

*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:****RMG export income rises, raw material imports fall in Q1**

- The country's garment exports amounted to USD 12.25 Bn in the first quarter of this year, while the raw material imports for that sector during the same period were USD 3.54 Bn, according to Bangladesh Bank data. Considering the garment raw material imports in the October-December quarter of 2022 and the export earnings in January-March quarter this year, the value addition in this sector was USD 8.14 Bn or 70%, which was very high.
- Imports fell by 34.36% in the first ten months of FY23, compared to the same period previous year. Imports in the July-April period of the outgoing fiscal year were USD 56.36 Bn, which were USD 76.99 Bn in the same period of FY22, according to the central bank.

<https://www.tbsnews.net/economy/rmg-export-income-rises-raw-material-imports-fall-q1-645218>

**Ecneec okays 18 projects, half of them are revised with cost overruns**

- The trend of revisions in ongoing development projects has increased towards the end of the current financial year. Out of the total 18 projects, involving around BDT 113.88 Bn, approved at the Executive Committee of the National Economic Council (Ecneec) meeting held on Tuesday, the costs of nine projects have been revised.
- Out of the nine projects, six have already undergone cost revision one or more times. The original cost of the nine revised projects was around BDT 93.08 Bn, which now increased to around BDT 239.78 Bn.

<https://www.tbsnews.net/economy/ecneec-okays-18-projects-half-them-are-revised-cost-overruns-645146>

**Supplementary budget for outgoing fiscal passed in JS**

- Parliament on Tuesday passed the supplementary budget of BDT 172.99 Bn for the fiscal 2022-23 to meet the increased expenditures under different ministries and divisions.
- In 2022-23 fiscal the total budget was BDT 6.78 Tn in favour of 62 ministries and divisions. In the supplementary budget the expenditure in 22 ministries and divisions was increased by BDT 1012.54 Bn while expenditures in 40 ministries and divisions was reduced by BDT 423.24 Bn.

<https://www.tbsnews.net/economy/budget/supplementary-budget-outgoing-fiscal-passed-js-645126>

**Bangladesh pays first foreign bill in taka**

- Bangladesh has made the first payment for a mostly foreign loan-funded project in the taka, ushering in another mode of better preserving foreign currency reserves. The project is on constructing a 24-kilometre elevated expressway connecting Dhaka to Ashulia at a cost of BDT 176.53 Bn, or around USD 1.2 Bn. China is providing 85% of the cost as a loan at 2% interest, payable in 20 years, including a grace period of five years. The remaining 15% is being borne by the Bangladesh government. As for the 15% of the Bangladesh government, Shahabuddin Khan, the project director, said, "We convinced them (the contractor) to accept the bill in the taka as they will have some spending to do in Bangladesh."

<https://www.thedailystar.net/business/economy/news/bangladesh-pays-first-foreign-bill-taka-3339846>

**Digital bank licence requires BDT 1250 Mn capital**

- The Bangladesh Bank has set the minimum capital requirement for a digital bank at BDT 1250 Mn, a new banking concept in the country, when a conventional bank requires BDT 5 Bn to get the licence. A digital bank will be governed by the Banking Company Act, according to a guideline the Bangladesh Bank has finalised for placing in the next board meeting scheduled next week.
- The minimum shareholding of each sponsor will be BDT 5 Mn (maximum 10% or BDT 125 Mn), the guideline says. A digital bank must go for an initial public offering (IPO) within five years from the date of the licence issuance by the central bank and the IPO amount should be minimum to the sponsor's initial contribution. At present, the banking sector is oversaturated with 61 conventional banks in Bangladesh.

<https://www.tbsnews.net/economy/banking/digital-bank-licence-requires-tk125cr-capital-645230>

**Some challenges ahead for garment sector: BB**

- The garment sector may face some challenges in the days ahead due to persistent global trade tensions and economic slowdowns in export destinations, according to Bangladesh Bank. Garment exports maintained decent growth during the outgoing fiscal year of 2022-23. Bangladesh earned USD 12,255.75 Mn from garment exports in the January-March period of 2023, which was 0.77% higher than the commerce ministry's target for the quarter and 6.32% higher than that in the corresponding period of the previous year. However, this was 3.67% lower than that of the previous quarter owing to sluggish growth of the world economy.

<https://www.thedailystar.net/business/economy/news/some-challenges-ahead-garment-sector-bb-3339746>

**New income tax law to be hard on evaders, simplifies rules for businesses**

- The draft Income Tax Law 2023 appears to be stricter in certain aspects, while it has taken steps to amend archaic tax laws, making them more user-friendly for individuals and businesses alike. Among other significant features, willful evasion or attempts to evade income tax in the future may subject individuals to imprisonment, ranging from a minimum of six months to a maximum of five years. If an individual's annual income exceeds BDT 0.5 Mn, the submission of a statement of lifestyle expenses is likely to become mandatory in the income tax return. Also, in cases where the annual income surpasses BDT 4 Mn or if the taxpayer travels abroad, the submission of an asset statement becomes obligatory.
- In the draft law, the provision of buying land, plots, and flats with black money has been upheld. For this, everything can be legalised by paying taxes – fixed based on areas - in the same way as the previous time. However, for multiple land-flats, 20% additional tax has to be paid. Also, black money can be converted into white by paying an additional 10% of the prescribed tax.

