

## Weekly Market Update

### Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.62%) gained 39.23 points and closed the week at 6,319.25 points. The blue-chip index DS30 (+0.24%) gained 5.24 points and stood at 2,187.74 points. The Shariah-based index DSES (+0.55%) gained 7.55 points and stood at 1,372.73 points. The large cap index CDSET (+0.20%) gained 2.41 points and closed at 1,211.16 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.81%, -0.34%, +1.02%, -0.27%, respectively.

**Total Turnover During the Week (DSE):** BDT 29.6 billion (USD 273 million)

**Average Daily Turnover Value (ADTV):** BDT 5.9 billion ( $\Delta\%$  Week: -23.5%)

**Market P/E:** 18.4x

### Daily Index Movement during the Week

The market performed Five sessions during this week. The market started on a positive note (+0.02%) on Sunday. Further, it remained positive on Monday (+0.53%). However, it ended on a negative note on Tuesday (-0.20%) but closed on a positive note on Wednesday (+0.15%). Lastly, the market closed on a positive note (+0.13%) on Thursday.

### Sectoral Performance

• All the financial sectors posted positive performance this week. General Insurance booked the highest gain of 3.11% followed by Life Insurance (+2.25%), Mutual Fund (+0.33%), NBFi (+0.24%), and Bank (+0.23%).

• All the non-financial sectors posted positive performance this week. Food & Allied booked the highest gain of 0.40% followed by Engineering (+0.35%), Fuel & Power (+0.19%), Pharmaceutical (+0.15%), and Telecommunication (0.00%).

### Macroeconomic arena

• Foreign reserve crosses USD 30 Bn again within a month. Foreign investors can now keep dollars in bank accounts for 1 year. SDG Index 2023: Bangladesh ahead of India, Pakistan. Ayurveda Pharmacy to invest USD 7.18 Mn in Bangabandhu Shilpa Nagar. Agro commodity supply chain data scheme to boost exports. MFS transactions hit record BDT 1.25 Tn in April. A-Challan use gathers pace. CCC announces BDT 18.8728 Bn budget. Chinese company to invest USD 9.5 Mn in Mongla EPZ. 3 firms to invest USD 27.81 Mn in refuelling station, tourism, agro processing. Japan to provide USD 4 Mn for Bangladesh's primary education development. ECNEC approves 16 projects worth BDT 243.62 Bn. BB brings back relaxed loan repayment facility. Tax break to stay till 2036 for private power producers. LC margin eased for importers serving SMEs. Agribusiness bears highest potential among emerging sectors. Synthetic footwear exports on a roll. Bill placed to define movable assets as collateral for loan. Foreign banks account for 90% of blocked airlines funds in country. NPL's unstoppable rise. Cenbank declares 7.13% reference rate to fix lending rate.

• NPL, another big foe to fight. Inequality has eaten away much of economy's gains: Experts. MFIs, NGOs to face greater scrutiny from taxmen. Undisclosed money not allowed for investment in land. Monetary policy: Mission inflation. Bangladesh Bank ends rate cap, hikes policy rate by 50 basis points. Economy poised to regain high growth trajectory in 2024. Forex reserves to rise to USD 30 Bn within this month. Local company to invest USD 20 Mn in Mongla EPZ. BB to launch taka-rupee-based debit card in September. Market-based exchange rate within third quarter of 2023. Budget deficits could be met from bond market: Monetary policy. Here is why. Much-debated BDT 2000 min. tax being ditched finally. Chinese firm Mingda to invest USD 76.41 Mn in Bepza EZ. Money outside bank vaults fuels inflation. BB hikes capital requirement for new banks. Only 7 districts grab half of ADP allocation: Study. Why dollar crisis persists despite declining imports. Here are answers. Furniture export below potential. Capital shortfall of 11 banks rises to BDT 335.75 Bn.

### Stock Market arena

• AL-HAJTEX | Alhaj Textile writ: Stay order against BSEC decision vacated. NTC | National Tea's paid-up capital raising procedure stayed. CNATEX | High Court orders C&A Textiles to hold pending AGMs by August. PUBALIBANK | Pubali Bank director to buy 2 Mn shares. ISLAMICFIN | Islamic Finance lends BDT 3.73 Bn without collateral. EBL | EBL to arrange BDT 3.32 Bn loan for lithium battery project. SHAHJABANK | Shahjalal Islami Bank's former director declares to sell 2.5 Mn shares. HIMADRI | Himadri to increase authorised capital to meet regulatory requirement. MKFOOTWEAR | MK Footwear allocates 361 shares to investors. PADMAOIL | Padma Oil to sell land for setting up second Eastern Refinery unit. AMCL(PRAN) | Pran Agro to raise BDT 2.62 Bn thru bonds. RUNNERAUTO. APSCLBOND | Ashuganj Power approves 5.25% coupon rate. GBBPOWER | GBB Power shuts down plant as contract expires. BERGERPBL | Berger Paints allowed to secure USD 60 Mn loan from parent company.

June 22, 2023 (Week: Jun 18, 2023 – Jun 22, 2023)

**Dhaka Stock Exchange**

**DSEX ended in Green (+0.62%) in the week**

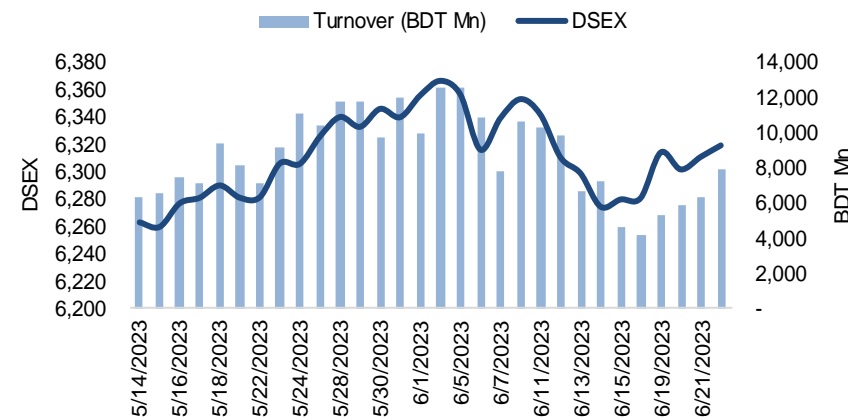
Table 1: Index

Index	Closing*	Opening*	$\Delta$ (Pts)	29-Dec-2022	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,319.25	6,280.02	+39.23	6,206.81	+0.62%	+1.81%
DS30	2,187.74	2,182.50	+5.24	2,195.30	+0.24%	-0.34%
DSES	1,372.73	1,365.17	+7.55	1,358.84	+0.55%	+1.02%
CDSET	1,211.16	1,208.75	+2.41	1,214.42	+0.20%	-0.27%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,715,290	7,695,292	+0.3%
	M n USD	71,253	71,068	
Turnover	M n BDT	29,585	38,696	-23.5%
	M n USD	273	357	
Average Daily Turnover	M n BDT	5,917	7,739	-23.5%
	M n USD	55	71	
Volume	M n Shares	599	628	-4.7%

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
KBPPWBIL	19.5	15.0	+30.0%	1913	469.1	NM	16x
OAL	12.1	9.9	+22.2%	2,051	170.0	NM	10x
CENTRALPHL	12.9	11.2	+15.2%	1,545	195.0	NM	2.2x
MEGHNAINS	48.5	42.3	+14.7%	1,940	254.5	31.5x	3.2x
JUTESPINN	408.9	358.1	+14.2%	695	10.8	NM	NM
BDTHAI	15.4	13.6	+13.2%	1,968	93.9	NM	0.6x
MIDASFIN	11.5	10.2	+12.7%	1,655	8.8	8.7x	12x
PRIMELIFE	74.7	66.5	+12.3%	2,280	160.7	NM	NM
ICICL	35.5	31.7	+12.0%	1,798	111.5	30.9x	2.1x
CRYSTALINS	45.7	40.9	+11.7%	1,828	66.5	15.2x	18x

