

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:**Germany to provide EUR 191 Mn for sustainable development of Bangladesh**

- Germany will provide EUR 191 Mn to Bangladesh in the form of technical cooperation and financial cooperation for the sustainable development of the country, reports BSS. In this regard, two bilateral agreements on Development Cooperation were signed on Sunday between the Governments of Bangladesh and Germany following up on the commitments of the last government negotiations in December 2022. The total volume of the agreements is EUR 191 Mn (about BDT 22.15 Bn) of which EUR 55 Mn will be available as Technical Cooperation (TC) and EUR 136 Mn for Financial Cooperation (FC), said a press release.

<https://thefinancialexpress.com.bd/economy/bangladesh/germany-to-provide-eur191m-for-sustainable-development-of-bangladesh>

Exports rise slightly in August

- Earnings from merchandise shipments in August increased slightly by 3.80% to USD 4.78 Bn, mainly riding on apparel exports as all the other major sectors staged a poor performance last month. Three important sectors, including leather and leather goods, jute and jute goods and home textiles, which earned over USD 1 Bn last fiscal year, staged a very poor performance.
- This was largely due to the volatile global economic situation stemming from the severe fallouts of the pandemic and Russia-Ukraine war. Although inflation is going down in the major export destinations in Europe and North American countries, including the US, bank interest rates are still high.

<https://www.thedailystar.net/business/economy/news/exports-rise-slightly-august-3411181>

Private sector's foreign debt falls further

- Short-term private sector foreign debt has continued to fall since January of this year, with new disbursements being outweighed by repayments each month this year except May. In July, short-term foreign debt in the private sector stood at USD13.38 Bn, down 2% from USD13.65 Bn in June, as per the latest data from the Bangladesh Bank (BB). In January, that figure was USD15.58 Bn.
- The private sector took short-term loans from foreign sources amounting to USD 2.27 Bn in July, when the total repayment against previous disbursals stood at USD 2.60 Bn, BB data showed. In July, short-term foreign debt in the private sector stood at USD 13.38 Bn, down 2% from USD 13.65 Bn in June. Foreign lenders have lost confidence in lending to Bangladeshi companies as the country's forex reserves continue to fall, opined Zahid Hussain, former lead economist at World Bank's Dhaka office.

<https://www.thedailystar.net/business/economy/news/private-sectors-foreign-debt-falls-further-3411176>

Commercial counsellors at foreign missions to help diversify exports

- The foreign ministry and FBCCI have agreed to bolster collaboration on expanding the country's export opportunities, diversifying exports and seeking out new markets. The decision was taken at a meeting between Foreign Secretary Masud Bin Momen and FBCCI President Mahbubul Alam at the FBCCI headquarters in the capital on Monday.
- The FBCCI chief said government-appointed commercial counsellors at different foreign missions across the world can help diversify exports by promoting different products alongside ready-made garments. Foreign missions can also provide information on the demand of different products in different countries to help businesses expand exports.

<https://www.tbsnews.net/economy/commercial-counsellors-foreign-missions-help-diversify-exports-694762>

Dhaka South starts issuing 5-year trade licence

- The Dhaka South City Corporation has started issuing trade licences, valid for five years, to businessmen, which is a major improvement from the previous one-year validity period. Dhaka South Mayor Sheikh Fazle Noor Taposh inaugurated the service at a programme organised by the Metropolitan Chamber of Commerce and Industry (MCCI) on Monday.
- Businessmen of all levels under Dhaka South will be able to get a new five-year trade licence or renew their old ones for a five-year term starting from Monday, avoiding the additional hassle of renewal every year, said MCCI, the oldest trade organisation in the country. The MCCI also said this service will be gradually extended to the union level which will greatly improve the ease of doing business in the country.

<https://www.tbsnews.net/economy/five-year-trade-license-registration-renewal-policy-unveiled-694562>

Banks can't transfer exporters' proceeds

- Bangladesh Bank yesterday barred transferring the value-added portion of export proceeds to other banks for settling the exporters' import liabilities. The value-added portion refers to the export proceeds that are available to exporters after their import bills for back-to-back letters of credit have been met.
- The central bank issued a notice in this regard, saying that it has been decided that retained funds will be useable only by designated banks for the settlement of bona fide payment obligations of relevant exporters. Bangladesh Bank took the decision for maintaining discipline in foreign exchange transactions.

