

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+2.66%) gained 170.82 points and closed the week at 6,596.08 points. The blue-chip index DS30 (+2.49%) gained 58.02 points and stood at 2,385.90 points. The Shariah-based index DSES (+2.73%) gained 38.30 points and stood at 1,439.34 points. The large cap index CDSET (+1.87%) gained 23.73 points and closed at 1,290.55 points. DSEX, DS30, DSES and CDSET showed YTD returns of +22.10%, +21.48%, +15.88%, +14.92%, respectively.

Total Turnover During The Week (DSE): BDT 70.1 billion (USD 826 million)
Average Daily Turnover Value (ADTV): BDT 23.4 billion (Δ% Week: +64.0%)

Market P/E: 19.5x

Daily Index Movement during the Week:

Market performed three sessions during this week. The market performed positively by +0.88% in the first session and continued to be positive in the second and third sessions by +0.84% and +0.92% respectively.

Sectoral Performance:

- Financial sectors posted mixed performance this week. NBFIs booked the highest gain of 2.56% followed by Bank (+1.24%), and Mutual Fund (+0.39%). General Insurance experienced the highest loss of 2.22% followed by Life Insurance (-0.10%).
- All the non-financial sectors posted positive performance this week except Telecommunication (-1.50%). Engineering booked the highest gain of 5.62% followed by Fuel & Power (+3.49%), Pharmaceutical (+2.68%), and Food & Allied (+0.64%).

Macroeconomic arena:

- The government plans to administer 10 million doses of Covid-19 vaccine in one week from August 7, as fresh stock of vaccines arrived in the country from the USA, China and Japan. The government has mobilized around 50 thousand people to conduct mass vaccination which will cover every union of the country simultaneously.
- Trade deficit of Bangladesh widened by nearly 28.0% in the just-concluded fiscal year for higher import-payment pressure on the economy amid lower receipts from external trade. The trade deficit with the rest of the world crossed USD 22.5-billion level to USD 22.8 billion during the July-June period of FY 2020-21.
- The flow of inward remittances dropped by 28.0% to USD 1.9 billion in July this year when compared to the corresponding period of last year. The country's remittance earnings reached an all-time high of USD 24.8 billion last year amid the coronavirus pandemic.
- Development spending in Bangladesh rebounded in the last fiscal year although the implementation rate was still one of the lowest in three decades because of the disruption caused by the coronavirus pandemic and structural weaknesses.
- Transactions through the mobile financial services reached a fresh record of BDT 712.5 billion in May due to addition transactions during Eid-ul-Fitr, one of the biggest religious festivals of the Muslims, and restrictions on public movement amid the Covid outbreak.

Stock Market arena:

- The British American Tobacco Bangladesh Company (BATBC) will invest over BDT 3.22 billion to enhance its operational capacity. The company's board of directors has approved the decision of new investment to be made in its Savar site factory.
- A tripartite memorandum of understanding (MoU) among Sinopharm of China, Incepta Pharmaceuticals of Bangladesh and the Ministry of Health will be inked soon for co-production of the vaccine.
- The Bangladesh Securities and Exchange Commission on Thursday gave the final approval to Bangladesh Export Import Company Limited for issuing BDT 30.0 billion Shariah-compliant Sukuk.
- Listed companies have initiated moves to transfer unpaid or unclaimed dividends and non-refunded IPO subscription funds to the Capital Market Stabilisation Fund (CMSF) as per a directive issued by the Bangladesh Securities and Exchange Commission.

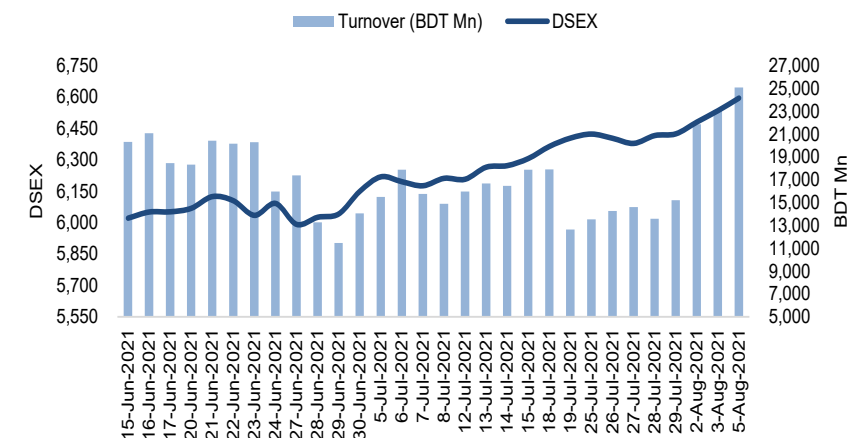
Table 1: Index

Index	Closing	Opening	Δ(Pts)	30-Dec-2019	Δ% Week	Δ%YTD
DSEX	6,596.08	6,425.26	+170.82	5,402.07	+2.66%	+22.10%
DS30	2,385.90	2,327.88	+58.02	1,963.96	+2.49%	+21.48%
DSES	1,439.34	1,401.05	+38.30	1,242.11	+2.73%	+15.88%
CDSET	1,290.55	1,266.82	+23.73	1,123.03	+1.87%	+14.92%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	5,443,261	5,344,048	+1.9%
	Mn USD	64,069	62,901	
Turnover	Mn BDT	70,140	71,287	-1.6%
	Mn USD	826	839	
Average Daily Turnover	Mn BDT	23,380	14,257	+64.0%
	Mn USD	275	168	
Volume	Mn Shares	2,420	2,367	+2.2%

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
METROSPIN	24.3	19.1	+27.2%	1,499	504.7	28.0x	1.5x
PAPERPROC	152.1	121.4	+25.3%	567	47.3	NM	5.5x
GEMINISEA	213.2	170.2	+25.3%	1,001	94.3	NM	NM
ALLTEX	17.8	14.4	+23.6%	996	62.1	NM	1.5x
SIMTEX	23.5	19.1	+23.0%	1,870	429.1	NM	1.1x
DACCADYE	26.4	21.7	+21.7%	2,301	121.0	56.2x	3.0x
PREMIERLEA	11.4	9.4	+21.3%	1,516	142.9	57.6x	0.6x
GHAL	22.9	18.9	+21.2%	4,943	514.7	NM	1.6x
CVOPRL	135.3	112.1	+20.7%	3,416	225.8	NM	11.3x
NAHEEACP	52.2	43.3	+20.6%	3,568	398.7	29.8x	3.1x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
PRIMEINSUR	59.3	68.7	-13.7%	2,424	100.7	42.1x	3.5x
ATCSLGF	13.5	15.0	-10.0%	834	126.0	NM	1.3x
BNICL	118.5	128.5	-7.8%	5,244	7.0	42.8x	5.6x
PROVATIINS	180.3	194.2	-7.2%	6,266	2.8	54.2x	8.1x
PHOENIXFIN	30.2	31.8	-5.0%	4,473	47.2	20.8x	1.3x
PEOPLESINS	53.8	56.6	-4.9%	2,486	641.8	20.8x	1.8x
GLOBALINS	60.6	63.7	-4.9%	2,457	214.5	39.1x	4.4x
SHYAMPSUG	62.2	65.3	-4.7%	311	1.8	NM	NM
POPULARLIF	92.7	97.3	-4.7%	5,602	54.3	NM	NM
PURABIGEN	41.7	43.7	-4.6%	2,422	104.3	31.5x	3.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	96.9	91.3	+6.1%	84,915	2,974	23.3x	1.3x
ORIONPHARM	68.2	57.4	+18.8%	15,959	1,693	22.2x	0.9x
SAIFPOWER	29.1	28.3	+2.8%	10,414	1,534	36.3x	1.8x
GPHISPAT	53.6	49.5	+8.3%	21,285	1,446	19.8x	2.9x
IFIC	14.5	13.5	+7.4%	24,663	1,293	13.5x	0.8x
FUWANGCER	27.9	26.8	+4.1%	3,802	1,089	69.7x	2.4x
SSSTEEL	23.4	21.6	+8.3%	7,120	846	10.4x	1.2x
MALEKSPIN	33.9	30.7	+10.4%	6,563	785	NM	0.8x
MAKSONSPIN	21.3	20.5	+3.9%	5,074	775	29.1x	1.1x
BXPBARMA	189.8	183.5	+3.4%	84,672	743	18.6x	2.4x

