

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:**IMF first review: Bangladesh ready with action plans to increase revenue, reserves**

- Finance and revenue authorities will brief an International Monetary Fund (IMF) team next week, after the Eid holidays, on their specific action plans to raise reserves to USD 24.4 Bn by June and the tax-GDP ratio by 0.5% in the next fiscal year. In the first review from 25 April, they will elaborate on how much of the time-bound reform pledges have so far been covered since the IMF released its first instalment of its USD 4.7 Bn loan package and what remains to be done to get the second tranche due in November.
- The budget for the fiscal 2023-24 beginning in July will reflect, to a large extent, the detailed work plan already prepared by the National Board of Revenue (NBR) to reach the agreed level of tax-GDP ratio. It has explained how an additional BDT 160 Bn revenue can be earned from income tax, value added tax and customs duty in the next fiscal year, according to documents prepared for the IMF's review mission.

<https://www.tbsnews.net/economy/imf-first-review-bangladesh-ready-action-plans-increase-revenue-reserves-620158>

BD trade competitiveness improves with exchange rates stabilizing

- Bangladesh's global trade-competitiveness signals improvement as the local currency now appears to be settling near its fair value in exchange with a basket of peer currencies after recurrent depreciations, official data show. The real effective exchange rate (REER) of the taka against a 15-currency basket of its global trading partners dropped further last February-in the process of stabilizing through recent relaxation measures.
- The REER index fell from 102.29 in January to 101.51 in February 2023 as the local currency depreciated more compared to currencies of its peer trading-partner economies across the globe, according to Bangladesh Bank data. The REER, measured by the central bank of Bangladesh against the currency basket, is said to be at its fair state when the value is 100.

<https://thefinancialexpress.com.bd/economy/bangladesh/bd-trade-competitiveness-improves-with-exchange-rates-stabilising>

Smart tech reduces bond misuse, to save BDT 100 Bn this FY

- The much-discussed misuse of bond facility is on a downtrend thanks to the use of digital tech which is expected to cut BDT 100 Bn in import duty concessions for raw materials used in export sectors. Digitalisation has helped close monitoring of duty-free imports of raw materials and their actual use in export industries, enabling revenue officials to verify more accurately the export, import and usage data collected from banks and other agencies, officials at the National Board of Revenue (NBR) have said.
- Local industries have long been complaining that the bond facility is being misused and some export industries are importing more raw materials they need and selling those in the market, thus harming local business and evading tax. The gap has dipped below 17% in the first nine months of the current fiscal year, according to a report from the customs department. This represents a reduction of approximately 9% points, indicating a decrease in the misuse of bond facilities.

<https://www.tbsnews.net/economy/smart-tech-reduces-bond-misuse-save-tk10000cr-fy-619578>

Wider customs transit planned for faster cross-border trade

- An initiative gets going with World Bank assistance to simplify cross-border trade with the widest transit coverage through improving transport and customs facilities across Bangladesh's 23 frontier ports, officials have said. To this effect, Roads and Highways Department (RHD) has already taken up a BDT 1.27 Bn worth of technical-assistance project for conducting feasibility study on framing the preparatory facility and policy developments under regional-connectivity programme, they added.
- The cross-border-trade facilities and regional connectivity will be upgraded through activating the Motor Vehicle Agreement (MVA) and adopting TIR (Transports Internationaux Routiers, International Road Transport) Convention by customs department. With over 66 countries using the procedure, the TIR system is the international customs transit system with the widest geographical coverage.

<https://thefinancialexpress.com.bd/economy/bangladesh/wider-customs-transit-planned-for-faster-cross-border-trade>

Good news for savers as banks hike deposit rate

- Banks in Bangladesh are raising the interest rate on deposits to pull funds with a view to tackling the liquidity shortage and meeting a higher demand for loans. It comes as good news for savers, who saw the real return on their deposits turn negative as the interest rate continues to remain below the inflation rate. Data from the Bangladesh Bank showed that banks in February offered as high as 8% for fixed deposits to attract savers, particularly from public institutions. The weighted average interest rate on deposits stood at 4.31% in February, the highest in nearly two years. In January, it was 4.29%.

