

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.06%) lost -56.69 points and closed the week at 5,270.53 points. The blue-chip index DS30 (-1.86%) lost -37.60 points and stood at 1,983.30 points. The Shariah-based index DSES (-1.24%) lost -15.15 points and stood at 1,202.54 points. The large cap index CDSET (-0.97%) lost -11.03 points and closed at 1,122.50 points. DSEX, DS30, DSES and CDSET showed YTD returns of -2.43%, +0.98%, -3.19%, -0.05%, respectively.

Total Turnover During The Week (DSE): BDT 20.3 billion (USD 239 million)
Average Daily Turnover Value (ADTV): BDT 5.1 billion ($\Delta\%$ Week: -15.7%)

Market P/E: 18.3x

Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed negatively by -0.05%. Market rebounded in the second session by +0.31% and continued to be positive in the third session by +0.55%. Market reverted to negative in the fourth session by -1.77% and continued to be negative in the fifth session by -0.14%.

Sectoral Performance:

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 3.25% followed by Mutual Fund (+2.39%). Bank experienced the highest loss of 1.78% followed by NBF1 (-1.69%), Life Insurance (-0.58%).
- All the non-financial sectors registered negative performance this week. Food & Allied experienced the highest loss of 2.58% followed by Telecommunication (-2.17%), Pharmaceutical (-1.26%), Fuel & Power (-1.10%), and Engineering (-0.40%).

Macroeconomic arena:

- Bangladesh's gross domestic product (GDP) may grow by as high as 5.6% in the current fiscal year, subject to three factors, said the World Bank. This includes how the ongoing vaccination campaign fares, whether new restrictions to mobility are required, and how quickly the world economy recovers, it projected in its twice-a-year-regional update.
- The health ministry has decided to procure Covid-19 vaccine from the US company Johnson & Johnson to reduce dependence on India. The vaccine will be bought from Johnson through Unicef in the wake of the Indian government's ban on exports of Oxford vaccine manufactured by Serum last week, sources at the health ministry said. The Asian Development Bank (ADB) will finance the vaccine import.
- Continuation of the recent uptrend in the new Covid-19 infection rate may dampen the country's overall economic growth in the current fiscal year (FY2020-21), warned the Bangladesh Bank (BB). The central bank has also expressed concern over the possibility of domestic inflation going up due to the price hike in the global commodity market.
- Despite paying possibly one of the highest prices in the world for each megahertz of airwave recently, mobile operators in Bangladesh may have to cough up more money for additional spectrum within just a year. Robi, the second-largest mobile operator in Bangladesh, thinks the newly purchased spectrum can ensure better service only for 1-1.6 years.
- Private sector credit growth went up moderately in February to keep up with the recovering trend of the economy, but bankers say the rising coronavirus infections and deepening uncertainty have dipped the growth in March. The year-on-year credit growth stood at 8.93% in February, up from 8.32% a month earlier.

Stock Market arena:

- Mobile financial service bKash has increased its charge to BDT 10 from BDT 5 for sending an amount of above BDT 25,000. On the other hand, the charge for transfer of the same amount to 5 favourite numbers is BDT 5 per transaction. There is, however, no cost to send up to BDT 25,000 or less per month to 5 favourite numbers, but unless the cell phone numbers are under the category of favourite, BDT 5 will be charged each time.
- Leading mobile network operator Grameenphone (GP) on Sunday announced the transition of 15,500 of its mobile towers across the country as 4G-enabled, to commemorate Bangladesh's 50th anniversary and reaffirming its commitment to unleash digital potential in every corner of the country.

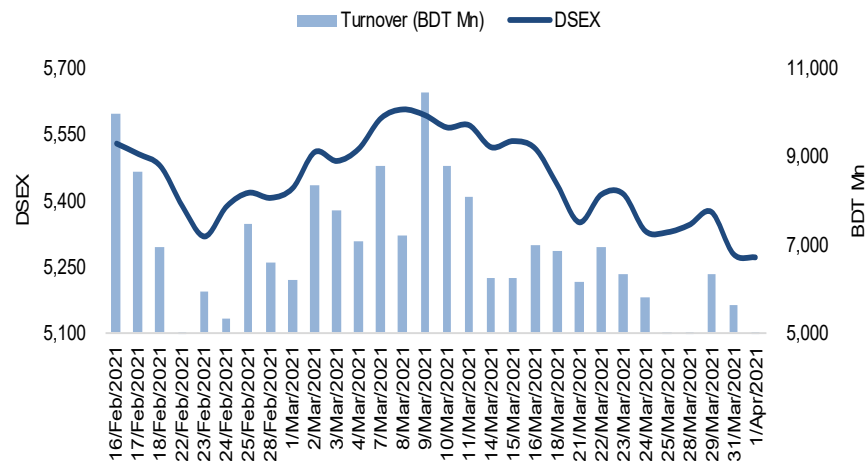
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,270.53	5,327.22	-56.69	5,402.07	-1.06%	-2.43%
DS30	1,983.30	2,020.90	-37.60	1,963.96	-1.86%	+0.98%
DSES	1,202.54	1,217.69	-15.15	1,242.11	-1.24%	-3.19%
CDSET	1,122.50	1,133.53	-11.03	1,123.03	-0.97%	-0.05%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,586,805	4,633,946	-1.0%
	Mn USD	53,988	54,543	
Turnover	Mn BDT	20,288	30,088	-32.6%
	Mn USD	239	354	
Average Daily Turnover	Mn BDT	5,072	6,018	-15.7%
	Mn USD	60	71	
Volume	Mn Shares	596	811	-26.5%

