

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.

ADP spending gains pace

- Public expenditure for development programmes gained pace in Mar'22 of FY22, taking the overall implementation rate to a three-year high of 45.5%, according to official data. In March, government agencies increased their spending by 10.53% year-on-year to BDT 228.67 Bn for various projects under the Annual Development Programme (ADP). Overall implementation of the ADP in terms of expenditure rose to BDT 989.34 Bn in 9MFY22 from BDT 877.35 Bn.
- The government initially allocated BDT 2.25 Tn for the ADP for FY22, which was 14% higher than the revised allocation for the previous fiscal year. In March, the government revised down the ADP allocation by nearly 4% to BDT 2.17 Tn for the ongoing fiscal,

<https://www.thedailystar.net/business/economy/news/adp-spending-gains-pace-3008176>

Bangladesh agog to sign FTA with ASEAN

- Bangladesh now works vigorously to sign free-trade agreement (FTA) with ASEAN before LDC graduation to make up for loss of preferential trading facility following exit from the poor-country club. Dhaka's attention is drawn to the Southeast Asian bloc of newly industrialised countries-close to home-by vast trade potential of its member-countries, officials say. Bangladesh would emphasise on the exports that will get duty-free quota-free (DFQF) market access till 2029, even after graduation, in various developed nations.
- According to 2020 data, Bangladesh imports goods worth USD 7.0 Bn from 10 ASEAN states. On the other hand, Bangladesh's exports to the ASEAN Nations are still very paltry, less than USD 1.0 Bn per annum. However, trade officials think that Bangladesh signing FTA with ASEAN will be an uphill task due to high tariff gap between Dhaka and the members of the regional bloc. They say Bangladesh's average tariff is 14.8%, which has to be lowered to an average of 1.0%-2.0% if it wishes to enter into free-trade pact with the ASEAN.

<https://today.thefinancialexpress.com.bd/trade-market/bangladesh-agog-to-sign-fta-with-asean-1650386503>

Inflation sprints to 78-month high

- Inflation in Bangladesh rocketed to a 78-month high in Mar'22 driven by higher food costs as global uncertainties stemming from the Russia-Ukraine war and supply chain disruptions show no sign of abating. The Consumer Price Index came in at 6.22% last month, up from 6.17% a month ago. This is the highest since September 2015. In March, wages rose by 6.15% against 6.03% in Feb'22. Non-food inflation fell slightly to 6.04%, which was 6.10% in Feb'22.

<https://www.thedailystar.net/business/economy/news/inflation-sprints-78-month-high-3008316>

IMF lowers Bangladesh growth forecast

- The International Monetary Fund (IMF) has cut Bangladesh's growth forecast for FY22 to 6.4%, in view of the fallout from Russian invasion of Ukraine. It also projected the GDP growth for FY23 at 6.7%. The IMF also said that higher oil prices would weigh on private consumption and investment. It also expects Bangladesh's current account deficit to be at 3.2%.

<https://today.thefinancialexpress.com.bd/first-page/imf-lowers-bangladesh-growth-forecast-1650390096>

Skill gap, no payment gateway: Freelancing faces twin blows

- Expected growth in IT freelancing that has the potential to outshine RMG sector is stymied by inadequate government

policy support and complications confronting foreign-currency transactions, insiders say. Bangladesh, having over 60,000 freelancers, now earns around USD 500.0 Mn through this IT-enabled sector.

- However, many freelancers say, though the government announced some steps to facilitate the growth of the freelancing sector, in reality most of them cannot avail those for procedural bottlenecks. The government has offer 10% subsidy for companies, however freelancers prefer to work independently. Another barrier is lack of facility for direct currency transaction in Bangladesh, which requires global currency-transfer company like PayPal.
- According to the Global Gig-Economy Index 2019, Bangladesh ranked eighth in the fastest-growing freelancing market category but the country's freelancers are getting not more than USD 10/hour than they get India and Pakistan. According to BASIS, freelancing accounts for around 30 per cent of the total exports of software and IT-related services.

