

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.

Electronics, mobile phone, computer makers demand cut in duty, VAT

- The internet and software service business demanded extending the tenure of the existing tax exemption facility for the sectors till 2030, which is set to expire on 2024. Internet service provider leaders demanded a reduction in the tax and duties on import of router, switch, OLT, ONU, fibre optic cable and others.
- Electrical merchandise manufacturers demanded reducing the customs duty, supplementary duty and regulatory duty on import of resins. They demanded a 5% duty against the existing 15% and also suggested to increase duty on import of electric switch, socket, lamp holders and other goods.
- Local TV manufacturers demanded reducing customs duty from existing 25% to 10% on import of the LED TV equipment like cabinet, printed circuit board and tempered glass.
- Leaders of the refrigeration and air condition merchants requested to extend the existing fiscal supports and demanded reducing the 58.60% customs duty on lock ring of the refrigerator and air condition. They also demanded updating the several SROs which offer customs facility on import of the products like electric control panel board, colour masterbatch, ultra-clear glass and hot rolled steel and others.

<https://www.newagebd.net/article/164622/electronics-mobile-phone-computer-makers-demand-cut-in-duty-vat>

Ballooning import payments drag Bangladesh's reserves down

- Ballooning import payments amid price rises and a payment to the Asian Clearing Union (ACU) dragged Bangladesh's foreign-exchange reserves down at USD 43.93 billion. Earlier on January 05 last, the country's forex reserves came down to USD 44.33 billion from USD 46.29 billion of the previous working day for the same grounds.
- Imports from the ACU member-countries, particularly from India, grew by more than 11% to USD 2.16 billion in the last two months of 2022 from the previous USD 1.93 billion. Higher rice and raw cotton imports from India have pushed up the overall import payments under the ACU arrangement during the period under review.

<https://thefinancialexpress.com.bd/trade/ballooning-import-payments-drag-bangladeshs-reserves-down-1646621153>

Forget oil, wheat gives new warnings

- Consumer goods companies have indicated hikes in their products to adjust the higher import prices of wheat alongside a further rise in freight costs owing to fuel price hike. About 38% of Bangladesh's wheat came from Russia and Ukraine - the global breadbasket now at war. Supply uncertainty pushed wheat prices 40% up since the Ukraine crisis broke up.
- Bangladesh, the world's fifth largest importer of wheat, has a demand for 5.8 million tonnes of the staple and it meets 60% of its wheat needs through imports from Russia and Ukraine, according to the food ministry. As per the demand, around 3.0 million tonnes are additionally needed to be imported for the current year, sources at the ministry noted.
- TK Group booked wheat from Canada and Argentina for a 25% higher price, although the quality is not good. Before Russia's invasion of Ukraine, they booked the foodgrain at USD 390 per tonne and it surged to USD 446 per tonne. Meghna Group imported wheat from India at USD 320/tonne, which has now increased to USD 400.

<https://www.tbsnews.net/economy/forget-oil-wheat-gives-new-warnings-380902>

Bangladesh's apparel industry enjoys rejuvenation

- Bangladesh's apparel industry rejoices at rejuvenation with old factories expanding and new ones sprouting amid a glut of orders from buyers, though global tensions pose downside risks, sources say. Encouraged by the strong rebound from the pandemic-time constraints, at least 200 new factories have entered into the trade since 2021, according to industry people.
- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) issued membership to some 110 garment factories-some 79 in 2021 and the rest 31 in the current calendar year of 2022. Besides, 72 factories have become members of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) since last year till date.

<https://thefinancialexpress.com.bd/trade/bangladeshs-apparel-industry-enjoys-rejuvenation-1646620781>

Apparel makers feel the pinch as container lines suspend shipping to Russia

- The ongoing Russia-Ukraine war made the shipments uncertain as many of the international container lines officially suspended shipping to Russia. Besides, others are also showing reluctance in taking of Russia-bound container bookings. Dozens of Bangladesh apparel manufacturers have started to feel the pinch. They fear that they might face order cancellations or see difficulties in receiving payments.
- According to the Bangladesh Inland Container Depots Association, at least 166 containers which were supposed to be shipped to Russia, remain stuck in different privately-run depots after the suspension. Bangladesh sends nearly 2% of its export items to Russia, mostly apparel goods, and 55% to other European countries, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). In FY21, the country's total apparel exports stood at USD 31.45 billion, while goods worth USD 687 million went to Russia.

<https://www.tbsnews.net/bangladesh/apparel-makers-feel-pinch-container-lines-suspend-shipping-russia-380905>

Audit firms asked to report NBFi anomalies instantly

- The Bangladesh Bank has instructed chartered accounting firms to immediately inform it about any major financial anomalies they unearth while carrying out audits into non-bank financial institutions (NBFIs). On February 28, the central bank issued a letter to NBFIs where it gave the instruction to 43 chartered accountant firms in tandem.

<https://www.thedailystar.net/business/economy/news/audit-firms-asked-report-nbfi-anomalies-instantly-2977281>

Indian firm finds gas block in Maheshkhali dry after drilling

- Exploration firm ONGC Videsh Ltd did the drilling but found Bangladesh's shallow-water gas-block SS-04 all dry, in what experts term a blow to the country's future energy security. The Indian firm was upbeat about discovering three layers of gas structures having the total gas potential resources of around 1.0 trillion cubic feet (Tcf) in the SS-04 block covering some 7,269 sq km, which prompted the company to carry out the exploratory drilling.

<https://thefinancialexpress.com.bd/national/indian-firm-finds-gas-block-in-maheshkhali-dry-after-drilling-1646620964>

Light commercial vehicle market expanding

- The market for light commercial vehicles (LCVs) is growing steadily thanks to the rising number of small and medium enterprises and young entrepreneurs running businesses all over Bangladesh. The LCV market size reached about BDT 12.0 billion in 2021 with annual sales averaging 11,000 units for the past three years. LCVs control 42% of the commercial vehicle market on average, but in 2021, the segment's market share edged up to 45% on the back of 6% growth in sales, industry analysts said.
- Executive director of Energypac, local distributor of Chinese automaker JAC Motors, told that the demand for LCVs

is growing as the number of SMEs and online businesses in the country has risen in line with the receding pandemic situation. Expatriates who returned home are purchasing small covered vans and pickup trucks to use them for commercial purposes, he added. He also mentioned that the expansion of poultry and agro-based businesses in the northern part of Bangladesh also boosted the demand.

<https://www.thedailystar.net/business/economy/news/light-commercial-vehicle-market-expanding-2977306>

Grameenphone launches mobile broadband portfolio

- Grameenphone recently launched a branded mobile broadband portfolio to attain customers' diversified connectivity needs on the go. The portfolio includes a pocket router, WiFi routers, and modems from ZTE. The 4G devices range from BDT 2,650 to BDT 4,499.

<https://www.dhakatribune.com/business/2022/03/06/grameenphone-launches-mobile-broadband-portfolio>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 124.08	USD 48.87	64.98%
Crude Oil (Brent)*	USD 128.00	USD 50.22	64.57%
Gold Spot*	USD 1,989.61	USD 160.41	8.77%
DSEX	6,638.64	-118.02	-1.75%
S&P 500	4,328.87	-437.31	-9.18%
FTSE 100	6,987.14	-397.40	-5.38%
BSE SENSEX	52,796.16	-5,457.66	-9.37%
KSE-100	44,551.35	-44.72	-0.10%
CSEALL	11,243.49	-982.52	-8.04%

Exchange Rates**1 US Dollar = 85.98 BDT****1 GBP = 93.47 BDT****1 Euro = 113.57 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
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