

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:**Bangladesh's exports soar by 15.26% in July**

- Bangladesh's merchandise exports grew by an impressive 15.26% year-on-year to USD 4.59 Bn in July, the first month of the new fiscal year, as per government data. This robust growth was driven by an acceleration in the shipment of apparel items, which will help the country minimise its ongoing foreign exchange crisis.
- The data released on Wednesday by the Export Promotion Bureau (EPB) showed that the garment sector contributed over 86% to the overall export earnings. The growth came as a surprise to apparel exporters, while economists observe a big gap between the experiences of industry people and the data provided by the government.

<https://www.tbsnews.net/economy/bangladeshs-exports-soar-1526-july-675682>

Bangladesh 49th merchandise trader in 2022 globally

- Bangladesh became the 49th merchandise trader in the world last year, according to the latest ranking of the World Trade Organization (WTO). Four years back in 2019, the country's position was 53rd among the top 100 merchandise traders in the world. Bangladesh is also ranked 46th leading importers in world merchandise trade in the last year.
- Bangladesh is also ranked 46th leading importers in world merchandise trade in the last year. United States of America (USA) is on the top of the list followed by China and Germany respectively. In a similar vein, Bangladesh ranked 40th in the list of top-50 merchandise exporters excluding intra-EU trade.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-49th-merchandise-trader-in-2022-globally>

200MW solar power plant opens

- Prime Minister Sheikh Hasina yesterday inaugurated a 200-megawatt (MW) solar power plant, the highest renewable resource-focused power generation capacity of a single facility in the country, built by Beximco Power Ltd. Some USD 300 Mn was invested to set up the plant, named Teesta Solar Ltd, on 650 acres of a landmass formed through sedimentation in Sundarganj upazila of the northwestern district of Gaibandha, said a press statement.
- The plant is expected to provide 200MW of electricity to the national grid daily, said the statement issued by Public Relations Officer Shafiqul Islam of the office of the adviser to the prime minister on private industries and investment. Shayan F Rahman, chairman of Beximco Power Limited said they launched the first sukuk bond of the private sector in the country to finance this project.

<https://www.thedailystar.net/business/economy/news/200mw-solar-power-plant-opens-3385101>

Govt working to double farm productivity by 2030: Razzaque

- The agriculture ministry is working to reduce production costs and increase the variety of crops being cultivated with the aim of doubling agricultural productivity by 2030, according to Agriculture Minister Muhammad Abdur Razzaque. Citing how Bangladesh was once known as a country where persisting food shortages were met through imports and foreign aid, he said the country is now self-sufficient in food grains and many other crops.
- Agricultural exports from Bangladesh have been growing by more than 18% for the past five years. Besides, global demand for agricultural products is expected to grow by 15% annually between 2019 and 2028, providing a great opportunity for local food processors to expand their exports and thereby help diversify the country's export basket.

<https://www.thedailystar.net/business/economy/news/govt-working-double-farm-productivity-2030-razzaque-3385031>

DGepay gets payment operator's licence

- DGepay Services Limited has received the licence to run as a payment system operator. The company will run operation as a white label merchant acquirer inside the country under the brand "DG e-pay", said the central bank in a notice yesterday. A white label merchant acquirer is a non-bank entity that deploys, owns and operates automated teller machines and offers in-store merchant acquiring services such as point of sale/quick response payments. Besides, they may provide e-commerce merchant acquiring facilities as well. DGepay is the first PSO in Bangladesh with a no-objection certificate from the central bank for white label merchant acquisition, according to the company's website.

<https://www.thedailystar.net/business/economy/news/dgepay-gets-payment-operators-licence-3385051>

Unicorn Nagad now plans to form subsidiary under digital bank: Tanvir A Mishuk

- Nagad, the second largest mobile financial service provider (MFS) which was awarded for fastest growing unicorn startup recently, now plans to expand its business by setting up a digital bank. Earlier, in August last year, the board of Bangladesh Bank gave a letter of intent against "Nagad Finance PLC" under which Nagad was supposed to form a subsidiary to legitimate its MFS operation.
- The MFS company now became a lucrative platform to foreign investors after it got recognition as a billion-dollar company, he said, adding that many foreign investors already expressed interest to invest in Nagad which is good for the country to bring in dollars. Startup Bangladesh Limited, the flagship venture capital company of the Information and Communication Technology Division of the government of Bangladesh, recognised Nagad with the "Fastest to Unicorn Award" at an event titled "Bangladesh Startup Summit 2023" held recently. Nagad's valuation of USD 1 Bn, equivalent to BDT 100 Bn, was measured by the global accounting firm Big Four in December 2022.

