

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:**Gross reserves now USD 23.5 Bn officially**

- Country's gross foreign exchange reserves dropped by USD 6.44 Bn to USD 23.56 Bn in the Bangladesh Bank's new reserve calculation, published on Thursday, as per the formula suggested by the International Monetary Fund. The gross reserves was USD 29.92 Bn as per the previous calculation, according to the central bank data posted on its website. The newly calculated figure is the real reflection of the country's reserves as the Bangladesh Bank started following the IMF's Balance of Payments and International Investment Position Manual (BPM6). The new gross reserves can cover imports of nearly four months as per recent import trend. International standard on reserves requires three months' import bill coverage.

<https://www.tbsnews.net/economy/banking/bb-implements-imf-guidelines-reveals-644b-drop-forex-reserves-664718>

New export destinations reinvigorate Bangladesh's apparel industry

- The annual export data released recently revealed that Bangladesh's earnings from apparel exports have jumped by 10%, despite facing a significant decline in exports to the US, historically considered the top export destination. A bdnews24.com report, citing Export Promotion Bureau (EPB) data, states exports to the US have dropped by 5.51% in the recently concluded fiscal year (FY23). Similarly, exports to some of the major European destinations, like Germany and Poland, within the EU have fallen sharply, by 6.81% and 13.66%, respectively. However, the data also revealed an interesting fact- a growth in apparel export in some non-traditional export destinations, mainly India, Australia and Japan. In the last fiscal year, the exports of Bangladesh-made apparel have increased in South Korea, China, UAE, Mexico, Malaysia, Saudi Arabia and Türkiye.

<https://thefinancialexpress.com.bd/economy/bangladesh/new-export-destinations-reinvigorate-bangladeshs-apparel-industry>

Bangladesh's per capita debt BDT 95,019: BB

- Bangladesh's domestic and external debt stands at around BDT 16.14 Tn, according to the latest report of Bangladesh Bank (BB), as a result of which, the per capita debt of people stands at BDT 95,019. But income is still higher than per capita debt. The current annual per capita income of the people of the country is USD 2,793, which is around BDT 0.33 Mn in Bangladeshi currency. Though Bangladesh is still in a good position in terms of debt-GDP ratio compared to many countries in the world, a big portion of the national budget is spent on loan interest payments, said Economist Ahsan H Mansur.

<https://www.tbsnews.net/economy/bangladeshs-capita-debt-tk95019-bb-664942>

Entrepreneurs can now make textile products in leased jute mills

- Entrepreneurs will now be able to set up textile industries by leasing state-owned jute mills as the authorities have softened stance for jute-related activities only due to a low response. The Bangladesh Jute Mills Corporation (BJMC) has made necessary changes to the terms and references and recently floated an international tender to lease out all nine jute mills under its supervision to the private sector. The amended terms now allow private sector entrepreneurs to produce jute, jute-related goods, or textile products, with both forward and backward linkages to the jute or textile industries.

<https://www.tbsnews.net/economy/entrepreneurs-can-now-make-textile-products-leased-jute-mills-664678>

Demand for electric bikes gaining momentum

- The demand for electric motorbikes is increasing in Bangladesh for being an eco-friendly and cost-effective mode of transport. The use of electric motorbikes has increased since then, with the biggest spike seen in 2022, according to industry people. The adoption of electric two-wheelers has ramped up as they are more environmentally friendly and cost-effective than those powered by fossil fuel, they said. Besides, advancements in the required components, such as quickly rechargeable batteries and lightweight motors, are also driving demand.
- Just six or seven years ago, up to 10 electric motorbikes were sold each month compared to more than 50 units at present, said Iftakher Hossain, a system analyst of Akij Motors. Similarly, up to seven electric bikes that run on three wheels are now being sold each month compared to just three units previously.

<https://www.thedailystar.net/business/economy/news/demand-electric-bikes-gaining-momentum-3369866>

Potato exports thru Ctg Port fall by 45% despite bumper yield

- The export of potatoes through the Chattogram Port has dropped significantly despite a bumper yield of the crop this year, owing to various reasons, including price rise, sub-standard packaging, product quality deficiency, and the fluctuating taka-dollar exchange rate. According to data from the Plant Quarantine Station of Chattogram Port, potato exports through the port fell by 45% in FY23, compared to the corresponding period of FY22. The port shipped 29,560 tonnes of potatoes in FY23, down by 24,967 tonnes from 54,527 tonnes exported in FY22. Data shows that 95% of the country's exportable potatoes are shipped through the Chattogram Port.

