

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:**Deposits in banks rises by BDT 250 Bn in April**

- Deposits in banks increased by about BDT 250 Bn in April, reflecting the customers' growing confidence despite a 9% inflation rate in the last few months. However, deposits in Islamic banks did not increase much; rather, the amount of excess liquidity in a number of such banks has dropped in the first quarter of this year.
- According to the Bangladesh Bank's data, the total amount of bank deposits stood at BDT 15.48 Tn at the end of April, which was BDT 15.23 Tn in March. The bulk of the increased amount – around BDT 200 Bn – in April was time deposits of various tenures, while the rest were demand deposits.

<https://www.tbsnews.net/economy/banking/deposits-banks-rises-tk25000cr-april-644574>

Japanese realtor JP Building starts journey in Bangladesh

- Japanese real estate and construction company JP Building started its journey in Bangladesh with an investment of USD 20 Mn (equivalent to BDT 2.16 Bn) in the next three years. Iwama Kiminori, Japan's Ambassador to Bangladesh, and Akio Yamamoto, chairman of JP Build BD Co Ltd, jointly inaugurated the "JP Build BD Co Ltd" and its first product Nippon elevator, at a ceremony on Monday at a city hotel. Yamamoto said the company has brought Japan's famous Nippon brand elevators to the Bangladesh market with Japanese modern technology and facilities with the best security system. This sophisticated and tasteful Nippon elevator will be available in the market from now on.

<https://www.tbsnews.net/economy/corporates/japanese-realtor-jp-building-starts-journey-bangladesh-644562>

Issuance of prepaid instruments to come under BB guidelines

- Issuing various prepaid instruments, such as cash vouchers, gift cards, cash cards, reward cards and wallets, by non-payment system entities is going to come under a legal framework that includes a provision prohibiting the purchase and conversion of illegal online gambling, betting, virtual currency, diamonds, coins etc.
- The central bank is set to issue guidelines to bring discipline to such prepaid transactions by private enterprises, including e-commerce companies, shopping centres and malls, who mainly use the prepaid payment instruments as a marketing tool. But according to central bank officials, the instruments sometimes offer unrealistic discounts or cash rewards that do not align with reality. Referring to the Digital Commerce Operation Guidelines 2021 by the commerce ministry, a senior Bangladesh Bank official said the issuance, use, sale and purchase of such items without prior approval from the central bank are prohibited.

<https://thefinancialexpress.com.bd/economy/bangladesh/issuance-of-prepaid-instruments-to-come-under-bb-guidelines>

Widen corporate tax gap between listed, non-listed firms

- Stock market intermediaries yesterday urged the government to widen the corporate tax rate gap between listed and non-listed companies to encourage more companies to go public. They also called for reducing the tax imposed on brokers considering the bearish trend of the market. Currently, the corporate tax rate for listed companies is 20% while it is 27.5% for non-listed companies. These rates are not applicable for banks, insurance companies, non-bank financial institutions and telecommunication and tobacco companies.

<https://www.thedailystar.net/business/economy/news/widen-corporate-tax-gap-between-listed-non-listed-firms-3337896>

Budget at odds with 'Smart Bangladesh'

- Terming the budget inconsistent with the aim of achieving 'Smart Bangladesh', business leaders of the ICT sector urged Prime Minister Sheikh Hasina to withdraw the 5.0% VAT on the software sector, proposed in the budget. Urging to extend the tax exemption facility for the ICT industry until 2030, they also said the announced budget for the fiscal year (FY) 2023-24 did not reflect the proposals of the information and communication technology (ICT) sector as expected.
- The leaders of the ICT sector trade-bodies said these in a press conference on post-budget reactions at BASIS Auditorium in Dhaka on Sunday. Bangladesh Association of Software and Information Services (BASIS), Bangladesh Computer Samity (BCS), Bangladesh Association of Contact Centre and Outsourcing (BACCO), Internet Service Providers Association of Bangladesh (ISPAB), and E-Commerce Association of Bangladesh (E-CAB) jointly organised the press conference.

