

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+1.34%) gained 90.70 points and closed the week at 6,851.32 points. The blue-chip index DS30 (+1.23%) gained 29.89 points and stood at 2,453.43 points. The Shariah-based index DSES (+1.77%) gained 25.86 points and stood at 1,487.20 points. The large cap index CDSET (+1.09%) gained 14.45 points and closed at 1,337.11 points. DSEX, DS30, DSES and CDSET showed YTD returns of +26.83%, +24.92%, +19.73%, +19.06%, respectively.

Total Turnover During The Week (DSE): BDT 130.4 billion (USD 1,535 million)

Average Daily Turnover Value (ADTV): BDT 26.1 billion (Δ% Week: +1.2%)

Market P/E: 19.4x

Daily Index Movement during the Week:

Market performed five sessions during this week. The market performed positively by +1.21% in the first session and continued to be positive in the second and third sessions by +0.29% and +0.32% respectively. The market turned negative in the fourth sessions by -0.09% and ended on a negative momentum of -0.40%.

Sectoral Performance:

- All the financial sectors posted positive performance this week. NBFi booked the highest gain of 9.64% followed by Life Insurance (+3.00%), Mutual Fund (+1.17%), Bank (+1.09%), and General Insurance (+0.91%).
- All the non-financial sectors posted positive performance this week except and Engineering (-0.20%). Fuel & Power booked the highest gain of 2.97% followed by Telecommunication (+2.22%), Pharmaceutical (+1.07%), and Food & Allied (+0.77%).

Macroeconomic arena:

- The daily death toll from Covid-19 declined to 172 in Bangladesh on Wednesday, with the virus test-positivity rate also maintaining a downturn in recent days. The virus test positivity rate inched down further to 17.7% on the day, from the previous day's 19.2%. On Tuesday, the total fatalities from coronavirus were recorded at 198 across the country.
- The central bank on Monday failed to mop up idle money from the banking system by auctioning bills as banks did not warm up to low yield. According to the Bangladesh Bank, banks participated in the auction of seven-day and 14-day bills with an offer of BDT 46.9 billion in total.
- The tax revenue collection recorded an impressive 21% growth in the fiscal year (FY) 2020-21 over that of the previous FY. Greater mobilization of corporate and withholding tax made the feat possible on the part of the National Board of Revenue (NBR)
- Spending through credit cards hit an all-time high in June thanks to the acceleration of digital payments on e-commerce platforms amid the ongoing coronavirus pandemic. Customers also spent more online ahead of Eid this year. Credit card transactions collectively stood at BDT 19.34 billion in June, up 13.25% from a month earlier and 115.46% year-on-year.
- Money transferred through growing mobile financial services (MFS) in Bangladesh rose 40.50% year-on-year to BDT 629.93 billion in June as people continue to rely on the digital platform amid the unabating coronavirus pandemic. Transactions totalled BDT 448.30 billion in the same month last year.
- The Bangladesh Bank has raised the lending limit of banks in proportion to their Tier 1 capital or core capital. In a circular on Wednesday, the central bank directed banks to get prepared in 2022 to increase their leverage ratio. And from 2023, the lenders will have to increase their leverage ratio by 0.25% per year to take the ratio to 4.0% in 2026.

Stock Market arena:

- Bangladesh's electronics giant Walton brand TV has been receiving sound response from the buyers in Romania. According to sources, Walton is exporting 'Made in Bangladesh' labelled TV through more than 100 business partners in more than 35 countries. Walton TV's total exports are 34% to Denmark, 16% to Germany, 22% to Greece, 15% to Croatia and Ireland, 6% to Poland and 5% to Africa and other countries.
- Ifad Autos Limited signed a land-lease agreement with Bangladesh Economic Zones Authority (Beza) by which the company will expand its manufacturing facilities on 30 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar.

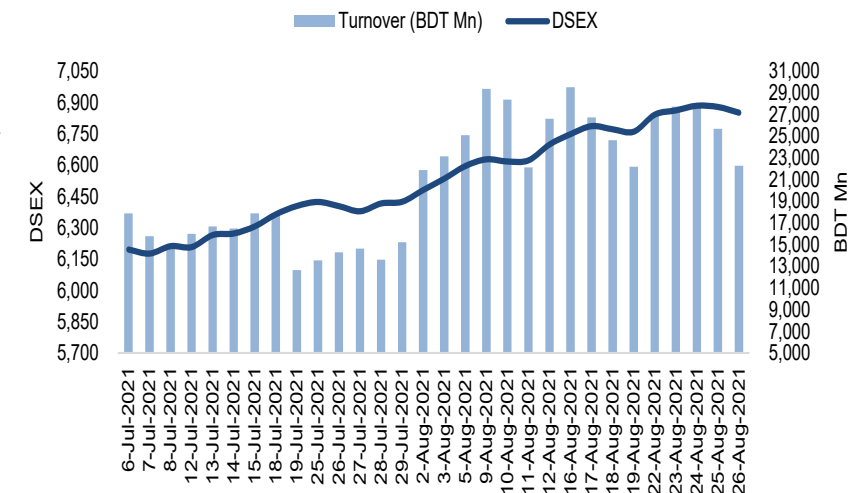
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	6,851.32	6,760.62	+90.70	5,402.07	+1.34%	+26.83%
DS30	2,453.43	2,423.55	+29.89	1,963.96	+1.23%	+24.92%
DSES	1,487.20	1,461.34	+25.86	1,242.11	+1.77%	+19.73%
CDSET	1,337.11	1,322.66	+14.45	1,123.03	+1.09%	+19.06%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,575,092	5,497,216	
	Mn USD	65,620	64,704	+1.4%
Turnover	Mn BDT	130,424	103,119	+26.5%
	Mn USD	1,535	1,214	
Average Daily Turnover	Mn BDT	26,085	25,780	+1.2%
	Mn USD	307	303	
Volume	Mn Shares	4,056	3,530	+14.9%

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
SBACBANK	24.6	17.6	+39.8%	19,302	1,140.4	31.5x	1.8x
MEGHNAPET	33.2	23.8	+39.5%	398	42.4	NM	NM
MEGCONMILK	25.3	18.7	+35.3%	405	28.9	NM	NM
MITHUNKNIT	21.3	16.5	+29.1%	692	60.7	NM	1.2x
METROSPIN	35.0	27.3	+28.2%	2,159	1,099.6	40.3x	2.2x
JANATAINS	56.9	44.5	+27.9%	2,526	781.2	46.3x	4.1x
PADMALIFE	43.9	35.4	+24.0%	1,707	282.5	NM	NM
REGENTTEX	16.7	13.5	+23.7%	2,148	264.8	NM	0.6x
SHYAMPSUG	113.3	92.0	+23.2%	567	34.3	NM	NM
IPDC	41.0	33.9	+20.9%	15,215	997.8	19.2x	2.6x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
EBLNRFMF	7.0	7.5	-6.7%	1,570	163.0	NM	0.8x
MIRACLEIND	42.8	45.7	-6.3%	1,507	283.5	NM	1.4x
SPCERAMICS	36.3	38.7	-6.2%	5,335	619.2	NM	1.2x
STYLECRAFT	181.4	193.2	-6.1%	2,519	234.7	NM	7.6x
DGIC	48.3	51.3	-5.8%	1,932	234.1	72.9x	4.1x
NHFIL	64.5	68.4	-5.7%	7,549	1,012.6	20.0x	3.6x
PIONEERINS	137.9	145.8	-5.4%	10,615	322.2	18.1x	2.5x
APOLOISPAT	12.6	13.3	-5.3%	5,056	607.7	NM	0.6x
ANLIMAYARN	47.3	49.9	-5.2%	845	208.4	NM	4.1x
GENNEXT	7.9	8.3	-4.8%	3,910	195.3	NM	0.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	104.1	107.9	-3.5%	91,225	6,153	25.1x	1.4x
LANKABAFIN	41.4	39.1	+5.9%	22,308	3,116	17.4x	2.3x
POWERGRID	57.5	52.8	+8.9%	40,982	2,914	19.0x	0.7x
LHBL	73.6	71.9	+2.4%	85,477	2,670	23.4x	4.7x
BXPBARMA	203.7	191.2	+6.5%	90,873	2,568	19.9x	2.6x
IFIC	16.4	17.0	-3.5%	27,894	2,054	15.2x	1.0x
SPCL	106.9	90.1	+18.6%	18,446	2,000	18.6x	3.0x
MAKSONSPIN	25.8	24.1	+7.1%	6,146	1,681	35.3x	1.3x
ISLAMICFIN	32.5	28.8	+12.8%	4,561	1,678	20.6x	2.2x
FIRSTSBANK	12.8	12.1	+5.8%	12,751	1,647	5.1x	0.7x

