



Photo Gallery

AT A GLANCE

-  Special incentive on MMF garments to offset fallout of war
-  Incentive to attract more investment to primary textile
-  Millers raising investment in MMF to grab more global market share
-  Global MMF garment product market is worth \$700b
-  Price of MMF garments is higher than cotton-made items
-  Monthly garment shipments to Russia dropped



INCENTIVES

- 5pc cash incentive may be given to MMF garment exporters
- Currently 5pc incentive is provided for export of apparel made of local fabrics
- 1pc cash incentive is offered for exports to all markets
- 4pc cash incentive is given for exports to non-traditional markets

BY THE NUMBERS

-  Globally, 78pc garment is made from MMF
-  In Bangladesh, 74pc garments made from cotton and rest from MMF
-  Investment in primary textile sector is \$20b

Daily Business News

July 5, 2022

BUSINESS NEWS ANALYSIS REPORT

Capital Market News

Stocks fall for second day

The stock market index continued to drop for the second consecutive day today amid the fear of a further fall in the upcoming days. The DSEX, the benchmark index of the premier bourse in Bangladesh, lost 12 points, or 0.20 per cent, to 6,346 at the end of the day. Turnover at the DSE advanced 1 per cent to Tk 662 crore. It was Tk 654 crore a day earlier.

Among the securities, 182 issues declined, 149 advanced, and 50 others remained unchanged.

Zaheen Spinning gained the most, with a 10 per cent increase. Robi Axiata, Eastern Cables, Shyampur Sugar Mills, and Prime Textile Spinning Mills were also on the

gainers' list. Progressive Life Insurance shed mostly that dropped 2 per cent.

Bangladesh Monospool Paper Manufacturing, Apex Footwear, Purabi General Insurance, and Navana CNG were among the heavy losers. Robi Axiata became the most traded stock with shares worth Tk 27 crore changing hands. Shinepukur Ceramics, Meghna Insurance, Intraco Refueling Station, and Beximco Ltd were on the list of the most traded stocks.

<https://www.thedailystar.net/business/economy/stock/news/stocks-fall-second-day-3063591>

CSE Shariah Index revised, effective from July 17

The Chittagong Stock Exchange (CSE) has revised its Shariah Index on the basis of performance of the listed companies. The new index will come into effect from July 17. The port city's bourse reviews the

index twice in a year, says a CSE press release. After the latest revision, 12 companies have been included in the CSE Shariah Index, while 11 have been excluded from the previous list. The new companies which have been included in the list are Acme Pesticides, Alif Industries, Aman Cotton Fibrous, Baraka Patenga Power, BDCOM Online, Intraco Refueling Station, JMI Hospital Requisite Manufacturing, Regent Textile Mills, Sinobangla Industries, The Dacca Dyeing & Manufacturing Company, Union Bank, and United Power Generation & Distribution Company.

On the other hand, Aramit Cement, Active Fine Chemicals, Advanced Chemical Industries, Aramit, Argon Denims, Aziz Pipes, Bangladesh Building Systems, BSRM Ltd, Generation Next Fashions, Information Services

Network, and Kattali Textile have been excluded from the previous list. After the revision, 132 companies out of 369 listed securities have been selected for the group of CSE Shariah Index.

Since the Muslim law prohibits alcohol, gambling, prostitution, interest-bearing financial transactions and many other restrictions, companies engaged with such businesses are not investible to Shariah adheres. The Bangladesh capital market is bagging more Islamic institutional investment from Shariah-based banks, insurers, mutual funds, and others.

<https://thefinancialexpress.com.bd/stock/cse-shariah-index-revised-effective-from-july-17-1656917398>

Stocks continue falling amid economic worries

Dhaka stocks dropped for the second day on Monday as investors were assessing the possible impact of rising inflation and currency volatility on the economy. DSEX, the key index of the Dhaka Stock Exchange, lost 0.20 per cent, or 12.89 points, to close at 6,346.88 points on Monday after losing 17.16 points in the previous session. Before the two-day loss, the DSEX added 76 points in four sessions.

The market started falling from the beginning of Monday's session and finished the session in the negative zone as investors continued selling shares, market operators said. They said that the market went through a sluggish session after the Bangladesh Bank issued a 'contractionary' monetary policy for the financial year of 2022-23. The central bank on June 30 announced the monetary policy,

raising the repo rate to 5.5 per cent from 5 per cent.

Rising inflation and depreciation of the local currency taka in recent months became concerns for investors, the market operators said. Share prices of leading mobile operator Grameenphone hit the lowest limit on Monday after the Bangladesh Telecommunication Regulatory Commission on Wednesday banned the mobile operator from selling any new SIM. Share prices of another mobile operator Robi soared by the maximum limit on Monday as investors expected that Robi would be benefited from the bar on GP, the market operators said.

