

## Weekly Market Update

### Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.84%) lost -54.56 points and closed the week at 6,425.74 points. The blue-chip index DS30 (-1.04%) lost -24.44 points and stood at 2,327.95 points. The Shariah-based index DSES (-0.74%) lost -10.49 points and stood at 1,403.26 points. The large cap index CDSET (-1.06%) lost -13.59 points and closed at 1,274.44 points. DSEX, DS30, DSES and CDSET showed YTD returns of -4.90%, -8.08%, -1.95%, -6.23%, respectively.

**Total Turnover During the Week (DSE):** BDT 43.0 billion (USD 463 million)

**Average Daily Turnover Value (ADTV):** BDT 8.6 billion ( $\Delta\%$  Week: -1.0%)

**Market P/E:** 15.9x

### Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a negative note (-0.75%) on Sunday. It remains negative (-0.61%) on Monday. It also remains negative (-0.48%) on Tuesday. However, it moved back positive (+0.21%) on Wednesday. Market ended at a positive note (+0.80%) on Thursday.

### Sectoral Performance

• Most of the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -5.24% followed by Life Insurance (-3.30%), Mutual Fund (-2.12%), Bank (-1.74%), and NBF1 (+0.09%).

• All the non-financial sectors registered negative performance this week. Food & Allied experienced the highest loss of 1.32% followed by Engineering (-0.77%), Telecommunication (-0.72%), Pharmaceutical (-0.64%), and Fuel & Power (-0.35%).

### Macroeconomic arena

• China eyes Mongla seaport operations management. Indonesia shares JV investment proposals of USD 1.3 Bn in Bangladesh's energy sector. Rod prices may spiral again. Experts for institutionalizing Insuretech to help insurance sector grow. Boosted by Eid, April saw the highest ever MFS transactions, Some banks charge over BDT 93 per USD for LCs, flouting central bank's verbal instruction. ADB to lend USD 250 Mn to improve social protection system. RTA policy issued with focus on LDC graduation. Dhaka seeks IP facility even after LDC graduation. Govt can save up to BDT 55.0 Bn with austerity measures: Finance Ministry. Elevator importers for 11% duty. Fuel oil price hike looms large. VAT hike to increase production cost for steel makers. Regulator reverses dollar free float as taka tumbles. JS passes Tk17,524cr supplementary budget for FY22. Call money rate hits two-year high amid rising liquidity crunch. India considers wheat exports to Bangladesh, 4 other nations as requests pour in. BGMEA wants keeping 0.5pc source tax for next 5 years. Taka falls again. Default loans of NBFIs up Tk1,216cr in Q1.

• 'Equal corporate tax for exporters to draw higher FDI'. Bankers call for increasing dollar supply. Over half of banks at high risk of cyber-attacks: BIBM. No letup in exchange-rate instability, inflation rise. Revenue target, deficit financing remain two key challenges. Large-cap stocks tumble in post-budget first session. MoU inked to begin trading of T-bonds. 4 telcos fined Tk 7.65cr over illegal VoIP. BB to conduct feasibility study to introduce digital currency. Tax return a must to get 50 types of services. Capital gain from govt securities coming under tax net. VAT reduction extended for cylinder makers. Govt liabilities over SOEs' loan guarantees growing. Finance secy Abdur Rouf Talukder new BB governor. BGMEA demands keeping source tax unchanged. Apparel exports to US witness 65% growth. FDI in Bangladesh jumped 13% after two years: Unctad.

### Stock Market arena

• BSEC allows Global Islami Bank to raise BDT 4.25 Bn through IPO. GDCL signs issue management deal with Thai Foils & Polymer. BSEC concerned about Zaheen Spinning's business capabilities. Monno Fabrics keeps soaring sans PSI. RAK Ceramics to invest BDT 9.02 Bn to build tiles factory. ACI Formulations to separate agrochemical business. Maslin Capital to launch BDT 1.0 Bn impact fund. BD Paints makes debut on SME Platform today. Dragon Sweater to merge with 'sick' company. Jamuna Bank in charge of money management of Padma Bridge toll. StanChart Saadiq Bangladesh named 'Best Islamic Bank for Digital CX'. Berger, Marico, United Power may miss out on benefit.

June 16, 2022 (Week: June 12, 2022 – June 16, 2022)

