

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.

Macro:**Aviation market to grow threefold in next 15 years: State minister**

- Aviation market of Bangladesh has grown nearly twofold in the last 10 years and it will grow almost threefold in the next 15 years, State Minister for Civil Aviation M Mahub Ali said today at a function marking the inauguration of the newly constructed terminal building of Jashore Airport.
- The state minister said the investment in the country's aviation sector has increased due to the policy support from the present government. "Our aim is to transform Bangladesh's aviation industry into a smart one under the leadership of the prime minister. The smart aviation industry will play an important role in building a developed and Smart Bangladesh," he added. He said with the construction of this new terminal, passengers will now get more advanced and modern air services. This airport will also play a role in the expansion of tourism industry and other economic activities in the region.

<https://www.thedailystar.net/business/economy/aviation/news/aviation-market-grow-threefold-next-15-years-state-minister-3383076>

Exporters to get BDT 108.5 for each dollar from today

- Banks yesterday hiked the buying and selling rates of US dollar as part of efforts to gradually reach a uniform exchange rate for the greenback by September this year. As such, bankers at a meeting decided to purchase dollars from exporters by paying BDT 108.5 for each US dollar from August 1, up nearly by 1% or BDT 1 from BDT 107.5 set in June.
- Migrant workers and non-resident Bangladeshis living abroad will get BDT 109 for a dollar. Until July 31, banks were officially offering BDT 108.5 for each US dollar, two bankers after a joint meeting between the Bangladesh Foreign Exchange Dealers' Association (Bafeda) and Association of Bankers, Bangladesh (ABB) told The Daily Star. Importers will require to count BDT 109.5 for every dollar, according to the decision.

<https://www.thedailystar.net/business/economy/news/exporters-get-tk-1085-each-dollar-today-3383196>

Tanners move to set up ETPs at own cost to catch up with world market

- Tannery owners, frustrated with the faulty central effluent treatment plant (CETP) at the Tannery Industrial Estate in Savar, have taken steps to set up ETPs on their own to boost the leather sector. They took matters into their own hands after the Bangladesh Small and Cottage Industries Corporation (Bscic), in charge of the tannery estate, failed to fix the CETP despite repeated calls from the tanners.
- Because of this non-compliance, tanners are not getting the certification from the Leather Working Group (LWG) — the largest leather industry-specific stakeholder organisation in the world. According to tannery owners, BDT 50-100 Mn is needed to build an ETP and the cost depends on the plant's capacity.

<https://www.tbsnews.net/economy/industry/tanners-move-set-etps-own-cost-catch-world-market-674346>

Cement makers call for tax rationalization

- Cement manufacturers have urged the government to rationalise the duties and taxes levied on the imports of raw materials of cement, saying the tax hike in the last budget has become a burden for them and is hurting their businesses. In a letter to the National Board of Revenue (NBR) on Sunday, the Bangladesh Cement Manufacturers Association (BCMA) said the government in the budget of FY23-24 raised the customs duty (CD) to BDT 700 against imports of per ton clinker, the main raw material for the industry.
- But the cement industry, before the budget was passed, requested the government to reduce the CD to BDT 200 from BDT 500. Now the effective rate of CD against clinker imports surged to 14.3%, which would come down to 4.08% if the CD rate is brought down to BDT 200, the BCMA said. The tariff value, the lowest allowable price the NBR considers while imposing duties, has been abnormally higher and it should be rationalised, it said in the letter. Companies have long been paying the additional taxes because of the inflated tariff value, said BCMA President Alamgir Kabir in the letter.

<https://www.tbsnews.net/economy/cement-makers-call-tax-rationalisation-674702>

Revenue falls BDT 385 Bn short of target in FY23

- The National Board of Revenue (NBR) witnessed a 10% growth in revenue collection during the 2022-23 FY compared to the previous fiscal year. However, despite this positive growth, there was a deficit of around BDT 385 Bn in revenue collection compared to the target set for the same period.
- According to the NBR, the revenue growth was around 15% in the 2021-22 FY. NBR sources said revenue collection was BDT 3.31 Tn in FY23 against the targeted amount of BDT 3.70 Tn. The NBR had collected BDT 30.8 Mn in FY22. Analysts say the growth in revenue collection was not as expected due to the slowdown in the economy throughout the last financial year. In particular, the government's strict measures for imports reduced imports.

