

*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:****Govt eyes BDT 50 Bn more revenue from cigarette by fixing retail price gap**

- The government plans to set a maximum retail price for a pack of cigarettes to earn more revenue, plugging the gap between what retailers charge from customers and what is printed on the packet, according to a senior finance ministry official. Now, the retail price is printed on the packet, but customers have to pay at least BDT 10 to BDT 20 higher. This means the government loses revenue as the taxes are calculated on the basis of the rate printed on the packet.
- For instance, a ten-stick packet of premium brand cigarettes (such as Benson & Hedges and Marlboro) has a retail price tag of BDT 142, which means each stick should cost BDT 14.2. However, buyers are currently being charged BDT 16 per stick, which stands at BDT 160 for a packet, resulting in a potential revenue loss of BDT 18 per packet of 10 sticks only. Similarly, in the case of higher-segment cigarettes (Gold Leaf or likes), each stick is sold at BDT 12, whereas the retail price is set at BDT 11.10.
- The National Board of Revenue (NBR) has estimated that if taxes were collected based on the retail sales price, the government could have earned an additional BDT 35 Bn in revenue from the tobacco sector in the last nine months to March of the current fiscal year. For a full year, this amount could reach approximately BDT 50 Bn.

<https://www.tbsnews.net/nbr/govt-eyes-tk5000cr-more-revenue-cigarette-fixing-retail-price-gap-631370>

**Non-traditional markets drive export growth for Bangladesh**

- In the first ten months until April of the current fiscal year, exports to non-traditional markets grew by an impressive 30.80%, reaching USD 7 Bn. Also, the market shares of non-traditional export destinations increased to over 18%, up from 15% during the same period a year ago. Among the non-traditional markets, Japan, Australia, India, and South Korea emerged as the major players, with RMG exports amounting to USD 1.32 Bn, USD 961.30 Mn, USD 889.06 Mn, and USD 477.81 Mn respectively.

<https://www.tbsnews.net/economy/non-traditional-markets-drive-export-growth-bangladesh-631614>

**Mango export target more than doubled to 4,000 tonnes this year**

- The growth of exportable mango plantations, modern orchard management, and the creation of new markets have all contributed to a steady increase in mango exports from Bangladesh to various countries and regions, including the Middle East and Europe, in recent years. The trend is expected to continue this season. The Department of Agricultural Extension (DAE) has set a target of producing about 10,000 tonnes of exportable mangoes in the country this season. On the other hand, fruit exporters aim to export 4,000 tonnes of the country's national fruit in the current fiscal year 2022-23, more than double the 1,757 tonnes exported last year.
- The export price per kilogram of mangoes, excluding air freight charges, ranges between BDT 150 and BDT 160, said exporters, adding that the country is expected to earn some USD 600,000 or BDT 640 Mn from mango exports this year.

<https://www.tbsnews.net/economy/mango-export-target-more-doubled-4000-tonnes-year-631378>

**Govt to tighten baggage rules for gold bar to boost remittance inflow**

- The government plans to tighten regulations on inbound travellers bringing gold bars to prevent misuse and promote remittance inflow through banking channels, according to officials of the finance ministry. The national budget for the upcoming fiscal 2023-24 will introduce a provision to confiscate any gold bar weighing more than 150 grams from passengers. Additionally, filing tax returns for trust firms will be made mandatory to curb income tax evasion as many individuals evade taxes by forming trusts and diverting their money.
- These proposals made in the draft FY24 budget were discussed in a recent meeting chaired by Finance Minister AHM Mustafa Kamal and presented at a meeting with Prime Minister Sheikh Hasina for approval on Sunday. The proposals will now be sent to the law ministry for legal review before being included in the budget.

<https://www.tbsnews.net/economy/govt-tighten-baggage-rules-gold-bar-boost-remittance-inflow-631866>

**MRT 01, MRT 05 get BDT 47.11 Bn in next ADP**

- Work on MRT lines 01 and 05 is set to begin from next fiscal year, as the government has earmarked a substantial volume of funds in the upcoming development budget. The government has also provided additional funds to the under-construction MRT-6 project to complete the remaining work by the next year, officials said on Saturday. The National Economic Council (NEC), with Prime Minister Sheikh Hasina in the chair, has approved a BDT 2.63- Tn ADP for FY2024. Work on MRT-01, which links Airport with Kamalapur, began months back, and has got an allocation of BDT 39.11- Bn allocation in the ADP for next fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/mrt-01-mrt-05-get-tk-4711b-in-next-adp>

**Steel makers halve production as Turkey-Syria reconstruction fuels scrap price hikes**

- The steel industry of the country has already been shaken by the dual shock of the Covid-19 pandemic and the Russia-Ukraine war, resulting in increased raw material prices in the international market and supply chain disruptions. Furthermore, recent power and energy price hikes triggered by the country's dollar crisis have exacerbated the situation.
- The international market is facing a rise in scrap prices once again, attributed to the increasing demand for steel due to large-scale infrastructural rebuilding projects in Turkey and Syria. These projects were initiated after a devastating earthquake hit both countries in February, causing the destruction of thousands of buildings. Entrepreneurs in the country's steel sector have reported that the situation has forced them to cut down on rod production by 40%-50%. This has made it extremely difficult for businesses in the sector to stay afloat.

