

# **News Blaze of the Week**

**August 31, 2020**

**Issue 10**

## Quotation Corner

### Editorial Panel

- Fahmida Chowdhury  
EVP & Principal, DBTI  
In charge R&DU
- Farzana Afroz  
PO, R&DU

### Contact us:

[rnd@dhakabank.com.bd](mailto:rnd@dhakabank.com.bd)

**“No one can make you feel inferior  
without your consent.”**

**– Eleanor Roosevelt**

**“One day your life will flash before your  
eyes. Make sure it’s worth watching.”**

**– Gerard Way**

**“Believe you can and you’re halfway  
there.”**

**—T. Roosevelt**

# Contents



## Central Bank Regulation

BB to ask banks, NBFIs to pace up 05  
BB asks banks, NBFIs to execute with top priority 05



## Stock Market Update

DSEX crosses 4,800-mark after 10 months 10  
Pragati Life Insurance to raise Tk 230.27m through rights 10  
Tax receipts from DSE drop 4.0pc in July 11  
BD corporates urged to raise fund utilising 'Bangla 12



## Banks and Financial Institutions

Prime Bank teams up with PriyoShop 06  
City Bank has recently signed an agreement with Shohoz, one of the fastest growing 06  
StanChart executes Bangladesh's first-ever blockchain LC transaction 07  
Banks ordered to return to normal working hours 07  
Adil Chowdhury new DMD of Bank Asia 08  
SBAC Bank approves 10pc stock dividend 08  
Banks disburse Tk 185b in working capital loans 08  
Abdullah Al Ahsan, new vice chairman of Dhaka Bank 09  
Shahjalal Islami Bank signs MoU with PrimaDollar 09



## **Trade Market Update**

**Tk 848cr project approved to widen road to boost**

**Indo-Bangla trade      14**



## **Corporate Market Update**

**Sanofi to buy Principia Biopharma for \$3.7b      13**



## **International Business**

**Italian bond yield gap over Germany near tightest since March      15**

**Asian markets mixed with eyes on China-US tensions, stimulus      15**

**Bangladesh needs free trade agreement with the UK      16**



# Central Bank Regulation

## BB to ask banks, NBFIs to pace up

- The central bank is set to ask the banks and non-banking financial institutions (NBFIs) for faster implementation of the stimulus packages particularly the one for the CMSMEs to speed up recovery of the pandemic-hit economy. The instruction will be given at an online meeting with the top executives of 16 banks and four NBFIs scheduled to be held today (Monday), with Bangladesh Bank (BB) Governor Fazole Kabir in the chair.
- The banks and NBFIs, which have loan disbursement targets of Tk 500 million and more, have been selected to participate the review meeting, according to the official. The BB's latest move came against the backdrop of slower progress in loan disbursement under the financial package for the CMSMEs sector until July 30. The banks and NBFIs disbursed only Tk 15 billion of the stimulus package by then. The disbursed amount is just 7.50 per cent of the total Tk 200 billion financial support for the sector.
- The BB has already formed a Tk100 billion revolving refinancing scheme to help banks and NBFIs implement the package for the CMSMEs sector. In April, the central bank issued a guideline for providing working capital facilities amounting to Tk 200 billion in line with the government's announcement for the CMSMEs sector affected by the pandemic. Prime Minister Sheikh Hasina has so far announced 19 stimulus packages worth Tk 1.03 trillion to offset the impacts of the pandemic on various sectors. The packages, which are 3.7 per cent of the country's gross domestic product (GDP), are now being executed under the supervision of the central bank and the finance ministry.

Source: <https://today.thefinancialexpress.com.bd/first-page/bb-to-ask-banks-nbfis-to-pace-up-1597599522>

## BB asks banks, NBFIs to execute with top priority

- The central bank has asked the bank and non-bank lenders to properly implement the stimulus package for cottage, micro, small and medium enterprises (CMSMEs) by giving top priority - in order to help expedite recovery of the pandemic-hit economy.
- The BB's latest moves came against the backdrop of slower progress in loan disbursement under the financial package for CMSMEs until July 30. The banks and NBFIs disbursed only Tk 15 billion of the Tk 200-billion stimulus package for the sector during the period. The disbursed amount is just 7.50 per cent of the total financial support, offered to offset the adverse impact of the Covid-19 pandemic. Loans amounting to Tk 27.50 billion were sanctioned for more than 8,000 CMSMEs during the period, the BB's latest data showed.

