

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-2.38%) lost -146.01 points and closed the week at 5,980.51 points. The blue-chip index DS30 (-2.53%) lost -55.58 points and stood at 2,145.25 points. The Shariah-based index DSES (-2.74%) lost -36.89 points and stood at 1,308.20 points. The large cap index CDSET (-2.13%) lost -25.93 points and closed at 1,189.63 points. DSEX, DS30, DSES and CDSET showed YTD returns of -11.49%, -15.29%, -8.59%, -12.47%, respectively.

Total Turnover During the Week (DSE): BDT 31.7 billion (USD 335 million)

Average Daily Turnover Value (ADTV): BDT 6.3 billion ($\Delta\%$ Week: +14.4%)

Market P/E: 15.0x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a negative note (-1.21%) on Sunday. It moved to positive (+0.50%) on Monday. It remained positive (+0.48%) on Tuesday. It again turned back to negative (-1.21%) on Wednesday. Moreover, market ended at a negative note (-0.95%) on Thursday.

Sectoral Performance

• Most of the financial sectors registered negative performance this week. NBF1 experienced the highest loss of -3.57% followed by Life Insurance (-2.43%), Bank (-1.98%), General Insurance (-0.99%), and Mutual Fund (+0.10%).

• All the non-financial sectors registered negative performance this week. Fuel & Power experienced the highest loss of 4.02% followed by Telecommunication (-2.87%), Engineering (-2.86%), Food & Allied (-2.18%), and Pharmaceutical (-1.52%).

Macroeconomic arena

• Forex reserves stabilise at USD40 Bn, for now. SME Foundation to lend BDT4 Bn to small ventures. IMF says it is ready to support Bangladesh after loan request. Packaging gets BDT50 Bn investment in Bangabandhu Shilpa Nagar. Bangladesh moves to join RCEP. Slow progress in BREB solar pump project. Annual debt servicing crosses USD 2.01 Bn. Expats don't need embassy endorsement for bank account opening. NBFIs asked to reduce power, fuel use by 25%. Banks now can lend more than 25% of their capital to power producers. Duty slashed for imports from OIC, D-8 countries. RMG exports to Japan cross Bn dollars. Kenya seeks Bangladeshi investment in agriculture, ICT. 7 cos to invest USD94 Mn in Sabrang Tourism Park. Govt wants cut in taxes on olive, canola, sunflower oils. Bangladesh seeks USD4.5 Bn IMF budget support. 100% interest for encashing ERQ account deposits before term end. Dollar rally puts some banks in trouble to settle LCs. Bangladesh receives USD1.64 Bn remittance in 21 days of July: BB. Ministries agree to sign CEPA with India. Country switches to coal power to substitute petroleum imports.

• Govt formally seeks USD4.5b from IMF. Income tax return made mandatory for savings certificate over BDT500,000. VAT collection weak from large payers in FY22 despite business recovery. BD spends USD5.0 Bn yearly on fighting climate impacts. Bankers asked to repatriate USD2 Bn export proceeds from nostro accounts. Imports slow in June. Wheat prices drop BST100 per maund in two days. Interest rates under refinancing scheme for green products decrease. D-8 trade body mulls cross currency swap. Moscow wants Dhaka to join Russian alternative to SWIFT. SMEs outside EPZs, industrial belts bear the brunt. Internet banking booms on 81% turnover growth. Pharma sector has export potential to be next RMG. Greece to hire Bangladeshi farm hands. Tea Board seeks to raise tea cess to 2.0%. Bangladesh waits to reap benefit of wheat price fall. 60% of fruits still imported to fill demand. BB to sign MoU with banks to cut default loans.

Stock Market arena

• Marico revenues grow but higher taxes erode profits. Mercantile Bank to buy floor space from its chairman. BTRC withdraws bandwidth capping of Aamra Technologies. AB Bank's profit grows by 35% in the first half. Cost control boosts Unilever Consumer Care's profit. GP loses subscribers in June while Robi gains. Sena Kalyan Insurance sees 33% EPS drop in H1. PRAN-RFL eyes USD 1Bn exports by 2025, USD2 Bn by 2030. City Bank's profit rises slightly in Q2. Brac Bank to use Dutch global payments network. EBL partners with a German bank for trade financing. Agrani Insurance sees earnings decline in H1.

July 28, 2022 (Week: July 24, 2022 – July 28, 2022)

