

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-3.13%) lost -197.99 points and closed the week at 6,126.52 points. The blue-chip index DS30 (-3.21%) lost -73.02 points and stood at 2,200.83 points. The Shariah-based index DSES (-2.34%) lost -32.27 points and stood at 1,345.09 points. The large cap index CDSET (-2.70%) lost -33.70 points and closed at 1,215.56 points. DSEX, DS30, DSES and CDSET showed YTD returns of -9.33%, -13.10%, -6.01%, -10.56%, respectively.

Total Turnover During the Week (DSE): BDT 27.7 billion (USD 295 million)

Average Daily Turnover Value (ADTV): BDT 5.5 billion (Δ% Week: -15.3%)

Market P/E: 15.3x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a negative note (-0.32%) on Sunday. It remained negative on (-1.39%) Monday. It also remained negative on Tuesday (-1.02%) and Wednesday (-0.23%). Moreover, market ended at a negative note (-0.20%) on Thursday.

Sectoral Performance

• All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -6.55% followed by NBFIs (-3.86%), Life Insurance (-2.91%), Mutual Fund (-2.54%), and Bank (-1.28%).

• All the non-financial sectors registered negative performance this week. Fuel & Power experienced the highest loss of 4.93% followed by Food & Allied (-3.11%), Engineering (-2.59%), Telecommunication (-2.01%), and Pharmaceutical (-1.32%).

Macroeconomic arena

• IDCOL to receive USD256.5 Mn for promoting energy efficiency in textile and RMG sectors. Bangladesh eyes USD67 Bn export this fiscal despite headwinds. Exports of electric goods surge to BDT100 Mn. Banks settle LCs at BDT 102 per USD. Russian grain supplies to Bangladesh soon: Envoy Semenova. Startups net USD90 Mn in H1. Brazil to work with Bangladesh to increase trade: Brazil ambassador. BDT250 Bn refinancing scheme for CMSME sector. Banks instructed to clear cheques for saving certificate purchase within a day. BDT 300 Bn tax revenue deficit in FY '22. CMSMEs get BDT 250,000 Mn. Recovery to rise, dev process to accelerate. Rescheduling policy relaxed to reduce default loans: BB. BB tightens shippers' EDF facility. Industries seek protection from power cuts. Increased loan facility for exporters extended till 31 Dec. Energy austerity creates panic in the stock market. Hasty spending in last three months pushes up ADP implementation to 93%. Bangladesh Bank instructs to export £20, £50 paper notes by 30 Sept. Inflation bites, as rate soars to 9-year high.

• Metro Rail project cost rise by BDT114.86 Bn gets Ecneq nod. Govt shuts all diesel-run power plants, enforces load-shedding. Loan defaulters get a big break. Gas crisis now hits fertiliser, threatens food security. Bank borrowing triples in FY '22. Gas crisis now hits fertiliser, threatens food security. Pvt power producers urge govt to pay USD1.5 Bn in arrear. BB moves to ease volatility in forex market. Forex volatility a barrier to Bangladesh's macroeconomic stability: IMF. Revenue collection in FY'22 from DSE highest in 11 yrs. World Bank's USD500 Mn financing for Bangladesh's disaster preparedness. Pricier dollar discourages rice import. RMG orders tumble 30% amid record global inflation. Furniture exports hit decade high. Bangladesh loses USD5-10 Bn in leather export for environmental issues: experts. Smartphone production in Bangladesh falls 50% in May.

Stock Market arena

• LafargeHolcim posts strong profit growth as HeidelbergCement counts losses. Singer sees profit fall in Q2. Padma Islami Life's revenue declines. Hike in production cost eats into Singer's profit. BTRC caps the bandwidth capacity of Aamra Technologies by 50%. GEMCO inks BDT400 Mn deal with NESCO. Special auditor to look into Khulna Printing's financials. Grameenphone posts profit growth in April-June. Subscription of 'Sandhani AML SLIC Fixed Income Fund' begins today. Zaheen Spinning resumes production by repairing fire damages. Sandhani launches first ever no-dividend mutual fund. Standard Ceramic to borrow BDT150 Mn for working capital. Pvt power producers urge govt to pay USD1.5b in arrear.

July 21, 2022 (Week: July 17, 2022 – July 21, 2022)

