

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:**Plastic industry policy finalised with 10-yr income tax holiday for entrepreneurs**

- The Plastic Industry Development Policy 2023 has been finalized with a provision for a 10-year income tax holiday to entrepreneurs in plastic parks and disadvantaged areas. The policy was finalized in June this year based on stakeholder feedback, nearly two years after a draft was released in 2021. This five-year policy, formulated by the Ministry of Industries, will be implemented by 2028.
- Nine strategies have been defined in this plan with emphasis on increasing local industries, building capacity, increasing access to international markets, and skill development for the sustainable development of the sector. The policy aims to ensure adequate financial support for domestic industries by providing loans to the small and medium enterprises in the plastic sector at 3% interest from a special fund.

<https://www.tbsnews.net/economy/industry/plastic-industry-policy-finalised-10-yr-income-tax-holiday-entrepreneurs-666658>

BTMA for repaying Green Transformation Fund's dollar loan in taka

- The Bangladesh Textile Mills Association (BTMA) wants to pay off the loan it took in US dollars from the central bank's Green Transformation Fund (GTF) in local currency. In a meeting with the Deputy Governor of Bangladesh Bank Abu Farah Md Nasser on Monday, textile mill owners also urged the central bank to determine a fixed interest rate for the GTF loan. In addition, they called for special facilities for loan repayment and the extension of the Export Development Fund (EDF) fund limit and loan repayment period.
- The Bangladesh Bank launched the GTF Fund in 2016 with a USD 200 Mn refinancing scheme for textiles, leather, jute, manufacturing and export-oriented entities so that they can import capital machinery and accessories for environment-friendly initiatives.

<https://www.tbsnews.net/economy/banking/btma-repaying-green-transformation-funds-dollar-loan-taka-667006>

Textile millers seek another extension in loan repayment period

- Textile millers and ready-made garment makers are once again seeking an extension of the loan repayment deadline until December of next year, arguing that their production and overall business have significantly contracted in recent months. Since the onset of the Covid-19 pandemic in March 2020, the central has provided various facilities to businesses, such as loan moratoriums and loan repayment deadline extensions, in order to prevent defaults.
- However, as of June 30th this year, the deadline for loan rescheduling by paying a small portion of the loans has expired, prompting them to lobby for an extended repayment period. Mohammad Ali Khokon, president of the BTMA, told The Business Standard that they will seek policy concessions on many issues at the meeting with the central bank.

<https://www.tbsnews.net/economy/rmg/apparel-makers-seeks-another-extension-loan-repayment-period-666574>

Central bank's reserve money grows 5.27% until May

- A record government borrowing in recent months has helped Bangladesh Bank's reserve money grow by 5.27% as of last May. Economists and bankers, however, are of the opinion that the net domestic-asset part of the reserve money or RM grows largely with gains from government borrowing of 'high-powered money or printed money which contributes to stoking inflation.
- On the other side of the RM is foreign net asset, which contracts mainly for lower inflows of foreign currencies and BB funnelling of dollars into forex-scant commercial banks. After negative growth in the financial year (FY) 2021-2022, the reserve money (RM) with the central bank registered a positive growth of over 5.0% year on year at the end of May 2023 mainly because of significant rise in net domestic asset (NDA), officials said.

<https://thefinancialexpress.com.bd/economy/bangladesh/central-banks-reserve-money-grows-527pc-until-may>

Internet banking transactions hit nearly BDT 500 Bn

- Internet banking transactions reached a record high amount of nearly BDT 500 Bn in May, signifying the enhanced cost and time savings and convenience enabled over visits to brick-and-mortar branches for a growing number of bank account holders. The transactions soared 142% year-on-year to BDT 499.3 Bn, showed the latest Bangladesh Bank (BB) data. On a month-on-month basis, it was a growth of 12%. This is also threefold the amount recorded in the whole of fiscal year 2014-15. The all-time high also reflects customers increasingly switching to electronic fund transfers and banks focusing investments on developing technology to provide faster and hassle-free services.

<https://www.thedailystar.net/business/economy/news/internet-banking-transactions-hit-nearly-tk-50000cr-3371806>

Businesspeople unable to benefit from GI products

- Although Bangladesh has secured geographical indication (GI) status for 15 products so far, local businesspeople have yet to benefit in absence of global demand for these goods, according to experts. A major reason for their failure to take advantage of the certification is that there is a lack of adequate marketing for the country's GI products. Besides, the export capacity of those who produce GI products should be enhanced through financial support, they told The Daily Star.
- Products are granted the GI tag when they have unique characteristics that help identify their country of origin for being definable by the materials, climate and culture with which they were made. This in effect highlights the traditions and reputation of products made within a particular area or country, helping fetch higher prices compared to similar products manufactured elsewhere.

