

## Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+2.58%) gained 144.48 points and closed the week at 5,750.50 points. The blue-chip index DS30 (+2.32%) gained 49.58 points and stood at 2,186.87 points. The Shariah-based index DSES (+1.83%) gained 22.96 points and stood at 1,275.14 points. The large cap index CDSET (+2.74%) gained 32.49 points and closed at 1,219.98 points. DSEX, DS30, DSES and CDSET showed YTD returns of +6.45%, +11.35%, +2.66%, +8.63%, respectively.

**Total Turnover During The Week (DSE):** BDT 42.1 billion (USD 495 million)

**Average Daily Turnover Value (ADTV):** BDT 14.0 billion ( $\Delta\%$  Week: +3.0%)

**Market P/E:** 18.8x

### Daily Index Movement during the Week:

Market performed three sessions during this week. In the first session, market performed positively by +0.71% and continued to be positive in the second and third sessions by +1.39% and +0.46% respectively.

### Sectoral Performance:

• All the financial sectors posted positive performance this week except Life Insurance (-1.72%). Bank booked the highest gain of 5.00% followed by NBF (2.84%), General Insurance (+1.60%), and Mutual Fund (+0.49%).

• All the non-financial sectors posted positive performance this week. Telecommunication booked the highest gain of 3.88% followed by Food & Allied (+3.76%), Engineering (+3.64%), Fuel & Power (+1.65%), and Pharmaceutical (+0.77%).

### Macroeconomic arena:

• The remittance flow has increased significantly ahead of Eid. After more than USD 2 billion remittances last month, around USD 1 billion remittances have reached the country in the first nine days of this month. USD 919 million remittances reached the country in the first nine days of this month (May). remittance inflows usually increase during the two Eids, Bengali New Year and the last month of the year. In addition, due to the outbreak of Covid-19, many people are sending money to the country for the treatment of Covid affected relatives.

• The government may allocate BDT 2.25 trillion to implement development projects in the next fiscal year, which is 14% higher than that in the revised budget. The highest 27.39% of the allocation under the annual development programme (ADP) has been proposed for the transport and communication sector. The health sector, which is in the forefront of the coronavirus pandemic and has not been in good shape, was given the fifth-highest allocation, or 7.68% of the ADP. The size of the original ADP was BDT 2.05 trillion in the current fiscal year.

• The government's borrowing from the banking sector dropped by BDT 136.27 billion in the July-April period of the current fiscal year 2020-21 amid heavy sales of national savings certificates and low spending on the implementation of the annual development programme amid the COVID outbreak.

• The overall weighted average interest rate spread in the country's banking sector rose to 3.05% points in March after remaining below 3% points for several months after the implementation of 9-per cent lending rate. The interest rate spread increased as the banks managed to reduce their cost against deposits and were trying to restore their profit margin.

### Stock Market arena:

• Southeast Bank 1st Mutual Fund, a closed-end mutual fund, will complete its 10-year tenure today (Wednesday). A meeting of the unit holders of the fund will be held on May 25, 2021 to take the decision regarding conversion or liquidation of the fund. The fund's conversion into open-end form will take place only if at least 75% unit holders exercise their votes in favour of the decision. Otherwise, the fund will be liquidated. Southeast Bank 1st Mutual Fund was listed with the stock exchanges on May 16, 2011 with an initial size of BDT 907 million.

• The initial public offering (IPO) subscription of Baraka Patenga Power will begin on June 13, aiming to raise BDT 2.25 billion under the book-building method. The power generation company's subscription through electronic subscription system (ESS) under the book-building method will be continued till June 17