Dhaka Stock Exchange

**DSEX ended Red (-0.84%) in the week**

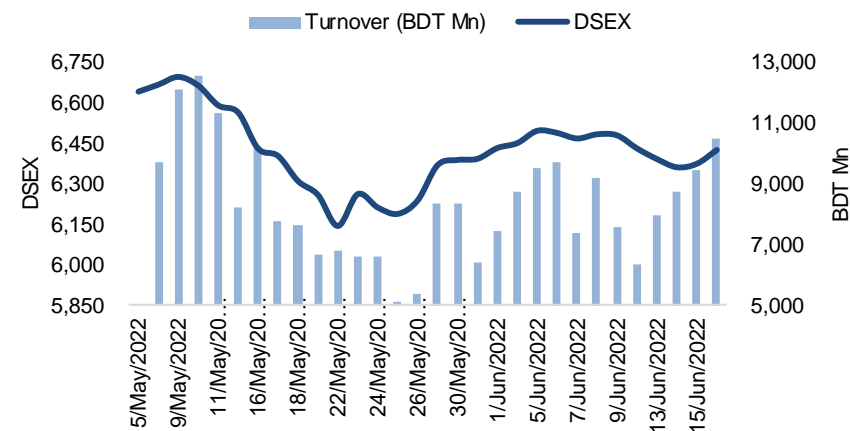
Table 1: Index

Index	Closing*	Opening*	$\Delta$ (Pts)	30-Dec-2021	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,425.74	6,480.30	-54.56	6,756.66	-0.84%	-4.90%
DS30	2,327.95	2,352.38	-24.44	2,532.58	-1.04%	-8.08%
DSES	1,403.26	1,413.74	-10.49	1,431.12	-0.74%	-1.95%
CDSET	1,274.44	1,288.03	-13.59	1,359.13	-1.06%	-6.23%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,193,117	5,228,818	
	Mn USD	55,960	56,345	-0.7%
Turnover	Mn BDT	43,000	43,419	-1.0%
	Mn USD	463	468	
Average Daily Turnover	Mn BDT	8,600	8,684	-1.0%
	Mn USD	93	94	
Volume	Mn Shares	1,104	1,190	-7.2%

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
MEGHNAINS	19.3	0.0	+59.5%	772	0.1	26.5x	1.3x
MONNOFABR	29.2	20.6	+41.7%	3,358	718.8	NM	1.1x
SPCERAMICS	50.3	41.1	+22.4%	7,392	2,360.9	NM	1.6x
HRTEX	100.0	84.1	+18.9%	2,530	494.5	30.2x	2.2x
MEGCONMILK	25.0	21.9	+14.2%	400	34.2	NM	NM
MIRACLEIND	32.5	28.6	+13.6%	1,145	153.3	NM	1.0x
TOSRIFA	23.5	20.7	+13.5%	1,598	252.8	22.5x	0.8x
HAKKANIPUL	62.1	55.4	+12.1%	1,180	90.4	NM	2.6x
BEACHHATCH	45.1	40.5	+11.4%	1,867	159.2	NM	4.7x
SALAMCRST	35.9	32.3	+11.1%	3,532	242.9	89.8x	1.9x

**Table 4: Top Ten Losers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BGIC	45.7	50.4	-9.3%	2,469	12.5	23.8x	2.3x
RENWICKJA	1,025.1	1,127.0	-9.0%	2,050	6.0	NM	NM
RUPALIINS	33.5	36.8	-9.0%	2,568	41.9	17.1x	1.5x
GREENDELT	73.2	80.3	-8.8%	7,334	37.1	8.7x	1.1x
EASTLAND	31.3	34.3	-8.7%	2,625	32.7	20.6x	1.5x
MERCINS	38.8	42.5	-8.7%	1,672	15.2	18.4x	1.8x
PHENIXINS	43.0	47.1	-8.7%	1,735	19.1	18.6x	1.1x
PARAMOUNT	57.3	62.7	-8.6%	2,330	51.2	19.3x	2.2x
PAPERPROC	185.1	199.8	-7.4%	1,934	102.1	60.7x	6.2x
DGIC	31.5	34.0	-7.4%	1,260	13.1	24.2x	2.7x

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

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SPCERAMICS	50.3	41.1	+22.4%	7,392	2,360.9	NM	1.6x
BEXIMCO	134.6	132.5	+1.6%	117,953	2,064.1	8.2x	1.5x
IPDC	58.6	54.1	+8.3%	21,746	1,726.7	24.2x	3.3x
JHRML	83.6	76.9	+8.7%	10,475	1,384.3	40.2x	2.7x
RAKCERAMIC	52.3	47.8	+9.4%	22,383	1,041.2	23.9x	3.1x
MONNOFABR	29.2	20.6	+41.7%	3,358	718.8	NM	1.1x
BDCOM	35.8	37.8	-5.3%	2,044	708.9	23.9x	2.3x
BSC	116.0	114.4	+1.4%	17,694	680.3	8.6x	1.7x
SALVOCHEM	69.1	66.8	+3.4%	4,493	628.2	28.7x	4.6x
BDFINANCE	51.0	50.2	+1.6%	9,057	572.7	36.8x	2.8x

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

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
IPDC	58.6	+51.8%	21,746	24.2x	3.3x
UNIQUEHRL	65.4	+30.3%	19,254	22.3x	0.7x
ADNTEL	68.1	+30.0%	4,403	26.4x	2.5x
SQUARETEXT	66.9	+28.2%	13,196	7.7x	1.5x
SHASHADNIM	29.3	+19.6%	4,132	16.0x	0.7x
GHAIL	19.5	+18.2%	4,209	NM	1.4x
DOREENPWR	77.4	+14.2%	12,517	7.7x	1.5x
IFADAUTOS	51.4	+8.7%	13,002	34.6x	1.3x
CROWNCEMNT	66.6	+7.1%	9,890	33.8x	1.3x
TITASGAS	38.5	+6.1%	38,085	11.4x	0.5x

