

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.

### **Woven garments wane for lax backward linkage**

- The woven subsector of the country's principal export industry is likely to face strict rules-of-origin (RoO) requirements in its major destinations, including the European Union, after Bangladesh's LDC graduation as clothing producers will need to comply with double-transformation requirement irrespective of their access to GSP or GSP-plus schemes.
- Bangladesh is largely dependent on imported fabrics for woven garment manufacturing as local spinners can meet 35-40% of demand of woven exporters. Bangladesh has been in a disadvantageous situation among the RMG-supplying countries owing to higher lead-time constraint. Absence of infrastructure, mainly shortage of gas, required policy supports and financial matters, is discouraging entrepreneurs from making fresh investment in woven fabrics manufacturing, they note.
- The share stood down at 37.40% in the last fiscal while it further dipped to 35.38% during the first half of the current fiscal year, 2021-22. Bangladesh received USD8.73 billion from woven-garment export and USD11.16 billion from knit-item export respectively during July-December period of the current fiscal year. According to BTMA, local textile millers meet 75-80% of knitters' demand for fabrics while the percentage is only 35-40 for woven fabrics. Bangladesh imported 552,859 tonnes of woven fabrics in 2021, up from 490,430 tonnes in 2017.

<https://today.thefinancialexpress.com.bd/first-page/woven-garments-wane-for-lax-backward-linkage-1646414328>

### **Search action against edible oil oligopolies starts**

- To this end, the Directorate of National Consumer Rights Protection (DNCRP) has asked the country's edible-oil refiners to furnish the import, stock, delivery information and customs documents on the cooking oils by Monday. The key objective of the move is to prevent 'illogical tendency' of unscrupulous traders for jacking up oil prices above justifiable levels.
- On the excuse of increasing prices of edible oils on the international market, the refiners increased the oil prices several times. They often are proposing to raise the prices of cooking oils. A section of traders are playing foul with the prices of edible oils. They are raising the prices more than what is supposed to be increased. Recently, the country's oil refiners had proposed increasing soybean-oil prices to BDT 180 per litre from BDT 168. Their proposed rate still remains BDT 12 per-litre higher than the rate-BDT 168 per litre-fixed by the government on February 06 last.

<https://today.thefinancialexpress.com.bd/first-page/search-action-against-edible-oil-oligopolies-starts-1646414383>

### **Rod price jumps BDT5,000 per tonne as scrap supply from Ukraine halts**

- Bangladesh imports a lot of scrap metal from Ukraine. Due to the war there, scrap exports from the country have come to a complete halt. The crisis in the international market has led to a hike in the booking price of raw material used in making rod. Besides, the cost of importing raw materials has been increasing due to the hike in ship fare.
- The prices of Grade 75 rod produced by BSRM jumped from BDT79,000 to BDT84,000 per tonne, KSRM from BDT78,000 to BDT83,000, AKS and GPH from BDT77,000 to BDT82,000, and Golden, SASM, Sitalpur, HM and Bayezid Steel from BDT76,000 to BDT81,000 in the last two weeks. The price of Grade 60 rod made in semi-automatic mills have increased from around BDT69,000 per tonne to around BDT74,000. Currently, Al-Safa Steel Re-Rolling Mills Ltd, Ambia Re-rolling Mills, Peninsula Steel Mills, among others, sell rods of this grade. The price of standard Grade 40 rod has increased from BDT67,000 per tonne to BDT72,000 in the last two weeks.

- The prices of billets, steel sheets and scraps used for making rod have also gone up sharply. Currently, a tonne of scrap is being sold at BDT60,000, steel sheets at BDT64,000 and billet at BDT70,000, while two weeks ago, scrap was sold for BDT56,000, plates for BDT61,000 and billets for BDT67,000. The booking price of scrap metal in the international market was below USD600 (BDT51,733) per tonne, which has increased to USD620-630 (BDT53,500-54,320) now.

<https://www.tbsnews.net/economy/rod-price-jumps-BDT5000-tonne-scrap-supply-ukraine-halts-379921>

### **Gas imports benefit only an influential few: Bapa**

- The government is focusing more on gas imports rather than exploration and extraction, only for the benefit of a few influential people, Bangladesh Paribesh Andolon (Bapa) has alleged. The environmental organisation expressed doubt about whether there is any need to import gas at all. He said a new master plan is needed in the energy sector. Considering the needs of the country, the government has to take up the master plan quickly.
- Earlier, Bapa and Ben organised the annual conference, "Energy, Climate Change, and Sustainable Development" in collaboration with five universities and 35 environmental organisations of the country. At the press conference, 13 recommendations on energy were made. These include: adjustment of supply with demand; increasing the use of renewable energy and ensuring suitable, and efficient blending of fuels; proper coordination of the roles of the public and private sector; environmental sustainability of energy strategies, balancing the use of fuels, water, crops, with climate change; ensuring environmentally friendly use of renewable energy, and the management and recycling of waste.

