

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:**Banks' forex balances on the rise**

- Gross foreign exchange balances held by commercial banks in Bangladesh rose to a 19-month high of USD 5.53 Bn in June, owing to lower imports and higher export and remittance earnings, central bank data showed. The previous high of USD 5.58 Bn was registered in November last year.
- June's holdings were up 6.23% from the USD 5.21 Bn held at the end of 2021-22 and an increase of 8% from May this year when it stood at USD 5.12 Bn. Despite the turmoil in the global economy, earnings from merchandise shipment rose 6.67% to USD 55.55 Bn in FY23, while remittance inflow grew 2.75% to USD 21.61 Bn.

<https://www.thedailystar.net/business/economy/news/banks-forex-balances-the-rise-3377806>

'Bangladesh's financial sector's reforms going into right direction'

- Bangladesh has taken various financial reform initiatives, which are going into the right direction, International Finance Corporation (IFC) Country Manager for Bangladesh, Nepal and Bhutan Martin Holtmann said today. The initiatives are fundamental and they are very important to reform Bangladesh's financial sector, Holtmann said.
- He spoke on the "Role of IFC as a development partner in Bangladesh" at the regular luncheon meeting of the American Chamber of Commerce (AmCham) in Bangladesh at Sheraton Hotel in Dhaka attended by businessmen from both Bangladesh and the USA. He lauded the rise of Bangladesh's private sector and its participation in infrastructure development.

<https://www.thedailystar.net/business/news/bangladeshs-financial-sectors-reforms-going-right-direction-3377531>

BGMEA discusses investment opportunities, potential partnerships with Australian Chamber of Commerce

- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has discussed investment opportunities, potential partnerships, joint ventures, and policy supports offered by the governments to facilitate trade and investment with the Australian Chamber of Commerce and Industry (ACCI). A meeting was held between the BGMEA and the ACCI in Canberra on 22 July. President Faruque Hassan headed the BGMEA side while ACCI was represented by its Chief Executive Officer Andrew McKellar along with Head of Business Development and International Affairs Chris Bames.

<https://www.tbsnews.net/economy/rmg/bgmea-discusses-investment-opportunities-potential-partnerships-australian-chamber>

'Bangladesh targets producing 8.5 Mn tonnes of fish by 2041'

- Bangladesh targets producing 8.5 Mn tonnes of fish by 2041, said Fisheries and Livestock Minister SM Rezaul Karim today. The target is 1.8 times higher than 2021-22 fiscal year's production of 4.759 Mn tonnes, he said. The minister shared the information at a press conference organised as part of observing National Fisheries Week 2023 at the conference room of the Department of Fisheries in the capital. The government has taken various steps to ensure that the locally produced fishes are safe for human health, the minister said.

<https://www.thedailystar.net/business/news/bangladesh-targets-producing-85-lakh-tonnes-fish-2041-3377501>

Japan hints at signing EPA with Bangladesh after LDC graduation

- Japan is currently studying the preferential treatment that can be accorded to Bangladesh after it graduates to a middle income country, said Nishimura Yasutoshi, Japanese minister for economy, trade and industry. "An Economic Partnership Agreement (EPA) in this regard would help," he said at a meeting with the State Minister for Foreign Affairs Md Shahriar Alam at the State Guest House Jamuna in Dhaka on Monday (24 July).
- He expressed his satisfaction on Bangladesh's mega projects carried out in association with Japan, said a foreign ministry press statement. He praised Bangladesh's youth and energetic population as well as its strategic location between the South and the South East Asia. Referring to the ongoing mega projects of Bangladesh-Japan collaboration, he stressed on the need of such joint ventures to materialise Bangladesh's vision of becoming a smart and developed country.

<https://www.tbsnews.net/economy/japan-hints-signing-epa-bangladesh-after-ldc-graduation-670786>

bKash, DataSoft in microcredit instalment deal

- Mobile financial service provider bKash has signed an agreement with DataSoft Systems Bangladesh Ltd to facilitate instalment payments by customers who avail microcredit. Customers of over 200 microfinance institutions that use DataSoft technology and software solutions will get the opportunity to pay instalments of microcredit timely through bKash.

<https://www.thedailystar.net/business/economy/news/bkash-datasoft-microcredit-instalment-deal-3377696>

Foreign direct investment on dive

- Foreign direct investment in Bangladesh seems on a dive as the net FDI inflow marked about 30% annualized fall in the first quarter of this year, under lingering shadows of global economic upset. Latest statistics available with the central bank show the ebb tide in flow of foreign capital into the country, acting as one of major factors for its deficit in financial account.
- Among the other reasons the country sees prolonged balance-of-payments (BoP) shortfall are below-par remittance and export receipts, according to finance officials and economists. The unhappy development in the area of inbound overseas investment comes at a time when the 450-Bn-plus economy is passing tough times amid forex dearth in the wake of the country's falling foreign-currency reserves.
- In the January-March period of 2023, the FDI-starved Bangladesh received net inflow of overseas investment equivalent to USD 626.47 Mn, down 29.49% from USD 888.48 Mn recorded in the same period of time a year before. Compared with the immediate-past quarter, the figure also went down 10.99% from USD 703.83 Mn recorded in the last quarter (October-December period of 2022) of the previous calendar year, according to the Bangladesh Bank (BB) data.