**Table 7: Sector Indices**

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,415.1	1,440.2	1,589.69	-1.74%	-10.98%
NBFI	2,023.4	2,021.6	2,327.63	+0.09%	-13.07%
Mutual Fund	886.3	905.5	882.99	-2.12%	+0.38%
General Insurance	3,548.0	3,744.1	4,698.62	-5.24%	-24.49%
Life Insurance	2,328.3	2,407.7	2,687.55	-3.30%	-13.37%
Telecommunication	5,094.6	5,131.8	5,800.37	-0.72%	-12.17%
Pharmaceutical	3,802.8	3,827.5	3,866.63	-0.64%	-1.65%
Fuel & Power	1,796.0	1,802.4	1,792.97	-0.35%	+0.17%
Cement	2,469.4	2,508.7	2,534.76	-1.57%	-2.58%
Services & Real Estate	1,481.6	1,448.1	1,309.43	+2.31%	+13.15%
Engineering	4,698.6	4,734.9	4,727.46	-0.77%	-0.61%
Food & Allied	22,219.1	22,515.3	25,222.81	-1.32%	-11.91%
IT	2,708.3	2,787.3	3,274.61	-2.84%	-17.29%
Textile	1,587.0	1,572.5	1,470.60	+0.92%	+7.91%
Paper & Printing	7,289.3	7,542.1	9,680.03	-3.35%	-24.70%
Tannery	3,419.3	3,523.8	3,236.76	-2.96%	+5.64%
Jute	8,496.4	8,573.4	8,747.84	-0.90%	-2.87%
Ceramics	832.1	751.5	675.88	+10.73%	+23.11%
Miscellaneous	4,458.8	4,424.4	4,625.39	+0.78%	-3.60%

**Table 8: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	401.2	585.2	-31.44%	+5.16%	7.7x	0.7x
NBFI	673.1	636.9	+5.68%	+8.66%	NM	3.7x
Mutual Fund	69.2	125.1	-44.64%	+0.89%	NM	0.8x
General Insurance	412.6	911.1	-54.72%	+5.31%	16.6x	1.7x
Life Insurance	188.3	253.2	-25.60%	+2.42%	NM	NM
Telecommunication	64.8	103.1	-37.14%	+0.83%	16.0x	4.4x
Pharmaceutical	779.1	898.3	-13.27%	+10.02%	17.6x	2.5x
Fuel & Power	276.5	412.9	-33.04%	+3.56%	11.6x	1.2x
Cement	109.9	135.4	-18.80%	+1.41%	25.6x	2.6x
Services & Real Estate	252.8	238.5	+5.99%	+3.25%	92.0x	1.1x
Engineering	794.4	796.0	-0.20%	+10.22%	19.1x	1.9x
Food & Allied	430.5	473.0	-8.98%	+5.54%	23.9x	9.3x
IT	308.9	376.0	-17.84%	+3.97%	27.9x	2.4x
Textile	1,071.3	792.7	+35.14%	+13.78%	24.6x	1.1x
Paper & Printing	86.4	81.0	+6.78%	+1.11%	NM	1.8x
Tannery	114.4	129.2	-11.51%	+1.47%	51.5x	3.6x
Jute	7.9	11.8	-33.06%	+0.10%	NM	27.6x
Ceramics	783.4	332.2	+135.80%	+10.08%	35.1x	2.2x
Miscellaneous	949.3	774.7	+22.54%	+12.21%	12.3x	2.1x

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

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
BRACBANK	40.9	-26.0%	56,940	10.7x	1.1x
PIONEERINS	87.9	-24.8%	6,766	11.3x	1.7x
HEIDELBCEM	207.4	-23.9%	11,719	NM	3.3x
OLYMPIC	124.9	-22.2%	24,972	14.8x	2.8x
LANKABAFIN	29.8	-20.1%	16,057	12.4x	1.5x
DBH	62.7	-18.7%	11,114	10.6x	1.5x
IDLC	49.2	-18.4%	19,478	9.3x	1.2x
DUTCHBANGL	64.2	-17.8%	40,607	7.0x	1.1x
CONFIDCEM	101.8	-16.5%	7,964	11.5x	1.3x
CITYBANK	22.8	-16.5%	24,332	4.6x	0.7x

## Important News: Business & Economy

### China eyes Mongla seaport operations management

- China is actively considering Bangladesh's request for funding modernisation of the Mongla Seaport but wants operations management of the port having potential to become an international shipping hub. Bangladesh sent a proposal to China in April 2019 through a preliminary loan application for funding the project titled 'Expansion and modernisation of Mongla Port facilities. The estimated cost of the project is USD 350 Mn.

<https://today.thefinancialexpress.com.bd/first-page/china-eyes-mongla-seaport-operations-management-1655316223>

### Indonesia shares JV investment proposals of USD 1.3 Bn in Bangladesh's energy sector

- Indonesia has shared some new proposals of large joint-venture investment, approximately to the tune of USD1.3 Bn, in the energy sector of Bangladesh. If materialised, this would add significant economic substance to the bilateral relations with Bangladesh and help strengthen it further. They attribute the surge to the VAT hike in the manufacturing stage in the proposed budget for FY23 and a USD crunch in the local market.

<https://www.tbsnews.net/bangladesh/energy/indonesia-shares-jv-investment-proposals-13b-bangladeshs-energy-sector-440322>

### Rod prices may spiral again

- Rod demand has plummeted by around 50% thanks to the volatile market. Prices of rod are likely to surge again after a brief decline for the past two and a half months, according to manufacturers.

<https://www.tbsnews.net/economy/rod-prices-may-spiral-again-440086>

### Experts for institutionalising Insuretech to help insurance sector grow

- Insuretech must be institutionalised for the sake of bringing about a much-needed tech-driven shift in the country's insurance sector and thus helping the industry grow to its potential by easing all kinds of service delivery, experts said at a discussion yesterday. The insurance sector's contribution to Bangladesh's GDP is only 0.4%, which is 4.2% in neighbouring India, 1.2% in Sri Lanka.