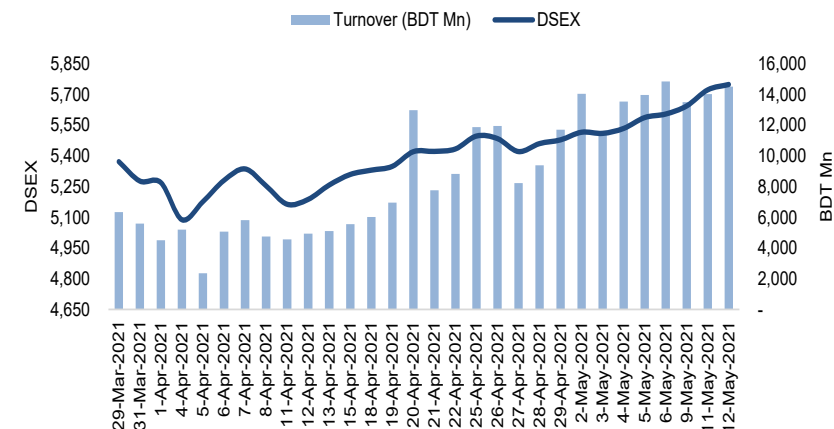
Table 1: Index

Index	Closing	Opening	$\Delta$ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,750.50	5,606.02	+144.48	5,402.07	+2.58%	+6.45%
DS30	2,186.87	2,137.29	+49.58	1,963.96	+2.32%	+11.35%
DSES	1,275.14	1,252.19	+22.96	1,242.11	+1.83%	+2.66%
CDSET	1,219.98	1,187.49	+32.49	1,123.03	+2.74%	+8.63%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,899,405	4,776,567	
	Mn USD	57,667	56,221	+2.6%
Turnover	Mn BDT	42,090	68,077	-38.2%
	Mn USD	495	801	
Average Daily Turnover	Mn BDT	14,030	13,615	
	Mn USD	165	160	+3.0%
Volume	Mn Shares	1,450	1,978	-26.7%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
NRBCBANK	19.6	14.9	+31.5%	13,769	870.4	8.3x	1.2x
PIONEERINS	107.9	87.1	+23.9%	7,551	795.6	14.5x	2.2x
KTL	13.2	10.7	+23.4%	1,535	357.9	13.2x	0.8x
VFSTDL	22.2	18.5	+20.0%	2,344	131.8	16.6x	1.2x
PDL	10.3	8.6	+19.8%	1,872	107.1	43.3x	0.8x
ETL	8.6	7.2	+19.4%	1,573	36.2	NM	0.7x
DACCADYE	12.5	10.5	+19.0%	1,089	48.6	NM	1.0x
NURANI	7.0	5.9	+18.6%	858	29.0	NM	0.8x
RUPALIBANK	29.3	24.8	+18.1%	12,135	29.3	19.6x	0.7x
EGEN	53.3	45.3	+17.7%	3,998	383.2	41.1x	2.1x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
AGRANINS	55.7	65.7	-15.2%	1,769	309.2	34.1x	3.0x
UNITEDINS	51.6	56.7	-9.0%	2,296	36.2	NM	1.7x
RUPALILIFE	62.3	66.9	-6.9%	1,833	179.9	NM	NM
PADMALIFE	24.6	26.3	-6.5%	956	11.4	NM	NM
EASTRNLU	1,183.7	1,261.0	-6.1%	1,177	32.7	32.2x	5.6x
SANDHANINS	30.2	32.1	-5.9%	3,313	172.1	NM	NM
FAREASTLIF	44.9	47.6	-5.7%	3,356	20.9	NM	NM
TAKAFULINS	55.3	58.6	-5.6%	2,355	77.9	30.4x	3.0x
STANDARINS	49.6	52.5	-5.5%	2,148	134.4	28.4x	2.6x
PARAMOUNT	87.9	92.5	-5.0%	3,277	159.9	14.6x	3.2x

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

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	87.5	86.7	+0.9%	76,678	3,470	21.1x	1.2x
RFML	36.1	33.2	+8.7%	3,337	1,573	67.5x	2.7x
ROBI	47.6	45.9	+3.7%	249,326	1,336	NM	3.8x
BATBC	541.6	520.8	+4.0%	292,464	1,176	26.9x	2.9x
SQURPHARMA	210.0	209.2	+0.4%	186,155	1,040	12.8x	2.2x
LANKABAFIN	35.3	35.1	+0.6%	19,021	918	26.7x	2.0x
BRACBANK	50.9	45.3	+12.4%	70,862	893	14.7x	1.4x
NRBCBANK	19.6	14.9	+31.5%	13,769	870	8.3x	1.2x
PIONEERINS	107.9	87.1	+23.9%	7,551	796	14.5x	2.2x
BXPBARMA	184.1	184.0	+0.1%	82,129	745	18.0x	2.3x

