

Weekly Market Update

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.78%) gained 49.29 points and closed the week at 6,376.94 points. The blue-chip index DS30 (-0.13%) lost -3.01 points and stood at 2,295.59 points. The Shariah-based index DSES (+0.28%) gained 3.85 points and stood at 1,386.78 points. The large cap index CDSET (+0.11%) gained 1.42 points and closed at 1,263.08 points. DSEX, DS30, DSES and CDSET showed YTD returns of -5.62%, -9.36%, -3.10%, -7.07%, respectively.

Total Turnover During the Week (DSE): BDT 38.6 billion (USD 413 million)

Average Daily Turnover Value (ADTV): BDT 7.7 billion (Δ% Week: +0.9%)

Market P/E: 15.9x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a negative note (-0.42%) on Sunday. It moved back positive (+0.31%) on Monday. It remains positive (+0.35%) on Tuesday. Moreover, it remains positive (+0.12%) on Wednesday. Market ended at a positive note (+0.42%) on Thursday.

Sectoral Performance

• All the financial sectors posted positive performance this week. Bank booked the highest gain of 2.53% followed by Mutual Fund (+1.61%), NBF1 (+1.04%), Life Insurance (+0.39%), and General Insurance (+0.12%).

• Most of the non-financial sectors posted positive performance this week. Engineering booked the highest gain of 1.99% followed by Fuel & Power (+0.79%), Food & Allied (+0.48%), Pharmaceutical (+0.38%), and Telecommunication (-0.82%).

Macroeconomic arena

• Parliament passes Finance Bill. BB unveils 'cautious' MPS today. Comply with EDF loan settlement instructions. ADB to provide USD 41 Mn in grant. BGMEA delegation to take part in Apparel Sourcing Week in India. New monetary policy with higher policy rate comes Thursday. Apparel exports see 50% growth in June amid high inflation in EU, USA. Corporate tax slashed by 2.5%. Banks settle LCs at BDT99 as Dollar soars again. No more EDF loan for exporters misusing the facility. Cotton price declining on slower demand. Rice bran oil Spondon back after five years. Export earnings cross USD50 Bn riding on RMG. Govt releases addl BDT 21 Bn in cash incentives for local exporters. NBFIs' borrowers exempted from default, if half of dues paid. BDT 300 Bn deficit likely in FY 22. BGMEA pairs up with PwC. Bangladesh expects USD5.5 Bn from WB, IMF in budget support. Producer price index indicates inflation surge. Govt signs BDT110 Bn loan agreements with Japan for two projects. 50% loan moratorium to customers of financial institutions until December.

• Govt to get back loan money for Padma Bridge by 2057: JS told. World Bank to give Bangladesh USD18 Bn IDA loans in next five years. 'Realistic monetary policy should be at play'. Country turns again to IMF after a decade. ShopUp raises fresh USD 65 Mn from US-based Valar Ventures. Prices of kitchen items go up amid flood. Govt's bank borrowing jumps in June. Factories in Savar, Manikganj suffer for low gas pressure. Inflation drains BDT500 Bn from bank savings. Govt permits 1.0m-tonne rice import to ease mkt. BB injects USD 7.34 Bn into forex market in 11 months. 'Techtextil' fair opens door to USD 200 Bn technical textile mkt. CMSME loan disbursement drops 10% in March quarter. BB asks lenders to ensure third-party environmental assessment for financing infra projects. Dawn Global Management keen on helping Bangladesh to launch ETF. Padma Bridge to reduce industry, tech gaps in south. RMG exports to US may face setback. Padma bridge opens: Now time to invest in logistics. Measures may panic marginal taxpayers. NBR reduces rice import taxes amid price spiral. Export ban on rice bran oil puts local traders in trouble.

Stock Market arena

• GP's SIM sales banned. BSEC okays BDT1.0 Bn CMSF Golden Jubilee Mutual Fund. Pearl Paper to sell another 100,000 shares of Monospool Paper. Malek Spinning to issue a BDT2.90 Bn bond.

June 30, 2022 (Week: June 26, 2022 – June 30, 2022)