Figure 1: DSEX & Turnover in last four weeks



Associate:
Md. Rafiqul Islam
(880) 1708805229
mrafiqulislam@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
DGIC	24.7	10.0	+147.0%	988	4.3	30.5x	2.2x
CAPMIBLMF	17.2	13.4	+28.4%	1,150	63.8	NM	1.9x
EMERALDOIL	14.6	12.0	+21.7%	872	32.5	NM	0.9x
PROVATIINS	89.2	75.4	+18.3%	2,649	457.6	28.8x	4.2x
CAPMBDBLMF	8.2	7.3	+12.3%	411	29.4	NM	1.0x
VAMLRBBF	7.1	6.4	+10.9%	1,127	4.8	NM	0.7x
1STPRIMFMF	15.1	13.9	+8.6%	302	17.2	NM	1.4x
NITOLINS	52.9	48.8	+8.4%	2,127	226.2	9.1x	2.0x
SEMLIBLSF	9.1	8.4	+8.3%	910	15.1	NM	1.0x
BNICL	74.0	69.1	+7.1%	3,275	195.5	23.4x	3.7x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
IFIC	10.0	11.9	-16.0%	16,199	295.3	14.3x	0.6x
DUTCHBANGL	56.9	66.3	-14.2%	31,295	24.5	5.7x	1.0x
ACTIVEFINE	14.0	16.2	-13.6%	3,359	66.7	NM	0.6x
ACFL	25.2	29.0	-13.1%	2,541	46.0	17.2x	0.6x
SHYAMPSUG	40.5	46.5	-12.9%	203	1.9	NM	NM
APOLOISPAT	5.6	6.1	-8.2%	2,247	24.0	NM	0.3x
UNIONCAP	6.2	6.7	-7.5%	1,070	5.0	NM	1.4x
UCB	13.8	14.8	-6.8%	16,802	12.7	6.1x	0.5x
PADMALIFE	17.0	18.2	-6.6%	661	2.6	NM	NM
PREMIERLEA	5.9	6.3	-6.3%	785	7.3	29.8x	0.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	75.1	73.1	+2.7%	65,812	2,931	NM	1.1x
BXPHARMA	184.8	186.2	-0.8%	82,442	1,396	20.6x	2.3x
ROBI	44.7	44.3	+0.9%	234,136	942	NM	3.6x
LANKABAFIN	27.6	28.2	-2.1%	14,872	738	20.9x	1.5x
SQURPHARMA	196.4	200.4	-2.0%	174,099	633	12.2x	2.1x
LHBL	48.6	50.6	-4.0%	56,443	565	23.9x	3.3x
PREMIERBAN	13.6	13.6	-	13,196	496	6.4x	0.6x
PROVATIINS	89.2	75.4	+18.3%	2,649	458	28.8x	4.2x
RAHIMAFODD	252.4	236.7	+6.6%	5,048	412	NM	26.2x
BATBC	526.8	542.2	-2.8%	284,472	392	26.1x	2.8x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ROBI	44.7	+50.0%	234,136	NM	3.6x
BATBC	526.8	+33.8%	284,472	26.1x	2.8x
BERGERPBL	1,750.9	+22.5%	81,203	32.9x	8.3x
HEIDELBCEM	175.3	+17.2%	9,905	NM	2.5x
RECKITT BEN	4,563.7	+12.8%	21,563	29.5x	41.8x
SUMITPOWER	43.5	+11.8%	46,453	8.5x	1.3x
WALTONHIL	1,207.7	+8.4%	365,847	47.9x	6.9x
SQUARETEXT	31.7	+6.4%	6,253	NM	0.9x
RENATA	1,168.7	+5.6%	113,888	25.7x	4.9x
ISLAMIBANK	28.1	+4.9%	45,241	8.0x	0.7x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,289.78	1,313.13	1,372.63	-1.78%	-6.04%
NBFIs	1,698.67	1,727.81	2,033.53	-1.69%	-16.47%
Mutual Funds	803.01	784.27	959.61	+2.39%	-16.32%
General Insurance	3,294.37	3,190.62	4,103.56	+3.25%	-19.72%
Life Insurance	1,966.35	1,977.82	2,162.58	-0.58%	-9.07%
Telecommunication	5,959.11	6,091.46	5,463.26	-2.17%	+9.08%
Pharmaceuticals	3,216.47	3,257.44	3,306.03	-1.26%	-2.71%
Fuel & Power	1,617.89	1,635.83	1,618.11	-1.10%	-0.01%
Cement	1,540.76	1,572.73	1,416.18	-2.03%	+8.80%
Services & Real Estate	1,055.27	1,067.52	1,083.79	-1.15%	-2.63%
Engineering	4,319.70	4,337.15	3,959.20	-0.40%	+9.11%
Food & Allied	20,685.03	21,232.22	14,705.76	-2.58%	+40.66%
IT	2,051.95	2,060.67	2,350.28	-0.42%	-12.69%
Textiles	995.49	1,005.81	1,087.41	-1.03%	-8.45%
Paper & Printing	5,252.94	5,240.60	5,487.56	+0.24%	-4.28%
Tannery	1,660.51	1,662.29	1,771.77	-0.11%	-6.28%
Jute	8,556.46	8,911.91	12,154.61	-3.99%	-29.60%
Ceramics	442.51	440.82	472.38	+0.38%	-6.32%
Miscellaneous	3,443.06	3,419.81	2,539.70	+0.68%	+35.57%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	565.5	734.0	-23.0%	11.8%	7.3x	0.7x
NBFI	319.0	368.1	-13.3%	6.6%	50.1x	2.7x
Mutual Fund	97.1	58.0	+67.5%	2.0%	NM	0.7x
General Insurance	672.6	495.1	+35.9%	14.0%	17.3x	1.6x
Life Insurance	15.2	15.1	+0.8%	0.3%	NM	NM
Telecommunication	339.2	431.6	-21.4%	7.1%	19.0x	6.1x
Pharmaceutical	678.3	789.0	-14.0%	14.1%	20.7x	2.5x
Fuel & Power	360.9	538.1	-32.9%	7.5%	12.7x	1.3x
Cement	167.8	176.2	-4.8%	3.5%	24.2x	2.1x
Services & Real Estate	45.5	54.8	-17.0%	0.9%	NM	0.9x
Engineering	242.4	327.3	-25.9%	5.0%	32.9x	2.6x
Food & Allied	298.1	330.1	-9.7%	6.2%	34.0x	3.3x
IT	40.0	53.4	-25.1%	0.8%	24.3x	1.8x
Textile	91.7	109.8	-16.5%	1.9%	NM	0.7x
Paper & Printing	8.4	22.6	-62.6%	0.2%	58.7x	1.0x
Tannery	19.2	32.9	-41.7%	0.4%	NM	1.7x
Jute	5.8	23.8	-75.7%	0.1%	NM	13.5x
Ceramics	27.1	29.7	-8.5%	0.6%	57.0x	1.5x
Miscellaneous	806.0	821.4	-1.9%	16.8%	51.8x	1.8x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
IPDC	22.6	-18.1%	8,387	12.2x	1.4x
IDLC	52.0	-18.0%	19,607	9.8x	1.4x
ECABLES	140.1	-17.3%	3,362	NM	11.9x
ACTIVEFINE	14.0	-17.2%	3,359	NM	0.6x
MPETROLEUM	170.0	-14.1%	18,397	6.3x	1.1x
OLYMPIC	165.1	-13.6%	33,010	16.1x	4.0x
DUTCHBANGL	56.9	-12.5%	31,295	5.7x	1.0x
ACMELAB	65.4	-12.4%	13,839	9.4x	0.7x
LANKABAFIN	27.6	-12.1%	14,872	20.9x	1.5x
BRACBANK	39.2	-11.5%	51,974	12.3x	1.2x

