

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:**Savings certificates sales exceed BDT 5 Bn again in May FY23**

- Savings certificates sales crossed the BDT 5 Bn mark for the second time in May of the recently ended FY23. According to the Bangladesh Bank data, savings certificates worth BDT 5.51 Bn were sold in May. Earlier, savings certificates worth BDT 5.81 Bn were sold in April this year. For those two consecutive months customers purchased more savings certificates than they redeemed.
- The net sales of saving certificates for the first 11 months of FY23, however, stood negative at BDT 30.29 Bn as the government borrowed some BDT 747 Bn against the repayment of BDT 777 Bn during the period. A senior official of the central bank said a lot of negative reports were published about the banking sector at the end of last year. At that time, banks faced a pressure of withdrawing deposits. People were more attracted to savings certificates in that situation.

<https://www.tbsnews.net/economy/savings-certificates-sales-exceed-tk500cr-again-may-fy23-660130>

Bank deposits on the rise

- Deposits in banks stood at BDT 15.63 Tn at the end of May with new deposits of BDT 153 Bn, according to central bank data. Deposits grew by 8.81% in May, the highest in the last 11 months despite the decade's highest inflation as customer confidence in banks returned.
- Sector insiders said in November and December last year, there were many cases of disbursing loans by violating rules in several banks. Due to this, many customers started withdrawing their deposits from the banks. As a result, bank deposit growth fell to 5.67% in December. Central bank data show that the amount of money in the hands of people decreased by BDT 75 Bn and stood at BDT 2.56 Tn in May from BDT 2.63 Tn in April.

<https://www.tbsnews.net/economy/banking/bank-deposits-rise-660118>

Internet subscriber base sees growth for 4th month straight

- The number of internet subscribers in Bangladesh rose by about 1200 thousand in May from a month earlier thanks to an increase in the country's mobile subscriber base. With this, the total number of internet subscribers has risen to 127.6 Mn, according to data of the Bangladesh Telecommunication Regulatory Commission (BTRC). This is the fourth consecutive month since February that the internet subscriber base has grown.

<https://www.thedailystar.net/business/economy/news/internet-subscriber-base-sees-growth-4th-month-straight-3361206>

IMF-WB team to visit Dhaka to assess bond market

- A technical assistance mission of the International Monetary Fund (IMF) and World Bank is expected to arrive in Dhaka today in order to undertake a detailed assessment of the Local Currency Bond Market (LCBM) and suggest ways for its development. The team will identify challenges, prepare a roadmap for LCBM development with sequenced reforms and priorities, and assess functioning of the primary dealership arrangement, according to the finance ministry.

<https://www.thedailystar.net/business/economy/news/imf-wb-team-visit-dhaka-assess-bond-market-3361221>

Banks told not to sell dollar for over BDT 109

- The Bangladesh Foreign Exchange Dealers' Association (Bafeda) has asked banks in the country not to sell US dollars to importers for beyond BDT 109 per greenback as some lenders recently breached the rule. The Bafeda, which is a platform for banks to monitor the country's foreign exchange market, issued a circular on July 3, asking them to follow the rules strictly.
- It was observed that some banks got more than BDT 109 for each dollar sold to importers, the Bafeda said in the notice. The Bafeda and Association of Bankers, Bangladesh (ABB), a platform for managing directors of banks in the country earlier took a decision to sell each US dollar for a maximum of BDT 109. Besides, lenders can offer a maximum of BDT 107.5 for each US dollar while purchasing the greenback from exporters.

<https://www.thedailystar.net/business/economy/news/banks-told-not-sell-dollar-over-tk-109-3361216>

Padma Bridge Rail Link Project: Railway seeks one-year extension on loan tenure

- Bangladesh Railway (BR) is seeking a one-year extension on its loan tenure for the Padma Bridge Rail Link Project as a means to avoid upward cost revisions resulting from hassles in clearing payments after the task is complete. Md Kamrul Ahsan, director general of BR, made this request to the government of China through the Economic Relations Division (ERD) last month.
- As per the loan-financing agreement signed between the ERD and officials of the Chinese embassy in Dhaka on April 17, 2018, the loan duration is set to end on May 12, 2024. The extension was sought by BR as the contractor, China Railway Group Ltd (CREC), informed that it would not be possible to finish implementing the project within the stipulated deadline on May 4, 2024.

