

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.73%) lost 116.60 points and closed the week at 6,641.23 points. The blue-chip index DS30 (-0.91%) lost 22.41 points and stood at 2,451.59 points. The Shariah-based index DSES (-0.99%) lost 14.51 points and stood at 1,453.60 points. The large cap index CDSET (-0.75%) lost 10.08 points and closed at 1,328.18 points. DSEX, DS30, DSES and CDSET showed YTD returns of -1.71%, -3.20%, +1.57%, -2.28%, respectively.

Total Turnover During the Week (DSE): BDT 30.4 billion (USD 353 million)

Average Daily Turnover Value (ADTV): BDT 6.1 billion ($\Delta\%$ Week: -35.1%)

Market P/E: 16.3x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a positive note (+0.21%) on Sunday but market ended in negative for the next 4 days. It became negative (-0.78%) on Monday and (-0.37%) on Tuesday, (-0.48%) on Wednesday and finally, stayed negative (-0.32%) on Thursday.

Sectoral Performance

- All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -6.59% followed by Bank (-3.33%), Life Insurance (-2.69%), Mutual Fund (-1.22%), and NBF1 (-1.10%).

- Most of the non-financial sectors registered negative performance this week. Fuel & Power experienced the highest loss of 2.10% followed by Telecommunication (-1.72%), Food & Allied (-1.58%), Pharmaceutical (-0.41%), and Engineering (+0.74%).

Macroeconomic arena

- ADB forecasts 6.9pc GDP growth for FY 2021-22. ECNEC approves 12 projects worth BDT 120.17 billion. China-owned Xihe Textile to invest USD 12.89 million in Mongla EPZ. Iran wants to sign PTA with BD. FY23 budget: Need for expansion, but govt opts for contraction. March exports hit record \$4.76b. Bangladesh growth may shrink, inflation intensify. Bangladesh's forex reserves cross USD 44b again. Remittance drops by USD 3.3b in July-March. Make new budget capable of tackling global shocks: experts. Apparel exporters on a tightrope ride. Borrowing money to get easier. BB pumps USD 4.0b to tame forex market. BB prepares for issuing digital bank licence. Non-fund income boosts banks' profit, dividend. Large foreign banks see profits plunge.

- Lone state-owned drugmaker gets BDT 19.05 Bn revamp. NSC sales drop by 49.88pc in July-February. Govt to implement BDT 22.7 Bn project to increase capacity of DESCO. Dollar bonds now open for unlimited investment. Forex crisis spills over into call money market. Rice output in Aus season drops. NBR basks in commodity price rises. New patents bill passed. DBL to invest in Vietnam to make sewing thread. Korean co seeks to form JV in BD. Bangladesh has high prevalence of mobile money account use: Survey. Ceramic exports to face tough tariffs: study.

Stock Market arena

- Walton expands global footprint. NBR's revenue from DSE rises by 9pc in March. Meghna Insurance subscription opens on 11 May. Banglalink weighs stake selloff. BSEC worried about GP investors. Two Meghna Group cos under BSEC scanner. BSEC cancels SS Steel's stock dividend. Achia Sea Foods to raise BDT 150m through QIO.

- Listed NBFIs, insurers asked to submit data monthly. BSEC to appoint a special auditor for Khulna Printing. BIFC to meet shareholders after four years. DSE woos Partex Group to go public. BSEC relaxes rule allowing Sonali Paper to issue rights share. Nagad gets extension for fifth time.