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	68.0	+580.0%	5,100	52.4x	2.7x
HEIDELBCEM	328.4	+119.5%	18,556	25.5x	4.2x
PIONEERINS	129.4	+89.0%	9,961	18.7x	2.8x
GPHISPAT	53.6	+75.2%	21,285	19.8x	2.9x
SQUARETEXT	50.7	+70.1%	10,001	55.3x	1.4x
MICEMENT	77.5	+67.0%	11,509	16.2x	1.5x
BSRMLTD	91.3	+51.7%	21,553	7.6x	0.8x
ESQUIRENIT	39.8	+51.3%	5,369	28.6x	1.1x
DUTCHBANGL	84.4	+49.3%	53,383	9.8x	1.6x
ENVOYTEX	36.0	+46.3%	6,038	NM	0.9x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,584.01	1,564.54	1,372.63	+1.24%	+15.40%
NBFIs	2,195.29	2,140.47	2,033.53	+2.56%	+7.95%
Mutual Funds	1,148.71	1,144.26	959.61	+0.39%	+19.71%
General Insurance	5,375.32	5,497.50	4,103.56	-2.22%	+30.99%
Life Insurance	2,744.64	2,747.46	2,162.58	-0.10%	+26.92%
Telecommunication	6,382.16	6,479.46	5,463.26	-1.50%	+16.82%
Pharmaceuticals	3,866.29	3,765.26	3,306.03	+2.68%	+16.95%
Fuel & Power	1,811.86	1,750.68	1,618.11	+3.49%	+11.97%
Cement	2,253.00	2,197.60	1,416.18	+2.52%	+59.09%
Services & Real Estate	1,215.35	1,176.24	1,083.79	+3.32%	+12.14%
Engineering	5,458.26	5,168.00	3,959.20	+5.62%	+37.86%
Food & Allied	23,280.85	23,133.83	14,705.76	+0.64%	+58.31%
IT	3,208.23	3,020.62	2,350.28	+6.21%	+36.50%
Textiles	1,502.15	1,430.24	1,087.41	+5.03%	+38.14%
Paper & Printing	6,563.29	6,091.28	5,487.56	+7.75%	+19.60%
Tannery	2,252.20	2,156.54	1,771.77	+4.44%	+27.12%
Jute	8,858.13	8,424.47	12,154.61	+5.15%	-27.12%
Ceramics	698.39	643.12	472.38	+8.59%	+47.85%
Miscellaneous	3,971.39	3,859.98	2,539.70	+2.89%	+56.37%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	1,563.2	1,067.3	+46.5%	6.9%	8.4x	0.8x
NBFI	1,139.8	563.5	+102.3%	5.0%	41.7x	3.5x
Mutual Fund	1,133.5	707.1	+60.3%	5.0%	NM	1.0x
General Insurance	1,573.2	1,532.2	+2.7%	6.9%	24.7x	2.6x
Life Insurance	331.9	327.8	+1.2%	1.5%	NM	NM
Telecommunication	390.9	243.4	+60.6%	1.7%	18.9x	6.2x
Pharmaceutical	2,905.2	1,531.8	+89.7%	12.7%	23.1x	2.8x
Fuel & Power	1,247.5	718.2	+73.7%	5.5%	13.3x	1.5x
Cement	351.4	329.9	+6.5%	1.5%	18.6x	2.7x
Services & Real Estate	745.7	674.5	+10.6%	3.3%	NM	1.0x
Engineering	3,615.4	1,502.4	+140.6%	15.9%	32.5x	3.1x
Food & Allied	1,133.8	781.2	+45.1%	5.0%	30.5x	8.8x
IT	738.8	460.9	+60.3%	3.2%	35.0x	2.7x
Textile	3,234.9	1,192.4	+171.3%	14.2%	NM	1.1x
Paper & Printing	165.9	99.8	+66.2%	0.7%	50.6x	1.3x
Tannery	146.6	147.4	-0.5%	0.6%	NM	2.5x
Jute	24.0	10.1	+137.2%	0.1%	NM	16.0x
Ceramics	725.6	514.9	+40.9%	3.2%	39.1x	2.2x
Miscellaneous	1,622.0	903.1	+79.6%	7.1%	29.6x	2.0x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
KPCL	37.7	-16.8%	14,982	11.1x	1.6x
OLYMPIC	176.2	-7.8%	35,229	17.0x	4.0x
BATASHOE	655.9	-6.7%	8,973	NM	2.5x
ADNTEL	60.3	-6.2%	3,898	19.6x	2.4x
DBH	76.2	-5.4%	13,508	12.0x	2.0x
SHAHJABANK	20.9	-4.2%	21,508	7.8x	1.1x
MTB	21.0	-4.1%	17,062	27.7x	0.9x
IDLC	60.0	-0.6%	23,754	8.2x	1.5x
BXPBARMA	189.8	-0.4%	84,672	18.6x	2.4x
MPETROLEUM	199.0	+0.5%	21,535	7.6x	1.2x

Important News: Business & Economy

Plan to inoculate 10.0 million in one week

- The government plans to administer 10 million doses of Covid-19 vaccine in one week from August 7, as fresh stock of vaccines arrived in the country from the USA, China and Japan. The government has mobilized around 50 thousand people to conduct mass vaccination which will cover every union of the country simultaneously.
- Bangladesh received 0.78 million doses of AstraZeneca vaccine from Japan on Saturday which followed the delivery of three million doses of Sinopharm vaccine from China on Friday. Earlier on July 19, the country received three million doses of Moderna vaccine from the USA under the Covax facility.
- Another 0.67 million doses of AstraZeneca vaccine will arrive on Wednesday which will be followed by a string of AstraZeneca consignments from Japan as by the end of August Japan will provide another 1.5 million doses of this vaccine.
- As of Friday, the government has administered 12.847 million vaccines of which 8,518,945 as the first dose and 4,329,037 as the second dose. Of the first doses, 5,820,933 were AstraZeneca, 50,235 were Pfizer, 2,035,943 were Sinopharm and 615,139 were Moderna. Statistics on the second doses showed that 4,298,086 were of AstraZeneca, 690 of Pfizer, 30,708 of Sinopharm. None was given the second dose of Moderna vaccine so far as it was introduced just recently.