Important News: Business & Economy

The World Bank now sees 5.6% GDP growth

• Bangladesh's gross domestic product (GDP) may grow by as high as 5.6% in the current fiscal year, subject to three factors, said the World Bank yesterday. This includes how the ongoing vaccination campaign fares, whether new restrictions to mobility are required, and how quickly the world economy recovers, it projected in its twice-a-year-regional update. In Bangladesh, GDP is expected to increase by 3.6% in FY21. However, significant uncertainty surrounds both epidemiology and policy development, said the "South Asia Economic Focus South Asia Vaccinates" report. Thus, growth in FY21 could range from 2.6% to 5.6%, it said. Over the medium term, growth is projected to stabilise within a 5 to 7% range as exports and consumption continue to recover.

• World Bank's new GDP growth prediction for Bangladesh is still far lower than the government's estimate of 7.4% for the current fiscal year. The lender is now estimating growth of 2.4% for the last fiscal year, while the government's provisional estimate showed the GDP had grown by 5.24%. In reply to a query about such a difference, WB South Asia Chief Economist said it was indeed an indication that uncertainty was very high at the moment.

<https://www.thedailystar.net/business/news/wb-now-sees-56pc-gdp-growth-2070009>
<https://www.tbsnews.net/economy/wb-ups-gdp-growth-forecast-36-bangladesh-224986>
<https://www.newagebd.net/article/134101/world-bank-raises-bangladesh-fy21-gdp-growth-forecast-to-36pc>

Government to buy Johnson's Covid vaccine

• The health ministry has decided to procure Covid-19 vaccine from the US company Johnson & Johnson to reduce dependence on India. As decided at a recent inter-ministerial meeting chaired by the Health Minister, the vaccine will be bought from Johnson through Unicef in the wake of the Indian government's ban on exports of Oxford vaccine manufactured by Serum last week, sources at the health ministry said. The Asian Development Bank (ADB) will finance the vaccine import. The development partner has committed USD 940 million to Bangladesh to tackle the pandemic. The country will pay Johnson for vaccine doses from the fund. A loan deal might be signed in April to this end.

• On the other hand, Covax, which was supposed to give 20 million doses of Oxford-AstraZeneca to Bangladesh towards the end of this month, sent a mail, informing that it will supply the doses in the first week of May only if India lifts its export ban, they added. The ongoing countrywide inoculation drive might stop because of the supply holdup. Under such circumstances, the government has decided to import the Covid vaccine from Johnson & Johnson, as an alternative source to Serum. The health ministry has also decided to permit private imports of vaccines. But the private imports will require permission from both the global regulatory authority and Bangladesh regulatory authority.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/govt-buy-johnsons-covid-vaccine-224983>

Covid resurgence, inflation worry BB

• Continuation of the recent uptrend in the new Covid-19 infection rate may dampen the country's overall economic growth in the current fiscal year (FY2020-21), warned the Bangladesh Bank (BB). The central bank has also expressed concern over the possibility of

domestic inflation going up due to the price hike in the global commodity market. In the latest issue of Bangladesh Bank Quarterly, released on Wednesday evening, the central bank added that continuation of the on-going policy supports with due vigilance is necessary to ensure faster economic recovery along with employment generation and price stability.

