

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.

Growing orders signal export surge

- Additional container-handling orders are pouring in off-docks around Chittagong seaport in clear signs of significant export growth ahead for Bangladesh amid global trade resurgence. They handle almost all the export containers, 37 types of goods-laden import containers and a significant volume of empty containers.
- The 19 off-docks in the first 15 days of this March handled 34,901 TEUs (twenty-foot equivalent units) of export containers, marking a 25.50% increase from 27,809 TEUs handled in the same period last year. The off-docks handled 67,147 TEUs and 62,466 TEUs of outbound boxes during Jan'22 and Feb'22 respectively, up by 17.86% and 19.47% year-on-year respectively. growth over last year's same-month volume of 52,283 TEUs.

<https://thefinancialexpress.com.bd/economy/growing-orders-signal-bangladeshs-export-surge-1648260120>

How local brands replaced foreign ones in 50 years

- In pre-independence Bangladesh, businesses and Bangalis appeared to be synonymous with small retailers and some traders of agro commodities. The making of a local brand was a distant dream then, but things have taken a different turn now with the rise of great entrepreneurs in independent Bangladesh that gradually gave rise to a thriving private sector to dominate the economy.
- Kantar Worldpanel, a world leading market insight firm, that half of the top 50 brands in Bangladesh were local ones reflecting the strong emergence of the local soft assets in the economy. Local players are also dominating the market of pharmaceuticals, food, salt, cement and steel.
- Bangladeshi brands, closing the gaps over time, supplement Bangladesh's story of an economic rise with the fastest growing GDP alongside its enviable progress in social indicators, internationally being referred to as a role model of development. Bangladesh's sizable manufacturing-GDP ratio (about 20%) - which is twice the average of the LDC group and is even higher than that of India, Pakistan, and Sri Lanka - enabled brands to flourish here.

<https://www.tbsnews.net/economy/how-local-brands-replaced-foreign-ones-50-years-391306>

Forex crisis now threatens macroeconomic stability

- Like all countries in the world, Bangladesh too is facing volatility in the foreign exchange market, owing to demand recovery and supply chain disruption, exacerbated by Russia's invasion of Ukraine. Bangladesh Bank injected a record USD 3.78 Bn till now in FY22 to stop the freefall of the taka, and the export earnings has been on the rise. However, these initiatives were offset by steep increase in import payments and a sharp decline in remittance.
- Ahsan H Mansur, an economist who earlier worked at the International Monetary Fund, describes the central bank's move as insufficient to ensure macroeconomic stability from the current global turmoil. Bangladesh Bank will have to devalue the local currency by BDT 3.0 against the dollar immediately, he said. He suggested bringing down the country's import growth below 30% from 46% now or else the reserves will be hit hard by the ongoing instability.
- Md Habibur Rahman, chief economist of Bangladesh Bank, says the central bank has decided to gradually depreciate the local currency. He thinks the exchange rate gap between formal and informal markets should be BDT 2.50 per dollar to ride out the ongoing situation. Another central bank official said the government would try to keep inflation in check in order to protect people from higher prices since the next general election is not far away.

<https://www.thedailystar.net/business/economy/news/forex-crisis-now-threatens-macroeconomic-stability-2991361>

Local millers want more cotton from US

- Leaders of Bangladesh Textile Mills Association (BTMA) wants more cotton from the USA to diversify its cotton sourcing destination, and also wants to introduce direct shipping line to procure more of the American cotton. Bangladesh imports cotton worth nearly USD 1.0 Bn from the USA, while during 1HFY22, Bangladesh has already exported USD 4.0 Bn worth of garment to USA.
- President of BTMA told that direct shipping line between Bangladesh and the USA will reduce cost of doing business and also reduce the lead time in trade. He added that many shipping lines do not want to come to Chattogram port because of congestion and for long time in loading and unloading of goods. As a result, some shipping lines left the goods at ports in China and Malaysia, he said.