**Table 4: Top Ten Losers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SAMATALETH	69.8	74.9	-6.8%	720	57.5	NM	4.9x
APEXTANRY	117.5	124.0	-5.2%	1,791	52.0	NM	2.0x
OIMEX	25.6	26.5	-3.4%	1,717	104.9	NM	2.3x
FAREASTLIF	75.6	78.1	-3.2%	5,651	453.5	NM	NM
MEGHNA PET	43.4	44.6	-2.7%	521	17.8	NM	NM
LEGACYFOOT	107.6	110.3	-2.4%	1,407	346.4	NM	12.0x
MEGCONMILK	31.6	32.3	-2.2%	506	12.7	214x	NM
ADVENT	28.2	28.8	-2.1%	2,626	431.6	26.6x	19x
NITOLINS	37.0	37.7	-1.9%	1,488	5.6	18.8x	12x
PEOPLESINS	32.2	32.8	-1.8%	1,488	18.4	12.6x	10x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
MEGHNALIFE	101.3	99.5	+1.8%	4,296	1,056.8	NM	NM
GEMINISEA	844.6	800.6	+5.5%	5,156	796.3	40.3x	33.3x
NAVANAPHAR	113.7	114.2	-0.4%	12,213	664.0	25.8x	2.8x
BSC	124.8	122.9	+1.5%	19,036	656.5	7.9x	16x
EHL	101.5	95.2	+6.6%	9,475	615.4	15.0x	13x
TILIL	76.6	0.0	+9.7%	3,064	578.2	NM	NM
RUPALILIFE	210.0	189.3	+10.9%	6,303	572.8	NM	NM
SONALILIFE	95.8	95.6	+0.2%	4,551	495.9	NM	NM
PAPERPROC	273.7	277.4	-1.3%	2,860	476.8	55.5x	8.1x
KBPPWBIL	19.5	15.0	+30.0%	1,913	469.1	NM	16x

**Table 6: Most Appreciated YTD in BRAC EPL Universe**

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	261.0	+45.7%	14,747	45.9x	3.9x
OLYMPIC	153.3	+23.6%	30,651	18.6x	3.1x
UNIQUEHRL	68.6	+18.9%	20,196	12.0x	0.8x
ADNTEL	134.5	+17.9%	8,696	34.9x	4.9x
UNILEVERCL	2,059.1	+15.6%	39,688	45.1x	13.2x
JAMUNAOIL	179.0	+7.0%	19,766	6.6x	0.9x
BATASHOE	1,018.4	+6.9%	13,932	29.2x	3.9x
LHBL	67.9	+4.8%	78,857	14.6x	4.0x
BERGERPBL	1,796.1	+4.3%	83,299	27.7x	6.4x
EBL	29.4	+4.0%	35,493	6.9x	0.9x

\*BDT

\*\*BDT Mn

**Table 7: Sector Indices**

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,442.1	1,438.8	1,427.09	+0.23%	+1.05%
NBFI	1,922.8	1,918.3	1,927.24	+0.24%	-0.23%
Mutual Fund	832.3	829.6	852.07	+0.33%	-2.32%
General Insurance	3,344.4	3,243.5	3,177.87	+3.11%	+5.24%
Life Insurance	2,995.2	2,929.3	2,492.91	+2.25%	+20.15%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,706.5	3,701.0	3,754.47	+0.15%	-1.28%
Fuel & Power	1,704.1	1,700.9	1,694.29	+0.19%	+0.58%
Cement	2,519.1	2,470.7	2,319.67	+1.96%	+8.60%
Services & Real Estate	1,990.3	1,960.5	1,782.23	+1.52%	+11.68%
Engineering	4,521.9	4,506.0	4,503.40	+0.35%	+0.41%
Food & Allied	21,565.6	21,480.7	21,247.80	+0.40%	+1.50%
IT	3,300.3	3,215.9	3,004.33	+2.62%	+9.85%
Textile	1,631.4	1,618.5	1,621.87	+0.79%	+0.59%
Paper & Printing	10,882.9	10,848.7	10,388.08	+0.32%	+4.76%
Tannery	3,296.1	3,273.7	3,093.43	+0.68%	+6.55%
Jute	14,816.2	14,257.8	14,850.17	+3.92%	-0.23%
Ceramics	693.3	691.0	704.74	+0.33%	-1.63%
Miscellaneous	4,186.8	4,148.7	4,071.46	+0.92%	+2.83%

**Table 8: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	80.7	82.9	-2.61%	+1.71%	11.8x	0.7x
NBFI	29.3	17.7	+65.25%	+0.62%	NM	4.4x
Mutual Fund	27.1	29.9	-9.42%	+0.57%	NM	0.7x
General Insurance	341.3	348.3	-1.99%	+7.22%	17.8x	15x
Life Insurance	883.7	1,761.0	-49.82%	+18.70%	NM	NM
Telecommunication	18	0.8	+110.43%	+0.04%	16.9x	4.3x
Pharmaceutical	414.9	757.5	-45.22%	+8.78%	19.4x	2.3x
Fuel & Power	173.0	387.5	-55.34%	+3.66%	23.6x	1.1x
Cement	99.9	177.8	-43.83%	+2.11%	30.8x	2.6x
Services & Real Estate	283.7	472.3	-39.92%	+6.00%	28.5x	10x
Engineering	408.9	482.5	-15.25%	+8.65%	72.6x	18x
Food & Allied	522.1	716.2	-27.10%	+11.05%	20.0x	8.1x
IT	361.4	537.5	-32.77%	+7.65%	30.1x	3.1x
Textile	346.3	411.2	-15.78%	+7.33%	84.2x	1.1x
Paper & Printing	230.4	350.9	-34.34%	+4.88%	40.4x	2.1x
Tannery	117.0	185.8	-37.06%	+2.47%	50.1x	3.4x
Jute	33.8	27.4	+23.68%	+0.72%	NM	-1258.2x
Ceramics	28.0	94.6	-70.40%	+0.59%	49.1x	19x
Miscellaneous	342.5	309.0	+10.84%	+7.25%	16.2x	18x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
EGEN	45.2	-13.2%	3,390	31.0x	2.0x
ISLAMIBANK	32.6	-1.2%	52,486	8.9x	0.8x
TRUSTBANK	31.7	-0.1%	27,142	12.0x	1.3x
BRACBANK	35.8	-0.0%	57,596	9.0x	0.9x
IDLC	46.5	-	19,330	10.7x	1.0x
IPDC	57.6	-	21,375	30.8x	3.1x
LANKABAFIN	26.0	-	14,010	28.0x	1.3x
ACI	260.2	-	19,829	NM	2.0x
LINDEBD	1,397.7	-	21,271	29.4x	3.5x
UPGDCL	233.7	-	135,475	16.7x	4.4x

## Important News: Business & Economy

### Foreign reserve crosses USD 30 Bn again within a month

- The foreign exchange reserve crossed the USD 30 Bn mark after it had fallen below the level on 25 May. The reserve currently stands at USD 30.02 Bn as of Wednesday. A central bank high official said the rise in the reserve was a reflection of increased remittance. Many banks now had enough dollars to make smooth LC (letter of credit) payments, he added. Between 1-20 June, USD 1.53 Bn had entered the country as remittance. In the same period last year, this figure stood at USD 1.10 Bn.

<https://www.tbsnews.net/economy/foreign-reserve-crosses-30bn-again-within-month-653886>

### Foreign investors can now keep dollars in bank accounts for 1 year

- In a bid to increase the flow of foreign direct investment (FDI) in the country, the central bank has allowed foreign investors to keep foreign currency in their relevant account for a year. Earlier, if foreign investors sent foreign currency to the country, it had to be encashed in taka and kept in a local currency account, bankers said. The decision of the central bank would now make investors more interested, they said.
- In a circular issued yesterday, the Bangladesh Bank said authorised dealers can now open temporary foreign currency accounts under the names of companies/enterprises proposed by foreign investors. The currency can only be used to make outward payments for capital expenditure or it can be encashed into taka. Bankers said companies can pay for the import of capital machinery with the dollars in their foreign currency accounts.

<https://www.tbsnews.net/economy/banking/foreign-investors-can-now-keep-dollars-bank-accounts-1-year-653946>

### SDG Index 2023: Bangladesh ahead of India, Pakistan

- Bangladesh has ranked 101st on the Sustainable Development Report 2023, with an overall score of 65.9 out of 100. In this year's index, Bangladesh is ahead of India (112th), Pakistan (128th), and Afghanistan (158th) in South Asia. The Sustainable Development Report 2023 including the SDG Index and Dashboards, which was released on Wednesday, is a complement to the official SDG indicators and the voluntary national reviews, published by the Dublin University Press. The report assesses the progress of all of the 193 UN Member States towards the SDGs. Around 30.9% of the SDG targets for Bangladesh have been achieved or on track, 41.2% have limited progress, and 27.9% have been worsening.

<https://www.tbsnews.net/economy/sdg-index-2023-bangladesh-ahead-india-pakistan-654006>

### Ayurvedia Pharmacy to invest USD 7.18 Mn in Bangabandhu Shilpa Nagar

- Ayurvedia Pharmacy (Dacca) Limited will invest USD 7.18 Mn to manufacture Ayurveda healthcare, personal care, and food products at Bangabandhu Sheikh Mujib Shilpa Nagar. The company has leased 3 acres of land at the industrial city to set up a factory where about 300 people will be employed.
- The investors signed a land-lease agreement with the Bangladesh Economic Zones Authority (Beza) at the latter's office on Wednesday, said a press release. Established in 1992, this leading ayurvedic and herbal product manufacturing company has been doing business with a good reputation. Apart from medicines, the company manufactures food and cosmetics.

