

## Weekly Market Update

### Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.45%) gained 28.77 points and closed the week at 6,480.30 points. The blue-chip index DS30 (-0.14%) lost -3.30 points and stood at 2,352.38 points. The Shariah-based index DSES (-0.14%) lost -1.98 points and stood at 1,413.74 points. The large cap index CDSET (+0.20%) gained 2.63 points and closed at 1,288.03 points. DSEX, DS30, DSES and CDSET showed YTD returns of -4.09%, -7.12%, -1.21%, -5.23%, respectively.

**Total Turnover During the Week (DSE):** BDT 43.4 billion (USD 505 million)

**Average Daily Turnover Value (ADTV):** BDT 8.7 billion (Δ% Week: +10.6%)

**Market P/E:** 16.0x

### Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a positive note (+0.71%) on Sunday. However, it ended on a negative note (-0.13%) on Monday. It remains negative (-0.32%) on Tuesday. However, it moved back positive (+0.24%) on Wednesday. However, market ended at a negative note (-0.06%) on Thursday.

### Sectoral Performance

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 11.21% followed by Mutual Fund (+3.33%), and Bank (+0.80%). NBF1 experienced the highest loss of 0.95% followed by Life Insurance (-0.24%).

- All the non-financial sectors posted mixed performance this week. Engineering booked the highest gain of 0.86% followed by Telecommunication (+0.67%), Fuel & Power (+0.58%), Food & Allied (+0.01%), and Pharmaceutical (-0.48%).

### Macroeconomic arena

- China to provide tariff benefit to more Bangladeshi goods. USD 1,500 Mn underway as budgetary support: PM Hasina. Startups need to file tax returns. Govt wants to raise money supply by over 15% even amid soaring inflation. Suppliers against int'l tenders to lose exporter status, facilities. Capital shortfall of 10 banks down by over BDT 75.0 Bn in 3 months. Govt to introduce injury insurance scheme for RMG workers. Padma Bridge: A USD 500 Mn boost to commercial vehicle market. Cost of projects to be revised. Govt to lower corporate tax to 12% for non-RMG sectors. MRT-5 to cost USD 5.05 Bn. SMEs get only 33% of required loan. Interbank US dollar rate in Bangladesh rises to BDT 91.95..

- Banks paid high dividends, now they are in trouble. Wage board for RMG workers on cards. Govt to make direct contact with Brazil's soybean exporters. RTA policy gets cabinet nod. Exports of leather, goods go past USD 1.0 Bn again. 85% Japanese cos want FTA with Bangladesh: survey. Source tax on bank deposit interests of companies to double next year. Default debt increases to BDT 1.13 Tn by 1QCY22. Gas price raised by 23%. High feed costs: Appetite for poultry farming wanes. Startups with growth potentials to be allowed to go public. Block allocations: Focus shifts to war fallout from jobs. Budget to set out 8 tough tasks to fight 'imported inflation'. Keep lending rate free floating: Economists. Non-brand furniture industry growing, eyeing huge exports. BERC sets new gas tariff today. Small investments creating jobs. 'Tea production rises 61% since 2009'.

### Stock Market arena

- Tax receipts from DSE drop 19% in May. Investors must invest at least BDT 50,000 for IPO quota. BSEC okays draft prospectus of Blue-Wealth Fund. Navana Pharma gets BSEC nod to discover IPO cut-off price. BPC counts BDT 934 Mn loss daily. Adani godda power plant: BPDB to pay BDT 12.19 Bn for power not used. Achia Sea Foods QIO subscription opens on 19 June. AFC Health seeks conditional consent to revive IPO. Transfer undistributed dividends to CMSF account by June 10. BSEC moves to make A and B category stocks sellable the next day. Bourses asked to explain Modern Dyeing delisting. BSEC to look into business activities of Miracle Industries. Meghna Insurance to make share trading debut Wednesday. BSEC lifts embargo on pre-IPO shares of Associated Oxygen. Bourses asked to explain Modern Dyeing delisting. City Bank raises BDT 7.0 Bn thru bonds. Marico exceeds BDT 10.0 Bn sales for 2nd time. STS Group's MD to buy 13.5Mn Dhaka Bank shares. IDLC Finance to begin shariah-compliant business. BEXIMCO's sukuk to give 5.8% return for first 6 months.

June 09, 2022 (Week: June 05, 2022 – June 09, 2022)

