

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:**Reserves to get a boost with USD 800 Mn budget support from ADB, AIIB**

- Bangladesh is set to receive USD 800 Mn in budget support from two development partners this month, providing significant relief for the government at a time of declining foreign exchange reserves and challenges faced by businesses in meeting import bills due to a shortage of US dollars. The Economic Relations Division (ERD) has confirmed that the Asian Development Bank (ADB) and the China-led Asian Infrastructure Investment Bank (AIIB) will each contribute USD 400 Mn towards this financial assistance.
- In addition to these two organisations, a budget support agreement of approximately USD 230 Mn is scheduled to be signed with the Japan International Cooperation Agency (Jica) this month – although in yen, according to sources at the ERD. This budget assistance will be available at a slightly higher interest rate, and Bangladesh will have a relatively shorter repayment period for the debt.

<https://www.tbsnews.net/economy/reserves-get-boost-800m-budget-support-adb-aiib-648906>

Bangladesh can earn USD 5 Bn from seafood exports in next 5 years: Bida

- Bangladesh Investment Development Authority (BIDA) Executive Chairman Lokman Hossain Mia has said, by utilising the blue economy properly, the country can earn USD 5 Bn from seafood exports in the next five years. Currently, the country earns USD 500 Mn from exporting 30,000 tonnes of seafood.
- Bida and Solidaridad Network Asia (SNA) have inked a Memorandum of Understanding (MoU) regarding the "Promotion and development of the Bangladeshi Seafood sector to contribute to the blue economy and expand the seafood market share in the international arena". Solidaridad Network Asia, in association with Bida, will take initiatives to increase investment in seafood production through partnerships among various national and international stockholders, governments, and NGOs.

<https://www.tbsnews.net/economy/bangladesh-can-earn-5b-seafood-exports-next-5-years-bida-649302>

Power sector fetches USD 30 Bn foreign investment in last 13 yrs: Nasrul

- State Minister for Power, Energy and Mineral Resources Nasrul Hamid on Tuesday said power sector fetched USD 30 Bn foreign investments in the last 13 years since 2009. On the other hand, he said the accumulated foreign investment in the mineral and energy sector was BDT 153.73 Bn.
- Terming uninterrupted power supply is a big challenge for the government, Nasrul Hamid said the government will go 'mixed fuel' system where coal, oil, renewable energy and power import from neighbouring countries would be considered instead of dependent on any particular system for uninterrupted power supply. Considering the global carbon emission, he said although Bangladesh is not a responsible country in carbon emission but the government has a plan to include 10% renewable energy like solar power in the power generation.

<https://www.tbsnews.net/bangladesh/energy/power-sector-fetches-30b-foreign-investment-last-13-yr-nasrul-649318>

Nine spot LNG cargoes planned for H2

- Amid a US dollar crunch and subsequent payment delays, Bangladesh has decided to import a total of nine LNG cargoes from the spot market during this July-December period to meet the country's mounting natural gas demand, especially in industries and power plants. However, despite the planned import, gas crisis will continue to hurt the economy because of the demand-supply mismatch.
- The country has been importing a total of 12 spot LNG cargoes from February to June 2023, with overdue payments worth around USD 100 Mn to spot LNG suppliers, a senior Petrobangla official told the FE on Monday. The country purchased two LNG cargoes at a time through a single tendering process in May and four cargoes through a single tendering process in June, obtaining the lowest prices in recent times, according to Petrobangla Chairman Zanendra Nath Sarker.

<https://thefinancialexpress.com.bd/economy/bangladesh/nine-spot-lng-cargoes-planned-for-h2>

Bank accounts, with over BDT 10 Mn, rise by 246 in March quarter

- Despite runaway inflation, the number of bank accounts, with deposits exceeding BDT 10 Mn, has increased by 246 in the January-March quarter compared to the previous three months. According to a central bank report, as of March, there were 110,192 accounts with deposits exceeding BDT 10 Mn. Out of these accounts, 76,790, or 70%, are in private banks, while the second highest number of accounts, 23,801, are in state-owned banks.
- The rate of increase in deposits in urban areas is higher than that in rural areas. Deposits in the banking sector increased by 1.58% in the March quarter compared to December, the central bank said. Out of this, urban areas have seen an increase of 1.54% and rural areas by 1.72%. However, there was negative growth in rural deposits in the December quarter.

<https://www.tbsnews.net/economy/banking/bank-accounts-over-tk1cr-rise-246-march-quarter-649290>

NBFIs asked to prepare clear guidelines for recruiting officials, employees

- Non-bank financial institutions (NBFIs) have to draw up clear guidelines for overall human resource management including recruitment and promotion of employees and officials, says a central bank circular, issued on Tuesday. The Bangladesh Bank said this initiative was taken to ensure good governance in financial institutions so that honest and skilled staff are appointed to posts.
- According to the circular, the board of directors of NBFIs must approve a guideline for the head of Internal Control and Compliance (ICC), head of Customer Relationship Management (CRM), chief financial officer (CFO) and company secretary positions. It also states that one person cannot hold more than one post in the above-mentioned positions. In case of appointment to these posts, the central bank should be informed within 15 working days along with the appointees' resumes.

