

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.10%) lost 6.70 points and closed the week at 6,655.67 points. The blue-chip index DS30 (-0.70%) lost 17.31 points and stood at 2,460.77 points. The Shariah-based index DSES (-1.20%) lost 17.64 points and stood at 1,446.98 points. The large cap index CDSET (-0.60%) lost 8.09 points and closed at 1,336.15 points. DSEX, DS30, DSES and CDSET showed YTD returns of -1.49%, -2.84%, +1.11%, -1.69%, respectively.

Total Turnover During the Week (DSE): BDT 40.6 billion (USD 472 million)

Average Daily Turnover Value (ADTV): BDT 8.1 billion (Δ% Week: +47.9%)

Market P/E: 16.3x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a positive note (+0.31%) on Sunday. But the market became negative (-0.24%) on Monday. Market again became positive (+0.16%) on Tuesday and remained flat (+0.00%) on Wednesday. But at the end, market ended negatively (-0.33%) on Thursday.

Sectoral Performance

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 2.02% followed by Bank (+0.07%). Life Insurance experienced the highest loss of 1.86% followed by Mutual Fund (-0.19%), NBF1 (-0.15%).

- Non-financial sectors posted mixed performance this week. Engineering booked the highest gain of 2.91% followed by Fuel & Power (+0.28%), and Food & Allied (+0.06%). Telecommunication experienced the highest loss of 1.54% followed by Pharmaceutical (-1.29%).

Macroeconomic arena

- BD exports to take a hit. Bangladesh to buy 3.36 Mn MMBTU LNG. NBR sets BDT 3.70 Tn revenue collection target for FY23. BDT 2.46 Tn ADP likely in next fiscal year. Second unit of Payra 1,320MW power plant resumes production. USD 50 Mn to be invested by Chinese Company at BEPZA economic zone. BD bags highest USD 6.79 Bn foreign aid in nine months.

- Dollar rises to BDT 86.45 in interbank market. Internet banking users double, transactions triple in two years. BB asks banks to raise limit. Sonali Bank's capital deficit on paper only: MD. Govt's bank loans to grow 33% in FY23 as subsidy bills rise. No limit on number of MFS transactions. Default loan rescheduling falls to 7-year low. Take insurance coverage for export financing.

- Private credit growth rises 11.3pc in March. Banglalink secures BDT 12.0 Bn syndicated loan. BDT 930 Bn foreign funds likely in FY '23 ADP. Now direct shipping to Spain, Netherlands from 20 May. Gold price drops to BDT 77,682 a bhari. Up to 500cc bikes can be made locally. Bangladesh wants to sign CEPA with India in a year. BD gas reserve to be depleted in less than five years: Report. BGMEA seeks policy support for backward linkage industries.

Stock Market arena

- Square Pharma's quarterly profit rise by 18%. Apex sees 50pc rise in profits. AB Bank posts 82% profit growth in 2021. Runner Lube plans to acquire an 8.81% stake in Runner Auto. SS Steel to invest in Al-Falah Steel. GP posts 9.07pc profit fall in Q1. Share sales of subsidiary boost Unique Hotel's Q3 profit. Bata Shoe returns to profit in Jan-Mar. MTB closes deal for US\$ 15m term loan. Sonali Paper rights shares subscription opens on 7 June. High cost of listing, trading hinders bond market development.

- Maksons Spinning's EPS increases 2 times. BSEC okays City Bank's BDT 7.0 Bn bond. Robi posts BDT 398 Mn profits in Jan-March. 'Grameen Bank-AIMS First Unit Fund' in the offing. City Bank joins UN-convened Net-Zero Banking Alliance. BSEC body suspects Ashraf Textile Mills embezzled funds. Soaring raw materials, finance costs bite into BSRM profits. LafargeHolcim revenue falls due to aggregate business dispute. Keya Cosmetics gets independent directors. Walton records drop in profits.

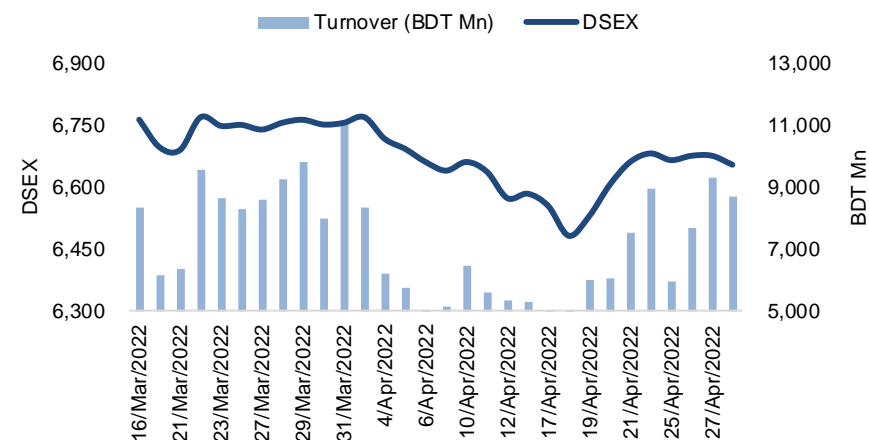
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	30-Dec-2020	Δ% Week	Δ% YTD
DSEX	6,655.67	6,662.36	-6.70	6,756.66	-0.10%	-1.49%
DS30	2,460.77	2,478.08	-17.31	2,532.58	-0.70%	-2.84%
DSES	1,446.98	1,464.63	-17.64	1,431.12	-1.20%	+1.11%
CDSET	1,336.15	1,344.24	-8.09	1,359.13	-0.60%	-1.69%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,369,611	5,356,181	
	Mn USD	62,437	62,281	+0.3%
Turnover	Mn BDT	40,579	27,443	+47.9%
	Mn USD	472	319	
Average Daily Turnover	Mn BDT	8,116	5,489	+47.9%
	Mn USD	94	64	
Volume	Mn Shares	881	645	+36.5%

Figure 1: DSEX & Turnover in last four weeks



Research Associate
Fahim Hassan
 (880) 1709636546
fahim.hassan@bracepl.com

Junior Research Associate
Md. Mahmudul Hasan
 (880) 1708805201
mmahmudul.hasan@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
IMAMBUTTON	58.5	48.6	+20.4%	450	56.7	NM	12.2x
UNIQUEHRL	70.5	59.0	+19.5%	20,755	1,095.4	24.1x	0.7x
BDWELDING	20.1	18.1	+11.0%	871	20.6	NM	1.7x
TRUSTBANK	35.0	31.6	+10.8%	24,767	23.8	8.8x	1.3x
REPUBLIC	46.6	42.1	+10.7%	2,312	28.8	19.6x	2.8x
SAPORTL	30.4	27.5	+10.5%	7,201	84.5	37.3x	0.9x
CENTRALINS	49.1	44.9	+9.4%	2,609	31.4	20.4x	1.0x
SONARGAON	28.4	26.1	+8.8%	752	62.7	NM	2.5x
SPCERAMICS	28.3	26.2	+8.0%	4,159	80.6	63.5x	0.9x
PIONEERINS	101.4	94.0	+7.9%	7,806	35.6	13.0x	2.0x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
GEMINISEA	414.7	472.0	-12.1%	1,948	329.9	22.8x	72.0x
BEACONPHAR	265.5	300.9	-11.8%	61,331	240.4	65.6x	10.5x
SAMORITA	76.7	86.2	-11.0%	1,448	45.7	39.9x	1.5x
PROVATIINS	93.9	105.4	-10.9%	3,263	671.0	21.7x	4.5x
EBL	34.5	38.7	-10.9%	32,908	60.6	6.9x	1.0x
OIMEX	17.4	19.4	-10.3%	1,167	16.4	NM	1.4x
EASTRNLUB	1,761.0	1,961.8	-10.2%	1,750	62.1	97.6x	9.6x
SBACBANK	12.7	13.9	-8.6%	10,364	19.4	14.9x	0.9x
UNITEDFIN	17.3	18.9	-8.5%	3,237	35.7	14.9x	1.0x
GBBPOWER	25.0	27.3	-8.4%	2,545	193.5	20.4x	1.2x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	148.9	147.0	+1.3%	130,484	2,499.0	9.1x	1.7x
JHRML	78.9	74.5	+5.9%	9,886	1,608.4	37.9x	2.6x
IPDC	56.9	52.9	+7.6%	21,115	1,604.1	23.5x	3.2x
ORIONPHARM	100.5	99.8	+0.7%	23,517	1,363.9	24.5x	1.2x
BSC	123.1	117.9	+4.4%	18,777	1,269.9	10.9x	1.8x
SONALIPAPR	898.2	867.4	+3.6%	19,728	1,264.6	63.5x	3.6x
UNIQUEHRL	70.5	59.0	+19.5%	20,755	1,095.4	24.1x	0.7x
LHBL	78.6	78.0	+0.8%	91,284	782.7	24.1x	5.2x
PROVATIINS	93.9	105.4	-10.9%	3,263	671.0	21.7x	4.5x
DOREENPWR	80.5	76.4	+5.4%	13,018	663.0	8.0x	1.6x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
IPDC	56.9	+47.4%	21,115	23.5x	3.2x
UNIQUEHRL	70.5	+40.4%	20,755	24.1x	0.7x
ADNTEL	68.3	+30.3%	4,416	26.5x	2.6x
SQUARETEXT	66.8	+28.0%	13,176	7.7x	1.5x
DOREENPWR	80.5	+18.7%	13,018	8.0x	1.6x
LHBL	78.6	+10.5%	91,284	24.1x	5.2x
IBNSINA	295.7	+9.0%	9,239	16.5x	3.8x
CROWNCEMNT	67.7	+8.8%	10,053	34.4x	1.3x
SHASHADNIM	26.6	+8.6%	3,752	17.9x	0.6x
GPHISPAT	56.8	+7.2%	24,811	12.0x	2.0x