<https://www.thedailystar.net/business/economy/banks/news/good-news-savers-banks-hike-deposit-rate-3302251>

Which division saw the highest inflow of remittances?

- Remittance is one of the main pillars of Bangladesh's economy with the country's migrant workers having sent USD 16 Bn back home in the first nine months of the current fiscal year 2022-23. It was Dhaka, the country's main economic centre. The division received USD 7.6 Bn, or 48%, of the total remittances sent by Bangladeshi migrant workers living abroad in first three quarters of the ongoing fiscal year, data by Bangladesh Bank showed.
- Chattogram, a southeast division having the country's largest seaport, received USD 4.3 Bn during the period. The amount was 27% of the total remittance at the time, according to central bank data. And Sylhet, which has a good number of citizens living in the United Kingdom, is the third biggest destination for remittance sent by Bangladeshi migrants abroad. The northeast division got 11%, or USD 1.79 Bn, of the total remittance in the July-March period of the fiscal year. The remaining five divisions -- Barishal, Khulna, Mymensingh, Rajshahi and Rangpur -- accounted for 14% of the total remittances.

<https://www.thedailystar.net/business/economy/news/which-division-saw-the-highest-inflow-remittances-3302221>

Flat 15% VAT likely to replace multiple rates from FY '24

- Government's revenue authority has moved to close the scope of levying VAT at multiple rates and keep 15% as a flat rate to be included in product prices, sources said. Once ratified in the budget for the forthcoming fiscal 2023-24, the value-added tax collected from consumers at varied rates, such as 5%, 7.5%, 10%, and specific tax would stand nullified in phases. "The measure is being taken to accelerate revenue growth and bring discipline in VAT collection," says one official, adding that the VAT now collected from consumers will be merged proportionally in product prices.

<https://thefinancialexpress.com.bd/economy/bangladesh/flat-15pc-vat-likely-to-replace-multiple-rates-from-fy-24>

ADP execution lowest in 13 years for agencies' 'incapacity'

- Development works go slow, despite prod from high-ups, as ADP implementation in three quarters of the current fiscal recorded the lowest rate in 13 years at 41.65%, official data showed. In the same period (July-Mar) last fiscal year (FY2021-22), government project- implementation agencies executed 45.05% of the Annual Development Programme (ADP).
- An FE analysis has found the ADP-execution rate in the 3Q of the current FY2023 lowest within the available IMED time-series data dating back FY2011. Even the Covid-infested two years-FY2020 and FY2021-showed better performance than that in the current fiscal year. IMED officials said the government ministries and agencies had failed to improve their capacity even after recovery from the Covid-19 impact when the project works were affected severely.

<https://thefinancialexpress.com.bd/economy/bangladesh/adp-execution-lowest-in-13-years-for-agencies-incapacity>

Record salt production, yet marginal farmers see little reward

- Salt cultivation hit a record high in Cox's Bazar with 3.6 Bn metric tons being produced daily, according to the Bangladesh Small Cottage Industries Corporation (BSCIC). Usually, around 12,000-14,000 metric tons were produced but this shot to over 30,000 tons owing to the heat wave. Abdul Ghafoor, a local farmer who has been working in salt production for the last 40 years, said land has to be leased under a one-year contract for production. But they do not get the opportunity to lease the land directly from the original land owners.
- A group of middlemen secretly leases the land from the land owners, he alleged. He said farmers have to pay BDT 35,000-50,000 per acre of land when they take the lease from middlemen. Whereas, the cost would have been much lower, around BDT 25,000-30,000 per acre, if they could have acquired the land directly from the owners.