<https://www.tbsnews.net/economy/industry/steel-makers-halve-production-turkey-syria-reconstruction-fuels-scrap-price-hikes>

**Widening revenue shortfall, declining exports, remittance key concerns: PRI**

- The country's economy is expected to face more strain in the coming months as revenue shortfall against the target in the current fiscal year continues to widen amid depleting foreign exchange reserves and declining exports and remittance, according to the Policy Research Institute of Bangladesh (PRI).
- During a pre-budget press briefing and discussion on Sunday, PRI Executive Director Ahsan H Mansur criticized the government for its lack of action and reliance on mere rhetoric to address the deterioration of confidence in the financial account (interbank borrowing, suppliers' credit). Dr Zaidi Sattar said, "In the last 20 to 30 years, our macroeconomic management has been satisfactory. Due to the global situation, our balance of payment is now under pressure. Normally, export proceeds are repatriated to the country within four months, but now the proceeds are not even coming in six to nine months."

<https://www.tbsnews.net/nbr/revenue-deficit-may-hit-tk55000-crore-current-fiscal-policy-research-institute-631602>

**Bangladesh receives USD 774 Mn in remittance in first 12 days of May**

- Expatriates have sent USD 774 Mn to the country through the banking channel in the first 12 days of May. Majority of the earnings came through the country's 43 private banks, amounting to USD 622 Mn. The state-owned banks brought in USD 148 Mn followed by around USD 3 Mn through foreign banks. Earlier, within the first 14 days of April, the country received USD 959 Mn in remittance and USD 1.68 Bn over the entire month. The earnings were comparatively low given the celebration of Eid-ul-Fitr in April. Bank insiders blamed the low exchange rate of the dollar for the poor remittance.

<https://www.tbsnews.net/economy/bangladesh-receives-774m-remittance-may-631750>

**Stocks:****RELIANCINS | Reliance Insurance's profit up over 24% in Q1**

- Reliance Insurance Ltd registered a 24.2% year-on-year rise in profit to BDT 167.2 Mn in the first quarter of the current financial year. The profit stood at BDT 134.6 Mn in the same period of 2022, according to a post on the Dhaka Stock Exchange. The insurer, thus, reported consolidated earnings per share of BDT 1.59 for January-March of 2023, which was BDT 1.28 in the first quarter of 2022. The consolidated net operating cash flow per share jumped to BDT 4.23 from BDT 1.28.

<https://www.thedailystar.net/business/economy/news/reliance-insurances-profit-over-24-q1-3320246>

**LINDEBD | Lower sales, high cost of raw materials halves Linde Bangladesh's profit in Jan-Mar 2023**

- Linde Bangladesh Limited – a leading medical and industrial gas producer in the country – has experienced a decline in profits owing to a rising cost of raw materials and lower sales in the first three months of 2023. From January to March, the company reported a 53% fall in profit compared to the same time of the previous year (2022). The net profit of Linde Bangladesh declined to BDT 140.2 Mn, lower from BDT 299 Mn in January to March of 2022. The earnings per share (EPS) declined to BDT 9.22, which was BDT 19.22 during the same time of the previous year.

<https://www.tbsnews.net/economy/stocks/lower-sales-high-cost-raw-materials-halves-linde-bangladeshs-profit-jan-mar-2023>

**BATASHOE | Bata Shoe profit doubles in Jan-Mar**

- The net profit of Bata Shoe Company (Bangladesh) Ltd has almost doubled for the January-March quarter compared to the same period last year. According to its financial statement published on Sunday, the multinational footwear company's net profit after taxes jumped to BDT 136.2 Mn for the first quarter of the year, up from BDT 68.5 Mn for the same period in 2022. Earnings per share (EPS) increased to BDT 9.91, from BDT 5.01. The 14% year-on-year growth in quarterly revenue reached BDT 2.45 Bn, while the cost of goods sold increased by almost 5% and operating expenses increased by 16%.