Page | 5

Source: <https://today.thefinancialexpress.com.bd/first-page/bb-asks-banks-nbfis-to-execute-with-top-priority-1597687171>



# **Banks and Financial Institutions**

## **Prime Bank teams up with PriyoShop**

- Prime Bank Limited and country's leading online marketplace, PriyoShop, have joined hands to facilitate MSME financing to e-commerce merchants without any collateral. As per an alliance formed recently, the merchants of PriyoShop will avail easy access to MSME loan from Prime Bank. It will be a big boost for the country's rapidly growing e-commerce sector as eligible merchants of PriyoShop will now enjoy collateral free loan up to BDT 50 lakh and other tailor-made financial solutions.
- The merchants can also avail a wide range of deposit products and free Internet Banking - ALTITUDE - for conducting broad range of e-transactions. They will need two-year business experience and recommendation letter from PriyoShop. The MSME entrepreneurs can apply for loan from the comfort of their office or home as Prime Bank has assigned dedicated Relationship Manager for exclusive service to the valued merchants of PriyoShop. Under the arrangement, the merchants will also get working capital (CC, OD and Demand Loan), Term Loans for Fixed Asset Purchase and Capital expenditures, International Trade solution- LC, LATR, IDBP etc., Bank Guarantee, Work Order etc.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/prime-bank-teams-up-with-priyoshop-1597505125>

## **City Bank has recently signed an agreement with Shohoz, one of the fastest growing**

City Bank has recently signed an agreement with Shohoz, one of the fastest growing start-ups in Bangladesh with a one stop solution for multiple services. Under this agreement, City Bank will be facilitating online digital collections and payments to Shohoz through the bank's digital platform. Sheikh Mohammad Maroof, Additional Managing Director of City Bank, and Ms. Maliha M Quadir, Managing Director of Shohoz, signed the agreement on behalf of their respective organization.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-has-recently-signed-an-agreement-with-shohoz-one-of-the-fastest-growing-1597505249>



# Banks and Financial Institutions

## StanChart executes Bangladesh's first-ever blockchain LC transaction

- Standard Chartered has executed the country's first-ever blockchain transaction by issuing a letter of credit for Viyellatex, in a development that can go on to make the process of trade, both at local and global levels, much streamlined. Under the transaction, Viyellatex -- which exports \$300 million worth of garment and textile items and counts Puma, S Oliver, Espirit, Marks and Spencer and Sainsbury among clients -- imported textile items from Viyellatex Spinning.
- Standard Chartered acted as the issuing bank for the applicant as well as the advising bank for the beneficiary of the letter of credit (LC). Most of the garment exporters source raw materials such as textiles and yarn as well as accessories locally through inland LCs, which involve tedious paperwork. As per the arrangement, remitters will be able to send in their hard-earned money in real-time by opening a mobile wallet with Malaysian fintech firm Valyou, a subsidiary of Telenor Group. The amount from Valyou would then be wired through Standard Chartered's operations in Malaysia and Bangladesh.
- Once in Bangladesh, bKash would distribute the funds, ending the chain of cross-border transaction that harnesses the power of technology. This means migrant workers in Malaysia would be able to settle their cross-boundary transactions in real-time with just a few clicks on their mobile phone, in an arrangement not seen before in Bangladesh.

