

### Finance Bill 2021 passed

The Finance Bill 2021 was approved in the parliament on June 29, 2021, amending a few of its original provisions. This bill permits whitening of undisclosed money through investments in the capital market, purchase of land and properties, or establishment of new industries for the next fiscal year. No questions will be asked about the sources of the income and the holders have to pay taxes at specified rates. According to the bill investment of undisclosed money in shares or government securities would require a 5% extra tax in addition to the regular 25% tax. The penalty rate would increase to 10% if any investor withdraws investment in less than one year of making the investment. The undisclosed money can also be parked as cash, bank deposits and savings instruments on similar conditions, according to the Finance Act. Moreover, money can be whitened by buying lands and apartments with paying the tax per square meter depending on the location of property. The government will allow the investment of untaxed money to set up new industries in economic zones and high-tech parks with 10% tax on the money invested. A total of 10,034 taxpayers have whitened their black money worth Tk142.95b in the first nine months of the FY2020-21, paying Tk14.39b in taxes to the National Board of Revenue (NBR). Of them, a total of 9,693 people whitened Tk138.60b mainly in cash, fixed deposit receipts, savings certificates and assets, paying Tk13.90b in taxes against the disclosure. At the same time, 341 people legalized Tk4.35b through investment in the capital market and paid Tk490m in taxes. Meanwhile, the tax rate for non-publicly listed Mobile Financial Services (MFS) will be 30% from FY2021-22. Earlier, in the budget for FY22, the Finance Minister had proposed increasing corporate taxes on MFS up to 40% from the existing 32.5%. Restaurant businesses also got relief as the government reduced Value Added Tax (VAT) on restaurant services. Now, a 10% VAT will be applicable for air-conditioned restaurants instead of the current 15%, while the rate has been slashed to 5% from 7.5% for non-air-conditioned ones. Also, the tax-free allowable limit for cash purchase of industrial raw materials has been raised to Tk0.5m from the proposed Tk50,000. On the other hand, a salary of up to Tk20,000 can be given by hand in cash, which was limited to Tk15,000 in the proposed budget, placed in parliament on June 03, 2021.

### Life expectancy increases

Life expectancy at birth in Bangladesh increased to 72.8 years in 2020 from 72.6 years in 2019, according to the Bangladesh Bureau of Statistics (BBS). Last year, the life expectancy was 71.2 years for males and 74.5 years for females, up from 71.1 years for men and 74.2 years for women in 2019, as per the BBS survey. Meanwhile, population density is rising as 1,140 people on an average lived in a square kilometer of area in 2020, against 1,125 in 2015. As of January 01, 2021, total population stood at 169.1m; among them, 84.6m were men and 84.5m women. The survey showed that the literacy rate among people over 15 rose to 75.6% in 2020 from 74.7% in 2019, with a large rural-urban gap. The literacy rate was 64.6% in 2015. The adult literacy rate in rural areas was at 69.8% against 82.8% in urban areas. Women were behind men in terms of attaining literacy, as 73% of women were literate compared with 78.2% of the men.

### BB again extend loan repayment moratorium

The Bangladesh Bank (BB) again extended the policy relaxation on loan installment payments. Under the new deadline, if 20% of the installment that was supposed to be paid by 30 June is paid by 31 August, the borrower will not be considered as a defaulter. BB issued a circular in this regard on June 27, 2021. The central bank came up with the latest move for loan classification amid a fresh surge in coronavirus infection rate. In March, 2021 BB provided a repayment deferral support to borrowers to allow them to repay the loans based on bank-customer relationship. Different facilities had been extended depending on the type of loans. Three categories of loans- term, demand and working capital are eligible for the relaxed facility. However, policy relaxation introduced for the working capital and demand loans would not be applicable to the loans extended under the stimulus packages. Due to the outbreak of coronavirus, the central bank had made available the facility of non-payment of loan installments throughout last year. This year the facility has been given on a loan basis but not for all. Initially, this facility was given till March but later it was extended to 30 June, 2021. It is to be noted that despite the benefit of non-payment of loan installments, the amount of defaulted loans has not decreased. On the contrary, the volume of Non-Performing Loans (NPLs) stood at Tk950.85b at the end of March 2021, which was 8.07% of the total outstanding loans of the sector, according to the BB statistics.