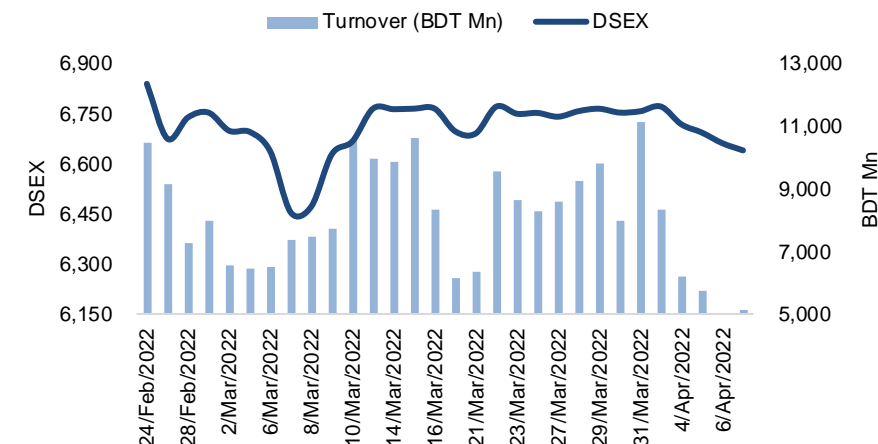
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,641.23	6,757.84	-116.60	6,756.66	-1.73%	-1.71%
DS30	2,451.59	2,474.01	-22.41	2,532.58	-0.91%	-3.20%
DSES	1,453.60	1,468.11	-14.51	1,431.12	-0.99%	+1.57%
CDSET	1,328.18	1,338.26	-10.08	1,359.13	-0.75%	-2.28%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,325,397	5,394,155	-1.3%
	Mn USD	61,923	62,723	
Turnover	Mn BDT	30,393	46,833	-35.1%
	Mn USD	353	545	
Average Daily Turnover	Mn BDT	6,079	9,367	-35.1%
	Mn USD	71	109	
Volume	Mn Shares	764	968	-21.1%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
JHRML	35.3	22.0	+60.5%	4,423	0.1	73.5x	1.2x
IMAMBUTTON	41.6	34.4	+20.9%	320	23.1	NM	8.6x
CAPMBDBLMF	11.1	10.1	+9.9%	556	46.6	NM	1.3x
MHSML	38.8	36.0	+7.8%	3,919	395.1	20.7x	2.0x
BEACONPHAR	268.3	250.1	+7.3%	61,977	297.1	52.9x	11.1x
RANFOUNDRY	209.9	198.4	+5.8%	2,099	191.1	56.7x	7.2x
NAHEEACP	74.2	70.4	+5.4%	5,072	606.2	33.0x	4.2x
LHBL	78.9	75.0	+5.2%	91,632	1,373.9	23.6x	4.6x
KTL	38.7	36.8	+5.2%	4,501	232.4	65.5x	2.2x
SEAPEARL	49.0	46.8	+4.7%	5,917	302.8	67.3x	4.4x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
UTTARABANK	24.9	28.7	-13.2%	14,061	179.7	6.3x	0.8x
FORTUNE	129.3	142.8	-9.5%	21,016	402.9	44.3x	8.5x
BNICL	93.4	103.1	-9.4%	4,133	8.1	32.3x	4.3x
PROVATIINS	106.8	117.8	-9.3%	3,712	497.3	24.6x	5.1x
GENEXIL	112.6	124.1	-9.3%	12,785	530.2	29.5x	5.6x
EASTRNLUB	1,872.1	2,062.2	-9.2%	1,861	54.0	37.8x	6.8x
PAPERPROC	265.0	291.9	-9.2%	2,769	160.6	NM	9.1x
CONTININS	39.0	42.9	-9.1%	1,623	17.7	25.2x	1.9x
BDCOM	37.3	41.0	-9.0%	2,129	217.8	26.8x	2.5x
BRACBANK	45.3	49.7	-8.9%	63,065	75.5	11.5x	1.1x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	148.8	153.1	-2.8%	130,396	1,974.4	10.4x	1.8x
IPDC	42.8	41.3	+3.6%	15,883	1,565.6	18.1x	2.5x
LHBL	78.9	75.0	+5.2%	91,632	1,373.9	23.6x	4.6x
VFSTDL	25.5	24.7	+3.2%	2,692	778.0	16.7x	1.4x
GSPFINANCE	28.5	28.1	+1.4%	4,476	768.3	17.5x	1.5x
NAHEEACP	74.2	70.4	+5.4%	5,072	606.2	33.0x	4.2x
GENEXIL	112.6	124.1	-9.3%	12,785	530.2	29.5x	5.6x
PROVATIINS	106.8	117.8	-9.3%	3,712	497.3	24.6x	5.1x
YPL	23.1	24.5	-5.7%	1,702	490.1	46.2x	2.0x
SONALIPAPR	804.4	876.4	-8.2%	17,667	472.3	71.2x	3.3x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
ADNTEL	67.0	+27.9%	4,332	25.8x	2.6x
SQUARETEXT	62.1	+19.0%	12,249	8.5x	1.5x
UNIQUEHRL	58.5	+16.5%	17,222	NM	0.7x
LHBL	78.9	+11.0%	91,632	23.6x	4.6x
IPDC	42.8	+10.9%	15,883	18.1x	2.5x
TITASGAS	40.0	+10.2%	39,569	11.6x	0.6x
CROWNCEMNT	68.3	+9.8%	10,143	15.1x	1.3x
BSRMSTEEL	77.5	+9.0%	29,136	7.6x	1.2x
SHAIL	17.8	+7.9%	3,842	NM	1.3x
SHASHADNIM	26.3	+7.3%	3,709	17.7x	0.6x

*BDT
**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,496.2	1,547.7	1,589.69	-3.33%	-5.88%
NBFI	2,008.6	2,031.0	2,327.63	-1.10%	-13.71%
Mutual Fund	893.6	904.6	882.99	-1.22%	+1.21%
General Insurance	3,820.6	4,090.1	4,698.62	-6.59%	-18.69%
Life Insurance	2,562.5	2,633.4	2,687.55	-2.69%	-4.65%
Telecommunication	5,460.8	5,556.5	5,800.37	-1.72%	-5.85%
Pharmaceutical	3,873.1	3,888.9	3,866.63	-0.41%	+0.17%
Fuel & Power	1,807.8	1,846.6	1,792.97	-2.10%	+0.83%
Cement	2,758.1	2,674.6	2,534.76	+3.12%	+8.81%
Services & Real Estate	1,436.8	1,467.0	1,309.43	-2.05%	+9.73%
Engineering	4,776.2	4,741.3	4,727.46	+0.74%	+1.03%
Food & Allied	23,241.9	23,615.1	25,222.81	-1.58%	-7.85%
IT	3,090.3	3,250.6	3,274.61	-4.93%	-5.63%
Textile	1,589.9	1,630.6	1,470.60	-2.50%	+8.11%
Paper & Printing	9,414.9	10,111.0	9,680.03	-6.88%	-2.74%
Tannery	3,787.2	4,004.2	3,236.76	-5.42%	+17.01%
Jute	8,720.4	9,129.3	8,747.84	-4.48%	-0.31%
Ceramics	658.2	683.0	675.88	-3.63%	-2.61%
Miscellaneous	4,552.1	4,628.8	4,625.39	-1.66%	-1.58%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	400.5	600.5	-33.29%	+7.12%	7.9x	0.8x
NBFI	671.9	318.0	+111.28%	+11.94%	NM	3.6x
Mutual Fund	78.9	105.8	-25.39%	+1.40%	NM	0.8x
General Insurance	273.0	553.6	-50.69%	+4.85%	17.9x	1.9x
Life Insurance	172.7	250.1	-30.95%	+3.07%	NM	NM
Telecommunication	60.9	55.2	+10.27%	+1.08%	16.9x	5.1x
Pharmaceutical	473.6	859.2	-44.87%	+8.42%	18.1x	2.7x
Fuel & Power	220.4	319.1	-30.91%	+3.92%	11.5x	1.2x
Cement	287.1	231.1	+24.22%	+5.10%	20.4x	2.8x
Services & Real Estate	143.9	172.9	-16.77%	+2.56%	NM	1.1x
Engineering	709.1	878.0	-19.23%	+12.60%	18.9x	2.0x
Food & Allied	340.3	547.7	-37.86%	+6.05%	25.7x	8.9x
IT	298.0	856.6	-65.21%	+5.30%	31.3x	2.7x
Textile	691.9	789.4	-12.35%	+12.30%	29.2x	1.1x
Paper & Printing	158.6	587.8	-73.01%	+2.82%	NM	2.3x
Tannery	113.6	817.8	-86.10%	+2.02%	NM	4.0x
Jute	8.1	16.1	-49.65%	+0.14%	NM	23.8x
Ceramics	34.8	68.2	-48.99%	+0.62%	29.0x	1.9x
Miscellaneous	489.5	694.2	-29.48%	+8.70%	14.1x	2.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
BRACBANK	45.3	-18.1%	63,065	11.5x	1.1x
DUTCHBANGL	64.5	-17.4%	40,796	7.3x	1.1x
DBH	64.2	-16.7%	11,380	10.9x	1.6x
OLYMPIC	135.0	-15.9%	26,992	16.0x	3.0x
ACTIVEFINE	21.7	-15.2%	5,207	NM	1.0x
PIONEERINS	99.3	-15.1%	7,644	13.0x	2.0x
LANKABAFIN	31.7	-15.0%	17,081	12.2x	1.7x
IDLC	51.4	-14.8%	20,349	9.6x	1.2x
BXPBARMA	168.5	-12.6%	75,170	12.3x	1.9x
ENVOYTEX	43.7	-10.6%	7,330	27.8x	1.1x