*BDT
 **BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,493.0	1,492.0	1,589.69	+0.07%	-6.08%
NBFI	2,039.5	2,042.6	2,327.63	-0.15%	-12.38%
Mutual Fund	887.1	888.8	882.99	-0.19%	+0.46%
General Insurance	3,788.7	3,713.7	4,698.62	+2.02%	-19.37%
Life Insurance	2,478.5	2,525.4	2,687.55	-1.86%	-7.78%
Telecommunication	5,413.0	5,497.9	5,800.37	-1.54%	-6.68%
Pharmaceutical	3,882.4	3,932.9	3,866.63	-1.29%	+0.41%
Fuel & Power	1,825.7	1,820.7	1,792.97	+0.28%	+1.83%
Cement	2,738.2	2,748.8	2,534.76	-0.38%	+8.03%
Services & Real Estate	1,529.1	1,437.5	1,309.43	+6.37%	+16.77%
Engineering	4,938.2	4,798.7	4,727.46	+2.91%	+4.46%
Food & Allied	23,322.3	23,308.9	25,222.81	+0.06%	-7.54%
IT	3,024.8	3,050.4	3,274.61	-0.84%	-7.63%
Textile	1,577.7	1,574.8	1,470.60	+0.18%	+7.28%
Paper & Printing	10,011.0	9,775.0	9,680.03	+2.41%	+3.42%
Tannery	3,721.5	3,677.5	3,236.76	+1.20%	+14.98%
Jute	8,462.8	8,595.7	8,747.84	-1.55%	-3.26%
Ceramics	657.5	656.6	675.88	+0.14%	-2.72%
Miscellaneous	4,724.1	4,673.0	4,625.39	+1.09%	+2.13%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	491.0	392.7	+25.03%	+6.85%	7.7x	0.8x
NBFI	527.9	349.0	+51.24%	+7.36%	NM	3.7x
Mutual Fund	49.6	47.2	+5.07%	+0.69%	NM	0.8x
General Insurance	417.7	152.7	+173.60%	+5.82%	17.7x	1.8x
Life Insurance	113.3	94.5	+19.93%	+1.58%	NM	NM
Telecommunication	119.4	128.5	-7.06%	+1.67%	17.0x	4.7x
Pharmaceutical	777.4	571.1	+36.11%	+10.84%	18.0x	2.6x
Fuel & Power	374.8	279.4	+34.15%	+5.23%	11.8x	1.2x
Cement	169.6	147.1	+15.29%	+2.36%	25.5x	2.9x
Services & Real Estate	397.9	116.6	+241.37%	+5.55%	NM	1.1x
Engineering	718.5	505.3	+42.20%	+10.02%	20.0x	2.0x
Food & Allied	338.7	281.7	+20.22%	+4.72%	25.6x	8.9x
IT	327.4	254.8	+28.52%	+4.57%	30.0x	2.7x
Textile	641.2	459.7	+39.48%	+8.94%	24.6x	1.1x
Paper & Printing	352.2	217.9	+61.66%	+4.91%	NM	2.5x
Tannery	175.1	134.7	+29.95%	+2.44%	56.1x	3.9x
Jute	4.1	4.5	-8.24%	+0.06%	NM	29.5x
Ceramics	48.7	33.8	+44.12%	+0.68%	27.8x	1.8x
Miscellaneous	1,126.4	995.9	+13.11%	+15.71%	13.1x	2.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
OLYMPIC	130.7	-18.6%	26,132	15.5x	2.9x
ACTIVEFINE	20.9	-18.4%	5,015	90.9x	0.9x
BRACBANK	46.0	-16.8%	64,040	11.7x	1.1x
BANKASIA	18.4	-15.6%	21,453	7.8x	0.8x
LANKABAFIN	31.5	-15.5%	16,973	13.2x	1.6x
DUTCHBANGL	66.0	-15.5%	41,745	7.2x	1.1x
RECKITT BEN	4,871.3	-15.0%	23,017	30.3x	22.2x
BXPBARMA	165.7	-14.0%	73,921	12.9x	1.9x
DBH	66.4	-13.9%	11,770	11.3x	1.6x
PIONEERINS	101.4	-13.3%	7,806	13.0x	2.0x

Important News: Business & Economy

Another direct shipping service to connect Ctg with Rotterdam, Liverpool

- Thanks to the success of the first direct container shipping service between Chattogram and Italy commenced in February this year, several Europe-based logistics providers now also want to launch such services for faster transportation of Bangladesh's export cargoes.
- The new initiative has been taken by United Kingdom-based freight forwarding firm Allseas Global Logistics, UK, which has progressed to operate three 1,500 TEUs (twenty-foot equivalent units) capacity vessels to connect Chattogram port directly with Rotterdam in Netherlands and Liverpool in the UK. Phoenix Shipping Limited, local agent of the Allseas Global Logistics submitted its application to the CPA chairman seeking permission of the three vessels to operate on direct Chattogram-North Europe Service (Rotterdam/Liverpool).

<https://www.thedailystar.net/business/news/another-direct-shipping-service-connect-ctg-rotterdam-liverpool-3013731>

Unnecessary imports put pressure on forex reserve

- The country's import payment rose sharply in recent months as importers were bringing in many items that economists said as unnecessary and were putting undue pressure on foreign exchange reserves. Items like ceramic, glassware, cosmetics, soap, suitcase, vanity bags, furniture, bedding, plastering metals stone, electrical goods, coffee, tea, chocolate, dairy products and fruits.
- Import of essential goods like machinery, petroleum products, soya bean oil, palm oil, raw cotton, iron, wheat and fertiliser accounted for around 53% of the payment of the monthly import in February. BB in a directive to the commercial banks on April 11 imposed a 25% LC margin on such non-essential items. Policy Research Institute executive director Ahsan H Mansur said that the BB move was long overdue. BB, according to its officials, seldom applied LC margin as a tool to safeguard the country's forex reserve in the last one and half decades.

<https://www.newagebd.net/article/169214/unnecessary-imports-put-pressure-on-forex-reserve>

BD exports to take a hit

- A controversial new currency policy introduced by the military-backed government of Myanmar may impact Bangladesh's exports to the neighbouring nation. The policy shift may also affect the export shipment of Bangladesh's pharmaceutical products to the country, said officials.

- The Bangladesh mission in Myanmar expressed the fear in a recent letter sent to foreign affairs and commerce ministries, they mentioned. On April 03, Myanmar issued an instruction that all foreign currencies held in the country's banks must be exchanged to the kyat within one working day, at the rate of 1,850 kyats per US dollar set by its central bank. The Bangladesh mission said the new policy came into effect from April 04. The policy shift basically means nobody will be able to hold US dollars, said the letter.

<https://today.thefinancialexpress.com.bd/last-page/bd-exports-to-take-a-hit-1651081758>

Dollar rises to BDT 86.45 in interbank market

- The interbank exchange rate increased by BDT 0.25 and stood at BDT 86.45 per US dollar on Wednesday. The value of the Taka has been declining in the domestic market due to an increase in imports and rise in the price of goods in the international market following the Covid-19 lockdowns, said relevant sources.
- The interbank exchange rate reached BDT 86.20 by increasing BDT 0.20 on 23 March, and remained the same till Tuesday. Although the exchange rate was BDT 86.45 in the interbank market, banks sold dollars to customers at BDT 90-92. In the curb market, it was sold at BDT 92-93.

<https://www.tbsnews.net/economy/banking/dollar-rises-tk8645-interbank-market-410750>

Internet banking users double, transactions triple in two years

- The number of internet banking customers increased to 4.7 Mn in Feb'22 from 3.3 Mn in Feb'21, with customer growth of 41.84% in one year. In Feb'22, transaction volume stood at BDT 177.63 Bn compared to BDT 84.77 Bn in Feb'21. According to a recent study by the UN-led Better Than Cash Alliance and a2i, digital payment systems have the potential of increasing gross domestic product (GDP) by 1.7%, or more than BDT 500 Bn.

<https://www.tbsnews.net/economy/banking/internet-banking-users-double-transactions-triple-two-years-410194>

BB asks banks to raise limit

- Bangladesh Bank on Wednesday asked all banks to raise the amount of working capital loans for customers based on the clients' financial capacity for an interim period due to a surge in prices of commodities on the global market.

- The BB issued a circular in this regard on the day amid the rising prices of raw materials and ingredients on the global market. The central bank said that the production cost increased due to the surge in prices of raw materials and other ingredients along with transport costs.

<https://www.newagebd.net/article/169189/bb-asks-banks-to-raise-limit>

Sonali Bank's capital deficit on paper only: MD

- Managing director (MD) of state-owned Sonali Bank, has downplayed its report on a capital deficit, saying in reality it is a deficit on paper only. There would be no capital deficit if the commission on letters of credit (LCs) for the Rooppur nuclear power project (BDT 50 Bn) and free social safety services could be shown as bank profit.
- Sonali Bank had total deposits stood at BDT 1.40 Tn while total lending stood at BDT 690.00 Bn. The three-month advance deposit ratio is currently at 54.37%. The managing director said Sonali Bank had an operating profit of BDT 4.33 Bn in Mar'21 which rose to BDT 5.68 Bn in Mar'22.