<https://www.thedailystar.net/business/news/local-millers-want-more-cotton-us-2991001>

Subscription to Star Adhesive shares begins tomorrow

- The subscription to shares of Star Adhesive Ltd, a concern of Star Partex Group, through qualified investor offer (QIO) will begin tomorrow (Sunday), as the company aims to raise BDT 50 million under the fixed-price method. The period of subscription through the electronic subscription system (ESS) will end at 5:30pm on March 31. As per the regulatory approval, Star Adhesive will issue 5.0 million ordinary shares of BDT 10 each.
- The fund will be raised through the exchanges' SME platform dedicated to ensuring long-term financing for small-capital companies. An individual investor having an investment of a minimum of BDT 2.0 million in the listed securities as on March 16 will be considered as a qualified investor.
- The company will utilise the proceeds for factory renovation, working capital, repaying bank loans and meeting the cost of the QIO. The company has reported its basic earnings per share (EPS) at BDT 6.05 while the diluted EPS stood at BDT 1.80 for the period from July 1, 2020 to June 30, 2021. For the same period, the company's net asset value (NAV) without revaluation reserve stood at BDT 12.56.

<https://thefinancialexpress.com.bd/stock/bangladesh/subscription-to-star-adhesive-shares-begins-tomorrow-1648266338>

Perpetual bonds won't need provisioning

- Bangladesh Securities and Exchange Commission (BSEC) has removed the mandatory condition of keeping provision by issuers of perpetual bonds. The regulator earlier set a condition of keeping provision by issuers of perpetual bonds to remove apprehension regarding non-payment of interest or coupon to the bondholders.
- BSEC executive director said that some provisions set in the rules of perpetual bonds contradict with the central bank's rules on tier-I capital. When asked whether investors' interest to perpetual bonds will decline following such decision, the director replied that the bond holders' confidence may decline a little bit at this.
- In its fresh directive, the securities regulator has also extended the listing period of perpetual bonds, issued by 11 banks, to 180 market days from previous 90 market days.

<https://thefinancialexpress.com.bd/stock/perpetual-bonds-wont-need-provisioning-1648176249>

United Finance posts 5% profit growth

- After a 13.66% decline in 2020, the United Finance Limited has reported a 5.2% growth in net profit for 2021. The company's net profit after tax rose to BDT 222.2 Mn for 2021, and EPS stood at BDT 1.19. In 2020, the profit was

BDT 211.2 Mn, EPS BDT 1.13, and it had paid a 10% cash dividend to its shareholders.

<https://www.tbsnews.net/economy/stocks/united-finance-posts-5-profit-growth-391762>

Securities regulator to look into RSRM's financials

- The Bangladesh Securities and Exchange Commission (BSEC) has formed a four-member inquiry committee to look into the financial statements of Ratanpur Steel Re-Rolling Mills (RSRM) for the last five years – from 2017 to 2021. Incorporated in 1986, Ratanpur Steel Re-Rolling Mills Limited raised BDT 1.0 Bn from the stock market in 2014. The firm issued 25 Mn ordinary shares at a face value of BDT 10 with a BDT 40 premium each.
- In FY13, the company posted revenue of BDT 5.25 Bn and its net profit was BDT 166.7 Mn. But in FY21, it incurred a loss of BDT 380.0 Mn and its revenue stood at BDT 1.45 Bn. RSRM Group's excessive bank liability amounting to around BDT 22.0 Bn under its four companies and tussle with lenders regarding paying installments were the main reason behind the sorry state.

<https://www.tbsnews.net/economy/stocks/securities-regulator-look-rsrms-financials-390834>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 113.90	USD 38.69	51.44%
Crude Oil (Brent)*	USD 120.65	USD 42.87	55.12%
Gold Spot*	USD 1,958.29	USD 129.09	7.06%
DSEX	6,752.87	-3.78	-0.06%
S&P 500	4,543.04	-223.14	-4.68%
FTSE 100	7,483.35	98.81	1.34%
BSE SENSEX	57,362.20	-891.62	-1.53%
KSE-100	43,551.14	-1,044.93	-2.34%
CSEALL	10,455.32	-1,770.69	-14.48%

Exchange Rates**1 US Dollar = 86.44 BDT****1 GBP = 113.95 BDT****1 Euro = 94.93 BDT****1 INR = 1.11 BDT**

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