Dhaka Stock Exchange

DSEX ended Red (-3.13%) in the week

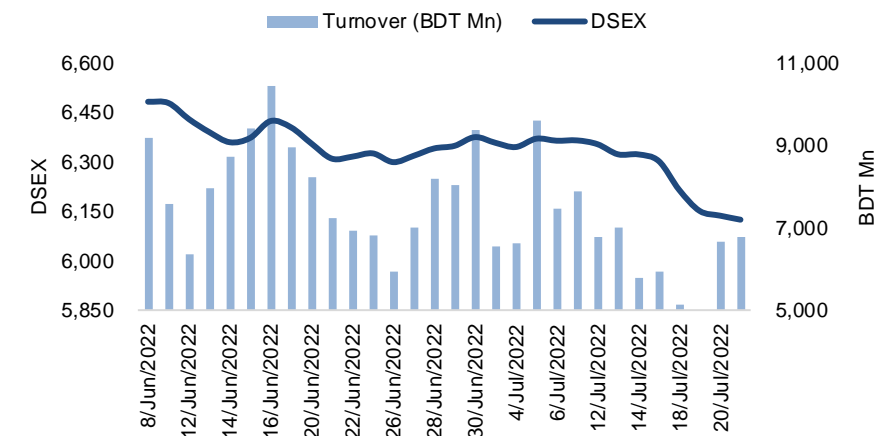
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	30-Dec-2021	Δ% Week	Δ% YTD
DSEX	6,126.52	6,324.50	-197.99	6,756.66	-3.13%	-9.33%
DS30	2,200.83	2,273.85	-73.02	2,532.58	-3.21%	-13.10%
DSES	1,345.09	1,377.35	-32.27	1,431.12	-2.34%	-6.01%
CDSET	1,215.56	1,249.26	-33.70	1,359.13	-2.70%	-10.56%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,031,190	5,159,604	-2.5%
	Mn USD	53,552	54,919	
Turnover	Mn BDT	27,707	19,624	+41.2%
	Mn USD	295	209	
Average Daily Turnover	Mn BDT	5,541	6,541	-15.3%
	Mn USD	59	70	
Volume	Mn Shares	743	515	+44.3%

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
BIFC	9.4	6.2	+51.6%	946	34.3	NM	NM
HRTEX	123.1	101.4	+21.4%	3,270	321.1	39.0x	2.9x
MITHUNKNIT	19.0	16.0	+18.8%	617	67.2	NM	6.0x
SAVAREFR	274.2	235.9	+16.2%	382	24.3	NM	3917x
KDSALTD	74.5	64.8	+15.0%	5,303	600.4	32.3x	3.0x
ICBIBANK	5.7	5.0	+14.0%	3,789	108.0	NM	NM
MEGCONMILK	39.7	35.3	+12.5%	635	93.9	NM	NM
ORIONINFU	107.1	95.7	+11.9%	2,181	563.7	63.6x	7.9x
PRIMETEX	41.7	38.7	+7.8%	1,593	264.8	13.0x	0.6x
ARAMITCEM	33.0	30.8	+7.1%	1,118	120.1	NM	1.5x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
IMAMBUTTON	134.3	148.3	-9.4%	1,034	3.7	NM	27.9x
CVOPRL	168.8	186.3	-9.4%	4,687	171.1	NM	19.6x
FORTUNE	80.1	88.3	-9.3%	13,019	491.7	25.8x	5.3x
MEGHNAINS	46.3	0.0	-9.2%	1,852	2.8	64.0x	3.2x
ISNLTD	57.2	63.0	-9.2%	625	61.7	NM	19.7x
SPCERAMICS	43.6	48.0	-9.2%	6,408	347.3	97.9x	1.4x
PROVATIINS	60.0	66.0	-9.1%	2,085	74.2	14.2x	2.6x
GENEXIL	69.6	76.5	-9.0%	7,903	181.8	20.5x	3.8x
BDFINANCE	43.4	47.7	-9.0%	7,707	37.0	31.3x	2.4x
SHYAMPSUG	104.0	114.3	-9.0%	520	9.0	NM	NM

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	116.6	128.0	-8.9%	102,179	1,455.9	7.1x	1.3x
SONALIPAPR	639.7	641.4	-0.3%	14,050	981.9	45.2x	2.6x
DELTALIFE	141.5	148.4	-4.6%	17,511	754.9	NM	NM
INTRACO	28.9	29.8	-3.0%	2,839	616.2	27.7x	2.4x
KDSALTD	74.5	64.8	+15.0%	5,303	600.4	32.3x	3.0x
ORIONINFU	107.1	95.7	+11.9%	2,181	563.7	63.6x	7.9x
TITASGAS	42.5	46.7	-9.0%	42,042	550.6	12.6x	0.6x
FORTUNE	80.1	88.3	-9.3%	13,019	491.7	25.8x	5.3x
BATBC	523.4	538.4	-2.8%	282,636	354.6	18.5x	8.6x
SPCERAMICS	43.6	48.0	-9.2%	6,408	347.3	97.9x	1.4x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
IPDC	59.5	+54.1%	22,080	24.6x	3.4x
SQUARETEXT	64.4	+23.4%	12,703	7.4x	1.5x
TITASGAS	42.5	+17.1%	42,042	12.6x	0.6x
CROWNCEMNT	72.3	+16.2%	10,737	36.7x	1.4x
ADNTEL	60.8	+16.0%	3,931	23.6x	2.3x
UNIQUEHRL	55.9	+11.4%	16,457	19.1x	0.6x
SHASHADNIM	26.9	+9.8%	3,794	14.7x	0.6x
GHAIL	17.7	+7.3%	3,820	84.3x	1.3x
BSCCL	222.1	+5.7%	36,626	15.9x	3.3x
MARICO	2,426.2	+5.4%	76,425	21.5x	28.4x