Important News: Business & Economy

ADB forecasts 6.9pc GDP growth for FY 2021-22

- Bangladesh's GDP is expected to grow 6.9% in FY22 according to the Asian Development Bank (ADB). The growth forecast reflects a rebound in external trade and recovery in domestic economic activities fueled by the implementation of stimulus packages and increased remittance.
- Inflation is expected to increase to 6.0% in FY2022 from 5.6% in FY21 as price pressures are increasing from global food and fuel prices along with the implementation of stimulus measures. The current account deficit is also likely to widen from 0.9% of the GDP in FY21 to 2.7% in FY22 on the back of an increase in imports and a decline in remittance growth.
- The main risk to this growth projection is higher prices for oil and imports, and the loss of export sales beyond those built in the present forecasts, mainly due to the Russian invasion of Ukraine, the ADB said. ADB also said that private investment will get stronger, reflecting solid growth in private sector credit and imports of industrial raw materials and capital goods. With large available funding, public investment will increase to support the implementation of priority large infrastructure projects. Growth in private consumption, however, may be affected by a decline in remittances.

<https://thefinancialexpress.com.bd/economy/bangladesh/adb-forecasts-69pc-gdp-growth-for-fy-2021-22-1649223653>

Borrowing money to get easier

- A borrower will no longer need to depend on immovable properties to get a bank loan, with the government moving to ease the lending system by allowing moveable properties - such as savings certificates, fixed deposits, copyrights, or even agricultural production -- to be used as collateral under the Secured Transaction (Moveable Property) Act, 2022.
- Prof Md Main Uddin, chair of the banking and insurance department at Dhaka University, told that the act will increase credit flow in the market and reduce conflict between borrowers and lenders regarding collateral. However, banks need to increase their inspection to prevent loan forgery and defaults, he added. Executive Director of Policy Research Institute Ahsan H Mansur said that it will turn out to be a good move if insurance is added to mitigate risks.

<https://www.thedailystar.net/news/bangladesh/news/borrowing-money-get-easier-2999861>

ECNEC approves 12 projects worth BDT 120.17 billion

- The Executive Committee of the National Economic Council (ECNEC) approved a total of 12 projects involving an estimated cost of BDT 120.17 billion during its meeting on Tuesday. Out of the approved 12 projects, 10 are new, two are revised. The Planning Minister said of the total project cost, BDT 79.90 billion will come from the government, BDT 5.94 billion from the concerned organization's fund while the rest as project assistance.

<https://thefinancialexpress.com.bd/economy/bangladesh/ecnec-approves-12-projects-worth-tk-12017-billion-1649157089>

Lone state-owned drugmaker gets BDT 19.05 Bn revamp

- The government on Tuesday approved a project to relocate the state-owned Essential Drugs Company Limited (EDCL) from Dhaka to Manikganj. In addition, the 60-year-old dilapidated plant will be modernized as per the Current Good Manufacturing Practice (CGMP) guidelines. The Executive Committee of the National Economic Council (Ecneec) approved the project with an estimated expenditure of BDT 19.05 Bn. The revamp aims to achieve public sector self-sufficiency for medicine supply by reducing the dependency on the private sector. The construction of the new plant is set to be completed within the next five years.

<https://www.tbsnews.net/economy/ecnec-clears-12-projects-involving-tk12017-cr-397750>

NSC sales drop by 49.88pc in July-February

- The net sales of national savings certificates dropped by 49.88% year-on-year in 8MFY22, as the government tightened NSC sales rules to contain people's buying spree of the savings instruments. Net sales of NSCs dropped to BDT 146.89 Bn in 8MFY22 against BDT 293.11 Bn in 8MFY21.
- Economists said that the government took the policy measures to check high sales of national savings certificates. One good thing about the moves was that the lower net sales of NSCs would ultimately reduce the interest spending of the government, they said. Interest payments against NSCs constitute the lion's share of the government's total interest spending, they added.

<https://www.newagebd.net/article/167340/nsc-sales-drop-by-4988pc-in-july-february>

China-owned Xihe Textile to invest USD 12.89 million in Mongla EPZ

- China-owned company M/s Xihe Textile Technology Bangladesh Ltd is going to set up a garments manufacturing industry in Mongla EPZ with an investment of USD 12.89 Mn. An agreement to this effect was signed between Bangladesh Export Processing Zones Authority (BEPZA) and M/s Xihe Textile Technology Bangladesh Ltd. This fully foreign-owned company will produce annually 5 million pcs of woven garments and 2.3 million pieces of knit garments. The company has another RMG factory named M/s Garments Manufacture JINLITE Bangladesh in Mongla EPZ.

