

*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:****Bangladesh adopts GM cotton**

- Bangladesh yesterday released two varieties of a genetically modified (GM) cotton for domestic cultivation, aiming to increase yields and reduce import dependence. The GM cotton has genetic traits taken from a soil-dwelling bacterium - *Bacillus thuringiensis* (Bt) - that effectively fights bollworm, a caterpillar responsible for damaging cotton yields.
- This is the second GM plant to be introduced in the country. Bangladesh joined the GM-crop cultivating nations in 2014 introducing Bt brinjal, the first GM food crop in South Asia. At least 20% of the country's demand for cotton, or around 150 thousand bales, can be met by locally cultivating the Bt and hybrid varieties of cotton, said Agriculture Minister Muhammad Abdur Razzaque.

<https://www.thedailystar.net/business/economy/news/bangladesh-adopts-gm-cotton-3399051>

**10-year loan rescheduling facility for ship-builders**

- Loans, leases and investments extended by non-bank financial institutions (NBFIs) to ship manufacturers could be rescheduled for up to 10 years as the central bank took the initiative to help beleaguered borrowers resume making installments. Revenue flows to ship-builders, catering to both local and international markets, have been affected for various reasons that are not within their control. As a result, they are failing to pay installments regularly, the central bank said in a notice yesterday.
- Under the circumstances, simplifying the repayment process for the affected borrowers is required in a bid to recover long-pending unrepaid loans and reduce the level of classified loans. NBFIs have been asked to create two separate accounts --- one for outstanding principal amount and the other for outstanding interest amount – on the basis of the dues payable as of June 30 this year.

<https://www.thedailystar.net/business/economy/news/10-year-loan-rescheduling-facility-ship-builders-3399176>

**Rooppur will be ready on time**

- The much-awaited Rooppur nuclear power plant is coming along at more or less the expected pace but the country has to wait longer to enjoy the benefits as the power evacuation facility from the plant would not be ready on time. One of the two projects for power evacuation from Rooppur, which was taken up in April 2018 for completion by December this year, saw 63% physical progress and 47.78% financial progress as of June, according to the Power Grid Company of Bangladesh (PGCB). The BDT 109.81 Bn transmission project is unlikely to be completed before the middle of next year, according to officials.
- The physical progress of the other project, which was taken up in July 2022 for completion by June 2025, is just 5% and the financial progress is 7.47% as of July 3, according to PGCB. Under the project, 7 kilometre-long 400 kV and 230 kV double circuit lines crossing the Jamuna river and a 2 km-long 400 kV single circuit line across the Padma river were supposed to be set up at a cost of BDT 60.56 Bn. "It will not be possible to start test production unless the power evacuation facility is up and running," said a top official of the BDT 1.13 Tn Rooppur power plant project on the condition of anonymity to speak candidly on the matter.

<https://www.thedailystar.net/business/economy/news/rooppur-will-be-ready-time-3398991>

**Pvt inland container depots handle imports worth USD 54 Bn at Ctg port annually: Bicda**

- Private inland container depots (ICDs) at the Chattogram port are contributing to the country's economy by annually handling export cargoes worth USD 54 Bn, 25% of total imports transported in containers and also a large volume of empty containers at the port. This was revealed in a meeting between Rear Admiral Mohammad Sohail, chairman of the Chattogram Port Authority, and a delegation of the Bangladesh Inland Container Depots Association (Bicda), led by its President Nurul Qayyum Khan, at the port city's Bandar Bhaban on Sunday.
- The Bicda delegation consists of the association's Vice Presidents Khalilur Rahman and Imran Fahim Noor, Directors Yasser Rizvi, Be-nazir Chowdhury Nishan and Captain Kamrul Islam Mazumder and Director General Md Rubel Amin Sikder. At the meeting, Bicda President Nurul Qayyum Khan expressed frustration, stating that the contribution of private ICDs remains unrecognised due to reluctance of government quarters, policymakers and stakeholder organisations concerned. He termed it "very unfortunate and disappointing".

<https://www.tbsnews.net/economy/pvt-inland-container-depots-handle-imports-worth-54b-ctg-port-annually-bicda-685702>

**52 digital bank licences sought**

- Fifty-two applications have been filed by companies such as banks, fintec firms and mobile financial service providers to roll out digital banks, Bangladesh Bank Spokesperson Md Mezbaul Haque confirmed today. The deadline for filing the applications ended on August 17.
- The central bank invited applications for digital bank from the entrepreneurs from June 21 this year. As per the Bangladesh Bank's rule, investors willing to set up a digital bank will have to have a minimum paid-up capital of BDT 1250 Mn and the capital will have to come from the sponsors.

