



**News Blaze of the
Week**

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Editorial Panel

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Quotation Corner

Success is the sum of small efforts - repeated day in and day out.

Robert Collier

Don't aim for success if you want it; just do what you love and believe in, and it will come naturally.

David Frost

However difficult life may seem, there is always something you can do and succeed at.

Stephen Hawking

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Central Bank

BB buys record \$5.49b to keep taka stable

- The central bank purchased greenback worth a record \$5.49 billion in the first half of the current fiscal year to keep stable the exchange rate of the local currency. The previous highest was recorded in 2013-14 when the Bangladesh Bank bought \$5.15 billion from local banks. The central bank was forced to smash all previous records of dollar purchase in just six months in the wake of higher flow of remittance and lower imports caused by the economic slowdown brought on by the coronavirus pandemic.
- Although the dollar purchase is helping the export sector and swelling the foreign exchange reserve, the buying spree has flooded the financial sector with excess liquidity. But lower credit demand from borrowers amid the slowdown in business has put an adverse impact on the cost of funds for banks as liquidity has largely remained idle. The excess liquidity in the banking industry stood at Tk 182,990 crore in October, up 202 per cent year-on-year.
- The interbank exchange rate has been hovering around Tk 84.80 per US dollar since July. The rate was Tk 84.95 on March 25, a day before the country declared a countrywide lockdown to contain the virus. For instance, the Indian rupee was at 73.12 per dollar on January 11 this year, up from 71.37 on January 1 last year, according to data from the Reserve Bank of India.

Source: <https://www.thedailystar.net/business/news/bb-buys-record-549b-keep-taka-stable-2029681>

Mr. Ahmed Jamal appointed director of Bangladesh Bank

- Mr. Ahmed Jamal, Deputy Governor of Bangladesh Bank, was appointed as a director on the board of directors and member of the executive committee of Bangladesh Bank for three years. The Financial Institutions Division under the Ministry of Finance issued a notification in this regard on Sunday.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/ahmed-jamal-appointed-director-of-bangladesh-bank-1610990032>



Central Bank

Tk 1,000cr fund to help exporters upgrade tech

- Bangladesh Bank yesterday formed a Tk 1,000 crore fund to provide cheap loans to export-oriented industries to upgrade technologies they currently use. The eligible industries are of 32 types, all falling under top-priority and special development sectors, according to a central bank notice.
- The fund will run under a refinancing scheme, meaning banks will first give out the loans before being reimbursed by the central bank. Interested banks and non-bank financial institutions (NBFIs) will have to sign a participation agreement with the central bank.
- Currently, the rate is 4 per cent. If a bank happened to have availed the fund now, it would have been charged 3 per cent. It is 5 per cent for less than five years, 5.5 per cent for between five years and less than eight years, and 6 per cent for eight years to 10 years. A 7:3 debt to equity ratio will have to be maintained, which means that a borrower can avail 70 per cent of the upgradation cost from the lender while the remaining 30 per cent has to come from his/her own pockets.

Source: <https://www.thedailystar.net/business/news/tk-1000cr-fund-help-exporters-upgrade-tech-2029661>

Liquidity glut could fuel inflation: BB

- The surplus liquidity in the banking system might fuel inflationary pressure in the country in the near future, the Bangladesh Bank (BB) has said in its just-published annual report for the fiscal year 2019-20. Excess liquidity stemming from the stimulus packages may engender inflationary bubbles in the periods ahead, hence strong vigilance would be required.
- Banks' excess cash hit all-time high of nearly Tk 2.0 trillion in November last following lower private sector credit growth, caused by supply chain disruptions amid the ongoing coronavirus pandemic, according to bankers and experts. Considering these, the central bank has projected an average inflation range of 5.0-5.9 per cent for the current fiscal year, near to the government's target of 5.4.
- Meanwhile, the country's 12-month average inflation as measured by consumer-price index (CPI) rose to 5.69 per cent in December 2020 from 5.59 a year before. It was 5.73 per cent in November 2020. The government has so far announced a total of 23 stimulus packages worth Tk 1.24 trillion to offset the shock of Covid-19 pandemic in various sectors of the country.

