

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.15%) lost -72.82 points and closed the week at 6,280.02 points. The blue-chip index DS30 (-0.47%) lost -10.39 points and stood at 2,182.50 points. The Shariah-based index DSES (-0.96%) lost -13.25 points and stood at 1,365.17 points. The large cap index CDSET (-0.35%) lost -4.19 points and closed at 1,208.75 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.18%, -0.58%, +0.47%, -0.47%, respectively.

Total Turnover During the Week (DSE): BDT 38.7 billion (USD 357 million)

Average Daily Turnover Value (ADTV): BDT 7.7 billion (Δ% Week: -28.9%)

Market P/E: 18.3x

Daily Index Movement during the Week

The market performed Five sessions during this week. The market started on a negative note (-0.18%) on Sunday. Further, it remained negative consecutively on Monday (-0.49%), Tuesday (-0.19%), and Wednesday (-0.38%). Lastly, the market closed on a positive note (+0.08%) on Thursday.

Sectoral Performance

• All the financial sectors registered negative performance this week. Life Insurance experienced the highest loss of -13.78% followed by General Insurance (-6.37%), Bank (-0.31%), Mutual Fund (-0.25%), and NBFIs (-0.11%).

• All the non-financial sectors registered negative performance this week. Fuel & Power experienced the highest loss of 0.44% followed by Food & Allied (-0.42%), Engineering (-0.27%), Pharmaceutical (-0.13%), and Telecommunication (0.00%).

Macroeconomic arena

• Chinese firm to invest USD 45 Mn in Bangabandhu Sheikh Mujib Shilpa Nagar. WB-funded regional connectivity project kicks off. New law offers scope to strike off TIN-holders. Electrical, electronic goods export surges. BB frames rules for setting up digital banks. Cut customs barriers for more Japanese investment. Tax return for credit card to bar financial inclusion. Reserves to get a boost with USD 800 Mn budget support from ADB, AIIB. Bangladesh can earn USD 5 Bn from seafood exports in next 5 years: Bida. Bank accounts, with over BDT 10 Mn, rise by 246 in March quarter. NBFIs asked to prepare clear guidelines for recruiting officials, employees. Cenbank plans policy rate hike in new monetary policy to tame inflation. NBR has to realise BDT 900 Bn in June. Law proposes cutting tax rebate by a third for investments in securities. Rising worker outflow fails to resurge remittance. USD interbank exchange rate at BDT 108.70. BDT 4.13 Tn earned as foreign currency from exports in July-April period. Universal pension from July, monthly contribution BDT 500-5000. Country's export earnings to rise by USD 70 Bn in FY24.

• BSCIC estate brings solvency to female workers. Tax collection rebounds in May. High time to reduce demand, tackle inflation head-on. Responsible Business Hub begins journey to strengthen human rights in RMG. Depositors to get double compensation. Duty hike to make cement costlier, burden building costs. Govt borrows BDT 130 Bn from banks in May, highest in a month. BB may continue contractionary monetary policy to curb inflation. Tax rebate scope for investment in mutual funds narrows. Chinese ship reaches Mongla with over 26,000 tonne of coal for Rampal power plant. 1.14 Mn people to get quality power service thru first smart grid project. Charger fans, IPS sales soar in Ctg as power cuts intensify amid heatwave. Q1 no-frill accounts grow 1.44%. Fighting load-shedding: Commerce to allow on-credit coal import for USD 5 Mn. BB to declare new monetary policy with focus on single exchange rate. Investment ceiling likely at BDT 0.5 Mn for rebates on govt securities. Govt liabilities from SOEs' debts swell to BDT 985.9 Bn. Imports keep falling amid lingering dollar crisis.

Stock Market arena

• UNIONINS, SONARBAINS | Union Insurance, Sonar Bangla Insurance declare dividend. ABBANK | AB Bank Perpetual Bond makes debut Thursday. MERCANBANK | Mercantile Bank okays 12% dividends. NHFIL | National Housing approves 15% cash dividend. POWERGRID | Power Grid to issue new shares against government funds. ICB | ICB sells its entire holding of Islami Bank. EBL | Eastern Bank's stock dividend credited by CDBL. SOUTHEASTB | Southeast Bank signs deal with Nagad. SSSTEEL, OIMEX, ISNLTLD | Three firms fined for late dividend payment. PADMALIFE | Regulator appoints observer to Padma Islami Life Insurance. RDFOOD | Rangpur Dairy & Food to buy 203 decimal land. PROGRESLIF | IDRA appoints observer to Progressive Life Insurance board. NAVANAPHAR | Navana Pharma to issue BDT 1.5 Bn bond for loan repayment. SHEPHERD | Shepherd Textile to merge with Shepherd Industries. BRACBANK | BRAC Bank to issue BDT 7.0 Bn subordinated bond.

June 15, 2023 (Week: Jun 11, 2023 – Jun 15, 2023)

Dhaka Stock Exchange

DSEX ended in Red (-1.15%) in the week

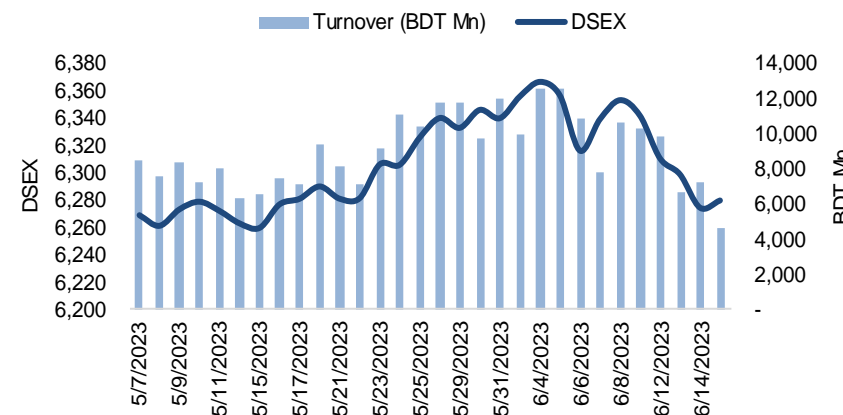
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	29-Dec-2022	Δ% Week	Δ% YTD
DSEX	6,280.02	6,352.84	-72.82	6,206.81	-1.15%	+1.18%
DS30	2,182.50	2,192.89	-10.39	2,195.30	-0.47%	-0.58%
DSES	1,365.17	1,378.43	-13.25	1,358.84	-0.96%	+0.47%
CDSET	1,208.75	1,212.94	-4.19	1,214.42	-0.35%	-0.47%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,695,292	7,736,883	-0.5%
	M n USD	70,915	71,298	
Turnover	M n BDT	38,696	54,446	-28.9%
	M n USD	357	502	
Average Daily Turnover	M n BDT	7,739	10,889	-28.9%
	M n USD	71	100	
Volume	M n Shares	628	964	-34.8%

Figure 1: DSEX & Turnover in last four weeks



Md. Tanvir Ahmed
Research Associate

(880) 1708805201

mtanvir.ahmed@bracepl.com

Billal Hossain
Research Associate

(880) 1708805229

billal.hossain@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
KPPL	12.4	9.5	+30.5%	906	122.4	NM	NM
GQBALLPEN	129.4	109.6	+18.1%	1,155	273.4	NM	1.1x
IMAMBUTTON	114.4	98.5	+16.1%	881	53.4	NM	23.8x
APEXTANRY	124.0	108.0	+14.8%	1,890	43.3	NM	2.2x
SAMATALETH	74.9	67.2	+11.5%	773	84.2	NM	5.2x
PAPERPROC	277.4	251.6	+10.3%	2,899	867.5	56.3x	8.2x
MEGHNA PET	44.6	40.7	+9.6%	535	36.4	NM	NM
SEAPEARL	214.7	198.3	+8.3%	25,925	1,398.0	31.1x	12.4x
AZIZPIPES	104.5	96.6	+8.2%	559	149.0	NM	NM
YPL	26.0	24.3	+7.0%	1,916	620.0	NM	4.9x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
TB15Y0623	0.0	100.0	-100.0%	0	0.0	0.0x	0.0x
MEGHNALIFE	99.5	130.9	-24.0%	4,219	1,903.3	NM	NM
RUPALILIFE	189.3	239.5	-21.0%	5,682	1,024.3	NM	NM
PRAGATILIF	127.2	160.9	-20.9%	4,140	393.5	NM	NM
POPULARLIF	79.1	97.9	-19.2%	4,780	341.1	NM	NM
PROGRESLIF	86.6	107.0	-19.1%	1,441	164.8	NM	NM
CLICL	75.2	92.8	-19.0%	2,820	471.3	NM	NM
ICICL	31.7	38.9	-18.5%	1,606	126.7	27.6x	18x
PADMALIFE	42.7	51.8	-17.6%	1,660	156.5	NM	NM
UNIONINS	51.4	61.9	-17.0%	2,488	176.9	24.8x	2.9x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
MEGHNALIFE	99.5	130.9	-24.0%	4,219	1,903.3	NM	NM
NAVANAPHAR	114.2	109.1	+4.7%	12,267	1,813.2	25.9x	2.8x
SEAPEARL	214.7	198.3	+8.3%	25,925	1,398.0	31.1x	12.4x
SONALILIFE	95.6	111.5	-14.3%	4,541	1,241.7	NM	NM
FAREASTLIF	78.1	84.3	-7.4%	5,837	1,116.0	NM	NM
INTRACO	44.2	50.0	-11.6%	4,342	1,028.7	29.4x	3.4x
RUPALILIFE	189.3	239.5	-21.0%	5,682	1,024.3	NM	NM
TILIL	69.8	0.0	-3.1%	2,792	952.1	NM	NM
RDFOOD	50.0	54.0	-7.4%	3,799	875.1	40.7x	3.1x
PAPERPROC	277.4	251.6	+10.3%	2,899	867.5	56.3x	8.2x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	257.2	+43.6%	14,533	45.2x	3.8x
OLYMPIC	151.1	+21.9%	30,211	18.4x	3.0x
UNILEVERCL	2,073.2	+16.4%	39,960	45.4x	13.3x
UNIQUEHRL	66.5	+15.3%	19,578	11.7x	0.7x
ADNTEL	130.6	+14.5%	8,444	33.9x	4.7x
JAMUNAOIL	175.5	+4.9%	19,380	6.4x	0.9x
EBL	29.4	+4.0%	35,493	6.9x	0.9x
BATASHOE	990.3	+4.0%	13,547	28.4x	3.8x
BERGERPBL	1,778.2	+3.2%	82,469	27.4x	6.4x
LHBL	66.4	+2.5%	77,115	14.2x	3.9x

