

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.95%) gained 57.65 points and closed the week at 6,150.48 points. The blue-chip index DS30 (+0.40%) gained 8.85 points and stood at 2,208.38 points. The Shariah-based index DSES (+0.99%) gained 12.90 points and stood at 1,314.76 points. The large cap index CDSET (+0.64%) gained 7.89 points and closed at 1,234.81 points. DSEX, DS30, DSES and CDSET showed YTD returns of +13.85%, +12.45%, +5.85%, +9.95%, respectively.

Total Turnover During The Week (DSE): BDT 56.2 billion (USD 662 million)
Average Daily Turnover Value (ADTV): BDT 14.1 billion ($\Delta\%$ Week: -26.2%)

Market P/E: 19.3x

Daily Index Movement during the Week:

Market performed four sessions during this week. In the first session, market performed negatively by -1.64%. The market reverted to positive in the second session by +0.57% and continued to be positive in the third session by +0.26%. The market ended with a positive momentum of +1.79%.

Sectoral Performance:

- All the financial sectors posted positive performance this week except Mutual Fund (-1.10%). Life Insurance booked the highest gain of 10.41% followed by NBF1 (+3.44%), Bank (+1.11%), and General Insurance (+0.91%).
- All the non-financial sectors posted positive performance this week. Pharmaceutical booked the highest gain of 0.78% followed by Engineering (+0.71%), Telecommunication (+0.56%), Food & Allied (+0.28%), and Fuel & Power (+0.05%).

Macroeconomic arena:

- The total budget size of BDT 6.03 trillion for FY22 is 17.5% of the GDP. Total allocation for operating and other expenditures has been set at BDT 3.78 trillion, while the allocation for the Annual Development Programme (ADP) is BDT 2.25 trillion. The overall budget deficit for FY22 will be BDT 2.14 trillion, which is 6.2% of GDP while the budget deficit in the last fiscal year was 6.1%.
- Bangladesh's foreign exchange (forex) reserve crossed USD 46 billion-mark for the first time on Tuesday mainly due to higher growth of inward remittances, officials said. The flow of inward remittances grew by more than 39% to USD 22.84 billion during the July-May period of fiscal year (FY) 2020-21. The central bank officials, however, said higher inflow of foreign loans and assistants have also helped push up the forex reserve in the recent months.
- The government is set to start fiscal year (FY) 2021-22 with a higher bank borrowing target for July to adjust expenditure in June and partly finance budget deficit. It may take up to BDT 206.50 billion in gross borrowing from the banking system in July, the first month of FY22, by issuing treasury bills (T-bills) and bonds.
- Undisclosed money holders have yet another year to legalise their dirty money without facing any question about sources of income through investments in almost all sectors. The government has offered a special package allowing investment of untaxed money in the manufacturing industry in the next fiscal year on the condition of paying only a 10% tax. Besides, investment of such money will be allowed in the stock market subject to paying 25% regular tax plus a 5% penalty.
- Borrowers would be able to avoid falling into the default zone by repaying 20% of their loan installment amount as of June, Bangladesh Bank said yesterday. The BB has relaxed its loan classification policy given the ongoing business slowdown. Borrowers will have to give the portion of their loan installments by August this year, according to a central bank notice.

Stock Market arena:

- Bangladesh Bank has extended the interim licensing period for Nagad until 30 September. According to the Bangladesh Bank's licensing condition, Nagad will have to transfer the trust cum settlement account to the Bangladesh Post Office from Third Wave Technologies Limited. Though Nagad is sending transaction statements, those are not acceptable to the Bangladesh Bank. It is because Third Wave has loans with two private commercial banks against the fund of the trust cum settlement account.
- The boards of directors of Pubali Bank and Bank Asia have decided to issue Perpetual Bonds in a revised manner in order to comply with the securities regulator's latest directive. Both the banks will issue BDT 5.0 billion perpetual bonds each to raise funds as part of the additional Tier-I capital to support their Basel III compliance.

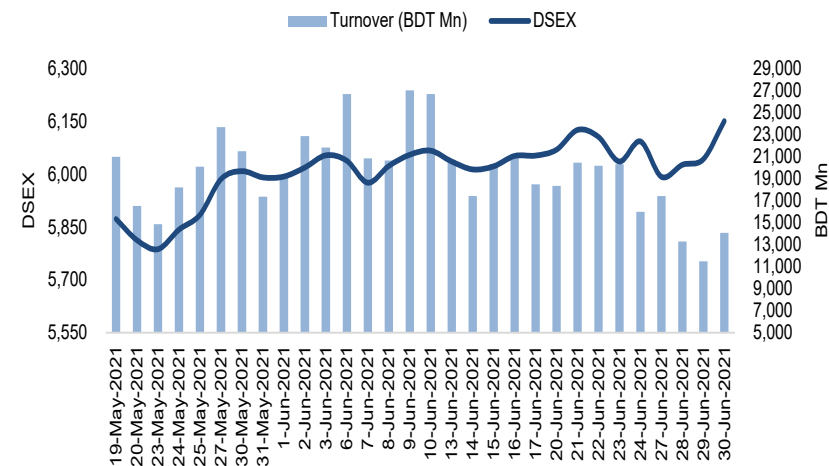
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,150.48	6,092.84	+57.65	5,402.07	+0.95%	+13.85%
DS30	2,208.38	2,199.53	+8.85	1,963.96	+0.40%	+12.45%
DSES	1,314.76	1,301.86	+12.90	1,242.11	+0.99%	+5.85%
CDSET	1,234.81	1,226.92	+7.89	1,123.03	+0.64%	+9.95%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,142,821	5,106,388	+0.7%
	Mn USD	60,532	60,103	
Turnover	Mn BDT	56,247	95,243	-40.9%
	Mn USD	662	1,121	
Average Daily Turnover	Mn BDT	14,062	19,049	-26.2%
	Mn USD	166	224	
Volume	Mn Shares	1,939	3,037	-36.1%