Dhaka Stock Exchange

DSEX ended Green (+0.78%) in the week

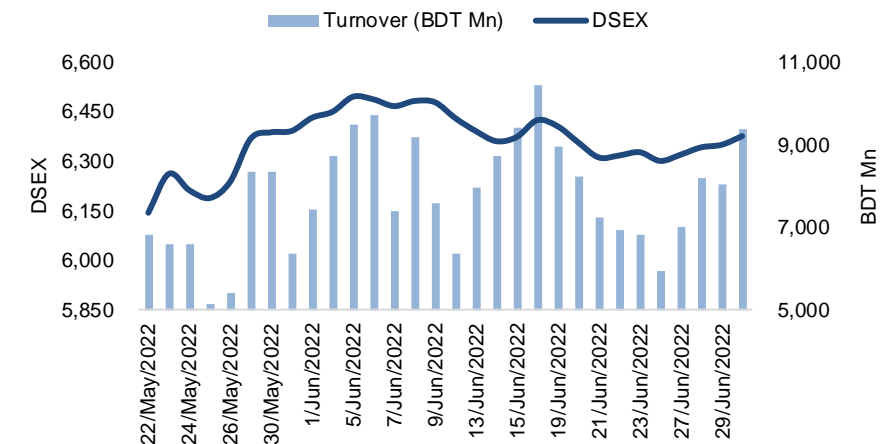
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	30-Dec-2021	Δ% Week	Δ% YTD
DSEX	6,376.94	6,327.65	+49.29	6,756.66	+0.78%	-5.62%
DS30	2,295.59	2,298.60	-3.01	2,532.58	-0.13%	-9.36%
DSES	1,386.78	1,382.93	+3.85	1,431.12	+0.28%	-3.10%
CDSET	1,263.08	1,261.66	+1.42	1,359.13	+0.11%	-7.07%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,177,817	5,143,165	+0.7%
	Mn USD	55,407	55,037	
Turnover	Mn BDT	38,574	38,222	+0.9%
	Mn USD	413	409	
Average Daily Turnover	Mn BDT	7,715	7,644	+0.9%
	Mn USD	83	82	
Volume	Mn Shares	1,024	995	+2.9%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
MEGHNAINS	49.3	0.0	+59.5%	1,972	15.7	68.1x	3.4x
INTRACO	25.0	20.4	+22.5%	2,456	279.5	23.9x	2.1x
PRIMETEX	33.9	28.3	+19.8%	1,295	352.1	10.5x	0.5x
SONARGAON	46.2	39.3	+17.6%	1,223	376.5	NM	4.1x
SHYAMPSUG	98.9	84.8	+16.6%	495	27.9	NM	NM
HFL	23.7	20.6	+15.0%	2,158	225.3	NM	0.6x
IMAMBUTTON	131.8	115.0	+14.6%	1,015	134.3	NM	27.4x
AMBEEPHA	525.1	461.7	+13.7%	1,260	42.0	NM	27.0x
NAVANACNG	30.9	27.4	+12.8%	2,223	19.7	NM	0.9x
CROWNCEMNT	78.1	69.7	+12.1%	11,598	10.3	39.6x	1.5x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
IPDC	52.7	56.8	-7.2%	19,557	425.8	21.8x	3.0x
FAREASTFIN	5.3	5.7	-7.0%	870	1.5	NM	4.6x
SINOBANGLA	54.9	59.0	-6.9%	1,098	74.9	31.0x	2.0x
UNITEDINS	47.9	51.2	-6.4%	2,132	2.4	28.5x	1.4x
FINEFOODS	45.2	47.6	-5.0%	632	65.9	NM	4.3x
RDFOOD	42.0	44.0	-4.5%	3,191	193.9	28.2x	2.7x
CITYGENINS	29.2	30.5	-4.3%	1,990	21.4	18.6x	1.6x
FAREASTLIF	83.2	86.9	-4.3%	6,219	61.2	NM	NM
HAKKANIPUL	61.4	64.0	-4.1%	1,167	62.3	NM	2.6x
SHURWID	21.9	22.8	-3.9%	1,256	210.1	NM	1.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	129.8	134.8	-3.7%	113,746	1,543.4	7.9x	1.5x
SPCERAMICS	51.8	50.2	+3.2%	7,613	1,487.5	NM	1.6x
FUWANGFOOD	25.0	23.4	+6.8%	2,771	1,188.8	NM	2.1x
ANWARGALV	423.9	420.4	+0.8%	7,109	1,089.2	39.0x	25.2x
ORIONPHARM	88.0	89.7	-1.9%	20,592	658.3	21.4x	1.1x
SALVOCHEM	67.9	65.4	+3.8%	4,415	592.2	28.2x	4.5x
SQURPHARMA	216.7	215.0	+0.8%	192,094	579.0	10.4x	1.9x
JHRML	82.1	84.0	-2.3%	10,287	574.5	27.7x	2.7x
BDFINANCE	49.1	49.7	-1.2%	8,719	527.3	35.4x	2.7x
BSC	117.3	116.5	+0.7%	17,892	502.8	8.7x	1.7x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
IPDC	52.7	+36.5%	19,557	21.8x	3.0x
SQUARETEXT	66.4	+27.2%	13,098	7.6x	1.5x
ADNTEL	65.8	+25.6%	4,254	25.5x	2.5x
CROWNCEMNT	78.1	+25.6%	11,598	39.6x	1.5x
UNIQUEHRL	62.9	+25.3%	18,518	21.5x	0.7x
TITASGAS	42.8	+17.9%	42,339	12.7x	0.6x
SHASHADNIM	28.7	+17.1%	4,048	15.7x	0.7x
GHAIL	18.9	+14.5%	4,079	NM	1.3x
DOREENPWR	76.7	+13.1%	12,403	7.6x	1.5x
IBNSINA	296.7	+9.4%	9,270	16.5x	3.8x