<https://www.tbsnews.net/economy/experts-institutionalising-insuretech-help-insurance-sector-grow-440358>

### Boosted by Eid, April saw the highest ever MFS transactions

- MFS saw the highest ever transactions in April thanks to an expansion of new mobile banking services and sending extra money by customers to their relatives for shopping on the occasion of Eid-ul-Fitr. The Bangladesh Bank's updated statistics show that customers transacted BDT 930.32 Bn through mobile banking in April this year. This is an increase of BDT 157.3 Bn compared to March. More than 370 Mn transactions took place in April. In that month, BDT 277.4 Bn was deposited in mobile banking accounts while BDT 256.73 Bn was withdrawn.

<https://www.tbsnews.net/economy/boosted-eid-april-saw-highest-ever-mfs-transactions-4405143>

### Some banks charge over BDT 93 per USD for LCs, flouting central bank's verbal instruction

- A number of commercial banks on Wednesday showed on paper that they were settling import LCs at BDT 93.0 per USD as per the central bank's verbal instruction, but in reality, they were charging more than the specified amount. The price of the USD reached BDT 92.80 yesterday. On Tuesday, the USD price reached BDT92.80 from BDT92.50 on Monday. As the forex reserve in the country has been declining, the USD reserve in the country stood at USD 41.44 Bn on Tuesday, which was USD 48.06 Bn in August.

<https://www.tbsnews.net/economy/banking/some-banks-charge-over-tk93-dollar-lcs-flouting-central-banks-verbal-instruction>

### Jute millers seek cut in advance source tax

- The country's private jute millers sought reduction of advance source tax on export earnings in the proposed budget. Currently, exporters pay 0.5 % advance source tax on their export earnings. However, the government has proposed for 1% advance source tax in FY23 budget. The BJMA requested for reduction of the tax from 1.0% to 0.25 %.

<https://today.thefinancialexpress.com.bd/stock-corporate/jute-millers-seek-cut-in-advance-source-tax-1655314317>

### Delay in sweetening MPSC holds back seismic survey

- A Norwegian-US joint venture, TGS-Schlumberger, is waiting for a fresh model production-sharing contract (MPSC) before initiating its seismic shoots in the Bay of Bengal, said sources. They said a lucrative MPSC would attract international oil companies (IOCs) to carry out hydrocarbon exploration in the Bay of Bengal while the IOCs would be interested in purchasing the survey data from the JV firm.

<https://today.thefinancialexpress.com.bd/first-page/delay-in-sweetening-mpsc-holds-back-seismic-survey-1655316298>

### **ADB to lend USD 250 Mn to improve social protection system**

- The Asian Development Bank will provide USD 250 Mn as a policy-based loan to further improve the social protection system in Bangladesh, thereby supporting the vulnerable population against socioeconomic challenges. The assistance aims to accelerate reforms in increasing the coverage and efficiency of social protection, improving the financial inclusion of disadvantaged people, and strengthening the response to diversified protection needs.

<https://today.thefinancialexpress.com.bd/last-page/adb-to-lend-250m-to-improve-social-protection-system-1655230323>

### **RTA policy issued with focus on LDC graduation**

- The government has issued the Regional Trade Agreement (RTA) Policy, 2022 with the aim of negotiating, signing and implementing trade treaties to encourage free movement of goods and services as Bangladesh. According to the government notification, the RTA policy will replace the Policy Guidelines on Free Trade Agreement, 2010 and would come into force immediately.

<https://www.newagebd.net/article/173299/rt-a-policy-issued-with-focus-on-ldc-graduation>

### **Dhaka seeks IP facility even after LDC graduation**

- Bangladesh has sought continuation of the existing intellectual property (IP) facility even after its graduation from the least developed countries (LDCs) list, till at least 2029. Bangladesh is basically getting the IP facility in the pharmaceutical sector. In this sector, the facility will continue for LDCs till 2033. If Bangladesh graduates from LDCs in 2026, the country will lose this facility.

<https://today.thefinancialexpress.com.bd/trade-market/dhaka-seeks-ip-facility-even-after-ldc-graduation-1655227753>

### **JS passes Tk17,524cr supplementary budget for FY22**

- The Jatiya Sangsad (JS) on Monday passed a BDT175.25 Bn supplementary budget authorising additional expenditures by ministries and divisions for the current fiscal year ending 30 June. In the original budget for FY22, the total allocation for 62 ministries and divisions was BDT6036.81 Bn. The revised spending plan raised the allocation for 27 ministries and divisions by BDT175.25 Bn and reduced the allocations for 35 others by BDT226.15 Bn.

<https://www.tbsnews.net/economy/budget/tk17524cr-supplementary-budget-fy21-22-passed-parliament-439226>

### **Elevator importers for 11% duty**

- The Bangladesh Elevators, Escalators and Lift Importers Association (BEELIA) on Tuesday placed a charter of demands for keeping the 'capital machinery (CM)' status of the lifting machines. The proposed budget for FY23 has scrapped the CM status of elevators and imposed a 31% duty on this import-dependent equipment. Previously, importers had to pay 11% duty 1% cent CD, 5% AIT and 5% AT.