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
PAPERPROC	59.6	40.9	+45.7%	222	0.1	NM	2.2x
TAMIJTEX	44.5	30.6	+45.4%	1,338	0.1	NM	0.5x
OAL	14.9	10.3	+44.7%	2,526	257.3	NM	1.1x
DELTALIFE	154.3	107.2	+43.9%	19,095	2,290.6	NM	NM
SHYAMPSUG	64.4	44.8	+43.8%	322	12.7	NM	NM
ZEALBANGLA	119.7	93.5	+28.0%	718	4.4	NM	NM
KAY&QUE	224.6	180.4	+24.5%	1,101	69.2	NM	2.9x
SAVAREFR	207.6	167.0	+24.3%	289	8.7	NM	94.8x
JUTESPINN	121.9	98.2	+24.1%	207	3.1	NM	NM
MONOSPOOL	160.3	129.2	+24.1%	528	78.0	NM	3.9x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
SAFKOSPINN	24.0	29.3	-18.1%	720	119.6	NM	1.4x
PRAGATIINS	98.9	110.5	-10.5%	6,487	105.3	25.8x	1.9x
MALEKSPIN	31.2	34.7	-10.1%	6,040	1,205.4	NM	0.7x
PHENIXINS	59.2	65.3	-9.3%	2,388	51.6	24.0x	1.6x
SEAPEARL	42.7	46.6	-8.4%	5,156	254.1	56.0x	3.8x
ARAMITCEM	43.9	47.8	-8.2%	1,487	27.4	NM	1.7x
OIMEX	24.1	25.8	-6.6%	1,617	37.8	NM	1.7x
KTL	31.0	33.1	-6.3%	3,605	633.2	31.0x	1.8x
PIONEERINS	160.4	170.7	-6.0%	11,225	509.9	21.0x	3.1x
FORTUNE	44.7	47.5	-5.9%	6,919	475.9	37.2x	3.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	89.5	92.7	-3.5%	80,391	2,660	22.1x	1.2x
DELTALIFE	154.3	107.2	+43.9%	19,095	2,291	NM	NM
MALEKSPIN	31.2	34.7	-10.1%	6,040	1,205	NM	0.7x
SQURPHARMA	215.5	213.1	+1.1%	191,030	1,171	13.2x	2.2x
QUEENSOUTH	30.8	32.1	-4.0%	4,031	1,040	51.5x	1.9x
DUTCHBANGL	89.5	92.7	-3.5%	49,225	985	8.7x	1.5x
MAKSONSPIN	19.6	20.1	-2.5%	4,669	745	26.8x	1.0x
DSSL	18.7	19.1	-2.1%	3,754	715	17.5x	1.1x
KEYACOSMET	8.6	7.8	+10.3%	9,670	700	NM	0.7x
KTL	31.0	33.1	-6.3%	3,605	633	31.0x	1.8x

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	49.1	+391.0%	3,683	37.8x	2.0x
PIONEERINS	160.4	+113.0%	11,225	21.0x	3.1x
HEIDELBCEM	318.3	+112.8%	17,985	52.8x	4.2x
SQUARETEXT	47.5	+59.4%	9,369	51.9x	1.3x
ESQUIRENIT	40.7	+54.8%	5,490	29.3x	1.1x
MICEMENT	71.7	+54.5%	10,647	15.0x	1.4x
ROBI	44.0	+47.7%	230,469	NM	3.5x
BSRMLTD	86.6	+43.9%	20,444	7.2x	0.7x
DUTCHBANGL	89.5	+37.7%	49,225	8.7x	1.5x
BATBC	539.1	+37.0%	291,114	24.8x	7.7x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,554.11	1,537.09	1,372.63	+1.11%	+13.22%
NBFIs	2,146.45	2,074.97	2,033.53	+3.44%	+5.55%
Mutual Funds	1,023.82	1,035.24	959.61	-1.10%	+6.69%
General Insurance	5,612.81	5,562.39	4,103.56	+0.91%	+36.78%
Life Insurance	2,829.28	2,562.56	2,162.58	+10.41%	+30.83%
Telecommunication	6,218.73	6,183.88	5,463.26	+0.56%	+13.83%
Pharmaceuticals	3,483.98	3,456.90	3,306.03	+0.78%	+5.38%
Fuel & Power	1,699.98	1,699.12	1,618.11	+0.05%	+5.06%
Cement	2,033.06	1,993.32	1,416.18	+1.99%	+43.56%
Services & Real Estate	1,054.26	1,085.91	1,083.79	-2.91%	-2.73%
Engineering	4,927.10	4,892.58	3,959.20	+0.71%	+24.45%
Food & Allied	21,318.20	21,259.24	14,705.76	+0.28%	+44.96%
IT	2,684.88	2,694.35	2,350.28	-0.35%	+14.24%
Textiles	1,396.02	1,389.76	1,087.41	+0.45%	+28.38%
Paper & Printing	5,267.72	5,037.47	5,487.56	+4.57%	-4.01%
Tannery	1,984.82	2,006.30	1,771.77	-1.07%	+12.02%
Jute	8,044.68	7,916.92	12,154.61	+1.61%	-33.81%
Ceramics	525.18	525.22	472.38	-0.01%	+11.18%
Miscellaneous	3,881.43	3,944.65	2,539.70	-1.60%	+52.83%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,330.3	1,560.9	-14.8%	10.3%	8.9x	0.8x
NBFI	658.0	712.1	-7.6%	5.1%	45.9x	3.3x
Mutual Fund	323.9	404.6	-19.9%	2.5%	NM	0.9x
General Insurance	1,222.9	2,491.8	-50.9%	9.4%	27.1x	2.7x
Life Insurance	943.3	413.4	+128.1%	7.3%	NM	NM
Telecommunication	197.6	262.9	-24.8%	1.5%	18.8x	5.4x
Pharmaceutical	1,206.0	1,516.7	-20.5%	9.3%	20.9x	2.6x
Fuel & Power	532.5	895.8	-40.6%	4.1%	12.4x	1.4x
Cement	230.1	311.1	-26.0%	1.8%	20.9x	2.5x
Services & Real Estate	234.8	346.3	-32.2%	1.8%	NM	0.9x
Engineering	1,080.5	1,796.1	-39.8%	8.3%	29.9x	2.8x
Food & Allied	398.1	452.5	-12.0%	3.1%	32.8x	8.1x
IT	199.2	229.1	-13.1%	1.5%	29.5x	2.3x
Textile	2,921.1	3,644.7	-19.9%	22.5%	NM	1.0x
Paper & Printing	139.8	74.8	+87.0%	1.1%	40.6x	1.0x
Tannery	141.9	300.1	-52.7%	1.1%	NM	2.2x
Jute	10.3	11.0	-5.8%	0.1%	NM	14.4x
Ceramics	119.9	201.2	-40.4%	0.9%	57.1x	1.8x
Miscellaneous	1,088.1	2,251.1	-51.7%	8.4%	29.3x	1.9x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ADNTEL	49.6	-22.9%	3,207	16.1x	1.9x
KPCL	37.0	-18.3%	14,704	10.9x	1.6x
OLYMPIC	170.0	-11.0%	33,990	16.4x	3.9x
SHAHJABANK	20.1	-7.8%	20,685	10.0x	1.1x
MPETROLEUM	182.6	-7.8%	19,760	7.0x	1.1x
BATASHOE	650.2	-7.5%	8,895	NM	2.5x
BXPBARMA	177.3	-6.9%	79,096	17.3x	2.2x
DBH	75.0	-6.9%	13,295	14.0x	1.7x
IDLC	59.9	-5.5%	22,585	8.3x	1.5x
JAMUNAOIL	162.4	-1.9%	17,933	9.2x	1.0x