*BDT
**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,468.1	1,431.9	1,589.69	+2.53%	-7.65%
NBFI	2,005.0	1,984.3	2,327.63	+1.04%	-13.86%
Mutual Fund	883.6	869.6	882.99	+1.61%	+0.07%
General Insurance	3,405.5	3,401.5	4,698.62	+0.12%	-27.52%
Life Insurance	2,309.6	2,300.7	2,687.55	+0.39%	-14.06%
Telecommunication	5,012.2	5,053.7	5,800.37	-0.82%	-13.59%
Pharmaceutical	3,785.2	3,770.8	3,866.63	+0.38%	-2.10%
Fuel & Power	1,818.9	1,804.7	1,792.97	+0.79%	+1.45%
Cement	2,428.2	2,418.4	2,534.76	+0.41%	-4.20%
Services & Real Estate	1,421.0	1,421.7	1,309.43	-0.05%	+8.52%
Engineering	4,726.2	4,634.2	4,727.46	+1.99%	-0.03%
Food & Allied	22,069.3	21,964.0	25,222.81	+0.48%	-12.50%
IT	2,651.3	2,640.0	3,274.61	+0.43%	-19.04%
Textile	1,601.2	1,559.9	1,470.60	+2.65%	+8.88%
Paper & Printing	7,686.4	7,300.2	9,680.03	+5.29%	-20.59%
Tannery	3,288.4	3,314.0	3,236.76	-0.77%	+1.59%
Jute	8,560.7	8,306.3	8,747.84	+3.06%	-2.14%
Ceramics	801.4	797.6	675.88	+0.47%	+18.57%
Miscellaneous	4,383.5	4,507.7	4,625.39	-2.76%	-5.23%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	386.1	338.6	+14.00%	+5.52%	8.0x	0.8x
NBFI	324.4	295.7	+9.68%	+4.63%	NM	3.6x
Mutual Fund	59.9	41.6	+44.00%	+0.86%	NM	0.8x
General Insurance	267.4	240.5	+11.18%	+3.82%	16.0x	1.6x
Life Insurance	134.8	103.8	+29.90%	+1.93%	NM	NM
Telecommunication	109.0	65.2	+67.08%	+1.56%	15.8x	4.4x
Pharmaceutical	811.8	568.2	+42.88%	+11.60%	17.5x	2.5x
Fuel & Power	422.9	322.7	+31.06%	+6.04%	11.8x	1.2x
Cement	113.7	80.6	+41.00%	+1.62%	25.2x	2.6x
Services & Real Estate	147.2	224.8	-34.50%	+2.10%	88.3x	1.0x
Engineering	859.5	640.9	+34.10%	+12.28%	19.3x	1.9x
Food & Allied	576.5	436.2	+32.17%	+8.24%	23.7x	9.2x
IT	230.0	219.2	+4.96%	+3.29%	27.3x	2.4x
Textile	1,193.4	850.6	+40.30%	+17.05%	26.0x	1.1x
Paper & Printing	120.6	116.9	+3.17%	+1.72%	NM	1.9x
Tannery	128.9	106.9	+20.55%	+1.84%	49.6x	3.5x
Jute	3.9	3.8	+1.28%	+0.06%	NM	27.8x
Ceramics	473.8	480.1	-1.31%	+6.77%	33.8x	2.2x
Miscellaneous	636.0	1,213.0	-47.57%	+9.09%	12.0x	2.1x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
PIONEERINS	82.0	-29.9%	6,312	10.5x	1.6x
LANKABAFIN	28.5	-23.6%	15,357	11.9x	1.4x
HEIDELBCEM	208.5	-23.5%	11,781	NM	3.3x
OLYMPIC	124.1	-22.7%	24,812	14.7x	2.8x
BXPBARMA	154.6	-19.8%	68,969	12.0x	1.7x
BRACBANK	41.5	-19.3%	62,108	11.7x	1.1x
IDLC	48.0	-16.4%	19,954	9.5x	1.3x
ACTIVEFINE	21.5	-16.0%	5,159	93.5x	1.0x
GP	294.1	-15.9%	397,123	11.9x	6.8x
CITYBANK	23.0	-15.8%	24,546	4.6x	0.7x

Important News: Business & Economy

Parliament passes Finance Bill

- Parliament passed Wednesday the Finance Bill 2022, with some much-debated provisions, to grant legal cover to a new national budget which critics say should have been more welfare-oriented in the crisis time than growth centric.
- Under The new fiscal measures included amnesty for whitening offshore movable assets and a cap of BDT 3.6 Mn as allowable limit for cash transaction for corporate taxpayers. In the upcoming fiscal year 2022-23, corporate taxpayers will be able to enjoy a 2.5% cut in tax rates if they limit cash transaction within the threshold.