<https://www.thedailystar.net/business/economy/banks/news/52-digital-bank-licences-sought-3398671>

**RFL expands Bizli Cables product line with new medium-voltage cable**

- RFL Group, widely known as Pran-RFL Group, one of the leading business conglomerates in the country, has introduced a new product category — medium-voltage power cable — to its popular cable brand Bizli Cables. The trial production of the cable has already begun at a newly constructed factory.
- According to company officials, the medium-voltage cable market in the country is expanding but it is mostly import-dependent. The new product aims to reduce that dependency and meet the growing demand for medium-voltage cable as the government has initiated the installation of underground power cables across the country. The group's concern, Rangpur Metal Industries Limited, which started its journey in 2013, runs the cable business under the brand name Bizli Cables.

<https://www.tbsnews.net/economy/industry/rfl-expands-bizli-cables-product-line-new-medium-voltage-cable-685254>

**Bangladesh posts current account deficit at USD 3.3 Bn in FY23**

- Bangladesh registered a current account deficit of some USD 3.3 Bn in the last fiscal year running from July 2022 to June 2023, a Bangladesh Bank (BB) official has said. The central bank official said on Sunday that the current account balance showed a deficit of USD 3.334 Bn in fiscal year 2022-23, compared to the deficit of USD 4.575 Bn recorded a year earlier, reports Xinhua.
- Remittances, however, helped Bangladesh by cushioning the impact of current account deficit with moderate export income growth, said the official. According to the official, inflow of remittances from some 10 Mn Bangladeshis living and working in over 100 countries and regions in fiscal year 2022-23 amounted to USD 21.61 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-posts-current-account-deficit-at-33b-in-fy23>

**Some BDT 2.07 Tn default loan trapped in lawsuits**

- Loads of default loans of private and public banks get caught in legal cobweb and go ballooning over BDT 2.07 Tn by the end of March this year, sources say, compounding problems in Bangladesh's banking industry. In the first quarter of this year (January-March 2023), sixty banks filed 14,650 new cases with claims to BDT 274 Bn as they failed to recover the default loans, according to a latest report of Bangladesh Bank (BB). The total number of such cases with Artha Rin Adalats (money loan courts) had risen to 214,282 until then, and the aggregate claims stood at around BDT 2.07 Tn.
- Economists and analysts say such bad loans weaken Bangladesh's banking system. However, loan recovery by different courts across the country came to BDT 44.34 Bn only during the period under review, the report states, adding that BDT 67.89 Bn was recovered through alternative dispute resolution (ADR) mechanism. People familiar with the process have said the banks often sanction loans "arbitrarily", without keeping in mind that the credits will have to be recovered.

<https://thefinancialexpress.com.bd/economy/bangladesh/some-tk-207-trillion-default-loan-trapped-in-lawsuits>

**JICA proposes to raise interest rate to 2.26% for loans to Bangladesh**

- The Japan International Cooperation Agency (JICA) has proposed to raise the interest rate to 2.26% from 1.6%, for loans to be provided to Bangladesh. The Economic Relations Division of Bangladesh has been trying to make JICA keep the interest rate as low as possible, at least below 2%, since Japan placed the proposal in July.
- The new rate may become effective by October as Bangladesh is expecting to sign the 44<sup>th</sup> loan package deal with JICA in November, said AKM Shahabuddin, an additional secretary at the ERD. An ERD official said Japan assured Bangladesh of funding three ongoing projects and providing USD 310 Mn as budget support under that package.

<https://thefinancialexpress.com.bd/economy/bangladesh/jica-proposes-to-raise-interest-rate-to-226pc-for-loans-to-bangladesh>

**Onion prices go up as India slaps fresh duty**

- Onion prices at wholesale and retail markets in Bangladesh rose overnight yesterday after India imposed a 40% duty on exports of the bulb. India slapped a fresh tax on onion exports on Saturday in a bid to retain stocks and thereby tame escalating domestic prices, according to a notification from the neighbouring nation's finance ministry.
- As such, the wholesale price of Indian onions has risen by as much as BDT 12 per kilogramme (kg), according to traders in Dhaka and Chattogram. Mohammad Hafiz Uddin, a wholesaler in the capital's Shyambazar, said he sold Indian onions for about BDT 50 per kg on Saturday while the price was BDT 62 on Sunday.

<https://www.thedailystar.net/business/economy/news/onion-prices-go-india-slaps-fresh-duty-3399196>

**Capital machinery import slumps, a sign of slowing investment, economy**

- Bangladesh's import of capital machinery and intermediate goods, which are used to make finished products for both local and export markets, declined in the last fiscal year, reflecting a slowdown in private investment and the economy. The persistent dollar crisis, which began at the beginning of 2022-23, and higher inflation at home and abroad for a fall in the purchasing capacity of consumers are all to blame for the drop.
- Of late, businesses have become cautious when it comes to investments as political uncertainty is deepening ahead of the parliamentary election due early next year. Subsequently, the import of capital machinery fell 11% year-on-year to USD 4.84 Bn in FY23, according to the import data compiled by the Bangladesh Bank based on customs records.