*BDT

**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1438.8	1443.3	1427.09	-0.31%	+0.82%
NBFI	1,918.3	1,920.5	1,927.24	-0.11%	-0.46%
Mutual Fund	829.6	831.7	852.07	-0.25%	-2.64%
General Insurance	3,243.5	3,464.3	3,177.87	-6.37%	+2.07%
Life Insurance	2,929.3	3,397.4	2,492.91	-13.78%	+17.50%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,701.0	3,705.9	3,754.47	-0.13%	-1.43%
Fuel & Power	1,700.9	1,708.5	1,694.29	-0.44%	+0.39%
Cement	2,470.7	2,566.7	2,319.67	-3.74%	+6.51%
Services & Real Estate	1,960.5	1,982.5	1,782.23	-1.11%	+10.00%
Engineering	4,506.0	4,518.3	4,503.40	-0.27%	+0.06%
Food & Allied	21,480.7	21,571.7	21,247.80	-0.42%	+1.10%
IT	3,215.9	3,371.8	3,004.33	-4.62%	+7.04%
Textile	1,618.5	1,623.9	1,621.87	-0.33%	-0.21%
Paper & Printing	10,848.7	10,822.7	10,388.08	+0.24%	+4.43%
Tannery	3,273.7	3,250.0	3,093.43	+0.73%	+5.83%
Jute	14,257.8	14,684.5	14,850.17	-2.91%	-3.99%
Ceramics	691.0	692.0	704.74	-0.15%	-1.95%
Miscellaneous	4,148.7	4,172.1	4,071.46	-0.56%	+1.90%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	82.9	74.8	+10.80%	+1.16%	11.8x	0.7x
NBFI	17.7	42.5	-58.36%	+0.25%	NM	4.4x
Mutual Fund	29.9	38.9	-23.23%	+0.42%	NM	0.7x
General Insurance	348.3	712.0	-51.08%	+4.87%	17.3x	15x
Life Insurance	1,761.0	2,126.1	-17.17%	+24.63%	NM	NM
Telecommunication	0.8	13	-34.18%	+0.01%	16.9x	4.3x
Pharmaceutical	757.5	691.1	+9.61%	+10.59%	19.3x	2.3x
Fuel & Power	387.5	1,050.2	-63.10%	+5.42%	23.5x	1.1x
Cement	177.8	303.1	-41.33%	+2.49%	30.2x	2.6x
Services & Real Estate	472.3	533.9	-11.54%	+6.60%	28.0x	10x
Engineering	482.5	681.4	-29.19%	+6.75%	72.3x	18x
Food & Allied	716.2	1,071.9	-33.19%	+10.02%	20.0x	8.1x
IT	537.5	1,116.2	-51.85%	+7.52%	29.3x	3.0x
Textile	411.2	528.3	-22.16%	+5.75%	83.5x	1.1x
Paper & Printing	350.9	269.4	+30.29%	+4.91%	40.3x	2.1x
Tannery	185.8	188.2	-1.23%	+2.60%	49.8x	3.4x
Jute	27.4	68.6	-60.10%	+0.38%	NM	-1210.8x
Ceramics	94.6	413	+128.80%	+1.32%	48.9x	1.9x
Miscellaneous	309.0	432.5	-28.54%	+4.32%	16.0x	18x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
EGEN	45.2	-13.2%	3,390	310x	2.0x
ISLAMIBANK	32.6	-1.2%	52,486	8.9x	0.8x
TRUSTBANK	31.7	-0.1%	27,142	12.0x	1.3x
BRACBANK	35.8	-0.0%	57,596	9.0x	0.9x
IDLC	46.5	-	19,330	10.7x	10x
IPDC	57.6	-	21,375	30.8x	3.1x
LANKABAFIN	26.0	-	14,010	28.0x	13x
ACI	260.2	-	19,829	NM	2.0x
LINDEBD	1,397.7	-	21,271	29.4x	3.5x
UPGDCL	233.7	-	135,475	16.7x	4.4x

Important News: Business & Economy

Chinese firm to invest USD 45 Mn in Bangabandhu Sheikh Mujib Shilpa Nagar

- Chinese firm Fujian Mengba Investment Co Ltd will build a steel construction materials factory at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) by investing USD 45 Mn. To this end, Bangladesh Economic Zones Authority (Beza) and Fujian Mengba Investment signed an agreement on Wednesday (14 June) for allotment of 20 acre land to the company, Beza said in a press release.

- Beza said the company will manufacture construction materials including MS rods, angles, channels with an investment of about USD 45 Mn. The factory is expected to create employment for 1,350 people. Earlier, five Chinese investors were allotted land in BSMSN. Overall, eight Chinese investors have been allocated land in the economic zone.

<https://www.tbsnews.net/economy/chinese-firm-invest-45m-bangabandhu-sheikh-mujib-shilpa-nagar-649770>

WB-funded regional connectivity project kicks off

- The first phase of the World Bank-supported Accelerating Transport and Trade Connectivity in Eastern South Asia programme was inaugurated at a capital hotel on Wednesday. The project will upgrade the 43km two-lane Sylhet-Charkai-Sheola road to a four-lane one, support digital systems and infrastructure at three land ports, and modernise the Chattogram Customs House. The World Bank is providing USD 753.45 Mn, equivalent to BDT 81.37 Bn to implement the project.
- Officials said the project will help reduce travel time to India by 30% and fatalities by 40% once it is implemented fully within 2028. The World Bank has confirmed USD 1.28 Bn in loans for accelerated transport and trade connectivity in Eastern South Asia, where it provides USD 753.45 Mn to Bangladesh, USD 275 Mn for Nepal and USD 100 Mn to Bhutan.

<https://www.tbsnews.net/bangladesh/infrastructure/wb-funded-regional-connectivity-project-kicks-649962>

New law offers scope to strike off TIN-holders

- For the first time, the National Board of Revenue (NBR) has sought to grant opportunity to individuals and companies to de-register or make their taxpayer identification number (TINs) dormant owing to no taxable income and dissolution. The NBR has kept the provision in the proposed Income Tax Bill 2023 and the rule will come into force after the parliament approves it. The move comes as only a third of registered taxpayers in Bangladesh file income tax returns.

- Bangladesh has around 88 Mn registered taxpayers or TIN-holders. Only 3.2 Mn filed their income tax returns as of April of the current financial year, according to the NBR data. As per the proposed rule, a person can request the NBR to make their TIN inactive if his or her taxable income is zero in the previous three years and is expected to remain zero in the future. Anyone leaving the country for good will also be able to seek to make the TIN dormant or inactive.

<https://www.thedailystar.net/business/economy/news/new-law-offers-scope-strike-tin-holders-3345666>

Janata Bank boosts lending to SME, agriculture sectors

- State-owned Janata Bank Limited (JBL) has increased its lending to SME and agriculture sectors considering their vital role in the economy. The JBL disbursed loans amounting to BDT 29.35 Bn to small and medium enterprises (SMEs) and BDT 24.37 Bn to borrowers in the agriculture sector in 2022. After recovery and adjustment, the bank's investment in the SME sector increased from BDT 113.65 Bn in 2021 to BDT 120.36 Bn in 2022. Besides, agriculture loans rose from BDT 24.35 Bn in 2021 to BDT 24.37 Bn last year. The JBL has made a contribution of BDT 11.80 Bn to the government exchequer as Value Added Tax (VAT) and excise duties in 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/janata-bank-boosts-lending-to-sme-agriculture-sectors>

Electrical, electronic goods export surges

- The shipment of electrical and electronics goods from Bangladesh displayed an impressive growth of 48% in July-May of the outgoing financial year on the back of improving product quality and government support, official figures showed. According to the Export Promotion Bureau, Bangladesh earned USD 115.30 Mn by selling electrical and electronics items in the overseas markets in the first 11 months of 2022-23, which was USD 77.86 Mn during the identical period a year earlier. The stellar performance comes at a time when Bangladesh's overall export earnings have slowed owing to the global slowdown and higher inflation. The shipment grew 7.11% year-on-year in July-May.

<https://www.thedailystar.net/business/economy/news/electrical-electronic-goods-export-surges-3346646>

BB frames rules for setting up digital banks

- The Bangladesh Bank yesterday approved the guideline on digital banks, paving the way for establishing branchless banking operations, a development that is expected to accelerate cashless transactions and digital transformation. As per the guideline, investors willing to set up a digital bank will have to have a minimum paid-up capital of BDT 1.25 Bn and the capital will have to come from sponsors. The minimum paid-up capital that a sponsor will have to contribute has been set at BDT 5 Mn.
- Currently, the central bank is developing a portal to receive applications from interested investors online. Applicants will have to pay a non-refundable application fee of BDT 500,000 for digital banks, sources said. At the same time, the government is developing a machine learning and artificial intelligence-based credit rating system.

<https://www.thedailystar.net/business/economy/news/bb-frames-rules-setting-digital-banks-3346636>

Cut customs barriers for more Japanese investment

- Bangladesh needs to improve on cumbersome government approval procedures, customs clearance delays, restrictions through customs duty and processes for receiving remittance to attract more Japanese investment, said Iwama Kiminori, Japanese ambassador to Bangladesh, yesterday. Discussions on the overall tax reform, especially reducing reliance on custom duties for generating revenue, is extremely essential said Kiminori. Bangladesh should sign an economic partnership agreement (EPA) with Japan before 2026 so that it can enjoy duty-free benefits on making the United Nations status graduation from a least developed to a developing country that year, said the Japanese envoy.