Dhaka Stock Exchange

DSEX ended Red (-2.38%) in the week

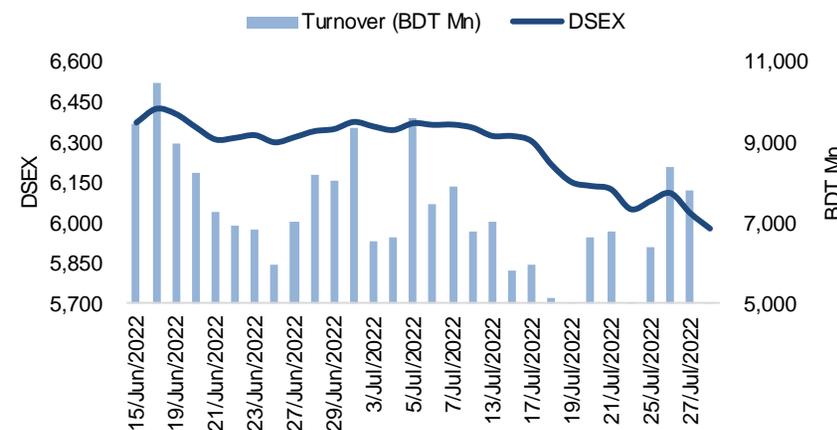
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2021	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,980.51	6,126.52	-146.01	6,756.66	-2.38%	-11.49%
DS30	2,145.25	2,200.83	-55.58	2,532.58	-2.53%	-15.29%
DSES	1,308.20	1,345.09	-36.89	1,431.12	-2.74%	-8.59%
CDSET	1,189.63	1,215.56	-25.93	1,359.13	-2.13%	-12.47%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	4,921,131	5,031,190	
	Mn USD	51,965	53,128	-2.2%
Turnover	Mn BDT	31,692	27,707	+14.4%
	Mn USD	335	293	
Average Daily Turnover	Mn BDT	6,338	5,541	+14.4%
	Mn USD	67	59	
Volume	Mn Shares	895	743	+20.4%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
PF1STMF	11.3	9.7	+16.5%	678	66.5	NM	1.9x
UNITEDINS	51.3	44.9	+14.3%	2,283	1.3	31.5x	1.5x
MATINSPIINN	78.7	71.0	+10.8%	7,672	951.5	7.7x	1.4x
ENVOYTEX	46.8	42.7	+9.6%	7,850	62.1	22.2x	1.2x
SAFKOSPIINN	27.7	25.6	+8.2%	830	233.8	5.8x	1.3x
ILFSL	5.5	5.1	+7.8%	1,220	21.3	NM	NM
SQUARETEXT	69.2	64.4	+7.5%	13,650	435.7	7.9x	1.6x
HWAWELLTEX	47.3	44.1	+7.3%	2,649	10.6	10.7x	1.5x
SONARBAINS	51.0	47.6	+7.1%	2,042	41.3	25.1x	2.5x
KTL	24.5	23.1	+6.1%	2,849	522.6	49.9x	1.4x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
LIBRAINFU	854.1	951.9	-10.3%	1,283	55.1	NM	0.7x
IMAMBUTTON	121.7	134.3	-9.4%	937	0.2	NM	25.3x
PRIMEINSUR	79.6	87.8	-9.3%	3,254	58.5	36.3x	4.1x
SHYAMPSUG	94.5	104.0	-9.1%	473	8.1	NM	NM
BANGAS	122.8	135.1	-9.1%	936	49.8	NM	5.8x
MIRACLEIND	32.8	36.0	-8.9%	1,155	93.0	NM	1.1x
STANCERAM	141.6	155.3	-8.8%	915	6.0	NM	19.1x
ROBI	29.0	31.8	-8.8%	151,900	265.3	NM	2.3x
MLDYEING	24.0	26.3	-8.7%	5,578	139.7	81.3x	1.6x
MONOSPOOL	140.0	153.1	-8.6%	1,314	30.5	46.0x	3.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	114.2	116.6	-2.1%	100,076	1,941.1	7.0x	1.3x
MATINSPIINN	78.7	71.0	+10.8%	7,672	951.5	7.7x	1.4x
KDSALTD	77.1	74.5	+3.5%	5,488	945.7	33.4x	3.1x
FORTUNE	80.1	80.1	-	13,019	654.0	25.8x	5.3x
IPDC	56.5	59.5	-5.0%	20,967	605.4	23.0x	3.3x
SONALIPAPR	598.7	639.7	-6.4%	13,150	586.9	42.3x	2.4x
ORIONINFU	104.7	107.1	-2.2%	2,132	531.0	62.2x	7.7x
KTL	24.5	23.1	+6.1%	2,849	522.6	49.9x	1.4x
SQUARETEXT	69.2	64.4	+7.5%	13,650	435.7	7.9x	1.6x
SPCERAMICS	41.9	43.6	-3.9%	6,158	411.7	94.0x	1.3x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
IPDC	56.5	+46.4%	20,967	23.0x	3.3x
SQUARETEXT	69.2	+32.6%	13,650	7.9x	1.6x
CROWNCEMNT	73.6	+18.3%	10,930	37.4x	1.4x
ADNTEL	57.3	+9.4%	3,705	22.2x	2.1x
TITASGAS	39.6	+9.1%	39,173	11.7x	0.5x
SHASHADNIM	26.5	+8.2%	3,737	14.5x	0.6x
UNIQUEHRL	53.9	+7.4%	15,868	18.4x	0.6x
IBNSINA	286.6	+5.6%	8,954	16.0x	3.7x
MARICO	2,430.1	+5.6%	76,548	21.9x	33.3x
TRUSTBANK	34.9	+4.8%	24,696	9.5x	1.2x

