

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:**IMF sets time-bound reform agenda as it releases first tranche of loan**

- The IMF wants Bangladesh to take up measures to increase the tax-GDP ratio by 0.5% by this June and adopt a periodic formula-based price adjustment mechanism for petroleum products by December as the global lender released the first chunk of its USD 4.7 Bn loans.
- It also wants the Bangladesh Bank to compile and report official reserve assets as per the BPM6 definition – IMF's balance of payment guideline – and use market-determined exchange rate for official forex transactions by June this year. The net forex reserve also must not drop below USD 26.8 Bn by the end of this year.
- Before publishing the 125-page document last night, the International Monetary Fund (IMF) released USD 476 Mn in the first tranche of the loan on Thursday – within three days of its approval of the package, the central bank confirmed yesterday.

<https://www.tbsnews.net/economy/bangladesh-receives-first-imf-tranche-476m-578918>

LC opening for Ramadan items rises: BB

- Opening of letters of credit (LCs) for importing essential commodities meant for Ramadan increased in January, a development that is expected to increase supply of the items during the fasting month, said Bangladesh Bank yesterday.
- LC opening for four out of five essential commodities -- sugar, edible oil, peas, onion and dates -- rose last month in terms of quantity of products, states data revealed by the central bank at a press conference at its headquarters in the capital. January's LCs are to import 565,000 tonnes of sugar whereas it was 511,000 tonnes a year ago.

<https://www.thedailystar.net/business/economy/news/lc-opening-ramadan-items-rises-bb-3237801>

Loan provisioning eased to boost banks' participation in stock market

- To increase banks' participation in stock market investment, the Bangladesh Bank has reduced the provision from 2% to 1% against loans given to intermediary brokerage firms, merchant banks and stock dealers.
- The new decision regarding credit loss provision will be effective from 30 March, said the central bank in a letter sent to the managing directors of all banks in the country Thursday.

<https://www.tbsnews.net/economy/stocks/loan-provisioning-eased-boost-banks-participation-stock-market-579034>

Export earnings defy hard times

- Despite the persisting volatility in the global economy and higher consumer prices in the western markets, Bangladesh's merchandise shipment grew 5.89% year-on-year to USD 5.13 Bn in January, official data showed yesterday. This was the second-highest single-month shipment in the history of the country. The previous highest was recorded in December when exporters brought home USD 5.35 Bn.

<https://www.thedailystar.net/business/economy/news/export-earnings-defy-hard-times-3237806>

Bangladesh among top 3 nations to spur user growth of Facebook

- Bangladesh is among the top three nations contributing to the active user growth for Facebook as of December 31, 2022, according to its parent social media giant Meta.
- "Users in India, the Philippines, and Bangladesh represented the top three sources of growth in DAUs (daily active users) during December 2022, relative to the same period in 2021," reported the NDTV citing a regulatory filing of Meta.

<https://www.thedailystar.net/business/economy/news/bangladesh-among-top-3-nations-spur-user-growth-facebook-3239066>

Shariatpur transport sector booms in 7 months since Padma Bridge opening

- The road transport sector in Shariatpur expanded significantly as buses resumed operation on the Dhaka-Shariatpur route after 18 years, following the inauguration of the Padma Bridge on 25 June last year.
- Entrepreneurs have invested around BDT 2 Bn in this sector during the last seven months. Currently, seven companies run 350 passenger buses from 6am to 10pm on different routes to and from the district. Many entrepreneurs have also started rent-a-car businesses recently, said industry insiders.

<https://www.tbsnews.net/economy/shariatpur-transport-sector-booms-7-months-padma-bridge-opening-579834>

Govt won't raise fertiliser prices Razzaque says

- The prices of fertiliser, seeds and other agricultural inputs will not be raised further to ensure continuous production and sustainable security of food, Agriculture Minister Muhammad Abdur Razzaque said yesterday.
- The government's policy is to increase food production at any cost and make food security sustainable, he said. Therefore, the government will not increase the prices of agricultural inputs no matter how tough it becomes amid global recession, he said.

<https://www.thedailystar.net/business/economy/news/govt-wont-raise-fertiliser-prices-razzaque-says-3237741>

Investment flow drying up for tech start-ups

- Start-ups in Bangladesh went through a tough time in 2022 owing to the uncertainty in the global economy, but gloomier days for them might not go away any time soon since the decline in global investments is set to linger. In Bangladesh, the tech-startup industry has enjoyed years of a boom driven by people's increasing access to internet, more smartphone penetration and a decade of economic growth.
- Now, the founders and executives of technology start-ups are facing a new reality as global venture capital investors are becoming cautious regarding investments amid rising inflation and widespread economic uncertainty. This comes as start-up funding worldwide is dropping: global venture funding reached USD 445 Bn in 2022, a 35% decline year-on-year, said California-based information service provider Crunchbase in an analysis.

<https://www.thedailystar.net/business/economy/news/investment-flow-drying-tech-start-ups-3239171>

BB sells dollar at BDT 101 for first time

- Bangladesh Bank has sold US dollar at BDT 101 each to banks for the first time, giving indication that it is likely to devalue the local currency to reflect the market reality. The central bank sold USD 89 Mn to banks on February 1 to enable the financial institutions to clear import bills on behalf their clients, said a BB official, seeking anonymity.

