97 million in FY20. The implementation of development projects was affected as many foreign experts were not available on project sites amid the pandemic. That was why foreign fund disbursements were comparatively low, according to ERD officials. But the government availed a significant amount of funds in the form of budget support from many development partners to rejuvenate the economy.

• The research director at South Asian Network on Economic Modeling (Sanem) and an economics professor at Dhaka University said that there had been a change in the priorities of development partners in providing foreign funding in the pandemic situation. They now give importance to health, education and social security sectors alongside economic recovery. So, the government should chalk up strategies to obtain more foreign assistance in health, education, and social security sectors in the future, she added.

<https://www.tbsnews.net/economy/foreign-funding-new-pledges-fund-release-fall-slightly-279934>

Crypto trading neither legal nor crime: Bangladesh Bank

• Bangladesh Bank is yet to recognize cryptocurrency as a legal currency, but has made it

clear that the ownership or transaction of the digital currency is not a crime. The Foreign Exchange Policy Department also said that the BB didn't change its previous stance not to recognise cryptocurrency. The BB has so far not allowed transactions or reserves in such private currencies.

• Bangladesh Bank issued its first "warning" against the use of Bitcoin in 2014. At the initiative of the Foreign Exchange Policy Department, the central bank had issued a warning on in 2016 on their website asking people to refrain from trading in artificial currencies (such as Bitcoin). The central bank is yet to formulate any policy on cryptocurrency.

<https://today.thefinancialexpress.com.bd/first-page/crypto-trading-neither-legal-nor-crime-bb-1627409228>
<https://www.thedailystar.net/business/economy/banks/news/confusion-builds-over-cryptocurrencies-2138656>

Covid: Bangladesh sees highest in daily deaths and cases so far; it may get worse

• The Covid-19 pandemic in Bangladesh has reached yet another deadly high with a record 247 deaths and 15,192 people testing positive for Sars Cov-2 in the last 24 hours up until 8am, Monday, 26 July 2021. With the latest additions, the death toll reached 19,521 and the case tally climbed to 11,79,827 in the country, according to the Directorate General of Health Services (DGHS).

• Health officials tested a record 50,952 samples across the country confirming a 29.82% positivity rate in the same time frame. The sharp surge in deaths and infections was recorded despite the country being on a strict lockdown following the end of the three-day Eid holidays.

• A total of 11,052 more people recovered from the coronavirus disease in the country during the last 24hours, according to the official data. The rate of recovery from the coronavirus disease was reported at 85.60% on the day. However, the rate of fatalities from Covid-19 remained static at 1.65%.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/highest-ever-247-covid-19-deaths-15192-cases-reported>
<https://today.thefinancialexpress.com.bd/first-page/cases-deaths-hit-record-high-1627323152>
<https://today.thefinancialexpress.com.bd/last-page/second-wave-continues-to-devastate-countries-1627323594>

Record rise in dengue patients, 123 people hospitalized in a day

• The country reported 123 new dengue patients' admission to the hospitals in the 24-hour period till Monday morning, which is the highest in a single day of the year. With this, the number of total dengue patients admitted to hospitals reached 1,802 including 1,430 in July alone, the official data revealed.

• Earlier, the country reported on Saturday record 104 dengue patients being hospitalized, and on Sunday 105. Of the latest cases only three were reported outside the capital city but within Dhaka division.

• Currently 460 patients are admitted to 41 public and private hospitals in Dhaka city, while

eight patients are receiving treatment in other areas of the country. Of the total patients reported in the calendar, 1,331 have already been released from hospitals.

<https://today.thefinancialexpress.com.bd/last-page/record-rise-in-dengue-patients-1627323504>

<https://www.tbsnews.net/bangladesh/health/123-more-hospitalised-dengue-cases-soar-279292>

E-payment of tax to be made mandatory

- Electronic payment (e-payment) of tax, which is now optional in some cases, will be gradually made mandatory in all the wings of the National Board of Revenue (NBR). All the three wings --- Income Tax, Customs and VAT --- are now engaged in the job of making e-payment of taxes mandatory in phases.

- According to a recent decision of the NBR, e-payment of VAT amounting to BDT 10 million and above in a chalan is likely to be made mandatory from January 1, 2022. Digital payment of customs duties and taxes above BDT 0.2 million has already been made mandatory. E-payment of customs duties and taxes has been optional since March 2017. On July 16, 2020, the NBR launched VAT e-payment under its VAT Online System, keeping it optional.

- Currently, VAT e-payment facility is available with 16 banks. The NBR is working on establishing network with all commercial banks to facilitate taxpayers' online payment.