<https://www.tbsnews.net/economy/banking/sonali-banks-capital-deficit-paper-only-md-410690>

Liquidating co assets one of Sonali's options

- The Hallmark-scam deadlock will be resolved by next year, either by liquidating its assets or setting up special economic zone on the mortgaged land, says Sonali Bank whose huge money got stuck. Officials of the bank are hopeful that around BDT 25-30 Bn would be recovered from the assets if sold out. Hallmark had taken out BDT 35.46 Bn between 2010 and 2012. Of the amount, BDT 18.37 Bn is funded and BDT 17.09 Bn non-funded.

<https://today.thefinancialexpress.com.bd/first-page/liquidating-co-assets-one-of-sonalis-options-1651081248>

Bangladesh to buy 3.36 Mn MMBTU LNG

- The government would purchase 300,000 tonnes of gas oil from the Indonesian company of PT Bumi Siak Pusako at BDT 32.74 Bn, 75,000 tonnes of jet fuel from the Singapore-based Unipek at BDT 7.1 Bn. The government would purchase 3.36 Mn MMBTU of liquefied natural gas at BDT 9.92 Bn with per unit costing USD 29.25 from M/S Vitol Asia Private Limited.

<https://www.newagebd.net/article/169170/bangladesh-to-buy-336-lakh-mmbtu-lng>

Unique mobile internet users Bangladesh below South Asian average: GSMA

- Penetration of unique mobile phone internet in Bangladesh is 31% of the population while unique-subscriber penetration in Bangladesh is 55%, according to a report by the GSM Association. The report titled 'Taxation of the mobile industry in Bangladesh', said that total mobile connections and mobile internet connections at 180 Mn and 124 Mn respectively.
- The report also placed a number of taxation-related recommendations for the growth of the sector. The high tax burden on mobile operators constrains their capacity to make investments to improve the telecommunication sector's competitiveness and for the country's digital transformation, the report said.
- GSMA Asia Pacific head said that in order to reinvigorate the country's mobile connectivity ambitions and stimulate economic growth, the government should take a number of initiatives, including alignment of the country's mobile sector taxation levels with the rest of the economies. He also recommended that the government should reduce sector-specific taxes from the telecommunication sector along with streamlining the tax assessment mechanism.

<https://www.newagebd.net/article/169190/unique-mobile-internet-users-bangladesh-below-south-asian-average-gsma>

NBR sets BDT 3.70 Tn revenue collection target for FY23

- The National Board of Revenue (NBR) has set the revenue collection target for FY23 at BDT 3.70 Tn, which is 12% higher than current fiscal year target of BDT 3.3 Tn. According to an NBR letter to its field offices, BDT 1.22 Tn (33% of the total target) will be collected as income tax in the next fiscal year. BDT 1.37 Tn would be collected as VAT and BDT 1.11 Tn as customs duty, representing 37% and 30% of total revenue targets respectively.
- However, the NBR has already managed to achieve 53% of the target as of 8MFY22. The NBR posted 15.28% year-on-year growth in revenue collection, which amounted to BDT 1.53 Tn in 8MFY22, thanks to a surge in imports with pandemic easing slowly.
- Of the three types of revenues, the growth in customs was the highest 22.79%, VAT 10.62% and income tax saw 13.79% increase year-on-year.

<https://www.tbsnews.net/nbr/nbr-sets-tk370-lakh-crore-revenue-collection-target-fy23-409890>

BDT 2.46 Tn ADP likely in next fiscal year

- The government is likely to frame an expansionary BDT 2.46 Tn annual development programme (ADP) for FY23, to facilitate economic recovery from the COVID-19 pandemic losses, officials said on Tuesday. The transport and communications sector is going to grab an allocation of BDT 698.7 Bn in the upcoming ADP. A senior Planning Commission (PC) official said the proposed ADP would receive BDT 1.53 Tn funds from the country's internal resources, while the rest BDT 930 Bn from the external sources as project assistance (PA).
- The proposed ADP outlay is 19% higher than the current revised annual development programme (RADP) of BDT 2.07 Tn. The power and energy sector would receive BDT 394.12 Bn in the upcoming ADP, followed by BDT 290 Bn by the education sector. The housing and community facilities sector would receive BDT 246.97 Bn allocation, and the health sector BDT 190 Bn.

<https://today.thefinancialexpress.com.bd/last-page/tk-246t-adp-likely-in-next-fiscal-year-1650996593>

Imports across board won't get duty cut

- Local manufacturing industries are no longer entitled to enjoy a rate in importing capital machinery and spare parts, meant for the use as raw materials or production inputs, customs officials said. Currently, all types of capital machinery, as listed in customs gazette, are entitled for enjoying 1.0 per cent duty.
- In its latest order, the Customs has imposed the restriction as some of the capital machinery and spare parts were being used as raw materials for other industries. A fresh Statutory Regulatory Order (SRO) has been issued with the new bar, effective from April 24, 2022. However, the commercial importers will be able to import the capital machinery under concessionary duty rates for sales or transferring to other parties.
- Customs (Policy) member said the new SRO has clarified the confusion created over some of the capital machinery and spare parts of industries are also used as raw materials for other industries. The new restriction on availing concessionary duty rates on import of capital machinery would help check evasion.

<https://today.thefinancialexpress.com.bd/first-page/imports-across-board-wont-get-duty-cut-1650996366>

Govt's bank loans to grow 33% in FY23 as subsidy bills rise

- The government will have to borrow 33% more from banks in the next fiscal year mainly to meet inflated demands of subsidies and debt servicing. The amount will be above BDT 1.02 Tn in the coming fiscal year, which is 18.60% higher than the revised target for the current financial year.

- In the FY22 budget, the ministry set a target of borrowing BDT 764.5 Bn from banks. Despite a 15% increase in revenue collection in 9MFY22, Finance Division officials have fixed the bank borrowing target at BDT 872.9 Bn in the revised budget to meet increasing expenses on government subsidies.
- In a meeting of the council for the coordination of fiscal, monetary and exchange rate policies held last Sunday with Finance Minister in the chair, Bangladesh Bank Governor opined that it will not be right to borrow so much from the banking system. He recommended to stick to the bank borrowing target set in the original budget for FY22.
- The finance secretary responded that cheques that the government will issue in June will be encashed in July-August, which would make the government's account balance negative. That is why bank borrowing is needed to pay different government bills, he added.
- Dr Zahid Hussain, former lead economist at World Bank's Dhaka office, said banks are currently facing a liquidity crisis, and the call money rate has risen to 5%. If the money supply increases to meet a huge demand for loans from the government, it will further stoke inflation, he noted.

<https://www.tbsnews.net/economy/govts-bank-loans-grow-33-fy23-subsidy-bills-rise-410106>

Agri input imports made eligible

- The Bangladesh Bank on Tuesday amended its post-import financing policy, allowing agricultural products and equipment importers to get such financing from banks for 180 days. Banks are also allowed to extend the 180-day tenure of the post-import financing for another 60 days in the form of restructuring or rescheduling facility.
- Under the scope, banks will finance the import of fertiliser, seeds, pesticides, equipment and machinery for the agricultural sector and feeds, pesticides and vitamins for the poultry and fishery sector.

<https://www.newagebd.net/article/169095/agri-input-imports-made-eligible>

Credit facility widens to augment import activity

- Credit facility for post-import financing widens under a policy change aimed at augmenting overall import activity to give a fillip to Bangladesh's economic rebound. The central bank on Tuesday revised the post-import financing policy, bringing more imports under credit facility and extending the repayment timeline, officials said.

- There were two areas under the facility: import payments for consumer products and industrial raw materials. Another two areas of imports come under the post-import financing. The two are non-consumer trading goods and agricultural import goods.
- The central bank extended the PIF duration for industrial raw materials by 30 days from current 180 days. The PIF period for consumer products will remain the same as 90 days. But it has specified the consumer products as rice, pulses, onions, garlic, spices, and edible oils. The non-consumer trading goods' PIF period will be 120 days. The PIF period for imported agricultural goods will be 180 days.

<https://today.thefinancialexpress.com.bd/first-page/credit-facility-widens-to-augment-import-activity-1650996302>

Cashless payments pick up in Eid shopping

- Cashless payments in Eid shopping have become popular among shoppers as the country's mobile financial service operators as well as banks are offering discounts and cashback deals on the digital payment method. Sellers also prefer cashless payments as the system is promoting their brands and giving them advantage to collect payments smoothly during this busy time of Eid rush. Dhaka Bank's Managing Director said that MasterCard and Visa Card also shared the discount liabilities with the bank.
- Nagad's CEO said that in the Eid campaign, they had about 5,000 merchants, which made its merchant base nearly 25,000, including online merchants. He said that Nagad was offering 5%-50% cashback to its users in digital payment.
- bKash corporate communication head said that on the occasion of Eid-ul-Fitr, bKash had brought cashback offers like the previous years to make the customers' shopping more affordable. Customers can avail 5%-20% instant cashback on bKash payments at about 10,000 outlets.

<https://www.newagebd.net/article/169097/cashless-payments-pick-up-in-eid-shopping>

Private credit growth rises 11.3pc in March

- Private sector credit growth in Bangladesh accelerated to 11.29% in Mar'22, the highest in three years, spurred by high commodity imports ahead of Ramadan and Eid-ul-Fitr. In Feb'22, private sector credit growth stood at 10.87%, down from 11.07% the month before.