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	62.8	+528.0%	4,710	48.4x	2.5x
HEIDELBCEM	348.8	+133.2%	19,708	27.0x	4.5x
PIONEERINS	137.9	+101.4%	10,615	18.1x	2.5x
MICEMENT	81.0	+74.6%	12,029	16.9x	1.6x
GPHISPAT	50.8	+66.0%	20,173	18.8x	2.7x
SQUARETEXT	47.7	+60.1%	9,409	52.1x	1.3x
BSRMLTD	95.7	+59.0%	22,592	8.0x	0.8x
BSRMSTEEL	65.8	+54.8%	24,738	9.5x	1.1x
LHBL	73.6	+54.0%	85,477	23.4x	4.7x
TITASGAS	46.1	+49.7%	45,603	12.6x	0.7x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,658.89	1,641.01	1,372.63	+1.09%	+20.85%
NBFIs	2,546.47	2,322.49	2,033.53	+9.64%	+25.22%
Mutual Funds	1,113.43	1,100.52	959.61	+1.17%	+16.03%
General Insurance	5,465.90	5,416.46	4,103.56	+0.91%	+33.20%
Life Insurance	2,763.68	2,683.21	2,162.58	+3.00%	+27.80%
Telecommunication	6,336.92	6,199.00	5,463.26	+2.22%	+15.99%
Pharmaceuticals	3,921.53	3,879.99	3,306.03	+1.07%	+18.62%
Fuel & Power	1,930.54	1,874.89	1,618.11	+2.97%	+19.31%
Cement	2,497.47	2,453.85	1,416.18	+1.78%	+76.35%
Services & Real Estate	1,208.58	1,219.19	1,083.79	-0.87%	+11.51%
Engineering	5,304.08	5,314.52	3,959.20	-0.20%	+33.97%
Food & Allied	23,328.50	23,151.10	14,705.76	+0.77%	+58.64%
IT	3,329.56	3,311.44	2,350.28	+0.55%	+41.67%
Textiles	1,598.31	1,583.07	1,087.41	+0.96%	+46.98%
Paper & Printing	6,620.86	6,489.29	5,487.56	+2.03%	+20.65%
Tannery	2,304.43	2,209.85	1,771.77	+4.28%	+30.06%
Jute	8,984.74	8,775.34	12,154.61	+2.39%	-26.08%
Ceramics	704.67	714.85	472.38	-1.42%	+49.18%
Miscellaneous	4,103.04	4,158.47	2,539.70	-1.33%	+61.56%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	2,720.7	3,322.2	-18.1%	10.7%	8.7x	0.9x
NBFI	2,676.4	2,893.3	-7.5%	10.6%	47.0x	4.1x
Mutual Fund	686.3	586.0	+17.1%	2.7%	NM	1.0x
General Insurance	2,397.1	1,632.9	+46.8%	9.4%	24.5x	2.6x
Life Insurance	611.7	457.2	+33.8%	2.4%	NM	NM
Telecommunication	317.5	249.3	+27.4%	1.3%	18.8x	6.1x
Pharmaceutical	2,156.9	2,193.9	-1.7%	8.5%	23.5x	2.9x
Fuel & Power	2,649.6	1,764.6	+50.2%	10.4%	14.2x	1.6x
Cement	744.1	857.3	-13.2%	2.9%	20.6x	3.0x
Services & Real Estate	481.1	605.9	-20.6%	1.9%	NM	1.0x
Engineering	2,521.9	2,295.8	+9.8%	9.9%	24.1x	2.5x
Food & Allied	680.5	681.4	-0.1%	2.7%	30.6x	8.8x
IT	482.1	500.6	-3.7%	1.9%	36.3x	2.8x
Textile	3,656.9	3,907.4	-6.4%	14.4%	NM	1.1x
Paper & Printing	158.4	152.7	+3.7%	0.6%	51.1x	1.3x
Tannery	223.6	91.4	+144.5%	0.9%	NM	2.6x
Jute	20.9	17.7	+18.1%	0.1%	NM	16.2x
Ceramics	375.7	461.3	-18.6%	1.5%	39.5x	2.3x
Miscellaneous	1,807.2	1,884.7	-4.1%	7.1%	28.0x	2.1x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
OLYMPIC	175.4	-8.2%	35,069	16.9x	4.0x
KPCL	42.3	-6.6%	16,811	12.5x	1.8x
MTB	20.8	-5.1%	16,900	27.4x	0.9x
ADNTEL	62.6	-2.6%	4,047	20.4x	2.5x
UNILEVERCL	2,807.4	-0.1%	33,819	77.6x	28.7x
BATASHOE	714.3	+1.7%	9,772	NM	2.7x
SHAHJABANK	22.2	+1.8%	22,846	8.3x	1.2x
MPETROLEUM	203.0	+2.5%	21,968	7.8x	1.2x
SQRPHARMA	229.3	+4.5%	203,263	14.0x	2.4x
SINGERBD	183.5	+4.5%	18,295	17.4x	5.4x

Important News: Business & Economy

Covid-19 positivity rate drops

- The daily death toll from Covid-19 declined to 172 in Bangladesh on Wednesday, with the virus test-positivity rate also maintaining a downturn in recent days. The virus test positivity rate inched down further to 17.7% on the day, from the previous day's 19.2%. On Tuesday, the total fatalities from coronavirus were recorded at 198 across the country, according to the official figures.
- During the last 24 hours until 8:00 am on Wednesday, the highest number of fatalities from Covid-19 was reported at 67 in Dhaka division, followed by Chattogram division with 47, Khulna division 16, Sylhet division 15, Mymensingh 10, Rajshahi 08, Barishal 05, and Rangpur division 04.
- With the latest daily count, the total death toll from coronavirus reached 24,719 since the virus was first detected in Bangladesh in March 2020. According to the Directorate General of Health Services (DGHS) data, the total Covid-19 caseloads reached 1.4 million, and 1.3 million people recovered in the country since March 2020.