• The BB publication mentioned that the country is likely to attain an economic growth close to the target of 7.4% for the FY21. In the last fiscal year (FY20), Bangladesh's GDP recorded 5.20% growth. The BB, however, took note of the current rising trend of Covid-19 infection rate in the country. If the recent trend of new infection rate continues, it might pose a risk to the growth prospect, said the central bank without elaborating.

<https://today.thefinancialexpress.com.bd/first-page/covid-resurgence-inflation-worry-bb-1617214739>

An upswing in Korean investment likely: Speakers at HSBC Bangladesh webinar

• Bangladesh may see an increase in investment from South Korea in the coming years in the areas such as infrastructure, electronics and information and communication technology, speakers said at a webinar yesterday. Foreign direct investment from Korean companies has been a driver of Bangladesh's prosperity and growth in recent years. A further upswing in investment is expected across a variety of sectors in the years ahead, with a particular focus on infrastructure, electronics and ICT, the speakers said.

<https://www.thedailystar.net/business/news/upswing-korean-investment-likely-2069953>

Affordable 4G devices vital to enhancing penetration of 4G use: telcos

• Ensuring availability of fourth generation devices at affordable prices for people is vital to increasing penetration of 4G mobile phone services, said top executives of telecom operators and handset manufacturers at an online discussion on Tuesday. The coverage of 4G and data price are not the issues in Bangladesh. The availability and affordability of 4G devices and digital skills are fundamental to ensuring a Digital Bangladesh for all, said Robi managing director and chief executive officer, also the AMTOB president.

• On the day, a GSMA report titled 'Achieving mobile-enabled digital inclusion in Bangladesh' was also published. The report mentioned that 95% of the country was presently covered by 4G network. Against the coverage, only 28% of the country's mobile phone users used 4G connections while the penetration in India had reached 63%, the report said. The GSMA report also mentioned that the country's unique mobile phone subscribers amounted to 90 million, representing 54% of the country's 170 million mobile phone connections. Internet penetration in the country had reached 28% as 47.1 million of the subscribers accessed the internet with 102 million mobile internet connections.

<https://www.newagebd.net/article/134010/affordable-4g-devices-vital-to-enhancing-penetration-of-4g-use-telcos>

Newly purchased spectrum to increase mobile network capacity for 1.6 years only

• Despite paying possibly one of the highest prices in the world for each megahertz of airwave recently, mobile operators in Bangladesh may have to cough up more money for additional spectrum within just a year. Robi, the second-largest mobile operator in

Bangladesh, thinks the newly purchased spectrum can ensure better service only for 1-1.6 years. After a year, more spectrum will be needed at a lower price to improve mobile service quality, said the chief corporate and regulatory officer of Robi. The reason for the short life of this newly allocated spectrum, according to the Bangladesh Telecommunication Regulatory Commission (BTRC), is the high population of the country. Although the amount of allocated spectrum is similar to that of most other countries, there is more pressure per megahertz due to the huge population of Bangladesh, said the director-general of BTRC's spectrum division.

- At present, Grameenphone is serving 2.16 million people with one MHz of spectrum, Robi is serving 1.4 million, Banglalink is serving 1.16 million, and Teletalk is serving 220,000 thousand customers. After adding the new spectrum, for per megahertz, Grameenphone will serve 1.68 million, Robi will serve 1.16 million, and Banglalink will serve 890,000 customers. Teletalk did not get any new spectrum allocation from the recent auction. Currently, Grameenphone has 47.4MHz, Robi has 44MHz, Banglalink has 40MHz, and Teletalk has 25.2MHz spectrum. Mobile companies in Bangladesh are going to use their new spectrum from April 9.

<https://www.dhakatribune.com/business/2021/03/30/newly-purchased-spectrum-to-increase-mobile-network-capacity-for-1-6-years-only>

SMEs need credit the most

- Bangladesh Bank has identified 13 sectors of the economy that have been severely affected by the first wave of the coronavirus pandemic, including travel and tourism, readymade garments, textile and small and medium enterprises. They were identified in a central bank survey involving the country's 59 banks. The rest of the affected sectors are real estate and construction, education, transport and IT, trade and commerce, consumer credit, agriculture, ship-breaking and building, agro-based industries, healthcare, and power and gas. The first five have been affected "most severely" as per the participating banks, the study said.

- As per the responses, the SME sector has the highest credit demand in the near future, followed by the RMG and textile, trade and commerce, agro-based industries and agriculture. Some 54 banks thought that the need for loans of the SME sector outweighed the requirement of other sectors. The recovery in the SME sector might be slow, but steady growth may be achieved in due course if proper financial support is ensured, the study said. The RMG and textile sector was the second highest credit-deserving sector as per 53 banks. The sector faced export orders cancellations and lower demand owing to uncertainty and continuation of the pandemic's spread in advanced economies.

<https://www.thedailystar.net/business/news/smes-need-credit-the-most-2069349>
<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/smes-needed-financial-support-most-yet-deprived-bb-224320>

The World Bank now doubles GDP growth forecast

- The World Bank has more than doubled its gross domestic product (GDP) growth prediction for Bangladesh for the current fiscal year as the economy shows signs of recovery. The Washington-based lender expects the economy to grow 3.6% in the FY2020-21, up from a projection of 1.6% made in the Global Economic Prospects Update in January. The new GDP growth prediction is still far lower than the government's estimate of 7.4% for the current fiscal year.