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,394.0	1,422.3	1,589.69	-1.98%	-12.31%
NBFI	1,864.9	1,933.9	2,327.63	-3.57%	-19.88%
Mutual Fund	859.0	858.1	882.99	+0.10%	-2.72%
General Insurance	3,026.2	3,056.6	4,698.62	-0.99%	-35.59%
Life Insurance	2,218.5	2,273.7	2,687.55	-2.43%	-17.45%
Telecommunication	4,874.2	5,018.3	5,800.37	-2.87%	-15.97%
Pharmaceutical	3,630.0	3,686.2	3,866.63	-1.52%	-6.12%
Fuel & Power	1,676.2	1,746.3	1,792.97	-4.02%	-6.51%
Cement	2,267.0	2,372.0	2,534.76	-4.42%	-10.56%
Services & Real Estate	1,281.2	1,323.6	1,309.43	-3.20%	-2.15%
Engineering	4,426.1	4,556.5	4,727.46	-2.86%	-6.37%
Food & Allied	20,809.8	21,272.9	25,222.81	-2.18%	-17.50%
IT	2,402.2	2,516.3	3,274.61	-4.54%	-26.64%
Textile	1,570.5	1,574.0	1,470.60	-0.22%	+6.79%
Paper & Printing	7,191.8	7,641.5	9,680.03	-5.88%	-25.70%
Tannery	2,997.0	3,033.9	3,236.76	-1.22%	-7.41%
Jute	8,249.6	8,629.8	8,747.84	-4.41%	-5.70%
Ceramics	696.5	720.9	675.88	-3.38%	+3.05%
Miscellaneous	4,044.5	4,141.7	4,625.39	-2.35%	-12.56%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	293.8	314.8	-6.68%	+5.54%	7.5x	0.7x
NBFI	289.7	200.6	+44.39%	+5.47%	NM	3.5x
Mutual Fund	70.0	40.0	+75.09%	+1.32%	NM	0.8x
General Insurance	169.2	141.8	+19.36%	+3.19%	14.4x	1.5x
Life Insurance	135.0	281.5	-52.04%	+2.55%	NM	NM
Telecommunication	105.1	156.0	-32.65%	+1.98%	15.3x	4.5x
Pharmaceutical	536.7	586.6	-8.51%	+10.13%	16.8x	2.4x
Fuel & Power	316.6	434.6	-27.15%	+5.97%	11.0x	1.1x
Cement	81.6	101.1	-19.30%	+1.54%	23.8x	2.4x
Services & Real Estate	85.6	97.6	-12.33%	+1.61%	67.4x	0.9x
Engineering	515.6	526.9	-2.15%	+9.73%	18.1x	1.8x
Food & Allied	230.3	321.5	-28.38%	+4.35%	22.5x	8.7x
IT	145.4	179.3	-18.90%	+2.74%	25.0x	2.2x
Textile	1,322.0	818.4	+61.54%	+24.95%	25.4x	1.0x
Paper & Printing	152.3	251.3	-39.40%	+2.87%	NM	1.8x
Tannery	146.5	124.0	+18.20%	+2.76%	45.2x	3.2x
Jute	4.8	7.4	-35.88%	+0.09%	NM	26.8x
Ceramics	134.2	141.5	-5.09%	+2.53%	29.1x	1.9x
Miscellaneous	565.4	538.0	+5.08%	+10.67%	11.0x	1.9x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELCEM	173.5	-36.3%	9,803	NM	2.7x
PIONEERINS	70.3	-33.8%	5,953	10.6x	1.3x
LANKABAFIN	25.5	-31.6%	13,740	11.3x	1.3x
OLYMPIC	110.5	-31.2%	22,093	15.1x	2.4x
BRACBANK	37.9	-26.3%	56,721	10.7x	1.0x
ACTIVEFINE	18.9	-26.2%	4,535	82.2x	0.9x
CONFIDCEM	91.4	-25.0%	7,151	10.3x	1.1x
BXPBARMA	146.0	-24.2%	65,132	11.4x	1.6x
MIRAKHTER	49.5	-20.2%	5,978	18.5x	1.1x
IDLC	46.0	-19.9%	19,122	9.1x	1.2x

Important News: Business & Economy

Forex reserves stabilise at USD40 Bn, for now

- The intensive effort by the Bangladesh Petroleum Corporation (BPC) to hunt dollars to meet its import demand coupled with the suspension of LNG purchase from the international spot market has eased pressure on the country's foreign exchange reserves.
- The forex reserves have remained stable between USD39 Bn and USD40 Bn this month as the Bangladesh Bank has cut back on dollar sales for importing petroleum products. The central bank has been selling USD50 Mn to USD70 Mn per day to banks this month, which was over USD100 Mn in June.

<https://www.tbsnews.net/economy/forex-reserves-stabilise-40b-now-466438>

SME Foundation to lend BDT4 Bn to small ventures

- SME Foundation will provide a BDT4 Bn loan to micro and small entrepreneurs in the country's rural and marginal population to accelerate economic recovery from the Covid fallout and to improve the rural living standard. Of the fund, BDT750 Mn will be earmarked for women entrepreneurs. The entrepreneurs will be able to get a minimum of BDT100,000 to a maximum of BDT3 Mn at 4% interest and repay in 30 monthly instalments in three years.

<https://www.tbsnews.net/economy/sme-foundation-lend-tk400cr-small-ventures-466254>

Packaging gets BDT50 Bn investment in Bangabandhu Shilpa Nagar

- Local packagers and accessory-makers are going to invest BDT50 Bn in Bangabandhu Sheikh Mujib Shilpa Nagar to meet its packaging demand as well as to boost direct packaging export, according to manufacturers. Bangladesh accounts for USD1 Bn annual export to USD800 Bn global packaging and accessories market.

<https://www.tbsnews.net/economy/industry/packaging-gets-tk5000cr-investment-bangabandhu-shilpa-nagar-465990>

Slow progress in BREB solar pump project

- A project undertaken by Bangladesh Rural Electrification Board (BREB) to install 2,000 solar-powered irrigation pumps has been advancing at a snail's pace. The BREB, under the energy and power ministry, took up the BDT3.94 Bn project in 2018 to reduce dependency on electricity generated by fossil fuels and reduce carbon emissions.

<https://www.thedailystar.net/business/economy/news/slow-progress-breb-solar-pump-project-3081541>

Bangladesh moves to join RCEP

- Bangladesh has taken up the initiative to join Regional Comprehensive Economic Partnership (RCEP) to retain duty benefits once it makes the United Nations status graduation from a least developed country to a developing one in 2026.
- An inter-ministerial meeting agreed that the country will join the RCEP, an agreement comprising the world's largest trade bloc led by China, if an opportunity is created after negotiations, said the commerce ministry.