<https://www.tbsnews.net/nbr/revenue-falls-tk38500cr-short-target-fy23-674710>

Why agri exports failing to tap full potential

- Lack of quality testing and poor packaging are among the reasons that hold back Bangladesh's agricultural export potential, says a commerce ministry report. When Bangladesh's LDC graduation will be in effect after 2026, the sector will lose cash incentives from the government and export benefits from various countries, warns the report.
- Export data shows Bangladesh's exports of farm products slipped to USD 843 Mn in the last fiscal year, from over USD 1 Bn in the previous two consecutive years. The country's vegetables exports to the top importers -- the US, Germany, the UK, France, and Canada -- accounted for 0.0%, 0.01%, 0.54%, 0.02%, and 0.02% respectively in 2021. The five countries sourced vegetables worth USD 3.34 Bn from the global market that year.

<https://www.tbsnews.net/economy/why-agri-exports-failing-tap-full-potential-674726>

SME Policy 2019: Many things proposed, few implemented

- The government formulated the SME Policy 2019 for sustainable development of small and medium enterprises, but has so far implemented very little of it. People involved with the policy said short, medium and long-term plans have been proposed in the Policy, but they have mostly not been implemented due to "lack of allocation of funds". Some work has been done in line with the policy but important issues like connecting small entrepreneurs to large scale industries, creating backward and forward linkages, and making it obligatory for government institutions to purchase SME products or services, are yet to be implemented.

<https://www.tbsnews.net/supplement/sme-policy-2019-many-things-proposed-few-implemented-674294>

Private sector's foreign borrowing falls in June

- Short-term foreign debt in the private sector fell to USD 13.66 Bn in June, down 3% from USD 14.08 Bn in May, as repayments outpaced new loans during the period, according to Bangladesh Bank. Central bank data shows that the private sector took short-term loans from foreign sources amounting to USD 2.31 Bn in June, when the total repayment against previous disbursements stood at USD 2.62 Bn.
- However, the trend of higher repayments compared to fresh borrowing has persisted since January. The private sector borrowed USD 13.69 Bn as short-term financing from foreign sources during the first six months of 2023, when repayments, including interest, totalled USD 16.7 Bn.

<https://www.thedailystar.net/business/economy/news/private-sectors-foreign-borrowing-falls-june-3383186>

Despair over inflation combat thru interest regulation alone

- Just-introduced interest-rate corridor (IRC) and reference lending rate known as SMART will not be enough to hold high inflation in check under the targeted 6.0%, experts said. In stocktaking on outcomes the new monetary policy and its interest-rate regime at a dialogue Sunday in Dhaka, they felt that alongside the two instruments, measures like slowing down growth with proper filtering in taking development projects to lessen the volume of fiscal deficit and coordination of fiscal and monetary policy are an imperative.

<https://thefinancialexpress.com.bd/economy/bangladesh/despair-over-inflation-combat-thru-interest-regulation-alone>

Stocks:**IPDC | IPDC Finance posts BDT 80 Mn profit in April-June**

- Publicly traded IPDC Finance Limited, in this April-June quarter, has posted a net profit of BDT 80 Mn — about five times of what it was in the previous quarter. But the non-bank financial institution (NBFI) still has a long way to go in this year's second half for recovering its annual performance.
- In the January to June period this year, the company's profit after taxes stood at BDT 95.1 Mn — a 78% plunge from what it was in the same six months of 2022. Analysts said the NBFI industry has gone through a tough time in the first half of 2023 due to a pressure to pay more interest against the collected funds amid the inability to charge their borrowers more because of the lending rate cap. At the end of June, IPDC's net asset value per share stood at BDT 17.51.

<https://www.tbsnews.net/economy/stocks/ipdc-finance-posts-tk8cr-profit-april-june-674650>

ICB | ICB declares 34.9% dividend

- The Investment Corporation of Bangladesh (ICB) declared a 34.9% dividend for 2022-2023. The meeting also revealed that the repurchase price of ICB unit certificate is fixed at BDT 272 which will be effective from August 1. Md Kismatul Ahsan, chairman of the ICB, attended the meeting, said a press release.

<https://www.thedailystar.net/business/economy/news/icb-declares-349-dividend-3383051>

RUPALIBANK | Rupali Bank profit jumps 182% in H1 of 2023

- State owned Rupali Bank's profit jumped 182% in the first half of this year, compared to the same period last year. According to the bank's financial statement, its consolidated earnings per share was BDT 0.79 in the January-June period of 2023, which was BDT 0.28 a year ago. In the April-June quarter, its earnings per share surged 5 times to BDT 0.42 against the same quarter in the previous year.

<https://www.tbsnews.net/economy/stocks/rupali-bank-profit-jumps-182-h1-2023-674578>

BATASHOE | Bata Shoe profit surges 31% in H1 of 2023

- Bata Shoe Company (Bangladesh) Limited's profit jumped 31% in the first half of this year compared to the same period last year. According to the company's financial statement, its earnings per share was BDT 32.07 in the January-June period of 2023, which was BDT 24.41 a year ago. In the April-June quarter, its earnings per share surged by 14% to BDT 22.11 against the same quarter in the previous year.