<https://www.tbsnews.net/economy/banking/formulate-clear-policies-appoint-promote-officials-bb-financial-institutions-649134>

Cenbank plans policy rate hike in new monetary policy to tame inflation

- The Bangladesh Bank is planning to raise policy rates in the upcoming monetary policy for the next fiscal year with the aim of taming inflation by making money costlier. The hike in the key interest rates, also known as the repurchase agreement (repo) and reverse repo rates, will make money costlier, thereby discouraging banks from lending. Also, the reverse repo rate will be renamed the Spending Deposit Facility Rate (SDFR) in the new monetary policy.
- Despite rate hikes on a couple of occasions, credit growth remained upward owing to the lending rate cap. However, in the new monetary policy, the central bank plans to move away from the lending rate cap regime and introduce an interest rate-based monetary policy, following the suggestion of the International Monetary Fund (IMF). According to industry insiders, if the lending rate cap is lifted, a policy rate hike will be effective this time. This is because it will make borrowing more expensive for banks, which in turn will push up lending rates, discouraging borrowers from taking loans at higher costs.

<https://www.tbsnews.net/economy/banking/cenbank-plans-policy-rate-hike-new-monetary-policy-tame-inflation-649282>

NBR has to realise BDT 900 Bn in June

- An uphill task it looks as the revenue authority has to realise nearly BDT 900 Bn in revenue in June to reach the target for this fiscal year, passing through financial austerity. Its track record shows the National Board of Revenue (NBR) is left to go cracking on sources in the final month of the fiscal as it collects BDT 250 to BDT 300 Bn in tax revenue a month.
- The government set BDT 3.70 Tn as tax revenue-collection target for FY 2022-23. However, revenue collection until May had come close to the volume of taxes collected in the entire FY 2021-22 worth BDT 2.87 Tn. The VAT wing of the NBR collected BDT 1.08 Tn followed by Income Tax wing BDT 889.60 Bn and customs duty BDT 836.85 Bn in the July-May period. NBR officials say share of indirect taxes is gradually going down in the tax-revenue collection. Import duty has declined to 28% to 29% from earlier 45% while direct tax increased to 33% from 22%.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-has-to-realise-tk-900b-in-june>

Law proposes cutting tax rebate by a third for investments in securities

- The highest annual tax rebate on investments in listed securities of the capital market will be reduced by one-third, or 33%, to BDT 1 Mn if the draft income tax act 2023 is approved by parliament. In that case, the maximum investment will be BDT 6.67 Mn a year, 15% of which will be rebated. Hence, the proposed act will not have any impact on small- and mid-level investors who will not go beyond the investment ceiling.
- At present, tax payers are allowed to invest up to 20% of their taxable income or BDT 10 Mn, whichever is lower, to enjoy tax rebates as much as 15% of the investment in listed securities. In this, the rebate is 3% of the annual income. The number of tax payers earning more than BDT 33.30 Mn annually is very small, compared to those who earn less.

<https://thefinancialexpress.com.bd/stock/bangladesh/law-proposes-cutting-tax-rebate-by-a-third-for-investments-in-securities>

How BRT delay is costing USD 123 Mn a year in lost benefits

- A bus rapid transit (BRT) corridor takes three years to open to traffic in Asian countries and Bangladesh's first such project was scheduled for completion in four years from 2012. Eleven years on, the work on the 20.5 km BRT between Dhaka airport and Joydebpur of Gazipur is still going on, with the project cost shooting up to BDT 42.68 Bn from the original BDT 20.40 Bn. The project is now scheduled for completion in 2024.
- The eight years' delay would put the lost economic benefits to nearly 1 Bn dollars, enough for constructing two such BRT corridors even if the escalated project cost is taken into account. The project, designed for a faster transportation between the capital and the industrial town, has instead added to the time and cost for commuters and businesses for its haphazard construction works narrowing the road space and polluting the environment.

<https://www.tbsnews.net/bangladesh/infrastructure/how-brt-delay-costing-123m-year-lost-benefits-649314>

Cut domestic borrowing to rein in inflation

- Given the inflationary pressure in the economy, the government should consider cutting its dependence on domestic borrowing from the central bank to finance the budget deficit so as to contain inflation, said the Policy Research Institute of Bangladesh (PRI). And it can reprioritise allocations for the Annual Development Programme (ADP) and cut its dependence on borrowing to finance a deficit of BDT 2.62 Tn in the proposed budget of BDT 7.62 Tn, said the research organisation.

<https://www.thedailystar.net/business/economy/news/cut-domestic-borrowing-rein-inflation-3345656>

Rising worker outflow fails to resurge remittance

- Over the first five months of the current calendar year, Bangladesh dispatched over 0.5 Mn workers overseas, as per the Bureau of Manpower Employment and Training (BMET). However, the notion that "the more Bangladeshis seek employment overseas, the greater the inflow of remittances for the country" appears to have faltered.
- According to data from the central bank, despite the escalating exodus of workers, remittance income has failed to rebound, with Bangladesh witnessing a 10.27% decline in inward remittances compared to the previous year in May. The figures indicate that in May this year, the influx of remittances amounted to USD 1.69 Bn, a decline from the USD 1.88 Bn recorded during the same period last year. Industry insiders attribute this remittance conundrum to 'hundi', an illicit and unofficial avenue for transferring funds back home.