<https://www.thedailystar.net/business/economy/news/cut-customs-barriers-more-japanese-investment-3346621>

Tax return for credit card to bar financial inclusion

- The tax on digital payments tools should be reduced and incentives should be given to encourage electronic payments in a bid to transform the country into a cashless society, said Syed Mohammad Kamal, country manager of Mastercard. Kamal recommends implementing reduced tax rates for two particular areas with a view to supporting the growth of the cashless payments industry. First, a reduced tax rate for the import of plastic cards. Second, a substantial reduction in the tax for point of sale (PoS). Presently, the tax rate is 37% leading to a high cost of PoS machines. This discourages the wider adoption among the merchants and makes it difficult for banks to invest in PoS procurement.

<https://www.thedailystar.net/special-events/national-budget-2023-24/news/tax-return-credit-card-bar-financial-inclusion-3346641>

Foreign investors worried over income tax law provisions

- Foreign investors in Bangladesh yesterday expressed concern over some provisions of a proposed income tax law alongside measures, including one on increasing the minimum tax on carbonated beverage makers. The National Board of Revenue (NBR) wants to slap a 5% tax on gross receipts or turnover of carbonated beverage makers from next fiscal year. It is currently 0.6%.
- Besides, as per the bill, individuals could no longer enjoy exemptions on income from Workers Profit Participation Fund, mutual fund and dividend to certain limits. The new law also seeks to make submission tax returns compulsory by government-recognised private funds such as provident funds and gratuity funds.

<https://www.thedailystar.net/business/economy/news/foreign-investors-worried-over-income-tax-law-provisions-3346631>

Duty hike to destabilise elevator, escalator market

- The Bangladesh Elevator Escalators and Lift Importers Association (BEELIA) yesterday demanded the withdrawal of the proposed duty on imports of elevators and escalators in the national budget for fiscal year (FY) 2023-24. Currently, operators in the domestic elevator and escalator industry face 15.75% duty on imports of such products. However, a proposal to increase the charge to 25.75% has been included in the draft budget for next fiscal year to promote local manufacturing.
- The association also demanded including lifts and escalators in the category of essential machineries rather than commercial products. At present, Bangladesh needs around 4,000 units of lifts and escalators worth a total of between BDT 25 Bn and BDT 40 Bn each year. Of these units, more than 90% come from abroad through roughly 500 local importers, BEELIA data shows.

<https://www.thedailystar.net/business/economy/news/duty-hike-destabilise-elevator-escalator-market-3346616>

Reserves to get a boost with USD 800 Mn budget support from ADB, AIIB

- Bangladesh is set to receive USD 800 Mn in budget support from two development partners this month, providing significant relief for the government at a time of declining foreign exchange reserves and challenges faced by businesses in meeting import bills due to a shortage of US dollars. The Economic Relations Division (ERD) has confirmed that the Asian Development Bank (ADB) and the China-led Asian Infrastructure Investment Bank (AIIB) will each contribute USD 400 Mn towards this financial assistance.
- In addition to these two organisations, a budget support agreement of approximately USD 230 Mn is scheduled to be signed with the Japan International Cooperation Agency (Jica) this month – although in yen, according to sources at the ERD. This budget assistance will be available at a slightly higher interest rate, and Bangladesh will have a relatively shorter repayment period for the debt.

<https://www.tbsnews.net/economy/reserves-get-boost-800m-budget-support-adb-aiib-648906>

Bangladesh can earn USD 5 Bn from seafood exports in next 5 years: Bida

- Bangladesh Investment Development Authority (BIDA) Executive Chairman Lokman Hossain Mia has said, by utilising the blue economy properly, the country can earn USD 5 Bn from seafood exports in the next five years. Currently, the country earns USD 500 Mn from exporting 30,000 tonnes of seafood.
- Bida and Solidaridad Network Asia (SNA) have inked a Memorandum of Understanding (MoU) regarding the "Promotion and development of the Bangladeshi Seafood sector to contribute to the blue economy and expand the seafood market share in the international arena". Solidaridad Network Asia, in association with Bida, will take initiatives to increase investment in seafood production through partnerships among various national and international stockholders, governments, and NGOs.

<https://www.tbsnews.net/economy/bangladesh-can-earn-5b-seafood-exports-next-5-years-bida-649302>

Power sector fetches USD 30 Bn foreign investment in last 13 yrs: Nasrul

- State Minister for Power, Energy and Mineral Resources Nasrul Hamid on Tuesday said power sector fetched USD 30 Bn foreign investments in the last 13 years since 2009. On the other hand, he said the accumulated foreign investment in the mineral and energy sector was BDT 153.73 Bn.

- Terming uninterrupted power supply is a big challenge for the government, Nasrul Hamid said the government will go 'mixed fuel' system where coal, oil, renewable energy and power import from neighbouring countries would be considered instead of dependent on any particular system for uninterrupted power supply. Considering the global carbon emission, he said although Bangladesh is not a responsible country in carbon emission but the government has a plan to include 10% renewable energy like solar power in the power generation.

<https://www.tbsnews.net/bangladesh/energy/power-sector-fetches-30b-foreign-investment-last-13-yrs-nasrul-649318>

Nine spot LNG cargoes planned for H2

- Amid a US dollar crunch and subsequent payment delays, Bangladesh has decided to import a total of nine LNG cargoes from the spot market during this July-December period to meet the country's mounting natural gas demand, especially in industries and power plants. However, despite the planned import, gas crisis will continue to hurt the economy because of the demand-supply mismatch.
- The country has been importing a total of 12 spot LNG cargoes from February to June 2023, with overdue payments worth around USD 100 Mn to spot LNG suppliers, a senior Petrobangla official told the FE on Monday. The country purchased two LNG cargoes at a time through a single tendering process in May and four cargoes through a single tendering process in June, obtaining the lowest prices in recent times, according to Petrobangla Chairman Zanendra Nath Sarker.

<https://thefinancialexpress.com.bd/economy/bangladesh/nine-spot-lng-cargoes-planned-for-h2>

Bank accounts, with over BDT 10 Mn, rise by 246 in March quarter

- Despite runaway inflation, the number of bank accounts, with deposits exceeding BDT 10 Mn, has increased by 246 in the January-March quarter compared to the previous three months. According to a central bank report, as of March, there were 110,192 accounts with deposits exceeding BDT 10 Mn. Out of these accounts, 76,790, or 70%, are in private banks, while the second highest number of accounts, 23,801, are in state-owned banks.
- The rate of increase in deposits in urban areas is higher than that in rural areas. Deposits in the banking sector increased by 1.58% in the March quarter compared to December, the central bank said. Out of this, urban areas have seen an increase of 1.54% and rural areas by 1.72%. However, there was negative growth in rural deposits in the December quarter.

<https://www.tbsnews.net/economy/banking/bank-accounts-over-tk1cr-rise-246-march-quarter-649290>

NBFIs asked to prepare clear guidelines for recruiting officials, employees

- Non-bank financial institutions (NBFIs) have to draw up clear guidelines for overall human resource management including recruitment and promotion of employees and officials, says a central bank circular, issued on Tuesday. The Bangladesh Bank said this initiative was taken to ensure good governance in financial institutions so that honest and skilled staff are appointed to posts.
- According to the circular, the board of directors of NBFIs must approve a guideline for the head of Internal Control and Compliance (ICC), head of Customer Relationship Management (CRM), chief financial officer (CFO) and company secretary positions. It also states that one person cannot hold more than one post in the above-mentioned positions. In case of appointment to these posts, the central bank should be informed within 15 working days along with the appointees' resumes.

<https://www.tbsnews.net/economy/banking/formulate-clear-policies-appoint-promote-officials-bb-financial-institutions-649134>

Cenbank plans policy rate hike in new monetary policy to tame inflation

- The Bangladesh Bank is planning to raise policy rates in the upcoming monetary policy for the next fiscal year with the aim of taming inflation by making money costlier. The hike in the key interest rates, also known as the repurchase agreement (repo) and reverse repo rates, will make money costlier, thereby discouraging banks from lending. Also, the reverse repo rate will be renamed the Spending Deposit Facility Rate (SDFR) in the new monetary policy.
- Despite rate hikes on a couple of occasions, credit growth remained upward owing to the lending rate cap. However, in the new monetary policy, the central bank plans to move away from the lending rate cap regime and introduce an interest rate-based monetary policy, following the suggestion of the International Monetary Fund (IMF). According to industry insiders, if the lending rate cap is lifted, a policy rate hike will be effective this time. This is because it will make borrowing more expensive for banks, which in turn will push up lending rates, discouraging borrowers from taking loans at higher costs.

<https://www.tbsnews.net/economy/banking/cenbank-plans-policy-rate-hike-new-monetary-policy-tame-inflation-649282>

NBR has to realise BDT 900 Bn in June

- An uphill task it looks as the revenue authority has to realise nearly BDT 900 Bn in revenue in June to reach the target for this fiscal year, passing through financial austerity. Its track record shows the National Board of Revenue (NBR) is left to go cracking on sources in the final month of the fiscal as it collects BDT 250 to BDT 300 Bn in tax revenue a month.

- The government set BDT 3.70 Tn as tax revenue-collection target for FY 2022-23. However, revenue collection until May had come close to the volume of taxes collected in the entire FY 2021-22 worth BDT 2.87 Tn. The VAT wing of the NBR collected BDT 1.08 Tn followed by Income Tax wing BDT 889.60 Bn and customs duty BDT 836.85 Bn in the July-May period. NBR officials say share of indirect taxes is gradually going down in the tax-revenue collection. Import duty has declined to 28% to 29% from earlier 45% while direct tax increased to 33% from 22%.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-has-to-realise-tk-900b-in-june>

Law proposes cutting tax rebate by a third for investments in securities

- The highest annual tax rebate on investments in listed securities of the capital market will be reduced by one-third, or 33%, to BDT 1 Mn if the draft income tax act 2023 is approved by parliament. In that case, the maximum investment will be BDT 6.67 Mn a year, 15% of which will be rebated. Hence, the proposed act will not have any impact on small- and mid-level investors who will not go beyond the investment ceiling.
- At present, tax payers are allowed to invest up to 20% of their taxable income or BDT 10 Mn, whichever is lower, to enjoy tax rebates as much as 15% of the investment in listed securities. In this, the rebate is 3% of the annual income. The number of tax payers earning more than BDT 33.30 Mn annually is very small, compared to those who earn less.