<https://www.tbsnews.net/economy/stocks/bata-shoe-profit-surges-31-h1-2023-674582>

BRACBANK | bKash makes BDT 380 Mn profit in H1 of 2023

- bKash Limited made a profit of BDT 380 Mn in the first half of this year thanks to the interest income from the deposits. During the same period a year back, the mobile financial services provider reported a loss of BDT 420 Mn. The BRAC Bank subsidiary incurred an operating loss of BDT 229.6 Mn in the January-June period this year, but it earned BDT 830 Mn from the deposits as finance income, which offset the loss and helped the company to make a profit. In the second quarter (April-June) this year, its profit was BDT 23.7 Mn, which was a loss of BDT 136.8 Mn a year ago at the same time.

<https://www.tbsnews.net/economy/stocks/bkash-makes-tk38cr-profit-h1-2023-674262>

BRACBANK, PRAGATILIF | bKash, Pragati Life Insurance to launch digital bank

- bKash and Pragati Life Insurance Ltd yesterday became the latest companies in Bangladesh to share plans to roll out digital banks as the country looks to offer financial services using technologies and accelerate financial inclusion. The setting up of the proposed digital bank named "bKash Digital Bank PLC" is subject to the approval of the Bangladesh Bank, it said.
- In a separate post on the DSE, Pragati Life Insurance Ltd said its board has decided to invest 10% of its paid-up capital, or BDT 125 Mn, in the proposed digital bank named Pragati Digital Bank. Shares of the insurer, however, slipped 5.77% to BDT 129. Three more listed companies ACI Ltd, Bank Asia and Crystal Insurance shared plans to roll out digital banks.

<https://www.thedailystar.net/business/economy/news/bkash-pragati-life-insurance-launch-digital-bank-3383256>

MARICO | Marico starts production from new manufacturing unit at Mirsarai

- Marico Bangladesh has started commercial production from its new manufacturing unit at Mirsarai Special Economic Zone from July 4 this year to grab a greater share of the growing market for fast-moving consumer goods. The India-based multinational company has set up its third manufacturing unit with a 10-acre area by investing BDT 2.27 Bn at Mirsarai Special Economic Zone in phases for enhancing its "Made in Bangladesh" production.
- Earlier in October 2020, Marico Bangladesh had decided to build its third manufacturing unit in Mirsarai EPZ under Bangladesh Economic Zones Authority (BEZA) to meet the growing demands of its products. Despite the news, its stock price remained unmoved, languishing at the floor of BDT 2,421.5 on the Dhaka Stock Exchange since October last year.

<https://thefinancialexpress.com.bd/stock/bangladesh/marico-starts-production-from-new-manufacturing-unit-at-mirsarai>

ISLAMIBANK | Islami Bank takes PLC suffix

- The name of Islami Bank Bangladesh Ltd has been changed to Islami Bank Bangladesh PLC, Bangladesh Bank said in a circular yesterday. As per the Company (Second Amendment) Act 2020, banks would have to change the name of the company and the Articles of Association to assume the PLC suffix.
- In Bangladesh, the companies are switching to the PLC (Public Limited Company) suffix in order to comply with the amended Company Act 1994. The amendment was made in 2020. The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

<https://www.thedailystar.net/business/economy/news/islami-bank-takes-plc-suffix-3383096>

RECKITT BEN | Reckitt Benckiser's profits see slight fall

- Reckitt Benckiser Bangladesh experienced a rise in sales in the April-June period of this year, but still the multinational had to see a drop in profits. Profits of the hygiene products producer dropped slightly to BDT 146.9 Mn in April to June period of 2023, which was BDT 148.0 Mn in the same period of 2022. Its earnings per share stood at BDT 31.11 in the period, down from BDT 31.36. Reckitt Benckiser's sales rose 6.5% year-on-year to BDT 1.31 Bn in the second quarter of 2023, according to the financial statements of the company.

<https://www.thedailystar.net/business/news/reckitt-benckisers-profits-see-slight-fall-3382986>

UNILEVERCL | Unilever Consumer Care posts 8% fall in Q2 profits

- Unilever Consumer Care, previously known as GlaxoSmithKline, registered a fall in profits in the April-June period of 2023. The company's profits dropped 8% year-on-year to BDT 165 Mn in the second quarter of this year, according to the company's financial report. So, its earnings per share also fell to BDT 8.57, which was BDT 9.37 in the same period of the previous year.
- The seller of famous nutritional drink Horlicks witnessed 8% fall in sales in the second quarter of 2023, which stood at BDT 820 Mn, down from BDT 900 Mn of the same period of 2022. Though the profits of the company dropped in the second quarter, its half-yearly profit rose depending on higher profits in the first quarter.