<https://www.tbsnews.net/nbr/new-income-tax-law-be-hard-evaders-simplifies-rules-businesses-645202>

**Stocks:****PREMIERBAN | Premier Bank Declares 10% half-yearly coupon rate for perpetual bond**

- Premier Bank has recently announced the coupon rate for its perpetual bond traded on the Dhaka Stock Exchange (DSE) for the period from 27 December 2022 to 26 June 2023. The bank has set the half-yearly coupon rate at an attractive 10%. In an official disclosure made on Tuesday (6 June), the bond's trustee revealed the details on the websites of both stock exchanges. The announcement has generated significant interest among investors, highlighting the bank's commitment to providing an appealing return on investment. This move further solidifies Premier Bank's position in the financial market, demonstrating its strength and reliability.

<https://www.tbsnews.net/economy/stocks/premier-bank-declares-10-half-yearly-coupon-rate-perpetual-bond-644778>

**ILFSL | International Leasing's losses decrease in 2022**

- Scam-hit International Leasing and Financial Services Limited has reported a consolidated loss per share of BDT 8.05 in 2022, which was BDT 9.26 in the previous year. Because of this loss, the company did not declare any dividend for 2022. The company has fixed its annual general meeting (AGM) on 17 July this year. The record date is 26 June. Its net asset value per share stood at a negative BDT 162.24 at the end of 2022. Its shares, having a face value of BDT 10 each, have been stuck at floor price of BDT 5.6 since September last year. In September 2022, the company decided to offer ownership to its depositors and lenders.

<https://www.tbsnews.net/economy/stocks/international-leasing-losses-tk805-share-644754>

**SONALIANSH | Lower exports shrink Sonali Aansh's profit by 83% in March quarter**

- Sonali Aansh Industries Ltd – a publicly listed exporter of jute products – has reported an 83% year-on-year profit decline in the January to March quarter of the ongoing 2022-23 fiscal year owing to a decrease in the company's exports. During the period, the company's net profit stood at BDT 1.6 Mn, which was BDT 9.7 Mn in the same quarter previous fiscal. Its earnings per share (EPS) stood at BDT 0.3. The company's net operating cash flow per share stood at BDT 12.51 and net asset value per share at BDT 115.61 at the end of March 2023. According to a senior official of the company, Sonali Aansh could not export enough of its products because of a decrease in global demand.

<https://www.tbsnews.net/economy/stocks/lower-exports-shrink-sonali-aanshs-profit-83-march-quarter-645162>

**Exchange | DSE calls for policy support**

- The Dhaka Stock Exchange (DSE) yesterday placed a six-point demand related to taxes for consideration in the proposed national budget for the fiscal year of 2023-24. The demands are reducing the corporate tax gap between listed and non-listed companies, waiving the tax on the income from bonds, considering source tax on dividends as the final tax, and lowering the taxes faced by stockbrokers. The DSE also called for reducing the tax burden for the listed small and medium enterprises and cutting the value-added tax for all listed companies to 10% from 15%.

<https://www.thedailystar.net/business/economy/stock/news/dse-calls-policy-support-3339806>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.82	(USD 3.39)	-4.51%
Crude Oil (Brent)*	USD 76.35	(USD 1.43)	-1.84%
Gold Spot*	USD 1,965.11	USD 190.96	10.76%
DSEX	6,316.19	109.19	1.76%
S&P 500	4,283.85	444.35	11.57%
FTSE 100	7,628.10	176.36	2.37%
BSE SENSEX	62,792.88	1,952.14	3.21%
KSE-100	41,912.88	1,492.43	3.69%
CSEALL	8,766.60	264.11	3.11%

**Exchange Rates****1 US Dollar = 107.95 BDT****1 GBP = 134.20 BDT****1 Euro = 115.50 BDT****1 INR = 1.31 BDT**

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### BRAC EPL Stock Brokerage Limited

#### Research

Salim Afzal Shawon, CFA	Head of Research	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Anika Mafiz	Research Analyst	<a href="mailto:anika.mafiz@bracepl.com">anika.mafiz@bracepl.com</a>	01708 805 206
Fahim Hassan	Research Analyst	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	<a href="mailto:hztowhidi.khan@bracepl.com">hztowhidi.khan@bracepl.com</a>	01708 805 224
Billal Hossain	Research Associate	<a href="mailto:billal.hossain@bracepl.com">billal.hossain@bracepl.com</a>	01708 805 229
Md. Tanvir Ahmed	Research Associate	<a href="mailto:mtanvir.ahmed@bracepl.com">mtanvir.ahmed@bracepl.com</a>	01708 805 201
Syed Tawsifuzzaman	Research Associate	<a href="mailto:s.tawsifuzzaman@bracepl.com">s.tawsifuzzaman@bracepl.com</a>	01708 805 202

#### International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
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For any queries or services, you can reach us at [care@bracepl.com](mailto:care@bracepl.com) or hotline **16285**.