- Many businesses which usually prefer taking foreign loans are now managing funds from local banks because of recent exchange rate fluctuations between the Taka and US dollar, pushing up private sector credit growth as well, said bankers. Besides, the economy has turned around from the business slowdown stemming from the pandemic, as a result of which businesses are increasing their investments taking loans from banks, they said.

<https://www.thedailystar.net/business/organisation-news/news/private-credit-growth-rises-113pc-march-3013326>

Govt to bring in int'l expertise on LNG

- The government now intends to get advice from global experts to carry out the country's overall liquefied natural gas (LNG) purchases, terminal development and other relevant activities. State-run Rupantarita Prakritik Gas Company Ltd has already invited international consulting firms to submit expressions of interest (EoIs) for advising on technical, commercial and financial issues on LNG.
- The selected consultancy firm will have to carry out comprehensive and conclusive consultancy services for LNG procurement, LNG terminal development, and future LNG activities. The firm will have to observe, investigate and recommend on LNG imports, LNG carrier scheduling, supply chain management, LNG terminal development and other ongoing and future LNG activities in Bangladesh.
- The consulting firm will have to comment, recommend and advise on project cost estimates with financial and economic analysis submitted by the build, own, operate and transfer (BOOT) developer, and the design, drawing and monthly progress report submitted by the BOOT developer. It will also have to recommend the capacity-building procedure of the Rupantarita Prakritik Gas Company Ltd.

<https://today.thefinancialexpress.com.bd/last-page/govt-to-bring-in-intl-expertise-on-lng-1650996719>

Bangladesh wants to export electricity to Nepal in winter, import hydropower in summer

- Bangladesh has offered to export electricity to Nepal in the winter season and import its hydropower in summer. In a bilateral meeting with Nepal delegates today, State Minister for Power, Energy and Mineral Resources placed the proposal. On the other hand, Nepal's Minister for Energy, Water Resources and Irrigation, urged Bangladesh to invest in Nepal to harness its hydropower potentials.

- The press release said, Bangladesh is importing power from India and finalised the procedure to import hydropower from Nepal. It is also in the procedure to sign a memorandum with Bhutan to import hydropower.

<https://www.thedailystar.net/environment/natural-resources/energy/news/bangladesh-wants-export-electricity-nepal-winter-import-hydropower-summer-3013021>

Coal projects not abandoned as per govt announcements

- Many coal projects in Bangladesh were abandoned, but not on the scale in accordance to government announcements in 2020, says Global Energy Monitor (GEM). The eighth annual survey of the coal plant pipeline, released on Tuesday said, 2.6 gigawatts (GW) of coal power entered construction in 2021, raising the number of plants under construction from four to six, for a total of 6.7 GW.
- If completed, the plants would nearly quadruple the 1.8 GW coal power capacity currently operating in Bangladesh. It said, 10.8 GW of coal capacity was cancelled in 2021, doubling the amount cancelled since 2015 (22.8 GW). In addition, at the end of 2021, the country still had another 10.8 GW of proposed coal power in pre-construction.

<https://thefinancialexpress.com.bd/national/coal-projects-not-abandoned-as-per-govt-announcements-1650987446>

Second unit of Payra 1,320MW power plant resumes production

- The second unit of Payra 1320 MW Thermal Power Plant resumed power generation on Monday after one and half year and both units produced 1,030 MW on the day, the record highest from a single power plant in the country. The first unit of the plant started commercial operation on 15 May 2020 while the second unit came into commercial production on 8 December of the same year, before suspending power generation due to lack of power transmission infrastructure. During the period, Bangladesh Power Development Board (BPDB) had to pay a penalty of BDT 1.2 Bn each month as capacity payment for keeping the unit idle.
- For transmitting electricity from the Payra power plant, the Power Division took up a project of 400kV Double circuit transmission lines from Patuakhali (Payra) to Gopalganj and Aminbazar (Dhaka) with a deadline of December 2020. But Power Grid Company of Bangladesh (PGCB) could not complete the line within the deadline due to difficulties in line building in the Padma River.

<https://www.tbsnews.net/bangladesh/second-unit-payra-coal-plant-starts-production-409590>

Banglalink secures BDT 12.0 Bn syndicated loan

- Telecom operator Banglalink signed an agreement with 17 banks in the country to secure a five-year syndicated term loan of BDT 12.0 Bn. Eastern Bank is the mandated lead arranger, book runner and agent of the loan.
- The funds borrowed under this loan agreement will be utilised in Banglalink's capital expenditure, spectrum acquisition and 4G network modernisation across the country, the operator said in a statement. Banglalink has recently increased its total spectrum holding to 80 MHz. It has declared its plan to establish more than 3,000 new base stations this year.
- The other participating banks are: Brac Bank Limited, Bank Asia Limited, The City Bank Limited, Commercial Bank of Ceylon PLC, Dhaka Bank Ltd., Dutch Bangla Bank Limited, Habib Bank Limited, Jamuna Bank Limited, Meghna Bank Limited, NCC Bank Limited, Mutual Trust Bank Limited, ONE Bank Limited, Prime Bank Limited, Trust Bank Limited, Mercantile Bank Limited, United Commercial Bank Limited.

<https://today.thefinancialexpress.com.bd/stock-corporate/eb-l-arranges-tk-12b-syndication-loan-facility-for-banglalink-1650991190>

Internet data caps, time limits to go soon

- Mobile users in Bangladesh are set to avail data without expiry date and monthly limitless data, which will allow them to use internet to work, communicate, study, and find entertainment to their heart's content. The Bangladesh Telecommunication Regulatory Commission (BTRC) has directed the mobile phone operators to roll out two types of new internet data packages.
- One of them is a "volume-based data package without expiry". But the data has to be used up in a year due to the technological limitation, according to the commission. The other is monthly-based limitless data volumes packages, which will allow customers to continue using internet as much as they want, similar to that available under a Wi-Fi connection.
- According to BTRC sources, the new categories of packages will only be applicable for internet data, not for SMS, voice and social packs. However, an operator can continue offering its current 95 packages across three categories: regular packages, customer-centric special packages, and research and development packages.

- Sources say Grameenphone has already taken approval from the commission for some packages under two categories and will launch them in days, while Robi and Banglalink to follow suit in the coming month. However, some officials of private operators have expressed their displeasure as they argued that such a package could dent their profit.

<https://www.thedailystar.net/business/economy/news/internet-data-caps-time-limits-go-soon-3013341>

BDT 930 Bn foreign funds likely in FY '23 ADP

- The government is likely to allocate BDT 930 Bn funds from external sources in the FY23 annual development programme (ADP). The allocation is BDT 50 Bn higher than the original BDT 880 Bn worth of project assistance (PA), and it is BDT 227 Bn more than the revised allocation of BDT 702.50 Bn in the current FY.
- A Planning Commission official told that the government wants to go for expansionary expenditure policy in the coming years to minimise the losses in the last couple of years due to the COVID-19 pandemic impact on the development projects. So, the overall development budget in FY 2023 is likely to be more than 20% higher than the present FY.

<https://today.thefinancialexpress.com.bd/last-page/tk-930b-foreign-funds-likely-in-fy-23-adp-1650909260>

Now direct shipping to Spain, Netherlands from 20 May

- Exporters of the country are going to get direct shipping to two more European destinations – Rotterdam in the Netherlands and Barcelona in Spain – as three ships start operating from Chattogram port on 20 May. The ships of Reliance Shipping and Logistics – the MV Spica, MV Andromeda J, and MV Music – will leave Chattogram every 15 days with export goods.
- The Chattogram Port Authority (CPA) and exporters say this is good news for the country's exports. The sooner there is direct shipping to the United States and other European countries as well, the better it will be for the country's economy. According to the CPA, direct shipping to Portugal, Slovenia, and the Middle East will also be launched soon.

<https://www.tbsnews.net/bangladesh/now-direct-shipping-spain-netherlands-20-may-409502>

USD 50 Mn to be invested by Chinese Company at BEPZA economic zone

- Chinese company Venus Beauty Limited will invest USD 50 Mn to set up a hair fashion accessories manufacturing industry at Bangladesh Export Processing Zones Authority Economic Zone. This fully foreign-owned company will produce 226.09 Mn pieces of fashion accessories annually. The company has another diversified product manufacturing factory named Tung Hing Manufacturing Limited at the Cumilla Export Processing Zone.

<https://www.newagebd.net/article/168978/50m-to-be-invested-by-chinese-company-at-bepza-economic-zone>

New policy curbs ministry control on imports

- Local manufacturing industries will also enjoy duty-free facility through the bonded-warehouse window under new import policy the government issued Monday to ease controls on the trade. The duty-free import facility under the bonded-warehouse mechanism used to be enjoyed by export industries, especially in the export-processing zones.
- Local industries can now import raw materials against partial export order through 100-percent bank guarantee. The Import Policy Order 2021-24, effective from Sunday, also allows import of cruise ship through lifting bars.
- Government authorities hope the latest import-policy order would facilitate local industries to manufacture products in a simplified way. Currently, local manufacturing industries are required to obtain drawback of the paid duty taxes against the partial import, which pressurized their capital.