<https://today.thefinancialexpress.com.bd/trade-market/elevator-importers-for-11pc-duty-1655227638>

### **Fuel oil price hike looms large**

- The way the oil price is increasing in the international market is 'abnormal' and informed the workshop that the state-run Bangladesh Petroleum Corporation (BPC) is incurring a loss worth around BDT 1.0 Bn per day as a consequence. The price of Brent crude, the benchmark in international oil price, is now hovering around USD 123 per barrel, which surged as high as USD 130 per barrel for a brief period in early March.

<https://today.thefinancialexpress.com.bd/first-page/fuel-oil-price-hike-looks-large-1655229952>

### **Govt can save up to BDT 55.0 Bn with austerity measures: Finance Ministry**

- The government can expect to save up to BDT 55.0 Bn for the austerity measures taken so far to preserve the foreign exchange reserves and tame inflation, according to the finance ministry.

<https://www.thedailystar.net/business/economy/national-budget/news/govt-can-save-tk-5500cr-austerity-measures-finance-ministry-3047686>

### **No letup in exchange-rate instability, inflation rise**

- Bangladesh's central bank has predicated instability of exchange rate and inflation upturn in the days ahead, too, while the two problems already prevail in the economy. In its quarterly publication styled 'Economic and Financial Developments' for January-March period, published Sunday, the Bangladesh Bank suggests careful monetary and fiscal measures to navigate the twin macroeconomic adversities.

- The Central Bank Mentioned that the inflation and exchange-rate volatility may get elevated in the coming quarters, due to global commodity price hikes and growing current-account deficits and Overall macro stability warrants cautious monetary and fiscal measures in the near term

<https://today.thefinancialexpress.com.bd/first-page/no-letup-in-exchange-rate-instability-inflation-rise-1655057668>

### **VAT hike to increase production cost for steel makers**

- The production cost of steel makers in Bangladesh is going to increase as the revenue authority seeks to hike the VAT on rod and other steel products by up to 20%, two leading producers said yesterday. The NBR proposed raising the indirect tax by BDT 200 per tonne at the manufacturing stage of billet and rod. However, industries that produce steel products by making billet from scraps will have to count BDT 2,200 per tonne as VAT, up 10% from FY22.

<https://www.thedailystar.net/business/economy/news/vat-hike-increase-production-cost-steel-makers-3046761>

### **India considers wheat exports to Bangladesh, 4 other nations as requests pour in**

- The Indian authorities are considering resuming its wheat exports to Bangladesh and four other nations following requests from the governments of the respective countries. India banned exports of wheat due to rising global prices on 13 May. However, the South Asian country kept the possibility open for supplies on G2G basis for neighbouring countries and others that may face a threat to food security.

<https://www.tbsnews.net/bangladesh/india-considers-wheat-exports-bangladesh-4-other-nations-requests-pour-438654>

### **BGMEA wants keeping 0.5pc source tax for next 5 years**

- The Bangladesh Garment Manufacturers and Exporters Association has urged the government to keep the source tax on export earnings unchanged for at least for next five years to help the sector overcome difficult moment. The government has proposed increasing the source tax on export profits to 1 % from the existing 0.5 % in the forthcoming financial year 2022-2023.

<https://www.newagebd.net/article/173170/bgmea-wants-keeping-05pc-source-tax-for-next-5-years>

### **Govt liabilities over SOEs' loan guarantees growing**

- Government liabilities over outstanding loans of the state-owned enterprises (SOEs) is BDT 926.01 Bn to local and foreign lenders. The guarantee amount equivalent to over 2.0% of the GDP is a matter of concern. The SOE debt overhang, following a 25% surge in their loans backed by government guarantees, valid beyond June 2022, has future fiscal implications for the exchequer in economists' view.

- The borrowings buildup involves mainly guarantees provided for 18 large-project guarantees for power-generating projects, according to the sources. The total power-sector guarantees amount to BDT 495.15 Bn or more than 54% of the total, followed by the country's agriculture-development agency BADC involving import of some essential fertilizers.

<https://today.thefinancialexpress.com.bd/first-page/govt-liabilities-over-soes-loan-guarantees-growing-1654968412>

### **Regulator reverses dollar free float as taka tumbles**

- The regulator intervenes to tame Bangladesh's volatile foreign-exchange market as the BDT kept tumbling down in exchange with the USD lately put on a free float. Bankers said the central bank reversed its stance through intervening unofficially in the country's foreign-exchange market Tuesday as the value of the local currency kept falling almost continuously in the last couple of days.

<https://today.thefinancialexpress.com.bd/first-page/regulator-reverses-dollar-free-float-as-taka-tumbles-1655229846>

### **Call money rate hits two-year high amid rising liquidity crunch**

- The interbank call money rate has reached a two-year high, exceeding 5%, amid a rising liquidity crisis in banks. The weighted average rate in the call money market, where banks borrow from each other on an overnight basis, stood at 5.02% on Monday, according to data from the Bangladesh bank. The previous peak was recorded on 16 June 2020 when the rate stood at 5.03%

<https://www.tbsnews.net/economy/banking/call-money-rate-hits-2-year-high-502-439122>

### **Taka falls again**

- The currency of Bangladesh has depreciated further against the US dollar, hitting BDT92.50 on the interbank platform yesterday. The exchange rate stood at BDT92 per dollar on Monday before falling by BDT0.50 on Tuesday, the 13th decline alone this year. In order to prevent a massive fall of the BDT, the Bangladesh Bank injected USD105 Mn into the market yesterday to help banks settle import bills.

