

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:**Dhaka expects up to USD 1 Bn in loan guarantee from World Bank agency**

- The Multilateral Investment Guarantee Agency (MIGA) – a member of the World Bank Group – is exploring the possibility of providing guarantees for short-term trade finance facilities to Bangladesh ranging from USD 500 Mn to USD 1 Bn for essential imports, according to an official document. The World Bank agency, which promotes cross-border investment by providing guarantees to investors and lenders, has so far provided support to 12 projects in Bangladesh.

<https://www.tbsnews.net/economy/dhaka-expects-1b-loan-guarantee-world-bank-agency-713106>

One step closer towards the dream of becoming an aviation hub

- The aviation stakeholders are considering the construction of the much anticipated third terminal at Dhaka airport as one step advancement towards the dream of making Bangladesh an aviation hub. The country is currently implementing various airport development projects, worth around BDT 326.05 Bn, including the third terminal at Hazrat Shahjalal International Airport, Dhaka.

<https://www.tbsnews.net/supplement/one-step-closer-towards-dream-becoming-aviation-hub-713670>

5 economic zones to get boost once Sonargaon roads developed

- In a bid to enhance connectivity and stimulate economic growth of local industries and tourism in the Sonargaon region of Narayanganj, the government has initiated a road development project. The project to develop four roads spanning approximately 14 kilometres is expected to facilitate transportation and communications with five economic zones in the area.

<https://www.tbsnews.net/economy/5-economic-zones-get-boost-once-sonargaon-roads-developed-713734>

IMF inquires cenbank about exchange rate mechanism

- A visiting staff mission of the International Monetary Fund (IMF) has wanted to know from the Bangladesh Bank about the present exchange rate mechanism and how the dollar rate is set by the association of banks and their top executives. During the daylong meeting, the IMF officials also asked the central bank to explain the mismatch in different components of the balance of payment, including trade credit and errors and omissions, according to meeting sources.

<https://www.tbsnews.net/economy/banking/imf-inquires-cenbank-about-exchange-rate-mechanism-713070>

NBR beefs up automation to prevent fictitious exports, money laundering

- The NBR has ordered the parties concerned at customs houses and stations across the country to process the export general manifest (EGM) — a legal document or an export report filed by the carrier of a shipment to validate the export transaction — using the ASYCUDA world system. The move aims to prevent export-related irregularities including fictitious exports — export items that do not exist but are shown on paper only which is a well-known means of money laundering.

<https://www.tbsnews.net/nbr/nbr-beefs-automation-prevent-fictitious-exports-money-laundering-713158>

NBR presents plan to cut tax expenditure, raise collection

- The NBR on Thursday briefed the visiting mission of the IMF an outline of its plan to cut tax expenditure and expedite revenue mobilisation. The mission held separate meetings with the three wings of the NBR - income tax, VAT and customs - at the NBR headquarters in the capital to review the implementation progress of conditions tagged with their USD 4.7 Bn credit support to Bangladesh.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-presents-plan-to-cut-tax-expenditure-raise-collection>

BGMEA seeks price hike from buyers again

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday again sought a price hike of garment items as the government is working to implement a minimum wage for 4 Mn garment workers from December this year. BGMEA President Faruque Hassan said in a letter: "Firstly, we need our buyers to understand and internalise the wage dynamics from our respective contexts and priorities, and support us through rational price adjustments."

<https://www.thedailystar.net/business/economy/news/bgmea-seeks-price-hike-buyers-again-3435616>

No more dependence on big brothers – common facility centres to help SME production

- The micro and small entrepreneurs in various parts of the country will gradually get access to technology-based manufacturing as the Small and Medium Enterprise (SME) Foundation took initiative to set up common facility centres (CFCs) there. As part of the initiative, the first CFC was launched on 18 August in Rajshahi's Kaluhati footwear cluster, comprising 13 state-of-the-art machines.

<https://www.tbsnews.net/economy/industry/no-more-dependence-big-brothers-common-facility-centres-help-sme-production-713150>

Tax rebate likely on Universal Pension deposits

- The government is taking steps to offer tax rebates on deposits for the Universal Pension Scheme in a bid to incentivise increased investment in the scheme. The National Pension Authority has already sent a letter to the National Board of Revenue (NBR) requesting necessary action in this regard, official concerned said, adding that the board may issue an order in this regard by this week.