<https://thefinancialexpress.com.bd/economy/bangladesh/foreign-direct-investment-on-dive>

How MNCs are smartly meeting their dollar demands head on

- A number of multinational companies (MNCs) operating in Bangladesh, particularly those involved in manufacturing and reliant on imported materials, are desperately seeking alternative options to secure dollars. Industry insiders said these companies are exploring various avenues to obtain the necessary greenback, including seeking assistance from parent companies, engaging in export activities themselves, and collaborating with exporters to meet their urgent needs.
- For example, Unilever Bangladesh, the largest MNC in the country, is looking at different options to meet its demand for the foreign currency. "We are exploring export opportunities. Also, we are talking to the exporters who retain foreign currency from their proceeds," said Mohammad Zaved Akhtar, chief executive officer and managing director of Unilever Bangladesh, which controls over 50% of the USD 4 Bn local market of the fast-moving consumer goods (FMCG).

<https://www.tbsnews.net/economy/how-mncs-are-smartly-meeting-their-dollar-demands-head-670906>

BIDA to provide 150 services to investors within this year

- The country's apex investment-promotion agency, Bangladesh Investment Development Authority (BIDA), is going to provide 150 services to the investors through its virtual One Stop Service (OSS) within this year as it signed MoUs with five more organisations on Sunday. These organisations will provide nine types of services online for the investors through the virtual OSS of the BIDA.

<https://thefinancialexpress.com.bd/economy/bangladesh/bida-to-provide-150-services-to-investors-within-this-year>

NBR pulls plug on Saif Logistics off-dock project

- The National Board of Revenue (NBR) has revoked the licences of Saif Logistics Alliance Limited (SLAL) to construct and operate a new multi-modal container terminal at the Chattogram seaport following allegations of irregularities. The move came just three days after giving primary approval for the company to handle containers in the country's largest seaport.
- Official sources said the off-dock permission had been given by relaxing the inland container depot (ICD) policy of NBR on the condition of transporting goods through only the rail route. However, the customs authority now finds the company's preparation inadequate for these services. It is a joint initiative to build the ICD by Bangladesh Railway Container Company Bangladesh Limited (CCBL) and private firm Saif Logistics Alliance.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-pulls-plug-on-saif-logistics-off-dock-project>

Cement makers call for cutting assessment value at import stage

- The Bangladesh Cement Manufacturers Association (BCMA) has urged the Chattogram Custom House to cut the assessment value of three raw materials as their prices have fallen in international markets. Cement producers say the production cost has increased as the assessment value of cement clinker, granulated slag and gypsum is higher than their prices in the international market.
- They demanded that the assessment value of cement clinker be reduced from USD 60 to USD 50 per tonne, granulated slag from USD 30 to USD 26 and gypsum from USD 35 to USD 30, the BCMA said in a letter to the Chattogram Custom House recently. The country's cement industry entirely depends on imports for raw materials as producers buy clinker, granulated slag, limestone flux, gypsum and fly ash from Thailand, Vietnam and China with a view to making finished products.

<https://www.thedailystar.net/business/economy/news/cement-makers-call-cutting-assessment-value-import-stage-3377796>

Public food stock surges to 18-month high

- Public food stocks in Bangladesh rocketed to an 18-month high in July thanks to higher procurement, imports of grains and reduced distribution, official figures showed. Analysts described the stock as good since it would allow the government to tackle any untoward situation and intervene in the market to foil any attempts aimed at manipulation by middlemen.
- On July 23, the stock of rice and wheat at public storage facilities stood at 1.953 Mn tonnes, the highest since January 2022, according to data from the food ministry. In January last year, Bangladesh's public food stock was 1.985 Mn tonnes, the highest on record.

<https://www.thedailystar.net/business/economy/news/public-food-stock-surges-18-month-high-3377811>

Stocks:**BATBC | Higher tax puts British American Tobacco in net operating cash crisis**

- British American Tobacco Bangladesh Company (BATBC) reported that its net operating cash flow per share (NOCFPS) was BDT 1.23 negative in the first half of this year due to higher VAT, supplementary duty, tax payment and reduce receipt from customers. NOCFPS negative means the company is suffering a liquidity shortage, according to the market insider.
- According to the Dhaka Stock Exchange (DSE) filing, its earnings per share slightly fell to BDT 9.14 in the April-June quarter of 2023, compared to the previous year at the same time. At the end of the first half of this year, its earnings per share was BDT 17.59, which was BDT 16.93 at the same time a year ago.