<https://thefinancialexpress.com.bd/stock/bangladesh/law-proposes-cutting-tax-rebate-by-a-third-for-investments-in-securities>

How BRT delay is costing USD 123 Mn a year in lost benefits

- A bus rapid transit (BRT) corridor takes three years to open to traffic in Asian countries and Bangladesh's first such project was scheduled for completion in four years from 2012. Eleven years on, the work on the 20.5 km BRT between Dhaka airport and Joydebpur of Gazipur is still going on, with the project cost shooting up to BDT 42.68 Bn from the original BDT 20.40 Bn. The project is now scheduled for completion in 2024.
- The eight years' delay would put the lost economic benefits to nearly 1 Bn dollars, enough for constructing two such BRT corridors even if the escalated project cost is taken into account. The project, designed for a faster transportation between the capital and the industrial town, has instead added to the time and cost for commuters and businesses for its haphazard construction works narrowing the road space and polluting the environment.

<https://www.tbsnews.net/bangladesh/infrastructure/how-brt-delay-costing-123m-year-lost-benefits-649314>

Cut domestic borrowing to rein in inflation

- Given the inflationary pressure in the economy, the government should consider cutting its dependence on domestic borrowing from the central bank to finance the budget deficit so as to contain inflation, said the Policy Research Institute of Bangladesh (PRI). And it can reprioritise allocations for the Annual Development Programme (ADP) and cut its dependence on borrowing to finance a deficit of BDT 2.62 Tn in the proposed budget of BDT 7.62 Tn, said the research organisation.

<https://www.thedailystar.net/business/economy/news/cut-domestic-borrowing-rein-inflation-3345656>

Rising worker outflow fails to resurge remittance

- Over the first five months of the current calendar year, Bangladesh dispatched over 0.5 Mn workers overseas, as per the Bureau of Manpower Employment and Training (BMET). However, the notion that "the more Bangladeshis seek employment overseas, the greater the inflow of remittances for the country" appears to have faltered.
- According to data from the central bank, despite the escalating exodus of workers, remittance income has failed to rebound, with Bangladesh witnessing a 10.27% decline in inward remittances compared to the previous year in May. The figures indicate that in May this year, the influx of remittances amounted to USD 1.69 Bn, a decline from the USD 1.88 Bn recorded during the same period last year. Industry insiders attribute this remittance conundrum to 'hundi', an illicit and unofficial avenue for transferring funds back home.

<https://thefinancialexpress.com.bd/economy/bangladesh/rising-worker-outflow-fails-to-resurge-remittance>

USD interbank exchange rate at BDT 108.70

- The interbank exchange rate for the US dollar reached BDT 108.70 each amid ongoing supply dearth of the greenback. The latest rate is the second-highest after May 22, when it rose to BDT 108.75 per dollar, according to the Bangladesh Bank (BB) statistics. Bankers said the interbank dollar rate has risen mainly due to an increase in remittance rates as part of the central bank's move to reach a market-driven exchange rate.
- On April 30, the Association of Bankers Bangladesh (ABB) and Bangladesh Foreign Exchange Dealers' Association (BAFEDA) raised the dollar rate by BDT 1.0 to BDT 108 for remitters. Since then, the interbank exchange rate keeps increasing almost every working day to reach the record high of BDT 108.75 per dollar on May 22. After that, it declined a bit, but is showing an upward trend again.

<https://thefinancialexpress.com.bd/economy/bangladesh/us-interbank-exchange-rate-at-tk-10870>

BDT 4.13 Tn earned as foreign currency from exports in July-April period

- Bangladesh has earned over BDT 4.13 Tn as foreign currency by exporting various products during July to April period in the current 2022-23 fiscal. Commerce Minister Tipu Munshi gave the information while responding to a question during the question-answer session in the parliament on Monday, reports BSS. He informed that the country got the earnings by exporting knitwear, readymade garment products, home textiles, footwear, frozen food, jute and jute goods, leather and leather goods.

<https://thefinancialexpress.com.bd/economy/bangladesh/tk-413-trillion-earned-as-foreign-currency-from-exports-in-july-april-period>

Universal pension from July, monthly contribution BDT 500-5000

- The government is set to launch the universal pension scheme nationwide in July, with individual contributions ranging from a minimum of BDT 500 to a maximum of BDT 5,000 per month. Individuals aged above 50 will also be able to join the scheme, but to be eligible for the pension, they will need to make contributions for 10 years, according to finance ministry officials. The scheme will initially target four categories – private sector employees, non-resident Bangladeshis, individuals from the informal sector, and insolvent individuals.
- Although the rate of interest has not yet been finalised, officials said the rate would be higher than that for bank deposits but slightly lower than the prevailing interest rate on savings certificates. The scheme covers individuals aged 18-50 years and above. The relevant law excluded people over 50, but later they were brought under the scheme with conditions by formulating rules.

<https://www.tbsnews.net/economy/universal-pension-july-monthly-contribution-tk500-5000-648746>

Firms with over BDT 20 Mn turnover likely under NBR scanner

- Partnership firms, registering more than BDT 20 Mn in annual turnover, are expected to require the submission of an audited financial statement along with returns as the tax authority seeks to include the provision in the new income tax bill. Also, the association of persons and operators of various types funds will also need to file audited financial statements alongside income tax returns, according to the Income Tax Bill 2023 placed by Finance Minister AHM Mustafa Kamal in parliament last week. As these businesses were not needed to file audited accounts, there was an absence of compliance.

<https://www.thedailystar.net/business/economy/news/firms-over-tk-2cr-turnover-likely-under-nbr-scanner-3344721>

Cement industry demands relief from high-tax burden

- The Finance Bill-2023 has proposed an increase in customs duty (CD) on imports of clinker by BDT 200 to BDT 700 per tonne. In contrast, the industry had been requesting the government to reduce the CD from BDT 500 to BDT 200. A duty of BDT 700 per tonne is around 12%-13%, which, in general, should not be more than 5% for such an important commodity, said Bangladesh Cement Manufacturers Association (BCMA) President Md Alamgir Kabir at a press conference on Monday.
- Besides, there is a non-adjustable advanced income tax (AIT) twice – 2-5% during raw materials imports and 2% while selling finished goods. This AIT, along with the energy crisis, high transportation cost, dollar appreciation and struggle in opening letters of credit (LC), has made the cement industry weaker. Even worse for the industry, the AIT is treated as the ultimate tax regardless of whether a company makes a profit or not, he added. The AIT collected in two stages should be at most 0.5% that the industry can bear, the association believes.

<https://www.tbsnews.net/economy/industry/cement-industry-demands-relief-high-tax-burden-648698>

Hotel-owners demand continued duty exemption for material imports

- Luxury hotel owners on Monday demanded the continuation of duties exemption for their hotel material imports, saying that withdrawal of such facilities will lead to a fall in foreign tourists in the country. They have been enjoying a 10% exemption in import duties for interior decoration materials, kitchen equipment, building security equipment and furniture etc for a long time. The Bangladesh International Hotel Association, in a letter to the National Board of Revenue, said the budgetary measures to withdraw the duty exemption from the next fiscal year would increase hotel establishment costs as well as room rents and other charges for customers.

<https://www.tbsnews.net/economy/hotel-owners-demand-continued-duty-exemption-material-imports-648690>

Country's export earnings to rise by USD 70 Bn in FY24

- Commerce Minister Tipu Munshi on Monday said the country's export earnings most hopefully will be increased to USD 70 Bn in the next year. The government has formulated a series of import policies aiming to strengthen the position of the country for bringing mobility in export under competitive global trade, the minister said while responding to a question tabled by treasury bench lawmaker Morshed Alam of Noakhali-2 in parliament.

<https://www.tbsnews.net/economy/countrys-export-earnings-rise-70b-fy24-648718>

BSCIC estate brings solvency to female workers

- The Bangladesh Small and Cottage Industries Corporation (BSCIC) established an industrial estate on 26.30 acres of land in the Dapunia area of Jamalpur in 1980 with a view to developing small and medium enterprises and creating jobs. The estate has turned out to be successful as it has reached most of its core targets. What is more, it has generated jobs, mostly for women, thus making them solvent and empowering them. According to the office of the Jamalpur BSCIC, there are 82 industrial units located over 197 plots. Of the 1,848 workers employed, 723 are male and 1,125 are female.

<https://www.thedailystar.net/business/economy/news/bscic-estate-brings-solvency-female-workers-3344671>

Tax measures in new budget to escalate tobacco use: Experts

- The proposed national budget for FY 2023-24, if adopted, will once again render tobacco products cheaper than essential commodities, experts have said. This will raise tobacco-related illness and deaths, deprive the government of the opportunity to earn additional revenue, and only benefit tobacco companies, they said at a post-budget press conference on tobacco price and tax measures, at the National Press Club on Monday. Economists and anti-tobacco leaders have raised demand for introducing specific supplementary duty (SD) to effectively raise the prices of tobacco products in the final budget.
- As per the proposals of anti-tobacco organisations, only by introducing 65% of SD in the low-tier cigarettes, the government can earn at least BDT 17 Bn as additional revenue. As the proposed budget has set the SD on the low-tier of cigarettes at only 58%, the companies will pocket at least BDT 4.86 Bn as additional profit.

<https://www.tbsnews.net/economy/tax-measures-new-budget-escalate-tobacco-use-experts-648642>

Tax collection rebounds in May

- Tax collection by the National Board of Revenue (NBR) shot up in May, powered by buoyancy in value added tax (VAT) collection from domestic economic activities and increased income tax receipts, according to a provisional estimate. Taxmen collected BDT 304.81 Bn in May, which drove the overall growth of revenue collection up by 11% year-on-year in the July-May period of the current fiscal. With the recovery in collection last month after a fall in April, overall revenue receipts stood at BDT 2807.76 Bn, which shows that the NBR will have to collect BDT 892.24 Bn to meet its revenue goal of BDT 3700 Bn during this financial year.

