

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

EU wants Bangladesh to quickly amend EPZ Labour Act

- The European Union (EU) has urged Bangladesh to quickly amend the EPZ Labour Act for Bangladesh to retain the Everything but Arms (EBA) facility, which allows duty-free and quota-free access to the EU market. Bangladesh enacted a new law for the export processing zones in 2019. Currently a draft of a set of rules based on the law is at the law ministry for vetting. Bangladesh wants to formulate a new law once the new rules are in effect.

<https://www.tbsnews.net/economy/eu-wants-bangladesh-quickly-amend-epz-labour-act-419874>

European buyers back AP Møller-Maersk to run Patenga Container Terminal

- Buyers from Europe have favoured AP Møller-Maersk for the job of operating the Patenga Container Terminal in Chattogram. H&M, the largest buyer for the country's garments, and Inditex have already written to the shipping ministry expressing their support for Maersk to run the terminal set to be completed by next June and is expected to be operational by July.
- In addition to Maersk, Saudi Arabia-based Red Sea Gateway Terminal (RAGT), and Dubai-based DP World are also trying to get the job of operating the terminal. A leader of the Bangladesh Inland Container Depot Association (BICDA) told TBS on condition of anonymity that companies with an international reputation and experience should be offered jobs at the Patenga Container Terminal.

<https://www.newagebd.net/article/170336/wb-projects-dull-remittance-inflow-for-bangladesh>

WB projects dull remittance inflow for Bangladesh

- The World Bank has projected dull remittance earnings for Bangladesh for the ongoing year 2022, saying that migrants would resume to use informal ways of sending money. In Bangladesh, except for a 24-per cent spike in March 2022 to mark the start of Ramadan, monthly remittance growth has been decreasing over the past eight months, said the report.
- The WB projected that the country's remittance inflow would gain 2.0% in 2022 from USD 22.07 Bn in 2021. WB also stated that the country's benefit against the issuance of incentive against remittance was one-off.

<https://www.newagebd.net/article/170336/wb-projects-dull-remittance-inflow-for-bangladesh>

Soybean import to rise 7.7pc

- Bangladesh's soybean import is projected to rise by 7.7% year-on-year to 2.8 Mn tonnes in 2022-23 marketing year beginning from October, according to the United States Department of Agriculture (USDA). Import of soybean meal and oil will see a slight fall thanks to a rise in supply and crushing of soybean seeds in Bangladesh, said a recent report "Oilseeds: World Markets and Trade".
- A total of 775,000 tonnes of soybean oil will be imported in 2022-23, which was 750,000 tonnes in the outgoing year. Soybean meal imports are also projected to rise slightly to 400,000 tonnes by this time. Riding on the increased soybean import, this year 290,000 tonnes of oilseeds will be crushed, which is more than double than that of the previous year.
- The domestic consumption of soybean oil will also rise by 2.71% year-on-year to 1.3 Mn tonnes. Meanwhile, the import of palm oil is forecast to rise by 6% to 1.43 Mn tonnes this year.

<https://www.thedailystar.net/business/economy/news/soybean-import-rise-77pc-3024461>

MFS transactions rise 29% in March

- Transactions through mobile financial services rose 29.13% year-on-year, amounting to BDT 770.22 Bn during Mar'22 March riding on diversified services by the operators. The volume is also 13% higher than that of the previous month of February.
- Of March transactions, users deposited some BDT 237.07 Bn to their accounts, withdrew BDT 207.91 Bn, transferred (person to person) BDT 222.88 Bn, paid different bills worth BDT 12.32 Bn, and received BDT 28.77 Bn as salaries and stipends through the MFS. The number of MFS users increased to 109.1 Mn at the end of March, while the number of agents surged to 1.15 Mn.

