

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:**75% cashless transactions by 2027: Governor**

- Bangladesh Bank Governor Abdur Rauf Talukdar said that efforts will be made so that 75% of the country's transactions go cashless within the next four years. Cashless transactions would contribute to the growth of economic activities, the governor said at a MoU signing ceremony at the Bangladesh Bank conference room Sunday (12 February).
- Under this MoU with the Bangladesh Investment Development Authority (BIDA), four banks including the central bank, Agrani Bank, Commercial Bank of Ceylon and Mutual Trust Bank will provide banking services through its One Stop Service.

<https://www.tbsnews.net/economy/75-cashless-transactions-2027-governor-584134>

Bankers propose corporate tax cut to 30% for listed banks

- The Bangladesh Association of Banks (BAB) has urged the National Board of Revenue (NBR) to reduce the corporate tax rate by 7.5% from the existing 37.5%, especially for the banks that are listed in the stock market.
- The bankers' association put forward the proposal in a pre-budget discussion, organised by the NBR in the capital's Agargaon on Sunday. The written proposal, signed by BAB Chairman Md Nazrul Islam Mazumder, reads, "Considering the current business situation, we strongly urge that the existing tax rate be reduced from 37.5% to 30%, especially for the listed banking companies."

<https://www.tbsnews.net/nbr/bankers-propose-corporate-tax-cut-30-listed-banks-584250>

Good news for Bangladesh RMG as Western brands reopen business in Russia

- Western brands reopening businesses under new names in Russian markets have spelled optimism and opportunities for Bangladesh apparel exporters. Many foreign brands are importing goods for the Russian market through other countries – Turkey, UAE and Singapore – industry insiders said. According to a Swiss study, despite widespread outrage over Moscow's war in Ukraine, few Western companies deserted the country, the AFP reports.

<https://www.tbsnews.net/economy/rmg/good-news-bangladesh-rmg-western-brands-reopen-business-russia-583938>

Allow black money investments in stocks: CSE, BMBA

- The Chittagong Stock Exchange and the Bangladesh Merchant Bankers Association (BMBA) on Sunday called for allowing investments of undisclosed money in the country's capital market with a 5% tax payment. In a pre-budget discussion organised by the National Board of Revenue (NBR) on Sunday, the market stakeholders said that no question could be raised if such an opportunity was given to investors.
- They also proposed to increase the difference in the corporate tax rates between the listed and unlisted companies from 7.5% at present in the budget for fiscal 2023-24. The Dhaka Stock Exchange (DSE) and the BMBA proposed to increase the tax rate difference to 12.5% and 15%, respectively.

<https://www.tbsnews.net/economy/stocks/allow-black-money-investments-stocks-cse-bmba-584206>

Private sector's foreign debt down by over USD 1 Bn

- The private sector's foreign debt decreased by 4.3%, or more than USD 1 Bn, in the second quarter of the current fiscal year following Bangladesh Bank's strict measures to control imports. By the end of December 2022, the country's total private sector foreign debt amounted to USD 24.1 Bn while it was USD 25.4 Bn earlier in September.

<https://www.thedailystar.net/business/economy/news/private-sectors-foreign-debt-down-over-1b-3246241>

Efficacy of tax exemptions should be analysed

- The effectiveness of the tax exemptions needs to be analysed in order to find their usefulness, said Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue (NBR) yesterday. He was speaking at a pre-budget discussion with the Economic Reporters Forum (ERF) at the NBR premises in the capital's Agargaon. His comments came after the ERF called for an assessment of the tax exemptions provided by the government, outlining the benefits they bring to the economy.

<https://www.thedailystar.net/business/economy/news/efficacy-tax-exemptions-should-be-analysed-3246166>

Morgan Stanley's "special treatment" for Bangladesh sends out warning against illiquidity of assets

- Global investment research firm Morgan Stanley Capital International (MSCI) in its latest quarterly review decided to bring no change in measuring Bangladeshi stocks' performance in its frontier markets index due to "the deterioration of liquidity" in the equity market. MSCI provides investors with data and analytics in helping them make investment decisions. It is well known for benchmark indexes, such as MSCI emerging markets index and MSCI frontier markets index.
- A couple of leading market operators told The Financial Express that the decision by MSCI would lead to a further drying up of foreign investments in Bangladesh's stock market and would discourage new investors from entering it as they rely on MSCI indexes to make allocations for different markets.

