

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.

### **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<sub>2e</sub>, 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>

### **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>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change YTD</b>	<b>% Change YTD</b>
Crude Oil (WTI)*	USD 102.07	USD 26.86	35.71%
Crude Oil (Brent)*	USD 106.65	USD 28.87	37.12%
Gold Spot*	USD 1,931.60	USD 102.40	5.60%
DSEX	6,662.36	-94.29	-1.40%
S&P 500	4,271.78	-494.40	-10.37%
FTSE 100	7,521.68	137.14	1.86%
BSE SENSEX	57,197.15	-1,056.67	-1.81%
KSE-100	45,553.02	956.95	2.15%
CSEALL	8,135.25	-4,090.76	-33.46%

**Exchange Rates****1 US Dollar = 86.41 BDT****1 GBP = 110.91 BDT****1 Euro = 93.27 BDT****1 INR = 1.11 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	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Anika Mafiz	Research Analyst	<a href="mailto:anika.mafiz@bracepl.com">anika.mafiz@bracepl.com</a>	01708 805 206
Fahim Hassan	Research Associate	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546
Billal Hossain	Research Associate	<a href="mailto:billal.hossain@bracepl.com">billal.hossain@bracepl.com</a>	01708 805 229
Md. Mahmudul Hasan	Junior Research Associate	<a href="mailto:mmahmudul.hasan@bracepl.com">mmahmudul.hasan@bracepl.com</a>	01708 805 201

#### International Trade and Sales

Ahsanur Rahman Bappi	CEO	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-----	--	---------------

### BRAC EPL Stock Brokerage Limited

[www.bracepl.com](http://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](mailto:research@bracepl.com)