Dhaka Stock Exchange

**DSEX ended green (+0.45%) in the week**

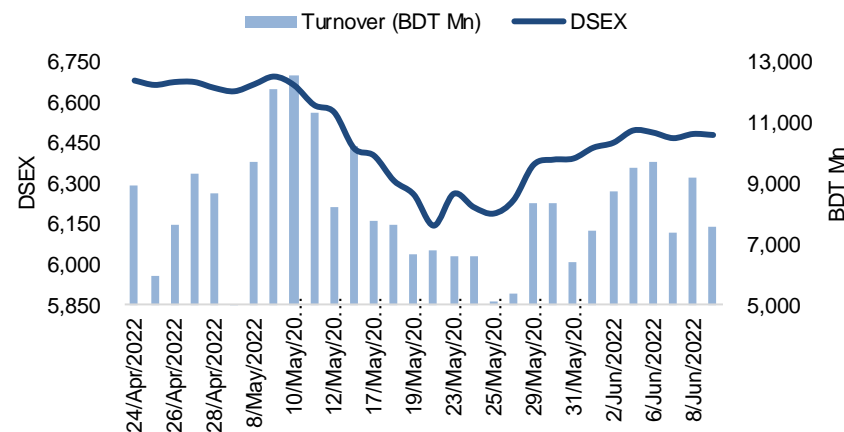
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	30-Dec-2021	Δ% Week	Δ% YTD
DSEX	6,480.30	6,451.53	+28.77	6,756.66	+0.45%	-4.09%
DS30	2,352.38	2,355.68	-3.30	2,532.58	-0.14%	-7.12%
DSES	1,413.74	1,415.72	-1.98	1,431.12	-0.14%	-1.21%
CDSET	1,288.03	1,285.40	+2.63	1,359.13	+0.20%	-5.23%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,228,818	5,202,772	
	Mn USD	60,800	60,497	+0.5%
Turnover	Mn BDT	43,419	39,261	+10.6%
	Mn USD	505	457	
Average Daily Turnover	Mn BDT	8,684	7,852	+10.6%
	Mn USD	101	91	
Volume	Mn Shares	1,190	1,074	+10.8%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
PARAMOUNT	62.7	49.6	+26.4%	2,550	122.8	21.2x	2.4x
PIONEERINS	92.7	76.2	+21.7%	7,136	339.8	11.9x	1.8x
MEGHNAINS	12.1	0.0	+21.0%	484	0.0	16.6x	0.8x
SONARBAINS	62.5	52.3	+19.5%	2,503	120.4	30.8x	3.1x
PROVATIINS	79.8	67.1	+18.9%	2,773	841.1	18.1x	3.4x
RENWICKJA	1,127.0	957.5	+17.7%	2,254	34.3	NM	NM
GLOBALINS	43.2	37.3	+15.8%	1,752	99.6	43.6x	3.1x
PRIMEINSUR	88.2	76.3	+15.6%	3,605	187.2	40.3x	4.6x
PRAGATIINS	70.7	61.6	+14.8%	4,637	77.9	12.3x	1.2x
PURABIGEN	34.8	30.4	+14.5%	2,021	97.9	26.4x	2.7x

**Table 4: Top Ten Losers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
TRUSTBANK	34.8	39.7	-12.3%	24,625	16.5	8.8x	1.3x
STANCERAM	137.7	151.3	-9.0%	890	6.7	NM	18.6x
FIRSTFIN	5.3	5.8	-8.6%	628	5.7	NM	NM
SHEPHERD	27.4	29.7	-7.7%	4,221	283.3	34.9x	1.8x
KTL	31.6	33.9	-6.8%	3,675	120.0	64.4x	1.9x
RSRMSTEEL	18.2	19.5	-6.7%	1,842	15.8	NM	0.4x
BSC	114.4	121.4	-5.8%	17,450	688.8	8.5x	1.7x
MONOSPOOL	190.0	200.7	-5.3%	1,784	63.8	62.4x	4.5x
TUNGHAI	5.4	5.7	-5.3%	576	3.8	NM	NM
INTECH	27.6	29.1	-5.2%	864	14.3	NM	2.5x

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

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	132.5	134.8	-1.7%	116,112	2,104.2	8.1x	1.5x
SPCERAMICS	41.1	37.2	+10.5%	6,040	971.5	92.2x	1.3x
PROVATIINS	79.8	67.1	+18.9%	2,773	841.1	18.1x	3.4x
SALVOCHEM	66.8	62.5	+6.9%	4,344	773.3	27.8x	4.5x
IPDC	54.1	55.8	-3.0%	20,076	758.0	22.4x	3.1x
ORIONPHARM	93.1	93.3	-0.2%	21,785	717.0	22.7x	1.1x
BSC	114.4	121.4	-5.8%	17,450	688.8	8.5x	1.7x
BDCOM	37.8	34.6	+9.2%	2,158	673.4	25.2x	2.4x
BRACBANK	43.2	40.0	+8.0%	60,142	612.7	11.3x	1.1x
JHRML	76.9	80.8	-4.8%	9,635	607.2	37.0x	2.5x

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

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
IPDC	54.1	+40.2%	20,076	22.4x	3.1x
ADNTEL	68.8	+31.3%	4,448	26.7x	2.6x
SQUARETEXT	67.6	+29.5%	13,334	7.7x	1.5x
UNIQUEHRL	63.9	+27.3%	18,812	21.8x	0.7x
SHASHADNIM	30.4	+24.1%	4,287	16.6x	0.7x
GHAIL	19.2	+16.4%	4,144	NM	1.3x
DOREENPWR	76.8	+13.3%	12,420	7.6x	1.5x
IFADAUTOS	50.3	+6.3%	12,723	33.9x	1.2x
CROWNCEMNT	66.0	+6.1%	9,801	33.5x	1.3x
TITASGAS	38.5	+6.1%	38,085	11.4x	0.5x

**Table 7: Sector Indices**

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,440.2	1,428.7	1,589.69	+0.80%	-9.40%
NBFI	2,021.6	2,041.0	2,327.63	-0.95%	-13.15%
Mutual Fund	905.5	876.3	882.99	+3.33%	+2.55%
General Insurance	3,744.1	3,366.8	4,698.62	+11.21%	-20.31%
Life Insurance	2,407.7	2,413.5	2,687.55	-0.24%	-10.41%
Telecommunication	5,131.8	5,097.4	5,800.37	+0.67%	-11.53%
Pharmaceutical	3,827.5	3,845.8	3,866.63	-0.48%	-1.01%
Fuel & Power	1,802.4	1,792.0	1,792.97	+0.58%	+0.52%
Cement	2,508.7	2,514.0	2,534.76	-0.21%	-1.03%
Services & Real Estate	1,448.1	1,468.2	1,309.43	-1.36%	+10.59%
Engineering	4,734.9	4,694.7	4,727.46	+0.86%	+0.16%
Food & Allied	22,515.3	22,513.1	25,222.81	+0.01%	-10.73%
IT	2,787.3	2,831.9	3,274.61	-1.57%	-14.88%
Textile	1,572.5	1,585.4	1,470.60	-0.82%	+6.93%
Paper & Printing	7,542.1	7,584.3	9,680.03	-0.56%	-22.09%
Tannery	3,523.8	3,502.5	3,236.76	+0.61%	+8.87%
Jute	8,573.4	8,664.1	8,747.84	-1.05%	-1.99%
Ceramics	751.5	719.3	675.88	+4.47%	+11.19%
Miscellaneous	4,424.4	4,464.2	4,625.39	-0.89%	-4.35%