<https://thefinancialexpress.com.bd/trade/skill-gap-no-payment-gateway-freelancing-faces-twin-blows-1650421663>

Banks can charge additional 1.0pc interest on EDF loans for interim period

- Bangladesh Bank has allowed the authorised dealer (AD) banks to charge an additional one per cent interest on exporters for an interim period against loans under Export Development Fund (EDF). As usual, ADs will be charged by Bangladesh Bank at 1.0 per cent per annum against its refinancing from EDF. BB said that the ongoing export trend creates a huge demand for input procurements, leading to pressures on EDF loans.

<https://thefinancialexpress.com.bd/trade/banks-can-charge-additional-10pc-interest-on-edf-loans-for-interim-period-1650380476>

Rod, scrap market stagnates

- The construction material market for MS rods and the scrap raw material for it has come to a standstill due to an incremental increase in prices over a long time. Entrepreneurs and traders said the prices of the two products have recently come down by BDT 4,000-BDT 8,000 per tonne when demand and sales decreased drastically. But this decrease in prices is yet to have any impact on the market. At present, 75-grade rods of different brands sell for BDT 85,000-BDT 85,500. Two weeks ago, it was BDT 87,000-BDT 91,000.
- A director of Golden Ispat said the decrease in price failed to have any impact as sales already fell 80-85% during the last one and a half months after prices reached their peak. There is almost no demand for rod at the individual level now, only some government projects have a little demand for rod. Chairman of KR Steel said that ship breaking yards have 1.5-1.6 Mn metric tons of scrap stock, but at present, the stock has gone down to only 0.6 Mn metric tons.

<https://www.tbsnews.net/economy/rod-scrap-market-stagnates-406134>

Dhaka for revoking double fumigation of US cotton, to seek duty-free market access

- Bangladesh is going to offer the USA revocation of the double fumigation of its cotton, and seek duty and quota-free US market access, according to officials. The proposal incorporates importing cotton from the US without purifying it at Chattogram port for the second time, and especially exporting the apparel made from the cotton to the US market.
- Bangladesh may import 1.0 Mn bales of cotton from American suppliers in 2022-23, up 43% from last year amid rising domestic use, the US Department of Agriculture's Foreign Agricultural Service said in a report. Bangladesh's total overseas cotton purchases may rise 2.3% to 8.9 Mn bales. Terming the second time fumigation a non-tariff business barrier, the US has also been pressing the government to cancel it.

<https://www.tbsnews.net/economy/dhaka-revoking-double-fumigation-us-cotton-seek-duty-free-market-access-406146>

Star Adhesives makes debut on SME Platform today

- Trading of the shares of Star Adhesives, a concern of Star Partex Group, will commence on Wednesday on the SME Platform of Dhaka Stock Exchange and Chittagong Stock Exchange. The SME Company has reported profit after tax of BDT 26.93 Mn FY21, up by a whopping 205%, from BDT 8.82 Mn in the corresponding period.
- The company's basic EPS stood at BDT 6.05 for FY21, as against BDT 2.76 for FY20. However, post-QIO basic EPS FY21 would be BDT 1.35, pre-QIO NAV per share is BDT 12.56 in FY21, and the same is BDT 11.92 post-QIO.

<https://today.thefinancialexpress.com.bd/stock-corporate/star-adhesives-makes-debut-on-sme-platform-today-1650385118>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 103.50	USD 28.29	37.61%
Crude Oil (Brent)*	USD 108.38	USD 30.60	39.34%
Gold Spot*	USD 1,947.25	USD 118.05	6.45%
DSEX	6,530.07	-226.59	-3.35%
S&P 500	4,462.21	-303.97	-6.38%
FTSE 100	7,601.28	216.74	2.94%
BSE SENSEX	56,463.15	-1,790.67	-3.07%
KSE-100	46,333.36	1,737.29	3.90%
CSEALL	8,135.25	-4,090.76	-33.46%

Exchange Rates**1 US Dollar = 86.27 BDT****1 GBP = 112.48 BDT****1 Euro = 92.37 BDT****1 INR = 1.13 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
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 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