

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.67%) lost -42.42 points and closed the week at 6,254.83 points. The blue-chip index DS30 (-0.99%) lost -21.27 points and stood at 2,121.67 points. The Shariah-based index DSES (-0.73%) lost -9.95 points and stood at 1,358.10 points. The large cap index CDSET (-0.27%) lost -3.30 points and closed at 1,208.43 points. DSEX, DS30, DSES and CDSET showed YTD returns of +0.77%, -3.35%, -0.05%, -0.49%, respectively.

Total Turnover During the Week (DSE): BDT 14.9 billion (USD 136 million)

Average Daily Turnover Value (ADTV): BDT 3.7 billion (Δ% Week: -10.1%)

Market P/E: 18.4x

Daily Index Movement during the Week

The market performed four sessions during this week. The market started on a negative note (-0.15%) on Sunday and remained negative on Monday (-0.49%), and on Wednesday (-0.58%). However, the market closed on a positive note on Thursday (+0.55%).

Sectoral Performance

• All the financial sectors registered negative performance this week. Life Insurance experienced the highest loss of -2.72% followed by General Insurance (-0.80%), Bank (-0.20%), NBFIs (-0.07%), and Mutual Fund (-0.02%).

• All the non-financial sectors registered negative performance this week. Food & Allied experienced the highest loss of 0.72% followed by Engineering (-0.14%), Fuel & Power (-0.10%), Pharmaceutical (-0.09%), and Telecommunication (0.00%).

Macroeconomic arena

• China's CRBC to develop Chinese economic zone in Anwara. HSBC says Bangladesh stocks have potential like India, Vietnam. Saudi Arabia's Ma'aden to supply 600,000 tonnes of fertilisers to Bangladesh. Governor strictly asks top bankers to prevent under-invoicing. Restive forex exchange rates embroil banks. Economic headwinds stall investment plans for many. Apartment sales down 17% in FY23. RMG exports: Bangladesh earned USD 3.95 Bn in July, says BGMEA. ADB to provide USD 300 Mn to improve urban governance, infrastructure. Tax return submission up by over a million. VAT collection surges 35.5% in Dhaka's commercial hubs. Local banks' overseas branches post higher profit. Life insurance claims settlement grows to 67% in 2022. IMF delegation to meet Bangladesh Bank officials today. Growing demand for hollow blocks drives industry expansion. Govt to tighten belt further. Universal Pension Scheme: Private sector employers to contribute 50%.

• Number of weak NBFIs on the rise. Record high BDT 637.20 Bn loans rescheduled last year. BB's financial stability report: Written-off loans up 8.0% to BDT 653.21 Bn. Number of bank branches keeps rising. Idcol declares BDT 1.2 Bn dividend. Govt should allow duty-free import of gold. Taka fell 13.3% vs dollar in 2022: BB. Local banks have lowest capital base in South Asia. Deposit growth plunges in Islamic banks. BB funds get costlier for exporters. Why foreign banks shun stock market. Banking Sector: Risky loans stand at BDT 3.78 Tn. Bangladesh close to being world's top cotton apparel exporter. Real estate business in trouble. Net RMG export ratio at all-time high of 71.5%. Pragati to start assembling sedans by December. Apparel export to US ebbs down in H1. Most banks in tight spot amid liquidity crunch. Why Noman Group suspends plans for 3 new RMG factories. How tax on foreign loan interest hurts businesses, banks. Wage growth below inflation for 18th month straight.

Stock Market arena

• BANKASIA | Bank Asia, Swisscontact sign MoU. ALARABANK | AIBL approves 15% dividends. PRIMEBANK | Prime Bank entering mobile financial services business. DUTCHBANGL | DBBL to open merchant bank, invest in digital bank. SHAHJABANK | Shahjalal Islami Bank sues Regent Textile to recover BDT 1.4 Bn loan. BEXIMCO | Beximco completes two projects financed by Sukuk fund. POPULARLIF | Popular Life recommends 38% cash dividend for 2022. EXCHANGE | Intermediaries get another year to invest in debt securities. MIDLANDBNK | Midland Bank, NEC Money sign deal on remittance service. MIRAKHTER | Mir Group takes BDT 100 Mn loan to bolster its green moves. ICB | ICB Capital looks to overcome problems in listing of 13 state-run cos. NCCBANK | NCC Bank declares 10% dividends. PRAGATILIF | Pragati Life Ins announces 12% cash dividend. MERCANBANK | Mercantile Bank to invest BDT 125 Mn in Digi10 Bank. RAKCERAMIC | RAK Ceramics to repair its tile plant. UNIQUEHRL | Unique Hotel to invest BDT 125 Mn in digital bank. METROSPIN | Shareholders in dark as Metro Spinning fails to disclose financials. SOUTHEASTB | BSEC investigates loan-funded directorship transition at Southeast Bank.

August 17, 2023 (Week: August 13, 2023 – August 17, 2023)

Dhaka Stock Exchange

DSEX ended in Red (-0.67%) in the week

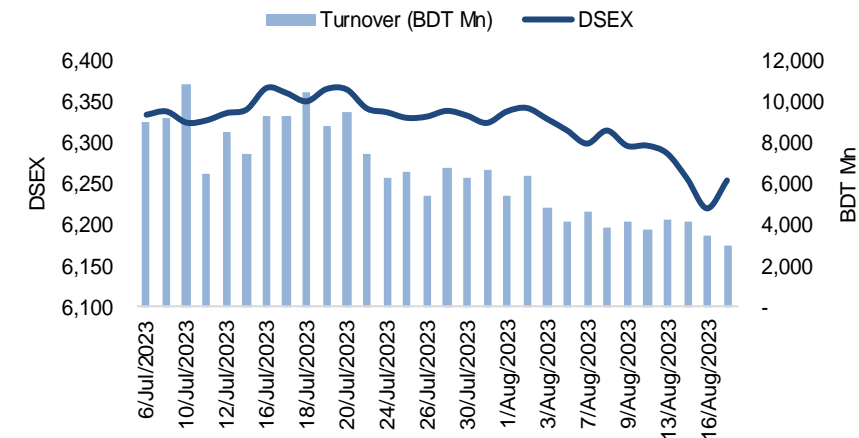
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	29-Dec-2022	Δ% Week	Δ% YTD
DSEX	6,254.83	6,297.25	-42.42	6,206.81	-0.67%	+0.77%
DS30	2,121.67	2,142.94	-21.27	2,195.30	-0.99%	-3.35%
DSES	1,358.10	1,368.05	-9.95	1,358.84	-0.73%	-0.05%
CDSET	1,208.43	1,211.73	-3.30	1,214.42	-0.27%	-0.49%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,733,359	7,754,995	-0.3%
	M n USD	70,624	70,822	
Turnover	M n BDT	14,903	20,714	-28.1%
	M n USD	136	189	
Average Daily Turnover	M n BDT	3,726	4,143	-10.1%
	M n USD	34	38	
Volume	M n Shares	305	430	-29.1%

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
SIMTEX	25.7	22.8	+12.7%	2,046	156.0	28.2x	1.2x
CONTININS	45.0	41.9	+7.4%	1,872	149.6	75.0x	2.1x
NITOLINS	39.1	37.0	+5.7%	1,572	24.6	19.9x	1.3x
ASIAPACINS	55.3	52.6	+5.1%	2,342	35.2	23.1x	2.4x
MARICO	2,530.2	2,443.6	+3.5%	79,701	35.2	19.1x	16.2x
DGIC	316	310	+1.9%	1,264	48.5	34.7x	2.6x
RUPALIINS	29.0	28.5	+1.8%	2,223	26.8	29.6x	1.3x
FEDERALINS	25.4	25.0	+1.6%	1,804	11.5	24.7x	1.9x
DACCADYE	13.5	13.3	+1.5%	1,177	15.2	NM	0.4x
CENTRALINS	37.4	37.0	+1.1%	1,988	5.6	20.4x	0.8x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
IMAMBUTTON	108.4	130.1	-16.7%	835	30.0	NM	22.5x
GEMINISEA	6914	810.7	-14.7%	4,221	400.7	33.0x	27.2x
SEAPEARL	182.4	211.0	-13.6%	22,025	612.2	26.4x	10.6x
LEGACYFOOT	111.1	127.8	-13.1%	1,453	247.8	NM	12.4x
TILIL	49.2	0.0	-12.6%	1,968	41.6	NM	NM
KBPPWBIL	25.7	28.9	-11.1%	2,521	323.7	NM	2.2x
EMERALDOIL	140.0	156.2	-10.4%	8,360	297.4	NM	NM
RUPALILIFE	103.5	115.1	-10.1%	3,106	332.5	NM	NM
CLICL	49.3	54.8	-10.0%	1,849	36.7	NM	NM
MIRACLEIND	29.9	33.2	-9.9%	1,053	27.9	NM	1.0x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FUWANGFOOD	30.3	31.4	-3.5%	3,358	893.3	NM	7.7x
SEAPEARL	182.4	211.0	-13.6%	22,025	612.2	26.4x	10.6x
SONALIPAPR	629.0	625.4	+0.6%	20,723	487.4	67.3x	3.7x
SQURPHARMA	210.0	211.6	-0.8%	186,155	405.2	9.9x	1.7x
GEMINISEA	6914	810.7	-14.7%	4,221	400.7	33.0x	27.2x
BSC	114.0	117.8	-3.2%	17,389	346.8	7.3x	1.4x
RUPALILIFE	103.5	115.1	-10.1%	3,106	332.5	NM	NM
KBPPWBIL	25.7	28.9	-11.1%	2,521	323.7	NM	2.2x
RDFOOD	48.0	52.6	-8.7%	3,647	321.0	39.0x	3.0x
EMERALDOIL	140.0	156.2	-10.4%	8,360	297.4	NM	NM

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	262.9	+46.8%	14,855	33.0x	3.9x
OLYMPIC	144.7	+16.7%	28,931	17.6x	2.9x
UNILEVERCL	2,049.3	+15.1%	39,499	45.7x	22.5x
ADNTEL	123.5	+8.2%	7,984	32.1x	4.5x
UNIQUEHRL	62.0	+7.5%	18,253	10.9x	0.7x
JAMUNAOIL	178.0	+6.4%	19,656	6.5x	0.9x
BERGERPBL	1,829.8	+6.2%	84,862	27.7x	6.1x
BATASHOE	1,003.4	+5.4%	13,727	26.7x	3.5x
MARICO	2,530.2	+4.5%	79,701	19.1x	16.2x
LHBL	67.5	+4.2%	78,393	13.3x	4.0x