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
EGEN	53.3	+433.0%	3,998	41.1x	2.1x
HEIDELBCEM	280.6	+87.6%	15,855	46.5x	3.7x
ROBI	47.6	+59.7%	249,326	NM	3.8x
PIONEERINS	107.9	+43.3%	7,551	14.5x	2.2x
BATBC	541.6	+37.6%	292,464	26.9x	2.9x
MICEMENT	61.6	+32.8%	9,148	26.0x	1.3x
BSRMLTD	79.9	+32.7%	18,862	10.9x	0.8x
BERGERPBL	1,798.0	+25.8%	83,387	33.7x	8.5x
LHBL	58.5	+22.4%	67,940	23.7x	3.7x
BRACBANK	50.9	+20.6%	70,862	14.7x	1.4x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,405.66	1,338.70	1,372.63	+5.00%	+2.41%
NBFIs	1,915.60	1,862.67	2,033.53	+2.84%	-5.80%
Mutual Funds	948.70	944.10	959.61	+0.49%	-1.14%
General Insurance	4,479.04	4,408.55	4,103.56	+1.60%	+9.15%
Life Insurance	2,141.08	2,178.61	2,162.58	-1.72%	-0.99%
Telecommunication	6,350.00	6,113.03	5,463.26	+3.88%	+16.23%
Pharmaceuticals	3,395.58	3,369.79	3,306.03	+0.77%	+2.71%
Fuel & Power	1,718.73	1,690.91	1,618.11	+1.65%	+6.22%
Cement	1,900.80	1,882.58	1,416.18	+0.97%	+34.22%
Services & Real Estate	1,082.71	1,073.77	1,083.79	+0.83%	-0.10%
Engineering	4,519.14	4,360.42	3,959.20	+3.64%	+14.14%
Food & Allied	21,322.44	20,550.37	14,705.76	+3.76%	+44.99%
IT	2,315.23	2,239.54	2,350.28	+3.38%	-1.49%
Textiles	1,066.14	997.33	1,087.41	+6.90%	-1.96%
Paper & Printing	5,162.90	5,038.25	5,487.56	+2.47%	-5.92%
Tannery	1,759.80	1,732.85	1,771.77	+1.56%	-0.68%
Jute	8,906.08	9,072.27	12,154.61	-1.83%	-26.73%
Ceramics	515.53	512.56	472.38	+0.58%	+9.13%
Miscellaneous	3,751.85	3,677.49	2,539.70	+2.02%	+47.73%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,532.9	670.4	+128.7%	11.5%	7.9x	0.8x
NBFI	627.5	833.4	-24.7%	4.7%	52.5x	2.9x
Mutual Fund	379.0	368.2	+2.9%	2.8%	NM	0.8x
General Insurance	2,162.3	3,865.5	-44.1%	16.2%	22.1x	2.2x
Life Insurance	166.8	338.5	-50.7%	1.2%	NM	NM
Telecommunication	588.7	381.8	+54.2%	4.4%	19.6x	6.5x
Pharmaceutical	1,180.8	869.4	+35.8%	8.8%	20.9x	2.5x
Fuel & Power	1,054.3	663.5	+58.9%	7.9%	12.6x	1.4x
Cement	266.2	536.5	-50.4%	2.0%	22.9x	2.4x
Services & Real Estate	190.8	120.0	+59.0%	1.4%	NM	0.9x
Engineering	868.2	473.8	+83.2%	6.5%	35.5x	2.6x
Food & Allied	690.7	379.7	+81.9%	5.2%	34.8x	3.4x
IT	216.6	128.8	+68.2%	1.6%	26.6x	2.0x
Textile	1,302.6	823.3	+58.2%	9.7%	NM	0.8x
Paper & Printing	31.1	17.5	+77.9%	0.2%	39.0x	1.0x
Tannery	169.7	96.1	+76.5%	1.3%	NM	1.8x
Jute	7.9	20.0	-60.7%	0.1%	NM	14.1x
Ceramics	85.9	128.8	-33.3%	0.6%	56.6x	1.7x
Miscellaneous	1,844.7	2,143.4	-13.9%	13.8%	28.7x	1.9x

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

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ADNTEL	47.0	-26.9%	3,039	15.3x	1.8x
MTB	19.7	-18.3%	13,165	14.1x	0.8x
UNIQUEHRL	32.8	-17.2%	9,656	NM	0.4x
KPCL	39.0	-13.9%	15,499	12.9x	1.7x
MIRAKHTER	73.2	-9.6%	8,840	19.6x	1.4x
OLYMPIC	173.9	-9.0%	34,769	16.8x	4.0x
DUTCHBANGL	59.2	-8.9%	32,560	5.9x	1.0x
GHAIL	15.3	-8.4%	3,302	NM	1.1x
BANKASIA	16.7	-8.2%	19,471	10.2x	0.7x
IPDC	25.4	-8.0%	9,426	12.5x	1.5x

## Important News: Business & Economy

### Remittance increases ahead of Eid

• The remittance flow has increased significantly ahead of Eid. After more than USD 2 billion remittances last month, around USD 1 billion remittances have reached the country in the first nine days of this month. According to the latest data of the central bank, USD 919 million remittances reached the country in the first nine days of this month (May). In the first week of May last year (May 1-7), USD 344 million remittances came. Last year, however, Eid-ul-Fitr was held in the last week of May.