<https://thefinancialexpress.com.bd/stock/morgan-stanleys-special-treatment-for-bangladesh-sends-out-warning-against-illiquidity-of-assets-1676169973>

Gas, power crises to hit investments: BTMA

- Uncertainties loom large over potential investments worth BDT 1,000 Bn in the country's primary textile sector due to gas and electricity crises, textile millers said. At a press conference at the Sonargaon Hotel in the capital Dhaka on Sunday, the Bangladesh Textile Mills Association said that the government increased the price of gas with the aim of ensuring uninterrupted supply to the industry, but the situation was yet to improve.
- 'There are potential investments worth BDT 1,000 Bn in the textile sector, but there is doubt whether the potential investments will take place without ensuring uninterrupted supply of quality gas and electricity,' BTMA president Mohammad Ali Khokon said at the press conference.
- He said that investments worth USD 6.06 Bn and USD 4.14 Bn were made in 2021 and 2022 respectively in Bangladesh textile sector and the amount might increase if the government could have ensured required infrastructure and energy.

<https://www.newagebd.net/article/194271/gas-power-crises-to-hit-investments-btma>

Per capita external debt doubles in 7 years

- The country's per capita external debt currently stands at more than double from what was seven years ago as both public and private sector foreign loans have seen an increase by this time. According to Bangladesh Bank statistics, in 2021-2022, per capita foreign debt was USD 558 which was USD 482 in the previous fiscal year. On the other hand, in fiscal year 2015-2016, the country's per capita foreign debt was USD 257.
- A finance ministry official said over more than a decade now the government has been implementing several mega projects under foreign financing including the Rooppur power plant, Dhaka metro rail, Matarbari deep sea port and power plant, and Karnaphuli tunnel.

<https://www.thedailystar.net/business/economy/news/capita-external-debt-doubles-7-years-3246231>

Stocks:**EXCHANGE | Listed firms must upload additional info to ease investment decision-making**

- Alongside publishing all the price sensitive information (PSI) in due procedure, listed firms will also have to publish the material information (MI) in their websites to help investors make informed investment decisions, the Bangladesh Securities and Exchange Commission (BSEC) said in the amended rules for insider trading prohibition.
- Within three months of the new rules' enactment, every issuer of listed shares and other securities or asset manager of funds must prepare and publish their own "Principles on Disclosure of Material Information and Price Sensitive Information" so that investors can learn about the types and extents of information they are entitled to avail.

<https://www.tbsnews.net/economy/stocks/listed-firms-must-upload-additional-info-ease-investment-decision-making-584266>

WALTONHIL | Walton wins Superbrands Award

- Multinational electronics brand Walton won Superbrands Award by London-based Superbrands Worldwide, a global arbiter for brands operating in 90 countries. The company has achieved the award in electronics and home appliances category for 2023-2024, said a press release. Earlier, Walton received the award for 2020-2021. Superbrands announced the name of Walton along with other 40 brands as Superbrands for 2023-2024.

<https://www.thedailystar.net/business/economy/news/walton-wins-superbrands-award-3246176>

CITYBANK | City Bank, SBK Tech Ventures to finance startups

- City Bank and SBK Tech Ventures recently signed a memorandum of understanding (MoU) over financing for startups. Md Ashanur Rahman, chief economist and country business manager of City Bank, and Sonia Bashir Kabir, managing director of SBK Tech Ventures, signed the deal at the former's head office in Gulshan, said a press release.

<https://www.thedailystar.net/business/economy/news/city-bank-sbk-tech-ventures-finance-startups-3246186>

EXCHANGE | Despite recognition as 'Superbrands', seven companies bear no effect on share price

- The UK based Superbrands Limited's concern "Superbrands Bangladesh" has awarded 40 companies under various categories at an event on Saturday (11 February), of which seven companies are listed on the stock exchanges. The companies are – Green Delta Insurance, Energypac, Bashundhara Paper, Monno Ceramics, Matin Spinning- a concern of DBL Group, Walton and Singer. The share price for Singer, Walton, Matin Spinning and Energypac remained unchanged on Sunday.

<https://www.tbsnews.net/economy/stocks/despite-recognition-superbrands-seven-companies-bear-no-effect-share-price-584162>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 79.05	USD 3.84	5.11%
Crude Oil (Brent)*	USD 85.70	USD 7.92	10.18%
Gold Spot*	USD 1,861.93	USD 87.78	4.95%
DSEX	6,256.16	49.16	0.79%
S&P 500	4,090.46	250.96	6.54%
FTSE 100	7,882.45	430.71	5.78%
BSE SENSEX	60,682.70	-158.04	-0.26%
KSE-100	41,741.78	1,321.33	3.27%
CSEALL	8,938.48	435.99	5.13%

Exchange Rates**1 US Dollar = 104.67 BDT****1 GBP = 126.12 BDT****1 Euro = 111.66 BDT****1 INR = 1.27 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
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
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
Md. Tanvir Ahmed	Research Associate	mtanvir.ahmed@bracepl.com	01708 805 201
Syed Tawsifuzzaman	Research Associate	s.tawsifuzzaman@bracepl.com	01708 805 202

International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	bappi@bracepl.com	01730 357 991
----------------------	-------------------------	--	---------------