<https://www.thedailystar.net/business/economy/news/padma-bridge-rail-link-project-railway-seeks-one-year-extension-loan-tenure-3360301>

Green chili import thru Hili suspended on fear of losses

- Imports of green chili through Hili land port in Dinajpur have been suspended as importers fear incurring losses in face of falling prices in local markets. No green chili was imported through the port on Monday and Tuesday, according to port officials.
- Around 27.16 tonnes of green chili were imported from India through Hili land port on June 26. Later, trade activities at the port were shut for six days during the holiday centring Eid-ul-Azha. And although the port reopened on Monday, no green chili was imported as of 3:00pm on Tuesday, the officials said.

<https://www.thedailystar.net/business/economy/news/green-chili-import-thru-hili-suspended-fear-losses-3361151>

Merchandise export highest, yet misses annual target

- Bangladesh bagged a record-high USD 55.55 Bn earning from merchandise export in the just-past fiscal year, riding on a double-digit growth for readymade garments, in a little relief amid forex crunch. Yet, the export growth of 6.67% missed the annualized target by 4.21%. The FY2022-23 target was USD 58 Bn.
- Officials, however, welcome the goods-export earnings at this trying time as a “blessing at” as the country faces a foreign-currency crunch with the dollar reserves sinking to or below USD 30 Bn. In the fiscal 2021-22, the country earned USD 52.08 Bn, according to Export Promotion Bureau (EPB) data released Monday.

<https://thefinancialexpress.com.bd/economy/bangladesh/merchandise-export-highest-yet-misses-annual-target>

Bond trading in secondary market still negligible

- The trading of treasury bonds in the stock exchange of Bangladesh has remained low although eight months have passed since their debut on the secondary market, owing largely to higher transaction costs and a lack of awareness among individual investors.
- Treasury bonds made their debut on the Dhaka Stock Exchange (DSE) on October 11 of 2022, offering a new product to investors in a market not rich with adequate investment options. But as of June 21, treasury bonds worth BDT 112.6 Mn were traded. Through the central bank, the government issues treasury bills and bonds to borrow from the market.

<https://www.thedailystar.net/business/economy/news/bond-trading-secondary-market-still-negligible-3361236>

Falling exports of four major sectors raise alarm

- Although Bangladesh posted a higher export growth in the just-concluded fiscal year on the back of garments and some non-traditional items, four major sectors suffered a fall, raising concerns for the economy and the employment sector. Exporters of frozen and live fish, agricultural products, leather and leather footwear, and jute and jute goods registered a slump in their earnings in 2022-23 amid waning demand resulting from the economic slowdown in major markets such as Europe. The receipts from the shipment of frozen and live fish, including shrimp, fell 21% year-on-year to USD 422 Mn, according to data from the Export Promotion Bureau (EPB).

<https://www.thedailystar.net/business/economy/news/falling-exports-four-major-sectors-raise-alarm-3361211>

Stocks:**CITYBANK | City Bank approves 12% dividends**

- City Bank's profit after tax has increased to BDT 4.5 Bn in 2022 compared to the pre-Covid figure of BDT 2.50 Bn in 2019. It was revealed at the bank's 40th annual general meeting, which was virtually held yesterday, said a press release. The shareholders approved 10% cash and 2% stock dividends for the year that ended on December 31, 2022.

<https://www.thedailystar.net/business/economy/news/city-bank-approves-12-dividends-3361186>

EASTLAND | Karim becomes independent director of Eastland Ins

- Md Abdul Karim, former principal secretary to the prime minister, has recently been appointed as an independent director of Eastland Insurance Company. Karim has 43 years of experience in the field of administration, foreign service and in secretariat level highest positions in the regulatory and revenue-related ministries or divisions of the government as well as development and corporate sectors, said a press release.
- He is the executive director of UCEP Bangladesh, chairman of IPDC Finance Ltd, advisory board member of the Asian University for Women, Chattogram and secretary general of the Southeast Asian Cooperation Foundation, Dhaka. He previously served as a secretary to the ministry of home affairs, commerce, fisheries and livestock, finance (internal resources division) and communications (bridges division) before becoming the principal secretary.