**Table 8: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	585.2	504.5	+16.00%	+7.26%	7.9x	0.8x
NBFI	636.9	816.9	-22.04%	+7.90%	NM	3.6x
Mutual Fund	125.1	58.6	+113.49%	+1.55%	NM	0.8x
General Insurance	911.1	329.0	+176.93%	+11.30%	17.5x	1.8x
Life Insurance	253.2	167.5	+51.13%	+3.14%	NM	NM
Telecommunication	103.1	76.7	+34.43%	+1.28%	16.1x	4.5x
Pharmaceutical	898.3	1,106.1	-18.79%	+11.14%	17.7x	2.6x
Fuel & Power	412.9	282.3	+46.27%	+5.12%	11.7x	1.2x
Cement	135.4	109.9	+23.19%	+1.68%	26.0x	2.7x
Services & Real Estate	238.5	251.7	-5.24%	+2.96%	90.0x	1.1x
Engineering	796.0	590.3	+34.85%	+9.87%	19.2x	1.9x
Food & Allied	473.0	588.5	-19.63%	+5.86%	24.2x	9.4x
IT	376.0	343.0	+9.61%	+4.66%	28.7x	2.5x
Textile	792.7	880.9	-10.01%	+9.83%	24.1x	1.0x
Paper & Printing	81.0	101.5	-20.27%	+1.00%	NM	1.9x
Tannery	129.2	164.0	-21.19%	+1.60%	53.1x	3.7x
Jute	11.8	8.4	+40.27%	+0.15%	NM	27.8x
Ceramics	332.2	211.0	+57.43%	+4.12%	31.7x	2.0x
Miscellaneous	774.7	964.5	-19.68%	+9.60%	12.2x	2.1x

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

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
BRACBANK	43.2	-21.9%	60,142	11.3x	1.1x
HEIDELBCEM	213.3	-21.7%	12,052	NM	3.4x
PIONEERINS	92.7	-20.7%	7,136	11.9x	1.8x
OLYMPIC	127.8	-20.4%	25,552	15.2x	2.9x
DUTCHBANGL	64.4	-17.5%	40,733	7.1x	1.1x
LANKABAFIN	30.8	-17.4%	16,596	12.8x	1.5x
DBH	63.8	-17.3%	11,309	10.8x	1.5x
IDLC	49.9	-17.2%	19,756	9.4x	1.2x
BXPBARMA	160.1	-16.9%	71,423	12.5x	1.8x
RECKITTBEN	4,891.6	-14.6%	23,113	30.4x	22.2x

## Important News: Business & Economy

### China to provide tariff benefit to more Bangladeshi goods

- China is going to increase the tariff-free quota benefit for more Bangladeshi goods to minimise the trade imbalance between the two countries. Some 97% goods originated from Bangladesh have been enjoying duty benefit to Chinese markets since July 2020 and now the Jinping administration offered raising it to 98%. The 97% package covers nearly 9,000 Bangladeshi goods. However, Bangladesh will lose the duty benefit for 98% goods after its graduation to a developing nation in 2026 if the country does not sign any trade deal with China.

<https://www.thedailystar.net/business/news/china-provide-tariff-benefit-more-bangladeshi-goods-3042436>

### USD 1,500 Mn underway as budgetary support: PM Hasina

- Prime Minister Sheikh Hasina on Wednesday said a process is underway to mobilise USD 1.0 Bn as budgetary support to tackle future emergency situation and economic crisis caused by Russia-Ukraine war. Besides, she said, as part of the programme to tackle the economic crisis due to Covid-19 pandemic, a process is underway to mobilise another USD 500.0 Mn as budgetary support.

<https://www.tbsnews.net/economy/1500-mln-underway-budgetary-support-pm-hasina-435670>

### Default debt increases to BDT 1.13 Tn by 1QCY22

- The size of defaulted debt in Bangladesh has increased to BDT 1.13 Tn by 1QCY22, a BDT 101.67 Bn jump from 4QCY21. The default loan rate stood at 8.53% compared to 7.93% in 4Q'21. The amount of loan disbursed in 4Q'21 was BDT 13.02 Tn while at the end of 1Q'22, the amount stood at BDT 13.30 Tn.

<https://thefinancialexpress.com.bd/economy/bangladesh/default-debt-increases-to-tk-11344-trillion-by-third-quarter-of-fy22-1654440803>

### Startups need to file tax returns

- The tax authority apparently seeks to cut turnover tax for startups to 0.1% from the next fiscal year from the existing 0.6% to facilitate the growth of budding entrepreneurs. Startups are expected to be exempted from all types of reporting requirements related to tax, except for filing submissions of income tax returns. The National Board of Revenue may also relax rules regarding allowable expenditures of startups.

<https://www.thedailystar.net/business/economy/news/startups-need-file-tax-returns-3042816>

### Govt wants to raise money supply by over 15% even amid soaring inflation

- The government is going to increase the money supply in the next fiscal year to 15.4%, highest in the last seven years, which appears to throw a spanner in its own efforts to tame rising inflation. Economists say such an uncalculated target of broad money growth will further stoke inflation in Bangladesh. At its coordination council meeting, the finance ministry said the country's economic growth target has been projected at 7.5% and inflation at 5.6%. Nominal GDP will stand at 13.1%.