<https://www.thedailystar.net/business/economy/news/businesspeople-unable-benefit-gi-products-3371796>

Stocks:**PRIMEBANK | Prime Bank's profit jumps 50% in Apr-Jun**

- Prime Bank Limited has posted 50% year-on-year growth in its profits in the April to June quarter of 2023 riding on an increase in its net investment income. In this year's second quarter, the bank's consolidated net profit stood at BDT 1.146 Bn, which was BDT 0.764 Bn in the same quarter of 2022. The consolidated earnings per share (EPS) stood at BDT 1.01. Its investment income jumped by 93% to BDT 1.1949 Bn in the June quarter this year compared to the same quarter previous year.

<https://www.tbsnews.net/economy/stocks/prime-banks-profit-jumps-over-50-april-june-666618>

ROBI | Robi to borrow USD 55 Mn from Malaysian parent Axiata Group

- The country's second-largest mobile network operator Robi Axiata Limited will receive a USD 55 Mn shareholder loan facility from its parent company Axiata Group, a Malaysian multinational telecommunications conglomerate. In a stock exchange filing on Monday, Robi stated that it would secure the fund for a period of three years. According to officials at the company, the loan is being taken as a precautionary measure to safeguard against any potential impact from the ongoing dollar crisis in the country.

<https://www.tbsnews.net/economy/stocks/robi-gets-loan-55-million-axiata-group-666814>

GP | Grameenphone's profit grows 30% in Apr-June

- Grameenphone has posted BDT 11.94 Bn in profit after taxes for the April-June quarter, nearly 30% higher from the same period of the previous year. Due to higher costs, except for that of material and traffic charges, salaries and personnel costs, operations and maintenance, its operating profits inched down, while reversed income tax provision helped the company post a growth in net profits, according to its latest financial statement. Earnings per share (EPS) for the three months stood at BDT 8.84, up from BDT 6.82. For the first six months of the year EPS increased to BDT 14.62 from BDT 12.82.

<https://www.tbsnews.net/economy/stocks/grameenphones-profit-grows-30-apr-june-667090>

AL-HAJTEX, NTC | Alhaj Textile board reconstruction, National Tea fresh share issuance cleared

- The Appellate Division on Monday upheld its chamber judge's orders, which allowed the securities regulator to proceed with the board reconstruction at Alhaj Textile Mills and cleared National Tea Company to issue fresh shares. Earlier in May and June, the High Court stayed the decisions made by the Bangladesh Securities and Exchange Commission (BSEC) regarding the two listed companies upon separate writ petitions.
- Before the Eid-ul Azha holidays, the chamber judge stayed the High Court orders, and on Monday the full bench of the Appellate Division upheld the chamber judge's decisions, according to Barrister Sayed Mahsib Hossain, who along with Barrister AM Masum represented the securities regulator at the Supreme Court. "The BSEC-appointed board of Alhaj Textile will continue, and National Tea can start subscriptions for its planned new shares," Sayed Mahsib Hossain told TBS while discussing the implications of the Appellate Division orders.

<https://www.tbsnews.net/bangladesh/court/alhaj-textile-board-reconstruction-national-tea-fresh-share-issuance-cleared-667094>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 74.33	(USD 0.88)	-1.17%
Crude Oil (Brent)*	USD 78.68	USD 0.90	1.16%
Gold Spot*	USD 1,957.79	USD 183.64	10.35%
DSEX	6,361.16	154.16	2.48%
S&P 500	4,522.79	683.29	17.80%
FTSE 100	7,406.42	-45.32	-0.61%
BSE SENSEX	66,589.93	5,749.19	9.45%
KSE-100	45,047.35	4,626.90	11.45%
CSEALL	10,727.99	2,225.50	26.17%

Exchange Rates**1 US Dollar = 108.74 BDT****1 GBP = 142.29 BDT****1 Euro = 122.29 BDT****1 INR = 1.33 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
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
----------------------	-------------------------	--	---------------

For any queries or services, you can reach us at care@bracepl.com or hotline **16285**.