- In January, the lender said in Bangladesh growth was estimated to have decelerated to 2% in the last fiscal year. It is now projecting a growth of 2.4% for FY20, according to the document, which was prepared in February. The government's provisional estimate showed the GDP had grown by 5.24% in the last fiscal year.

- Private consumption growth will accelerate as pandemic-related disruptions wane in the second half of the fiscal year, supported by remittance inflows, the development lender said. Export performance is expected to recover through FY21 gradually, as improving economic conditions in developed markets support demand for RMG exports. In the medium term, continued recovery of overall growth will be supported by increased export demand, rising private consumption, and higher public capital expenditure, the document said.

<https://www.thedailystar.net/business/news/wb-now-doubles-gdp-growth-forecast-2068565>

Credit growth rises moderately

- Private sector credit growth went up moderately in February to keep up with the recovering trend of the economy, but bankers say the rising coronavirus infections and deepening uncertainty have dipped the growth in March. The year-on-year credit growth stood at 8.93% in February, up from 8.32% a month earlier, data from the central bank showed. The February's growth is also the highest since October last year. Businesses commenced to expand their enterprises heavily last month riding on the slower coronavirus infection, but the momentum has faced a roadblock this month when the deadly flu started spreading in a consistent manner, said managing directors of three banks. The credit flow to the private sector has already decreased to a large extent as businesses have adopted a "go-slow" policy once again, they said.

- Businesses took a positive stance to start their businesses in the period of January and February. But, the rising infection has dealt a blow to the confidence for expansion of their businesses, said the managing director of Mutual Trust Bank. Funds disbursed by banks have already seen a slower trend in March than in February, he said. Businesses moved to import capital machinery and industrial raw materials last month, but the scenario has reversed in March, he said. In addition, a good number of letters of credit (LCs) to import commodity products were earlier opened to fulfil Ramadan demand, putting a positive impact on private sector credit growth as well, he said. There is little hope to reach the credit growth at double digit this fiscal year due to the ongoing trend of the Covid-19 infection, he said.

<https://www.thedailystar.net/business/news/credit-growth-rises-moderately-2068561>

Falling industrial loan disbursement hits investment, employment

- Loan disbursement in the industrial sector has declined as entrepreneurs are reluctant to set up new factories or expand existing ones due to the ongoing pandemic. Compared to 2019, the distribution of loans in the industrial sector decreased by about 10% last year. In 2020, a little more than BDT 1 trillion was disbursed, which was BDT 1.11 trillion in 2019, according to an updated report on loans in the industrial sector published by the central bank on Sunday.

- Due to the impact of corona pandemic last year, many factories could not go for production during the first half of the year. However, some factories went into production in the second half of the year. As a result, the rate of decline in working capital loan disbursements at the end of 2020 was slightly lower than that of term loan disbursements.

Compared to 2019, the working capital loan disbursement decreased by about 4% last year. On the other hand, the disbursement of term loans decreased by about 32%.

- In this regard, an economist said that the demand for loan in the industrial sector was low due to lack of investment and declining production. Entrepreneurs are unable to make investment decisions in an uncertain environment of the pandemic. Regarding the slight increase in loan disbursement in December as compared to September, he said demand has increased slightly after some factories went into production at the end of the year getting the incentive packages. However, it will take long to go to the previous stage, he said.

<https://www.tbsnews.net/economy/industry/falling-industrial-loan-disbursement-hits-investment-employment-223459>

Bangladesh's businesses worried over Suez Canal blockage

- The blockage of the Suez Canal caused by a massive container vessel has stoked concerns in Bangladeshi businesses, especially apparel exporters, as the crucial artery for global shipping remains closed for the fifth day in a row. Ships carrying a large number of Bangladeshi goods are now waiting to transit the shortest maritime route for goods travelling from Asia to Europe. Around 45,000-50,000 TEUs (twenty feet equivalent units) of containers, which are exported from Bangladesh's Chattogram to Europe each month, cross through the canal via hub ports like that of Colombo, Singapore, and Port Klang of Malaysia.

- RMG exporters now apprehend prolonged delays in shipments to buyers. The delay will add to the supply chain disruption for both exports and imports, inflicting more losses on businesses, said the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). As of Sunday, more than 320 ships are waiting to travel through the waterway, reported the UK-based The Independent. The international media also reported that it might take around 10 days to clear the canal.

<https://www.tbsnews.net/economy/trade/bangladeshs-businesses-worried-over-suez-canal-blockage-223510>

Banks asked to levy minimum LC margin

- The central bank yesterday instructed banks to keep the margin on the opening of letters of credits to import essential commodities at the lowest level to meet the increased demand of the products during Ramadan. Keeping the LC margin at a minimum level will help retain the price of the items at a tolerable level during the fasting month, according to a central bank notice. The central bank instructed banks to keep the LC margin at the lowest level for some products such as edible oil, gram, pulses, onion, spices, dates, fruits and sugar. The order came into effect immediately and would remain in force until May 15 this year.

<https://www.thedailystar.net/business/news/banks-asked-levy-minimum-lc-margin-2068549>

RMG orders slump

- International buyers are following a 'go-slow' policy in placing orders with apparel suppliers in Bangladesh because of fresh lockdowns and stricter restrictions in key markets amid a rise in coronavirus infections and piling up of unsold goods amid depressed sales. Local garment suppliers say there were receiving 20% fewer work orders for the next season beginning from June. The fewer order placements are taking place mainly in small

and medium enterprises as they have less production capacity and weak financial strength, and a few trade partners or buyers abroad. Moreover, the demand for deferred payment is still as severe as it was in the initial months of Covid-19 in 2020. In a few cases, it has worsened as the situation in the Western market is dire, industry insiders say.

