

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+2.31%) gained 126.40 points and closed the week at 5,606.02 points. The blue-chip index DS30 (+1.25%) gained 26.37 points and stood at 2,137.29 points. The Shariah-based index DSES (+0.19%) gained 2.37 points and stood at 1,252.19 points. The large cap index CDSET (+0.97%) gained 11.37 points and closed at 1,187.49 points. DSEX, DS30, DSES and CDSET showed YTD returns of +3.78%, +8.83%, +0.81%, +5.74%, respectively.

Total Turnover During The Week (DSE): BDT 68.1 billion (USD 801 million)
Average Daily Turnover Value (ADTV): BDT 13.6 billion ($\Delta\%$ Week: +27.9%)

Market P/E: 18.9x

Daily Index Movement during the Week:

Market performed five sessions during this week. In the first session, market performed positively by +0.68%. Then the market turned negative in the second session by -0.10%. The market then turned positive in the third session by +0.44% and continued to be positive in the fourth and fifth sessions by +0.96% and +0.31% respectively.

Sectoral Performance:

- All the financial sectors posted positive performance this week. Mutual Fund booked the highest gain of 8.23% followed by Life Insurance (+6.66%), Bank (+4.98%), NBF1 (+4.67%), and General Insurance (+0.43%).
- Non-financial sectors posted mixed performance this week. Fuel & Power booked the highest gain of 1.68% followed by Engineering (+1.18%), and Food & Allied (+0.51%). Telecommunication experienced the highest loss of 0.68% followed by Pharmaceutical (-0.03%).

Macroeconomic arena:

- The government is expected to place a BDT 6.0 trillion national budget for the fiscal year (FY2021-22) in parliament on June 03 next. The new budget would set an economic growth target at 7.0% against the original target of 8.2% in the last fiscal year. The budget session of the parliament is scheduled to begin on June 02. The original budget size in the last fiscal year was BDT 5.68 trillion.
- Bangladesh's foreign exchange (forex) reserve crossed USD 45 billion-mark for the first time on Monday following lower import payment obligations and higher growth of inward remittance. Our forex reserve has crossed the USD 45 billion-mark mainly due to higher inflow of inward remittance in the recent months. Higher export earnings in the month of April have also contributed to achieving such forex reserve.
- The country's overall earnings from exporting goods stood at USD 32.07 billion during the first ten months of the current fiscal year (FY), 2020-21, marking an 8.74% growth compared to that of the corresponding period of last fiscal. Bangladesh fetched USD 29.49 billion during July-April period of 2019-20 fiscal. The July-April earnings in FY 21, however, missed the target set for the period by 4.63%.
- Private sector credit growth fell slightly in March this year when compared to the previous month, due to lower credit demand amid anxieties over the second wave of Covid-19 pandemic. In March, private sector credit growth stood at 8.79%, down from 8.93% in February. After plummeting to 8% in October last year, private sector credit growth rose to about 9% in February this year. Entrepreneurs focused on increasing production in the wake of rising demands, thanks to the end of the first wave of Covid-19 was over and the beginning of the vaccination programme. Under the influence of this, the credit growth began to increase.

Stock Market arena:

- Square Pharmaceuticals will launch its production facility in Kenya within the next four months in a move that will considerably enhance the company's earnings from East African nations. The local drug maker broke ground on its manufacturing plant in Nairobi back in 2018 and although the unit was initially set to begin production in 2020, the project was delayed by unavoidable circumstances.
- Orion Pharma Limited, one of the leading pharmaceutical companies for manufacturing and marketing of general drugs in Bangladesh, has initiated a move to manufacture Covid vaccines in the country. The company has communicated with the Russian Direct Investment Fund (RDIF) for the supply of Covid vaccine 'Sputnik V'.

