

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.

JS budget session to begin on June 5

- The 18th session which is also the budget session of the 11th parliament will begin on June 5. The budget for the upcoming 2022-23 financial year is likely to be placed on June 9, according to the sources at the Parliament Secretariat. The initial size of the budget is set at BDT 6.8 Tn and the target for revenue income is BDT 4.3 Tn, Finance Minister recently told reporters.

<https://www.thedailystar.net/business/economy/news/js-budget-session-begin-june-5-3026341>

Universal pension to take effect from July next year

- The long-awaited universal pension scheme will take off in July next year. All citizens aged between 18 and 50 will be entitled to the benefits of the move. The finance ministry is mulling to bring a large number of citizens under the pension scheme before the next national election slated for December 2023.
- Under the scheme, aspirant pensioners can pay fees on a monthly and quarterly basis. Citizens can open pension accounts based on information provided in their national identity cards. A person will be eligible to receive a monthly pension if he or she pays a fee for at least 10 consecutive years. There will be no option to withdraw the money deposited in the pension fund in one go, but 50% of it can be taken out as a loan. The pension deposit will be considered as investment and will be given a tax rebate, while pension income will be free of income tax.

<https://www.tbsnews.net/economy/universal-pension-take-effect-july-next-year-421974>

NBR merges dual VAT down

- Government's revenue authority has recast the VAT-fixation and-payment modalities on medicines to merge dual taxation down, in a fiscal remedy meant for making lifesaving drugs cheaper. Prices of medicines have registered rise on many occasions, generating criticism of the drug-makers from different corners. Sources say the National Board of Revenue has amended the value-added tax (VAT) method following request of the pharmaceutical companies as they have to pay the tax at two stages to adds up to medicine prices.

<https://today.thefinancialexpress.com.bd/first-page/nbr-merges-dual-vat-down-1652898313>

GPH Ispat, Fortune Shoes eye jute industry

- Charmed by the potential of the jute, and jute products in both the local and foreign markets, GPH Ispat and Fortune Shoes are now planning to invest in the industry. According to Bangladesh Jute Mills Association, GPH Ispat applied and submitted an expression of interest to get the lease for three jute mills in the Chattogram zone, and the Fortune Shoes for two in the Khulna zone.

<https://www.tbsnews.net/economy/stocks/gph-ispate-fortune-shoes-eye-jute-industry-422546>

Jute millers want source tax waiver

- The country's jute millers sought waiver of source tax on raw jute at purchase level and also demanded exemption of source tax on export subsidy. Currently, the government deduct 2.0% tax at source on raw jute purchase, and 10% on cash incentive from export earnings. Bangladesh Jute Mills Association BJMA also made demands, including implementing mandatory jute packaging law to increase local sales of the eco-friendly goods. The millers requested to increase the subsidy to 25% from current 20%.

<https://today.thefinancialexpress.com.bd/trade-market/jute-millers-want-source-tax-waiver-1652896189>

Inflation jumps to 6.29% in April

- The point-to-point inflation rate jumped by 0.07 percentage point in April to 6.29%, the highest in 18 months, mainly because of soaring commodity prices in the international market, appreciation of dollars globally and a rise in domestic household demand. The overall inflation was 6.22% in March. The inflation rate for nonfood items saw a big jump of 0.35 percentage points to 6.39%, while food inflation dropped to 6.24% from 6.34% a month ago.

<https://www.tbsnews.net/economy/inflation-jumps-629-april-422586>

BB cuts interest rate sharply to boost exports

- Bangladesh Bank on Wednesday reduced the interest rate of its pre-shipment refinance scheme sharply to facilitate exporters by making loans more convenient from the scheme. As part of the initiative, the BB reduced the interest rate for exporters to 3.5% from 5%. To ensure the newly set interest rate at the customer-end, the BB will disburse funds to banks from the scheme at the rate of 0.5%. The central bank initially had set the interest rate at 6% in April 13, 2020 when the refinance scheme worth BDT 50.0 Bn was formed to revive the country's export-oriented local industries.

