

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:**Bangladesh made over 100 Mn handsets so far**

- Bangladesh's mobile manufacturing industry hit a major milestone of having produced over 100 Mn handsets till date, with the local plants gaining the capability of meeting almost all of the annual demand for devices in a span of just over 5 years.
- In the latter half of 2017, when Bangladesh allowed local manufacturing by offering a huge amount of tax benefits, only 40,000 cell phones were produced by local firm Walton. But things started to accelerate the following year as the local entities engaged in deals with top global brands, including Samsung, Tecno and Symphony, to set up manufacturing facilities in Bangladesh.

<https://www.thedailystar.net/business/economy/news/bangladesh-made-over-10cr-handsets-so-far-3241061>

Revenue experts optimistic about 9.5% tax-GDP target by 2026

- The revenue board will have to collect an additional BDT 2,340 Bn to push up Bangladesh's tax-GDP ratio from 7.8% to 9.5% by June 2026, calculates the Policy Research Institute, stating that the target can only be achieved if policy reforms are carried out within the time frame agreed upon with the IMF.
- "The target looks very challenging, but there is no alternative to that," PRI Executive Director Ahsan H Mansur has said, stressing the need for meeting the time-frame of pledged reforms. Previous failures, however, have made him less optimistic.

<https://www.tbsnews.net/nbr/nbr-needs-collect-BDT234-lakh-crore-more-3yrs-meet-imf-set-tax-gdp-ratio-580942>

Bangladesh now home to half of top green factories worldwide

- Bangladesh became home to half of the top 100 green industrial units worldwide after KDS IDR Limited, a garment factory in Kalurghat, received platinum certification from the Leadership in Energy and Environmental Design (LEED) programme on February 1. Being the global champion in LEED certified factories, Bangladesh has 63 platinum rated garment units while another 110 are gold rated, 10 are silver rated and four are just certified.
- Besides, more than 500 other garment factories are awaiting LEED certification by the United States Green Building Council (USGBC) for their green initiatives, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

<https://www.thedailystar.net/business/economy/news/bangladesh-now-home-half-top-green-factories-worldwide-3241006>

Inflation slows in Jan, still higher than expected

- January's inflation rate grew higher than the wage growth rate, meaning that the cost of living is increasing faster than people's wages, a development that indicates the purchasing power of the people is on the decline. According to Bangladesh Bureau of Statistics (BBS) data released on Monday, inflation in Bangladesh decreased to 8.57% in January from 8.71% in December.

<https://www.tbsnews.net/economy/inflation-eases-further-857-january-580882>

Govt borrowing from commercial banks surges

- The government borrowed BDT 23.41 Bn from the scheduled banks in January this year, up from BDT 8.63 Bn in the previous month. With the latest addition, the borrowing from the sector in the first seven months of FY23 rose to BDT 345.9 Bn.
- Bankers and analysts said the government's borrowing from commercial banks can put further strain on the banking sector already hit by a liquidity crunch. It also can badly impact the sector in meeting deposit and loan obligations, which can lead to a further tightening of credit and a reduction in economic activities.

<https://www.tbsnews.net/economy/banking/govt-borrowing-commercial-banks-surges-581090>

Dual policy in a single stock market

- By removing the floor price for nearly half of the companies listed in the country in December while retaining the regulatory measure for the rest, the Bangladesh Securities and Exchange Commission (BSEC) has effectively moved to a dual system.
- This is because the companies that have seen the floor price removal are allowed to drop slowly while the rest have been safeguarded from further erosion. In order to prevent a freefall of stocks, the floor price, the lowest price at which a share can be traded, was brought back on July 29. The floor was the average of the closing prices on July 28 of 2022 and the preceding four days.