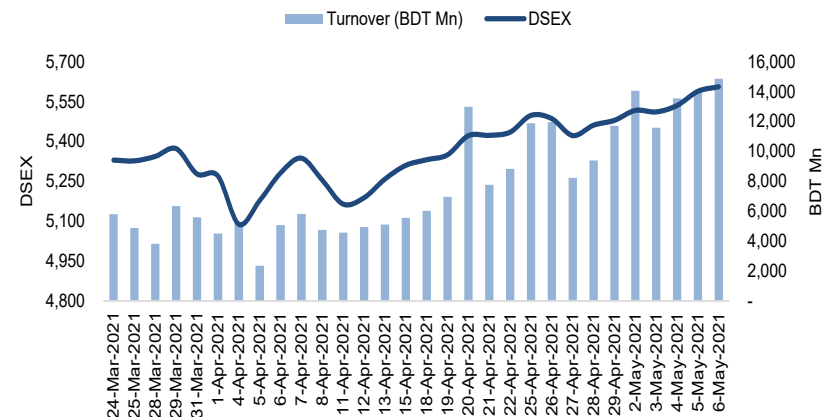
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,606.02	5,479.62	+126.40	5,402.07	+2.31%	+3.78%
DS30	2,137.29	2,110.91	+26.37	1,963.96	+1.25%	+8.83%
DSES	1,252.19	1,249.82	+2.37	1,242.11	+0.19%	+0.81%
CDSET	1,187.49	1,176.12	+11.37	1,123.03	+0.97%	+5.74%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	4,776,567	4,707,128	
	Mn USD	56,221	55,404	+1.5%
Turnover	Mn BDT	68,077	53,222	+27.9%
	Mn USD	801	626	
Average Daily Turnover	Mn BDT	13,615	10,644	+27.9%
	Mn USD	160	125	
Volume	Mn Shares	1,978	1,269	+55.9%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
METROSPIN	12.1	8.3	+45.8%	747	198.4	71.8x	0.8x
PADMALIFE	26.3	18.4	+42.9%	1,023	41.6	NM	NM
MALEKSPIN	19.9	14.2	+40.1%	3,853	245.4	NM	0.4x
MAKSONSPIN	14.9	11.0	+35.5%	3,550	1,191.5	NM	0.8x
DELTASPINN	8.2	6.3	+30.2%	1,365	106.4	21.3x	0.6x
NFML	33.2	26.1	+27.2%	3,069	1,633.2	62.1x	2.5x
GENNEXT	3.8	3.0	+26.7%	1,881	44.0	NM	0.3x
RUPALILIFE	66.9	53.4	+25.3%	1,969	531.1	NM	NM
NRBCBANK	14.9	11.9	+25.2%	10,468	469.9	6.3x	0.9x
ZAHEENSPIN	6.3	5.1	+23.5%	717	36.7	NM	0.7x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
SONALIANSH	510.4	575.9	-11.4%	1,384	99.6	NM	2.3x
PARAMOUNT	92.5	102.6	-9.8%	3,448	511.1	15.4x	3.4x
MLDYEING	31.4	34.4	-8.7%	7,298	9.3	57.8x	2.0x
SHURWID	14.1	15.4	-8.4%	809	29.6	10.2x	1.1x
AFCAGRO	15.4	16.8	-8.3%	1,774	15.6	NM	0.9x
RSRMSTEEL	18.7	20.4	-8.3%	1,892	8.2	NM	0.4x
RUPALIINS	38.5	41.9	-8.1%	2,952	500.9	20.6x	1.8x
KPPL	11.7	12.7	-7.9%	855	65.7	NM	1.0x
PROVATIINS	150.7	163.2	-7.7%	5,237	1,220.7	45.3x	6.7x
AOL	50.8	55.0	-7.6%	5,212	405.6	23.0x	2.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (BDT Mn)	Turnover (BDT Mn)	PE	PB
BEXIMCO	86.7	87.0	-0.3%	75,977	8,557	NM	1.2x
LANKABAFIN	35.1	32.3	+8.7%	18,913	2,197	26.6x	2.0x
LHBL	58.2	61.7	-5.7%	67,592	2,055	23.6x	3.7x
BXPBARMA	184.0	192.0	-4.2%	82,085	1,701	18.0x	2.3x
NFML	33.2	26.1	+27.2%	3,069	1,633	62.1x	2.5x
ROBI	45.9	45.3	+1.3%	240,421	1,410	NM	3.6x
PROVATIINS	150.7	163.2	-7.7%	5,237	1,221	45.3x	6.7x
MAKSONSPIN	14.9	11.0	+35.5%	3,550	1,191	NM	0.8x
BDFINANCE	33.4	33.5	-0.3%	5,931	1,118	17.7x	1.9x
BATBC	520.8	518.2	+0.5%	281,232	1,043	25.8x	2.8x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
EGEN	45.3	+353.0%	3,398	34.9x	1.8x
HEIDELBCEM	284.4	+90.1%	16,070	47.2x	3.7x
ROBI	45.9	+54.0%	240,421	NM	3.6x
BATBC	520.8	+32.3%	281,232	25.8x	2.8x
BSRMLTD	76.8	+27.6%	18,130	10.5x	0.7x
MICEMENT	58.4	+25.9%	8,672	24.6x	1.2x
BERGERPBL	1,762.0	+23.3%	81,718	33.1x	8.4x
LHBL	58.2	+21.8%	67,592	23.6x	3.7x
RENATA	1,300.1	+17.5%	126,692	27.6x	5.2x
SQUARETEXT	34.6	+16.1%	6,825	NM	1.0x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1,338.70	1,275.21	1,372.63	+4.98%	-2.47%
NBFIs	1,862.67	1,779.55	2,033.53	+4.67%	-8.40%
Mutual Funds	944.10	872.28	959.61	+8.23%	-1.62%
General Insurance	4,408.55	4,389.63	4,103.56	+0.43%	+7.43%
Life Insurance	2,178.61	2,042.64	2,162.58	+6.66%	+0.74%
Telecommunication	6,113.03	6,154.63	5,463.26	-0.68%	+11.89%
Pharmaceuticals	3,369.79	3,370.93	3,306.03	-0.03%	+1.93%
Fuel & Power	1,690.91	1,662.94	1,618.11	+1.68%	+4.50%
Cement	1,882.58	1,890.37	1,416.18	-0.41%	+32.93%
Services & Real Estate	1,073.77	1,017.55	1,083.79	+5.52%	-0.92%
Engineering	4,360.42	4,309.46	3,959.20	+1.18%	+10.13%
Food & Allied	20,550.37	20,446.52	14,705.76	+0.51%	+39.74%
IT	2,239.54	2,190.28	2,350.28	+2.25%	-4.71%
Textiles	997.33	912.32	1,087.41	+9.32%	-8.28%
Paper & Printing	5,038.25	5,082.69	5,487.56	-0.87%	-8.19%
Tannery	1,732.85	1,693.13	1,771.77	+2.35%	-2.20%
Jute	9,072.27	9,840.93	12,154.61	-7.81%	-25.36%
Ceramics	512.56	511.20	472.38	+0.27%	+8.51%
Miscellaneous	3,677.49	3,603.47	2,539.70	+2.05%	+44.80%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Bank	670.4	405.6	+65.3%	5.2%	7.6x	0.7x
NBFI	833.4	598.9	+39.2%	6.5%	71.5x	2.9x
Mutual Fund	368.2	147.2	+150.1%	2.9%	NM	0.8x
General Insurance	3,865.5	2,742.4	+41.0%	30.1%	22.4x	2.2x
Life Insurance	338.5	77.5	+336.5%	2.6%	NM	NM
Telecommunication	381.8	291.2	+31.1%	3.0%	18.9x	6.2x
Pharmaceutical	869.4	1,040.7	-16.5%	6.8%	21.0x	2.6x
Fuel & Power	663.5	685.3	-3.2%	5.2%	12.8x	1.4x
Cement	536.5	596.1	-10.0%	4.2%	23.3x	2.5x
Services & Real Estate	120.0	75.3	+59.2%	0.9%	NM	0.9x
Engineering	473.8	360.8	+31.3%	3.7%	34.8x	2.6x
Food & Allied	379.7	506.3	-25.0%	3.0%	33.5x	3.3x
IT	128.8	107.6	+19.6%	1.0%	27.8x	1.9x
Textile	823.3	224.0	+267.5%	6.4%	NM	0.7x
Paper & Printing	17.5	1.9	+834.4%	0.1%	47.9x	1.0x
Tannery	96.1	55.0	+74.7%	0.7%	NM	1.8x
Jute	20.0	28.5	-29.8%	0.2%	NM	14.3x
Ceramics	128.8	131.7	-2.2%	1.0%	NM	1.7x
Miscellaneous	2,143.4	1,531.0	+40.0%	16.7%	60.5x	1.8x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (BDT Mn)	P/E	P/B
ADNTEL	46.5	-27.7%	3,006	24.8x	1.8x
MTB	18.9	-21.6%	12,630	13.5x	0.8x
KPCL	35.7	-21.2%	14,188	11.8x	1.6x
MIRAKHTER	65.3	-19.4%	7,886	26.0x	1.5x
GHAIL	13.9	-16.8%	3,000	NM	1.0x
UNIQUEHRL	34.4	-13.1%	10,127	NM	0.4x
IPDC	24.1	-12.7%	8,943	11.9x	1.5x
OLYMPIC	168.3	-11.9%	33,650	16.2x	3.8x
DUTCHBANGL	58.1	-10.6%	31,955	5.8x	1.0x
BANKASIA	16.6	-8.8%	19,354	10.2x	0.7x