<https://today.thefinancialexpress.com.bd/first-page/parliament-passes-finance-bill-1656525662>

BB unveils 'cautious' MPS today

- The central bank is set to unveil a 'cautious' monetary policy for the next fiscal year (FY), 2022-23, today (Thursday) - to curb inflation without hampering the country's economic growth, officials said.
- Earlier, the central bank instructed all the scheduled banks to fix a maximum 9.0% interest rate on all loans, except credit cards, as part of the government's initiative to bring down the rate to single digit from April 01, 2020.

<https://thefinancialexpress.com.bd/national/bb-unveils-cautious-mps-today-y's%20economic%20growth%2C%20officials%20said>

New monetary policy with higher policy rate comes Thursday

- The central bank is going to announce today a new monetary policy for FY23 with an increased policy rate aimed at controlling inflation. The central bank will increase the policy rate or repo rate -the rate at which the central bank will lend money to commercial banks to 5.25%. The interest rate for money kept at the central bank by the commercial banks (reverse repo rate) will remain 4%.
- The central bank's target is to keep inflation at 5.6% in line with the proposed budget, while GDP growth is expected to be 7.5%. Economists suggest the Bangladesh Bank reduce credit flow and lift the cap on interest rates to effectively curb price hikes.

<https://www.tbsnews.net/economy/new-monetary-policy-higher-policy-rate-comes-thursday-449886>

ADB to provide USD 41 Mn in grant

- The Asian Development Bank (ADB) will provide USD 41.4 Mn in grant to help improve infrastructure and manage basic needs of the displaced persons from Myanmar sheltered in Cox's Bazar. The additional assistance will be available in the second phase of the ADB's ongoing Emergency Assistance Project worth USD 100 Mn in grant approved in 2018.

<https://today.thefinancialexpress.com.bd/last-page/adb-to-provide-41m-in-grant-1656525989>

BGMEA delegation to take part in Apparel Sourcing Week in India

- A delegation of BGMEA, comprising leading Bangladeshi garment manufacturers and exporters, will participate in the Apparel Sourcing Week 2022 in India next month. The two-day exhibition will begin on July 1 (Friday) at the Sheraton Grand Whitefield in Bengaluru, according to a statement.

<https://today.thefinancialexpress.com.bd/trade-market/bgmea-delegation-to-take-part-in-apparel-sourcing-week-in-india-1656522078>

Apparel exports see 50% growth in June amid high inflation in EU, USA

- Bangladesh's apparel exports registered a near 50% growth compared to last year amounting to USD3.52 Bn in the first 27 days of June, shunning off the 40 year high record inflation in the United States and European countries prompted by the Russia-Ukraine war.

<https://www.tbsnews.net/economy/rmg/apparel-exports-see-50-growth-june-amid-high-inflation-eu-usa-449486>

Corporate tax slashed by 2.5%

- The government has decided to reduce the corporate tax by 2.5% for all listed and non-listed production-oriented companies, according to parliament sources. Companies can keep BDT3.6 Mn cash transactions annually, which was BDT1.2 Mn previously. At the same time, single transactions for the companies have been set at BDT500,000 Mn.

<https://www.tbsnews.net/economy/budget/corporate-tax-slashed-25-449730>

Banks settle LCs at BDT99 as Dollar soars again

- Banks on Wednesday settled LCs at BDT99 or higher per US dollar as they bought the greenback from exchange houses at rates ranging from BDT98.50 to BDT99. About USD1.5 Bn has been sold from reserves so far this June and the country's foreign exchange reserves have fallen below USD42 Bn due to continued dollar sales.

<https://www.tbsnews.net/economy/banking/banks-settle-lcs-tk99-dollar-soars-again-449866>

Comply with EDF loan settlement instructions

- The central bank on Wednesday advised the authorised dealers (ADs) to comply with the instructions in settlement of Export Development Fund (EDF) loans.
- Bangladesh Bank (BB) also, in a circular, asked ADs to refrain from forwarding applications of EDF loans, irrespective of nature of imports, for customers whose liabilities have been settled through funded facilities in the immediate past 180 days.

<https://thefinancialexpress.com.bd/national/comply-with-edf-loan-settlement-instructions-1656557168>

NBFIs' borrowers exempted from default, if half of dues paid

- The Loan repayment is relaxed until December next in the wake of a fresh spike in Covid-19 infections and floods, granting exemption from default, if half-payment is made. Bangladesh Bank (BB) Tuesday issued the instructions on loan-repayment.
- In its circular the BB says the NBFIs (non-banking financial institutions) can show the accounts of borrowers as non-classified if they pay minimum 50% of dues every quarter from the calendar year 2022.