<https://www.thedailystar.net/business/economy/news/bangladesh-moves-join-rcep-3081516>

IMF says it is ready to support Bangladesh after loan request

- The International Monetary Fund (IMF) said on Wednesday it would discuss with Bangladesh its loan request after the country became the third in South Asia to seek such support after Pakistan and Sri Lanka. Bangladesh's USD416 Bn economy has been one of the fastest-growing in the world for years, but rising energy and food prices because of the Russia-Ukraine war have inflated its import bill and the current account deficit.
- The IMF said Bangladesh was interested in its new Resilience and Sustainability Facility aimed at helping countries face climate-change challenges and had also requested negotiations for an "accompanying IMF programme". "The IMF stands ready to support Bangladesh, and the staff will engage with the authorities on program design as per the established policies and procedures of the Fund," an IMF spokesperson said.

<https://www.tbsnews.net/bangladesh/imf-says-it-ready-support-bangladesh-after-loan-request-466422>

RMG exports to Japan cross Bn dollars

- Bangladesh's RMG exports to Japan crossed the Bn USD mark in FY 2021-22 after a decline in the previous two fiscals. Bangladesh exported apparel items worth USD1.098 Bn marking over 16% growth in FY22, according to data of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- It fetched USD944.82 Mn in FY21. RMG exports first crossed Bn USD with USD1.091 Bn earnings in FY19. Apparel exports, including knit and woven items, were USD478.48 Mn in FY 2012-13 which was only USD74.33 Mn in FY09.

<https://today.thefinancialexpress.com.bd/last-page/rmg-exports-to-japan-cross-billion-dollars-1658858787>

Annual debt servicing crosses USD 2.01 Bn

- Bangladesh's debt servicing crossed USD 2.01 Bn in the last fiscal year as payment for some previously borrowed big loans began, officials say, amid reported strains on the country's foreign-exchange reserves. Out of the debt-servicing amount, USD1.42 Bn is paid as the principal and USD468.36 Mn as interest for medium-to-long-term (MLT) outstanding loans during the period from July 2021 to June 2022, Economic Relations Division (ERD) data show.

<https://today.thefinancialexpress.com.bd/last-page/annual-debt-servicing-crosses-201b-1658945036>

Expats don't need embassy endorsement for bank account opening

- Bangladeshi expatriates do not need any copy of embassy documents or attestation to open a commercial bank account at home, according to a Bangladesh Bank circular on Wednesday. Bangladeshi nationals staying abroad have to submit several documents from Bangladesh missions abroad to open a bank account at home.

<https://www.tbsnews.net/economy/expats-dont-need-embassy-endorsement-bank-account-opening-466386>

NBFIs asked to reduce power, fuel use by 25%

- Non-bank financial institutions (NBFIs) have been asked to reduce electricity and fuel consumption by 25% as part of the government's austerity measures to combat the ongoing energy crisis. The Bangladesh Bank gave the instruction in a notification on Wednesday (27 July). The money saved from this austerity move cannot be used in any other sector, the notification said.

<https://www.tbsnews.net/economy/nbfis-asked-reduce-power-fuel-use-25-466346>

7 cos to invest USD94 Mn in Sabrang Tourism Park

- Seven more companies have come forward to invest over USD94 Mn in Sabrang Tourism Park, the country's first exclusive tourism park, under construction in Cox's Bazar. The businesses will build luxury hotels, resorts and cottages in the tourist centre, located about 450km from Dhaka. The new investments are expected to generate around 2,000 jobs.
- Ifad Group will invest heavily in building various tourist facilities, such as a five-star hotel. Ifad Autos, a sister concern of the group, will invest USD31.69 Mn in building a hotel on a six-acre site, which will generate employment for 350 people. Ifad Motors Limited, another company belonging to Ifad Group, wants to invest USD16.20 Mn on a one-acre plot of the 1027-acre park located in Sabrang union of Teknaf Upazila.

<https://www.tbsnews.net/economy/industry/7-cos-invest-94m-sabrang-tourism-park-465242>

Banks now can lend more than 25% of their capital to power producers

- The Bangladesh Bank has withdrawn the single borrower exposure limit for the next six months in the case of lending to power producers. From now on, banks will be allowed to extend credit to power sector borrowers, exceeding 25% of their regulatory capital, according to a circular issued by the central bank on Tuesday.

<https://www.tbsnews.net/economy/banking/banks-now-can-lend-more-25-their-capital-power-producers-465682>

Duty slashed for imports from OIC, D-8 countries

- The authorities have reduced duty to 10% for imports from Organisation of Islamic Cooperation (OIC), and D-8 Organization for Economic Cooperation (D-8) countries under two separate trade agreements. Officials said the duty reductions will have an insignificant impact on revenue collection, but the country's export will benefit substantially from it.

<https://www.tbsnews.net/economy/duty-slashed-imports-oic-d-8-countries-465662>

NBR, UGC issue directives to reduce office expenditure

- The National Board of Revenue (NBR) on Tuesday issued 14-point directives, including printing on both pages of a sheet of paper, to ensure maximum use of paper and other equipment to reduce overall expenditure in daily office work, amid rising price pressure in the country.
- For a similar purpose, the University Grants Commission (UGC) also directed public universities not to use more than 50% of the allocation for entertainment expenses, other allowances, computers and accessories, electrical equipment, and the furniture sector.

<https://www.tbsnews.net/bangladesh/energy/nbr-ugc-issue-directives-reduce-office-expenditure-465730>

Govt wants cut in taxes on olive, canola, sunflower oils

- The commerce ministry has asked the National Board of Revenue (NBR) to cut all kinds of duty, tax and tariff value on sunflower, olive and canola oils at import stage, aiming to cut dependency on widely consumed soybean and palm oils. The move has also been taken to rein in the possible spiralling prices of soybean and palm and also to bring relief among the consumers, said sources.