<https://today.thefinancialexpress.com.bd/first-page/plan-to-inoculate-10m-in-one-week-1627751562>

Trade deficit snowballing as imports far outstrip exports

- Trade deficit of Bangladesh widened by nearly 28.0% in the just-concluded fiscal year for higher import-payment pressure on the economy amid lower receipts from external trade. The trade deficit with the rest of the world crossed USD 22.5-billion level to USD 22.8 billion during the July-June period of FY 2020-21, from USD 17.86 billion a year before, according to the central bank's latest statistics.
- The Bangladesh Bank (BB) data showed that import expenses jumped by nearly 20.0% while export earnings recorded over 15% growth in FY '21. The overall imports cost USD 60.68 billion in July-June period of FY '21 against USD 50.69 billion in the same period a year earlier.
- Meanwhile, the country's current-account deficit improved slightly in FY'21 following higher growth inward remittances despite the ongoing Covid-19 pandemic that left many furloughed on the labour market. The current-account deficit came down to USD 3.81 billion in the outgoing fiscal year from USD 4.72 billion in the previous fiscal.

<https://today.thefinancialexpress.com.bd/last-page/trade-deficit-snowballing-as-imports-far-outstrip-exports-1628016057>

Remittance earnings drop 28.0% in July

- The flow of inward remittances dropped by 28.0% to USD 1.9 billion in July this year when compared to the corresponding period of last year, according to the latest data provided by the Bangladesh Bank. The country's remittance earnings reached an all-time high of USD

24. 8 billion last year amid the coronavirus pandemic.

- Of the banks, Islami Bank Bangladesh Limited collected the highest USD 550.3 million in remittance sent by expatriate Bangladeshis in July this year. Agrani Bank collected USD 194.8 million, Dutch-Bangla Bank USD 229.1 million and Sonali Bank brought USD 117.5 million in remittance last month.
- According to the Bureau of Manpower, Employment and Training, the number of overseas jobs held by Bangladeshi expatriates rose to 0.19 million during the January–May 2021 period from 0.18 million in 2020. The overseas employment of Bangladeshi nationals reached its all-time peak at 1.0 million jobs in 2017 when the country's remittance income was USD 13.5 billion.

<https://www.tbsnews.net/economy/remittance-inflows-drop-28-july-282619>

<https://www.dhakatribune.com/business/2021/08/02/remittance-drops-to-5-month-low-in-july>

ADP spending rebounds

- Development spending in Bangladesh rebounded in the last fiscal year although the implementation rate was still one of the lowest in three decades because of the disruption caused by the coronavirus pandemic and structural weaknesses. The pace of execution of the annual development programme (ADP) sank to a 27-year low of 80.18% in the fiscal year of 2019-20 as projects halted for two months in April and May last year after the government was compelled to enforce a countrywide shutdown to curb the rising cases of infections. It bounced back to 82.21% in the last fiscal year of 2020-21 after the government spent BDT 1.7 trillion out of the BDT 2.1 trillion set aside for the ADP projects, shows data from the Implementation Monitoring & Evaluation Division (IMED) of the planning ministry.
- A former lead economist of the World Bank's Dhaka office said that the root causes of the problem are well-known. The major ones include project management inefficiencies, procrastination in decision-making, corruption, and the absence of accountability. Public financial management reforms have so far failed to mitigate the implementation deficiencies despite efforts spanning more than three decades.

<https://www.thedailystar.net/business/economy/banks/news/adp-spending-rebounds-2143551>

MFS transactions reach fresh record of BDT 712.5 billion in May

- Transactions through the mobile financial services reached a fresh record of BDT 712.5 billion in May due to addition transactions during Eid-ul-Fitr, one of the biggest religious festivals of the Muslims, and restrictions on public movement amid the Covid outbreak.
- Bangladesh Bank data showed that the transaction volume in May is 12.3% or BDT 78.1 billion higher than the BDT 634.4 billion in transactions in April 2021.
- The transaction volume in April was the second highest transaction. The third highest transaction volume, BDT 630.0 billion, through MFS took place in July 2020 during Eid-ul-Azha. The total number of transactions through all the MFS licensees of the central bank was 346.7 million in May, the BB data showed.
- Though the MFS of Nagad constitutes a notable portion of MFS transactions, the BB is yet to include the MFS operator's transaction data in its report. The MFS operator also

observed a significant surge in transactions through its platform in May. Transactions through Nagad reached to around BDT 200.0 billion in May.

- The BB data showed that shipping spending through MFS reached BDT 36.5 billion, salary disbursement stood at BDT 27.9 billion, the government's payments stood at BDT 13.1 billion and utility bill payment reached BDT 11.1 billion, among others.

<https://www.newagebd.net/article/143108/mfs-transactions-reach-fresh-record-of-BDT-71247cr-in-may>

241 more die, 13,817 get Covid

- The health directorate reported 241 deaths from Covid-19 and 13,817 new cases in the 24 hours preceding 8:00am yesterday. This takes the official number of deaths to 21,638 and the total confirmed cases to 13,09,910. The death rate was 1.65% as of yesterday.
- The overall positivity rate continued declining for the second consecutive day yesterday with 27.91% of the cases turning out to be positive, according to a press release from the Directorate General of Health Services (DGHS). Of those reported dead yesterday, 125 were male and 116 female.
- As of yesterday noon, over 6,500 Covid-19 patients were being treated in different hospitals across the country. Of them, 1,157 were in intensive care units (ICUs). At hospitals treating Covid-19, 61% of the general beds and 88% of the ICU and High Dependency Unit beds were occupied.

<https://www.thedailystar.net/health/disease/coronavirus/news/241-more-die-13817-get-covid-2145006>

Women entrepreneurs to get loans at 5.0% interest: Bangladesh Bank

- Bangladesh Bank has reduced the interest rate from 7% to 5% to encourage women entrepreneurs to engage in business with low-interest loans. At the same time, the central bank has reduced the interest rate from 3% to 0.5% at the institutional level as an incentive to banks and financial institutions for providing loans to women entrepreneurs.
- The country's central bank issued a new circular on Wednesday regarding this matter. This lowered interest rate facility has been introduced under Bangladesh Bank's "Small Enterprise Refinancing Scheme." The size of the Small Enterprise Refinancing Scheme has also been increased from BDT 8.5 billion to BDT 15.0 billion, giving priority to loans for women.
- Under Bangladesh Bank's refinancing scheme, banks and financial institutions may provide loans of up to BDT 2.5 million on the personal guarantee of women entrepreneurs as collateral check.
- Earlier, the central bank had set a target of giving at least 15.0% of all small and medium-sized enterprise (SME) loans, to women entrepreneurs, by 2024. In the new circular, Bangladesh Bank has directed those loans be disbursed to women entrepreneurs on a priority basis at new interest rates.