*BDT

**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1447.3	1450.2	1427.09	-0.20%	+142%
NBFI	1,919.2	1,920.5	1,927.24	-0.07%	-0.42%
Mutual Fund	827.4	827.6	852.07	-0.02%	-2.89%
General Insurance	3,408.9	3,436.5	3,177.87	-0.80%	+7.27%
Life Insurance	2,630.4	2,703.8	2,492.91	-2.72%	+5.52%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,711.1	3,714.6	3,754.47	-0.09%	-1.15%
Fuel & Power	1,700.0	1,701.8	1,694.29	-0.10%	+0.34%
Cement	2,521.3	2,547.1	2,319.67	-1.01%	+8.69%
Services & Real Estate	1,790.9	1,906.1	1,782.23	-6.04%	+0.49%
Engineering	4,489.8	4,495.9	4,503.40	-0.14%	-0.30%
Food & Allied	21,424.6	21,580.5	21,247.80	-0.72%	+0.83%
IT	2,985.0	3,100.3	3,004.33	-3.72%	-0.64%
Textile	1,627.2	1,636.9	1,621.87	-0.59%	+0.33%
Paper & Printing	10,285.9	10,535.0	10,388.08	-2.36%	-0.98%
Tannery	3,215.6	3,247.6	3,093.43	-0.99%	+3.95%
Jute	16,192.8	16,413.0	14,850.17	-1.34%	+9.04%
Ceramics	681.3	682.2	704.74	-0.14%	-3.33%
Miscellaneous	4,182.9	4,199.6	4,071.46	-0.40%	+2.74%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	82.2	82.9	-0.89%	+2.46%	12.1x	0.7x
NBFI	5.4	7.1	-24.26%	+0.16%	NM	4.8x
Mutual Fund	10.3	5.9	+74.04%	+0.31%	NM	0.7x
General Insurance	323.6	435.3	-25.67%	+9.67%	18.5x	1.6x
Life Insurance	246.6	310.1	-20.45%	+7.37%	NM	NM
Telecommunication	0.6	0.7	-23.86%	+0.02%	15.5x	4.5x
Pharmaceutical	367.7	360.5	+2.02%	+10.99%	19.2x	2.3x
Fuel & Power	108.7	93.9	+15.72%	+3.25%	23.6x	1.1x
Cement	121.1	82.9	+46.05%	+3.62%	26.7x	2.6x
Services & Real Estate	206.4	193.9	+6.45%	+6.17%	24.1x	0.9x
Engineering	243.0	282.7	-14.06%	+7.26%	69.0x	1.8x
Food & Allied	660.5	625.9	+5.53%	+19.74%	19.9x	7.5x
IT	163.3	162.6	+0.46%	+4.88%	27.2x	2.8x
Textile	217.4	336.0	-35.29%	+6.50%	79.4x	12x
Paper & Printing	185.1	226.4	-18.26%	+5.53%	38.2x	2.0x
Tannery	81.4	148.6	-45.26%	+2.43%	46.4x	3.2x
Jute	54.0	30.0	+79.97%	+1.61%	NM	-1375.1x
Ceramics	15.2	11.8	+29.19%	+0.45%	52.3x	1.9x
Miscellaneous	253.2	383.3	-33.94%	+7.57%	16.1x	1.8x

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	-12%	52,486	8.4x	0.7x
TRUSTBANK	31.7	-0.1%	27,142	9.9x	1.1x
BRACBANK	35.8	-0.0%	57,596	8.3x	0.9x
IDLC	46.5	-	19,330	11.2x	1.1x
IPDC	57.6	-	21,375	38.4x	3.3x
LANKABAFIN	26.0	-	14,010	27.4x	1.4x
ACI	260.2	-	19,829	NM	2.0x
LINDEBD	1,397.7	-	21,271	33.7x	3.7x
UPGDCL	233.7	-	135,475	16.7x	4.4x

Important News: Business & Economy

China's CRBC to develop Chinese economic zone in Anwara

- China Road and Bridge Corporation (CRBC) has won the contract to set up the 'Chinese Economic and Industrial Zone (CEIZ)' in Chattogram as the Chinese government's nominated developer. The Committee on Economic Affairs in a meeting gave in-principle approval to a proposal of BEZA to award the contract to the CRBC through the direct procurement method (DPM).
- The Chinese firm will establish the economic zone on a G2G basis on 784 acres of land in Anwara upazila of Chattogram district, reports UNB. The CRBC will also provide the necessary utility services along with the development of the economic zone. Earlier in June 2014, Prime Minister Sheikh Hasina during her visit to China had offered the Chinese investors to set up an exclusive economic zone in Bangladesh.

<https://thefinancialexpress.com.bd/economy/bangladesh/chinas-crbc-to-develop-chinese-economic-zone-in-anwara>

HSBC says Bangladesh stocks have potential like India, Vietnam

- Bangladesh's equity market deserves more attention from global investors as rising consumption and foreign investments boost the outlook for corporate earnings, according to HSBC Holdings Plc. "Like India two decades ago or Vietnam a decade ago, it offers prospects for significant long-term capital appreciation driven by earnings growth," strategists Herald van der Linde and Prerna Garg wrote in a note dated Aug 16.
- The rare bullish view on the South Asian nation from a foreign broker signals a potential change in fortunes for the frontier market. Bangladesh is also on track to become a major consumer market by 2030. Bangladesh recently allowed its currency to trade freely and adopted a unified exchange-rate regime, which allows for transparency and efficiency in foreign exchange transactions.

<https://www.tbsnews.net/economy/stocks/hsbc-says-bangladesh-stocks-have-potential-india-vietnam-683490>

China interested in setting up electric vehicle factory in Bangladesh: Envoy

- China is interested in setting up an electric vehicle manufacturing factory in Bangladesh, Chinese Ambassador to Bangladesh Yao Wen said today. Ambassador Yao Wen said China would like to invest more in projects in the southern regions of the country now that connectivity has improved because of the Padma Bridge.

- "Our corporation, the long-term cooperation, is for the benefit of the people of Bangladesh. After the Padma Bridge, China wants to invest in infrastructure development in the western region. At the same time, investors are interested in working together with Bangladesh in the production of electric vehicles," he said on Wednesday (16 August). He also said China will allow Bangladesh tax benefits in the Chinese market following the LDC graduation in 2026.

<https://www.tbsnews.net/economy/china-interested-setting-electric-vehicle-factory-bangladesh-envoy-683186>

Saudi Arabia's Ma'aden to supply 600,000 tonnes of fertilisers to Bangladesh

- Saudi Arabian Mining Company Ma'aden has renewed its agreement with the Bangladesh Agricultural Development Corporation (BADC), to supply 600,000 tonnes of fertilisers. The agreement was signed on the sidelines of a BADC delegation visit to Ma'aden's headquarters, reports the Arab News. Ma'aden, which is the largest multi-commodity mining and metals company in the Middle East, supplies approximately 42% of Bangladesh's estimated requirement of di-ammonium phosphate.

<https://www.tbsnews.net/bangladesh/saudi-arabias-maaden-supply-600000-tonnes-fertilisers-bangladesh-683034>

Bangladesh seeks more FDI from Singapore

- Terming Singapore as an important investor country in Bangladesh, Foreign Secretary Masud Bin Momen has encouraged for a greater flow of FDI from Singapore, particularly in the Economic Zones of Bangladesh, for mutual benefit. Bangladesh also expressed its interest in greater cooperation with Singapore in the arena of human resource development through training and knowledge-sharing.
- Given the existing bilateral trade, he urged the Singaporean side to seriously consider Bangladesh as a source country for their imports of quality items at very competitive prices including RMG, pharmaceuticals, leather & jute products, ceramics, plastic, bicycles etc. in order to make it more balanced. The two sides took stock of the progress made vis-à-vis the proposed bilateral FTA and expressed determination for its conclusion at the earliest possible time in order to raise the bilateral trade and economic cooperation to its desired level.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-seeks-more-fdi-from-singapore>

Sonali Bank freezes accounts of 2 Myanmar banks

- Sonali Bank has frozen accounts of two banks of Myanmar following sanctions imposed by the US, and further steps will be taken based on Bangladesh Bank's opinions. The US embassy in Dhaka recently gave reminder to Bangladesh that Myanmar Foreign Trade Bank and the Myanmar Investment and Commercial Bank were under US sanctions.

- The US embassy also reminded that those banks have accounts with state-run Sonali Bank. However, a senior official of the state-run bank, seeking anonymity, said the bank already sought opinion from the central bank about the accounts of the two banks of Myanmar. Sonali Bank has USD 200,000 deposited with the two banks of Myanmar, as per the official of the bank. He said further steps would be taken once the central bank's opinion was available.

<https://www.thedailystar.net/business/economy/banks/news/sonali-bank-freezes-accounts-2-myanmar-banks-3396111>

Four state-owned banks, Daraz want to set up digital banks

- Four state-owned banks – Sonali, Agrani, Janata, and Rupali – as well as Daraz Bangladesh, in collaboration with local firms, are planning to set up digital banks. The respective bank boards have already approved this initiative, and the application will be submitted through the Bangladesh Bank's web portal, he added.

<https://www.tbsnews.net/economy/banking/four-state-owned-banks-daraz-want-set-digital-banks-683622>

Dhaka urges Delhi for essential food import quotas

- Bangladesh has formally requested an annual import quota for 1.5 Mn tonnes of rice and 2.5 Mn tonnes of wheat from India in order to protect its food security and stabilise prices amid concerns about potential supply disruptions caused by natural disasters and global crises. The commerce ministry recently submitted a report through the foreign ministry to the Indian authorities, outlining the request. The discussion on the import quota is a result of a joint declaration by the prime ministers of both countries and a series of meetings between commerce ministers.

<https://www.tbsnews.net/economy/dhaka-urges-delhi-essential-food-import-quotas-683626>

Idra issues guidelines for insurtech

- The insurance regulator of Bangladesh has finalised a framework enabling tech startups to innovate insurance policies, their distribution and other related tasks. The move comes in a bid to enhance customer experience through digital platforms, streamlined claim management, and personalised policies.
- Idra is set to issue the Insurance Development and Regulatory sandbox guidelines-2023. Under the sandbox, tech startups will be able to apply for developing insurance products, marketing the policy, providing settlement services, underwriting and other insurance facilities. Bangladesh's insurance market is very underdeveloped as less than 3% of the country's population and local businesses are covered by any type of insurance.

<https://www.thedailystar.net/business/economy/news/idra-issues-guidelines-insurtech-3396061>

Governor strictly asks top bankers to prevent under-invoicing

- Bangladesh Bank Governor Abdur Rouf Talukder has issued strict instructions to top bankers to prevent under-invoicing as part of an effort to boost import duty collection and curb hundi transactions amid a dollar crisis. The governor conveyed these instructions during a meeting with the managing directors of all banks operating in the country on Wednesday.
- A central bank official present at the meeting told TBS that over-invoicing has come under control by about 80%. But importers are turning to under-invoicing as one of their tax evasion tools. According to data from the central bank, there are 214,282 cases pending in the money loan court. Out of this, the amount of outstanding loans is BDT 2.07 Tn. The governor has ordered the banks to pay more attention to the recovery of these loans.

<https://www.tbsnews.net/economy/banking/governor-strictly-asks-top-bankers-prevent-under-invoicing-683598>

Budget Deficit Financing: Govt cuts BB borrowing to tame inflation

- The government has started the fiscal year with the resolve to borrow less from the central bank to fund its budget deficit as it looks to rein in the runaway inflation to a tolerable level ahead of the polls. In July, the government did not borrow from the central bank; rather, it returned BDT 93.54 Bn, according to data from the Bangladesh Bank.
- "Borrowing from the central bank fuels inflation, so we plan to do less of that this year," said a finance ministry official involved with the proceedings. In July, inflation stood at 9.69%, down 10 basis points from the previous month on the back of a drop in non-food inflation, which is mostly fanned by new money entering the economy. The government would instead be training its focus on borrowing for commercial banks to make up its deficit financing of BDT 2.62 Tn this fiscal year. Of the sum, BDT 1.32 Tn would be coming from the banking system, as per the finance division's projections.