<https://www.thedailystar.net/business/economy/news/taka-falls-again-3046796>

### **4 telcos fined Tk 7.65cr over illegal VoIP**

- The Bangladesh Telecommunication Regulatory Commission has fined four mobile phone operators — Teletalk, Robi Axiata, Grameenphone and Banglalink — BDT 76 Mn in total for the operators' negligence in preventing illegal voice-over-internet protocol service

<https://www.newagebd.net/article/173070/4-telcos-fined-tk-765cr-over-illegal-voip>

### **Default loans of NBFIs up Tk1,216cr in Q1**

- At least half of the NBFIs are in a bad condition now while many struggle with their 50-90% defaulted loans. The default loans of NBFIs surged by BDT12.16 Bn or 9.34% to BDT142.32 Bn in Q1 (January–March) of the calendar year of 2022 from BDT130.16 Bn in the last quarter of 2021, according to the Bangladesh Bank. It is also 37.45% higher year on year.

<https://www.tbsnews.net/economy/default-loans-nbfis-tk1216cr-q1-439210>

### **'Equal corporate tax for exporters to draw higher FDI'**

- The proposed equal corporate tax of 12% for all the exporters, which currently enjoy only export-oriented readymade garment industries, will help draw higher foreign direct investment, said speakers at a roundtable organised by the Institute of Chartered Accountants Bangladesh (ICAB) and the Japan Bangladesh Chamber of Commerce and Industry (JBCCI).

<https://www.tbsnews.net/economy/budget/equal-corporate-tax-exporters-draw-higher-fdi-438610>

### **Large-cap stocks tumble in post-budget first session**

- Foreign direct investment (FDI) in Bangladesh rose by 12.9% to USD2.9 Bn – around the pre-pandemic level – in the last calendar year (2021). In the same year, the number of international project finance deals in Bangladesh tripled to 14, reaching USD4.7 Bn. The largest project was the construction of a container terminal in Ananda Bazar in Haliashahar, Chattogram for USD2 Bn, according to United Nations Conference on Trade and Development (Unctad). Meanwhile, outward FDI from Bangladesh rose nearly seven times to USD92 Mn in 2021. In 2017, outflow of FDI was the highest – USD142 Mn – since 1990.

<https://www.tbsnews.net/economy/fdi-bangladesh-jumped-13-after-two-years-unctad-437902>

### **Revenue target, deficit financing remain two key challenges**

- Terming attainment of the government's proposed revenue-collection target and deficit financing as the major 'challenging tasks', experts and economists on Sunday suggested prudent measures to meet the budgetary goals. The government expenditure in proportion to GDP is around 15 % while around 15.1 % was proposed in the new budget which was much lower than those in other countries and the lowest in the world. Regarding public debt it was about 41 % of GDP with the risk threshold at 70 % and the external debt was 10 % with the risk threshold at about 23 %.

<https://today.thefinancialexpress.com.bd/first-page/revenue-target-deficit-financing-remain-two-key-challenges-1655058017>

### **Bankers call for increasing dollar supply**

- The Association of Bankers, Bangladesh (ABB) and the Bangladesh Foreign Exchange Dealers Association (BAFEDA) have urged Bangladesh Bank Governor Fazle Kabir to increase dollar supply to ease the existing foreign currency crisis caused by soaring trade deficit and declining inflow of remittance.

<https://www.tbsnews.net/economy/bankers-meet-bb-governor-call-increasing-dollar-supply-438634>

### **VAT reduction extended for cylinder makers**

- The National Board of Revenue (NBR) has extended for another year a VAT reduction for local LPG cylinder manufacturers. The NBR reduced VAT on domestic manufacturing of LPG cylinders to 5 per cent from 15 per cent in September 2020. The benefit was set to expire on June 30 this year.

<https://www.thedailystar.net/business/economy/news/vat-reduction-extended-cylinder-makers-3045146>

### **Over half of banks at high risk of cyber-attacks: BIBM**

- A high risk of cyber-attacks looms large over 36 % of banks in Bangladesh mainly due to a shortage of investment in strengthening security measures, skilled personnel, and a lack of awareness among bankers and customers. another 16 % of banks are in a very high-risk condition, an indication of the fragile cybersecurity scenario in Bangladesh's banking sector, according to research carried out by the BIBM.

<https://www.thedailystar.net/business/economy/news/over-half-banks-high-risk-cyber-attacks-bibm-3045961>

### **BB to conduct feasibility study to introduce digital currency**

- Finance minister AHM Mustafa Kamal said that the Bangladesh Bank would conduct a feasibility study on the possibility of introducing of introducing Central Bank Digital Currency in Bangladesh. The main purpose of launching Central Bank Digital Currency (CDBC) is to facilitate currency in virtual transactions and to encourage start-ups and e-commerce businesses

<https://www.newagebd.net/article/172824/bb-to-conduct-feasibility-study-to-introduce-digital-currency>

### **Tax return a must to get 50 types of services**

- People would not be able to avail nearly 50 types of services unless they submit tax returns to the government every year, according to the proposed finance bill-2022. Bank transaction would be frozen or suspended in case of absence of tax return slip, tax officials said.