<https://www.tbsnews.net/economy/banking/female-entrepreneurs-get-loans-5-interest-283549>

<https://www.newagebd.net/article/145443/sme-sector-women-entrepreneurs-to-get-loans-at>

[-5pc-interest](#)

Bangladesh Bank sets new target on banks' green, sustainable financing

- With the financial sector being weighed down by huge excess liquidity, banks have cut the interest rates on deposits at a faster pace than on loans, penalising savers and, to some extent, small borrowers. But the average spread, the difference between the lending rates and the deposit rates, widened over the last several months, meaning banks are punishing clients to ensure handsome profits and dividends for shareholders.
- The weighted average rate on deposits stood at 4.13% in June, down from 5.06% a year ago, according to data from Bangladesh Bank. As a result, depositors are facing a negative return on savings given the inflation rate of 5.64% in June. The lending rate declined to 7.33% in the month from 7.95% a year ago.
- Against the backdrop, the spread stood at 3.20%age points in June in contrast to 2.89% age points in the same month a year ago.

<https://www.thedailystar.net/business/economy/banks/news/savers-small-borrowers-pay-price-banks-run-after-high-profit-2145151>

Bangladesh yet to tap USD 22.0 billion export potentials: Economic Relations Division (ERD) study

- At a time when Bangladesh's single-product export base is struggling to cope with the global market vulnerability amid the pandemic, studies show a ray of hope that the country could earn USD 22.0 billion more annually if liberal market access could be utilized with diversified items.
- The Economic Relations Division (ERD), in a study, finds that USD 18.3 billion worth of export potentials remain unexplored in the top ten export destinations, while another study of the Research and Policy Integration for Development (RAPID) says there is a scope of at least USD 4.0 billion in export earnings from China alone.
- According to the ERD report, only six export sectors - RMG, leather, pharmaceuticals, plastics, footwear and shrimp have the potential to bag USD 18.34 billion more, while their current export earnings stand at USD 31.2 billion.

<https://www.tbsnews.net/dropped/trade/bangladesh-yet-tap-22bn-export-potentials-283639>

Bangladesh loses Chinese investment momentum; Vietnam makes the most of the windfall

- Vietnam, Bangladesh's inveterate competitor on the global apparel market, makes the most of the windfall with better hospitality for the rearward-floating capital investors. China's gross investment in Bangladesh amounted to only USD 122.5 million in the last calendar year, 2020, tenth among the top overseas investors in the country, official statistics showed.
- Although the Chinese investment was recorded at a higher amount of USD 695.7 million in the previous calendar year, 2019, Bangladesh failed to maintain the momentum in the subsequent year (2020). China's investment in Vietnam in January-November period in 2020 was recorded at USD 2.4 billion, Ministry of Planning and Investment of Vietnam data showed.

• According to Bangladesh Bank (BB), Chinese textile and apparels businessmen were the top in position with their USD 44.2 million worth of investment in Bangladesh, followed by power-sector businessmen who invested USD 41.6 million in 2020.

<https://today.thefinancialexpress.com.bd/first-page/bangladesh-loses-chinese-investment-momentum-1628100015>

Edible oil price rises

• Consumers are paying more for edible oil as prices have risen in the international market due to increased shipping fare and reduced supply. Retailers say soybean oil prices in Bangladesh have gone up by up to 6.0%, or BDT 5 to BDT 10.0, per litre last month. Branded soybean oil is selling for BDT 150 per litre and non-branded oil at BDT 140 to BDT 142 a kg.

• Retailers were found selling a one-litre container at BDT 150, up from BDT 145 a month ago. The prices range from BDT 690 to BDT 700 for the five-litre container, up from BDT 675 to BDT 680 previously.

• Bangladesh requires 2.0 million tonnes of edible oil annually. The price of crude soybean oil stood at USD 1,345 per tonne at the end of July, an increase of USD 214 per tonne from June, data from the Trading Corporation of Bangladesh showed. The price of crude palm oil rose by USD 152 to USD 1,137 per tonne.

<https://www.thedailystar.net/business/economy/news/edible-oil-price-rises-2145146>

Number of internet connections soars by 17.5 million in FY21

• The number of broadband and mobile phone-based internet connections in the past fiscal year of 2020-2021 increased by 17.5 million, more than twice the increase seen in the previous fiscal year, amid people's growing dependence on online services after the Covid outbreak.

• According to Bangladesh Telecommunication Regulatory Commission data, the number of internet connections in the country reached 121.0 million at the end of June 2021 from 103.5 million at the end of June 2020.

• In the FY 2019-20, the number of internet connections in the country increased by 7.3 million. Of the 120 million internet connections, 110.9 million were mobile phone-based and the rest 10.1 million broadband internet connections.

<https://www.newagebd.net/article/145444/number-of-internet-connections-soars-by-175cr-in-fy21>

Government to buy 30 medical oxygen generation plants for Covid-19 patients

• The government is going to buy 30 medical oxygen generation plants to meet the oxygen demand for Covid-19 patients who have been suffering from respiratory problems.

• Meanwhile, the cabinet committee on government purchase has approved a proposal of importing 50,000 metric tonnes of rice from India. The price per metric tonne will be USD 377.88.

<https://www.thedailystar.net/health/disease/coronavirus/fallouts-fightback/news/govt-buy-30-medical-oxygen-generation-plants-covid-19-patients-2144676>

Government to import 50,000 tonnes of rice from India

• The government is going to import 50,000 tonnes of rice from India at BDT 32.0 per kilogramme, which is 32.0% below the wholesale prices of coarse grain in the local markets of Dhaka. The cabinet committee on purchase yesterday approved a proposal of the food department to purchase 50,000 tonnes of non-basmati boiled rice from Bagadia Brothers Pvt at a cost of BDT 1.6 billion.

• The price per tonne is USD 377, according to a post-meeting briefing. Coarse rice is going for BDT 47.0 per kg at wholesale in Dhaka. At retail, it was BDT 50.0 a kg on August 3, according to food traders.

• The government has till date finalised 79 projects, involving USD 29.0 billion, to be implemented under the PPP mechanism since the PPP concept in infrastructure development with the private sector's involvement was pitched from the fiscal 2009-10.

<https://www.thedailystar.net/business/economy/news/govt-import-50000-tonnes-rice-india-2145111>

Over 200 Covid deaths for ten consecutive days

• As the delta variant continues to take a toll on the country, 235 more people died of the virus in the past 24 hours until Tuesday 8am. This is the 10th day in a row that the country reported over 200 single-day deaths.

