

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.15%) lost -9.30 points and closed the week at 6,334.79 points. The blue-chip index DS30 (-0.06%) lost -1.36 points and stood at 2,191.46 points. The Shariah-based index DSES (-0.13%) lost -1.74 points and stood at 1,375.26 points. The large cap index CDSET (-0.11%) lost -1.34 points and closed at 1,212.18 points. DSEX, DS30, DSES and CDSET showed YTD returns of +2.06%, -0.17%, +1.21%, -0.18%, respectively.

Total Turnover During the Week (DSE): BDT 35.9 billion (USD 330 million)

Average Daily Turnover Value (ADTV): BDT 7.2 billion (Δ% Week: +1.8%)

Market P/E: 18.4x

Daily Index Movement during the Week

The market performed five sessions during this week. The market started on a negative note (-0.01%) on Sunday. Further, it remained negative on Monday (-0.19%). However, it closed on a positive note on Tuesday (+0.04%) and remained positive on Wednesday (+0.03%). Lastly, the market closed on a negative note on Thursday (-0.02%).

Sectoral Performance

• Most of the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -2.60% followed by Life Insurance (-1.12%), NBFi (-0.07%), Mutual Fund (-0.06%), and Bank (+0.30%).

• Non-financial sectors posted mixed performance this week. Food & Allied booked the highest gain of 0.24% followed by Telecommunication (0.00%). Pharmaceutical experienced the highest loss of 0.26% followed by Fuel & Power (-0.26%), and Engineering (-0.01%).

Macroeconomic arena

• Japan initiates economic roadmap for Bangladesh's coast to counter Chinese plans. Bida, Enterprise Singapore Group partner to expand trade, investment in Bangladesh. Dhaka, Delhi set to launch trading in rupee on 11 July. Saudi firm to operate Patenga container terminal for 22 years. How currency devaluation costs govt dearly. Workers' woes won't end as inflation outpaces wage growth. Pharmaceutical exports shrank 7% in FY23. Savings certificates sales exceed BDT 5 Bn again in May FY23. Bank deposits on the rise. IMF-WB team to visit Dhaka to assess bond market. Banks told not to sell dollar for over BDT 109. Falling exports of four major sectors raise alarm. Netherlands-based fund supports sustainable practices in Bangladesh's fashion industry. Bangladesh earns USD 55.55 Bn in export receipts in FY23, the highest-ever.

• Inflation climbs to 12-year high. Trade deficit shrinks 44% in first 11 months of FY23. USD 1.09 Bn import bills to bring down forex reserve again. Remittance inflow hits 35-month high. New austerity measures: Purchase of new vehicles halted, travel restrictions for govt officials. Individual investor base shrinks in FY23. Reserves surpass USD 31 Bn. Jica offers BDT 22.73 Bn budgetary support loan. Remittance rebounds. Revenue soars sharply in May. 4 more projects to be dropped from Indian LoC. With heavy reliance on RMG, Bangladesh revises down export target to USD 70 Bn. Govt rolls back fuel oil import duty decision over price hike concerns. SMEs suffer as economic woes linger. Petrobangla seeks BDT 71.81 Bn loan to foot LNG import bills.

Stock Market arena

• ISLAMIBANK | Hamzah elected Islami Bank's shariah panel chairman. SOUTHEASTB | Southeast Bank announces 10% dividends. CITYBANK | City Bank approves 12% dividends. LHBL | Holcim Group CFO joins LafargeHolcim Bangladesh as director. BEXIMCO | Beximco can now convert Sukuk into shares without prior approval. PRIMEBANK | Prime Bank wins Asiamoney award. EXIMBANK | Exim Bank moves to bring remittance from UK faster. NAVANAPHAR | Navana Pharma ditches plans for new unit. MIDLANDBNK | Midland Bank to issue zero-coupon bonds to boost asset portfolio. PRAGATILIF | Pragati Life fund rises 2% in Jan-Mar. GPHISPAT | GPH Ispat reevaluates its fixed asset. EASTLAND | Eastland Ins gets new independent director. STANDBANK | Delwer becomes independent director of Standard Bank. JUTESPINN | Jute Spinners under BSEC scanner. BRACBANK | IFC lends USD 50 Mn to Brac Bank for trade finance. EBL | EBL to buy exchange house in Dubai to woo remitters. FUWANGCER | Fu-Wang Ceramic's profit doubles in Q3, warding off further business decline. PRAGATILIF | Pragati Life Insurance declares 12% cash dividend. DHAKABANK | Dhaka Bank to issue BDT 6 Bn subordinated bond. EASTLAND | Eastland Insurance approves 10% cash dividend. UCB | UCB gets BSEC nod to issue BDT 3 Bn bond. PRIMEBANK | Prime Bank gets approval to issue BDT 3 Bn subordinated bond. SIMTEX | Independent directors allowed to stay at Simtex board. SHAHJABANK | Why Shahjalal Islami Bank's former chairman sold half stake.

July 6, 2023 (Week: July 2, 2023 – July 6, 2023)

Dhaka Stock Exchange

DSEX ended in Red (-0.15%) in the week

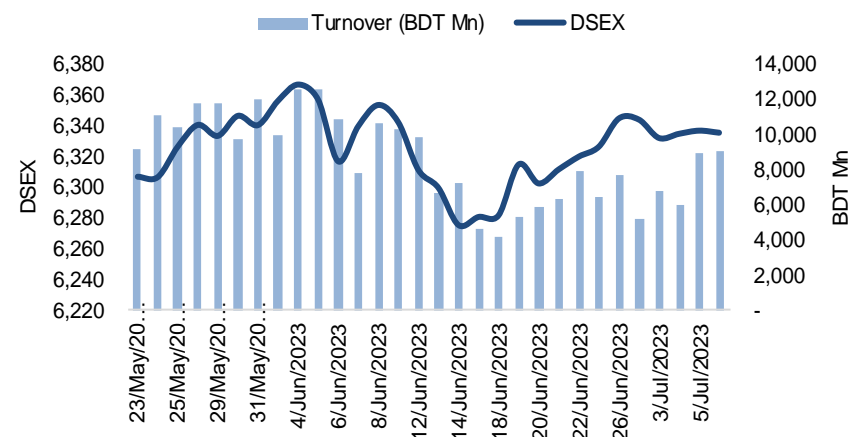
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	29-Dec-2022	Δ% Week	Δ% YTD
DSEX	6,334.79	6,344.09	-9.30	6,206.81	-0.15%	+2.06%
DS30	2,191.46	2,192.82	-1.36	2,195.30	-0.06%	-0.17%
DSES	1,375.26	1,377.00	-1.74	1,358.84	-0.13%	+1.21%
CDSET	1,212.18	1,213.52	-1.34	1,214.42	-0.11%	-0.18%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,713,311	7,720,780	-0.1%
	M n USD	70,976	71,045	
Turnover	M n BDT	35,857	14,096	+154.4%
	M n USD	330	130	
Average Daily Turnover	M n BDT	7,171	7,048	+1.8%
	M n USD	66	65	
Volume	M n Shares	1,149	300	+283.4%