<https://today.thefinancialexpress.com.bd/first-page/covid-19-positivity-rate-drops-1629309959>

Banks reject Bangladesh Bank bills for low yield

- The central bank on Monday failed to mop up idle money from the banking system by auctioning bills as banks did not warm up to low yield. According to the Bangladesh Bank, banks participated in the auction of seven-day and 14-day bills with an offer of BDT 46.9 billion in total. Central bank bills are monetary policy instruments to drain excess liquidity from the banking system.
- In the first auction on 9 August, banks purchased seven-day bills worth BDT 15.1 billion at the yield rate of 0.54%. Sonali Bank, Janata Bank and Uttara Bank purchased 14-day bills valued at BDT 11.0 billion with 0.75% as the yield rate.
- On the second day of auction on 11 August, 30-day bills were auctioned, with banks placing bids amounting to BDT 63.8 billion. Banks purchased bills worth BDT 60.7 billion at a yield rate of 1.25%, according to the Bangladesh Bank.
- The total excess liquidity in the banking sector almost doubled in the last year and stood at BDT 2.4 trillion this June. The figure was BDT 1.4 trillion a year ago. Inflation is already on the rise. The inflation rate was recorded at 5.56% in FY21, overshooting the government's target of 5.4%. In June this year, inflation was 5.64% – the highest in the last eight months.

<https://www.tbsnews.net/economy/banking/banks-reject-bb-bills-low-yield-289249>

Revenue receipts up 21%

- The tax revenue collection recorded an impressive 21% growth in the fiscal year (FY) 2020-21 over that of the previous FY. Greater mobilization of corporate and withholding tax made the feat possible on the part of the National Board of Revenue (NBR), the NBR data show. However, the collection fell short of the target by BDT 411.18 billion, set for the last FY. The NBR collected BDT 2.61 trillion in tax revenue in FY 2020-21 against the revised

target of BDT 3.01 trillion.

<https://today.thefinancialexpress.com.bd/public/first-page/revenue-receipts-up-21pc-1628960769>

Credit card use hits record high

- Spending through credit cards hit an all-time high in June thanks to the acceleration of digital payments on e-commerce platforms amid the ongoing coronavirus pandemic. Customers also spent more online ahead of Eid this year. Credit card transactions collectively stood at BDT 19.34 billion in June, up 13.25% from a month earlier and 115.46% year-on-year, data from the central bank showed. During the first three months after the Covid-19 outbreak in March 2020, credit card payments nosedived as spending on travel, tourism, and lifestyle products dropped. In the last fiscal year, credit card transactions totalled about BDT 184.50 billion, up 45.84%, year-on-year.
- In September last year, the central bank capped the interest rate on credit card loans at 20%, which came as a relief for clients as they would get rid of the burden of higher interest. Banks used to charge between 25 and 27% interest on credit card loans, way higher than the 9% interest rate ceiling applicable for all loan products in Bangladesh.

<https://www.thedailystar.net/business/economy/banks/news/credit-card-use-hits-record-high-2153251>

MFS transactions off the charts

- Money transferred through growing mobile financial services (MFS) in Bangladesh rose 40.50% year-on-year to BDT 629.93 billion in June as people continue to rely on the digital platform amid the unabating coronavirus pandemic. Transactions totalled BDT 448.30 billion in the same month last year, data from Bangladesh Bank showed. The lockdowns, which put a curb on the movement of people and vehicles in the past four months, contributed to the growth in June, according to officials of several operators.
- Amid the growing popularity of mobile financial services, "tap" made a foray into the country's MFS segment on July 28. Trust Bank of Bangladesh has partnered with Axiata Digital Services of Malaysia to launch the Trust Axiata Pay, or "tap", under the joint venture Trust Axiata Digital Ltd. This took the number of MFS operators in the country to 17.

<https://www.thedailystar.net/business/economy/news/mfs-transactions-the-charts-2152546>

Bangladesh Bank raises banks' leverage ratio

- The Bangladesh Bank has raised the lending limit of banks in proportion to their Tier 1 capital or core capital. In a circular on Wednesday, the central bank directed banks to get prepared in 2022 to increase their leverage ratio. And from 2023, the lenders will have to increase their leverage ratio by 0.25% per year to take the ratio to 4.0% in 2026.
- According to Basel III, the ratio of Tier-1 capital to debt is called the leverage ratio. At present, the ratio of total debt to Tier-1 capital is 3.0%. Officials at the central bank said banks must increase their capital and then their lending capacity will go up. Such a directive has been issued to enhance the capacity of banks to strengthen the country's economic recovery during the Covid-19 pandemic.

<https://www.tbsnews.net/economy/banking/bb-raises-banks-leverage-ratio-290239>

<https://today.thefinancialexpress.com.bd/last-page/banks-asked-to-raise-leverage-ratio-1629310636>

<https://www.thedailystar.net/business/economy/banks/news/banks-asked-raise-core-capital-ratio-2155686>

Banks to remain open today as holiday reset for Ashura

• Banks will remain open on Thursday as the government has re-fixed the holiday on Holy Ashura, reports UNB. Earlier, Thursday was announced as the public holiday on the occasion of Holy Ashura. Later as per the decision of the National Moon-sighting committee, the day was re-fixed, said a Bangladesh Bank circular on Wednesday.

<https://today.thefinancialexpress.com.bd/last-page/banks-to-remain-open-today-as-holiday-reset-for-ashura-1629310656>

<https://www.dhakatribune.com/business/2021/08/18/banks-to-remain-open-thursday-as-holiday-reset-for-ashura>

Post-import financing comes under Bangladesh Bank probe

• Monitoring post-import financing (PIF) as a suspect behind an upturn in non-performing loans (NPLs) in the banking sector is being mounted by the regulator, officials said. Under the latest move, all the scheduled banks have been instructed to submit their PIF statements to the Department of Off-Site Supervision (DOS) of the central bank in a prescribed format on quarterly basis.

• Post-import financing is a short-term credit facility available to importers for settlement of their import bills which are going to mature. However, the first statement will have to be submitted to the central bank by the end of October this calendar year, as per the regulatory decree-one in a chain of late, meant for managing the money market..

• A considerable amount of the total NPLs has come from such short-term financing, posing a threat to the country's banking system, the central banker noted. Nearly 28% or BDT 247 billion of the total BDT 882.36 billion classified loans concentrated in the trade-financing sector in 2020, according to the central bank's latest Financial Stability Report (FSR) 2020.

<https://today.thefinancialexpress.com.bd/first-page/post-import-financing-comes-under-bb-probe-1629310111>

Light engineering lights up export hope

• Bangladesh's light-engineering sector (LES) lights up trade hopes as it achieved nearly 81 per cent growth in shipments to overseas markets in the last fiscal year (FY), analysts say, as the country strives to enlarge its slim export basket.

• According to the Export Promotion Bureau (EPB), the Bangladeshi small and medium scale manufacturers exported USD 529 million worth of engineering goods in the FY 2020-2021, posting an 80.6% growth year on year. In the previous FY2020, the export of engineering products fetched USD 292.9 million, EPB data showed. A hub for nearly 800,000 jobs, after meeting some 30.0% of local demands, earned about half a billion US dollars in foreign exchange on average per annum.

<https://today.thefinancialexpress.com.bd/first-page/light-engineering-lights-up-export-hope-1629310014>

RMG may lose UK trade benefits post-LDC

• Bangladesh's apparel products may lose duty-free access to the United Kingdom after it graduates to a developing country as regular tariffs will be applicable to any product when its import exceeds a set limit under the UK's new Generalised Scheme of Preferences (GSP).

• The UK has started formulating its own GSP scheme after Brexit. Bangladesh will enjoy duty-free access to the British market for all of its products except for arms and ammunition under the scheme's Least Developed Country Framework until 2026.