<https://www.thedailystar.net/business/economy/news/tax-collection-rebounds-may-3344731>

High time to reduce demand, tackle inflation head-on

- The government should target reducing demand through ensuring market-based interest and exchange rates as well as cutting allocation for infrastructure projects to rein in inflation and protect the foreign currency reserves, said economists yesterday. "Evidence shows that countries that adopted demand reduction policies through hikes in interest rates have all succeeded in reducing inflation substantially." Ahmed made the comments while making the keynote presentation at a seminar -- Four key challenges for the national budget 2023-24: some reflections -- organised by the Bangladesh Institute of Development Studies (BIDS).

<https://www.thedailystar.net/business/economy/news/high-time-reduce-demand-tackle-inflation-head-3344736>

Mobile production declines sharply in April

- Local production of mobile phones declined substantially in Bangladesh in April as manufacturers grappled with a massive drop in sales amidst the grey market's expansion. About 1.478 Mn units of phones were manufactured in the month, a drop of 56.28% year-on-year. Although the 0.668 Mn smartphones produced in April was the highest in six months, it was down 47.11% compared to the same month a year earlier, highlighting the dire situation the local device manufacturers were in. Production of 4G smartphones plummeted by over 61% year-on-year in the first quarter of this year.

<https://www.thedailystar.net/business/economy/news/mobile-production-declines-sharply-april-3344696>

9 foreign cos willing to invest BDT 62.5 Bn in farm mechanization

- Nine foreign companies have expressed interest in investing around BDT 62.5 Bn in manufacturing farm machinery in Bangladesh, a move experts say will contribute to agricultural modernisation and economic growth. These companies have already submitted proposals to the Bangladesh Investment Development Authority (Bida) and applied to the Office of the Registrar of Joint Stock Companies and Firms (RJSC) for permission to start operations in the country.
- According to RJSC sources, four Chinese companies are willing to invest BDT 7 Bn, BDT 12 Bn, BDT 10 Bn, and BDT 6 Bn, respectively. Two Japanese companies intend to invest BDT 8 Bn and BDT 3.5 Bn, while two Korean companies BDT 5.5 Bn and BDT 6.5 Bn each. Additionally, a Taiwanese company is looking to invest BDT 4 Bn.

<https://www.tbsnews.net/economy/9-foreign-cos-willing-invest-tk6250cr-farm-mechanisation-647706>

Cotton consumption to rebound

- Cotton consumption in Bangladesh will grow in the marketing year of 2023-24 on the back of a rebound in work orders from international clothing retailers and brands, according to the United States Department of Agriculture (USDA). Local mills may use 8.1 Mn bales of cotton in the next marketing year, starting in August, up 1.25% from 8 Mn bales projected by the US agency last month. The predicted increase is 11% higher than Bangladesh's domestic use of 7.3% bales in the 2022-23 marketing year, said the agency in its report styled "Cotton: World Markets and Trade".

- The report was published on June 9. According to the USDA, global consumption increased by 800,000 bales to 117 Mn bales in June compared to the same month a year before. Each bale weighs about 480 pounds. This growth was led by stronger consumption prospects in Bangladesh, Vietnam, Indonesia, Turkey, and Pakistan. However, consumption is projected to decrease by 500,000 bales to 109.1 Mn bales in June due to lower usage in Bangladesh, Indonesia and the US.

<https://www.thedailystar.net/business/economy/news/cotton-consumption-rebound-3342961>

Responsible Business Hub begins journey to strengthen human rights in RMG

- The Responsible Business Hub has started its journey with an aim to strengthen human rights and environmental due diligence in the readymade garments industry of Bangladesh. The hub, set up by BGMEA and BKMEA with the support of the German development agency GIZ, will serve as an information centre, raising awareness and providing guidance to manufacturers on the standards and requirements of human rights and environmental due diligence. At the launching event on Sunday, apparel manufacturers and labour leaders urged buyers to practise ethical buying practices in their supply chain.

<https://www.tbsnews.net/economy/rmg/responsible-business-hub-begins-journey-strengthen-human-rights-rmg-647986>

Investment of undisclosed funds in land, real estate to be allowed sans quizzing

- The Income Tax Bill-2023, which was placed in the parliament on June 8, has provided for legalising undisclosed income by investing in land as well as residential and commercial building structures. The investors will have to pay taxes at specific rates to formalise their money, however, without facing any question by the taxmen on the source. The opportunity is applicable only for the undisclosed money earned through legal means.
- Currently, the amnesty to such income and its investment is applicable for only residential house properties at the area-based tax rates fixed by the taxmen. However, the taxmen would levy 100% tax in case of detection of any previous proceedings relating to tax evasion. The existing provision on voluntary disclosure of such income by paying 10% tax in addition to normal tax rate was also kept unchanged in the new law.

<https://thefinancialexpress.com.bd/economy/bangladesh/investment-of-undisclosed-funds-in-land-real-estate-to-be-allowed-sans-quizzing>

BBS to release socioeconomic data by Oct

- The Bangladesh Bureau of Statistics (BBS) is expected to release its district-wise socioeconomic and demographic survey's estimates with 195 indicators by the end of October this year, according to a high official of the planning ministry. The state-run statistical agency is now conducting its survey on 0.3 Mn households across the country. It began on June 1 and will end by June 15.
- "The country will get around 195 types of social, economic, migratory and demographic information of the country's citizens," said Md Dilder Hossain, director of the survey project. "It will provide us the district-wise households' elaborate estimate data, which we could not aggregate in the national Population and Housing Census 2022," he said.

<https://www.thedailystar.net/business/economy/news/bbs-release-socioeconomic-data-oct-3342806>

Depositors to get double compensation

- A Bank Deposit Insurance Bill (Amendment) 2023 was placed in parliament yesterday aiming to double the amount of compensation for depositors. Finance Minister AHM Mustafa Kamal placed the bill, which was sent to the parliamentary standing committee on the finance ministry for further scrutiny. In Bangladesh, deposit insurance was introduced in August 1984 while the amount of insurance coverage was BDT 60,000, which was later increased to BDT 1,00,000. The amended law proposed to increase this compensation to BDT 2,00,000.

<https://www.thedailystar.net/business/economy/news/depositors-get-double-compensation-3343736>

Duty hike to make cement costlier, burden building costs

- The duty structure proposed in the new budget is supposed to add BDT 15 to the cost of production of cement per bag, but manufacturers mull a BDT 30- BDT 50 hike per bag at retail level, which will further increase the construction cost at all levels. In the proposed budget for the fiscal 2023-24, import duty on clinker, the primary raw material for cement, has been raised to BDT 700 per tonne from the earlier BDT 500. Besides, the new budget proposes increasing the specific rate of duty from BDT 750 to BDT 950 for commercial importers.
- Once the cement made from the new clinker supply comes to the market, the cost of production would go up and cement prices may shoot up to as high as BDT 580 per bag at the retail level from BDT 550 now depending on various brands, factory owners and dealers have hinted. This situation will make the lives of contractors miserable as they have been awarded projects prior to the increase in cement prices, as reported by contractors.

<https://www.tbsnews.net/economy/duty-hike-make-cement-costlier-burden-building-costs-648018>

Govt borrows BDT 130 Bn from banks in May, highest in a month

- The government borrowed BDT 130.15 Bn from banks in May alone, which is significantly higher compared to just BDT 76.63 Bn borrowed in the previous 10 months combined. In the same month, the government repaid BDT 27.83 Bn to the Bangladesh Bank, according to data from the central bank. At the end of May, its borrowing from the central bank stood at BDT 716.10 Bn, compared to BDT 21.46 Bn at the same time last fiscal year.
- Bankers said inflation is rising due to soaring import costs, and the situation is exacerbated by the government's borrowing from the banking system to meet its budget deficit. The government's revenue collection target for the fiscal 2022-23 was BDT 3.70 Tn. However, in the first 10 months, the revenue collection stood at BDT 2.50 Tn, which is only 67% of the target.

<https://www.tbsnews.net/economy/govt-borrows-tk13000cr-banks-may-highest-month-648002>

BB may continue contractionary monetary policy to curb inflation

- Bangladesh Bank would continue with its existing contractionary monetary policy stance (MPS) for an extended period to contain inflation that has already surpassed the annual target, hitting hard the lower-and middle-income brackets of people. Its latest Monetary Policy Review 2022-23 dropped the hint, observing that the stubbornly-high inflation in the economy raises concerns about 'unanchored inflation expectations'.
- According to the review, the BB needs to proactively exercise caution and vigilance to anchor inflation expectations and limit the second-round effects of inflation. The sharp depreciation of the exchange rate and high production and transportation costs kept domestic inflation elevated amid improvements in the supply situation and declining global commodity prices, it noted. The economy's future trajectory will depend on improving the country's balance of payments position while the current account deficit has significantly reduced, sustained improvement in the current account balance will require increased exports and remittance inflows.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-may-continue-contractionary-monetary-policy-to-curb-inflation>

Fisheries smart city in Chakaria on cards to boost blue economy

- The government has planned to develop a smart city for fisheries in Chakaria Upazila of Cox's Bazar to tap the potential of the blue economy through marine fisheries. The Fisheries and Livestock Minister SM Rezaul Karim said at a roundtable on Sunday the department has developed a smart vessel management system for ensuring good governance in marine fishing.

<https://www.tbsnews.net/economy/fisheries-smart-city-chakaria-cards-boost-blue-economy-647850>

Cattle farmers unsatisfied with sales ahead of Eid

- Sales of sacrificial animals have yet to reach levels deemed satisfactory to farmers ahead of the upcoming Eid-ul-Azha, raising concerns of further losses for those rearing them in Pabna and Sirajganj. Farmers in the greater Rajshahi region saw their sales hit almost zero during the pandemic, when cattle markets centring Eid-ul-Azha were shut to prevent the contagion from spreading. Now, their hopes of registering good sales this year has also been thrown in doubt as higher prices for sacrificial animals are discouraging traders from making advance bookings.