- Obtaining and continuation of electricity connections, opening and continuing of bank accounts of any sorts with credit balance above BDT 1.0 Mn, applying for loans above BDT 0.5 Mn from a bank or financial institution, and submission of bill of entry for import.

<https://thefinancialexpress.com.bd/trade/tax-return-a-must-to-get-50-types-of-services-1654836881>

### **MoU inked to begin trading of T-bonds**

- Stocks ended lower on Sunday, the first session after unveiling the national budget, as the proposed budget appears to have failed to boost stock investors' confidence. The market index began to slide steeply from the beginning of the session, as large-cap stocks faced erosion, eventually ending more than 48 points lower. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 48.84 points or 0.75 % to settle at 6,431.

<https://today.thefinancialexpress.com.bd/stock-corporate/large-cap-stocks-tumble-in-post-budget-first-session-1655051797>

### **Capital gain from govt securities coming under tax net**

- Institutional investors, including banks, insurance and NBFIs will face tax on their capital gains from investments in government securities, according to the new budget for FY23. As per current rules capital gain from government securities like Treasury bills and bonds enjoy zero tax, while a 15% tax rate capital gain from non-govt securities. According to the Bangladesh bank data, During FY21, the net issuance of T-bonds and T-bills was BDT 511.0 Bn and BDT 115.15 Bn, respectively.

<https://www.tbsnews.net/economy/budget/capital-gain-govt-securities-coming-under-tax-net-436390>

### **Finance secy Abdur Rouf Talukder new BB governor**

- The government on Saturday appointed the finance ministry's senior secretary Abdur Rouf Talukder as the new governor of Bangladesh Bank for four years. Rouf would be the 12th governor of the central bank after being 34 years in civil service since 1988, replacing Fazle Kabir, also a former finance secretary.

<https://www.newagebd.net/article/172983/finance-secy-abdur-rouf-talukder-new-bb-governor>

### **BGMEA demands keeping source tax unchanged**

- The Bangladesh Garment Manufacturers and Exporters Association has requested the government to keep 0.5% source tax on apparel exports unchanged. The government proposed an increase in source tax to 1.0% from 0.5% for apparel exports, which would be difficult for the industry considering the global economic scenario.

<https://www.newagebd.net/article/172915/bgmea-demands-keeping-source-tax-unchanged>

### **FDI in Bangladesh jumped 13% after two years: Unctad**

- Foreign direct investment (FDI) in Bangladesh rose by 12.9% to \$2.9 billion – around the pre-pandemic level – in the last calendar year (2021).. In the same year, the number of international project finance deals in Bangladesh tripled to 14, reaching \$4.7 billion. The largest project was the construction of a container terminal in Ananda Bazar in Halishahar, Chattogram for \$2 billion, according to United Nations Conference on Trade and Development (Unctad). Meanwhile, outward FDI from Bangladesh rose nearly seven times to \$92 million in 2021. In 2017, outflow of FDI was the highest – \$142 million – since 1990.

<https://www.tbsnews.net/economy/fdi-bangladesh-jumped-13-after-two-years-unctad-437902>

### **Apparel exports to US witness 65% growth**

- The country's apparel exports to the US maintained a robust growth in terms of both value and volume during the first four months of 2022. The US imported RMG items worth USD 3.29 Bn from Bangladesh during 4MCY22, marking a 65.08% growth year-on-year. The country's apparel exports in terms of volume also registered a 50.33% growth to 1.19 Bn square metres during the period under review. Bangladesh fetched USD 7.14 Bn from RMG exports to the US in 2021, keeping the market as its single-largest export destination without any duty preference.

<https://today.thefinancialexpress.com.bd/trade-market/apparel-exports-to-us-witness-65pc-growth-1654969845>

## Important News: Capital Market

### BSEC allows Global Islami Bank to raise BDT 4.25 Bn through IPO

- The stock market regulator has allowed Global Islami Bank to raise BDT 4.25 Bn from the capital market, which will be the second largest initial public offering (IPO) in the banking sector. As per the regulatory approval, the fourth-generation private commercial bank will issue BDT 425 Mn ordinary shares at a face value of BDT 10 each under the fixed price method.
- According to the financial statement until September 30, 2021, the bank's net asset value (NAV) per share (without revaluation) was BDT 14.42 and earnings per share (EPS) of 1.91 while the weighted average EPS for the last five years stood at BDT 1.08.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-allows-global-islami-bank-to-raise-tk-425b-through-ipo-1655314189>

### GDCL signs issue management deal with Thai Foils & Polymer

- The Green Delta Capital Limited (GDCL) has recently signed an issue management agreement with Thai Foils & Polymer Industries Limited, a concern of Al-Mostafa Group. Under this agreement, Green Delta Capital Limited has become the mandated Issue Manager for the upcoming Initial Public Offering (IPO) of Thai Foils & Polymer Industries Limited under Book Building Method, which will be listed on Dhaka Stock Exchange and Chittagong Stock Exchange, said a statement.

<https://today.thefinancialexpress.com.bd/stock-corporate/gdcl-signs-issue-management-deal-with-thai-foils-polymer-1655314285>

### Maslin Capital to launch BDT 1.0 Bn impact fund

- Maslin Capital, a fund management company belonging to City Group, has initiated a process to launch a BDT 1.0 Bn impact fund. City Bank Capital Resources Ltd has been appointed as the mandated lead arranger of the fund.

