



**UTTARA FINANCE**  
CAPITAL MANAGEMENT LIMITED



About **750** types of goods are exported from Bangladesh



Garment accounts for about **84%** of total export earnings



Some **659** types of goods are exported from **4** sectors: steel and iron, chemicals, electronics and electrical, and furniture



Tariff Commission recommends bringing all the **4** sectors under bonded warehouse facility

**EXPORTS**  
**THINGS TO KNOW**

# Daily Business News

July 8, 2021

BUSINESS NEWS ANALYSIS REPORT

## Capital Market News

### TOP GAINERS IN DSE

COMPANY	CATEGORY	RISE (in %)
Paper Processing	Z	10
BIFC	Z	10
Tamijuddin Textile	Z	9.87
ISN Ltd	B	9.74
Sonali Life Insurance	N	9.77
Matin Spinning	A	9.6
Fu-Wang Ceramic	B	9.45
International Leasing	B	9.33
Fareast Finance	Z	9.09
Sonali Paper	A	8.73

**Stocks continue to fall amid profit taking**

The stock market continued to fall for a second consecutive day yesterday owing to a profit booking tendency prevailing among investors. Despite this, companies whose performances were not up to the mark remained bullish. Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) decided to extend trading hours by an hour to 2:00pm from today in tune with that of banks.

Trade on a normal day ends at 2:30pm. From today, the pre-opening session begins at 9:45am and the post-closing session ends at 2:15pm, said a BSEC press release. The DSEX, the benchmark index of the Dhaka Stock Exchange

(DSE), nosedived 19.35 points, or 0.31 per cent to 6,177.21.

Investors are raking in profits from the market as the prime index had risen to its highest point in three-and-a-half years, said a merchant banker. Last Monday, the DSE's index soared to 6,219. When the market opened on a rising trend yesterday, many people started availing profits and the rising trend proves that investors had confidence on the market, he said.

If such confidence continues to prevail, the market will remain healthy, said the merchant banker, adding that the rise of companies whose performance was not that good was not a good sign. Among the top 10 gainers, only two were from the "A" category, meaning

they had provided more than 10 per cent dividends last year.

Another four were from the "Z" category, meaning they had either failed to provide dividends or closed production. Three more were from the "B" category, meaning their dividend payout was less than 10 per cent. The remaining one was a newly listed company. Investors should be cautious because companies whose performances were not that good could end up eroding their investments, added the merchant banker.

Turnover, another important indicator of the market, dropped 11 per cent to Tk 1,577 crore while it was Tk 1,789 crore a day earlier. At the DSE, 142 stocks advanced, 205 declined and 25 remained unchanged.

<https://www.thedailystar.net/business/economy/stock/news/stocks-continue-fall-amid-profit-taking-2126117>

### **Dawn Global launches ETF listed on NYSE**

Bangladesh stock market can attract more foreign investment through easing concerns related to liquidity, potential regulatory involvement, enlistment of local companies, and providing more incentives, said Maurits Pot, Founder & CIO of Dawn Global Management.

In an exclusive interview with the FE, Mr Pot talked about Bangladesh stock market, its potentials and weaknesses, strengths of Bangladesh's economy to lure foreign investment utilising

its unique window of demographic dividend and the country's stable growth trajectory.

Dawn Global, London and Jersey, recently launched the Asian Growth Cubs exchange traded fund (ETF) listed on the New York Stock Exchange (NYSE) focusing on public equities in five emerging and frontier growth markets including Bangladesh.

Cubs is the first active thematic ETF dedicated to emerging and frontier growth markets, focused specifically on five large, fast growing yet historically difficult to access markets spanning over 860m people - Bangladesh, Indonesia, Pakistan, Philippines, and Vietnam

Dawn Global is pioneering active thematic ETF investing in the next generation of growth markets through public companies that are leaders, enablers, and beneficiaries of growth markets trends. The company offers institutional investors, multifamily offices, investment and financial advisors long-term geographic and growth diversification accessed via public markets. It focuses on growing companies that are leaders, enablers, and beneficiaries of emerging and frontier market growth trends.