• Bangladesh also reported more than 15,000 infections for the second day with 15,776 people contracting the virus in the 24 hours. The positivity rate saw a slight slope dropping at 28.54%, down from 29.91% a day ago as the health officials tested the highest ever 55,284 samples across the country.

• With the latest figures, the death toll stands at 21,397 and the case tally increased to 12,96,093. Chattogram division has been witnessing a rise in deaths over the week as 65 deaths were reported there following the highest 73 deaths in Dhaka. Besides, 32 people died in Khulna, 21 in Rajshahi, 12 each in Rangpur, Sylhet and Mymensingh, and eight died in the Barishal division.

• Despite an alarming surge in the numbers of coronavirus infection and subsequent fatalities, the government on Tuesday decided to allow operations of shops, businesses, offices and transport on a limited scale from August 11.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/covid-19-claims-235-more-lives-283015>

<https://today.thefinancialexpress.com.bd/first-page/virus-curbs-ease-from-august-11-1628015540>

<https://today.thefinancialexpress.com.bd/first-page/bd-records-235-more-deaths-15776-cases-1628015600>

Merchandise exports fall by 11.2% in July

• The country's merchandise export fell by 11.2% to USD 3.47 billion in July'21 year on year, mainly because of decline in exports of major goods including readymade garment

(RMG), according to Export Promotion Bureau (EPB) data. Bangladesh fetched USD 3.9 billion in July'20. The overall earnings also fell short of target by 6.85% set for the month, according to the EPB.

- Out of the total USD 3.47 billion export income in July'21, the RMG sector fetched USD 2.88 billion recording an 11.02% decline, compared to the corresponding month in 2020. The country's earnings from RMG products were USD 3.24 billion in July'20. The sector's earnings also fell short of the target by 4.17% set for July'21.

- Earnings from knitwear items stood at USD 1.65 billion, registering a negative growth of 5.25%. Bangladesh fetched USD 1.75 billion from knitwear exports in July'20. Woven garments fetched USD 1.22 billion in the last month, down by 17.79%. The woven items earnings were USD 1.49 billion in July'20, according to EPB data.

<https://today.thefinancialexpress.com.bd/trade-market/merchandise-exports-fall-by-1119pc-in-july-1628007141>

<https://www.tbsnews.net/economy/export-earnings-see-11-fall-july-283057>

<https://www.thedailystar.net/business/export/news/exports-slip-11pc-july-2144306>

Inflation does not reflect real consumption amid Covid: Centre for Policy Dialogue (CPD)

- The Bangladesh Bureau of Statistics calculates the overall inflation based on the consumption basket created in 2005, which does not reflect the current consumption pattern, said the Centre for Policy Dialogue (CPD). To portray the actual picture of inflation, the think tank suggested changing the consumption basket. According to the Consumer Price Index, expenditure doubled on the back of rising healthcare cost, house rent and transportation cost, while people's income declined during the pandemic.

- According to CPD Executive Director, when incomes go up, the share of earnings spent on food falls. During 2010-16 Bangladesh's low-income households saw their income rise by 7.7% while the annual increase in real household income was 0.16%. According to statistics, food expenditure dropped from 2010 to 2016. But since people's consumption pattern has changed, the current inflation does not bring forth the real scenario of people's living cost.

<https://www.tbsnews.net/economy/inflation-doesnt-reflect-real-consumption-amid-covid-cpd-283147>

<https://www.thedailystar.net/business/economy/news/mop-excess-liquidity-curb-asset-bubble-cpd-2144296>

<https://www.dhakatribune.com/business/2021/08/03/cpd-finds-5-3-inflation-rate-unrealistic-as-living-cost-goes-up>

Ten companies responsible for 40.0% of total VAT in FY21

- Tobacco manufacturers, telecom operators among the top VAT payers, dishing out BDT 381.1 billion in total. A total of 10 companies from the large taxpayer's unit (LTU) were responsible for depositing the most value added tax (VAT) to the state coffers in fiscal year 2020-21, in the line of BDT 381.1 billion.

- Total VAT and supplementary duty (SD) paid in FY21 was BDT 975.1 billion, of which the 10 companies paid about 40.0% of that. The LTUs paid BDT 492.5 billion in VAT of the total. Calculated, the 10 companies contributed to more than 77% of that amount.

- According to the latest figures from the National Board of Revenue (NBR), the highest VAT payers were tobacco manufacturers, telecom operators and pharmaceutical companies. Overall, the tobacco companies paid BDT 270.0 billion, the telecom operators BDT 84.7 billion and the pharmaceuticals companies BDT 31.3 billion.

- According to NBR data, British American Tobacco Bangladesh (BATB) was the highest VAT payer, depositing a whopping BDT 249.1 billion into the state coffer. Mobile operator Grameenphone (GP) came in second, paying BDT 44.9 billion, or 23.0% more than FY20. Around BDT 30.0 billion has been paid as VAT from the banking sector, as banks levy VAT, SD and excise duty on various types of services.

<https://www.newagebd.net/article/143104/bsec-okays-prans-BDT-150cr-green-bond>

Financial houses shy about Public Private Partnership (PPP)

- Domestic funding for public-private partnership development projects have thus become hard to come by as banks and financial institutions are reluctant to finance such projects considered risky by them. So, the Public Private Partnership (PPP) Authority has hit a major stumbling block in realising its PPP projects as only a single domestic financial institution has stepped in to finance a project out of the 14 the PPP Authority had roped in five years back.

- The deals were penned with the banks and non-bank financial institutions to ensure domestic funding for PPP projects. Only the Bangladesh Infrastructure Finance Fund Limited (BIFFL) has so far come forward. Other financial institutions have stayed away from such projects for various reasons, including collateral-related problems, putting a damper on the PPP projects, according to a letter sent by the PPP Authority to the finance ministry in June this year.

- The government has till date finalised 79 projects, involving USD 29.0 billion, to be implemented under the PPP mechanism since the PPP concept in infrastructure development with the private sector's involvement was pitched from the fiscal 2009-10.

- Investment deals to the tune of BDT 240.8 billion have so far been signed for six ongoing PPP projects. Of the amount, BDT 81.8 billion are coming from the government coffer, while the lone domestic financial institution, BIFFL, provided only BDT 10.8 billion in the Dhaka bypass expressway project. The remaining funds will come from foreign sources.

<https://www.tbsnews.net/economy/financial-houses-shy-about-ppp-283141>

July remittance inflow falls 28% to USD 1.87 billion

- The flow of inward remittances dropped significantly in July, following the second wave of the ongoing Covid-19 pandemic, officials said. The inflow of remittances plunged by nearly 28% or USD726.72 million to USD 1.87 billion in July, the first month of the current fiscal year (FY), 2021-22, from USD 2.60 billion in the same month of the previous fiscal, according to the central bank's latest statistics, released on Monday. The flow of inward remittances decreased by more than 3.0% in July over that of the previous month despite celebration of the Eid-ul-Azha festival, the Bangladesh Bank (BB) data showed.

- The central bank had earlier taken a series of measures to encourage the expatriate Bangladeshis to send their hard-earned money through the formal banking channel, instead of the illegal "hundi" system, which can help boost the country's foreign exchange reserves.