• The UK GSP scheme's provision on product or goods graduation states that for textiles, apparel and clothing goods, graduation applies when the import ratio referred to exceeds 47.2%, according to the document.

• The general threshold of 57.0% applies to all other goods. For live plants and floricultural goods, vegetable goods, animal or vegetable oils, fats and waxes and mineral goods, graduation applies when the import ratio referred to exceeds 17.5%. The UK will review the list of graduated goods every three years.

<https://www.tbsnews.net/economy/rmg/rmg-may-lose-uk-trade-benefits-post-ldc-290257>

National Board of Revenue (NBR) to launch e-TDS in September

• The National Board of Revenue will launch an electronic tax deducted at source (e-TDS) system in September to automatically settle claims of tax and refund advance income tax for taxpayers. The system offer taxpayers an automated chalan. The eTDS system would establish data sharing with the e-return system to get tax deduction information on salary payment and other sectors.

• The taxpayers will be able to seek refunds on their paid taxes, adjust their TDS at the time of submission of tax returns and claim tax credit easily using the e-TDS system. The system also provides the taxpayers the opportunity to obtain their tax certificates, acknowledgement receipts and taxpayers' identification numbers anytime from their account in the system.

• At present, four tax zones are using the system under a piloting programme of the e-TDS. The system will be featuring automation intelligence that is interlinked with other entities, including banks, the Bangladesh Road Transport Authority and the Bangladesh Computer Council, which helps the tax authority to ensure tax justice and detect tax evasion.

<https://www.newagebd.net/article/146691/nbr-to-launch-e-tds-in-sept>

Outbound investments up to 5% of forex reserve on cards

• The government is set to provide outbound investment opportunities to local exporters and any company running their business in the domestic market for 10 years. This opportunity will be extended to small and medium enterprises interested in establishing backward and forward linkage industries, along with NGOs with a reputation for working towards society's betterment and improving people's quality of life in Bangladesh. The government will allow local companies with outbound investments to enlist in foreign stock markets too. However, Bangladesh's total outbound investment in a single fiscal year will not exceed 5% of the central bank's foreign exchange reserves for that particular fiscal year.

• According to the draft guideline, exporters will be able to make outbound investments reaching up to 25% of their average exports in the past five years. Other companies and NGOs will be able to invest up to 25% of their net assets – per their latest audited balance sheet. A company interested in making outbound investments must possess USD 5 million worth of net assets – reflected by their audited balance sheets in the last five years. The government will consider providing SMEs with the same opportunity based on solvency certificates provided by banks. A company seeking to invest overseas in a particular sector must have at least three years of business or manufacturing experience in that field, and of the three years, at least two must be profitable. This rule will be relaxed for ICT entrepreneurs.

<https://www.tbsnews.net/economy/outbound-investments-5-forex-reserve-cards-289750>

NBFIs asked to ensure credit discipline

• The Bangladesh Bank yesterday asked non-bank financial institutions to release approved loans to bank accounts owned by genuine borrowers. Some NBFIs have recently credited funds to the accounts held by other persons or entities who have not applied for the loan, flouting rules, according to a central bank notice. Such a practice has already created a wide range of corruptions at some NBFIs, paving the way for scamsters to swindle a huge amount of money through fraudulent means, a BB official said. The financial health of the NBFIs – International Leasing & Financial Services Ltd, FAS Finance, Peoples' Leasing, and Reliance Finance – is in dire straits due to the scams.

<https://www.thedailystar.net/business/economy/banks/news/nbfis-asked-ensure-credit-discipline-2154926>

<https://www.tbsnews.net/economy/banking/central-bank-warns-nbfis-lending-anomalies-289738>

Businesses look beyond border to grow, but it's not easy

• Political instabilities in host countries and persisting pandemic limit the gains expected from overseas investment of Bangladeshi entrepreneurs, prompting some to pull out. Industry people say overseas investment is preferable to diversify export products and get more duty-free advantages across the globe to help Bangladesh overcome the looming challenges of the post-LDC graduation period.

• In 2013, MJL Bangladesh Limited, as the first Bangladeshi company, formed a joint venture with a Myanmar-based petroleum company and invested USD 0.5 million in the neighbouring country. The company made good profit initially. But a few years later, MJL started facing losses owing to the increasing political unrest in Myanmar, frequent policy changes and lack of accountability. To go global, Square Pharmaceuticals Ltd, the domestic pharma giant, completed construction of its manufacturing plant in the Kenyan capital Nairobi at a cost of USD 17 million in 2017. All necessary infrastructure is also ready. But the manufacturing is yet to start because of the pandemic.

• Similarly, ACI Group invested USD 100 million in 2015 to grab a huge drug market in the United States. The group completed the construction of the automated factory two years ago as per the specifications of the United States Food and Drug Administration (USFDA). But the company has not yet gone into production. In 2016, the Bangladesh Bank gave approval to BSRM for investing in the steel sector in Kenya. Subject to fulfilling some conditions, the company was permitted to invest USD 4.6 million from its balance in the export retention quota to build a factory in the country. But the company could not start setting up the factory even five years after getting approval.

<https://www.tbsnews.net/economy/businesses-look-beyond-border-grow-its-not-easy-289753>

Daily Covid-19 deaths further drop to 174 in 24 hours

• Bangladesh reported 174 deaths from Covid-19 in the last 24 hours until Monday 8am, as the death curve has been witnessing a downward trend for the last four days. The death toll reported today is the lowest in 24 days as the country saw over 200 daily deaths for straight 20 days since 24 July.

• Meanwhile, the number of daily cases slightly grew up to 6,959, up from 6,684 a day ago, with an increase in the positivity rate of 21.08%. The positivity rate has been hovering at 20.0% for the last three days. Also, the death rate went up to 1.71% during the 24 hours period.

• With the latest additions, the death toll reached 24,349 and the case tally increased to 14,25,861 in the country. Of the deceased, Dhaka division reported the highest 70 deaths followed by 37 in Chattogram, 19 in Khulna, 17 in Rajshahi, 11 in Mymensingh, seven each in Barishal and Rangpur, and six died Sylhet division.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/daily-covid-19-deaths-further-drop-174-24hrs-289087>

<https://today.thefinancialexpress.com.bd/first-page/infection-rate-rises-again-1629137410>

Tripartite deal inked to produce China vaccine

• A local pharmaceutical company will bottle, label and dispense five million doses of Sinopharm Covid vaccines a month under a much-discussed co-production deal Bangladesh and China struck Monday. Bangladesh government, Incepta Pharmaceuticals Limited and China signed the tripartite memorandum of understanding to this effect.

• The government of Bangladesh will purchase necessary vaccine doses manufactured here at a cheaper rate, director-general of the health directorate said in his welcome address to the deal-signing ceremony.

• In recent days there have been some steady supplies from several sources but a high demand from people seeking health safeguards against the pandemic far outstripped the availability. The government has set a target to vaccinate 120 million people, meaning that it required 240 million doses for administering vaccines twice. And considering the 10% wastage the number would be higher.

<https://today.thefinancialexpress.com.bd/first-page/tripartite-deal-inked-to-produce-china-vaccine-1629137241>

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladesh-hopes-export-covid-vaccine-health-minister>

Dhaka seeks to borrow USD 500 million from Asian Infrastructure Investment Bank (AIIB)

• Dhaka has sought USD 500 million worth of funds from the Asian Infrastructure Investment Bank (AIIB) for defraying the buy of COVID-19 vaccine, officials said Monday, as Bangladesh grapples with the virus surge. The government is expecting the financial support from the Beijing-based lender within this calendar year, 2021, a joint secretary at the Economic Relations Division (ERD) told the FE.