- The third wave of infections is sweeping through Europe, which accounts for 60% of garment exports from Bangladesh. Countries such as Italy, Germany, France and UK are reinstating stricter lockdowns, and many other countries across the world are following the suit. Previously, buyers used to give at sight, a form of payment due on demand. It requires the party receiving the good or service to pay a certain sum immediately upon being presented with the bill of exchange. Buyers are now requesting a deferred payment for 180 days, sometimes even more. So, the situation has not improved in terms of payment deferment, suppliers said.

<https://www.thedailystar.net/business/news/rmq-orders-slump-2067993>

Uncertainty may curb rising card spending

- Spending through credit cards maintained an upward trend in Bangladesh in January, but bankers say the rising coronavirus infections and deepening uncertainty may discourage credit-based purchases. Total card loans stood at BDT 15.79 billion in January, the highest on record in a single month. The figure is up 1.19% from a month earlier and 16.38% year-on-year, according to the latest Bangladesh Bank data.

- Banks have taken initiatives to encourage people to spend more online on the occasion of the two biggest shopping seasons: Pahela Baishakh, the first day of the Bengali calendar, and the Eid-ul-Fitr, the biggest spending season in Bangladesh. During the fasting month and Eid festivals, clients usually use credit cards two to three times higher than in other months. The transaction may face a blow this time as witnessed during the same period last year as spending fell owing to uncertainty at the height of the pandemic in the country.

- EBL has so far issued nearly 0.17 million credit cards. People usually buy a huge number of groceries during Ramadan. Such a trend will take a hit if the deadly flu spreads more, head of card and digital banking at EBL said. The head of retail banking at Brac Bank said the lenders were still feeling comfort thanks to a hefty return from the card businesses in recent months. Transactions through credit cards during Ramadan rises nearly three times compared to the average month, he said. But this will not be possible if infections spread further. We are working on the upcoming festivals to boost transactions, he said. Brac Bank now issues 6,000 to 7,000 credit cards per month, which is higher than before.

<https://www.thedailystar.net/business/news/uncertainty-may-curb-rising-card-spending-2067981>

Export development fund being raised to USD 5.5 billion

- Bangladesh Bank has decided to increase the size of its export development fund (EDF) as it reaches out to businesses tackling slowdowns from a recent resurgence in daily Covid-19 cases, the highest since last July. The fund will come to stand at USD 5.5 billion upon the addition of USD 500 million, said a central bank official. The fund last saw a raise in April 2020 from USD 3.50 billion soon after the coronavirus was first detected in the country. The increase is expected to help exports rebound, given the fund had been depleted recently amidst immense demand for loans from the fund. In addition, the central bank is allowing "Type-B" companies of export processing zones (EPZs) to avail foreign currency loans from the fund since last week.

- Loans from the fund had to be paid back within three months from the date of disbursement but the central bank recently increased the repayment tenure to six months. The extension is due to stay in effect until June this year. The central bank earlier also brought down the interest rate on the loans. Banks now receive the fund from the central bank at 0.75% interest rate and will be allowed to charge borrowers a maximum 1.75%. The previous rate was 2%.

<https://www.thedailystar.net/business/news/export-dev-fund-being-raised-55b-2067997>

SME entrepreneurs to get BDT 1 billion loan in current fiscal to offset pandemic-induced loss

- The SME (Small and Medium Enterprise) Foundation will provide a loan of BDT 1 billion from the government stimulus package to its entrepreneurs in the current fiscal year to offset the damage caused by the coronavirus. He added that the remaining BDT 2 billion of the incentive package will be distributed in the next financial year. There will be a regular coordination with the Bangladesh Bank to ensure smooth disbursement of these loans among the actual affected entrepreneurs through banks and financial institutions, said a press release issued on 27 March.

<https://www.tbsnews.net/economy/industry/sme-entrepreneurs-get-BDT100cr-loan-current-fiscal-offset-pandemic-induced-loss>

Important News: Capital Market

'MTB Simple' launched

- Mutual Trust Bank Ltd (MTB), in partnership with Giga Tech Ltd, a market leader of eKYC solution provider, has recently launched MTB Simple Account -- a fully-digitised instant bank account opening product that provides a cutting-edge, advanced and hassle-free account opening experience in accordance with the eKYC guideline of Bangladesh Bank. An MTB Simple savings account can be opened by any Bangladeshi citizen using his/her NID via the secure web link (<https://ekyc.mutualtrustbank.com>) using a mobile device or laptop/desktop, said a statement.

<https://today.thefinancialexpress.com.bd/stock-corporate/mtb-simple-launched-1617208889>

Bourses ask 5 firms to explain timely dividend payment failure

- The Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) have asked five listed companies to explain their failure to pay declared dividends on time. The companies are Pharma Aid, RSRM Steel, Western Marine Shipyard, Miracle Industries, and Keya Cosmetics Limited. As per the listing regulation, every company must pay the declared dividends within 30 days after securing the approval of the dividends in its annual general meeting (AGM). If any company fails to comply with this rule, the stock exchanges can change the category of the company. However, the stock exchanges could not change the category of these five companies because last year, the Bangladesh Securities and Exchange Commission (BSEC) had imposed a limit on category change due to the pandemic-driven poor business environment.