• Analysts said remittance inflows usually increase during the two Eids, Bengali New Year and the last month of the year. In addition, due to the outbreak of Covid-19, many people are sending money to the country for the treatment of Covid affected relatives. A distinguished Fellow of the Centre for Policy Dialogue (CPD) thinks that there will be a rise of remittances next Eid as well. It will come down later. He said that the flow of remittances through legal channels is increasing due to the closure of illegal routes due to the ongoing pandemic.

• According to the central bank, remittances from July to May 9 this year reached USD 21.6 billion, up nearly 42% from the same period of the last year. Due to the high inflow of remittances, the foreign exchange reserves reached USD 45 billion on 3 May, though the reserve touched such a milestone for one day only. On 4 May, reserves fell to USD 44 billion after paying USD 1.74 billion as import costs. On 9 May, the reserves stood at USD 44.26 billion.

<https://www.tbsnews.net/economy/remittance-increases-ahead-eid-245083>

### Annual Development Programme (ADP) spending may expand by 14%

• The government may allocate BDT 2.25 trillion to implement development projects in the next fiscal year, which is 14% higher than that in the revised budget. The highest 27.39% of the allocation under the annual development programme (ADP) has been proposed for the transport and communication sector. The health sector, which is in the forefront of the coronavirus pandemic and has not been in good shape, was given the fifth-highest allocation, or 7.68% of the ADP. The size of the original ADP was BDT 2.05 trillion in the current fiscal year. The planning ministry proposed to slash it to BDT 1.98 trillion in the revised budget as the pandemic has hamstrung the government's expenditure ability.

• In its budget proposal last month, the Centre for Policy Dialogue said the national budget for FY2022 should take a two-pronged approach: faster implementation of the ADP projects by maintaining quality and standards; and enhancing the ability to spend more to implement essential projects. The budget allocation for health services division should be increased, it said. Out of BDT 173.06 billion proposed for the health sector, the health services division may get about BDT 131.25 billion. The rest will go to other ministries and divisions that implement health-related development projects.

<https://www.thedailystar.net/business/banking/news/adp-spending-may-expand-14pc-2091233>

<https://www.tbsnews.net/economy/BDT225-lakh-crore-adp-fy22-gets-primary-nod-243997>

### No government bank borrowing in July-April

• The government's borrowing from the banking sector dropped by BDT 136.27 billion in the July-April period of the current fiscal year 2020-21 amid heavy sales of national savings certificates and low spending on the implementation of the annual development programme amid the COVID outbreak.

• NSC sales in the first seven months of FY21 were higher by BDT 93.11 billion than the government's budgetary target of BDT 200 billion. With the government's repayment in July-April of FY21, the government's outstanding bank borrowing dropped to BDT 1.64 trillion at the end of April 2021 from BDT 1.78 trillion at the end of June 2020. In the July-April of FY21, the government repaid BDT 827.76 billion in loans to the Bangladesh Bank against its BDT 291.49 billion in fresh loans from the scheduled banks.

<https://www.newagebd.net/article/137666/no-govt-bank-borrowing-in-july-april>

### Banks' interest rate spread rises to 3.05%

• The overall weighted average interest rate spread in the country's banking sector rose to 3.05% points in March after remaining below 3% points for several months after the implementation of 9-per cent lending rate. The weighted average interest rate is the difference between the weighted average lending rate and the weighted average deposit rate in banks. The spread increased in March as banks reduced interest rates of their deposit products drastically to raise their profit margin, according to the latest Bangladesh Bank data.

• In May 2020, the overall weighted average interest rate spread in banks dropped to 2.94% points for the first time in Bangladesh after the implementation of the lending rate ceiling in April 2020. The central bank directed banks to implement the ceiling following an instruction from the government high-ups. Before April 2020, the overall weighted average interest rate spread was 4.07%. In April 2020, the first month of the lending rate ceiling implementation, the spread was 2.92% points. In January 2019, the overall weighted average interest rate spread was 4.42% points.

• Officials of the central bank said that the interest rate spread increased as the banks managed to reduce their cost against deposits and were trying to restore their profit margin as it was before the ceiling enforcement. Even though the government-set lending rate ceiling was 9%, banks were offering loans to their customers at as low as 8% rate amid a demand plunge.