<https://www.thedailystar.net/news/bangladesh/news/budget-deficit-financing-govt-cuts-bb-borrowing-tame-inflation-3395856>

Restive forex exchange rates embroil banks

- Volatility on the foreign-exchange market is pushing Bangladesh's banking sector into jitters for exchange-rate risks, and the fears prolong for majority of the scheduled banks. Some 33 out of 61 scheduled banks are possessed with three-fourths of the industry's total foreign-exchange-rate risks, according to the latest financial stability report released by the central bank.

- Spokesperson for the Bangladesh Bank Md Mezbaul Haque says banks which have higher foreign-currency-payment obligations than the forex earnings are in the category of short positioning. "There is risk for banks in long positioning as well. If the exchange rate against local currency depreciates, they will have to face the music. Normally, top banks having more concentration on imports are in short positioning," the central banker says.

<https://thefinancialexpress.com.bd/economy/bangladesh/restive-forex-exchange-rates-embroil-banks>

Economic headwinds stall investment plans for many

- Even during the pandemic years, when most of the global economies had nosedived amid lockdowns, a number of leading Bangladeshi companies were looking forward and took up expansion plans. But now, most of them find that business prospects are not on solid grounds. The trouble surfaced soon after the Russia-Ukraine war broke out in February last year, sending commodity prices sky high, inflating import and subsidy bills, and depleting the foreign exchange reserves amid a fast erosion of the value of taka. Then banks started delaying the opening of import LCs for want of dollars, which cost many businesses dearly.

<https://www.tbsnews.net/economy/economic-headwinds-stall-investment-plans-many-683634>

Bangladeshis spend more abroad than foreigners do here

- Bangladeshis spend higher amount of money abroad through credit cards compared to the foreign nationals roaming inside Bangladesh, according to a central bank report released yesterday. Through credit cards, Bangladeshi nationals bought BDT 3.88 Bn of products and services abroad in June when foreigners spent BDT 1.95 Bn in Bangladesh.
- The Bangladesh Bank (BB) shared the information in its June issue on the overview of credit card users' spending pattern within and outside the country. The usage of credit card by Bangladeshi nationals outside the country and foreign nationals within Bangladesh both decreased in June 2023 compared to the previous month, said the BB report. Yet, overall transaction by Bangladeshi credit cardholders outside the country was almost two times higher than that of the foreigners spending in Bangladesh in June.

<https://www.thedailystar.net/business/economy/banks/news/bangladeshis-spend-more-abroad-foreigners-do-here-3396056>

Apartment sales down 17% in FY23

- Overall sales of flats declined nearly 17% in the last fiscal year of 2022-23 owing to economic uncertainties and a rise in prices of raw materials, according to realtors. Nearly 10,000 units were sold in the fiscal year whereas around 12,000 in the preceding year, according to the Real Estate and Housing Association of Bangladesh (REHAB).

- According to the realtors, the prices of raw materials increased abnormally last fiscal year due to a depreciation in the value of the taka, the local currency, against the US dollar. Besides, people have tightened their belts to be ready for economic setbacks induced by any political instability centring the national elections which were due to be held at the end of this year, he said.

<https://www.thedailystar.net/business/economy/news/apartment-sales-down-17pc-fy23-3395231>

RMG exports: Bangladesh earned USD 3.95 Bn in July, says BGMEA

- The total RMG export during July in FY 2023-24 stood at USD 3.95 Bn, up from USD 3.37 Bn in the same period in FY 2022-23, indicating 17.43% year-on-year growth. RMG export earnings from woven garments in July FY 2023-24 grew by 11.54% and reached USD 1.68 Bn from USD 1.51 Bn in July FY 2022-23. At the same time, knitwear export grew by 22.24% year-on-year and reached USD 2.27 Bn during the mentioned period, BGMEA President Faruque Hassan wrote in a letter on Sunday.

<https://www.tbsnews.net/economy/rmg/rmg-exports-bangladesh-earned-395-billion-july-says-bgmea-682014>

ADB to provide USD 300 Mn to improve urban governance, infrastructure

- Asian Development Bank (ADB) is providing a loan of USD 300 Mn to improve urban governance and infrastructure in Bangladesh. The Economic Relation Division (ERD) and ADB on Monday signed a loan deal in Dhaka. Under the loan deal, Bangladesh will get USD 300 Mn for implementing a project on developing urban governance and infrastructure.
- The objective of the programme is to achieve planned inclusive and sustainable urbanisation, better city governance, and improved infrastructure. The implementation period will be from July 2023 to June 2028. The loan payment period will be 25 years including a grace period of 5 years. The interest rate on a Concessional loan is 2.0% fixed.

<https://thefinancialexpress.com.bd/economy/bangladesh/adb-to-provide-300m-to-improve-urban-governance-infrastructure>

Govt frames maiden tariff policy

- Bangladesh has formulated its maiden tariff policy to improve the competitiveness of local companies in the international market as they brace for an increased competition after the country becomes a developing nation in 2026. The commerce ministry published a gazette on the National Tariff Policy on August 10.

- It aims to rationalise the import tariff structure as the country will not enjoy the preferential trade facility after it leaves the group of least-developed countries (LDCs). The rationalisation of tariffs will accelerate economic activities and generate more jobs while the government will gradually cut its dependency on import duties. A national committee will periodically review industries and advise the government to protect them, if required.

<https://www.thedailystar.net/business/economy/news/govt-frames-maiden-tariff-policy-3394506>

Vietnam expects USD 2 Bn trade target with Bangladesh: President Thuong

- Vietnam wishes Bangladesh to step up stronger cooperation across a variety of fields, especially trade and investment, striving to achieve the trade turnover target of USD 2 Bn sooner than expected, Vietnamese President Vo Van Thuong said. President Thuong agreed with the Ambassador on the positive development of the two countries' relations, especially, bilateral trade has increased four times over the past 10 years and the two sides have stepped up efforts to achieve the trade target of USD 2 Bn over the next few years.

<https://www.tbsnews.net/world/south-asia/vietnam-expects-2-billion-trade-target-bangladesh-president-thuong-683030>

Tax return submission up by over a million

- A total of 1,237,357 new taxpayers were added by the National Board of Revenue (NBR) in the last fiscal year due to the fiscal measures incorporated in the Finance Bill-2022. From June 1, 2022, the revenue board made the submission of the Proof of Submission of Tax Returns (PSR) mandatory for obtaining 38 types of services.
- According to tax officials, the number of tax returns has increased by 1.0 Mn and may experience a significant rise this year. NBR officials said that online submission of tax returns and the issuance of PSRs could encourage more people to come under the tax net. Income tax collection grew by 10.03% in the last year compared to the corresponding period in the previous year.

<https://thefinancialexpress.com.bd/economy/bangladesh/tax-return-submission-up-by-over-a-million>

VAT collection surges 35.5% in Dhaka's commercial hubs

- The collection of value-added tax (VAT) from retail and wholesale businesses grew by 35.5% in the commercial areas of the capital, largely for the installation of Electronic Fiscal Devices (EFDs) and intensified enforcement. The aggregate VAT collection from these areas registered nearly a 20% growth, the highest among the other 12 VAT zones across the country.

- A statement of the Dhaka (South) Zone has mentioned that a total of 2890 EFDs and Sales Data Controllers (SDCs) have been installed in retail shops under the jurisdiction. Under the Dhaka (South) Zone, there were a total of 110,692 Business Identification Numbers (BINs) in FY 2022-23, up from 88,775 in the previous year. Online submission of VAT returns grew by 29% last year under the zone.

<https://thefinancialexpress.com.bd/economy/bangladesh/vat-collection-surges-355pc-in-dhakas-commercial-hubs>

Local banks' overseas branches post higher profit

- The net profit of seven overseas branches run by three Bangladeshi banks climbed more than 23% year-on-year to USD 5.30 Mn last year, central bank data showed. According to the Bangladesh Bank Stability Report 2022, the performance of the branches was mostly fluctuating.
- Customer deposit increased 24.73% year-on-year to USD 343.64 Mn last year. It was USD 275.50 Mn in 2021. Loans and advances rose USD 3.90 Mn to USD 98.22 Mn. In 2022, the branches recorded a notable increase in total assets, which stood at USD 463.82 Mn. However, the balance with other banks and financial institutions declined 52.37% to USD 32.07 Mn last year.

<https://www.thedailystar.net/business/economy/news/local-banks-overseas-branches-post-higher-profit-3395236>

Agent banking branching out even further

- Agent banking, which helps bring banking services to unbanked people, continues to gain ground in Bangladesh as the number of accounts, deposit collection and loan disbursement are on the rise. The number of accounts opened through agent banking outlets rose 23% year-on-year, or 3.78 Mn, to 19.8 Mn in June 2023, according to central bank data.
- The overall deposit balance with agent banking stood at BDT 3.66 Tn as of June this year, registering an increase of 18% year-on-year, Bangladesh Bank data shows. There are two major reasons -- lack of formalities and rural entrepreneurship -- for intensifying agent banking in the rural areas. The central bank introduced agent banking to provide a safe alternative delivery channel for banking services to the underprivileged, under-served population, who generally live in remote areas beyond the reach of the traditional banking network.

<https://www.thedailystar.net/business/economy/news/agent-banking-branching-out-even-further-3394466>

Digital nano loans gaining popularity fast

- Digital nano loans are displaying a promising prospect thanks to the instant and on time disbursement of loans. About 0.16 Mn customers have already availed the loans from lenders and the default rate is less than 1%, according to the banks. The product has become a huge hit among the customers, including small and medium enterprises, who traditionally rely on instant loans that come with high interest rates. According to Ali Ahmmed, chief commercial officer at bKash, said their customers have availed over BDT 3.14 Bn in digital nano loans so far and a majority of them have already repaid the loans.

<https://www.thedailystar.net/business/news/digital-nano-loans-gaining-popularity-fast-3394981>

Banks' stock market investment 7% higher in 2022

- The capital market investment of banks, on a consolidated basis, increased by 7% year-on-year in 2022, according to the financial stability report of Bangladesh Bank. According to Bangladesh Bank rules, banks can invest up to 50% of their equity in the capital market on a consolidated basis. By the close of 2022, the stock market investment of banks, including all their subsidiaries, stood at 27.3%.
- In its financial stability report for 2022, the Bangladesh Bank stated that although banks' stock market exposure increased in 2022 on both solo and consolidated bases, the exposure is still way below the statutory limit. This implies that an immediate stability issue arising from a stock price shock may not greatly impact the banking industry. At present, 35 banks are listed on the Dhaka Stock Exchange (DSE). The banking sector contributed 14.9% of the total DSE market capitalisation.

<https://www.tbsnews.net/economy/stocks/banks-stock-market-investment-7-higher-2022-682994>

Life insurance claims settlement grows to 67% in 2022

- The claims settlement ratio of life insurance companies experienced a 9.13% increase, reaching 66.97% in 2022, as revealed by the Financial Stability Report by the Bangladesh Bank. This growth was observed within the life insurance sector, contrasting with a decline in the non-life insurance sector.
- The report says the claims settlement ratio for the life insurance sector surged from 57.84% in 2021 to 66.97% in 2022. This signifies that claims amounting to BDT 66.97 were settled out of BDT 100 in 2022, compared to BDT 57.84 in 2021. Conversely, the non-life sector's claims settlement ratio dropped from 39.31% in 2021 to 33.44% in 2022. This implies that BDT 33.44 worth of claims were resolved per BDT 100 in 2022, down from BDT 39.31 in 2021.