<https://www.tbsnews.net/economy/stock/bourses-ask-5-firms-explain-timely-dividend-payment-failure-224893>

Grameenphone makes 15,500 of its towers 4G-enabled

- Leading mobile network operator Grameenphone (GP) on Sunday announced the transition of 15,500 of its mobile towers across the country as 4G-enabled, to commemorate Bangladesh's 50th anniversary and reaffirming its commitment to unleash digital potential in every corner of the country. With nationwide 4G coverage, new tower roll-out, and preparations to deploy an additional 10.4 MHz spectrum, the company is positioned to meet people's growing need for high-speed internet and support digital services uptake in rural and urban areas for its 80 million customers and beyond. The declaration was made at an event in the capital with Posts and Telecommunication as chief guest.

<https://www.dhakatribune.com/business/2021/03/28/grameenphone-makes-15-500-of-its-towers-4g-enabled>

LR Global allowed to manage two mutual funds again

- The Bangladesh Securities and Exchange Commission (BSEC) has recently granted LR Global Bangladesh the right to regain management of DBH First Mutual Fund and Green Delta Mutual Fund. However, it was on condition that the LR follow rules, bring back money invested in a news outlet, pay fines and withdraws legal measures against market intermediaries, said BSEC Chairman. On December 28, 2019, the regulator allowed IDLC Asset Management to take over management rights of the funds from the LR. The decision was based on the demand of 73% of the DBH unit holders and 70% of the Green unit holders.

- The BSEC chairman said most of those who applied for a change of the asset manager were not holding the units now. So it is not possible to change the asset manager, he added. The LR has been ordered to bring back money it had invested in non-listed companies recently, he said, adding that it had already paid the fines for previous breach of laws.

<https://www.thedailystar.net/business/news/lr-global-allowed-manage-two-mutual-funds-again-2069325>

Dhaka Bank wins AsiaMoney award

- Dhaka Bank has recently been presented a "Best Corporate and Investment Bank of Bangladesh 2021" title by global financial publication AsiaMoney for "comprehensive coverage from corporate clients to investment banking and capital markets" and riding out the pandemic. It recently introduced blockchain, web-based service Dhaka Bank TradeCloud and automated invoice and distributor financing solution Dhaka Bank Bills2Cash, says a statement.

<https://www.thedailystar.net/business/news/dhaka-bank-wins-asiamoney-award-2069277>
<https://www.newagebd.net/article/134014/asiamoney-names-dhaka-bank-best-corporate-and-investment-bank>

BSEC recasts ill-performing Fareast Finance board

- The stock market regulator has restructured the board of directors of the ill-performing non-bank financial institution Fareast Finance and Investment in a move to bring the company back to a sound business footing and protect the investors' interest. This is the first non-

banking financial institution that came under the restructuring of its board by the Bangladesh Securities and Exchange Commission. The commission has proposed a former Sonali Bank chairman for the post of chairman at Fareast Finance and nominated independent directors along with three sponsor-shareholders directors for the board. Fareast Finance and Investment was supposed to reshape its board within 45 working days as per the Category Z rules, but the company failed to comply with the regulation.

<https://www.tbsnews.net/economy/stock/bsec-recasts-ill-performing-fareast-finance-board-224275>

<https://www.newagebd.net/article/134005/bsec-reforms-fareast-finance-board>

bKash doubles money transfer fee for upper slab non-favourite numbers

- Mobile financial service bKash has increased its charge to BDT 10 from BDT 5 for sending an amount of above BDT 25,000. On the other hand, the charge for transfer of the same amount to 5 favourite numbers is BDT 5 per transaction. There is, however, no cost to send up to BDT 25,000 or less per month to 5 favourite numbers, but unless the cell phone numbers are under the category of favourite, BDT 5 will be charged each time.

- bKash said the new charge has already been effective from this month. Although the charge for sending money has been hiked considering the business cost, it has only touched well-to-do customers, claimed the mobile financial service provider while the charge is rather free for low income groups. 90% of bKash customers send money to 3-4 numbers below BDT 25,000 per month. In this case, the cost of sending money to 5 favourite numbers has been made free, the official said, adding that low-income customers have been given the opportunity to send money free of cost.

- Meanwhile, another mobile banking service provider Nagad claims no charge for sending money through its app. However, if anyone wants to send via USSD, they are charged BDT 5 per transaction. Meanwhile, Rocket, another mobile financial service provider, does not charge customers for sending money through app and USSD. However, if products are different, the percentage of charge per transaction is BDT 0.9. In this case, the recipient of money will foot the bill.

<https://www.tbsnews.net/economy/banking/bkash-doubles-money-transfer-fee-223468>

EBL wins Asiamoney award

- Eastern Bank Ltd (EBL), a leading private sector bank in the country, received the prestigious Bangladesh's best bank 2021 award by the Asiamoney, a renowned global financial publication. The award was announced on Friday. EBL was awarded for its outstanding performance in the domestic sector during last 12 months, said a statement. EBL also won Asiamoney as the Best Corporate and Investment Bank in Bangladesh for four consecutive years from 2017 - 2020.

- Asiamoney lauded EBL's a big effort to broaden its services for retail investors in response to the coronavirus pandemic. The bank added some new features in its digital banking platform during the Covid-19 crisis including its EBL Insta Account, which can be opened remotely using e-KYC. It is also continuously improving its app EBL Skybanking, which it plans to turn into its omni-channel banking platform, further reducing pressure on its branch network.

