

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:**Dhaka's poverty falls by 4.3% in 2019-2022**

- The overall poverty headcount decreased by 4.3% in Dhaka city between 2019 and 2022, according to a survey of the Bangladesh Institute of Development Studies (BIDS). It came down to 22.24% from 26.54%, the survey data showed. The think-tank also found that the proportion of extremely poor households declined by 3.2% from 17.01% to 13.83% during the period. The BIDS disclosed the findings of the survey at the BIDS Research Almanac 2023 at the Lakeshore Hotel in Dhaka today.
- "This is considerable progress in poverty reduction under the duress of Covid-19," BIDS Director-General Binayak Sen said while presenting a paper on "Urban Poverty Dynamics during Covid-19 Anatomy of Resilience". The reduction of poverty happened due to self-employment, income transfer both from the private and public sectors, and financial dissaving, he said.

<https://www.thedailystar.net/business/economy/news/dhakas-poverty-falls-43-percentage-points-2019-2022-3322366>

Govt to purchase 0.23 Mn tonnes of fertilisers

- The government will purchase 0.23 Mn tonnes of fertilisers under seven proposals approved by the cabinet committee on public purchase today. The cabinet in a meeting gave go-ahead to three proposals of the industries ministry and four of the agriculture ministry. The Bangladesh Chemical Industries Corporation under the industries ministry will purchase a total of 70,000 tonnes of fertilisers from three different sources. The corporation will bring in 10,000 tonnes of phosphoric acid at BDT 609.5 Mn from a company of the United Arab Emirates and 30,000 tonnes of bagged granular urea fertiliser at BDT 1.204 Bn from Karnaphuli Fertiliser Company Ltd.

<https://www.thedailystar.net/business/news/govt-purchase-23-lakh-tonnes-fertilisers-3322671>

Govt to buy 12,500 tonnes of sugar from US firm

- The government is going to buy 12,500 tonnes of sugar from a US company. The cabinet committee on public purchase today approved a proposal to this end in a meeting chaired by Finance Minister AHM Mustafa Kamal. As per the proposal, the Trading Corporation of Bangladesh (TCB) will buy 12,500 tonnes of sugar from the Accentuate Technology Inc in the United States through local company OMC Limited for BDT 662.7 Mn through the international open tender system.

<https://www.thedailystar.net/business/news/govt-buy-12500-tonnes-sugar-us-firm-3322526>

War-induced price shocks push 3 Mn people into poverty: BIDS

- The spike in global commodity prices caused by the Russia-Ukraine war pushed around 3 Mn people into poverty in Bangladesh, reveals a study by the Bangladesh Institute of Development Studies (BIDS). The study titled "Impact of the Russia-Ukraine War Price Shocks on Bangladesh Economy" further states that rural households, especially the vulnerable groups who earn the most from agriculture, are worst affected by the war. Thareen Tahrira Chowdhury of the BIDS and Angga Pradesha from the International Food Policy Research Institute presented the highlight of the paper on the first day of the BIDS Research Almanac on Wednesday.

<https://www.tbsnews.net/economy/price-shocks-due-russia-ukraine-war-pushed-3m-bangladeshis-poverty-bids-633590>

Tougher value addition rules for an RMG segment mulled

- The government has planned to implement stricter regulations regarding the eligibility criteria for cash incentives provided to garment exporters who rely on materials supplied by their buyers, according to officials of the Bangladesh Bank. Apparel manufacturers who receive fabrics and other materials from buyers and export finished products after cutting, making, and trimming (CMT), will now be subject to a revised calculation of their value addition.
- To qualify for cash incentives, the value addition must amount to at least 20%. Currently, exporters in this sector determine the value addition by subtracting the cost of production, including purchases from local markets and profit margins, from the export proceeds except for freight costs.

<https://www.tbsnews.net/economy/rmg/garment-sector-see-tighter-cash-incentive-rule-luxury-hotels-will-lose-duty-concession>

Govt keeps borrowing big amounts from BB

- The government has kept borrowing a hefty amount of funds from the Bangladesh Bank as commercial banks are unable to meet the financing requirement of the state because of the liquidity crunch. Between July 1 and May 10 this fiscal year, the government borrowed BDT 679.06 Bn from the central bank, BB data showed.
- It borrowed BDT 314.03 Bn from the BB in the entire previous fiscal year. "Borrowing from the central bank means an injection of money into the market," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh. "It will put an adverse impact on inflation and the balance of payments (BoP)."