Important News: Business & Economy

Parliament adopts the biggest ever BDT 6.03-trillion budget for FY'22

- Parliament has passed a BDT 6.03 trillion national budget for the fiscal year 2021-2022 that aims to attain a 7.2% GDP growth by putting priority to the lives and livelihood of the country's people in tandem with development amid the Covid-19 pandemic. Earlier on Tuesday, parliament passed the Finance Bill, 2021 with some changes.
- The total budget size of BDT 6.03 trillion for FY22 is 17.5% of the GDP. Total allocation for operating and other expenditures has been set at BDT 3.78 trillion, while the allocation for the Annual Development Programme (ADP) is BDT 2.25 trillion. The overall budget deficit for FY22 will be BDT 2.14 trillion, which is 6.2% of GDP while the budget deficit in the last fiscal year was 6.1%.
- The government also allocated BDT 327.3 billion for the health and family welfare sector in the next fiscal year, which was BDT 292.5 billion in FY21. Considering the impact of the pandemic, the government has made allocation of BDT 1.07 trillion in the social safety net sector, which is 17.83% of the budget and 3.11% of the GDP.
- Out of the total deficit, BDT 1.01 trillion will be financed from external sources, while BDT 1.13 billion from domestic sources of which BDT 764.5 billion will come from the banking system and BDT 370.0 billion from savings certificates and other non-bank sources.

https://www.tbsnews.net/economy/BDT_-603681-cr-budget-fy2021-22-passed-268387
<https://today.thefinancialexpress.com.bd/first-page/js-adopts-fy22-budget-1625076534>

Forex reserve crosses USD 46 billion

- Bangladesh's foreign exchange (forex) reserve crossed USD 46 billion-mark for the first time on Tuesday mainly due to higher growth of inward remittances, officials said. The forex reserve rose to USD 46.08 billion on the day, setting a new record, from USD 45.93 billion of the previous working day. It was USD 45.01 billion on May 03, 2021. The reserve, one of the major macroeconomic indicators of an economy, touched the USD 41 billion-mark on October 28 and rose to USD 42 billion on December 15 and USD 43 billion on December 30 last year. The country's forex reserve was USD 44.03 billion on February 24, 2021.
- Forex reserve has crossed the USD 46 billion-mark mainly due to higher inflow of inward remittance in the recent months, the deputy governor of the Bangladesh Bank (BB) said. The flow of inward remittances grew by more than 39% to USD 22.84 billion during the July-May period of fiscal year (FY) 2020-21 from USD 16.37 billion in the same period of the previous fiscal year, the BB data showed. The central bank officials, however, said higher inflow of foreign loans and assistants have also helped push up the forex reserve in the recent months.
- Besides, purchasing of the US currency continuously from the commercial banks directly has contributed to achieve the new record of forex reserve, they explained. Nearly USD 8.0 billion, so far, was bought from the commercial banks in the outgoing FY '21 as part of the central bank's intervention into the market, according to the BB officials. The central bank resumed purchasing the USD from the commercial banks in March 2020 after around three years to help the country's forex market remain stable.

<https://today.thefinancialexpress.com.bd/first-page/forex-reserve-crosses-46b-1624992742>
[https://www.thedailystar.net/business/economy/industries/news/forex-reserve-hits-record-](https://www.thedailystar.net/business/economy/industries/news/forex-reserve-hits-record-46b-1624992742)

[46b-2120897](https://www.tbsnews.net/economy/forex-reserves-hit-all-time-high-46bn-268132)

<https://www.tbsnews.net/economy/forex-reserves-hit-all-time-high-46bn-268132>

Government set for higher bank borrowing in July

- The government is set to start fiscal year (FY) 2021-22 with a higher bank borrowing target for July to adjust expenditure in June and partly finance budget deficit. It may take up to BDT 206.50 billion in gross borrowing from the banking system in July, the first month of FY22, by issuing treasury bills (T-bills) and bonds. Officials said the government's net bank borrowing may reach BDT 80 billion in the single month of July, after deducting BDT 126.50 billion against the government securities that would mature in the month.
- Government borrowing from the banking system normally increases in July... mainly due to adjusting higher expenditure in the previous month, said a senior Bangladesh Bank official. In June, such borrowing rises because of releasing funds for execution of various development projects across the country, he explained. A senior official familiar with the government debt management activities said the bank borrowing target for July was higher considering the entire fiscal target. The government has set a lower borrowing target from the banking system to meet the budget deficit in FY22.

<https://today.thefinancialexpress.com.bd/first-page/govt-set-for-higher-bank-borrowing-in-july-1624992683>

Money whitening scope widened

- Undisclosed money holders have yet another year to legalise their dirty money without facing any question about sources of income through investments in almost all sectors. Black money invested in new factories can now be whitened by paying only a flat 10% tax. The government has offered a special package allowing investment of untaxed money in the manufacturing industry in the next fiscal year on the condition of paying only a 10% tax. Besides, investment of such money will be allowed in the stock market subject to paying 25% regular tax plus a 5% penalty. The undisclosed money can also be parked as cash, bank deposits, and savings instruments on similar conditions, according to the Finance Act.
- The black money owners will be required to pay BDT 200-BDT 6,000 per square metre to legalise investments in apartments and land. The government incorporated a legal indemnity provision amending the Finance Act to bar relevant government agencies from asking any questions about the sources of such undisclosed money in income tax return. There are currently no accurate statistics on the amount of black money in the country. But a finance ministry report in 2010 revealed that the amount would be around 37% of Bangladesh's GDP.

<https://www.tbsnews.net/economy/budget/money-whitening-scope-widened-268153>
<https://www.tbsnews.net/economy/black-money-can-be-invested-stock-market-flats-and-new-industrial-undertakings-267979>

Loan moratorium may be extended further

- The central bank is considering whether to extend the deadline for non-payment of loan installments in response to a request from businesspeople. It said the decision will be made considering the coronavirus situation, losses in business, and conditions of banks. Due to the outbreak of coronavirus, the central bank had made available the facility of non-payment of loan installments throughout last year. This year the facility has been given on a loan basis but not for all. Initially, this facility was given till March but later it was extended to

30 June.

- It is to be noted that despite the benefit of non-payment of loan installments, the amount of defaulted loans has not decreased. On the contrary, bank defaults stood at BDT 950.85 billion at the end of March this year, an increase by BDT 60 billion from that of December last year. The defaulted amount is 8.07% of the total loans disbursed.

<https://www.thedailystar.net/business/news/apparel-future-lies-manmade-fibre-2117757>
<https://www.tbsnews.net/economy/banking/loan-moratorium-may-be-extended-further-265780>

Strict lockdown from today; Bank transaction hours 10:00am to 1:30pm

- A nationwide strict lockdown for the next one week has been started today to stem the rising tide of Covid-9 infections. All government and private offices – excluding emergency and some other services – remain closed as part of this measure. Law enforcing agencies are in tough position in the field to implement the lockdown. Besides, Army personnel have been deployed across the country.

- Banks will carry out transactions from 10am to 1:30pm during the seven-day strict lockdown till July 7. Also, the banks can operate until 3:30pm for conducting their other necessary activities during the period. But the new schedule will come into effect from July 4 (Sunday) as transactions will remain off on July 1 (Thursday) and the next two days are weekly holidays (Friday and Saturday).