<https://www.tbsnews.net/economy/stocks/life-insurance-claims-settlement-grows-67-2022-682986>

IMF delegation to meet Bangladesh Bank officials today

- A delegation of the International Monetary Fund (IMF) will meet Bangladesh Bank officials on Monday. The four-strong team for technical support is set to discuss net dollar reserves and liquidity in the banking sector, reports bdnews24.com. The IMF delegation will meet the governor again on Aug 22 after meetings with central bank officials on Aug 16 and Bangladesh Institute of Bank Management on Aug 17.
- Another IMF mission is set to visit Bangladesh in September before releasing the second instalment of the loan scheduled for October. Bangladesh applied to the IMF for a loan to stabilise the economy amid dwindling forex reserves and agreed to pursue reforms on certain issues. The IMF said in a report on the loan programme that it expected Bangladesh's reserves to bounce back in FY24 to an estimated USD 34.2 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/imf-delegation-to-meet-bangladesh-bank-officials-today>

Govt to tighten belt further

- In response to mounting demand for funds and declining revenue, the government is now going to be austere in spending BDT 352.08 Bn in block allocation, the amount kept aside in the annual budget for development and routine works, officials of the finance ministry have said. The Finance Division is soon expected to issue directives with instructions to suspend the spending of BDT 117.94 Bn block allocation for the operational budget, they said.
- The Finance Division will also impose restrictions on foreign travel for projects primarily focused on skill development through overseas training. Analysts welcomed the decision, pointing out its potential to conserve funds during a period of fiscal pressure as revenue collections and inflow of foreign funds have fallen short of expectations. Shortly following Russia's invasion of Ukraine in February 2022, the government introduced a series of austerity measures aimed at generating approximately BDT 230 Bn in savings during the fiscal 2022-23.

<https://www.tbsnews.net/economy/govt-tighten-belt-further-683006>

Growing demand for hollow blocks drives industry expansion

- Amid a surging demand for environmentally-sustainable building materials and as an alternative to traditional bricks, hollow concrete blocks have emerged as a game-changer, gaining traction for their cost-effectiveness, durability, and green credentials.

- With a steady rise in demand, major manufacturers are now ramping up their production capacities, reshaping the industry landscape. Concord Group continues to maintain its leading market share, currently commanding a 60% stake. The durability of hollow blocks, coupled with their reduced weight compared to conventional bricks, makes them an attractive choice for construction projects of varying scales.

<https://www.tbsnews.net/economy/industry/growing-demand-hollow-blocks-drives-industry-expansion-682150>

Universal Pension Scheme: Private sector employers to contribute 50%

- Private sector employers have to contribute 50% of their employees' monthly instalments under the universal pension scheme, said a gazette from the finance ministry yesterday. Even if the private company does not want to participate in the pension schemes, the employees can take part on their own.
- The universal pension scheme is available to those between the ages of 18 and 50 years; they will have to pay the instalment up to the age of 60. However, those over 50 years of age will be able to participate in the scheme under special consideration. Such beneficiaries will have to pay monthly instalments for at least 10 years. After that, they will start to get a pension every month.

<https://www.thedailystar.net/business/economy/news/universal-pension-scheme-private-sector-employers-contribute-50pc-3394311>

Economic growth to slow down in coming years: Cenbank report

- Bangladesh's economic growth will decelerate in the coming years as economies having close links with the country are projected to expand slowly through 2024, the Bangladesh Bank has predicted. The central bank in its recently released Financial Stability Report for 2022 forecasts economic uncertainty and inflation pressure in 2023 due to a more expensive dollar.
- The prediction by the Bangladesh Bank is already evident in this year's economic indicators, as a significant decrease in capital machinery imports amid the dollar crisis, reflects a slowdown in business activities. Amidst these sluggish economic activities, the government has set a GDP growth target of 7.5% for FY24, which is significantly higher than the projections of global multilateral lenders.

<https://www.tbsnews.net/economy/economic-growth-slow-down-coming-years-cenbank-report-682538>

Economy growing but trade-GDP ratio falling gradually

- Bangladesh's exports and imports as percentage of its gross domestic product (GDP) has been falling gradually, although the economy has continued growing by 6.5% annually in the last one decade. The ratio of import to GDP, which was 21.2% in 2013-14 fiscal year, halved to 10.69% in 10 years.
- The ratio of export to GDP even experienced a sharper fall, from 17.2% a decade ago to 7.66% in FY23, according to data by Bangladesh Economic Review 2023. The falling ratio of exports and import shows Bangladeshi entrepreneurs' lack of appetite to try their products in the international market through exports, two analysts said last week. The fall in export to GDP ratio is a very bad sign because payment of import bills, building of foreign exchange reserves and servicing debt is related with imports.

<https://www.thedailystar.net/business/economy/news/economy-growing-trade-gdp-ratio-falling-gradually-3395156>

General insurance cos show mixed results for H1 but the sector overall registers lower profit

- Persistent macroeconomic challenges, strong dollar, and runaway inflation continued to hit hard the businesses of general insurance companies, dragging down profits of most of them in H1'2023 compared to the previous year.
- Twenty five of the 43 publicly-traded general insurance companies saw their profits plummet year-on-year while 17 others managed to post a moderate earnings growth. The one remaining did not experience any change in its business status in the January-June period. A majority of these companies had endured a drop in income in 2022 too, compared to 2021. Industry people say a big blow came from a sharp fall in automobile insurance as third-party insurance has become largely non-existent in the country.

<https://thefinancialexpress.com.bd/stock/bangladesh/general-insurance-cos-show-mixed-results-for-h1-but-the-sector-overall-registers-lower-profit>

Number of weak NBFIs on the rise

- Fourteen non-bank financial institutions (NBFIs) out of a total of 35 were in the red zone last year as per the stress test report of the central bank. This was an increase from 12 seen in 2021, according to the Bangladesh Bank Stability Report 2022. Since 2020, the number of NBFIs in sound shape has continued to fall while the number of those with weaker health has kept rising.

- The BB report blamed the default of large borrowers for the spike in the NPLs. In March, NPLs stood at BDT 178.55 Bn in the NBFI sector, up more than 25% from BDT 142.32 Bn a year ago. The amount represented about a quarter of the total credits disbursed. Another blow stems from the fund crisis as depositors' trust in NBFIs has taken a hit.

<https://www.thedailystar.net/business/economy/news/number-weak-nbfis-the-rise-3394486>

Record high BDT 637.20 Bn loans rescheduled last year

- The country's banks rescheduled a record high of BDT 637.20 Bn loans in just one year in 2022, thanks to the new rescheduling policy restructured by the central bank which widened the repayment period by nearly five times and reduced down payments by four times to facilitate loan defaulters to keep their accounts regular.
- The amount was 137% higher than the BDT 268.10 Bn rescheduled in 2021, according to the financial stability report for 2022, released by the Bangladesh Bank on Sunday. According to the new rescheduling policy, a defaulter is allowed to reschedule the loan four times with 2.5% to 5% down payments. The central bank resumed reporting rescheduled loans in the stability report identifying it as distressed assets to comply with the condition set by the IMF (International Monetary Fund) for its USD 4.7 Bn budget support package.

<https://www.tbsnews.net/economy/banking/record-high-tk63720cr-loans-rescheduled-last-year-681962>

Microfinance sector's NPL nearly doubles

- Microfinance institutions (MFIs) in Bangladesh witnessed an 85% year-on-year jump in non-performing loans in 2021-22 as borrowers struggled to pay back owing to the impacts of the coronavirus pandemic and the economic slowdown, official figures showed. Thus, the volume of the NPL rose to BDT 83.70 Bn in FY22 from BDT 45.28 Bn in 2020-2021, according to the Bangladesh Bank's Financial Stability Report 2022.
- As a result, the NPL ratio soared to 6.74% in FY22 from the previous fiscal year's 4.77%. The figure nearly trebled from FY18's 2.72%. Mustafa K Mujeri, a noted economist, blamed the dragging fallout of Covid-19 and the economic crisis stemming from the Russia-Ukraine war for the higher NPL.

<https://www.thedailystar.net/business/economy/news/microfinance-sectors-npl-nearly-doubles-3395251>

0.75 Mn find jobs abroad in seven months

- Bangladesh sent about 0.75 Mn workers abroad in the seven months of the current calendar year. The outflow of workers rose by more than 10% in July compared to the manpower export in June, official statistics showed. About 125,850 Bangladeshis found jobs abroad in July and 114,175 in June, the data also revealed.

- Of the total outflow of workers in the last seven months, the highest 36% went to Saudi Arabia. Malaysia came second as it hired over 29% followed by Oman with 12%. Bangladesh sends workers to mainly 20 countries. Sources say if the trend of hiring workers by Malaysia continues, the sector may fetch about 1.4 Mn overseas jobs this year.

<https://thefinancialexpress.com.bd/economy/bangladesh/075m-find-jobs-abroad-in-seven-months>

BB's financial stability report: Written-off loans up 8.0% to BDT 653.21 Bn

- The cumulative written-off loan amount surged by nearly 8.0% to BDT 653.21 Bn at the end of 2022, which was BDT 604.98 Bn at the end of 2021, according to the Bangladesh Bank's (BB) report. The cumulative written-off loans roughly accounted for 2.97% of the banking sector's on-balance-sheet assets in December 2022, the BB's financial stability report noted.
- The net outstanding balance of written-off loans in the state-owned commercial banks (SoCBs), private commercial banks (PCBs), foreign commercial banks and specialised banks was BDT 164.49 Bn, BDT 265.68 Bn, BDT 11.25 Bn and BDT 3.51 Bn respectively. In the meantime, the banking sector's asset quality as a whole deteriorated slightly in 2022, as the gross non-performing loan (NPL) showed a marginal rise - mostly driven by increase in NPL ratios of the SoCBs and specialised banks.

<https://thefinancialexpress.com.bd/economy/bangladesh/bbs-financial-stability-report-written-off-loans-up-80pc-to-tk-65321b>

7 new industrial parks, centred on Padma Bridge, planned in southern districts

- The Bangladesh Small and Cottage Industries Corporation (Bscic) plans to set up seven large industrial estates in the country's southern region over the next three years, banking on the improved communication system made possible by the Padma Bridge. As part of the plan, between 2023 and 2026 the corporation will invest BDT 80 Bn from government funds to build these establishments on 2,000 acres of land in Faridpur, Jashore, Madaripur, Narail, Magura, Shariatpur and Pirojpur, with a target of creating 1.4-1.5 Mn fresh jobs.
- According to the Bscic, if these projects are implemented, light engineering, food and food processing, textile, forestry, jute and jute products, glass and ceramics, paper, printing and board, tannery, leather, rubber, chemical and pharmaceutical industry, and automobile industries will boom in the southern region.

<https://www.tbsnews.net/bangladesh/infrastructure/7-new-industrial-parks-centred-padma-bridge-planned-southern-districts>

S Korean firm to invest USD 8.62 Mn in Bepza economic zone

- Dongwoo BD Ltd, a South Korean company, is going to set up a shoe accessories manufacturing industry inside Bepza Economic Zone (EZ) with an investment of USD 8.62 Mn. This fully foreign-owned company will annually produce 3.6 Mn metres of all kinds of PU (polyurethane) synthetic leather, according to a statement of Bangladesh Export Processing Zones Authority (Bepza). The manufacturing industry will also create employment opportunities for 513 Bangladeshi nationals, it said.