<https://www.thedailystar.net/business/economy/news/govt-keeps-borrowing-big-amounts-bb-3323031>

Major targets of current budget still unmet

- The government is far away from achieving the major targets set for the current fiscal year when the national budget was unveiled in June last year, owing to its failures to assess the global scenario before fixing the goals, experts said. The major targets that the government might miss at the end of 2022-23 include gross domestic product (GDP) growth, inflation, revenue and annual development programme (ADP).

<https://www.thedailystar.net/business/economy/news/major-targets-current-budget-still-unmet-3323036>

Rise in med prices: Government sits with stakeholders today

- The government is scheduled to sit with stakeholders today (Wednesday) to find reasons behind a recent hike in prices of medicines and medical equipment. Today's meeting is part of an instruction from the Prime Minister's Office (PMO). The Directorate General of Drug Administration (DGDA), which is authorised to approve prices of medicines, will hold the meeting on its premises. Pharmaceutical company representatives, chemists and druggists, law-enforcers, intelligence officials, medical device and instrument importers association, pharmaceutical importers association and Consumers Association of Bangladesh (CAB) have been invited to the meeting.

<https://thefinancialexpress.com.bd/economy/bangladesh/rise-in-med-prices-government-sits-with-stakeholders-today>

Stocks:**EBL | Eastern Bank posts higher Q1 profit despite rising costs**

- Despite struggling with higher foreign currency borrowing cost and expensive deposits, Eastern Bank Limited, posted a nearly 4% year-on-year growth in net profit on a solo basis in the first quarter of 2023. The bank's March quarter profit was mainly driven by a significant growth in investment income and release of provision against its unrealised losses in listed securities, the bank said in a statement. Eastern Bank's Managing Director and Chief Executive Officer Ali Reza Iftekhhar said, "Despite rising inflation, dollar crisis, and market volatility, the bank saw higher profits thanks to our prudent banking and responsible lending."
- The banking sector has faced a decrease in net interest income, fees and commission earnings including foreign exchange gain during the first quarter of 2023. This was mainly because of the ongoing economic crisis due to scarcity of the US dollar. As a result, foreign currency borrowing cost, particularly for offshore banking operations, increased.

<https://www.tbsnews.net/economy/stocks/eastern-bank-posts-higher-q1-profit-despite-rising-costs-633654>

MTB | Sponsor to transfer 1.52 Mn Mutual Trust Bank shares

- Associated Builders Corporation Limited — a sponsor of the Mutual Trust Bank Limited – has declared to sell 13.8% or 1.52 Mn of its total 11 Mn shares at the bank. On the other hand, Rashed Ahmed Chowdhury, a director at Associated Builders Corporation as well as at the bank, is going to buy the same shares at the prevailing market price. According to the bank's disclosure on the Dhaka Stock Exchange (DSE) website on Wednesday, the transaction will take place in the block market within the next 30 working days.

<https://www.tbsnews.net/economy/stocks/sponsor-transfer-152-lakh-mutual-trust-bank-shares-633634>

EXCHANGE | Foreign investment in stocks on the rise

- The stock market is witnessing a rise in foreign investments as the dollar market in Bangladesh started to become stable after months of volatility. According to Dhaka Stock Exchange (DSE) data, foreign investors bought more shares than they sold in April this year, which increased their net investment in the market to BDT 810 Mn compared to just BDT 30 Mn in March. After a long hiatus, foreign investors are now buying more shares than they are selling. In April 2023, they bought shares worth BDT 1.31 Bn, against which they sold shares worth BDT 500 Mn.

<https://www.tbsnews.net/economy/stocks/foreign-investment-stocks-rise-633662>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.64	(USD 2.57)	-3.42%
Crude Oil (Brent)*	USD 76.77	(USD 1.01)	-1.30%
Gold Spot*	USD 1,984.40	USD 210.25	11.85%
DSEX	6,281.25	74.25	1.20%
S&P 500	4,158.77	319.27	8.32%
FTSE 100	7,723.23	271.49	3.64%
BSE SENSEX	61,560.64	719.90	1.18%
KSE-100	41,835.57	1,415.12	3.50%
CSEALL	8,823.01	320.52	3.77%

Exchange Rates**1 US Dollar = 107.48 BDT****1 GBP = 134.19 BDT****1 Euro = 116.85 BDT****1 INR = 1.30 BDT**

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