<https://www.tbsnews.net/economy/potato-exports-thru-ctg-port-fall-45-despite-bumper-yield-665390>

Banks can now reschedule default loans of cold storages

- Banks would be able to reschedule default loans of cold storages that preserve perishable crops, mainly potatoes, Bangladesh Bank (BB) said today. In a circular, the banking regulator said banks can allow cold storages to repay default loans in a maximum of 10 years with a year of grace period, a move that comes following demands from cold storages' association.
- For rescheduling, banks will need to separate balance of classified loans as of June 30 this year to cold storages in two accounts -- principal amount in one account while the interest in a blocked account. The BB said the interest will be charged on the principal amount as per the rule and the borrowers will have to clear an instalment in every six months. The central bank has directed the borrowers to realise the principal amount after the end of the one-year grace period and later the interest kept in the blocked accounts.

<https://www.thedailystar.net/business/news/banks-can-now-reschedule-default-loans-cold-storages-3368176>

Bicycle makers face crisis as war, global economic slowdown hit export

- Corvo Bicycle Limited has been manufacturing bicycles in Karnaphuli Export Processing Zone, Chattogram for over a decade, relying on Trident Cycles Company Limited's factory in the same EPZ for parts production. Corvo usually produces 350,000 to 400,000 units of bicycles annually. However, both the Taiwanese companies' factories have been closed for three months due to a decline in purchase orders.
- AKM Tanvir Uddin, manager (commercial) of the two companies, said, "The export markets for bicycles produced in Bangladesh are mainly in Europe. Purchase orders have come to a halt due to the post-pandemic global economic crisis and the Russia-Ukraine war. Our European buyers still have surplus stocks of bicycles, which has led to the closure of our factories since April this year."

<https://www.tbsnews.net/economy/industry/bicycle-makers-face-crisis-war-global-economic-slowdown-hit-export-665554>

FY23 revenue fell BDT 1.8 Bn at Benapole Customs

- Revenue collection at Benapole Custom House fell short of the target by BDT 1.8 Bn in 2022-23 following a decline in imports as many traders could not open Letters of Credit (LC) for a shortage of dollars. Revenue worth BDT 57.86 Bn was collected against the target of BDT 59.66 Bn in 2022-23. The import also decreased by 1,43,921 tonnes compared to 2021-22, according to Benapole Custom House sources.
- President of Benapole C&F Agent Association Shamsur Rahman said that the businessmen of India and Bangladesh are more interested in trading with Benapole due to the ease of communication. However, the government has imposed 100% margin conditions on LCs due to the dollar crisis. Banks are also not opening LC due to the dollar crisis. So, imports decreased last year.

<https://www.tbsnews.net/economy/fy23-revenue-fell-tk180cr-benapole-customs-665946>

17 RMG liaison offices dodge income tax: Report

- About 17 foreign readymade garment companies' liaison offices in the country have evaded income tax by violating the conditions of liaison office registration rules, according to a recent report of the Special Branch (SB) of the Bangladesh Police. The report mentions that all of these offices are doing business in Bangladesh as branch offices, but they are not paying any income tax to the government exchequer despite making good profits. A liaison office cannot conduct any business or any income-earning activities in Bangladesh. But a branch office with proper permission can do so, according to the Bangladesh Investment Development Authority (Bida) rules.

<https://www.tbsnews.net/economy/17-rmg-liaison-offices-dodge-income-tax-report-664682>

Homeland Life Insurance: Over 37,000 clients unsure about settlement of claims

- More than 37,000 clients of Homeland Life Insurance Company Ltd are facing uncertainty about whether they would get back their insured amount owing to a lack of liquidity at the insurer caused by alleged irregularities, the regulator found. The company is not settling claims involving BDT 790 Mn, according to the Insurance Development and Regulatory Authority (Idra). This prompted 6,820 policy-holders to lodge complaints with the regulator in the last one year as claims were not settled despite reaching maturity. The insurance company has a life fund of about BDT 2.02 Bn and it has invested BDT 1.1223 Bn of the sum in immovable and current assets.