<https://www.thedailystar.net/business/news/unilever-consumer-care-posts-8-fall-q2-profits-3382971>

IDLC | IDLC's profit falls 13% in Q2

- IDLC Finance Ltd posted 13% lower profit year-on-year to BDT 378.3 Mn in the April-June quarter of 2023 owing to a fall in net interest income, investment income and other earnings. The profit of the non-bank financial institution stood at BDT 436.5 Mn in the identical quarter of 2022. Thus, the consolidated earnings per share slipped to BDT 0.91 in the second quarter of 2023 from BDT 1.05 in April-June of 2022.
- The EPS decreased due to a fall in net interest income, investment income, commission exchange and brokerage and other operating incomes, said IDLC in a filing on the Dhaka Stock Exchange. The consolidated net operating cash flow per share narrowed to a negative BDT 2.40 in January-June of 2023 against BDT 25.43 negative in the same half of 2022. The NOCFPS increased due to a hike in cash generation from terms and other deposits, loans and bank borrowing, the filing said.

<https://www.thedailystar.net/business/news/idlcs-profit-falls-13-q2-3382806>

LINDEBD | Linde's profit slumps 40% in Q2 on costlier raw materials

- Linde Bangladesh's net profit plunged 40% year-on-year to BDT 140 Mn in April-June quarter this year owing to costlier raw materials and higher operating expenses. Business has been tougher due to a stronger dollar and a sharp decline in revenue from the healthcare segment. The company's net profit was BDT 233 Mn in the same quarter a year before.
- Profit had gone down mainly for lower sales and higher prices of raw materials in the global market, coupled with a sharp devaluation of the local currency against the US dollar. The company's sales revenue dropped nearly 6% year-on-year to BDT 2.37 Bn in the six months through June this year as the demand for medical oxygen, its main product, kept falling since the pandemic waned.

<https://thefinancialexpress.com.bd/stock/bangladesh/lindes-profit-slumps-40pc-in-q2-on-costlier-raw-materials>

EXCHANGE | Most banks see higher profit in H1 2023

- Most of the listed banks posted year-on-year growth in profit in the first half of 2023, despite inflationary pressure on deposit rates. The Bangladesh Bank has fixed the deposit rate in line with inflation leading to a shrink in the banks' core income. Moreover, the central bank has also withdrawn the lending rate cap effective from 1 July this year.
- According to bankers, gains from foreign currency exchange helped most banks absorb inflationary pressure. Out of the 35 banks listed on the country's capital market, 32 disclosed their unaudited reports for the January-June period this year. Twenty posted growth in profit, 10 suffered profit drops, and two incurred losses.

<https://www.tbsnews.net/economy/stocks/most-banks-see-higher-profit-h1-2023-674646>

EXCHANGE | Most listed MNCs post higher profits despite headwinds

- Most of the listed multinational companies operating in Bangladesh witnessed higher profits and sales in the April-to-June quarter despite persisting economic challenges at home and abroad, inflationary pressures and higher raw materials prices. All of the 13 multinational companies that are listed on the Dhaka Stock Exchange have published their financial reports for the quarter. Their collective profit rose 23% year-on-year to BDT 22.47 Bn.
- A top official of an asset management company credits product quality and brand value that allowed MNCs to pass higher costs of production onto consumers. Among the MNCs, LafargeHolcim Bangladesh, Singer Bangladesh, Grameenphone, Bata Shoe Bangladesh, Berger Paints, and Marico Bangladesh logged higher profits in the three-month period, while Robi Axiata and Heidelberg Cement returned to profits.

<https://www.thedailystar.net/business/economy/news/most-listed-mncs-post-higher-profits-despite-headwinds-3383266>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 81.55	USD 6.34	8.43%
Crude Oil (Brent)*	USD 85.56	USD 7.78	10.00%
Gold Spot*	USD 1,962.20	USD 188.05	10.60%
DSEX	6,324.81	117.81	1.90%
S&P 500	4,588.96	749.46	19.52%
FTSE 100	7,699.41	247.67	3.32%
BSE SENSEX	66,527.67	5,686.93	9.35%
KSE-100	48,052.98	7,632.53	18.88%
CSEALL	11,386.72	2,884.23	33.92%

Exchange Rates**1 US Dollar = 108.70 BDT****1 GBP = 139.40 BDT****1 Euro = 119.40 BDT****1 INR = 1.32 BDT**

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BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Fahim Hassan	Research Analyst	fahim.hassan@bracepl.com	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	hztowhidi.khan@bracepl.com	01708 805 224
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229
Syed Tawsifuzzaman	Research Associate	s.tawsifuzzaman@bracepl.com	01708 805 202

International Trade and Sales

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