

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:**EPB's enrolment certificate tenure for exporters extended to 5 years**

- The Export Promotion Bureau (EPB) has extended the validity period of its registration certificate (enrolment certificate) for exporters from the existing one year to five years in a bid to facilitate trade. Businessmen of various sectors have been demanding extension of the tenure of this registration certificate, which is mandatory for individual and institutional exporters, for a long time.
- In view of that, the EPB made the decision in a board meeting held last March and formally announced the development in an order on 27 April. According to the EPB order, exporters, as per their requirements, can apply for issuance or renewal of this certificate with any validity period ranging from one to five years. The validity period will be calculated from the date of issuance or renewal of the certificate.

<https://www.tbsnews.net/economy/epbs-enrolment-certificate-tenure-exporters-extended-5-years-628626>

Malaysia keen to conclude FTA with Bangladesh to deepen economic ties

- Malaysia is keen to conclude a free trade agreement (FTA) with Bangladesh in order to further deepen and accelerate the bilateral economic partnership of the two countries. Dato Norman Muhamad, deputy secretary general (bilateral affairs) of Malaysia's Ministry of Foreign Affairs, made the disclosure while paying a courtesy call on State Minister for Foreign Affairs Shahriar Alam on Tuesday (9 May).
- Bangladesh has been Malaysia's second-largest commercial partner in South Asia in recent years as a result of growing commerce between the two countries. Pointing to the rapidly changing socio-economic development and configuration in the South Asian and the South East Asian neighbourhood, Shahriar Alam emphasised on further deepening the regional integration and partnership to reap the optimum benefits from the ongoing Asian momentum.

<https://www.tbsnews.net/economy/malaysia-keen-conclude-fta-bangladesh-deepen-economic-ties-628982>

Cenbank gains BDT 277.61 Bn from taka devaluation in 9 months FY23

- The Bangladesh Bank earned BDT 277.61 Bn in foreign currency revaluation gain in the first nine months (July to March) of FY23 – the highest ever in a single fiscal year – as taka has been depreciated largely against the dollar, officials familiar with the matter told The Business Standard. The revaluation gain was BDT 263 Bn in FY22, according to the Bangladesh Bank annual report, riding on which the central bank's profit amounted to BDT 292.47 Bn that year. The trend has been continuing amid rising greenback prices.
- The central bank built up the country's foreign exchange reserves by buying dollars from banks at the rate of BDT 86- BDT 93 previously, which has been being sold at BDT 100-104 to banks in this fiscal year amid a dollar scarcity, causing huge exchange gains for the authorities. Although the profit from the taka devaluation came at the cost of the entire country's sufferings, the earning has no use as the exchange gain is not distributable profit and the Bangladesh Bank keeps the earnings in its permanent account.

<https://www.tbsnews.net/economy/banking/cenbank-gains-tk27761cr-taka-devaluation-9-months-fy23-629118>

Next budget business as usual, to see higher interest, subsidy spending

- Interest payments for foreign loans, subsidies, and social safety nets are set to increase in the upcoming budget despite the IMF's conditions to reduce them for better fiscal management. The total budget outlay is projected to be BDT 7.64 Tn and will be officially presented to the prime minister on Wednesday. While there will be a 14% increase in overall budget allocations, it does not resemble an election-year budget as the allocation for the Annual Development Programme (ADP) is expected to grow by only 11%.
- Of the 122 programmes running under the social safety net, the allocation for the next fiscal year will only increase by BDT 50 Bn, a portion of which will be used to pay pensions to government employees. Even so, there will be no new measures in the financial policy to combat high inflation, except for providing assistance to the poor through existing programmes of the social safety net. The finance ministry is fully relying on monetary policy to keep inflation under control.

<https://www.tbsnews.net/economy/next-budget-business-usual-see-higher-interest-subsidy-spending-629134>

GE to offer advanced gas turbines

- General Electric (GE) is planning on offering use of advanced gas turbine technologies, capable of burning blends of hydrogen and natural gas, to lead an energy transition in Bangladesh and decarbonise it further, according to its senior officials in Dhaka yesterday. "We are prioritising introduction of policy interventions that can support the development of clean energy infrastructure in Bangladesh," said Md Habibur Rahman, power secretary. "... and contribute towards economic growth of the country by effectively meeting the power demand in future," he said.