<https://www.tbsnews.net/economy/unicorn-nagad-now-plans-form-subsidiary-under-digital-bank-tanvir-mishuk-675470>

BB gets down to rolling out Taka Pay card

- The Bangladesh Bank has stepped up efforts to roll out a national card this year in order to cut the country's reliance on international cards and save foreign currencies. Two committees of the central bank recently started working to introduce the "Taka Pay" card after Bangladesh Bank Governor Abdur Rouf Talukder hinted about the initiative for the first time on June 18.
- Paris-based consultancy Fime has been appointed to develop the card. Also, the central bank arranged a three-day workshop at its headquarters last month with the presence of representatives from Fime and eight local banks to advance the idea to fruition.

<https://www.thedailystar.net/business/economy/news/bb-gets-down-rolling-out-taka-pay-card-3385121>

Thumbprints now mandatory for taking loans

- In the wake of some borrowers and guarantors denying having been provided loans, Bangladesh Bank (BB) today made it compulsory for banks to take thumbprints to ensure proper recovery of depositors' money, which was welcomed by bankers. The central bank, citing High Court observations, said some writs have been filed in the recent period where borrowers and guarantors denied having signed loan and guarantee-related documents.

<https://www.thedailystar.net/business/news/thumbprints-now-mandatory-taking-loans-3384836>

Apparel sector must adopt sustainable business models: Experts

- The country's apparel industry must adopt sustainable and innovative business models to align with evolving global trends, experts and industry insiders said on Wednesday. At the launching ceremony of the 8th Textile Talent Hunt (TTH) in the capital, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan emphasised aligning the course curriculum of Bangladesh universities with the current and future industry requirements. "To enhance the linkage, we must alter the conventional education approach by integrating more practical learning", he said.

<https://www.tbsnews.net/economy/rmg/apparel-sector-must-adopt-sustainable-business-models-experts-675870>

Will the butterfly effect of US rating downgrade reach our shores?

- The rating downgrade of the US could potentially lead to a further increase in US Treasury yields, resulting in capital losses for Bangladesh's foreign exchange reserves invested in US treasury bonds. This situation may also put additional strain on foreign investment inflows, intensifying stress on the country's capital account, analysts suggest.
- On Tuesday, rating agency Fitch downgraded the US government's top credit rating to AA+ from AAA, a move that the White House and the US Treasury strongly criticised as arbitrary. Analysts say the downgrade might leave an impact on Bangladesh as the US is the biggest source of foreign investment for the country. Bangladesh Bank data show that 80% of the total forex reserves are held in the US dollar, of which a major portion remained invested in the US treasury as of May this year.

<https://www.tbsnews.net/economy/will-butterfly-effect-us-rating-downgrade-reach-our-shores-675946>

Unilever cuts toiletries prices

- Unilever Bangladesh Ltd has reduced prices of its soaps, shampoos and handwash, attributing it to a recent reduction in inflation of some of raw materials in the global commodity market. The price of a 150gm Lux soap has been reduced to BDT 70 from BDT 80 and a 100gm one to BDT 48 from BDT 60 while a 150gm Lifebuoy soap to BDT 50 from BDT 60, said a press release yesterday. The fast-moving consumer goods company also reduced the price of a 200ml Lifebuoy handwash pack to BDT 80 from BDT 105 and offered a 10% free grammage in Lifebuoy handwash refill packs from 170ml to 187ml.

<https://www.thedailystar.net/business/news/unilever-cuts-toiletries-prices-3384671>

Stocks:**BGIC | BGIC achieves 'AAA' credit rating**

- Bangladesh General Insurance Company (BGIC) Ltd has achieved Triple-A ('AAA') credit rating in the long-term and 'ST-1' in the short term. Argus Credit Rating Services Ltd has determined the credit rating for the insurer, said a press release. The rating was determined in light of the audited financial statements for the financial year that ended on December 31, 2022, the unaudited financial statements up to June 30, 2023 and other relevant information. The insurer was listed as a non-life insurance company on the stock exchanges of Bangladesh in 1989.

<https://www.thedailystar.net/business/economy/news/bgic-achieves-aaa-credit-rating-3384981>

BATASHOE | Bata Bangladesh appoints India's Emami Agrotech marketing chief as managing director

- Bata Shoe Company (Bangladesh) Limited has appointed Debabrata Mukherjee as managing director. Mukherjee previously worked as the chief marketing and strategy officer at Emami Agrotech, the edible oil and biodiesel arm of the India-based Emami Group.
- On Wednesday, Bata Bangladesh's shares crossed BDT 1,000 apiece at the DSE. Bata Bangladesh reported the highest-ever revenue in its history for the first half of this year. The multinational footwear manufacturer attributed the record-breaking revenue to increased consumer spending during Eid festivals when people traditionally buy new clothes and shoes.