<https://today.thefinancialexpress.com.bd/first-page/e-payment-of-tax-to-be-made-mandatory-1627323090>

<https://www.newagebd.net/article/144653/e-pay-of-vat-above-BDT-1cr-to-be-made-mandatory>

Bangladesh Bank streamlines reporting format for NBFIs

- The central bank has streamlined loan classification reporting format for non-banking financial institutions (NBFIs) - aiming to curb the rising trend of stressed assets through strengthening monitoring. The stressed assets cover non-performing loans (NPLs) as well as restructured and rescheduled credits in the NBFIs sector.

- Under the streamlining initiatives, the NBFIs will have to submit returns for classification of loans or leases separately, instead of the previous joint one, to the central bank on quarterly basis. In that case, returns for classification of loans or leases for both long-term and short-term, housing finance, subsidiaries and staff will be submitted to the BB as per prescribed format.

- The streamlining of reporting process will facilitate scrutinizing real credit flow that will also help reduce the amount of stressed assets in the sector, according to the central banker.

- The BB's latest moves came against the backdrop of rising trend in NPLs in the NBFIs in recent months despite loan moratorium facility in 2020. The volume of classified loans in the country's NBFIs jumped by over 570% to BDT 100.5 billion as on December 31, 2020, from BDT 63.99 billion on the same day in 2019. It was BDT 89.1 billion as on June 30, 2020.

<https://today.thefinancialexpress.com.bd/first-page/bb-streamlines-reporting-format-for-nbfis-1627323213>

<https://www.newagebd.net/article/144654/bb-tightens-oversight-rules-for-nbfis-amid-irregularities>

Aid inflow crosses USD 7.0 billion-mark for 2nd year

- Bangladesh received USD 7.11 billion worth of foreign aid in the last fiscal year (FY) of 2020-21 despite hurdles in execution of the foreign-funded projects amid the Covid-19 pandemic. The foreign assistance inflow has again placed Bangladesh into the seven-billion-dollar club for the second consecutive year.

- However, the medium- to long-term (MLT) foreign assistance received in the last fiscal (FY2021), from July 2020 to June 2021, was slightly lower compared to the FY2020. In FY2020, the external development partners disbursed USD 7.27 billion worth of assistance for the Bangladesh government, showed the Economic Relations Division (ERD) data.

- The ERD latest provisional data, received by the FE on Monday, showed that foreign development partners made a commitment of USD 9.35 billion worth of MLT loans and grants for FY2021 - USD 205 million lower than that in the previous FY2020. In FY2020, they confirmed USD 9.55 billion worth of foreign assistance for Bangladesh's development work, ERD data showed.

<https://today.thefinancialexpress.com.bd/last-page/aid-inflow-crosses-7b-mark-for-2nd-yr-1627323389>

Shoe-makers' profits hammered by Covid

- Profits of listed shoe-makers of Bangladesh dropped in 2020 despite the drastic fall in the price of rawhides as the sales of the finished products crashed because of the economic slump caused by the pandemic. Among the six listed companies in the tannery industry, the dividends of all firms also declined last year compared to 2019.

- Bata Shoe, a multinational shoe and leather product manufacturer, incurred losses for the first time in its 59-year history in Bangladesh. It lost BDT 1.3 billion last year after logging profits of BDT 490 million a year earlier. The losing trend continued in the January-March period of 2021 as well.

- Apex Tannery also reported a loss while Apex Footwear, Fortune Shoes, Legacy Footwear, and Samata Leather posted lower profits. Apex Tannery's loss stood at BDT 18.1 million in 2019-20 against a profit of BDT 21.5 million a year ago. As a result, its dividend payout fell. The situation has remained unchanged in the current fiscal year.

- The earnings took a hit as retail businesses crashed during major festivals such as Eid-ul-Fitr, Eid-ul-Azha, Puja, and Pahela Baishakh in 2020 due to the countrywide lockdown, said Bata Shoe in its financial report. An estimated 77% of rural business leaders such as dealers and wholesalers were particularly impacted by Covid-19, which inflicted a loss on them. Eid festivals account for about 35% of the shoe and leather business in Bangladesh.

<https://www.thedailystar.net/business/economy/news/shoe-makers-profits-hammered-covid-2137881>

Slow private credit growth hinders Covid recovery

- When businesses hit hard by the pandemic need money the most to recover from shocks, lenders have remained cautious in providing loans, causing a sluggish growth of credits in

the private sector. The overall private sector credit growth in the last fiscal year was 8.62%, far from the monetary target of 14.8%. The BB expressed concern over the slow credit growth as it means a slump in investment. Private sector credit in India has been growing at a subdued 5.5%-6% in recent months, which is half the pace seen before the pandemic, according to the Reserve Bank of India.

