

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:**NDB to finance water supply and gas pipeline construction projects in Bangladesh**

- The New Development Bank (NDB) is eager to finance Expanded Dhaka City Water Supply Resilient Project and Replacement of Gas Pipeline between Dhaka and Narayanganj Project. The New Development will provide USD 677 Mn loan for the development of the water and sanitary sector and the gas sector of Bangladesh. NDB will give USD 235 Mn loan for a water supply project of Dhaka Water and Sewerage Authority (Wasa) and USD 442 Mn for the repair and replacement of leaky gas pipelines across Dhaka and Narayanganj.
- The bank is currently evaluating Dhaka WASA's Expanded Dhaka City Dhaka Water Supply Network Improvement Project under which distribution network of the Padma (Jashaldia) Water Treatment Plant (WTP) will be constructed, reads an Economic Relations Division press release.

<https://www.tbsnews.net/bangladesh/ndb-finance-water-supply-and-gas-pipeline-construction-projects-bangladesh-642678>

As inflation roars FinMin pins hope on falling global prices

- The persistently high inflation is a cause of concern for the government, but it has not yet gone out of control, Finance Minister AHM Mustafa Kamal said on Friday. Efforts are underway to address the causes of inflation and tax exemption on imported goods is one of the measures that would provide relief to the public by reducing the prices of essential commodities, he said at a post-budget press conference at the Bangabandhu International Conference Centre. Additionally, the government plans to facilitate the easy import of daily necessities to ensure a steady supply in the market, he maintained, acknowledging that inflation cannot be entirely curbed since it is a global issue.

<https://www.tbsnews.net/economy/budget/budget-fy24-awarded-all-rich-and-poor-kamal-642830>

Govt aims to attract local entrepreneurs in container business

- The government has proposed to reduce the total tax incidence on all types of containers to create opportunities for local entrepreneurs aiming to save billions of dollars each year. During the budget speech, Finance Minister AHM Mustafa Kamal said, "In order to create domestic entrepreneurs in this sector, I propose to reduce the total tax incidence on all types of containers where customs duty rate will be 15% on both types of containers and total tax liability will be 20% in both cases." Even though Bangladesh-flagged ships are sailing in international waters, the container business is controlled by 100% foreign companies, according to the National Revenue Board (NBR) sources.

<https://www.tbsnews.net/economy/govt-aims-attract-local-entrepreneurs-container-business-642686>

BDT 20.84 Bn land tax revenue collection target set for FY24

- The target for land revenue, specifically as non-NBR tax, has been set at BDT 20.84 Bn with a proposed allocation of over BDT 24.59 Bn for the Ministry of Land for the Fiscal Year (FY) 2023-24. As per the budget dockets, for the FY2022-23, more than BDT 23.83 Bn was proposed for the ministry but the amount was later revised and reduced to around BDT 19.5 Bn. Thursday's (1 June) budget speech of Finance Minister AHM Mustafa Kamal highlighted ongoing efforts to renovate, expand, and modernise the record rooms of Deputy Commissioners' offices, as well as the establishment of record rooms and the modernisation of upazila land offices.

<https://www.tbsnews.net/nbr/tk2084cr-land-tax-revenue-collection-target-set-fy24-643170>

Some respite for cancer patients

- Manufacturers of cancer medicines will be able to sell the lifesaving drugs at reasonable prices after the National Board of Revenue (NBR) extended duty-free import benefits to 100 more raw materials used to make such products. If the prices of the expensive drugs remain unchanged at a time when almost all goods and services in Bangladesh have become costlier, this will come as a huge relief for the rising number of cancer patients.
- The revenue authority has been offering the concessionary duty benefit for the import of ingredients of cancer drugs since 2015 in order to encourage domestic production and reduce the cost of medicines. It expanded the list of ingredients in 2021 and the latest exemption comes in the proposed budgetary measures placed by Finance Minister AHM Mustafa Kamal for the next fiscal year of 2023-24.

<https://www.thedailystar.net/business/economy/news/some-respite-cancer-patients-3337016>

Businesses want energy first

- The energy crisis has featured dominantly as businesses scanned the proposed budget to see what they got to move forward and what more they need. They suggest, at a time of acute shortage, energy now needs more allocation than sectors like road transportation to ensure uninterrupted supply to industries to help them run at full capacity, give more revenue to the exchequer, and attract companies willing to shift from some Asian countries. The apex trade body, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) was more specific about the most burning issue for the business.