<https://www.tbsnews.net/economy/budget/govt-wants-raise-money-supply-over-15-even-amid-soaring-inflation-435306>

### Suppliers against int'l tenders to lose exporter status, facilities

- Local businesses that supply goods or services against international tenders are going to lose their exporter status and all facilities in the next fiscal year, according to sources at the finance ministry. If goods and services do not go outside Bangladesh's geographical boundary, it will no longer be considered as exports, the new provision incorporated into the income tax law defines.

- Besides, under an internal back-to-back letter of credit, suppliers of locally-manufactured raw materials and other inputs to export-oriented industries will be called exporters. From FY23, all other suppliers will have to pay a 5% tax at source on goods and 4% on raw materials.

<https://www.tbsnews.net/economy/budget/suppliers-against-intl-tenders-lose-exporter-status-facilities-435886>

### Cost of projects to be revised

- The government will revise the cost of various projects considering the rising cost of construction materials, including rod, said LGRD Minister. The minister informed the House that this will be done within the next one week to 10 days. He added that the contractors will then be interested in carrying out work of different projects

<https://today.thefinancialexpress.com.bd/trade-market/cost-of-projects-to-be-revised-1654534825>

### Padma Bridge: A USD 500 Mn boost to commercial vehicle market

- The Padma Bridge is expected to create demand for thousands of commercial vehicles worth at least USD 500 Mn in the next five years. A leading commercial vehicle company's insight reveals that the industry expects to sell nearly 700 large buses this year alone, to new and existing fleet owners, targeting several dozen direct highway. Around 3,000 large buses, estimated to be worth nearly BDT 2.5 Bn, are expected to be sold in five years.

<https://www.tbsnews.net/economy/padma-bridge-500m-boost-commercial-vehicle-market-435418>

### **Capital shortfall of 10 banks down by over BDT 75.0 Bn in 3 months**

- The capital shortfall in the 10 banks stood at BDT 346.39 Bn at the end of Dec'21, which came down to BDT 270.86 Bn at the end of Mar'22. Three private banks saw their capital strength weaken in Mar'22 compared to Dec'21 because of an increase in non-performing loans (NPLs).
- The country's scheduled banks had a capital adequacy ratio of 11.41% at the end of Mar'22, while the capital adequacy of state-owned banks was only 6.76%, specialised banks 33.58% deficit, and the private banks had a capital adequacy ratio of 13.22% at the end of Mar'22, down from 13.72% three month ago.

<https://www.tbsnews.net/economy/banking/capital-shortfall-10-banks-down-over-tk7500cr-3-months-435882>

### **Govt to introduce injury insurance scheme for RMG workers**

- The government has decided to introduce an employment injury scheme (EIS) for the readymade garment sector workers from July this year. The labour and employment ministry agreed on this on Wednesday at a meeting with the International Labour Organisation (ILO) in Geneva, Switzerland. The project will be launched in the first week of July on pilot basis. A bank account will be opened in a state-owned bank to be operated by a tripartite management committee.

<https://www.tbsnews.net/bangladesh/govt-introduce-injury-insurance-scheme-rmg-workers-435658>

### **Govt to lower corporate tax to 12% for non-RMG sectors**

- The government is going to introduce a 12% corporate tax for all export sectors – the same rate as the readymade garment industry is now enjoying – with a view to encouraging export diversification. Besides, green industries exporting goods and services will be taxed at 10%. All sectors other than the RMG now pay a 30% tax for exports of goods and services. The massive cut in corporate tax will ensure a level-playing field for all other sectors. This type of export-friendly initiative will lower the trade deficit with other countries,

<https://www.tbsnews.net/economy/budget/govt-lower-corporate-tax-12-non-rmg-sectors-434486>

### **MRT-5 to cost USD 5.05 Bn**

- An Asian Development Bank (ADB)-funded feasibility study team has estimated USD 5.05 Bn cost for the proposed 17.40-km MRT line-5 (southern) route. The MRT-5 southern route will be the third initiative of the government after taking up the ongoing metro-rail projects, including MRT-6, MRT-1 and MRT-5 (northern) routes. The construction of the northern route has been started at a cost of BDT 412.38 Bn, which is expected to be completed by Dec'28.

<https://today.thefinancialexpress.com.bd/first-page/mrt-5-to-cost-505-billion-1654540237>

### **Govt to make direct contact with Brazil's soybean exporters**

- The government has taken an initiative to establish direct contact between its relevant agencies and Brazilian exporters of soybean, aimed at securing timely and periodic supply of the essential commodity. The Bangladesh Embassy in Brazil is exploring the possibilities of procuring bulk soybean from the South American country following a recent instruction by the Ministry of Commerce.

<https://today.thefinancialexpress.com.bd/trade-market/govt-to-make-direct-contact-with-brazils-soybean-exporters-1654534763>

### **SMEs get only 33% of required loan**

- The entrepreneurs of the country's small and medium enterprises (SMEs) receive loans for only 33% of their demand, said the SME Foundation. In addition, rural entrepreneurs receive only 19% of the total disbursed loans in this sector. According to the SME Foundation, SMEs suffered the most in the Covid-19 pandemic as 94% of the businesses witnessed a decline in sales, and 21% were shut down.

- Research done by various public and private organisations had shown that 37% of the workers in these small and medium companies had lost their jobs, and 70% were at risk of losing their jobs. Around 83% of the companies are facing losses, and 33% have not been able to repay the loan instalments.