<https://today.thefinancialexpress.com.bd/first-page/nbfis-borrowers-exempted-from-default-if-half-of-dues-paid-1656437475>

No more EDF loan for exporters misusing the facility

- Exporters failing to settle loans from the Export Development Fund with export proceeds within the deadline will no longer be eligible for the borrowing facility from the foreign exchange reserve, said the central bank. The BB found that loans given from the foreign exchange reserve have been found to be misused by some exporters, who turned those into huge forced loans due to failure in payment to the lenders on the due date.

<https://www.tbsnews.net/economy/banking/no-more-edf-loan-exporters-misusing-facility-449794>

Cotton price declining on slower demand

- The price of cotton, the main raw material for readymade garments is on the decline in the international market as demand continues to drop after a big jump. Demand for yarn and cotton is also decreasing in light of a drop in demand for apparels overall as a result of the Russia-Ukraine war.
- People have lost their purchasing power after many countries hiked bank interest rates to tame inflation, which skyrocketed across Europe and the United States due to the conflict.

<https://www.tbsnews.net/economy/cotton-price-declining-slower-demand-449482>

Rice bran oil Spondon back after five years

- After a five-year hiatus, Emerald Oil Industries' rice bran oil Spondon has returned to the country's market. Emerald Oil, which is listed on the capital market, was shut down in 2017 due to loan defaults by its founders. Minori Bangladesh a subsidiary of Japanese farming company Minori Co Limited has extended its hand to revive Emerald Oil by taking over its sponsor-directors shares.

<https://www.tbsnews.net/economy/stocks/rice-bran-oil-spondon-back-after-five-years-449822>

Export earnings cross USD50 Bn riding on RMG

- The country's exports crossed USD50 Bn for the first time ever in the outgoing fiscal, thanks to a record year for the RMG sector. According to the Export Promotion Bureau (EPB), the country earned USD47.17 Bn from exporting goods and services during the July-May period of the current FY 22.

<https://www.tbsnews.net/economy/rmg/export-earnings-cross-50b-riding-rmg-449046>

Govt releases addl BDT 21 Bn in cash incentives for local exporters

- The government has released a sum of Tk 21 billion for the payment of cash incentives to local exporters on their export earnings, officials said. Export oriented sectors, including readymade garment (RMG), jute and jute products, will get the amount, according to an official.

<https://today.thefinancialexpress.com.bd/trade-market/govt-releases-addl-tk-21b-in-cash-incentives-for-local-exporters-1656433906>

BDT 300 Bn deficit likely in FY 22

- The tax revenue collection may face a shortfall worth nearly BDT 300 Bn in the current fiscal year (FY), 2021-22, although the revenue board has achieved an average 15% monthly growth in collection. As per an estimation, the NBR will be able to collect BDT 3.0 Tn tax revenue in FY 2021-22, which ends on June 30, against its original target of BDT 3.30 Tn.

<https://today.thefinancialexpress.com.bd/first-page/tk-300b-deficit-likely-in-fy-22-1656437432>

BGMEA pairs up with PwC

- The apparel apex body BGMEA teams up with PwC (PricewaterhouseCoopers) to conduct a study on the ready-made garment (RMG) sector recovery roadmap. The study aims to develop a strategic roadmap and an action plan for the industry covering thematic areas, including development of an export target for 2032 with an interim target for 2025.

<https://today.thefinancialexpress.com.bd/trade-market/bgmea-pairs-up-with-pwc-1656433713>

Bangladesh expects USD5.5 Bn from WB, IMF in budget support

- Bangladesh is for the first time looking to get more than USD1 Bn from the World Bank at zero interest – a fillip to dwindling foreign currency reserves. Besides, the finance ministry is in talks with the IMF to obtain USD4.5 Bn at low interests as a support for the country's balance of payments.
- In this way, USD5.5 Bn in total is expected in next three years from the two Washington-based lenders as part of precautionary measures to deal with external payment deficit.

<https://www.tbsnews.net/economy/bangladesh-expects-55b-wb-imf-budget-support-449174>

Producer price index indicates inflation surge

- Producer price index or PPI which tracks the prices businesses pay for their goods and services rose in March at the fastest pace since records have been kept, hitting consumers below the belt.
- A rod manufacturers paid nearly 27% higher than that of a year back followed by cement producers at approximately 24%. Grain milling paid nearly 21% higher prices for producing the staples in March on a year-over-year basis. Vegetable oil producers receive nearly 18% rise while food producers nearly 8.0%, the BBS data show.

<https://today.thefinancialexpress.com.bd/first-page/producer-price-index-indicates-inflation-surge-1656437265>

Govt signs BDT110 Bn loan agreements with Japan for two projects

- Under the agreements, Japan will lend Bangladesh BDT91.6 Bn, for the second tranche of the Dhaka Mass Rapid Transit Development Project (Line-5 Northern Route) and BDT23.664 Bn) for the Southern Chattogram Regional Development project.