<https://www.tbsnews.net/economy/corporates/china-owned-xihe-textile-invest-1289-million-mongla-epz-397718>

Iran wants to sign PTA with BD

- Iran seeks to sign a Preferential Trade Agreement (PTA) with Bangladesh to boost bilateral trade, officials said. The Trade Promotion Organization (TPO) of Iran has also requested Bangladesh to exchange updated commodity/product list between the two countries for the PTA. In 2013, the volume of Iran-Bangladesh trade was less than USD 20 million. In recent years, the trade volume increased to more than USD 100 million.

<https://today.thefinancialexpress.com.bd/trade-market/iran-wants-to-sign-pta-with-bd-1649177242>

FY23 budget: Need for expansion, but govt opts for contraction

- For FY23, the finance ministry will formulate a budget to the tune of a little over BDT 6.83 trillion, which is 13% higher than this fiscal year's main budget and 15% higher than the revised outlay, according to the finance ministry's official document. The total revenue collection target for the next fiscal year may be set at BDT 4.38 trillion, which is 10% of GDP and 0.1 percentage points higher than the current fiscal year's target.
- Target for non-tax revenue collection can be raised from BDT 430.0 Bn to BDT 455.5 Bn in the new financial year, said Finance Division officials. In 8MFY22, the government's budget deficit stood at only BDT 46.41 Bn, which was almost three times lower than in 8MFY21. The finance ministry is estimating a deficit of BDT 2.45 Bn for the next fiscal year, which will be 5.5% of GDP. BDT 928.3 Bn will be collected from the banking sector, BDT 1.08 trillion from foreign sources and the rest from savings certificates.

- Dr Zahid Hussain, former lead economist at the World Bank's Dhaka office, told The Business Standard that the current budget is expansionary, but the implementation is contractionary. Even in the six months of the fiscal year, the government had some budget surplus instead of a deficit. If the lion's share of the budget allocation goes to health, education, social security, and necessary urban infrastructure, the deficit due to the expansion will not create any tension, the economist said.

- Economist Debapriya Bhattacharya said that the government does not have the capacity to implement an expansionary budget. He added that lack of efficiency in the public expenditure system is holding back a higher level of impactful public investments.

<https://www.tbsnews.net/economy/fy23-budget-need-expansion-govt-opts-contraction-398030>

BB pumps USD 4.0b to tame forex market

- The central bank has pumped over USD 4.13 Bn into Bangladesh's overheating foreign-exchange market in nearly eight months to check rise in the value of the US currency. Officials say the demand for the greenback has increased following the ongoing Russia-Ukraine war alongside economic rebound from the Covid-19 pandemic.
- A senior BB official also said higher prices of commodities, including fuel oils, on the international market also enhanced import-payment obligations in recent months. As part of the move, the central bank sold USD 91.0 Mn to banks, particularly state-owned commercial banks, in last two working days. Another BB official told the FE that BB may continue providing such foreign-currency liquidity support to the banks in line with the market requirement.
- The settlement of letters of credit (LC) rose by 52.01% to USD 52.60 Bn during 8MFY22 from USD 34.61 Bn in the same period of the previous fiscal. The opening of LCs grew by more than 49% to USD 59.46 Bn during the period under review from USD 39.87 Bn in the same period of FY21.

<https://today.thefinancialexpress.com.bd/first-page/bb-pumps-40b-to-tame-forex-market-1649180768>

BB prepares for issuing digital bank licence

- Bangladesh Bank (BB) has initiated a move to form regulatory guidelines on the operations of full-fledged digital banks in the country. Once the regulatory guidelines are finalised, the central bank would be ready to issue a licence to operate a digital bank. As per the concept, so far adopted by the BB, there would be no branch-based service of the digital banks. Instead, the banks will provide services, including lending and collection of deposits, online.

- BB high officials said that the desire of the government, as well as similar moves in peer countries, were the two major reasons behind the move. However, the deputy governor of BB told New Age that it does not mean that the BB would start issuing licences without a need assessment.
- The paid-up capital requirement for a digital bank would be BDT 5.0 Bn as required for a conventional bank. Besides, other capital-related requirements for digital banks would also be the same as conventional banks. BB said that it was working to create a way to enable the customers of a digital bank getting physical currency in case of any emergency.

<https://www.newagebd.net/article/167326/bb-prepares-for-issuing-digital-bank-licence>

Non-fund income boosts banks' profit, dividend

- Despite the slow growth in private sector investment amid the pandemic and less than expected loan recovery pace, most banks have posted growth in earnings per share (EPS) in 2021 riding on a record rise in the country's exports and imports. Based on this growth, most banks have paid more dividends to their shareholders in 2021 than in 2020.
- Of the 33 banks listed on the Dhaka Stock Exchange (DSE), 13 have released their audited annual accounts for last year. According to the disclosures, the EPS of 10 out of these 13 banks has increased. IFIC Bank saw the highest growth of 122%, followed by Prime Bank, Mercantile Bank and Premier Bank. On the other hand, the EPS of United Commercial Bank and Jamuna Bank decreased. ICB Islamic Bank has been in losses for a long time, although the losses in 2021 have decreased.
- M Reazul Karim, managing director of Premier Bank, told The Business Standard that in 2021, the bank has received more support from the apparel sector owing to record exports while imports have also increased. This has increased their non-funded income, he added. Due to the deferral facility of the Bangladesh Bank, the bank did not have to go through such complications with defaulted loans.

<https://www.tbsnews.net/economy/stocks/non-fund-income-boosts-banks-profit-dividend-397990>

Large foreign banks see profits plunge

- Large foreign banks operating in Bangladesh took a hit in 2021 as their profits plunged due to the impacts of the coronavirus pandemic and the lower interest rate regime. Collective profits for the nine banks fell more than 33% year-on-year to BDT 15.56 Bn in 2021 from BDT 23.36 Bn in 2020.