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
FUWANGFOOD	32.0	23.5	+36.2%	3,547	2,084.7	NM	8.1x
OAL	16.5	13.1	+26.0%	2,797	611.9	NM	1.3x
EMERALDOIL	165.2	138.7	+19.1%	9,865	498.1	NM	NM
KBPPWBIL	27.1	23.2	+16.8%	2,658	996.2	NM	2.3x
RUPALIBANK	29.4	25.2	+16.7%	13,662	119.1	37.5x	0.8x
SHYAMPSUG	109.2	95.7	+14.1%	546	50.9	NM	NM
GENNEXT	7.3	6.4	+14.1%	3,613	446.7	NM	0.6x
SONARGAON	37.0	33.1	+11.8%	979	264.8	NM	3.2x
SAFKOSPINN	21.0	19.4	+8.2%	630	117.3	NM	1.1x
BDTHAI	16.1	14.9	+8.1%	2,057	112.3	NM	0.6x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
KPPL	12.2	14.2	-14.1%	891	179.9	NM	NM
MEGHNAINS	45.3	50.4	-10.1%	1812	119.1	29.4x	3.0x
YPL	24.7	27.3	-9.5%	1,820	368.7	NM	4.6x
AZIZPIPES	101.1	111.1	-9.0%	541	85.9	NM	NM
OIMEX	23.3	25.6	-9.0%	1,563	87.9	NM	2.1x
MEGHNALIFE	96.0	105.3	-8.8%	4,071	653.6	NM	NM
TILIL	70.3	0.0	-8.3%	2,812	291.3	NM	NM
CNATEX	10.5	11.4	-7.9%	2,513	169.7	NM	0.7x
POPULARLIF	76.3	82.2	-7.2%	4,611	141.5	NM	NM
NORTHERN	218.2	234.1	-6.8%	467	16.1	NM	2.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FUWANGFOOD	32.0	23.5	+36.2%	3,547	2,084.7	NM	8.1x
KBPPWBIL	27.1	23.2	+16.8%	2,658	996.2	NM	2.3x
SEAPEARL	219.5	211.1	+4.0%	26,505	981.8	31.8x	12.7x
RUPALILIFE	244.0	229.8	+6.2%	7,323	958.0	NM	NM
JHRML	81.5	79.8	+2.1%	10,211	750.1	35.2x	2.6x
MEGHNALIFE	96.0	105.3	-8.8%	4,071	653.6	NM	NM
INTRACO	46.1	48.6	-5.1%	4,529	629.0	30.6x	3.6x
OAL	16.5	13.1	+26.0%	2,797	611.9	NM	1.3x
FUWANGCER	18.4	17.4	+5.7%	2,507	610.6	70.8x	1.5x
ALIF	13.6	13.3	+2.3%	3,535	533.6	26.4x	0.9x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	283.9	+58.5%	16,041	49.9x	4.2x
ADNTEL	138.5	+21.4%	8,954	36.0x	5.0x
OLYMPIC	149.8	+20.8%	29,951	18.2x	3.0x
UNIQUEHRL	69.4	+20.3%	20,431	12.2x	0.8x
UNILEVERCL	2,076.0	+16.6%	40,013	45.5x	13.3x
BATASHOE	1,013.0	+6.4%	13,858	29.0x	3.9x
LHBL	68.9	+6.3%	80,019	14.8x	4.0x
JAMUNAOIL	176.1	+5.3%	19,446	6.5x	0.9x
PRIMEBANK	20.2	+5.2%	22,872	5.7x	0.7x
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	1449.7	1445.4	1427.09	+0.30%	+1.59%
NBFI	1,924.7	1,926.0	1,927.24	-0.07%	-0.13%
Mutual Fund	831.9	832.4	852.07	-0.06%	-2.37%
General Insurance	3,291.0	3,378.9	3,177.87	-2.60%	+3.56%
Life Insurance	3,029.7	3,063.9	2,492.91	-1.12%	+21.53%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,702.2	3,711.9	3,754.47	-0.26%	-1.39%
Fuel & Power	1,702.1	1,706.5	1,694.29	-0.26%	+0.46%
Cement	2,568.6	2,564.2	2,319.67	+0.17%	+10.73%
Services & Real Estate	2,010.8	2,021.0	1,782.23	-0.50%	+12.83%
Engineering	4,518.2	4,518.4	4,503.40	-0.01%	+0.33%
Food & Allied	21,664.8	21,612.5	21,247.80	+0.24%	+1.96%
IT	3,273.5	3,317.6	3,004.33	-1.33%	+8.96%
Textile	1,653.2	1,645.1	1,621.87	+0.49%	+1.93%
Paper & Printing	10,788.3	10,984.6	10,388.08	-1.79%	+3.85%
Tannery	3,263.6	3,295.0	3,093.43	-0.95%	+5.50%
Jute	14,919.0	15,205.8	14,850.17	-1.89%	+0.46%
Ceramics	692.0	704.74	704.74	-0.38%	-2.10%
Miscellaneous	4,152.1	4,195.6	4,071.46	-1.03%	+1.98%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	76.6	76.6	+0.02%	+1.20%	11.9x	0.7x
NBFI	113.2	81.7	+38.51%	+1.77%	NM	4.4x
Mutual Fund	20.3	29.1	-30.27%	+0.32%	NM	0.7x
General Insurance	189.8	212.8	-10.81%	+2.96%	17.5x	1.5x
Life Insurance	754.0	739.3	+1.98%	+11.77%	NM	NM
Telecommunication	10	6.0	-83.67%	+0.02%	16.9x	4.3x
Pharmaceutical	495.7	652.0	-23.98%	+7.74%	19.4x	2.3x
Fuel & Power	311.9	214.2	+45.64%	+4.87%	23.5x	1.1x
Cement	82.4	150.3	-45.20%	+1.29%	31.4x	2.7x
Services & Real Estate	372.1	371.6	+0.12%	+5.81%	27.0x	10x
Engineering	599.4	459.1	+30.55%	+9.36%	72.5x	18x
Food & Allied	972.7	534.3	+82.07%	+15.19%	20.1x	8.2x
IT	288.4	443.0	-34.90%	+4.50%	29.9x	3.1x
Textile	1,326.3	642.0	+106.59%	+20.71%	85.3x	1.1x
Paper & Printing	185.9	194.7	-4.52%	+2.90%	40.1x	2.1x
Tannery	95.0	90.1	+5.40%	+1.48%	49.6x	3.4x
Jute	22.1	63.3	-65.05%	+0.35%	NM	-1266.9x
Ceramics	155.3	33.7	+360.36%	+2.43%	48.2x	1.9x
Miscellaneous	341.0	383.6	-11.11%	+5.33%	16.0x	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	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

Japan initiates economic roadmap for Bangladesh's coast to counter Chinese plans

- Japan is assisting Bangladesh turn its coast into an economic hub countering China's endeavour to increase its presence in the Bay of Bengal region. The move could also transform the economy of the region and benefit India's landlocked north-eastern region, reports The Economic Times.
- Experts familiar with the matter said work in Japan-led development of a coastal economic corridor in Bangladesh is in full swing, which consists of a power plant, port and corporate parks. This is being seen as a Japanese effort to balance China's influence in the region. Under the Bay of Bengal Industrial Growth Belt (BIG-B) initiative, Japan has been implementing projects for improving connectivity, developing infrastructure and accelerating industrial growth along the Dhaka-Chittagong-Cox's Bazar belt area.

<https://www.tbsnews.net/economy/japan-initiates-economic-roadmap-bangladeshs-coast-counter-chinese-plans-660682>

Bangladesh-UK trade dialogues to take place soon

- The first and second Bangladesh-United Kingdom (UK) trade and investment dialogue will soon take place in Dhaka to discuss bilateral and investment issues between the two countries, Commerce Minister Tipu Munshi said today. The minister also said the third meeting of a joint working group of both countries would take place shortly as they have already held the first two, according to a statement from the commerce ministry.

<https://www.thedailystar.net/business/news/bangladesh-uk-trade-dialogues-take-place-soon-3361856>

Bida, Enterprise Singapore Group partner to expand trade, investment in Bangladesh

- The Bangladesh Investment Development Authority (Bida) and the Enterprise Singapore Group will jointly work to expand trade and investment in Bangladesh. A memorandum of understanding (MoU) was signed between Bida and Enterprise Singapore Group on Wednesday, reads a press release. Mohsina Yasmin, executive member of Bida, and Audrey Tan, director (South Asia) of Enterprise Singapore Group, signed the MoU on behalf of their respective organisations.

<https://www.tbsnews.net/economy/bida-enterprise-singapore-group-partner-expand-trade-investment-bangladesh-660566>

Wristwatch market seeing steady uptick

- Wristwatches have long been considered as a status symbol for being a stylish tool that has practical uses while also being a clear indicator of the wearer's social standing. This is because ever since portable timekeepers were invented in the 16th century, they were only accessible by affluent people and so, their association with luxury persists to this day.
- This is true even in least developed countries like Bangladesh, where the growing purchasing power of the country's middle class has propelled the demand for wristwatches over the past decade. And although there is no reliable data, market insiders believe the demand for regular and premium wristwatches is currently worth around BDT 2 Bn with annual growth of about 8 to 10%.

<https://www.thedailystar.net/business/news/wristwatch-market-seeing-steady-uptick-3361826>

Bangladesh's merchandise export to UK hits USD 5 Bn milestone

- Bangladesh has achieved a significant milestone by surpassing the USD 5 Bn-mark in exports to the United Kingdom, according to commerce ministry data. In the just concluded fiscal 2022-23, Bangladesh's merchandise exports to the European country peaked at USD 5.3 Bn, demonstrating substantial growth from USD 4.8 Bn in the previous year and doubling the figures from a decade ago when it stood at USD 2.7 Bn.
- Key export items contributing to this achievement include ready-made garments (RMG), frozen food, IT engineering, leather and jute goods, as well as bicycles. Approximately 80% of the exports comprise knitwear and woven garments. In terms of imports, Bangladesh's trade with the UK amounted to USD 380 Mn during the first 11 months of FY23 till May. It was projected to reach around USD 450 Mn by the end of the fiscal year on 30 June, as stated by a senior official from the commerce ministry.

<https://www.tbsnews.net/economy/bangladeshs-merchandise-export-uk-hits-5bn-milestone-660646>

Dhaka, Delhi set to launch trading in rupee on 11 July

- Bangladesh and India are all set to start trading in rupee as the central banks of the two neighbours have made all the necessary arrangements to make this happen. According to the agreed trading mechanism, Bangladeshi exporters will now be able to get export proceeds in rupee from 11 July, and the equivalent amount will be used for import bill settlement, sources at the Bangladesh Bank said. Bangladesh Bank Governor Abdur Rouf Talukder is expected to attend the launching event to be organised by the High Commission of India in Dhaka on 11 July.

<https://www.tbsnews.net/economy/dhaka-delhi-set-launch-trading-rupee-11-july-660354>

Saudi firm to operate Patenga container terminal for 22 years

- The Red Sea Gateway Terminal (RSGT), a Saudi company, has been confirmed as the operator of Patenga container terminal for 22 years, according to officials involved in the matter. This development marks a milestone for Bangladesh, as it is the first time in the country's history that a foreign company will be engaged to operate a port, which reflects the growing confidence of foreign firms in the country's future growth prospects.
- The Chattogram Port Authority (CPA) and Red Sea Gateway which currently operates in the King Abdulaziz Port in Jeddah are expected to sign a deal in either August or September this year, officials said. According to the Public Private Partnership Authority (PPP Authority), procurement of equipment and additions to the terminal will be undertaken within two years of the 22-year contract. Red Sea Gateway is known for its use of the latest machinery and technology in port management.

<https://www.tbsnews.net/bangladesh/infrastructure/saudi-firm-operate-patenga-container-terminal-22-years-660302>

Regulator asks Banglalink to clear BDT 8.23 Bn dues

- The telecom regulator has instructed Banglalink to clear dues worth around BDT 8.23 Bn after carrying out an audit into the mobile phone operator for the period from 1996 to 2019. Of the amount, BDT 3.93 Bn has been sought as VAT, tax and fees, outstanding dues related to revenue-sharing, handset royalty, access frequency and microwave frequency payments, and licence fees, according to a letter from the Bangladesh Telecommunication Regulatory Commission (BTRC). The rest, or BDT 4.30 Bn, was claimed as late fees.

<https://www.thedailystar.net/business/economy/news/regulator-asks-banglalink-clear-tk-823cr-dues-3362116>

How currency devaluation costs govt dearly

- The growth of Bangladesh's external debt in taka terms was much higher compared to its growth in dollar terms last year, as the high depreciation of the local currency increased the country's debt servicing costs. This has led to a liquidity crisis in both foreign exchange and local markets.
- According to data from the Bangladesh Bank, the total foreign debt of Bangladesh in terms of US dollars grew by 6% year-on-year to USD 96.25 Bn at the end of December 2022, compared to a growth rate of 24.5% in the previous year. In contrast, the total external debt in terms of taka grew by 22.3% to BDT 9.53 Tn last year, compared to a growth rate of 25.9% in the previous year.