- Farmers say the price of sacrificial animals has increased due to substantial increases in maintenance and feed costs amidst the ongoing economic crises resulting from the Russia-Ukraine war and US dollar shortage. Although the Department of Livestock Services (DLS) is yet to prepare a final tally on the number of sacrificial animals ready for sale this Eid, the fisheries and livestock ministry put the preliminary figure at 12.5 Mn.

<https://www.thedailystar.net/business/economy/news/cattle-farmers-unsatisfied-sales-ahead-eid-3343721>

Tax rebate scope for investment in mutual funds narrows

- The draft Income Tax Bill 2023 has delivered bad news for big investors of mutual funds though it has retained all benefits for stock investors, including the capital gains tax. The new law proposed that investments up to BDT 0.5 Mn in any government securities, units of mutual funds, and exchange-traded funds will get a tax rebate. As a result, investors will be discouraged to park funds in mutual funds since they will not be eligible for the rebate if the investment crosses BDT 0.5 Mn, said a top official of an asset management company. The proposed law says the statutory regulatory orders that don't contradict the bill will remain in effect. This means the capital gains tax, which was waived by an SRO in 2015, will remain in force.

<https://www.thedailystar.net/business/economy/news/tax-rebate-scope-investment-mutual-funds-narrows-3343741>

Chinese ship reaches Mongla with over 26,000 tonne of coal for Rampal power plant

- Chinese cargo ship "MV Zhe Hai" has reached Mongla Port carrying coal for the Rampal Thermal Power Plant in Bagherhat. On Saturday (10 June) morning, it unloaded 26,620 tonne of coal at the port. Previously, on 16 May, the Bangladeshi flag-bearing vessel MV Boshundhara Empress arrived at Mongla Port carrying 30,000 tonne of coal, and on 29 May, MV Boshundhara Majesty arrived with 30,500 tonne of coal for the Rampal power plant. The Payra Thermal Power Plant was shut down on 5 June, and the Bashkhali Thermal Power Plant was also shut down yesterday (9 June) due to an acute coal crisis.

<https://www.tbsnews.net/bangladesh/energy/chinese-ship-reaches-mongla-over-26000-tonne-coal-rampal-power-plant-647162>

1.14 Mn people to get quality power service thru first smart grid project

- As many as 1.14 Mn people will benefit from a significant improvement in the quality of electricity service through the country's first-ever smart grid project initiated by the DPDC, experts have said. In addition, the smart grid project, which is now in its first phases, will help fight climate change by preventing an accumulated 104,000 tonnes of CO₂ emissions per year, experts said at a seminar, titled "Towards Power Distribution Revolution Smart Grid Technologies and Its Applications", at Buet on 7 June.

<https://www.tbsnews.net/bangladesh/energy/1141-lakh-people-get-quality-power-service-thru-first-smart-grid-project-647202>

Charger fans, IPS sales soar in Ctg as power cuts intensify amid heatwave

- Port city dwellers are rushing to electronic shops to purchase electricity backups and battery-run cooling devices to escape the ongoing sweltering heat wave and the frequent load shedding that has been raging across the country for over a week. Chattogram has a demand of 1,400MW to 1,450MW of electricity during peak hours, according to the power distributor of the port city. However, only around 1,100MW is available from the national grid.
- Traders are taking the opportunity to raise the prices of charger fans and IPS (instant power supply) amid heightened demand. Charger lights and IPS were also selling more than usual. The demand for IPS brands like Luminous, Rahimafrooz, and Extreme is high, the electrician mentioned. Besides, IPS batteries are also being sold at high prices.

<https://www.tbsnews.net/bangladesh/energy/charger-fans-ips-sales-soar-ctg-power-cuts-intensify-amid-heatwave-646746>

Q1 no-frill accounts grow 1.44%

- The number of NFAs (no-frill accounts) has grown by 1.44% to more than 30.45 Mn with BDT 58,898.28 Mn deposits during the January-March period over its previous quarter. The central bank's move is to ensure financial services for people of all segments in society. The Bangladesh Bank has been allowing the opening of accounts for marginalised people with an initial deposit of BDT 10, 50, or 100.
- Such accounts play a role in inward remittance. Deposits from students under school banking are also part of the NFAs. These accounts require neither a minimum balance nor any service charge/fee. On the contrary, relatively higher interest rates than the existing savings rates are offered in these accounts to augment welfare of the low-income people. The number of 10-taka accounts for farmers remains the largest component of the NFAs, contributing 37.77% of the total BDT 10/50/100 accounts.

<https://thefinancialexpress.com.bd/economy/bangladesh/q1-no-frill-accounts-grow-144pc>

Fighting load-shedding: Commerce to allow on-credit coal import for USD 5 Mn

- The Ministry of Commerce has decided to allow individual companies to import coal worth USD 5 Mn on-credit per annum, in a bid to restore electricity supply to normal, without putting further burden on the country's foreign exchange reserves. The decision was made at a ministry meeting with stakeholders on Thursday (8 June) following applications from several companies seeking the opportunity to import higher amounts of coal on-credit amid the ongoing dollar crisis.
- The country has several coal-based power plants. Of them, the 1,320MW Payra Thermal Power Station has recently shut off due to fuel crisis, causing a fall in supply of electricity to the national grid and extensive load shedding across the country. The power plant has been importing coal on credit for a long time and its due bills now stand at USD 36 Mn. Apart from this, Rampal Coal-based Power Plant is failing to utilise its full capacity due to coal shortage. These power plants require thousands of tonnes of coal every day.

<https://www.tbsnews.net/bangladesh/energy/fighting-load-shedding-commerce-allow-credit-coal-import-5m-646590>

BB to declare new monetary policy with focus on single exchange rate

- Bangladesh Bank will announce a new monetary policy this month, where measures for the single exchange rate of US dollar and market-based interest rate are getting priority, reports UNB. The monetary policy will also focus on the government's medium-term reform policy to bring stability to the macroeconomic sector, said a senior official of the central bank who is involved in its formulation wishing anonymity.
- The finance division, a wing of the finance ministry, has set a 5-point reform target to get benefits in the medium term in the macroeconomic sector by overcoming the dollar crisis and strengthening the forex reserves of the country. The outline of these reforms has been finalized. These included introducing market-based interest rates on bank loans and the single currency exchange rate as per market demand rather than the current multiple rate system. Besides, the amount of subsidy will be reduced gradually, and the cost of government borrowing reduced in phases, along with cutting the volume of loans from savings bonds.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-to-declare-new-monetary-policy-with-focus-on-single-exchange-rate>

VISA rules the roost, says BB

- Transactions through credit cards continue to grow with VISA, thereby dominating the credit-card usage among Bangladeshis at home and abroad, according to officials. Not only Bangladeshis, but also the foreigners, who stay here for varied purposes, use the VISA card most in terms of transfer funds electronically. These are the findings of a Bangladesh Bank (BB) report styled 'An Overview of Credit Card Users Spending Pattern within and outside the Country' for March 2023.
- According to the report, credit card-based transactions in the domestic market rose by 9.79% in March 2023 compared to that of previous month. Of the total figures, the share of VISA credit card was 70.26% followed by MasterCard (17.04%) and AMEX (12.50%). Seeking anonymity, a BB official said the volume of credit card-based transactions keeps rising in the home market with high costs of living amid rising inflation. Analysing the spending behaviour of credit cardholders, he said it is found that they mostly used credit cards in department stores where 55.25% transactions occurred in March. According to the BB official, it has been observed that the credit cardholders mostly used their plastic in the neighbouring nation India.

<https://thefinancialexpress.com.bd/economy/bangladesh/visa-rules-the-roost-says-bb>

BD may cut debt reliance as Finance Div devises strategy

- Bangladesh would make its strides to reduce reliance on debt in the medium term amid two key macroeconomic challenges - low revenue collection and high-interest rate regime. To face the looming challenges, the finance division came up with the strategy for the next three financial years (FYs) as suggested in its latest Medium Term Macroeconomic Policy Statement (MTMPS) for FY 2023-26, released with the proposed budget documents.
- The low revenue collection is limiting the capacity to invest in infrastructure and other developmental projects, it observed, adding that the low tax-GDP ratio also affects the debt sustainability. The finance division found, according to the MTMPS, a high-interest rate regime both in the domestic and international markets as another key challenge for the country's economy. The high-interest rate regime is increasing the government's borrowing costs and putting a strain on public finances, it said.

<https://thefinancialexpress.com.bd/economy/bangladesh/bd-may-cut-debt-reliance-as-finance-div-devises-strategy>

Investment ceiling likely at BDT 0.5 Mn for rebates on govt securities

- Investors in government securities may experience a reduction in their investment rebate on tax filings starting from July 1, 2023. According to the new Income Tax Bill-2023, which was placed in Parliament on Thursday, the government is going to establish a limit of up to BDT 0.5 Mn for the first time, allowing investment rebates in its savings instruments. This measure is being taken in an effort to control the investment in savings instruments and alleviate the government's burden of interest payments from domestic borrowing, according to officials.
- Investors in savings certificates enjoy an interest rate of up to 11.52%, whereas it ranges from 6.0 to 8.0% in banks. The tax authority said it will not grant tax rebates to individual taxpayers exceeding the limit from the upcoming fiscal year if the new law receives parliamentary consent. The cabinet approved the new law on June 1, 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/investment-ceiling-likely-at-tk-05m-for-rebates-on-govt-securities>

Current account gap to go in two years

- The government expects that the country's current-account deficit will go within the next two years after remaining in negative territory for most of the past decade or so. However, economists differ with the prediction made by the Ministry of Finance. By FY26, the MTMPS mentioned that export earnings may reach USD 78 Bn and imports may stand at USD 101 Bn. The gross foreign exchange reserves may then reach USD 48 Bn from the present amount of less than USD 30 Bn, it added.
- Bangladesh Bank data shows that during the July-April period of the current fiscal year, the current account deficit was USD 3.772 Bn, while the gap was USD 15.486 Bn in the same period of the last fiscal year. In the entire fiscal year 2021-22, the deficit was USD 18.697 Bn. The fighting in Ukraine is expected to intensify during the next few months, and if it turns out to be a larger conflict involving other countries, the world economy will most likely enter an unprecedented perilous phase, it said.