<https://www.tbsnews.net/economy/ayurvedia-pharmacy-invest-718m-bangabandhu-sheikh-mujib-shilpa-nagar-653866>

### Agro commodity supply chain data scheme to boost exports

- The government is set to launch a tech-powered agricultural goods packaging centre within a month or two to increase exports to Western markets by ensuring supply chain traceability and including modern quality control procedures. The initiative for reaching out to Western top-tier retail chains, regarded as the West's prime consumer market, will boost agricultural commodity exports by 25-30%, it is expected.
- The Central Packing House at Shyampur in the capital will be upgraded to provide full sourcing data of agro commodities for importers. An existing laboratory at the facility will also be modernised to allow for accurate goods testing. An announcement to this end was made on Wednesday at a seminar held at the Bangladesh Agricultural Research Council auditorium in the capital. A draft of the new packaging house operating policy was unveiled at the seminar stating the project has been undertaken by the Department of Agricultural Extension.

<https://www.tbsnews.net/bangladesh/agro-commodity-supply-chain-data-scheme-boost-exports-654026>

### **MFS transactions hit record BDT 1.25 Tn in April**

- Mobile financial service (MFS) providers recorded BDT 1.25 Tn-worth transactions in April, the highest ever so far, buoyed by an increase in spending, payments and money transfers ahead of the Eid-ul-Fitr festival. The transactions in April rose 15% from the previous month's BDT 1.08 Tn, and April was the second consecutive month that registered a growth momentum in the use of the MFS, according to data released by Bangladesh Bank. Year-on-year, transactions through MFS platforms grew 16% from BDT 1.07 Tn in April 2022.
- "Last April 2023, it was the month of Ramadan and Eid-ul-Fitr when people spent the most," said Shamsuddin Haider Dalim, head of corporate communications and public relations at bKash, the largest MFS provider in Bangladesh.

<https://www.thedailystar.net/business/economy/news/mfs-transactions-hit-record-tk-125-lakh-crore-april-3352691>

### **A-Challan use gathers pace**

- The 'A-Challan' or automated challan system, introduced under the strengthening public financial management programme, has revolutionised resource mobilisation for the government exchequer. In less than one year spanning from July 2022 to May 2023, an impressive total of BDT 1.058 Tn, equivalent to around one-third of the total revenue, was successfully collected through 'A-Challan', according to the finance ministry. Launched in 2019, this automated mechanism has swiftly become the most efficient tool for collecting funds from the public. Under this system, citizens and companies can deposit funds for treasury challans at any branch of commercial banks or through online banking and mobile financial system.

<https://thefinancialexpress.com.bd/economy/bangladesh/a-challan-use-gathers-pace>

### **CCC announces BDT 18.8728 Bn budget**

- Chattogram City Corporation today announced a proposed budget of BDT 18.8728 Bn for the fiscal year of 2023-24. Mayor Rezaul Karim Chowdhury announced the budget at KB Abdus Sattar Auditorium of the Nagar Bhaban. This time, CCC has set a target of earning maximum from their own sources to implement the proposed budget. CCC expects to earn BDT 9.5058 Bn from their internal sources like -- holding tax, income from properties and other sources. Among different internal sources of earnings, CCC has set target of earning a holding tax revenue of about BDT 4.46 Bn. Of the proposed budget, CCC expects to get around BDT 8.94 Bn as development grant and BDT 377 Mn from other sources.

<https://www.thedailystar.net/business/economy/national-budget/news/ccc-announces-tk-188728cr-budget-3352336>

### **Chinese company to invest USD 9.5 Mn in Mongla EPZ**

- China's M/s Yuanshun Enterprise Company Limited has announced its plans to establish a packaging industry at the Mongla Export Processing Zone (Mongla EPZ). With an investment of USD 9.5 Mn, this venture is expected to generate employment opportunities for 490 Bangladeshi nationals. The newly established company, fully owned by foreign investors, will focus on producing various types of packaging boxes including paper boxes, jewellery boxes, jewellery bags, watch boxes, gift boxes, and cartoons. It aims to manufacture 10 Mn pieces annually to cater to the growing demand for quality packaging solutions, reads a press release.

<https://www.tbsnews.net/economy/chinese-company-invest-95-million-mongla-epz-653114>

### **3 firms to invest USD 27.81 Mn in refuelling station, tourism, agro processing**

- Three companies – Istamarina Refuelling Station Ltd, Bangladesh Agriculture Products Ltd, and Rangs Properties Limited – will invest USD 27.81 Mn in refuelling stations, agricultural product processing and tourism sectors. The firms have been allotted 15 acres of land combined at the Bangabandhu Sheikh Mujib Shilpa Nagar and Sabrang Tourism Park, which is expected to create more than 850 jobs.
- According to Beza, the master plan includes food corners at various places in the park, an open stage for cultural programmes on the seashore, a reserve forest for environmental balance and nature lovers, recreation centres, local product stalls, exhibition space, a children's park, an underwater world, a botanical garden, an aquarium, etc., to attract domestic and foreign tourists.

<https://www.tbsnews.net/economy/3-companies-invest-2781m-refuelling-station-agriculture-tourism-sector-653174>

### **Japan to provide USD 4 Mn for Bangladesh's primary education development**

- The Japan government will provide Bangladesh with a USD 4 Mn grant for Fourth Primary Education Development Programme (PEDP4). IWAMA Kiminori, ambassador of Japan to Bangladesh and Sharifa Khan, secretary of Economic Relations Division, Ministry of Finance signed the Exchange of Notes on the Japanese grant aid on Tuesday (20 June 20), reads a press release. Japan has provided total about USD 15 Mn for PEDP4, including this 4th grant, which is the financial support for a variety of implementations for achieving the programme.

<https://www.tbsnews.net/economy/japan-provides-4-million-grant-4th-primary-education-development-programme-653298>

### **ECNEC approves 16 projects worth BDT 243.62 Bn**

- The Executive Committee of National Economic Council (ECNEC) has cleared a total of 16 projects including a BDT 63.45 Bn one to improve urban governance and infrastructure in 88 municipalities under 48 districts. Among the approved projects, three other new projects involving BDT 81.60 Bn were undertaken to improve important Upazila and Union roads in two divisions and important rural infrastructures in three districts, reports UNB.
- “Today a total of 16 projects were approved. The overall estimated cost of the projects is BDT 243.621 Bn (only additional costs of eight revised projects were counted here),” said Planning Minister MA Mannan while briefing reporters after the meeting. Of the total cost, the government will finance BDT 128.731 Bn, while BDT 114.72 Bn will come from foreign sources and the rest BDT 161.50 Mn from the own funds of the organisations concerned.

<https://thefinancialexpress.com.bd/economy/bangladesh/ecnec-approves-16-projects-worth-24362-billion>

### **BB brings back relaxed loan repayment facility**

- The Bangladesh Bank yesterday reintroduced its relaxed loan repayment facility to support borrowers struggling to pay back amid lingering crisis at home and abroad. Bankers, however, say that the central bank has taken the initiative to bring down defaulted loans artificially. But this will eventually worsen the financial health of the banking sector in the long run.
- In a notice yesterday, the central bank said borrowers are facing difficulty to pay back full installments as the price of raw materials and other inputs has gone up in the global markets while the transport cost has surged due to the prolonged war between Russia and Ukraine. As per the new rule, borrowers with unclassified term loans will be allowed to repay 50% of their installments payable for the April-June period of 2023. The loans that carry a repayment period of more than one year are termed term loans. The new rule will also be applicable to short-term farm loans and microloans disbursed by banks.

<https://www.thedailystar.net/business/economy/news/bb-brings-back-relaxed-loan-repayment-facility-3351691>

### **Tax break to stay till 2036 for private power producers**

- The National Board of Revenue (NBR) has extended a tax holiday by 12 years on the income privately-run power plants, except for coal-fired ones, that will start generation of electricity anytime before June 30 next year. This means the tax exemption can be enjoyed until June 30, 2036, according to an NBR notification issued on June 19.
- The tax break is being offered since 2011 to support the government's goal to expand the country's energy production capacity to support the economy, which has been growing annually by around 6% over the last two decades. Until January 2023, Bangladesh's total installed capacity was of 23,482 megawatts (MW), of which the private sector accounts for 44%, according to Bangladesh Economic Review 2023.

<https://www.thedailystar.net/business/economy/news/tax-break-stay-till-2036-private-power-producers-3351676>

### **LC margin eased for importers serving SMEs**

- Bangladesh Bank (BB) yesterday relaxed rules regarding financing availed by commercial importers to cater to cottage, micro, small and medium enterprises (SMEs), aiming to accelerate growth of industries and jobs. Banks will be able to fix the amount of down payment or margin for opening letters of credit (LCs) based on their relation with importers, said the central bank in a circular.
- Around a year ago the central bank had imposed a 75% cash margin for opening LCs for the import of machineries, spare parts, textile and chemical raw materials of plastic and packaging items and medical equipment. Commercial importers serving the cottage, micro, SMEs were under its purview, which was brought about in an effort to reduce pressure on the country's foreign exchange reserves and contain volatility in the exchange rate of taka against the US dollar.

