

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:**9 foreign cos willing to invest BDT 62.5 Bn in farm mechanization**

- Nine foreign companies have expressed interest in investing around BDT 62.5 Bn in manufacturing farm machinery in Bangladesh, a move experts say will contribute to agricultural modernisation and economic growth. These companies have already submitted proposals to the Bangladesh Investment Development Authority (Bida) and applied to the Office of the Registrar of Joint Stock Companies and Firms (RJSC) for permission to start operations in the country.
- According to RJSC sources, four Chinese companies are willing to invest BDT 7 Bn, BDT 12 Bn, BDT 10 Bn, and BDT 6 Bn, respectively. Two Japanese companies intend to invest BDT 8 Bn and BDT 3.5 Bn, while two Korean companies BDT 5.5 Bn and BDT 6.5 Bn each. Additionally, a Taiwanese company is looking to invest BDT 4 Bn.

<https://www.tbsnews.net/economy/9-foreign-cos-willing-invest-tk6250cr-farm-mechanisation-647706>

Cotton consumption to rebound

- Cotton consumption in Bangladesh will grow in the marketing year of 2023-24 on the back of a rebound in work orders from international clothing retailers and brands, according to the United States Department of Agriculture (USDA). Local mills may use 8.1 Mn bales of cotton in the next marketing year, starting in August, up 1.25% from 8 Mn bales projected by the US agency last month. The predicted increase is 11% higher than Bangladesh's domestic use of 7.3% bales in the 2022-23 marketing year, said the agency in its report styled "Cotton: World Markets and Trade".
- The report was published on June 9. According to the USDA, global consumption increased by 800,000 bales to 117 Mn bales in June compared to the same month a year before. Each bale weighs about 480 pounds. This growth was led by stronger consumption prospects in Bangladesh, Vietnam, Indonesia, Turkey, and Pakistan. However, consumption is projected to decrease by 500,000 bales to 109.1 Mn bales in June due to lower usage in Bangladesh, Indonesia and the US.

<https://www.thedailystar.net/business/economy/news/cotton-consumption-rebound-3342961>

Responsible Business Hub begins journey to strengthen human rights in RMG

- The Responsible Business Hub has started its journey with an aim to strengthen human rights and environmental due diligence in the readymade garments industry of Bangladesh. The hub, set up by BGMEA and BKMEA with the support of the German development agency GIZ, will serve as an information centre, raising awareness and providing guidance to manufacturers on the standards and requirements of human rights and environmental due diligence. At the launching event on Sunday, apparel manufacturers and labour leaders urged buyers to practise ethical buying practices in their supply chain.

<https://www.tbsnews.net/economy/rmg/responsible-business-hub-begins-journey-strengthen-human-rights-rmg-647986>

Investment of undisclosed funds in land, real estate to be allowed sans quizzing

- The Income Tax Bill-2023, which was placed in the parliament on June 8, has provided for legalising undisclosed income by investing in land as well as residential and commercial building structures. The investors will have to pay taxes at specific rates to formalise their money, however, without facing any question by the taxmen on the source. The opportunity is applicable only for the undisclosed money earned through legal means.
- Currently, the amnesty to such income and its investment is applicable for only residential house properties at the area-based tax rates fixed by the taxmen. However, the taxmen would levy 100% tax in case of detection of any previous proceedings relating to tax evasion. The existing provision on voluntary disclosure of such income by paying 10% tax in addition to normal tax rate was also kept unchanged in the new law.

<https://thefinancialexpress.com.bd/economy/bangladesh/investment-of-undisclosed-funds-in-land-real-estate-to-be-allowed-sans-quizzing>

BBS to release socioeconomic data by Oct

- The Bangladesh Bureau of Statistics (BBS) is expected to release its district-wise socioeconomic and demographic survey's estimates with 195 indicators by the end of October this year, according to a high official of the planning ministry. The state-run statistical agency is now conducting its survey on 0.3 Mn households across the country. It began on June 1 and will end by June 15.
- "The country will get around 195 types of social, economic, migratory and demographic information of the country's citizens," said Md Dilder Hossain, director of the survey project. "It will provide us the district-wise households' elaborate estimate data, which we could not aggregate in the national Population and Housing Census 2022," he said.

<https://www.thedailystar.net/business/economy/news/bbs-release-socioeconomic-data-oct-3342806>

Depositors to get double compensation

- A Bank Deposit Insurance Bill (Amendment) 2023 was placed in parliament yesterday aiming to double the amount of compensation for depositors. Finance Minister AHM Mustafa Kamal placed the bill, which was sent to the parliamentary standing committee on the finance ministry for further scrutiny. In Bangladesh, deposit insurance was introduced in August 1984 while the amount of insurance coverage was BDT 60,000, which was later increased to BDT 1,00,000. The amended law proposed to increase this compensation to BDT 2,00,000.