Important News: Business & Economy

BDT 6.0 trillion budget on June 3

• The government is expected to place a BDT. 6.0 trillion national budget for the fiscal year (FY2021-22) in parliament on June 03 next, people familiar with the development said on Wednesday. They said the new budget would set an economic growth target at 7.0% against the original target of 8.2% in the last fiscal year. The budget session of the parliament is scheduled to begin on June 02, according to a Jatiya Sangsad (national parliament) source. The original budget size in the last fiscal year was BDT 5.68 trillion.

<https://today.thefinancialexpress.com.bd/first-page/BDT-60tn-budget-on-june-3-1620236300>

Forex reserve crosses record USD 45 billion mark

• Bangladesh's foreign exchange (forex) reserve crossed USD 45 billion-mark for the first time on Monday following lower import payment obligations and higher growth of inward remittance, officials said. The forex reserve rose to USD 45.01 billion on the day, setting a new record, from USD 44.90 billion of the previous working day, according to the central bank's latest data.

• Our forex reserve has crossed the USD 45 billion-mark mainly due to higher inflow of inward remittance in the recent months, the deputy governor of the Bangladesh Bank (BB) said. The central bank officials, however, said higher export earnings in the month of April have also contributed to achieving such forex reserve.

<https://today.thefinancialexpress.com.bd/first-page/forex-reserve-crosses-record-45b-mark-1620063303>
<https://www.tbsnews.net/economy/reserve-touches-45b-40b-6-months-240928>

July-April exports rise 8.74% to USD 32 billion

• The country's overall earnings from exporting goods stood at USD 32.07 billion during the first ten months of the current fiscal year (FY), 2020-21, marking an 8.74% growth compared to that of the corresponding period of last fiscal. Bangladesh fetched USD 29.49 billion during July-April period of 2019-20 fiscal. The July-April earnings in FY 21, however, missed the target set for the period by 4.63%, according to the Export Promotion Bureau (EPB) data.

• After a continuous fall in export since the beginning of 2020, mainly due to the pandemic, the earnings started recovering from June, and entered into positive territory from July, according to the EPB data. Export earnings, however, witnessed a negative growth during the first half of the current FY (July-December), and continued throughout its first nine months, data showed. Officials attributed the recovery of ready-made garment (RMG) exports and a continuous good performance by jute and jute goods amid the pandemic behind the overall export growth.

<https://today.thefinancialexpress.com.bd/first-page/july-april-exports-rise-874pc-to-32b-1619978297>
<https://www.thedailystar.net/business/news/exports-fetch-313b-april-2087361>

Private sector credit growth drops in March

• Private sector credit growth fell slightly in March this year when compared to the previous month, due to lower credit demand amid anxieties over the second wave of Covid-19 pandemic. In March, private sector credit growth stood at 8.79%, down from 8.93% in February. After plummeting to 8% in October last year, private sector credit growth rose to about 9% in February this year. Entrepreneurs focused on increasing production in the wake of rising demands, thanks to the end of the first wave of Covid-19 was over and the beginning of the vaccination programme. Under the influence of this, the credit growth began to increase.

• But the second wave of Covid-19 since March has once again created an uncertain environment, which has also had an impact on the private sector credit growth. A former president of the Dhaka Chamber of Commerce and Industry and chairman of the Business Initiative Leading Development (BUILD) said that last month that the launch of the vaccination had given everyone hope, which had encouraged private sector investment. This has had a positive impact on debt growth in February, he added.

• However, entrepreneurs are increasingly worried as the pandemic started to a dangerous turn since mid-March. The effect may be felt in April-June. He does not see any possibility of new investments amid such an uncertain situation. There was little change in private sector credit growth over entire of the last financial year. As a result of the disbursement of loans under government-announced incentive packages, the growth in the first three months of the current financial year reached 9.5%. After that, it started to decrease again.

<https://www.tbsnews.net/economy/banking/private-sector-credit-growth-drops-march-239314>
<https://www.newagebd.net/article/136716/private-sector-credit-growth-falls-again-in-march>
<https://www.dhakatribune.com/business/banks/2021/04/29/private-sector-credit-growth-dips-in-march>

Bangladesh desperate for job

• Bangladesh has made a frantic move to get vaccines from several sources as its stock hit the rock bottom with no possibility for fresh supply from India. Officials engaged in the process said the government now eyes the surplus AstraZeneca stock of the United States to continue its vaccination drive.

• It was learnt that Russia sent a draft agreement to health ministry but its clauses are 'one-sided'. For example, the draft does not mention what will be the penalty if Russia fails to supply the vaccine. Highly-placed sources told the FE that the ministry is now revising the draft adding some clauses to ensure the country's interest. But it will take time to procure vaccines from Russia after completing the process.

<https://today.thefinancialexpress.com.bd/first-page/bd-desperate-for-jab-1620236439>
<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladesh-wants-chinese-russian-vaccines-asap-242092>

Looking away from banks, towards foreign source

• The government now wants to depend more on foreign loans to meet the deficit in the upcoming budget in a clear shift from the existing practice of borrowing from domestic sources, including the banking system. High foreign loan inflow during the pandemic year has led to the change in the policy, prompting the government to set a high borrowing target

from foreign sources, according to budget documents drafted by the finance ministry. When the banking sector remains awash with excess liquidity, the low borrowing target from the banking system may ultimately benefit private sector borrowers helping them get loans at a low cost. On the other hand, small savers may be affected by dwindling deposit rates, say industry insiders.