<https://www.tbsnews.net/economy/how-currency-devaluation-costs-govt-dearly-660286>

Rules on 'tax deducted at source' framed as per new tax law

- The National Board of Revenue (NBR) has framed rules regarding tax deducted at source (TDS) in line with the new income tax law that came into effect last month. "The rules will help the withholding tax deducting authorities, including companies, to cut and deposit the tax to the state coffer without ambiguity," said a senior official of the NBR.
- The new rule on TDS became effective on July 1. As per the new rules, taxpayers will be able to know the withholding tax rates against various sources of their incomes separately. From the rule, importers will also be able to know advance income tax rate against imports of various products, said the official.

<https://www.thedailystar.net/business/economy/news/rules-tax-deducted-source-framed-new-tax-law-3362096>

BEZA unable to repay govt debt now, seeks five years time

- The Bangladesh Economic Zones Authority (BEZA) has said it is unable to repay government debt with interest and has instead requested an additional five years to do so, according to officials. According to sources, BEZA currently owes BDT 1.31 Bn to the government, and in January of this year, the Ministry of Finance requested that the authority return the money.
- In May, the Treasury and Debt Management Wing of the finance ministry once again reminded BEZA of its repayment obligation. Now, BEZA says it needs five years for the payback. In a recent letter to the Prime Minister's Office (PMO), BEZA Executive Chairman Shaikh Yusuf Harun wrote that the authority had borrowed funds from the government for the development of various economic zones. He said the Finance Division approved a BDT 10.59 Bn annual budget for BEZA to spend in the current fiscal year. However, BEZA's sources of earnings are significantly limited, totalling only BDT 3.27 Bn, in comparison to the substantial sum earmarked for spending.

<https://thefinancialexpress.com.bd/economy/bangladesh/beza-unable-to-repay-govt-debt-now-seeks-five-years-time>

Wheat import falls for third year straight

- Bangladesh's wheat imports fell for the third consecutive year, suffered by falling consumption for high prices and banks' sluggishness in opening letters of credit (LCs) amid the US dollar crisis, importers said yesterday. Wheat arrival declined 3.4% year-on-year to 3.875 Mn tonnes in fiscal year (FY) 2022-23 from 4.012 Mn tonnes the previous year, according to data of the food ministry.

- The FY23 import of the grain, for which Bangladesh is highly dependent on the international market, was the lowest in eight years. With the drop in wheat imports, overall imports of food grains by Bangladesh's public and private sectors declined to 4.930 Mn tonnes, down 1.38% from the previous year.

<https://www.thedailystar.net/business/economy/news/wheat-import-falls-third-year-straight-3362126>

Workers' woes won't end as inflation outpaces wage growth

- The cost-of-living crisis seems to have brought more woes for daily workers in Bangladesh than other groups of labourers as their average wage growth has been below the inflation rate for the past two fiscal years. This means daily workers did not receive any relief from the 12-year high average inflation in the just-concluded fiscal year although the wage has been ticking up for the past 17 months.
- Data released by the Bangladesh Bureau of Statistics (BBS) showed that the average wage of low and unskilled workers was 7.04% in 2022-23 while the Average Consumer Price rose 9.02%. This results in a 1.98% gap between average inflation and wage growth in FY23 against 0.09% seen a year earlier.

<https://www.thedailystar.net/business/economy/news/workers-woes-wont-end-inflation-outpaces-wage-growth-3362136>

Pharmaceutical exports shrank 7% in FY23

- Pharmaceutical exports from Bangladesh shrank 7% year-on-year in fiscal 2022-23 due to the impacts of global economic crises and subsequent US dollar shortage in most underdeveloped countries. Data of the Export Promotion Bureau (EPB) shows that pharmaceutical exports fetched USD175.42 Mn in the preceding fiscal year (FY), down from USD188.78 Mn in FY2021-22.

<https://www.thedailystar.net/business/economy/news/pharmaceutical-exports-shrank-7pc-fy23-3362106>

Internet subscriber base sees growth for 4th month straight

- The number of internet subscribers in Bangladesh rose by about 1200 thousand in May from a month earlier thanks to an increase in the country's mobile subscriber base. With this, the total number of internet subscribers has risen to 127.6 Mn, according to data of the Bangladesh Telecommunication Regulatory Commission (BTRC). This is the fourth consecutive month since February that the internet subscriber base has grown.

<https://www.thedailystar.net/business/economy/news/internet-subscriber-base-sees-growth-4th-month-straight-3361206>

Savings certificates sales exceed BDT 5 Bn again in May FY23

- Savings certificates sales crossed the BDT 5 Bn mark for the second time in May of the recently ended FY23. According to the Bangladesh Bank data, savings certificates worth BDT 5.51 Bn were sold in May. Earlier, savings certificates worth BDT 5.81 Bn were sold in April this year. For those two consecutive months customers purchased more savings certificates than they redeemed.
- The net sales of saving certificates for the first 11 months of FY23, however, stood negative at BDT 30.29 Bn as the government borrowed some BDT 747 Bn against the repayment of BDT 777 Bn during the period. A senior official of the central bank said a lot of negative reports were published about the banking sector at the end of last year. At that time, banks faced a pressure of withdrawing deposits. People were more attracted to savings certificates in that situation.

<https://www.tbsnews.net/economy/savings-certificates-sales-exceed-tk500cr-again-may-fy23-660130>

Bank deposits on the rise

- Deposits in banks stood at BDT 15.63 Tn at the end of May with new deposits of BDT 153 Bn, according to central bank data. Deposits grew by 8.81% in May, the highest in the last 11 months despite the decade's highest inflation as customer confidence in banks returned.
- Sector insiders said in November and December last year, there were many cases of disbursing loans by violating rules in several banks. Due to this, many customers started withdrawing their deposits from the banks. As a result, bank deposit growth fell to 5.67% in December. Central bank data show that the amount of money in the hands of people decreased by BDT 75 Bn and stood at BDT 2.56 Tn in May from BDT 2.63 Tn in April.

<https://www.tbsnews.net/economy/banking/bank-deposits-rise-660118>

IMF-WB team to visit Dhaka to assess bond market

- A technical assistance mission of the International Monetary Fund (IMF) and World Bank is expected to arrive in Dhaka today in order to undertake a detailed assessment of the Local Currency Bond Market (LCBM) and suggest ways for its development. The team will identify challenges, prepare a roadmap for LCBM development with sequenced reforms and priorities, and assess functioning of the primary dealership arrangement, according to the finance ministry.

<https://www.thedailystar.net/business/economy/news/imf-wb-team-visit-dhaka-assess-bond-market-3361221>

Banks told not to sell dollar for over BDT 109

- The Bangladesh Foreign Exchange Dealers' Association (Bafeda) has asked banks in the country not to sell US dollars to importers for beyond BDT 109 per greenback as some lenders recently breached the rule. The Bafeda, which is a platform for banks to monitor the country's foreign exchange market, issued a circular on July 3, asking them to follow the rules strictly.
- It was observed that some banks got more than BDT 109 for each dollar sold to importers, the Bafeda said in the notice. The Bafeda and Association of Bankers, Bangladesh (ABB), a platform for managing directors of banks in the country earlier took a decision to sell each US dollar for a maximum of BDT 109. Besides, lenders can offer a maximum of BDT 107.5 for each US dollar while purchasing the greenback from exporters.

<https://www.thedailystar.net/business/economy/news/banks-told-not-sell-dollar-over-tk-109-3361216>

Falling exports of four major sectors raise alarm

- Although Bangladesh posted a higher export growth in the just-concluded fiscal year on the back of garments and some non-traditional items, four major sectors suffered a fall, raising concerns for the economy and the employment sector. Exporters of frozen and live fish, agricultural products, leather and leather footwear, and jute and jute goods registered a slump in their earnings in 2022-23 amid waning demand resulting from the economic slowdown in major markets such as Europe. The receipts from the shipment of frozen and live fish, including shrimp, fell 21% year-on-year to USD 422 Mn, according to data from the Export Promotion Bureau (EPB).

<https://www.thedailystar.net/business/economy/news/falling-exports-four-major-sectors-raise-alarm-3361211>

Green chili import thru Hili suspended on fear of losses

- Imports of green chili through Hili land port in Dinajpur have been suspended as importers fear incurring losses in face of falling prices in local markets. No green chili was imported through the port on Monday and Tuesday, according to port officials.
- Around 27.16 tonnes of green chili were imported from India through Hili land port on June 26. Later, trade activities at the port were shut for six days during the holiday centring Eid-ul-Azha. And although the port reopened on Monday, no green chili was imported as of 3:00pm on Tuesday, the officials said.

<https://www.thedailystar.net/business/economy/news/green-chili-import-thru-hili-suspended-fear-losses-3361151>

Padma Bridge Rail Link Project: Railway seeks one-year extension on loan tenure

- Bangladesh Railway (BR) is seeking a one-year extension on its loan tenure for the Padma Bridge Rail Link Project as a means to avoid upward cost revisions resulting from hassles in clearing payments after the task is complete.
- As per the loan-financing agreement signed between the ERD and officials of the Chinese embassy in Dhaka on April 17, 2018, the loan duration is set to end on May 12, 2024. The extension was sought by BR as the contractor, China Railway Group Ltd (CREC), informed that it would not be possible to finish implementing the project within the stipulated deadline on May 4, 2024.

<https://www.thedailystar.net/business/economy/news/padma-bridge-rail-link-project-railway-seeks-one-year-extension-loan-tenure-3360301>

Merchandise export highest, yet misses annual target

- Bangladesh bagged a record-high USD 55.55 Bn earning from merchandise export in the just-past fiscal year, riding on a double-digit growth for readymade garments, in a little relief amid forex crunch. Yet, the export growth of 6.67% missed the annualized target by 4.21%. The FY2022-23 target was USD 58 Bn.
- Officials, however, welcome the goods-export earnings at this trying time as a "blessing at" as the country faces a foreign-currency crunch with the dollar reserves sinking to or below USD 30 Bn. In the fiscal 2021-22, the country earned USD 52.08 Bn, according to Export Promotion Bureau (EPB) data released Monday.