• Meanwhile, the Asian Development Bank (ADB) tops the lists in terms of financial help to Bangladesh in vaccine procurement as it has already offered a big sum of USD 940 million in loan. In June this year, the Manila-based lender approved the USD 940-million loan. Besides, the World Bank (WB) Board in March this year had also offered USD 500 million worth of loan for Bangladesh for importing vaccines.

<https://today.thefinancialexpress.com.bd/first-page/dhaka-seeks-to-borrow-500-million-from-aiib-1629137365>

Chinese firm to invest USD 6.0 million in Dhaka EPZ

• Chinese company Kaixi Fashion Bangladesh Co Ltd plans to invest USD 6.0 million to establish a lingerie manufacturing factory in the Dhaka Export Processing Zone. It will produce 24 million pieces of ladies undergarments annually, Bangladesh Export Processing Zones Authority (Bepza) said in a statement yesterday.

• The industry will also create 2,031 jobs for Bangladeshi nationals, according to the statement. Mohammad Faruque Alam, a member of Bepza, and Xiao Hongxi, managing director of Kaixi Fashion Bangladesh, signed a deal in this regard at the Bepza Complex in Dhaka yesterday.

<https://www.thedailystar.net/business/economy/news/chinese-firm-invest-6m-dhaka-epz-2153956>

Agent banking going places

• Transactions through agent banking more than doubled to BDT 3.94 trillion in the last fiscal year as the new window has taken financial services to the doorsteps of people. The volume rose 106% in FY2020-21, data from the Bangladesh Bank showed, against BDT 1.91 trillion in the previous fiscal year.

• The central bank has awarded 28 agent banking licences since 2013. The aim is to provide a secure alternative delivery channel of banking services to the underprivileged, under-served population who live in remote locations that are beyond the reach of the traditional banking network. Twenty-four banks have rolled out the service as of September last year. The banks with a notable presence include Bank Asia, Islami Bank Bangladesh Ltd, Dutch-Bangla Bank Ltd, Brac Bank, City Bank, Mutual Trust Bank, Al-Arafah Islami Bank, Agrani Bank, NRB Commercial Bank, and Modhumoti Bank.

<https://www.thedailystar.net/business/economy/banks/news/agent-banking-going-places-2153246>

Banks' capital base weaker than regional peers

• The capital base of the banking industry in Bangladesh is much weaker than its peer countries in South Asia, which indicates their fragile financial health and poor brand image in the outside world. Banks maintained a capital adequacy ratio (CAR) of 11.60% last year, way less than 18.6% in Pakistan, 16.5% in Sri Lanka, and 15.8% in India.

• In the past, only state-run banks used to experience a lower capital position. But the problem has recently spread to private banks due to a lack of corporate governance and poor management. A former governor of the central bank blamed the high volume of defaulted loans for the lower CAR. The NPLs in the banking sector stood at BDT 950.85

billion as of March, up 7.1% from three months earlier and 2.8% year-on-year. Banks have to set aside a large amount of provisioning against the defaulted loans that ultimately hit the capital base.

<https://www.thedailystar.net/business/economy/banks/news/banks-capital-base-weaker-regional-peers-2153271>

Unrealized rescheduled loans threat to banks

• Unrealized rescheduled loans might create a challenging situation for the profitability and solvency of banks in the coming days, the Bangladesh Bank has warned. Although both default and rescheduled loans went down last year, the two types of stressed assets would become a cause for concern for the banking sector, said a BB official, who was engaged in preparing the report. Last year, the central bank relaxed rules on loan classification to offset the business slowdown derived from the coronavirus pandemic, helping lenders bring down both rescheduled and classified loans in tandem.

• Because of the same relaxed policy, the amount of loans rescheduled fell to at least a five-year low in 2020. Defaulters regularized NPLs amounting to BDT 133.70 billion, down 74.47% year-on-year. In 2019, the BB issued a relaxed policy on loan rescheduling and a one-time exit policy to address the long-standing bad debts, pushing the volume of the rescheduled loans higher.

<https://www.thedailystar.net/business/economy/banks/news/unrealised-rescheduled-loans-threat-banks-2152556>

Banks show high profit, but it's not real

• Banks appear to have attained high profits even amid the pandemic-led crisis, but negative cash flow reflects a rainy day looming on the horizon for them as their profits exist only on paper with no real income. In the six months, 10 out of listed 30 banks suffered negative cash flow of BDT 49 billion.

• Bankers have attributed the negative cash flow mainly to payment deferral. Nevertheless, banks are recording interest income in their accounts despite not receiving payments. This accrual accounting method is helping banks show high profits, they add.

• The adoption of such an approach will have some negative impacts on banks. Firstly, banks are disbursing dividends by taking unrealised interest incomes into account, which will ultimately deteriorate their financial health in the future. Because it is uncertain whether banks will finally be able to realise those interest incomes. Secondly, negative cash flow has kept banks away from lending activities, a core business for them, resulting in a pile of excess liquidity with low private sector credit growth.

<https://www.tbsnews.net/economy/banking/banks-show-high-profit-its-not-real-288301>

Apparel makers worry as a Chinese port closes

• Bangladeshi apparel exporters worry that the partial closure of a port in China, which is used to import most of the raw materials and machines, may cause a supply chain disruption. Alternative ports to bring in imported fabrics and machinery may increase freight cost and shipping time, they say. The Chinese government decided to keep partially shut Ningbo-Zhoushan port, after a worker had come out Covid positive, threatening more damage to the already fragile supply chain as the Christmas shopping season nears.

<https://www.tbsnews.net/economy/apparel-makers-worry-chinese-port-closes-288307>

Forex reserves cross record USD 48 billion mark

- Bangladesh's foreign exchange (forex) reserve crossed USD48 billion-mark for the first time on Tuesday with availability of funds from the International Monetary Fund (IMF). The central bank has received USD 1.45 billion from the IMF as general allocation of Special Drawing Right (SDR), according to officials.
- Earlier on August 02 last, the Board of Governors of the IMF approved a general allocation of SDRs equivalent to USD 650 billion for its member countries to boost global liquidity. As per the decision, the general allocation of SDRs came into effect on August 23, 2021.

<https://today.thefinancialexpress.com.bd/last-page/forex-reserves-cross-record-48b-mark-1629828257>

ADP spending slows amid Covid restrictions

- Implementation of the Annual Development Programme (ADP) in July was 17.22% lower compared to the corresponding month of last fiscal year due to the economic impact of a recent countrywide lockdown. Similarly, the overall ADP implementation was only 1.14% in July of the current fiscal while it was 1.52% during the corresponding month in fiscal 2020-21. The implementing ministries and divisions managed to spend just BDT 26.93 billion in the first month of the ongoing fiscal while it was BDT 32.54 billion last year.

<https://www.thedailystar.net/business/economy/news/adp-spending-slows-amid-covid-restrictions-2160221>

Government halts bank borrowing through bills, bonds

- Cash management is cited as prime concern as the government suspends its bank borrowing through cancelling auctions of both treasury bills or T-bills and bonds until August 31 amid swelling public coffers.
- The government's latest moves came against the backdrop of rising trend in surplus liquidity in its accounts in recent days. The surplus liquidity in government accounts swelled to BDT 110 billion as on August 22 from BDT 60 billion six days ago, according to the officials.
- Meanwhile, the government has already set a lower borrowing target from the banking system to meet partly the budget deficit in FY'22. Its borrowing is set to amount to BDT 764.52 billion in FY'22 from BDT 797.49 billion revised target in the last FY, according to the budget documents. Under the arrangement, the government will borrow BDT 516 billion through issuing long-term Bangladesh Bank T-Bills (BGTBs) and the remaining BDT 248.52 billion through T-bills.