<https://www.thedailystar.net/business/economy/news/banks-cant-transfer-exporters-proceeds-3411156>

Ultimately comes uniform dollar exchange rate

- Ultimately Bangladesh courts uniform exchange rate of the US dollar in its latest bid for buttressing forex reserves and cooling persistent market volatility. Officials said the regulator Sunday fixed unified buying and selling rates for the greenback, which ends trial and error with multiple rates in the wake of global financial crisis.
- Bangladesh Foreign Exchange Dealers' Association (BAFEDA) issued a circular to this effect on the day, stating that it was "unanimously decided" in a joint meeting between BAFEDA and ABB (Association of Bankers' Bangladesh Limited) held on August 31, 2023 to implement uniform exchange-rate guidelines with effect from Sunday until issuance of further notice.

<https://thefinancialexpress.com.bd/economy/bangladesh/ultimately-comes-uniform-dollar-exchange-rate>

Why digital banks may be more successful

- Bangladesh Bank issued comprehensive guidelines for establishing digital banks in mid-June. This important decision has generated a lot of excitement among different groups, including major banks, non-banking financial institutions (NBFIs) and innovative startups. The most promising aspect is the cooperation between established financial institutions and startups as they work together to obtain licenses and lead the way. This collaboration has the potential to propel Bangladesh into a digitally advanced future. Media reports say 52 groups or institutions have applied for digital bank licenses.

<https://www.thedailystar.net/business/economy/news/why-digital-banks-may-be-more-successful-3411151>

Shamim re-elected as BPGMEA president

- Shamim Ahmed has been re-elected as the president of the Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA) for a one-year term (2023-2024). BPGMEA election board chairman Abdur Razzaque, accompanied by other members of election board Hafez Harun or Rashid and Abul Khair, announced the results after the election was held at the association's head office in Paltan yesterday, said a press release.
- KM Iqbal Hossain has been elected as the senior vice-president, while Quazi Anwarul Haque and Md Enamul Haque have been elected vice-presidents of the association. As per the order of the ministry of commerce, seven new directors were elected to the seven vacant posts of the board of directors of the BPGMEA on September 2.

<https://www.thedailystar.net/business/economy/news/shamim-re-elected-bpgmea-president-3411086>

Monetary Policy Implementation: Have we figured the path towards modernisation?

- The Monetary Policy Statement (MPS) for FY24 announced a few steps to transition from monetary base to interest rate targeting by mid-2026. The conduct of monetary policy so far in FY24 shows glimmers of hope in modernising the monetary policy framework while at the same time reminding of Mark Twain's adage "history doesn't repeat itself, but it often rhymes".
- Monetary policy is supposed to start wedding the policy rate and the interbank call money rate through a symmetric Interest Rate Corridor (IRC). The targeted call money rate can vary within 200 basis points of the 6.5% repo rate. Banks and non-bank financial institutions can borrow from the BB at 8.5% from the Standing Lending Facility. They can deposit cash with BB at an interest rate of 4.5% in a Standing Deposit Facility. BB renamed the repo rate, special repo rate and reverse repo rate as repo policy rate, standing lending facility (SLF) rate and standing deposit facility (SDF) rate respectively from July 1, 2023.

<https://www.tbsnews.net/economy/monetary-policy-implementation-have-we-figured-path-towards-modernisation-694414>

Construction of Patuakhali EPZ to begin soon

- The construction of an export processing zone (EPZ) in Patuakhali will begin soon after all land acquisition costs are cleared within the next one month or so, according to project officials. The planned EPZ featuring 306 industrial plots will be built on 410.78 acres of land in Pachakoralia Mouza of Auliapur union under Patuakhali sadar upazila.
- The Executive Committee of the National Economic Council (ECNEC) approved the project involving BDT 14.43 Bn on August 29 earlier this year while it is scheduled for completion by June 2026. The government decided to set up the Patuakhali EPZ to take advantage of the increased connectivity offered by Padma Bridge and Payra Port, said Project Director Md Ashraful Kabir.