Source: <https://www.thedailystar.net/business/news/stanchart-executes-bangladeshs-first-ever-blockchain-lc-transaction-1945733>

## Banks ordered to return to normal working hours

- The central bank yesterday ordered banks to run their branches like in normal times to give a boost to the economy although the COVID-19 caseload is showing no sign of coming down. The Bangladesh Bank lifted the curtailed roster arrangement that was put in place on 22 March to protect employees from the deadly virus.
- Now, lenders were asked to operate banking operations from 10:00 am to 6:00 pm like they did before the pandemic hit the country. Some 3,200 people tested positive for COVID-19, according to a press release of the Directorate General of Health Services yesterday. This took the caseload to 282,344. As many as 46 people died from the disease in the last 24 hours, the DGHS said. The total number of deaths has now reached 3,740.

Source: <https://www.thedailystar.net/business/news/banks-ordered-return-normal-working-hours-1947373>



# **Banks and Financial Institutions**

## **Adil Chowdhury new DMD of Bank Asia**

- Adil Chowdhury has joined the senior management team at Bank Asia Ltd as deputy managing director recently. Mr. Chowdhury has over two decades of successful banking experience with more than 15 years international exposure, most recently serving as Director of The Bank of Nova Scotia (Canada) in Singapore.
- He brings with him his international banking, group treasury, regulatory laws and comprehensive enterprise-wide operations experiences to Bank Asia Ltd. He has a Bachelor's Degree with Honours in Electrical Engineering in VLSI Design from University of Texas at Austin, USA and a MBA Degree from Richard Ivey School of Business, University of Western Ontario, Canada.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/adil-chowdhury-new-dmd-of-bank-asia-1597768224>

## **SBAC Bank approves 10pc stock dividend**

- The 7th Annual General Meeting of South Bangla Agriculture and Commerce (SBAC) Bank Limited was held online on Tuesday. S.M. Amzad Hossian, Chairman of SBAC Bank, presided over the meeting. The AGM approved 10 per cent stock dividend for the year ended on December 31, 2019.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/sbac-bank-approves-10pc-stock-dividend-1597768087>

## **Banks disburse Tk 185b in working capital loans**

- Deputy Governor of Bangladesh Bank (BB) Ahmed Jamal on Tuesday said the banks have so far disbursed Tk 185 billion in working capital loans from the stimulus package meant for large industries and the service sector. Mr. Jamal disclosed this at the eighth financial sector development meeting of the Business Initiatives Leading Development (BUILD), a public-private dialogue platform. The BB deputy governor spoke as a co-chair of the event held on an online platform.
- Dhaka Chamber of Commerce and Industry (DCCI) President Shams Mahmud was another co-chair at the programme. At the meeting, the BUILD proposed forming a 'credit guarantee scheme' (CGS) in the country to efficiently manage the credit guarantees.
- A number of nations have already introduced such entities to support small businesses in the wake of Covid-19 pandemic, the BUILD said. BUILD chairman Abul Kasem Khan suggested forming a small committee under the supervision of the central bank to establish such an entity that will ensure effective disbursement of loans.

Page | 8

Source: <https://today.thefinancialexpress.com.bd/trade-market/banks-disburse-tk-185b-in-working-capital-loans-1597855475>



## **Banks and Financial Institutions**

### **Abdullah Al Ahsan, new vice chairman of Dhaka Bank**

- Abdullah Al Ahsan has recently been elected as the vice chairman of Dhaka Bank. An industrialist, investor, educationist and philanthropist, Ahsan has over 35 years of experience in trade and commerce, the bank said in a statement yesterday.
- He has acquired an M Com and a master's degree in business administration. A freedom fighter, Ahsan has been appointed as a special correspondent of Daily Banglar Bani, published from Mujib Nagar by its founding Editor/Publisher Sheikh Fazlul Huq Mani, founder of Mujib Bahini during the liberation war of Bangladesh.

