

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Macro:**IMF team due this week to discuss Dhaka's USD4.5 Bn loan request**

- A delegation from International Monetary Fund (IMF) will arrive here this week to start negotiations on Bangladesh's request for a USD4.5 Bn loan as budgetary support, official sources said on Sunday.
- The team from the Washington-based lending agency is likely to be led by Rahul Anand, chief of IMF Asia and Pacific Division, said the sources at Bangladesh Bank speaking on condition of anonymity.

<https://www.tbsnews.net/economy/45b-loan-imf-delegation-due-week-discuss-conditions-514582>

Garment exports to EU rise 12%

- Bangladesh's garments exports to the European Union (EU) increased by 12.43% year-on-year to USD4.94 Bn in the first three months of the ongoing fiscal, according to data from the Export Promotion Bureau (EPB). Exports to Germany, the country's largest export market in the EU, grew by only 1.34% to USD1.52 Bn in the July-September period while shipments to Spain and France showed 21.35% and 36.72% growth respectively.

<https://www.thedailystar.net/business/news/garment-exports-eu-rise-12-3144401>

Enough urea in stock, no possibility of shortage: BCIC chairman

- Bangladesh has 0.737 Mn tonnes of fertiliser in stock right now and the country will face no shortage of it in the coming months, Bangladesh Chemical Industries Corporation Chairman Shah Md Imdadul Haque today. He spoke at a press conference at the BCIC Bhaban in Dhaka.
- "The energy division has informed us that the gas situation will be eased by November," he said, adding that right now two factories out of four are producing urea fertilisers.

<https://www.thedailystar.net/business/news/enough-urea-stock-no-possibility-shortage-bcic-chairman-3144386>

Bangladesh, Brunei sign 4 bilateral instruments

- Bangladesh and Brunei on Sunday signed four instruments, including an air services agreement, to elevate the bilateral relations to a newer height.
- The three other bilateral instruments are: "MoU on the Employment and Recruitment of Bangladeshi Workers," "MoU on the Field of Cooperation in the Supply of Liquefied Natural Gas (LNG) and other Petroleum Products;" and "MoU on the Recognition of Certificate Issued under the Provisions of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 as amended."

<https://www.tbsnews.net/economy/bangladesh-brunei-sign-4-bilateral-instruments-514618>

Steps for FTA with Japan underway

- Bangladesh is working on getting either a free trade agreement (FTA) or economic partnership agreement (EPA) signed with Japan, the most promising export market in Asia, with the commerce ministry having already prepared a relevant memorandum of cooperation (MoC).

<https://www.thedailystar.net/business/economy/news/steps-fta-japan-underway-3144651>

52% SMEs pay bribe to get essential services

- Around 52% of the small industries in Bangladesh have to pay bribes for obtaining essential services, including availing and renewing licences, using public utilities such as gas and power, obtaining a tax identification number, and value-added tax certificates, according to a study.

<https://www.thedailystar.net/business/news/52-smes-pay-bribe-get-essential-services-3144406>

Taka third weakest currency in South Asia

- The taka has been rendered one of the worst-performing currencies in South Asia in the last one year because of the plummeting foreign exchange reserves of Bangladesh for higher import payments.
- The exchange rate of the local currency stood at BDT107.5 per USD on October 10, down 25.6 % from a year earlier. The two other currencies – the Sri Lankan rupee and the Pakistani rupee – performed worse than the taka during the period: the Sri Lankan rupee fell by 79.3 %, while the Pakistani rupee was down 27.7 %, central banks data showed.

<https://www.thedailystar.net/business/economy/news/taka-third-weakest-currency-south-asia-3144656>

Stocks:**DESCO | Higher deferred tax drags Desco profit 15% down**

- The net profit of Dhaka Electric Supply Company (Desco) Limited has dropped by 15% year-on-year in the fiscal 2021-22. "The profit declined because of the company's provision of a higher deferred tax as per the income tax law," Desco said in a stock exchange filing on Sunday.

<https://www.tbsnews.net/economy/stocks/higher-deferred-tax-drags-desco-profit-15-down-514738>

EXCHANGE | BSEC to form Shariah council to tap Islamic investors

- The Bangladesh Securities and Exchange Commission (BSEC) will now form a Shariah council in line with a new rule formulated to make room for more Shariah-based investors in the country's stock market.
- According to the BSEC rule, the council shall consist of nine members comprising Shariah scholars and experts. Out of the total council members, at least five shall be Shariah scholars and the remaining members shall be experts. The chairman of the council will be elected by the members amongst local Shariah scholar members by themselves.

<https://www.tbsnews.net/economy/stocks/bsec-form-shariah-council-tap-islamic-investors-514750>

EXCHANGE | BSEC pushes to exclude bonds from capital market exposure

- The Bangladesh Securities and Exchange Commission (BSEC) has recently urged the Bangladesh Bank for the second time to exclude fixed-income securities – bonds, Sukuks and asset-backed securities – while calculating the capital market exposure of banks.
- BSEC spokesperson and Executive Director Rezaul Karim said fixed-income securities are less volatile than shares and have lower extent of capital gain or loss. This is why the commission requested the central bank to exclude them while calculating exposure.

<https://www.tbsnews.net/economy/stocks/bsec-pushes-exclude-bonds-capital-market-exposure-514746>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 86.15	USD 10.94	14.55%
Crude Oil (Brent)*	USD 92.23	USD 14.45	18.58%
Gold Spot*	USD 1,650.66	(USD 178.54)	-9.76%
DSEX	6,478.47	-278.19	-4.12%
S&P 500	3,583.07	-1,183.11	-24.82%
FTSE 100	6,858.79	-525.75	-7.12%
BSE SENSEX	57,919.97	-333.85	-0.57%
KSE-100	41,948.50	-2,647.57	-5.94%
CSEALL	9,093.37	-3,132.64	-25.62%

Exchange Rates**1 US Dollar = 101.90 BDT****1 GBP = 114.52 BDT****1 Euro = 99.38 BDT****1 INR = 1.24 BDT**

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Hossain Zaman Towhidi Khan	Senior Research Associate	hztowhidi.khan@bracepl.com	01708 805 224
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229
Md. Tanvir Ahmed	Research Associate	mtanvir.ahmed@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Stock Brokerage Limited

www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: research@bracepl.com