

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-4.68%) lost -307.22 points and closed the week at 6,258.25 points. The blue-chip index DS30 (-3.75%) lost -90.24 points and stood at 2,316.68 points. The Shariah-based index DSES (-3.43%) lost -49.13 points and stood at 1,383.04 points. The large cap index CDSET (-3.37%) lost -44.18 points and closed at 1,266.72 points. DSEX, DS30, DSES and CDSET showed YTD returns of -7.38%, -8.52%, -3.36%, -6.80%, respectively.

Total Turnover During the Week (DSE): BDT 32.4 billion (USD 376 million)

Average Daily Turnover Value (ADTV): BDT 8.1 billion (Δ Week: -25.1%)

Market P/E: 15.6x

Daily Index Movement during the Week

Market performed four sessions during this week. Market started on a negative note (-2.05%) on Monday. It remains negative on Tuesday (-0.43%). It also remains negative (-1.46%) on Wednesday. Moreover, market ended at a negative note (-0.82%) on Thursday.

Sectoral Performance

• All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -10.56% followed by Life Insurance (-9.88%), NBF1 (-5.97%), Mutual Fund (-4.00%), and Bank (-1.83%).

• All the non-financial sectors registered negative performance this week. Food & Allied experienced the highest loss of 6.16% followed by Engineering (-5.77%), Fuel & Power (-4.07%), Telecommunication (-3.02%), and Pharmaceutical (-2.74%).

Macroeconomic arena

• Pvt companies may invest in power transmission, distribution. JS budget session to begin on June 5. NEC approves BDT 2.46 Tn ADP for FY23. Universal pension to take effect from July next year. Remittance may look up: Outward flow of migrant workers hits 4-year high. 25% of govt procurement must come from CMSMEs. WB projects dull remittance inflow for Bangladesh European buyers back AP Møller-Maersk to run Patenga Container Terminal. Inflation jumps to 6.29% in April. MFS transactions rise 29% in March. BB cuts interest rate sharply to boost exports.

• 13 banks keep high interest rate spread. Banks' stock market investments BDT 140.2 Bn. Taka suffers steepest fall in a decade. Bangladesh purchasing LNG at lower price than previous month. BEREC recommends 57.83% hike in bulk electricity price. Bangladesh's share to be 10pc by 2025: BGMEA. RMG makers worried over move on power tariff hike. Antibiotics will require red colour packaging from December. Soybean import to rise 7.7pc.

Stock Market arena

• BSEC seeks long-term investment data from Premier Cement. Poor contribution of listed cos frustrates CMSF mgmt.. NBR's tax collection from DSE falls by 11pc in April. Paramount Textile to invest over BDT 7.40 Bn for capacity expansion. Envoy Textiles to get USD 11 Mn from ADB. ICB receives BDT 250 Mn from CMSF. Kapita Packaging allowed to take over Yeakin Polymer. ICB writes to lenders for revolving funds. Linde Bangladesh posts revenue, profit growths in March quarter. Green Delta to launch 1st ETF worth BDT 500 Mn. Two banks to raise BDT 16.0 Bn through bonds.

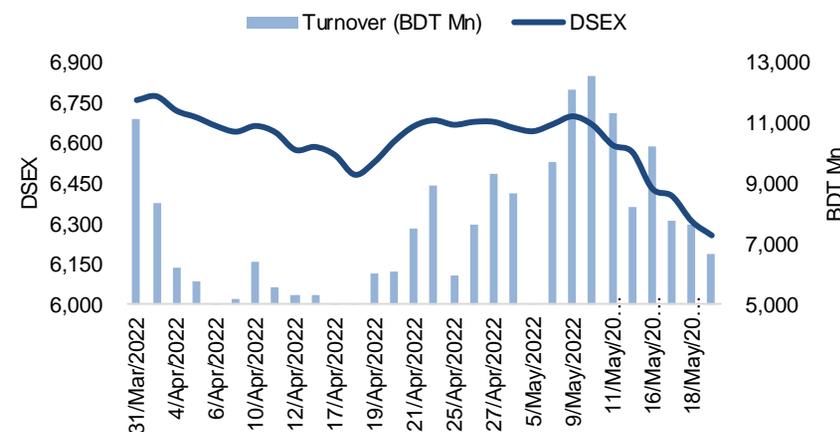
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2021	Δ % Week	Δ % YTD
DSEX	6,258.25	6,565.47	-307.22	6,756.66	-4.68%	-7.38%
DS30	2,316.68	2,406.92	-90.24	2,532.58	-3.75%	-8.52%
DSES	1,383.04	1,432.17	-49.13	1,431.12	-3.43%	-3.36%
CDSET	1,266.72	1,310.90	-44.18	1,359.13	-3.37%	-6.80%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,098,722	5,310,130	
	Mn USD	59,287	61,746	-4.0%
Turnover	Mn BDT	32,357	53,979	-40.1%
	Mn USD	376	628	
Average Daily Turnover	Mn BDT	8,089	10,796	-25.1%
	Mn USD	94	126	
Volume	Mn Shares	882	1,272	-30.7%