<https://www.tbsnews.net/economy/banking/mfs-transactions-rise-29-march-419834>

13 banks keep high interest rate spread

- Thirteen scheduled banks, including six foreign commercial banks, maintained a high interest rate spread of 4 percentage points or above in March. Bankers said that the banks held a healthy interest rate spread as most of the entities had access to low-cost funds. As a result, liquidity situation in the banks was better compared with that in the other banks, the bankers said.
- The banks which maintained high interest rate spread are Standard Chartered Bank, Dutch-Bangla Bank, Shimanto Bank, Woori Bank, BRAC Bank, State Bank of India, The Hong Kong and Shanghai Banking Corporation, Commercial Bank of Ceylon, Pubali Bank, The City Bank, Trust Bank, Citibank NA and NRB Commercial Bank, showed Bangladesh Bank data.
- Standard Chartered Bank maintained the highest interest rate spread of 6.93 percentage points, Dutch-Bangla Bank 5.82 percentage points, BRAC Bank 4.93 percentage points, Pubali Bank 4.33 percentage points, The City Bank 4.3 percentage points, Trust Bank 4.19 percentage points, and NRB Commercial Bank 4.14 percentage points.

<https://www.newagebd.net/article/170607/13-banks-keep-high-interest-rate-spread>

BB bars NBFIs directors from becoming same entity's employee

- The Bangladesh Bank on Thursday barred directors of any non-bank financial institution having at least one year or above of directorship from becoming its contractual or regular employee. If any director of any NBFIs was appointed as its contractual or regular employee, the individual will have to vacate his or her position by July 31, 2022. The central bank issued the embargo on the day after the imposition of the same ban on bank directors a day before.
- Besides, the central bank also barred any member of any NBFIs executive committee, audit committee and risk management committee, comprising of its chairman or members of board of directors, from working as chairman or director or members of the NBFIs any other subsidiary company or any company or foundation-formed and operated with its finance. If anyone is holding such position, the central bank asked the individual to resign from the post by June 30, 2022 and thereby inform the central bank in seven working days after the deadline.

<https://www.newagebd.net/article/170338/bb-bars-nbfi-directors-from-becoming-same-entitys-employee>

Banks' stock market investments BDT 140.2 Bn

- Forty-two banks had BDT 140.2 Bn in capital market investments on a solo basis until Mar'22 & BDT 223.35 Bn on consolidated basis, according to the banks' data. The total investments of the 42 banks were BDT 151.0 Bn (solo) as of Jan'22, which declined to BDT 140.2 Bn on March 10 due mainly to the recent doldrums on the market.

- As on March 10, the 42 banks invested BDT 70.86 Bn through own portfolios, provided BDT 49.67 Bn to their subsidiaries, invested BDT 9.4 Bn in listed perpetual bonds and invested BDT 18.5 Bn in other modes and had BDT 3.14 Bn as cash form in their BO accounts, according to the data the banks submitted to the BSEC.
- The BSEC also found that 40 banks made a total BDT 8.88 Bn from investing in the capital market while two banks made losses in the year 2021. All banks created provision of total BDT 4.31 Bn against their investment in the capital market during the year 2021.

<https://www.newagebd.net/article/170606/banks-stock-market-investments-tk-14000-crore>

Bangladesh's share to be 10pc by 2025: BGMEA

- Bangladesh Garment Manufacturers and Exporters Association president expressed hoped that the share of Bangladesh in the global apparel market would exceed 10% by 2025 from existing 6.3% as manufacturers have been increasing their investment in process up gradation and synthetic fiber. To go for the next level of growth, government should provide stable policy support and cash incentive against the export of apparel products made with man-made fibres, the BGMEA president said.

<https://www.newagebd.net/article/170509/bangladeshs-share-to-be-10pc-by-2025-bgmea>

Soaring global inflation to erode apparel demand

- Apparel manufacturers expressed concerns over an alarming rise in global inflation, citing that increasing prices may affect the purchasing power of end-consumers in export destinations and cause demand for garment items to fall. BGMEA President told that entrepreneurs are struggling with rising production costs and supply chain challenges, including a crisis of raw materials, rise in fuel oil, gas and electricity prices and an abnormal increase in container and ship rentals.
- He added that reducing lead time and investment in unique backward linkage sectors needs to be increased. Tariff and tax rates should be kept constant for a period of five years to help investors and traders adopt and implement plans, he added. BGMEA is working on creating new markets in several countries outside Europe, such as in South Korea, India and even China, he said.