<https://www.thedailystar.net/business/economy/news/ge-offer-advanced-gas-turbines-3315561>

Govt buying sugar, edible oil to sell at subsidised rates

- The government will procure 12,500 tonnes of sugar and 11 Mn litres of soybean oil from foreign markets so that low-income groups in Bangladesh can buy the commodities at subsidised rates, according to Sayeed Mahbub Khan, additional secretary of the Cabinet Division. The move comes as global inflationary pressure stemming from global crises, namely the Russia-Ukraine war, has driven up domestic prices of edible oil and sugar. The price of each kilogramme (kg) sugar will be BDT 82.94 and each litre of soybean oil will be BDT 146.10, Khan told reporters after the meeting.

<https://www.thedailystar.net/business/economy/news/govt-buying-sugar-edible-oil-sell-subsidised-rates-3315726>

Wide gap in formal-informal exchange rates led to forex reserve slide: WB

- A wide gap in formal and informal exchange rate has been one of the factors behind the sharp fall in the foreign exchange reserves in Bangladesh as it shifts remittances from official channels to unofficial routes and impedes repatriation of export proceeds, said the World Bank. The observation comes as the country's foreign exchange reserves dropped 29.45% to USD 29.77 Bn in a span of one year owing to higher import bills against moderate export and remittance earnings, Bangladesh Bank data showed.
- "The widening of the exchange rate gap and the uncertainty about exchange rates, in general, diverted remittance inflows away from official channels, especially as remitters can obtain more favourable market rates through unofficial channels," the WB said in a report.

<https://www.thedailystar.net/business/economy/news/wide-gap-formal-informal-exchange-rates-led-forex-reserve-slide-wb-3315741>

Bad loans pile up at state banks, eating away profits

- Four state-run commercial banks registered 29% year-on-year spike in bad loans in 2022 as the central bank's relaxed classification rules introduced in the wake of the Covid-19 outbreak ended and their inefficient lending persisted. This forced Sonali, Janata, Agrani and Rupali banks to set aside higher provisions. As a result, their collective profits declined more than 24% to BDT 7.03 Bn last year.
- The bad loans at the four banks surged to BDT 421.61 Bn last year from BDT 326.18 Bn a year ago, according to their financial statements. The loan loss provision, an income statement expense set aside as an allowance for uncollected loans and loan payments, rocketed 35% to BDT 35.43 Bn.

<https://www.thedailystar.net/business/economy/news/bad-loans-pile-state-banks-eating-away-profits-3314761>

Potato prices go up as production drops

- Potato prices have skyrocketed in Bangladesh amid a drop in production as farmers are increasingly turning to more profitable crops while poor weather conditions also lowered supply, according to market players. Traders at kitchen markets in Dhaka say the tuber is now selling for BDT 35 to BDT 40 per kilogramme (kg), up from BDT 22 to BDT 25 ahead of Eid-ul-Fitr on April 22 earlier this year. Acreage dropped to a seven-year low of 0.455 Mn hectares in the current fiscal year (FY) from 0.464 Mn hectares in FY2021-22, according to the Department of Agricultural Extension (DAE).

<https://www.thedailystar.net/business/economy/news/potato-prices-go-production-drops-3314731>

Stocks:**NATLIFEINS | National Life to pay 38% cash dividends**

- National Life Insurance Company's board of directors has recommended 38% cash dividends or BDT 3.8 against each share having a face value of BDT 10, according to a stock exchange filing. The dividend proposed for 2022 will be subject to shareholders' approval in the annual general meeting set to be virtually held on 26 June at 12.00pm. In 2022, the company's earnings per share grew to BDT 5.78 from BDT 3.84 in the previous year.