<https://thefinancialexpress.com.bd/economy/bangladesh/merchandise-export-highest-yet-misses-annual-target>

Bond trading in secondary market still negligible

- The trading of treasury bonds in the stock exchange of Bangladesh has remained low although eight months have passed since their debut on the secondary market, owing largely to higher transaction costs and a lack of awareness among individual investors.
- Treasury bonds made their debut on the Dhaka Stock Exchange (DSE) on October 11 of 2022, offering a new product to investors in a market not rich with adequate investment options. But as of June 21, treasury bonds worth BDT 112.6 Mn were traded.

<https://www.thedailystar.net/business/economy/news/bond-trading-secondary-market-still-negligible-3361236>

Netherlands-based fund supports sustainable practices in Bangladesh's fashion industry

- The Good Fashion Fund (GFF), a Netherlands-based impact investment fund promoting sustainable practices in the fashion industry, has made its first investment in Bangladesh. Progress Apparel Ltd, a woven pant exporter based in Adamjee EPZ, Narayanganj would build a modern in-house washing plant out of the USD 1 Mn investment, according to a press statement.
- The Good Fashion Fund's investment – which is structured through Progress Apparels' holding company in Hong Kong, PDS Ltd – is enabling the company, as a new player in the textile sector, to access international funding whilst promoting sustainable investments.

<https://www.tbsnews.net/economy/netherlands-based-fund-supports-sustainable-practices-bangladeshs-fashion-industry-659434>

Bangladesh earns USD 55.55 Bn in export receipts in FY23, the highest-ever

- Earnings from merchandise shipment rose 6.67% year-on-year to USD 55.55 Bn in the just-concluded fiscal year, according to data from the Export Promotion Bureau (EPB) today. Shipment fetched USD 52.08 Bn in the previous financial year of 2021-22. In June of 2022-23, exports grew 2.51% year-on-year to USD 5.03 Bn.

<https://www.thedailystar.net/business/economy/news/bangladesh-earns-5555b-export-receipts-fy23-the-highest-ever-3359986>

Ctg Customs House earns record BDT 614.65 Bn revenue in FY23

- Chattogram Customs House collected a record revenue of BDT 614.65 Bn in FY23, riding on higher imports in the final two months of the just concluded fiscal year. This amount is 3.90% higher than that of the previous fiscal year when revenue was collected at BDT 591.60 Bn. However, the collected revenue fell 17% short of the BDT 742.06 Bn target.
- Stakeholders believe that revenue collection has increased due to customs' various initiatives to stop smuggling and prevent fraud and duty evasion. Customs officials said the revenue collection was low in the first months of FY23 due to the decrease in the import of luxury goods including cars, cosmetics, electronics, etc. However, revenue picked up in May and June ahead of the new budget due to the increase in car imports.

<https://www.tbsnews.net/economy/ctg-custom-house-earns-record-tk61465cr-revenue-fy23-659098>

Govt plans reform initiatives aimed at bolstering macroeconomic stability

- The government has undertaken a series of medium-term (2025-26) reforms aimed at bolstering macroeconomic stability and promoting long-term growth, apart from immediate policy responses due to the global and national economic contexts. The main objectives of these reforms include enhancing revenue generation, reducing the borrowing costs of the public sector, curbing subsidies, and improving spending efficiency through fiscal institutional reforms, according to an official budgetary document.
- In the medium term, the policy will be anchored by the target to keep the primary fiscal deficit (including grants) within around 3.3% of GDP to contain public debt below 45% of GDP. The reforms are expected to generate additional revenue of 0.5% of GDP annually in FY24 and FY25 and 0.7% of GDP in FY26.

<https://thefinancialexpress.com.bd/economy/bangladesh/reform-initiatives-planned-for-strengthening-macroeconomic-stability>

Inflation climbs to 12-year high

- Average inflation in Bangladesh surpassed the government's target for the just-concluded fiscal year by a large margin as higher prices of goods and services continue to linger for the economic crisis at home and abroad. The Consumer Price Index (CPI) rose 9.02% in 2022-23 against the government's revised target of 7.5%. This was the highest average inflation rate in 12 years, according to the Bangladesh Bureau of Statistics (BBS).
- This was much higher than the 5-6% average inflation seen in the decade before the Russia-Ukraine war. General inflation was 6.15% in 2021-22. In FY23, average inflation stayed above 9% for six months, above 8% for five months and more than 7% in one month, data from the national statistical agency showed. In June, general inflation fell 20 basis points to 9.74% compared to a month ago. This was down from an 11-year high of 9.94% in May.

<https://www.thedailystar.net/business/economy/news/inflation-climbs-12-year-high-3360391>

Trade deficit shrinks 44% in first 11 months of FY23

- Bangladesh's trade deficit in the first 11 months of the last fiscal year narrowed further amid a raft of measures, including import controls, aimed at shoring up eroding forex reserves. The growth of the current account balance assessing foreign transactions has also slowed down. The trade deficit stood at USD 17.16 Bn in the July-May period, representing a 44.32% year-on-year decline, according to an updated report on the balance of payments published by Bangladesh Bank on Sunday.

- Exports rose 6.77% year-on-year to USD 47.6 Bn in July-May, while imports declined 14.11% to USD 64.76 Bn from a year earlier. Meanwhile, the current account deficit shrank 73.91% year-on-year in July-May to USD 4.5 Bn. Bangladesh started the fiscal year 2023 with a record trade deficit of USD 33.24 Bn and a significant current account deficit of USD 18.69 Bn. Since July 2022, the Bangladesh Bank has taken various initiatives to control imports. As a result, there has been a noticeable decrease in the current account deficit.

<https://thefinancialexpress.com.bd/economy/bangladesh/trade-deficit-shrinks-44pc-in-first-11-months-of-fy23>

CAD widens, financial account remains vulnerable

- Bangladesh is facing tightrope balancing on the financial front with external payments imbalance staying high, as per May data, apparently following guarded relaxing of import restrictions to feed the economy. The country's current-account deficit widened, according to the statistics available until May, as a result of little loosening of the chokehold resorted to amid fall in foreign-currency reserves.
- And the woes over the financial account continue as it also accounts for a large deficit as recorded last May. The current-account deficit, which is a measure of a country's trade where the value of the goods and services it imports exceeds the value of the products and services it exports, stood at USD 4.5 Bn during the July-May period of the just-past fiscal year, according to Bangladesh Bank's latest report on the country's external financial front. The CAD deficit was approximately USD 3.7 Bn during the July-April period of the FY2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/cad-widens-financial-account-remains-vulnerable>

Tannery CETP needs renovation even before offering full service

- Bangladesh is yet to reap the full benefit from the much-talked central effluent treatment plant (CETP) at the Savar Tannery Industrial Estate (STIE) despite spending more than BDT 5 Bn. Yet, it now requires renovation or rebuilding since the contractor that built the facility on the outskirts of the capital city handed over an incomplete CETP.
- Currently, the CETP can treat 25,000 to 30,000 cubic metres of liquid waste. But during Eid-ul-Azha, the generation of waste climbs to 45,000 cubic metres as the number of rawhides collected shoots up. "More than BDT 10 Bn is needed to make the CETP fully functional," said Mustak Ahmed, managing director of the Dhaka Tannery Industrial Estate Waste Treatment Plant Company (DTIEWTPC).

<https://thedailystar.net/business/economy/news/tannery-cetp-needs-renovation-even-offering-full-service-3360396>

USD 1.09 Bn import bills to bring down forex reserve again

- The Bangladesh Bank will clear import bills to the tune of USD 1.09 Bn through the Asian Clearing Union (ACU) this week, which will bring down the country's foreign exchange reserve level. The ACU is an arrangement for settling payments for intra-regional transactions among member countries. India, Bangladesh, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka are members of the Tehran-based organisation. Members clear payments every two months.
- The forex reserve usually falls after ACU payments are made. The BB cleared import bills amounting to USD 1.18 Bn in May. The reserves stood at USD 31.19 Bn on June 30 in contrast to USD 41.82 Bn on the same day a year ago, BB data showed. And the reserves could drop below USD 31 Bn after import bills are cleared this week. It rose past USD 31 Bn on June 26 after three multilateral lenders extended USD 925 Mn in loans to Bangladesh. In addition, a higher inflow of remittances on the occasion of Eid-ul-Azha also played an important role in pushing up the reserve level last month. Between July and May of 2022-23, import payments stood at USD 64.76 Bn, down 14.11% year-on-year.

<https://www.thedailystar.net/business/economy/news/109b-import-bills-bring-down-forex-reserve-again-3360386>

Remittance inflow hits 35-month high

- Inward remittances sent by Bangladeshis abroad in June have increased 19.5% year-on-year to around USD 2.2 Bn, the highest in 35 months. The latest figure took remittances received by the country in the 2022-23 financial year to USD 21.61 Bn, bdnews24.com reported citing Bangladesh Bank data released on Sunday. In June last year, the inflow of remittance was around USD 1.84 Bn. The growth in remittance inflow increased by 19.5% compared to the previous fiscal year.

<https://thefinancialexpress.com.bd/economy/bangladesh/remittance-inflow-hits-35-month-high>

93 tonnes of green chilli imported from India

- About 93 tonnes of green chillies arrived in the country within a week after Bangladesh allowed the import of the kitchen essential due to skyrocketing prices, according to a notification from the Ministry of Agriculture. When consumers are struggling to deal with the soaring prices of essentials, the retail price of green chilli hit a record high of BDT 700 a kg in the capital and other parts of the country's kitchen markets yesterday.

- The price of chillies decreased in the span of one day after the news of the import. In Karwan Bazar, chilli was being sold today at BDT 400 per kg wholesale and BDT 600 retail. Just about a month ago, retailers in the capital sold green chilli for BDT 100 to BDT 120 a kg.