Referring to the weaknesses of Bangladesh's stock market, Mr Pot said, historically, potential concerns surrounding the Bangladeshi stock market have included 1) liquidity concerns, 2) potential regulatory involvement concerns, 3) lacking incentives and onerous requirements for new

domestic companies to be listed and 4) pipeline of companies listing locally.

<https://thefinancialexpress.com.bd/stock/dawn-global-launches-etf-listed-on-nyse-1625659813>

## **Industry News**

### **Extend the scope to non-RMG as well**

The Bangladesh Trade and Tariff Commission (BTTC) has recommended the government extend the duty-free raw material import facility to the firms that sell a portion of their goods in overseas markets with a view to diversifying exports.

Now, 100 per cent export-oriented manufacturers get the duty-free scope while importing raw materials under the bonded warehouse scheme. Apparel exporters mostly enjoy the facility. The importers of raw materials in the iron and steel, chemicals, electronics and furniture industries who export a part of their goods do not enjoy the benefit. Instead, they get the duty drawback, which is the refund of duties and taxes paid on inputs or raw materials used for the manufacture of exported goods and services.

But the refund is made after the goods are shipped, so it takes time. As a result, the importers face a capital shortage. So, the BTTC has now recommended the commerce ministry allow partially export-oriented sectors to import raw materials duty-free under the

bonded warehouse facility. The recommendations were made in a report that was submitted to the commerce ministry on June 25. A copy of the report was obtained from the ministry.

Bangladesh's export earnings have been reliant on the garment industry for the last few decades. In the just-concluded fiscal year, about 85 per cent of the total export receipts amounting to \$38.75 billion came from the apparel industry.

In a report, the BTTC said that the export dependence on a single product could be overcome by implementing its recommendations. Bangladesh exports 750 types of products. Of them, 43 are in the garment industry. The raw materials of 48 types of export-oriented goods are locally available.

The rest 659 types of products come from four sectors, namely steel and iron, chemicals, electronics and electrical, and furniture. But the bonded warehouse facility is not available for the entrepreneurs in the four sectors, although about 80-90 per cent of the raw materials used by them are imported. As a result, the entrepreneurs in these sectors pay 30 per cent to 65 per cent duty at the import stage, the commission report said.

<https://www.thedailystar.net/business/economy/industries/news/extended-the-scope-non-rmg-well-2126141>

**MFS transactions reach fresh record of Tk 71,247cr in May**

Transactions through the mobile financial services reached a fresh record of Tk 71,246.9 crore in May due to addition transactions during Eid-ul-Fitr, one of the biggest religious festivals of the Muslims, and restrictions on public movement amid the Covid outbreak. Bangladesh Bank data showed that the transaction volume in May is 12.3 per cent or Tk 7,805.7 crore higher than the Tk 63,441.2 crore in transactions in April 2021. The transaction volume in April was the second highest transaction. The third highest transaction volume, Tk 63,000 crore, through MFS took place in July 2020 during Eid-ul-Azha.

Daily average transactions through bKash was above Tk 2,000 crore with the number of transactions through its platform reaching above one crore in May, taking its monthly transactions to above Tk 60,000 crore and around 30 crore transactions. The BB data showed that shipping spending through MFS reached Tk 3,650.5 crore, salary disbursement stood at Tk 2,786 crore, the government's payments stood at Tk 1,309.2 crore and utility bill payment reached Tk 1,107 crore, among others.

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

**High-value clearing cheque presentment until 12pm**

The Bangladesh Bank has changed the daily timings for interbank cheque clearing as coronavirus lockdown extended until 14 July. In a notification to the scheduled

banks Wednesday, the central bank said the new timing, with the high-value clearing cheques (Tk5 lakh and above) presentment until 12pm, will be effective on Thursday. Previously, the presentment deadline of such cheques was 11:30am as the banks have been transacting on a limited scale amid a countrywide lockdown from 1 July.

With the week-long movement curbs extended by another seven days, the new settlement timing for the high-value clearing cheques through the automated cheque processing systems has been set at 1.30pm, said the notification.