<https://www.tbsnews.net/economy/stocks/bata-bangladesh-appoints-indias-emami-agrotech-marketing-chief-managing-director>

MERCANBANK | Mercantile Bank re-elects vice-chairman, EC chairman

- ASM Feroz Alam and Akram Hossain Humayun have recently been re-elected as vice chairman and chairman of executive committee of the board of directors of Mercantile Bank Ltd. Alam, who is associated with leasing and banking business, is a director of Mercantile Bank Securities Ltd, and managing director of Toyo System BD Ltd, said a press release. Humayun, a sponsor director of the bank, was the chairman of the bank and served as vice-chairman, EC chairman and other committees of the board of directors of the bank.

<https://www.thedailystar.net/business/economy/banks/news/mercantile-bank-re-elects-vice-chairman-ec-chairman-3384976>

UNILEVERCL | Inflation hurts Horlicks sales even more than pandemic

- Unilever Consumer Care Ltd, the company behind the making and marketing of the most popular health food drink in the country, faced a 24% decline in its revenue quarter-on-quarter in April-June this year, while its quarterly revenue of BDT 826 Mn was even lower than that for the same period during the pandemic years of 2020 and 2021. Meanwhile, Horlicks prices surged a lot due to the soaring costs, which means sales volume dropped more than the decline in revenue.
- During the pandemic, the company launched "Horlicks Sachet" a BDT 10 mini pack to prepare a glass of Horlicks with milk which played a significant role in reaching more households and growing sales. At the end of the tough year 2022, Horlicks reached over 26% of Bangladeshi households, up from less than 16% two years back. However, the rising cost of production as a global economic impact of the Ukraine War – soaring raw material and dollar prices – weakened even the winning pack's appeal as its price initially at the end of 2022 was raised to BDT 12 and again earlier this year to BDT 15.

<https://www.tbsnews.net/economy/stocks/inflation-hurts-horlicks-sales-even-more-pandemic-675846>

MEGCONMILK, MITHUNKNIT | Two firms, an investor fined for stock manipulation

- The securities regulator slapped fines on an individual investor as well as directors at two firms — Meghna Condensed Milk and Mithun Knitting and Dyeing — because of share price manipulation and submission of fake financials. The Bangladesh Securities and Exchange Commission (BSEC) took this decision at a commission meeting held on 17 July.
- A senior official at the BSEC, seeking anonymity, said Meghna Condensed Milk has submitted overstated and false financial reports to the Dhaka Stock Exchange (DSE), which misled the investors in trading the company's shares. Which is why the managing director and chairman at Meghna Condensed Milk each have to pay a fine of BDT 10 Mn. Consequently, MF Kamal has to pay BDT 20 Mn fine as he is both the chairman and managing director of the company. Mithun Knitting and Dyeing's directors have to pay a fine of BDT 0.3 Mn each because of violating securities rules. The company is now known as Toto Knitex. The BSEC has called the company's directors to know their plan on reviving the firm's business.

<https://www.tbsnews.net/economy/stocks/two-firms-investor-fined-stock-manipulation-675858>

EXCHANGE | Banks' BDT 160 Bn stock investments remain stuck for floor price

- Banks' investments of more than BDT 160 Bn have remained almost stuck in the stock market for the last one year owing to a thin presence of buyers amid the floor price, which has hit lenders' bottom line and brought down their liquid assets. The Bangladesh Securities and Exchange Commission (BSEC) set the floor price of every stock to halt their free fall amid global economic uncertainties brought on by the dragging coronavirus pandemic in 2021.
- Fifty-three banks invested BDT 163.14 Bn in the stock market in 2022 but the investments yielded almost no capital gains. Their only consolation came from dividends, which were largely flat in 2022 compared to a year ago. Bankers describe the floor price-induced situation as unique for them, saying banks don't prefer to invest in stocks that are not liquid. All local private commercial banks have investments in the stock market but the proportion is higher among state-run banks.

<https://www.thedailystar.net/business/economy/stock/news/banks-tk-16000cr-stock-investments-remain-stuck-floor-price-3385136>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 79.70	USD 4.49	5.97%
Crude Oil (Brent)*	USD 83.44	USD 5.66	7.28%
Gold Spot*	USD 1,937.82	USD 163.67	9.23%
DSEX	6,343.00	136.00	2.19%
S&P 500	4,513.39	673.89	17.55%
FTSE 100	7,561.63	109.89	1.47%
BSE SENSEX	65,782.78	4,942.04	8.12%
KSE-100	48,844.12	8,423.67	20.84%
CSEALL	11,446.83	2,944.34	34.63%

Exchange Rates**1 US Dollar = 109.64 BDT****1 GBP = 139.40 BDT****1 Euro = 119.94 BDT****1 INR = 1.33 BDT**

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