<https://www.thedailystar.net/business/economy/news/lc-margin-eased-importers-serving-smes-3351686>



### **Agribusiness bears highest potential among emerging sectors**

- Agribusiness in Bangladesh, including food processing and associated machinery production, has the highest potential among eight emerging sectors, with domestic market sales estimated to reach USD 8 Bn by 2025, according to Bangladesh Investment Development Authority (Bida). "In 2021, the country's domestic market size was USD 3.2 Bn and it is expected to be USD 8 Bn by 2025," said Shah Mohammad Mahboob, director general of an International Investment Promotion wing of Bida. The immense potential of agribusiness is in the manufacture of processed foods, vegetable or fruit products, milk, dairy products, edible oil etc, he said.

<https://www.thedailystar.net/business/economy/news/agribusiness-bears-highest-potential-among-emerging-sectors-3351531>

### **Synthetic footwear exports on a roll**

- The shipment of synthetic footwear and sports shoes from Bangladesh grew 6.21% year-on-year in July-May of the outgoing fiscal year thanks to shifting orders from China and the expanding capacity of manufacturers. Non-leather footwear exporters bagged USD 433.53 Mn during the 11-month period of 2022-23, up from USD 408.18 Mn a year earlier, data from the Export Promotion Bureau showed. The receipts built on a 30.39% whopping shipment growth seen in the previous year when manufacturers brought home USD 449.15 Mn. This came although leather footwear exports from Bangladesh posted a declining trend in recent months owing to slower demand.

<https://www.thedailystar.net/business/economy/news/synthetic-footwear-exports-roll-3351696>

### **Bill placed to define movable assets as collateral for loan**

- The Secure Transactions of (Moveable Assets) Bill 2023 was placed in parliament today aiming to bring movable property under the definition of collateral for bank loans. Finance Minister AHM Mustafa Kamal placed the bill which was sent to the parliamentary standing committee on the finance ministry for further scrutiny.
- As a result, not only immovable property, movable assets such as fixed deposits, gold, silver, intellectual property, can be treated as collateral. However, the movable property must be registered for a mortgage. For this purpose, it has been decided to have a separate authority for the registration of movable assets for which valuation of those is possible, mentioned in the proposed law. As a result, both banks and borrowers will benefit, and providing loans will be easier, as stated in the text of the bill.

<https://www.thedailystar.net/business/news/bill-placed-define-movable-assets-collateral-loan-3351381>

### **Foreign banks account for 90% of blocked airlines funds in country**

- Foreign banks operating in Bangladesh have been responsible for 90% of the blocked funds of foreign airlines, with Standard Chartered alone handling 70% of the airline business volume in the country, according to banking sources. Despite instructions from the Bangladesh Bank to expedite payments, there has been little progress in releasing the funds due to a dollar crisis faced by foreign banks, as reported by the airlines.
- In a recent press release, the International Air Transport Association (IATA) highlighted that USD 214 Mn of airline funds were trapped in Bangladesh, ranking the country as the second worst performing nation in this regard. However, during a press conference on 6 June, the Bangladesh Bank disputed the figure and claimed that the amount was USD 177 Mn, urging lenders to accelerate the payment owed to airlines.

<https://www.tbsnews.net/economy/aviation/foreign-banks-account-90-blocked-airlines-funds-country-653046>

### **NPL's unstoppable rise**

- Finance Minister AHM Mustafa Kamal, soon after taking over in January 2019, had asserted that non-performing loan (NPL) would not grow "by even a single penny from today". Four years later, it emerged as even a bigger problem in the central bank's new monetary policy statement as default loan has soared by nearly BDT 380 Bn since then to BDT 1316.21 Bn now. "The country's financial sector has also been burdened by a high non-performing loan," says the latest MPS unveiled on 18 June. The outgoing monetary policy, announced in January this year, also stated how a high level of NPLs was considerably disrupting the stability within the financial sector.

<https://www.tbsnews.net/economy/banking/npls-unstoppable-rise-653410>

### **Cenbank declares 7.13% reference rate to fix lending rate**

- The Bangladesh Bank has declared a reference lending rate of 7.13% for July, projecting an increase in interest rates for all types of bank loans. Based on the reference rate, the lending rate for banks will rise to 10.13% with the addition of a 1% supervision fee, meaning the rate will be 11.13% for personal and car loans, both of which fall under CMSME (Credit to Micro, Small, and Medium Enterprises) and consumer loans.
- Reference interest rates, sometimes called benchmark interest rates, are interest rates that are used as the basis for financial contracts. The reference lending rate, known as "SMART" (six-month moving average rate of Treasury bills), applies a margin for both banks and non-bank financial institutions (NBFIs).

<https://www.tbsnews.net/economy/banking/cenbank-declares-713-reference-rate-fix-lending-rate-652666>

**FBCCI seeks withdrawal of advance taxes for industries, exports**

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has suggested various tax rebates, including the withdrawal of advance taxes for industries and exports, to speed up the economic recovery of the country. Stating that the economy has come to a standstill because of the dollar and energy crises as well as rising freight and insurance costs, the country's apex trade body also recommended a reduction in taxes at source for all export-oriented sectors, including readymade garments.
- It has further recommended ensuring the tax-free supply of electricity, gas, and water to industries in the proposed budget for the upcoming fiscal year. In addition, the organisation has sought the exemption of all types of value-added tax (VAT) and supplementary duty on the production and import of consumer goods, daily essentials, and services intended for low-income and poor individuals during periods of high inflation.

<https://www.tbsnews.net/nbr/fbcci-seeks-withdrawal-advance-taxes-industries-exports-652282>

**Boon for savers as interest rate cap is scrapped**

- The new interest rate-setting method introduced by the central bank is going to benefit depositors as well as people who take consumer loans. Under the new arrangement, the Bangladesh Bank will introduce a market-driven reference lending rate for all types of bank loans, replacing the previously imposed lending rate cap. This move aims to enhance competitiveness in the banking sector and foster a favorable lending environment for businesses and individuals. The interest rate on the consumer loans will decrease to 11.10% from 12%, according to a BB notice issued yesterday.

<https://www.thedailystar.net/business/economy/news/boon-savers-interest-rate-cap-scrapped-3350806>

**Biman Bangladesh to buy 10 Airbus jets, breaking Boeing reliance – Minister**

- State-owned carrier Biman Bangladesh Airlines has decided to purchase 10 planes from Airbus (AIR.PA), in a shift from its Boeing-dominated (BA.N) fleet, the South Asian country's junior minister for civil aviation told Reuters on Monday. "As per our requirement, the decision has been taken to purchase 10 aircraft in phases. The technical committee is assessing now," Mahbub Ali said. Ali's comments came after sources said the airline was close to a deal to buy 10 Airbus A350 widebody planes, marking its first order with the French planemaker.

<https://www.tbsnews.net/economy/aviation/biman-bangladesh-buy-10-airbus-jets-breaking-boeing-reliance-minister-652430>

**Dhaka retains duty-free access for exports to UK, but depends on human rights, political freedom**

- The UK's Developing Countries Trading Scheme (DCTS) has come into effect from Monday, 19 June, with simplified rules and tariff cuts that will facilitate more products entering the UK market from 65 developing countries including Bangladesh. "Bangladesh is due to graduate from Least Developed Country status in 2026. Changes made to the DCTS mean Bangladesh will retain duty-free access for 98% of exports, including readymade garments. It is more generous than the European Union's scheme the UK was previously a member of," says a British High Commission release in Dhaka on Monday, reports UNB.

<https://www.tbsnews.net/economy/bangladesh-will-retain-duty-free-access-98-exports-including-rmg-uk-through-new-scheme>

**NPL, another big foe to fight**

- Like in the previous monetary policy, the Bangladesh Bank in its new policy has acknowledged that high non-performing loans (NPLs) are a big burden for the country's financial sector. Analysts, bankers, and economists were waiting to see what measures the central bank takes to address the growing menace, which is eating up banks' profits and hampering the stability of the financial sector. The monetary policy statement for the first half of FY24, announced on Sunday, stated that the Bangladesh Bank has intensified its oversight of banks and large borrowers in its efforts to mitigate the high NPL ratio
- Additionally, the central bank has taken a proactive role in amending the existing Bank Company Act of 1991 to tackle the challenges associated with the high NPL problem. Since the announcement of the current monetary policy this January, the banking sector has witnessed a BDT 100 Bn increase in NPLs within three months. According to data from the Bangladesh Bank, the total NPLs rose from BDT 1.21 Tn in December 2022 to BDT 1.31 Tn in March this year.

