

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:**ADB raises growth forecast for Bangladesh's economy to 6.5% for FY24**

- The Asian Development Bank today raised growth projection for Bangladesh's economy to 6.5% for the current fiscal year. The global lender came up with the estimation in its update report on "Asian Development Outlook (ADO) September 2023" released today. "Bangladesh's gross domestic product (GDP) is expected to grow by 6.5% in fiscal year 2024, compared with an estimated growth of 6.0% in FY 2023," the report said.

<https://www.thedailystar.net/business/economy/news/adb-raises-growth-forecast-bangladeshs-economy-65-fy24-3423396>

Bangladesh's inflation expected to ease to 6.6% in FY2024: ADB

- The Asian Development Bank (ADB) has projected that Bangladesh's inflation will ease to 6.6% in the current fiscal year. The global lender came up with the projection in its update report on "Asian Development Outlook (ADO) September 2023" released today.
- "Inflation is expected to ease from 9.0% in FY2023 to 6.6% in FY2024 with some fall in global nonfuel commodity prices, expected higher agricultural production, and the initial tightening of monetary policy under the new framework," it said.

<https://www.thedailystar.net/business/economy/news/bangladeshs-inflation-expected-ease-66-fy2024-adb-3423381>

USD 250 Mn budget support from WB in Nov

- Bangladesh is expecting another USD 250 Mn in budget support from the World Bank after the government fulfilled the conditions laid out for the funding. The budget support will come under the Bangladesh First Recovery and Resilience Development Policy Credit (DPC), the first in a series of two credits that the Washington-based multilateral lender has planned to help the country "build a stronger fiscal and financial sector to sustain growth".
- The funds were supposed to arrive last fiscal year but due to the government's inability to fulfil the 12 conditions the WB has tagged it was held up. Finally, the government has implemented those and sent the progress report to the WB for releasing the funds, The Daily Star has learnt from finance ministry officials informed with the proceedings.

<https://www.thedailystar.net/business/news/250m-budget-support-wb-nov-3422981>

Bangabandhu Shilpanagar received USD 18 Bn in investment commitment: PM's principal secretary

- The Bangabandhu Industrial City in Chattogram has received an investment commitment of USD 18 Bn, Principal Secretary of the Prime Minister's Office Tofazzel Hossain Miah said today. "This project has already ensured a good investment environment by ensuring all the facilities for industrial investment including gas, electricity, and water. Already 5 companies have started production. The two companies will go into production next month," Tofazzel Hossain Miah said while briefing journalists after his visit to the industrial area on Wednesday (20 September).
- "Lands have been allotted to 152 companies. Many of these investors have started working. 80% of the investors are foreign companies," he added. "Work was stopped for 3 years during the Covid-19 pandemic. Many times the work has been interrupted due to natural calamities. The project will be extended as long as necessary to complete the project," the official further said.

<https://www.tbsnews.net/economy/bangabandhu-shilpanagar-received-18-billion-investment-commitment-pms-principal-secretary>

Ticfa meeting: US for extending freedom of association, collective bargaining to EPZs, SEZs

- The United States has encouraged Bangladesh to extend freedom of association and collective bargaining to Bangladesh's Special Economic Zones (SEZs) and the Export Processing Zones (EPZs). During the seventh round of discussions today (20 September) under the Trade and Investment Cooperation Forum Agreement (Ticfa) with Bangladesh, the US made the recommendation noting that a tripartite labour law review committee is reviewing the amendments to the Bangladesh Labour Act (BLA).

<https://www.tbsnews.net/economy/bangladesh-us-ticfa-meeting-progress-dhaka-703850>

US examining duty-free facilities for Bangladeshi goods: Commerce secretary

- The United States is reviewing ways to provide duty-free benefits to Bangladesh for exports of items not on the Sensitive List of the GSP, said Senior Secretary of the Ministry of Commerce Tapan Kanti Ghosh on Wednesday (20 September).
- The benefits could be extended to the export of garments made from cotton imported from the US, he told reporters following a meeting of the Trade and Investment Cooperation Forum Agreement (Ticfa). At present, Bangladeshi products require a 15% duty. The latest assurance from the US side came during the seventh Bangladesh-US Trade and Investment Cooperation Forum Agreement (Ticfa) Council meeting in Dhaka today.