- The excess liquidity in the banking sector stood at BDT 1.98 trillion in March as private sector credit growth remained sluggish at 8.79% in March, far below the monetary target of 14.8% set for the current fiscal year. The government borrowing has already slowed during the pandemic year, causing a drastic fall in interest rates of government bonds and bills. In the upcoming budget for the fiscal 2021-2022, the government is planning to set the bank borrowing target at BDT 767.48 billion, 6.2% down from the revised budget target for the current fiscal year, according to the budget draft prepared by the finance ministry.

<https://www.tbsnews.net/economy/budget/looking-away-banks-towards-foreign-source-241534>

FDI in Bangladesh fell over 10% last year

- Foreign Direct Investment (FDI) in Bangladesh fell by 10.8% last year owing to the stagnant economy created by the global Covid-19 pandemic. Bangladesh received USD 2.56 billion FDI in 2020, down from USD 2.87 billion a year ago, according to the latest data from the Bangladesh Bank.

- According to the central bank data, equity investment rose 4.8% to USD 842.29 million, while reinvestment increased by 6.73% to USD 1,566.12 million last year. However, intra-company loans fell 74.26% to USD 155.17 million, the Bangladesh Bank data said. During the October to December quarter of last year, the country received USD 827.86 million in FDI, which was 14.97% higher than the same quarter of the previous year.

<https://www.dhakatribune.com/business/2021/05/04/fdi-in-bangladesh-fell-over-10-last-year>

Government opens up submarine cable license for local private, foreign companies

- The government has opened up the submarine cable licensing regime for private companies in apprehension that the country may fall into bandwidth scarcity by the year 2024 when the country's demand would reach 6 terabyte per second. The country's appetite for bandwidth consumption has been growing fast over the years and the outbreak of coronavirus has enhanced the growth rate further, prompting the government to go for alternative sources of bandwidth.

- Bangladesh Telecommunication Regulatory Commission data showed that the country's bandwidth usage jumped by 634 Gbps to 1,826 Gbps in November 2020 while the demand was 1,192 Gbps in December 2019. Of the bandwidth supplied to the users, lone state-owned entity Bangladesh Submarine Cable Company Limited is supplying around 85% of the demand due to its cost efficiency and reliability.

- When the country's demand would reach 6 Tbps by the year 2024, the capacity of BSCCL's existing capacity can be enhanced to 3,800 Gbps from 2,800 Gbps by upgrading its system, BSCCL managing director said. However, the country's capacity to provide bandwidth is expected to increase by 6 Tbps when the country would get connected to the submarine cable by March of the year 2024, he said. Even though Bangladesh would get

the additional 6 Tbps in 2024, any complexity in the submarine cable within the period would create a major problem for the country unless any other alternative is ensured, an official of BTRC said.

<https://www.newagebd.net/article/137112/govt-opens-up-submarine-cable-licence-for-local-pvt-foreign-cos>

Nokia ready for 'Made in Bangladesh' smartphones

- Nokia – a globally renowned handset manufacturer from Finland – is ready to launch its first production unit in Bangladesh, following other celebrated brands such as Samsung, Oppo and Realme. Vibrant Software (BD) Ltd, a joint venture of UK based Vibrant Software and Bangladesh's Union Group, secured a provisional licence from the Bangladesh Telecommunication Regulatory Commission (BTRC) this March for manufacturing and assembling Nokia phones locally. It plans to invest around USD 40 million for setting up a factory and other infrastructure at Bangabandhu Hi-Tech City in Gazipur, said sources, adding that the production was set to begin before Eid-al-Fitr, but the company changed their plans amid the spike in Covid-19 infections.

<https://www.tbsnews.net/bangladesh/telecom/nokia-ready-made-bangladesh-smartphones-241522>

Red-hot US recovery boosts RMG hope

- The strong performance of the US economy fuelled by the Biden administration's relief cheques to the people and the ongoing rapid vaccination holds promises for the recovery of Bangladesh's garment shipment to its single largest export destination. US economic growth accelerated in the first quarter as the government gave money to mostly lower-income households, fueling consumer spending and setting the course for what is expected to be the strongest performance this year in nearly four decades.

- GDP increased at a 6.4% annualised rate in the January to March quarter, the biggest first-quarter expansion since 1984. That followed a 4.3% growth rate in the fourth quarter, according to Reuters. The ongoing vaccination has boosted the confidence of consumers as they are dining out, shopping and going on holidays. Retailers have reopened stores. As a result, garment suppliers in Bangladesh are receiving a higher number of queries for US-bound work orders.

<https://www.thedailystar.net/business/news/red-hot-us-recovery-boosts-rmg-hope-2087893>

Incentive spending on remittance may go up

- The government may increase its allocation for incentive expenses for remittance in the next fiscal year as it looks to retain the surge of the flow of the cheapest source of foreign currencies for Bangladesh. It had earmarked BDT 30.60 billion in the original budget of the fiscal year of 2020-21 to pay incentives to the beneficiaries of remittance. The allocation has been raised by 47.06% to BDT 45.0 billion in the revised budget.

- The incentive expenses for remittance are increasing as the money sent by the migrant workers has been growing fast since the pandemic struck, defying grim forecasts. The receipts went past the USD 20-billion mark in the first 10 months of the current fiscal year. Between July and April, Bangladeshi received USD 20.66 billion, up 39% year-on-year.

<https://www.thedailystar.net/business/news/incentive-spending-remittance-may-go-2087897>

MFS industry swells riding on low-income groups

- Mobile financial services have gained immense popularity in Bangladesh, particularly among lower-income groups, but the charge to withdraw funds has remained almost unchanged since the inception of the digital platform in 2011. As a result, most clients have to fork out BDT 18.50 to withdraw BDT 1,000 from their accounts. It was the same when the service was rolled out. Although some MFS providers have recently slashed the charge to BDT 14, users and analysts say the rate is still higher, and a further reduction will benefit the poor, who avail the money withdrawal service through mobile phones most.
- A majority of MFS providers opined that only the central bank could cut the charge by issuing an instruction. Five stakeholders – agents, distributors, the government, mobile network operators (MNOs) and MFS providers – share the revenue generated from the cash-out charge. Of the cash-out charge, 77% goes to agents and distributors, 8% to MNOs, 14% to MFS providers, and 1% to the government in the form of tax. The revenue-sharing model is slightly different for the MFS providers that have imposed a lower charge than the maximum of BDT 18.50. Still, they have to share the same amount with the agents, distributors, MNOs, and the government.
- On condition of anonymity, officials of the MFS providers said that they managed a tiny profit from the cash-out charge. MFS providers usually rely on the clients' unused funds kept in their accounts. The operators keep the money with banks as fixed deposit schemes (FDRs), helping them manage a hefty interest. There is no scope for a single MFS provider to share lower revenue with the agents and distributors than other providers, the officials said. If any MFS provider tries to do so, distributors and agents will not provide the service of the provider.