<https://today.thefinancialexpress.com.bd/first-page/govt-wants-cut-in-taxes-on-olive-canola-sunflower-oils-1658858533>

Bangladesh seeks USD4.5 Bn IMF budget support

- Bangladesh has officially sought USD4.5 Bn from the International Monetary Fund (IMF) to ride out the ongoing financial shock triggered and subsequently worsened by persisting energy and dollar crises. Now the IMF headquarters will form a team to formally negotiate with Bangladesh, said finance ministry officials, adding that the process may take up to a year.

<https://www.tbsnews.net/economy/bangladesh-seeks-45b-imf-budget-support-465722>

Kenya seeks Bangladeshi investment in agriculture, ICT

- Director General of Bilateral and Political Affairs of Kenya Amb Moi Lemoshia has invited Bangladeshi entrepreneurs to invest in the agriculture and ICT sector in Kenya, which will give them access to other African countries since Kenya is a member of Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC).

<https://www.tbsnews.net/economy/kenya-seeks-bangladeshi-investment-agriculture-ict-465486>

100% interest for encashing ERQ account deposits before term end

- The central bank has directed commercial banks to provide exporters 100% interest for encashing termed deposits kept in Export Retention Quota (ERQ) accounts even before they are matured. Exporters deposit a certain portion of their income in the ERQ accounts against their exported goods and services. Due to the current dollar crisis in the country, exporters have been given a facility to redeem dollars from these accounts before maturity, said officials concerned.

<https://www.tbsnews.net/economy/banking/100-interest-encashing-erq-account-deposits-term-end-465710>

Dollar rally puts some banks in trouble to settle LCs

- A severe shortage of dollars has forced banks in Bangladesh to delay payments to foreign suppliers against import LCs (letters of credit), damaging the reputation of the local banking industry in the global arena and putting the country at risk of losing its credit rating. The cash USD rate climbed to an all-time high of BDT112 on Tuesday while the import LC rate surged to BDT105, adding to price pressures and high inflation rate.
- The inflation rate in the country hit an eight-year high of 7.42% in May this year. Industry experts have said the unusual rise in dollar price will fuel inflation further. The inter-bank exchange set by the Bangladesh Bank verbally remained ineffective due to the large difference from the market rate. The inter-bank exchange rate was BDT94.70 on the day.

<https://www.tbsnews.net/economy/banking/dollar-rally-puts-some-banks-trouble-settle-lcs-465718>

Bangladesh receives USD1.64 Bn remittance in 21 days of July: BB

- Bangladesh has received USD1.64 Bn inward remittance till 21 July, thanks to Eid-ul-Azha when Bangladeshi migrants sent more money to families to celebrate one of the biggest festival of Muslims, according to data from Bangladesh Bank. It means, on an average the expatriates sent USD78.22 Mn remittance into the country during 1-21 July, the opening month of the fiscal year 2022-23.
- In June, the last month of the fiscal year, the expatriates sent home USD1.83 Bn remittance through the banking channel, said the BB figures available on Monday. Bangladesh received the highest USD24.77 Bn remittance in FY2020-21, amid global travel restrictions amid Covid-19 pandemic.

<https://www.tbsnews.net/economy/bangladesh-receives-164b-remittance-21-days-july-bb-464914>

Ministries agree to sign CEPA with India

- Senior officials of ministries concerned yesterday reached consensus on signing a much-needed Comprehensive Economic Partnership Agreement (CEPA) with India to expand trade and investment with the neighbouring country. This CEPA is a part of the government's massive initiatives to sign trade deals with major trading partners to retain duty benefits following the United Nations status graduation from a least developed to a developing country in 2026.

<https://www.thedailystar.net/business/economy/news/ministries-agree-sign-cepta-india-3079576>

Country switches to coal power to substitute petroleum imports

- Following footsteps of many others, Bangladesh intends to augment imported-coal use for electricity generation to substitute costly diesel, furnace oil and liquefied natural gas (LNG) imports. Although coal price seems cheaper, sources say, its price on the international market also has almost doubled since the Russia-Ukraine war flared up on February 25 from USD239 to as high as USD425 per tonne.
- Currently, around 1,200 megawatts of electricity is generated from coal, of which around 200MW is being generated with local coal in Barapukuria mine-side thermal power plant and 1,000MW from imported Indonesian coal in Payra 1320MW coal-fired power plant.

<https://today.thefinancialexpress.com.bd/first-page/country-switches-to-coal-power-to-substitute-petroleum-imports-1658771694>

Govt formally seeks USD4.5b from IMF

- Finance Minister AHM Mustafa Kamal has sent in a formal request to the IMF for a USD4.5 Bn loan, putting to bed the speculations on whether the country would be seeking the support from the Washington-based multilateral lender at all. According to documents seen by The Daily Star, Kamal sought the amount as balance of payment and budget support as well as to mitigate the effects of climate change on Bangladesh.

<https://www.thedailystar.net/business/economy/news/govt-formally-seeks-45b-imf-3079321>

VAT collection weak from large payers in FY22 despite business recovery

- Even though businesses recovered from Covid-19 fallouts in the fiscal 2021-22 and revenue grew 14% year-on-year, VAT collection from 34 large sectors saw a growth of only over 6%. VAT collection from 13 of these sectors, in fact, fell by 1%-90% year-on-year, while the mobile, banking and cosmetic sectors saw only less than 1% rise. The NBR's VAT collection target from LTUs fell short a whopping BDT120 Bn in FY22 against a target of BDT640 Bn.

