

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:**Saudi firm to set up USD 100 Mn data centre in Kaliakoir**

- Data centre manufacturing and power generation firm DataVolt of Saudi Arabia has unveiled plans to invest USD 100 Mn (around BDT 10.98 Bn) to establish a cutting-edge data centre in Bangladesh. DataVolt Chief Strategy Officer Ayad Al Amri made the announcement during a bilateral meeting with Zunaid Ahmed Palak, state minister for ICT, at Renaissance Dhaka Gulshan Hotel yesterday. Founded this year, Riyadh-based DataVolt is a subsidiary of Vision Invest, a Saudi Arabian development and investment holding company focused on critical infrastructure.

<https://www.thedailystar.net/business/economy/news/saudi-firm-set-100m-data-centre-kaliakoir-3417431>

Bangladesh to get USD 1 Bn from global climate fund: PM

- Bangladesh is set to receive USD 1 Bn financing from the global climate fund, said Prime Minister Sheikh Hasina at the Executive Committee of the National Economic Council (Ecneec) meeting on Tuesday. She directed the Ministry of Environment, Forest and Climate Change to frame projects in coordination with the Delta Plan to avail the fund.
- Planning Minister MA Mannan said the issue of availing USD 1 Bn financing from the climate fund was discussed recently between French President Emmanuel Macron and Prime Minister Sheikh Hasina. He also said the amount will not be provided in a single instalment. Bangladesh will receive this assistance on a project-by-project basis, with individual projects ranging from USD 20 Mn to USD 200 Mn.

<https://www.tbsnews.net/bangladesh/pm-devising-dev-projects-line-delta-plan-avail-financing-climate-fund-699230>

Bangladesh receives BDT 40.38 Bn remittance in first week of September

- Bangladesh received BDT 40.38 Bn (USD 368.87 Mn) in remittances during the first week of the current month, according to a recent Bangladesh Bank (BB) report. Of the USD 368.87 Mn, USD 32.08 Mn came through state-owned banks, USD 329.12 Mn via private banks, and 1.76 Mn through foreign banks. In June of this year, Bangladesh received USD 2.2 Bn in remittances, marking the highest foreign income for a single month in the last three years.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-receives-tk-4038b-remittance-in-first-week-of-september>

Chinese assistance sought in infrastructure development

- Politicians and policymakers have sought China's assistance in technology transfer and human resource development in Bangladesh, in addition to loan assistance for infrastructure development. Despite the government implementing a remarkable number of mega projects in recent years, Bangladesh is still facing an infrastructure deficit, Planning Minister MA Mannan said at the "10th Anniversary of the Belt and Road Initiative" arranged by the Bangladesh China Silk Road Forum at a hotel in the capital yesterday.

<https://www.tbsnews.net/economy/chinese-assistance-sought-infrastructure-development-699462>

Shipbuilders get more time to regularise defaulted loans

- Shipbuilders have been granted another two and a half months or so to reschedule their defaulted loans through a 2.5% down payment, according to a Bangladesh Bank (BB) notice yesterday. The move comes a couple of days ahead of the expiry of a 90-day deadline set by the central bank in this regard in June. In the June circular, the BB offered rescheduling the loans for a period of 10 years. The central bank's measure comes against the backdrop of some banks putting up some shipbuilding and ship recycling yards for auction to recover loans.

<https://www.thedailystar.net/business/economy/news/shipbuilders-get-more-time-regularise-defaulted-loans-3417446>

If Bangladesh falls into 'middle-income trap, it can't become developed nation by 2041: Salman F Rahman

- Highlighting tremendous success achieved over the last 15 years, Prime Minister's Adviser Salman F Rahman on Tuesday said at a report launching ceremony at a city hotel "If we fall into the middle-income trap, we will not be able to achieve our goal of becoming a developed nation by 2041".
- According to report, Bangladesh needs to modernize its policy approach and it identified five priorities for policy reforms: fostering innovation, managing openness and regional integration, institutional streamlining and modernization of cutting red-tape, and updating the regulatory framework.