<https://www.thedailystar.net/business/economy/news/construction-patuakhali-epz-begin-soon-3411161>

BDT 8.21 Bn laundered in name of export

- In one of the biggest money laundering scams unearthed so far in the country, customs authorities have found that 33 readymade garment factories and buying houses laundered at least BDT 8.21 Bn over the last six years. For the illicit money transfer, the fraudsters employed two tactics – under invoicing and using wrong shipping code. In the first case, prices were shown up to 10 times lower than the actual rate. In the second case, shipments were shown as "samples" when they were actually exports worth billions of taka.
- "Multiple gangs are involved here. We have found links of many powerful organisations and individuals at home and abroad. A case will be filed against them very soon," a Chattogram customs official The Daily Star recently on condition of anonymity. Documents show Dhaka-based buying house Asia Trading Corporation shipped 14,085 tonnes of clothing items worth BDT 3.08 Bn (USD 28 Mn) to the UAE, Singapore and Malaysia in 2022. However, not even a single dollar entered the country against this shipment.

<https://www.thedailystar.net/business/news/tk-821-crore-laundered-name-export-3411311>

A green shift: Why industries are loving rooftop solar solution

- Despite the significant increase in national grid capacity – which now exceeds 25,000MW, far surpassing the demand of approximately 15,000MW – industries are increasingly finding alternative energy sources like solar power more attractive. The Business Standard has talked with at least a dozen major companies who say they have already moved to solar power for meeting partial energy needs or are exploring different investment models for getting on board.
- Rooftop solar power, in particular, is becoming popular due to its reliability and cost-effectiveness, industry insiders said. Also, industries are showing a growing interest in rooftop solar power because of the convenient access to financing. Also, the adoption of this relatively new solar power harnessing method got a boost with the rising power cost and the ability to sell excess generated power to the national grid.

<https://www.tbsnews.net/bangladesh/energy/green-shift-why-industries-are-loving-rooftop-solar-solution-694830>

Bank interest rate spread hits 40-month high

- The interest rate spread – the difference between deposit and lending rates – hit a 40-month high of 3.29% last July when the monetary policy was unveiled for the second half of the year, creating a scope for banks to increase their lending rates by more than 1%. Bankers expressed their satisfaction, saying that a spread of at least 3% is required for a bank to cover its running costs comfortably.
- According to data from the Bangladesh Bank, banks received deposits at an average interest rate of 4.46% in July and lent the funds at 7.75% interest. A higher spread of 4.07% was recorded in March 2020, when the interest rates on deposits and lending were 5.51% and 9.58%, respectively.

<https://www.tbsnews.net/economy/banking/bank-interest-rate-spread-hits-40-month-high-694826>

Stocks:**EXCHANGE | Launch of maiden exchange traded fund expected by December**

- The Bangladesh capital market awaits its first ever exchange traded fund (ETF) by the end of this year, according to officials of the Dhaka Stock Exchange (DSE) and LankaBangla Asset Management Company which is going to manage the maiden ETF "LB Multi Asset Income ETF". LankaBangla Asset Management Company, at its corporate office in the capital on Monday, has signed the trust deed with the trustee Bangladesh General Insurance Company (BGIC) to launch the new investment vehicle.
- According to the regulatory approval letter issued in December last year, the BDT 1 Bn ETF will be an actively managed one. That means the asset manager will choose portfolio scrips and investment allocation based on its discretion in compliance with the regulations. On the other hand, passively managed ETFs simply mimic an index to build a portfolio in terms of both the constituent scrips and portfolio weight.

<https://www.tbsnews.net/economy/stocks/launch-maiden-exchange-traded-fund-expected-december-694786>

PUBALIBANK | Trouser Line buys 2 Mn shares of Pubali Bank

- Trouser Line Limited has bought 2 Mn shares of Pubali Bank through the Dhaka Stock Exchange (DSE). Currently, the apparel company's Managing Director Rana Laila Hafiz holds the director position in the bank's board. Earlier, on 20 June, Trouser Line had declared to buy the bank's shares on the stock exchange. In the early session on Monday, Pubali Bank shares were traded at BDT 27.40 each, which was 0.36% lower than the opening price.

<https://www.tbsnews.net/economy/stocks/trouser-line-buys-20-lakh-shares-pubali-bank-694198>

BRACBANK | Indenting agents' assoc to avail Brac Bank services

- Brac Bank Ltd signed a memorandum of understanding with Bangladesh Indenting Agents' Association (BIAA) yesterday to provide comprehensive banking solutions tailored for over 1,500 member firms of the association. Tareq Refat Ullah Khan, deputy managing director and head of corporate banking of the bank, and Md Nuruzzaman, president of the BIAA, inked the deal at the former's head office in Dhaka, said a press release.