<https://www.tbsnews.net/economy/stocks/maslin-capital-launch-tk100cr-impact-fund-439450>

### BD Paints makes debut on SME Platform today

- Trading of the shares of BD Paints will commence today (Tuesday) on the SME Platforms of Dhaka Stock Exchange and Chittagong Stock Exchange. The SME firm has reported profit after tax of BDT 48.26 Mn for the year ended June 30, 2021, up by a whopping 54%, from BDT 31.31 Mn in the corresponding period, according to audited annual financial statements.

<https://today.thefinancialexpress.com.bd/stock-corporate/bd-paints-makes-debut-on-sme-platform-today-1655139864>

### BSEC concerned about Zaheen Spinning's business capabilities

- The Bangladesh Securities and Exchange Commission (BSEC) has expressed concerns about the functioning of Zaheen Spinning Ltd as two fire incidents have thrown its business into uncertainty. In a letter, the regulator has recently asked the 100% cotton yarn manufacturer of different counts to submit documents on its operational status and business strategy. The company extended its losses in FY21, while most of the spinning mills enjoyed improved profitability in their business due to an increase in yarn prices.

<https://www.tbsnews.net/economy/stocks/bsec-concerned-about-zaheen-spinnings-business-capabilities-440422>

### StanChart Saadiq Bangladesh named 'Best Islamic Bank for Digital CX'

- Standard Chartered Saadiq Bangladesh has been recognized as 'Best Islamic Bank for Digital CX in Bangladesh at The Digital Banker's Digital CX Awards 2022. Standard Chartered Saadiq Bangladesh has launched several notable products and services recently. As of 2021, Saadiq customers can enjoy the benefits of real time on-boarding (RTOB). Standard Chartered Saadiq is the only international Islamic banking proposition in Bangladesh for both retail and corporate clients. Its network spans Asia, Africa, and the Middle East.

<https://www.newagebd.net/article/173089/stanchart-saadiq-bangladesh-named-best-islamic-bank-for-digital-cx>

### Monno Fabrics keeps soaring sans PSI

- The Monno Fabrics has been witnessing an unprecedented price hike and increase in volume of shares even though there is no undisclosed price sensitive information (PSI). Just in five trading days, the company's share jumped nearly 35% or BDT 7.0 each to close at BDT 27.20.

<https://today.thefinancialexpress.com.bd/stock-corporate/monno-fabrics-keeps-soaring-sans-psi-1655228511>

### RAK Ceramics to invest BDT 9.02 Bn to build tiles factory

- RAK Ceramics is set to invest BDT 9.02 Bn for setting up a new tiles factory in Gazipur to deliver value-added products to local customers. This will raise its daily tiles production capacity by an estimated 15,000 square metres, taking the annual production capacity to 15.50 Mn square metres.

<https://www.thedailystar.net/business/organisation-news/news/rak-ceramics-invest-tk-902cr-build-tiles-factory-3047641>



### **ACI Formulations to separate agrochemical business**

- ACI Formulations Limited's board has decided to separate the agrochemical – such as pesticide – business from its diversified portfolio to avail of a tax exemption facility and enhance its focus on the crop care segment. For this purpose, the company decided to form a company named "ACI AgroChem Limited" to run the agrochemical business. ACI Formulations will hold a 90% stake in its subsidiary.

<https://www.tbsnews.net/economy/stocks/aci-formulations-separate-agrochemical-business-439466>

### **Dragon Sweater to merge with 'sick' company**

- Institutional Stock exchange-listed Dragon Sweater and Spinning Limited has decided to amalgamate with its associate company Dragon Sweater BD Limited which is considered a "sick" company in the industry.
- In the first nine months of the current financial year, the company's exports increased marginally to BDT 1130 mn and profit was BDT 200 mn.

<https://www.tbsnews.net/economy/stocks/dragon-sweater-merge-sick-company-438562>

### **Jamuna Bank in charge of money management of Padma Bridge toll**

- Jamuna Bank Ltd recently signed an agreement with the Bangladesh Bridge Authority for the money management of the toll to be collected at the Padma Multipurpose Bridge. Under the agreement, the bank will be in charge of money management of the toll of Padma Bridge, the largest communications infrastructure in Bangladesh.

<https://www.thedailystar.net/business/organisation-news/news/jamuna-bank-charge-money-management-padma-bridge-toll-3045846>

### **Berger, Marico, United Power may miss out on benefit**

- The government has proposed a 2.5 percentage point cut in corporate tax rates for the listed companies in the national budget unveiled for the next fiscal year in a bid to develop the stock market and attract investments. This brings down the corporate tax rate to 20% from 22.5% for the publicly-traded firms that have issued shares worth more than 10% of their paid-up capital through initial public offerings (IPOs).
- For the listed companies that have offloaded equities worth 10 per cent or fewer, the rate has been kept unchanged at 22.5 per cent. However, the listed companies, whether shares equivalent to more than 10 per cent of their paid-up capital are offloaded or not, must carry out all receipts and incomes as well as all expenses and investments of more than BDT USD 1.2 Mn through bank transfer to qualify for the 2.5 percentage point cut in the corporate tax rate.

- Berger Paints has offloaded 5 per cent shares while it is 10 per cent for Marico and United Power Generation.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/berger-marico-united-power-may-miss-out-benefit-3045156>

## IMPORTANT DISCLOSURES

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