<https://www.tbsnews.net/economy/gas-imports-benefit-only-influential-few-bapa-379915>

### **Govt will take necessary steps on financial transactions involving Russian projects: Foreign Secy**

- "Things depend on the situation. The situation may turn complicated if there are more sanctions on (Russian) banks or SWIFT, or the big companies," Masud Bin Momen told reporters at the foreign ministry on Friday (4 March). Asked whether the Rooppur Nuclear Power Plant project will be affected, Masud Momen said it is not clear yet as the sanctions now see initial days. The FS said the government is also assessing the possible impacts on the exports and imports, the projects where Russia is involved. Masud said the Russian side is still trying to ascertain who is responsible for the rocket attack on Bangladeshi ship "Banglar Samriddhi" stranded at a port in war-torn Ukraine.

<https://www.tbsnews.net/bangladesh/govt-will-take-necessary-steps-financial-transactions-involving-russian-projects-foreign>

### **IMF suggests Bangladesh monitor inflation, normalise monetary policy**

- The IMF has projected the headline consumer price index (CPI) inflation at 5.9% in FY22, driven by higher international commodity prices. For FY22, the IMF projected 6.6% economic growth supported by a robust rebound in exports and stimulus packages. The IMF hailed Bangladesh for quickly and decisively addressing the economic fallout of the pandemic with the support packages worth BDT1.9 trillion (or 6% of GDP).
- But it noted the risks, including from the uncertain path of the pandemic, low vaccination rates, and vulnerabilities to climate change. It also projected the fiscal deficit to peak at 6.1% of GDP in FY22 as the authorities increased pandemic-related spending. IMF directors commended the authorities for exercising fiscal prudence and maintaining a low risk of debt distress, while noting that Bangladesh's capacity to repay the fund remains sound.
- The IMF suggests phasing out caps on interest rates to improve credit allocation and recommends increasing exchange rate flexibility. The agency says pandemic increased existing vulnerabilities in the banking sector that could impair medium-term growth; banks must ensure "adequate" capital buffers. To lift Bangladesh's growth potential,

structural policies should focus on diversifying exports, increasing FDI, enhancing productivity, investing in human capital and addressing corruption.

<https://www.tbsnews.net/economy/imf-executive-board-concludes-2021-article-iv-consultation-bangladesh-379747>

**'Z' companies outshine fundamental stocks**

- Eight 'Z'-category companies which have been incurring losses saw unusual price hikes on the Dhaka Stock Exchange (DSE) this week. One of the eight companies, however, has informed that there was no undisclosed price sensitive information. The share prices of these 'Z'-category companies gained up to 30.48% in the five trading sessions of the week to March 03.
- Meghna Pet Industries saw the highest price gain of 30.48 % and it closed at BDT 27.40 each on Thursday. A weekly turnover of BDT 24.33 million on the premier bourse. It had reported a loss of BDT 0.06 per share for October-December 2021 against the loss of BDT 0.07 per share for the same period in 2020. The share price of Meghna Condensed Milk Industries went up by 20.61% to end at BDT 19.90 each. The company featured a weekly turnover of BDT 16.60 million. It had reported a loss of BDT 1.74 per share for October-December 2021 against the loss of BDT 1.95 per share for October-December 2020.
- The share price of Savar Refractories jumped 15.20% this week to close at BDT 206.20 each on Thursday. The company's weekly turnover stood at BDT 8.22 million. The company posted a loss of BDT 0.20 per share for October-December 2021 against the loss of BDT 0.19 per share for the same period in 2020. The share price of Zeal Bangla Sugar Mills closed at BDT 157.80 each on Thursday, up 14.18% from the previous week. The company's weekly turnover clocked in at BDT 35.55 million.
- The share price of Imam Button Industries surged 13.62% to close at BDT 34.20 each on Thursday. The company posted a turnover of BDT 20.38 million. Jute Spinners saw a 11.56% rise in its share price which closed at BDT 132.20 each on Thursday. The company featured a turnover of BDT 2.91 million. The share prices of Usmania Glass Sheet Factory and Shyampur Sugar Mills gained 7.62% and 6.94% respectively.

<https://today.thefinancialexpress.com.bd/stock-corporate/z-companies-outshine-fundamental-stocks-1646410340>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 115.68	USD 40.47	53.81%
Crude Oil (Brent)*	USD 118.11	USD 40.33	51.85%
Gold Spot*	USD 1,966.60	USD 137.40	7.51%
DSEX	6,696.52	-60.14	-0.89%
S&P 500	4,328.87	-437.31	-9.18%
FTSE 100	6,987.14	-397.40	-5.38%
BSE SENSEX	54,333.81	-3,920.01	-6.73%
KSE-100	44,551.35	-44.72	-0.10%
CSEALL	11,243.49	-982.52	-8.04%

**Exchange Rates**

**1 US Dollar = 86.29 BDT**

**1 GBP = 114.17 BDT**

**1 Euro = 94.34 BDT**

**1 INR = 1.13 BDT**

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