<https://www.thedailystar.net/business/news/s-korean-firm-invest-862-million-bepza-economic-zone-3393426>

Card transactions hit all-time high

- ATM, POS, CRM and e-commerce transactions through cards rose 15% month-on-month to BDT 485.9 Bn in June, according to the latest data of Bangladesh Bank. Transactions through debit cards increased by 16% to BDT 453.84 Bn at the same time.
- On the other hand, spending through credit cards saw a slight drop. Credit card transactions dropped by 0.34% month-on-month in June to BDT 25.83 Bn. According to industry people, there is a correlation between the surge in card-based e-commerce spending and the timing of Eid.

<https://www.thedailystar.net/business/economy/news/card-transactions-hit-all-time-high-3393621>

BTMA seeks VAT cut on textile wastage

- Leaders of the country's primary textile millers have demanded withdrawal of two-stage VAT on the purchase of textile wastage from local sources and recycled cotton yarn from the wastage. Bangladesh Textile Mills Association (BTMA) in a letter last week also urged the National Board of Revenue (NBR) to introduce a new Harmonized System (HS) Code for recycled cotton fibre to avert complexities over VAT and supplementary duty on the products.
- According to the BTMA, currently recycling industries need to pay 7.5% VAT while purchasing textile wastage from the local vendors and 15% VAT is applicable for selling recycled fibre or cotton produced from that wastage to spinning mills. According to industry insiders, the readymade garment industry produces around 0.4-0.5 Mn tonnes of waste annually and only 5.0% is recycled locally.

<https://thefinancialexpress.com.bd/economy/bangladesh/btma-seeks-vat-cut-on-textile-wastage>

Digital fabrics development aiding exports

- Bureau 555, a joint venture between two entrepreneurs of Bangladesh and the United Kingdom, has been facilitating garment exports through the country's first digital fabrics development facility in Gulshan, Dhaka. The facility aims to deliver quick testing reports on fabrics for international clothing retailers and brands.
- Recently, Bureau 555 joined Germany's DMLx as a strategic partner. The company has been charging USD 35 for scanning a yard of fabrics and USD 75 for scanning and testing the result of samples, Mahmud said. Currently four international clothing retailers and brands are clients of the company.

<https://www.thedailystar.net/business/economy/news/digital-fabrics-development-aiding-exports-3393631>

Cut interest tax from mutual funds' deposits

- Bangladesh Bank in a circular yesterday directed scheduled banks to follow a National Board of Revenue (NBR) clarification to cut source tax on the interest income or profit of mutual funds from associated fixed deposits with the banks. The banks will have to cut the source tax on the interest income or profit from the fixed deposits of mutual funds, regardless of what is stated in any other circular or income tax law of 2023, said the revenue authority. The NBR provided the clarification against a letter from Agrani Bank in this regard and requested the central bank to direct all the banks to follow the same.

<https://www.thedailystar.net/business/economy/news/cut-interest-tax-mutual-funds-deposits-3393476>

Number of bank branches keeps rising

- The number of bank branches in Bangladesh rose to 11,212 in June 2023, up 2.11% year-on-year, according to central bank data. The growth trend has been on the rise for the past three years. In June 2020, the year-on-year growth was 2.90% while it was 1.72% in 2021. In October 2022, branches of banks in Bangladesh went past the 11,000-mark for the first time.

<https://www.thedailystar.net/business/economy/news/number-bank-branches-keeps-rising-3393616>

Idcol declares BDT 1.2 Bn dividend

- Infrastructure Development Company Ltd (Idcol) declared a dividend of BDT 1.2 Bn, including BDT 700 Mn in cash, for fiscal year 2022-23 at its 26th annual general meeting recently. Facilitating adoption of renewable energy technologies and promoting energy efficiency, the company's profit before tax and provision was BDT 6.99 Bn.

<https://www.thedailystar.net/business/economy/news/idcol-declares-tk-120cr-dividend-3393551>

Govt should allow duty-free import of gold

- The government should facilitate the gold sector's growth by allowing duty free imports through private sector entrepreneurs, said noted economist Ahsan H Mansur yesterday. The growth never came about for preconceptions prevailing for long of gold being associated with smuggling and being meant only for the rich, he said.
- According to him, drives of customs intelligence unit on illegal inflows yield little revenue. To generate a bigger amount of revenue, the government could instead charge value added tax of 3% to 5% on sales following the duty-free imports, he said.

<https://www.thedailystar.net/business/economy/news/govt-should-allow-duty-free-import-gold-3393486>

Taka fell 13.3% vs dollar in 2022: BB

- Bangladesh's currency taka depreciated by 13.3% against the US dollar in 2022, said Financial Stability Report 2022 of Bangladesh Bank. The interbank exchange rate stood at BDT 85.80 per US dollar on January 2 last year whereas BDT 105.40 on December 1. Yesterday it was BDT 109.50. In spite of the taka's depreciation, Bangladesh Bank had pumped USD 13.50 Bn from its reserves to cool down the foreign exchange market.

<https://www.thedailystar.net/business/economy/news/taka-fell-133-vs-dollar-2022-bb-3393651>

Local banks have lowest capital base in South Asia

- Banks in Bangladesh were bottom-ranked in 2022 among South Asian lenders when it comes to capital base, owing largely to rising non-performing loans. According to the Bangladesh Bank's Financial Stability Report 2022, local banks maintained a capital adequacy ratio (CAR) of 11.83% last year. Although the capital base of banks has continued to rise, it is still lower than the lenders in the neighbouring countries. A central banker says local banks maintained the lowest capital base in the region due to the capital shortfall of a dozen of banks, including state-run lenders. The capital base of private banks and foreign banks is in good shape.

<https://www.thedailystar.net/business/economy/news/local-banks-have-lowest-capital-base-south-asia-3393666>

Deposit growth plunges in Islamic banks

- Deposit growth of shariah-based banks in Bangladesh plunged in 2022 mainly due to lower confidence among savers. Deposit growth of the Islamic banks dropped to 2.9% in 2022 while it was 20.1% the previous year, according to the Financial Stability Report 2022 of Bangladesh Bank.

- A top official of a leading shariah-based bank, preferring anonymity, said fear was created among savers when a number of negative news came on various shariah-based banks. The report says the performance of Islamic banks improved in 2022 in terms of efficiency and capital adequacy indicators compared to 2021.

<https://www.thedailystar.net/business/economy/news/deposit-growth-plunges-islamic-banks-3393641>

Rising NPLs in the manufacturing sector raise concerns: BB report

- The manufacturing sector continues to grapple with a significant concentration of nonperforming loans (NPLs) compared to other sectors, according to a report by the Bangladesh Bank.
- The report reveals that the NPL share in the manufacturing sector stands notably high at 55.10%, surpassing all other sectors. Additionally, this sector claims a substantial portion of the banking industry's loans, accounting for 49.27%, as indicated in the BB's Financial Stability Report 2022, released on Sunday. The report highlights that the gross NPL ratio of 9.13% within the manufacturing sector exceeds the industry average of 8.16%.

<https://www.tbsnews.net/economy/banking/rising-npls-manufacturing-sector-raise-concerns-bb-report-681858>

BB funds get costlier for exporters

- The Bangladesh Bank has raised the interest rate for the loans secured from the Export Facilitation Pre-finance Fund (EFPF) and the refinance scheme for pre-shipment credit as part of its efforts to make rates market-based. Customers will avail loans from the EFPF at a 5% interest rate, up from 4% previously, said the BB in a notice yesterday. Banks will pay a 2% interest instead 1.5% to borrow funds from the central bank.
- In January, the BB introduced the BDT 100 Bn EFPF in order to help exporters revive their businesses. Exporters will have to use the funds to import raw materials. The interest rate of pre-shipment credit increased to 5% from 3.5% at the end-borrower level, the central bank said in a separate notice.

<https://www.thedailystar.net/business/economy/news/bb-funds-get-costlier-exporters-3393636>

Why foreign banks shun stock market

- Nine foreign banks operating in Bangladesh hardly invest in the stock market owing largely to irregularities, speculation-driven investments and an inadequate number of well-performing companies that have gone public. They also don't feel confident about the stock market and trust the financial reports of the listed companies.

- Thus, multinational banks' combined investment in the capital market stood at BDT 42.5 Mn in 2022, which accounted for 0.02% of the total holdings in the stock market of the entire banking sector. Another tendency that keeps multinational banks at bay is the dominance of weak firms when it comes to trading.

<https://www.thedailystar.net/business/economy/news/why-foreign-banks-shun-stock-market-3393671>

Banking Sector: Risky loans stand at BDT 3.78 Tn

- The banking sector's total risky loans amounted to BDT 3.78 Tn at the end of last year, in a development that makes for a sobering reading of the actual health of this vital sector of the economy. At the end of 2022, the banking sector's NPL stood at BDT 1.2 Tn, outstanding rescheduled loans BDT 2.12 Tn and outstanding written-off loans BDT 444.93 Bn. 80.8% of the rescheduled loans remained unclassified for the same period.

<https://www.thedailystar.net/news/bangladesh/news/banking-sector-risky-loans-stand-tk-377922cr-3393496>

Developments in BD may prove double-edged due to deflation in China

- The sluggish economic situation in China may help stimulate to some extent the manufacturing sector of Bangladesh that largely depends on raw materials and intermediate goods from the world's second largest economy. Most of the local industrial outputs both for exports and domestic markets are based on imported inputs mainly from China.
- China is now the largest import destination for Bangladesh as the country's manufacturing sector largely depends on imported raw materials and intermediate goods from China. The deflation in the Chinese economy indicates a slowdown of industrial outputs, which would have an impact on the availability and prices of Chinese products. So it might raise the import costs by creating a scarcity of goods. There is another flip side that once China starts aggressive marketing the local clothing sector may face troubles.

<https://thefinancialexpress.com.bd/economy/bangladesh/developments-in-bd-may-prove-double-edged-due-to-deflation-in-china>

Bangladesh close to being world's top cotton apparel exporter

- Bangladesh is close to surpassing China as the world's largest cotton apparel exporter and stronger demand prospects are expected to drive cotton consumption higher, said the US Department of Agriculture (USDA). The US agency, citing the annual fashion industry benchmarking study by the USFIA, said American fashion companies are attempting to reduce their sourcing from China.

- As such, American brands are reallocating their sourcing orders to other markets, including Bangladesh, to minimise logistical and political risks. "The USFIA study also indicates that Bangladesh is the most competitive apparel supplier from a cost structure point of view, scoring higher than any other country," the USDA said in its report.

<https://www.thedailystar.net/business/economy/news/bangladesh-close-being-worlds-top-cotton-apparel-exporter-3392796>

Real estate business in trouble

- Housing business still stays sluggish mainly for higher costs of property and lower purchasing power of people, as Bangladesh has yet to see tangible economic pickup. Sector-insiders attribute this stunted growth in real estate to an exorbitant rise in flat prices also because of the persistently higher prices of building materials, in the wake of lingering global crises.
- The prevailing higher cost of living for price rises is also contributing to this slowdown in the housing business, according to them. The Real Estate and Housing Association of Bangladesh (REHAB) disclosed that flat sales fell to 10,000 units in fiscal year (FY) 2022-23 from 15,000 units in 2020-21 and 2021-22 each. The industry sources believe the ongoing economic slowdown is taking a further toll on the sector, thus causing many smaller companies to go bust.