<https://www.thedailystar.net/business/economy/news/if-bangladesh-falls-middle-income-trap-it-cant-become-developed-nation-2041-salman-f-rahman-3416986>

Growth relies on better public service, productivity

- Bangladesh needs to provide quality public goods and services, raise productivity and adapt to technological advancement-induced challenges to maintain its growth towards its aim to become an upper-middle-income country, said an economist working for the British government yesterday. Soon to make the status graduation from a least-developed country (LDC), Bangladesh will face a new set of challenges, said Professor Adnan Khan, chief economist and director for Economics and Evaluation Directorate at the Foreign, Commonwealth & Development Office.

<https://www.thedailystar.net/business/economy/news/growth-relies-better-public-service-productivity-3417426>

Bangladesh aligning accounting framework with global standards

- Bangladesh has been making significant strides in aligning its accounting framework with international standards, which is making it easier for investors to understand and engage with public authorities. Experts made the comment at a webinar jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and the Financial Reporting Council (FRC) on Sunday. FRC Bangladesh recently developed guidance and framework for various public enterprises (PEs) and statutory public authorities (SPAs), including local authorities.

<https://www.thedailystar.net/business/economy/news/bangladesh-aligning-accounting-framework-global-standards-3417316>

Deferred LCs hit record USD 1 Bn in July as banks lack dollar

- As the dollar crisis continues, banks are opening more and more LCs on terms of deferred payments. The importers who are now forced to opt for deferred payments for the dollar crisis are counting hefty extra costs for the facility, and yet this is the best option available to them if they have to keep their business running.
- A senior executive of the Bangladesh Bank said, "Deferred payment is an immediate caution for reserve. There is a possibility of reducing the global interest rate in the next six months which will help importers to reduce cost by delaying payment."

<https://www.tbsnews.net/economy/banking/deferred-lcs-hit-record-1b-july-banks-lack-dollar-699490>

Financial acc deficit widens by USD 829 Mn in July despite narrowing trade deficit

- The country's year-on-year trade deficit narrowed by around USD 1.46 Bn in July as exports grew amid restrained imports, but the financial account deficit widened by USD 829 Mn in that month due to fewer foreign loans and investments, according to Bangladesh Bank's monthly balance of payments data.
- The country's trade deficit declined by 48.8% in FY23 to end with a deficit of USD 17.16 Bn, which was USD 33.25 Bn at the end of FY22, data shows. Bankers said the overall trade deficit came down as export earnings saw a slight boost amid decreasing imports for the last one and a half years due to the dollar crisis and various restrictions imposed by the government.

<https://www.tbsnews.net/economy/financial-acc-deficit-widens-829m-july-despite-narrowing-trade-deficit-699482>

BB feeding funds to banks thru repo, liquidity support, IBLF

- Funds are being funneled into the banking system through increased credits under repo, liquidity support and IBLF in the regulator's bid to stem call-money-rate overshooting, sources say. Economists, as such, raise alarm about inflation spikes as Bangladesh Bank's liquidity support to the commercial banks continues rising to a large extent that helps the central bank to keep the interbank call-money rate under the policy rate.
- According to statistics of Bangladesh Bank, the central bank provided liquidity support amounting to BDT 633.47 Bn to the banks in June 2023. The figure more than doubled to BDT 1.28 Tn in the following month. The upward trend in handing out credit facility to the banks continues as the monthly entire volume of the liquidity supports reached BDT 1.33 Tn in August 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-feeding-funds-to-banks-thru-repo-liquidity-support-iblf>

Digital dilemmas complicate online reg for e-commerce startups

- Digital Business Identification (DBID) has yet to pay off by way of disciplining Bangladesh's anomalous e-commerce operations as a year elapsed sans outcome of the government's legal move. The government has made registration mandatory for e-commerce businesses without setting forth any legal obligation for start-ups to obtain the registration, sources say.
- Entrepreneurs need to enter a dedicated website to apply for DBID following 'Digital Business Identification Registration Guidelines' under the 'National Digital Commerce Policy 2020'. However, ecommerce business insiders say volumes of rejection of applications have been discouraging entrepreneurs from coming up in business in the worldwide fastest-growing economic sector.