For the regular value cheque clearing, the presentment time has also been extended by half an hour to 12:30pm. The timing for real time gross settlement will be 10am to 2:30pm. However, payment of customs duties, fees, charges and interbank transactions will be available until 3:30 pm. The notification said the new cheque clearing timing will be effective until further notice. The Bangladesh Electronic Funds Transfer Network (BEFTN) service will remain unchanged.

Banks and financial institutions are open on a limited extent to curb the coronavirus spread. Banks and financial institutions will be closed on Sunday too along with previous Friday and Saturday every week during the movement curbs.

In another circular, the central bank Thursday said financial institutions will remain open from 10am to 3pm. Until now, the institutions were open until 2:30pm amid the

movement curbs. The circular said maximum two branches of a financial institution will be open to provide emergency financial services to the clients. Of the two branches, one in Dhaka and one outside of the capital will be providing the services.

<https://www.tbsnews.net/economy/banking/high-value-clearing-cheque-presentment-until-12pm-271681>

## Economy News

### **Bangladeshi poor bear over 12pc burden of VAT: Study**

Value-added tax (VAT) is an injustice for the poor in Bangladesh as they have to shoulder the burden of 12.1 per cent of the regressive tax on their income. A study styled 'Aid to Pro-poor Domestic Revenue Mobilisation: The World Bank's Revenue Mobilisation Programme for Results in Bangladesh' revealed this on Wednesday. According to the survey jointly conducted by SUPRO and Oxfam Bangladesh, the burden of VAT is only 5.9 per cent for the rich.

The poor have no idea that they are paying tax every day as there is VAT on mobile phone bill, medicine, gas, electricity and other essential services, it said. The report of the study, conducted by SUPRO researcher Mohammad Shahid Ullah, was presented during a webinar styled 'Domestic revenue mobilisation in Bangladesh' attended by planning minister as

the chief guest. The aim of the study was to evaluate the WB-funded VAT Online Project.

However, the study report was prepared on June 18, 2019, before the implementation of the new VAT law and did not reflect many amendments to the original law. The study was later reviewed by Dr Nasiruddin Ahmed, former chairman of the National Board of Revenue (NBR). It alleged that the WB project would increase the existing tax burden on the poor people and increase dependency on indirect tax.

The report said the project was taken without proper assessment or feasibility study and stakeholders feared inflation that would harm poor consumers, and small and medium enterprises. It recommended that the donors do not impose any policy reform as it should be open and transparent for stakeholders. Poor people have no trust in the governance system which can materialise their rights and entitlements, the study observed.

<https://thefinancialexpress.com.bd/economy/bangladeshi-poor-bear-over-12pc-burden-of-vat-study-1625711611>

### **Current account deficit narrows 58% in Jul-May of FY21**

The deficit in the country's current account balance shrank significantly in the just concluded 2020-21 fiscal year, thanks to high remittance inflows and rising export earnings. According to latest data released by the Bangladesh Bank, the deficit in the

current account balance narrowed by 58% to \$1.84 billion in the first 11 months of the last fiscal year.

The growth in export earnings that went to a negative trajectory following the outbreak of Covid-19 has returned to a moderate growth, thanks to a fast recovery in apparel exports. In the immediate past 2020-21 fiscal year, the country's export earnings from the apparel sector grew by 12.55% compared to the previous year to stand at \$31.46 billion.

The Export Promotion Bureau (EPB) set the apparel exports target at \$30.76 billion for FY21. The annual growth in overall exports, however, was 15.10%. The country's exports raked in \$38.75 billion in the just-concluded fiscal year. In FY20, the export growth was negative 17%, according to the Bangladesh Bank.

The rebound of apparel demand in Europe and western markets after massive vaccination drives helped the apparel sector surpass its growth target last year. Inflows of inward remittance, another component of foreign exchange market, were strong amid the pandemic situation and hit a record high in the last fiscal with over 36% year-on-year growth.

The figure jumped to \$24.78 billion in FY21 from \$18.2 billion a year ago, according to the Bangladesh Bank's latest statistics. Even though consumption in the country is still down, rising commodity prices in the international market pushed the import expenditure up, widening the deficit in the trade balance.