<https://today.thefinancialexpress.com.bd/last-page/july-remittance-inflow-falls-28pc-to-187b-1627929600>

<https://www.thedailystar.net/business/economy/banks/news/remittance-slips-5-month-low-2143541>

<https://www.tbsnews.net/economy/remittance-inflows-drop-28-july-282619>

BD trade deficit may exceed USD 26 billion

• Bangladesh's overall trade deficit may cross USD26 billion by this fiscal yearend as trading sector faces unprecedented headwind while a healthy balance-of-payments position continues for lesser import spending. A latest central-bank projection portrays such a macroeconomic scenario, saying that the country's deficit in trade with the rest of the world is expected to rise from USD 22.80 billion in the just-concluded FY 2020-21 to USD 26.07 billion in FY'22.

• A BB official expects import payments to increase significantly this fiscal year following higher purchase of raw materials for readymade garments along with resumption of infrastructure- development works across the country. Higher inflow of remittance is expected to help reduce the amount of current-account deficit further in FY'22 despite the upward trend in import-payment obligations, the banker predicts. The current-account deficit is likely to be reduced to USD 2.57 billion by the end of this fiscal year from USD 3.81 billion in the previous fiscal.

<https://today.thefinancialexpress.com.bd/first-page/bd-trade-deficit-may-exceed-26b-1627844001>

RMG exports see 16% negative growth in July

• Apparel shipments suddenly slowed down in the last week of July due to the combined impacts of Eid vacation, lockdown and container congestion at the Chattogram port, resulting in a 16% slump in export earnings in the month, relative to the same period last year. Bangladesh exported apparels worth USD 2.60 billion from 1-30 July this year, down from USD 3.08 billion last year, said a director of BGMEA.

• According to industry insiders, the demand for apparel products rose as the Covid situation in Europe and the USA returned to normal due to a wide vaccination coverage. The apparel sector accounts for more than 80% of the country's total exports for the last three decades. In the fiscal year 2020-21, apparel exports fetched USD 31.45 billion.

• Industry people said the sector usually experienced a good growth in June, July and August riding on shipments for orders targeting the winter season and Christmas but this year Eid vacation and factory closure due to the ongoing lockdown disrupted exports. Besides, the Chittagong Port has been facing container congestion due to import backlog. BGMEA President said that they hope the export will rebound within the next 3-4 days as the government has allowed them to resume production.

<https://www.tbsnews.net/economy/rmg/rmg-exports-see-16-negative-growth-july-282187>

Lower yield on bank deposits, remittance boost savings certificate sales

• After a lukewarm performance in FY2019-20, savings certificates was the go-to option for all sorts of investors as BDT 373.86 billion worth of certificates were sold in the first 11 months of FY2020-21, more than double from the same period of the previous fiscal. According to the Directorate of Nationals Savings (DNS), the primary net target for selling

savings certificates was BDT 200 billion, but this was raised to BDT 303.02 billion as the revised target.

• From July 2019, taxpayers' identification number (TIN) certificate was made mandatory for purchase over BDT 0.1 million, while a 5% source tax on profits of the savings certificates was also introduced. If the investment was more than BDT 1 million, the source tax became 10%. Having a bank account was also made mandatory. After that, the sales of savings certificates began to decrease. However, the minimum bar for purchase with a TIN certificate has been raised from BDT 0.1 million to BDT 0.2 million in the current FY22.

• An economist and financial adviser to the former caretaker government attributes this beyond-significant jump to the low interest rates offered by the banks, as well as increased remittance figures and the economic turnaround from the Covid-19 pandemic so far.

<https://www.dhakatribune.com/business/2021/07/31/lower-yield-on-bank-deposits-remittance-boost-savings-certificate-sales>

Bangladesh received its 2nd highest foreign aid for FY21

• Bangladesh received USD 7.106 billion as foreign aid from its donor groups during fiscal year 2020-21, its second highest amount in external assistance in a fiscal year. Not only that, in addition to this huge cash injection in the recently-concluded fiscal year, the government has also promised to receive more money from donors for future development activities. According to the ERD report, of the USD 7.106 billion, USD 6.77 billion was in the form of loan assistance, and the remaining USD 334.2 million as grants.

<https://www.dhakatribune.com/business/economy/2021/08/01/bangladesh-received-its-2nd-highest-foreign-aid-for-fy21>

Broadband Internet: User number hits 10 million milestone

• The number of broadband internet connections has surpassed the 10 million mark in June for the first time as a vast number of people now rely on the internet due to the pandemic which propelled work from home practices and remote learning. According to Bangladesh Telecommunication Regulatory Commission, broadband subscribers shot up around 18% year-on-year in June.

• Broadband connections took a staggering jump of 76% since pre-pandemic times of February last year when there were 5.7 million such customers. In other words, the pandemic added over 4.3 million subscribers.

• The BTRC on June 6 set a uniform price of BDT 500 for 5 Mbps (megabits per second) of broadband internet a month, BDT 800 for 10 Mbps and BDT 1,200 for 20 Mbps.

<https://www.thedailystar.net/business/economy/news/user-number-hits-1cr-milestone-2141931>

Small traders may go bankrupt

• Repeated lockdowns in Bangladesh have pushed shops, particularly small and medium ones, to the verge of closure for good as their income crashed and debt mounted. Small traders said they had to take loans to pay salaries to employees, clear rents, electricity and security bills, and meet other expenses as shops have been closed for most of the last four months because of the strict countrywide restriction.

- The plight of the small businesses stemming from the economic fallout caused by the pandemic has been unaddressed mostly, although they are one of the driving forces behind the economy of Bangladesh. There are about 5.6 million wholesale and retail establishments, accounting for 13.87% of the total trade in goods, according to the Bangladesh Economic Review.

<https://www.thedailystar.net/business/economy/news/small-traders-may-go-bankrupt-2142781>

Covid: Deadliest July ends, yet danger remains

- July, the deadliest month with the highest Covid-19 deaths and infections (6,182 and 3,36,226), has just ended, but experts have said the situation is not improving soon as they fear that the infection may worsen in mid-August.
- Bangladesh reported 218 more deaths from Covid-19 in 24 hours until Saturday 8am, taking the death toll to 20,685 in the country. In the last 24 hours, 9,369 people tested Covid-19 positive. With the latest figures, the case tally increased to 12,49,484 and the positivity rate stood at 30.28% on Saturday.
- The country has been reporting over 200 deaths daily since 25 July as the health authorities are struggling to curb the infections. In the first 14 days in July, the death toll exceeded the record in April. There was no day in July with deaths below 100.
- Earlier, April was the deadliest month of the covid-19 pandemic for Bangladesh when 2,404 Covid-19 patients died with the highest single-day death of 112. Besides, the daily death counts crossed the 100-plus mark five times in that month.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/deadliest-july-ends-yet-danger-remains-281755>

Financial institutions closed on Sunday, Wednesday

- Financial institutions will remain closed on Sunday and Wednesday next week as part of the government plan for reining in the soaring cases of coronavirus, the central bank said Thursday. Their office hours, however, have been extended on several other days so that clients can avail financial services smoothly.
- Clients will be served from 10am to 3pm on Monday, Tuesday and Thursday, according to the central bank notice. Currently, financial institutions are operating from 10am to 2pm. On Wednesday, the Bangladesh Bank issued similar directives to banks. Banking hours have been extended by one hour to 10am to 2:30pm on Monday, Tuesday and Thursday next week.
- Earlier, the central bank said that banks and financial institutions would be open for customers on a limited scale during the ongoing 14-day strict restrictions on movement, which will end on 5 August. The central bank has now given this latest decision for both banks and non-bank financial institutions as the infection rate from the highly contagious virus is rising.