<https://www.newagebd.net/article/170924/bb-cuts-interest-rate-sharply-to-boost-exports>

BAFEDA acts to tame forex volatility

- The apex body of Bangladesh's dealer banks decides to tell its members to maintain a benchmark in quoting foreign-currency-exchange rates to the overseas exchange houses engaged in remitting money. The move is aimed at reining in the ongoing exchange-rate volatility on the country's money market, sources say.
- Under the decision, the exchange rate for overseas exchange houses to be quoted by the banks will be less by BDT 0.10 per US dollar from inter-bank rate. According to market-insiders, some banks offer higher rates ranging between BDT 91 and BDT 94 for netting remittances from the overseas exchange houses bypassing the inter-bank rate or BC (bills for collection) selling rates.
- One currency trader said the cash dollar rate is likely to fall further in the coming days, without providing further elaboration. Sources, however, say the demand for cash dollar eased slightly on Wednesday because of higher price of the greenback on the kerb market. The rate of the greenback may rise ahead of the upcoming holy Hajj if the lower supply of the US currency to the market continues, they predict.

<https://today.thefinancialexpress.com.bd/first-page/bafeda-acts-to-tame-forex-volatility-1652898215>

Bangladesh purchasing LNG at lower price than previous month

- PetroBangla would procure 3.36 Mn MMBtu LNG from M/S Vitol Asia Pte Ltd, Singapore for BDT 9.09 Bn. This time, each unit of LNG will cost USD 26.4/MMBtu, down from USD 29.25/MMBtu in April. Another consignment in April costed USD 36.7/MMBtu.

<https://thefinancialexpress.com.bd/economy/bangladesh-purchasing-lng-at-lower-price-than-previous-month-1652884405>

BERC recommends 57.83% hike in bulk electricity price

- The Bangladesh Energy Regulatory Commission (BERC) has recommended hiking bulk electricity price by 57.83%. At present, BPDB sells per unit of electricity at BDT 5.17 to the electricity distribution companies which was increased in the last tariff order in February 2020. They proposed to increase the price by BDT 3.39 per unit in January. However, BERC technical team recommended today to hike the price by BDT 2.99. BPDB, the sole wholesaler of electricity, is buying from its own generation as well as from imported and privately-owned power plants.

- The average production cost of electricity was BDT 2.13 in FY20 which increased to BDT 3.16 in FY21. The cost of power generation per unit will stand at BDT 4.24 in 2022 due to an increase in fuel oil price and coal VAT. If the wholesale price does not increase, BPDB will lose over BDT 300.0 Bn in 2022.

<https://www.tbsnews.net/bangladesh/energy/berc-recommends-5783-hike-bulk-electricity-price-422242>

Antibiotics will require red colour packaging from December

- No antibiotic medicines will be allowed to be sold in the local market without red colour packaging from December for human or veterinary purposes. Antibiotic packaging labels will contain the word 'antibiotic' in bold red across half the package. DGDA told that the changes in packaging will definitely increase cost, however, the pharma companies had agreed. DGDA also told that 67.3% of the pharmacy retailers had poor knowledge of antibiotics, based on a random survey at 427 pharmacies.

<https://www.dhakatribune.com/bangladesh/2022/05/18/antibiotics-will-require-red-colour-packaging-from-december>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 109.59	USD 34.38	45.71%
Crude Oil (Brent)*	USD 109.46	USD 31.68	40.73%
Gold Spot*	USD 1,815.50	(USD 13.70)	-0.75%
DSEX	6,309.92	-446.74	-6.61%
S&P 500	3,923.68	-842.50	-17.68%
FTSE 100	7,438.09	53.55	0.73%
BSE SENSEX	54,208.53	-4,045.29	-6.94%
KSE-100	43,026.88	-1,569.19	-3.52%
CSEALL	8,417.21	-3,808.80	-31.15%

Exchange Rates**1 US Dollar = 87.52 BDT****1 GBP = 108.11 BDT****1 Euro = 91.79 BDT****1 INR = 1.12 BDT**

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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
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229

International Trade and Sales

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