<https://www.tbsnews.net/economy/govt-signs-tk11000cr-loan-agreements-japan-two-projects-449014>

50% loan moratorium to customers of financial institutions until December

- The central bank has extended the same opportunity to financial institutions as the ones given to banks by allowing borrowers to repay 50% of the instalment payable on a quarterly basis and avoid the defaulter status. According to the circular, under this facility, from April 1 to December 31 of this year, any kind of loan penalty, interest or additional charges will be levied.

<https://www.tbsnews.net/economy/banking/50-loan-moratorium-customers-financial-institutions-until-december-449122>

Govt to get back loan money for Padma Bridge by 2057: JS told

- Road transport and bridges minister Obaidul Quader on Monday said the loans taken for the construction of Padma Bridge would be repaid by 2057 through collecting tolls, reports UNB. The Minister said this while replying to a tabled question. "Bangladesh Bridge Authority will repay all the loans given by the government in 140 quarterly installments in 35 years with the toll collected from vehicles plying on the Padma Bridge," he said.

<https://today.thefinancialexpress.com.bd/trade-market/govt-to-get-back-loan-money-for-padma-bridge-by-2057-js-told-1656351326>

World Bank to give Bangladesh USD18 Bn IDA loans in next five years

- The Washington-based lender will provide the country with fresh loans amounting to USD10 Bn – USD2 Bn a year – during the time and will also release USD8.24 Bn in the pipeline, according to a draft of the Country Partnership Framework (CPF) programme for FY23-FY27.

<https://www.tbsnews.net/economy/world-bank-give-bangladesh-18b-ida-loans-next-five-years-448418>

'Realistic monetary policy should be at play'

- The central bank should continue its traditional monetary policy as a market imperative with more innovation and invest in the real economy to supply more goods and service to arrest inflation. Former Bangladesh bank governor Dr Atiur Rahman said this at the first-ever 'MAM Kazemi Memorial Lecture on Monetary Policy' hosted by Bangladesh Institute of Bank Management (BIBM) on Sunday night

<https://today.thefinancialexpress.com.bd/trade-market/realistic-monetary-policy-should-be-at-play-1656351285>

Country turns again to IMF after a decade

- The After the lapse of a decade, Bangladesh is likely to borrow funds from the International Monetary Fund (IMF) to narrow its budget deficit, seen as a bit high in current context. Ministry of Finance (MoF) officials said Monday they had opened negotiations with the Washington-based lender on the potential budgetary support.
- A senior MoF official says since Bangladesh has also been affected by the Covid-19 pandemic and the recent global price push amid Russia-Ukraine war, "we are trying to explore the budget-support facility from the IMF". "The amount of the loan has yet to be confirmed. But we are hopeful of getting more than USD 1.0 Bn from the IMF," he told the FE.

<https://today.thefinancialexpress.com.bd/first-page/country-turns-again-to-imf-after-a-decade-1656353284>

ShopUp raises fresh USD 65 Mn from US-based Valar Ventures

- The Local startup ShopUp has raised USD 65 million in fresh investment from the US-based Valar Ventures to expand its operations further. "It has raised a follow-on USD 65 Mn round led by Peter Thiel's Valar Ventures," ShopUp said.
- The Bangladesh-based startup had previously completed a USD 109 Mn Series B six months ago, with participation from Valar Ventures, Tiger Global, Prosus Ventures, Flourish Ventures, Sequoia Capital, and Veon Ventures.

<https://today.thefinancialexpress.com.bd/first-page/shopup-raises-fresh-65m-from-us-based-valar-ventures-1656353423>

Prices of kitchen items go up amid flood

- The The prices of kitchen items continued rising on the markets in the Dhaka city on Monday as ongoing floods in a number of districts in the country disrupted the supply chain of daily essentials. The prices of vegetables, onions and potatoes witnessed a fresh rise in the city markets in the past 3-4 days while the prices of other commodities, including rice, atta, edible oil and red lentil, have maintained an upward trend over a couple of months.

<https://www.newagebd.net/article/174483/prices-of-kitchen-items-go-up-amid-flood>

Govt's bank borrowing jumps in June

- The government has to borrow BDT138.42 Bn from savings certificates in June to meet the fiscal year target. In the first 11 months through May, the government received a net loan of BDT326.52 crore but the borrowing jumped to BDT152.65 Bn in just 22 days of June.
- The government has borrowed BDT181.57 Bn from savings certificates in the first 11 months of the current fiscal year which is only 56.74% of the government's fiscal year target from this sector.