*BDT

**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,422.3	1,440.7	1,589.69	-1.28%	-10.53%
NBFI	1,933.9	2,011.6	2,327.63	-3.86%	-16.91%
Mutual Fund	858.1	880.5	882.99	-2.54%	-2.82%
General Insurance	3,056.6	3,270.8	4,698.62	-6.55%	-34.95%
Life Insurance	2,273.7	2,341.9	2,687.55	-2.91%	-15.40%
Telecommunication	5,018.3	5,121.2	5,800.37	-2.01%	-13.48%
Pharmaceutical	3,686.2	3,735.5	3,866.63	-1.32%	-4.67%
Fuel & Power	1,746.3	1,836.8	1,792.97	-4.93%	-2.60%
Cement	2,372.0	2,443.5	2,534.76	-2.93%	-6.42%
Services & Real Estate	1,323.6	1,421.5	1,309.43	-6.89%	+1.08%
Engineering	4,556.5	4,677.9	4,727.46	-2.59%	-3.62%
Food & Allied	21,272.9	21,955.3	25,222.81	-3.11%	-15.66%
IT	2,516.3	2,634.3	3,274.61	-4.48%	-23.16%
Textile	1,574.0	1,619.7	1,470.60	-2.83%	+7.03%
Paper & Printing	7,641.5	7,845.1	9,680.03	-2.60%	-21.06%
Tannery	3,033.9	3,168.7	3,236.76	-4.25%	-6.27%
Jute	8,629.8	8,843.5	8,747.84	-2.42%	-1.35%
Ceramics	720.9	780.3	675.88	-7.61%	+6.66%
Miscellaneous	4,141.7	4,366.9	4,625.39	-5.16%	-10.46%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	314.8	207.7	+51.57%	+5.98%	7.8x	0.8x
NBFI	200.6	500.4	-59.91%	+3.81%	NM	3.5x
Mutual Fund	40.0	33.7	+18.72%	+0.76%	NM	0.8x
General Insurance	141.8	144.9	-2.15%	+2.69%	14.4x	1.5x
Life Insurance	281.5	286.2	-1.66%	+5.35%	NM	NM
Telecommunication	156.0	65.8	+137.06%	+2.96%	15.5x	4.6x
Pharmaceutical	586.6	424.2	+38.30%	+11.15%	17.1x	2.5x
Fuel & Power	434.6	635.3	-31.59%	+8.26%	11.4x	1.2x
Cement	101.1	50.5	+100.26%	+1.92%	24.9x	2.5x
Services & Real Estate	97.6	153.9	-36.56%	+1.85%	69.7x	1.0x
Engineering	526.9	651.4	-19.11%	+10.01%	18.6x	1.9x
Food & Allied	321.5	346.4	-7.18%	+6.11%	23.1x	8.8x
IT	179.3	249.1	-28.02%	+3.41%	26.2x	2.3x
Textile	818.4	1,137.0	-28.02%	+15.55%	25.5x	1.0x
Paper & Printing	251.3	102.7	+144.68%	+4.78%	NM	1.9x
Tannery	124.0	337.8	-63.30%	+2.36%	45.8x	3.2x
Jute	7.4	5.6	+32.57%	+0.14%	NM	28.1x
Ceramics	141.5	218.9	-35.37%	+2.69%	30.1x	1.9x
Miscellaneous	538.0	685.3	-21.49%	+10.22%	11.3x	1.9x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
PIONEERINS	72.6	-31.7%	6,148	10.2x	1.6x
HEIDELBCEM	188.2	-30.9%	10,634	NM	3.0x
LANKABAFIN	26.4	-29.2%	14,225	11.0x	1.3x
OLYMPIC	117.3	-27.0%	23,453	16.0x	2.6x
BRACBANK	38.6	-25.0%	57,768	10.9x	1.1x
BXPBARMA	146.2	-24.1%	65,222	11.4x	1.6x
ACTIVEFINE	19.9	-22.3%	4,775	86.5x	0.9x
CONFIDCEM	95.1	-22.0%	7,440	10.7x	1.2x
IDLC	46.6	-18.9%	19,372	9.2x	1.2x
GP	287.1	-17.9%	387,671	11.4x	7.7x

Important News: Business & Economy

IDCOL to receive USD256.5 Mn for promoting energy efficiency in textile and RMG sectors

- Infrastructure Development Company (IDCOL) on Wednesday signed a Funded Activity Agreement (FAA) with Green Climate Fund (GCF) to receive USD 256.5 Mn concessional financing to promote energy efficiency in textile and RMG sectors of Bangladesh.