<https://www.tbsnews.net/economy/stocks/higher-tax-puts-british-american-tobacco-net-operating-cash-crisis-670450>

NRBCBANK | NRBC Bank's June deposits up 19% year-on-year

- Deposits at NRBC Bank at the end of last June stood at BDT 177.53 Bn, which was a year-on-year increase of 19%, as per a meeting of its board of directors. Loan disbursements also increased to BDT 143.48 Bn whereas a year ago it was BDT 124.16 Bn. Meanwhile, treasury investment stood at BDT 46.72 Bn in contrast to BDT 35.02 Bn in the previous year. Total asset value amounted to BDT 13.12 Bn whereas previously it was BDT 12 Bn.

<https://www.thedailystar.net/business/economy/news/nrbc-banks-june-deposits-19-year-year-3377701>

ISLAMICFIN | Islamic Finance incurs loss in April-June

- Islamic Finance and Investment Limited incurred a loss in the April-June quarter of 2023. During the quarter, its loss per share was BDT 0.04 while its earnings per share was BDT 0.32 a year ago at the same time. Due to the second quarter loss, its earnings per share dropped by 97% to BDT 0.02 compared to last year.
- Besides, its net asset value per share stood at BDT 14.09 at the end of the first half of this year, which was BDT 14.88 a year ago at the same time. On Monday (24 July), the Shariah-based lender's shares were being traded on the floor price at BDT 19.70 each at the DSE.

<https://www.tbsnews.net/economy/stocks/islamic-finance-incurs-loss-april-june-670446>

AGRANINS | Agrani Insurance posts over 20% higher profit

- Agrani Insurance Co Ltd posted a 20.68% year-on-year increase in profit to BDT 11.1 Mn in the second quarter of 2023. The profit stood at BDT 9.209 Mn in the identical April-June quarter of 2022. Thus, the consolidated earnings per share rose to BDT 0.35 in April-June of 2023 from BDT 0.29 in the same quarter of 2022.
- The profit rose to BDT 27.6 Mn in the January-June half of the current financial year from BDT 22.9 Mn in the same period a year ago, an increase of 20.5% year-on-year. So, the consolidated EPS grew to BDT 0.87 from BDT 0.72 during the period.

<https://www.thedailystar.net/business/economy/news/agrani-insurance-posts-over-20-higher-profit-3377781>

MASTERAGRO | Curious case of Master Feed Agro stake succession

- First Capital Securities CEO Kausar Al Mamun as the chief anti-money laundering compliance officer of the brokerage firm raised a red flag last week that there might have been attempts for embezzling a deceased director's stake at Master Feed Agrotech Ltd, an SME company listed with the small-cap platforms of the bourses. In a letter to the Bangladesh Securities and Exchange Commission, he presented a set of irregularities regarding the beneficiary owner (BO) account opened at his firm and used to get transferred one-fourth of the 7.05 Mn Master Feed Agro shares owned by its deceased director Rafiqul Alam.

<https://www.tbsnews.net/economy/stocks/curious-case-master-feed-agro-stake-succession-670938>

EXCHANGE | CSE revises Shariah Index, effective from Aug 3

- The Chittagong Stock Exchange (CSE) has reviewed its Shariah --- an index of Shariah-compliant companies on the basis of performance of the listed companies. The new index will come into effect from August 3. The port city bourse reviews the index twice in a year, according to a statement of the port city bourse on Monday.
- As per the latest revision, nine companies --- Apex Foods, Bangladesh Building Systems, Beximco, Chartered Life Insurance, GBB Power, Global Islami Bank, GQ Ball Pen, Libra Infusions and Square Pharmaceuticals have been included in the list.

<https://thefinancialexpress.com.bd/stock/bangladesh/cse-revises-shariah-index-effective-from-aug-3>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 78.91 | USD 3.70 | 4.92% |
| Crude Oil (Brent)* | USD 82.87 | USD 5.09 | 6.54% |
| Gold Spot* | USD 1,960.82 | USD 186.67 | 10.52% |
| DSEX | 6,337.89 | 130.89 | 2.11% |
| S&P 500 | 4,554.64 | 715.14 | 18.63% |
| FTSE 100 | 7,678.59 | 226.85 | 3.04% |
| BSE SENSEX | 66,384.78 | 5,544.04 | 9.11% |
| KSE-100 | 46,065.55 | 5,645.10 | 13.97% |
| CSEALL | 11,106.54 | 2,604.05 | 30.63% |

Exchange Rates**1 US Dollar = 108.66 BDT****1 GBP = 139.49 BDT****1 Euro = 120.33 BDT****1 INR = 1.33 BDT**

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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 |

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