<https://www.thedailystar.net/business/news/mfs-industry-swells-riding-low-income-groups-2087905>

Mobile connections grow by 4.49 million in Q1

- The number of active mobile phone connections increased by 44.93 lakh in the January-March quarter of the year 2021 when the country's economic activities were better since the rate of Covid infections was lower. As per Bangladesh Telecommunication Regulatory Commission data, the number of mobile connections increased to 174.6 million at the end of March 2021 from 170.1 million at the end of December 2020. The number of mobile internet connections increased by 3.98 million in the first three months of the year 2021.

<https://www.newagebd.net/article/137017/mobile-connections-grow-by-4493-lakh-in-q1>

10-month remittance above USD 20 billion

- Despite the economic impact of the Covid-19 pandemic, the inflow of remittances crossed USD 20 billion mark in the first 10 months of this fiscal year (FY), registering an increase of nearly 39% year on year, officials said. The inward remittances soared to USD 20.65 billion during the July-April period of FY 2020-21, compared to USD 14.87 billion in the same period of the previous fiscal year, the central bank's latest data reveals.
- The BB officials, however, said the inflow of remittances usually goes up before Eid-ul-Fitr festival every year. The government's incentive coupled with pro-active attitude of some

banks has helped drive the growth of inward remittances during the period under review, according to senior bankers. Bangladesh's foreign exchange reserve rose to USD 44.90 billion on Sunday from USD 44.88 billion in the previous working day, said a central banker.

<https://today.thefinancialexpress.com.bd/first-page/10-month-remittance-above-20b-1619978346>

<https://www.thedailystar.net/business/news/remittances-past-20b-10-months-2087357>

<https://www.tbsnews.net/economy/remittance-soars-nearly-doubles-year-year-april-240397>

Business confidence drops as pandemic intensifies: Survey

- Industries are again worried about their future as business activities have slowed down in the second quarter of 2021 following a strong resurgence of the Covid-19, according to a survey. As per the Business Confidence Index (BCI), calculated in the survey, the number of confident business entities dropped to 41.39% in the second quarter (April-June) of 2021 from 57.90% in the previous quarter (January-March). The findings of the survey, unveiled on Sunday, also showed that the sectors like RMG, textiles, pharmaceuticals, food processing and financial institutions saw faster recovery during two previous quarters. Leather, light engineering, restaurant, transport and real estate sectors, however, witnessed a slower recovery.
- About 39.02% of the micro and small enterprises, are now confident about their business in upcoming months. Nearly 57% of them were found to be confident in the previous quarter. Of the medium businesses, the confidence level is positive for 40.83%. It was 56.79% during the January-March period of this year. On the other hand, 46.61% of large firms are still confident enough about their business. It was 60.88% in the immediate past quarter, the South Asian Network on Economic Modeling (SANEM) executive director said.

<https://today.thefinancialexpress.com.bd/first-page/business-confidence-drops-as-pandemic-intensifies-survey-1619978245>

<https://www.thedailystar.net/business/news/business-confidence-hits-rock-bottom-survey-2087349>

<https://www.tbsnews.net/economy/second-wave-cuts-deep-business-confidence-240496>

SMEs can apply for incentive loans from Sunday

- Small and medium enterprises (SMEs) can apply for loans under the government's incentive package to offset the coronavirus losses from Sunday. A virtual press briefing revealed on Saturday that enterprises can apply for loans through Brac Bank, Mutual Trust Bank, Premier Bank, Basic Bank, and IDLC Finance. Later, they can gradually apply for loans through the remaining banks and financial institutions that have signed an agreement with the SME Foundation. The fund comes from the SME Foundation, the managing director of SME Foundation said last week adding that they will provide BDT 1 billion in the current fiscal year and another BDT 2 billion in the next fiscal year 2021-22.

<https://www.tbsnews.net/economy/smes-can-apply-incentive-loans-sunday-240463>

Internet users jump by 3.4 million in March

- The country's Internet subscriber base grew by 3.4 million newly registered users in March compared to the previous month. The total number of Internet subscribers reached 116.1 million in March; it was 1.13 million in February, says a report of the Bangladesh Telecommunication Regulatory Commission (BTRC). A large part of the new Internet customers consists cell phone users – 3.1 million– who recently subscribed to Internet

services of different mobile operators, whereas broadband Internet providers received only 0.2 million new users.

- During the period, mobile operators also registered 1.2 million new SIM users. The BTRC report says the total number of mobile SIM users rose to 174.6 million in March – from 173.3 million in February.

<https://www.tbsnews.net/companies/telecom/internet-users-jump-34-lakh-march-240049>

Apparel exporters to pressure British retailer EWM for due payments

- Bangladeshi apparel exporters are going to put diplomatic pressure on British apparel empire Edinburgh Woollen Mill Group (EWM) for due payments for shipped goods and cancellations of orders to its Bangladeshi suppliers. Apparel suppliers of the country are preparing to discuss the issue with the Bangladesh High Commission in Britain and with a number of British lawmakers. According to Bangladesh apparel industry insiders, the discount fashion chain has played a trick to deprive its suppliers through getting liabilities write-off. But Bangladeshi factories are holding huge stocks of goods ordered by them and also have not received payments for shipped goods. According to sources, Edinburgh Woolen Mills and its subsidiary brands owe about USD 27 million to some 22 Bangladeshi apparel exporting companies.