<https://www.tbsnews.net/nbr/vat-collection-weak-large-payers-fy22-despite-business-recovery-465022>

Govt asks BB to provide LC data on rice import

- The government has asked the central bank to provide it with the LC (letter of credit) data of rice import, aiming to know the shipment details of the staple so that it can monitor and oversee supply situation in the market. The commerce ministry has recently written to the Bangladesh Bank to obtain data of LCs opened by the private entities in every fortnight from 30 June last.
- The government decided to import around 1 Mn tonnes of rice, aiming to tackle the artificial rice crisis - caused mostly by some unscrupulous traders and hoarders in the country, said a source in the commerce ministry.

<https://today.thefinancialexpress.com.bd/last-page/govt-asks-bb-to-provide-lc-data-on-rice-import-1658687296>

Income tax return made mandatory for savings certificate over BDT500,000

- The Bangladesh Bank has made it mandatory to show proof of last year's income tax return for investment in savings certificate worth more than BDT500,000. The central bank's Data Management department issued a circular in this regard Monday.

<https://www.tbsnews.net/economy/banking/income-tax-return-made-mandatory-savings-certificate-over-tk5-lakh-464922>

Imports slow in June

- Imports slowed down in June after the Bangladesh Bank tightened the rules for opening LCs for luxury items as part of its efforts to shore up foreign exchange reserves. In June, LC settlements declined by over 6% month-on-month and the trend continued in July, according to data from the central bank. The LC settlement value was USD6.79 Bn in June – the lowest in the past nine months.

<https://www.tbsnews.net/economy/imports-slow-june-464974>

D-8 trade body mulls cross currency swap

- The D-8 Chamber of Commerce and Industries, also known as D8 CCI, is mulling cross currency swap among the Developing-8 countries – Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkiye – to address foreign exchange reserve volatility and reduce pressure on the US dollar, D8 CCI President Sheikh Fazle Fahim said.

<https://www.tbsnews.net/economy/d-8-trade-body-mulls-cross-currency-swap-464374>

BD spends USD5.0 Bn yearly on fighting climate impacts

- Bangladesh's economy could achieve 10% GDP growth if it has not been impacted by climate change, foreign minister Dr AK Abdul Momen said on Monday. Bangladesh suffers a loss of 2.0% of GDP every year due to this adverse impact of the changing climate. "In addition, we spent nearly USD5 Bn each year on fighting the challenges of climate change," Dr Momen says while addressing a dialogue on 'Human mobility in the context of climate change'.

<https://today.thefinancialexpress.com.bd/last-page/bd-spends-50b-yearly-on-fighting-climate-impacts-1658772042>

Iifs and buts cloud service sector export growth

- Despite a global increase in the demand for software and data processing in post-pandemic times, a lack of skilled manpower has seen the Ministry of Commerce setting an export target of only USD470 Mn from the sector in the current fiscal 2022-23, which is 13.31% more than the previous financial year.
- The ICT Division set a target of increasing the export income to USD5 Bn by 2025, but sector stakeholders say that even USD1 Bn exports isn't possible without trained manpower. The government is also unable to expect additional export income from tourism either although the sector is booming around the world following the lifting of Covid-induced travel restrictions.

<https://www.tbsnews.net/economy/iifs-and-buts-cloud-service-sector-export-growth-464418>

Bankers asked to repatriate USD2 Bn export proceeds from nostro accounts

- To ease the dollar crisis, bankers have been asked to bring to the country export proceeds of nearly USD2 Bn that remain in their nostro accounts with foreign banks. The instruction came at a meeting held by the Bangladesh Bank with top executives of all commercial banks at its headquarters on Monday (25 July). The meeting mainly focused on the dollar crisis and clarification of a newly issued circular on loan rescheduling.

<https://www.tbsnews.net/economy/banking/bankers-asked-repatriate-2b-export-proceeds-nostro-accounts-465002>

Wheat prices drop BST100 per maund in two days

- In a space of just two days since the Russia-Ukraine agreement was reached, wheat prices have dropped BDT100 per maund at the Khatunganj wholesale market. Driven by the war, wheat prices earlier reached their all-time high – Indian and Canadian varieties at BDT1,650 and BDT2,150 respectively –in mid-May. Before the conflict broke out in late February, Indian and Canadian varieties were sold for just BDT900 and BDT1,100 respectively.

<https://www.tbsnews.net/markets/wheat-prices-drop-tk100-maund-two-days-464414>

Interest rates under refinancing scheme for green products decrease

- The Bangladesh Bank has reduced the interest rates of loans under the Refinancing Scheme for Green Products, Projects and Initiatives by 2%. From now on, the interest rate at the end borrowers level will be 5% for such loans with a tenure of less than 5 years, according to the circular. The rate will be 5.5% for loans with a tenure of more than 5 years but less than 8 years. In the case of over 8 years, borrowers have to pay 6% in interest.

<https://www.tbsnews.net/economy/interest-rates-under-refinancing-scheme-green-products-decrease-464390>

SMEs outside EPZs, industrial belts bear the brunt

- The ongoing regular power cuts are eating away at the profits of small and medium enterprises (SMEs) in Bangladesh since they need to rely on costly diesel to keep their operation up and running, which is raising the cost of production.
- Janata Engineering, an agricultural machinery manufacturing unit in Chuadanga, is one of the factories facing the fallout of the reduced power supply. Its production has witnessed a decline because of the load-shedding that lasts at least two hours during working hours every day. As a result, the factory can't run at its full capacity.

<https://www.thedailystar.net/business/economy/news/smes-outside-epzs-industrial-belts-bear-the-brunt-3078656>

Moscow wants Dhaka to join Russian alternative to SWIFT

- The currency swap arrangement between the Bank of Russia and the Bangladesh Bank has entered a new phase as Russia is willing to introduce its own payment channel for transactions with banks instead of inking a currency swap deal. But banks in Bangladesh are not willing to join this system for fear of facing US sanctions as Russia has already lost access to the global payment channel SWIFT.