<https://www.tbsnews.net/economy/smes-get-only-33-required-loan-434338>

### **Interbank US dollar rate in Bangladesh rises to BDT 91.95**

- The exchange rate of the dollar rose to a record high of BDT 91.95 on Monday from BDT 89.9 a day ago. With the latest devaluation, the exchange rate of the dollar has appreciated by BDT 5.5 per US dollar since May 1 and BDT 7.15 since Aug'21. To keep the foreign exchange market stable, the BB has so far injected USD 5.95 Bn in the current fiscal year into the banking system.

<https://www.newagebd.net/article/172544/interbank-us-dollar-rate-in-bangladesh-rises-to-tk-9195>

### **High feed costs: Appetite for poultry farming wanes**

- In the wake of surging production costs resulting from high feed prices, the appetite for farming to produce chicken meat is waning among farmers as the demand for chicks declined, poultry industry operators said. Operators said the prices of maize, soybean meal and soybean oil has shot up to exorbitant levels, requiring higher investment.

<https://www.thedailystar.net/business/economy/news/appetite-poultry-farming-wanes-3039431>

### Source tax on bank deposit interests of companies to double next year

▪ The government is going to raise the rate of source tax to 20% from the existing 10% at source from interests on bank and NBFIs deposits of companies from FY23. The move aimed at thwarting any possible attempts to evade tax by keeping such savings unreported during returns submission, according to sources at the finance ministry.

▪ The companies, which are enjoying tax exemption, will remain out of the purview of the source tax. If any person or a company fails to furnish proof of income tax return submission, the rate of deduction will be 50% higher.

<https://www.tbsnews.net/nbr/source-tax-bank-deposit-interests-companies-double-next-year-433418>

### Banks paid high dividends, now they are in trouble

▪ The provision surplus of 41 private banks in the country stood at BDT 7.96 Bn in Mar'22, 84% down year-on-year from BDT 50.0 Bn in Mar'21. 25 of the 41 private banks have no provision surplus. Despite efforts from central bank and caution from global rating agencies, many banks did not pay heed to the warnings and announced higher dividends even during the pandemic.

▪ BRAC Bank, Dutch-Bangla Bank, Islami Bank, Prime Bank, Pubali Bank, Shahjalal Islami Bank, The City Bank, and Uttara Bank have provision surplus of BDT 1.0 Bn or more. Agrani Bank, BASIC Bank, Janata Bank, and Rupali Bank, while the private banks are Mutual Trust Bank, Standard Bank, Bangladesh Commerce bank, and National Bank have an accumulated provision shortfall of BDT 208.0 Bn.

<https://www.tbsnews.net/economy/banking/banks-paid-high-dividends-now-they-are-trouble-434478>

### Wage board for RMG workers on cards

▪ The government will take initiatives soon to form a wage board aiming to increase the existing wages for the country's readymade garment workers. The government would also distribute cards among garment workers so that they can buy daily essentials at fair prices.

<https://thefinancialexpress.com.bd/trade/wage-board-for-rmg-workers-on-cards-1654518373>

### RTA policy gets cabinet nod

▪ An umbrella guideline for signing all types of bilateral deals has got the cabinet nod as Bangladesh drives for regional economic integration for substituting loss of preferential market access. Officials say the Regional Trade Agreement (RTA) policy, approved last week, will provide guidance in negotiating, signing, and implementing treaties aimed at encouraging free movement of goods and services, among other economic interactions.

▪ Objectives of the RTA policy also include guiding identification and prioritisation of potential partners for RTAs, determination of RTA coverage for negotiation, institutional arrangement and authority, strategy for negotiation, and internal procedures for concluding deals.

<https://today.thefinancialexpress.com.bd/first-page/rt-a-policy-gets-cabinet-nod-1654454740>

### Exports of leather, goods go past USD 1.0 Bn again

▪ Exporters in Bangladesh raked in USD 1.16 Bn in the shipment of leather, leather goods and footwear in 11MFY22, despite a slowdown in May owing to supply chain disruptions and the fallout of the Russia-Ukraine war. Shipment of leather and leather goods had registered year-on-year growth of 28.56% and 34.03% respectively.

▪ Exporters say higher living costs in the UK, the European Union and other parts of the world are behind the lower demand for leather goods as customers prefer spending on essential commodities in the face of rising inflation.

<https://www.thedailystar.net/business/export/news/exports-leather-goods-go-past-1b-again-3039406>

### 85% Japanese cos want FTA with Bangladesh: survey

▪ 85% of the Japanese companies operating in Bangladesh wants signing of a free trade agreement between Japan and Bangladesh to continue duty-market access even after the graduation of Bangladesh from the least developed country to a developing one in 2026, according to a survey. The Japanese companies said that bilateral FTA was mandatory as once the GSP was abolished after graduation, it would be difficult for Bangladesh to differentiate competitiveness with the neighbouring country India.

▪ The survey found that if the FTA was not signed to retain the duty benefit after Bangladesh's graduation, 20% companies wanted to relocate from the country to other competitive countries like in countries in the Association of Southeast Asian Nations, China and India.

<https://www.newagebd.net/article/172487/85pc-japanese-cos-want-fta-with-bangladesh-survey>

### Gas price raised by 23%

▪ Bangladesh Energy Regulatory Commission (BERC) has raised wholesale gas prices by 22.78% to BDT 11.91 per unit. The decision will boost gas prices across the board, except for CNG users for vehicles. The highest rise of 260% took place in the fertiliser sector.

▪ Per unit price of gas for power production has been increased by 13%, while it is 16% for private captive power. Large industries saw an increase of 12% in their price, followed by medium industries with a 10%. Commercial gas users such as restaurants and hotels saw their gas price increase by 16%, followed by the tea industry (12% increase).