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/nationwide-strict-lockdown-begins-268726>
<https://today.thefinancialexpress.com.bd/first-page/strict-lockdown-from-today-1625076629>
<https://thefinancialexpress.com.bd/national/customers-will-have-to-wait-until-monday-for-banking-1625054051>
<https://www.dhakatribune.com/business/2021/06/30/bank-transaction-hours-10am-to-1-30pm-during-lockdown>

Corporate tax receipts exceed target; Income tax collection from LTU grows 15% in FY21

- Corporate and large individual taxpayers paid taxes worth BDT 240.1 billion until June 30, 2021. The target was set at BDT 240 billion for FY 2020-21 (FY 21) for the unit - largely dependent on taxes from the banking sector. Actual collection of LTU in FY 2019-20 was BDT 208.4 billion. Tax collection of LTU grew by 15.38 % in FY 21. However, the LTU missed its targets for FY 2018-19 and FY 2019-20.

- The government received a record amount of undisclosed income in the just concluded FY - the amount is almost equivalent to the amount whitened in the last fifteen years. Until May 25, some 10,404 people disclosed their money availing the blanket opportunity offered on July 1, 2020.

- The National Board of Revenue (NBR) has received taxes worth BDT 14.5 billion, against some BDT 144.59 billion whitened under the opportunity. From FY 2005-06 to FY 2019-20, a total of BDT 145.95 billion undisclosed income has been formalized under such opportunities.

<https://today.thefinancialexpress.com.bd/first-page/corporate-tax-receipts-exceed-target-1625076821>

<https://www.tbsnews.net/economy/income-tax-collection-large-taxpayers-grows-15-fy21-268699>

Bangladesh Energy Regulatory Commission (BERC) raises LPG retail prices by 5.82% for July

- The retail price of a 12kg LPG cylinder to be provided by private operators has been adjusted higher to BDT 891 for July trading, compared to BDT 842 for June. Retail price of auto gas, the LPG used in vehicles, for July has been adjusted higher to BDT 44 per litre from BDT 41.74 per litre for June. The new prices will be effective from July 1.

- The BERC has considered the propane and butane mixture at the ratio of 35:65 to get the average price at USD 526.75 per tonne. Private sector will be able to sell LPG through different sizes of cylinders like 5.5 kg, 12.5kg, 15kg, 16kg, 18kg, 20kg, 22kg, 25kg, 30kg, 35kg, and 45kg to consumers. Price for LPG to be supplied through a reticulated system, or centralized storage system, will be BDT 71.94 per kg including VAT.

<https://today.thefinancialexpress.com.bd/last-page/berc-raises-lpg-retail-prices-by-582pc-for-july-1625077236>

Bangladesh Telecommunication Regulatory Commission (BTRC) launches NEIR today to prevent illegal handset use

- BTRC is set to launch the National Equipment Identification Register (NEIR) today on a trial basis to prevent the use of illegal handsets. However, the illegal handsets which would be purchased after July 1 would get a mobile network for three more months until September 30 even after the launch of the NEIR.

- The NEIR has the capacity to verify legality of handsets based on import and locally manufactured ones' information known as IMEI database. After the three months, barring mobile phone handsets, if they are found illegal, from accessing telecom networks would depend on the government's decision.

- At the end of May 2021, the total number of mobile phone connections in the country reached 175.3 million. In January 2021, the commission at a press briefing informed that 71.9 million handsets had already been registered with the BTRC's IMEI database and the database has around 140 million IMEI numbers.

<https://www.newagebd.net/article/142461/btrc-launches-neir-today-to-prevent-illegal-handset-use>

Bangladesh Bank seeks info of 11 e-commerce traders; merchants to get paid after confirming product delivery

- The Bangladesh Bank (BB) has sought account information of 11 e-commerce merchants from banks and non-banking financial institutions (NBFIs). The online are: Alesha Mart, Dhamaka Shop, Sirajganj Shop, Aladiner Prodip, Boom Boom, Adyen Mart, Needs, Qcoom.com, Eorange.shop, Dalal Plus and Bajaj Collection.

- Several banks have already suspended card transactions with some e-commerce platforms to avoid risk. The BB's latest move came against the backdrop of a good number of customers alleging that they did not get products in time after purchasing those from the e-commerce sites. In some cases, the advance payments were made months ago through

cards or mobile financial services.

- E-commerce operators in the country will have to deliver products to customers five days into receiving the order. According to the circular, payment gateways -- banks, mobile financial service providers, payment service provider and payment system operators -- will release customer money after being confirmed of the product delivery.

- If any merchant is found to have provided false information to the payment service providers, it will lose eligibility to get all kinds of payments in the next time. In case of voucher issuance by e-commerce merchants, payment will not be released until a customer buys a product or takes any service.

<https://today.thefinancialexpress.com.bd/first-page/bb-seeks-info-of-11-e-commerce-traders-1625076754>

<https://www.tbsnews.net/economy/e-commerce-merchants-get-paid-after-confirming-product-delivery-268687>

Export development fund size rises to USD 6 billion

- The size of the Export Development Fund (EDF) has been increased again after three months, with it reaching USD 6 billion. Asked about the USD 500 million increase in the fund, the deputy governor of the Bangladesh Bank said that the move was aimed at growing export earnings and exporters' competitiveness in the pandemic. In March, the size of the fund was increased from USD 5 billion to USD 5.5 billion. Earlier in April last year, the size of the fund was increased from USD 3.5 billion to USD 5 billion.

- Under back-to-back letters of credit, members of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Textile Mills Association (BTMA), and other export organisations receive loans from the EDF to increase raw material import facilities. BGMEA and BTMA members borrow more from the EDF and their credit limit is also higher. They can borrow up to USD 30 million. The BGMEA vice-president said that they had demanded the EDF be raised to USD 10 billion. He said loans received from the fund play a key role in meeting import costs.

<https://www.tbsnews.net/dropped/trade/export-development-fund-size-rises-6bn-268129>

Only 19 banks offering above 5% interest against deposits

- Only 19 out of 60 banks offered above 5% interest against their deposit products in May as most of them, except several scam-hit banks, are holding adequate liquidity in their hands in the absence of credit demand from both private and public sectors, according to Bangladesh Bank data. Amid the poor credit demand and excess liquidity in the banks, the weighted average deposit rates of the remaining 41 banks dropped below 5%, taking the deposit rate below the inflation of 5.26% in May.

- As a result, making deposits in those banks would ultimately result in devaluation of depositors' money, discouraging depositors to keep money with the banks and prompting them to search for alternative investment scopes like national savings certificates. The weighted average lending rate of 18 banks dropped below 7% in May 2021 as the banks were desperately trying to lure customers amid a very poor credit demand from the businesses. Of the 60 banks, the other 42 banks were charging interest rates ranging between 7-9% except First Security Islami Bank as its weighted average lending rate stood at 9.18% in May.

- Amid the significant decline in deposit and lending rates in the last one year, 27 banks have managed to keep their interest rate spread within 3% while the spread of 33 banks were maintaining interest rate spread above 3%. Amid falling deposit rates, the overall interest rate spread of the banks excluding the interest rates of credit cards has surged sharply to 3.21% points in May from 2.99% points in the previous month.