<https://www.tbsnews.net/economy/financial-institutions-remain-closed-next-sunday-wednesday-280738>

Tax receipts rebound

- Tax collection bounced back in Bangladesh in the last fiscal year to grow at the sharpest pace in 10 years, riding on increased imports and an uptick in receipts of value-added tax. The National Board of Revenue (NBR) collected around BDT 2.6 trillion in 2020-21, up more than 20.0% from BDT 2.2 trillion year-on-year, provisional data showed.
- The recovery came a year after the NBR posted its first-ever decline since independence in the face of the onslaught of the coronavirus pandemic, which forced the government to impose a two-month-long countrywide shutdown from the end of March to May, crippling the economy. The curb was lifted in June last year, enabling businesses to run in a new normal until the beginning of the second wave in April this year. This enabled the NBR to raise more taxes.
- Receipts from customs tariff shot 27.0% year-on-year to BDT 771.5 billion in FY21 against BDT 605.5 billion. Soaring imports and record remittance flows buoyed domestic demand, helping VAT collectors log increased receipts of the indirect tax paid by consumers. The collection of VAT, the biggest source of revenue for the government, was up 15% to BDT 974.9 billion in FY21.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-receipts-rebound-2141971>

National Board of Revenue (NBR) to introduce e-TDS system soon

- The tax authority has prepared a system to introduce the e-TDS at all the income tax offices across the country anytime soon. The taxpayers would soon be able to adjust or claim tax credit or seek refund of their paid advance income tax (AIT) under the electronic tax deducted at source (e-TDS) system.
- An e-TDS design and development team has prepared the system through integrating it with all the relevant tax deducting authorities. TDS contributes around 50.0% of the total direct tax, around BDT 5.0 billion, collection of the National Board of Revenue (NBR).
- There are a total of 0.3 million tax deducting authorities including the government and private organisations, which are bound to deduct tax at source from the taxpayers and deposit it to the public exchequers. It has been found that many of the deducting authorities refrain from depositing the taxpayers' money properly, taking advantage of the manual system. The e-TDS would check such irregularities and ensure transparency in the system.

<https://today.thefinancialexpress.com.bd/last-page/nbr-to-introduce-e-tds-system-soon-1627751940>

Bangladesh loses 2nd position to Vietnam in clothing exports

- Bangladesh is now the third-largest clothing exporter in the world as Vietnam has knocked it out of the second position, according to the World Trade Statistical Review 2021. Bangladesh exported USD 28.0 billion worth of clothing in 2020, accounting for a 6.3% share of the global market while exports from Vietnam amounted to USD 29.0 billion.
- According to the report released by the World Trade Organisation (WTO), both the countries, however, earned less from exports of clothing in 2020 than in the previous year due to Covid-19. Bangladesh's earnings declined by 15.0% in 2020, whereas Vietnam's fell by 7.0%.

- Having 31.6% of the global market share, China has maintained its position at the top of the clothing exporters. Exports from China accounted for USD 142.0 billion.

<https://www.tbsnews.net/economy/rmg/bangladesh-loses-2nd-position-vietnam-clothing-exports-281803>
<https://www.newagebd.net/article/145071/vietnam-surpasses-bangladesh-to-become-second-largest-rmg-exporter>

Bangladesh Telecommunication Regulatory Commission (BTRC) to hold virtual public hearing August 22

- [BTRC](#) is going to hold a virtual public hearing on complaints and grievances about the services of the telecommunications industry and the regulator on August 22. Online registration is required for the persons interested in joining the hearing.
- Anyone can register through the BTRC website until August 10, according to a public notification issued by the regulator on Saturday. Earlier, the BTRC cancelled two public hearings last year and this year due to coronavirus pandemic.
- The BTRC decided to host the event to learn directly from the users about the quality of telecoms services and their perception about the regulator.

<https://today.thefinancialexpress.com.bd/last-page/btrc-to-hold-virtual-public-hearing-aug-22-1627752066>

Important News: Capital Market

BATBC to invest BDT 3.2 billion in its Savar factory

- The British American Tobacco Bangladesh Company (BATBC) will invest over BDT 3.22 billion to enhance its operational capacity. The company's board of directors has approved the decision of new investment to be made in its Savar site factory, according to a disclosure. This investment would cater to the upcoming exports opportunities and create contingency capacity. The investment will be funded from internal sources and bank financing based on the company's cash flow, it said.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/batbc-to-invest-BDT-32b-in-its-savar-factory-1627575082>

Incepta and Sinopharm to co-produce vaccine

- A tripartite memorandum of understanding (MoU) among Sinopharm of China, Incepta Pharmaceuticals of Bangladesh and the Ministry of Health will be inked soon for co-production of the vaccine, Foreign Minister Dr AK Abdul Momen said on Monday. The minister mentioned that the country had over 10 million vaccines in stock now and was trying to raise it. Bangladesh has inked a deal to purchase 15 million Sinopharm vaccines; already 8.1 million, including 1.1 million given as a gift, has arrived.

<https://today.thefinancialexpress.com.bd/first-page/incepta-and-sinopharm-to-co-produce-vaccine-1627929242>

BEXIMCO gets final nod for BDT 30.0 billion Sukuk

- The Bangladesh Securities and Exchange Commission on Thursday gave the final approval to Bangladesh Export Import Company Limited for issuing BDT 30.0 billion Shariah-compliant Sukuk. The BSEC for the first time has approved a Sukuk in the country.
- Earlier on June 23, the BSEC gave BEXIMCO a primary approval regarding issuing the green Sukuk on condition that the company would submit all necessary documents and fulfil regulatory requirements.
- The Sukuk proceeds will be utilised for the expansion projects, including financing and refinancing (non-interest bearing) of the textile machinery for expansion of the textile division of the originator, which will ensure energy efficient production, including wastewater treatment, waste prevention and recycling.
- Tenure of the green Sukuk is five years or 60 months from the issuance date. The face value of each Sukuk is BDT 100 and minimum subscription is BDT 5,000 or 50 green Sukuk.