<https://www.thedailystar.net/business/economy/news/soaring-global-inflation-erode-apparel-demand-3023771>

Poor contribution of listed cos frustrates CMSF mgmt

- The management of the Capital Market Stabilisation Fund has expressed frustration over the listed companies for not depositing money and shares in the fund at expected level. Although a large amount of undistributed dividends of listed companies is expected to come into the fund, cash amounting to BDT 4.8 Bn and shares equivalent to BDT 3.4 Bn at current market value have been deposited in the fund.

<https://www.newagebd.net/article/170508/poor-contribution-of-listed-cos-frustrates-cmsf-mgmt>

NBR's tax collection from DSE falls by 11pc in April

- The government's revenue earnings from the Dhaka Stock Exchange in Apr'22 was BDT 218.0 Mn against BDT 245.1 Mn in Mar'22. Tax receipts from trade commission increased by 4.47% to BDT 194.0 Mn against BDT 185.7 Mn in the previous month. The amount of tax from the share sales by sponsor-directors and placement holders dropped by 64.48% to BDT 24.0 Mn in Apr'22 from BDT 59.4 Mn in Mar'22.

<https://www.newagebd.net/article/170416/nbrs-tax-collection-from-dse-falls-by-11pc-in-april>

Linde Bangladesh posts revenue, profit growths in March quarter

- Linde Bangladesh posted modest year-on-year growths in its revenue and profit for Q1'22. The company's revenue increased by 7% to BDT 1.36 Bn and profit by 4% to BDT 299.0 Mn. During the period, its income tax expenses declined by 8% to BDT 92.0 Mn from BDT 100.7 Mn in Q1'21, thanks to a corporate tax cut in the current year.

<https://www.tbsnews.net/economy/linde-bangladesh-posts-revenue-profit-growth-march-quarter-418698>

Green Delta to launch 1st ETF worth BDT 500 Mn

- Green Delta Insurance Limited has decided to launch the country's first exchange traded fund named 'DS30 Index Tracking Exchange Traded Fund' (DS30 ETF) worth BDT 500 Mn. The company will subscribe BDT 25.0 Mn of the fund. The remaining portion of the fund will be raised from other sponsors and the market. According to a statement, the company will sponsor a passive, open-ended and exchange traded fund, as per ETF regulations.
- According to the rules published by the BSEC, the ETF fund must be worth at least BDT 500 Mn that could be enhanced with the participation of authorised participants. For the formation of an ETF, sponsor-directors will have to make at least 10% and asset manager must have 2% of initial investment of the targeted size, the rules said.

<https://www.newagebd.net/article/170337/green-delta-to-launch-1st-etf-worth-tk-50cr>

Two banks to raise Tk1,600cr through bonds

- Pubali Bank has decided to raise BDT 10.0 Bn through issuance of a subordinated bond to meet the requirements for Tier-2 capital. Premier Bank Limited has decided to issue a subordinated bond for raising BDT 6.0 Bn. The seven-year tenure bond will be a non-convertible, unsecured, fully redeemable, and floating-rate subordinated bond.

<https://www.tbsnews.net/economy/stocks/two-banks-raise-tk1600cr-through-bonds-418630>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 104.89	USD 29.68	39.46%
Crude Oil (Brent)*	USD 106.80	USD 29.02	37.31%
Gold Spot*	USD 1,857.04	USD 27.84	1.52%
DSEX	6,591.99	-164.67	-2.44%
S&P 500	3,935.18	-831.00	-17.44%
FTSE 100	7,347.66	-36.88	-0.50%
BSE SENSEX	54,088.39	-4,165.43	-7.15%
KSE-100	42,863.15	-1,732.92	-3.89%
CSEALL	7,516.63	-4,709.38	-38.52%

Exchange Rates**1 US Dollar = 86.69 BDT****1 GBP = 106.13 BDT****1 Euro = 91.22 BDT****1 INR = 1.12 BDT**

IMPORTANT DISCLOSURES

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

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

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

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

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229

International Trade and Sales

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

BRAC EPL Stock Brokerage Limited

www.bracepl.com

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

Gulshan Avenue, Dhaka – 1212

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

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

E-Mail: research@bracepl.com