### Forex reserve hits all time high

The foreign exchange (forex) reserve crossed the US\$46b-mark to reach US\$46.08b for the first time on June 29, 2021 due to higher growth of inward remittances. Higher inflow of foreign loans and assistance have also helped push up the forex reserve in recent months. The flow of inward remittances grew by more than 39% to US\$22.84b during the July-May period of FY2020-21 from US\$16.37b in the same period of the previous fiscal year, the Bangladesh Bank (BB) figures reveal. The foreign exchange reserve had earlier set a new record of US\$45.1b on May 03, this year. The reserve, one of the major macroeconomic indicators of an economy, touched the US\$41b-mark on October 28, 2020 and rose to US\$42b on December 15 and US\$43b on December 30 last year. By international standards, a country has to have reserves equal to three months of import expenditure, as a safe bet. With the amount of reserves that Bangladesh has now, it is possible to pay import cost for more than 10 months.

### Net domestic borrowing fell in July-April

The Net domestic borrowing by the government plunged 56.42% (Y-o-Y) in the July-April period of the fiscal year 2020-21 against a backdrop of sluggish implementation of Annual Development Program (ADP). As per the recent statistics of the Bangladesh Bank (BB), the government borrowed net of Tk325.08b during the period as against Tk745.92b in the corresponding period of the last fiscal year. The government initially set the target to borrow Tk1099.83b from the domestic sources for this fiscal year, that was revised upward to Tk1150.52b. However, the actual borrowing was only 28.25% throughout the ten months. Meanwhile, the government repaid Tk42.07b to the banks instead of taking fresh loan as there was a very little need of money during the period, mainly due to the heavy sales of savings instruments.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,352.43	4,280.70	1.68
FTSE 100	7,123.27	7,136.07	-0.18
Nikkei 225	28,783.28	29,066.18	-0.97
SENSEX	52,484.67	52,925.04	-0.83
KSE 100	47,686.18	47,603.36	0.17

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,150.48	6,092.84	0.95
Total Turnover, Tk	56,246,625,633	95,242,918,817	-40.94
Market Capital, Tk	4,543,349,960,531	4,506,364,443,179	0.82
No of Issue Gain	197	224	
No of Issue Loss	162	140	
No of Unchanged Issues	17	11	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Olympic Accessories	10.30	14.90	44.66	257,319,000
Delta Life Insurance	107.20	154.30	43.94	2,290,616,000
Kay & Que	180.40	224.60	24.50	69,229,000
National Tea Co.	487.00	586.30	20.39	21,714,000
International Leasing	5.30	6.30	18.87	71,681,000
Khulna Printing	13.50	16.00	18.52	172,320,000
Atlas Bangladesh	108.70	125.10	15.09	32,129,000
FAS Finance & Inv.	5.70	6.50	14.04	83,117,000
Anwar Galvanizing	186.70	208.20	11.52	632,717,000
Matin Spinning Mills	47.80	53.30	11.51	479,665,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Safko Spinnings Mills	29.30	24.00	-18.09	119,606,000
Pragati Insurance	110.50	98.90	-10.50	105,270,000
Malek Spinning Mills	34.70	31.20	-10.09	1,205,423,000
Phoenix Insurance	65.30	59.20	-9.34	51,571,000
Sea Pearl Beach Resort	46.60	42.70	-8.37	254,135,000
Aramit Cement	47.80	43.90	-8.16	27,400,000
Oimex Electrode	25.80	24.10	-6.59	37,792,000
Republic Insurance	63.80	59.60	-6.58	144,165,000
Kattali Textile	33.10	31.00	-6.34	633,181,000
Pioneer Insurance	170.70	160.40	-6.03	509,887,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	465.50	460.27	1.14	5,321.00	7,804.54	-31.82
Cement	362.65	355.55	2.00	920.45	1,555.55	-40.83
Ceramic	666.28	666.17	0.02	479.52	1,006.06	-52.34
Engineering	7,596.03	7,541.75	0.72	4,321.90	8,980.67	-51.88
Food & Al.	4,960.13	4,946.45	0.28	1,584.22	2,252.73	-29.68
Fuel & Pow.	3,903.48	3,906.08	-0.07	2,129.85	4,479.25	-52.45
Insurance	3,181.02	3,052.38	4.21	8,688.23	14,525.99	-40.19
IT	478.46	479.55	-0.23	796.70	1,145.52	-30.45
Jute	1,078.50	1,061.37	1.61	17.62	54.86	-67.88
Misc.	2,130.03	2,164.22	-1.58	4,352.57	11,255.67	-61.33
Mutual Fund	571.62	577.99	-1.10	1,295.41	2,022.80	-35.96
NBFI	1,285.33	1,243.96	3.33	2,632.00	3,560.36	-26.07
Paper	6,785.99	6,714.83	1.06	559.12	373.81	49.57
Pharma	1,419.91	1,408.76	0.79	4,832.26	7,593.10	-36.36
Service	1,278.24	1,299.62	-1.65	626.96	1,122.43	-44.14
Tannery	698.33	705.30	-0.99	567.58	1,500.43	-62.17
Telecom	4,813.14	4,786.17	0.56	790.24	1,314.29	-39.87
Textile	1,548.77	1,540.49	0.54	11,684.21	18,223.75	-35.88
Travel & Leis	461.33	481.46	-4.18	312.15	609.17	-48.76