<https://www.newagebd.net/article/143144/beximco-gets-final-nod-for-BDT-3000cr-sukuk>

Companies move to transfer unclaimed dividends to BSEC's market stabilisation fund

- Listed companies have initiated moves to transfer unpaid or unclaimed dividends and non-refunded IPO subscription funds to the Capital Market Stabilisation Fund (CMSF) as per a directive issued by the Bangladesh Securities and Exchange Commission. As many as 70 companies have recently issued notices, informing their shareholders to claim the dividends by August 29 as they have to transfer the fund to the MSF by August 30.

Last month, the BSEC issued a letter to all asset management companies, stockbrokers, merchant banks, and listed companies, including companies operating in the over-the-counter market, to transfer amounts held against unclaimed, undistributed or unsettled dividends or non-refunded public subscription money in cash or others including accrued interest thereon for a period of three years from the date of declaration or approval or record date to the CMSF by August 30.

<https://www.newagebd.net/article/145178/cos-move-to-transfer-unclaimed-dividends-to-bsecs-market-stabilisation-fund>

Bangladesh Securities and Exchange Commission (BSEC) okays PRAN's BDT 1.5 billion green bond

- The Bangladesh Securities and Exchange Commission on Wednesday allowed PRAN Agro Limited to float non-convertible coupon bearing green bond worth BDT 1.5 billion. PRAN Agro will utilise the bond proceeds in strengthening its capital and liquidity with keeping environmental balance.
- The face value of each unit of the bond is BDT 1.0 million. The coupon rate of PRAN Agro's bond is 9.0%.

- Only banks, financial institutions, insurance companies, listed banks, trust funds, corporate institutions and other eligible investors will be allowed to purchase the bond through private placement.

<https://www.newagebd.net/article/143104/bsec-okays-prans-BDT -150cr-green-bond>

ONE Bank cooks the books to siphon cash to owners

- For banks, financial numbers are safeguards not only for its clients but also for the investors who put money into its shares. But ONE Bank has cooked up all its key figures to jack up its profit so that its directors, who hold over 30% of the bank's shares, can take out more money in the form of cash dividends. In reality, ONE Bank's net profit was not as high as it showed because it did not adjust its provision shortfall.
- The Bangladesh Bank is now in the process of taking action. The bank misrepresented financial numbers in its balance sheet even keeping the Bangladesh Bank in the dark, ignoring its instructions in every step. For instance, the bank did not take consent from the Bangladesh Bank before announcing a dividend for the last year, in defiance of the dividend policy. Secondly, the bank was instructed to adjust the provision shortfall of BDT 800 million from retained earnings as the bank company act does not allow it to declare a cash dividend with a specific provision shortfall.

<https://www.tbsnews.net/economy/banking/one-bank-cooks-books-siphon-cash-owners-282673>

BSEC to appoint special auditor for Active Fine

- To protect investors' interest, the stock market regulator has decided to appoint a special auditor to review the financial statements of Active Fine Chemicals Limited for the last two years. Sources said the commission deems that the company might not have provided correct information in last two years' financial statements.
- Rules say sponsors and directors of any listed company will jointly hold a minimum of 30% shares, but the sponsors and directors of Active Fine Chemicals hold only 12.04% shares. Moreover, the company provided BDT 102.1 million in excess tax in the statement of changes in equity for the year ended on 30 June 2019, which is not in line with income tax regulations. Further, purchase of fixed assets during the year was made in cash violating the Income Tax Ordinance 1984.

<https://www.tbsnews.net/economy/stocks/bsec-appoint-special-auditor-active-fine-282649>

Premier Bank & One Bank to raise funds through bonds

- Premier bank will issue Perpetual Bond of BDT 4.0 billion to raise funds as additional Tier-1 capital in order to support its BASEL-III norms in compliance with Bangladesh Bank (BB) guidelines on risk-based capital adequacy. BDT 3.60 billion bond will be issued through private placement and the remaining BDT 400 million bond through public offer in line with the directive of Bangladesh Securities and Exchange Commission (BSEC) issued on 23 May, 2021.
- The board of directors of ONE Bank has decided to issue of subordinated bond (at floating rate) of BDT 6.0 billion for Tire-II capital. The proceeds will be treated as capital and it will help the company grow its investment and loan portfolio. The tenure of the bond will be seven years.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/premier-bank-to-raise-BDT-40b-thru-bond-1627575152>

Eight companies see decline in stakes held by foreigners

- Some eight listed companies having good fundamentals saw a decline in stakes held by foreigners in last six to twelve months. The amount of shares held by foreigners declined ranging between 0.64% and 6.32% in those companies during June 30, 2020 to June 30, 2021. Some insiders said the regulatory decision regarding the closure of trading after the outbreak of COVID-19 was one of the major reasons behind the decline observed in foreign stakes. The introduction of floor prices for listed securities also played a role behind the decline observed in foreign stakes. The securities regulator has lifted the floor prices earlier introduced to contain the free fall of stock prices amid lockdown.
- The companies which saw a decline in foreign stakes include BRAC Bank, British American Tobacco Bangladesh Company (BATBC), Beximco, Beximco Pharmaceuticals, Square Pharmaceuticals, The City Bank, and Singer Bangladesh.

<https://today.thefinancialexpress.com.bd/stock-corporate/eight-companies-see-decline-in-stakes-held-by-foreigners-1627745546>

SBAC Bank IPO investors to get minimum 60 shares each

- A general investor will receive a minimum of 60 initial public offering (IPO) shares of South Bangla Agriculture & Commerce (SBAC) Bank against an application for subscription of BDT 10,000 shares. The bank issued IPO shares to raise BDT 1.0 billion from the capital market under the fixed-price method. And the IPO subscription period was between July 5 and July 12. The bank's IPO was oversubscribed by almost 14 times, as the bank received BDT 13.91 billion offers for the IPO shares worth BDT 1.0 billion.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/sbac-bank-ipo-investors-to-get-minimum-60-shares-each-1627575035>

BO accounts drop below 2 million as IPO hunters shy away

- Number of stock investment accounts, popularly called Beneficiary Owner (BO) accounts, has dramatically dropped below 2 million for the first time in more than a decade as IPO hunters closed the majority of their useless accounts following a new method of public issuance. It may sound more surprising that the number dropped by over 22% in a month as depository service provider Central Depository Bangladesh Ltd (CDBL) reported only 1.97 million BO accounts opened at the end of July, where the month began with 2.54 million accounts.
- In fact, a major portion of the BO accounts that had been being used only for IPO hunting vanished as soon as the account holders failed to pay the annual maintenance fees on time. Stockbrokers closed their client accounts at the end of July due to the non-payment of annual fees.
- Historically, in the Bangladesh capital market, investing in only primary shares proved to be a lucrative business as that virtually possessed no risk and offered huge gains after debut. Being it for overenthusiasm or manipulation, IPO hunting offered 2-5 times or even more return in less than six months. The Bangladesh Securities and Exchange Commission (BSEC) changed the way how to apply for primary shares. Recently, it introduced pro-rata allocation of primary shares, which abolished the lottery system.

<https://www.tbsnews.net/economy/stocks/bo-accounts-drop-below-20-lakh-ipo-hunters-shy-away-282178>