<https://www.tbsnews.net/economy/us-examining-duty-free-facilities-bangladeshi-goods-commerce-secretary-704002>

Completion of major infrastructure projects to boost investment in Bangladesh: ADB

- The Asian Development Bank (ADB) has painted a promising picture for Bangladesh's economy in various indicators, including GDP growth, inflation, and trade this fiscal year. Moderate inflation and an increase in remittances will contribute to reviving private consumption, while completion of a number of major government infrastructure projects will increase investment, according to the ADB's flagship report titled Asian Development Outlook 2023, released on Wednesday.
- Among the major projects, the Padma Bridge has already been completed, the metro rail system has partially commenced operations with the Uttara to Motijheel route slated for public use later this year. A section of the Dhaka Elevated Expressway has been inaugurated, and another significant endeavour, the Bangabandhu Tunnel beneath the River Karnaphuli in Chattogram, is scheduled to open for traffic next month.

<https://www.tbsnews.net/economy/completion-major-infrastructure-projects-boost-investment-bangladesh-ADB-704198>

WB to give USD 102 Mn for navigability of Jamuna

- World Bank will provide Bangladesh a loan of USD 102 Mn to improve navigability of the Jamuna river and protect the river bank. Navigation channels will be improved by ensuring adequate depth to accommodate large cargo vessels year-round, reviving inland water transport, boosting regional connectivity and trade and spurring new economic opportunities.
- The improved navigation channels will benefit about 100,000 people by providing better safety and cheaper transportation for those switching from buses to passenger ferries, the global lender said in a press release yesterday. Moreover, about 2,500 hectares of land will be protected from riverbank erosion and flooding, safeguarding livelihoods and assets and preventing displacement of people.

<https://www.thedailystar.net/business/economy/banks/news/wb-give-102m-navigability-jamuna-3423976>

Negotiations for EPA with Japan to begin this year

- Both Bangladesh and Japan want to start formal negotiations within this year for signing an Economic Partnership Agreement (EPA), with the finalisation of guidelines for negotiations set for this week, a government official said. Senior Commerce Secretary Tapan Kanti Ghosh is flying to Japan today to finalise the document for the start of negotiations for the EPA, which is expected to come into effect before 2026, the year that Bangladesh is set to graduate out of the group of least developed countries.
- Both Bangladesh and Japan want to start formal negotiations within this year for signing an Economic Partnership Agreement (EPA), with the finalisation of guidelines for negotiations set for this week, a government official said. Senior Commerce Secretary Tapan Kanti Ghosh is flying to Japan today to finalise the document for the start of negotiations for the EPA, which is expected to come into effect before 2026, the year that Bangladesh is set to graduate out of the group of least developed countries.

<https://www.thedailystar.net/business/economy/news/negotiations-epa-japan-begin-year-3423986>

Another 21 factories at Bangabandhu Sheikh Mujib Shilpa Nagar will go into production in Nov

- Another 21 factories in Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) are set to go into commercial production from November this year. "This industrial city has already ensured a good investment environment by ensuring all the facilities for industrial investment, including gas, electricity, and water. Already five companies have started production," said Prime Minister's Principal Secretary M Tofazzel Hossain Miah while briefing journalists after his visit to the industrial zone in Chattogram, BSS reported citing a press release.