<https://www.tbsnews.net/economy/record-salt-production-yet-marginal-farmers-see-little-reward-619998>

Bangladesh lags behind in agro-product export

- In the last nine months, only USD 687 Mn worth of agricultural products were exported which is around 32.37% less than the actual target of USD 1 Bn, according to statistics of the Export Promotion Bureau (EPB). Agro-product exporters said a big portion of the export basket was aromatic rice. To control volatility in the local rice market, the commerce ministry banned the export of aromatic rice in July last on the Ministry of Food's recommendation.
- Before this, Bangladesh used to export around 9.5-10.5 thousand metric tonnes of aromatic rice to 136 countries every year, the demand for which has been growing at a moderate rate. Exporters are now fearful of losing this market due to the nine-month export suspension they faced. Even if the export ban is lifted, they think regaining the market will be difficult and time consuming.

<https://www.tbsnews.net/economy/bangladesh-lags-behind-agro-product-export-620906>

Stocks:**SINGERBD | Higher product price helps Singer Bangladesh return to quarterly profits**

- Singer Bangladesh Limited, after two consecutive quarters of losses, made a profit in the January to March quarter of this year, thanks to an increase in the prices of its products. During the quarter, the multinational electronics giant's net profit stood at BDT 112.3 Mn. In the previous July to September and October to December quarters of 2022, the company incurred losses of BDT 80 Mn and BDT 70 Mn respectively.
- In its financial statement for the March quarter, Singer Bangladesh said the consumer spending on appliance products has decreased under economic pressures like the Ukraine war, high inflation, and the volatility in the forex market. People are mostly prioritising the spending of their earnings to satisfy their basic needs. Hence, the company saw lower turnover.

<https://www.tbsnews.net/economy/stocks/higher-product-price-helps-singer-bangladesh-return-quarterly-profits-618962>

PREMIERCEM | Added capacity, higher price help Premier Cement recover profits

- Premier Cement Mills Ltd, after absorbing losses for two straight quarters through September 2022, made a meagre profit in the December quarter, and then finally bounced back strongly in the January to March quarter of the current fiscal year. The cement grinder's earnings per share (EPS) grew to BDT 2.92 in the March quarter, from BDT 0.14 in the same quarter of the previous fiscal. "Two factors together helped us recover earnings in the March quarter – the expanded capacity, and some breathing space in business," said the company's Chief Financial Officer (CFO) Md Selim Reza.

<https://www.tbsnews.net/economy/stocks/added-capacity-higher-price-help-premier-cement-recover-profits-619522>

RECKITT BEN | Reckitt Benckiser's profit jumps by 67%

- UK-based multinational Reckitt Benckiser Bangladesh posted 67% growth in its profit in the first quarter of 2023 (January to March) owing to fewer marketing expenses. During the period, the net profit of the company stood at BDT 152.1 Mn, which was BDT 91 Mn in the same period of the previous year.
- The company said that the cost of goods sold has increased compared to the same period last year. The operating expenses have been reduced significantly due to fewer marketing expenses, which created a positive impact on EPS compared to the same period last year.

<https://www.tbsnews.net/economy/stocks/reckitt-benckisers-profit-jumps-67-618550>

SEAPEARL | Sea Pearl's profit jumps amid improving tourism industry

- Sea Pearl Beach Resort and Spa Limited's posted higher profit growth in the third quarter (January to March) of the current fiscal year owing to the improvement of the hotel and tourism business in the post-Covid period. From January to March quarter of 2023, the revenue of the company stood at BDT 772.7 Mn, which was BDT 245.5 Mn in the same period of the previous year.
- Its net profit was BDT 377.9 Mn, which was BDT 42.7 Mn one year ago. Its earnings per share stood at BDT 3.13, which was BDT 0.35 compared to the previous year. The company said EPS has increased due to an increase in net profit resulting from the improvement of the Covid situation, achieving good revenue for utilization of rooms, fully phased operation of Water Park, cruise ship revenue, Non-AC Restaurant opening, and other activities.