<https://thefinancialexpress.com.bd/economy/bangladesh/real-estate-business-in-trouble>

Net RMG export ratio at all-time high of 71.5%

- Bangladesh's readymade garment (RMG) net exports increased significantly in the April-June quarter, contributing positively to the country's trade balance, according to Bangladesh Bank data. Net exports – total exports minus raw material imports – surged to an all-time high of 71.5%, reaching USD 8.4 Bn in that quarter.
- According to central bank data, the total export in the RMG sector in the final quarter of FY23 was USD 11.74 Bn. Out of this amount, USD 3.35 Bn was spent on the import of raw materials for these products, accounting for 28.5% of total earnings. That is, net exports or domestic garments added a value of USD 8.4 Bn. This is about 39% higher than the same quarter of the previous fiscal year.

<https://www.tbsnews.net/economy/rmg/net-rmg-export-ratio-all-time-high-715-680734>

South Korean company to invest USD 9.39 Mn in BEPZA EZ

- South Korean company Giant BD Footwear Ltd is going to invest USD 9.39 Mn to set up a Shoe & Shoe Accessories manufacturing factory in BEPZA Economic Zone (BEPZA EZ). Bangladesh Export Processing Zones Authority (BEPZA) signed an agreement with the company to this effect at BEPZA Complex in Dhaka today (10 August). This fully foreign owned company will produce annually 20 Mn pairs of different kinds of shoes/sandals & shoe accessories where 600 Bangladeshi nationals will get employment opportunities.

<https://www.tbsnews.net/economy/industry/south-korean-company-invest-939-million-bepza-ez-680414>

Govt working to build D-8 economic zone

- The government is working on setting up an economic zone in Bangladesh for member-states of the D-8 Organisation for Economic Cooperation, also known as Developing-8, aiming at boosting trade among the D-8 nations. Meanwhile, the Foreign Ministry and the Bangladesh Economic Zones Authority (Beza) have exchanged letters regarding the construction of the economic zone.

<https://www.tbsnews.net/economy/govt-working-build-d-8-economic-zone-680994>

World's biggest jute mill nears commercial production

- Akij Jute Mills had a soft launch last month and is currently busy installing machinery for commercial production scheduled to begin this December. Covering a sprawling area of 450 bighas, the mill will have six factories, each spanning an impressive 175,000 square feet. With a staggering production capacity of 600 tonnes per day, the mill "will be the largest jute composite textile mill in the world", said G Murshid Bappi, director (operations) of Akij Jute.

<https://www.tbsnews.net/economy/industry/worlds-biggest-jute-mill-nears-commercial-production-680990>

Team Group, Swisscontact, Swedish embassy to groom workers for high-end garment items

- Swedish government's private arm Swisscontact and the Swedish embassy in Dhaka today signed a memorandum of understanding with local Team Group to groom the skilled young workers in the making of high-end value-added garment items. The Swisscontact (Progress) will facilitate the 4A Dyeing Ltd, the Team Group's platinum rated green garment factory at Savar in Dhaka, for grooming its workers for manufacturing the garment items maintaining green compliances.

<https://www.thedailystar.net/business/news/team-group-swisscontact-swedish-embassy-groom-workers-high-end-garment-items-3392571>

6 diesel-fired plants to shut by year-end, saving BDT 22.5 Bn annually

- The government plans to retire six diesel-fired power plants, with a combined capacity close to 1000 MW, before the end of 2023. According to official sources, the six plants, belonging to four private companies, are Bangla Track's 300 MW, Aggreko's 200 MW (Awarahati 100 MW and Brahmanaon 100 MW), APR Energy's Pangaon 300 MW, and Paramount's Baghabari 200 MW.
- As per the BPDB Annual Report 2021-22, the country's total grid-connected generation capacity is 22,482 MW, of which diesel-fired plants contributed 1290 MW, or 5.7% of the total capacity. In fiscal 2021-22 fiscal year, the cost per kilowatt-hour of electricity by diesel was BDT 154.11, while for gas-fired power plants it was BDT 3.46. It was BDT 9.17 for coal-fired plants and BDT 22.10 for furnace oil-based plants.

<https://www.tbsnews.net/bangladesh/energy/6-diesel-fired-plants-shut-year-end-saving-tk2250cr-annually-681318>

Pragati to start assembling sedans by December

- Pragati Industries Limited (PIL), a state-run automobile assembler of Bangladesh, is going to start assembling sedans of foreign make by December this year, according to company officials. "Whether it is a Japanese or Korean brand, we will start assembling sedans by December," said Md Abul Kalam Azad, managing director of PIL.
- Earlier in May, the PIL had reached a consensus with Mitsubishi Motors Corporation (MMC) to establish a complete knock-down setup for assembling cars designed by the Japanese automaker. PIL currently assembles sport utility vehicles, such as the Pajero Sport, active sports crossovers and double-cabin pickups of the Japanese brand as well as buses designed by India's Tata.

<https://www.thedailystar.net/business/economy/news/pragati-start-assembling-sedans-december-3391396>

Govt to build tech park in Dhaka

- The ICT Division is building a technology park in the capital's Karwan Bazar for BDT 1.6 Bn as it looks to install business incubation centres at universities and collaborate with industry and academia with the infrastructure. Spanning over an area of 0.47 acres, the park is the result of a collaborative financial partnership between the Bangladesh government and the World Bank under the Digital Entrepreneurship and Innovation Ecosystem Development Project of the ICT Division.

<https://www.thedailystar.net/business/economy/news/govt-build-tech-park-dhaka-3390591>

How foreign buyers boosting real estate

- Foreign individuals and companies engaged in operations in Bangladesh spent approximately BDT 3.21 Bn to purchase 216 residential flats in 2022. There were 2,486 such purchases worth BDT 25.42 Bn between 2013 and 2022, a trend that real estate businesses welcome as a significant contributor to the sector's growth.
- According to Shihab Ahmed, senior general manager of Shanta Holdings, expatriates who need to stay in Bangladesh for a long time for work or business usually purchase flats. Besides, multinational companies buy units to accommodate their expat employees.

<https://www.tbsnews.net/economy/how-foreign-buyers-boosting-real-estate-681442>

A fifth of banks jump on digital bandwagon to power growth

- Nearly a fifth of conventional banks in Bangladesh are preparing to establish digital banks to expand their reach to every nook and cranny of the country, win and retain tech-savvy customers without physical presence. Ten private banks have already formed a consortium to set up a digital bank -- Digi10 Bank PLC -- while Bank Asia and Brac Bank have also shared their decisions to become sponsors for two digital banks.
- Two analysts have welcomed the bid by banks to join the digital banking segment, saying this will increase competition and include unbanked people in the formal financial system, enabling the country to attain its goal of financial inclusion and become a cashless economy.

<https://www.thedailystar.net/business/economy/news/fifth-banks-jump-digital-bandwagon-power-growth-3391426>

New wage for RMG workers likely by November

- New wages for garment workers will be decided by November and implemented in the following month, said Liakot Ali Mollah, chairman of the Minimum Wage Board of the labour ministry. Representatives of readymade garment (RMG) owners and workers did not submit any proposals for the new wages during the second meeting of the wage board, as they wanted to hold further consultations. According to statistics for December 2021, Bangladesh has the lowest wage among the seven South Asian countries – Pakistan, Sri Lanka, India, Myanmar, Cambodia, and Indonesia.

<https://www.tbsnews.net/economy/rmg/further-consultation-needed-fixing-wage-garment-workers-owners-wage-board-meeting-680266>

Govt fixes wage structure for expat workers

- The government has launched a wage structure for the country's outbound workers to ensure their desired income, and help boost the country's foreign-exchange earnings. The wages have been fixed under three categories - less-skilled, semi-skilled and skilled - for 11 manpower-receiving countries. From now on, the recruiters will have to bring demand for jobs from abroad following the salary structure. The government will not accept any job offers below the wage structure, officials said.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-fixes-wage-structure-for-expat-workers>

Bangladesh muses about use of wind power potential

- Bangladesh has now moved to utilise wind-power potential with an eye to reducing its reliance on imported fuels to meet the mounting energy demand. The country's largest wind-powered Cox's Bazar 60-megawatt plant is all set to start commercial operation in October amid struggles to source fossil fuels.
- Eighty-per cent of work on the facility, owned by US-DK Green Energy (BD) Ltd, have already been done, project director Mukit Alam Khan told the FE on Thursday. It is currently supplying around 15-20 MW of electricity on a test run. Chinese State Power Investment Corporation and Wuling Power Corporation are investing an estimated USD 117 Mn in the project.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-muses-about-use-of-wind-power-potential>

Debt-to-GDP ratio rises

- Bangladesh's debt-to-GDP ratio rose by around two percentage points to 32.55% in the third quarter of last fiscal year 2022-23, according to the latest quarterly debt bulletin of the finance ministry. On December 31, 2022, it was 30.56%.
- Though the debt to GDP ratio grew in the quarter, the finance ministry said it was still significantly lower than what the International Monetary Fund (IMF) recommends, which is less than 55%. The total outstanding debt of Bangladesh was BDT 14,483.33 Bn as of March 31, 2023, up from BDT 13,598.98 Bn on December 31, 2022, the ministry data shows. Out of the total debt of the country, 63% was domestic and the remaining 37% owed abroad.

<https://www.thedailystar.net/business/economy/news/debt-gdp-ratio-rises-3391416>

Bank deposits up, private borrowing down contrarily

- Bank deposits in the country continue to grow largely amid lesser demand for credits by the private sector, in what is seen as a sign of lower investments. Officials and bankers said the liquidity situation in the commercial banks continued improving amid positive growth in deposits, but borrowing by businesses was lesser on the contrary.
- According to the latest statistics with the BB, the total deposit liabilities, excluding interbank items, of the scheduled banks increased by BDT 250.52 Bn or 1.58% to BDT 16.13 Tn during the first quarter (January-March) of this calendar year. In the previous quarter (October-December in 2022), the deposits with the banks increased by BDT 116.39 Bn while the volume of enhanced deposits amounting to BDT 24.23 Bn was recorded in January-March quarter in 2022. Seeking anonymity, a BB official said the increase in deposits during the first quarter of this calendar year was due to "significant increase in urban deposits".

<https://thefinancialexpress.com.bd/economy/bangladesh/bank-deposits-up-private-borrowing-down-contrarily>

Apparel export to US ebbs down in H1

- Bangladesh's apparel export to the United States ebbed down during the first half of this year apparently as global economic slowdown, high inflation and rising interest rates dampened consumer demand. Bangladesh's readymade garment exports fetched USD 3.82 Bn during the January-June period from America, marking a 23.55% fall, according to the data released on August 08 by OTEXA, an affiliate of the US Department of Commerce.
- Under the overall economic downswing, Bangladesh, however, did a bit better than its competitors in clothing export. China and Vietnam counted contractions by 29.16% and 26.73% respectively during the period under review, OTEXA showed. Apparel exporters and experts cited a sluggish demand amid economic slowdown, high inflation and rate rises in the USA as factors affecting the trade.

<https://thefinancialexpress.com.bd/economy/bangladesh/apparel-export-to-us-ebbs-down>

Most banks in tight spot amid liquidity crunch

- A majority of banks in Bangladesh are facing difficulties in running their day-to-day banking activities owing to a tightening liquidity caused by the dragging foreign currency crisis, slower deposit growth and lacklustre loan recovery. This has forced lenders to turn to the call money market, a short-term money market that allows large financial institutions to borrow and lend, to secure funds in order to meet their payment obligations.