<https://www.newagebd.net/article/142331/only-19-banks-offering-above-5pc-interest-against-deposits>

Banks, FIs sandwiched between conflicting regulatory issues

- The central bank has requested the securities regulator to amend or fine-tune its directives issued under the corporate governance code (CGC) for the listed banks and financial institutions (FIs). Formed and operated under different laws, the banks and FIs have no scope to comply with such directives, the Bangladesh Bank (BB) pointed out in a recent letter to the Bangladesh Securities and Exchange Commission (BSEC). The directives under the code contradict the directives and rules under the laws relevant to the bank companies and FIs, according to the letter sent to BSEC chairman.

- On the other hand, the BSEC chairman said there was no scope to scrap or amend the CGC meant for ensuring better governance in all the listed companies including banks and FIs. In response to these varied standpoints, experts have suggested reaching a consensus or seeking guidance from the law ministry in this regard. The BSEC had issued the mandatory CGC on June 10 in 2018 that included formation of a nomination and remuneration committee (NRC) by listed companies. But, insiders said the central bank did not recognise such a body due to absence of a provision in this regard in the relevant laws of banking companies and FIs.

<https://today.thefinancialexpress.com.bd/last-page/banks-fis-sandwiched-between-conflicting-regulatory-issues-1624992861>

MFS to pay 30% corporate tax

- Corporate tax on mobile financial services (MFS) will be applicable, like for other companies, at a 30% rate. Previously MFS providers had to pay 32.5% in corporate tax. The slashed tax rate for MFS companies was approved at the National Parliament today. Earlier, in the budget for FY22, the finance minister had proposed increasing corporate taxes on MFS up to 40% from the existing 32.5%, to bring them into the category of banks, insurance companies and other financial organisations that have been paying a 40% tax.

<https://www.tbsnews.net/economy/mfs-pay-30-corporate-tax-267913>

<https://www.dhakatribune.com/business/2021/06/29/mfs-providers-to-enjoy-30-corporate-tax>

Home appliance sales to dry up this Eid

- Sales for home appliances could dry up in the run-up to Eid-ul-Azha as non-essential retail outlets will remain closed during the strict countrywide lockdown beginning tomorrow. The government is set to impose a week-long nationwide curf from July 1 to control the raging Covid-19 infections. Retailers and manufacturers say the curf would affect the business of the electronic home appliance sector during the ongoing peak season, which accounts for 70% of their annual sales. This means the sector is set to suffer losses for the second year running.

• Eid-ul-Azha is the peak season for the refrigerator market as demand rises as people tend to preserve the meat of sacrificial animals. This prompts retailers to come up with offers, including discounts, cash backs and prizes to boost sales. Like in the past, market players also introduced offers to attract customers this year. The general manager of Esquire Electronics, the sole authorised distributor of Japanese brands General and Sharp, said two Eid festivals made up the peak season for home appliance retailers as the working class got festival bonuses and companies offer various offers.

• But, the situation is not favourable as retail outlets will have to shut during the lockdown period, he said. He requested the government relax online sales and delivery options so that people could purchase products digitally and receive the delivery of the items smoothly. If online sales are allowed, some staff will need to go to the office to complete the official procedure and ensure delivery and installation, he noted.

<https://www.thedailystar.net/business/economy/industries/news/home-appliance-sales-dry-eid-2120913>

Shipping crisis chokes external trade

• A consignment of knitwear items – exported by Chattogram-based BLP Warm Fashion to a US buyer in the third week of May – had got stuck at Singapore port, a container transshipment hub, for 21 days because the US-bound mother vessels did not have space. After four failed tries, the shipment that was supposed to be delivered by 19 June, has been finally loaded onboard a vessel and is scheduled to be delivered on 7 July – 18 days later than the original date. Now the exporter might not get its payment on time from the buyer because of this long shipping delay caused by vessel shortages.

• The chairman of the BLP Warm Fashion Limited said mother vessels coming from China and Korea for the US and Europe routes via Port Klang were fully loaded with containers. That is why their containers could not be loaded into the scheduled vessels on time. They have not got their payment from the US buyer as the consignment has not been delivered yet. Besides, they are incurring big losses because of the delay in shipment, he added.

• Like BLP Warm Fashion Limited, for many Bangladeshi shippers it is now a mad rush to secure containers from any available shipping services owing to container and vessel capacity shortages at transshipment ports – Port Klang in Malaysia, and the ports in Singapore and Colombo, Sri Lanka.

<https://www.tbsnews.net/economy/shipping-crisis-chokes-external-trade-267583>

Lending through agent banks drops by 79%

• Loan disbursement through agent banking wings of banks dropped by 79.1% or BDT 2.25 billion in April compared with that in the previous month amid the enforcement of countrywide fresh Covid restrictions. According to Bangladesh Bank data, disbursement of loans from the banks' agent banking wings dropped to BDT 597 million in April from BDT 2.85 billion in March. The disbursement of loans through the agent banking wing in March was the second highest after the disbursement of BDT 4.83 billion in loans through agents banking wings in December 2020.

• Bankers said that the fresh imposition of restrictions from April 5 had prompted the businesses, including the small and medium entrepreneurs, to adopt a go-slow approach to taking loans for their enterprises. The banks which have been offering loans through their agent banking wings might have decided to observe the coronavirus situation, they said.

<https://www.newagebd.net/article/142218/lending-thru-agent-banks-drops-by-79pc>

Government's July-April domestic borrowing falls by 56.42%

• The government's net domestic borrowing fell by 56.42% or BDT 420.84 billion year-on-year in the July-April of the outgoing fiscal year 2020-2021 amid a slow spending for the annual development programme implementation. The latest Bangladesh Bank data showed that the government's net borrowing from the domestic sources reached BDT 325.08 billion in the July-April period of FY21 against that of BDT 745.92 billion in the same period of the previous fiscal year. As the implementation of the budget specially the annual development programme was significantly low, its borrowing from the domestic sources was also low, they said.

• The government data showed that it implemented only 49% of its BDT 2.08 trillion revised annual development programme in the fiscal year 2020-2021. Bangladesh Bank executive director (research) however, expected that the government spending for the implementation of the annual development programme as well as its borrowing from the domestic sources would increase when the data for the entire fiscal year would be available.

<https://www.newagebd.net/article/142144/govts-july-april-domestic-borrowing-falls-by-5642pc>

Corporate tax on MFS to see cut, not hike

• The government is finally going to reduce corporate taxes for mobile financial services (MFS) providers like it has done for other companies, backing out of its earlier decision to hike such taxes for them, according to officials at the finance ministry. The tax rate will be slashed to 30% from the existing 32.5% for non-listed MFS companies, while the rate will be 22.5% for the listed ones in the fiscal 2021-22, the sources said. Earlier, in the budget for FY22, the finance minister had proposed increasing corporate taxes on MFS up to 40% from the existing 32.5%, to bring them into the category of banks, insurance companies and other financial organisations that have been paying a 40% tax.

• The National Board of Revenue (NBR) on Thursday sent a new proposal to parliament to bring changes in the Finance Bill 2021, in the light of demands from MFS providers for not considering them financial institutions like banks, other than service providers, finance ministry officials said adding that the new changes will be incorporated in the bill by 29 June.