- Standard Chartered Bangladesh logged profits of BDT 7.58 Bn in 2021, down 44.5% year-on-year. HSBC Bangladesh's profits declined 30% to BDT 3.78 Bn. Profits of Citibank NA plummeted 66.95% to BDT 300 Mn, Woori Bank witnessed 21% lower profits to BDT 639 Mn, while Pakistan-based Habib Bank remained in the red. Sri Lanka's Commercial Bank of Ceylon, State Bank of India, Bank Alfalah of Pakistan, and the National Bank of Pakistan made higher profits in 2021.
- The interest income of Standard Chartered Bangladesh was down 26% to BDT 11.21 Bn, while income from investment fell 31% to BDT 3.38 Bn mainly due to the drop in the interest earnings from government securities. HSBC Bangladesh's net interest income dropped 8.24% to BDT 7.66 Bn, while its commissions, exchanges and brokerage charges increased 12% to BDT 4.61 Bn. The income from the opening of LCs stood at BDT 2.31 Bn, a rise of 27%.

<https://www.thedailystar.net/business/economy/news/large-foreign-banks-see-profits-plunge-2998946>

Govt to implement BDT 22.7 Bn project to increase capacity of DESCO

- The government has initiated a move to implement a BDT 22.7 Bn project to increase the power distribution capacity of Dhaka Electric Supply Company Limited in a bid to ensure sustainable and reliable power supply to its clients. DESCO under the power division will implement the project titled 'Dhaka Power System Expansion and Strengthening Project in DESCO Areas' by December 2025.
- The planning commission official informed that out of the total project cost of BDT 22.7 Bn, the government will provide BDT 4.4 Bn, the Asian Development Bank will provide BDT 12.31 Bn as loan while the rest would come from the concerned organisation's own fund. Under the project, about 200,000 new power connections would be provided in the project areas while reliable power supply would be ensured for the existing consumers.

<https://www.newagebd.net/article/167224/govt-to-implement-tk-2272cr-project-to-increase-capacity-of-desco>

March exports hit record \$4.76b

- Export receipts hit USD 4.76 billion in Mar'22, posting 55% growth year-on-year as buoyancy remained in shipments of major manufactured goods such as garments, home textiles and leather footwear despite the Russia-Ukraine war's effect on global trade. The previous record was of October 2021 when it reached USD 4.73 billion. With March, the total earnings from shipping goods abroad rose 33.4% year-on-year to USD 38.6 billion in 9MFY22.

- The Export Promotion Bureau (EPB) data showed that garment exports fetched USD 31.42 billion in 9MFY22, up 33% from that a year ago. Home textiles makers posted a growth of nearly 37% in export receipts year-on-year, while leather and leather product exports jumped 31% year-on-year.

<https://www.thedailystar.net/business/export/news/march-exports-hit-record-476b-2998216>

Dollar bonds now open for unlimited investment

- Two specialized savings schemes in US dollar are now open for unlimited investment as the government withdraws the cap to forestall any greenback shortage under import-payment pressures. However, officials say, the yields on the US Dollar Premium Bond and the US Dollar Investment Bond have been halved.
- For investment upto USD 100k, the rate of returns for three-year-term premium bond would be 4.5-5.0-5.5% for first, second and third year respectively, which was 6.5-7.0-7.5% previously. Rates of returns would be 4.0-4.5-5.0% for the dollar-denominated investment bond, which was 5.5-6.0-6.5% respectively. Rates of returns on investment of USD 0.5 Mn and above, yield rates would be 2.5-3.0-3.5% for the premium bond, and 2.0-2.5-3.0% for the investment bond for three consecutive years.

<https://thefinancialexpress.com.bd/trade/dollar-bonds-now-open-for-unlimited-investment-1649126253>

Bangladesh growth may shrink, inflation intensify

- Bangladesh Bank (BB) forecasts that the growth momentum is expected to be stronger in the rest of FY22, hinging upon growth-supportive fiscal and monetary measures, growing external and internal demand, improving Covid-19 situation, and rising business confidence. Fallout from the Russia-Ukraine war and global commodity-price spiral may stymie Bangladesh's economic growth and also fuel inflation by this fiscal year-end, the BB forewarns.
- In addition, the sharpening of global energy and non-energy commodity-price spikes caused by the Russia-Ukraine war may translate into domestic prices and create an unfavorable position in the balance of payments in the coming months, BB added.
- Mustafa K. Mujeri, executive director of the Institute for Inclusive Finance and Development (InM), told the FE that the ongoing upturn in the current-account deficit may continue in the coming months if the lower inflow of remittances and higher import expenses persist.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-growth-may-shrink-inflation-intensify-1649125699>

Bangladesh's forex reserves cross USD 44b again

- Bangladesh's forex reserves rose to USD 44.30 Bn again after slacking in the previous month, thanks to growing inward remittance. The forex reserve fell to USD 43.89 Bn on March 6, 2022, after paying import bills of USD 2.16 Bn to Asian Clearing Union (ACU). The export earnings and remittance inflows of USD 15.29 Bn in 9MFY22 pushed the foreign currency reserves to USD 44.30 Bn on Sunday in contrast to a month ago.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladeshs-forex-reserves-cross-44b-again-1649073190>

Forex crisis spills over into call money market

- The ongoing strain on Bangladesh's foreign exchange regime has created cash shortages in the banking sector, sending the interbank call money rate to a 19-month high. The weighted average rate in the interbank call money market stood at 4.65% in contrast to 3.52% a month ago, and 1.89% a year prior. The previous peak was recorded in August 2020 when the rate stood at 4.7%.
- The current forex crisis confronting the financial sector are mainly responsible for squeezing the supply of cash in the banking sector. The cash shortage may exacerbate further this month amid growing consumption in Ramadan and the upcoming spending spree centring Eid-ul-Fitr. In addition, credit demand is on the rise as the economy has been firing on all cylinders, helped by a sharp fall in coronavirus caseloads.