<https://thefinancialexpress.com.bd/economy/bangladesh/another-21-factories-at-bsmsn-will-go-into-production-in-nov>

Locally manufactured 375cc motorcycles allowed on local roads

- The government has decided to permit up to 375cc motorcycles on the local roads if they are manufactured locally, according to meeting minutes by the Ministry of Home Affairs. The meeting was held on 7 September headed by Home Minister Asaduzzaman Khan Kamal.
- The minutes of the meeting have been sent to the government authorities concerned including the Ministry of Commerce, Ministry of Industries, Roads and Highways Department, Inspector General of Police, Trade and Tariff Commission, Road Transport Authority and Bangladesh Motorcycle Assemblers and Manufacturers Association (BMAMA).

<https://www.tbsnews.net/economy/industry/locally-manufactured-375cc-motorcycles-allowed-local-roads-704214>

Bank deposits rise by BDT 740 Bn in Apr-Jun, highest in a single quarter

- Deposits in banks have increased by around BDT 740 Bn in the April-June quarter of this year, which was the highest-ever deposit growth in a single quarter in the country's history. Bankers and economists said deposits increased after the central bank put new money in circulation by printing taka. Besides, a sluggish pace of investment in the election year also contributed to the increase in deposits.
- According to the central bank, the amount of deposits in the banking sector was BDT 16.13 Tn in the January-March quarter of 2023, which increased by BDT 739.62 Bn, or 4.59%, to reach BDT 16.87 Tn at the end of the April-June quarter. Compared to the end of June 2022, deposits at the end of June 2023 have increased by BDT 1.14 Tn, or 7.24%.

<https://www.tbsnews.net/economy/banking/bank-deposits-rise-tk74000cr-apr-jun-highest-single-quarter-704234>

Amid dollar dearth comes taka trouble too

- State energy-corporation Petrobangla gets in a two-pronged financial crunch as power plants and fertilizer factories have defaulted on payments in local currency. The corporation has been facing problems with oil imports because of dollar dearth in recent months.
- Power plants and fertilizer factories in public sector owe around BDT 100 Bn, equivalent to USD 926 Mn, to Petrobangla against gas purchases, Petrobangla chairman Zanendra Nath Sarker told the FE Tuesday. The state-owned gas-based power plants have stopped paying gas bills over the past eight months, and the arrears accumulated to around BDT 85 Bn (USD 787 Mn), he said.

<https://thefinancialexpress.com.bd/economy/bangladesh/amid-dollar-dearth-comes-taka-trouble-too>

BB seeks bank owners' assistance in tackling economic crisis

- Bangladesh Bank yesterday sought assistance from bank directors in tackling the current economic crisis, including volatility in the forex market, growing inflation and lack of good governance in the banking sector. A delegation of the Bangladesh Association of Banks (BAB) led by its chairman, Md Nazrul Islam Mazumder, met the central bank governor, Abdur Rouf Talukder, and deputy governors at the latter's Motijheel headquarters on Wednesday.

<https://www.thedailystar.net/business/economy/news/bb-seeks-bank-owners-assistance-tackling-economic-crisis-3423926>

Misconception about investing in unit funds

- The unit fund is a kind of mutual fund that does not trade in stock exchanges. The journey of unit funds started in the 1980s but it is yet to be popular in Bangladesh. Due to a lack of awareness, many misconceptions prevail in the minds of investors. The big five misconceptions are:
- After investment, one needs to find another buyer to sell: This is not true. A unit fund is like a company i.e. formed as a trust. The fund will buy the unit certificates from the investor and transfer the sale proceeds to the investor's bank account. This is a convenient, simple, and continuous transaction.

<https://www.thedailystar.net/business/economy/news/misconception-about-investing-unit-funds-3423936>

Cheaper scrap, low demand do little to bring down rod prices

- Mild Steel (MS) rod prices saw a slight decrease in September after hitting an all-time high this March despite a sharp decline in raw material prices in the last few months and the low monsoon demand. Wholesale prices of these raw materials – scrap, plate and billet – have decreased by BDT 15,000 to BDT 19,000 per tonne over the past three months but top-grade MS rod prices are still hovering between BDT 93,000-95,000 per tonne, according to traders and shipbreaking yard owners.
- The rod market has been gradually heating up since November 2020. The price of the product was BDT 55,000 per tonne in October 2020. Prices hit the BDT 1,00,000 mark this March, triggering a decline in demand. Demand still remains low in the market due to high prices, reduced construction work in monsoon and the government's austerity in undertaking development projects, said traders.