<https://www.thedailystar.net/business/economy/news/bb-sells-dollar-tk-101-first-time-3237791>

Gold price falls for first time in nearly 4 months

- For the first time in more than three months, Bangladesh Jewellers Samity (Bajus) yesterday reduced the price of gold by 1.24% or BDT 1,166 per bhorī in line with a fall in the price of the precious metal in the local market. From now on, the price of one bhorī of 22-carat gold (11.664 grammes) will be BDT 92,263, said Bajus in a press release yesterday.

<https://www.thedailystar.net/business/economy/news/gold-price-falls-first-time-nearly-4-months-3239156>

Cash-strapped banks fail to maintain emergency cash

- Banks strapped for cash are now struggling to maintain the mandatory daily cash reserve ratio (CRR) with the Bangladesh Bank, meaning they won't have cash readily available if customers want their deposits back. Although the lending rate cap is 9%, some banks are aggressively borrowing money at more than that from other banks for the short term to mitigate their daily cash maintenance requirement.
- According to bankers, the Bangladesh Bank recently verbally instructed banks to keep the interest rate for inter-bank operations at 9% in line with the lending rate cap. The CRR is the percentage of total deposits a bank must have in cash to operate risk-free. The Bangladesh Bank reduced the CRR to 4% from 5% in April 2020 to increase money flow in the market during the pandemic.

<https://www.tbsnews.net/economy/banking/cash-strapped-banks-fail-maintain-emergency-cash-579666>

Tax-GDP ratio to increase with duty exemption cutbacks: NBR official

- The ratio of tax revenue to the country's gross domestic product (GDP) will increase once the tax exemptions are gradually reduced, said National Board of Revenue (NBR) Member Pradyut Kumar Sarkar. "Tax exemptions in various sectors have helped the country develop economically and this facility got us good results in the last two decades," said the NBR official at a press briefing organised on the occasion of the upcoming revenue conference on Friday.
- "Our GDP is now USD 470 Bn. The government has provided tax exemptions in many sectors, including agriculture trade. With these exemptions, the public sacrificed [their hard-earned money] for the better economic, industrial development," Pradyut Kumar Sarkar added.

<https://www.tbsnews.net/economy/tax-gdp-ratio-increase-if-duty-exemption-reduced-nbr-official-579306>

Economic shocks not entirely external

- The ongoing economic shocks Bangladesh is experiencing have not been entirely generated from the external source and many of them instead are the consequences of the absence of time-befitting measures on the part of the country, said economists yesterday.
- The government regularly points to the coronavirus pandemic and the Russia-Ukraine war for the economy's current ills. But experts disagree, saying the economy has been facing several problems for years but they have remained unaddressed.

<https://www.thedailystar.net/business/economy/news/economic-shocks-not-entirely-external-3239186>

Rod prices hit all-time high amid dollar crisis

- An increase in rod-making scrap prices on the international market, dollar crisis and energy price hikes are blamed. Prices of mild-steel (MS) rods, the key element in building construction, hit an all-time high on Wednesday with an increase of BDT 5,000 per tonne in just seven days, multiplying pressure on the construction sector.
- A tonne of the premium quality (75-grade) rod sold at BDT 91,000-94,000 at different mills in Chattogram on the day, which was BDT 87,500-89,000 a week ago. The rates of 60-grade rods also jumped to BDT 89,000-91,000 from BDT 84,000-86,000.

<https://www.tbsnews.net/economy/industry/rod-prices-hit-all-time-high-amid-dollar-crisis-578690>

Stocks:**BANKASIA | Bank Asia to provide loans to exporters using BB fund**

- Bank Asia signed an agreement with Bangladesh Bank recently to disburse loans among exporters from a newly formed BDT 100 Bn Export Facilitation Pre-finance Fund of the central bank.
- Exporters will be able to avail the loans in local currency against the purchase or import of raw materials at an interest rate of 4%. The tenure will be of a maximum of 180 days. Bangladesh Bank formed the fund on January 1 to help exporters continue developing and expanding their industries.

<https://www.thedailystar.net/business/organisation-news/news/bank-asia-provide-loans-exporters-using-bb-fund-3237641>

AL-HAJTEX | Special auditor appointed at Alhaj Textile

- The Bangladesh Securities and Exchange Commission (BSEC) has appointed Islam Jahid & Co Chartered Accountants as a special auditor at Alhaj Textile Mills to review its financial statements for the 2018-19 and 2019-20 fiscal years.
- According to BSEC sources, the company's share price soared around four times in the last two years, but the commission observed no significant change in the company's business. Besides, the company is yet to resolve an old issue with the Agrani Bank regarding a fixed deposit receipt (FDR), which is also relevant to the interest of investors, they added.

<https://www.tbsnews.net/economy/stocks/special-auditor-appointed-alhaj-textile-579026>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 73.39	(USD 1.82)	-2.42%
Crude Oil (Brent)*	USD 79.94	USD 2.16	2.78%
Gold Spot*	USD 1,876.60	USD 102.45	5.77%
DSEX	6,294.73	87.73	1.41%
S&P 500	4,136.48	296.98	7.73%
FTSE 100	7,901.80	450.06	6.04%
BSE SENSEX	60,841.88	1.14	0.00%
KSE-100	40,471.16	50.71	0.13%
CSEALL	9,178.61	676.12	7.95%

Exchange Rates**1 US Dollar = 106.93 BDT****1 GBP = 128.87 BDT****1 Euro = 115.63 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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