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
SALAMCRST	33.0	24.6	+34.1%	3,246	136.0	82.5x	1.8x
IMAMBUTTON	65.2	56.9	+14.6%	502	46.5	NM	13.6x
BEACONPHAR	295.6	259.4	+14.0%	68,284	175.1	73.0x	11.7x
BANGAS	151.3	139.3	+8.6%	1,154	277.5	NM	7.1x
FIRSTFIN	5.6	5.2	+7.7%	664	4.2	NM	NM
ILFSL	5.9	5.5	+7.3%	1,309	34.0	NM	NM
FASFIN	5.4	5.1	+5.9%	805	50.1	NM	NM
FUWANGCER	18.8	17.8	+5.6%	2,562	571.8	64.8x	1.6x
BEACHHATCH	39.9	37.9	+5.3%	1,652	121.3	NM	4.1x
SILVAPHL	22.6	21.6	+4.6%	3,085	107.6	25.8x	1.3x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
RDFOOD	50.0	61.2	-18.3%	3,799	720.4	33.6x	3.3x
ACIFORMULA	181.6	220.2	-17.5%	8,581	572.4	30.7x	2.8x
ASIANS	53.9	65.2	-17.3%	2,537	102.0	17.4x	2.0x
DELTA LIFE	112.5	134.4	-16.3%	13,922	166.7	NM	NM
SONARBAINS	44.8	53.5	-16.3%	1,794	24.3	22.1x	2.2x
PROVATIINS	73.3	86.8	-15.6%	2,547	255.9	16.6x	3.1x
GENEXIL	87.9	103.8	-15.3%	9,981	339.1	25.9x	4.7x
TAKAFULINS	50.9	60.1	-15.3%	2,168	15.7	24.6x	2.6x
ISLAMINS	42.0	49.3	-14.8%	1,729	19.5	15.2x	2.6x
EASTERNINS	57.6	67.6	-14.8%	2,483	48.9	11.4x	1.1x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	132.1	143.6	-8.0%	115,762	2,035.3	8.0x	1.5x
SPCERAMICS	40.5	43.0	-5.8%	5,952	1,594.9	90.9x	1.3x
JHRML	80.3	91.2	-12.0%	10,061	1,327.7	38.6x	2.6x
ISLAMIBANK	34.2	33.0	+3.6%	55,062	911.4	11.2x	0.8x
RDFOOD	50.0	61.2	-18.3%	3,799	720.4	33.6x	3.3x
SALVOCHEM	62.4	64.0	-2.5%	4,057	688.8	25.9x	4.2x
ORIONPHARM	90.1	98.2	-8.2%	21,083	573.2	22.0x	1.1x
ACIFORMULA	181.6	220.2	-17.5%	8,581	572.4	30.7x	2.8x
FUWANGCER	18.8	17.8	+5.6%	2,562	571.8	64.8x	1.6x
LHBL	73.1	74.6	-2.0%	84,896	539.7	22.4x	4.8x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
UNIQUEHRL	62.1	+23.7%	18,282	21.2x	0.6x
ADNTEL	64.0	+22.1%	4,138	24.8x	2.4x
SQUARETEXT	63.5	+21.6%	12,526	7.3x	1.4x
IPDC	46.5	+20.5%	17,256	19.2x	2.6x
GHAIL	18.9	+14.5%	4,079	NM	1.3x
TRUSTBANK	37.5	+12.6%	26,536	9.5x	1.4x
DOREENPWR	76.3	+12.5%	12,339	7.6x	1.5x
SHASHADNIM	26.6	+8.6%	3,752	14.5x	0.6x
ISLAMIBANK	34.2	+6.9%	55,062	11.2x	0.8x
IBNSINA	289.8	+6.8%	9,054	16.2x	3.8x