<https://www.tbsnews.net/economy/budget/businesses-want-energy-first-643494>

'Proposed budget a bane for IT'

- Despite the government's emphasis on promoting technology, the proposed budget for fiscal 2023-24 includes measures that are expected to raise the cost of importing IT hardware and software, which could potentially hinder the growth of the industry. According to industry insiders, the increase in import duties on key components and the introduction of an additional VAT levy will result in higher expenses for hardware and software. This, in turn, will reduce protection and incentives for the development of local software.

<https://www.tbsnews.net/economy/budget/proposed-budget-bane-it-642910>

Private investment target not possible: CPD

- To achieve the private investment target in the next fiscal year as per the finance minister's wish, Bangladesh needs an additional BDT 4040.97 Bn of private investment, an increase of 41.8% compared to the outgoing fiscal year, according to the Centre for Policy Dialogue (CPD). The CPD made the disclosure at its post-budget briefing where the think-tank presented its detailed analysis of the budget for FY2023-24 at a hotel in Gulshan on Friday.
- "It is not possible to achieve the private investment target as the investment-enabling environment will not improve overnight," Dr Fahmida Khatun, executive director of the CPD. For the outgoing fiscal year, Finance Minister AHM Mustafa Kamal had set a private investment target of 24.8% of GDP, then he revised the figure by 3% points. Yet, he proposed a very ambitious private investment target of 27.4% of GDP for the upcoming year and his projections surprised economists.

<https://www.tbsnews.net/economy/budget/budget-made-unrealistic-assumptions-targets-are-illusory-cpd-642670>

Fix surcharge on property's present market value: IBFB

- Valuation of properties when determining surcharge on net minimum wealth should be based on current market value, not their purchase value, according to research and advocacy platform the International Business Forum of Bangladesh (IBFB). For instance, anyone who had bought a house in Gulshan 40 years ago now pays surcharge on its market value at that time, which is not reasonable, said Humayun Rashid, president of the IBFB. They have to pay surcharge on the estimated value at present, he said, adding that this would help generate more revenue for the government.

<https://www.thedailystar.net/business/news/fix-surcharge-property-s-present-market-value-ibfb-3336636>

49 state-owned enterprises lose BDT 137.41 Bn

- After nine years of profit-making, forty-nine state-owned enterprises (SOEs) are set to count massive losses in the outgoing fiscal year (FY), 2022-23. According to the Bangladesh Economic Review-2023 released last Thursday, the net loss of those companies and corporations has been estimated at BDT 137.41 Bn (provisional figure).
- The balance sheet of the SOEs suddenly turned too grim mainly due to worst performance of the Bangladesh Petroleum Corporation (BPC) and the Bangladesh Power Development Board (BPDC) whose loss-making rose manifold in FY23. Among the enterprises, the BPC suffered the highest BDT 70.87-Bn losses, which was over 257% higher than the last fiscal's BDT 19.83 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/49-state-owned-enterprises-lose-tk-13741b>

Cost of foreign trade, transactions likely to increase due to Moody's downgrading

- Economists and bankers think the cost of spending in foreign currencies is likely to be increased due to the downgrading of Bangladesh's sovereign rating and negative rating actions against some banks by Moody's Investors Service. On May 30, the US-based global credit rating agency downgraded Bangladesh government's long-term issuer rating to B1 from Ba3 for first time since inception of the rating in 2010.
- "The cost of using foreign currencies will increase for the banks. Private sector entrepreneurs will have to spend more on interest to get foreign loans," said the executive director at the Policy Research Institute. He said the downgrading of the sovereign means all the banks' ratings have been downgraded by one notch automatically. The ratings of banks with reported lack of corporate good-governance will be lowered by another notch.

<https://thefinancialexpress.com.bd/economy/bangladesh/cost-of-foreign-trade-transactions-likely-to-increase-due-to-moodys-downgrading>

Stocks:**EMERALDOIL | Emerald Oil back to profits after five years**

- Emerald Oil Industries Limited, which has been making losses for five straight years, has finally returned to profits in the fiscal 2021-22. Therefore, for FY22, the company's board of directors has recommended a 2% cash dividend to its shareholders in a meeting held last Thursday, where the company's audited annual report was also approved. According to the company's FY22 report, its after-tax net profit stood at BDT 12.1 Mn at the year end, which was a loss of BDT 36.2 Mn in FY21. Its earnings per share stood at BDT 0.17 and net asset value per share at a negative BDT 12.85 at the end of FY22.