<https://thefinancialexpress.com.bd/economy/bangladesh/current-account-gap-to-go-in-two-years>

World Bank keeps Bangladesh GDP growth unchanged at 5.2% in FY23

- The World Bank, in its latest June edition of Global Economic Prospects, has kept Bangladesh's gross domestic product (GDP) growth unchanged at 5.2% in the current fiscal year. "In Bangladesh, elevated inflation, policy uncertainty, and weakening external demand are expected to slow growth to 5.2% in FY23 from 7.1% in the previous fiscal year," the World Bank said in its flagship report released on Tuesday.
- According to the Washington-based lender, in Bangladesh, continued import suppression measures and energy shortages have weighed on both industrial production and the services sector. Real household earnings are yet to recover to pre-pandemic levels despite an improvement in employment. The lender expressed concerns that financial sector risks remain elevated in Bangladesh, with high levels of non-performing loans, weak capital buffers, and weak bank governance. Ratios of non-performing loans to total loans are elevated and have recently been rising.

<https://www.tbsnews.net/economy/world-bank-keeps-bangladesh-gdp-growth-unchanged-52-fy23-647014>

MFS usage restricted to basics at marginal level

- Major use cases of mobile financial services (MFS) are still confined to receiving, sending and withdrawing money at marginal levels, where the gender divide is palpable, according to three studies. About 83% of the people in plainland ethnic communities in northern Bangladesh use MFS for receiving money, as per a survey commissioned by the Policy Research Institute (PRI). The study found that only 6% of participants use MFS for depositing money, 10% for receiving government stipends for children, 8% for government grants, 9.5% for government allowances, and 1% for paying bills.

<https://www.thedailystar.net/business/economy/news/mfs-usage-restricted-basics-marginal-level-3341421>

More taxes proposed for pvt unis, English medium schools, trade orgs, NGOs

- The Income Tax Bill 2023, which was placed in Parliament on Thursday, has made changes in the definition of a company, bringing in English medium schools and private universities, trade organisations and NGOs under the corporate tax purview. According to the new definition, cooperative associations, micro-credit organisations, government organisations, local authorities and autonomous organisations would also be considered as a company, finance ministry and revenue board officials said.

<https://www.tbsnews.net/nbr/more-taxes-proposed-pvt-unis-english-medium-schools-trade-orgs-ngos-647042>

Govt liabilities from SOEs' debts swell to BDT 985.9 Bn

- Government debt liabilities stemming from overdue loans of state-owned enterprises (SOEs) from local and foreign lenders go ballooning to BDT 985.9 Bn this year amid financial upheavals, sources say. The amount is over 6.0% higher than last year's—and such growing SOE borrowings may ultimately add up to the aggregate national debt in the event of the enterprises failing to pay back the borrowed money. The SOEs' debt increased mainly due to higher prices of fertiliser, especially urea, and also fuel-price upturn on the international market.
- The total power-sector guarantees alone surged to BDT 514.9 Bn, nearly 4.0 % up from last year's, for fuel-price rises and payments to plant owners. The government provides guarantees and counter-guarantees against loans negotiated by various state-owned financial and non-financial enterprises who implement different public policies and programmes.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-liabilities-from-soes-debts-swell-to-tk-9859b>

Imports keep falling amid lingering dollar crisis

- Bangladesh's imports dropped 14.40% year-on-year to USD 58.78 Bn in July-April of the ongoing financial year, which might be seen as a relief for the volatile foreign exchange regime but it could also deal a blow to the economy, official figures showed yesterday. Compared to July-March 2022-23 when it stood at USD 53.94 Bn, import bills declined nearly 9% in the first 10 months of the financial year, according to the data from the central bank.
- Central bank data showed the deficit in the financial account widened further to USD 2.16 Bn in July-April. The deficit was USD 2.04 Bn in July-March whereas it stood at a surplus of USD 11.95 Bn in July-April of the last financial year.

<https://www.thedailystar.net/business/economy/news/imports-keep-falling-amid-lingering-dollar-crisis-3341466>

Family's grip to loosen, willful defaulters to face music

- A maximum of three persons from a single family would be able to become directors of a commercial bank from the existing four, according to the Bank Company (Amendment) Bill 2023. The draft act has also defined habitual defaulters and set punitive measures against delinquent borrowers, the first such measure in the country's history. The reduction in the number of directors from a single family has been a long demand from analysts and experts in order to strengthen corporate governance and bring back stability in the banking sector where default loans have gone through the roof owing to poor enforcement of laws.
- There are allegations that a few families are controlling a number of banks in the country. The draft act, which has been in the works since 2019, has been a longstanding demand of the multilateral lenders such as the World Bank and the International Monetary Fund. The IMF has stipulated submitting the draft law before the parliament by September as a part of its USD 4.7 Bn loan.

<https://www.thedailystar.net/business/economy/news/familys-grip-loosen-willful-defaulters-face-music-3341481>

Important News: Capital Market

UNIONINS, SONARBAINS | Union Insurance, Sonar Bangla Insurance declare dividend

- Two more general insurance companies – Union Insurance and Sonar Bangla Insurance have declared dividends for the year ended in December 2022. Sonar Bangla Insurance recommended 15% dividend (10% cash and 5% stock) while Union Insurance declared 10% cash dividend. As per the Q1 reports, Sonar Bangla's consolidated EPS was BDT 0.85 for January-March 2023 as against BDT 0.82 for January-March 2022. Union's EPS was BDT 0.89 for January-March 2023 as against BDT 0.59 for January-March 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/union-insurance-sonar-bangla-insurance-declare-dividend>

ABBANK | AB Bank Perpetual Bond makes debut Thursday

- Trading of the AB Bank Perpetual Bond will commence on the Dhaka Stock Exchange and Chittagong Stock Exchange tomorrow (Thursday) under settlement category 'N'. The private bank got approval to raise BDT 6 Bn in November 2021 by issuing a transferable, unsecured, non-cumulative and contingent-convertible perpetual bond for raising additional Tier-I (AT-I) capital.
- Of the BDT 6.0 Bn, BDT 5.40 Bn raised through private placement and the remaining BDT 600 Mn under the public offering. Despite the securities regulator approving the bond more than 18 months ago, it was delayed to make its debut as the bank struggled to get subscribers as the lender did not get the expected number of subscriptions within the stipulated deadline.

<https://thefinancialexpress.com.bd/stock/bangladesh/ab-bank-perpetual-bond-makes-debut-thursday>

MERCANBANK | Mercantile Bank okays 12% dividends

- Mercantile Bank shareholders approved 10% cash and 2% dividends for 2022. The bank has also reported consolidated earnings per share of BDT 2.17 and net operating cash flow per share of BDT 4.73. The information was revealed at the bank's 24th annual general meeting (AGM) held virtually yesterday, said a press release.

<https://www.thedailystar.net/business/economy/banks/news/mercantile-bank-okays-12-dividends-3346571>

NHFIL | National Housing approves 15% cash dividend

- National Housing Finance and Investments Limited conducted its 24th Annual General Meeting (AGM) on Sunday on the virtual platform, with shareholders approving a 15% cash dividend for the year 2022. The company achieved a net profit of BDT 263.14 Mn, resulting in earnings per share (EPS) of BDT 2.25 and a net asset value per share (NAV) of BDT 19.40.

<https://thefinancialexpress.com.bd/stock/bangladesh/national-housing-approves-15pc-cash-dividend>

POWERGRID | Power Grid to issue new shares against government funds

- Power Grid Company of Bangladesh has finally decided to issue shares against the share money deposit it has been taking from the government for years to finance various projects. Till this March, the total share money deposit of the state-owned power producer stood at BDT 89.18 Bn – the highest for any listed firm. Of the amount, BDT 80.43 Bn piled up till June last year. The remaining BDT 8.75 Bn came during the July to March period of the fiscal 2022-23. Also, the company said in a stock exchange filing that it wants to increase its authorised capital to BDT 150 Bn, which is now BDT 100 Bn.

<https://www.tbsnews.net/economy/stocks/power-grid-issue-new-shares-against-government-funds-649950>

ICB | ICB sells its entire holding of Islami Bank

- The Investment Corporation of Bangladesh (ICB) has sold its entire shareholding of the Islami Bank Limited for BDT 1.09 Bn. According to Islami Bank data, the ICB holds 3,34,68,956 shares of the bank, which was 2.07% of the total shares. As it sold its entire stake, the ICB has withdrawn Md Abu Taher Md Ahmedur Rahman, a nominated director from the ICB on the board of Islami Bank. An official of ICB, on condition of anonymity, told The Business Standard, "We are facing a liquidity crisis. Most of the funds are stuck in the capital market due to the imposition of floor price."

<https://www.tbsnews.net/economy/stocks/icb-sells-its-entire-holding-islami-bank-649898>

EBL | Eastern Bank's stock dividend credited by CDBL

- The Central Depository Bangladesh Limited (CDBL), on Tuesday (13 June), credited the bonus shares of Eastern Bank Ltd (EBL) to the beneficiary owner (BO) accounts of its investors. The private sector lender had recommended a 25% dividend for its shareholders for the year 2022, consisting of 12.50% cash and 12.50% stock. Eastern Bank Ltd recorded consolidated earnings per share (EPS) of BDT 4.77 during the year, showing an increase from BDT 4.47 in 2021. However, in the first quarter of 2023, the bank's consolidated EPS stood at BDT 1, down from BDT 1.11 compared to the same period of the previous year.

<https://www.tbsnews.net/economy/stocks/eastern-banks-stock-dividend-credited-cdbl-648862>

EIL | Sluggish marine business slashes Express Insurance profit by 38%

- Express Insurance Limited has reported a 38% year-on-year drop in its profit for the January to March quarter of 2023 owing to a decline in its marine insurance business. At the end of the quarter, the company's net profit stood at BDT 26.1 Mn, which was BDT 42.4 Mn in the same quarter of the previous year. Its earnings per share (EPS) stood at BDT 0.4. It recommended a 7% cash dividend for 2022 in a board meeting held this Monday. To secure shareholders' approval of the dividend, the company has scheduled its annual general meeting (AGM) on 28 August. The record date is 24 July 2023.