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Source: <https://today.thefinancialexpress.com.bd/first-page/liquidity-glut-could-fuel-inflation-bb-1611167381>

Financial Institutions

New MD for Citizen Bank

- Citizens Bank recently witnessed the appointment of Mohammad Masoom as its managing director and chief executive officer. Prior to the new role, Masoom served Midland Bank as additional managing director. Masoom made his debut in the banking profession with AB Bank and subsequently served in Southeast Bank, Trust Bank and National Bank. He also served at the Bangladesh Finance and Investment Company (BD Finance) as managing director and CEO.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/bd-to-export-bandwidth-to-saudi-telecom-1610555638>

UCB opened two sub-branches

- The United Commercial Bank Limited (UCB) opened two sub-branches at Monipur Uchcha Vidyalaya & College, Dhaka (Main Campus - Boys & College Bhaban, Rupnagar) on Sunday. State Minister for Industries Kamal Ahmed Mojumder along with UCB Managing Director Mohammed Shawkat Jamil inaugurated the sub-branches as the chief guest.

Source: <https://today.thefinancialexpress.com.bd/trade-market/ucb-opened-two-sub-branches-1610989635>

Ruhul Amin new EC Chairman of NRB Bank

- Khandakar Ruhul Amin has been elected as Chairman of the Executive Committee of NRB Bank Limited at a meeting of the board of directors of the bank held recently. He is also the Chairman of Sonaimuri Upazila Parishad of Noakhali District. Mr. Amin is a versatile and seasoned business professional with extensive knowledge and networking capacity to revolutionize business decision-making in the international trade, commerce and restaurant industry. He is a proficient businessman involved with local and overseas companies in Bangladesh and USA over the 25 years.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/ruhul-amin-new-ec-chairman-of-nrb-bank-1611160504>

Financial Institutions

IDLC invests Tk 40m as part of VC Fund I in Intelligent Machines

- IDLC Venture Capital Fund I is investing Tk 40 million in Intelligent Machines Limited (IM), an AI (Artificial Intelligence)-first deep-tech startup that provides solutions to Enterprise Clients. This investment is part of IDLC VC (Venture Capital) Fund- I which is managed by IDLC Asset Management Limited, a wholly-owned subsidiary by IDLC Finance Limited. Launched in March 2020, IDLC VC Fund I is a Tk 450 million Venture Capital Fund that invests in technology-based and high-growth startups in Bangladesh. The country has seen the emergence of a Startup Culture beginning in 2012, and inspired by that IDLC took the courageous step to launch the first-ever VC Fund in the country.
- As a nation, we are cultivating the digital revolution. This investment is also not any exception, and we are delighted to be part of this. We will not be limiting ourselves to capital investment but extend guidance to the tech entrepreneurs too." The current funding round will support their expansion in the Enterprise AI sector, where they have been serving an eminent range of clients such as bKash, BAT, Unilever, Arla Foods, Telenor Myanmar, and IDLC Finance.
- While speaking about the investment, Mohammad Oli Ahad, Founder and CEO of IM said, "We are greatly encouraged with this powerful association. Partnering with a highly respected team like IDLC who has led some of the pioneering industry standards in their fields would help us not only in immediate journey but also strengthening our process assets and organization culture.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/idlc-invests-tk-40m-as-part-of-vc-fund-i-in-intelligent-machines-1611160662>

Stock Market

Stock profit booking continues

- A tendency to take out profits continued to prevail in the stock market yesterday as had been in the last couple of days. The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, dropped 48.71 points, or 0.83 per cent, to 5,801.72 yesterday.
- Institutional investors are also pouring in their funds, he added. Turnover, an important indicator of the stock market, plunged 36 per cent to Tk 1,519 crore. ADN Telecom topped the gainers' list, rising 9.82 per cent, followed by Associated Oxygen, New Line Clothings, National Feed Mills and Asia Insurance.
- Beximco topped the turnover list with trade worth Tk 249 crore followed by Robi Axiata, LankaBangla Finance, Beximco Pharmaceuticals and Summit Power. Savar Refractories shed the most, dropping 9.61 per cent, followed by Alltex Industry, Robi Axiata, Alif Manufacturing and Union Capital. The Chattogram bourse also fell yesterday. The general index of Chittagong Stock Exchange (CSE), the CASPI, dropped 173.58 points, or 1.01 per cent. Among the 255 stocks witnessing trade, 43 advanced, 162 fell and 50 remained unchanged.