<https://www.tbsnews.net/economy/tax-rebate-likely-universal-pension-deposits-714150>

BD's BDT 14.5 Tn govt debt to rise further

- An already-disproportionate government debt-to-GDP ratio in Bangladesh will further rise during 2023-2025 period, according to Fitch Ratings, while the total debt buildup stands at BDT 14.5 Tn until March. The Fitch outlook on credit ratings covers some of Asia's fast-growing emerging economies, including Bangladesh.
- Fitch says Bangladesh, having -- BB-/Negative -- is among those markets where it anticipates the debt-GDP ratio to continue to rise through 2023 to 2025, building on increases that were already big during the pandemic.

<https://thefinancialexpress.com.bd/economy/bangladesh/bds-tk-145t-govt-debt-to-rise-further>

Bilateral trade in yuan, rupee fails to ease reserve pressure

- Bangladesh's efforts to facilitate bilateral trade in the Chinese yuan and Indian rupee are struggling to take any pressure off its fast-depleting US dollar reserves, insiders said on Friday. Economists and bankers primarily attribute this setback to Bangladesh's huge trade gaps with both China and India, resulting in inadequate yuan and rupee stocks for Dhaka to bypass the dollar dominance.

<https://thefinancialexpress.com.bd/economy/bangladesh/bilateral-trade-in-yuan-rupee-fails-to-ease-reserve-pressure>

Capital base up for state-run banks, down for private lenders

- The capital base of state-owned commercial banks rose while it fell for private lenders at the end of the fourth quarter of 2022-23, Bangladesh Bank data showed. The overall capital-to-risk-weighted assets ratio (CRAR) of private commercial banks stood at 12.82% in April-June, down from 13.08% in the previous quarter.

<https://www.thedailystar.net/top-news/news/capital-base-state-run-banks-down-private-lenders-3436996>

Big rise in 10 banks' bad loans

- The defaulted loans in 10 banks, including four state-run lenders, stood at BDT 696.71 Bn, which is 45% of the record BDT 1.56 Tn of defaulted loans logged in by the banking sector. A year earlier, the ten banks' defaulted loans accounted for 38.2% of the sector's total.

<https://www.thedailystar.net/business/news/big-rise-10-banks-bad-loans-3437241>

USD 1 at BDT 120: Individual traders selling dollars through networks; money changers say they're empty-handed

- The dollar crisis in the kerb market became more acute after the Bangladesh Bank and law enforcers raided money changers with allegations of higher exchange rates. In this situation, a number of individuals are selling dollars through their networks, at BDT 120-121 per dollar. They are becoming the lone source of dollars for those who are traveling abroad for treatment, education, and other emergencies, sources said.

<https://www.tbsnews.net/economy/1-tk120-individual-traders-selling-dollars-through-networks-money-changers-say-theyre-empty>

Special treasury bills auction resumes for govt fundraising

- The Bangladesh Bank Thursday restarted auctioning the 14-day special treasury bills to meet an exigency, after a pause since January 2020, to avoid 'devolvement'- a byword for 'high-powered money' printed by the BB to lend to government to lower bank borrowings.

<https://thefinancialexpress.com.bd/economy/bangladesh/special-treasury-bills-auction-resumes-for-govt-fundraising>

Reserves deplete as BB feeds dollar-hungry banks

- Dollar-hungry commercial banks continue banking on drip-feed from the central bank amid the weakening of Bangladesh's forex reserves while imports squeeze for LC constraints, sources say. Slowing remittance and export incomes add up to the pressures on reserves that dropped far below the IMF-set bottom line in its lending tags.

<https://thefinancialexpress.com.bd/economy/bangladesh/reserves-deplete-as-bb-feeds-dollar-hungry-banks>

BB raises lending rate to 10.7%, eying inflation

- The central bank on Thursday raised the interest rate to 10.7% in a bid to tame skyrocketing inflation. The move came a day after Bangladesh Bank hiked the policy rate by 75 basis points to 7.25%, which also aimed at curbing the soaring inflation. In light with what the central bank stated in its notice on Thursday, banks can now add a 3.5% margin to the 7.2% SMART rate, setting the lending rate at 10.70%.

<https://thefinancialexpress.com.bd/economy/bb-raises-lending-rate-to-107pc>

LC settlements hit 35-month low in September

- The country's LC settlements registered a 35-month low in September, while LC openings also fell by about 16.1% compared to August, in line with the central bank's effort to discourage imports to ease pressure on dwindling forex reserves. In September, banks opened LCs amounting to USD 4.69 Bn, from USD 5.59 Bn in August.