<https://www.tbsnews.net/economy/idcol-receive-2565-million-promoting-energy-efficiency-textile-and-rmg-sectors-461958>

Bangladesh eyes USD67 Bn export this fiscal despite headwinds

- Bangladesh sets sights high on USD 67 Bn in export earnings in the current financial year, a 10.1% growth over the achieved income in the just-past fiscal, discounting headwinds. All factors, like pandemic and war disruptions, have been taken into account in setting the new export target, the commerce minister said while unveiling Wednesday the external trade plan that evoked mixed feelings among economists

<https://today.thefinancialexpress.com.bd/first-page/bangladesh-eyes-67b-export-this-fiscal-despite-headwinds-1658339639>

Exports of electric goods surge to BDT100 Mn

- Locally manufactured electric products, namely transformers and accumulators, are gaining popularity abroad as the industry's annual export earnings touched a record high of USD100 Mn in the just concluded fiscal year. The last time export proceeds from electric goods even came close to the current level was back in fiscal 2014-15, when outbound shipments fetched a total of USD90 Mn

<https://www.thedailystar.net/business/economy/news/exports-electric-goods-surge-100m-3075556>

Banks settle LCs at BDT 102 per USD

- The banks settled import letters of credit (LCs) at BDT101.6-102 per USD on Wednesday. Officials of the treasury department of several banks told The Business Standard that currently there is a huge demand for USD in the market, but it is not available. Even the Bangladesh Bank cannot meet the banks' demand. Due to these reasons, the banks have to depend on the foreign exchange houses, which are selling USD at a high price.

<https://www.tbsnews.net/economy/banking/banks-settle-lcs-tk102-dollar-462026>

Russian grain supplies to Bangladesh soon: Envoy Semenova

- Talks are in progress on the supply of Russian grains to Bangladesh and nearing completion, acting Russian Ambassador to Bangladesh Ekaterina A Semenova said on Wednesday. The talks are underway. Hopefully, it will be completed very soon. The amount is around 200,000 tonnes.

<https://www.tbsnews.net/economy/russian-grain-supplies-bangladesh-soon-envoy-semenova-462046>

Startups net USD90 Mn in H1

- Bangladeshi startups have raised nearly USD90 Mn invest in the first half of the running calendar year, according to a study report. Of the latest investment, business to business platform ShopUp raised USD63 Mn followed by delivery service Paperfly's USD13 Mn

<https://today.thefinancialexpress.com.bd/first-page/startups-net-90m-in-h1-1658339871>

Brazil to work with Bangladesh to increase trade: Brazil ambassador

- Brazil, the largest economy in South America, will leave no stone unturned to increase trade relations with Bangladesh as the latter has become a new economic giant in the South Asian region. New Brazil Ambassador to Bangladesh Paulo Fernando Dias Feres expressed this while talking to The Business Standard at his Gulshan office on Tuesday.

<https://www.tbsnews.net/economy/brazil-work-bangladesh-increase-trade-brazil-ambassador-462054>

BDT250 Bn refinancing scheme for CMSME sector

- The central bank has set up a new refinancing scheme worth BDT250 Bn to support funding for cottage, micro, small and medium enterprises (CMSME) across the country, officials said. Under the scheme, lenders will receive the funds in the form of term loan at an interest rate of 2.0% from the central bank, while the end-users will get it at 7.0% interest rate, according to a notification issued by the Bangladesh Bank.

<https://today.thefinancialexpress.com.bd/stock-corporate/tk-250b-refinancing-scheme-for-cmsme-sector-1658336808>

Banks instructed to clear cheques for saving certificate purchase within a day

- The Bangladesh Bank has instructed the banks to clear cheques, deposited by customers with the application for buying saving certificates, within one working day. At the same time, it also ordered issuing the saving instruments in favour of the customers on the cheque clearance day.

<https://www.tbsnews.net/economy/banking/banks-instructed-clear-cheques-saving-certificate-purchase-within-day-461974>

BDT 300 Bn tax revenue deficit in FY '22

- The tax revenue collection has faced nearly BDT300 Bn shortfall in the previous FY22, although the tax-collecting wings have achieved double-digit growth over their previous year's collection. According to a provisional data until Wednesday, NBR collected nearly BDT3.00 Tn - achieving around 14 % growth over the previous FY. In FY 22, the VAT wing collected BDT1.08 Tn, while income tax BDT1.02 Tn and customs BDT894.24 Bn. Targets for the three wings were BDT1.28 Tn BDT1.05 Tn and BDT 956.52 Bn respectively.

<https://today.thefinancialexpress.com.bd/last-page/tk-300b-tax-revenue-deficit-in-fy-22-1658340232>

CMSMEs get BDT 250,000 Mn

- Bangladesh Bank yesterday unveiled a BDT 250,000 Mn refinance scheme for cottage, micro, small and medium enterprises (CMSMEs) in order to increase their access to finances. Borrowers in the CMSME sector will get funds in the form of term loans, whose tenure is more than one year, from the scheme, according to a central bank notice.