<https://www.thedailystar.net/business/economy/stock/news/dual-policy-single-stock-market-3241076>

Call for separate tax administration, policy-making institution

- Experts, at a seminar 'Income Tax', have observed that tax administration and policy-making institutions should be separated to strengthen the country's tax management system. At the seminar on Monday, they gave several recommendations, including increasing tax revenue collection and expansion of the tax net, setting up tax offices at the grassroots level, increasing the use of digital methods and developing a fearless tax system.

<https://thefinancialexpress.com.bd/economy/call-for-separate-tax-administration-policy-making-institution-1675691077>

Stocks:**UPGDCL | Load shedding, high operational costs eat into United Power's profit**

- The United Power Generation and Distribution Company experienced a 28.13% year-on-year profit decrease in the second quarter of the current fiscal year due to scheduled load shedding, the appreciation of the dollar, and increased operational costs.
- In the October-December quarter, its consolidated net profit came down to BDT 2.90 Bn compared to BDT 4.03 Bn in the same period of the previous fiscal year. The consolidated earnings per share stood at BDT 4.84, down from BDT 6.85 a year ago. The revenue of the company, which is listed on the stock market, dropped by 14.65%.

<https://www.tbsnews.net/economy/stocks/load-shedding-high-operational-costs-eat-united-powers-profit-581074>

OIMEX | Oimex Electrode declares 1% cash dividend for shareholders

- The board of directors of Oimex Electrode Limited has recommended a 1% cash dividend for their shareholders, other than sponsors and directors, for the fiscal year 2021-22. The decision has taken in a board meeting of the company on Sunday (5 February). The sponsors and directors hold 20,133,184 shares out of a total of 67,084,781 shares of the company.

<https://www.tbsnews.net/economy/stocks/oimex-electrode-declares-1-cash-dividend-shareholders-580834>

EXCHANGE | Four firms miss deadlines to submit dividend reports

- Four firms – GSP Finance Company (Bangladesh), Fortune Shoes, Kay & Que (Bangladesh), and Energypac Power Generation – have failed to submit compliance reports to the Dhaka Stock Exchange (DSE) and the Bangladesh Securities and Exchange Commission (BSEC) within the stipulated seven working days after paying their declared dividends. Hence, the DSE issued letters asking the firms to explain their non-compliance, according to the DSE disclosures by the companies on Monday.

<https://www.tbsnews.net/economy/stocks/four-firms-miss-deadlines-submit-dividend-reports-581082>

BARKAPOWER | Baraka Power director to sell his entire holding

- Abdul Bari, vice-chairman and director at Baraka Power, has expressed his intention to sell his entire holdings of the company, a private power producer. The shares will be bought by NRB Ventures (Pvt), and Fusion Holdings (Pvt). At present both companies are serving as directors on the board of Baraka Power. They hold 5.42% and 2.90% shares respectively.
- According to the company's latest shareholding report, Abdul Bari, a director of the company, holds 47,14,138 shares or 2% of the total shares of Baraka Power. In a disclosure on Monday, the company said the shares will be sold in the block market. NRB Ventures (Pvt) and Fusion Holdings (Pvt) have expressed their intention to buy 20,45,579 shares and 26,68,599 shares respectively at the prevailing market price within 30 working days at the Dhaka Stock Exchange.

<https://www.tbsnews.net/economy/stocks/baraka-power-director-sell-his-entire-holding-581070>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 74.79	(USD 0.42)	-0.56%
Crude Oil (Brent)*	USD 81.71	USD 3.93	5.05%
Gold Spot*	USD 1,872.33	USD 98.18	5.53%
DSEX	6,280.72	73.72	1.19%
S&P 500	4,111.08	271.58	7.07%
FTSE 100	7,836.71	384.97	5.17%
BSE SENSEX	60,506.90	-333.84	-0.55%
KSE-100	41,190.77	770.32	1.91%
CSEALL	9,100.14	597.65	7.03%

Exchange Rates**1 US Dollar = 106.82 BDT****1 GBP = 128.72 BDT****1 Euro = 114.72 BDT****1 INR = 1.29 BDT**

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

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
----------------------	-------------------------	--	---------------