<https://www.tbsnews.net/economy/stocks/sea-pearls-profit-jumps-amid-improving-tourism-industry-618594>

GEMINISEA | Gemini Sea Food's profit jumps in Q3

- Gemini Sea Food Limited posted higher profit growth in the third quarter (January-March) of the current fiscal year for securing higher gross profit. From January to March quarter of 2023, the net profit of the company stood at BDT 50 Mn. Its earnings per share was BDT 8.20, which was BDT 0.04 compared to the previous year. The company said EPS has been increased due to securing higher gross profit. On Tuesday, the company's share price declined by 2.47% to BDT 770.90 by 12:58pm.

<https://www.tbsnews.net/economy/stocks/gemini-sea-foods-profit-jumps-q3-618666>

DUTCHBANGL | Dutch Bangla Bank profit grows 1.87% in 2022

- The Dutch Bangla Bank Ltd has posted 1.87% higher profits for 2022. The earnings per share (EPS) of the private sector commercial bank increased to BDT 8.14 from BDT 7.99 in the previous year, according to a public disclosure following the bank's board meeting on Tuesday. At the end of December, the bank's net asset value per share stood at BDT 59.85.
- Its board of directors has recommended a 17.5% or BDT 1.75 cash dividend against each share having a face value of BDT 10. Also, the shareholders will get 7.5% stock dividends that means 15 new shares against every 200 existing shares.

<https://www.tbsnews.net/economy/stocks/dutch-bangla-bank-profit-grows-187-2022-618938>

BSRMLTD | Bangladesh Steel Re-Rolling Mills Ltd's revenue jumped 65% in January-March

- The Bangladesh Steel Re-Rolling Mills Limited's (BSRM) revenue jumped over 65% in the January-March quarter of FY2023 compared to the previous year at the same time. During the corresponding period, its sales revenue was BDT 39.23 Bn, which was BDT 23.70 Bn a year ago. In that quarter, its net profit also surged year-on-year by 37% to BDT 1.59 Bn and the earnings per share (EPS) stood at BDT 5.35.

<https://www.tbsnews.net/economy/stocks/bangladesh-steel-re-rolling-mills-ltds-revenue-jumped-65-january-march-618882>

WALTONHIL | Inflation slashes Walton's revenue by 32% in March quarter

- Walton Hi-Tech Industries has reported its revenue dropped by 32% in the January-March quarter of the ongoing 2022-23 fiscal year as people tighten belt of expenditure due to high inflation pressure. Besides, the country's electronic giant's net profit also shrinks by 37% during the corresponding period due to a number of factors including significant increase in the value of the dollar compared to the taka, increase in the cost of raw materials and freight, and the impact of the ongoing global crisis.
- From January to March 2023, the revenue of the company was BDT 15.02 Bn, which was BDT 22.08 Bn in the same period of the previous year. However, it did better during the quarter than the immediate previous quarter. Its quarter-on-quarter revenue increased by 36%.

<https://www.tbsnews.net/economy/stocks/inflation-slashes-waltons-revenue-32-march-quarter-619526>

BBSCABLES | BBS Cables' profit falls 84% for high production costs

- The earnings of BBS Cables – the second-largest cable manufacturer in the country – declined by 84% in the third quarter (January to March) of the current fiscal year due to the high production costs. From January to March quarter of 2023, the net profit of the company stood at BDT 21.2 Mn, which was BDT 129.1 Mn from one year ago. Its earnings per share was BDT 0.10, which was BDT 0.61 compared to the previous year.

<https://www.tbsnews.net/economy/stocks/bbs-cables-profit-falls-84-high-production-costs-618610>

RUNNERAUTO | Runner Auto keeps bleeding amid two-wheeler, truck sales slowdown

- Runner Automobiles Ltd incurred losses for the third consecutive quarter in the January-March period due to a significant slowdown in both its major segments: two-wheelers and trucks. Its loss per share stood at BDT 1.41 for the last quarter, compared to earnings per share of BDT 0.78 in the same quarter a year ago. In the October-December quarter, its loss per share stood at BDT 2.08. Truck owners have been hit hard by the import slowdown since the foreign currency reserve crisis that started in mid-2022. Also, a new truck purchase was not an option for most of the existing truck owners, and the corporates were not buying as many trucks either.