<https://www.tbsnews.net/economy/corporate-tax-mfs-see-cut-not-hike-267142>

Government to set merchandising export target at USD 43 billion for FY22

• The government is considering a target of USD 43 billion for the country's merchandising export with 11% year-on-year growth for the upcoming financial year 2021-22. Although the export earnings target drafted by the commerce ministry is USD 2 billion higher than the target of USD 41 billion for FY21, the amount is USD 2.5 billion lower than the target for FY20. According to sources, the Export Promotion Bureau sent a draft to the commerce ministry proposing a USD 43-billion export earnings target for goods for FY22.

• The export earnings target for readymade garment products is likely to be set at USD 34 billion with a 10-per cent growth from the performance in FY21, sources said. The commerce ministry on June 22 held a stakeholder consultation to fix the export earnings targets for FY22. Primarily, they have targeted export earnings of USD 50 billion for goods

and services for the financial year 2021-22 and finally, the amount might be USD 51 billion, the commerce secretary said.

<https://www.newagebd.net/article/142145/govt-to-set-merchandising-export-target-at-43b-for-fy22>

Top ten exportable items projected to grow by 10-12% even in pandemic

• The country's top ten exportable items, including readymade garment (RMG), jute and leather, are projected to grow by 10 to 12% in the next fiscal year of 2021-22 amid the ongoing Covid-19 pandemic, sources said. The commerce ministry has made the draft growth projection at a stakeholders' consultation meeting held on June 22, they added.

• The meeting also projected that the overall goods export would grow by 11% to USD 43 billion based on the expected earnings of USD 38.39 billion during the outgoing fiscal year, 2020-21 (FY'21). A 14% overall goods export growth is expected at the end of FY'21, they noted. During the July-May period, the country fetched USD 35.18 billion from goods exports, according to the Export Promotion Bureau (EPB). The ministry has also drafted an additional USD 6.62 billion in earnings from the services export during the FY'21.

<https://today.thefinancialexpress.com.bd/last-page/top-ten-exportable-items-projected-to-grow-by-10-12pc-even-in-pandemic-1624819769>

BB eases rules for borrowers to avoid defaulting

• Borrowers would be able to avoid falling into the default zone by repaying 20% of their loan installment amount as of June, Bangladesh Bank said yesterday. The BB has relaxed its loan classification policy given the ongoing business slowdown. Borrowers will have to give the portion of their loan installments by August this year, according to a central bank notice. In March, the BB provided a repayment deferral support to borrowers to allow them to repay the loans based on the bank-customer relation. This helped them repay the outstanding installments by June.

• Three categories of loans – term, demand and working capital – are eligible for the relaxed facility. This means all borrowers in the banking sector would enjoy the new facility, except for the credit card debt, said a managing director of a bank. In March last year, the Bangladesh Bank declared a loan moratorium facility for the banking sector, which was effective throughout last year.

<https://www.thedailystar.net/business/economy/banks/news/bb-eases-rules-borrowers-avoid-defaulting-2119585>

<https://www.tbsnews.net/economy/banking/central-bank-again-offers-moratorium-loan-repayment-267136>

Government expects to touch USD 50bn milestone in export earnings in FY22

• The Ministry of Commerce and the Export Promotion Bureau (EPB) expect Bangladesh's product and service exports to reach the USD 50 billion milestone in the upcoming FY22. Exporters and economists believe that this amount of exports will be possible as the developed countries' economies have started turning around after tackling the Covid-19 crisis. Five years ago, the commerce ministry set a target to increase Bangladesh's export earnings to USD 60 billion by 2021. Of this, the exporters were dreaming of earning USD 50 billion by exporting garments, the country's main export item.

• Due to the negative growth in the last fiscal year and the slow growth in the current one amid the pandemic, the EPB reduced the export earnings target by USD 10 billion, said officials concerned. In FY21, the earnings from product exports may reach around USD 38.5-39 billion and services exports USD 6.5 billion. That means export earnings may reach around USD 45 billion in total. They expect more than 10% growth in export earnings in the next fiscal year, EPB Vice-Chairman said. The EPB estimates that the knitwear exports will grow by 11% and woven garment exports by 9% in the next fiscal year.

<https://www.tbsnews.net/economy/govt-expects-touch-50bn-milestone-export-earnings-fy22-266650>

Export stimulus loan repayment deadline may be extended again

• The deadline for repaying loans disbursed from last year's Covid-19 incentive package for the export sector is likely to be extended again, Finance Minister says. The government announced the package to help export-oriented factory owners, including apparel manufacturers, pay workers' wages for three months during the 66-day general holiday. The holiday was announced to tackle the pandemic. Banks disbursed BDT 50.00 billion from the government's own funds at a 2% service charge and another BDT 50.00 billion from the stimulus package for large industries and the service sector.

• When the six-month grace period ended in December last year, the borrowers had to start repaying loans in 18 instalments. The grace period was extended till 30 June at the request of apparel factory owners. Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Knitwear Manufacturers and Exporters Association recently appealed to the finance ministry to extend the grace period again till December. The finance minister said no decision had yet been made on the appeal but he had talked to the central bank governor about it. The central bank is working on it, he said.

<https://www.tbsnews.net/economy/banking/export-stimulus-loan-repayment-deadline-may-be-extended-again-266530>

<https://www.dhakatribune.com/business/2021/06/26/repayment-deadline-of-export-incentive-packages-likely-to-get-extension>

USD 940 million Asian Development Bank (ADB) loan for jobs

• The Asian Development Bank (ADB) on Thursday confirmed USD940 million loans to Bangladesh for procuring safe and effective vaccines against for the COVID-19 disease. Under a project, Bangladesh government will purchase some 44.7 million doses of vaccines to be administered to more than 20 million Bangladeshis by 2024. The vaccines will be secured through the COVID-19 Vaccines Global Access (COVAX) programme, the United Nations Children's Fund (UNICEF), or bilateral arrangements with vaccine manufacturers or distributors.

<https://today.thefinancialexpress.com.bd/public/first-page/940m-adb-loan-for-jobs-1624560034>

Apparel future lies in manmade fibre

• Bangladesh's primary textile sector is undergoing rapid changes with local millers taking to producing significant amounts of manmade fibres alongside cotton fibres to meet rising global demand. Import of manmade fibres grew a substantial 45.72% to reach 99,597 tonnes in the first five months (January to May) of this year compared to 68,348 tonnes during the corresponding period in 2020, according to Bangladesh Textile Mills Association

(BTMA) data. Local importers, millers, traders and spinners spent about BDT 12.21 billion during the January-May period this year compared to around BDT 7.06 billion in the same period the last year, registering 73% year-on-year growth.

- Of all garment items produced in the world, 78% is made from manmade fibres while cotton fibre accounts for the rest, according to data from International Textile Manufacturers Federation (ITMF), a Switzerland-based platform for global textile makers. But the case of Bangladesh is almost in reverse compared to the global trend. Of the total garment items made in the country, more than 74% are from cotton.