<https://www.tbsnews.net/economy/stocks/express-insurances-earnings-decline-38-jan-mar-648834>

SOUTHEASTB | Southeast Bank signs deal with Nagad

- Southeast Bank Limited signed an agreement with mobile financial service (MFS) provider Nagad on remittance disbursement. Under this agreement, the bank's associate overseas exchange houses, money transfer operators, banks and its 100% owned subsidiary Southeast Exchange Company (South Africa) can easily collect remittances and send to Nagad's 78.8 Mn beneficiaries' wallets directly round the clock. Even the beneficiaries can withdraw the money from Nagad's 220,000+ payout locations around the country which will ultimately facilitate financial inclusion to the masses.

<https://www.thedailystar.net/business/economy/news/southeast-bank-signs-deal-nagad-3345581>

SSSTEEL, OIMEX, ISNLTD | Three firms fined for late dividend payment

- The Dhaka Stock Exchange (DSE) has slapped fines on SS Steel Ltd, Oimex Electrodes Ltd, and Information Services Network Ltd because they failed to disburse the dividends declared for the fiscal 2021-22 in due time. According to the listing regulations, a company must complete the distribution of its declared dividends within 30 working days from the date of annual general meeting (AGM). Failure to do so would result in a penalty of BDT 5,000 for each day of default. The fine amounts are BDT 0.115 Mn for SS Steel, BDT 0.145 Mn for Oimex Electrodes, and BDT 0.175 Mn for Information Services Network. Along with the payment of penalty, in separate letters to these companies, the DSE sought a clarification from them about the aforesaid non-compliances of securities laws.

<https://www.tbsnews.net/economy/stocks/three-firms-fined-late-dividend-payment-649322>

EMERALDOIL | Emerald Oil rectifies last two quarters' earnings

- Emerald Oil Industries, which had posted miscalculated earnings per share (EPS) for the second and third quarter of the fiscal 2022-23 last week, posted the correct figures on the Dhaka Stock Exchange (DSE) website on Monday. Therefore, the revised EPS for the second (October to December) quarter of FY23 is BDT 0.19, and that for the third (January to March) quarter is BDT 0.17. According to the company's disclosure on 8 June, the wrong figures were BDT 0.21 for December quarter and BDT 0.19 for March quarter. Emerald Oil officials said the company made a mistake in calculating its EPS by diluting fresh shares against share money deposit of BDT 82.8 Mn into ordinary shares for the said quarters.

<https://www.tbsnews.net/economy/stocks/emerald-oil-rectifies-last-two-quarters-earnings-648734>

PADMALIFE | Regulator appoints observer to Padma Islami Life Insurance

- The insurance regulator has appointed an observer on the board of directors of Padma Islami Life Insurance to protect the interest of policy holders of the company. The company said in its statement filed on the stock exchange on Monday, the Insurance Development and Regulatory Authority (Idra) has sent its Director Jahangir Alam to the company's board as observer to ensure good governance. The disclosure also said Idra stated that policyholders are constantly filing complaints with the regulator due to non-payment of insurance claims on time by the company.

<https://www.tbsnews.net/economy/stocks/regulator-appoints-observer-padma-islami-life-insurance-648722>

DUTCHBANGL | Sadia Rayen becomes Dutch-Bangla Bank chairman

- Sadia Rayen Ahmed was elected as the chairman of Dutch-Bangla Bank Limited yesterday. Sadia succeeds Sayem Ahmed, the bank said in a press release. She has been serving as a director of the bank since June 14, 2022. Since 2012 she has been serving as a deputy managing director (finance) of various textile spinning mills with monthly exports of USD 80 Mn.

<https://www.thedailystar.net/business/economy/news/sadia-rayen-becomes-dutch-bangla-bank-chairman-3344591>

RDFOOD | Rangpur Dairy & Food to buy 203 decimal land

- The Rangpur Dairy & Food Products – a manufacturer of dairy and non-dairy products using milk in the country – has decided to purchase 203 decimals of land in Rangpur for expansion of its factory. According to a disclosure published on the stock exchanges on Sunday, it said the land will be used for expansion of factory area and construction of building in near future.

<https://www.tbsnews.net/economy/stocks/rangpur-dairy-food-buy-203-decimal-land-647546>

PROGRESLIF | IDRA appoints observer to Progressive Life Insurance board

- In a move aimed at protecting the interests of policyholders and ensuring good governance, the Insurance Development and Regulatory Authority (IDRA) has appointed an observer to the board of Progressive Life Insurance Company. This decision comes in response to a growing number of complaints filed by policyholders with the IDRA regarding the untimely settlement of insurance claims by Progressive Life Insurance Company Ltd.

<https://www.tbsnews.net/economy/stocks/idra-appoints-observer-progressive-life-insurance-board-647562>

NAVANAPHAR | Navana Pharma to issue BDT 1.5 Bn bond for loan repayment

- Navana Pharmaceuticals is going to issue a BDT 1.5 Bn bond, for a maturity period of five years, to repay its existing bank loans. Following a board meeting on Sunday, the drug maker in a price sensitive information disclosure on the Dhaka Stock Exchange (DSE) website, said the proposed bond would be partially convertible. The bond will be privately placed among investors and they would receive interests twice a year. As of 31 March, Navana Pharmaceuticals has a bank liability of BDT 3.3 Bn.

<https://www.tbsnews.net/economy/stocks/navana-pharma-issue-tk150cr-bond-loan-repayment-647978>

LRBDL | Lub-rref struggling to pay declared cash dividend

- Lub-rref (Bangladesh) Ltd, a lubricant producer under the BNO brand, is struggling to pay the recommended 10% cash dividend for the fiscal year 2021-22 due to a shortage of liquidity. So far, the company has managed to pay the dividend to 50% of the eligible shareholders. The crisis has arisen due to injecting excess funds for raw materials import for the company's operations. From January to March quarter 2023, the net profit of the company stood at BDT 67.4 Mn, which was BDT 57.6 Mn in the same period of the previous year. Its revenue came down 8% to BDT 337.5 Mn from BDT 365.6 Mn compared to one year ago. Lub-rref is the lubricant recycling pioneer in the country that went public in 2021.

<https://www.tbsnews.net/economy/stocks/lub-rref-struggling-pay-declared-cash-dividend-647554>

EXCHANGE | Listed cos to be penalised on failing to transfer unclaimed dividends to Stabilisation Fund

The Bangladesh Securities and Exchange Commission (BSEC) is going to amend the listing regulations where the listed firms will be penalised with a monthly 2.5% surcharge in case they fail to transfer undistributed dividends to the Capital Market Stabilisation Fund (CMSF) timely. According to the BSEC, the surcharge will be imposed on the listed firms that fail to transfer the investors' unclaimed dividends to the CMSF within three fiscal years. The penalty will be charged on non-refunded public subscription money against their initial public offering (IPO) funds and all the accrued interests.

<https://www.tbsnews.net/economy/stocks/listed-cos-be-penalised-failing-transfer-unclaimed-dividends-stabilisation-fund>

EMERALDOIL | Emerald Oil declares 5% interim cash dividend

- Emerald Oil Industries — producer of the Spondon branded rice bran oil — has declared a 5% interim cash dividend for the July to March period of the 2022-23 fiscal year. The company, in its disclosure on the Dhaka Stock Exchange (DSE) website on Thursday, said its previous sponsor-directors who held 30.54% shares will not be entitled to this interim dividend. The record date is 26 June this year. At present, the oil producer is running its factory for only seven to eight hours a day owing to a gas crisis.

<https://www.tbsnews.net/economy/stocks/emerald-oil-declares-5-interim-cash-dividend-646454>

SHEPHERD | Shepherd Textile to merge with Shepherd Industries

- Shepherd Textile (BD) Limited is going to merge with Shepherd Industries PLC with a view to cutting administrative expenses. In a filing on the Dhaka Stock Exchange, Shepherd Industries said its board has decided to hold an extraordinary general meeting to approve the draft scheme of amalgamation/merger. The meeting will take place on June 25. The record date has been set at June 14. The court has ordered the two companies to complete the procedure by June 25, said Mohammed Ataur Rahman, chief financial officer of Shepherd Industries.

<https://www.thedailystar.net/business/economy/news/shepherd-textile-merge-shepherd-industries-3341446>

BRACBANK | BRAC Bank to issue BDT 7.0 Bn subordinated bond

- BRAC Bank Ltd wants to raise BDT 7.0 Bn by issuing non-convertible subordinated bonds to enhance the Tier-II capital base of the bank. The bond issue decision was taken at a meeting of the board of directors of the bank held on Wednesday, according to a filing with the Dhaka Stock Exchange on Thursday. The tenure of the bond will be seven years which is non-convertible, fully redeemable, coupon bearing, floating rate subordinated bonds. The bond issuance is subject to the approval of the concerned regulatory authorities such as Bangladesh Bank and Bangladesh Securities and Exchange Commission. The proceeds will be treated as capital and it will help the bank grow its investment and loan portfolio. The bank's first quarter (Q1) consolidated earnings per share grew 25% year-on-year to BDT 0.96 for January-March 2023.

<https://thefinancialexpress.com.bd/stock/bangladesh/brac-bank-to-issue-tk-70b-subordinated-bond>

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transactions.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Fahim Hassan	Research Analyst	fahim.hassan@bracepl.com	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	hztowhidi.khan@bracepl.com	01708 805 224
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229
Md. Tanvir Ahmed	Research Associate	mtanvir.ahmed@bracepl.com	01708 805 201
Syed Tawsifuzzaman	Research Associate	s.tawsifuzzaman@bracepl.com	01708 805 202

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

FOR SERVICE-RELATED QUERIES, REACH OUT TO

 care@bracepl.com  Call 16285



Website	Address	E-Mail	Contact
www.bracepl.com	Symphony, Plot No. S.E. (F) - 9, Road No. 142, Gulshan-1, Dhaka	Research: research@bracepl.com Sales: ftrader@bracepl.com	Phone: +880 2 985 2446-50 Fax: +880 2 985 2451