- When the overall import started to rebound at a pace of 17.31% in July-May period of the last fiscal year, capital machinery imports remained negative at 3.28%, according to Bangladesh Bank. The increase in import expenditure is mainly due to the price hike of consumer goods in the global market.
- Cash flow became negative when there was no recovery of loans because of a moratorium. That made banks extra careful about asset quality as there is a risk of a wave of default loans after lifting payment pause. This is the backdrop to banks shying away from fresh lending despite having excess liquidity. Currently, excess liquidity in the banking sector amounts to BDT 2 trillion.

<https://www.tbsnews.net/economy/slow-private-credit-growth-hinders-covid-recovery-278965>

Stimulus loans diverted to unproductive sectors

- Low-cost stimulus loans diverting to unproductive sectors may cause failure in achieving the objectives, for which they have been disbursed in the first place, said Bangladesh Bank. The BB in a primary observation found investment of low-cost loans in stocks. It found that after stimulus loans had been given as working capital, the money was withdrawn at once in some cases, not gradually, indicating diversion of the funds, said a senior executive of the central bank.
- The BB said that in some cases, stimulus loans were used for adjusting existing loans, not the purpose mentioned to get the low-cost fund under Covid recovery packages. It also said some banks had allegedly been delaying the disbursement of stimulus loans.
- The government announced stimulus packages of BDT 1.28 trillion in total, of which the BB has been directly involved in disbursing BDT 1 trillion. The BB has so far provided BDT 60.82 billion in interest subsidy to banks against stimulus loans of around BDT 830 billion.

<https://www.tbsnews.net/economy/banking/stimulus-loans-diverted-unproductive-sectors-278968>
<https://www.newagebd.net/article/144567/some-borrowers-using-funds-in-unproductive-sectors-bb>

Bangladesh has 4th cheapest mobile data in South Asia

- Bangladesh ranked in the fourth position in terms of cheapest mobile data among South Asian countries. Globally it came out in the 18th position. According to cable.co.uk data, each gigabyte of data costs USD 0.7 in the country. Meanwhile, the neighbouring country India has the cheapest mobile data worldwide. Each gigabyte of mobile data only costs USD 0.09 in India.

<https://www.dhakatribune.com/business/2021/07/25/bangladesh-has-4th-cheapest-mobile-data-in-south-asia>

Fatalities cross 19,000-mark

- The number of fatalities from Covid-19 in the country crossed 19,000-mark on Saturday. With the latest 195 deaths reported in the 24-hour period till Saturday morning, the total deaths from the viral disease reached 19,046. The positive cases jumped to 11,53,344, including the fresh 6,780 cases reported on the day.
- Major healthcare facilities like the Dhaka Medical College Hospital and Kurmitola General Hospital had no vacant ICU beds till Saturday noon. When all the public and private hospitals' Covid ICU beds are taken into account, there were 137 empty beds till Saturday noon. The number dropped from Thursday's 147 and Friday's 137 out of the total 898 beds.
- According to the DGHS, the number of samples tested decreased by 28.9% on the 29th epidemiological week (July 18 to 24) compared to the previous week. The rate of positivity and death also decreased by 26.67% and 6.96% respectively. The latest epidemiological week logged 1,377 deaths which was 1,480 in the previous week (July 11 to July 17).

<https://today.thefinancialexpress.com.bd/first-page/fatalities-cross-19000-mark-1627146345>
<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/fearing-infection-surge-govt-raising-oxygen-reserves>

Advance Tax Collection up 61.1% in five years

- Advance tax collection from depositors has jumped by 61.1% in the past five years, thanks to the expansion of banking services to bring more people under recorded transactions. Around 1.0-million depositors are paying taxes on their interest amount irrespective of having taxable income, although only 3.6% of the population is formally registered under the tax net.
- The National Board of Revenue (NBR) collects 10.0% advance tax from interest amount of depositors with taxpayer's identification number (TIN) and 15.0% for not having TIN. However, the deducted tax at source is adjustable with their actual payable taxes or refundable in case of untaxable income at the time of submitting tax returns at year-end.
- According to the Income Tax Ordinance-1984, all TIN holders, with three exceptions, have to submit tax returns annually. People having taxable income are able to adjust the deducted tax with the actual payable tax, but those without taxable income are supposed to get the refund from tax offices. According to the NBR data, only 2.4 out of 5.8-million TIN holders submit returns to tax offices.

