

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:**US wants to help build capacity of BFIU**

- A visiting US Department of State official yesterday showed interest on developing the capacity of Bangladesh Financial Intelligence Unit (BFIU) to prevent money laundering and terrorist financing. The BFIU is a government agency of Bangladesh responsible for investigating money laundering, suspicious transactions and cash transaction reports.
- Richard Nephew, the state department's coordinator on global anti-corruption, expressed the interest in a meeting with a three-member team of the BFIU comprising Director Md Rafiqul Islam, Additional Director Kamal Hossain and Joint Director Zobaida Afroze. When contacted by The Daily Star, the BFIU officials termed it a courtesy visit and informed that the US official had wanted to know what kind of assistant the BFIU needed.

<https://www.thedailystar.net/business/economy/news/us-wants-help-build-capacity-bfiu-3389006>

Indian businesses keen to invest in health, education and power sectors

- A business delegation from Indian Chamber of Commerce (ICC) have expressed keen interest in investing in Bangladesh especially in the health, education and power sectors. During a meeting with Foreign Minister AK Abdul Momen on Monday (7 August), they also proposed to launch a BIMSTEC Chamber of Commerce to promote trade and commerce amongst the BIMSTEC member states— India, Bhutan, Bangladesh, Myanmar, Thailand, Nepal and Sri Lanka.
- Foreign Minister Momen appreciated the idea and assured of extending necessary support in this regard, said a foreign ministry press statement. He also expressed his satisfaction to the foreign delegation over the excellent bilateral relation between Bangladesh and India. The minister noted that both Bangladesh and India have made remarkable growth in trade and investment in recent years.

<https://www.tbsnews.net/economy/indian-businesses-keen-invest-health-education-and-power-sectors-678526>

Trade settlement with Bangladesh in rupee will boost bilateral commerce: Confederation of Indian Industry

- Bangladesh and India commencing cross-border trade settlement in Indian rupee (INR) would promote two-way commerce by reducing transaction cost, the Confederation of Indian Industry (CII) said on Sunday (6 August). Since all exports and imports and settlement of trade transactions under this arrangement may be denominated and invoiced in INR, this would also reduce dependence on the US Dollar and would address situations like scarcity of forex reserves apart from strengthening regional currency and trade.
- "This would certainly promote the growth of trade between the nations and support the increasing interest of the global trading community in INR," Budhia added. Due to this arrangement, the transaction costs during trade between the countries will reduce which will boost the Indian exports to Bangladesh, he further said. In July this year, Bangladesh and India launched trade transactions in rupees with the aim of reducing dependence on the US dollar and strengthening regional currency and trade. This is the first time Bangladesh has done bilateral trade with a foreign country in addition to the US dollar.

<https://www.tbsnews.net/economy/trade-settlement-bangladesh-rupee-will-boost-bilateral-commerce-confederation-indian>

Guava season aiding economic growth in south

- With the guava season now in full swing, farmers and traders in southern Bangladesh are busy harvesting and selling the fruit from various orchards in the region. After visiting Banaripara upazila of Barishal, Jhalakathi sadar upazila, and Nesarabad upazila of Pirojpur, it was seen that local markets are packed to the rafters with fresh green guava.
- Besides, as much of the fruit is moved via inland waterways, floating guava markets can be found across each of the three districts. These markets have become a tourist attraction over time, drawing in large crowds of foreign and domestic travellers this time each year.

<https://www.thedailystar.net/business/economy/news/guava-season-aiding-economic-growth-south-3388986>

Line of Credit: Bangladesh, India again stress accelerating fund release

- At the 21st review meeting on projects under the Indian Line of Credit, Bangladesh and India have agreed to speed up debt financing for projects as only 20% of the fund announced under the scheme was released in the last 13 years. Officials concerned said since the first Line of Credit agreement was signed in 2010, the two countries have been holding review meetings every year, but failed to solve many of the problems related to these projects.
- Consequently, several implementing agencies have decided to drop a number of projects which were fraught with various complications. India is lending Bangladesh USD 7.362 Bn under the three Line of Credit agreements. Of that amount, USD 1.489 Bn or 20% has been disbursed till June this year. Bangladesh and India signed the first Line of Credit agreement involving USD 862 Mn in August 2010. So far, USD 747.52 Mn under that agreement has been released.