<https://www.newagebd.net/article/172464/gas-price-raised-by-23pc>

### **Startups with growth potentials to be allowed to go public**

- The Bangladesh Securities and Exchange Commission has drafted rules, allowing loss-making start-ups having high potentials of business growth to be listed on the country's stock exchanges under the small capital platform.
- To avail the loss-making but high potential business entity getting best price, the BSEC draft rules also allowed determining premium price on the basis of projected business growth. The premium must not exceed the amount of premium charged on shares issued (excluding the bonus shares) within immediately preceding one year.
- The BSEC published the draft BSEC (Qualified Investor Offer by Small Capital Company) Rules, 2022 recently and sought public opinions on the rules by June 10. The rules will repeal the BSEC (Qualified Investor Offer by Small Capital Company) Rules, 2018.

<https://www.newagebd.net/article/172488/startups-with-growth-potentials-to-be-allowed-to-go-public>

### **Block allocations: Focus shifts to war fallout from jobs**

- The government is not keeping a separate allocation for vaccines in the next fiscal year's budget as it pulls back from vaccine procurement given the high inoculation rate and low infection rates. In the past two fiscal years, BDT 100.0 Bn was earmarked in the budget for vaccine procurement.
- Bangladesh has targeted to inoculate 70% of the population with two doses of the Covid-19 vaccine, of which 69.03% of the population have received double doses. Of those who have received the full dose, 12.79% have received the booster dose.

<https://www.thedailystar.net/business/economy/national-budget/news/weaning-vaccine-purchase-3039451>

### **Budget to set out 8 tough tasks to fight 'imported inflation'**

- Identifying 'imported inflation' as the main culprit for the economy, the finance ministry has prepared a list of eight challenging tasks to do in the new financial year from July to tame price shocks, continue productive development works and protect livelihoods.
- Mobilising fund for higher subsidies for fuel, gas and fertiliser, and expanding social safety net schemes are among the priorities of the new budget not to pass the full brunt of price shocks on to consumers, finance officials aware of the budget process have told The Business Standard.

- Checking import to maintain a stable foreign exchange reserve, delaying less important projects, keeping interest rates within 9% are among the strategies, increasing revenue income to reduce budget deficit and supporting private sector investment to create jobs are also included in the to-do list incorporated in the 9 June.

<https://www.tbsnews.net/economy/budget/budget-set-out-8-tough-tasks-fight-imported-inflation-433146>

### **Keep lending rate free floating: Economists**

- The government should allow banks to determine their lending rates according to the market demand considering the current inflation situation like it did in the case of the BDT-dollar exchange rate, said economists. They added that should the government decide to leave the lending rate to the market, the rate will increase, which people have to accept.
- "Now the savings rate in banks is 6%, whereas the inflation rate is 6.5%. So it is negative for the depositors. So, you have to pay interest rate on free float and you have to accept that the interest rate will increase," distinguished CPD fellow Professor Mustfizur Rahman elaborated.
- Zahid Hussain, former lead economist at World Bank Dhaka office said, "Bangladesh Bank's decision to leave the exchange rate to the market is correct. But where the dollar is being sold at BDT92 or more, the central bank is selling at a rate of BDT88. This is counterproductive." He emphasised on keeping the demand management and supply on track.

<https://www.tbsnews.net/economy/banking/keep-lending-rate-free-floating-economists-433118>

### **Non-brand furniture industry growing, eying huge exports**

- According to Grand View Research, an international market research firm, the size of the global furniture market is USD 560 Bn. According to the SME Foundation, the size of the local furniture market is at least BDT 250.0 Bn and non-brand furniture accounts for more than 50% of the market.
- More than 400,000 people are employed in this sector, which has expanded the most since the 1990s, according to the SME Foundation. According to industry insiders, about 95% of the non-brand furniture in the country are manufactured by micro level factories. Excluding them, the number of small and medium level factories is around 6,500.

<https://www.tbsnews.net/economy/industry/non-brand-furniture-industry-growing-eying-huge-exports-432710>

### **BERC sets new gas tariff today**

- The Bangladesh Energy Regulatory Commission (BERC) announces today (Sunday) the fresh gas tariff at consumer level, officials say. The commission's order on the new natural gas rates at consumer level will be announced through a virtual press briefing at 3:00 pm, according to a BERC statement on Saturday.
- The BERC technical evaluation committee earlier recommended increasing gas price to BDT 11.64 per cubic metre from existing BDT 9.70, a 20-% rise on average.

<https://today.thefinancialexpress.com.bd/first-page/berc-sets-new-gas-tariff-today-1654364100>

### **Small investments creating jobs**

- Small investments in the cottage and micro sectors are playing an important role in employment generation and sustainable development of the country, said Bangladesh Bank Governor Fazle Kabir at a conference.

<https://www.thedailystar.net/business/economy/news/small-investments-creating-jobs-3039351>

### **'Tea production rises 61% since 2009'**

- **Tea production rose by around 61% in the last 12 years in Bangladesh.** Bangladesh produced 60,000 tonnes of tea in 2009, which increased to 96,510 tonnes in 2021.
- Of the total production, 14,550 tonnes of tea were produced in the northern districts -- Panchagarh, Thakurgaon, Lalmonirhat and Kurigram. In 2021, some 1,263 acres of land were brought under tea cultivation in five northern districts.

<https://www.thedailystar.net/business/news/tea-production-rises-61-2009-3039286>

## Important News: Capital Market

### Tax receipts from DSE drop 19% in May

- The government revenue earnings from the Dhaka Stock Exchange (DSE) dropped by 19% month-on-month in May on the back of falling turnover value. The government collected revenue worth BDT 176 Mn in May which was BDT 218 Mn in Apr'22. Market analysts said bearish market trend, lower share sales by sponsor-directors and reduced trading days due to Eid-holidays affected the government earnings from the premier bourse in May.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-drop-19pc-in-may-1654713863>

### Investors must invest at least BDT 50,000 for IPO quota

- The Bangladesh Securities and Exchange Commission on Wednesday raised the minimum stock market investment requirement to BDT 50,000 from BDT 20,000 for the general investors for enjoying initial public offering quota. The minimum investment for non-resident Bangladeshi was set at BDT 100,000.