<https://thefinancialexpress.com.bd/economy/bangladesh/budget-at-odds-with-smart-bangladesh>

Reduce VAT on jewelry sales to 3% from the existing 5%: Bajus

- Bangladesh Jewellers' Association (Bajus) on Monday (5 June) proposed cuts in the value-added tax (VAT) for jewellery sales from the existing 5% to 3%. This demand was made during a press conference held at the Bajus office in Bashundhara City Complex, Dhaka, regarding the proposed FY24 budget.
- According to Bajus, the current cost of a bhoori of 22-carat gold jewellery is BDT 96,694.35. With a 5% VAT, the price will rise to BDT 105,203. This price increase places an additional burden on consumers, the association added. However, Bajus believes that a VAT reduction would lower the cost of ornaments, encouraging more purchases and leading to increased government revenue.

<https://www.tbsnews.net/economy/reduce-vat-jewellery-sales-3-existing-5-bajus-644306>

Islamic banks' loan surges 9 times their deposits in a year

- Investments made by full-fledged Islamic banks in Bangladesh surged nearly nine times their deposits in a span of a year, raising questions as private sector credit growth has slowed in the entire banking sector, official figures showed. The banks registered an increase in investments, or loans, by BDT 460.11 Bn in January-March of 2023 compared to the identical quarter of 2022. Deposits rose by BDT 51.69 Bn during the same period, data from the Bangladesh Bank showed.
- On top of that, the full-fledged Islamic banks, now numbered 10, were the biggest sufferers of fund withdrawals after the banking sector was hit with fresh loan irregularities: they lost deposits amounting to BDT 4270 Mn in the first quarter of this year in comparison to the last quarter of 2022.

<https://www.thedailystar.net/business/economy/banks/news/islamic-banks-loan-surges-9-times-their-deposits-year-3338941>

Govt cuts public food imports to save forex

- Bangladesh plans to cut public foodgrain imports in the next fiscal year in an effort to save foreign currencies and avoid putting further pressure on the already strained forex reserves. The Directorate General of Food will buy 500,000 tonnes of rice and 600,000 tonnes of wheat from the international market in 2023-24 to build public food stocks and distribute the grains through various social protection schemes, including subsidised sales among low-income people. The targeted rice purchase is 44% lower than the revised estimated import of the cereal at 900,000 tonnes for the ongoing financial year, according to the budget documents of the finance ministry.

<https://www.thedailystar.net/business/economy/news/govt-cuts-public-food-imports-save-forex-3338911>

Inflation hits decade-high at 9.94% in May

- Bangladesh continues to experience a sharp rally in inflation despite a decline in global commodity prices, primarily due to supply-side constraints. According to the latest report from the Bangladesh Bureau of Statistics (BBS) on Monday, the monthly inflation rate in May soared to a decade-high of 9.94%, up from 9.24% in the previous month, as both rural and urban people are paying higher prices for food and non-food items.
- The surge in the inflation is higher than the 7.32% growth in wages in May, the statistical agency also revealed, indicating the hardship for fixed income earners. Supply-side disruptions, specifically the higher cost of production, have been identified as the primary drivers of inflationary pressure. Immediate measures are being urged to alleviate power and energy crises in order to facilitate production activities.

<https://www.tbsnews.net/economy/inflation-reaches-994-may-highest-over-decade-bbs-644334>

Foreign airlines' USD 214 Mn stuck in Bangladesh, now flyers paying the price

- In a surprising revelation, travellers flying from Bangladesh to various foreign destinations are experiencing significantly higher ticket prices compared to those flying from India. Emirates Airlines, for instance, offers tickets from Kolkata to Dubai for as low as just above INR 24,000 (around BDT 31,000). The same airline will charge BDT 65,000 for a Dubai ticket from Dhaka. The price difference applies to other airlines as well that operate international flights to and from both India and Bangladesh.
- Aviation insiders have said foreign airlines restricted lower-priced ticket sales from Dhaka as global carriers cannot repatriate sales proceeds from Bangladesh due to the persisting dollar crisis. This is among the reasons travellers from Bangladesh are paying much higher for the same global destinations than those flying from India.

<https://www.tbsnews.net/economy/aviation/foreign-airlines-214m-stuck-bangladesh-now-flyers-paying-price-644598>

Stocks:**INTRACO | Intraco Refueling conditionally allowed to issue BDT 500 Mn bond**

- The Bangladesh Securities and Exchange Commission (BSEC), with some conditions, has recently allowed Intraco Refueling Station Limited to issue a convertible bond worth BDT 500 Mn. BSEC Executive Director Mohammad Rezaul Karim said the commission has issued a letter of intent in this regard. City Bank Capital Resources Limited, an issue manager of Intraco's bond, did not make any comment in this regard. Intraco posted a revenue of BDT 1.08 Bn and a net profit after tax of BDT 103.4 Mn in the fiscal 2021-22. As of 30 April 2023, sponsors and directors jointly held 30.06%, institutions 21.82%, and the general public 48.12% shares in the company.