<https://thefinancialexpress.com.bd/economy/bangladesh/digital-dilemmas-complicate-online-reg-for-e-commerce-startups>

Janata's great leniency to an errant client

- Troubled state-run lender Janata Bank continues to be overly lenient towards AnonTex Group, one of its five large borrowers, despite negligible loan recovery in 13 years from the garment manufacturer. At the 746th meeting of the board of directors of Janata Bank that was held on November 28 last year, a BDT 33.59 Bn interest waiver was extended to AnonTex on the condition that it pay back the principal amount within June 15 this year. Otherwise, the loans will be shown classified, according to the meeting minutes.

<https://www.thedailystar.net/business/economy/banks/news/janatas-great-leniency-errant-client-3417221>

4-year BSCIC project now entering 14th year

- A four-year industrial park project undertaken by the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Sirajganj will enter its 14th year of construction due to delays in land acquisition and difficulties in obtaining approval from relevant ministries.
- The Executive Committee of the National Economic Council (EcneC) yesterday approved the project for the fourth time without increasing costs. Previously, the project cost had risen three times during revisions. However, the Implementation Monitoring and Evaluation Division (IMED) asked to complete all remaining works by 2024 and recommended not to extend the deadline further.

<https://www.thedailystar.net/business/economy/news/4-year-bscic-project-now-entering-14th-year-3417311>

Stocks:**BDLAMPS | Bangladesh Lamps to make plastic parts for tube lights**

- Bangladesh Lamps is going to set up a production line to manufacture plastic parts for tube lights, said the company today. The production line will be established with an investment of BDT 11.1 Mn at its existing factory in Narsingdi's Shibpur. The cost of the project will be met through bank borrowing, said Bangladesh Lamps in a disclosure on the Dhaka Stock Exchange. Shares of Bangladesh Lamps remained unchanged at BDT 252.20 at 1 pm at the DSE today.

<https://www.thedailystar.net/business/news/bangladesh-lamps-make-plastic-parts-tube-lights-3416946>

IFIC | IFIC Bank gets new DMD

- IFIC Bank PLC has recently promoted a senior executive vice-president to the post of deputy managing director (DMD). The official, Md Rafiqul Islam, will also serve as head of branch business of the bank concurrently. Islam joined IFIC Bank in 2014.

<https://www.thedailystar.net/business/economy/banks/news/ific-bank-gets-new-dmd-3417376>

BEXIMCO | Japan's ITOCHU enters Bangladesh with bags

- Japanese trading company ITOCHU Corporation is set to enter the Bangladesh market by offering bags of its OUTDOOR PRODUCTS brand through YELLOW, a fashion and lifestyle brand of Beximco Group. ITOCHU Corporation is engaged in trading textile, machinery, metals, minerals, energy, chemicals, food, general products, real estate, information and communications technology, and finance alongside business investments in Japan and overseas. Established over 160 years ago, the company now has approximately 90 bases in 61 countries.

<https://www.thedailystar.net/business/economy/news/japans-itochu-enters-bangladesh-bags-3417421>

PRIMEBANK | Prime Bank to provide digital solutions to subsidiary

- Prime Bank signed an agreement with Prime Bank Securities Limited (PBSL) recently to provide automated banking solutions through its digital platform PrimePay. Under the agreement, systems will be integrated to show client collections and deposits in portfolios in real time along with unique identifiers. The PBSL will be able to honour client withdrawal requests on time, make instant fund transfers to beneficiary accounts with Prime Bank and initiate bulk disbursements for any service.

<https://www.thedailystar.net/business/economy/banks/news/prime-bank-provide-digital-solutions-subsidiary-3417381>

BXPHARMA | Beximco Pharma faces EU export restrictions on ophthalmic plant's design concerns

- Beximco Pharmaceuticals faces a ban on export of eye drops for glaucoma to the European market over concerns tied to the manufacturing plant in Bangladesh. A US-based news organisation -- Endpoints News ---published a report on Friday on the outcome of the inspection. Endpoints News is specialised in global biotech and pharmaceutical news. Endpoints News also says the facility's good manufacturing procedure (GMP) certificate will be withdrawn nearly two and a half years after it was issued to Beximco Pharma.