<https://www.tbsnews.net/economy/stocks/emerald-oil-back-profits-after-five-years-643478>

BERGERPBL | Berger to keep Rupali Chowdhury as MD for three years more

- Berger Paints Bangladesh Limited has recently extended the contract of its managing director, Rupali Chowdhury, for another three-year term. The company has also appointed Md Mohsin Habib Chowdhury as its chief operating officer. Rupali joined Berger Paints in 1990 as a planning manager and worked in different capacities, including marketing, sales, supply chain and systems, Berger Paints Bangladesh said in a press release. She significantly contributed to the market leader and the entire industry with her illustrious accomplishments since 2008.

<https://www.thedailystar.net/business/news/berger-keep-rupali-chowdhury-md-three-years-more-3335996>

EXCHANGE | BSEC rejects IPO application of Islam Oxygen

- The Bangladesh Securities and Exchange Commission (BSEC) has rejected the initial public offering (IPO) application of Islam Oxygen Limited after the company's non-compliance and failure in submitting relevant documents. Earlier, the company applied to the commission for raising BDT 930 Mn from the capital market through an IPO under the book-building method. The firm wanted to use the fund for business expansion. BSEC Executive Director Mohammad Rezaul Karim said Islam Oxygen has overstated its assets in the financial statements. Also, it failed to submit the documents regarding its sales within the stipulated time.

<https://www.tbsnews.net/economy/stocks/bsec-rejects-ipo-application-islam-oxygen-642566>

EXCHANGE | HC keeps BDT 3 Mn as minimum portfolio size for investing in SME stocks

- The High Court has kept BDT 3 Mn as the minimum investment limit for an investor to be qualified for trading in the SME platform stocks of the bourses. Now, an investor, who has been maintaining a portfolio of minimum BDT 3 Mn in listed securities on any platform, can trade in the SME board. Earlier, in September last year, the Bangladesh Securities and Exchange Commission (BSEC) increased the minimum investment limit from BDT 2 Mn to BDT 3 Mn for an investor to be qualified for trading shares of companies on the SME board of the exchanges.

<https://www.tbsnews.net/economy/stocks/hc-keeps-tk30-lakh-minimum-portfolio-size-investing-sme-stocks-643486>

EXCHANGE | Which listed firms to benefit or suffer from budget

- Although the new budget does not have anything directly for the capital market, the proposed tax measures – rebates for some certain sectors and increases for others – may have an impact on stocks. It will have a positive impact on the profitability of the companies listed on the stock market in the sectors that receive tax exemption. At the same time, the listed companies in the sectors experiencing increased levies may face a negative impact on their profits.
- According to a budget review by EBL Securities, the proposed tax exemption will have a positive impact on the profits of companies in the pharmaceutical, stainless steel, tobacco, optical fibre, electronics, ceramic, textile, agri machinery, and pesticides sectors. On the other hand, the increase in tax rate will have a negative impact on the listed companies in the IT, real estate, paper and tissue, cement, fuel, and power sectors, it added.

<https://www.tbsnews.net/economy/budget/which-listed-firms-benefit-or-suffer-budget-643490>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.74	(USD 3.47)	-4.61%
Crude Oil (Brent)*	USD 76.13	(USD 1.65)	-2.12%
Gold Spot*	USD 1,947.97	USD 173.82	9.80%
DSEX	6,355.56	148.56	2.39%
S&P 500	4,282.37	442.87	11.53%
FTSE 100	7,607.28	155.54	2.09%
BSE SENSEX	62,547.11	1,706.37	2.80%
KSE-100	41,356.24	935.79	2.32%
CSEALL	8,753.80	251.31	2.96%

Exchange Rates**1 US Dollar = 107.48 BDT****1 GBP = 133.83 BDT****1 Euro = 115.35 BDT****1 INR = 1.30 BDT**

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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 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
Md. Tanvir Ahmed	Research Associate	mtanvir.ahmed@bracepl.com	01708 805 201
Syed Tawsifuzzaman	Research Associate	s.tawsifuzzaman@bracepl.com	01708 805 202

International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	bappi@bracepl.com	01730 357 991
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For any queries or services, you can reach us at care@bracepl.com or hotline **16285**.