<https://www.thedailystar.net/business/economy/banks/news/indenting-agents-avail-brac-bank-services-3411126>

SEAPEARL | Sea Pearl Beach Resort subjected to probe into price volatility

- The stock market regulator has formed a two-member committee to find out any possible price manipulation of shares of the travel & leisure sector company --- Sea Pearl Beach Resort & Spa. The Bangladesh Securities and Exchange Commission (BSEC) seeks to learn if any individual, stock broker, stock dealer, institution or any insider of the company were involved in price manipulation of the stock. In an order issued on August 23, the committee was asked to submit a report on its findings to the BSEC within 60 working days.

<https://thefinancialexpress.com.bd/stock/bangladesh/sea-pearl-beach-resort-subjected-to-probe-into-price-volatility>

RUPALIINS | Rupali Insurance's alleged use of dead director's shares as collateral prompts regulatory probe

- The securities regulator has been probing into the allegation that Rupali Insurance kept a deceased director's shares as guarantee while taking out a loan from another listed non-bank financial institution. The loan was allegedly secured from Uttara Finance & Investment, using shares of Md Nazim Uddin Khan, a sponsor-director of Rupali Insurance, as collateral three years after his death in 2012. The matter drew attention after a report was published on this by an online financial news portal in May this year. The loan amount was nearly BDT 30 Mn, according to the report.

<https://thefinancialexpress.com.bd/stock/bangladesh/rupali-insurances-alleged-use-of-dead-directors-shares-as-collateral-prompts-regulatory-probe>

FUWANGFOOD | No undisclosed price sensitive info behind share price jump: Fu-Wang tells DSE

- In response to the Dhaka Stock Exchange's (DSE's) inquiry about the sharp increase in Fu-Wang Foods' share price in recent days, the company yesterday said there was no undisclosed price sensitive information behind the price hike. According to the DSE data, Fu-Wang Foods' stock price jumped by 61% in 15 trading days, from BDT 25.9 on 14 August to BDT 41.6 each on 4 September.
- Market insiders said Fu-Wang's share price started soaring after Minori Bangladesh – a subsidiary of the Japanese farming company Minori Co Ltd – started operating the company following an acquisition of the shares held by its sponsor-directors. Minori Bangladesh has also gained the ownership of Emerald Oil Industries, which resumed operation in January 2022 after remaining closed for around five years. The share price of Emerald Oil jumped from BDT 30.8 on 2 April to BDT 168.6 each on 4 September this year.

<https://www.tbsnews.net/economy/stocks/no-undisclosed-price-sensitive-info-behind-share-price-jump-fu-wang-tells-dse-694810>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 85.74 | USD 10.53 | 14.00% |
| Crude Oil (Brent)* | USD 88.73 | USD 10.95 | 14.08% |
| Gold Spot* | USD 1,936.07 | USD 161.92 | 9.13% |
| DSEX | 6,307.82 | 100.82 | 1.62% |
| S&P 500 | 4,515.77 | 676.27 | 17.61% |
| FTSE 100 | 7,452.76 | 1.02 | 0.01% |
| BSE SENSEX | 65,628.14 | 4,787.40 | 7.87% |
| KSE-100 | 45,736.44 | 5,315.99 | 13.15% |
| CSEALL | 11,374.64 | 2,872.15 | 33.78% |

Exchange Rates**1 US Dollar = 109.71 BDT****1 GBP = 138.45 BDT****1 Euro = 118.34 BDT****1 INR = 1.33 BDT**

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BRAC EPL Stock Brokerage Limited

Research

| | | | |
|----------------------------|---------------------------|--|---------------|
| Salim Afzal Shawon, CFA | Head of Research | salim@bracepl.com | 01708 805 221 |
| 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 |
| Syed Tawsifuzzaman | Research Associate | s.tawsifuzzaman@bracepl.com | 01708 805 202 |

International Trade and Sales

| | | | |
|----------------------|-----|--|---------------|
| Ahsanur Rahman Bappi | CEO | bappi@bracepl.com | 01730 357 991 |
|----------------------|-----|--|---------------|

BRAC EPL Stock Brokerage Limited

www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: research@bracepl.com