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,419.8	1,446.2	1,589.69	-1.83%	-10.69%
NBFI	1,910.5	2,031.8	2,327.63	-5.97%	-17.92%
Mutual Fund	848.1	883.5	882.99	-4.00%	-3.95%
General Insurance	3,256.6	3,640.9	4,698.62	-10.56%	-30.69%
Life Insurance	2,195.7	2,436.3	2,687.55	-9.88%	-18.30%
Telecommunication	5,082.6	5,240.7	5,800.37	-3.02%	-12.38%
Pharmaceutical	3,777.6	3,883.8	3,866.63	-2.74%	-2.30%
Fuel & Power	1,751.1	1,825.4	1,792.97	-4.07%	-2.34%
Cement	2,504.5	2,602.1	2,534.76	-3.75%	-1.19%
Services & Real Estate	1,377.0	1,540.1	1,309.43	-10.59%	+5.16%
Engineering	4,627.3	4,910.7	4,727.46	-5.77%	-2.12%
Food & Allied	21,738.6	23,166.7	25,222.81	-6.16%	-13.81%
IT	2,687.1	2,953.0	3,274.61	-9.00%	-17.94%
Textile	1,471.3	1,593.5	1,470.60	-7.67%	+0.05%
Paper & Printing	8,593.7	9,546.7	9,680.03	-9.98%	-11.22%
Tannery	3,506.5	3,690.8	3,236.76	-4.99%	+8.34%
Jute	7,877.7	8,546.7	8,747.84	-7.83%	-9.95%
Ceramics	680.2	738.8	675.88	-7.93%	+0.64%
Miscellaneous	4,395.8	4,646.7	4,625.39	-5.40%	-4.96%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	794.0	450.6	+76.21%	+10.26%	7.8x	0.8x
NBFI	370.6	746.3	-50.34%	+4.79%	NM	3.4x
Mutual Fund	64.8	61.7	+5.10%	+0.84%	NM	0.8x
General Insurance	291.0	388.3	-25.04%	+3.76%	15.3x	1.6x
Life Insurance	142.9	149.5	-4.40%	+1.85%	NM	NM
Telecommunication	109.8	104.8	+4.76%	+1.42%	16.0x	4.4x
Pharmaceutical	964.9	1,324.0	-27.12%	+12.47%	17.5x	2.5x
Fuel & Power	306.8	547.7	-43.99%	+3.96%	11.3x	1.2x
Cement	154.9	152.2	+1.80%	+2.00%	25.2x	2.7x
Services & Real Estate	326.0	793.3	-58.90%	+4.21%	85.5x	1.0x
Engineering	646.5	1,089.6	-40.67%	+8.35%	18.8x	1.9x
Food & Allied	750.5	744.6	+0.79%	+9.70%	23.4x	9.1x
IT	268.8	477.4	-43.70%	+3.47%	27.6x	2.4x
Textile	677.6	1,188.8	-43.00%	+8.76%	22.5x	1.0x
Paper & Printing	117.4	143.8	-18.33%	+1.52%	NM	2.1x
Tannery	149.7	298.0	-49.77%	+1.93%	52.9x	3.7x
Jute	6.5	8.9	-27.13%	+0.08%	NM	27.5x
Ceramics	579.5	414.0	+39.97%	+7.49%	28.7x	1.8x
Miscellaneous	1,015.8	1,112.7	-8.71%	+13.13%	12.2x	2.1x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
PIONEERINS	85.8	-26.6%	6,605	11.0x	1.7x
OLYMPIC	118.9	-26.0%	23,773	14.1x	2.7x
LANKABAFIN	28.3	-24.1%	15,249	11.8x	1.4x
HEIDELBCEM	210.9	-22.6%	11,917	NM	3.3x
BXPHERMA	150.2	-22.1%	67,006	11.7x	1.7x
ACTIVEFINE	20.0	-21.9%	4,799	87.0x	0.9x
BRACBANK	43.7	-21.0%	60,838	11.5x	1.1x
DBH	61.6	-20.1%	10,919	10.5x	1.4x
IDLC	49.4	-18.1%	19,558	9.3x	1.2x
DUTCHBANGL	64.2	-17.8%	40,607	7.0x	1.1x

Important News: Business & Economy

JS budget session to begin on June 5

- The 18th session which is also the budget session of the 11th parliament will begin on June 5. The budget for the upcoming 2022-23 financial year is likely to be placed on June 9, according to the sources at the Parliament Secretariat. The initial size of the budget is set at BDT 6.8 Tn and the target for revenue income is BDT 4.3 Tn, Finance Minister recently told reporters.

<https://www.thedailystar.net/business/economy/news/js-budget-session-begin-june-5-3026341>

NEC approves BDT 2.46 Tn ADP for FY23

- The National Economic Council (NEC) on Tuesday approved a BDT 2.46 Tn Annual Development Programme (ADP) for FY23. The transport and communication sector has got the highest allocation in the ADP. Briefing reporters after the meeting, Planning Minister said that out of the original ADP outlay of BDT 2.46 Tn for the next fiscal year, BDT 1.53 Tn will come from the local sources while the rest of BDT 930.00 Bn as project assistance from external sources.
- Out of the 15 sectors, the transport and communication sector witnessed the highest ADP allocation of BDT 706.96 Bn in the next fiscal year followed by the Power and Energy Sector BDT 394.12 Bn, the education sector BDT 290.81 Bn, the health sector BDT 192.78 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/nec-approves-tk-246-trillion-adp-for-fy23-1652783350>

Universal pension to take effect from July next year

- The long-awaited universal pension scheme will take off in July next year. All citizens aged between 18 and 50 will be entitled to the benefits of the move. The finance ministry is mulling to bring a large number of citizens under the pension scheme before the next national election slated for December 2023.
- Under the scheme, aspirant pensioners can pay fees on a monthly and quarterly basis. Citizens can open pension accounts based on information provided in their national identity cards. A person will be eligible to receive a monthly pension if he or she pays a fee for at least 10 consecutive years. There will be no option to withdraw the money deposited in the pension fund in one go, but 50% of it can be taken out as a loan. The pension deposit will be considered as investment and will be given a tax rebate, while pension income will be free of income tax.

<https://www.tbsnews.net/economy/universal-pension-take-effect-july-next-year-421974>

Remittance may look up: Outward flow of migrant workers hits 4-year high

- Nearly 800,000 migrant workers went abroad in 10MFY22, comfortably exceeding the numbers a year ago, a development that bodes well for Bangladesh as it could pave the way for higher remittance earnings. It is already more than double 280,000 workers who went overseas in FY21 and the highest in the last four years. The last fiscal year saw a drastic fall in overseas employment as most economies enforced frequent lockdowns to limit the impacts of the coronavirus pandemic.

<https://www.thedailystar.net/business/economy/news/remittance-may-look-3024471>

Exporters for continuation of 0.5% source tax for 5 years

- The Exporters Association of Bangladesh (EAB) has urged the government to continue 0.5% tax deducted at sources, widely known as source tax, on exports for at least five years in a bid to keep up Bangladesh's export competitiveness amid the ongoing crises – soaring production costs, falling rates of taka against dollar and surging freight charges.
- The exporters also demanded to consider the source tax as the final settlement for the earnings so that they need not recalculate it in their income tax files. The association also demanded a continuation of 12% corporate tax for export-oriented industries and 10% for green factories, and withdrawal of tax on cash incentives against exports.