<https://www.thedailystar.net/business/economy/news/cmsmes-get-tk-25000cr-3074656>

Recovery to rise, dev process to accelerate

- A fresh loan-rescheduling and- restructuring policy the central bank has just issued would help raise recovery of huge unpaid loans and facilitate overall economic activities amid the exigencies of pandemic and war.
- Under the fresh provisions, the down-payment amount for the first- time and second-time rescheduling of a term loans has been cut down to minimum 2.5-4.5% from 15-50% earlier of the overdue installments or 5.0-7.00% of the total outstanding amount of a loan, whichever is less.

<https://today.thefinancialexpress.com.bd/first-page/recovery-to-rise-dev-process-to-accelerate-1658253267>

Rescheduling policy relaxed to reduce default loans: BB

- In the wake of criticism over relaxing the policy for rescheduling defaulted loans, the central bank has claimed that extending time to borrowers and reducing down payments will slash the amount of defaulted loans in the country's banking sector.
- According to the central bank's circular on Monday, a defaulter will be able to reschedule the loan four times with 2.5% to 5% down payments. This will allow big defaulters with a loan of BDT5 Bn and above a maximum of 29 years to make repayments

<https://www.tbsnews.net/economy/banking/rescheduling-policy-relaxed-reduce-default-loans-bb-461302>

BB tightens shippers' EDF facility

- The Bangladesh Bank (BB) on Tuesday tightened the Export Development Fund (EDF) facility for the shippers to some extent, as settlement of liabilities from the funded facility is no more allowed. The central bank has been providing the facility to the exporters through USD 8.0 Bn EDF fund, which helps lower their cost of doing business.

<https://today.thefinancialexpress.com.bd/last-page/bb-tightens-shippers-edf-facility-1658254022>

Industries seek protection from power cuts

- A Industrial unit owners of different sectors have demanded that the government provide them immunity from blackouts or load shedding. They also expressed relief at production remaining nearly unhurt yesterday, the first day of planned power cuts, just as the government had promised to ensure.

<https://www.thedailystar.net/business/economy/news/industries-seek-protection-power-cuts-3074651>

Increased loan facility for exporters extended till 31 Dec

- Usually, a client can borrow up to USD25 Mn from the fund. However, in a directive in May 2020, the limit was increased to USD30 Mn for the members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Textile Mills Association (BTMA). According to that directive, the deadline was fixed for December 2020. Since then, the increased credit facility has been extended regularly.

<https://www.tbsnews.net/economy/banking/increased-loan-facility-export-development-fund-extended-till-31-december-461214>

Energy austerity creates panic in the stock market

- Investors, already cautious about the recent declines in stocks, were panic-driven on Monday after the government announced measures to restrain power and energy as a safeguard against the global macroeconomic turbulence. Trading on both the bourses opened with a bearish consensus amid multiple negative factors hurting investors' confidence and the indices kept falling till the closing.
- The government on Monday announced several measures — including switching off the diesel-based power plants, pre-scheduling power outages, shortening office hours, holding all office meetings online, switching off air-conditioners in religious establishments, a day off for petrol pumps every week, and no shopping after 8.00 pm — to save power and energy.

<https://www.tbsnews.net/economy/stocks/energy-austerity-creates-panic-stock-market-460554>

Hasty spending in last three months pushes up ADP implementation to 93%

- Development spending was 94.66% in FY2018-19. Amid the coronavirus pandemic, it dropped to 80.39% in FY2019-20 and 82.11% in FY2020-21. The government has been able to spend 93% of its development budget in the recently concluded FY2021-22, as the outlay jumped exponentially in the last three months, official data has shown.
- According to IMED data, BDT1048.3 Bn – which is more than half of the annual development budget – was spent in the last three months of the just concluded fiscal year.

<https://www.tbsnews.net/economy/hasty-spending-last-three-months-pushes-adp-implementation-93-461338>

Bangladesh Bank instructs to export £20, £50 paper notes by 30 Sept

- Bangladesh Bank said that the decision was taken to export these notes out of the country as the UK central bank announced to withdraw these two notes from the market. Paper £20 and £50 banknotes of Bank of England will no longer be legal tender from September 30, 2022. Banks having stock of such paper notes are advised to export the currencies by the stipulated time frame without fail

<https://www.tbsnews.net/economy/bangladesh-bank-instructs-export-ps20-ps50-paper-notes-30-sept-461166>

Inflation bites, as rate soars to 9-year high

- Bangladeshis also feel bitter bite of inflation as its point-to-point rate climbed to 7.56 % last month, a nine-year high, amid erratic price rises. Meanwhile, the average inflation rate in the last fiscal year (FY), 2021-22, was recorded at 6.15 %, same as the previous FY2021, according to Bangladesh Bureau of Statistics (BBS) data released Tuesday.

<https://today.thefinancialexpress.com.bd/first-page/inflation-bites-as-rate-soars-to-9-year-high-1658253187>

Metro Rail project cost rise by BDT114.86 Bn gets Ecneec nod

- The Executive Committee of the National Economic Council (Ecneec) on Tuesday approved the second revision of the Dhaka Mass Rapid Transit Development (Line-6) project with an additional cost of BDT114.86 Bn. With the latest revision, the length of the metro rail (Line-6) increases by 1.16km – from Motijheel to Kamalapur – while the total cost reaches BDT334.72 Bn.

