

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:**BDT 920 Bn default loan cases resolved with just 25% recovery**

- Money loan courts, set up to resolve financial disputes, have so far disposed of 155 thousand cases, but banks have only been able to recover 25% of their defaulted loans, amounting to BDT 922.11 Bn. Bankers have attributed the poor recovery of the non-performing loans to the overvaluation of mortgaged assets and various irregularities in loan disbursements.
- According to a central bank report, banks recovered BDT 233.28 Bn from the resolved cases till June this year. Among the defaulted loans, the highest amount, BDT 580.14 Bn, belongs to state-owned banks, followed by BDT 310.31 Bn for private banks.

<https://www.tbsnews.net/economy/banking/tk92000cr-default-loan-cases-resolved-just-25-recovery-702270>

Banking Sector: Female workforce rises but slightly

- The number of women bankers has gone up slightly over the last three years, after it saw a drop during the Coronavirus pandemic in 2020. As of June this year, 16.32% of the bank employees are women, up from 16.28% a year ago, according to data from Bangladesh Bank. Similarly, the proportion of female bankers at the top-level and mid-level posts has increased, albeit at a slower pace, while the primary level's entry has decreased slightly, according to Gender Equality Report of Banks and Financial Institutions released by the central bank yesterday.

<https://www.thedailystar.net/business/economy/banks/news/banking-sector-female-workforce-rises-slightly-3422121>

Market for pet food, accessories growing

- A rise in the number of people who welcome pets into their homes and trends such as a humanisation of pets and ethical pet ownership have led to a boom in demand for pet food and related accessories. Pet humanisation reflects a person's mindset to treat the animals like members of the family, with owners now often attempting to provide animals with standards of living in tune with their own. That, combined with changing lifestyles and a spike in disposable income, has meant more demand for pet care products than ever before.

<https://www.thedailystar.net/business/economy/news/market-pet-food-accessories-growing-3422306>

Enhance Ctg port capacity for higher RMG exports

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) today called for enhancing the capacity of the Chattogram Port in line with the growing demand of export-import sector of Bangladesh, particularly the export-oriented readymade garment industry. The BGMEA also demanded enhancing the port's efficiency to help it handle an increased number of export-import cargoes to reduce lead times.
- BGMEA President Faruque Hassan made the call during a meeting with Chittagong Port Authority (CPA) Chairman Rear Admiral Mohammad Sohail at Chattogram. Hassan said the RMG industry of Bangladesh has set a target of achieving USD 100 Bn from garment exports by 2030, which necessitates increasing the capacity of the port to handle export-import goods.

<https://www.thedailystar.net/business/news/enhance-ctg-port-capacity-higher-rmg-exports-3422061>

Plastic industry policy aims to expand domestic market

- The Plastic Industry Development Policy 2023 has set a target to increase the plastics and packaging industry market from around USD 4 Bn now to USD 10 Bn by 2028. The policy was approved by the cabinet on September 4 and will be implemented for a period of five years from the date of approval.
- However, there is scope to amend the policy from time to time in the light of new circumstances based on the results of evaluation and monitoring activities. "The target is really ambitious but it is achievable if the global financial crisis ends soon. The country's macroeconomic situation will be stable over the period," said Shamim Ahmed, president of Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA).

<https://www.thedailystar.net/business/economy/news/plastic-industry-policy-aims-expand-domestic-market-3421461>

Two more RMG units get green certificates

- Two more garment factories in Bangladesh have been awarded the "Leadership in Energy and Environmental Design (LEED)" by the US Green Building Council (USGBC) for their green initiatives in production. This raises the number of green garment factories in the country to 202, according to data from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- Universal Menswear in Narayanganj and Pacific Blue Jeans Wear Ltd in Dhaka received the gold certification, BGMEA said on Sunday. Currently, Bangladesh has 73 platinum-rated green garment factories, 115 gold-rated, 10 silver-rated and four green-certified units.

<https://www.thedailystar.net/business/economy/news/two-more-rmg-units-get-green-certificates-3422291>

Ticfa meeting with US tomorrow

- The seventh round of meetings under the Trade and Investment Cooperation Forum Agreement (Ticfa) will begin in Dhaka tomorrow, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday. It will discuss a wide range of trade and investment issues such as duty, labour rights, trade unionism and market access, he told a group of journalists at his Bangladesh Secretariat office in Dhaka.
- The information was shared after a preparatory meeting for the Ticfa talks with a team of United States Trade Representative (USTR), the chief trade negotiation body of the American government. On November 25, 2013, the US and Bangladesh signed Ticfa to establish an annual forum to identify and address obstacles to increasing bilateral trade and investment.