<https://www.newagebd.net/article/137761/banks-interest-rate-spread-rises-to-305pts>

### Health sector allocation likely to go up by 33%

• The country's health sector is likely to have a big leap with 33% higher fund allocation in the upcoming development budget despite lackluster performance in the project implementation. The Planning Commission (PC) has drafted a BDT 2.25 trillion worth of Annual Development Programme (ADP) for the next fiscal year (FY) 2021-22 providing BDT 173.06 billion funds for the health sector's development, officials added. The health ministry has failed to make any headway in their development work even after getting huge funds in the national budget, experts said.

• Due to the Covid-19 fallout, the government, for the first time, is going to increase the allocation for the health sector by one-third in a bid to improve health services for the

people. The upcoming development budget for this sector in the ADP will be almost double compared to that in four years ago in FY2018. In the FY2018, the outlay in the ADP for the health sector was BDT 89.86 billion.

<https://today.thefinancialexpress.com.bd/last-page/health-sector-allocation-likely-to-go-up-by-33pc-1620756498>

### **Pandemic to be budget mainstay**

- Keeping in mind the possible impacts of the second Covid-19 wave, the government is going to attach top priority to vaccination, economic recovery, and life and livelihood of the poor in the upcoming national budget. The size of the next budget, due to be placed in parliament on June 3, is likely to be BDT 6.03 trillion, 6.14% higher than the original budget of BDT 5.68 trillion for the current fiscal year, according to a draft budget proposal. According to the proposal, the government will set aside BDT 350 billion in the next budget for the health sector. The allocation is BDT 292.46 billion for the current fiscal year. The budget will be placed at a time when the economy, already struggling to recover from the impacts of the first wave of the pandemic, is hit by a resurgence of Covid.

- One of the top priorities of the next budget will be to continue the mass vaccination programme, say finance ministry officials. The government will make a block allocation of BDT 100 billion for procuring Covid vaccines to reach the target of inoculating the eligible citizens free of cost. Besides, the money will also be used to meet emergency requirements in the health sector and take up special programmes for the poor, according to them.

<https://www.thedailystar.net/frontpage/news/pandemic-be-budget-mainstay-2091621>

### **Banks' call money demand low even before Eid**

- The weighted average overnight call money rate in a rare instance is hovering at 2% even before Eid-ul-Fitr, the biggest festival of the Muslims, as banks are flooded with excess liquidity amid poor credit demand from businesses. The latest Bangladesh Bank data showed that the call money rate was 2.08 on May 6 when the banks borrowed BDT 34.12 billion from the overnight money market. The situation on the market was totally different a year ago when the banks borrowing and the rate of interest were much higher. Within a week prior to Eid-ul-Fitr in 2020, the weighted average interest rate reached almost 5%.

- BB officials said that the country's banking sector had been flooded with excess liquidity which was why the banks' borrowing from the overnight money market was insignificant even before the Eid vacations when demand for cash reached its peak. The central bank data showed that the excess liquidity in the country's banking system reached BDT 2.0 trillion in February 2021 from BDT 1.04 trillion a year ago. The pile-up in the country's reserve by USD 11 billion since the Covid outbreak was the major reason behind the sharp rise in fresh money in the banking system.

- Against the accumulation of USD 11 billion, the central bank injected fresh local currency worth around BDT 930 billion into the local market. Even though the fresh money was injected into the money market, demand for fresh credit had hit rock-bottom in the recent past after the coronavirus outbreak. In March, private sector credit growth was 8.79% against the central bank's monetary projection to attain 14.8% growth in the current fiscal year 2020-2021.

<https://www.newagebd.net/article/137596/banks-call-money-demand-low-even-before-eid>

### **Only 3% Internet users are Internet banking customers**

- Only three out of every 100 Internet users in the country have been using Internet banking services, showed an analysis of data supplied by the Bangladesh Telecommunication Regulatory Commission and the Bangladesh Bank. An analysis of the last three years' data reveals that the number of Internet banking customers in the country has been increasing rapidly, but it is insignificant compared to the total number of Internet users. The percentage of Internet banking customers among the total Internet users was 2.23% in February 2019, 2.61% in February 2020, and 2.99% in February 2021.

- The head of Digital Financial Services of City Bank said that internet banking customers are usually regular Internet users. On the other hand, if someone uses a certain amount of Internet data, he is considered an Internet user, although he is not a regular user. Due to this, the total number of Internet users seems much higher.