<https://www.tbsnews.net/economy/line-credit-bangladesh-india-again-stress-accelerating-fund-release-678150>

Govt moves to allow private sector in fuel oil refinery, retailing

- In a major policy shift, the government is moving towards ending its fuel oil monopoly as it has drafted outlines to allow the private sector to import and refine crude oils and market their products through their own networks. Under the initiative, the Bangladesh Petroleum Corporation (BPC) will procure more than half of diesel, petrol, octane, jet fuel, and furnace oil during the initial five years of private sector fuel production entering the market.
- The Ministry of Power, Energy, and Mineral Resources has already drafted a policy framework in this regard, a copy of which has been accessed by The Business Standard. The draft policy states that private refineries will have to sell a minimum of 60% of the total fuel oil outputs – diesel, octane, petrol, jet fuel, furnace oil and by-products- to the BPC at a government-determined price during the initial three years from the commencement.

<https://www.tbsnews.net/bangladesh/energy/govt-moves-allow-private-sector-fuel-oil-refinery-retailing-678678>

NBR suspects wrongdoing, may reopen some ADR cases

- Government's revenue authority moves to review a dozen cases of large taxpayers settled through ADR posthaste as it found entire claim to taxes written off, sources say. High-ups at the National Board of Revenue (NBR) suspect that government might have been deprived of due revenue through mishandling of disputes under the alternative dispute resolution (ADR) system meant to leapfrog time-consuming court proceedings.
- The ADR cases have been resolved by waiving entire amounts of demand of the government from the large corporates, official sources said. Out of BDT 5.61 Bn worth of claim, the NBR did not receive any taxes through the out-of-court settlement system, introduced in 2012 to ensure a win-win situation between taxpayers and taxmen, said a senior revenue official.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-suspects-wrongdoing-may-reopen-some-adr-cases>

NBFIs' profits halve in H1 as interest spread hits historic low

- Non-bank financial institutions' (NBFIs) overall profit halved year-on-year in the first six months of this year, owing to rising costs of funds rendered by shrinking interest spread. The gap between borrowing and lending rates came down to a historic low at 0.27% on an average in June for the NBFi industry, while it was 0.75% for January-June this year, according to the Bangladesh Bank data.
- "The main business of the non-bank financial institutions was hit due to the narrowing of the gap between the interest rate on deposits and the lending rate," said Mominul Islam, managing director & CEO of IPDC Finance. Interest spread of International Leasing [among the nine that disclosed earnings] and eight others, which are yet to make disclosures, turned negative up to 11.36% in June, meaning they offered higher interest rates on deposits than what they charged against loans.

<https://thefinancialexpress.com.bd/stock/bangladesh/nbfis-profits-halve-in-h1-as-interest-spread-hits-historic-low>

Most MFS operators struggle in a booming market

- In 2011 when mobile financial service (MFS) was introduced in Bangladesh, 27 banks took the approval from the central bank as many had correctly predicted an impending boom in mobile banking amid rising usage of cell phones. Not all licencees saw the light of the day and 19 firms rolled out the service by 2016. Of them, 13 entities currently exist in a market that witnesses more than BDT 35 Bn worth of transactions every day and the amount is only rising.
- Dutch-Bangla Bank Ltd pioneered the country's first MFS operation in March 2011 by introducing DBBL Mobile, which was later rebranded Rocket. bKash, a subsidiary of Brac Bank, followed suit three months later. Currently, bKash, Nagad -- an MFS wing of Bangladesh Post Office that made a foray into the industry in 2019 -- and Rocket control more than 80% of the market in terms of subscribers, which numbered 204 Mn in May.

<https://www.thedailystar.net/business/economy/news/most-mfs-operators-struggle-booming-market-3389016>

Factories at API park still unable to start production

- Makers of active pharmaceutical ingredients (API) at the API Industrial Park in Gazaria of Munshiganj have fallen into uncertainty as bureaucratic complexities and the lack of gas connections are preventing them from starting production. Investors of API industries now need to secure a number of certifications before starting commercial production due to the enactment of the Drugs and Cosmetics Act, 2023.
- Earlier, API manufacturers would only need a licence from the Directorate General of Drug Administration (DGDA). But now, they also need permission from the Department of Narcotics, the Department of Explosives and the Ministry of Commerce before commissioning their units, which is a time-consuming process.