<https://www.tbsnews.net/nbr/exporters-continuation-05-source-tax-5-years-421090>

25% of govt procurement must come from CMSMEs

- The industries ministry has finalised the draft of the "Sub-Contracting Act 2022", making it mandatory for the government to make at least 25% of its procurement from the domestic cottage, micro, small and medium enterprises (CMSMEs). It would relax the condition of the open tender method, and some other obligations such as publishing tender notices in newspapers and paying tender prices by suppliers. The proposed law would ensure the provision of 50% advance payment to suppliers, sharing of work among participating companies and pricing through negotiations.
- Under the new law, small entrepreneurs will be able to supply imported goods and parts as domestic products with at least 50% value addition. Apart from that, required financial and technical support would be provided to the companies interested in acquiring the capacity to produce items not manufactured in the country.

<https://www.tbsnews.net/economy/25-govt-procurement-must-come-cmsmes-421782>

WB projects dull remittance inflow for Bangladesh

- The World Bank has projected dull remittance earnings for Bangladesh for the ongoing year 2022, saying that migrants would resume to use informal ways of sending money. In Bangladesh, except for a 24-per cent spike in March 2022 to mark the start of Ramadan, monthly remittance growth has been decreasing over the past eight months, said the report.
- The WB projected that the country's remittance inflow would gain 2.0% in 2022 from USD 22.07 Bn in 2021. WB also stated that the country's benefit against the issuance of incentive against remittance was one-off.

<https://www.newagebd.net/article/170336/wb-projects-dull-remittance-inflow-for-bangladesh>

EU wants Bangladesh to quickly amend EPZ Labour Act

- The European Union (EU) has urged Bangladesh to quickly amend the EPZ Labour Act for Bangladesh to retain the Everything but Arms (EBA) facility, which allows duty-free and quota-free access to the EU market. Bangladesh enacted a new law for the export processing zones in 2019. Currently a draft of a set of rules based on the law is at the law ministry for vetting. Bangladesh wants to formulate a new law once the new rules are in effect.

<https://www.tbsnews.net/economy/eu-wants-bangladesh-quickly-amend-epz-labour-act-419874>

NBR merges dual VAT down

- Government's revenue authority has recast the VAT-fixation and-payment modalities on medicines to merge dual taxation down, in a fiscal remedy meant for making lifesaving drugs cheaper. Prices of medicines have registered rise on many occasions, generating criticism of the drug-makers from different corners. Sources say the National Board of Revenue has amended the value-added tax (VAT) method following request of the pharmaceutical companies as they have to pay the tax at two stages to adds up to medicine prices.

<https://today.thefinancialexpress.com.bd/first-page/nbr-merges-dual-vat-down-1652898313>

GPH Ispat, Fortune Shoes eye jute industry

- Charmed by the potential of the jute, and jute products in both the local and foreign markets, GPH Ispat and Fortune Shoes are now planning to invest in the industry. According to Bangladesh Jute Mills Association, GPH Ispat applied and submitted an expression of interest to get the lease for three jute mills in the Chattogram zone, and the Fortune Shoes for two in the Khulna zone.

<https://www.tbsnews.net/economy/stocks/gph-ispate-fortune-shoes-eye-jute-industry-422546>

European buyers back AP Møller-Maersk to run Patenga Container Terminal

- Buyers from Europe have favoured AP Møller-Maersk for the job of operating the Patenga Container Terminal in Chattogram. H&M, the largest buyer for the country's garments, and Inditex have already written to the shipping ministry expressing their support for Maersk to run the terminal set to be completed by next June and is expected to be operational by July.
- In addition to Maersk, Saudi Arabia-based Red Sea Gateway Terminal (RAGT), and Dubai-based DP World are also trying to get the job of operating the terminal. A leader of the Bangladesh Inland Container Depot Association (BICDA) told TBS on condition of anonymity that companies with an international reputation and experience should be offered jobs at the Patenga Container Terminal.

<https://www.newagebd.net/article/170336/wb-projects-dull-remittance-inflow-for-bangladesh>

Jute millers want source tax waiver

- The country's jute millers sought waiver of source tax on raw jute at purchase level and also demanded exemption of source tax on export subsidy. Currently, the government deduct 2.0% tax at source on raw jute purchase, and 10% on cash incentive from export earnings. Bangladesh Jute Mills Association BJMA also made demands, including implementing mandatory jute packaging law to increase local sales of the eco-friendly goods. The millers requested to increase the subsidy to 25% from current 20%.

<https://today.thefinancialexpress.com.bd/trade-market/jute-millers-want-source-tax-waiver-1652896189>

Inflation jumps to 6.29% in April

- The point-to-point inflation rate jumped by 0.07 percentage point in April to 6.29%, the highest in 18 months, mainly because of soaring commodity prices in the international market, appreciation of dollars globally and a rise in domestic household demand. The overall inflation was 6.22% in March. The inflation rate for nonfood items saw a big jump of 0.35 percentage points to 6.39%, while food inflation dropped to 6.24% from 6.34% a month ago.

<https://www.tbsnews.net/economy/inflation-jumps-629-april-422586>

Clinch fresh deals or cross uphill duty wall

- Bangladesh exports to the vast European market may face an uphill duty wall of 12% after the country's LDC graduation and grace time if a fresh deal is missed. The current GSP Plus facility for zero-duty export to the market of the bloc lapses after 2029. Bangladesh's graduation in 2026 will also result in immediate termination of LDC-related trade preferences in many countries, including Australia, Canada, China, India, and Japan.