<https://www.tbsnews.net/economy/banking/only-3-internet-users-are-internet-banking-customers-244042>

### **Rising yarn prices bring smile to textile millers**

- Local textile millers raked in moderate growth in revenue riding on the burgeoning rates and demand of yarn and fabrics in the January-March quarter of this year. Textile millers said they stocked cotton during the pandemic as the prices were low. Yarn market later rebounded and surged followed by the US ban of China's cotton in January. On top of this, the US restriction on China's Xinjiang province cotton facilitated spinners and textile producers in Bangladesh, Pakistan and India.

- DBL Group Managing Director said the ban affected cotton prices, but the yarn rates are still in their favour. He said the ban, however, hurt the readymade garment manufacturers. Export Promotion Bureau (EPB) data support his statement as knitwear products is the first ten months of the current fiscal year registered a 15.34% growth to USD 13.99 billion, while woven garment export fell by 2.71% to USD 12 billion compared to the same period in FY2019-20.

<https://www.tbsnews.net/economy/rmg/rising-yarn-prices-bring-smile-textile-millers-244054>

### **NBR collection target may remain unchanged**

- The government may keep its tax collection target unchanged for the National Board of Revenue in the next fiscal year because of the devastating effect of the coronavirus pandemic on the economy. This will be a significant shift for the government, which has set sky-high revenue generation goal for tax officials in recent years. Initially, the government had targeted to generate BDT 3.3 trillion through the NBR in the current fiscal year of 2020-21, which was 51% higher than the actual receipts of BDT 2.18 trillion from the previous year. In the face of a devastating coronavirus pandemic, which put a brake on economic activities at the height of the crisis last year, the government was forced to revise down the collection goal to BDT 3.01 trillion. The revised goal is likely to remain unachieved this year as well.

- The NBR's target for the next fiscal starting from July 1 may be set at BDT 3.3 trillion, which is up 10% from the revised target. A former lead economist at the World Bank's Dhaka office, termed the BDT 3.3 trillion NBR revenue target as closer to reality.



<https://www.thedailystar.net/business/economy/news/nbr-collection-target-may-remain-unchanged-2090673>

### **Dry food export grows over six times**

• Bangladesh's export basket is getting a big boost as the shipment of dry food items has made a massive headway with six-and-a-half time jump in a decade. Local dry food producers had made a shipment of USD243.47 million worth of goods during July-April period of the current fiscal year (FY) 2020-21, posting a 49% growth compared to the same period last fiscal, government data showed.

• Manufacturers and analysts said the impact of the Covid-19 across the world could be one of reasons for the rise in exports of the Bangladeshi products. During the pandemic, the food importing countries' dependency on dry food and other related stuff has increased, they said. Besides, the government policy support, including cash incentives from 2010, has facilitated the export of the Bangladeshi ago-processing food, they noted.

<https://today.thefinancialexpress.com.bd/last-page/dry-food-export-grows-over-six-times-1620406960>

### **Virus hurts RMG export to US**

• Bangladesh's apparel exports to the US sustained a negative growth of over 8.0% during the first quarter of 2021 year-on-year, showing a much slower recovery compared to China and Vietnam. US apparel imports from China and Vietnam during the January-March period in 2021 witnessed a positive growth by 12.69% and 1.40% respectively, according to data of the Office of Textiles and Apparel (OTEXA), affiliated with the US Department of Commerce. Bangladesh fetched USD 1.53 billion in the Jan-March period of 2021 through apparel exports, down from USD 1.67 billion during the same period of 2020. Readymade garment exporters, however, linked the sluggish demand in the US followed by the higher Covid-19 infection rates and the change in sales pattern, to the poor performance of apparel shipments to its largest destination.

<https://today.thefinancialexpress.com.bd/public/first-page/virus-hurts-rmg-export-to-us-1620324034>

### **Bangladesh Bank issues guideline on use of public fund kept with MFS**

• The unused funds of clients which are deposited at MFS providers' accounts are collectively large. Such accounts are considered as trust cum and settlement accounts (TCSAs). The TCSAs would act as custody accounts where the legal tender (currency in the form of printed note) is stored against the issuance of e-money by the MFS and e-money service providers. The MFS and e-money service providers have to open the accounts with banks in Bangladesh.

• The central bank has imposed a set of restrictions on the use of these public funds deposited at the TCSAs. The MFS providers, PSPs and other entities authorised to hold the TCSAs will not be allowed to take any loan against the public funds. Banks cannot issue any deposit certificate and guarantee to the MFS providers and PSPs, which would have then facilitated them in taking loans or using the fund as collateral. Funds deposited at the TCBAAs cannot be used for day-to-day company operations.