<https://www.tbsnews.net/economy/stocks/bata-shoe-profit-doubles-jan-mar-631802>

**ROBI | Robi Axiata's revenue rises 16% on strong data sales**

- Telecom operator Robi's profit rises 5.45% year-on-year BDT 420 Mn in the January-March quarter of 2023. At the same time, the company's revenue grew over 16.25% to BDT 23.47 Bn on the back of strong sales of data, Robi Axiata said in a statement. In the January-March quarter, Robi's voice revenue increased by 14.5% year-on-year while data revenue grew by 17.5%. Having added 1.2 Mn subscribers in the three-month quarter, Robi's subscriber base reached 55.6 Mn now, representing 30.2% of the subscriber market share at the end of first quarter.

<https://www.thedailystar.net/business/economy/news/robi-axiatas-revenue-rises-16-strong-data-sales-3320196>

**IDLC | IDLC Finance's profits slump 29% in Q1**

- IDLC Finance Limited yesterday reported securing a profit of BDT 139 Mn in the first quarter of 2023. This is however 29% less than what the non-bank financial institution made in the same period of the previous year. The company logged a consolidated profit after tax of BDT 344 Mn in the January-March quarter of the current year. It was BDT 483 Mn in the same period last year. The rate cap imposed by the central bank resulted in lower interest income and higher payments on deposits while capital market income has decreased, the two major reasons for the fall in profit, the company said in a press release.

<https://www.thedailystar.net/business/economy/news/idlc-finance-profits-slump-29-q1-3320156>

**DHAKABANK | Dhaka Bank's profit decline in Jan-Mar**

- Dhaka Bank Limited has reported a 13.69% fall in earnings per share (EPS) in the first quarter of 2023. According to its unaudited data published on Sunday, the earnings per share (EPS) from January to March of 2023 stood at BDT 0.63. The company's EPS was BDT 0.73. at the same time in the previous year (2022). The net operating cash flow per share (NOCFPS) has increased to BDT 8.21, which was negative at BDT 4.36 from January to March 2022. Explaining the reasons behind the deviation in EPS and NOCFPS, Dhaka Bank said its EPS declined due to a drop in operating profit while the NOCFPS increased due to sale of trading securities, decrease in loans and advances to customers and increase in deposits from other banks.

<https://www.tbsnews.net/economy/stocks/dhaka-banks-profit-decline-jan-mar-631434>

**EXCHANGE | Grameen Bank to invest BDT 2 Bn in stock market**

- Grameen Bank is going to invest BDT 2 Bn in the stock market by forming a mutual fund named Capitec Grameen Bank Growth Fund. Yesterday, the fund's sponsor Grameen Bank, trustee Investment Corporation of Bangladesh (ICB) and fund manager Capitec Asset Management Company signed two separate agreements in this regard at Grameen Bank's head office in the capital. This is going to be the fourth mutual fund managed by Capitec Asset Management. The objective of the fund is to provide lucrative dividend to its shareholders by making money by getting capital gain and cash dividend from listed companies.

<https://www.thedailystar.net/business/economy/news/grameen-bank-invest-tk-200cr-stock-market-3320171>

**EXCHANGE | Stabilisation Fund to inject fresh BDT 2.50 Bn in stocks thru intermediaries**

- The Capital Market Stabilisation Fund (CMSF) is going to lend around BDT 2.5 Bn in fresh funds to stock market intermediaries for them to invest in the stock market. At present, the CMSF has over BDT 2.5 Bn in cash available, which has been kept in a special notice deposit account at the Community Bank Bangladesh Limited. According to officials, the CMSF will seek loan applications from the interested market intermediaries, and it will take no longer than 21 working days to disburse or reject the loan for each firm after receiving the application. The loan is likely to be disbursed by next month.

<https://www.tbsnews.net/economy/stocks/stabilisation-fund-inject-fresh-tk250cr-stocks-thru-intermediaries-631854>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 70.17	(USD 5.04)	-6.70%
Crude Oil (Brent)*	USD 74.24	(USD 3.54)	-4.55%
Gold Spot*	USD 2,013.00	USD 238.85	13.46%
DSEX	6,263.40	56.40	0.91%
S&P 500	4,124.08	284.58	7.41%
FTSE 100	7,754.62	302.88	4.06%
BSE SENSEX	62,027.90	1,187.16	1.95%
KSE-100	41,487.58	1,067.13	2.64%
CSEALL	8,927.74	425.25	5.00%

**Exchange Rates****1 US Dollar = 107.42 BDT****1 GBP = 133.79 BDT****1 Euro = 116.60 BDT****1 INR = 1.31 BDT**

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