<https://www.tbsnews.net/economy/moscow-wants-dhaka-join-russian-alternative-swift-464026>

Power outages take toll on leather sector

- Talking to The Business Standard, manufacturers, particularly at the Tannery Industrial Estate at Savar, said a good number of hides have already been damaged while being processed due to the power outage, which has been happening several times for over two hours a day.
- "Once started, there is no way to halt the processing work until its completion. The load shedding during this time, particularly at the stage of dyeing and colouring, causes defects in the final output, which reduces leather prices by 60-70%." said owner of Khokon Tannery at the Tannery Industrial Estate in Savar.

<https://www.tbsnews.net/economy/industry/power-outages-take-toll-leather-sector-464122>

Internet banking booms on 81% turnover growth

- Internet banking, which found a blessing in disguise during the pandemic-enforced restricted movements of people, now makes a quantum leap on an 81.5% turnover growth, year on year. The number of customers increased over 44 % year on year, to 5.138 Mn in May. The number of transactions in internet banking rose 66 % while the amount surged by 81.51 % to BDT 206.63 Bn

<https://today.thefinancialexpress.com.bd/first-page/internet-banking-booms-on-81pc-turnover-growth-1658597454>

Greece to hire Bangladeshi farm hands

- The Greek Parliament has approved a deal signed between Bangladesh and Greece paving the way for recruiting 4,000 agricultural workers annually, the foreign ministry said on Friday. It will also help regularise nearly 18 thousand Bangladeshis staying in the southeast European country.

<https://today.thefinancialexpress.com.bd/first-page/greece-to-hire-bangladeshi-farm-hands-1658597713>

Pharma sector has export potential to be next RMG

- Speakers at a seminar on Saturday said the country's pharmaceutical sector, which is meeting 98 % of its domestic demand, has the potential to become the next RMG in terms of export. They, however, said there are some challenges that need attention in regard to right policy formulation at the right time.
- DCCI President Rizwan Rahman in his opening remarks said that after graduation, Bangladesh would face a higher tariff regime, ranging from 8.0 % to 15 %, in the export market which might decline export earnings by 14.28 % - equivalent to USD5.73 Bn

<https://today.thefinancialexpress.com.bd/first-page/pharma-sector-has-export-potential-to-be-next-rmg-1658597673>

Tea Board seeks to raise tea cess to 2.0%

- State-run tea board seeks to increase tea cess to 2.0 % from the existing rate of 1.0 % to ensure overall development of the country's tea sector, sources said. Currently, from the sale of all kinds of tea produced in the country, 1.0 % tea cess has to be paid by the producers. BTB has recently sent a letter to the commerce ministry asking for taking steps in this regard.

<https://today.thefinancialexpress.com.bd/last-page/tea-board-seeks-to-raise-tea-cess-to-20pc-1658598172>

BB to sign MoU with banks to cut default loans

- Bangladesh Bank plans to sign a memorandum of understanding (MoU) with 10 commercial banks for taking various steps on a pilot basis, including periodically publishing their lists of defaulters, in a bid to reduce their default loans. The central bank recently shared this plan with a visiting mission of International Monetary Fund (IMF).

<https://www.thedailystar.net/business/economy/news/bb-sign-mou-banks-cut-default-loans-3077801>

60% of fruits still imported to fill demand

- Although Bangladesh is one of the largest producers of mango, jackfruit and guava in the world, about 60% of the country's demand for fruit is met through imports at an annual cost of around USD30 Mn, according to experts. So, to reduce import dependency and ensure nutritional security, the government should focus on the production and marketing of high-value fruits, they said.

<https://www.thedailystar.net/business/economy/news/60pc-fruits-still-imported-fill-demand-3077721>

Bangladesh waits to reap benefit of wheat price fall

- Bangladesh has already struck a note of optimism after wheat prices on Friday dipped to levels seen before the Russian invasion of Ukraine following a landmark agreement to unblock Ukraine's Black Sea grain exports. Riding on the back of the news of the agreement, wheat prices dropped 5.9% to USD7.59 per bushel in Chicago, while Euronext, the pan-European bourse, wheat prices for delivery fell 6.4% to USD325.75 per tonne.
- Food Minister Sadhan Chandra Majumdar said, "The Ukraine-Russia war has created problems around the globe. But now there is a compromise through mediation by Turkey. Ukraine and Russia have agreed to export food products which will be a relief for us as getting wheat will no longer be a problem."

<https://www.tbsnews.net/economy/bangladesh-waits-reap-benefit-wheat-price-fall-463818>

Important News: Capital Market

Marico revenues grow but higher taxes erode profits

- The profit margin of Marico Bangladesh Limited – an India-based multinational company – shrank in the March-June quarter – despite a 9% growth in revenue – due to a sharp rise in income tax expenses.
- Marico starts its financial year in March. According to its unaudited financials, the company's profits before tax increased 4.52% compared to the same period in the previous year.

<https://www.tbsnews.net/economy/stocks/marico-revenues-grow-higher-taxes-erode-profits-466374>

BTRC withdraws bandwidth capping of Aamra Technologies

- The Bangladesh Telecommunication Regulatory Authority (BTRC) has withdrawn the 50% bandwidth capping of Aamra Technologies Limited — an international internet gateway service provider in the country.
- According to company sources, Aamra Technologies has not paid BTRC's revenue on time. As a result, the listed company owed around BDT 340 Mn to the telecom regulator. The non-payment of the dues prompted the regulator to take action against the company.