• However, a certain portion of the public funds of the TCSAs can be invested in approved government securities, fixed deposit receipt (FDR) or any other approved instruments with

prior approval from the BB. The instruments should be marked informing that those have been issued against the TCSAs. In the event of such investment, the principal amount of the investment will always be credited back to the TCSAs upon maturity or sale. Investment in the FDRs will have to take place in the same bank where the TCSAs are opened. The MFS providers and PSPs will have to maintain separate operational account linked to the TCSAs for receiving interest.

<https://www.thedailystar.net/business/news/bb-issues-guideline-use-public-fund-kept-mfs-2089661>  
<https://www.tbsnews.net/economy/banking/bank-balance-equal-e-money-required-financial-service-providers-242626>

## **Important News: Capital Market**

### **Southeast Bank Mutual Fund completes tenure today**

• Southeast Bank 1st Mutual Fund, a closed-end mutual fund, will complete its 10-year tenure today (Wednesday). A meeting of the unit holders of the fund will be held on May 25, 2021 to take the decision regarding conversion or liquidation of the fund, a release said. The fund's conversion into open-end form will take place only if at least 75% unit holders exercise their votes in favour of the decision. Otherwise, the fund will be liquidated. Southeast Bank 1st Mutual Fund was listed with the stock exchanges on May 16, 2011 with an initial size of BDT 907 million.

<https://today.thefinancialexpress.com.bd/stock-corporate/southeast-bank-mutual-fund-completes-tenure-today-1620746859>  
<https://www.tbsnews.net/economy/banking/southeast-bank-1st-mutual-fund-ends-10-year-tenure-wednesday-245107>

### **Baraka Patenga Power's IPO subscription begins June 13**

• The initial public offering (IPO) subscription of Baraka Patenga Power will begin on June 13, aiming to raise BDT 2.25 billion under the book-building method. The power generation company's subscription through electronic subscription system (ESS) under the book-building method will be continued till June 17, according to its abridged prospectus published on Tuesday. Baraka Patenga is the second company, after Sonali Life Insurance, whose IPO shares will be allocated on the newly introduced pro-rata basis instead of lottery system. Sonali Life's IPO subscription will be held between May 30 and June 3.

• The cut-off price of shares of company has been fixed at BDT 32 each through electronic bidding by eligible investors held between February 22 and February 25. The general investors will get its IPO shares at BDT 29 each, a 10% discount on the cut-off price, as per the book-building method. Baraka Patenga Power will raise BDT 2.25 billion from the capital market under the book-building method by issuing a total 73,770,488 ordinary shares.

<https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-powers-ipo-subscription-begins-june-13-1620746922>  
<https://www.tbsnews.net/economy/stock/baraka-patenga-powers-ipo-subscription-starts-13-june-244987>

## **BSEC approves South Bangla Agriculture & Commerce Bank (SBAC) IPO proposal**

- The securities regulator has approved the IPO (initial public offering) proposal of South Bangla Agriculture & Commerce Bank (SBAC) which will raise BDT 1.0 billion from the capital market. South Bangla Agriculture & Commerce Bank will raise the fund under the fixed price method. The bank fund will utilise the fund to purchase the government's securities and cater the IPO expense.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-approves-sbac-ipo-proposal-1620577896>

<https://www.thedailystar.net/business/banking/news/sbac-bank-raise-BDT-100cr-2091205>

<https://www.tbsnews.net/economy/stock/sbac-bank-gets-bsec-approval-raise-BDT100cr-ipo-243988>

## **Jamuna Bank to issue BDT 5.0 billion subordinated bond**

- The board of directors of Jamuna Bank has decided to raise capital through issuance of subordinated bond worth BDT 5.0 billion to strengthen the capital base of the Bank. The bank will issue the non-convertible coupon bearing subordinated redeemable bond (4th phase) as part of the Tier-II of revised regulatory capital framework for banks in line with Basel-III through private placement. The purpose of the proposed bond is to strengthen the capital base of the Bank, the company said in a filing with the Dhaka Stock Exchange (DSE) on Tuesday. The issuing of bonds is subject to the approval of the concerned regulatory authorities - Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC).

<https://today.thefinancialexpress.com.bd/stock-corporate/jamuna-bank-to-issue-BDT-50b-subordinated-bond-1620746892>

## **Evince Textiles to merge with subsidiary to cut cost**

- Publicly listed Evince Textiles Limited will merge with its non-listed subsidiary company, Evitex Fashions Limited, in order to curb costs. The company took the merger decision at their board meeting and it was revealed on the website of the Dhaka Stock Exchange (DSE) on Tuesday. An official of the company said the merger will help reduce management cost and corporate tax, and accounting could be easier after the merger. As per the Company Act, Evince Textiles will appeal to the high court regarding the merger. The company will then hold an extraordinary general meeting, upon receiving directives from the court, in order to secure the approval of shareholders for the merger.