<https://www.thedailystar.net/business/economy/news/forex-crisis-spills-over-call-money-market-2998226>

Rice output in Aus season drops

- A significant fall in rice output in the Aus season has raised concerns over achieving targeted rice production in FY22. Aus production dropped to 3.0 million tonnes in FY22 amid a plunge after reaching a record 3.28 million tonnes in FY21. Rice was cultivated on 1.15 million hectares during the Aus season in FY22 which was 1.30 million hectares in FY '21. Aus contributed 9.0% to the overall production. According to the agriculture ministry, it had targeted 39.5 million tonnes of rice in FY22 - 3.6 million tonnes in Aus, 15 million tonnes in Aman, and 20.9 million tonnes in this ongoing Boro season.

<https://today.thefinancialexpress.com.bd/last-page/rice-output-in-aus-season-drops-1649096081>

NBR basks in commodity price rises

- Price rises on the international market proved a boon for government revenue receipt until February with import-tax collection registering a robust 23% percent growth. The National Board of Revenue (NBR) achieved an average 15.28% growth, year on year, in tax-revenue collection in 8MFY22.
- In 8MFY22, the NBR collected 53% of its target for FY22. During the period, the NBR collected BDT 1.76 trillion in tax revenue against BDT 1.53 trillion in the corresponding period of last fiscal. Its customs wing collected BDT 567.76 billion in tax revenue followed by VAT BDT 663 billion and income tax BDT 533 billion.
- Dr Ahsan H Mansur, Executive Director of the Policy Research Institute (PRI), however, says the revenue-collection growth is not satisfactory considering higher commodity imports that grew by 54%. He added that given the existing tax revenue-collection trend, the tax-revenue collection might reach BDT 2.80 trillion by end of the FY.

<https://today.thefinancialexpress.com.bd/first-page/nbr-basks-in-commodity-price-rises-1649010491>

New patents bill passed

- The parliament enacted Bangladesh Patents Bill 2022, aiming to make a century-old patents law more time-befitting and safeguard intellectual property rights. The law, among others, extends the validity period of patents from 16 years to 20 years. Analysts say this would attract foreign investment as it protects intellectual property and works as a safeguard in stopping generic versions of new products or innovations from coming up, according to experts.
- The bill states that any technological product would be patentable if it has something new in it. However, inventions, scientific theories and mathematical methods, business methods, rules or methods of performing purely mental work or sports and any such computer programme would not be patent protected. In addition to the need to prevent commercial use within the borders of Bangladesh in order to protect public order and ethics, a number of other issues have been left out of patent protection, including innovation.
- Mohammad Golam Sarwar, assistant professor of the Department of Law, University of Dhaka, said it would ensure the right balance between pharmaceutical innovation and access to medicine following the introduction of any pharmaceutical products.

<https://www.thedailystar.net/business/economy/news/new-patents-bill-passed-2997386>

DBL to invest in Vietnam to make sewing thread

- DBL Group, one of the leading garment exporters, is going to invest in Vietnam to produce thread as many international clothing retailers and brands have nominated the group's product to stitch clothes. The group has a plan to start running the Vietnam unit within the next two-three years. Currently, DBL produces 10 tonnes of sewing thread per day of which 80% is sold to other garment manufacturers and the rest used by the group's own garment factories.

<https://www.thedailystar.net/business/organisation-news/news/dbl-invest-vietnam-make-sewing-thread-2997391>

Remittance drops by USD 3.3b in July-March

- Remittance inflow dropped by 17.74% year-on-year in 9MFY22 even after the announcement of a higher cash incentive in January by the government to encourage the expatriates to send more money to the country. In 9MFY22, remittance inflow slides to USD 15.3 billion from USD 18.6 billion in the same period of FY21. In Mar'22, the expatriates sent USD 1.86 billion to the country, lower than USD 1.91 billion inflow in the same month last year.

<https://www.newagebd.net/article/167143/remittance-drops-by-33b-in-july-march>

Make new budget capable of tackling global shocks: experts

- Bangladesh may face internal and external shocks if in the upcoming budget it does not consider issues related to the Russia-Ukraine war, recovery of economies from Covid-19 pandemic and the latest collapse of the Lankan economy, experts said today.
- They have pointed that the balance of payment (BoP) was more than USD 10 billion in the last 10 months, when the import surged to meet the growing demand. At the end of the fiscal year, the BoP will hit USD 20 billion whereas historically it hovered between USD 7-8 billion.
- Ahsan H Mansur, executive director of the Policy Research Institute, said that considering the current global scenario, the BoP at USD 20 billion is unusual at this moment. Considering the current global context, the government should take a proactive and pre-emptive decision in the upcoming budget so that the externalities can be offset by taking wise decisions, he said.

<https://www.thedailystar.net/business/news/make-new-budget-capable-tackling-global-shocks-experts-2996291>

Korean co seeks to form JV in BD

- A Korean company, Ace Pharmaceutical, wants to establish a joint venture company in Bangladesh to produce toiletries and cosmetics items including perfumes and hand sanitizers. It also wants to export its 'cosmetics and hand sanitizers' to Bangladesh.
- Currently, the annual domestic market of cosmetics and toiletries items is around BDT 110 billion. The local producers are undergoing hard times due to huge challenges including huge amounts of imported products, sector insiders said.

<https://today.thefinancialexpress.com.bd/trade-market/korean-co-seeks-to-form-jv-in-bd-1648917358>

Bangladesh has high prevalence of mobile money account use: Survey

- According to a recent survey report published by the GSM Association, 30% of Bangladeshi adults aged 15 and above used mobile money accounts for saving, 15% to pay insurance premiums and 14% to get a loan in 2021. When compared with pre-pandemic times, 32% adults more frequently used mobile money accounts for savings and 22% with no change in frequency. When it comes to getting a loan, it was 35% more frequent than what was before Covid-19, while the use of mobile money accounts was 38% more in paying insurance premiums.
- According to GSMA's Mobile Money Prevalence Index (MMPI), Bangladesh's overall score was between 0.60 and 0.79 for prevalence of mobile money which was categorized 'High'. On this scale, South Asian country India scored less than 0.19 which was categorized 'very low' with Egypt and Pakistan in the medium category, scoring between 0.40 and 0.59.