<https://www.thedailystar.net/health/food/news/93-tonnes-green-chilli-imported-india-3359331>

Fertiliser price increased by 105%, sugar by 60% in Bangladesh since Russia-Ukraine war

- The price of fertiliser in Bangladesh has risen by 105% and sugar by 60% due to the Russia-Ukraine war, finds a study conducted by the international humanitarian organisation ActionAid. According to the study, the prices of petrol also increased by 47% and sanitary pads by 23% in Bangladesh.
- A survey of more than 1,000 community members and leaders in 14 countries across Asia, Africa and the Caribbean found that prices of fertiliser rose by more than 115% over the period monitored, while costs of petrol and sanitary pads increased by 80% or more, leading to soaring child marriage rates, deteriorating women's health and worsening mental health.

<https://www.tbsnews.net/economy/fertiliser-price-increased-105-sugar-60-bangladesh-russia-ukraine-war-report-658838>

New austerity measures: Purchase of new vehicles halted, travel restrictions for govt officials

- In a slew of austerity measures, the government on Sunday halted the purchase of new vehicles and placed restrictions on foreign travel for government officials. The government has introduced a series of outlines at the start of the new fiscal year, FY24, with the aim of cutting costs and alleviating budgetary pressures, according to a circular issued by the Ministry of Finance. Additionally, stricter controls have been implemented on expenditures related to land acquisition.

<https://www.tbsnews.net/economy/new-austerity-measures-purchase-new-vehicles-govt-official-travel-restrictions-658950>

Individual investor base shrinks in FY23

- Having a painful bearish environment over two-thirds of the time, the stock market saw its individual investors base shrinking in the 2022-23 fiscal year. According to the Central Depository Bangladesh Ltd (CDBL), the number of beneficiary owner (BO) accounts through which investors engage with the capital market, declined by nearly 200 thousand over the fiscal year that ended this June.

<https://www.tbsnews.net/economy/stocks/individual-investor-base-shrinks-fy23-658946>

Mobile phone production in Bangladesh hits 17-month low in May

- Mobile phone handset production has drastically dropped to 872 thousand units in May this year, the lowest in 17 months, according to the latest data released by the Bangladesh Telecommunication Regulatory Commission (BTRC). The production of mobile phones was 1.4 Mn units in April and 2.3 Mn units in May the previous year. The highest production was recorded at 4.1 Mn units in January last year.

<https://www.tbsnews.net/economy/industry/mobile-phone-production-bangladesh-hits-17-month-low-may-658594>

Faltering footwear, leather industries: Why Bangladesh fails to capitalise on raw material advantage

- Bangladesh lags far behind its economic peers in footwear and leather product exports, exposing the country's insufficient focus on a sector that possesses a key advantage – regular access to the main rawhide – which its competitors lack. For instance, Bangladesh, despite having started footwear and leather product exports earlier than Vietnam, lags significantly behind in earnings, with the latter earning over USD 20 Bn compared to Bangladesh's USD 1 Bn.
- The country earned nearly USD 1.25 Bn in the 2021-22 fiscal year from the exports of leather and leather products while semi-finished or finished leather made less than USD 125 Mn of it, down from USD 400 Mn in 2014-15. Because of the non-compliance of local leather, footwear, and other leather product exporters have to import compliant leather from other countries as per the buyers' specifications, and that costs the country over USD 150 Mn annually, according to BTA.

<https://www.tbsnews.net/analysis/faltering-footwear-leather-industries-why-bangladesh-fails-capitalise-raw-material>

Reserves surpass USD 31 Bn

- The country's foreign exchange reserves today rose past USD 31 Bn after three multilateral lenders extended USD 925 Mn to Bangladesh. In addition, the higher inflow of remittances ahead of Eid-ul-Azha also played a role in pushing the reserves up. The reserves stood at USD 41.82 Bn at the end of June last year. The BB has so far injected nearly USD 13.5 Bn into the banking sector this fiscal year, which eroded the reserves to a large extent.

<https://www.thedailystar.net/business/news/reserves-surpass-31-billion-3356306>

Jica offers BDT 22.73 Bn budgetary support loan

- Japan International Cooperation Agency (Jica) will provide an Official Development Assistance loan of BDT 22.73 Bn (equivalent to JPY 30 Bn) as budgetary support for strengthening public financial management. Ichiguchi Tomohide, chief representative of JICA Bangladesh, and Sharifa Khan, secretary to Economic Relations Division, signed an agreement in this regard at National Economic Council in Dhaka yesterday. The loan comes with an annual interest rate of 1.6% along a 30-year repayment period, including a 10-year grace period. Aimed toward the economic recovery of Bangladesh, it is to be disbursed quickly, it said.

<https://www.thedailystar.net/business/economy/news/jica-offers-tk-2273cr-budgetary-support-loan-3357426>

Remittance rebounds

- Remittance rebounded in Bangladesh in the outgoing financial year, extending some breathing space to an economy struggling to keep its head above water amid the lingering crisis at home and abroad. Families and relatives received USD 2.02 Bn in the first 25 days of June from their breadwinners toiling abroad, up more than 57% from the USD 1.28 Bn that was received in the first 23 days of the same month last year, data from the central bank showed.
- The current pace of growth of 4.6% is much higher than the 2% uptick estimated by the central bank for 2022-23. The overall earnings will be USD 21.45 Bn in the year, said the BB in its latest monetary policy statement. The latest increase in remittance comes as the government says 1.074 Mn migrant workers have left Bangladesh for jobs abroad so far in FY23, the highest in a single year.

<https://www.thedailystar.net/business/economy/news/remittance-rebounds-3356571>

Revenue soars sharply in May

- Revenue collection saw a major jump in May, following negative growth just the previous month, and NBR officials are attributing it to easing import restrictions and an increase in monitoring. According to sources at the National Board of Revenue (NBR), revenue in May increased by around 29% year-on-year, which is the highest in the current fiscal year.
- While approving a USD 4.7 Bn loan to Bangladesh in January, IMF set some conditions, which included increasing the tax-to-GDP ratio by 0.5% to 8.3% in fiscal 2023-24, from 7.8% in fiscal 2021-22. Before disbursing the next tranche of the loan in October, the IMF will review how well its conditions for reforming Bangladesh's financial sector have been met.

<https://www.tbsnews.net/nbr/revenue-soars-sharply-may-656434>

RMG exports get new route through Mongla Port

- Mongla Port, the country's second-largest seaport, has witnessed a surge in activity and has become a key gateway for garment exports and imports, thanks to the enhanced connectivity provided by the Padma Bridge. This development has opened up new opportunities for Bangladesh's largest export-earning sector, the apparel industry, which previously relied heavily on the Chattogram port.
- On 27 July 2022, Swedish fashion giant H&M took the initiative to ship goods from Mongla port through the Padma Bridge, aiming to reduce lead time, as reported by industry insiders and buyers eager to capitalise on the time and cost savings. According to Mongla port (traffic) officials, garment exporters based in Dhaka and its surrounding areas are now increasingly utilising Mongla port due to its proximity to Dhaka, which is only 170 kilometres away compared to 260 kilometres to Chattogram.

<https://www.tbsnews.net/supplement/rmg-exports-get-new-route-through-mongla-port-656382>

ADP execution to miss target

- The Annual Development Programme (ADP) execution is going to miss target this fiscal year (FY), 2022-23, as the government agencies implemented only 61.73% of the ADP till May, insiders said. The government ministries and agencies will have to implement the rest 38.27% within June to execute the total BDT 2.36 Tn ADP in the current fiscal.
- Meanwhile, the public agencies implemented only 11.40% of the ADP in May, the Implementation, Monitoring and Evaluation Division (IMED) data showed. The Ministry of Health is the worst performer among all the big budget-holding ministries and divisions.

<https://thefinancialexpress.com.bd/economy/bangladesh/adp-execution-to-miss-target>

4 more projects to be dropped from Indian LoC

- Four more proposed development projects are in the process of being dropped from the Indian Line of Credit (LoC) list due to complications over implementation and loan terms. India was supposed to lend USD 1.01 Bn to these projects. However, the USD 1 Bn loan meant for these projects will be transferred to other ongoing projects running under Indian credit and are facing cost increases. At present, 40 projects are running under Indian LoC and the number will come down to 36 if the four proposed projects are dropped. Six projects have been dropped from the LOC list in the last three years, including two projects dropped in May 2023.

<https://www.tbsnews.net/economy/4-more-projects-be-dropped-indian-loc-656966>

With heavy reliance on RMG, Bangladesh revises down export target to USD 70 Bn

- The Bangladesh government has revised down the export target to USD 70 Bn for the fiscal year 2023-24. Earlier in 2022, the Cabinet Committee on Economic Affairs had approved the draft of "Export Policy 2021-2024", setting the USD 80 Bn export target for FY2024.
- Of the total, USD 60 Bn is expected from goods and USD 10 Bn from the service sector. The target was revised down to the turbulent global economic situation, sources said. Garments will play a major role in goods export, comprising USD 50.5 Bn of the total target. Among other major sectors, home textiles is expected to contribute USD 1.23 Bn, jute and jute products USD 1.02 Bn, leather and leather goods USD 1.30 Bn and agriculture USD 0.96 Bn to meet the export target.

<https://www.tbsnews.net/economy/heavy-reliance-rmg-bangladesh-revises-down-export-target-70b-656882>

Govt rolls back fuel oil import duty decision over price hike concerns

- The parliament has passed the Finance Bill 2023 excluding the proposed BDT 13.75 per litre specific duty on the import of 11 types of fuel oils due to concerns over potential price increases at the consumer level. Furthermore, the existing 7.5% VAT on the collection of aluminum scrap has been withdrawn.
- On 1 June, the finance minister proposed a specific duty of BDT 13.75 per litre for 11 petroleum products, including kerosene, light diesel, motor spirit, and jet fuel. Presently, major fuel oils such as furnace oil, jet fuel, diesel, and octane attract a total of 34% government duties and taxes, consisting of a 10% duty, 15% VAT, 2% advance income tax, and 5% advance tax. By eliminating the advance tax, the overall tax ratio on fuel oil prices will decrease to 29%.

<https://www.tbsnews.net/economy/govt-rolls-back-fuel-oil-import-duty-decision-over-price-hike-concerns-656494>

SMEs suffer as economic woes linger

- The government's various benefits and incentives for small businesses are yet to pull away entrepreneurs from the pandemic-induced devastation as they are now confronted with fresh challenges, one worse than the other. The problem with the sale of manufactured goods has added to their existing woes of difficulty in getting loans and an increase in the price of raw materials due to the dollar crisis.