<https://www.tbsnews.net/economy/rmg/apparel-exporters-pressure-british-retailer-ewm-due-payments-239806>

Government unlikely to meet bank borrowing target this fiscal

- The government's bank borrowing target is unlikely to be achieved by the end of this fiscal year (FY) due to lower implementation of the annual development programme (ADP) caused by the ongoing Covid-19 pandemic. Higher sales of national savings certificates (NSCs) have also pushed down the borrowing from the country's banking system by the government to meet budget deficit, officials said. The observations came against the backdrop of setting the net bank borrowing target at BDT 30 billion by the Ministry of Finance for the month of May to meet budgetary expenditures.

- The government may take out up to BDT 165 billion in gross borrowing from the banking system for the single month (May) by issuing treasury bills (T-bills) and bonds, according to the auction calendar, issued by the central bank, on Thursday. The government's net bank borrowing may reach BDT 30 billion in May after deducting BDT 135 billion against the government securities that would be matured in the month, the officials added.

- Meanwhile, the implementation rate of the ADP in the first seven months of FY'21 hit a five-year low at 28.45% due to a lack of capacity in utilising funds by major ministries amid the pandemic. The government agencies spent BDT 610.48 billion, only 28.45%, of the total ADP outlay during the July-January period of this fiscal year, according to Implementation Monitoring and Evaluation Division (IMED) figures. On the other hand, the net sales of NSCs more than tripled in the first eight months of FY'21 mainly due to lower interest rate, offered by the scheduled banks, on deposits.

<https://today.thefinancialexpress.com.bd/first-page/govt-unlikely-to-meet-bank-borrowing-target-this-fiscal-1619804248>

Number of agent banking accounts reach 10 million mark in 7 years of launch

- The number of agent banking accounts in the country reached the 10 million mark in January 2021 in seven years of the service launch. The central bank introduced the idea of agent banking in 2013 with a view to bringing the unbanked people under the formal banking channel by taking the services to the remote locations of rural Bangladesh. After the formation of agent banking guidelines in 2013, Bank Asia launched the services in January 2014 and became the country's first bank to seize the opportunity of serving people in a cost-effective manner.

- Following the Covid-19 outbreak in the country, agent banking became more relevant as a concept as the banks opted to refrain from opening branches during the outbreak to stay cost efficient. On the other hand, the number of agents and outlets of the banks during the outbreak expanded by almost one and a half times in a span of one year. In February 2021, transactions through the agent banking wings of the banks increased to BDT 90.64 trillion from BDT 63.89 trillion a year ago.

<https://www.newagebd.net/article/136787/number-of-agent-banking-accounts-reach-one-crore-mark-in-7-years-of-launch>

AC market heats up on people's lifestyle changes

- Riding on lifestyle changes, the local air-conditioner market has been witnessing a sharp rise in sales during the pandemic-led new normal even as most other luxury products have limped along. Local AC manufacturers and traders say AC sales have increased by 25-30% more than at any other time in the first three months of this year. And the sales are several times higher compared to last year.

- In 2020, AC sales of all brands dropped due to misinformation about Covid-19 as well as a pandemic-led long factory and market closure. But the market rebounded quickly as more and more people installed air-conditioners at home as their home office hours were prolonged. On top of this, rapid urbanisation, changes in weather, an increase in per capita income, growing size of the middle class, affordable AC prices and acceptance of the air conditioning system as a utility rather than a luxury item also augmented the market growth.

According to AC makers, 0.45 million units of ACs were sold in the country in 2019 with a growth of more than 15% per annum. In terms of money, annual sales amounted to more than BDT 50 billion. The growing market stumbled in 2020 in light of the Covid-19 outbreak in Bangladesh. Last year, fewer than 0.3 million units of ACs were sold. However, sales this year are expected to surpass 0.6 million units, riding on huge demand. Even ten years ago, the AC market was completely dependent on imports of international brands such as General, Hitachi, Panasonic, Singer, Samsung and LG. But local brand Walton now occupies more than 30% of the market. Besides, Samsung, MyOne, Unitech, Transcom Digital, Vision, Jamuna and Butterfly AC are being manufactured locally. On the other hand, only about 35% of ACs are now being imported.

<https://www.tbsnews.net/economy/industry/ac-market-heats-peoples-lifestyle-changes-239473>

Government gives nod for use of Chinese vaccine

- Two days after the approval of Russian Covid-19 vaccine, the government on Thursday gave final approval for emergency use of Chinese coronavirus jab developed by

Sinopharm, officials said. Following the latest development, now there is no legal restriction to import and use the Sinopharm vaccine to develop a strong immune system against the viral disease. According to the country's Directorate General of Drug Administration (DGDA), the Covid-19 vaccine developed by Sinopharm is the third coronavirus vaccine to be administered here, after AstraZeneca and Sputnik V.

- The vaccine doses will be collected through G2G (government to government) agreement. At the same time, the government-level talks are taking place on manufacturing the Sinopharm vaccine here. Talking about the local vaccine manufacturing capacity, DGDA director said that three pharmaceutical firms - Incepta, Popular and Health Care - are much capable of making vaccines here. Of these, Incepta alone is capable of producing eight million doses per month. The production will begin within 45 days, if they receive the raw materials.

<https://today.thefinancialexpress.com.bd/first-page/govt-gives-nod-for-use-of-chinese-vaccine-1619717354>

Oxygen supply suspension to hurt shipbuilding, steel industries

- The government's directive to stop oxygen supply to industries may greatly impact shipbuilding and steel industries while several sectors, including automobiles and construction, could be in crisis. Industry players say steel and re-rolling mills will close if there is no oxygen supply while housing and construction may be hampered by rising rod prices. On the other hand, as oxygen is used in assembling chassis and automobile parts at factories and car workshops, the industry may also face a crisis.

- Rod is an essential material in the construction sector. Local companies meet the complete demand for rod in the country. They say oxygen is used in the welding section in rod production. Otherwise, the machines get stuck and production is disrupted. If there is no oxygen supply, it is feared that the whole production will be disrupted. But some factories may be able to continue production for 10-25 days using their existing stocks of oxygen, said the secretary general of Bangladesh Steel Manufacturers Association.

<https://www.tbsnews.net/economy/industry/oxygen-supply-suspension-hurt-shipbuilding-steel-industries-238861>

Important News: Capital Market

Square Pharma set to launch factory in Kenya

- Square Pharmaceuticals will launch its production facility in Kenya within the next four months in a move that will considerably enhance the company's earnings from East African nations. The local drug maker broke ground on its manufacturing plant in Nairobi back in 2018 and although the unit was initially set to begin production in 2020, the project was delayed by unavoidable circumstances.