- Classified loans, which erode a bank's lending capacity, have also soared. Non-performing loans (NPLs) totalled BDT 1316.2 Bn in March, marking a 16.02% increase year-on-year, BB data showed. The volume was 8.80% of the total credits disbursed in the banking sector. Bankers say a portion of letters of credit has already turned into forced loans owing to borrowers' failure to pay back on time.
- Against the backdrop, the call money rate, the interest rate on overnight loans – surged to as high as 7.75% on Thursday. According to bankers, the call money market has been witnessing huge pressure since the middle of 2022. So, a growing number of banks, including shariah-based lenders, are taking liquidity support from the central bank despite the hike in the policy rate. A senior official of the central bank said the volatility in the foreign exchange market may be the main reason for the tight liquidity situation in the banking sector.

<https://www.thedailystar.net/business/economy/news/most-banks-tight-spot-amid-liquidity-crunch-3392836>

With rising liabilities, sick industries are losing regulator's empathy

- A total of 3,100 companies, registered between 2010 and 2019, either turned sick or defunct over the years with their liabilities accumulating to BDT 280 Bn, finds the regulatory body. The capital of these entities is just half the amount they owe banks, other businesses and individuals, standing at BDT 145 Bn.
- The Registrar of Joint Stock Companies and Firms (RJSC) has revealed the numbers as it plans to clear its list of such hole-in-the-wall businesses that are producing fewer assets but more liabilities. According to RJSC sources, investigations will be conducted in phases and debilitated companies that cannot be revived will be recommended for closure and the registration of the defunct ones will be revoked through court orders.

<https://www.tbsnews.net/economy/rising-liabilities-sick-industries-are-losing-regulators-empathy-680090>

Austerity Measures: Govt misses the mark

- In the end, the government's austerity stance did not yield much savings last fiscal year. When the cocktail of belt-tightening measures was announced on the first working day of fiscal 2022-23, it was hoped that at least BDT 230 Bn would be saved during the course of the year, a development that would help push down the elevated inflation level. In reality, the savings amounted to BDT 150 Bn as per initial estimates, The Daily Star has learnt from finance ministry officials involved with the proceedings. "The savings were not much as the belt-tightening measures were not implemented faithfully," said one of the officials, adding that the final calculation of the savings made would take some time to materialise.

<https://www.thedailystar.net/news/bangladesh/news/austerity-measures-govt-misses-the-mark-3392746>

Why Noman Group suspends plans for 3 new RMG factories

- Noman Group, one of the country's leading exporters with around 80,000 employees in its 32 factories, recently suspended its decision to invest in three new ready-made garment factories. Nurul Islam, chairman of the group, said the investment plans have been scrapped due to escalating fuel prices, the reverberations following the Russia-Ukraine conflict, as well as some domestic and international issues.
- "Earlier, all the companies in our group had to pay gas bills worth BDT 350 Mn - BDT 400 Mn per month. Now after the price hike, the cost has jumped to BDT 1.20 Bn. The cost has increased by BDT 800 Mn per month," he said. A year and a half ago, Noman Group's major subsidiaries, Zaber & Zubair Fabrics Limited and Noman Terry Towel Mills Limited were collectively exporting over USD 400 Mn annually. However, that figure has now dwindled to USD 300 Mn.

<https://www.tbsnews.net/economy/rmg/why-noman-group-suspends-plans-3-new-rmg-factories-681006>

How tax on foreign loan interest hurts businesses, banks

- Global interest rate has been on the rise and a 20% "withholding tax" imposed in the current budget on interest payment has made foreign loans costlier. The cost of borrowing has now shot up to around 11%. Analysts and bankers predict that this measure will significantly impede the growth of the industrial sector within the country, given that entrepreneurs have relied on these cost-effective loans to fuel their business expansions.
- According to data from the central bank, as of March this year the foreign debt owed by the private sector surpasses USD 22 Bn, of which USD 13.66 Bn is short-term. The outstanding short-term loan amount through offshore banking units was USD 2.92 Bn at the end of June this year, Bangladesh Bank data shows. With more expensive foreign loans and trade finance facilities, manufacturing sectors might be forced to scale down their production, ultimately resulting in decline in supplies and overall trade activities.

<https://www.tbsnews.net/economy/how-tax-foreign-loan-interest-hurts-businesses-banks-680570>

Wage growth below inflation for 18th month straight

- Although wage growth in Bangladesh has been slowly climbing since July 2021, it has remained below the inflation rate for the past 18 months consecutively, according to the Bangladesh Bureau of Statistics (BBS). The wages of low and unskilled workers grew 7.52% year-on-year in July 2023, which was 2.17 percentage points below the inflation rate of 9.69% that month, shows the Wage Rate Index of the BBS.

- The case was similar in June, when the wages of workers across 44 occupations in agriculture, industry and services grew 7.32%, which was 2.42 percentage points below the inflation rate at the time. Analysts say the widening gap between the inflation rate and wage growth is forcing low-income and unskilled workers to cut consumption amid falling real incomes and rising cost of living.

<https://www.thedailystar.net/business/economy/news/wage-growth-below-inflation-18th-month-straight-3392701>

Important News: Capital Market

BANKASIA | Bank Asia, Swisscontact sign MoU

- Bank Asia Ltd and Swisscontact Bangladesh have signed a memorandum of understanding (MoU) to promote accessible and small-ticket-sized women-friendly savings products for the RMG workers and their community members. Under the agreement of the project to be implemented in Dhaka, Gazipur, Narayanganj and Chattogram districts, both the organisations will work together to improve financial health of readymade garment workers.

<https://www.thedailystar.net/business/economy/banks/news/bank-asia-swisscontact-sign-mou-3395986>

ALARABANK | AIBL approves 15% dividends

- Al-Arafah Islami Bank Ltd (AIBL) has approved 15% dividends, including 12% cash dividend, for the year that ended on December 31, 2022. The approval was given at the bank's 28th annual general meeting (AGM) held virtually yesterday, said a press release. The bank achieved growth of 16.40% in deposit and 20.51% in investment during the year 2022 compared to 2021.

<https://www.thedailystar.net/business/economy/banks/news/aibl-approves-15-dividends-3396011>

PRIMEBANK | Prime Bank entering mobile financial services business

- Prime Bank is going to enter the mobile financial services (MFS) market to tap its vast potential. To this end, it has decided to form a subsidiary with an initial minimum paid-up capital of BDT 450 Mn, according to the bank. The move aims to provide mobile financial services under a bank-led MFS model.

<https://www.tbsnews.net/economy/stocks/prime-bank-entering-mobile-financial-services-business-682990>

EXCHANGE | BSEC to meet bankers, asset managers as stocks nosedive

- Plummeting Dhaka-Chattogram stocks hit a four-month low on Wednesday as panic grabbed the street. The Bangladesh Securities and Exchange Commission (BSEC), to help support the market, is going to sit with the bank bosses, top brokerage executives and investment bankers at 11 am on Thursday, said the commission's spokesperson and Executive Director Rezaul Karim.

<https://www.tbsnews.net/economy/stocks/bsec-meet-bankers-asset-managers-stocks-nosedive-683510>

DUTCHBANGL | DBBL to open merchant bank, invest in digital bank

- DBBL is going to invest in a digital bank and form two subsidiaries in order to expand business in capital market, the bank said yesterday. The DBBL said its board of directors has given the go-ahead to the plan to invest BDT 125 Mn in the proposed Digi10 Bank PLC by joining a consortium of 10 banks. The bank will have 10% share in the virtual bank.
- The private bank also said its board decided to form a full-fledged merchant bank -- Dutch-Bangla Bank Investment Limited -- with a proposed paid-up capital of BDT 250 Mn. It will be a fully owned subsidiary subject to all regulatory approvals. In addition, the DBBL will establish a brokerage house named Dutch-Bangla Bank Securities Limited to act as a stock dealer and broker.

<https://www.thedailystar.net/business/economy/banks/news/dbbl-open-merchant-bank-invest-digital-bank-3396081>

SHAHJABANK | Shahjalal Islami Bank sues Regent Textile to recover BDT 1.4 Bn loan

- Shahjalal Islami Bank has recently filed a case against the publicly listed Regent Textile Mills Limited to recover BDT 1.4 Bn it had lent to the textile miller. The bank's Chattogram branch filed the case under the Money Loan Court Act, 2003. Seeking anonymity, a Shahjalal Islami Bank official said, "Regent Textile has not been paying the loan instalment for a long time. We issued several letters to recover the money but the company hasn't repaid."
- In April this year, US business conglomerate Wilmington Trust Company filed an application against the Chattogram-based Habib Group's Regent Textile and its 11 associates for liquidation due to non-payment of aircraft rentals. Regent Textile failed to pay any dividend to the shareholders since the 2019-20 fiscal year and could not even publish the financial statements from the fiscal 2020-21.

<https://www.tbsnews.net/economy/stocks/shahjalal-islami-bank-sues-regent-textile-recover-tk140cr-loan-683550>

UCB | UCB, NEC Money Transfer sign remittance deal

- United Commercial Bank (UCB) signed an agreement with NEC Money Transfer Ltd on remittance services. NEC Money Transfer is a provider of cross-border remittance services and the trusted choice of Bangladeshi expatriates around the world for sending money safely and easily to their loved ones in Bangladesh, it said.

<https://www.thedailystar.net/business/economy/news/ucb-nec-money-transfer-sign-remittance-deal-3395201>

BEXIMCO | Beximco completes two projects financed by Sukuk fund

- Beximco, the originator of Beximco Green-Sukuk Al Istisna, announced that it has completed the two projects which were financed by the Sukuk fund. The projects have started to generate revenue. Beximco floated a BDT 30 Bn Sukuk in 2021 to finance its two solar power plants and its textile division's green expansion. Meanwhile, the trustee of the Beximco Green Sukuk Al Istisna'a, has approved the payment of 5.55% on the Sukuk's face value for the first half of its second year

<https://www.tbsnews.net/economy/stocks/beximco-completes-two-projects-financed-sukuk-fund-682130>

EXCHANGE | 3 listed MFs managed by RACE declared cash dividend

- Three closed-end mutual funds, managed by RACE Management, have declared cash dividends amounting to BDT 583 Mn for FY23. RACE Management leads the closed-end mutual fund sector, managing 10 such funds with combined asset under management (AUM) of BDT 32.29 Bn. The MFs controlled by RACE account for around 52% of the total AUM of listed MFs, according to EBL Securities. Moreover, Race Special Opportunities Unit Fund, an open-ended mutual fund, managed by RACE, declared 5.50% cash dividend for FY23.

<https://thefinancialexpress.com.bd/stock/bangladesh/3-listed-mfs-managed-by-race-declared-cash-dividend>

EXCHANGE | BSEC approves BDT 2 Bn Capitec Grameen Bank Growth Fund

- The stock market regulator has approved the draft prospectus of a closed-end mutual fund - Capitec Grameen Bank Growth Fund -- of BDT 2 Bn. Award winning Capitec Asset Management is acting as the asset manager while the state-run investment bank - Investment Corporation of Bangladesh is trustee and custodian of the mutual fund. Presently, Capitec is managing three open-end mutual funds, two of which secured double-digit returns in FY22.

<https://thefinancialexpress.com.bd/stock/bangladesh/bsec-approves-tk-2b-capitec-grameen-bank-growth-fund>

POPULARLIF | Popular Life recommends 38% cash dividend for 2022

- Popular Life Insurance Company, a third-generation life insurer in the country, has recommended a 38% cash dividend for its shareholders for 2022. In a disclosure published on the stock exchanges website, the insurer reported earnings per (EPS) at BDT 3.8. In 2021, its EPS was also BDT 3.8. According to disclosure, the net asset value (NAV) per share declined to BDT 92.68, which was BDT 109.15 in 2021.