<https://www.thedailystar.net/business/news/apparel-future-lies-manmade-fibre-2117757>

Stimulus Package: Foreign, JV companies outside EPZs seek loan facility

- Foreign and joint-venture companies operating in Bangladesh are seeking loan facilities from the stimulus packages that the government is implementing to help the pandemic-hit businesses to make a turnaround. Earlier, the government had extended the facility to foreign and joint-venture companies located inside the export processing zones (EPZs), economic zones (EZs) and hi-tech parks.
- The government is implementing 23 stimulus packages worth BDT 1.24 trillion to help recover the country's business sector as well as the poor for making their livelihoods. The first set of packages worth BDT 727 billion were announced in early April last year to counter the adverse impacts of the coronavirus scourge. The last two were announced in January 2021 to lower virus impacts and to boost small businesses to improve the living standards of the poor, including the elderly, widows and female divorcees.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/foreign-jv-cos-outside-epzs-seek-loan-facility-1624637744>

Better productivity crucial for Bangladesh to offset impacts: World Bank

- To boost export growth and help the economy rebound from the COVID 19 pandemic impacts, improving the manufacturing sector's productivity will be crucial for Bangladesh, says a new World Bank report. For this, the report identified three pillars: capabilities of managers and workers, connectivity to international markets, and complementary markets and institutions.
- Bangladesh's manufacturing sector risks becoming uncompetitive because of lower productivity and its reliance on low labour costs as wages are rising locally and the use of labour-saving technologies is growing globally, said the World Bank report.

<https://today.thefinancialexpress.com.bd/public/last-page/better-productivity-crucial-for-bd-to-offset-impacts-wb-1624560720>
<https://www.thedailystar.net/business/news/manufacturing-sector-risks-becoming-uncompetitive-wb-2117765>

Bangladesh Bank announces BDT 25.2 billion for tackling Covid-induced losses

- A fresh round of refinancing fund worth BDT 25.2 billion has been announced for cottage, micro, small, and medium enterprises (MSMEs) by Bangladesh Bank (BB.) Loans from the fund can be sought at 4% interest, while its term is for three years, created with support from the Asian Infrastructure Investment Bank (AIIB). The refinance fund would be

disbursed to banks and non-banking financial institutions (NBFIs), which will have to sign agreements with the central bank, who will manage the fund. The fund will provide loans to businesses under the MSME sector in the form of working capital.

<https://www.dhakatribune.com/business/banks/2021/06/26/bb-announces-2-520c-for-tackling-covid-induced-losses>

Important News: Capital Market

BB extends interim licensing period for Nagad

- Bangladesh Bank has extended the interim licensing period for Nagad, a fast-growing provider of mobile financial services (MFS), until 30 September. The central bank issued a notification on Tuesday confirming the extension. Earlier, Nagad sought an extension of the interim licensing period for the fourth time to complete the process in line with the central bank's requirement, which was set to expire on 30 June.
- According to the Bangladesh Bank's licensing condition, Nagad will have to transfer the trust cum settlement account to the Bangladesh Post Office from Third Wave Technologies Limited. Trust cum settlement account is a custody account where the legal tender shall be stored against the issuance of e-money by a payment service provider. Nagad is operated by Third Wave Technologies and its customer money is managed in the bank account of Third Wave. It was asked to regularly send statements of the balance of e-money and physical money to the central bank.
- According to the MFS guideline, the balance of e-money and physical money will have to be equal. Though Nagad is sending transaction statements, those are not acceptable to the Bangladesh Bank. It is because Third Wave has loans with two private commercial banks against the fund of the trust cum settlement account. The balance of e-money and physical money cannot be equal until the loans are adjusted.

<https://www.tbsnews.net/economy/bb-extends-interim-licensing-period-nagad-267787>
<https://www.dhakatribune.com/business/banks/2021/06/29/nagad-gets-interim-licence-extended-for-3-more-months>
<https://www.newagebd.net/article/142325/nagad-gets-bbs-interim-approval-extension>

Pubali Bank, Bank Asia perpetual bonds: 10% fund to be raised through public offer

- The boards of directors of Pubali Bank and Bank Asia have decided to issue Perpetual Bonds in a revised manner in order to comply with the securities regulator's latest directive. Both the banks will issue BDT 5.0 billion perpetual bonds each to raise funds as part of the additional Tier-I capital to support their Basel III compliance.
- According to the BSEC directive, if an issuer intends to raise debt capital through issuance of perpetual bond, it shall make a public offer for at least 10% of its intended offer. Both banks will raise BDT 4.50 billion (90% of the total fund) through private placement and BDT 500 million (10%) through public offer instead of 100% private placement as previously decided

<https://today.thefinancialexpress.com.bd/public/stock-corporate/10pc-fund-to-be-raised-through-public-offer-1624557393>

Bangladesh Securities and Exchange Commission (BSEC) makes rules for market stabilization fund

- BSEC has finalized the rules to form a fund with unpaid dividends aiming to provide liquidity support for the capital market. The fund will be named Capital Market Stabilization Fund. The BSEC earlier said dividends of BDT 215.0 billion had remained unsettled for a long time in many companies.
- Stabilization fund will be a perpetual one to function as a custodian of undistributed, unclaimed, unsettled dividend (cash or stock), un-allotted rights shares, and non-refunded public subscription money in favor of stockholders or investors.
- The fund may receive a grant or a loan from the government or any other organization for the capital market's stabilization and development. All receipts other than securities will be deposited to the bank account as maintained and operated under stipulated rules.
- If any shareholder or securities holder claims his cash dividend after the transfer of such dividend to the fund's bank account, the issuer, after proper verification of the claim, will grant it within 15 days of receiving it.

<https://www.tbsnews.net/economy/stocks/bsec-makes-rules-market-stabilisation-fund-268669>

Mostafa Metal to raise BDT 110 million; IFIC to issue BDT 5.0 billion subordinated bond

- Mostafa Metal Industries is all set to become the second company to be listed on the SME platform as the Bangladesh Securities and Exchange Commission (BSEC) gave the go-ahead during a commission meeting yesterday. The Mostafa will raise a fund of BDT 110 million through its qualified investors offer (QIO) for eligible investors. The company will utilize the fund for the purpose of repaying bank loans and expanding working capital along with catering issue management.
- According to the BSEC's approval, the company will not be allowed to issue any bonus shares within three years from the date of debut trading. General investors are not allowed to apply for the shares issued through QIO. Only the eligible investors are allowed to receive shares through QIO. The offer price of the shares of Mostafa Metal Industries is BDT 10 each.
- Mostafa Metal has reported its EPS of BDT 0.76 and NAV per share of BDT 10.90 (without revaluation reserve) for the year ended on December 30, 2020.
- The securities regulator has also approved the proposal of issuing BDT 5.0 billion subordinated bond by IFIC Bank. The company will utilize the fund to strengthen its capital base as part of the Tier-II requirement. The offer price of the IFIC's bond is BDT 10 million per unit. The securities regulator has also decided to issue license of asset manager to Sandhani Asset Management Ltd.