<https://www.tbsnews.net/economy/industry/cheaper-scrap-low-demand-do-little-bring-down-rod-prices-703594>

Woven suiting fabric imported in guise of poly knitted fabric to evade BDT 11 Mn tax

- An importer in Narayanganj imported 28 metric tonnes of woven suiting fabric from China under the guise of poly knitted fabric in an attempt to evade BDT 11 Mn in taxes. The matter came to light when customs authorities at Chattogram port checked the container imported by Nazmul Hosiery (Pvt) and found only woven suiting fabric.

<https://www.tbsnews.net/economy/rmg/woven-suiting-fabric-imported-guise-poly-knitted-fabric-evade-tk11-crore-tax-704210>

Trading in rupees to reduce conversion loss: Indian high commissioner

- The new rupee trade regime will reduce the loss that takes place while trading in dollars because of multiple conversions, Indian High Commissioner to Bangladesh Pranay Verma has said. The facility allowing business transactions between India and Bangladesh using rupees will facilitate greater trade competitiveness, said Pranay Verma at an event celebrating the first successful rupee trade settlement of EBL for Habiganj Agro Limited, a concern of Pran RFL Group.

<https://www.tbsnews.net/economy/trading-rupees-reduce-conversion-loss-indian-high-commissioner-704190>

BPC worried about smooth imports of fuel oil amid hassle for LC opening

- Due to a price increase in the international market and complications in the opening of LCs, the payment of fuel oil is being delayed, said a Bangladesh Petroleum Corporation (BPC) report. According to the report, the amount of arrears is increasing gradually due to the delays. If this situation continues, there is a fear of delay in the import of fuel oil as per the country's demand.
- Meanwhile, the power division has also spoken about the need to increase the wholesale and retail prices of electricity to reduce the subsidy in the power sector in the context of the rise in fuel prices. It said that if the wholesale price is increased by BDT 1 per unit, the subsidy will come down by BDT 90 Bn annually.

<https://www.tbsnews.net/bangladesh/energy/bpc-worried-about-smooth-imports-fuel-oil-amid-hassle-lc-opening-704222>

Revenue collection rises 15% in first two months of FY24 due to higher VATs

- The National Board of Revenue has witnessed 14.74% growth in revenue collection in the first two months of the current fiscal year, mainly due to an increase in VAT and income tax collection. Sources at the National Board of Revenue said they collected BDT 462.33 Bn revenue in July and August of FY24. The amount was higher than the revenue collected in the same period of FY23, but it was around BDT 40.87 Bn less than the target for that period in this fiscal year.

<https://www.tbsnews.net/nbr/revenue-collection-rises-15-first-two-months-fy24-due-higher-vats-704226>

Will price controls work to tame inflation?

- A persistently higher inflation for more than a year has hit the low-income, the poor and the fixed-income people in Bangladesh hard, significantly eroding their purchasing power. The situation has prompted the government to cap the prices of some essential goods, namely eggs, potatoes and onions, after they became dearer, in a bid to give some respite to consumers. Usually, economists oppose most price controls since the move proves to be unsuccessful since fixed prices are not followed in most cases. As a result, people's suffering doesn't lessen.