<https://today.thefinancialexpress.com.bd/first-page/new-policy-curbs-ministry-control-on-imports-1650908750>

Gold price drops to BDT 77,682 a bhari

- Jewellers on Monday lowered the price of gold to BDT 77,682 a bhari (11.664 gram) on the local market as the price of the precious metal has fallen on the global market. The Bangladesh Jewellers' Samity said that the prices of the gold have been reduced in the domestic market in the wake of falling prices in the global market.
- According to BAJUS, the price of 22-karat gold has been decreased to BDT 77,682/bhari from BDT 78,849/bhari, 21-karat gold to BDT 74,183/bhari from BDT 75,349/bhari, and that of 18-karat gold to BDT 63,569 a bhari from BDT 64,560 a bhari. The price of traditional gold has been dropped to BDT 53,071 a bhari from BDT 53,829 a bhari,

<https://www.newagebd.net/article/168996/gold-price-drops-to-tk-77682-a-bhari>

Bangladesh loses out on terms of trade

- Bangladesh's 'terms of trade (TOT)' increasingly go against the country, according to a central-bank report, following faster growth of the import-price index relative to the export-price index amid global market volatility. The report portrayed the situation of the past fiscal, and local economists and a multilateral lender forecast that this mismatch in foreign trade will deteriorate further this year (FY2022) leading to TOT losses for Bangladesh. The report estimates Bangladesh's terms of trade loss around 0.5 per cent of the GDP.
- The export-price index and the import-price index grew by 3.23% and 5.06% respectively during the reported fiscal year, the Bangladesh Bank said in its latest annual report released recently. The report says the immediate terms-of-trade impact solely due to expected oil-price increases triggered by the war and related sanctions is expected to be 0.9 per cent for the region (South Asia).

<https://thefinancialexpress.com.bd/economy/bangladesh-loses-out-on-terms-of-trade-1650941661>

No limit on number of MFS transactions

- Digital transactions in the country are set to get a boost as Bangladesh Bank has allowed customers to make an unlimited number of transactions through mobile financial services (MFSs). A customer could make 25 cash-in transactions and 20 cash-out transactions per month.
- The central bank has now set the cash-in limit at BDT 500,000 per month, up from BDT 200,000 earlier. Of the amount, a customer will be able to cash-in BDT 200,000 through agents and BDT 300,000 through bank transfer each month. The cash-in limit from the agent point will be BDT 30,000 per day and BDT 50,000 through bank transfer. The cash-out transaction amount limit has remained unchanged, meaning that a customer will be able to cash-out BDT 150,000 per month and BDT 25,000 per day.
- Currently, over 110.0 Mn account holders now conduct 20.0 Mn transactions through MFSs each day. MFS operators register BDT 23.66 Bn in average daily transactions, employing 1.12 Mn agents, according to the latest central bank data. The numbers mentioned in this data would have been higher if Nagad could be included. Launched in 2019, Bangladesh Post Office's MFS arm is yet to get a full-fledged licence.

<https://www.thedailystar.net/business/economy/banks/news/no-limit-number-mfs-transactions-3012516>

Default loan rescheduling falls to 7-year low

- Rescheduling of default loans fell to a seven-year low in 2021, riding on a moratorium extended by the Bangladesh Bank to protect borrowers from the economic shocks arising from the coronavirus pandemic. Last year, non-performing loans (NPLs) amounting to BDT 123.79 Bn were rescheduled, the lowest since 2015, data from the central bank showed. Analysts describe the declining loan rescheduling as a welcoming trend for the banking sector but add that there is no scope to be complacent.
- The temporary suspension of loan repayments had allowed borrowers to avoid slipping into the default zone by paying only 15% of their instalments payable for 2021. In spite of the facility, the NPLs went up 16.38% year-on-year to BDT 1.03 Bn last year. The NPLs would have increased to a large degree had the central bank not declared forbearance.
- Emranul Huq, managing director of Dhaka Bank, said the lower volume of default loans rescheduled in 2021 did not reflect the actual scenario in the banking sector. He told that NPLs may increase this year, which will push up the loan rescheduling once again, and added that borrowers were able to evade the default category in the last two years thanks to the loan moratorium and forbearance.

<https://www.thedailystar.net/business/economy/news/default-loan-rescheduling-falls-7-year-low-3012611>

BD sticks to its decision on fumigation checks

- Bangladesh sticks to its decision to continue fumigation requirement for cotton imported from the USA despite opposition from local spinners. The government upheld its decision in the new import policy for the period of 2021 to 2024. Local spinners and cotton importers have repeatedly urged the government to withdraw the 'age-old provision' of conducting fumigation in importing raw cotton from the US to save time and money.
- Bangladesh imports cotton from a number of countries, including South Africa, India, Brazil and the US, to meet the huge demand for raw materials for its local market and export-oriented ready-made garment sector, industry people said. But, in Bangladesh, only the US cotton is subject to fumigation, a process of eliminating specific cotton germ 'boll weevil', they said. Even a consignment, having cotton imported from other countries, is subject to fumigation, if it has the US cotton.

- The fumigation process and clearance need five days or more to complete. It causes congestion at Chattogram port and also adds 3.0-4.0 cents in cost per bale which affects the country's business competitiveness. About 9.0% of the country's total cotton requirement is met by importing from the US, he said adding the share could be increased up to 20% if there is no such fumigation requirement.

<https://today.thefinancialexpress.com.bd/trade-market/bd-sticks-to-its-decision-on-fumigation-checks-1650905884>

Up to 500cc bikes can be made locally

- The government has granted permission to manufacturers to produce bikes up to 500cc engine capacity, a move that is expected to give a huge boost to the motorcycle industry in Bangladesh and provide the scope to bike lovers to ride higher engine two-wheelers. The development comes as demand for motorcycles with a higher engine capacity is growing among bike enthusiasts thanks to reduced prices and a reduction in registration fees.
- In the Import Policy Order 2021-24, published on Sunday, the government said motorcycle makers would be able to import machinery and spare parts required to manufacture 500cc bikes. It, however, banned the import of bikes above 165cc engine capacity. Some 375,000 motorcycles were sold in 2021, up 21%.

<https://www.thedailystar.net/business/economy/news/500cc-bikes-can-be-made-locally-3012596>

Place import tax on computer, laptop

- The Ministry of Posts, Telecommunications and Information Technology has proposed imposing taxes on the import of computers and laptops in the fiscal year (FY) 2022-23, to facilitate development of local industry. The ministry has recently put forward the recommendation to the National Board of Revenue (NBR) and the Ministry of Finance to discourage imports and encourage local manufacturing and assembling of the devices.
- The proposal also included providing a 5.0% tax incentive to the local manufacturers and zero tax on the import of basic parts. Talking to the FE about the percentage, Posts and Telecommunications Minister has recommended creating a 25% tax gap between imported laptops-computers and locally manufactured gadgets. A number of world reputed companies are ready to set up factories in Bangladesh if the country offers tax benefits to the local computer and laptop manufacturing companies, said the minister.

<https://today.thefinancialexpress.com.bd/last-page/place-import-tax-on-computer-laptop-1650909364>

FDI goes up but lower than expected

- Foreign direct investment to Bangladesh rose 13% year-on-year to USD 2.89 Bn last year, in a positive development for an economy long looking to increase the flow of external funds to accelerate its growth, official figures showed. FDI inflow has been far lower than the expected level given the country's business volume and potential of the economy.
- Fresh investment, or equity capital, was at a higher level last year compared to 2020, which has been described by economists as a good development for the country's investment sector. FDI in the field of equity capital rose 35% to USD 1.13 Bn. The reinvestment of earnings stood at USD 1.56 Bn last year in contrast to USD 1.57 Bn a year prior. Intra-company loans increased to USD 194.0 Mn, up 25% year-on-year.
- Some peers of Bangladesh have managed to secure a higher volume of FDI. For instance, Vietnam received USD 19.74 Bn last year and USD 4.42 Bn in the first quarter of this year.
- Mamun Rashid, an investment analyst, says Bangladesh has a strong wish to attract foreign investment, but there are some barriers that discourage foreign entities. The average protection rate, which includes different levies and taxes imposed by a government, is 27% in Bangladesh. The protection rate is 1.0-1.5% in the developed nations, 4.0-4.5% in the developing countries of Asia, and 9.0% in China and India, he said.

<https://www.thedailystar.net/business/economy/news/fdi-goes-lower-expected-3011801>

Cut taxes on expensive cooking oils

- Bangladesh Trade and Tariff Commission (BTTC) suggests cuts in taxes on sunflower, olive and canola oils in the upcoming budget for fiscal year 2022-23, in order to help dilute dependence on widely consumed soybean and palm oils. Sunflower, olive and canola oils are expensive in Bangladesh because of higher duty and taxes and tariff value and those are usually consumed by the affluent section of society.
- The BTTC recommends rationalising the import duties on the 'expensive' edible oils in line with the exemptions offered to soyabean and palm oils, as a fiscal solution to the market overheating. The Commission feels that a cut in dependence is necessary due to volatile price situation of soybean and palm oils on the international market and resultant high rates at home.

- BTTC proposed to bring down its Total Tax Incidence (TTI) to 20% for both refined and crude sunflower oils. Currently, TTI on refined and crude olive oils is 37% per cent, olive oil wrapped or canned 58.60%. The BTTC recommended bringing down it to 25% and 31% respectively.