<https://thefinancialexpress.com.bd/economy/bangladesh/rising-worker-outflow-fails-to-resurge-remittance>

USD interbank exchange rate at BDT 108.70

- The interbank exchange rate for the US dollar reached BDT 108.70 each amid ongoing supply dearth of the greenback. The latest rate is the second-highest after May 22, when it rose to BDT 108.75 per dollar, according to the Bangladesh Bank (BB) statistics. Bankers said the interbank dollar rate has risen mainly due to an increase in remittance rates as part of the central bank's move to reach a market-driven exchange rate.
- On April 30, the Association of Bankers Bangladesh (ABB) and Bangladesh Foreign Exchange Dealers' Association (BAFEDA) raised the dollar rate by BDT 1.0 to BDT 108 for remitters. Since then, the interbank exchange rate keeps increasing almost every working day to reach the record high of BDT 108.75 per dollar on May 22. After that, it declined a bit, but is showing an upward trend again.

<https://thefinancialexpress.com.bd/economy/bangladesh/us-interbank-exchange-rate-at-tk-10870>

Stocks:**EBL | Eastern Bank's stock dividend credited by CDBL**

- The Central Depository Bangladesh Limited (CDBL), on Tuesday (13 June), credited the bonus shares of Eastern Bank Ltd (EBL) to the beneficiary owner (BO) accounts of its investors. The private sector lender had recommended a 25% dividend for its shareholders for the year 2022, consisting of 12.50% cash and 12.50% stock. Eastern Bank Ltd recorded consolidated earnings per share (EPS) of BDT 4.77 during the year, showing an increase from BDT 4.47 in 2021. However, in the first quarter of 2023, the bank's consolidated EPS stood at BDT 1, down from BDT 1.11 compared to the same period of the previous year.

<https://www.tbsnews.net/economy/stocks/eastern-banks-stock-dividend-credited-cdbl-648862>

EIL | Sluggish marine business slashes Express Insurance profit by 38%

- Express Insurance Limited has reported a 38% year-on-year drop in its profit for the January to March quarter of 2023 owing to a decline in its marine insurance business. At the end of the quarter, the company's net profit stood at BDT 26.1 Mn, which was BDT 42.4 Mn in the same quarter of the previous year. Its earnings per share (EPS) stood at BDT 0.4. It recommended a 7% cash dividend for 2022 in a board meeting held this Monday. To secure shareholders' approval of the dividend, the company has scheduled its annual general meeting (AGM) on 28 August. The record date is 24 July 2023.

<https://www.tbsnews.net/economy/stocks/express-insurances-earnings-decline-38-jan-mar-648834>

SOUTHEASTB | Southeast Bank signs deal with Nagad

- Southeast Bank Limited signed an agreement with mobile financial service (MFS) provider Nagad on remittance disbursement. Under this agreement, the bank's associate overseas exchange houses, money transfer operators, banks and its 100% owned subsidiary Southeast Exchange Company (South Africa) can easily collect remittances and send to Nagad's 78.8 Mn beneficiaries' wallets directly round the clock. Even the beneficiaries can withdraw the money from Nagad's 220,000+ payout locations around the country which will ultimately facilitate financial inclusion to the masses.

<https://www.thedailystar.net/business/economy/news/southeast-bank-signs-deal-nagad-3345581>

SSSTEEL, OIMEX, ISNLTD | Three firms fined for late dividend payment

- The Dhaka Stock Exchange (DSE) has slapped fines on SS Steel Ltd, Oimex Electrodes Ltd, and Information Services Network Ltd because they failed to disburse the dividends declared for the fiscal 2021-22 in due time. According to the listing regulations, a company must complete the distribution of its declared dividends within 30 working days from the date of annual general meeting (AGM). Failure to do so would result in a penalty of BDT 5,000 for each day of default. The fine amounts are BDT 0.115 Mn for SS Steel, BDT 0.145 Mn for Oimex Electrodes, and BDT 0.175 Mn for Information Services Network. Along with the payment of penalty, in separate letters to these companies, the DSE sought a clarification from them about the aforesaid non-compliances of securities laws.

<https://www.tbsnews.net/economy/stocks/three-firms-fined-late-dividend-payment-649322>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 69.14	(USD 6.07)	-8.07%
Crude Oil (Brent)*	USD 74.02	(USD 3.76)	-4.83%
Gold Spot*	USD 1,944.82	USD 170.67	9.62%
DSEX	6,298.92	91.92	1.48%
S&P 500	4,369.01	529.51	13.79%
FTSE 100	7,594.78	143.04	1.92%
BSE SENSEX	63,143.10	2,302.36	3.78%
KSE-100	41,536.10	1,115.65	2.76%
CSEALL	9,014.83	512.34	6.03%

Exchange Rates**1 US Dollar = 108.38 BDT****1 GBP = 136.67 BDT****1 Euro = 116.95 BDT****1 INR = 1.32 BDT**

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