<https://www.tbsnews.net/economy/stocks/runner-auto-keeps-bleeding-amid-two-wheeler-truck-sales-slowdown-619534>

ALARABANK | Al-Arafah Islami Bank to auction land of Khulna Printing & Packaging

- Al-Arafah Islami Bank Limited is set to auction the mortgaged land of Khulna Printing and Packaging Limited (KPPL), a listed company on the stock market that has been non-operational since October 2021, due to non-payment of a loan. The company, which is a concern of Lockpur Group, took the loan from the Motijheel branch of the bank which amounted to BDT 675 Mn including principal, interests, and other charges. To secure the loan, the company mortgaged 123.5 decimals of land in Khulna and Dhaka, according to the bank's notice. In the auction notice published on 16 April, the bank invited interested buyers to submit tenders to buy the land by 14 May 2023.

<https://www.tbsnews.net/economy/stocks/al-arafah-islami-bank-auction-land-khulna-printing-packaging-620074>

TILIL | 36 Trust Islami Life's IPO shares allotted to each general investor

- The general investors each have received 36 initial public offering (IPO) shares of Trust Islami Life Insurance Ltd. The shares were allotted at a subscription fee of BDT 10,000. And, non-resident Bangladeshi (NRB) investors have each received 72 shares of the company. Earlier, the Bangladesh Securities and Exchange Commission (BSEC) allowed the company to raise BDT 160 Mn from the stock market by issuing 16 Mn shares at a face value of BDT 10 each. But the applications from general investors for the company's IPO shares stood at BDT 3.05 Bn, which is 19.06 times of what BSEC allowed the company to raise.

<https://www.tbsnews.net/economy/stocks/36-trust-islami-lifes-ipo-shares-allotted-each-general-investor-620058>

EXCHANGE | Margin loan rules relaxed for more fund flow in healthy, stable stocks

- The securities regulator, to give a hand to the depressed shares of fundamentally good companies with a decent paid-up capital, has eased the margin regulations. From now on, the maximum price to earnings (PE) ratio to be treated a marginable stock will be 50, up from 40, for the company shares that have been in A category for three consecutive fiscal years, and have a minimum paid-up capital of BDT 5 Bn, said the Bangladesh Securities and Exchange Commission (BSEC).

<https://www.tbsnews.net/economy/stocks/margin-loan-rules-relaxed-more-fund-flow-healthy-stable-stocks-618970>

EXCHANGE | BSEC to appoint special auditor at United Airways

- The Bangladesh Securities and Exchange Commission (BSEC) is going to appoint a special auditor at United Airways (BD) Ltd to review the company's financial statements for ten years starting from 2012. In March this year, the BSEC decided to take action against the former board of directors of United Airways. The company had ceased operations in September 2014. In September last year, the BSEC formed a five-member inquiry committee to investigate the company's affairs. A BSEC official, who wished to remain anonymous, said most of the irregularities occurred during the tenure of former Managing Director Tasbirul Alam Chowdhury.

<https://www.tbsnews.net/economy/stocks/bsec-appoint-special-auditor-united-airways-618982>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 77.43	USD 2.22	2.95%
Crude Oil (Brent)*	USD 81.23	USD 3.45	4.44%
Gold Spot*	USD 1,982.26	USD 208.11	11.73%
DSEX	6,228.65	21.65	0.35%
S&P 500	4,133.52	294.02	7.66%
FTSE 100	7,914.13	462.39	6.21%
BSE SENSEX	59,655.06	-1,185.68	-1.95%
KSE-100	41,007.82	587.37	1.45%
CSEALL	9,260.41	757.92	8.91%

Exchange Rates**1 US Dollar = 106.13 BDT****1 GBP = 132.08 BDT****1 Euro = 116.69 BDT****1 INR = 1.29 BDT**

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