<https://www.tbsnews.net/economy/metro-rail-mrt-line-6-project-cost-goes-tk11486cr-gets-ecneec-nod-461158>

Govt shuts all diesel-run power plants, enforces load-shedding

- All the diesel-fired power plants in Bangladesh will remain shut from today under a new austerity measure to reduce diesel import and save foreign exchange. An area-based power outage will also be executed for a week initially, the government announced Monday as part of a crisis-management action.

<https://today.thefinancialexpress.com.bd/first-page/govt-shuts-all-diesel-run-power-plants-enforces-load-shedding-1658166045>

Loan defaulters get a big break

- Bangladesh Bank yesterday substantially relaxed the policy for rescheduling defaulted loans, allowing defaulters to repay term loans over a maximum period of eight years whereas it was previously two years.
- Defaulters will also be allowed to reschedule their non-performing loans (NPLs) four times whereas previously they could do so three times, according to a Bangladesh Bank notice.

<https://www.thedailystar.net/business/economy/news/loan-defaulters-get-big-break-3073776>

Gas crisis now hits fertiliser, threatens food security

- Gas crisis has found a new victim after hitting the country's national grid hard. Now, production of urea fertiliser has begun to feel the pinch, with one fertiliser factory having been unable to operate for almost a month due to the gas supply crunch. Experts fear a food crisis if the situation continues or worsens, and farmers do not get timely fertiliser supply.

<https://www.tbsnews.net/economy/gas-crisis-now-hits-fertiliser-threatens-food-security-460058>

Bank borrowing triples in FY '22

- Government bank borrowings nearly tripled in the past fiscal, partly being pushed by need for financing budget deficit, officials say, raising its debt liability. Its aggregate net bank borrowings rose to BDT 727.49 Bn as on June 30 last from BDT 242.92 Bn in the same period of the previous fiscal year, according to Bangladesh Bank's confidential report.

<https://today.thefinancialexpress.com.bd/first-page/bank-borrowing-triples-in-fy-22-1658080399>

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Pvt power producers urge govt to pay USD1.5 Bn in arrear

- Despite an improvement in payment the government still owes USD 1.5 Bn to the private power plant operators for purchase of electricity, according to official sources, reports UNB. The sources confirmed this week that the state-owned Bangladesh Power Development Board (BPDB), the single buyer on behalf of the government, partially cleared the payment until February last.

<https://today.thefinancialexpress.com.bd/stock-corporate/pvt-power-producers-urge-govt-to-pay-15b-in-arrear-1658076707>

BB moves to ease volatility in forex market

- Bangladesh Bank yesterday withdrew the interest rate ceiling on non-resident foreign currency deposits to increase supply of the USD and arrest the ongoing volatility in the foreign exchange market.
- The move followed a series of measures taken by the central bank to halt the weakening of the BDT against the USD which crossed BDT 100 mark for importers last week.

<https://www.thedailystar.net/business/economy/news/bb-moves-ease-volatility-forex-market-3072876>

Forex volatility a barrier to Bangladesh's macroeconomic stability: IMF

- The International Monetary Fund (IMF) believes that the ongoing volatility in foreign exchange rates and fears of dwindling Bangladeshi exports in the wake of global economic slowdowns due to the Ukraine-Russia war are the main barriers to the country's macroeconomic stability.
- A visiting delegation of the global lender has given its opinion in favor of lifting the existing 6% and 9% interest rate caps on deposit and lending and recommended reforms to reduce defaulted loans and remove weaknesses in the banking sector.

<https://www.tbsnews.net/economy/forex-volatility-barrier-bangladeshs-macroeconomic-stability-imf-460054>

Revenue collection in FY'22 from DSE highest in 11 yrs

- The government's revenue earnings from the DSE hit an 11-year high to BDT 2.91 Bn in the just concluded FY 2021-2022. It was the highest revenue collection from the prime bourse since the stock market had developed bubbles that soon burst in the FY 2010-11, when a record BDT 4.47 Bn revenue was collected, according to statistics from the main bourse.

<https://today.thefinancialexpress.com.bd/stock-corporate/revenue-collection-in-fy22-from-dse-highest-in-11-yrs-1657987439>

World Bank's USD500 Mn financing for Bangladesh's disaster preparedness

- The World Bank has approved a USD500 Mn credit to help Bangladesh improve disaster preparedness against inland flooding in 14 flood-prone districts benefiting over 1.25 Mn people. The Resilient Infrastructure for Adaptation and Vulnerability Reduction (RIVER) project will help Bangladesh reduce vulnerability to riverine and flash floods by constructing over 500 multipurpose flood shelters, access roads, and climate-resilient community infrastructure.