Source: <https://www.thedailystar.net/business/news/abdullah-al-ahsan-new-vice-chairman-dhaka-bank-1947917>

### **Shahjalal Islami Bank signs MoU with PrimaDollar**

- Shahjalal Islami Bank Limited in collaboration with PrimaDollar will launch shortly a fintech-based factoring solution to the exporters where local exporters will be able to obtain their deferred receivables on a sight basis. This solution is secure, faster and will help to shorten the cash cycle of the exporters. PrimaDollar Operations Ltd, a global trade financier headquartered in the UK founded in 2015, which presently have 12 offices across the globe.
- Shahjalal Islami Bank Limited signed a Memorandum of Understanding (MoU) with UK-based trade finance provider PrimaDollar Operations Ltd on Tuesday at the bank's corporate head office by maintaining proper hygiene and social distance.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/shahjalal-islami-bank-signs-mou-with-primadollar-1597855163>



## Stock Market Update

### DSEX crosses 4,800-mark after 10 months

- Stocks kept their soaring trend on Sunday also with the Dhaka Stock Exchange (DSE) core index crossed the 4,800-mark after 10 months, thanks to the investors' growing confidence in the new commission. DSEX, the DSE key index, went up by 156.16 points or 3.32 per cent to settle at 4,859 during the four and a half hours of trading session on the day. It was the highest level of DSEX since October 9, 2019. DSEX surged 900 points or 23 per cent in the past two months since 16 June.
- During the period, the market capitalisation also soared 17 per cent to reach at Tk 3,635 billion on Sunday. Daily trade turnover on the prime bourse also scaled Tk 13 billion-mark again, as the local and foreign investors remained active on the market amid growing confidence. The Chittagong Stock Exchange (CSE) also ended higher with the All Shares Price Index (CASPI) jumping 494 points to close at 13,855, and the Selective Categories Index - CSCX - soaring 288 points to finish at 8,361. Of the issues traded, 251 gained, 25 declined, and 20 remained unchanged on the CSE. The port-city bourse traded 26.92 million shares and mutual fund units with the turnover value of Tk 460 million.

Source: <https://today.thefinancialexpress.com.bd/first-page/dsex-crosses-4800-mark-after-10-months-1597599660>

### Pragati Life Insurance to raise Tk 230.27m through rights

- The stock market regulator has approved Pragati Life Insurance's application to raise Tk 230.27 million through rights issue to cope with the business growth and strengthen the capital base of the company. The rights issue is an offer of new shares by a company to its existing shareholders in proportion to the shares they already own and usually at a discount to market price.
- The life insurer, which was listed on the Dhaka bourse in 2006, will issue more than 15.35 million rights shares of Tk 15 each, including Tk 5.0 as a premium to raise the said amount. The company reported net asset value per share of Tk 37.29 as on December 31, 2018, according to the rights issue documents. LankaBangla Investment Ltd is the issue manager of the rights issue. The company's paid-up capital is Tk 153.52 million and authorised capital is Tk 250 million while total number of securities is 15.35 million. The sponsor-directors own 41.32 per cent stake in the company, while the institutional investors own 26.53 per cent and the general public 32.15 per cent as on February 29, 2020, the DSE data shows.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/pragati-life-insurance-to-raise-tk-23027m-through-rights-1597591658>



## Stock Market Update

### Tax receipts from DSE drop 4.0pc in July

- The government's revenue earnings from the Dhaka Stock Exchange (DSE) fell nearly 4.0 per cent in the first month of the current fiscal year, after hitting 10 years low in the last fiscal. Market analysts said the sluggish trading activities due to Covid-19 pandemic coupled with low share sales by sponsor-directors impacted the government's revenue earnings from the DSE in the first month of the Fiscal Year (FY) 2020-21.
- The government bagged revenue worth Tk188 million in July, 2020 which was Tk 195 million in July, 2019, according to data available with the DSE. The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05 per cent and 5.0 per cent respectively and deposits the amount to the government exchequer. Of the total earnings during the month, Tk128 million came from the TREC holders' commission, popularly known as brokerage commission, while Tk60 million came from the share sales by sponsor-directors and placement holders, the DSE data shows.
- In July last fiscal year, Tk 105 million came from the TREC holders' commission and Tk 90 million came from the share sales by sponsor-directors and placement holders. The DSE paid tax worth Tk 2.72 billion in FY 2011-12, Tk 1.27 billion in FY 2012-13, Tk 1.54 billion in FY 2013-14, Tk 1.74 billion in FY 2014-15, Tk 1.58 billion in FY 2015-16, Tk 2.46 billion in FY 2016-17, Tk 2.33 billion in FY 2017-18 and Tk 2.51 billion in FY 2018-2019 on TREC holders' commission and share sales by sponsor-directors and placement holders. However, the government raked in Tk 4.47 billion in the FY 2010-11, the highest in its history, when the market witnessed a wild trend before crashing.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-drop-40pc-in-july-1597855058>