<https://www.tbsnews.net/economy/stocks/btrc-withdraws-bandwidth-capping-aamra-technologies-465630>

AB Bank's profit grows by 35% in the first half

- AB Bank – the first private sector bank in Bangladesh – has registered an impressive 35% year-on-year growth in its consolidated net profit in the first half of 2022. In stock exchange filings on Monday, the lender said the profit rose to BDT36.1.6 Mn, which was BDT260 Mn in the corresponding period of the previous year. Its EPS stood at BDT0.42 in the January-June period, up from BDT0.31 a year ago.

<https://www.tbsnews.net/economy/stocks/ab-banks-profit-grows-35-first-half-464930>

Cost control boosts Unilever Consumer Care's profit

- Unilever Consumer Care Limited – previously operating as GlaxoSmithKline (Bangladesh) – has registered an impressive 58% year-on-year profit growth in the first half of 2022 despite a surge in its raw material and packaging costs. The multinational company also reported a 4% jump in its sales.

<https://www.tbsnews.net/economy/stocks/cost-control-boosts-unilever-consumer-cares-profit-464954>

Mercantile Bank to buy floor space from its chairman

- Mercantile Bank is going to buy a commercial space in Noakhali from its Chairman Morshed Alam – also a parliament member from that area and chairman of Bengal Group – for BDT 81.5 Mn.

<https://www.tbsnews.net/economy/stocks/mercantile-bank-buy-floor-space-its-chairman-465626>

GP loses subscribers in June while Robi gains

- The country's largest mobile network operator Grameenphone (GP) lost 150,000 subscribers in June, while the second-largest operator, Robi Axiata, gained 2,80,000 new users in the same month, according to fresh statistics.
- The latest data of the Bangladesh Telecommunication Regulatory Commission (BTRC) shows that GP subscribers stood at 84.80 Mn at the end of June -- down from 84.95 Mn in May. The telecom industry overall gained 222,000 subscribers in June, reaching 184.45 million from 184.23 million in May, the data shows.

<https://today.thefinancialexpress.com.bd/last-page/gp-loses-subscribers-in-june-while-robi-gains-1658772196>

EBL partners with a German bank for trade financing

- Eastern Bank Limited (EBL) signed a Trade Facility Agreement with KfW IPEX-Bank, Germany. Funding under this agreement will be used to expand trade between Bangladesh and Germany and other European countries, read a press release.

<https://www.tbsnews.net/economy/banking/ebel-partners-german-bank-trade-financing-463546>

Usmania Glass to issue shares to BCIC against loans

- Usmania Glass Sheet Factory – a pioneer in the country's glass industry – wants to issue shares to the Bangladesh Chemical Industries Corporation (BCIC) against loans amounting to BDT187.7 Mn. This way, the company will be able to comply with the regulatory requirement of fulfilling the minimum paid-up capital requirement of BDT300 Mn.

<https://www.tbsnews.net/economy/stocks/usmania-glass-issue-shares-bcic-against-loans-464310>

City Bank's profit rises slightly in Q2

- The consolidated earnings per share of the private commercial bank were BDT 1.21 in the April-June period, up from BDT 1.19 recorded in the same period last year, according to the un-audited financial statements. The consolidated EPS, however, fell to BDT 2.04 in the first half of 2022 against BDT 2.16 registered in the same period of 2021.

<https://www.thedailystar.net/business/organisation-news/news/city-banks-profit-rises-slightly-q2-3078551>

Sena Kalyan Insurance sees 33% EPS drop in H1

- Sena Kalyan Insurance Company reported a 33% drop in its earnings per share (EPS) in the first half of 2022, compared to the same six months of the previous year.
- From January to June of 2022, its EPS declined to BDT 1.85 from BDT 2.75 in the same period of 2021. Also, in the second quarter alone, its EPS fell by 27% to BDT 0.91 from BDT 1.25 in the April to June period of 2021.

<https://www.tbsnews.net/economy/stocks/sena-kalyan-insurance-sees-33-eps-drop-h1-464942>

PRAN-RFL eyes USD 1Bn exports by 2025, USD2 Bn by 2030

- PRAN-RFL Group, one of the country's leading business conglomerates, plans to double its export earning to USD1.0 Bn within the next three years. It is also planning to reach the USD2 Bn export-earning benchmark by 2030 - based on its diversified range of products and markets.
- The group's export that started in 1997 by sending pineapples to France stood at USD532 Mn in last fiscal year, 2021-22. Of the amount, RMG export brought only USD100 Mn, while the rest came from non-RMG items, including agro and agro-processing, plastic, and light engineering.

<https://today.thefinancialexpress.com.bd/last-page/pran-rfl-eyes-1b-exports-by-2025-2b-by-2030-1658687190>

Brac Bank to use Dutch global payments network

- Brac Bank yesterday announced a partnership with TerraPay to enable non-resident Bangladeshis abroad to send funds to Bangladesh in real time. The global payments infrastructure company has merchant partner networks with payouts to over 4.5 Bn bank accounts and 1.5 Bn mobile wallets, said a press release.

<https://www.thedailystar.net/business/organisation-news/news/brac-bank-use-dutch-global-payments-network-3077711>

Agrani Insurance sees earnings decline in H1

- Publicly listed non-life insurer Agrani Insurance Company Ltd witnessed a 6% year-on-year decline in its consolidated EPS in the first half of 2022. Its consolidated EPS stood at BDT0.72 in the January to June period, its consolidated EPS declined by a massive 41% to BDT0.29, compared to the previous year's April-June quarter.

<https://www.tbsnews.net/economy/stocks/agrani-insurance-sees-earnings-decline-h1-463678>

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