The deficit in trade balance widened by 23% to \$19.84 billion in the July-May of last fiscal year, according to the Bangladesh Bank's data. The import expenditure registered a 17.28% growth in the first 11 months of last fiscal year, after bouncing back from negative 8.57% growth in the previous year.

<https://www.tbsnews.net/dropped/trade/current-account-deficit-narrows-58-jul-may-fy21-271714>

## Company News

### BSEC okays PRAN's Tk 150cr green bond

The Bangladesh Securities and Exchange Commission on

Wednesday allowed PRAN Agro Limited to float non-convertible coupon bearing green bond worth Tk 150 crore. The BSEC on Wednesday made the decision at a commission meeting presided over by its chairman Shibli Rubayat-Ul-Islam, a BSEC press release said.

The face value of each unit of the bond is Tk 10 lakh. The coupon rate of PRAN Agro's bond is 9 per cent. Only banks, financial institutions, insurance companies, listed banks, trust funds, corporate institutions and other eligible investors will be allowed to purchase the bond through private placement.

PRAN Agro will utilise the bond proceeds in strengthening its capital and liquidity with keeping environmental balance. Green

Delta Insurance Company acts as trustee and Standard Chartered Bank is the arranger of the green bond. The regulator at the meeting also decided to form a board of governance of the market stabilisation fund.

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

## Price Sensitive News

Trading Code: ONEBANKLTD  
 News Title: ONEBANKLTD: Dividend Disbursement  
 News: The Company has informed that it has credited the Bonus shares for the year ended on December 31, 2020 to the respective shareholders' BO Accounts on June 29, 2021.  
 Post Date: 2021-07-08

Trading Code: GP  
 News Title: GP: Conference on financial results  
 News: The Company has informed that they will organize a conference on its 2nd quarter 2021 Financial results on July 15, 2021 at 10:00 AM via live webcast facility with the web link of <https://tinyurl.com/q2gp2021>. Research analysts or financial reporters can participate in the event by visiting the above link. To participate in question & answer session prior registration is required by filling up the contact form in [https://www.grameenphone.com/contact-us?form\\_type=2940](https://www.grameenphone.com/contact-us?form_type=2940) with participant details.  
 Post Date: 2021-07-08

Trading Code: INTRACO  
 News Title: INTRACO: Board Meeting schedule under LR 16(1)  
 News: As per Regulation 16(1) of the Dhaka Stock Exchange (Listing) Regulations, 2015, the Company has informed that a meeting of the Board of Directors will be held on July 14, 2021 at 3:00 PM to consider, among others, un-audited financial statements of the Company for the Third Quarter (Q3) period ended on March 31, 2021.  
 Post Date: 2021-07-08

Trading Code: GP  
 News Title: GP: Board Meeting schedule under LR 16(1)

News: As per Regulation 16(1) of the Dhaka Stock Exchange (Listing) Regulations, 2015, the Company has informed that a meeting of the Board of Directors will be held on July 14, 2021 at 2:35 PM to consider, among others, un-audited financial statements of the Company for the Second Quarter (Q2) period ended on June 30, 2021.

Post Date: 2021-07-08

Trading Code: SONARBAINS

News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter

News: (Continuation news of SONARBAINS): Prior year Consolidated Earnings per Share (Note 21.A) has decreased by BDT 45,79,310 or BDT 0.11 per share. Prior year EPS calculation included subsidiary earnings related to the non-controlling interest. Since these earnings are not attributed to the shareholders of the Company, the EPS has been adjusted. (end)

Post Date: 2021-07-08

Trading Code: SONARBAINS

News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter

News: (Continuation news of SONARBAINS): These errors have been corrected in the current year by adjusting prior year cash flow column. Prior Year Consolidated Net Assets value share (Note 21B) has decreased by BDT 1,34,05,851 or 0.34 per share. Prior year net asset value calculation was erroneously adjusted for BDT 1,34,05,851 which has been corrected this year by adjusting the prior year column. (cont. 8)