<https://www.tbsnews.net/economy/stocks/intraco-refueling-conditionally-allowed-issue-tk50cr-bond-644558>

RINGSHINE | Losses of Ring Shine Textiles pile up

- Ring Shine Textiles Ltd, in the first nine months of the 2022-23 fiscal year, has reported a per share loss of BDT 1.49, which was BDT 0.94 in the July to March period of the previous fiscal. According to the company's un-audited financials, its loss per share in the January to March quarter of 2023 stood at BDT 0.73, which was BDT 0.59 in the same quarter a year ago. Its shares are trading below face value at BDT 9.8 apiece at the Dhaka Stock Exchange (DSE) since September last year.

<https://www.tbsnews.net/economy/stocks/ring-shine-textiles-loss-piles-july-march-644202>

SHEPHERD | Shepherd Industries calls creditors meeting for merger with Shepherd Textile (BD) Ltd

- Taiwan-based textile company Shepherd Industries Limited has announced a creditors meeting scheduled for 18 June to seek approval for the proposed amalgamation of its sister concern, Shepherd Textile (BD) Limited. Following a decision made by the Shepherd Industries board in August of last year, the company has taken steps towards merging with its sister concern. In 2019, the Bangladesh Securities and Exchange Commission (BSEC) rejected Shepherd Industries' proposal to acquire 15 Mn shares of the shell company Shepherd Jeans Ltd for BDT 150 Mn.

<https://www.tbsnews.net/economy/stocks/shepherd-industries-calls-creditors-meeting-merger-shepherd-textile-bd-ltd-644282>

AL-HAJTEX | Alhaj Textile chairman removed after ousted MD's lawsuit

- The Bangladesh Securities and Exchange Commission (BSEC) removed three of the five independent directors at Alhaj Textile Mills Ltd, including its Chairman Khondoker Kamaluzzaman, on Monday. The two other removed independent directors are MD Zikrul Hoque and AFM Abdul Moyeen—both, alongside Kamaluzzaman and three other shareholder directors, were made respondents to a recent suit by the company's ousted managing director (MD) Md Mizanur Rahman.
- Retired Bangladesh Bank executive director Syed Tariquzzaman, Novartis Bangladesh Chief Financial Officer Fahmid Wasik Ali have been appointed as the new independent directors, while two of the previous independent directors — Bangladesh Academy for Securities Markets' Senior Faculty Member Md Selim, Dhaka University's Associate Professor of Finance Dr Muhammad Saifuddin Khan to remain with their assignment to bring back the company into the regular track.

<https://www.tbsnews.net/economy/stocks/alhaj-textile-chairman-removed-after-ousted-mds-lawsuit-644550>

GP | Grameenphone to halve carbon emission by 2030

- Leading telecom operator Grameenphone has pledged to reduce its carbon emissions by 2030. The organisation has set a target to reduce 50% carbon emissions (CO₂) by 2030, taking 2019 emissions as the baseline, the mobile phone operator said in a statement. GP said it converted around 1,200 towers into solar energy powered sites in remote places.

<https://www.thedailystar.net/business/news/grameenphone-halve-carbon-emission-2030-3338606>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.92	(USD 3.29)	-4.37%
Crude Oil (Brent)*	USD 76.51	(USD 1.27)	-1.63%
Gold Spot*	USD 1,960.88	USD 186.73	10.53%
DSEX	6,356.30	149.30	2.41%
S&P 500	4,273.79	434.29	11.31%
FTSE 100	7,599.99	148.25	1.99%
BSE SENSEX	62,787.47	1,946.73	3.20%
KSE-100	41,638.53	1,218.08	3.01%
CSEALL	8,766.60	264.11	3.11%

Exchange Rates**1 US Dollar = 107.60 BDT****1 GBP = 133.92 BDT****1 Euro = 115.33 BDT****1 INR = 1.30 BDT**

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