Source: <https://www.thedailystar.net/business/news/stock-profit-booking-continues-2030221>

Stock Market

Insurance leads stocks' gain

- Insurance stocks led the capital market yesterday thanks to a regulatory order to abide by rules, including maintaining the minimum paid-up capital requirement. The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, rose 19 points, or 0.32 per cent, to 5,820 yesterday. Among the listed 49 insurance stocks, 46 advanced and the rest remained unchanged. The Insurance Development and Regulatory Authority (IDRA) issued an order on January 17 asking all insurance companies to raise sponsor shareholdings to 60 per cent and maintain a minimum paid-up capital of Tk 30 crore to 40 crore.
- Life insurance companies need to maintain a minimum paid-up capital of Tk 30 crore. For non-life insurers it is Tk 40 crore. The overvalued insurance sector has got more fuel to make a big jump, said a stock broker preferring anonymity. Among the top 20 on the gainers' list, 17 were from the insurance sector. Green Delta, Agrani and Pragati nearly had no one selling their stocks and rose 10 per cent. Market capitalisation of the insurance sector increased by 9.54 per cent while that of life insurance 5.32 per cent, according to the daily market review of LankaBangla Securities.
- Turnover, an important indicator of the market, dropped 15 per cent to Tk 1,290 crore. Robi Axiata was the most-traded stock, worth Tk 146 crore, followed by Beximco, Summit Power, Beximco Pharmaceuticals and LankaBangla Finance. Padma Oil Company shed the most falling 7.83 per cent followed by Delta Spinners, National Bank, Dhaka Electric Supply Company (Desco) and Zeal Bangla Sugar Mills. The port city bourse also rose yesterday. The general index of Chittagong Stock Exchange, the CASPI, increased 29 points, or 0.17 per cent, to 16,896.

Source: <https://www.thedailystar.net/business/news/insurance-leads-stocks-gain-2030797>

Stock Market

ICMAB holds discussion on AI and blockchain in capital market

- A discussion meeting titled 'Artificial Intelligence and Blockchain Applications in Capital Market' was organised by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) on Tuesday. Bangladesh Securities and Exchange Commission (BSEC) Chairman Prof. Dr. Shibli Rubaiyat-ul Islam was present as the chief guest.
- AKM Delwer Hussain FCMA, President of South Asian Federation of Accountants (SAFA) was the special guest on the occasion. Dr. Hajik Mohammad, Managing Director, Stellar Consulting Group (Singapore), Fintech Expert / Trainer, iFintel Business Intelligence (Malaysia) was the resource person. Chief guest Professor Shibli Rubaiyat-ul Islam said that CMA profession is very important for our economic development.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/icmab-holds-discussion-on-ai-and-blockchain-in-capital-market-1611160596>

Export Import

Export potential in China market remains untapped for pandemic

- Despite the duty-free market access for 97 per cent goods, Bangladesh could not seize the opportunity for most of last year because of a lack of diversified goods and the fallouts of the coronavirus pandemic. Beijing extended the duty-free access to 97 per cent of Bangladeshi goods in July last year, bringing 8,256 products under the tariff-free regime. Shipment to China stood at \$566.15 million in 2020, according to data from the Export Promotion Bureau (EPB). It was \$238.77 million in the January-June period and rose to \$327.38 million in the second half. Every year, China imports \$2.1 trillion worth of goods from all over the world and the amount is expected to double within the next seven to 10 years.
- The duty benefit was extended to Bangladesh at a time when China's consumer market is set to expand by 12 per cent every year to reach \$8.4 trillion by 2022. Studies suggest that because of its vast population, the Chinese consumer market will overtake America's by 2034. In 2000, China contributed 7 per cent to the annual growth in consumer spending worldwide. By 2040, China will contribute 44 per cent of the global figure, which is 3.5 times the expected contribution of the US, and 2.7 times the combined contribution of the whole of the rest of Asia, according to Oxford Economics, a research firm. exports to China from Bangladesh were \$746.2 million in the fiscal year of 2013-14.
- The amount reached to its highest level of \$949.41 million in 2016-17. It dropped to \$694.97 million in 2017-18. The export of garment, the main items going to China, is still very slow although it is growing. In 2008-09, Bangladesh shipped \$9.49 million worth of garment to China. It rose to \$506.51 million in 2018-19. Annual average growth of garment export to China was 48.85 per cent between 2008-09 to 2018-19.
- It fell in 2019-20 due to the pandemic as export came down to \$330 million, according to data from Bangladesh Garment Manufacturers and Exporters Association (BGMEA). It imported \$10.84 billion worth of textile and textile articles in 2018-19. China's share was 46.31 per cent, or \$5.02 billion, BGMEA data showed. Only for cotton, the country brought in \$2.2 billion worth of the raw material from China, which 31.84 per cent of the total of \$6.9 billion.