- According to the RJSC, the number of company liquidations in the country has increased each year since the pandemic broke out worldwide in 2020, with 317 facing liquidation in the first nine months of the current fiscal year 2022. -23. These were all small and medium enterprises and had a cumulative investment to the tune of BDT 173 Bn. The contribution of the industrial sector to the economy of Bangladesh is 37.07% while it is about 28% for the SME sector. The government has formulated the SME policy, aiming to increase the contribution of the SME sector to 32% by 2024.

<https://www.tbsnews.net/economy/smes-suffer-economic-woes-linger-657050>

Petrobangla seeks BDT 71.81 Bn loan to foot LNG import bills

- State-owned Petrobangla, the oil gas and mineral corporation of Bangladesh, has sought a loan of BDT 71.81 Bn from the finance ministry to meet the cost of liquefied natural gas (LNG) import until next September. The cash-strapped corporation wrote a letter in the last week of May, mentioning that its loss amounted to BDT 254.8 Bn from 2018 to May this year and it now needs the loan to foot LNG import bills. The amount was over BDT 80 Bn in just one year from May 2022 because of the surge in global LNG spot price.

<https://www.tbsnews.net/bangladesh/energy/petrobangla-seeks-tk7181cr-loan-foot-lng-import-bills-658534>

Important News: Capital Market

ISLAMIBANK | Hamzah elected Islami Bank's shariah panel chairman

- Obaid Ullah Hamzah, director general of Al-Jamia Al-Islamia Patiya Madrasa, has been elected as the chairman of the Shari'ah Supervisory Committee of Islami Bank Bangladesh. Hamzah is the chairman of the Shari'ah Supervisory Committee of Social Islami Bank and a member of the Shari'ah Supervisory Committee of First Security Islami Bank and NRBC Islami Bank.
- He is a member of the Centre for Zakat Management, and Al Haitul Ulya Lil Jamiatil Qawmia, a government-approved Supreme Council for Qawmi Madrasah, said a press release. He served as a teacher and interpreter under the ministry of defense and aviation of Saudi Arabia. He is the chief editor of the Balagh Ash-Sharq, an Arabic and English magazine published by Al-Jamia Al-Islamia Patiya, and At-Tawhid, a monthly magazine

<https://www.thedailystar.net/business/economy/banks/news/hamzah-elected-islami-banks-shariah-panel-chairman-3361891>

SOUTHEASTB | Southeast Bank announces 10% dividends

- Southeast Bank Ltd announced 10% dividends, including 6% cash dividend, for the year that ended on December 31, 2022. The dividends were approved by the shareholders at the bank's 28th annual general meeting held virtually yesterday, said a press release. The bank raked in an operating profit of BDT 10.43 Bn in 2022.
- The lender's total deposits amounted to BDT 371.14 Bn and its total assets reached BDT 493.09 Bn as on December 31, 2022. The earnings per share was BDT 1.42, and net asset value per share was BDT 24.87, while the price earnings ratio of the bank was 9.02 times in 2022.

<https://www.thedailystar.net/business/economy/banks/news/southeast-bank-announces-10-dividends-3361886>

CITYBANK | City Bank approves 12% dividends

- City Bank's profit after tax has increased to BDT 4.5 Bn in 2022 compared to the pre-Covid figure of BDT 2.50 Bn in 2019. It was revealed at the bank's 40th annual general meeting, which was virtually held yesterday, said a press release. The shareholders approved 10% cash and 2% stock dividends for the year that ended on December 31, 2022.

<https://www.thedailystar.net/business/economy/news/city-bank-approves-12-dividends-3361186>

LHBL | Holcim Group CFO joins LafargeHolcim Bangladesh as director

- Claudia Iris Albertini, Holcim Group's chief financial officer (CFO) for Asia, Middle East and Africa, has joined LafargeHolcim Bangladesh Limited as a director. She is also a member of the audit committee of the company, according to the company's Dhaka Stock Exchange (DSE) filing. LafargeHolcim Bangladesh has made a strong start to the year 2023, posting a net profit of BDT 1.90 Bn in the first three months – the highest in a particular quarter for the company.

<https://www.tbsnews.net/economy/stocks/holcim-group-cfo-joins-lafargeholcim-bangladesh-director-660738>

EXCHANGE | Clients of 15 brokers suffer as BSEC searches for remedy after DP licence suspension

- Latif Securities and its clients have been unable to make any share transactions since May 25 as the securities regulator suspended the broker's DP (depository participant) licence for fund shortage in its consolidated customer account (CCA). Without a DP licence, a brokerage firm cannot run its regular trading operation.
- Latif Securities is not alone in this. There are 14 other stock brokers whose clients have long been suffering for the suspension of DP licences of the brokers over various issues of non-compliance, including mismanagement and embezzlement of clients' money, according to the Central Depository Bangladesh Ltd. (CDBL). Of 15 stock brokers whose DP licenses remain suspended, 10 are the TREC (Trading Right Entitlement Certificate) holders of the Dhaka Stock Exchange (DSE) and the remaining five are the TREC holders of the Chittagong Stock Exchange (CSE).

<https://thefinancialexpress.com.bd/stock/bangladesh/clients-of-15-brokers-suffer-as-dse-searches-for-remedy-after-dp-licence-suspension>

BEXIMCO | Beximco can now convert Sukuk into shares without prior approval

- Beximco Limited is now able to convert its Sukuk bond into shares without prior approval from the Bangladesh Securities and Exchange Commission (BSEC). On Tuesday, the commission issued a notification exempting the company from the prior approval requirement. As the country's first private sector company, Beximco floated a BDT 30 Bn Sukuk in 2021 to finance its two solar power plants and its textile division's green expansion.

<https://www.tbsnews.net/economy/stocks/beximco-can-now-convert-sukuk-shares-without-prior-approval-660158>

EASTLAND | Karim becomes independent director of Eastland Ins

- Md Abdul Karim, former principal secretary to the prime minister, has recently been appointed as an independent director of Eastland Insurance Company. Karim has 43 years of experience in the field of administration, foreign service and in secretariat level highest positions in the regulatory and revenue-related ministries or divisions of the government as well as development and corporate sectors, said a press release.
- He is the executive director of UCEP Bangladesh, chairman of IPDC Finance Ltd, advisory board member of the Asian University for Women, Chattogram and secretary general of the Southeast Asian Cooperation Foundation, Dhaka. He previously served as a secretary to the ministry of home affairs, commerce, fisheries and livestock, finance (internal resources division) and communications (bridges division) before becoming the principal secretary.

<https://www.thedailystar.net/business/economy/news/karim-becomes-independent-director-eastland-ins-3361176>

PRIMEBANK | Prime Bank wins Asiamoney award

- Prime Bank Limited won the "Best Bank for Environmental, Social, and Governance in 2023" award by The Asiamoney, a UK-based financial and management publication. This accolade serves as a testament to the bank's strong focus on incorporating ESG considerations into its operations and decision-making processes, said a press release.

<https://www.thedailystar.net/business/economy/news/prime-bank-wins-asiamoney-award-3361166>

EXCHANGE | A dozen DSE sectors outperform other assets in Jan-Jun

- The DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), recorded a modest increase of 2.2% during the first half of 2023. Despite the sluggish broad picture of the market, 12 of the twenty stock market sectors generated double-digit annualised returns for their investors, according to Green Delta Dragon Asset Management Research.
- Analysts at the new generation asset manager, combining capital gains and cash dividends, said investors had more than a 5% return in a short period of six months throughout June this year. The double-digit annualised return widely beat fixed deposits at banks, bonds, and also the subsidised savings certificates. Life insurance led the gainers with a massive 23.2% return in six months, followed by travel and leisure, cement, food, and allied sectors, whose six-month returns were each more than 10%.

<https://www.tbsnews.net/economy/stocks/dozen-dse-sectors-outperform-other-assets-jan-jun-660150>

EXCHANGE | Sylhet Securities suspended, CSE steps in to pay back clients' funds

- The Chittagong Stock Exchange (CSE) has suspended the operation of Sylhet Securities Limited due to its failure to return clients' money. Additionally, the CSE has taken the initiative to assist investors in retrieving their funds. On Tuesday, the port city bourse published a notice in a daily newspaper asking investors to submit supporting documents for their payables within the next 15 days.

<https://www.tbsnews.net/economy/stocks/sylhet-securities-suspended-cse-steps-pay-back-clients-funds-660146>

EXCHANGE | Three more brokerage firms get FIX certification from DSE

- Three more stock brokerage firms – BRAC EPL Stock Brokerage, NBL Securities and Sheba Capital – have received FIX (financial information exchange) certification for installing their own order management system (OMS). The FIX certification was awarded on Tuesday at a ceremony held at the office of Dhaka Stock Exchange (DSE) situated at Nikunja of the capital Dhaka, says a press release.
- As part of the continuous process of adopting their own order management system, recently they have completed user acceptance testing successfully. FIX Certification is the previous step to launch the organization's own Order Management System (OMS). FIX Certification is a very important step to verify system compatibility of DSE's matching engine and broker-hosted order management system (OMS) to go OMS Go- Live.

<https://thefinancialexpress.com.bd/stock/bangladesh/three-more-brokerage-firms-get-fix-certification-from-dse>

EXIMBANK | Exim Bank moves to bring remittance from UK faster

- Export Import (Exim) Bank of Bangladesh Limited has secured permission from the central bank to extend an overdrawn facility equivalent to GBP 0.5 Mn to Exim Exchange Company (UK) Ltd. The exchange house, which opened more than a decade ago, is a fully-owned subsidiary of the private bank. The investment (overdrawn) facility will facilitate the execution of inward remittance on time, said the bank in a filing on the Dhaka Stock Exchange website yesterday.