- Industry-insiders and analysts say the emerging factors surrounding Bangladesh's graduation from the least-developed -country status could take a toll on the country's exports to the European Union market unless the issues are addressed in time. They think the headwinds may stem from the EU's green deal, its free-trade agreements with other major garment- producing countries, and environment, social and governance (ESG) compliance initiative.
- The combined share of the products from Bangladesh is more than 13% of the total EU imports of the knitwear, woven and home textile. Under the proposed EU GSP regulations, if the combined share of a country exceeds 6.0% of the total EU imports of the same products, safeguard measures would be triggered to remove duty-free market access for these products.

<https://today.thefinancialexpress.com.bd/first-page/clinch-fresh-deals-or-cross-uphill-duty-wall-1652810286>

MFS transactions rise 29% in March

- Transactions through mobile financial services rose 29.13% year-on-year, amounting to BDT 770.22 Bn during Mar'22 March riding on diversified services by the operators. The volume is also 13% higher than that of the previous month of February.
- Of March transactions, users deposited some BDT 237.07 Bn to their accounts, withdrew BDT 207.91 Bn, transferred (person to person) BDT 222.88 Bn, paid different bills worth BDT 12.32 Bn, and received BDT 28.77 Bn as salaries and stipends through the MFS. The number of MFS users increased to 109.1 Mn at the end of March, while the number of agents surged to 1.15 Mn.

<https://www.tbsnews.net/economy/banking/mfs-transactions-rise-29-march-419834>

BB cuts interest rate sharply to boost exports

- Bangladesh Bank on Wednesday reduced the interest rate of its pre-shipment refinance scheme sharply to facilitate exporters by making loans more convenient from the scheme. As part of the initiative, the BB reduced the interest rate for exporters to 3.5% from 5%. To ensure the newly set interest rate at the customer-end, the BB will disburse funds to banks from the scheme at the rate of 0.5%.
- The central bank initially had set the interest rate at 6% in April 13, 2020 when the refinance scheme worth BDT 50.0 Bn was formed to revive the country's export-oriented local industries.

<https://www.newagebd.net/article/170924/bb-cuts-interest-rate-sharply-to-boost-exports>

13 banks keep high interest rate spread

- Thirteen scheduled banks, including six foreign commercial banks, maintained a high interest rate spread of 4 percentage points or above in March. Bankers said that the banks held a healthy interest rate spread as most of the entities had access to low-cost funds. As a result, liquidity situation in the banks was better compared with that in the other banks, the bankers said.
- The banks which maintained high interest rate spread are Standard Chartered Bank, Dutch-Bangla Bank, Shimanto Bank, Woori Bank, BRAC Bank, State Bank of India, The Hong Kong and Shanghai Banking Corporation, Commercial Bank of Ceylon, Pubali Bank, The City Bank, Trust Bank, Citibank NA and NRB Commercial Bank, showed Bangladesh Bank data.
- Standard Chartered Bank maintained the highest interest rate spread of 6.93 percentage points, Dutch-Bangla Bank 5.82 percentage points, BRAC Bank 4.93 percentage points, Pubali Bank 4.33 percentage points, The City Bank 4.3 percentage points, Trust Bank 4.19 percentage points, and NRB Commercial Bank 4.14 percentage points.

<https://www.newagebd.net/article/170607/13-banks-keep-high-interest-rate-spread>

Banks asked to keep service export income in foreign currency

- Bangladesh Bank on Monday asked all scheduled banks not to encash service income recipients' foreign currency in local currency without consent of customers. The current regulations allow service income recipients to retain inward remittances in foreign currency against service delivery abroad. Presently, 70% of inward remittances against ICT services can be retained in foreign currency accounts known as Exporter's Retention Quota (ERQ) Accounts and the scope is 60% against other services exports.

<https://www.newagebd.net/article/170715/banks-asked-to-keep-service-export-income-in-foreign-currency>

Banks' stock market investments BDT 140.2 Bn

- Forty-two banks had BDT 140.2 Bn in capital market investments on a solo basis until Mar'22 & BDT 223.35 Bn on consolidated basis, according to the banks' data. The total investments of the 42 banks were BDT 151.0 Bn (solo) as of Jan'22, which declined to BDT 140.2 Bn on March 10 due mainly to the recent doldrums on the market.
- As on March 10, the 42 banks invested BDT 70.86 Bn through own portfolios, provided BDT 49.67 Bn to their subsidiaries, invested BDT 9.4 Bn in listed perpetual bonds and invested BDT 18.5 Bn in other modes and had BDT 3.14 Bn as cash form in their BO accounts, according to the data the banks submitted to the BSEC.

- The BSEC also found that 40 banks made a total BDT 8.88 Bn from investing in the capital market while two banks made losses in the year 2021. All banks created provision of total BDT 4.31 Bn against their investment in the capital market during the year 2021.

<https://www.newagebd.net/article/170606/banks-stock-market-investments-tk-14000-crore>

BB bars NBFIs directors from becoming same entity's employee

- The Bangladesh Bank on Thursday barred directors of any non-bank financial institution having at least one year or above of directorship from becoming its contractual or regular employee. If any director of any NBFIs was appointed as its contractual or regular employee, the individual will have to vacate his or her position by July 31, 2022. The central bank issued the embargo on the day after the imposition of the same ban on bank directors a day before.
- Besides, the central bank also barred any member of any NBFIs executive committee, audit committee and risk management committee, comprising of its chairman or members of board of directors, from working as chairman or director or members of the NBFIs any other subsidiary company or any company or foundation-formed and operated with its finance. If anyone is holding such position, the central bank asked the individual to resign from the post by June 30, 2022 and thereby inform the central bank in seven working days after the deadline.