Source: <https://www.thedailystar.net/business/news/export-potential-china-market-remains-untapped-pandemic-2030805>





Jute exports on the mend

- Bangladesh's jute industry is passing exceptional times. With raw jute trade at a historic high amid scarcity resulting from low yield, export earnings are surging. However, millers said much of the growth in export receipts of jute yarn, twine, sacks and bags are the result of a price increase. The volume of shipments increased too but the extent of growth was not as much as the spike in value growth. Data from the Export Promotion Bureau (EPB) showed that export earnings from the main exportable yarn and twine soared 42 per cent year-on-year to \$449 million in the July-December period of fiscal 2020-21.
- Similarly in case of jute sacks and bags, exporters fetched 56 per cent higher earnings to \$92 million in the fiscal's first half. Millers said sales of 100,000 bales of previous stocks of jute sacks by state-run Bangladesh Jute Mills Corporation and private mills and higher demand for new carpets in the West amid increasing stays at homes for lockdowns buoyed shipments of jute yarn. He said prices of raw jute, the key ingredient of jute yarn, almost doubled from around Tk 2,200 per maund (around 37 kilogrammes). And this is being reflected in the export receipts, he said.
- Citing jute yarn, which accounts for more than three-fourth of the country's export proceeds from jute and jute goods, he said average monthly shipment from the Chattogram port was 36,704 tonnes in 2020, up 3 per cent from that in the previous year. This is the highest ever export growth in value registered by millers and exporters in recent years. Jute and jute goods exports rebounded in fiscal 2019-20 after a 20 per cent dip the previous year. The finest raw jute is trading at Tk 4,000-4,200 per maund, said millers, who doubt estimates of total jute yields citing spiralling prices. The Department of Agricultural Extension (DAE) estimates that farmers bagged 72.86 lakh bales last season after counting flood related losses.

Source: <https://www.thedailystar.net/business/news/jute-exports-the-mend-2030809>

27,000 tonnes of imported onion lying at Ctg port

- Some 27,000 tonnes of onion worth Tk 102 crore have apparently been abandoned at the Chattogram port by importers, as their market price expectations were decimated by an influx of the Indian variety and local harvests. September last year saw a mad rush for importing the kitchen staple after prices took off to reach a record high of Tk 250 per kilogramme (kg) in 2019, fuelled by India's export ban and weak local supplies. Importers secured government approval to bring in 217,000 tonnes. Since then they imported 147,000 tonnes.
- Of it, about 120,000 tonnes went through the Chattogram port as of Thursday, as prices stayed afloat to as much as Tk 100 per kg. Then the overall cost would reach about Tk 50 per kg. But the imports will not sell for more than Tk 15 a kg as they are of inferior quality compared to those from India and the local sources. According to the Chattogram port sources, 27,000 tonnes of onions were imported from nine countries, including the Netherlands, Turkey, Thailand and Egypt, and those had been lying on the yards as of Thursday. On average, 2,500 tonnes of onions were being delivered from the port every day before the Indian onions hit the market.
- Now, it has gone down to 500 tonnes. Customs laws state that importers have to take the delivery of goods within 30 days after their arrival at the port. If they fail, the authorities will start the procedures to auction the goods. Around 1,100 tonnes of onion have been put up for auction. Indian onions are being sold at Tk 40-42 per kg in the wholesale market, local onions at Tk 28-30, Egyptian onions at Tk 30-34, and Dutch onions at Tk 20-30 per kg in the kitchen market.