<https://today.thefinancialexpress.com.bd/first-page/collection-up-6109pc-in-five-yrs-1627146408>

Bangladesh's economic recovery will continue this fiscal year: Asian Development Bank (ADB)

- The Asian Development Bank (ADB) in its Asian Development Outlook Supplement of July said Bangladesh's economic recovery will continue amid the second wave of Covid-19 much like the previous fiscal year, depending on exports and remittances. It said the impact of the second wave could lead to 8.9% GDP growth of South Asia in 2021, which was 9.5% last April.
- This reduced GDP growth of Asia in the complementary outlook is largely due to the slowdown in India's GDP growth. In the outlook supplement, the growth prospects of other

South Asian countries, including Bangladesh, have been kept the same as in April.

- In April, Outlook predicted a growth rate of 6.8% in Bangladesh. However, when the report was released on April 26, Dhaka-based director Manmohan Prakash told reporters that it could be 5.5 to 6%. And last June it was said GDP growth could reach 6.1% in 2021.

- In the first 11 months of the last fiscal year, exports increased by 13.6% and remittances increased by 39.5%. On the other hand, revenue has increased by 12.9% in the first 10 months.

<https://www.thedailystar.net/business/economy/news/rawhide-traded-lower-prices-govts-fixed-rate-2135216>

<https://www.newagebd.net/article/144344/bangladeshs-economic-recovery-will-continue-adb>

Quality, price bring home textile buyers to Bangladesh

- At least eight companies from Europe and the USA, who used to buy home textile products from Pakistan and China, have started doing business with Bangladeshi exporters in the last six months.

- According to business insiders, Bangladeshi exporters have attracted these buyers with quality products at a competing price and on-time delivery. They said that the use of home textiles has seen an increase across the world as people are staying home for longer periods during the Covid-19 pandemic leading to a big jump in home textile exports in the last financial year.

- However, exporters have been facing trouble because of the abnormal rise in the price of yarn, the main raw material for home textiles. Exporters claim that local spinners have created an artificial crisis in the country under the pretext of the rising cotton price in the international market and have raised the price of yarn steeply.

- The global market size of home textiles is currently more than USD 104.0 billion. By 2025 it could be USD 133.0 billion. Like readymade garments, China is also number one in home textile exports. Pakistan is in a good position in exporting home textiles. But the share of Bangladesh in this sector in the world market is still about only one%.

<https://www.tbsnews.net/economy/rmg/quality-price-bring-home-textile-buyers-bangladesh-278500>

Bangladesh will continue to attract foreign investments: United States

- According to a report released by the US Department of State, titled “2021 Investment Climate Statements”, Bangladesh will continue to be resilient and attract foreign direct investments (FDI) to live up to its image as a favorite place for global investors, despite the Covid-induced economic downturn.

- The report mentioned Bangladesh's sustained economic growth over the past decade, a large, young, and hard-working workforce, strategic location between the large South and Southeast Asian markets, and the presence of a vibrant private sector.

- The Bangladesh government's efforts to improve the business environment in recent years show promise, but implementation has yet to materialize, according to the report, which analyzes the investment climate in more than 170 global economies that are current

or potential markets for US companies.

- Buoyed by a young workforce and a growing consumer base, Bangladesh has enjoyed consistent annual GDP growth of more than 6.0% over the past decade, with the exception of the Covid-induced economic slowdown in 2020, the report mentioned.

<https://www.dhakatribune.com/business/economy/2021/07/22/us-bangladesh-will-continue-to-attract-foreign-investments>

Important News: Capital Market

Nagad to issue BDT 5.0 billion zero-coupon bond

- Nagad, the mobile financial services arm of Bangladesh Postal Department, plans to issue zero-coupon bonds worth BDT 5 billion, which will have a face value of BDT 7.5 billion at the end of its five-year maturity. The initiative is a first for a mobile money company in Bangladesh. Nagad, one of the key partners of the roadshow, has already received the initial approval from the Bangladesh Securities and Exchange Commission (BSEC) for the bond sale.

- Nagad said in a statement on Tuesday that several foreign investors had expressed their interest in the bonds. Kiu Global, a US-based digital services company, may invest up to USD 30 million in the bonds.

<https://today.thefinancialexpress.com.bd/trade-market/nagad-to-issue-BDT-50b-zero-coupon-bond-1627404002>

<https://www.thedailystar.net/business/economy/industries/investments/news/nagad-issue-BDT-500cr-zero-coupon-bond-2138651>

Beximco Pharma receives US FDA approval for muscle relaxant drug Baclofen

- Country's medicine manufacturer and exporter Beximco Pharmaceuticals Limited has received US Food and Drug Administration (FDA) approval for Baclofen (10 and 20 mg tablets), a muscle relaxant drug indicated for the treatment of muscle pain, spasms, and stiffness in people with multiple sclerosis or spinal cord injury or disease.