## Stock Market Update

### BD corporates urged to raise fund utilising 'Bangla Bond'

- The chairman of Chittagong Stock Exchange & former president, DCCI Asif Ibrahim on Wednesday invited UK companies to invest in the Bangladesh capital market. He also urged more Bangladeshi corporates to raise finance utilizing 'Bangla Bond' in the London Stock Exchange. He was addressing a webinar on "Exploring Trade & FDI Opportunities with the UK", arranged by Dhaka Chamber of Commerce & Industry (DCCI) through zoom.
- The International Finance Corporation (IFC), the private sector financing wing of the World Bank Group, issued its inaugural bond in Bangladeshi taka, raising Tk800 million - equivalent to approximately \$9.5 million. The IFC, with its AAA credit rating, offered investors a 6.3 percent interest rate annually for a three-year tenure, according to IFC. The IFC will use the bond proceeds to finance the Pran Group in order to boost their agro-processing capacities and expand the rural distribution reach. Based on such a need, the IFC intends to collect more money through extending the Bangla Bond up to \$1.0 billion.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/bd-corporates-urged-to-raise-fund-utilising-bangla-bond-1597855030>

# Corporate Market Update

## Sanofi to buy Principia Biopharma for \$3.7b

- French pharma giant Sanofi said Monday it will buy US group Principia Biopharma for \$3.68 billion in a deal that will boost its research and development into autoimmune and allergic diseases. Sanofi had been cooperating with San Francisco-based Principia since 2017, securing a global exclusive licence to develop and market its drug for treating multiple sclerosis and other central nervous system illnesses known as BTK'168.
- The acquisition gives the French drugmaker Principia's pipeline in autoimmune diseases. They include a drug aimed at the rare but painful skin condition pemphigus and another against multiple sclerosis that the two companies have partnered on since 2017. Principia's most-advanced candidate, rilzabrutinib, is in Phase 3 trials against pemphigus, which can cause blisters or pus-filled bumps on the skin and mucous membranes and is caused when the immune system mistakenly makes antibodies that attack the body. The French company said it aims to complete the acquisition between October and December 2020.

Source: <https://today.thefinancialexpress.com.bd/trade-market/sanofi-to-buy-principia-biopharma-for-37b-1597681632>



## Trade Market Update

### Tk 848cr project approved to widen road to boost Indo-Bangla trade

- The government yesterday took up a Tk 848.3 crore project to widen a road that would broaden bilateral trade between India and Bangladesh. It came as the Executive Committee of the National Economic Council (Ecne) approved seven projects involving Tk 3,461 crore. The widening of the 38km Baraiyerhat-Hiako-Ramgarh road from 5.5 metres now to 7.3 metres in Ramgarh upazila under Khagrachhari district would be performed by the Roads and Highways Department between January 2020 and June 2022.
- India would provide Tk 581.2 crore for the project from its third line of credit extended to Bangladesh, which would bear the rest of the cost. The Chattogram Custom House collected seven types of tariffs on Indian goods at the time. The charges include Tk 30 for document processing per consignment, Tk 20 per tonne of goods for transshipment, Tk 100 per tonne as security charge, Tk 50 per tonne as escort charge, Tk 100 for other administrative charges and Tk 254 per container for scanning at the time. Two rest houses were supposed to be built at Tk 8 crore under the project. But the prime minister dropped the rest house component, saying they should not be part of a road project. Ecne also approved the Emergency Multi-sector Rohingya Crisis Response Project (First revision).
- This would increase the resiliency of 550,000 people, project documents showed. Another 75,000 Rohingyas would be directly employed at community works and this will expand basic services among 375,000 people. In another project, the Roads and Highways Department would spend Tk 530.3 crore to build 49 concrete bridges, replacing 24 old and risky concrete bridges and 25 bailey bridges in the Khulna Road Zone.
- The project is scheduled to complete by December 2022. Bangladesh Water Development Board (BWDB) would execute a project to safeguard the banks of the Tentulia river and carry out dredging from the Dhulia Launch terminal under Bauphal upazila in Patuakhali to Durgapasha in Bakerganj under Barishal. The Tk 712.2 crore-project is aimed at protecting the area from river erosion. The project would be completed by June 2022.