<https://www.tbsnews.net/economy/stocks/popular-life-recommends-38-cash-dividend-2022-681662>

EXCHANGE | Intermediaries get another year to invest in debt securities

- Stock market intermediaries – merchant banks, portfolio managers, asset managers, mutual funds, and stock dealers – have secured another year to invest the required capital in listed debt securities. In a directive considering the market scenario and for the benefit of the market, the BSEC has extended the time until June 2024 to comply.
- The regulator made the decision when the stock market was in a volatile situation and institutional investors' remained side-lined amid the liquidity crunch. In 2021, the commission fixed maintaining at least a 3% investment ratio in the listed debt securities of the intermediaries own portfolios. In another directive issued in February this year, the BSEC asked the intermediaries to invest at least 1% of their own portfolios in the listed securities by June 2023.

<https://www.tbsnews.net/economy/stocks/intermediaries-get-another-year-invest-debt-securities-682506>

EXCHANGE | Brokers' apathy still keeps T-bonds inaccessible for retail investors

- General investors are yet to get access to primary auctions of T-bonds though the securities regulator laid down the process for stock brokers to participate in them on behalf of their clients. The guidelines were issued about one and a half months back but stock brokers that are meant to play the key role as intermediaries in here have shown no interest. Some leading brokerage firms said they were still analysing the guidelines, while others said they were managing T-bonds from their parent companies for their clients.

<https://thefinancialexpress.com.bd/stock/bangladesh/brokers-apaty-still-keeps-t-bonds-inaccessible-for-retail-investors>

MIDLANDBNK | Midland Bank, NEC Money sign deal on remittance service

- Midland Bank Ltd signed an agreement with NEC Money Transfer Ltd, a UK-based Global Money Transfer Company, enabling the former to disburse hard earned remittances of NRBs living in different parts of the world from its branches and agent banking centres through NEC Money. NEC Money Transfer is a Bangladeshi-owned fin-tech based remittance transfer company, which is widely known among Bangladeshi expatriates in the UK, Italy, South Africa, UAE, Australia, Canada and other EU countries.

<https://www.thedailystar.net/business/economy/news/midland-bank-nec-money-sign-deal-remittance-service-3393541>

MIRAKHTER | Mir Group takes BDT 100 Mn loan to bolster its green moves

- Mir Concrete Products, a sister concern of Mir Group, has recently taken a loan of BDT 100 Mn from a financial institution United Finance to make their production capacity of green products bigger. The company has signed a MoU with United Finance regarding the loan today on 13 August. Mir Concrete Products has been sanctioned the five-year termed Finance Facility with as low as 5.5% interest rate

<https://www.tbsnews.net/economy/mir-group-takes-tk10-crore-loan-bolster-its-green-moves-681898>

AL-HAJTEX | BSEC to act against Alhaj Textile's MD for providing false information

- The stock market regulator is going to take action against Md Bakhtertiar Rahman, the managing director (MD) at Alhaj Textile Mills Ltd, for providing false information to the bourses. In a recent meeting, the Bangladesh Securities and Exchange Commission (BSEC) also decided to take action against the Dhaka Stock Exchange (DSE) official responsible for posting false information about Alhaj Textile's board reform on the DSE website without verifying.
- According to BSEC sources, Alhaj's MD has violated a number of laws and provided information about the company that are misleading. Earlier, the commission removed three of the company's five independent directors including its Chairman Khondoker Kamaluzzaman.

<https://www.tbsnews.net/economy/stocks/bsec-act-against-alhaj-textiles-md-providing-false-information-681950>

HRTEX | Two garment factories of Pride Group closed amid worker unrest

- The authorities of Pride Group have announced the closure of two garment factories in Savar until August 31st in the face of workers' protest over outstanding arrears. The closure of the two factories has been attributed to various ongoing issues and recent disruptions beyond the control of the factory owner, as explained in the notice.
- The notice also mentioned that all outstanding wages for the workers for July will be paid before the factory reopens. BGMEA Vice President Md Nasir Uddin mentioned that every garment factory is facing financial challenges due to the global markets not being in good shape.

<https://www.tbsnews.net/economy/rmg/two-garment-factories-pride-group-closed-681878>

ICB | ICB Capital looks to overcome problems in listing of 13 state-run cos

- ICB Capital Management is likely to organise a workshop this month to gauge possible solutions to problems that hinder the listing of state-owned companies on the bourses. The issue manager is currently prioritising 13 companies, including national flag bearer Biman Bangladesh Airlines, for listing in the stock market from a list of 29 companies prepared in March.
- The workshop is expected to discuss possible dividend policy and other measures that can expedite the process of listing of the 13 companies, said chief executive officer of ICB Capital Management Mrs Mazeda Khatun. The Bangladesh Securities and Exchange Commission (BSEC) sent a list of 29 state-owned companies to the Prime Minister's Office (PMO) in March seeking its intervention for speeding up the listing of the companies.

<https://thefinancialexpress.com.bd/stock/bangladesh/icb-capital-looks-to-overcome-problems-in-listing-of-13-state-run-cos>

NCCBANK | NCC Bank declares 10% dividends

- NCC Bank Ltd approved 10% dividends, including 5% cash dividend, for the year that ended on December 31, 2022. This approval was given at the bank's 38th annual general meeting, which was held virtually yesterday, said a press release. Highlighting the business progress, Bashar said that the shareholders' equity, total assets, and earnings per share of the bank are increasing gradually which is reflected in credit ratings and CAMELS rating of the bank.

<https://www.thedailystar.net/business/economy/banks/news/ncc-bank-declares-10-dividends-3391326>

PRAGATILIF | Pragati Life Ins announces 12% cash dividend

- Pragati Life Insurance Ltd approved 12% cash dividend for the year that ended on December 31, 2022. The approval was given at the insurer's 23rd annual general meeting, which was held virtually yesterday, said a press release.

<https://www.thedailystar.net/business/economy/news/pragati-life-ins-announces-12-cash-dividend-3391341>

MERCANBANK | Mercantile Bank to invest BDT 125 Mn in Digi10 Bank

- Mercantile Bank Ltd is going to invest BDT 125 Mn to be a sponsor shareholder of a proposed digital bank initiative styled "Digi10 Bank PLC". The board of directors of the bank recently took the decision in its 427th meeting held on August 9, said a press release.

- According to the press release, Mercantile Bank will join a consortium of 10 private commercial banks who will apply for the digital bank initiative to the regulatory authority. The initial paid-up capital of the proposed initiative "Digi10 Bank PLC" will be BDT 1.25 Bn. Mercantile Bank will invest BDT 125 Mn which is 10% of the initial paid-up capital of the initiative.

<https://www.thedailystar.net/business/economy/news/mercantile-bank-invest-tk-125cr-digi10-bank-3392776>

STANDBANKL | Standard Bank gets new DMD

- Md Siddiqur Rahman recently joined the shariah-based Standard Bank Ltd as its deputy managing director and chief operating officer. Rahman was serving as a deputy managing director, chief risk officer and chief anti money laundering compliance officer (CAMLCO) of Islami Bank Bangladesh Ltd prior to joining the current charge, said a press release.

<https://www.thedailystar.net/business/economy/news/standard-bank-gets-new-dmd-3392686>

RAKCERAMIC | RAK Ceramics to repair its tile plant

- RAK Ceramics (Bangladesh) – the country's leading multinational tile manufacturer – is going to renovate its plant as its machinery gets old. For maintenance and modification, one of its four tile production lines will be closed for three months, approximately from 9 August, according to a disclosure by the company. Earlier, RAK Ceramics renovated its line-3 in May last year after stopping for 17 days.
- According to its January to June 2023 financials, RAK Ceramics posted a 0.29% growth in revenue to BDT 3.81 Bn. But its net profit declined by 34% to BDT 285.2 Mn in the six months of 2023. The company said its gross profit margin has reduced from 29.66% to 25.25% due to the non-availability of adequate gas, an increase in gas and electricity prices, a significantly volatile foreign currency market, disruption of the global supply chain, an increase in all input raw material prices, and shipping freight.

<https://www.tbsnews.net/economy/stocks/rak-ceramics-repair-its-tile-plant-681426>

PRIMELIFE | Prime Islami Life to sell properties to settle claims

- Prime Islami Life Insurance has decided to sell properties, including land and a building to settle policyholders' claims as it has been hit hard by a lack of liquidity. In a stock exchange filing on Thursday, it said the board had decided to sell a land of 36.12 decimals along with a building of the company at Banglamotor in the capital.

- The decision was taken on instructions of the Insurance Development and Regulatory Authority (IDRA), said company secretary Abul Hasnat Mohammed Shamim. Prime Islami Life Insurance has unsettled insurance claims worth BDT 3.17 Bn as of December 2022. In the next five years, the company will have to settle claims amounting to BDT 21 Bn, according to the IDRA

<https://thefinancialexpress.com.bd/stock/bangladesh/prime-islami-life-to-sell-properties-to-settle-claims>

UNIQUEHRL | Unique Hotel to invest BDT 125 Mn in digital bank

- Another publicly traded company, Unique Hotel & Resorts PLC, has decided to become a sponsor shareholder of a proposed digital bank named 'AMAR Digi Bank PLC'. In a board meeting held on Thursday, the owner of The Westin Dhaka, has decided to invest BDT 125 Mn in the proposed digital bank, along with other sponsors.
- The investment amount is 10% of the total paid-up capital of the digital bank, the company said in a price-sensitive information filing. The company said the proposed digital bank's authorised capital is BDT 2.50 Bn while the paid-up capital is BDT 1.25 Bn. The investment will be done subject to approval from regulatory authorities, said the company.

<https://thefinancialexpress.com.bd/stock/bangladesh/unique-hotel-to-invest-tk-125m-in-digital-bank>

METROSPIN | Shareholders in dark as Metro Spinning fails to disclose financials

- Shareholders of Metro Spinning Limited - a listed company under the Makson Group – are in the dark as it failed to disclose its January-March financials due to software disruptions. Company Secretary Mohammad Jewel Rana said, "Due to a software problem, it has not been possible for the company to publish its financials for that quarter at this moment." According to its unaudited financials, in the first half of fiscal 2022–23, the company reported a 16% decline in revenue to BDT 447.7 Mn and a 15.93% growth in profit to BDT 60.4 Mn.

<https://www.tbsnews.net/economy/stocks/shareholders-dark-metro-spinning-fails-disclose-financials-681422>

SOUTHEASTB | BSEC investigates loan-funded directorship transition at Southeast Bank

- The Bangladesh Securities and Exchange Commission (BSEC) has launched a probe into allegations concerning an individual's transition to the directorship of Southeast Bank through the acquisition of shares obtained via a loan from the same lender, and the transfer of the bank's funds elsewhere under the guise of pre-placement.

- Allegedly, Southeast Bank provided a BDT 2 Bn loan to BLI Capital, a subsidiary of Bay Leasing, a listed firm. Raiyan Kabir, using BDT 150 Mn from the loan, purchased 2% of Southeast Bank's shares worth BDT 250 Mn, subsequently becoming a director. The BSEC has formed an investigation committee to look into these allegations and submit a report within 60 days. This committee will also address concerns related to unauthorised appointments and fund misuse in pre-placement shares.

<https://www.tbsnews.net/economy/stocks/bsec-investigates-loan-funded-directorship-transition-southeast-bank-680490>

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