<https://www.thedailystar.net/business/economy/news/ticfa-meeting-us-tomorrow-3422321>

Curtailling high-powered money mulled to contain inflation

- Curtailing high-powered money supply in the economy now comes under government consideration as a means to contain inflation as consumer woes compound amid steep commodity prices, sources say. Bangladesh Bank has switched over its policy on injection of high-powered or print money into government accounts to rein in growing inflationary pressure, officials said.
- The shift from facilitating government's domestic borrowing through devolvement mechanism comes after criticisms by economists and money-market analysts who think the growing dependence on the newly circulated credits supplied by the central bank will stoke up inflation and badly affect the people.

<https://thefinancialexpress.com.bd/economy/bangladesh/curtailing-high-powered-money-mulled-to-contain-inflation>

Over BDT 1.78 Tn default loans trapped under ARA toils

- Default loans trapped under toils of law continue swelling, amounting to BDT 1.78 Tn up till last fiscal end, giving economists to feel a lack effective lending and recovery efforts. Latest situation is deemed much worse with the officially counted dud-money amount till June further ballooning by now to push up piles of non-performing loans (NPL) in Bangladesh's banking system.
- The volume of bad loans stuck up with legal cobweb swelled up further by over BDT 213.04 Bn in June this year after settlement of some cases. Bangladesh Bank data obtained until June 2023 showed the number of cases pending with the Artha Rin Adalats (money loan courts) as 72,540 by then against huge dues claimed by banks.

<https://thefinancialexpress.com.bd/economy/bangladesh/over-tk-178-trillion-default-loans-trapped-under-ara-toils>

Mighty dollar squeezes int'l purchases thru credit cards

- The foreign exchange crisis in Bangladesh has dealt a blow to credit card users as the sharp appreciation of the US dollar against the taka has narrowed their scope for foreign purchases through cards. Industry insiders say the amount of USD that can be spent using credit cards has decreased due mainly to the depreciation of the local currency against the American greenback.
- Almost all major currencies have gained significantly against the taka in the last one and a half years amid the significant depletion of the foreign currency reserve. For instance, the dollar traded at BDT 110 on Sunday, up from BDT 106.60 on the same day last year and BDT 85.20 in 2021.

<https://www.thedailystar.net/business/economy/news/mighty-dollar-squeezes-intl-purchases-thru-credit-cards-3422326>

FBCCI urges BB not to hike interest rate

- The leaders of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) have sought the cooperation of the central bank so that the interest rate on loans does not increase by a large margin. A delegation of the apex chamber of the country led by its President Mahbubul Alam made the request in a meeting with Bangladesh Bank Governor Abdur Rouf Talukder at the central bank headquarters today.
- Talking to reporters after the meeting, the FBCCI chief said that the interest rate on loans continues to rise after the withdrawal of the rate cap. In June, the central bank scrapped the interest rate ceiling and adopted a new interest rate regime, which came into effect on July 1.

<https://www.thedailystar.net/business/economy/news/fbcci-urges-bb-not-hike-interest-rate-3421861>

Why domestic firms' overseas investments send back so little

- While Bangladeshi enterprises have been allowed to make direct investments abroad, the incomes are insignificant and the country's dividends seem minimal. After analysing Bangladesh Bank data and talking with investors, The Business Standard found that most business ventures are losing money while income-generating ones are unwilling to repatriate money as they want to increase share capital abroad. Some companies have also taken loans from foreign sources who are not bringing in dividends. Some firms also open foreign offices to operate as export agents and use the income to run their businesses there.

<https://www.tbsnews.net/economy/why-domestic-firms-overseas-investments-send-back-so-little-702814>

Ship-breakers, re-rolling mills at loggerheads over price hike of scrap

- A dispute between ship-breakers and steel re-rolling mills over the hike in price of scrap steel has led to an impasse in the production of steel goods for the past seven days. Consequently, re-rolling mills are struggling to run operations due to a shortage of raw materials.
- Neither side could give any indication about when they would reach a consensus regarding the price of ship-breaking products, including scrap steel. The Bangladesh Ship Breakers and Recyclers Association (BSBRA) said they would not be able to sell steel, scrap or otherwise, at losses.

<https://www.thedailystar.net/business/organisation-news/news/ship-breakers-re-rolling-mills-loggerheads-over-price-hike-scrap-3422221>

Stocks:**DBH | DBH Finance to issue BDT 5.5 Bn bond for housing finance**

- DBH Finance PLC, a non-bank financial institution (NBFI) specialised in the housing sector, decided to raise BDT 5.5 Bn through issuing bonds. In a disclosure on the Dhaka bourse, the housing sector financier said the bond will facilitate the disbursement of loans at affordable interest rates to the housing sector.