<https://www.thedailystar.net/business/economy/news/karim-becomes-independent-director-eastland-ins-3361176>

BEXIMCO | Beximco can now convert Sukuk into shares without prior approval

- Beximco Limited is now able to convert its Sukuk bond into shares without prior approval from the Bangladesh Securities and Exchange Commission (BSEC). On Tuesday, the commission issued a notification exempting the company from the prior approval requirement. As the country's first private sector company, Beximco floated a BDT 30 Bn Sukuk in 2021 to finance its two solar power plants and its textile division's green expansion.

<https://www.tbsnews.net/economy/stocks/beximco-can-now-convert-sukuk-shares-without-prior-approval-660158>

PRIMEBANK | Prime Bank wins Asiamoney award

- Prime Bank Limited won the "Best Bank for Environmental, Social, and Governance in 2023" award by The Asiamoney, a UK-based financial and management publication. This accolade serves as a testament to the bank's strong focus on incorporating ESG considerations into its operations and decision-making processes, said a press release.

<https://www.thedailystar.net/business/economy/news/prime-bank-wins-asiamoney-award-3361166>

EXCHANGE | A dozen DSE sectors outperform other assets in Jan-Jun

- The DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), recorded a modest increase of 2.2% during the first half of 2023. Despite the sluggish broad picture of the market, 12 of the twenty stock market sectors generated double-digit annualised returns for their investors, according to Green Delta Dragon Asset Management Research.
- Analysts at the new generation asset manager, combining capital gains and cash dividends, said investors had more than a 5% return in a short period of six months throughout June this year. The double-digit annualised return widely beat fixed deposits at banks, bonds, and also the subsidised savings certificates. Life insurance led the gainers with a massive 23.2% return in six months, followed by travel and leisure, cement, food, and allied sectors, whose six-month returns were each more than 10%.

<https://www.tbsnews.net/economy/stocks/dozen-dse-sectors-outperform-other-assets-jan-jun-660150>

EXCHANGE | Sylnet Securities suspended, CSE steps in to pay back clients' funds

- The Chittagong Stock Exchange (CSE) has suspended the operation of Sylnet Securities Limited due to its failure to return clients' money. Additionally, the CSE has taken the initiative to assist investors in retrieving their funds. On Tuesday, the port city bourse published a notice in a daily newspaper asking investors to submit supporting documents for their payables within the next 15 days.

<https://www.tbsnews.net/economy/stocks/sylnet-securities-suspended-cse-steps-pay-back-clients-funds-660146>

EXCHANGE | Three more brokerage firms get FIX certification from DSE

- Three more stock brokerage firms – BRAC EPL Stock Brokerage, NBL Securities and Sheba Capital – have received FIX (financial information exchange) certification for installing their own order management system (OMS). The FIX certification was awarded on Tuesday at a ceremony held at the office of Dhaka Stock Exchange (DSE) situated at Nikunja of the capital Dhaka, says a press release.
- As part of the continuous process of adopting their own order management system, recently they have completed user acceptance testing successfully. FIX Certification is the previous step to launch the organization's own Order Management System (OMS). FIX Certification is a very important step to verify system compatibility of DSE's matching engine and broker-hosted order management system (OMS) to go OMS Go- Live.

<https://thefinancialexpress.com.bd/stock/bangladesh/three-more-brokerage-firms-get-fix-certification-from-dse>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 71.07 | (USD 4.14) | -5.50% |
| Crude Oil (Brent)* | USD 76.03 | (USD 1.75) | -2.25% |
| Gold Spot* | USD 1,925.66 | USD 151.51 | 8.54% |
| DSEX | 6,334.11 | 127.11 | 2.05% |
| S&P 500 | 4,455.59 | 616.09 | 16.05% |
| FTSE 100 | 7,519.72 | 67.98 | 0.91% |
| BSE SENSEX | 65,479.05 | 4,638.31 | 7.62% |
| KSE-100 | 43,502.89 | 3,082.44 | 7.63% |
| CSEALL | 10,120.26 | 1,617.77 | 19.03% |

Exchange Rates**1 US Dollar = 108.39 BDT****1 GBP = 137.73 BDT****1 Euro = 117.91 BDT****1 INR = 1.32 BDT**

IMPORTANT DISCLOSURES

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