<https://www.newagebd.net/article/170338/bb-bars-nbfi-directors-from-becoming-same-entitis-employee>

US dollar exchange rate in Bangladesh tops BDT 100 on kerb market

- The exchange rate of the US dollar in the country's informal market, also known as kerb market, exceeded BDT 100 on Tuesday as the demand for the greenback remained high. The exchange rate of the dollar became highly volatile not only on the informal market but also in banks. Bankers and experts said that the import payments remained high while the Bangladesh Bank was unable to supply adequate amount of dollars on the market to meet the demand due to a depletion of reserve since August 2021.
- Banking sources said that the exchange rate of the dollar in the country's informal market skyrocketed to up to BDT 102 on Tuesday from BDT 95-97 a day ago. Former Bangladesh Institute of Bank Management director general told that had the exchange rate been adjusted gradually at a marginal rate when the balance of payment situation was better, it would not be a matter of concern now.

<https://www.newagebd.net/article/170800/us-dollar-exchange-rate-in-bangladesh-tops-tk-100-on-kerb-market>

Import shipment tracking made a must for banks

- The Bangladesh Bank on Tuesday made the tracking of import shipments a must for the country's banks to prevent import-based money laundering. The step of the central bank came at a time when the country's import payments reached a record high of USD 61.52 Bn. Prior to the issuance of the import trading-related circular, the Bangladesh Bank on April 20 made the tracking of export shipments a must.
- The surge in import payments prompted the BB to slap a high margin on import letters of credit of luxurious items and non-essential items. Banks are supposed to slap at least 75% margin on LCs opened for non-essential items.

<https://www.newagebd.net/article/170827/import-shipment-tracking-made-a-must-for-banks>

Taka suffers steepest fall in a decade

- The Taka lost 0.91% in value against US dollars, the sharpest single-day fall in the past one decade, amid the falling supply of the American greenback against surging demand to settle import bills. Now, a US dollar will cost BDT 87.50, up BDT 0.80, after the Bangladesh Bank adjusted its rates for the dollar considering the market demand. This is the fifth fall of the local currency this year and came a week after it allowed depreciation by BDT 0.25 a dollar.
- The central bank will devalue the local currency more in line with the market requirement if needed, said the chief economist of the central bank. The BB had depreciated the local currency based on the supply-demand situation of the greenback, he said.

<https://www.thedailystar.net/business/economy/news/taka-suffers-steepest-fall-decade-3025206>

BAFEDA acts to tame forex volatility

- The apex body of Bangladesh's dealer banks decides to tell its members to maintain a benchmark in quoting foreign-currency-exchange rates to the overseas exchange houses engaged in remitting money. The move is aimed at reining in the ongoing exchange-rate volatility on the country's money market, sources say.
- Under the decision, the exchange rate for overseas exchange houses to be quoted by the banks will be less by BDT 0.10 per US dollar from inter-bank rate. According to market-insiders, some banks offer higher rates ranging between BDT 91 and BDT 94 for netting remittances from the overseas exchange houses bypassing the inter-bank rate or BC (bills for collection) selling rates.

- One currency trader said the cash dollar rate is likely to fall further in the coming days, without providing further elaboration. Sources, however, say the demand for cash dollar eased slightly on Wednesday because of higher price of the greenback on the kerb market. The rate of the greenback may rise ahead of the upcoming holy Hajj if the lower supply of the US currency to the market continues, they predict.

<https://today.thefinancialexpress.com.bd/first-page/bafeda-acts-to-tame-forex-volatility-1652898215>

Bangladesh purchasing LNG at lower price than previous month

- PetroBangla would procure 3.36 Mn MMBtu LNG from M/S Vitol Asia Pte Ltd, Singapore for BDT 9.09 Bn. This time, each unit of LNG will cost USD 26.4/MMBtu, down from USD 29.25/MMBtu in April. Another consignment in April costed USD 36.7/MMBtu.

<https://thefinancialexpress.com.bd/economy/bangladesh-purchasing-lng-at-lower-price-than-previous-month-1652884405>

BERC recommends 57.83% hike in bulk electricity price

- The Bangladesh Energy Regulatory Commission (BERC) has recommended hiking bulk electricity price by 57.83%. At present, BPDB sells per unit of electricity at BDT 5.17 to the electricity distribution companies which was increased in the last tariff order in February 2020. They proposed to increase the price by BDT 3.39 per unit in January. However, BERC technical team recommended today to hike the price by BDT 2.99. BPDB, the sole wholesaler of electricity, is buying from its own generation as well as from imported and privately-owned power plants.
- The average production cost of electricity was BDT 2.13 in FY20 which increased to BDT 3.16 in FY21. The cost of power generation per unit will stand at BDT 4.24 in 2022 due to an increase in fuel oil price and coal VAT. If the wholesale price does not increase, BPDB will lose over BDT 300.0 Bn in 2022.