<https://www.thedailystar.net/business/economy/news/capital-machinery-import-slumps-sign-slowing-investment-economy-3399206>

**USD 12 Bn from exports did not come home last year**

- Bangladesh's export receipts fell short of the value of export shipments by USD 12 Bn in the last fiscal year, prompting concerns within the Bangladesh Bank regarding the historically high unrealised export proceeds pending abroad, which is taking a toll on the foreign exchange reserves. In fiscal 2022-23, export receipts totaled USD 43 Bn, a figure 22% lower than the export shipment value of USD 55.6 Bn, as reported by the Bangladesh Bank. The unrealised export value was twice the amount recorded in FY22 and six times higher than that of FY20.
- While common factors such as time lag and export bill discounts can account for mismatches between shipment and realised values, a senior executive at the Bangladesh Bank noted that the recent trend of unrealised export proceeds is unusually high. In light of this situation, the central bank initiated the collection of export documents to ascertain the reasons behind this surge in unrealised export proceeds, he said.

<https://www.tbsnews.net/economy/12b-exports-did-not-come-home-last-year-685746>

**Forex reserves' import coverage strength at 6yr low: Mastercard Economics**

- Bangladesh can now cover four months' import cost with its foreign currency reserves, which is the lowest in the last six years, according to the Mastercard Economic Institute. The information was revealed at a roundtable discussion on the "State of the Global, Regional, and Bangladesh Economic Outlook" organised by Mastercard on Sunday in Dhaka.
- In the keynote, David Mann, chief economist for Asia Pacific and Middle East Africa at the Institute, showed that Bangladesh was able to cover 12 months' import cost with its forex reserves in mid-2020. But the coverage capacity has been declining and stands at four months in June this year, he said.

<https://www.tbsnews.net/economy/forex-reserves-import-coverage-strength-6yr-low-mastercard-economics-685698>

**Loan disbursements thru agent banking rise 70%**

- Loan disbursement through agent banking surged 70.58% year-on-year to BDT 130.41 Bn in June 2023 on the back of improved access to finance for rural people, according to Bangladesh Bank. At the end of June last year, the disbursement stood at BDT 76.45 Bn.
- Deposits and remittance inflows also grew by 19% and 33.74%, respectively, compared to the previous year, according to data from the central bank. Bankers said that with the gradual expansion of agent banking, many people who were previously excluded from banking services at the rural level can now easily avail themselves of the services, which is the key reason behind the increased flow of such loans.

<https://www.tbsnews.net/economy/banking/loan-disbursements-thru-agent-banking-rise-70-685726>

**Uncertainty spurs cash stockpiling out of banks**

- Cash in people's hands reached BDT 2.91 Tn till June surging by BDT 360 Bn from the previous month as pre-election political uncertainties and a global economic slowdown spooked consumers. As per central bank data, cash in people's hands or out of banking channels amounted to BDT 2.36 Tn by June 2022, implying the amount grew over BDT 55,000 in about a year till June 2023.
- Managing director of a private bank told The Business Standard that the interest rate cap of 10% prevents financial institutions from hiking deposit rates high enough to attract more cash flow. In this situation, financial institutions will not have enough earnings to cover operating costs, he added. The banks offer maximum 8% deposit rate but this is not high enough compared with the current inflation rate to encourage people to park their cash in banks.

<https://www.tbsnews.net/economy/banking/uncertainty-spurs-cash-stockpiling-out-banks-685718>

**MetLife settles BDT 15.37 Bn claims in first half**

- Life insurer MetLife Bangladesh has settled BDT 15.37 Bn worth of claims in the first six months of this year. The amount includes the money customers received as insurance benefits and claims for loss of life and medical needs, MetLife said in a press release today. The insurance company said MetLife's customers enjoy the best claim settlement experience as they can submit their claim requests online and receive claimed money within three to five working days.

<https://www.thedailystar.net/business/news/metlife-settles-tk-1537-crore-claims-first-half-3398811>

**Stocks:****EXCHANGE | DSE seeks rule relaxation to boost alternative trading board**

- The Dhaka Stock Exchange (DSE) wrote to the securities regulator for relaxation of some rules for the alternative trading board (ATB) to increase liquidity and ensure fair pricing in the trading platform. In its letter to the Bangladesh Securities and Exchange Commission (BSEC) this July, the Dhaka bourse sought the removal of the 90-day bar to sell equity securities to realise gains.
- Also, the DSE wrote instead of fair value, it wants to consider the reference price or yesterday close price (YCP) in calculating the circuit breaker. A circuit breaker is an emergency measure established by stock markets that shut down trading activity temporarily or for the rest of the trading day when market prices drop significantly.