<https://today.thefinancialexpress.com.bd/first-page/govt-halts-bank-borrowing-thru-bills-bonds-1629827788>

1.0 million Pfizer doses due on Aug 30

- Bangladesh is expected to receive a consignment of a million doses of coronavirus vaccine developed by Pfizer-BioNTech on August 30, officials said. The United States (US)

as part of its promised six million doses will provide the antidotes as a gift under the COVAX initiative.

<https://today.thefinancialexpress.com.bd/first-page/10m-pfizer-doses-due-on-aug-30-1629827914>

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) seeks 4% incentive against RMG items made with imported yarn

- BGMEA in a letter to the commerce ministry has sought a 4% cash incentive on export-oriented apparel items that are made from imported raw materials.
- As prices of yarn have recently gone up in the country, garment owners are getting interested in importing yarn from abroad. So, the BGMEA seeks an incentive at a 4% rate on the exports of RMG items produced from imported yarn. The spinners have sold yarn at huge losses in the last two years. Those who have other businesses have managed to survive. Now, cotton prices in the international market have increased by 50%. When the cotton production season starts next November-December, yarn prices will also come down, the former president of Bangladesh Textile Mills Association (BTMA) added.

<https://www.tbsnews.net/economy/rmg/bgmea-seeks-4-incentive-against-rmg-items-made-imported-yarn-292651>

BGMEA wants Spanish investment in non-cotton, technical textiles

- Local garment makers yesterday sought Spanish investment in non-cotton textile items as the demand for apparel items manufactured from man-made fiber (MMF) is on the rise. Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), put forward the request to Francisco de Asís Benítez Salas, Spanish ambassador, when the envoy came to the BGMEA office in Dhaka.
- Hassan highlighted the issues related to the garment industry in Bangladesh, including its progress in the areas of workplace safety, social and environmental sustainability, the BGMEA said in a statement.

<https://www.thedailystar.net/business/economy/industries/news/garment-makers-seek-spanish-investment-non-cotton-textile-2160216>
<https://www.newagebd.net/article/147182/bgmea-wants-spanish-investment-in-non-cotton-technical-textiles>

Bangladesh Bank approves two more refinancing schemes

- Two refinancing schemes worth BDT 35.0 billion are being launched to help out Covid-hit agriculture and tourism sectors under government stimulus packages, officials said.
- Prime Minister Sheikh Hasina has so far announced 28 stimulus packages worth BDT 1.35 trillion to offset the impacts of the pandemic on various sectors.

<https://today.thefinancialexpress.com.bd/first-page/bb-approves-two-more-refinancing-schemes-1629741148>
<https://www.thedailystar.net/business/economy/banks/news/BDT-3000cr-refinance-scheme-farmers-2159476>

Default loan rates highest in shipbreaking, SME

- Shipbreaking and shipbuilding, small and medium enterprises, trading, agriculture and garment are the top five sectors that generated the highest level of bad loans in Bangladesh in 2020, official figures showed.
- As of December, last year, banks gave out funds amounting to BDT 169.8 billion in the shipbuilding and breaking sector. Of the volume, 18% turned into non-performing loans (NPLs), the highest ratio among all of the sectors, according to data from the central bank.
- The CMSME sector had the second-highest level of NPLs, which accounted for 12.0% of the total outstanding loans of BDT 44.7 billion as of December.

<https://www.thedailystar.net/business/economy/news/default-loan-rates-highest-shipbreaking-sme-2159496>

Non-Performing Loans (NPLs) back to rising again, up 38.99 billion in 3 months

- The amount of total non-performing loans increased to BDT 981.6 billion as of June 30 this year — 8.61% of the sector's total outstanding loans
- According to Bangladesh Bank sources, after the general loan moratorium for 2020 had ended, the central bank again relaxed the loan classification rules in June 2021.

<https://www.dhakatribune.com/business/2021/08/23/npls-back-to-rising-again-up-3-899c-in-3-months>

International Monetary Fund (IMF's) USD 650.0 billion reserves distribution seen 'shot in arm' for global economy

- The IMF distributed about USD 650 billion in new Special Drawing Rights to its members on Monday, providing a "significant shot in the arm" for global efforts to combat the COVID-19 pandemic. The International Monetary Fund's largest-ever distribution of monetary reserves will provide additional liquidity for the global economy, supplementing member countries' foreign exchange reserves and reducing their reliance on more expensive domestic or external debt, Georgieva said in a statement.

<https://today.thefinancialexpress.com.bd/last-page/imfs-650b-reserves-distribution-seen-shot-in-arm-for-global-economy-1629741891>

Cap on yarn price to halt import

- Leaders of Bangladesh's textile mills and apparel exporters unanimously fixed the upper ceiling of the mostly consumed 30- count yarn price at USD4.20 a kilogram, slightly down a recent rate, to halt a move for import.
- Spinners point out that cotton is the main raw material for producing yarn and the price of cotton had increased 47% since December last year till August'21 while the price of yarn on the local market increased 37% during the period.

<https://today.thefinancialexpress.com.bd/first-page/cap-on-yarn-price-to-halt-import-1629655399>
[https://www.thedailystar.net/business/economy/industries/news/yarn-price-fixed-420-kg-](https://www.thedailystar.net/business/economy/industries/news/yarn-price-fixed-420-kg-2157971)

[2157971](https://www.thedailystar.net/business/economy/industries/news/yarn-price-fixed-420-kg-2157971)

11 banks have BDT 150 billion provision deficit

- Eleven commercial banks had a deficit of about BDT 150 billion in provisions or security reserves at the end of last June, according to the Bangladesh Bank. Of them, state-run Janata Bank, BASIC Bank, Agrani Bank and Rupali Bank bore the lion's share of the deficit. Among the private banks, Bangladesh Commerce Bank, Dhaka Bank, Mutual Trust Bank, National Bank, Social Islami Bank, Standard Bank and specialized Bangladesh Krishi Bank are the ones that had a shortage of provisions.
- Insiders say loan recovery is poor because of the disbursement of credits without scrutiny. Moreover, flexible provisions have created an environment encouraging borrowers to not pay back loans.

<https://www.tbsnews.net/economy/banking/11-banks-have-BDT15000cr-provision-deficit-291703>

The Bangladesh Telecommunication Regulatory Commission (BTRC) to allot 450 MHz spectrum to telcos

- BTRC is planning to allocate 450 MHz spectrum to the country's mobile operators in next two years, a BTRC official revealed this in a virtual public hearing on Sunday.
- We will allocate 450 MHz new spectrum to operators, and hope that by the end of 2022 their service quality will improve further, the director general (spectrum) of the BTRC told the hearing.

<https://today.thefinancialexpress.com.bd/last-page/btrc-to-allot-450-mhz-spectrum-to-telcos-1629654615>

Gold prices move up

- Local jewelers on Sunday revised gold prices upward to adjust with the change in the international market that is fluctuating frequently amid Covid-19 outbreak. Hallmarked 22-carat gold will be sold for BDT 6,300 per gram, which is BDT 130 up from BDT 6,170 previously, Bangladesh Jewelers Samity (BJS) said in a statement on Saturday.
- As per the new pricing, per bhoori (11.664 grams) gold will be sold at BDT 73,483, which is an increase of BDT 1,516 from BDT 71,967 two months ago. It mentioned per gram hallmarked 21-carat gold's price increased to BDT 6,030 from BDT 5,900 and 18-carat variety's rose to BDT 5,280 from BDT 5,150 previously. Meanwhile, the value of per gram silver of all varieties remained unchanged such as per gram 22-carat (hallmarked) silver at BDT 130, per gram 21-carat at BDT 123 and 18-carat at BDT 105.