<https://www.tbsnews.net/bangladesh/energy/berc-recommends-5783-hike-bulk-electricity-price-422242>

Bangladesh's share to be 10pc by 2025: BGMEA

- BGMEA president expressed hoped that the share of Bangladesh in the global apparel market would exceed 10% by 2025 from existing 6.3% as manufacturers have been increasing their investment in process up gradation and synthetic fiber. To go for the next level of growth, government should provide stable policy support and cash incentive against the export of apparel products made with man-made fibres, the BGMEA president said.

<https://www.newagebd.net/article/170509/bangladeshs-share-to-be-10pc-by-2025-bgmea>

Soaring global inflation to erode apparel demand

- Apparel manufacturers expressed concerns over an alarming rise in global inflation, citing that increasing prices may affect the purchasing power of end-consumers in export destinations and cause demand for garment items to fall. BGMEA President told that entrepreneurs are struggling with rising production costs and supply chain challenges, including a crisis of raw materials, rise in fuel oil, gas and electricity prices and an abnormal increase in container and ship rentals.
- He added that reducing lead time and investment in unique backward linkage sectors needs to be increased. Tariff and tax rates should be kept constant for a period of five years to help investors and traders adopt and implement plans, he added. BGMEA is working on creating new markets in several countries outside Europe, such as in South Korea, India and even China, he said.

<https://www.thedailystar.net/business/economy/news/soaring-global-inflation-erode-apparel-demand-3023771>

RMG makers worried over move on power tariff hike

- Textile and apparel industry owners have expressed concerns as the Bangladesh Energy Regulatory Commission (BERC) is holding a day-long public hearing on the 65.95% bulk electricity price hike proposal on Wednesday. As per the latest tariff order, the bulk price of per unit electricity is BDT 5.17. But the BPDB proposed to BERC for increasing the price to BDT 8.58 per unit. RMG makers are worried that the electricity price hike amid an economic struggle would put industries under added pressure and such a decision would not be wise.
- In a statement, the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) said the electricity price hike in the current context would be considered a suicidal move by the government. Chairman of Envoy Textile told that if the Russia-Ukraine war prolongs for a few months, it would adversely affect the main export destination – the European market. Hence, such decision would create another challenge for the industries.

<https://www.tbsnews.net/economy/rmg/rmg-makers-worried-over-move-power-tariff-hike-421754>

Soybean import to rise 7.7pc

- Bangladesh's soybean import is projected to rise by 7.7% year-on-year to 2.8 Mn tonnes in 2022-23 marketing year beginning from October, according to the United States Department of Agriculture (USDA). Import of soybean meal and oil will see a slight fall thanks to a rise in supply and crushing of soybean seeds in Bangladesh, said a recent report "Oilseeds: World Markets and Trade".

- A total of 775,000 tonnes of soybean oil will be imported in 2022-23, which was 750,000 tonnes in the outgoing year. Soybean meal imports are also projected to rise slightly to 400,000 tonnes by this time. Riding on the increased soybean import, this year 290,000 tonnes of oilseeds will be crushed, which is more than double than that of the previous year.
- The domestic consumption of soybean oil will also rise by 2.71% year-on-year to 1.3 Mn tonnes. Meanwhile, the import of palm oil is forecast to rise by 6% to 1.43 Mn tonnes this year.

<https://www.thedailystar.net/business/economy/news/soybean-import-rise-77pc-3024461>

Antibiotics will require red colour packaging from December

- No antibiotic medicines will be allowed to be sold in the local market without red colour packaging from December for human or veterinary purposes. Antibiotic packaging labels will contain the word 'antibiotic' in bold red across half the package. DGDA told that the changes in packaging will definitely increase cost, however, the pharma companies had agreed. DGDA also told that 67.3% of the pharmacy retailers had poor knowledge of antibiotics, based on a random survey at 427 pharmacies.

<https://www.dhakatribune.com/bangladesh/2022/05/18/antibiotics-will-require-red-colour-packaging-from-december>

Pvt companies may invest in power transmission, distribution

- Private firms will be allowed to invest in power transmission and distribution lines as the government constitutes a policy to encourage private-sector investment for smooth operation of the power grid. The national power grid can be used by the private sector under commercial terms as per the guideline. The government will ensure investment security, waive taxes for 15 years and reduce import tax to woo private firms' investment in this potential sector.
- The State Minister for Power told that Bangladesh has witnessed private investment worth USD 12.0 Bn in the power sector over the past one decade. The government has planned to attract USD 50.0 Bn more private investment over the next 12 years.

Important News: Capital Market

BSEC seeks long-term investment data from Premier Cement

- Bangladesh Securities and Exchange Commission (BSEC) sought long-term investment information for the last five years along with clarification from Premier Cement Mills Limited. In its FY21 statements, the company showed its capital work in progress at BDT 9.55 Bn, which was BDT 8.20 Bn in the previous year, however, BSEC found that the firm did not convert it into a fixed asset. The commission is also concerned that the company's short-term bank liabilities, which stood at BDT 11.78 Bn, up from BDT 9.07 Bn a year ago.

<https://www.tbsnews.net/economy/stocks/bsec-seeks-long-term-investment-data-premier-cement-421046>

Poor contribution of listed cos frustrates CMSF mgmt

- The management of the Capital Market Stabilisation Fund has expressed frustration over the listed companies for not depositing money and shares in the fund at expected level. Although a large amount of undistributed dividends of listed companies is expected to come into the fund, cash amounting to BDT 4.8 Bn and shares equivalent to BDT 3.4 Bn at current market value have been deposited in the fund.