<https://today.thefinancialexpress.com.bd/first-page/cut-taxes-on-expensive-cooking-oils-1650824178>

Take insurance coverage for export financing

- Bangladesh Bank asked banks to take insurance coverage against their financing to exporters in a bid to minimise default risk of loans. As per banking norms, lenders can provide post-shipment financing to exporters as they wait to receive funds from buyers through correspondent banks. The default risk will be minimised if banks take insurance coverage, according to a Bangladesh Bank notice.
- The central bank, however, said that banks would take the coverage with the consent of exporters. Banks also will be allowed to take insurance coverage for their financing to exporters extended during the pre-shipment stage.
- The central bank, however, warned banks that insurance coverage would not give waiver to them from realising export proceeds, which need to be repatriated within four months from the date of shipment as per foreign exchange regulations of the BB.

<https://www.thedailystar.net/business/organisation-news/news/take-insurance-coverage-export-financing-3011796>

Demand for liquidity surges in banks ahead of Eid

- Demand for liquidity on the money market has intensified ahead of Eid-ul-Fitr, as the central bank has adopted a policy to contain any sort of excess money supply on the market amid an inflation spike. Weighted average interest rate on the call money market increased to 4.54% in April from 2.75% per cent in the previous month.
- Mutual Trust Bank managing director and chief executive officer told that apart from the pre-Eid increase in demand for liquidity, the market liquidity situation came under more stress due to the injection of the US dollars by the central bank in the market. He added that pressure would remain in the call money market for time being. He also told that until or unless the remittance situation improves and the massive growth of imports is brought under control, the money market situation may remain unchanged.

- Though the daily average overnight borrowing from the interbank call money market remained almost same in April, the interest rate increased sharply as a very few banks left to borrow fund on the call money market. BB data showed that the banks in average borrowed BDT 71.5 Bn in each working day from the call money market in April compared with that of BDT 71.4 Bn in the previous month. The latest BB data showed that the amount of excess liquidity in the market dropped to BDT 2.11 Tn in Jan'22 from BDT 2.32 Tn in Jul'21.

<https://www.newagebd.net/article/168920/demand-for-liquidity-surges-in-banks-ahead-of-eid>

Bangladesh wants to sign CEPA with India in a year

- As Bangladesh prepares to graduate into a developing country, the Commerce Minister has said his country is keen to clinch a Comprehensive Economic Partnership Agreement (CEPA) or Free Trade Agreement (FTA) not only with India but also with Indonesia and Sri Lanka in a year. A study on the CEPA with India will be ready by May and it will be the position paper for final negotiations.

<https://www.thedailystar.net/business/organisation-news/news/bangladesh-wants-sign-cepa-india-year-3011056>

BD bags highest USD 6.79 Bn foreign aid in nine months

- Bangladesh received a record USD 6.79 Bn in foreign aid in 9MFY22, up 55% from USD 4.38 Bn in 9MFY21. The increased concessional-aid inflow comprised the record- highest fund disbursement by the Asian Development Bank (USD 1.91 Bn) and the Japan government (USD 1.57 Bn). Besides, World Bank disbursed USD 834.55 Mn while Russia disbursed USD 971.0 Mn during the period under consideration.
- The partners also confirmed a significant amount of medium- to long-term loans and grants by signing deals worth USD 5.43 Bn. A senior ERD official said Bangladesh is expecting more than USD 9.0 Bn of total foreign assistance at the end of FY22.
- The external development financiers made a commitment for USD 5.43 Bn in 9MFY22, up USD 1.42 Bn from the same period in FY21. Of the commitment, they confirmed USD 5.26 Bn in loans and USD 166.37 Mn in grants.

<https://today.thefinancialexpress.com.bd/first-page/bd-bags-highest-679-billion-foreign-aid-in-nine-months-1650734881>

Halal meat exporters seek subsidy for FPM products

- Halal meat processing entrepreneurs have sought subsidy on export of further processed meat (FPM) products as competitive advantages of FPM are higher than those of meats in the international market, industry insiders said. Currently, the country's halal meat exporters are enjoying 20% subsidy for their export consignments. Meats of duck, chicken, buffalo, sheep, cow and goat slaughtered through halal process come under the facility.
- At present, demand of FPM products including chicken & beef burger patty, chicken nuggets, chicken & beef sausage has been gradually increasing in the global market in addition to the exported halal meats. Export of FPM products has been increasing across the global market for two reasons-one is higher labour cost in the international market and the other is meat products are more processed due to being cooked than exported meats. The country can fetch USD 10.0 Bn a year by exporting Halal food items, according to the commerce ministry.

<https://today.thefinancialexpress.com.bd/trade-market/halal-meat-exporters-seek-subsidy-for-fpm-products-1650730035>

EU praises Dhaka's commitment to ILO standards

- Bangladesh's determination to meet its commitment to abide by International Labour Organization (ILO) standards has been warmly praised by the Members of the European Parliament (MEPs) trade committee, according to the EU Reporter.. EU Reporter acknowledged that Bangladesh completed full ratification of the ILO convention on labour standards, setting a minimum working age of 14 years.

<https://www.thedailystar.net/business/global-economy/news/eu-praises-dhakas-commitment-ilo-standards-3010881>

Foreign debt interest grows faster against domestic loan

- The government is going to earmark BDT 802.75 Bn in the coming financial year's budget to clear interest payments, with the allocation for foreign debts growing at a faster rate than for domestic loans. Of the amount, about BDT 698.00 Bn is likely to be allocated for the domestic credit interest payment and the remaining for the foreign loans.
- The amount for the foreign debt interest payment in FY23 will thus be five times higher than the BDT 18.41 Bn paid in FY17 for the same purpose. In FY17, the interest payment for the domestic debt was BDT 483.77 Bn. In the outgoing financial year, the government had projected BDT 65.89 Bn for paying the interest on the foreign debt while the amount was BDT 34.35 Bn in the FY21.

- According to Economic Relations Division data, the country's overall external debt soared to USD 60.15 Bn in FY21 from USD 23.61 Bn in FY11 under the present government. ERD officials said that the short-term commercial borrowings had risen sharply compared with the concessional loans from the country's traditional multilateral lenders like the World Bank and the Asian Development Bank.

<https://www.newagebd.net/article/168852/foreign-debt-interest-grows-faster-against-domestic-loan>

BGMEA seeks policy support for backward linkage industries

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) urged the National Board of Revenue (NBR) to provide facilities to the backward linkage industries and sub-contractors to help the growth of the RMG industry.
- BGMEA President urged the NBR to allow factories that do not have bonded warehouse licences to open back-to-back letters of credit for sourcing raw materials from the local market. The BGMEA leaders called upon the revenue authorities to provide VAT exemption on products and services purchased locally to facilitate the garment industry to grow and sustain competition in the global market.

<https://www.tbsnews.net/economy/rmg/bgmea-wants-nbr-support-backward-linkage-industries-sub-contractors-408354>

BD gas reserve to be depleted in less than five years: Report

- Rocky Mountain Institute (RMI), a US based independent, nonprofit organisation, estimates that Bangladesh's proven natural gas reserves might be depleted in less than five years if production continues at its current rate. According to the report, titled 'Bangladesh at an Energy Crossroads', the current rising trend of consumption is predicted to continue with domestic gas supplies expected to fall 25 per cent by 2025.
- Bangladesh is Asia's eighth-largest natural gas producer, however, according to the report, over 70% cent of Bangladesh's gas use comes from LNG imports. In 2020, Bangladesh sourced over 4.3 million tonnes of LNG imports, and as gas demand is expected to rise, LNG imports are expected to increase 50-fold between 2019 and 2040. The emissions impact of Bangladesh's imports out to 2040 is estimated to be 390-900 MtCO_{2e}, equivalent to more than 100 coal-fired power plants.

<https://today.thefinancialexpress.com.bd/metro-news/bd-gas-reserve-to-be-depleted-in-less-than-five-years-report-1650732031>

Important News: Capital Market

Square Pharma's quarterly profit rise by 18%

- Registering over 14% year-on-year revenue growth, Square Pharmaceuticals Ltd has secured an 18% growth in profits for 3QFY22. The EPS stood at BDT 5.15 during the quarter, up from BDT 4.36 in 3QFY21. For 9MFY22, EPS grew to BDT 16.03 from BDT 13.12 a year ago. Its gross revenue grew to over BDT 50.0 Bn for the first nine months, up from BDT 43.87 Bn a year ago.

<https://www.tbsnews.net/economy/stocks/square-pharmas-quarterly-profit-rise-18-410702>

Apex sees 50pc rise in profits

- Apex Footwear saw its profits rise 50% despite recording lower sales during 9MFY22, mainly due to lower raw material costs, according to the company's latest quarterly report. The local shoemaker's sales dropped 9% to BDT 8.49 Bn in 9MFY22 while it was BDT 9.35 Bn a year earlier. Apex Footwear logged profits of BDT 79.0 Mn in 9MFY22 while it was BDT 52.6 Mn during the same period the year before. The company spent 70.5% of its net sales behind the cost of goods sold in this FY, compared to 74.6% in 9MFY21.

<https://www.thedailystar.net/business/organisation-news/news/apex-sees-50pc-rise-profits-3014081>

AB Bank posts 82% profit growth in 2021

- AB Bank Limited posted an 82% year-on-year growth in its consolidated net profit in 2021, reaching BDT 716.8 Mn, from BDT 394.3 Mn in 2020. Its EPS stood at BDT 0.86 and NAV per share at BDT 30.59. During 1QCY22, its consolidated profit grew 19% to BDT 151.6 Mn, which was BDT 127.4 Mn in 1QCY21. The bank has recommended 2% cash and 3% stock dividends for its shareholders.