<https://www.tbsnews.net/economy/stocks/national-life-pay-38-cash-dividends-628790>

UNILEVERCL | Lower Horlicks sales, yet Unilever profit rises 17%

- Sales of Horlicks – the most popular health food drink product in the country – dropped in the first quarter of this year owing to high inflation, but the company's profit rose by 16.66%, riding on increased financial income and reduced operating expenses. In the January-March quarter, the multinational company's net profit increased to BDT 201.3 Mn from BDT 172.6 Mn in the same period of the previous year. Its revenue declined by 10% during the same period.
- The company's operating expense was BDT 233 Mn in the first quarter this year – 23% less than BDT 304.2 Mn during the same period a year ago. Its net financial income stood at BDT 41.3 Mn in the first three months of 2023, which was BD 4.5 Mn a year ago. Unilever Consumer Care Chairman Masud Khan told TBS, Horlicks was not prioritized over essentials like rice, eggs, milk by the inflation-hit consumers and also the price increase of BDT 2 per BDT 10 small packs slowed down the sales.

<https://www.tbsnews.net/economy/stocks/lower-horlicks-sales-yet-unilever-profit-rises-17-629098>

EMERALDOIL | Emerald Oil's new husk boiler to run from 11 May

- Emerald Oil Industries – the producer of an almost forgotten rice-bran Spondon branded oil – is going to start a new husk boiler and extend its existing refining capacity. The company, whose share price witnessed a big jump in recent times, made the announcement on the Dhaka Stock Exchange (DSE) website on Tuesday. According to the disclosure, the new boiler will be started from 11 May and will run 24 hours daily without interruption.
- In 2021, Minori Bangladesh, a subsidiary of Japanese farming company Minori Co Limited got the stock market regulator's nod to bring the company back into production by investing more than BDT 400 Mn. The new owner invested over BDT 310 Mn and resumed production in January last year.

<https://www.tbsnews.net/economy/stocks/emerald-oils-new-husk-boiler-run-11-may-629106>

FIRSTSBANK | First Security Islami Bank's sponsor to sell his entire holding

- Abu Hena Mostafa Kamal, who is a sponsor of the First Security Islami Bank, has expressed his intention to sell his entire holding in the bank. According to a filing on the Dhaka Stock Exchange (DSE) on Tuesday, at present, the sponsor holds 2,425,500 shares of the bank out of the total 1.046 Bn shares. As per the disclosure, he will sell his entire holding of the bank at the prevailing market price in the block market through the Chittagong Stock Exchange (CSE) within the next 30 working days.

<https://www.tbsnews.net/economy/stocks/first-security-islami-banks-sponsor-sell-his-entire-holding-629122>

IPDC | IPDC Finance's profit plunges 93% in Q1

- IPDC Finance Limited reported a 93% year-on-year fall in profit to BDT 14.8 Mn in the first quarter of the current financial year. The non-bank financial institution made BDT 222.6 Mn profit in January-March of 2022. So, IPDC Finance's earnings per share plummeted to BDT0.04 in the first three months of 2023 from BDT 0.60 posted in the same period of 2022, according to a filing on the Dhaka Stock Exchange. The net operating cash flow per share stood at BDT 13.25 negative in January-March against BDT 13.28 negative in the identical period last year.

<https://www.thedailystar.net/business/economy/news/ipdc-finance-profit-plunges-93-q1-3315706>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 73.48	(USD 1.73)	-2.30%
Crude Oil (Brent)*	USD 77.24	(USD 0.54)	-0.69%
Gold Spot*	USD 2,036.24	USD 262.09	14.77%
DSEX	6,273.60	66.60	1.07%
S&P 500	4,119.17	279.67	7.28%
FTSE 100	7,764.09	312.35	4.19%
BSE SENSEX	61,761.33	920.59	1.51%
KSE-100	41,373.81	953.36	2.36%
CSEALL	8,914.74	412.25	4.85%

Exchange Rates**1 US Dollar = 108.18 BDT****1 GBP = 136.60 BDT****1 Euro = 118.66 BDT****1 INR = 1.32 BDT**

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