- With the state-of-the-art machinery, Square Pharmaceuticals Kenya EPZ Ltd aims to fulfil the unmet demand for medicine in Kenya, Tanzania, Rwanda, Burundi, Uganda and South Sudan. The total project cost is estimated to be USD 17 million and working capital is USD 3 million, as per the company's annual report. Of this amount, USD 12 million will be financed by Square Pharmaceuticals as equity investment while the rest will be financed

through loans.

<https://www.thedailystar.net/business/economy/news/square-pharma-set-launch-factory-kenya-2089101>

<https://www.tbsnews.net/companies/pharma/square-start-drug-production-kenya-august-242125>

Orion Pharma wants to produce Russian Covid vaccines

- Orion Pharma Limited, one of the leading pharmaceutical companies for manufacturing and marketing of general drugs in Bangladesh, has initiated a move to manufacture Covid vaccines in the country. Orion Pharma said that the company had set up a four-storied building for upcoming pharmaceutical products (none penicillin, none cephalosporin) manufacturing facility. The company has communicated with the Russian Direct Investment Fund (RDIF) for the supply of Covid vaccine 'Sputnik V' but at this moment, they are supplying vaccine government-to-government.

<https://www.newagebd.net/article/137106/orion-pharma-wants-to-produce-russian-covid-vaccines>

Beximco-Serum: Talks on to make Oxford vaccines here

- Serum Institute of India has been in talks with Beximco about producing the Oxford-AstraZeneca vaccine in Bangladesh. Serum's discussion with its Bangladeshi agent Beximco Pharmaceuticals Ltd is part of an effort to ramp up production as the former struggles to meet the demand in India and the global supply commitments. Beximco has asked Serum about the amount of doses that can be produced here and where the doses would be supplied to, Beximco Managing Director said. It will be a milestone in the pharmaceuticals sector of Bangladesh, if Beximco produces the vaccine here, he added.

- Meanwhile, Bangladeshi pharmaceutical company Renata Limited has sought permission from the government to bring Moderna's Covid-19 vaccine. The director general of the Directorate General of Health Services said that if brought to Bangladesh, the Moderna vaccine, that needs to be stored in sub-zero temperature, can be stored in Dhaka. We still do not have the resources to store them outside Dhaka.

<https://www.thedailystar.net/frontpage/news/beximco-serum-talks-make-oxford-vaccines-here-2087673>

Court orders Lafarge to pay BDT 902 million

- LafargeHolcim Bangladesh Ltd, multinational cement manufacturing company, will have to pay an outstanding gas bill of around BDT 902.50 million to state-run Jalalabad Gas Transmission and Distribution Systems Ltd (JGTDSL) in accordance with a court's verdict. It will have to pay BDT 100 million along with regular bills within one month and the remaining amount will have to be paid in quarterly instalments of BDT 100 million.

- Sources said the cement company has been consuming around 16 million cubic feet per day (mmcf) of gas in total of which it consumes 12.30 mmcf to run boiler for cement production and remaining 3.70 mmcf to run a captive power plant at the factory site. LafargeHolcim was earlier paying gas tariff in line with the Gas Sales Agreement (GSA) signed between the JGTDSL and the then Lafarge Surma Cement Ltd 15 years ago in January 2003. It has been paying BDT 7.91 per cubic metre as gas tariff against its gas

consumption from the JGTDSL, which was the ceiling price at USD2.8 per Mcf (1,000 cubic feet) as set in the GSA between the two companies. As per the court verdict, the cement factory will have to pay almost double tariff at BDT 13.85 per cubic metre to run its captive power plant and BDT 10.70 per cubic metre for gas consumption in the cement factory.

<https://today.thefinancialexpress.com.bd/first-page/court-orders-lafarge-to-pay-BDT-902m-1620063399>

Capital Market Stabilisation Fund Rules approved

• The securities regulator has approved the Bangladesh Securities and Exchange Commission (Capital Market Stabilisation Fund) Rules, 2021 on receipt of public opinion. The BSEC earlier formulated the rules aiming to create a market stabilisation fund worth around BDT 210 billion with unclaimed dividends of listed companies. As per the information of Dhaka Stock Exchange and Chittagong Stock Exchange, 335 listed companies have unclaimed cash dividends worth BDT 9.56 billion and unclaimed or unsettled stock dividends worth BDT 199.86 billion. According to BSEC officials, many companies use the investors' funds for their own interest. That's why the BSEC has felt the necessity of collecting unclaimed funds for the purpose of controlling the fluctuation in companies' share prices.

<https://today.thefinancialexpress.com.bd/stock-corporate/capital-market-stabilisation-fund-rules-approved-1620144813>

Bangladesh Bank clips National Bank's wings

• In a rare move, the central bank has taken a raft of measures to put National Bank Ltd back on track in the wake of massive irregularities at the first-generation private lender. The Bangladesh Bank said NBL, one of the oldest private banks in the country, would not be able to disburse fresh loans before bringing down the advance deposit ratio (ADR) to 87%. Conventional banks must maintain an 87% ADR, meaning they can lend BDT 87 against every BDT 100 mobilised. NBL has been maintaining more than 90% ADR for a long time, breaching the rules, compelling the central bank to take such a decision, BB officials said. The higher ADR indicates that the bank is lending aggressively, ignoring the interest of the depositors.

• The financial health of the bank started worsening in 2009 when Sikder Group took over the control of the board. NBL did not hold any board meeting between December 27 last year and April 11 this year, but it allegedly disbursed large loans without approval from the board. The BB has imposed an annual credit growth ceiling of 10% on the bank as part of its efforts to tackle aggressive lending.

<https://www.thedailystar.net/business/news/bb-clips-national-banks-wings-2088425>

UCB to invest BDT 2 billion in venture capital, private equity funds

• The United Commercial Bank Limited (UCB) will invest an aggregate amount of fund worth BDT 2.0 billion in a venture capital fund and a private equity fund as well. As a sponsor, UCB will invest BDT 1.0 billion in the venture capital fund, namely UCB Venture Capital Fund - One. The size of the venture capital fund will be BDT 3.5 billion. UCB will also invest another BDT 1.0 billion in a private equity fund, namely UCB Private Equity Fund - One. The size of the private equity fund will also be BDT 3.5 billion. The UCB board also decided to form a subsidiary - UCB Alternative Investments - to ensure smooth and

successful management of alternative investment funds, such as venture capital, private equity, and impact funds etc.