Post Date: 2021-07-08

Trading Code: SONARBAINS

News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter

News: (Continuation news of SONARBAINS): due to correction of errors which were identified in previous year audit but not adjusted by Management. During prior year, activities related investment in shares were presented as operating cash flow in the consolidated cash flow statement which was not in line with Company policy. In addition, activities related to Fixed Deposits were presented as operating cash flow in the consolidated cash flow statement which was also not in line with Company policy. (cont. 7)

Post Date: 2021-07-08

Trading Code: SONARBAINS

News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter

News: (Continuation news of SONARBAINS): It should be noted that none of these corrections led to any changes in financial numbers that were reported in prior year. All the corrections relate to the presentation and communication of Price Sensitive Information (specifically Earnings Per Share, Net Assets Value per Share and Net Operating Cash Flow per share). Prior Year Consolidated Net Operating Cash Flow (note 25.A) has decreased by BDT 31,27,245 or BDT 0.08 per share (cont. 6)

Post Date: 2021-07-08

Trading Code: SONARBAINS

News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter

News: (Continuation news of SONARBAINS): the Company performed several adjustments to prior year financial information for the year ended December 31, 2019. These adjustments were made to correct errors which were identified by the auditors during the prior year audit but no adjustment was during the year (leading to a qualified opinion). In line with IAS 8 Paragraph 42, these errors have been corrected in the financial statements and detailed disclosures have been provided below. (cont. 5)

Post Date: 2021-07-08

Trading Code: SONARBAINS

News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter

News: (Continuation news of SONARBAINS): Our audit opinion is not qualified in regard to this matter. Note 12.00 Investment in shares (at Fair Value): Balance of Investment in shares as on 31 December 2020 and 31 December, 2019 was BDT 27,651,242 and BDT 15,586,414 respectively. Note 42.00 Prior Year Restatement: During the preparation of and audit of December 31, 2020 financial statements, (cont. 4)

Post Date: 2021-07-08

Trading Code: SONARBAINS

News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter

News: (Continuation news of SONARBAINS): Emphasis of Matter: I) We draw attention to Note 12 of the financial statements, which describes matters related to implementation of investment policy for non-life insurance companies as issued by the IDRA. Our opinion is not modified in respect of this matter. II) We draw attention to Note 42 to the Financial Statements which explains that certain comparative information as at 31 December 2019 have been restated. (cont.3)

Post Date: 2021-07-08

Trading Code: SONARBAINS  
News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter  
News: (Continuation news of SONARBAINS): 2) The Company's subsidiary, Sonar Bangla Capital Management, has equity worth BDT 94,116,000 as Share Money Deposit. The subsidiary has held on to these deposits and not converted them into paid-up share capital within six (6) months of receiving the funds which is a non-compliance of Financial Reporting Council Bangladesh Circular 2020/01 dated 11 February 2020. (cont. 2)  
Post Date: 2021-07-08

Trading Code: SONARBAINS  
News Title: SONARBAINS: Qualified Opinion & Emphasis of Matter  
News: The auditor of the "Sonar Bangla Insurance Limited" has given the "Qualified Opinion" & "Emphasis of Matter" paragraphs in the Auditor's Report for the year ended on 31 December 2020. In this regard, we may disseminate the following news through our online trading system: Basis for Qualified Opinion: 1) The Company did not set aside, due part of its profit, for the year in relation to workers profit participation and welfare fund as required under the Bangladesh Labour Act 2006. (cont.1)  
Post Date: 2021-07-08

Trading Code: SHAHJABANK  
News Title: SHAHJABANK: Board Meeting schedule under LR 16(1)  
News: As per Regulation 16(1) of the Dhaka Stock Exchange (Listing) Regulations, 2015, the Company has informed that a meeting of the Board of Directors will be held on July 14, 2021 at 3:00 PM to consider, among others, un-audited financial statements of the Company for the Second Quarter (Q2) period ended on June 30, 2021.  
Post Date: 2021-07-08

Trading Code: DACCADYE  
News Title: DACCADYE: Suspension for Record date  
News: Trading of the shares of the Company will remain suspended on record date i.e., 12.07.2021.  
Post Date: 2021-07-08