<https://www.tbsnews.net/economy/npl-another-big-foe-fight-652322>

### **Inequality has eaten away much of economy's gains: Experts**

- Growing inequality has eaten away the benefits of economic growth and achievements in recent years, said Dr M Asaduzzaman, a former research director of the Bangladesh Institute of Development Studies (BIDS). Quoting the Bangladesh Bureau of Statistics, he said, "The income inequality index, Gini coefficient or index, has increased at an abnormal rate in the last 10 years. While the overall Gini is below 0.50, it is 0.54 in urban areas, indicating high inequality."
- Participating in the discussion, another former research director of BIDS Dr Rushidan Islam Rahman, called for comprehensive research to find out the real cause of ongoing inequality in Bangladesh. "Although loan defaulters and wealth smuggling are blamed for the increase in inequality, research is needed on the real reasons," she said.

<https://www.tbsnews.net/economy/inequality-has-eaten-away-much-economys-gains-experts-652826>

### **MFIs, NGOs to face greater scrutiny from taxmen**

- Microfinance institutions (MFIs) will have to pay taxes from fiscal year 2023-24 if they do not keep their income from service charges in a revolving fund. The provision has been brought under a new income tax law 2023 passed in parliament on Sunday.
- Taxmen, however, said NGOs will not face tax equal to the tax rate of companies as the NBR has not withdrawn tax exemptions on the income from micro-credit operations and donations obtained by the organisations to do social welfare and development activities. In the new law, it imposed a condition that income from microcredit operations must be kept in a revolving fund to avail the tax exemptions.

<https://www.thedailystar.net/business/economy/news/mfis-ngos-face-greater-scrutiny-taxmen-3350811>

### **Undisclosed money not allowed for investment in land**

- The Income Tax Bill 2023 was passed in parliament on Sunday, replacing the Income Tax Ordinance 1984 and curbing the discretionary powers of the income tax officer. According to the new law, undisclosed money will not be allowed for investment in land. However, such money will be allowed for investment in flats but with conditions.
- The specific tax rate will rise to BDT 6,000 for each square metre from the proposed BDT 5,000 in buying more than 200 square metres of building spaces or apartments in posh areas such as Gulshan Model Town, Banani, Baridhara, Motijheel commercial area, and Dilkusha.

<https://www.tbsnews.net/economy/undisclosed-money-not-allowed-investment-land-652146>

### **Monetary policy: Mission inflation**

- As soaring inflation has become a pressing issue, the Bangladesh Bank has brought a structural change in its monetary policy framework making money expensive by hiking policy rates and ending the lending rate cap to contain price pressure. The central bank has announced its monetary policy for the first half of fiscal 2023-24, adopting a contractionary monetary policy stance tightening money flow to the private sector and lowering the private sector credit growth projection to 11% for FY24 from the previous target of 14.1% set for FY23.
- The new monetary policy introduces four key reforms, including the implementation of a policy interest rate corridor, a reference interest rate for lending, exchange rate unification, and a revised method of calculating the gross international reserve in accordance with the Balance of Payment and International Investment Position Manual (BPM6).

<https://www.tbsnews.net/economy/monetary-policy-mission-inflation-652154>

### **Bangladesh Bank ends rate cap, hikes policy rate by 50 basis points**

- The Bangladesh Bank (BB) has finally removed the interest rate cap of 6%-9%, and replaced it with a market-driven reference rate to be regulated by the average treasury bills rate. As per the new rate formula, stated in the latest monetary policy, the reference rate will be calculated as the six-month moving average rate of treasury bills with a 3% margin for banks and a 5% margin for non-bank financial institutions.
- Currently, the rate of the 6-month treasury bills stands at 7.10%, so the maximum lending rate for bank loans will be 10.10% and for NBFIs 12.10%. The central bank unveiled the new monetary policy for July-December of FY24 on Sunday, marking a shift from a monetary targeting approach to an interest rate targeting framework, adopting a contractionary monetary policy. As part of this tight monetary policy stance, BB has increased the policy rate, also known as the repo rate, by 50 basis points to 6.50%, and the reverse repo rate by 25 basis points to 4.50%, effective from 1st July.

<https://www.tbsnews.net/economy/bangladesh-bank-replaces-lending-rate-cap-market-driven-reference-rate-loans-651822>



### **Economy poised to regain high growth trajectory in 2024**

- Bangladesh's economy is poised to regain its high growth trajectory by the next year as price effects of the Russia-Ukraine war have largely stabilised and significant improvement has taken place in containing global pandemic situation, projects the Bangladesh Bank (BB) today.
- "With a pandemic-free environment and stabilised conditions from the Russia-Ukraine war, Bangladesh's macroeconomic outlook appears to be stable in the near term, poised to regain its high growth trajectory by 2024," said the BB in its monetary policy for July-December period this year. The positive outlook by the central bank comes after the provisional estimate by the Bangladesh Bureau of Statistics showed a slowing growth to 6.03% in the current fiscal year ending this month, down from 7.1% in the 2021-22 fiscal year.

<https://www.thedailystar.net/business/news/economy-poised-regain-high-growth-trajectory-2024-3349521>

### **Forex reserves to rise to USD 30 Bn within this month**

- Bangladesh's foreign exchange reserves will rise to approximately USD 30 Bn at the end of June this year, said the central bank yesterday. Forex reserves stood at USD 29.9 Bn as of June 12 this year, including the export development fund and other foreign assets, down from USD 41.8 Bn recorded at the end of June 2022, according to the Bangladesh Bank data.
- The banking watchdog said the current level of international reserves is still equivalent to approximately 5 months of imports. This exceeds the standard benchmark of three months' import coverage, indicating the country's relatively strong reserve position. The central bank said the projected growth of reserves to USD 30 Bn further strengthens the country's capacity to withstand external shocks and meet its financing obligations promptly.

<https://www.thedailystar.net/business/economy/news/forex-reserves-rise-30b-within-month-3349886>

### **Local company to invest USD 20 Mn in Mongla EPZ**

- Bangladeshi company M/s. Adventure Bag & Luggage Factory Limited has signed an agreement with Bangladesh Export Processing Zones Authority (BEPZA) to set up a Bag & Luggage manufacturing industry in Mongla Export Processing Zone (Mongla EPZ). This local owned company will invest USD 19.89 Mn to produce annually 3.13 Mn pcs of Backpack, Soft Luggage, Hard Luggage, Duffle Trolley, Ladies Hand Bag etc, reports BSS citing a press release. It will create employment opportunity for 1530 Bangladeshi nationals.

<https://thefinancialexpress.com.bd/economy/bangladesh/local-company-to-invest-20m-in-mongla-epz>

### **BB to launch taka-rupee-based debit card in September**

- The Bangladesh Bank has decided to launch a taka-rupee based debit card in the country from September, aiming to save dollars. This card will allow users to make various payments, including domestic purchases, using Taka, as well as enable them to spend in Indian rupees when traveling to India.
- Bangladesh Bank Governor Abdur Rouf Talukder made this announcement while presenting the new monetary policy for the first half of FY23-24 on Sunday (18 June). "Holders of this card will be able to use it as a debit card within Bangladesh. When traveling to India, they will have the convenience of spending up to USD 12,000 worth of rupees through their travel quota using this card," said the governor.

<https://www.tbsnews.net/economy/banking/bb-launch-taka-rupee-based-debit-card-september-652054>

### **Market-based exchange rate within third quarter of 2023**

- The Bangladesh Bank will no longer quote specific rate for buying or selling foreign exchanges, promoting stability in the foreign exchange market, it said today. The central bank will adopt a unified and market-driven single exchange rate regime allowing the exchange rate between Bangladesh's taka and US dollar or any other foreign currency to be determined by the market force, it said in the monetary policy for the July-December period of 2023.
- The BB's disclosure comes months after it allowed multiple exchange rates for exports, imports and remittances announced by the Bangladesh Foreign Exchange Dealers Association and the Association of Bankers Bangladesh. "With BB's initiatives, the initial gaps among the rates have significantly reduced, and, by now, they are staying within 2% points variation mark," it said.

<https://www.thedailystar.net/business/news/market-based-exchange-rate-within-third-quarter-2023-3349446>

**Budget deficits could be met from bond market: Monetary policy**

- The government could finance a significant portion of its budget deficit from the bond market at a lower cost, but the capital market, particularly the bond market, is not yet well developed, according to the monetary policy statement (MPS) unveiled on Sunday. The central bank said in its monetary policy that several initiatives have been taken in recent years to develop the capital market and promote investment opportunities in the country.
- At an event arranged at the central bank headquarters to announce the monetary policy for the first half of the upcoming fiscal year, Bangladesh Bank Governor Abdur Rouf Talukder said, "We are trying to develop a vibrant bond market, which will reduce investors' risk and secure a fixed income." The Bangladesh Bank also instructed non-bank financial institutions (NBFIs) to explore opportunities to mobilise funds by issuing bonds rather than relying heavily on banks.