<https://www.tbsnews.net/economy/stocks/ab-bank-posts-82-profit-growth-2021-410662>

Runner Lube plans to acquire an 8.81% stake in Runner Auto

- Runner Lube and Energy Limited is planning to acquire one-third of Runner Automobile shares being divested by private equity investor Brummer Frontier PE II (Mauritius) Ltd. Runner Lube will acquire 10 Mn shares of its sister concern from the private equity fund, which is equivalent to 8.81% of Runner Auto shares. The price Runner Lube is going to pay for each Runner Auto share has remained undisclosed.

- Brummer Frontier, which was holding one-fourth of Runner Automobiles shares, is divesting its entire stake after a decade of equity injection into the country's two-wheeler manufacturing pioneer that also expanded its business in commercial vehicle and three-wheeler segments.

<https://www.tbsnews.net/economy/stocks/runner-lube-plans-acquire-881-stake-runner-auto-410682>

Horlicks mini pack fuels Unilever Consumer Care profit

- Increased revenue amid cost control helped the publicly listed multinational company achieve a 40% year-on-year profit growth in the first quarter of this year. Unilever Consumer Chairman told that Horlicks, the main product of the company, is reaching more and more households across the country, thanks to over 300,000 retail outlets that sell it. He also attributed the success to the smaller Horlicks packs that caters' average households. Rebranded glucose product "GlucoMax D" is also selling better.

- Unilever Consumer Care's net profits rose to BDT 172.6 Mn in 1QCY22, which was BDT 122.9 Mn in 1QCY21. The company's quarterly sales crossed BDT 1.21 Bn in this quarter, up from BDT 1.14 Bn in the same period last year.

<https://www.tbsnews.net/economy/stocks/horlicks-mini-pack-fuels-unilever-consumer-care-profit-410670>

SS Steel to invest in Al-Falah Steel

- Publicly listed SS Steel Limited will invest in Al-Falah Steel and Re-rolling Mills Limited by acquiring 99% of its shares at BDT 874.6 Mn. After that, SS Steel will further invest BDT 966.8 Mn in Al-Falah Steel as a share money deposit. Al-Falah Steel will issue new shares to SS Steel for this investment.
- Al-Falah Steel and Re-Rolling Mills Limited can produce around 64,800 tonnes of steel per year. SS Steel expects that this investment will add around BDT 4.5 Bn turnover to Al-Falah Steel annually and substantially increase the company's profitability. SS Steel will finance the investment from its retained earnings and bank loans.

<https://www.tbsnews.net/economy/stocks/ss-steel-invest-al-falah-steel-410678>

Islamic Finance asked to form search panel

- In a rare move, the Bangladesh Bank has asked Islamic Finance and Investment Ltd (IFIL) to form a search committee for the appointment of a managing director at the non-bank financial institution. The central bank gave the instruction on April 20 when it ordered IFIL not to appoint Mohammad Imdadul Islam as its chief executive. He is currently managing director of GSP Finance, another NBFIL.

- The post of the MD felt vacant in June last year after Abu Zafore Md Saleh resigned over allegations of breaching rules over hiring and enjoying financial benefits. In December last year, the BB also asked IFIL to refrain from hiring Chowdhury Manzoor Liaquat, a former MD of Union Capital, as its chief, as the financial health of the NBF1 deteriorated under his leadership.
- The latest BB move comes after it received allegations of misuse of power by some top officials of IFIL. This led the central bank to ask it to constitute a search committee to appoint the MD, according to an official of the BB.

<https://www.thedailystar.net/business/organisation-news/news/islamic-finance-asked-form-search-panel-3014106>

GP posts 9.07pc profit fall in Q1

- The net profit of leading mobile phone operator Grameenphone fell by 9.07% year-on-year in 1QCY22 despite achieving higher revenue during the quarter under consideration. Total comprehensive income stood at BDT 8.1 Bn in 1QCY22 from BDT 8.9 Bn in 1QCY21. GP chief financial officer said that the entity's modernisation cost and the devaluation of local currency were the reason for the fall in year-on-year net profit.
- GP's revenue grew by 4.4% year-on-year this quarter, rising to BDT 36.3 Bn. Due to the decline in net profit, the operator's EPS declined to BDT 6.0 from BDT 6.6 in 1QCY21.

<https://www.newagebd.net/article/169191/gp-posts-907pc-profit-fall-in-q1>

Share sales of subsidiary boost Unique Hotel's Q3 profit

- Unique Hotel and Resorts Limited recovered from its quarterly losses and made a handsome profit in the third quarter of the ongoing fiscal thanks to its subsidiary's share sale-off to the Qatar based investment firm - Nebras Power Investment Management BV. In Feb'22, Nebras Power paid BDT 830 Mn to Unique Hotel as the first phase payment for acquiring Unique Meghnaghat Power Ltd - a power plant of Unique Hotel. As a result, in 3QFY22, Unique Hotel's profit stood at BDT 830 Mn, which was a loss of BDT 30 Mn in the same quarter of the previous fiscal.
- In 3QFY22, Unique Hotel earned revenue of BDT 430 Mn, which was 92% higher year-on-year. In 9MFY22, its revenue increased by 105% YoY to BDT 1.03 Bn. Of the amount, BDT 910 Mn came from The Westin Dhaka, BDT 35.7 Mn from The Sheraton Dhaka, and the rest from Hansa.

<https://www.thedailystar.net/business/economy/news/500cc-bikes-can-be-made-locally-3012596>

Bata Shoe returns to profit in Jan-Mar

- Bata Shoe returned to profits in 1QCY22 after drowning in losses amid the coronavirus pandemic, as it made BDT 68.4 Mn profit in 1QCY22 as against BDT 49.0 Mn during 1QCY21. In its quarterly report, the company said that its earnings per share improved significantly driven by a growth in sales, especially in the post-coronavirus era. The company's sales rose 16% year-on-year to BDT 2.14 Bn in 1QCY22, driven by demand for school shoes. Aligned with revenue, cost of sales also increased by almost 9% YoY, while operating expenses increased by 10%.
- The listed multinational shoemaker also disclosed its yearly performance for 2021. Its earnings per share stood at BDT 5.01 in the negative in 2021 and BDT 96.83 in the negative the year before that. Although it remained in loss, Bata Shoe declared 25% final cash dividend for the year, so total cash dividend, including interim dividend, stood at 100%.

<https://www.thedailystar.net/business/economy/news/bata-shoe-returns-profit-jan-mar-3013256>

Brac Bank, TAP to disburse remittance

- BRAC Bank recently signed an agreement with Trust Axiata pay (TAP) to directly channel remittance to TAP wallets owned by the beneficiaries in real time. The TAP has already opened a trust and settlement account with BRAC Bank and will engage in digital automation with the bank in a few months.

<https://www.thedailystar.net/business/organisation-news/news/brac-bank-tap-disburse-remittance-3013286>

BBS and Robi team up for first Digital Population Census

- Bangladesh Bureau of Statistics (BBS) has selected the leading digital service provider Robi as the digital connectivity provider to deliver the country's first-ever digital census. BBS will conduct the sixth population and housing census digitally from June 15 to June 21. Under the agreement, Robi will provide around 400,000 connections, data, SMS bundles and other digital solutions to BBS to support the first-ever Digital Census.

<https://www.dhakatribune.com/business/2022/04/26/bbs-and-robi-team-up-for-first-digital-population-census>

Maksons Spinning's EPS increases 2 times

- Maksons Spinning's EPS have increased more than 2 times in 3Q, reaching BDT 2.59 against BDT 1.15.

<https://www.newagebd.net/article/169100/maksons-spinnings-eps-increases-2-times>

BSEC okays City Bank's BDT 7.0 Bn bond

- The Bangladesh Securities and Exchange Commission on Tuesday allowed The City Bank Limited to float unsecured, non-convertible, fully redeemable floating rate subordinated bond worth BDT 7.0 Bn. The face value of each unit will be BDT 10.0 Mn and the bond will be fully redeemable in eight years.
- Only corporate bodies, corporate institutions, high-net worth individuals and other eligible investors will be allowed to subscribe the bonds through private placement. IDLC Investment Limited acts as the trustee for the bond while City Bank Capital Resources Limited is the mandated lead arranger for the bond.

<https://www.newagebd.net/article/169096/bsec-okays-city-banks-tk-700cr-bond>

Robi posts BDT 398 Mn profits in Jan-March

- Robi Axiata Limited, second largest mobile operator company in the country, has posted BDT 398 Mn in net profit in 1QCY22. The company's EPS stood at BDT 0.08 during the quarter. If the 2% minimum turnover tax was removed, profits could have been BDT 802 Mn and EPS could have also been doubled to BDT 0.15, Robi claimed in a statement.
- Robi's subscriber base grew by 0.7% quarter-over-quarter to reach 54.1 Mn at the end of Mar'22. Robi fetched BDT 20.19 Bn revenue in 1QCY22, which is 1.9% higher year-on-year. Voice grew by 8.4% YoY, while data revenue declined by 4.6% YoY. Compared to the same quarter last year, EBITDA grew by 4.9%.

<https://www.newagebd.net/article/169098/robi-posts-tk-398cr-profits-in-jan-march>

'Grameen Bank-AIMS First Unit Fund' in the offing

- The Trust Deed of "Grameen Bank-AIMS First Unit Fund" was signed between Grameen Bank and Sandhani Life Insurance Company Limited. Grameen Bank is the Sponsor while Sandhani Life Insurance Company Limited is the Trustee of the Fund. It would be the second mutual fund sponsored by Grameen Bank after "Grameen Mutual Fund One" which launched two Closed-end Schemes, also under the management of AIMS.