<https://www.thedailystar.net/business/economy/news/homeland-life-insurance-over-37000-clients-unsure-about-settlement-claims-3370006>

Stocks:**SKICL | Sena Kalyan Insurance's profit drops 29% in Apr-Jun**

- Sena Kalyan Insurance Company reported a 29% year-on-year drop in its earnings per share (EPS) in the April-June quarter of 2023 due to revenue slowdown. The EPS declined to BDT 0.65 from BDT 0.91 in the same period of 2022. The company said in its Dhaka Stock Exchange (DSE) filing on Thursday, the EPS declined because of an increase in re-insurance and claim expenses. But according to the company's accounts, the revenue dropping in the marine and miscellaneous insurance segments was the reason behind the EPS drop.

<https://www.tbsnews.net/economy/stocks/sena-kalyan-insurances-profit-drops-29-apr-jun-664886>

NTC | National Tea's share subscription awaits HC clearance

- The publicly listed National Tea Company Limited has postponed the subscription of its placement shares worth BDT 2.797 Bn as instructed by the Bangladesh Securities and Exchange Commission (BSEC). The company said in its Dhaka Stock Exchange (DSE) filing on Thursday that the securities regulator instructed it to wait for the order from the High Court regarding the share subscription.
- Jakir Hossain Sarkar, who owns only 10 National Tea shares, filed a writ petition with the High Court against the company's scheme of issuing fresh shares approved by the BSEC, as he alleged that the firm did not treat all its existing shareholders equally. Later, the High Court stayed the BSEC consent. Upon a petition by the market regulator, the chamber judge of the Appellate Division put the High Court order on hold.

<https://www.tbsnews.net/economy/stocks/national-teas-share-subscription-awaits-hc-clearance-664890>

FAREASTLIF | Fareast Islami Life Ins facing steep debt

- As per unaudited data of the Idra for 2022, Fareast Islami currently owes BDT 45.59 Bn in claims. Of this amount, the company has settled just BDT 9.7 Bn, or 21.29%, of the total claims. In April 2021, the Idra appointed Shiraz Khan Basak and Company, a chartered accountant firm in Bangladesh, to conduct a special audit on Fareast Islami. The auditor then submitted a report to the Idra in May 2022. As per the report, BDT 23.67 Bn has been embezzled from the company. Apart from this, accounting irregularities amounting to BDT 4.32 Bn were detected.
- Nazrul Islam and MA Khaleque, former chairmen of Fareast Islami, Hemayet Ullah, former chief executive officer, and former directors and senior officials were found involved in the embezzlement. The government had set up a new board of directors to restore Fareast Islami to its previous position, but they have not made much progress so far.

<https://www.thedailystar.net/business/economy/news/fareast-islami-life-ins-facing-steep-debt-3369991>

EXCHANGE | Regulator makes way for Best Holdings to apply for IPO

- The Bangladesh Securities and Exchange Commission (BSEC) has conditionally enabled Best Holdings Limited to apply for an initial public offering (IPO) by approving its paid-up capital that was raised through cash in over two years. According to a clause of the Public Issue Rules 2015, a company cannot apply for an IPO if it raises paid-up capital through cash. But recently, the BSEC has given Best Holdings an exemption from that clause, and now, the company can apply for an IPO.
- In this regard, the company has to fulfil three conditions. One is to lock in all shares for three years, before issuing IPO shares; secondly, it cannot issue any share from 26 October 2022 until IPO; and lastly, it has to apply to the BSEC duly as per the public issue rules. In June 2022, Best Holdings converted Agrani Bank's BDT 1.25 Bn investment in its bond into shares. And the company filed for its IPO in December of that year.

<https://www.tbsnews.net/economy/stocks/regulator-makes-way-best-holdings-apply-ipo-665874>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.42	USD 0.21	0.28%
Crude Oil (Brent)*	USD 79.87	USD 2.09	2.69%
Gold Spot*	USD 1,955.21	USD 181.06	10.21%
DSEX	6,341.10	134.10	2.16%
S&P 500	4,505.42	665.92	17.34%
FTSE 100	7,434.57	-17.17	-0.23%
BSE SENSEX	66,060.90	5,220.16	8.58%
KSE-100	45,071.94	4,651.49	11.51%
CSEALL	10,595.02	2,092.53	24.61%

Exchange Rates**1 US Dollar = 108.27 BDT****1 GBP = 141.76 BDT****1 Euro = 121.68 BDT****1 INR = 1.32 BDT**

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