<https://www.thedailystar.net/business/economy/news/exim-bank-moves-bring-remittance-uk-faster-3360361>

NAVANAPHAR | Navana Pharma ditches plans for new unit

- Navana Pharmaceuticals yesterday decided to use the proceeds from its initial public offering (IPO) to expand and modernise existing facilities rather than establish a new production unit, according to a posting on the Dhaka Stock Exchange (DSE) website. The newly listed drug company planned to construct a new general production building using BDT 232.4 Mn from its IPO proceeds worth BDT 750 Mn.
- However, Navana Pharma's board of directors instead recommended utilising BDT 131.2 Mn of the fund for modernising and expanding its small volume parenteral and ophthalmic (SVPO) facility. In addition, they suggested setting aside BDT 46.8 Mn for expanding the company's general liquid facility by adding a dispensing area. Navana Pharma will use another BDT 54.4 Mn of the IPO proceeds for modernising and expanding its animal health facility. Other than establishing a new general production unit, Navana Pharma had planned to spend BDT 97 Mn for constructing a new utility and engineering building, according to the IPO prospectus. Additionally, BDT 178 Mn was lined up for refurbishing the company's cephalosporin unit and BDT 211 Mn for repaying loans.

<https://www.thedailystar.net/business/economy/news/navana-pharma-ditches-plans-new-unit-3360381>

UCB | Faruk made DMD of UCB

- United Commercial Bank (UCB) has recently promoted a senior executive vice-president to the post of deputy managing director (DMD). The promotee, Faruk Ahammad, joined the bank as a chief financial officer in 2019. He previously worked for Prime Bank as a chief internal auditor, City Bank as a chief financial officer and Brac Bank as a company secretary. He was a director of finance at Edotco Bangladesh Company Limited, a subsidiary of Axiata Group Malaysia, managing director and CEO of Apex Investments Limited, and group chief operating officer of Saad Musa Group of Industries.

<https://www.thedailystar.net/business/economy/news/faruk-made-dmd-ucb-3360341>

MIDLANDBNK | Midland Bank to issue zero-coupon bonds to boost asset portfolio

- Midland Bank has decided to issue redeemable zero-coupon bonds to raise BDT 5.06 Bn to boost the lender's asset portfolio. The decision was first taken at a board meeting in November 2021, according to a filing on the Dhaka Stock Exchange. The terms and timeline, and the coupon rate were set in subsequent board meetings considering the prevailing rate of the instruments of the financial market.

- A zero-coupon bond is a debt instrument that does not make interim interest payments. It instead trades at a deep discount, rendering profit at maturity when the bond is redeemed for its full face value. The bonds will be issued to high net worth individuals, general insurance companies, life insurance companies, asset management companies, corporate entities, trusts etc., said the bank. The tenure of the bonds will be 5 years with a discount of 6.50% to 7.75% per year (proposed). The discounted value will be BDT 4.29 Bn – BDT 4.40 Bn depending on the discount rate at which the bonds will be subscribed.

<https://thefinancialexpress.com.bd/stock/bangladesh/midland-bank-to-issue-zero-coupon-bonds-to-boost-asset-portfolio>

PROGRESLIF | Progressive Life Insurance comes under scrutiny for alleged misconducts

- The securities regulator has formed an inquiry committee to dig out illegal activities, if any, conducted by the chairman of Progressive Life Insurance Company. A three-member committee formed on June 22 by the Bangladesh Securities and Exchange Commission (BSEC) will submit a report within 60 days from the date of the issuance of the order. The move came after some ex-sponsor directors and shareholders of the Progressive Life Insurance Company submitted a complaint letter. The role of independent directors will come under scrutiny during the investigation.

<https://thefinancialexpress.com.bd/stock/bangladesh/progressive-life-insurance-comes-under-scrutiny-for-alleged-misconducts>

PRAGATILIF | Pragati Life fund rises 2% in Jan-Mar

- Pragati Life Insurance Ltd posted a 2% year-on-year life fund growth in the first quarter (January to March) in the calendar year 2023. From January to March, its life insurance fund stood at BDT 6.21 Bn, which was BDT 6.09 Bn in the same period of 2022. Earlier, the board of directors of Pragati Life Insurance Ltd recommended a 12% cash dividend for the year that ended on 31 December 2022. The share price of the company decreased by 2.73% and stood at BDT 128.50 on the Dhaka Stock Exchange till 12.42pm on Sunday (2 July).

<https://www.tbsnews.net/economy/stocks/pragati-life-fund-rises-2-jan-mar-658698>

GPHISPAT | GPH Ispat revaluates its fixed asset

- GPH Ispat Limited — a listed steel manufacturer — has revaluated its fixed asset which has become double approximately. According to the disclosure, the company posted its evaluated net asset value per share was BDT 52.36, which was BDT 26.77 at the end of March 2023. Its total evaluated fixed asset was BDT 32.2 Bn, which was BDT 17.36 Bn as of March 2023.

- From January to March of the fiscal year 2023, its earnings per share was BDT 1.16, which was BDT 1.34 in the same period of the previous year. Its share price stood at BDT 44.80 on the Dhaka stock exchange on Sunday.

<https://www.tbsnews.net/economy/stocks/gph-ispat-revaluates-its-fixed-asset-658718>

EASTLAND | Eastland Ins gets new independent director

- Hedayetullah Al Mamoon, former senior secretary, was recently appointed as an independent director of Eastland Insurance Company Limited. Mamoon has 34 years of experience of government services in various higher positions, including over eight years as a senior secretary and secretary to the government. He was promoted to the rank of secretary in April 2009 and subsequently to the rank of senior secretary in 2014, continuing in the position until October 4, 2017.

<https://www.thedailystar.net/business/economy/news/eastland-ins-gets-new-independent-director-3359486>

STANDBANKL | Delwer becomes independent director of Standard Bank

- AKM Delwer Hussain has been appointed as an independent director of Standard Bank Limited. Hussain was the president of the South Asian Federation of Accountants, the Institute of Cost and Management Accountants of Bangladesh (ICMAB), director of Rupali Bank Limited, chairman of the Bangladesh Sugar and Food Industries Corporation, said a press release.

<https://www.thedailystar.net/business/economy/news/delwer-becomes-independent-director-standard-bank-3359476>

JUTESPINN | Jute Spinners under BSEC scanner

- The Bangladesh Securities and Exchange Commission (BSEC) will review the unusual price hike of Jute Spinners Limited, along with the latest operational status of the company. Recently, the commission has formed an inquiry team in this regard. The committee will visit the factory also which is situated at BSCIC Industrial Estate, Shiromoni, Khulna.
- On 18 March this year, the share price of the company stood at BDT 214.4. but one later, on 25 May its share price stood at BDT 445.9 unusually. Within a month its share price rose by 108% without any reason. Now, the last closing price of the company stood at BDT 417.10 on Sunday.

<https://www.tbsnews.net/economy/stocks/jute-spinners-under-bsec-scanner-658962>

EXCHANGE | 18 more stocks at risk of plunging into Z category

- Eighteen more companies listed on the Dhaka Stock Exchange (DSE) are at risk of being downgraded to the Z category due to their failure to declare dividends for at least two years and hold annual general meetings (AGMs) within the stipulated time.
- Among the other 18 non-complaint companies, Ring Shine Textiles, New Line Clothings, Kattali Textile, CVO Petrochemical Refinery, and Renwick Jaineswar & Co. (BD) Ltd are still classified in the A category. Miracle Industries, Delta Spinners, Yeakin Polymer, Regent Textile Mills, Intech Limited, Keya Cosmetics, Atlas Bangladesh, Aziz Pipes, Central Pharmaceuticals, Khulna Printing & Packaging, Libra Infusions, Zaheen Spinning, and Zahintex Industries are classified in the B category.

<https://www.tbsnews.net/economy/stocks/18-more-stocks-risk-plunging-z-category-658626>

EXCHANGE | Sinha Securities business license renewed for six months

- The securities regulator has renewed the brokerage and dealer registration license of Sinha Securities for six months on condition to clear all the deficits in its consolidated customer account (CCA) in six monthly installments. Due to a deficit of nearly BDT 100 Mn in its consolidated customer account (CCA), the Dhaka Stock Exchange (DSE) member firm had to remain out of business since this May as the Bangladesh Securities and Exchange Commission (BSEC) then did not renew its license that expired at the end of April.
- Giving a hand to Sinha Securities' clients, who were deprived of trading opportunities, the BSEC last week allowed the firm to fill the gap in installments for over six months and it had to deposit BDT 20 Mn initially.

<https://www.tbsnews.net/economy/stocks/sinha-securities-business-license-renewed-six-months-658974>

BRACBANK | IFC lends USD 50 Mn to Brac Bank for trade finance

- The International Finance Corporation (IFC) is providing a USD 50 Mn loan to Brac Bank in order to support small and medium-sized enterprises to emerge from the lingering effects of the Covid-19 pandemic. This investment will contribute to the preservation of jobs and bring foreign exchange liquidity into Brac Bank to help support the working capital and trade finance requirements of the bank's clients such as importers and exporters, according to a press release.
- The financing package is part of IFC's USD 8 Bn global Covid-19 fast-track financing facility to support companies during the ongoing public health crisis. Brac Bank is Bangladesh's third-largest private bank and the only SME-focused bank in the country.

<https://www.thedailystar.net/business/economy/news/ifc-lends-50m-brac-bank-trade-finance-3356536>

EBL | EBL to buy exchange house in Dubai to woo remitters

- Eastern Bank Ltd (EBL) has decided to purchase an exchange house in Dubai to attract more remittances sent by Bangladeshi migrants working in the emirate. The bank made the decision at a time when Bangladesh faces a shortage of foreign exchange reserves as total inflows from exports and remittances fall short of the requirement to clear external payments mainly import bills. Once launched, this would be EBL's first exchange house abroad.

<https://www.thedailystar.net/business/economy/news/ebd-buy-exchange-house-dubai-woo-remitters-3357416>

FUWANGCER | Fu-Wang Ceramic's profit doubles in Q3, warding off further business decline

- Fu-Wang Ceramic Industries' profit more than doubled year-on-year to BDT 17.81 Mn in January-March this year, driven by higher sales revenue and a sharp reduction in administrative expenses. The rise in profit took the EPS of the tiles manufacturer to BDT 0.13 for the third quarter of FY23 from BDT 0.06 for the same period a year earlier. The company managed to pass on some of the increased cost to consumers, resulting in comparatively higher profit in the quarter, the company secretary Md A Halim Thakur said. It owns and operates two industrial units for manufacturing of various types and sizes of floor tiles and glazed wall tiles.

