

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:**Export earnings see USD 1 Bn jump in May**

- Bangladesh's merchandise exports grew 26% to USD 4.85 Bn this May, compared to USD 3.83 Bn in the same month last year, according to data released by the Export Promotion Bureau (EPB) on Sunday. EPB data reveal that merchandise exports from July to May of the current fiscal 2022-23 surged by 7.11% year-on-year, reaching USD 50.5 Bn.
- Despite the year-on-year growth, the current earnings still fall 5.29% short of the government-set target of USD 5.12 Bn for the month of May. The surge in May export receipts follows two consecutive months of negative growth and is primarily driven by a significant jump in apparel exports. In March this year, the country's total export earnings were USD 4.64 Bn, which fell to USD 3.96 Bn in the following month, EPB data show.

<https://www.tbsnews.net/economy/export-earnings-see-1b-jump-may-643810>

LC opening up 25% in May amid dollar dearth

- The opening and settlement of import letters of credit (LCs) increased by about 25% and 10%, respectively, in May compared to April of the current fiscal year amid the ongoing dollar crisis. According to Bangladesh Bank data, new LCs worth about USD 5.33 Bn were opened in May, which is USD 1.03 Bn more than in April. At the same time, LCs worth USD 4.69 Bn were settled by banks in May, which was a 10% increase over the previous month.
- Bankers are now worried about the dollar flow in the system as the demand for imports may increase further in June centring Eid-ul-Azha. LC opening reached a 32-month low in April due to a combination of restrictions implemented by the central bank and the ongoing dollar crisis. Additionally, LC settlement reached a 21-month low in that month.

<https://www.tbsnews.net/economy/banking/lc-opening-25-may-amid-dollar-dearth-644030>

7.0% rise in allocation for transport, communication sector

- A 7% increase in allocation for the transport and communication sector has been proposed in the budget for the upcoming fiscal year of 2023-24. The road transport sector gets the highest allocation as it is to start two metro rail projects. According to the proposed budget for FY 2023-24, BDT 876.29 Bn has been set aside in the budget for construction of rail, bridge and others.
- During the FY 2022-23, allocation for the sector was BDT 815.19 Bn. However, the highest 13% increase in the budget has been proposed for the road transport sector, under which the MRT 1 and MRT 5 North will be implemented in the upcoming FY. The budget proposed a total of BDT 677.93 Bn for the rail, bridge and road transport -- highest BDT 397.10 Bn for road transport, in FY 2023-24 including BDT 340.62 Bn under the Annual Development Programme (ADP). The division received BDT 352.48 Bn in the current FY 2022-23.

<https://thefinancialexpress.com.bd/economy/bangladesh/70pc-rise-in-allocation-for-transport-communication-sector>

Chemical warehouses finally moving to Shyampur

- Fifty-four temporary chemical warehouses built under the Prime Minister's priority-based "Warehouse construction for the storage of chemicals on a temporary basis" project have been inaugurated in Shyampur to relocate chemical warehouses from Old Dhaka. The project is implemented by the Bangladesh Chemical Industries Corporation (BCIC) under the Ministry of Industries. Industries Minister Nurul Majid Mahmud Humayun and Dhaka South City Corporation (DSCC) Mayor Sheikh Fazle Noor Taposh inaugurated the temporary warehouses on Sunday.
- The project was launched in March 2019, and its construction was completed recently. The estimated cost of the project is BDT 0.7144 Bn, but the actual cost stands at BDT 0.6251 Bn, of which the government gave BDT 0.5827 Bn and the BCIC gave BDT 0.0424 Bn.

<https://www.tbsnews.net/economy/industry/chemical-warehouses-finally-moving-shyampur-644058>

Govt allows onion imports from Monday as price hits BDT 100/kg

- The government has decided to allow the import of onions starting from Monday (5 June) in an effort to curb the steep rise in prices of this essential kitchen ingredient. In a press release issued on Sunday, the Ministry of Agriculture announced its decision to allow onion imports. Initially, onions were being sold at BDT 30-35 per kg during the onion season, thanks to a good production. However, after the last Ramadan Eid, onion prices suddenly began to surge.
- On Monday, onion prices reached alarming levels, reaching as high as BDT 100 per kg in various kitchen markets in the capital, rendering it unaffordable for low-income people. In some areas, prices even soared up to BDT 105 per kg.

<https://www.tbsnews.net/markets/govt-allows-onion-imports-monday-643898>

Loss of duty benefits drives up sugar price

- Sugar prices have risen at the wholesale level amid speculations that import costs could go up seeing how the National Board of Revenue (NBR) has not extended duty benefits for importing the sweetener. Sugar prices have been volatile in the domestic market for several months now. With this backdrop, the commerce ministry sent a letter to the NBR in January, recommending lower duties for refiners in a bid to normalise the market.
- Then in February, the NBR slashed the 30% regulatory duty by 5% points. The revenue authority also removed the import duty on unrefined and refined sugar, which previously stood at BDT 3,000 per tonne and BDT 6,000 per tonne respectively.