<https://www.tbsnews.net/economy/banking/govts-bank-borrowing-jumps-june-448386>

Factories in Savar, Manikganj suffer for low gas pressure

- Low pressure of gas has been interrupting production at the garment factories in Savar, Ashulia and Manikganj areas for the last few days, causing a loss for the factory owners. After a 22.8% hike in gas price, such interruption has been causing severe damage to the country's top foreign currency earning sector, said the industry insiders.

<https://www.tbsnews.net/economy/factories-savar-manikganj-suffer-low-gas-pressure-448378>

Inflation drains BDT500 Bn from bank savings

- Surging inflation has caused savers to suffer a big loss, eating up BDT500 Bn in savings from banks in the first 10 months of the current fiscal year. The sharp fall in bank savings has dried up liquidity in the banking system at a time when the government and the private sector need money the most for investments.

<https://www.tbsnews.net/economy/banking/inflation-drains-tk50000cr-bank-savings-447918>

Govt permits 1.0m-tonne rice import to ease mkt

- The government is going to primarily permit private sector to import a maximum of 1.0 Mn tonnes of rice to cool down its price on the domestic market. Sources say the move comes after the slashing of rice-import duty to 25 % from a steep 62.5 % on June 22 by the government amid rocketing price index of the grain as coarse variety sold at BDT 54, medium BDT 64 and finer as high as BDT 96 a kilogram.
- According to the food ministry, it permitted importers to bring 1.7 Mn tonnes of rice between July and October in the outgoing financial year at reduced duty rates of 25 % and 15 %. However, from November 1, 2021 the duty rate was refixed at 62.5 %.

<https://today.thefinancialexpress.com.bd/first-page/govt-permits-10m-tonne-rice-import-to-ease-mkt-1656267821>

BB injects USD 7.34 Bn into forex market in 11 months

- The central bank has pumped over USD 7.0 Bn into the country's overheated foreign-exchange (forex) market in around 11 months to defend exchange rate of the local currency against the greenback. A total of USD 7.34 Bn has been sold from Bangladesh's forex reserve since August 18 of the current fiscal year (FY), 2021-22, to the commercial banks as part of the Bangladesh Bank's (BB) ongoing liquidity support, according to latest official figures.

<https://today.thefinancialexpress.com.bd/first-page/bb-injects-734b-into-forex-market-in-11-months-1656267915>

Dawn Global Management keen on helping Bangladesh to launch ETF

- Dawn Global Management Limited, an England-based investment manager, has expressed its interest in helping Bangladesh with capital and technical assistance in launching the country's first exchange traded fund (ETF) in the stock market.

<https://www.tbsnews.net/economy/stocks/dawn-global-management-keen-helping-bangladesh-launch-etf-447766>

'Techtextil' fair opens door to USD 200 Bn technical textile mkt

- The participation of Bangladeshi companies in 'Techtextil 2022' for the first time has opened the door to export high-value technical textile products in the USD200 Bn global technical textile market, reports BSS. Techtextil and Heimtextil fairs were held from June 21 to 24 in Frankfurt, Germany, said a press release. Bangladesh participates in the Heimtextil fair every year but this is the first time that Bangladesh participated in the Techtextile fair.

<https://today.thefinancialexpress.com.bd/trade-market/techtextil-fair-opens-door-to-200b-technical-textile-mkt-1656263408>

CMSME loan disbursement drops 10% in March quarter

- Loan disbursements to the cottage, micro, small, and medium enterprises (CMSMEs) have declined by BDT 54,010 Mn or 9.45% in the January-March quarter although the country's banking sector registered an increase in their lending volumes.
- In three months through March this year, banks and financial institutions disbursed loans amounting to BDT 517,169 Mn among more than 289,000 entrepreneurs. In the previous quarter, the banking sector distributed BDT 571,180 Mn among more than 295,000 entrepreneurs.

<https://www.tbsnews.net/economy/cmsme-loan-disbursement-drops-10-march-quarter-447806>

BB asks lenders to ensure third-party environmental assessment for financing infra projects

- The Bangladesh Bank has directed all the banks and non-bank financial institutions to ensure a third-party assessment of probable environmental and social impact before financing any infrastructure project.

<https://www.tbsnews.net/economy/banking/bb-asks-lenders-ensure-third-party-environmental-assessment-financing-infra-projects>

Padma Bridge to reduce industry, tech gaps in south

- Padma Bridge will not only increase connectivity in Bangladesh, but also revolutionise the industrial landscape in southern parts of the country by creating new business avenue of opportunities, according to various entrepreneurs.
- The 6.15-kilometre steel truss bridge officially opened for public use yesterday and at present, an average of about 24,000 vehicles will use it daily but the number is projected to hit 67,000 by 2050. It is expected that Padma Bridge will add 1.5% to the GDP and change the lives of more than 30 Mn people in the country.