<https://www.tbsnews.net/economy/stocks/budget-deficits-could-be-met-bond-market-monetary-policy-652110>

**Rawhide traders likely to get better prices this Eid**

- Rawhide traders and farmers at the grassroots level are expected to receive better prices from the sale of animal skins during the upcoming Eid-ul-Azha as the business outlook for leather and leather goods for 2023 is still bright despite the lingering uncertainty at home and abroad. Besides, tanners have paid a major portion of the arrears built up over the last several years, which had put rawhide traders in a corner financially. With the payments, the year-long problem related to the supply of funds in the sector is being resolved.
- The arrears have slipped below BDT 1 Bn as many tanners have either cleared their past payments in full or to a large extent, said Aftab Khan, president of the Bangladesh Hide and Skin Merchants' Association. "The flow of funds is better this year," he said, adding that the arrears stood at BDT 1.1 Bn last year.

<https://www.thedailystar.net/business/economy/news/rawhide-traders-likely-get-better-prices-eid-3349931>

**Remittance from KSA on unrelenting fall**

- Inward remittance from the Kingdom of Saudi Arabia (KSA) has been on a downturn for the last two fiscal years from its recent peak registered in FY 2020-21 despite a substantial rise in the labour migration to the major job market in the Middle-East. Huge job losses and consequent return from the country's largest overseas job market might have substantially cut the inflow of remittance, according to economists and migration experts.
- Besides, they said, sending home wage earners' remittance through informal channels or hundi might have increased, causing the ebb tide in remittance inflow, at a time when the country is struggling to meet foreign-payment obligations. Bangladesh Bank (BB) data show that the expatriates in the KSA sent home USD 5.72 Bn in remittances in FY '21, a monthly average of USD 477 Mn, registering the highest amount in recent years. Since then, the remittance inflow continued to decline from the KSA.

<https://thefinancialexpress.com.bd/economy/bangladesh/remittance-from-ksa-on-unrelenting-fall>

**ADP spending to miss targets by wide margin**

- The government is set to miss its development spending target as well as the goal of raising the use of foreign loans by a large margin in the outgoing financial year, official figures showed. Owing to the sharp fall in the foreign exchange reserve and limited fiscal space, the government had planned to speed up the execution of foreign-funded projects. It also prioritised government-funded projects and cut allocation.
- But data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry showed that the government was able to spend BDT 527.88 Bn in July-May of 2022-23, up only about 1% from BDT 505.75 Bn during the same period a year earlier. But the target for the entire financial year is BDT 745 Bn. This means the implementing agencies would have to go a long way in the last month of FY23 to reach the target.

<https://www.thedailystar.net/business/economy/news/adp-spending-miss-targets-wide-margin-3349916>

### **Bangladesh seeks 9 LNG cargoes for second half of the year**

- Bangladesh plans to buy nine cargoes of liquefied natural gas (LNG) from the spot market for the second half of the year, an official from state-owned Petrobangla said, as the South Asian nation seeks to secure supply of the fuel to meet power demand. For the second half of the year, Rupantarita Prakritik Gas Company Ltd (RPGCL), a subsidiary of state-owned Petrobangla, has so far issued a tender seeking two cargoes for delivery on July 10-11 and July 23-24, the official and industry sources said on Thursday. The tender closed on 11 June.
- Tasked to import LNG for the country, Petrobangla has been tapping the market for spot imports since February, reversing a government decision last year to halt spot purchases after prices spiked following the Russia-Ukraine war. Asian LNG prices LNG-AS have since eased from their record highs, enabling Asian buyers like Bangladesh to afford spot purchases.

<https://www.tbsnews.net/bangladesh/bangladesh-seeks-9-lng-cargoes-second-half-year-650690>

### **Cenbank plans to spread Bangla QR code across country**

- The Bangladesh Bank has undertaken a big plan to spread Bangla QR (Quick Response) codes across the country to develop a digital transaction system further with the aim of realising a cashless society. A senior official of the central bank told TBS that as part of the plan they are currently focusing on facilitating cashless transactions in cattle markets set up for Eid-ul-Azha. A process of opening bank accounts that would enable around 10,000 cattle traders to make cashless transactions at those markets is underway. The central bank has held meetings with 26 banks as well as with cow cattle traders for this purpose.
- Eight cattle markets in Dhaka North City Corporation and two markets in Chattogram City will have the facility to make cashless payments by using Bangla QR codes. Separate banks in charge of each of the cattle markets will set up their booths with a point of sale (POS) and ATM machines there. Along with the banks, mobile financial service (MFS) providers bKash and Nagad will set up booths at the cattle markets.

<https://www.tbsnews.net/economy/banking/cenbank-plans-spread-bangla-qr-code-across-country-651070>

### **Diversification of export remains a myth, still. Here is why**

- Though single-product dependence is said to be not enough to take the country's exports to the next level of growth, no other sector could so far sustain its performance to stand second to ready-made garment. Leather and footwear, light engineering, and plastic have been among the sectors listed as potential to diversify the export basket. But an analysis of monthly export data indicates none of these manufactured goods is anywhere near the number one. While RMG exports count in billions, others are still in millions.
- Only leather could cross USD 1 Bn in 11 months of the current fiscal year, while engineering goods fetched a little over half a billion and plastic could not even reach USD 200 Mn. During the period, the ready-made garment alone brought home USD 42 Bn during the July-May period of the outgoing fiscal year.

<https://www.tbsnews.net/economy/diversification-export-remains-myth-still-here-why-650986>

### **Much-debated BDT 2000 min. tax being ditched finally**

- The much-debated BDT 2000 minimum tax for all to be eligible for a raft of government services is eventually up to be ditched in final cobbling of new fiscal measures, sources said. Instead, the amount would be adjusted against tax at source during return filing as citizens already pay taxes at source. Official sources said the proposed provision would not be brought in the new income-tax law following widespread controversy provoked by the budget proposal.
- The finance minister proposed the new measure while placing the national budget for fiscal year 2023-24 in parliament on June 1, 2023. The provision has been incorporated into the Income Tax Bill 2023, placed in the parliament on June 8. The Parliamentary Standing Committee on the Ministry of Finance submitted amendments to the draft Income Tax Bill 2023 on Thursday to the parliament with recommendation for the National Board of Revenue (NBR) to scrap the provision.

<https://thefinancialexpress.com.bd/economy/bangladesh/much-debated-tk-2000-min-tax-being-ditched-finally>

### **Chinese firm Mingda to invest USD 76.41 Mn in Bepza EZ**

- Chinese company Mingda (Bangladesh) New Material Co Ltd will invest USD 76.41 Mn in Bepza Economic Zone to produce different types of cotton product. It is the highest amount of investment proposal that came from a single company among the ones who have signed agreements to establish factories inside Bepza EZ.
- The list of products Mingda (Bangladesh) will produce includes imitation silk cotton, tile cotton, needle punched cotton, different types of artificial/manmade fabric, artificial fabrics, including geotextile, different hospital products, bags and packaging items, including geo-bag and non-woven bag.

<https://www.thedailystar.net/business/economy/news/chinese-firm-mingda-invest-7641m-bepza-ez-3347541>

### **Focus on major reforms to attain revenue target**

- A number of former top officials of the National Board of Revenue (NBR) opined that bringing drastic reforms, including automation in the tax administration, is the only way to achieve revenue target. They also said major reduction in tax benefits or exemption to bring those at minimum level and cut in tax expenditure would help increase the country's tax-GDP ratio. They were speaking at a webinar - "Draft Income Tax Act 2023 and Salient Features of Finance Bill 2023-2024" - organised by the Institute of Chartered Accountants of Bangladesh (ICAB) on Thursday.

<https://thefinancialexpress.com.bd/economy/bangladesh/focus-on-major-reforms-to-attain-revenue-target>

### **Focus on making apparel by recycling yarn, fabric**

- Local garment suppliers will have to focus on making apparels wholly from recycled materials by 2030 as the H&M is going to abide by a European Union (EU) due diligence law on protecting the environment and human rights. As a part of the new rules, the H&M has a target to have 24% of its apparels sourced from recycled or sustainable materials by 2025, said Ziaur Rahman, regional country manager of the Swedish retail giant in Dhaka.
- The recycled materials are yarn and fabric made from old and discarded clothing or scrap of garment manufacturing processes, widely known as "jhoot" in Bangla. No virgin cotton will not be used in the apparels and the only exception will be fibres from cotton grown from sustainable cultivation practices, Rahman told The Daily Star over the phone.