<https://today.thefinancialexpress.com.bd/last-page/gold-prices-move-up-1629654662>
<https://www.tbsnews.net/economy/gold-prices-rise-again-22-carat-bhoori-now-BDT73483-291463>

Covid infection rate below 17.0%

- Both Covid-19 infections and fatalities continued to show a downward trend as the daily positivity rate dropped below 17% on Saturday. In the last 24 hours ending at 8:00am on Saturday, the country recorded 3,991 coronavirus positive cases after July 22 when the

daily caseload was 3,697, according to the Directorate General of Health Services (DGHS). The positivity rate stood at 16.71% on the day. At least 120 people died of Covid-19 during the same period, the official data showed. And the death figure was the lowest in 52 days.

- A flight of All Nippon Airways (ANA) carrying 781,440 doses of AstraZeneca vaccine, departed from Narita International Airport at 21:43 hours and it reached Dhaka on Saturday by a flight of Cathay Pacific, foreign ministry officials said.
- With this shipment, the total amount of dispatched vaccines from Japan stood at over 2.4 million. This delivery is a part of Japan's commitment to supplying over 3.0 million doses of vaccine under WHO-COVAX mechanism.

<https://today.thefinancialexpress.com.bd/first-page/covid-infection-rate-below-17pc-1629566963>

Sales of savings tools triple in FY'21

- The government's net borrowing through the national savings instruments more than doubled in the fiscal year (FY) 2020-21 than that of the FY's target, according to the official statistics. The Department of National Savings (DNS) disclosed recently that the net sales of national savings certificates stood at BDT 419.6 billion in the last FY against a target of BDT 200 billion. The net sales of the instruments were nearly three times higher in the last FY than that of the previous FY's BDT 144.3 billion, data showed.
- The government sells savings instruments, including four types of savings certificates, with the yield rates up to 11.76%. In contrast, the banks are providing interest rates on deposits up to 5.5% while charging the lending rates up to 9.0%. The interest rates vary depending on banks and bank-client relationship, insiders have said. Some banks were offering even 6.0 to 7.0% lending rates, they added. Around 20 million investors are involved in this sector, DNS officials said.

<https://today.thefinancialexpress.com.bd/first-page/sales-of-savings-tools-triple-in-fy21-1629567018>

What drove NBFIs' half yearly profits boost

- Non-bank financial institutions (NBFI), like the commercial banks, are posting higher profits for the first half of 2021 that attracted analysts and stock investors' eyes. 10 of the 23 publicly listed NBFIs, mostly the top-tier ones, already disclosed their financial statements for the January-June period and that reveals significant year-on-year growth in net profits after tax for nine firms.
- The financial sector analyst of the brokerage firm thanked three factors for the improved earnings of the NBFIs. These are better spread in interest rates, the deferral facilities by the central bank and most importantly the vibrant state of the capital market.

<https://www.tbsnews.net/economy/what-drove-nbfis-half-yearly-profits-boost-291268>

Consumers saved BDT 1.65 trillion during pandemic

- Amid the historic low interest rates of bank deposits, consumers socked BDT 1.65 trillion away in 2020, the highest in the last five years, thanks to saving tendency in the pandemic time.

- Current deposits mostly contributed to higher savings, which reflected that wealth of rich people increased owing to limited spending opportunities amid lockdowns. On the other hand, loan growth was 8.4%, the lowest in the last five years. As a result, the gap between outstanding deposits and loans widened considerably to BDT 2.1 trillion last year from BDT 1.3 trillion a year ago, according to the financial stability report of the Bangladesh Bank for 2020.

- Despite the low interest rate, banks saw good deposit growth as interest rate matters little to customers, said Ali Reza Iftekhhar, managing director of Eastern Bank and also the chairman of ABB (Association of Bankers Bangladesh). Customers now give importance to banks' service quality and reputation instead of interest rates, he also said. The total deposit stood at BDT 14.3 trillion in June this year.

<https://www.tbsnews.net/economy/banking/consumers-saved-tk165-lakh-crore-during-pandemic-290737>

Soaring freight rates fuel commodity prices

- Essential commodities such as edible oil, wheat and sugar have become costlier in Bangladesh as their prices rose in the international markets because of the supply crunch and increased shipping costs, hitting the pocketbooks of consumers. The increase in the cost of transportation has had an impact on imported goods.
- Data from the National Board of Revenue (NBR) showed that oil refiners imported crude soybean oil at BDT 116,350 per tonne in July, up 12.0%, or BDT 12,772, from June. Traders imported wheat at BDT 32,318 per tonne in July, an increase of 14.0% from June. Similarly, the sugar price has increased by 19.0% to BDT 41,757 per tonne within a month.

<https://www.thedailystar.net/business/economy/news/soaring-freight-rates-fuel-commodity-prices-2157756>

Important News: Capital Market

Walton TV lures buyers in Romania

- Bangladesh's electronics giant Walton brand TV has been receiving sound response from the buyers in Romania. In Romania, Walton brand TV is ahead of other global brands in terms of the market competitiveness due to its high-quality picture, product's durability, affordable price and state-of-the art features and design.

- According to sources, Walton is exporting 'Made in Bangladesh' labelled TV through more than 100 business partners in more than 35 countries. Walton TV's total exports are 34% to Denmark, 16% to Germany, 22% to Greece, 15% to Croatia and Ireland, 6% to Poland and 5% to Africa and other countries.

<https://www.tbsnews.net/economy/corporates/walton-tv-lures-buyers-romania-291613>

IFAD Autos to invest USD 51.0 million in Bangabandhu Sheikh Mujib Shilpa Nagar

• Ifad Autos Limited signed a land-lease agreement with Bangladesh Economic Zones Authority (Beza) by which the company will expand its manufacturing facilities on 30 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar.

• According to a Beza press statement, the company Ifad will invest USD 51.0 million to set up a car assembly factory, lubricant blending plant, and light engineering industry, that will create employment for about 880 people.

<https://www.tbsnews.net/economy/ifad-autos-invest-51m-bangabandhu-sheikh-mujib-shilpa-nagar-290671>

Investors allowed to avail of credit facilities as per existing margin ratio

• Investors will be allowed to avail credit facilities as per the existing margin ratio until the broad index of the premier bourse exists below 8000 points. The Bangladesh Securities and Exchange Commission (BSEC) has kept the existing highest margin loan ratio unchanged taking into account the ongoing pandemics situation.

• As a result, stock brokers will be allowed to disburse margin loan at a ratio of 1:0.8 meaning that an investor will get BDT 80 as margin loan against his/her investment worth BDT 100 until the DSEX, broad index of Dhaka Stock Exchange (DSE), exists below 8000 points. And the margin loan ratio will be 1:0.5 if the DSEX crosses 8001 or above.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/investors-allowed-to-avail-of-credit-facilities-as-per-existing-margin-ratio-1628953347>

<https://www.thedailystar.net/business/economy/stock/news/bsec-spurs-loans-despite-criticism-2152541>

Bangladesh Securities and Exchange Commission (BSEC) to reinstate mandatory IPO issuance rules

• The [Bangladesh Securities and Exchange Commission](#) has initiated a move to reinstate its rules that would make it mandatory for companies with paid-up capital of more than BDT 500 million to be listed on the country's stock exchanges. The current commission led by BSEC chairman Shibli Rubayat-Ul-Islam also wants to restore the notification which had asked companies to take BSEC consent for raising capital through issuing placement shares.