<https://www.tbsnews.net/economy/bangladesh-has-high-prevalence-mobile-money-account-use-survey-395642>

Apparel exporters on a tightrope ride

- With surging production costs not matching the prices offered by global buyers, Bangladeshi apparel exporters are walking a tightrope amid uncertainty over survival in the long run by overcoming these challenging times. RMG exporters are already grappling with gradual hikes in raw material prices, sky-high freight charges, increase in domestic utility tariffs, and COVID situation in China. As a result, pouring export orders are not ensuring their business viability, industry people say.

- Apparel Industry leaders have told The Business Standard that many readymade garment exporters in the country are now struggling to break-even. Local value addition in the country's RMG industry has dropped to its lowest level in the wake of the upsurge in production costs, they said. Economists, however, have observed that some European countries and the US are grappling with high inflation rates not seen for the last 40 years which might adversely impact the global economy as well as apparel exports growth.

<https://www.tbsnews.net/economy/rmg/apparel-exporters-tightrope-ride-396046>

Ceramic exports to face tough tariffs: study

- Exporters of locally made ceramics will have to endure tough competition after Bangladesh graduates from the least developed country (LDC) status in 2026 as such products will face 12.7% tariff on average when entering international markets, according to a recent study. Bangladesh's ceramic products currently enjoy 10% incentives on export.
- Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD), said Bangladesh would face competition from countries like India and Vietnam, which have already signed free trade agreements (FTA) with the EU and UK.

<https://www.thedailystar.net/business/economy/news/ceramic-exports-face-tough-tariffs-study-2996491>

Important News: Capital Market

Walton expands global footprint

- Walton Hi-Tech Industries PLC has won the bid to acquire three European brands and the trademark and branding rights in 57 countries. With this, the local electronics giant will become the first Bangladeshi company to buy any European brand. The three brands are ACC, Zanussi Elettromeccanica (ZEM) and Verdichter (VOE). Walton will use ACC and two other brands from next week to market ACs, freezers, washing machines and other appliances in all 57 countries.
- Walton will also get research and development as well as intellectual property rights for winning the contract from Italia Wanbao-ACC of Italy. It will buy a fully automated inverter and non-inverter compatible compressor line with a capacity of 3.2 Mn units per year, taking its manufacturing capacity to 4.8 Mn units.
- Currently, exports account for nearly 20 per cent of the total turnover of Walton. The local home appliance giant currently exports products such as televisions, freezers, air conditioners, compressors and compressor parts to 45 countries in Asia, Europe, the Middle East, Africa, and America.

<https://www.thedailystar.net/business/organisation-news/news/walton-expands-global-footprint-2999901>

NBR's revenue from DSE rises by 9pc in March

- The government's revenue earnings from the Dhaka Stock Exchange increased by 9 per cent in March compared with that in Feb'22. In Mar'22, the National Board of Revenue received BDT 245.1 Mn in tax against BDT 224.8 Mn in Feb'22 from the bourse. In March, the amount of tax receipts from the trading right entitlement certificate holders' commission fell by 15.92% to BDT 185.7 Mn against BDT 220.8 Mn in the previous month.
- Of the total revenue earnings in 9MFY22, BDT 2.74 Bn came from the tax on brokerage commission, while BDT 542.7 Mn came from the tax on share sales by sponsor-directors and placement holders. In the same period of FY21, BDT 1.66 Bn came from the tax on brokerage commission and BDT 615.9 Mn from the tax on share sales by sponsor-directors and placement holders.

<https://www.newagebd.net/article/167420/nbrs-revenue-from-dse-rises-by-9pc-in-march>

Meghna Insurance subscription opens on 11 May

- The subscription of the initial public offering (IPO) of Meghna Insurance Company Ltd will open on 11 May and continue till 18 May. It will invest BDT 24.0 Mn in government treasury bonds, BDT 32.0 Mn in listed securities, and BDT 95.2 Mn in fixed deposit receipts (FDRs). Asian Tiger Capital Partners Investments, Prime Bank Investment, and UCB Investment are the issue managers for the IPO.

<https://www.tbsnews.net/economy/stocks/meghna-insurance-subscription-opens-11-may-398554>

Banglalink weighs stake selloff

- Owners of Banglalink, the third-largest telecoms operator in Bangladesh, are considering offloading bulk of their stakes in the multinational to improve its liquidity situation, insiders say. Apart from going public, speculations are rife that the company is also mulling over stakes selloff to private sector.
- The authorities of the multinational company were recently in discussion with two major corporate houses of the country. Previously, total secrecy was maintained when the ownership of Sheba telecom was transferred to Egyptian telecoms giant Orascom in a USD 60 Mn deal in 2004.
- It is learnt that the company wants to sell its stake to expand its network operation and quality as it made a move to set up 3000 new base transceiver stations (BTS) within this year. The operator presently has over 10,200 BTS towers against the 18,023 of Grameenphone and 13,812 of Robi.

<https://today.thefinancialexpress.com.bd/first-page/banglalink-weighs-stake-selloff-1649180478>

BSEC worried about GP investors

- The Bangladesh Securities and Exchange Commission has expressed its worries about the interest of shareholders of Grameenphone after the recent agitations by workers of Grameen Telecom, a substantial shareholder of GP. The BSEC on March 27 issued a letter to GP, expressing its concerns on the matter and asked the mobile operator's top brass to attend a meeting to explain the company's position on the matter on March 31.
- GP's senior officials, however, are yet to meet with the regulator on the issue. GP has refrained from making comment to New Age on the issue related to other business entity. The regulator called the top brass of GP to explore more on this issue and related facts to protect the interest of the local and foreign investors, the letter said.