<https://www.thedailystar.net/business/economy/news/padma-bridge-reduce-industry-tech-gaps-south-3056496>

RMG exports to US may face setback

- Country's apparel export to the United States may face a setback due to an import restriction by the US authorities on goods having any link to Xinjiang region of China, industry insiders feared. Citing the law, the industry insiders said the goods made with forced labour would be stopped at the US border and, the importers and manufacturers have to show required evidence that their supply chains don't use Xinjiang cotton or other raw materials produced with cotton imported from the Xinjiang region.

<https://today.thefinancialexpress.com.bd/trade-market/rmg-exports-to-us-may-face-setback-1656174099>

Padma bridge opens: Now time to invest in logistics

- Opening of the Padma Bridge gave connectivity a shot in the arm since it is going to cut the time needed to move goods between the southwestern region of Bangladesh and the capital city by two to four hours, thus cutting the cost of doing business.
- Businesses say the longest bridge over the mighty river will emerge as an economic game-changer if USD 7 Bn is invested in the logistics sector in the southwestern districts.

<https://www.thedailystar.net/business/economy/news/padma-bridge-opens-now-time-invest-logistics-3056511>

Measures may panic marginal taxpayers

- A couple of income-tax measures in the Finance Bill 2022 may panic marginal taxpayers for imposition of compliance requirements to avail services, taxation experts say.
- The Making submission of tax returns mandatory for availing nearly 50 services, including continuation of bank transactions, utility connections, cap on cash transaction for companies up to BDT 1.2 Mn, unchanged tax-free limit for individual taxpayers ignoring inflationary pressure on common people and downward revision of tax credit for middle-income group of people may hurt the marginal taxpayers.

<https://today.thefinancialexpress.com.bd/first-page/measures-may-panic-marginal-taxpayers-1656177982>

NBR reduces rice import taxes amid price spiral

- The government has reduced the applicable regulatory duty on boiled rice import to 15% from 25% to improve supply and to contain the rising prices of the staple. Under the SRO, the NBR withdrew the applicable import duty against the import of boiled rice and non-boiled rice on condition.

<https://www.newagebd.net/article/174289/nbr-reduces-rice-import-taxes-amid-price-spiral>

Export ban on rice bran oil puts local traders in trouble

- The Ministry of Commerce on 24 May issued a letter banning the export of rice bran oil which came as a shock to the industry. Local traders and factory owners have been hit hard by the government's abrupt decision to halt the export of rice bran oil.
- In the one month since the ban was imposed on 24 May, they have lost at least BDT 1540 Mn in foreign exchange earnings. In addition, at least 1Mn workers and employees directly involved in this industry have become unemployed.

<https://www.tbsnews.net/economy/export-ban-rice-bran-oil-puts-local-traders-trouble-446674>

Important News: Capital Market

GP's SIM sales banned

- The telecom regulator on Wednesday imposed a ban on the sales of SIM of Grameenphone for not improving its quality of service. The restriction will remain until the country's largest mobile operator improves its quality of service as per standards set by BTRC.
- The GP has 84.95 Mn subscribers until May 2022. It added around 70,000 new subscribers only in May last. According to a number of drive tests run by BTRC, GP has been found providing substandard services in most cases.

<https://today.thefinancialexpress.com.bd/first-page/gps-sim-sales-banned-1656525786>

BSEC okays BDT1.0 Bn CMSF Golden Jubilee Mutual Fund

- The securities regulator has approved the prospectus of a new closed-end mutual fund named - 'ICB AMCL CMSF Golden Jubilee Mutual Fund' worth BDT1.0 Bn. Capital Market Stabilisation Fund (CMSF), the sponsor of the closed-end fund, has provided BDT500 Mn or 50% of the fund size.
- ICB Asset Management Company, the fund manager, has contributed BDT200 Mn while ICB has provided BDT50 Mn as pre-IPO placement. The remaining BDT250 Mn will be collected through IPO from the investors.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-okays-tk-10b-cmsf-golden-jubilee-mutual-fund-1656431914>

Pearl Paper to sell another 100,000 shares of Monospool Paper

- Pearl Paper and Board Mills, a corporate sponsor of the Monospool Paper Manufacturing Company, has announced it will sell 100,000 Monospool shares from its holdings. According to Monospool Paper's FY21 annual report, Pearl Paper held 218,526 shares, which is 2.33% of all Monospool shares.

<https://www.tbsnews.net/economy/stocks/pearl-paper-sell-another-one-lakh-shares-monospool-paper-447718>

Malek Spinning to issue a BDT2.90 Bn bond

- Malek Spinning Mills Limited, a concern of New Asia Group, has decided to raise BDT2.9 Bn from the capital market by issuing a bond for business expansion and loan repayment. The company will build a factory and install new machines by investing BDT2.13 Bn to manufacture high-valued yarn to meet buyers' requirements.

<https://www.tbsnews.net/economy/stocks/malek-spinning-issue-tk290cr-bond-445842>

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