- The Company expects to launch the product through its US distribution partner in due course. According to IQVIA audited market data, there are currently nine active players for Baclofen in the US market, which generated sales of more than USD 110 million in 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-pharma-receives-us-fda-approval-for-muscle-relaxant-drug-baclofen-1627321234>

BRAC Bank gets international data security certification

- BRAC Bank has achieved has recently achieved compliance with the Payment Card Industry Data Security Standard (PCI-DSS) to obtain the certification, said a press release. The bank achieved the compliance benchmark for maintaining a high level of data security

for its customers.

- The PCI-DSS certificate is regarded as the most rigorous and globally recognised payment-card security standard in the industry. The PCI-DSS is a set of security standards developed for organisations that stores, processes, or transmits the cardholder's data.

- BRAC Bank is among the very few banks in Bangladesh that have complied with the PCI-DSS requirement set by the regulatory body and which is mandatory by payment partners (e.g., Visa, Master Card, JCB).

<https://www.newagebd.net/article/144642/brac-bank-gets-intl-data-security-certification>

City Bank to issue BDT 7 billion bond

- The City Bank Ltd has decided to issue a BDT 7 billion subordinated bond. The bank wants to meet the capital requirements stipulated in the Basel-3 regulatory framework by issuing the bond to support its continuous business growth. It has not applied to the Bangladesh Securities and Exchange Commission (BSEC) yet. Sources said the bond's features has not been finalised, but the process in this regard is running.

<https://www.tbsnews.net/economy/stocks/city-bank-issue-BDT700cr-bond-278920>

Excelerate, Summit to build two more FSRUs

- US-based Excelerate Energy and local Summit Group have initiated the process of building one more FSRU (floating, storage and re-gasification unit) each to meet the rising demand for natural gas in the country. They have submitted proposals to the Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources in this connection. Both the companies are seeking to build their second FSRU at Payra in southern Bangladesh.

- The companies are now lobbying with the government high-ups to get permission to build the FSRUs having the capacity to re-gasify around 3.75 million tonne per year (MTPA) through unsolicited deals under the Speedy Supply of Power and Energy (Special Provision) Act 2010 bypassing the tender process. Both the companies earlier had secured the permission to build their first FSRU each and supply re-gasified LNG under the special law, as the state-run Petrobangla did not float any international tender to select contractors to do the job.

<https://today.thefinancialexpress.com.bd/first-page/excelerate-summit-to-build-two-more-fsrus-1627234936>

Samorita Hospital to build new building

- The board of directors of listed Samorita Hospital has approved the proposal to construct an eight storied building in the land adjacent to hospital premises with an estimated total cost of BDT 55 million. The total measuring of building will be 15,560 square feet (approximately) including basement. The total amount will be financed from its own source of the company.

- The building space will be used for ETP, Physiotherapy center, chemotherapy unit, consultants' chamber, canteen and dormitory purposes, said the company. The project will be completed by the year 2023.

<https://today.thefinancialexpress.com.bd/stock-corporate/samorita-hospital-to-build-new-bldg-1627231262>

Stock market trading resumes today, banking transaction hours re-fixed

- The central bank has asked all the scheduled banks to provide services on a limited scale during the strict lockdown from July 25 to August 05 maintaining the Covid-19 safety norms. During the period, banking transaction hours has been re-fixed from 10:00am to 1:30pm every working day, according to a notification issued by the Bangladesh Bank (BB) on July 13.

- The banks have also been asked to keep their branches open from 10:00am to 3:00pm instead of 6:00pm earlier. As per the notification, clients would be allowed to settle financial transactions until 1:30pm instead of 4:00pm earlier on each working day until August 05.

- The trading and official activities of the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) will resume today (Sunday) after Eid holidays. Trading on the bourses will begin at 10:00am as usual and continue until 1:00pm instead of 2:30pm. Pre-opening and post-closing sessions will be from 9:45am to 10:00am and from 1:00pm to 1:15pm respectively. The new schedule will continue until further notice

<https://today.thefinancialexpress.com.bd/first-page/stock-mkt-trading-resumes-today-1627146460>

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/banks-open-sunday-limited-hours-278371>

<https://www.thedailystar.net/bot-business/news/stock-trading-begins-tomorrow-2135936>