Trading Code: PRIMELIFE  
News Title: PRIMELIFE: Suspension for Record date  
News: Trading of the shares of the Company will remain suspended on record date i.e., 12.07.2021.  
Post Date: 2021-07-08

Trading Code: RUPALIBANK  
News Title: RUPALIBANK: Spot News  
News: Trading of the shares of the Company will be allowed only in the Spot Market and Block transactions will also be settled as per Spot settlement cycle with cum benefit from 12.07.2021 to 13.07.2021. Trading of the shares of the Company will remain suspended on record date i.e., 14.07.2021.  
Post Date: 2021-07-08

Trading Code: BRACBANK  
News Title: BRACBANK: Credit Rating Result  
News: Emerging Credit Rating Limited (ECRL) has assigned the Surveillance credit rating of the Company as "AA+" in the long term and "ST-1" in the short term along with a Stable outlook of the Company based on audited financial statements up to December 31, 2020 and other relevant quantitative as well as qualitative information up to the date of rating.  
Post Date: 2021-07-08

Trading Code: LHBL  
News Title: LHBL: Board Meeting schedule under LR 16(1)  
News: As per Regulation 16(1) of the Dhaka Stock Exchange (Listing) Regulations, 2015, the Company has informed that a meeting of the Board of Directors will be held on July 14, 2021 at 3:15 PM to consider, among others, un-audited financial statements of the Company for the Second Quarter (Q2) period ended on June 30, 2021.  
Post Date: 2021-07-08

Trading Code: BEXIMCO  
News Title: BEXIMCO: BSEC consent for Issuance of BEXIMCO Green Sukuk  
News: (Continuation news of BEXIMCO): Face Value of Each Sukuk: BDT 100.00 Only, Minimum Subscription: BDT 5,000.00 i.e. 50 Beximco Green -Sukuk of BDT 100.00 each creating a lot. The consent has been accorded subject to the condition that the Originator shall comply with relevant laws and regulatory requirements and shall adhere to the conditions imposed under Section-2CC of the Securities and Exchange Ordinance, 1969. (end)

Post Date: 2021-07-08

Trading Code: BEXIMCO

News Title: BEXIMCO: BSEC consent for Issuance of BEXIMCO Green Sukuk

News: (Continuation news of BEXIMCO): To produce electricity from renewable energy and transmit to the national grid and also for the expansion project i.e. financing and refinancing (non-interest bearing) of the textile machineries for expansion of the textile division of the Originator which shall ensure energy efficient production including waste water treatment waste prevention and recycling, Tenure: 5 Years i.e 60 months from the issuance Date, (cont. 3)

Post Date: 2021-07-08

Trading Code: BEXIMCO

News Title: BEXIMCO: BSEC consent for Issuance of BEXIMCO Green Sukuk

News: (Continuation news of BEXIMCO): and BDT 7.50 Billion under Public Offer). Name of the Sukuk: Beximco Green-Sukuk at Istisna's ("Beximco Green-Sukuk"), Sukuk Size: BDT 30.00 Billion, Purpose: Beximco Green Sukuk al Istisna'a shall be issued by Beximco Green-Sukuk Trust as asset backed Shariah compliant security and the proceeds received from the subscription shall be utilized for the Solar Projects of Teesta Solar Ltd. And Korotoa Solar Ltd. (cont. 2)

Post Date: 2021-07-08

Trading Code: BEXIMCO

News Title: BEXIMCO: BSEC consent for Issuance of BEXIMCO Green Sukuk

News: Refer to their earlier news disseminated on 24.06.2021, 01.04.2021 and 03.03.2021 regarding " BSEC consent for Issuance of BEXIMCO Green Sukuk ", the Company has further informed that Bangladesh Securities and Exchange Commission accorded consent to the Company as Originator for issuance of BEXIMCO Green-Sukuk of BDT 30.00 Billion (BDT 15.00 Billion under private placement Offer, BDT 7.50 Billion for existing Shareholders of BEXIMCO as rights option under private offer (cont. 1)

Post Date: 2021-07-08

# Daily

# Business News

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