Source: <https://www.thedailystar.net/business/news/27000-tonnes-imported-onion-lying-ctg-port-2029057>



Energypac Power makes debut trading today

- Energypac Power Generation will make its shares trading debut today (Tuesday) on Dhaka Stock Exchange and Chittagong Stock Exchange under "N" category. DSE trading code for Energypac Power is "EPGL" and company code is 15,322 while CSE code is "EPGL" and scrip ID is 20,022, according to official disclosures on Monday. Energypac Power raised Tk 1.50 billion under the book-building method by issuing a total of 40.30 million ordinary shares to expand its LPG business, repay some bank loans and bearing the IPO expenses.
- The stock market regulator -- Bangladesh Securities and Exchange Commission (BSEC) -- approved the company's IPO proposal on October 21, 2020. The IPO subscription for shares of the company was held between December 7 and December 13, 2020. Its IPO was oversubscribed by 6.91 times. The cut-off price of Energypac shares had been fixed at Tk 35 each.
- As per un-audited Q1 consolidated financial statement, the company's profit after tax is Tk 66.48 million and basic EPS of Tk 0.44 for the period for July-September, 2020 as against profit after tax of Tk 131.61 million and basic EPS of Tk 0.88 for the same period of the previous year. However, post-IPO basic EPS for the period of July-September 2020) ended on 30 September 2020 would be Tk 0.35.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/energypac-power-makes-debut-trading-today-1610989918>

BEZA to add six more services to OSS platform this month

- Bangladesh Economic Zones Authority (BEZA) is set to add six more services to its virtual One-Stop Service (OSS) platform this month, aiming to facilitate investment in the economic zones. New services include no objection certificate (NOC) for establishment of power plant, NOC for construction of water treatment plant, NOC for construction of central effluent treatment plant, NOC for construction of sewage treatment plant, TIN certification and construction permit.
- BEZA is offering 125 services related to making investment in the economic zones (EZs) from its brick-and-mortar OSS center. Of the total, 48 types of services including project registration, project clearance, trade licence, import permit and export permit have also been made available on virtual OSS.
- As of January 7 this year, BEZA OSS platform provided a total of 10,721 services including 58 project clearances, 7,910 import permits, 1,514 export permits, 788 visa recommendations and 342 work permits, according to the official data. BEZA, an entity under the Prime Minister's Office (PMO), launched its OSS in October 2019. Since then, it has been adding more services to the platform. The government enacted One-stop Service Act in February 2018 on the back of an initiative taken by BEZA in 2015.

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Source: <https://today.thefinancialexpress.com.bd/trade-market/beza-to-add-six-more-services-to-oss-platform-this-month-1610989363>