<https://www.thedailystar.net/business/economy/news/will-price-controls-work-tame-inflation-3424001>

Stocks:**EXCHANGE | CSE proposes scrip netting hoping for liquidity boom**

- The Chittagong Stock Exchange (CSE) has proposed reintroducing intraday same scrip netting to boost liquidity flow in the market through increased transactions. In a proposal submitted last month to the Bangladesh Securities and Exchange Commission (BSEC), it said it was expecting the daily turnover of the CSE to rise up to 12 times if netting was put in place.
- Scrip netting will allow investors to take positions in a security throughout a trading session without waiting for the maturity of shares purchased. Traders/participants will have to settle their net positions at the end of the day with the broker, and then the broker will make the settlement with the exchange. The CSE had insisted on implementing the netting system several times, but this time it made the move against the backdrop of a steep fall in daily turnover due to the imposition of the floor price.

<https://thefinancialexpress.com.bd/stock/bangladesh/cse-proposes-scrip-netting-hoping-for-liquidity-boom>

MARICO | Marico Bangladesh goes into operation at Bangabandhu Shilpa Nagar

- Marico Bangladesh Ltd's third manufacturing unit, built with an investment of USD 26.72 Mn at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram to expand its capacity, has gone into operation. The India-based multinational company, which already operates two other plants in Gazipur, aims to manufacture personal care consumer products such as coconut oil, hair oil, baby care products, soap, shampoo, facewash, and handwash at the new factory, according to the Bangladesh Economic Zones Authority (Beza).

<https://www.tbsnews.net/economy/industry/marico-bangladesh-goes-operation-bangabandhu-shilpa-nagar-704218>

QSMSILK | Quasem Silk gets BSEC nod to transfer ownership

- The securities regulator has allowed the sponsor-directors of Quasem Silk Mills Limited to sell their entire 49.66% holding in the company to five individuals. The Bangladesh Securities and Exchange Commission (BSEC) approved this ownership transfer last week and issued letters to the related parties in this regard. According to the BSEC, the new prospective owners are Bashir Ahmed, Ashraf Bin Taj, Abu Sufian Raju, Farhana Anwar Rahman, and Maikel Dey. The ownership transfer will be carried out according to the share purchase agreement.

<https://www.tbsnews.net/economy/stocks/quasem-silk-gets-bsec-nod-transfer-ownership-704158>

ISLAMIBANK | Two more banks get to trade in rupee

- Standard Chartered Bangladesh (SCB) and Islami Bank Bangladesh PLC have received approval from Bangladesh Bank to conduct bilateral trade with India using the rupee. Up until now, Sonali Bank PLC, Eastern Bank PLC and the State Bank of India were doing the same under a landmark cross-border trade settlement mechanism rolled out by Bangladesh and India on July 11.
- Under the mechanism, meant to reduce dependency on the US dollar for transactions, Indian exports and imports, which amount to about USD 16 Bn, can be invoiced, paid for and settled in the rupee. This is being done through the lenders' nostro accounts, which are essentially bank accounts held in another country by domestic banks, denominated in the currency of the overseas country.

<https://www.thedailystar.net/business/economy/banks/news/two-more-banks-get-trade-rupee-3423971>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 90.28	USD 15.07	20.04%
Crude Oil (Brent)*	USD 92.98	USD 15.20	19.54%
Gold Spot*	USD 1,927.00	USD 152.85	8.62%
DSEX	6,310.63	103.63	1.67%
S&P 500	4,402.20	562.70	14.66%
FTSE 100	7,731.65	279.91	3.76%
BSE SENSEX	66,800.84	5,960.10	9.80%
KSE-100	45,932.52	5,512.07	13.64%
CSEALL	11,248.50	2,746.01	32.30%

Exchange Rates**1 US Dollar = 110.06 BDT****1 GBP = 135.63 BDT****1 Euro = 117.10 BDT****1 INR = 1.32 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
Syed Tawsifuzzaman	Research Associate	s.tawsifuzzaman@bracepl.com	01708 805 202
Foyisal Ahmed	Research Associate	foysal.ahmed@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Stock Brokerage Limited

www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142

Gulshan Avenue, Dhaka – 1212

Phone: + (880)-2-9852446-50

Fax: + (880)-2-9852451-52

E-Mail: research@bracepl.com