<https://today.thefinancialexpress.com.bd/stock-corporate/mostafa-metal-to-raise-BDT-110m-1625072221>

<https://www.thedailystar.net/business/economy/industries/news/mostafa-metal-be-second->

[sme-bourse-2121677](https://www.thedailystar.net/business/economy/sme-bourse-2121677)

BSEC to form Shariah board to monitor Islamic products

- The Bangladesh Securities and Exchange Commission has decided to form a Shariah supervisory board to ensure compliance with Shariah laws by Islamic compliant securities. One of the BSEC commissioners said that the regulator wanted to frame a permanent composition of Shariah board to monitor Sukuk-like Islamic products. He said that the board would ensure compliant requirement of Islamic Shariah in such products. The board might be formed with local and foreign distinguished persons, he said.
- The necessity of Shariah board came to fore after the Bangladesh Export Import Company proposal to issue BDT 30.00 billion in Islamic compliant Sukuk. On June 23, Bangladesh Export Import Company got a letter of intent from the BSEC for issuing BDT 30.00 billion in Islamic compliant Sukuk. The board would supervise the compliance of Islamic Shariah in such products.

<https://www.newagebd.net/article/142329/bsec-to-form-shariah-board-to-monitor-islamic-products>

Who owns Nagad?

- In March 2019, Nagad started out as the mobile financial service (MFS) of the Bangladesh Post Office (BPO), and it has since been operated by Third Wave Technologies Ltd. Third Wave Technologies was renamed Nagad Ltd in February this year allegedly without informing the BPO. Now, the government has set out to form a new subsidiary to help it secure a full-fledged licence from the central bank. Although the debate about the ownership of the fast-growing MFS provider is deepening, the most important issue about the service has been hanging in the air: Nagad has been operating without any full-fledged licence from the central bank since its beginning, and its 52.0 million customers are transacting BDT 7.00 billion daily.
- The director-general of the Directorate of Posts, said that they are running Nagad as per our agreement with Third Wave Technologies. The managing director of Nagad Ltd. claimed that the BPO would eventually hold a 51% stake in Nagad Ltd. Although Nagad is the brand name of the MFS of the BPO, Third Wave Technologies did not take any permission from the government agency to change the name, Telecom Secretary said. The number of MFS account-holders was 96.4 million in April, and the average daily transaction through the MFS industry was BDT 21.15 billion in April.

<https://www.thedailystar.net/business/economy/banks/news/who-owns-nagad-2120921>

Nagad fails to comply with licensing conditions for third time

- Nagad, a fast-growing provider of mobile financial services (MFS), has sought an extension of the interim licensing period for the fourth time to complete the process in line with the central bank's requirement. The interim licensing period expires on 30 June. According to the Bangladesh Bank's licensing condition, Nagad will have to transfer the trust cum settlement account to the Bangladesh Post Office from Third Wave Technologies Limited. Trust cum settlement account is a custody account where the legal tender shall be stored against the issuance of e-money by a payment service provider.
- Nagad will send letters containing the signature of the Bangladesh Post Office to respective banks about the account's operations as per the central bank's requirement. But

Nagad did not transfer the bank account and could not comply with any of the licensing conditions given by the Bangladesh Bank. As a result, the company has not got the licence even in more than two years of its operation. Nagad is operated by Third Wave Technologies and its customer money is managed in the bank account of Third Wave. It was asked to send statements of the balance of e-money and physical money to the central bank regularly.

<https://www.tbsnews.net/economy/corporates/nagad-fails-comply-licensing-conditions-third-time-267592>

EPGL hands over JCB 530-70 Telehandlers to Eco Ceramic

- Energypac Power Generation Limited's (EPGL) Construction Machineries and Material Handling division has handed over JCB Telescopic Handler 530-70 to Eco Ceramics Industries Limited at a ceremony recently, says a statement. EPGL is the sole distributor of JCB in Bangladesh. JCB 530-70 is a multipurpose Telehandler that has been engineered to move any material quickly and safely -- enabling bottom line distinction across a host of industries and applications, including RMC, Crusher, Cotton, Ceramic, and many more.
- The equipment can pile with 12 feet maximum reach on 7-metre machines and fuel-efficient to lower recurring costs. In addition, the handler offers utmost operator safety, stability, and support without compromising maneuverability. JCB 530-70 Telescopic Handler is the world's formidable and most innovative multipurpose machine. Eco Ceramics Industries Limited, a concern of GPH Ispat, is a bricks manufacturing company that uses modern technology to produce hollow and solid blocks. The factory is located on the bank of the Dhaleshwari River.

<https://today.thefinancialexpress.com.bd/trade-market/epgl-hands-over-jcb-530-70-telehandlers-to-eco-ceramic-1624902405>

Akij group invests BDT 12 billion in bakery business

- Akij Insaf Ltd, one of the largest industrial conglomerates of the country, has launched Akij Bakers Limited with investment of BDT 12 billion. The company has installed a new factory in Tongi for production of bakery foods. Akij has plan to increase the investment further and import bakery products in foreign countries in the future. The industries under this conglomerate include textiles, tobacco, food & beverage, cement, ceramics, printing and packaging, pharmaceuticals, consumer products etc. Akij also provides services in healthcare, information and communication technology.
- According to the Bangladesh Auto Biscuits and Bread Manufacturers' Association, the country's biscuit and confectionery market size amounts to around BDT 60 billion. Olympic, the market leader which accounts for 25% of the industry. Both Nabisco Biscuit and Bread Factory Limited and Pran-RFL Group jointly hold second place with 8% of the market share each. Haque, Al-Amin and Danish have 5% of the market share each. They are followed by: Bongos, Romania, Deco, Globe, Fu-Wang, Bonoful, Kishowan, Thai Food, Bengal, Gold Mark, Mashafi, and New Olympia, each accounting for a 2-3% stake.

<https://www.tbsnews.net/dropped/trade/akij-group-invests-BDT1200cr-bakery-business-265798>

Disclose directors' engagements with other firms: BSEC

- The boards of directors of listed companies are bound to reveal in reports to shareholders

their primary employment and engagements, if any, with other companies, says a Bangladesh Securities and Exchange Commission (BSEC) notification. Any change in directorship also needs to be disclosed so that stock investors can get to know directors better, it said. It is a good decision, a stock broker said, adding that information regarding directors was very important and so such disclosures would give new clues for investors to strategise.

<https://www.thedailystar.net/business/economy/news/disclose-directors-engagements-other-firms-bsec-2119001>

Ring Shine Textiles scam: BSEC to take legal action against 11 sponsor-directors

- The securities regulator has decided to take legal action against 11 sponsor-directors and 33 external local shareholders of Ring Shine Textiles for their involvement in a financial scam related to the process of increasing the company's paid-up capital. According to the findings of the securities regulator, these sponsor-directors and shareholders did not pay money for the shares they received under the private offer.
- The Ring Shine Textiles increased its paid-up capital to BDT 2.85 billion from BDT 99.5 million by issuing ordinary shares totalling BDT 2.75 billion to the existing sponsor-directors and 73 local shareholders under the private placement offer. Afterwards the securities regulator found that the audited financial statements of the company for the periods between June 30, 2017 and June 30, 2020 did not reflect the 'true and fair' view of its financial performance.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-to-take-legal-action-against-11-sponsor-directors-1624557333>