<https://www.thedailystar.net/business/economy/news/depositors-get-double-compensation-3343736>

Duty hike to make cement costlier, burden building costs

- The duty structure proposed in the new budget is supposed to add BDT 15 to the cost of production of cement per bag, but manufacturers mull a BDT 30- BDT 50 hike per bag at retail level, which will further increase the construction cost at all levels. In the proposed budget for the fiscal 2023-24, import duty on clinker, the primary raw material for cement, has been raised to BDT 700 per tonne from the earlier BDT 500. Besides, the new budget proposes increasing the specific rate of duty from BDT 750 to BDT 950 for commercial importers.
- Once the cement made from the new clinker supply comes to the market, the cost of production would go up and cement prices may shoot up to as high as BDT 580 per bag at the retail level from BDT 550 now depending on various brands, factory owners and dealers have hinted. This situation will make the lives of contractors miserable as they have been awarded projects prior to the increase in cement prices, as reported by contractors.

<https://www.tbsnews.net/economy/duty-hike-make-cement-costlier-burden-building-costs-648018>

Govt borrows BDT 130 Bn from banks in May, highest in a month

- The government borrowed BDT 130.15 Bn from banks in May alone, which is significantly higher compared to just BDT 76.63 Bn borrowed in the previous 10 months combined. In the same month, the government repaid BDT 27.83 Bn to the Bangladesh Bank, according to data from the central bank. At the end of May, its borrowing from the central bank stood at BDT 716.10 Bn, compared to BDT 21.46 Bn at the same time last fiscal year.
- Bankers said inflation is rising due to soaring import costs, and the situation is exacerbated by the government's borrowing from the banking system to meet its budget deficit. The government's revenue collection target for the fiscal 2022-23 was BDT 3.70 Tn. However, in the first 10 months, the revenue collection stood at BDT 2.50 Tn, which is only 67% of the target.

<https://www.tbsnews.net/node/648002>

BB may continue contractionary monetary policy to curb inflation

- Bangladesh Bank would continue with its existing contractionary monetary policy stance (MPS) for an extended period to contain inflation that has already surpassed the annual target, hitting hard the lower-and middle-income brackets of people. Its latest Monetary Policy Review 2022-23 dropped the hint, observing that the stubbornly-high inflation in the economy raises concerns about 'unanchored inflation expectations'.
- According to the review, the BB needs to proactively exercise caution and vigilance to anchor inflation expectations and limit the second-round effects of inflation. The sharp depreciation of the exchange rate and high production and transportation costs kept domestic inflation elevated amid improvements in the supply situation and declining global commodity prices, it noted. The economy's future trajectory will depend on improving the country's balance of payments position while the current account deficit has significantly reduced, sustained improvement in the current account balance will require increased exports and remittance inflows.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-may-continue-contractionary-monetary-policy-to-curb-inflation>

Fisheries smart city in Chakaria on cards to boost blue economy

- The government has planned to develop a smart city for fisheries in Chakaria Upazila of Cox's Bazar to tap the potential of the blue economy through marine fisheries. The Fisheries and Livestock Minister SM Rezaul Karim said at a roundtable on Sunday the department has developed a smart vessel management system for ensuring good governance in marine fishing.

<https://www.tbsnews.net/economy/fisheries-smart-city-chakaria-cards-boost-blue-economy-647850>

Cattle farmers unsatisfied with sales ahead of Eid

- Sales of sacrificial animals have yet to reach levels deemed satisfactory to farmers ahead of the upcoming Eid-ul-Azha, raising concerns of further losses for those rearing them in Pabna and Sirajganj. Farmers in the greater Rajshahi region saw their sales hit almost zero during the pandemic, when cattle markets centring Eid-ul-Azha were shut to prevent the contagion from spreading. Now, their hopes of registering good sales this year has also been thrown in doubt as higher prices for sacrificial animals are discouraging traders from making advance bookings.
- Farmers say the price of sacrificial animals has increased due to substantial increases in maintenance and feed costs amidst the ongoing economic crises resulting from the Russia-Ukraine war and US dollar shortage. Although the Department of Livestock Services (DLS) is yet to prepare a final tally on the number of sacrificial animals ready for sale this Eid, the fisheries and livestock ministry put the preliminary figure at 12.5 Mn.