<https://www.newagebd.net/article/167339/bsec-worried-about-gp-investors>

Two Meghna Group cos under BSEC scanner

- The Bangladesh Securities and Exchange Commission has initiated an enquiry into affairs of Meghna Pet Industries Limited and Meghna Condensed Milk Industries, their head offices and factories. Meghna Condensed Milk has an industrial plant for producing sweetened and non-sweetened condensed milk while Meghna Pet owns an integral mineral water processing and pet bottle manufacturing and filling of edible oil unit and sales of mineral water and marketing of edible oil.

<https://www.newagebd.net/article/167331/two-meghna-group-cos-under-bsec-scanner>

BSEC cancels SS Steel's stock dividend

- The Bangladesh Securities and Exchange Commission (BSEC) has cancelled the bonus shares recommended by SS Steel Limited for fiscal 2020-21. The steel manufacturer had issued an 8% bonus shares for business expansion in fiscal 2019-2020 and again in the following fiscal year, it recommended the same amount of bonus shares as a dividend to utilise the retained amount as capital for business expansion. Meanwhile, the National Feed Mill – another listed firm – has received the regulator's consent for the issuance of a 1% stock dividend.

<https://www.tbsnews.net/economy/stocks/bsec-cancels-ss-steels-stock-dividend-397882>

Achia Sea Foods to raise BDT 150m through QIO

- Achia Sea Foods will raise a capital worth BDT 150 million through Qualified Investor Offer (QIO). The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved the company's proposal. Achia Sea Foods will issue 15 million shares at BDT 10 each to eligible investors (EIs). The company will utilise the fund to purchase machinery, repay loans, and cater to the expenses of QIO.
- As per the financial statement for FY21, the company's earnings per share stood at BDT 1.88, while the NAV per share was BDT 17.07. AAA Finance and Investment is working as issue manager of the Achia Sea Foods.

<https://today.thefinancialexpress.com.bd/stock-corporate/achia-sea-foods-to-raise-tk-150m-through-qio-1649175084>

Listed NBFIs, insurers asked to submit data monthly

- The Bangladesh Securities and Exchange Commission has asked all listed non-bank financial institutions and insurance companies to provide information about their stock market investments on a monthly basis. The stock exchanges have been instructed to submit a report to the commission within seven days of every month upon receipts the same from the listed companies.
- BSEC officials said that the regulator wanted to know the stock market investment status of the NBFIs and insurance companies regularly. They said that the regulator would encourage the NBFIs and insurance companies with less investment in the stock market to inject more funds into the market.

<https://www.newagebd.net/article/167250/listed-nbfis-insurers-asked-to-submit-data-monthly>

BSEC to appoint a special auditor for Khulna Printing

- The turnover of Khulna Printing sharply fell in FY21, but its costs increased suspiciously. Moreover, its financial statement did not represent the truth, observed the stock market regulator. The packaging material producer had a BDT 47.0 Mn loss in the fiscal which means a BDT 61.2 Mn loss per share. Besides, its net asset value per share stood at BDT 1.23, according to the financial statement.
- It also says the company's net sales stood at BDT 520.8 Mn in FY21, down by 52% from BDT 1080.6 Mn a year earlier. The company also showed its raw materials worth BDT 184.7 Mn were damaged and it, additionally, invested BDT 33.5 Mn in another concern of the Lockpur Group. However, the investment did not generate any income during this period. As of 28 February 2022, sponsors and directors jointly held 39.76% of the company's shares, while institutions held 2.07% and public investors 58.17% share.

<https://www.tbsnews.net/economy/stocks/bsec-appoint-special-auditor-khulna-printing-396602>

BIFC to meet shareholders after four years

- The joint venture leasing and financing company – in a stock exchange disclosure – said, as per a High Court order, it will hold the pending AGM for 2018 on 17 May 2022 on a digital platform. According to data from the Bangladesh Bank, BIFC is overwhelmed with default loans. As of June, last year, it disbursed BDT 8.1 Bn as loans, of which BDT 7.7 Bn or more than 95% defaulted.

<https://www.tbsnews.net/economy/stocks/bifc-meet-shareholders-after-four-years-396562>

DSE woos Partex Group to go public

- Dhaka Stock Exchange (DSE) recently held a meeting with Partex Star Group to assess its associated and subsidiary companies' inherent capacity to go public. The main objective of the meeting held on Wednesday in Narayanganj was to motivate the group in offloading the shares of its associated companies in the stock market.
- "Partex Star Group has many companies. We sat with the representatives of the business group as part of our marketing strategy set for inspiring quality companies to raise fund from the primary market," said M. Shaifur Rahman, chief operating officer (COO) of the DSE. "Partex Star Group has many companies. We sat with the representatives of the business group as part of our marketing strategy set for inspiring quality companies to raise fund from the primary market," said M. Shaifur Rahman, chief operating officer (COO) of the DSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-woos-partex-group-to-go-public-1648916634>

BSEC relaxes rule allowing Sonali Paper to issue rights share

- The stock market regulator has approved the relaxation of a rule relating to issuing right shares of the Sonali Paper and Board Mills, a concern of Younus Group of Industries to comply with the regulatory obligation to maintain a minimum paid-up capital of BDT 300 Mn. Currently, the paid-up capital of the company is BDT 219.6 Mn. The company wants to increase its paid-up capital by issuing rights shares at a ratio of 1R:2 (1 right share against 2 existing shares held) at BDT10 per value.

<https://www.tbsnews.net/economy/stocks/bsec-relaxes-rule-allowing-sonali-paper-issue-rights-share-396034>

Nagad gets extension for fifth time

- The Bangladesh Bank has once again renewed the interim licence of Nagad for another six months as the Bangladesh Post Office (BPO) is yet to form a subsidiary to run the mobile financial service. This is the fifth extension after the state-run agency secured provisional approval from the central bank in March 2020.

<https://www.thedailystar.net/business/economy/news/nagad-gets-extension-fifth-time-2996611>

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