<https://today.thefinancialexpress.com.bd/stock-corporate/eb1-wins-asiamoney-award-1616953366>

<https://www.tbsnews.net/economy/banking/eb1-wins-asiamoney-best-domestic-bank-2021-awards-223351>

Beacon Pharma may export drugs to Syria

- Beacon Pharmaceuticals Limited, listed on both stock exchanges in the country, said it may export drugs worth USD 5 million to Syria by December 2021 if the Syrian government agrees. A technical team of Syrian government recently inspected Beacon Pharma's plant and expressed satisfaction verbally on the company's overall operations. It said there is potential to increase exports to USD 10 million within one year, which may have a positive impact on the company's financials.

- Beacon is a very popular name in the country's pharmaceutical industry due to its high-quality anticancer drugs, cardiovascular drugs, gastrointestinal medicines, antibiotics, anti-coagulants, protein supplements, muscle relaxants, anti-histamine, analgesics and NSAIDs. Its plant is situated on a 29 acre land in Bhaluka, Mymensingh.

<https://www.tbsnews.net/bangladesh/beacon-pharma-may-export-drugs-syria-223525>

BSEC to defer implementation of its directive for 6 months

- The securities regulator is set to defer the implementation of its directive regarding the cap on margin loan interest for six months considering the interest of the market and its operators. The securities regulator issued a directive on January 14, 2021 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%. The president of the Bangladesh Merchant Bankers Association (BMBA) said the representatives of top brokers and merchant bankers called on the BSEC chairman to press the necessity of deferring the directive. According to the BMBA letter, the 12% cap will drastically limit their ability to provide fresh margin loan to clients and it may compel them to call back existing margin loans as actual cost of fund of the market intermediaries is much higher than the cap due to the negative equity burdens.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-defer-implementation-of-its-directive-for-6-months-1616953173>

BSEC urges 26 insurers to get listed on bourses

- The Bangladesh Securities and Exchange Commission (BSEC) has urged 26 insurance companies to take initiatives for getting listed in the capital market promptly. The securities regulator has recently sent a letter to the Bangladesh Insurance Association (BIA) in this regard. The letter, signed by BSEC Chairman, said the government gave a facility to the 26 companies hoping that it would contribute significantly in bringing these companies to the capital market, but the progress in this regard is not as expected.

- As per the securities rules, companies can apply for listing to raise at least BDT 300 million by issuing shares. On 30 November last year, the BSEC exempted the insurance companies from this rule to enable them to get listed on the stock market under the fixed price method. Under the new facility, the insurance companies will be able to apply to the commission for IPO aiming to raise less than BDT 300 million, but they have to raise at least BDT 150 million by offloading shares.

<https://www.tbsnews.net/economy/stock/bsec-urges-26-insurers-get-listed-bourses-223519>

City Bank wins AsiaMoney award

• City Bank has been honoured with an international award from AsiaMoney, leading global financial publication, for its outstanding contributions in digital banking in Bangladesh. The UK-based financial publication recently awarded City Bank as 'Best Digital Bank in Bangladesh 2021', said a statement. The bank's state-of the art digital banking services City Touch, 'Ekhoni instant account opening' app, smart IVR call center, WhatsApp Banking etc helped it to gain the global attention. These services bring together all the conveniences of branch banking to the screen of internet-enabled devices.

<https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-wins-asiamoney-award-1616859023>

<https://www.thedailystar.net/business/news/city-bank-wins-asiamoney-award-2067889>

Brokerages asked to ensure at least BDT 20,000 stocks investment each

• The Bangladesh Securities and Exchange Commission has asked brokerage houses to ensure at least BDT 20,000 in investment by the general investors in the stock market to be eligible for participating in any initial public offering from April 1. Earlier on December 31, 2020, the BSEC at a commission meeting decided to allot IPO shares among the general investors on pro rata basis instead of IPO lottery system. It also decided that the general investors must have at least BDT 20,000 in investment in the market to be eligible for participating in any IPO. The minimum value of application by a general investor for IPO subscription must also be BDT 10,000. The new system will come into effect on April 1.

• The regulator imposed the minimum investment requirement on investors as many investors who did not have any investment on the secondary market opened many BO accounts only to win IPO lottery, the officials said. The BSEC decided to scrap the lottery system to ensure that every applicant would get shares on pro rate basis. Pro rata basis means assigning an amount to one person according to his/her share/portion of the whole. This would be calculated by dividing the investment of each applicant by the amount of oversubscription and then multiplying the resulting fraction by the total value of floating shares allotted for the retail investors. If the IPO is not oversubscribed, every applicant would get shares according to their investments.

<https://www.newagebd.net/article/133828/brokerages-asked-to-ensure-at-least-BDT-20000-stocks-investment-each>

BB removes First Finance MD over irregularities

• Ailing non-bank financial institution First Finance's insistence on having Md. Tuhin Reza, who has a track record of irregularities behind him, as its managing director and chief executive officer is rather baffling. Despite the Bangladesh Bank rejecting the NBF's application for his appointment once on January 20, First Finance applied again on March 4. On March 15, the central bank rejected the application for the second time.

• Reza joined First Finance as additional MD in 2016. A year later, some serious allegations against him came to light. It was surprising that the NBF then re-appointed Reza as the additional MD without the BB approval, which was a direct violation of rules, said a BB probe report. When the BB asked for an explanation about the issue, the board replied to the central bank that the allegations against Reza were misleading and unproven, which was why he was re-appointed.

<https://www.dhakatribune.com/business/banks/2021/03/28/bb-removes-first-finance-md->

[over-irregularities](#)