<https://www.newagebd.net/article/172703/investors-must-invest-at-least-tk-50000-for-ipo-quota>

### BSEC okays draft prospectus of Blue-Wealth Fund

- The Bangladesh Securities and Exchange Commission (BSEC) approved the draft prospectus of Blue-Wealth 1st Balanced Fund, an open-ended mutual fund. According to the BSEC, the primary target size of the fund is BDT 250.0 Mn. The sponsor, Blue-Wealth Assets Limited, will provide BDT 25.0 Mn, and the remaining BDT 225.0 Mn will be raised by selling mutual fund units to investors at a face value of BDT 10 each. Sandhani Asset Management Limited is the trustee, while Brac Bank Ltd is the custodian of the fund.

<https://www.tbsnews.net/economy/bsec-okays-draft-prospectus-blue-wealth-fund-435718>

### Navana Pharma gets BSEC nod to discover IPO cut-off price

- The Bangladesh Securities and Exchange Commission (BSEC) on Wednesday allowed Navana Pharmaceuticals Limited to raise BDT 750 Mn from the stock market through an initial public offering (IPO). The cut-off price of the shares will be determined by the book building method, and general investors will get a 30% discount on the cut-off price.

- Of the funds, the drugmaker plans to use BDT 232.4 Mn for a new general production building, BDT 97.3 Mn for a new utility and engineering building, BDT 178.5 Mn for refurbishing the cephalosporin unit, BDT 211.8 Mn for loan repayment, and the rest for meeting IPO expenses.

<https://www.tbsnews.net/economy/stocks/navana-pharma-gets-bsec-approval-ipo-raise-tk75cr-435814>

### BPC counts BDT 934 Mn loss daily

- Bangladesh Petroleum Corporation (BPC) now counts a soaring loss of around BDT 934 Mn daily as international oil prices have been high since the breakout of Russia-Ukraine war on February 24. BPC incurs BDT 895 Mn on diesel trade and BDT 39 Mn on octane as per international oil price as on June 3, 2022. The country requires around 15,000 tonnes of diesel and 1,100 tonnes of octane daily to feed domestic demand.

<https://today.thefinancialexpress.com.bd/first-page/bpc-counts-tk-934m-loss-daily-1654623830>

### Adani godda power plant: BPDB to pay BDT 12.19 Bn for power not used

- Adani Power's 1,600MW thermal power in Jharkhand's Godda will be going into generation from Aug'22 but its transmission would not be ready until Dec'22 at least. BPDB would have to pay USD 141.1 Mn in capacity charge for the four months to December. Adani Power would supply 1,496 MW of electricity for 25 years. BPDB has agreed to pay the Adani Godda power plant BDT 3.26 as the capacity charge per unit, which is BDT 2.83 for local ones.

<https://www.thedailystar.net/news/bangladesh/news/adani-godda-power-plant-bpdb-pay-tk-12191cr-power-not-used-3041776>

### Achia Sea Foods QIO subscription opens on 19 June

- The qualified investor offer (QIO) subscription of Achia Sea Foods Ltd, a 100% export-oriented seafood producer, will begin on 19 June and continue till 23 June. Earlier, the Bangladesh Securities and Exchange Commission (BSEC) approved the company to raise BDT 150 Mn from the SME platform of the Dhaka bourse through a QIO. AAA Finance and Investment Limited is the issue manager for the company.

- Its revenue stood at BDT 1,377.3 Mn in FY21, which was BDT 440.2 Mn in the previous year. In FY21, the company's net profit was BDT 42.0 Mn, which was BDT 14.8 Mn in the previous year.

<https://www.tbsnews.net/economy/stocks/achia-sea-foods-qio-subscription-opens-19-june-435014>

### BSEC moves to make A and B category stocks sellable the next day

- Bangladesh Securities and Exchange Commission (BSEC) has moved to shorten the settlement cycle of stocks under the 'A' and 'B' categories to T+1, so that they can be sold the very next day after purchase. Currently, investors can sell a stock on T+2, while it is T+4 for Z category stocks.

<https://www.tbsnews.net/economy/stocks/bsec-moves-make-and-b-category-stocks-sellable-next-day-434410>



### **AFC Health seeks conditional consent to revive IPO**

- AFC Health Limited has requested the securities regulator to issue conditional consent for an initial public offering (IPO), which was suspended due to the company's dispute with India-based Fortis Healthcare Limited. The BSEC approved the IPO of AFC Health on 16 September 2020 to raise BDT 170 Mn.
- About the dispute, the AFC letter said through various correspondence between AFC Health and Fortis Healthcare has corrected their stance on the total outstanding payable by AFC Health. The two parties also agreed to sign a no-claim agreement after completion of the payment. The final dues stand at Rs 28.1 Mn. AFC Health has agreed to pay the dues after getting regulatory approval.

<https://www.tbsnews.net/economy/stocks/afc-health-seeks-conditional-consent-revive-ipo-435022>

### **Transfer undistributed dividends to CMSF account by June 10**

- The securities regular has asked issuer companies to transfer undistributed dividends into the account of Capital Market Stabilisation Fund (CMSF) within June 10, after extending the May 31 deadline. An official of the CMSF told that the suspense accounts containing undistributed dividends will not be operated without the regulatory permission. Issuer companies have so far transferred undistributed stock dividend worth around BDT 5.0 Bn and BDT 4.7 Bn of cash dividend.