- Evince Textiles owns 95% of Evitex Fashions. The remaining 5% share is owned by Chairman Anwar-Ul-Alam Chowdhury, Director Shabnam Shehnaz Chowdhury, Managing Director Abu Kawser Majumder, Directors AK Gouhor Rabbani, and Akhter Shahid of Evince Textiles. In fiscal year 2019-20, Evitex Fashions reported BDT 619.5mn in revenue, which was slightly higher than in the previous fiscal. But the company's net profit dropped 50% to BDT 12.3mn because of increased costs in FY20.

<https://www.tbsnews.net/economy/stock/evince-textiles-merge-subsidiary-cut-cost-245080>

## **Walton starts exporting products in Maldives**

- Bangladeshi electronics brand Walton started exporting its 'Made in Bangladesh' labeled

products amid the Covid-19 pandemic. In a latest move of its global presence, the brand added Maldives to its export country list, said a release on Tuesday. Walton has started its brand business in the South Asian country with air conditioners. In the course of time, it will export refrigerators, televisions, washing machines and various home appliances to Maldives. Walton on Tuesday signed an agreement in this regard with Ranfaun Private Limited. According to the agreement, Ranfaun Private Limited will market Walton brand products and provide customer services in Maldives.

<https://www.newagebd.net/article/137744/walton-starts-exporting-products-in-maldives>

## **Singer opens washing machine plant**

- Singer Bangladesh has commenced manufacturing washing machines at its Savar plant that has a capacity to produce 420,000 units per year. Singer will produce automatic front and top loading and semi-automatic washing machines at the manufacturing facility that was built under direct supervision of the company's European parent Arcelik.

- Arcelik is the leading consumer durables player in Europe. It is the major shareholder of Singer, Bangladesh's leading consumer electronics and home appliance company. Arcelik Group manufactures 25 million units of consumer durables per year in all their manufacturing bases worldwide.

<https://www.thedailystar.net/business/retail/news/singer-opens-washing-machine-plant-2091229>

## **Energypac opens BDT 3.80 billion industrial park**

- Energypac Power Generation yesterday inaugurated an industrial park in a bid to export locally manufactured generators, enhance its current manufacturing capacity and assemble eco-friendly electric commercial vehicles. The country's leading power engineering company invested BDT 3.80 billion in the park, creating employment for 550 people. Located at Sreepur in Gazipur on 52 bighas of land, the industrial park will also boost the pre-engineering steel building sector.

<https://www.thedailystar.net/business/economy/news/energypac-opens-BDT-380cr-industrial-park-2090665>

<https://www.tbsnews.net/economy/industry/energypac-expands-vehicle-generator-steel-units-243547>

## **Regular circuit breaker imposed on newly listed companies from 1st day**

- The Bangladesh Securities and Exchange Commission has imposed the regular circuit breaker on any newly listed company from the first trading day, replacing the maximum 50% price movement in the first two trading sessions. Earlier on November 14, 2019, the BSEC issued an order setting the standard upward and downward price change limits where it said that the circuit breaker must be imposed on any newly listed security from the first trading day.

- For the first trading day, the circuit breaker had been set at 50% on the issue price and for the second day, at 50% on the first trading day's closing price. The regular circuit breaker had been imposed from the third day. However, the commission has now scrapped the 50% price change limit and imposed the regular circuit breaker.

- A BSEC commissioner said that the commission made the decision as it observed that

share prices of newly listed companies rose 'peculiarly' in the first few sessions. He said that the surge created discrimination on the market as the prices of other companies rose at a maximum of 10%.

<https://www.newagebd.net/article/137506/regular-circuit-breaker-imposed-on-newly-listed-cos-from-1st-day>

### **BSEC asks Meghna Condensed Milk to explain continuous loss**

- The stock market regulator has asked Meghna Condensed Milk Industries Ltd to explain the reasons for its continuous loss in the last five years and the auditor's opinions in its financial statements for the year ended on 30 June, 2020. The commission has also asked about their current plan in the capital market to ensure the general investors' rights. Meghna Condensed Milk Industries owns and operates an industrial plant for producing sweetened and non-sweetened condensed milk.

<https://www.tbsnews.net/economy/stock/bsec-asks-meghna-condensed-milk-explain-continuous-loss-243532>