<https://today.thefinancialexpress.com.bd/last-page/ucb-to-invest-BDT-2b-in-venture-capital-private-equity-funds-1620150026>

<https://www.thedailystar.net/business/news/ucb-form-BDT-700cr-funds-2088417>

Union Bank aims to raise BDT 4.28 billion with IPO

• Fourth generation Union Bank Ltd has announced it will offload its shares in the stock market with initial public offering (IPO). The bank wants to raise BDT 4.28 billion from the stock market under the fixed price method. Each share of the bank will be issued at a face value of BDT 10. Union Bank will use its IPO funds for business expansion. Prime Bank Investment and Brac EPL Investments Limited will be the issue managers for the bank's IPO.

<https://www.tbsnews.net/economy/stock/union-bank-aims-raise-BDT428cr-ipo-241525>

BSEC to relax listing rules for perpetual bonds

• The stock market regulator has decided to waive the existing rules regarding the direct listing procedure at the stock market to facilitate the trading of the perpetual bonds. Previously, the perpetual bonds were issued through private placement and they were not tradable at the stock market. So, the authority needs to waive the rules to make it tradable at the stock exchange.

• Perpetual bonds, debt securities without maturity, are gaining momentum in Bangladesh as a large number of commercial banks are on their way to strengthening the Tier-I capital base to comply with Basel III guidelines. After that, in March this year, the Bangladesh Bank and the BSEC in a meeting decided that perpetual bonds issued by the banks must be listed on the stock exchanges within 30 days of their subscription closure.

<https://www.tbsnews.net/economy/stock/bsec-relax-listing-rules-perpetual-bonds-241513>

Foreign companies allowed to be sponsor of mutual funds

• Foreign companies from now on will be allowed to be the sponsor of mutual funds (MFs) managed by local fund managers. As per the new provision, a foreign company will be allowed to contribute maximum 25% of the size of a MF. As per the existing rules, the banks, financial institutions, insurers and any kind of public limited company can be the sponsor of a MF. A sponsor can contribute minimum 10% of the MF.

<https://today.thefinancialexpress.com.bd/stock-corporate/foreign-companies-allowed-to-be-sponsor-of-mutual-funds-1620058297>

<https://www.newagebd.net/article/137015/bsec-allows-foreign-investors-to-be-mfs-sponsor>

BSEC to appoint auditor for Fareast Finance

• The Bangladesh Securities and Exchange Commission (BSEC) will appoint a special auditor for Fareast Finance and Investments to investigate the company's financial situation. Fareast Finance, a listed non-bank financial institution, has failed to provide any dividends to investors since 2017 due to considerable losses. The company's reserve

stands at BDT 1.17 billion in the negative while its paid-up capital is BDT 1.64 billion, data from the Dhaka Stock Exchange (DSE) shows.

<https://www.thedailystar.net/business/news/bsec-appoint-auditor-fareast-finance-2087869>

Beximco Pharma earns BDT 383.7 million through delivery of 5.0 million vaccines

- Beximco Pharmaceuticals has bagged a net profit worth BDT 383.70 million through delivery of 5.0 million Covid-19 vaccines imported from India during January-March (Q3), according to a disclosure. As a result, the company's profit from each Covid-19 vaccine stood at BDT 76.74, excluding all relevant expenses. The company has imported Oxford-AstraZeneca vaccine produced by the Serum Institute of India to Bangladesh.

- The company has also informed that they have entered into a tripartite agreement with the Government of Bangladesh (GOB) and the Serum Institute of India Pvt. Ltd. (SII), for the supply of 30 million doses of Oxford University-AstraZenca SARS-CoV-2 vaccine, AZD1222, in Bangladesh. As per agreement, the company is to receive fees for import, storage and delivery of the vaccine to the GOB warehouses across the country, the disclosure said.

<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-pharma-earns-BDT-38370m-thru-delivery-of-50m-vaccines-1619973193>

<https://www.thedailystar.net/business/news/beximco-profits-BDT-77-each-vaccine-dose-2087353>

<https://www.tbsnews.net/companies/covid-19-proves-blessing-beximco-239263>

Olympic finds a silver lining in pandemic

- When economies and businesses took a mighty blow during the Covid-19 pandemic, a few sectors and companies in Bangladesh like elsewhere in the world have found a silver lining amidst the crisis. Biscuits and confectionery manufacturer Olympic Industries Limited is among the lucky few companies. It has registered continuous growth in business since the outbreak of the coronavirus in the country in March 2020.

The demand for the branded biscuits and confectionery products has taken the shape in alternate ways as people are avoiding eating out in hotels and restaurants in fear of infection during the pandemic. Sources in the company said the price of raw material for biscuits and confectioneries shot up in the pandemic, resulting in an increase in both manufacturing costs and other expenses.

Olympic Industries will dismantle an old building and construct a new five-storey one at a cost of BDT 510 million by August 2024. The basic construction for starting machinery installation is expected to complete by August 2024. The new building will have more than 0.17 million square feet of floor area in its place at the company's Madanpur factory in Narayanganj.

<https://www.tbsnews.net/economy/stock/olympic-finds-silver-lining-pandemic-240481>

Nialco stock subscriptions May 16-20

- Stock subscriptions for the country's first-ever small and medium enterprise (SME) to enter the stock market would run between May 16 and 20. Nialco Alloys has got the market regulator's nod to raise funds from qualified investors. Eligible investors can use an

electronic subscription system under the fixed price method. Being a qualified investor requires maintaining a minimum investment of BDT 10 million only at market price in matured listed securities as on May 04, 2021.

- The shares will be traded at the SME platform of the bourses where general investors are not permitted to trade. The small-cap board, called the DSE SME, was rolled out on April 30 with a view to facilitating small and medium-sized enterprises in raising funds. Previously they could not avail the process for their lower turnovers.

<https://www.thedailystar.net/business/news/nialco-stock-subscriptions-may-16-20-2087341>

<https://www.tbsnews.net/economy/stock/nialco-alloys-qio-subscription-begins-16-may-240487>