<https://www.thedailystar.net/business/economy/news/focus-making-apparel-recycling-yarn-fabric-3347561>

### **Money outside bank vaults fuels inflation**

- Money amassed outside Bangladesh's banking system, ballooning over BDT 2.63 Tn by now, fuels inflation and people pay through the nose when global consumer-price indices tumble, experts say. The volume of currency outside the bank vaults rose again in April 2023 after three months of downturn, officials and bankers said.
- People familiar with the developments on the financial market told the FE that this rise is due to the uncertainty both in local and global markets as they believe people hold cash at a time when uncertainty arises. The uncertainty among people mounts further because of the upward trend in the rate of inflation, which, in fact, forced depositors to drive away the money from the banking system to meet growing living costs, according to them.

<https://thefinancialexpress.com.bd/economy/bangladesh/money-outside-bank-vaults-fuels-inflation>

### **BB hikes capital requirement for new banks**

- Bangladesh Bank yesterday said that the upcoming commercial banks in the country will have to ensure BDT 5 Bn as paid-up capital instead of the existing BDT 4 Bn requirement. A central bank official said the new rule will be applicable to all who apply for licences to open new banks.
- Asked why the measure is not applicable for existing banks, the official said many of them cannot immediately raise their capital base. This includes state-run banks, which have long been struggling to manage their required capital. He went on to say that the central bank had taken the decision to raise the paid-up capital requirement before the coronavirus pandemic, but it did not implement the rule given the business slowdown.

<https://www.thedailystar.net/business/economy/news/bb-hikes-capital-requirement-new-banks-3347556>

### **Wealth statement may not be needed**

- The standing committee is expected to suggest the removal of the provision in the Income Tax Bill 2023, which is seeking to make the filing of wealth statements compulsory for persons who will visit other countries except for treatment and religious purposes.
- Besides, people who have more than BDT 1 Mn credit balance in their bank accounts are unlikely to be needed to file income tax returns. Instead, those with over BDT 1 Mn in fixed deposits may require to file returns and show proof of submission of returns in line with the recommendation of the standing committee.

<https://www.thedailystar.net/business/economy/news/wealth-statement-may-not-be-needed-3349026>

### **Only 7 districts grab half of ADP allocation: Study**

- Only seven districts receive 50% of the Annual Development Programme (ADP), while just 13% goes to the 25 lowest recipient districts, according to a study unveiled on Saturday, in a display of severe disparity in the country's region-based allocation. Dhaka district gets 21% of the development allocation, with Cox's Bazar securing second place with a 9% allocation due to various ongoing projects, including power projects, said Professor Adil Mohammed Khan, executive director at the Institute for Planning and Development (IPD).
- Presenting the findings of the study on "Regional-based Allocation of the Annual Development Budget of Bangladesh" carried out by the institute at a webinar, he said Chattogram and Narayanganj stood third and fourth respectively, with 6.85% and 3.85% allocation.

<https://www.tbsnews.net/economy/only-7-districts-receive-50-adp-allocation-651478>

### **Why dollar crisis persists despite declining imports. Here are answers**

- The country's banking sector has been experiencing higher outflow than inflow in foreign currency due to repayment pressure of private sector short-term foreign loans when external borrowings of banks declined substantially after Moody's downgraded the banking system. This will be a major barrier to rebuilding foreign exchange reserves.
- Not only external borrowing, other major indicators of foreign currency inflow including medium-and-long-term foreign loans, net foreign direct investment, foreign aid, and portfolio investment declined significantly intensifying pressure on reserves. According to Bangladesh Bank data, the repayment amount of the private sector's external short-term debt stood at USD 11.40 Bn in four months from January to April of 2023, which was nearly USD 3 Bn higher than external borrowings of USD 8.5 Bn.

<https://www.tbsnews.net/economy/banking/why-dollar-crisis-persists-despite-declining-imports-here-are-answers-651530>

### **Furniture export below potential**

- The wooden furniture industry in Bangladesh has not flourished as market players are unable to export their products at competitive prices amid the high tariff on imported raw materials and subsequent dearth of quality components, speakers said at a discussion. The wooden furniture business is considered a promising sector due to the abundance of labourers, flow of capital and technological facilities available in the country, they said.

- The popularity of wooden furniture is increasing day by day but most raw materials, including quality wood and chemicals, have to be imported, said Salim H Rahman, chairman of the Bangladesh Furniture Industry Owners Association (BFIOA).

<https://www.thedailystar.net/business/economy/news/furniture-export-below-potential-3349016>

### **Capital shortfall of 11 banks rises to BDT 335.75 Bn**

- The capital shortfall of 11 banks, mostly state-run ones, increased by BDT 28.73 Bn to BDT 335.75 Bn at the end of March this year amid rising bad loans, according to the latest Bangladesh Bank report. It was BDT 307.02 Bn at the end of December last year. The state-run lenders in capital shortfall are Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, BASIC Bank, Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank. Their shortfalls amount to BDT 281.17 Bn.
- "The government should inject capital into the state-owned banks to reduce their shortfall. If not, their crisis will continue. At the same time, the government should also ensure that the banks do not have default loans again," said Ahsan H Mansur, executive director of the Policy Research Institute.

<https://www.tbsnews.net/economy/banking/capital-shortfall-11-banks-rises-tk33575cr-650630>

### **New income tax law to hinder investment: ICAB**

- Several changes brought in the draft of the Income Tax Law-2023 are likely to hinder local and foreign investment, leaders of the ICAB have said. "This will create a burden on businesses, hindering investment," said Mohammed Humayun Kabir, chairman of the taxation and corporate laws committee of ICAB, while chairing a webinar on the proposed FY24 budget and income tax law on Thursday.
- While presenting the main article at the webinar, ICAB member Snehasish Barua, partner of Snehasish Mahmud & Company, said the minimum tax on turnover of beverage companies has been increased from 0.6% to 5%. Tax has been imposed on loans taken from foreign sources. If a company has more than one car, additional tax is levied on it, and the responsibility for the proof of submission of return examination is also given to the company. Besides, tax on the sale of property has been doubled. These aforementioned reasons will create an impact on businesses, opined Snehasish.

<https://www.tbsnews.net/economy/new-income-tax-law-will-hurt-foreign-local-investments-experts-650594>



**Important News: Capital Market****AL-HAJTEX | Alhaj Textile writ: Stay order against BSEC decision vacated**

- Last week's stay order against the securities regulator's 5 June letter that reconstructed the board of Alhaj Textile Mills was declared vacated by the appellate division on Wednesday. The appellate division, however, instructed to remove the independent director whose name appeared on any charge sheet, according to Barristers A M Masum and Sayed Mahsib Hossain, the lawyers for the Bangladesh Securities and Exchange Commission (BSEC).

<https://www.tbsnews.net/economy/stocks/alhaj-textile-writ-stay-order-against-bsec-decision-vacated-654050>

**NTC | National Tea's paid-up capital raising procedure stayed**

- The High Court stayed the procedure for raising the paid-up capital of National Tea Company Limited for three months due to unequal allocation of its shares. The court order was issued on 31 May upon a writ petition filed by Jakir Hossain Sarkar, a shareholder in the company, his lawyer Kazi Ershadul Alam told The Business Standard.
- In the petition, the shareholder stated that the distribution of shares was unequal, which was in violation of the Companies Act. His lawyer said, "My client seeks equal allotment of shares in accordance with the law." The Bangladesh Securities and Exchange Commission (BSEC) and the company later moved to the chamber judge of the Appellate Division, seeking a stay on the High Court order.

<https://www.tbsnews.net/economy/stocks/national-teas-paid-capital-raising-procedure-stayed-654058>

**CNATEX | High Court orders C&A Textiles to hold pending AGMs by August**

- The High Court has ordered C&A Textiles to hold its annual general meetings (AGMs) that have been pending for five years since fiscal 2017-18. In accordance with the court order, the company is required to hold the AGMs within eight weeks, meaning that the pending AGMs should be completed by August. The exact dates, times, and locations of the pending AGMs will be communicated at a later date.
- In a disclosure published on the stock exchanges on Wednesday, the company informed the stakeholders about the High Court's decision. It also announced its intention to commence operations in its garments and textile division following Eid-ul-Azha.

<https://www.tbsnews.net/economy/stocks/high-court-orders-ca-textiles-hold-pending-agms-august-654086>

**PUBALIBANK | Pubali Bank director to buy 2 Mn shares**

- Trouser Line Limited, a corporate director of Pubali Bank Ltd, has expressed its intention to buy 2 Mn shares of the company. The director wants to buy these shares at the prevailing market price (in the Public and Block markets) through Dhaka Stock Exchange. Rana Laila Hafiz is the managing director of Trouser Line Limited (a representative) and a director of Pubali Bank Ltd.