<https://www.tbsnews.net/economy/lc-settlements-hit-35-month-low-september-713154>

Stocks:**ADNTEL | ADN Telecom's profit grows 54% due to business expansion**

- ADN Telecom, one of the major sister concerns of ADN Group, posted 54% profit growth in the fiscal year 2022-23 compared to the previous fiscal year owing to business expansion with the launching of new products and services. The company achieved BDT 258.6 Mn net profit in FY23, which was BDT 167.4 Mn in the previous fiscal year, according to a disclosure.

<https://www.tbsnews.net/economy/stocks/adn-telecoms-profit-grows-54-due-business-expansion-713054>

MTB | MTB wins Global Climate Partnership Award

- Mutual Trust Bank Ltd (MTB) has won this year's Global Climate Partnership Award, according to a statement. Chosen by external experts from 14 applications, the private commercial bank of Bangladesh stood out for its innovative approach to linking smallholder farmers with cost-effective electric vehicle (EV) solutions through accessible finance.

<https://thefinancialexpress.com.bd/stock/bangladesh/mtb-wins-global-climate-partnership-award>

BANKASIA | Bank Asia sponsor Mostafa Steel to sell almost entire holding

- Mostafa Steel Galvanizing, a corporate sponsor of Bank Asia, has declared to sell 98.3% of its holding in the bank. But the reason behind selling such a huge portion was not disclosed on the CSE website. Seeking anonymity, Bank Asia officials said they did not know the reason either.

<https://www.tbsnews.net/economy/stocks/bank-asia-sponsor-mostafa-steel-sell-almost-entire-holding-713046>

BAYLEASING | Bay Leasing incurs BDT 1.2 Bn loss in 2.5 years

- Bay Leasing and Investment Limited, a non-bank financial institution (NBFI), reported a loss of BDT 1.2 Bn over a two-and-a-half-year period till 30 June 2023. Bay Leasing faced a loss for the first time in 2021, and since then, it has been unable to return to profitability in any subsequent quarters.

<https://www.tbsnews.net/economy/stocks/bay-leasing-incurs-tk120cr-loss-25-years-714158>

EXCHANGE | Techno Drugs plans to raise BDT 100 Bn through IPO

- Techno Drugs Ltd plans to raise BDT 1 Bn through an initial public offering (IPO) under the book-building system. According to company sources, they intend to allocate BDT 250 Mn for upgrading and renovating their Narsingdi factory, BDT 150 Mn for construction works at its factory in BK Bari, Gazipur, BDT 270 Mn for machinery procurement, BDT 300 Mn for loan repayment, and BDT 30 Mn to cover IPO expenses.

<https://www.tbsnews.net/economy/stocks/techno-drugs-plans-raise-tk100cr-through-ipo-714142>

EXCHANGE | Exchanges to begin trading in open-ended MFs this year

- The Dhaka Stock Exchange (DSE) has already geared up for trading in the Open-ended mutual funds on its ATB, while the Chittagong Stock Exchange (CSE) has completed preparation for the launching of ATB shortly. Fund managers oppose the proposition, saying that trading on the main boards would give rise to price volatility, while they would like to see transactions in open-ended MF units remain unchanged - between AMCs and unitholders.

<https://today.thefinancialexpress.com.bd/stock-corporate/exchanges-to-begin-trading-in-open-ended-mfs-this-year-1696695507>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 82.79	USD 7.58	10.08%
Crude Oil (Brent)*	USD 84.58	USD 6.80	8.74%
Gold Spot*	USD 1,833.01	USD 58.86	3.32%
DSEX	6,261.72	54.72	0.88%
S&P 500	4,308.50	469.00	12.22%
FTSE 100	7,494.58	42.84	0.57%
BSE SENSEX	65,995.63	5,154.89	8.47%
KSE-100	47,508.67	7,088.22	17.54%
CSEALL	10,987.12	2,484.63	29.22%

Exchange Rates**1 US Dollar = 110.11 BDT****1 GBP = 134.77 BDT****1 Euro = 116.64 BDT****1 INR = 1.32 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
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
Foyisal Ahmed	Research Associate	foysal.ahmed@bracepl.com	01708 805 201

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