<https://www.thedailystar.net/business/news/world-banks-500-million-financing-bangladeshs-disaster-preparedness-3071576>

Pricier dollar discourages rice import

- A pricier US dollar jeopardises the government's plan to cool off the local rice market through imports as traders are not showing any interest in bringing in the food staple from the international market. Rice traders say imported rice would cost at least BDT5 more per kg than the local produce thanks to a strong greenback and high import duty.
- Neighbouring India accounts for 80% of Bangladesh's rice imports through private channels. According to importers, the price of the crop has not gone up in the Indian market though the Russia-Ukraine war triggered a record price surge in the global food market.

<https://www.tbsnews.net/economy/pricier-dollar-discourages-rice-import-458722>

RMG orders tumble 30% amid record global inflation

- Bangladesh's RMG industry is now bracing for another battle for survival as most factories are getting orders less than 30% of their capacity as record inflation rates across Europe and the US make consumers less willing to loosen their purse strings for new outfits and fashion accessories.
- In the end of the fiscal year 21-22 The pandemic had led to cancellations of orders worth over USD3 Bn from almost every brand, except H&M. The readymade garments sector was in tatters, experiencing a fallout faced by every major industry. Textile exports had fallen at this time from USD34.13 Bn to USD27.95 Bn. Apart from the fall in demand, freight cost rose by almost four times and price of raw materials also increased by 15-20%, along with other inputs.

<https://www.tbsnews.net/economy/rmg/rmg-orders-tumble-30-amid-record-global-inflation-459434>

Furniture exports hit decade high

- The global demand for furniture "made in Bangladesh" has risen considerably thanks to improvements in product quality, diversification in design, cash incentives, availability of manpower and lower wages in the industry, according to market players. As such, the country recorded a decade high USD110.36 Mn in furniture exports during the previous fiscal year, shows data from the Export Promotion Bureau (EPB). However, manufacturers and exporters say the industry could do even better with the help of policy support.

<https://www.thedailystar.net/business/economy/news/furniture-exports-hit-decade-high-3071966>

Bangladesh loses USD5-10 Bn in leather export for environmental issues: experts

- Environmental issues are holding back the export of Bangladesh's leather to Europe and the US and a potential earning of up to USD10 Bn a year, according to traders and exporters. Industries are selling raw (wet blue) leather at USD1 per square foot to some specific countries which is possible to sell at 50-60 % higher price in Europe and US by achieving environmental standards.

<https://www.newagebd.net/article/175919/bangladesh-loses-5-10-billion-in-leather-export-for-environmental-issues-experts>

Smartphone production in Bangladesh falls 50% in May

- The smartphone production in the country dropped around 50% month-on-month in May due to rising dollar prices and soaring inflation that led people to tighten their belts. The local manufacturers churned out a total of 660,000 units of smartphones – 615,000 4G-enabled smartphones and 45,000 5G-enabled ones in the month, according to latest data of the Bangladesh Telecommunication Regulatory Authority. The country produced 1.32 Mn smartphones in April.

<https://www.thedailystar.net/business/news/smartphone-production-bangladesh-falls-50-may-3071756>

Important News: Capital Market

LafargeHolcim posts strong profit growth as HeidelbergCement counts losses

- HeidelbergCement and other cement manufacturers are struggling to stay afloat amid galloping cost hikes, but the inflation menace could not hold back LafargeHolcim Bangladesh Limited from faring well. LafargeHolcim has posted a 10% growth in profit in the three months through June, while HeidelbergCement incurred losses for the fourth consecutive quarter.
- In the report, HeidelbergCement said it had incurred losses mainly due to the higher cost of raw materials, higher freight costs and the BDT devaluation against the USD. And the cost hike also created a net operating cash flow negative for the company.
- However, LafargeHolcim has its own factory for the production of cement raw material clinker and aggregate chips. For this, the company does not have to import raw materials. So global market volatility does not affect the cement manufacturer like its peers.

<https://www.tbsnews.net/economy/industry/lafargeholcim-posts-strong-profit-growth-heidelbergcement-counts-losses-462058>

Singer sees profit fall in Q2

- Singer Bangladesh, a leading home appliance manufacturer and retailer, posted 51.55 % lower profit in the second quarter of 2022. EPS were BDT1.40 in the April-June quarter as against BDT2.89 in the same period last year, the company said in a filing on the Dhaka Stock Exchange yesterday.

<https://www.thedailystar.net/business/organisation-news/news/singer-sees-profit-fall-q2-3075516>

Padma Islami Life's revenue declines

- The listed life insurer that has been losing its reputation for non-settlement of insurance claims found its life revenue account shrinking by BDT7.76 Mn in the April-June quarter, while over the same period of the previous year it declined by BDT167,000.
- Earlier, in the January-March quarter, Padma Life secured an increase of BDT7.1 Mn in its life revenue account which helped its life insurance fund to grow to over BDT130 Mn. However, the decline in the second quarter has resulted in a BDT680,000 drop in its life revenue account.