• The country's capital market has been going through a dry spell of initial public offerings as the BSEC has only one IPO application to deal with after approving just five IPOs in the last eight months. Besides, companies have shied away from listing on the stock exchanges as they have to remain under the regulatory watch, comply with various rules and file taxes properly, the officials said.

<https://www.newagebd.net/article/146915/bsec-to-reinstate-mandatory-ipo-issuance-rules>

Anwar Galvanizing to double production capacity

• Anwar Galvanizing, a listed concern of the Anwar Group of Companies, has decided to double its production capacity within 2022 investing BDT 270 million. The increase by 2,417

tonnes will take its total capacity to manufacture galvanised corrugated sheets and iron fittings to 4,725 tonnes per annum. The new project will be financed from a mix of the company's own resources and borrowed finance. It hopes that the increase would take its market share from 25% to 52%.

<https://www.thedailystar.net/business/economy/news/anwar-galvanizing-double-production-capacity-2154956>

Tax receipts from DSE jump 54% in July

• The government bagged revenue worth BDT 289 million in the first month of the FY 2021-22, which was BDT 188 million in the same month in the FY 2020-21, registering an increase of 54%. Market analysts said on the back of rising trading volume, the government earnings from the Dhaka bourse rose accordingly, as earning is related to turnover.

• The market turnover rose significantly as the buoyant investors have given boost to the capital market amid growing confidence riding on various regulatory reforms to bring discipline in the market, said a merchant banker. The daily turnover, the important gauge, jumped to 15.53 billion on average in July 2021, soaring 445% over the previous fiscal year's July of BDT 2.85 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-jump-54pc-in-july-1629042847>

Beximco Sukuk IPO subscription time extended till Sept 6

• Beximco's Sukuk Bond IPO subscription for BDT 7.50 billion has been extended till September 6 as the bond received a lukewarm response from investors in the first phase. In the first phase, the initial public offering subscription for the country's largest private Sukuk bond started on August 16 and ended on August 23.

• The bond was subscribed to only 7.42 % in the first phase. The offer received bids worth BDT 556.16 million from the 71 institutional investors, according to the Dhaka Stock Exchange (DSE).

<https://thefinancialexpress.com.bd/stock/beximco-sukuk-ipo-subscription-time-extended-till-sept-6-1629803681>

Meghna Group now making ceramic tiles

• The Meghna Group of Industries (MGI) has recently entered the domestic ceramic industry by establishing its own Fresh Ceramics brand. It invested nearly BDT 5.0 billion to set up a ceramic manufacturing facility in Ashariar Char in Narayanganj, creating an opportunity to directly employ around 1,000 people.

• Now, there are 31 ceramic manufacturing facilities in the country with a combined annual production capacity of 206.4 million square meters. Total investment in the industry currently stands at about BDT 52.4 billion while it employed around 19,883 people directly, showed the BCMEA data.

<https://www.thedailystar.net/business/economy/news/meghna-group-now-making-ceramic-tiles-2159486>

Maiden board gets Bangladesh Securities and Exchange Commission (BSEC) nod

- The securities regulator approved the first board of governors of the much-expected Capital Market Stabilization Fund (CMSF), paving the way for hedging bourse operations against volatility. The approval came Sunday through an order issued by the BSEC.
- The objective of the CMSF is to support the country's stock market alongside settling investors' claims on undistributed or unsettled dividends. The total fund, worth BDT 210 billion, will come from the undistributed or unsettled dividends, namely cash, stock and rights.
- According to the rules, a maximum 40% of the cash balance of the funds may be used for direct buying and selling the listed securities to ensure depth to the market. At least 50% of the cash balance of the funds shall be used for providing loan to market intermediaries for refinancing as a margin loan. The remaining 10% of the cash balance may be used for investment in other securities such as fixed deposits and government securities, according to the investment ceiling as defined by the rules.

<https://today.thefinancialexpress.com.bd/first-page/maiden-board-gets-bsec-nod-1629654303>

<https://www.newagebd.net/article/147005/bsec-forms-10-member-cmsf-governing-body>

IFAD Autos to invest BDT 800 million

- IFAD Autos, a listed company, has decided to invest BDT 800 million to acquire 40% shares of the IFAD Multiproducts, one of the sister concerns of IFAD Group, having a common management. The amount shall be financed from company's own fund, said the filing. IFAD Autos signed a land-lease agreement with Bangladesh Economic Zones Authority (BEZA) where the company will expand its manufacturing facilities at 30 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar, Mirsarai, according to another filing.

<https://today.thefinancialexpress.com.bd/stock-corporate/ifad-autos-to-invest-BDT-800m-1629650735>

<https://www.thedailystar.net/business/economy/industries/investments/news/ifad-autos-stocks-jump-BDT-80cr-investment-plan-2158506>

Telecom regulator selects firm to audit Banglalink

- The Bangladesh Telecommunication Regulatory Commission (BTRC) has selected Masih Muhith Haque & Co – a leading Chartered accountancy firm in the country – for carrying out an audit on Banglalink, the nation's third-largest mobile operator. After having Bangladesh's two of the largest mobile operators Grameenphone and Robi Axiata audited, the regulator now has its eyes on Banglalink.
- In 2018, the BTRC conducted separate audits on two leading operators Grameenphone and Robi, and claimed BDT 125.79 billion and BDT 8.67 billion in dues against each of them respectively.

<https://www.tbsnews.net/bangladesh/telecom/telecom-regulator-selects-firm-audit-banglalink-291682>

Grameen Telecom hires lobbyist to dodge BDT 3.0 billion

- Grameen Telecom, a shareholder of Grameenphone, has hired a lobbyist at BDT 140 million to win 107 cases lodged against it for realizing BDT 3.0 billion in worker-welfare dues. The Grameen Telecom Workers Employees Union made the allegation on Saturday. Meanwhile, leaders of the union have demanded appointment of an administrator in Grameen Telecom for attempting to deprive workers and employees of their rights.
- Grameen Telecom receives more than BDT 10-billion dividend every year from Grameenphone. In 2019 alone, the company received a dividend worth BDT 13 billion. But Grameen Telecom never paid 5.0% of these dividends to the workers' welfare fund, although they had a legal obligation to share profits with its employees.

<https://today.thefinancialexpress.com.bd/trade-market/grameen-telecom-hires-lobbyist-to-dodge-tk-30b-1629560754>

City Group to set up hi-tech park in Demra

- Food conglomerate City Group will develop a hi-tech park at Demra in Dhaka with a proposed investment of around BDT 50 billion. The 'City Hi-Tech Park' to be developed on 115 acres of land is expected to create employment opportunities for more than 15,000 people, according to a statement issued by the Bangladesh Hi-Tech Park Authority (BHTPA) on Thursday. The investors will get 14 incentives while investing in the park. They will get one-stop services.
- The conglomerate has shown interest in setting up the park as part of a strategy to diversify its business. The Park will be built in such a way that can attract both local and foreign investors.

<https://thefinancialexpress.com.bd/trade/city-group-to-set-up-hi-tech-park-in-demra-1629429787>

<https://www.tbsnews.net/economy/city-hi-tech-park-demra-draw-BDT-5000cr-investment-create-15000-jobs-290596>