<https://www.tbsnews.net/economy/stocks/dse-seeks-rule-relaxation-boost-alternative-trading-board-685690>

**CROWNCEMNT | Crown Cement to buy fly ash from Matarbari power plant**

- Crown Cement PLC has decided to purchase fly ash from the Matarbari 2x600 MW Ultra Super Critical Coal Fired Power Plant to ensure smooth and regular production of cement. The company will soon sign a joint venture consortium agreement (JVCA) with the power plant, Md Mozharul Islam, company secretary of Crown Cement, told The Daily Star.
- Fly ash collected from the plant will be used as a raw material for cement production, which will help in decreasing import dependency and save transport cost, he said. However, Islam did not say anything about when the deal will be signed and how much fly ash the company will purchase from the plant.

<https://www.thedailystar.net/business/news/crown-cement-buy-fly-ash-matarbari-power-plant-3398886>

**ALARABANK | Labu elected as AIBL chairman**

- Abdus Samad Labu has been elected as the chairman of Al-Arafah Islami Bank Ltd (AIBL) in the 390th meeting of the board of directors of the bank yesterday. Labu is one of the founder directors of the bank, said a press release. He is the vice-chairman of S Alam Group, chairman of S Alam Cold Rolled Steels Ltd, and a vice-chairman of Ekushey Television (ETV). He is a renowned name in the business arena of the country and manages various business houses in different capacities. He is an executive member of Baitus Saraf Foundation and Chattogram Samity, Dhaka.

<https://www.thedailystar.net/business/economy/news/labu-elected-aibl-chairman-3399086>

**FAREASTFIN, FASFIN, BIFC | Three sick NBFIs incur losses again**

- Three poorly performing non-bank financial institutions (NBFIs) — Fareast Finance, First Finance, and Bangladesh Industrial Finance — have published their most recent financial statements, all of which show losses. Fareast Finance and First Finance have posted quarterly financials for the April to June quarter of 2023, while Bangladesh Industrial Finance posted its annual performance for 2021.

<https://www.tbsnews.net/economy/stocks/three-sick-nbfis-incur-losses-again-685710>

**GREENDELTA | Green Delta gets 3 foreign strategic partners for digital bank**

- Green Delta Insurance has got three foreign strategic partners for its proposed digital banking venture "Yeah Digital Bank PLC" and the consortium is one of the 52 applicants for a digital banking licence in Bangladesh, according to sources. The three foreign strategic partners will hold a 70% stake in the proposed digital bank awaiting the Bangladesh Bank licence, while local sponsors will have the remaining 30% stake.
- The foreign strategic partners of Green Delta include the Singapore-based technology firm Mintech, which has already provided software and app solutions to around 30 digital banks in various markets. Its client banks served 35 Mn registered users and disbursed over USD 50 Bn in digitally disbursed loans. Silverhorn, another foreign partner, is a Hong Kong and Singapore-based investor firm that has a strategic investment in leading digital banking and digital lending firms in several South-East Asian markets.

<https://www.tbsnews.net/economy/stocks/green-delta-gets-3-foreign-strategic-partners-digital-bank-685694>

**EXCHANGE | Brokers not incentivised enough to help retail investors buy debt securities**

- It is not retail investors' lack of appetite, rather brokerage firms' lack of interest that has kept bond trading limited to institutional investors and high net-worth individuals. Brokers do not feel encouraged enough to cater to the demand of small investors for bonds.
- In case of Treasury bonds, they can charge their clients at 0.10% of the transacted volume per transaction. Hence, the higher is the trade volume the higher the transaction charge/fee is paid to the stock broker. For trading of corporate bonds, transaction fee is fixed at BDT 100 each trade. But when a buyer places an order for a high volume, the purchase is usually done by multiple transactions. Therefore, the broker feels compensated to some extent for the job done.

<https://thefinancialexpress.com.bd/stock/bangladesh/brokers-not-incentivised-enough-to-help-retail-investors-buy-debt-securities>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 81.99	USD 6.78	9.01%
Crude Oil (Brent)*	USD 85.35	USD 7.57	9.73%
Gold Spot*	USD 1,885.33	USD 111.18	6.27%
DSEX	6,265.24	58.24	0.94%
S&P 500	4,369.71	530.21	13.81%
FTSE 100	7,262.43	-189.31	-2.54%
BSE SENSEX	64,948.66	4,107.92	6.75%
KSE-100	48,220.68	7,800.23	19.30%
CSEALL	11,403.92	2,901.43	34.12%

**Exchange Rates****1 US Dollar = 109.30 BDT****1 GBP = 139.19 BDT****1 Euro = 118.85 BDT****1 INR = 1.31 BDT**



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