Source: <https://www.thedailystar.net/business/news/tk-848cr-project-approved-widen-road-boost-indo-bangla-trade-1947389>

## Italian bond yield gap over Germany near tightest since March

- Italian government bonds edged lower and the spread over Germany was close to its tightest in five months as more money flowed into the global economy, this time courtesy of the Chinese central bank, boosting stocks and riskier assets globally.
- Chinese shares jumped on Monday, led by securities firms, on hopes that capital market reforms would boost revenues and after the central bank injected new funds into the country's financial system.
- This added to the unprecedented amount of liquidity pumped into the global monetary system by the U.S. Federal Reserve and the European Central Bank, which has pushed Wall Street to within a sliver of a record high.
- In quiet trading, Italian 10-year bond yields edged lower to 1.04%, compressing the closely-watched Italy-Germany bond yield spread to 146 basis points, close to the tightest level since March.
- New Zealand's prime minister Jacinda Adern postponed the country's general election on Monday by a month to Oct. 17 as the city of Auckland remains in lockdown due to increasing coronavirus cases.

Source: <https://www.thedailystar.net/business/news/italian-bond-yield-gap-over-germany-near-tightest-march-1946765>

## Asian markets mixed with eyes on China-US tensions, stimulus

- Asian markets were mixed in early trade Monday as investors weighed ongoing China-US tensions and the struggle by Washington lawmakers to hammer out a much-needed new stimulus.
- Analysts said there was little reaction to news that trade review talks between the superpowers due to have taken place Saturday had been postponed, though Donald Trump kept up his drumbeat against Beijing -- warning he could target more Chinese tech firms including Alibaba.
- The president's warning came as he issued another executive order stating internet giant ByteDance must sell its interest in the Musical.ly app it bought and merged with TikTok.

Source: <https://www.thedailystar.net/business/news/asian-markets-mixed-eyes-china-us-tensions-stimulus-1946789>



# International Business

## Bangladesh needs free trade agreement with the UK

- Bangladesh needs to sign a Free Trade Agreement (FTA) with the UK if it hopes to increase bilateral trade and private sector investment between the two countries, according to various local businessmen.
- The UK is Bangladesh's third-largest export destination with last year's shipments amounting to nearly \$3.5 billion, of which garment items accounted for more than 93 per cent.
- In fiscal 2018-19, Bangladeshi exports to the UK totalled \$4.8 billion. However, the ongoing coronavirus pandemic has disrupted trade between the two countries.
- Aside from being a major export destination, the UK acts as a hub for Bangladeshi shipments to other parts of Europe.
- Besides, the UK provides a considerable amount of foreign direct investment (FDI) for Bangladesh as more than 200 British companies currently have \$2.5 billion invested in the country.

Source: <https://www.thedailystar.net/business/news/bangladesh-needs-free-trade-agreement-the-uk-1947945>



**Graphics and Design**

**Farzana Afroz**  
**PO, R&DU**



**Published By**

**Research and Development Unit**  
**SEL Trident Tower [Level 14]**  
**57 Purana Paltan Lane, VIP Road, Dhaka- 1000**  
**Email: [rnd@dhakabank.com.bd](mailto:rnd@dhakabank.com.bd)**