<https://www.thedailystar.net/business/economy/news/loss-duty-benefits-drives-sugar-price-3336991>

Export dev fund cut by USD 400 Mn in May to increase net reserves

- The Bangladesh Bank reduced the outlay of the Export Development Fund, widely known as EDF, by USD 400 Mn in May this year just to increase net foreign exchange reserves following the International Monetary Fund (IMF) conditions. The IMF, while granting USD 4.7 Bn loans at the end of January this year, suggested Bangladesh increase its net reserves to over USD 24 Bn by June, which is currently a bit lower than the prescribed amount, according to officials.
- The central bank, however, does not publish data on net reserves. Rather, it calculates gross foreign exchange reserves, which were USD 29.87 Bn as of Thursday last. The gross reserves include the export development fund – meaning that the cut has no impact on disclosed reserves.

<https://www.tbsnews.net/economy/banking/export-dev-fund-cut-400m-may-increase-net-reserves-644054>

Extended contractionary monetary policy might be needed: BB

- The stubbornly high inflation has raised concerns that inflation expectations would become unanchored, meaning inflation will get much worse, which may necessitate an extended period of contractionary monetary policy, said Bangladesh Bank.
- Inflation in Bangladesh fell slightly to 9.24% in April from a seven-month high of 9.33% in March. In August, it escalated to a decade high of 9.52%. The central bank unveiled the review when it is set to disclose the monetary policy statement on June 18 for the upcoming fiscal year.

<https://www.thedailystar.net/business/economy/news/extended-contractionary-monetary-policy-might-be-needed-bb-3337906>

State enterprises may see higher losses next fiscal year

- State-owned enterprises (SOEs) in Bangladesh will likely incur collective losses of BDT 147.03 Bn in the coming fiscal year, according to the finance ministry. This projection is 7% higher than the provisional estimate of BDT 137.4 Bn for the outgoing fiscal year, shows a summary of the proposed budget for SOEs in FY2023-24.
- As per the document released by the Finance Division on June 1, the Bangladesh Power Development Board (BPDB) recorded the highest loss of BDT 69.69 Bn in FY 2022-23. The Bangladesh Sugar and Food Industries Corporation (BSFIC) came in second with losses of BDT 6.78 Bn while the Bangladesh Jute Mills Corporation (BJMC) placed third with BDT 2.84 Bn. Meanwhile, the Bangladesh Road Transport Corporation faced net losses of BDT 0.848 Bn while it was BDT 0.4931 Bn for the Bangladesh Inland Water Transport Corporation.

<https://www.thedailystar.net/business/economy/news/state-enterprises-may-see-higher-losses-next-fiscal-year-3336976>

Stocks:**EXCHANGE | General investors allowed to buy Treasury bonds**

- General investors of the capital market are getting the opportunity to buy Treasury bonds in the primary auction of the central bank through their beneficiary owner (BO) accounts. The Bangladesh Securities and Exchange Commission (BSEC) took the decision at a meeting on Sunday to increase the supply of Treasury bonds in the secondary market of the stock exchange. Commission sources said discussions have been held with the central bank regarding a quota in primary auction for general investors. Bangladesh Bank may soon issue a circular in this regard.

<https://www.tbsnews.net/economy/stocks/general-investors-allowed-buy-treasury-bonds-644038>

EXCHANGE | DSE seeks inclusion of four points to facilitate investors

- The Dhaka Stock Exchange (DSE), the country's main bourse, has reacted to the finance minister's proposed budget by placing four recommendations specific to the country's capital markets with a view to develop them further, reports UNB. The DSE placed its demands via a press release dated June 3 (Saturday). These are tax exemption on earned interest from bonds, treatment of tax at source on dividend income as full and final settlement, reducing the tax at source for stock exchange stakeholders, and concessional tax rate for listed SME companies.

<https://thefinancialexpress.com.bd/stock/bangladesh/dse-seeks-inclusion-of-four-points-to-facilitate-investors>

EXCHANGE | FY23's bleak business climate has driven out IPOs too

- An electric equipment manufacturer backtracked on its plan to go public in FY23 months after making a deal with IDLC Investments as issue manager. The reason was a decline in its earnings, the most crucial factor to consider while fixing the offer price at which publicly-issued securities are made available for eligible investors under the book-building method. General investors can purchase shares at a discount to the offer price. The local currency devaluation squeezed many companies' income, which had been keen on getting listed in FY23 but then felt discouraged to do so.

<https://thefinancialexpress.com.bd/stock/bangladesh/fy23s-bleak-business-climate-has-driven-out-ipos-too>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.54	(USD 2.67)	-3.55%
Crude Oil (Brent)*	USD 76.91	(USD 0.87)	-1.12%
Gold Spot*	USD 1,946.01	USD 171.86	9.69%
DSEX	6,366.14	159.14	2.56%
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 = 107.28 BDT****1 GBP = 133.35 BDT****1 Euro = 114.70 BDT****1 INR = 1.30 BDT**

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