<https://thefinancialexpress.com.bd/stock/bangladesh/beximco-pharma-faces-eu-export-restrictions-on-ophthalmic-plants-design-concerns>

LEGACYFOOT | Legacy Footwear issues new shares at 11x lower rate than market price

- Legacy Footwear has issued 30 Mn shares priced at BDT 10 each to three existing sponsors and directors and 14 other investors. As per the current value, the price of Legacy Footwear's 30 Mn shares is BDT 3.405 Bn, but the newly issued shares fetched only BDT 300 Mn.
- Market insiders have alleged that general investors were deprived of the newly issued shares due to the securities regulator's approval for private placement of these shares, and as a result they might not get their expected return and lose confidence in the capital market.

<https://www.tbsnews.net/economy/stocks/legacy-footwear-issues-new-shares-11x-lower-rate-market-price-699466>

EASTERNINS | Commercial Bank of Ceylon allowed to seize Eastern Insurance directors' shares

- The Dhaka Stock Exchange (DSE) has allowed the Commercial Bank of Ceylon to confiscate 7,53,900 shares of three directors of Eastern Insurance Company Limited for defaulting on a BDT 50 Mn loan. Earlier, Umme Kulsum Mannan, a sponsor-director of Eastern Insurance, Sunman Sweaters, director, and Alfa Textiles, a public shareholder director had taken the loan in lien of the said shares. The shares shall be transferred to the bank within 30 working days outside of the DSE trading system, according to a disclosure on Tuesday.

<https://www.tbsnews.net/economy/stocks/commercial-bank-ceylon-allowed-seize-eastern-insurance-directors-shares-699478>

DHAKABANK | Mirza Abbas to gift 13 Mn Dhaka Bank shares to his son

- Mirza Abbas Uddin Ahmed, a standing committee member of the BNP and a co-founder of Dhaka Bank, has announced his intention to gift 13 Mn shares of the bank to his son. The share transfer procedure will be executed outside the trading platform of the stock exchange within the next 30 days, according to a disclosure on the Dhaka Stock Exchange.
- According to data from Dhaka Bank, Mirza Abbas holds 6.16% of the private sector lender. His son Mirza Yasser Abbas has also held the directorship of the bank since 2012. As per the annual report for 2022, Mirza Yasser owns 34.9 Mn, or 3.68%, of the bank.

<https://www.tbsnews.net/economy/stocks/mirza-abbas-gift-130cr-dhaka-bank-shares-his-son-699126>

EXCHANGE | 3i asset management plans to introduce mutual funds

- The 3i Asset Management Company, a new-generation asset manager, is planning to manage an open-end mutual fund with a target size of the fund of BDT 250 Mn. As a sponsor, the asset manager will provide 10% of the total fund, and the remaining will be collected from public subscriptions. In this line, 3i Asset Management signed a trust deed with Sandhani Life Insurance Company as trustee and ICB Capital Management as custodian on Tuesday.

<https://www.tbsnews.net/economy/stocks/3i-asset-management-plans-introduce-mutual-funds-699402>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 89.00	USD 13.79	18.34%
Crude Oil (Brent)*	USD 92.12	USD 14.34	18.44%
Gold Spot*	USD 1,910.23	USD 136.08	7.67%
DSEX	6,300.56	93.56	1.51%
S&P 500	4,461.90	622.40	16.21%
FTSE 100	7,527.53	75.79	1.02%
BSE SENSEX	67,221.13	6,380.39	10.49%
KSE-100	45,485.54	5,065.09	12.53%
CSEALL	11,386.73	2,884.24	33.92%

Exchange Rates**1 US Dollar = 109.53 BDT****1 GBP = 136.74 BDT****1 Euro = 117.73 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

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