<https://www.tbsnews.net/economy/stocks/dbh-finance-issue-tk550-cr-bond-housing-finance-702382>

UNIQUEHRL | Unique Hotel's profit soars 92% riding on capital gain

- Unique Hotel and Resorts Ltd — owner of The Westin Dhaka — has posted a staggering 92% year-on-year growth in its earnings per share (EPS) in the fiscal 2022-23, thanks to its extraordinary income from selling shares. At the end of FY23, its EPS stood at BDT 6.42. Of this, BDT 3.83 came from capital gain on selling ordinary shares of the Unique Meghnaghat Power Limited, BDT 2.06 from business operations, and BDT 0.53 from an unrealised gain of BDT 154.5 Mn on investment at Chartered Life Insurance Company. In FY22, Unique Hotel's EPS was BDT 3.34.

<https://www.tbsnews.net/economy/stocks/unique-hotels-profit-soars-92-riding-capital-gain-702806>

HIMADRI | Little-known Himadri's stocks most expensive

- Although Reckitt Benckiser (Bangladesh) PLC, with renowned household brands such as Mortein, Dettol and Harpic, is light years ahead of little-known cold storage Himadri Ltd in terms of business performance, their stocks prices belie the real scenario.
- At present, the Himadri stocks are of the highest price in the Bangladesh market. Yesterday they rose 10% to BDT 6,474 at the SME board of Dhaka Stock Exchange (DSE). Meanwhile, the Reckitt stocks were traded at BDT 4,820. The Reckitt provided a 980% cash dividend in 2022 while the Himadri 10%.

<https://www.thedailystar.net/business/economy/news/little-known-himadris-stocks-most-expensive-3422311>

NATLIFEINS | National Life Ins gets new DMD

- National Life Insurance Company Ltd has promoted an assistant managing director (AMD) to the post of deputy managing director (DMD). The promotee, Probir Chandra Das, was also the chief financial officer (CFO) of the company, said a press release. Das joined the insurer as CFO in 2015. He started his career in life insurance sector by joining Sandhani Life Insurance. He is a fellow of the Institute of Chartered Accountants of Bangladesh.

<https://www.thedailystar.net/business/organisation-news/news/national-life-ins-gets-new-dmd-3422251>

WALTONHIL | StanChart completes Taka-Rupee transaction for Walton

- Standard Chartered Bangladesh has recently completed the first Indian Rupee (INR) denominated trade transaction for Walton Hi-Tech Industries PLC, a concern of the Walton Group, to facilitate refrigerator and freezer exports to India. This is the first BDT-INR export transaction for Bangladesh's electronics industry, the multinational bank said in a press release yesterday. The event is a symbol of inspiration, collaboration, innovation and a matter of pride for the nation, said Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh.

<https://www.thedailystar.net/business/economy/news/stanchart-completes-taka-rupee-transaction-walton-3421961>

ILFSL | For International Leasing, BDT 4.37 Bn collateral was enough for BDT 45 Bn loan

- Amid a series of loan scams crippling International Leasing and Finance Services Limited, a grave picture has come to light – the non-bank financial institution disbursed loans surpassing mortgaged assets by tenfold or without any mortgage in some cases. The current board, set up by the High Court following widespread loan scandals, has found that the troubled NBFIL lent around BDT 45 Bn against mortgaged assets valued at BDT 4.37 Bn only.

<https://www.tbsnews.net/economy/international-leasing-tk437cr-collateral-was-enough-tk4500cr-loan-702254>

EXCHANGE | No law to compensate investors defrauded by stock brokers

- No regulatory authority in Bangladesh is obliged by law to provide any remedy if a brokerage firm siphons off clients' money or assets. That is the reason why investors have not yet been paid back even three to four years after four brokerage firms -- Tamha Securities, Banco Securities, Crest Securities and Shah Mohammad Sagir -- defrauded them.
- Before the 2013 demutualisation, law permitted the stock exchanges to sell broker's licence or membership for settling customer claims without any delay, but that is no longer the case, said Supreme Court lawyer Kazi Ershadul Alam. The Securities and Exchange Rules, 1987 that could ensure some protection against fraudulent activities of brokerage firms lost its effectiveness when demutualisation removed the membership system.

<https://thefinancialexpress.com.bd/stock/bangladesh/no-law-to-compensate-investors-defrauded-by-stock-brokers>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 92.25 | USD 17.04 | 22.66% |
| Crude Oil (Brent)* | USD 94.63 | USD 16.85 | 21.66% |
| Gold Spot* | USD 1,933.04 | USD 158.89 | 8.96% |
| DSEX | 6,310.98 | 103.98 | 1.68% |
| S&P 500 | 4,453.53 | 614.03 | 15.99% |
| FTSE 100 | 7,652.94 | 201.20 | 2.70% |
| BSE SENSEX | 67,596.84 | 6,756.10 | 11.10% |
| KSE-100 | 45,837.42 | 5,416.97 | 13.40% |
| CSEALL | 11,363.64 | 2,861.15 | 33.65% |

Exchange Rates**1 US Dollar = 109.63 BDT****1 GBP = 135.68 BDT****1 Euro = 117.12 BDT****1 INR = 1.32 BDT**

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