<https://today.thefinancialexpress.com.bd/stock-corporate/transfer-undistributed-dividends-to-cmsf-account-by-june-10-1654537423>

### **Bourses asked to explain Modern Dyeing delisting**

- Bangladesh Securities and Exchange Commission (BSEC) has sought explanations from both stock exchanges of the country about the delisting and postponement of share trading of Modern Dyeing and Screen-Printing Ltd. In July 2018, the board of directors of the Dhaka Stock Exchange decided to delist the firm from the exchange's all boards.

<https://www.tbsnews.net/economy/stocks/bourses-asked-explain-modern-dyeing-delisting-433326>

### **Meghna Insurance to make share trading debut Wednesday**

- Meghna Insurance Company Ltd will commence trading of its shares on the Dhaka Stock Exchange (DSE) from Wednesday under the "N" category. The DSE trading code for the company is "MEGHNAINS". Earlier, on 1 March this year, the Bangladesh Securities and Exchange Commission (BSEC) allowed the general insurer to raise BDT 160 Mn from the stock market through an initial public offering (IPO).

<https://www.tbsnews.net/economy/stocks/meghna-insurance-make-share-trading-debut-wednesday-434446>

### **BSEC to look into business activities of Miracle Industries**

- The Bangladesh Securities and Exchange Commission (BSEC) has formed an inquiry committee to review the overall affairs of Miracle Industries Ltd, which manufactures different types of bags for cement, fertilizer, salt, feed, sugar, food grains, and chemicals.
- Four directors of the company at a board meeting expressed their intention to transfer their entire holdings of 35,22,900 shares to Mehmood Equities Ltd. by 14 June 2021, considering the dire financial and business condition of the company. However, the said transfer is yet to be completed. The firm has changed its office location or shut it down without the decision of the board and proper intimation to all stakeholders.

<https://www.tbsnews.net/economy/stocks/bsec-look-business-activities-miracle-industries-434438>

### **BSEC lifts embargo on pre-IPO shares of Associated Oxygen**

- The market regulator has lifted an embargo on the pre-IPO shares of Associated Oxygen Ltd except for its four BO accounts. The four beneficiary owner (BO) accounts – Hasan Yousuf Chowdhury, Universal Equity Management, Bengal Assets Holdings, and NRB Equity Management Ltd – together hold 9.8 Mn shares of the company.

- A top official of the BSEC said the commission blocked the pre-IPO shares after getting allegations of irregularities against the company. BSEC observed that the problem has been created among the four BO accounts, but all pre-IPO shareholders suffer. For the interest of other investors, the commission decided to make the company's shares lock-free, he added.

<https://www.tbsnews.net/economy/stocks/bsec-lifts-embargo-pre-ipo-shares-associated-oxygen-433738>

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<https://www.tbsnews.net/economy/stocks/bourses-asked-explain-modern-dyeing-delisting-433326>

### **City Bank raises BDT 7.0 Bn thru bonds**

- City Bank recently raised BDT 7.0 Bn issuing its fourth subordinated bond. Agrani Bank, Janata Bank, Sonali Bank, Mercantile Bank, National Life Insurance Company and Shimanto Bank subscribed to the bond. The funds will be used to enhance City Bank's tier-II capital. City Bank Capital Resources and IDLC Investments were the lead arranger and trustee of the issue respectively.

<https://www.thedailystar.net/business/organisation-news/news/city-bank-raises-tk-700cr-thru-bonds-3040201>

### **Marico exceeds BDT 10.0 Bn sales for 2nd time**

- Marico Bangladesh Limited posted BDT 11.3 Bn sales with 15% growth year on year. The company also reported 14% increase in net profit in FY22, reaching BDT 3.55 Bn. The company recommended a 450% interim cash dividend before the end of 1QFY23.
- Year on year, its business is growing by more than 10% owing to product portfolio diversification, and production capacity expansion through a fresh investment.

<https://www.tbsnews.net/economy/stocks/marico-exceeds-tk1000cr-sales-2nd-time-433338>

### **STS Group's MD to buy 13.5Mn Dhaka Bank shares**

- Khondoker Monir Uddin, managing director of STS Group, declared to buy 13.5 Mn shares of Dhaka Bank at the prevailing market price in the block market through the Dhaka Stock Exchange (DSE). According to the DSE source, he has already bought 13.0 Mn shares of the bank at BDT 13.20 each in the block market on Sunday.
- Khondoker Monir Uddin, who used to be the chairman of Dhaka Bank, is now one of the directors of its board. He is also the managing director of Shanta Securities, Shanta Holdings, and Shanta Capital Management Limited.

<https://www.tbsnews.net/economy/stocks/sts-groups-md-buy-135cr-dhaka-bank-shares-433698>

### **IDLC Finance to begin shariah-compliant business**

- IDLC Finance, a listed company, has decided to commence shariah-compliant business to diversify its operations. The company's board of directors has taken the decision of providing shariah compliant services in a meeting held recently. To commence the shariah compliant business, the company will open a separate wing.

<https://today.thefinancialexpress.com.bd/stock-corporate/idlc-finance-to-begin-shariah-compliant-business-1654358703>

### **BEXIMCO's sukuk to give 5.8% return for first 6 months**

- Beximco Green Sukuk al Istisna'a will give 5.8% or BDT 1,740 Mn as return to its sukuk-holders for the first six months of the first year (December 23, 2021 to June 22, 2022). The trustee Investment Corporation of Bangladesh made the decision at a trustee committee meeting on June 2.

<https://www.newagebd.net/article/172428/beximcos-sukuk-to-give-58pc-return-for-first-6-months>

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