<https://www.newagebd.net/article/170508/poor-contribution-of-listed-cos-frustrates-cmsf-mgmt>

NBR's tax collection from DSE falls by 11pc in April

- The government's revenue earnings from the Dhaka Stock Exchange in Apr'22 was BDT 218.0 Mn against BDT 245.1 Mn in Mar'22. Tax receipts from trade commission increased by 4.47% to BDT 194.0 Mn against BDT 185.7 Mn in the previous month. The amount of tax from the share sales by sponsor-directors and placement holders dropped by 64.48% to BDT 24.0 Mn in Apr'22 from BDT 59.4 Mn in Mar'22.

<https://www.newagebd.net/article/170416/nbrs-tax-collection-from-dse-falls-by-11pc-in-april>

Paramount Textile to invest over BDT 7.40 Bn for capacity expansion

- Paramount Textile Ltd will invest around USD 85.45 Mn for enhancing its production capacity. The company will import capital machineries for civil construction and other auxiliary work. This will help the company generate an additional USD 7.0 Mn in monthly revenue and the post import facilities will be settled down through foreign currency term-loan facilities.

<https://www.thedailystar.net/business/news/paramount-textile-invest-over-tk-740-crore-capacity-expansion-3024796>

Envoy Textiles to get USD 11 Mn from ADB

- The Asian Development Bank (ADB) may extend a loan of USD 11 Mn to Envoy Textiles Ltd to help the Bangladeshi textile miller purchase machinery for its second spinning unit.

<https://www.thedailystar.net/business/organisation-news/news/envoy-textiles-get-11m-adb-3025201>

ICB receives BDT 250 Mn from CMSF

- Capital Market Stabilisation Fund (CMSF) has provided another amount of BDT 250 Mn in third phase to Investment Corporation of Bangladesh (ICB) to support the ailing stock market. As a result, the state-run ICB has so far received a total of BDT 1.75 Bn from the CMSF to enhance liquidity support for the stock market. According to the officials, the CMSF has so far received BDT 4.60 Bn in cash and shares worth BDT 3.38 Bn in current market value.

<https://today.thefinancialexpress.com.bd/stock-corporate/icb-receives-tk-250-million-from-cmsf-1652801676>

Kapita Packaging allowed to take over Yeakin Polymer

- The Bangladesh Securities and Exchange Commission has allowed Kapita Packaging Solutions to acquire Yeakin Polymer Limited by buying the company's sponsor-directors' entire stake at face value. According to the BSEC approval, Kapita will buy total 22.19 Mn or 30.11% shares at BDT 10 each.

<https://www.newagebd.net/article/170826/kapita-packaging-allowed-to-take-over-yeakin-polymer>

ICB writes to lenders for revolving funds

- In a bid to retain funds for stock market support, the Investment Corporation of Bangladesh (ICB) on Monday wrote to several state-owned lenders to revolve their funds kept in ICB. The de-facto stock market maker in the last two weeks has been under a sudden pressure to arrange around BDT 7.0 Bn funds, mostly through selling listed securities, for repayments to some lenders, especially to Sonali Bank.

- However, ICB is likely to be equipped with some funds to buy some oversold stocks from Tuesday as the BSEC already announced that the Capital Market Stabilisation Fund (CMSF) would hand over another spell of BDT 500 Mn to the ICB so that it can support the market well. CMSF, being built out of undisbursed dividends within listed firms, has already given the ICB BDT 1.5 Bn.

<https://www.tbsnews.net/economy/stocks/icb-writes-lenders-revolving-funds-421058>

Linde Bangladesh posts revenue, profit growths in March quarter

- Linde Bangladesh posted modest year-on-year growths in its revenue and profit for Q1'22. The company's revenue increased by 7% to BDT 1.36 Bn and profit by 4% to BDT 299.0 Mn. During the period, its income tax expenses declined by 8% to BDT 92.0 Mn from BDT 100.7 Mn in Q1'21, thanks to a corporate tax cut in the current year.

<https://www.tbsnews.net/economy/linde-bangladesh-posts-revenue-profit-growth-march-quarter-418698>

Green Delta to launch 1st ETF worth BDT 500 Mn

- Green Delta Insurance Limited has decided to launch the country's first exchange traded fund named 'DS30 Index Tracking Exchange Traded Fund' (DS30 ETF) worth BDT 500 Mn. The company will subscribe BDT 25.0 Mn of the fund. The remaining portion of the fund will be raised from other sponsors and the market. According to a statement, the company will sponsor a passive, open-ended and exchange traded fund, as per ETF regulations.
- According to the rules published by the BSEC, the ETF fund must be worth at least BDT 500 Mn that could be enhanced with the participation of authorised participants. For the formation of an ETF, sponsor-directors will have to make at least 10% and asset manager must have 2% of initial investment of the targeted size, the rules said.

<https://www.newagebd.net/article/170337/green-delta-to-launch-1st-etf-worth-tk-50cr>

Two banks to raise BDT 16.0 Bn through bonds

- Pubali Bank has decided to raise BDT 10.0 Bn through issuance of a subordinated bond to meet the requirements for Tier-2 capital. Premier Bank Limited has decided to issue a subordinated bond for raising BDT 6.0 Bn. The seven-year tenure bond will be a non-convertible, unsecured, fully redeemable, and floating-rate subordinated bond.

<https://www.tbsnews.net/economy/stocks/two-banks-raise-tk1600cr-through-bonds-418630>

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