<https://www.thedailystar.net/business/economy/news/factories-api-park-still-unable-start-production-3389011>

Stocks:**SQURPHARMA | Square Pharma enters outsourcing contract with Euro Pharma**

- Square Pharmaceuticals entered into another production outsourcing contract with local drug maker Euro Pharma Ltd, according to a regulatory disclosure following a board meeting on Monday (9 August). This is the second outsourcing contract Square Pharma signed within a week.
- Under the contract, Euro Pharma would manufacture some products on behalf of Square, helping the latter in meeting the increased demand for the products. Also, it would help Square introduce new products, according to the regulatory filing. Earlier last week, the company informed that it had entered an agreement with Aristopharma Ltd for contract manufacturing of its product.

<https://www.tbsnews.net/economy/stocks/square-pharma-enters-outsourcing-contract-euro-pharma-678578>

MIDLANDBNK | Midland Bank, Placid NK to offer remittance services

- Midland Bank Ltd recently signed an agreement with Placid NK Corporation, a global money transfer company, to establish remittance drawing arrangements fostering seamless and secure cross-border fund transfers. Md Ahsan-uz-Zaman, managing director and CEO of the bank, and Mohammed Rashid, director of the money transfer company, inked the deal at the bank's head office in Gulshan, said a press release.
- Under the deal, the bank will be able to disburse remittances from its branches and agent banking centres sourced through this global money transfer company. Among others, Khondkar Towfique Hossain, head of international division of the bank, Nazmul Ahsan, head of treasury division, Nafisa Chowdhury, head of NRB banking unit, and Faroque Helaly, Bangladesh country head of the money transfer company, were present.

<https://www.thedailystar.net/business/economy/news/midland-bank-placid-nk-offer-remittance-services-3388961>

PRIMEBANK | Prime Bank, Bida sign MoU

- Prime Bank Ltd recently signed a memorandum of understanding (MoU) with Bangladesh Investment Development Authority (Bida) to provide one stop banking service to foreign investors. Shams Abdullah Muhaimin, deputy managing director of the bank, and Jibon Krishna Saha Roy, director general of the Bida, signed the MoU in this regard at the latter's office in Agargaon of Dhaka, said a press release.
- "This partnership with Bida will open up the doors for Prime Bank to proudly contribute to the facilitation of investment in Bangladesh," said Muhaimin. This partnership will facilitate the foreign investors with a sophisticated banking solution that ranges from online bank account and temporary bank account opening to an exclusive transactional service to ease their operations.

<https://www.thedailystar.net/business/economy/news/prime-bank-bida-sign-mou-3388956>

ISLAMIBANK | Islami Bank sees big changes as Saudi company withdraws directorship

- A big change has been made in the position of directors in the board of Islami Bank Bangladesh Limited. Country's largest private sector lender has mentioned the change in its shareholding report for July this year. The report was also submitted to the stock exchanges to comply with the regulatory requirement.
- According to the report, Arabsas Travel and Tourist Agency, a Saudi Arabia-based company, withdrew the directorship by sending a letter on 5 July, where the bank approved it on 26 July through board meeting. Earlier, Musaid Abdullah A Al-Rajhi served as the director of Islami Bank for a long time on behalf of the company.

<https://www.tbsnews.net/economy/banking/big-changes-islami-banks-board-678586>

RSRMSTEEL | BSEC moves to bring debt-ridden RSRM back into business

- The Bangladesh Securities and Exchange Commission (BSEC) has decided to investigate the overall business situation of Ratanpur Steel Re-Rolling Mills (RSRM) Limited, a Chattogram-based company owned by Ratanpur Group burdened with crores of default loans. Two steel plants of RSRM, a listed company, have been closed for the last two and a half years due to debt and a lack of working capital.
- The number of cases filed against the group now stands at 30 for defaulting on BDT 25 Bn loans taken from ten banks. The securities regulator took the initiative as investors are being deprived of their expected return as the company did not declare a dividend for a few years and the reopening of the company's two factories remains uncertain as of today.

<https://www.tbsnews.net/economy/stocks/bsec-moves-bring-debt-ridden-rsrn-back-business-678590>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 82.07	USD 6.86	9.12%
Crude Oil (Brent)*	USD 85.42	USD 7.64	9.82%
Gold Spot*	USD 1,932.03	USD 157.88	8.90%
DSEX	6,299.66	92.66	1.49%
S&P 500	4,518.44	678.94	17.68%
FTSE 100	7,554.49	102.75	1.38%
BSE SENSEX	65,953.48	5,112.74	8.40%
KSE-100	48,310.21	7,889.76	19.52%
CSEALL	11,681.66	3,179.17	37.39%

Exchange Rates**1 US Dollar = 109.28 BDT****1 GBP = 139.38 BDT****1 Euro = 119.99 BDT****1 INR = 1.32 BDT**

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