<https://www.newagebd.net/article/175095/stocks-continue-falling-amid-economic-worries>

Industry News

Extra cash incentive planned for non-cotton RMG exports

The government could pay additional incentives to the exporters of non-cotton apparel items in order to help them offset the severe impacts of the Russia-Ukraine war on the shipment of garment items. A file from the commerce ministry was sent to the finance ministry a few days ago, recommending at least 5 per cent additional cash incentive for the shipment of non-cotton garment items, which are made from man-made fibre (MMF). The aim is to give some relief to exporters facing difficulties owing to the war, said Tapan Kanti Ghosh, senior

secretary of the commerce ministry.

The move came after the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) sent a letter to the commerce ministry, demanding a 10 per cent cash incentive on the export of non-cotton garment items as the demand for MMF-made apparel products is growing worldwide and the prices are also better than cotton-based ones.

In a letter to the commerce ministry, the association also pointed out the importance of producing a diverse range of products and high-value items to remain competitive in the post-LDC era. The decision about the new cash incentive will come into effect very soon since it is being noticed that orders are declining in some destinations because of higher inflation, the senior secretary said.

Last week, Achim Troster, German Ambassador to Bangladesh, also said the prolonged war, energy crisis and rising inflation are likely to slow Bangladesh's present export momentum to Germany in the days to come. Inflation in Germany recently hit a 50-year high of 8 per cent. Inflation, along with the increasing energy price, will squeeze the purchasing power of German consumers and prompt them to spend less on consumer goods like readymade garments and leather, Troster said.

Germany is not the lone country that is suffering from higher consumer prices. In the US, inflation accelerated to a fresh 40-year high of 8.6 per cent in May and it was 8.1 per cent in the eurozone – the two biggest export

destinations of Bangladesh. Inflation is also running high in other major markets such as the UK, Spain, France, Canada, and Italy.

Garment exports from Bangladesh to Germany, the second-largest export destination for Bangladesh after the US, stood at \$5.95 billion in the fiscal year of 2020-21 and to the US market \$6.97 billion. Despite the gloomy global outlook, exports from Bangladesh hit an all-time high of \$52.08 billion in the just-concluded fiscal year. Garment shipment clocked 35.47 per cent year-on-year growth, netting \$42.61 billion. In June, the shipment stood at \$4.908 billion, the highest ever on record in a single month, rebounding from a nine-month low of \$3.83 billion registered in May.

<https://www.thedailystar.net/business/economy/news/extra-cash-incentive-planned-non-cotton-rmg-exports-3064151>

Company News

GP sees stocks fall while Robi enters bull run

Stocks of Grameenphone have been falling ever since the government banned the country's top telecom company from selling new SIM cards at a time when shares of its main competitor, Robi Axiata, have entered a bull run. The Bangladesh Telecommunication Regulatory Commission (BTRC) has banned Grameenphone from selling SIMs until the operator improves its service quality and reduces the rate of call drops. Investors believe the BTRC's decision will put a halt to new customer acquisition for Grameenphone and so, the company's share price fell, said Md Moniruzzaman, managing director of IDLC Investments.

In contrast, investors think that Robi's new business acquisition will be easier now for the same reason. Grameenphone's share price plunged to Tk 282 yesterday, down 6.62 per cent from Tk 302 on Tuesday, according to data from the Dhaka Stock Exchange (DSE).

However, it should be mentioned that the circuit breaker imposed by the Bangladesh Securities and Exchange Commission (BSEC) prevents any stock from dropping more than 2 per cent daily but on the other hand, it allows share values to rise by a maximum of 10 per cent each day. From Tuesday onwards, Robi's stocks soared 27 per cent to Tk 36.4 from Tk 28.6 previously, the data shows.

<https://www.thedailystar.net/business/telecom/news/gp-sees-stocks-fall-while-robi-enters-bull-run-3064136>

Price Sensitive News

Trading Code: PRIMEINSUR

News Title: PRIMEINSUR: Spot News

News: Trading of the shares of the company will be allowed only in the Spot Market and Block transaction will also be settled as per spot settlement cycle with cum benefit from 06.07.2022 to 07.07.2022 and trading of the shares will remain suspended on record date i.e., 12.07.2022.

Post Date: 2022-07-05

Trading Code: ADNTEL

News Title: ADNTEL: Agreement to acquire 60% shares of SOS Developments Limited

News: (Continuation news of ADNTEL): from Company's own source of fund. SOS Developments Limited has entered with "Fire Service Welfare Trust" a Joint Venture Agreement for providing fire security solution services with an innovative device with its own systems called "Instant Response System" (IRS) as fire guard. The tenure of this Agreement is 10 years with an expected revenue of over BDT 50 Crore approximately per year. (end)

Post Date: 2022-07-05

Trading Code: ADNTEL

News Title: ADNTEL: Agreement to acquire 60% shares of SOS Developments Limited

News: The Company has informed that the Board of Directors has approved the draft Share Transfer Agreement to acquire 60% shares of SOS Developments Limited at a price of BDT 2,00,00,000.00 (Taka Two Crore) subject to completion of all regulatory formalities. SOS Developments Limited is a private limited company and its nature of business is providing fire security solution services. The company has also informed that investing amount shall be financed (cont.)

Post Date: 2022-07-05

Daily Business News

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