<https://today.thefinancialexpress.com.bd/stock-corporate/grameen-bank-aims-first-unit-fund-in-the-offing-1650899007>

City Bank joins UN-convened Net-Zero Banking Alliance

- City Bank has joined the Net-Zero Banking Alliance in line with its commitment to a greener planet recently, according to a press release. City Bank is committed to align its lending and investment portfolios with net-zero emissions by 2050, following the temperature goals of the Paris Agreement.

<https://www.newagebd.net/article/169004/city-bank-joins-un-convened-net-zero-banking-alliance>

BSEC body suspects Ashraf Textile Mills embezzled funds

- The Bangladesh Securities and Exchange Commission has found that Ashraf Textile Mills Limited sold assets worth BDT 3,250 Mn at BDT 750 Mn. The commission in a report said that the out-of-operation company might embezzle a huge amount of funds. Ashraf Textile Mills was earlier on the over-the-counter market and was later sent to the small capital platform last year.

<https://www.newagebd.net/article/168994/bsec-body-suspects-ashraf-textile-mills-embezzled-funds>

Soaring raw materials, finance costs bite into BSRM profits

- Following record sales and profits in many of the recent quarters, the escalating costs of raw materials and working capital finance have now begun to bite into the profits of BSRM companies. Both the listed companies of the top steel group of the country – BSRM Limited and BSRM Steels – posted year-on-year declines in the profits for the January-March quarter, despite the fact both the firms secured their significant topline growths.
- BSRM Steels' sales grew to BDT 21.53 Bn in 3QFY22 from BDT 16.63 Bn in 3QFY21. But its gross profit margin squeezed to 8.82% from 15.94% a year ago. Earnings per share for the quarter dropped to BDT 2.74 from BDT 3.68 in the same quarter a year ago. EPS for 9MFY22 increased to 12.01 from BDT 10.93.
- Meanwhile, BSRM Ltd posted revenue of BDT 23.71 Bn for the third quarter, up from BDT 18.72 Bn a year ago, and managed to retain its gross profit margin and the net profit after taxes. The merger with the subsidiary helped BSRM Ltd retain better profitability this year. However, the EPS for the three months declined to BDT 3.9 from BDT 6.26 a year ago.
- BSRM Managing Director Aameir Alihussain told that Letter of credits opened earlier at BDT 85-86 for each US dollar were settled at BDT 92 per US dollar on Monday and it all drastically added to finance costs. MS rod price soared by around 50% since the first wave of the pandemic, while the cost of raw material and sea freight soared even more.

<https://www.tbsnews.net/economy/soaring-raw-materials-finance-costs-bite-bsrm-profits-409466>

LafargeHolcim revenue falls due to aggregate business dispute

- The multinational cement manufacturer LafargeHolcim Bangladesh's revenue has declined for 1QCY22 as it could not run its business of limestone chips, known as aggregate, due to a dispute with the government. During the quarter this year, the company reported a revenue of BDT 6.25 Bn and a net profit of BDT 944.7 Mn, which was 1% and 9% respectively less than the previous year at the same time.

<https://www.tbsnews.net/economy/stocks/lafargeholcim-revenue-falls-due-aggregate-business-dispute-409414>

MTB closes deal for US\$ 15m term loan

- Mutual Trust Bank Ltd (MTB) recently closed term loan deal of USD 15.0 Mn with four funds managed by responsAbility Investments AG. This is the first long term Secured Overnight Financing Rate (SOFR)-based borrowing for the Bank, said a statement. The impact funds in foreign currency will help MTB to support small and medium enterprises to achieve sustainable economic growth. The funds will be routed through MTB's Offshore Banking Unit.

<https://today.thefinancialexpress.com.bd/stock-corporate/mtb-closes-deal-for-us-15m-term-loan-1650823672>

Sonali Paper rights shares subscription opens on 7 June

- The subscription for the rights shares of Sonali Paper and Board Mills will open on 7 June and continue till 28 June. The company has set the record date of the rights shares on 23 May this year. On 20 April, the Bangladesh Securities and Exchange Commission (BSEC) allowed the company to issue rights shares at a ratio of 1R:2 (1 right share against 2 existing shares held) at BDT 10 per share. The company will issue 11.0 Mn ordinary shares at BDT 101.0 Mn and use this fund to purchase machinery.

<https://www.tbsnews.net/economy/stocks/sonali-paper-rights-shares-subscription-opens-7-june-408850>

No more barriers to eSIM launch

- The barrier to launching eSIM services has been finally removed as the National Board of Revenue (NBR) has set the VAT for the sale of digital subscriber identity modules by the mobile phone operators in Bangladesh. BDT 200 has to be paid as VAT for each eSIM, similar to that for the regular SIM card, according to a letter from the NBR to the telecom regulator and operators on April 21.

- In a press release yesterday, GP said eSIM would be available at selected Grameenphone centres from today. digital SIMs available. For a new connection, the price is BDT 200 and for replacement from physical SIM to eSIM and eSIM to eSIM, the price is BDT 99, the operator said.

<https://www.thedailystar.net/business/telecom/news/no-more-barriers-esim-launch-3011791>

Keya Cosmetics gets independent directors

- The Bangladesh Securities and Exchange Commission (BSEC) has appointed two independent directors at Keya Cosmetics to improve corporate governance in the company. Both directors are associate professors at a university. The BSEC already sent a letter to the company, Dhaka Stock Exchange, Chittagong Stock Exchange and Central Depository Bangladesh Ltd, informing of their appointment.

<https://www.tbsnews.net/economy/stocks/high-cost-listing-trading-hinders-bond-market-development-408390>

Khulna Power to sell 110MW plant

- Khulna Power Company Limited (KPCL) is set to sell its 110 MW barge mounted power plant at a value of USD 15.0 Mn, according to a company statement posted on the Dhaka Stock Exchange (DSE) website. An asset purchase agreement has been signed between KPCL and Excelerate Global Operations LLC. The company also informed that they have applied to the Bangladesh Power Development Board (BPDB) and other concerned authorities for approval to re-export the plant (power barges) outside Bangladesh.
- A week ago, the company informed that the government allowed the extension of two contracts with KPCL to purchase power from the KPC Unit-II 115 MW plant in Khulna and KPC 40 MW Noapara plant in Jashore on the basis of no electricity, no payment.

<https://www.thedailystar.net/business/economy/news/khulna-power-sell-110mw-plant-3011761>

BDT 1.5 Bn from CMSF in stocks

- The Investment Corporation of Bangladesh (ICB) has ploughed BDT 1.5 Bn into the stock market from the Capital Market Stabilisation Fund (CMSF). Earlier, it received BDT 1.0 Bn from the CMSF with an eye to enhancing liquidity support in the market. On April 18, the state entity invested another BDT 500 Mn funds received from the CMSF.

<https://today.thefinancialexpress.com.bd/first-page/tk-15b-from-cmsf-in-stocks-1650735121>

No headway in enlisting state-run companies on stock market

- No state-run company was enlisted on the stock market for the last 10 years due mainly to the government's apathy and the companies' unwillingness. The government has taken several initiatives since 2007 to enlist the government-owned companies on the stock market but was able to enlist only Bangladesh Submarine Cables Company in 2012.
- Officials of several state-run companies said that offloading shares on the stock market was a complex and time-consuming process. A company has to take approvals from different ministries for taking any steps to go public, they said. Besides, the assets of a company must be revalued and also government share money deposited in the company must be converted into shares before getting listed on the market, which delays the listing process.
- BSEC officials said that the non-listed government companies usually do not follow the accounting standard and corporate governance code. Therefore, the government companies remained reluctant to be listed on the stock market to avoid such compliance matters.

<https://www.newagebd.net/article/168834/no-headway-in-enlisting-state-run-companies-on-stock-market>

High cost of listing, trading hinders bond market development

- Despite a delayed start, moves to popularise bonds as a financing instrument are gaining momentum as more and more lenders, corporates, a few municipalities and non-governmental organisations are issuing bonds and the listing of many is widening capital market investors' scope to diversify their portfolios.
- However, the secondary bond market is miles behind its needed status to be called popular or vibrant, experts observe, due to several reasons. The very high cost of listing and trading bonds here is at the top end of the barriers list and investment bankers now are pushing the Dhaka Stock Exchange (DSE) to rationalise the costs, while the securities regulator is discussing the need for supportive tax policies and other issues with the National Board of Revenue.

<https://www.tbsnews.net/economy/stocks/high-cost-listing-trading-hinders-bond-market-development-408390>

Walton records drop in profits

- Profits of Walton fell in 3QFY22 due to a hike in global raw material prices and higher shipping charges. The company's EPS dropped to BDT 12.34 in 3QFY22 while it was BDT 12.92 in 3QFY21. In 9MFY22, Walton's EPS dropped around 21% to BDT 27.07. It was BDT 34.26 in 9MFY21.

- Walton already raised the prices of finished goods so the decline of profits slowed down in the third quarter and the impact of raising the products prices would be seen in the coming quarters, the Company Secretary of Walton Hi-tech Industries has told. In the same board meeting, Walton decided to buy land measuring 588 decimals at a cost of BDT 440.0 Mn excluding registration costs. The land will be used to expand the company.

<https://www.thedailystar.net/business/organisation-news/news/walton-records-drop-profits-3011026>

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 also 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.

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
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

International Trade and Sales

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

BRAC EPL Research

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