China to become world's largest IoT market in 2024

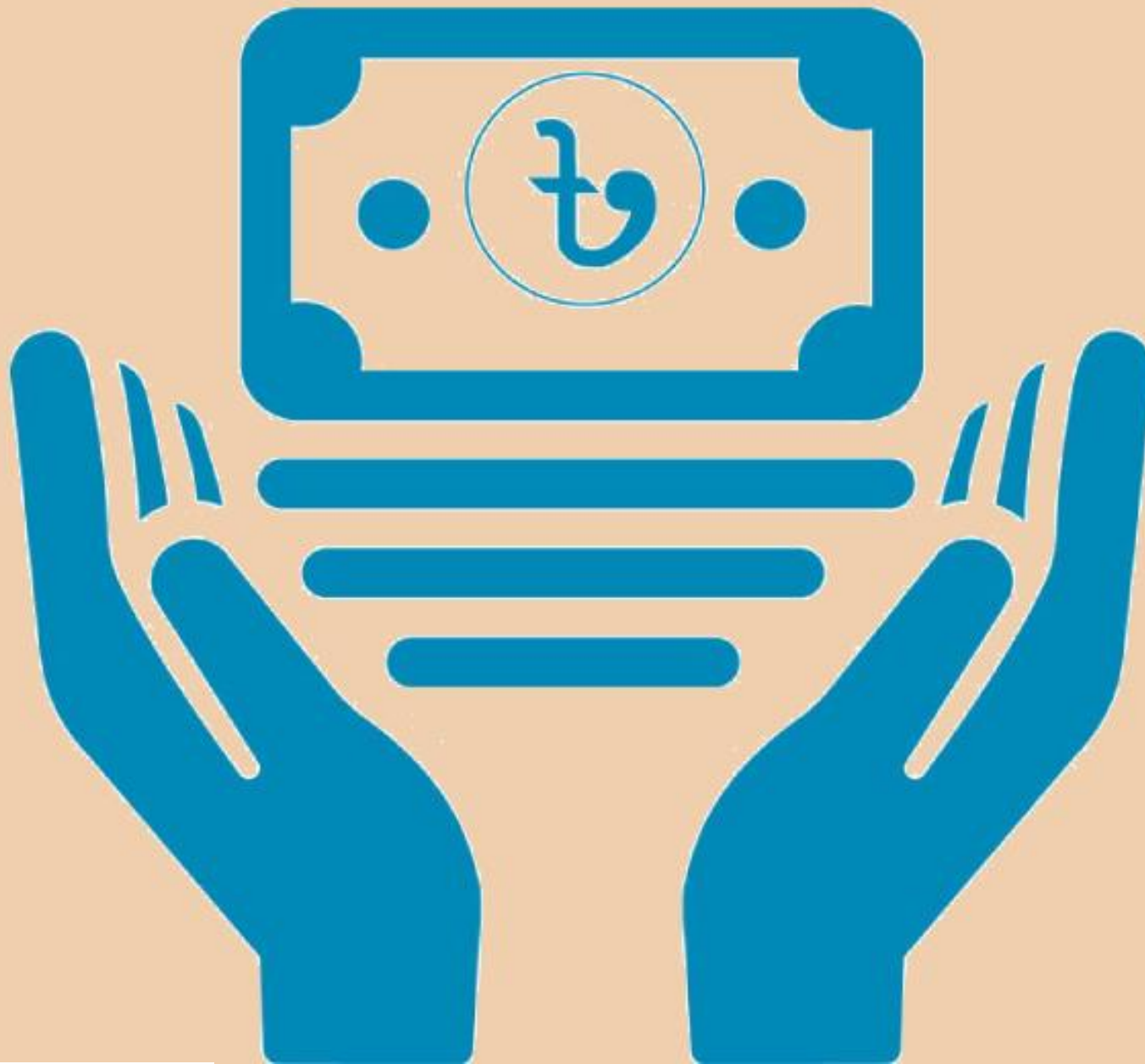
- China will surpass the United States to become the world's largest Internet of Things (IoT) market in 2024, according to an industrial report. China's spending on IoT is expected to reach around US\$300 billion by 2024, with the compound annual growth rate to stand at 13 percent in the next five years, data from global market research firm International Data Corporation (IDC) showed.
- In 2024, the country's spending on IoT will account for 26.7 per cent of global spending in the sector, followed by the United States at 23.8 per cent and Western Europe at 23.4 percent, IDC data showed. Among the 20 industries covered in the IDC's report, manufacturing, government and consumer IoT spending will account for more than half of the total market spending by 2024.

Source: <https://www.thedailystar.net/business/news/china-become-worlds-largest-iot-market-2024-2030741>

RBI may propose stricter rules for shadow banks

- The Reserve Bank of India is likely to propose stricter regulatory norms for shadow banks in a bid to strengthen solvency and sustainability of a sector that has been showing signs of stress in recent years, two sources said.
- RBI began trying to move towards tighter norms for the sector after Infrastructure Leasing & Financial Services, the largest NBFC, went bankrupt in 2018, and Dewan Housing Finance Corp and Altico Capital defaulted on payments in 2019.
- The RBI could also suggest large NBFCs be required maintain a cash reserve ratio. CRR currently stands at 3 per cent, below the usual 4 per cent level, after a temporary reduction by RBI due to the ongoing pandemic that will be reversed after March 31.

Source: <https://www.thedailystar.net/business/news/rbi-may-propose-stricter-rules-shadow-banks-2029021>



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