<https://www.tbsnews.net/economy/stocks/pubali-bank-director-buy-20-lakh-shares-652994>

**ISLAMICFIN | Islamic Finance lends BDT 3.73 Bn without collateral**

- Islamic Finance and Investment Limited – a non-bank financial institution – has disbursed loans of BDT 3.73 Bn without any eligible security, such as a mortgage or a lien on shares, according to its independent auditor. In the audit report for 2022, Kazi Zahir Khan and Co mentioned that the collateral-free loans represent 31% of the company's total leases, loans, and advances.
- A central bank official said there is scope to provide collateral-free loans to small entrepreneurs in some emerging sectors, such as women entrepreneurs and agriculture. "However, it should not be more than BDT 0.5- BDT 1 Mn. There is no scope to provide a bigger loan without collateral," he added.

<https://www.tbsnews.net/economy/stocks/islamic-finance-lends-tk373cr-without-collateral-653370>

**EBL | EBL to arrange BDT 3.32 Bn loan for lithium battery project**

- Eastern Bank Limited (EBL) will arrange a syndicated term loan facility of BDT 3.32 Bn for Bangladesh Lithium Battery Limited. To this end, EBL arranged a bank syndication meeting with the participation of prospective banks and non-bank financial institutions at a hotel in Dhaka recently, said a press release. EBL is acting as the mandated lead arranger for the loan. The lithium battery company will use the fund in setting up a lithium battery plant with a capacity of 1 gigawatt. The plant will create a backward linkage to its concurrent electronic vehicle project and will effectively address the current market demand for lithium batteries.

<https://www.thedailystar.net/business/economy/news/ebd-arrange-tk-332cr-loan-lithium-battery-project-3351651>

**SHAHJABANK | Shahjalal Islami Bank's former director declares to sell 2.5 Mn shares**

- Shahjalal Islami Bank's former director Tofazzal Hossain declared he will sell 2.5 Mn shares out of his holdings at the prevailing market price in the secondary market of the Dhaka Stock Exchange (DSE). According to the DSE filing, he will sell this share within the next 30 days. At present he holds 15.6 Mn shares of the bank. Tofazzal Hossain was also the director of Fareast Finance and Takaful Islami Insurance.

<https://www.tbsnews.net/economy/stocks/shahjalal-islami-banks-former-director-declares-sell-25-lakh-shares-652438>

**HIMADRI | Himadri to increase authorised capital to meet regulatory requirement**

- Himadri Ltd, a listed firm under the SME platform of the Dhaka Stock Exchange (DSE), has decided to increase its authorised capital from BDT 20 Mn to BDT 500 Mn to comply with the regulatory requirement. The company, a subsidiary of Ejab Group, also called an extraordinary general meeting on 1 August this year. The record date for the meeting is 10 July. A senior official of the company seeking anonymity said Himadri is an old company, which was enlisted on the main board of the DSE earlier. The company wants to come back to the main board of the bourse again. If the company wants to come back to the main board, it has to fulfil some regulatory requirements. As a part of the requirements, the company decided to increase its authorised capital, he added.

<https://www.tbsnews.net/economy/stocks/himadri-limited-increase-authorised-capital-652458>

**MKFOOTWEAR | MK Footwear allocates 361 shares to investors**

- Each eligible investor has been allotted 361 shares of MK Footwear PLC through the qualified investor offer (QIO). These shares were allotted at a subscription fee of BDT 200,000. The Dhaka Stock Exchange received applications worth BDT 5.5366 Bn from eligible investors against the BDT 100 Mn QIO, which indicates an oversubscription of 55.37 times for each share. The QIO subscription period for the shoe manufacturer took place between 11 June and 15 June of this year.

<https://www.tbsnews.net/economy/stocks/mk-footwear-allocates-361-shares-investors-652786>

**PADMAOIL | Padma Oil to sell land for setting up second Eastern Refinery unit**

- The state-owned Padma Oil Company Limited has decided to sell its land in Chattogram to the Bangladesh Petroleum Corporation (BPC) in order to set up the second unit of its sister concern Eastern Refinery Limited. Padma Oil disclosed this as price sensitive information on the Dhaka Stock Exchange (DSE) website on Monday. The land's size is 11.6 acres, and its sale value is yet to be announced. Both Padma Oil and Eastern Refinery are owned by the BPC.

<https://www.tbsnews.net/economy/stocks/padma-oil-sell-land-setting-second-eastern-refinery-unit-652838>

**AMCL(PRAN) | Pran Agro to raise BDT 2.62 Bn thru bonds**

- Pran Agro is going to raise funds of BDT 2.62 Bn from institutional investors and high-net worth people by issuing bonds. The Bangladesh Securities and Exchange Commission (BSEC) approved the bond yesterday at a commission meeting, said a press release. The bond would be guaranteed, unsecured, transferrable, redeemable, and non-convertible. Coupon rate of the bond is 8.88%. This is the second bond of Pran Agro, which raised BDT 2.1 Bn by issuing its first bond in 2021.

<https://www.thedailystar.net/business/economy/news/pran-agro-raise-tk-262cr-thru-bonds-3350646>

**RUNNERAUTO | Runner Automobiles to raise BDT 2.675 Bn**

- Runner Automobiles PLC is going to raise funds of BDT 2.675 Bn from the institutional investors, corporates and high-net-worth people. The Bangladesh Securities and Exchange Commission (BSEC) approved the bond today in a commission meeting. The tenure of the bond would be seven years and it would be unsecured, redeemable, non-convertible, and guaranteed. The coupon rate would be 8.5-9%. With the bond proceeds, Runner would extend the credit to the customers and build a solar plant.

<https://www.thedailystar.net/business/news/runner-automobiles-raise-tk-2675-crore-3350601>

**APSCLBOND | Ashuganj Power approves 5.25% coupon rate**

- The trustee of the Ashuganj Power Station Company Limited (APSCL) has approved a 5.25% rate for APSCL non-convertible and fully redeemable coupon-bearing bond for the fourth year's first half. The fourth year's first half period is from 5 January to 4 July 2023. The record date for entitlement of the bond's coupon rate profit was set for 4 July 2023. In 2020, the company issued bonds worth BDT 5 Bn through private placements among state-owned banks and financial institutions to finance its 400MW power plant, which is now under construction.

<https://www.tbsnews.net/economy/stocks/ashuganj-power-approves-525-coupon-rate-651694>

**GBBPOWER | GBB Power shuts down plant as contract expires**

- GBB Power Limited has shut down its natural gas-fired power plant as the power purchase agreement with the Bangladesh Power Development Board (BPDB) has expired. According to the company's disclosure on the Dhaka Stock Exchange (DSE) website on Sunday, the agreement expired on 16 June. The company has already applied for contract extension to the power division of the Ministry of Power, Energy and Mineral Resources. In the disclosure, GBB Power said the plant will remain shut until further instructions from the BPDB or the ministry.

<https://www.tbsnews.net/economy/stocks/gbb-power-shuts-its-power-plant-agreement-ends-651726>

**BERGERPBL | Berger Paints allowed to secure USD 60 Mn loan from parent company**

- Berger Paints Bangladesh Limited has received approval from the Bangladesh Investment Development Authority (Bida) to obtain a USD 60 Mn loan from its parent company, J&N Investments (Asia) Limited. According to a disclosure made on Thursday by Berger Paints, the country's leading multinational paint manufacturer, the loan will facilitate the opening of letters of credit for the import of raw materials. The loan will also be disbursed in phases based on business requirements, it added.

<https://www.tbsnews.net/economy/stocks/berger-paints-allowed-secure-60m-loan-parent-company-651522>

**ZAHINTEX | Zahintex under scanner over disparities in financial statements**

- The Bangladesh Securities and Exchange Commission (BSEC) has launched a review into Zahintex Industries following the discovery that the textile company had submitted different financial statements to the National Board of Revenue (NBR) and the Dhaka Stock Exchange (DSE). In a recent letter to the BSEC, the NBR stated that its Central Intelligence Cell had discovered discrepancies in the information regarding revenue, cost of goods sold, net profit, and earnings per share for the 2014-15 and 2015-16 fiscal years in the documents submitted by the firm to the entities.

- The revenue authority also called upon the market regulator to take action against the knit garment manufacturer, which was listed on the bourses in 2011 to raise BDT 500 Mn with a BDT 15 premium per share for the purpose of loan payments and working capital.

<https://www.tbsnews.net/economy/stocks/zahintex-under-scanner-over-disparities-financial-statements-651518>

**AL-HAJTEX | Alhaj Textile files writ against BSEC, secures stay order**

- Alhaj Textile Mills, on Wednesday, filed a writ petition against the securities regulator's decision of appointing four independent directors at the company and has also secured a stay order for six months. The company and its incumbent Managing Director Mohammed Bakhtiar Rahman, in a joint petition, also pleaded for a rule regarding the legality of the appointment of the independent directors, according to the petitioners' lawyer Sayeda Nasrin. The respondent has got four weeks to reply to the rule, she added.

<https://www.tbsnews.net/economy/stocks/alhaj-textile-files-writ-against-bsec-secures-stay-order-650598>

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