<https://www.thedailystar.net/business/economy/news/cattle-farmers-unsatisfied-sales-ahead-eid-3343721>

Tax rebate scope for investment in mutual funds narrows

- The draft Income Tax Bill 2023 has delivered bad news for big investors of mutual funds though it has retained all benefits for stock investors, including the capital gains tax. The new law proposed that investments up to BDT 0.5 Mn in any government securities, units of mutual funds, and exchange-traded funds will get a tax rebate. As a result, investors will be discouraged to park funds in mutual funds since they will not be eligible for the rebate if the investment crosses BDT 0.5 Mn, said a top official of an asset management company. The proposed law says the statutory regulatory orders that don't contradict the bill will remain in effect. This means the capital gains tax, which was waived by an SRO in 2015, will remain in force.

<https://www.thedailystar.net/business/economy/news/tax-rebate-scope-investment-mutual-funds-narrows-3343741>

Stocks:**RDFOOD | Rangpur Dairy & Food to buy 203 decimal land**

- The Rangpur Dairy & Food Products – a manufacturer of dairy and non-dairy products using milk in the country – has decided to purchase 203 decimals of land in Rangpur for expansion of its factory. According to a disclosure published on the stock exchanges on Sunday, it said the land will be used for expansion of factory area and construction of building in near future.

<https://www.tbsnews.net/economy/stocks/rangpur-dairy-food-buy-203-decimal-land-647546>

PROGRESLIF | IDRA appoints observer to Progressive Life Insurance board

- In a move aimed at protecting the interests of policyholders and ensuring good governance, the Insurance Development and Regulatory Authority (IDRA) has appointed an observer to the board of Progressive Life Insurance Company. This decision comes in response to a growing number of complaints filed by policyholders with the IDRA regarding the untimely settlement of insurance claims by Progressive Life Insurance Company Ltd.

<https://www.tbsnews.net/economy/stocks/idra-appoints-observer-progressive-life-insurance-board-647562>

NAVANAPHAR | Navana Pharma to issue BDT 1.5 Bn bond for loan repayment

- Navana Pharmaceuticals is going to issue a BDT 1.5 Bn bond, for a maturity period of five years, to repay its existing bank loans. Following a board meeting on Sunday, the drug maker in a price sensitive information disclosure on the Dhaka Stock Exchange (DSE) website, said the proposed bond would be partially convertible. The bond will be privately placed among investors and they would receive interests twice a year. As of 31 March, Navana Pharmaceuticals has a bank liability of BDT 3.3 Bn.

<https://www.tbsnews.net/economy/stocks/navana-pharma-issue-tk150cr-bond-loan-repayment-647978>

LRBDL | Lub-rref struggling to pay declared cash dividend

- Lub-rref (Bangladesh) Ltd, a lubricant producer under the BNO brand, is struggling to pay the recommended 10% cash dividend for the fiscal year 2021-22 due to a shortage of liquidity. So far, the company has managed to pay the dividend to 50% of the eligible shareholders. The crisis has arisen due to injecting excess funds for raw materials import for the company's operations. From January to March quarter 2023, the net profit of the company stood at BDT 67.4 Mn, which was BDT 57.6 Mn in the same period of the previous year. Its revenue came down 8% to BDT 337.5 Mn from BDT 365.6 Mn compared to one year ago. Lub-rref is the lubricant recycling pioneer in the country that went public in 2021.

<https://www.tbsnews.net/economy/stocks/lub-rref-struggling-pay-declared-cash-dividend-647554>

EXCHANGE | Listed cos to be penalised on failing to transfer unclaimed dividends to Stabilisation Fund

The Bangladesh Securities and Exchange Commission (BSEC) is going to amend the listing regulations where the listed firms will be penalised with a monthly 2.5% surcharge in case they fail to transfer undistributed dividends to the Capital Market Stabilisation Fund (CMSF) timely. According to the BSEC, the surcharge will be imposed on the listed firms that fail to transfer the investors' unclaimed dividends to the CMSF within three fiscal years. The penalty will be charged on non-refunded public subscription money against their initial public offering (IPO) funds and all the accrued interests.

<https://www.tbsnews.net/economy/stocks/listed-cos-be-penalised-failing-transfer-unclaimed-dividends-stabilisation-fund>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 69.84	(USD 5.37)	-7.14%
Crude Oil (Brent)*	USD 74.41	(USD 3.37)	-4.33%
Gold Spot*	USD 1,958.90	USD 184.75	10.41%
DSEX	6,341.58	134.58	2.17%
S&P 500	4,298.86	459.36	11.96%
FTSE 100	7,562.36	110.62	1.48%
BSE SENSEX	62,625.63	1,784.89	2.93%
KSE-100	41,904.86	1,484.41	3.67%
CSEALL	8,818.39	315.90	3.72%

Exchange Rates**1 US Dollar = 108.26 BDT****1 GBP = 136.13 BDT****1 Euro = 116.32 BDT****1 INR = 1.31 BDT**

IMPORTANT DISCLOSURES

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