## Technical Talk

Dhaka stocks closed in green trajectory in the last week ended on Wednesday, the last week of the just concluded fiscal year. Major sectors keep gaining ahead of the countrywide week-long complete lockdown started from July 01, 2021. Out of four trading sessions in the week the first session lost more than 100 points due to virus-induced lockdown fears. However, next three sessions ended higher. The regulatory decision to keep the market open in line with the banks amid countrywide striker lockdown, removal of the floor price restriction from all listed securities had positively impacted the investors' sentiment. Among the major sectors, Insurance increased by 4.21% over the week followed by NBFI 3.33%, Cement 2%, Bank 1.14% and Pharma 0.79%.

DSE Broad Index (DSEX) stood at 6,150.48 points after increasing by 57.64 points or 0.95% from the previous week. Total turnover reached at Tk56246.63m, which was 40.94% lower than the previous week. Market capitalization increased by 0.82% and stood at Tk4543.35b (\$53.51b) at the weekend against Tk4506.36b. DSE 30 increased by 8.85 points or 0.40% and closed at 2,208.38 points against 2,199.53 points. Last week's weighted average Market PE was 18.50 which was 18.35 previous week.

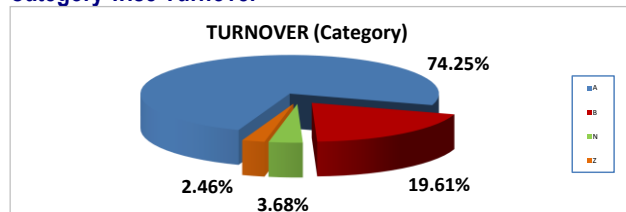
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco Ltd.	29,793,566	2,659,840,000	4.73
Delta Life Insurance	17,192,188	2,290,616,000	4.07
Malek Spinning Mills	36,638,419	1,205,423,000	2.14
Square Pharma	5,458,730	1,171,063,000	2.08
Queen South Textile	31,661,367	1,039,833,000	1.85
Dutch-Bangla Bank	10,793,068	985,348,000	1.75

### Top 10 Market Capital

			In million
GP	471,795	United Power	145,398
Walton Hi-Tech	405,924	RENATA	116,911
BATBC	291,114	ICB	90,021
ROBI	230,469	Berger Paint	81,602
Square Pharma	181,934	Beximco Ltd.	78,431

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,787.70	1,781.80	0.33
Silver (USD/t oz.)	26.60	26.19	1.57
Brent Crude Oil (USD/bbl.)	76.11	75.33	1.04

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	103.07	103.17	103.37	103.43	-0.29	-0.25
GBP	120.55	120.62	120.80	120.87	-0.21	-0.21
AUD	64.21	64.24	64.74	64.78	-0.82	-0.83
JPY	0.78	0.78	0.77	0.77	1.30	1.30
CAD	67.84	68.88	69.41	69.46	-2.26	-0.84
SAR	22.75	22.76	22.75	22.77	0.00	-0.04

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

### Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
SBAC Bank Ltd.	July 05-July 11, 2021	10	7,846