<https://www.tbsnews.net/economy/stocks/padma-islami-lifes-revenue-declines-461274>

Hike in production cost eats into Singer's profit

- Singer Bangladesh Limited has failed to achieve any profit growth in the April-June quarter of 2022 as it could not adjust its selling prices in line with the rising cost of production due to immense competition in the local market. The company's net profit after taxes in the second quarter dropped to BDT139.5 Mn, which was 51% lower compared to the same period a year ago
- The rising import cost of raw materials increased the company's cost of production by 15% which could not be fully adjusted with its selling prices and ended up reducing its gross profit by 4% and operating profit by 21%, compared to the same quarter a year ago, said the company in its financial statement.

<https://www.tbsnews.net/economy/hike-production-cost-eats-singers-profit-461250>

BTRC caps the bandwidth capacity of Aamra Technologies by 50%

- The Bangladesh Telecommunication Regulatory Authority (BTRC) has capped the bandwidth capacity of international internet gateway service provider Aamra Technologies Limited at 50%. The telecom regulator has issued the directive, which is supposed to be effective from 18 July, as the company did not clear the government's revenue sharing dues on time.

<https://www.tbsnews.net/economy/stocks/btrc-caps-bandwidth-capacity-aamra-technologies-50-460566>

GEMCO inks BDT400 Mn deal with NESCO

- General Electric Manufacturing Company Limited (GEMCO) signed a contract on Monday for supplying 825 distribution transformers to Northern Electricity Supply Company Limited (NESCO). Under the BDT 400 Mn agreement, the state-run GEMCO will hand over the 250-KVA transformers to the state-owned NESCO in two consignments within eight months.

<https://today.thefinancialexpress.com.bd/stock-corporate/gemco-inks-tk-400m-deal-with-nesco-1658159352>

Special auditor to look into Khulna Printing's financials

- A special auditor will review the financial statements of Khulna Printing and Packaging Limited, a concern of Lockpur Group, for the last three years to find out the reasons why the firm had not declared dividends for its shareholders.

<https://www.tbsnews.net/economy/stocks/special-auditor-look-khulna-printings-financials-460578>

Grameenphone posts profit growth in April-June

- Grameenphone Ltd, the leading telecom operator in the country, has posted year-on-year growth in profit after taxes for the April-June quarter. Its earnings per share (EPS) for the three months stood at BDT6.82 which was BDT6.3 in the same quarter last year.
- However, the profit growth for the second quarter was not enough to offset the decline in the first (January-March) quarter to BDT6 from BDT6.6 a year ago. Its EPS stood at BDT12.82 for the January-June period this year, which was BDT12.89 a year ago. BDT12.5 interim cash dividend declared against each share

<https://www.tbsnews.net/economy/stocks/grameenphone-posts-profit-growth-april-june-459986>

Subscription of 'Sandhani AML SLIC Fixed Income Fund' begins today

- Subscription of 'Sandhani AML SLIC Fixed Income Fund, an open-end mutual fund will commence today (Sunday). The initial size of the fund is BDT500 Mn Of them, the sponsor of the fund, Sandhani Life Insurance will provide BDT100 Mn and the remaining BDT400 Mn will be collected through sales of units of the fund. The offer price of the units of the Sandhani AML SLIC Fixed Income Fund is BDT10 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/subscription-of-sandhani-aml-slic-fixed-income-fund-begins-today-1657987699>

Zaheen Spinning resumes production by repairing fire damages

- Zaheen Spinning Limited has resumed production in full swing after repairing damages caused by two massive fires at its factory in Narayanganj, on the outskirts of the capital. Earlier, in December 2019, a devastating fire at Zaheen's factory dealt a heavy blow to the company. Later in January 2021, the factory caught fire again. That is why the company was forced to shut down its factory in Narayanganj. In July 2021, it repaired the damages, and returned to partial operation.

<https://www.tbsnews.net/economy/stocks/zaheen-spinning-resumes-production-repairing-fire-damages-459994>

Sandhani launches first ever no-dividend mutual fund

- Sandhani Asset Management Limited has launched the country's first-ever no-dividend mutual fund named "Sandhani AML SLIC Fixed Income Fund" in the open-end mutual fund industry. The fund aims to achieve long-term capital appreciation and will not provide any dividends. Its other features will help investors reduce portfolio risk and at the same time avail of comparatively higher tax concessions.

<https://www.tbsnews.net/economy/stocks/sandhani-launches-first-ever-no-dividend-mutual-fund-459982>

Standard Ceramic to borrow BDT150 Mn for working capital

- Publicly listed ceramic tableware manufacturer - Standard Ceramic Industries Ltd - is going to take a bank loan of BDT150 Mn to solve its working capital crisis. Following the early hour jump, the stock barely had sellers at the top circuit breaker of BDT160.4 over the session and it closed at the same, which was 9.9% higher than its previous session's closing price. Analysts were surprised to see the market response to the company's decision of solving the ongoing working capital crisis through increased loan burdens.

<https://www.tbsnews.net/economy/stocks/standard-ceramic-borrow-tk15cr-working-capital-460066>

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