<https://thefinancialexpress.com.bd/stock/bangladesh/fu-wang-ceramics-profit-doubles-in-q3-warding-off-further-business-decline>

PRAGATILIF | Pragati Life Insurance declares 12% cash dividend

- The board of directors of Pragati Life Insurance Ltd recommended a 12% cash dividend for the year that ended on 31 December 2022. The decision has come from the board of directors' meeting on Monday. In 2021, the life insurer recommended 11% cash and 6% stock dividends for the year. The record date to identify eligible shareholders who can join the AGM and avail dividends will be 20 July. As of 31 May 2023, the sponsors and directors jointly held 38.37% shares, institutions 34.34%, and the general public held 27.29% shares in the company.

<https://www.tbsnews.net/economy/stocks/pragati-life-insurance-declares-12-cash-dividend-657358>

DHAKABANK | Dhaka Bank to issue BDT 6 Bn subordinated bond

- Dhaka Bank Ltd has decided to issue a subordinated bond titled "Dhaka Bank 4th subordinated bond" to raise BDT 6 Bn for meeting its Tier-2 capital base. The decision came at the bank's 449th board of directors' meeting on Monday. The bank is yet to disclose the features of the bond, according to the bank's stock exchange filing.

- In the January to March quarter of 2023, the bank's consolidated net profit stood at BDT 602.2 Mn while its net interest income stood at BDT 1.10 Bn. During the period, its consolidated earnings per share stood at BDT 0.63 and net asset value per share at BDT 23.29. As of 31 May 2023, the sponsors and directors jointly held 42.65% shares, institutions 16.58%, and the general public held 40.77% shares in the bank.

<https://www.tbsnews.net/economy/stocks/dhaka-bank-issue-tk600cr-subordinated-bond-657354>

EASTLAND | Eastland Insurance approves 10% cash dividend

- In its 36th annual general meeting (AGM) on Sunday, Eastland Insurance Company Ltd announced the approval of a 10% cash dividend for the year 2022 as recommended by the board of directors. The virtual meeting, presided over by Chairman Mahbubur Rahman, saw the attendance of directors and a significant number of shareholders. Besides, the appointment of both the statutory auditor and corporate governance compliance auditor for the year 2023 was also endorsed.

<https://thefinancialexpress.com.bd/stock/bangladesh/eastland-insurance-approves-10pc-cash-dividend>

UCB | UCB gets BSEC nod to issue BDT 3 Bn bond

- The Bangladesh Securities and Exchange Commission (BSEC) has approved United Commercial Bank's proposal to issue UCB 2nd perpetual bond worth BDT 3 Bn. Out of BDT 3 Bn, the bank will issue BDT 2.7 Bn through private placement and BDT 300 Mn through public offering.
- The private sector lender would strengthen its Tier-1 capital base with the collected money. The coupon rate of the bond will be 6% to 10%. Prime Bank Investment Ltd will act as the Trustee of the bond while UCB Investment will be an Arranger. Also, Prime Finance Capital Management will act as the issue manager while Sonali Investment will be an underwriter of the bond. The bond will also enlist with the Alternative Trading Board (ATB) of the stock exchanges.

<https://www.tbsnews.net/economy/stocks/ucb-gets-bsec-nod-issue-tk300cr-bond-656706>

PRIMEBANK | Prime Bank gets approval to issue BDT 3 Bn subordinated bond

- The Bangladesh Securities and Exchange Commission (BSEC) has allowed Prime Bank Limited to issue subordinated bond worth BDT 3 Bn to meet its Tier-2 capital base. The bond will be a non-convertible, unsecured, fully redeemable, floating rate subordinated bond in which the range of coupon rates will be 6% to 10%.

- The private sector lender would strengthen its Tier-2 capital base with the collected money, according to the release. The bond will be issued among institutional investors and high-net-worth individuals through private placement at a face value of BDT 10 Mn per unit. The UCB Investment will act as the Trustee of the bond while Prime Bank Investment Ltd will be an Arranger. The bond will also enlist with the Alternative Trading Board (ATB) of the stock exchanges.

<https://www.tbsnews.net/economy/stocks/prime-bank-gets-approval-issue-tk300cr-subordinated-bond-656698>

UCB | United Commercial Bank holds 40th annual general meeting

- United Commercial Bank PLC (UCB) held its 40th Annual General Meeting on a virtual platform on Monday. Mrs Rukhmila Zaman, chairman of the bank, presided over the AGM. At the AGM, shareholders approved a 5% Stock dividend and a 5% dividend for the year ended December 31, 2022, according to a press release.

<https://thefinancialexpress.com.bd/stock/bangladesh/united-commercial-bank-plc-holds-40th-annual-general-meeting>

OLYMPIC | Aziz Mohammad Bhai's second generation enters Olympic board

- The second generation of businessman Aziz Mohammad Bhai has entered the board of Olympic Industries Limited, a leading biscuit manufacturer of the country, through the appointment of his son and nephew as directors. According to sources within the company, Asar Aziz M Bhai, son of Aziz Mohammad Bhai, has been nominated by Ambee Limited, which holds a 3.29% stake in Olympic Industries while Ahad Mohammad Bhai, son of Aziz's late brother Raja Mohammad Bhai, has been appointed as shareholder director. In the last three years, Olympic Industries has invested around BDT 1.55 Bn for product diversification and business expansion.

<https://www.tbsnews.net/economy/stocks/aziz-mohammad-bhais-second-generation-enters-olympic-board-657402>

SIMTEX | Independent directors allowed to stay at Simtex board

- The chamber judge of the appellate division has allowed the independent directors, who were appointed at Simtex Industries board by the securities regulator, to continue at the company's board. The chamber judge, however, asked for a hearing at the bench of Justice Farah Mahbub. The publicly listed manufacturer of sewing thread had been in an internal conflict among directors over the control of the company. And, the conflicting groups had been complaining against each other.

<https://www.tbsnews.net/economy/stocks/independent-directors-allowed-stay-simtex-board-657350>

SHAHJABANK | Why Shahjalal Islami Bank's former chairman sold half stake

- Shahjalal Islami Bank's former Chairman Akkas Uddin Mollah sold 21.7 Mn shares of the bank, almost half of his stake, on Monday through the block market of the Chittagong Stock Exchange (CSE). Analysts, however, believe the entrepreneur paved the way for two board seats, instead of one, for his family through splitting the shareholding.
- Following the transfer, both his company and himself have had the qualifying stake for a board seat as the securities regulator made it mandatory for a shareholder or nominated director to hold at least 2% of the company shares. On Monday, Shahjalal Islami Bank's shares closed at the floor price of BDT 18.3 each at the Dhaka Stock Exchange.

<https://www.tbsnews.net/economy/stocks/why-shahjalal-islami-banks-former-chairman-sold-half-stake-657406>

NTC | Can National Tea now open subscriptions for placement shares?

- National Tea Company shareholders are in a confusion whether the ongoing legal complexities will allow them to subscribe to the fresh shares on time or if the uncertainties will persist. The chamber judge at the Appellate Division of the Supreme Court on Monday stayed a High Court order that had halted the company's fresh share issuance.
- At BDT 119.53 per new share, the government and its entities were offered to buy 4.43 fresh shares against each existing share, while non-government sponsor-directors were offered to buy 3.21 shares against each share and the least 2.85 shares against one were offered to the general public. The special arrangement was approved eyeing 51% government shareholding at the company and the BSEC used its special power to supersede other laws for that. National Tea placement shares subscription was set to open on 10 July and end on 10 September.

<https://www.tbsnews.net/economy/stocks/can-national-tea-now-open-subscriptions-placement-shares-656870>

KPPL | Khulna Printing unresponsive to DSE query

- Khulna Printing and Packaging Limited did not respond to the Dhaka Stock Exchange's (DSE) query letter regarding recent unusual share price hike of the company. The DSE informed the investors about the company's activities on Monday through its website.

- Earlier, on 21 October 2021, the court ordered a freeze on bank accounts belonging to Khulna Printing's Chairman SM Amzad Hossain and all his companies, due to a money laundering case filed by the Anti-Corruption Commission (ACC). The company's factory has been shut down since then and SM Amzad Hossain has fled abroad.

<https://www.tbsnews.net/economy/stocks/khulna-printing-unresponsive-dse-query-656506>

AL-HAJTEX | DSE asked to explain flawed filing of Alhaj Textile disclosure

- The securities regulator has asked the Dhaka Stock Exchange (DSE) to explain its role in disseminating a 22 June disclosure by Alhaj Textile Mills about its appointment of independent directors and board chairman, which was later found to have been full of flaws.
- On 22 June, Alhaj Textile informed shareholders through the DSE server news update that it appointed three professional individuals as its new independent directors and one of them was made chairman. According to BSEC officials, appointment of independent directors needed the regulator's prior approval and the company did not do it, while there had been several litigations over the control of the company's board.

<https://www.tbsnews.net/economy/stocks/dse-asked-explain-flawed-filing-alhaj-textile-disclosure-656862>

EXCHANGE | Enquiry team formed to look into DSE Investor Protection Fund

- The Bangladesh Securities and Exchange Commission (BSEC) on Monday formed an enquiry committee to look into the Dhaka Stock Exchange (DSE) Investor Protection Fund. The committee consisting of five BSEC officials, including one from the Central Depository Bangladesh Ltd (CDBL), will report within 60 days after checking if the money supposed to have been in the protection fund was deposited and protected there.
- The committee will also report on if the entire money was not deposited to the investor protection fund, why it happened and who was responsible for that. At present, DSE Investors Protection Fund has BDT 190-200 Mn in assets and the fund is governed by a trustee board which includes a DSE director.

<https://www.tbsnews.net/economy/stocks/enquiry-team-formed-look-dse-investor-protection-fund-656866>

IMPORTANT DISCLOSURES

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