

*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:****Export Development Fund further trimmed by USD 200 Mn**

- The central bank has further reduced the size of the Export Development Fund (EDF), this time by USD 200 Mn from USD 5.2 Bn, in an effort to strengthen the country's foreign reserves. With this, the fund size has come down to USD 5 Bn from USD 7 Bn in a span of just five months.
- Confirming the matter to The Business Standard several senior officials of the central bank said the country's net foreign currency reserve must stand at USD 24 Bn by June this year to secure the second tranche of the USD 4.7 Bn IMF loan. The central bank has very few options other than to downsize the EDF as import costs have already been brought down and there is little growth in exports, they said. The fund will be brought down incrementally and adjusted with the reserves, they said. It is planned to further reduce the fund size in June.

<https://www.tbsnews.net/economy/banking/export-development-fund-further-trimmed-200m-622538>

**Country's salt production hits 62-year high**

- The country's crude salt production reached 1.839 Mn tonnes this year, which is the highest since its production started 62 years ago. "However, the salt harvesting season (November-May) has not ended yet," reads a press release of Bangladesh Small and Cottage Industries Corporation (Bscic) on Wednesday.
- With harvesting 10,930 tonnes of salt on 25 April, the production of the essential cooking ingredient has reached 1.839 Mn tonnes which is a 62-year high. According to Bscic data, total salt cultivation has increased by 3,133 acres in the ongoing season from 63,291 acres last year while the number of salt farmers has reached 39,467, an increase of 2,236. Sources said a heatwave is sweeping throughout the country. Farmers are now producing a record amount of salt, utilising the extreme heat of the sun.

<https://www.tbsnews.net/economy/countrys-salt-production-hits-62-year-high-622494>

**NBFIs cannot have more than one director from an entity: Cenbank**

- Non-bank financial institutions (NBFIs) can no longer appoint more than one director from an entity on the board of directors, according to the latest Bangladesh Bank circular. "No more than one representative from any institution or company can be appointed as a director of a financial institution. Even no other person nominated by entities of his vested interest can be a representative director on the board of directors," reads the circular issued by the Department of Financial Institutions and Markets on Wednesday.
- "If an NBFI director holds 20% ownership or voting rights in a company, that entity will be considered his vested interest. In that case, no people from the entity can be the representative director on the NBFI board," explained a Bangladesh Bank official.

<https://www.tbsnews.net/economy/banking/nbfis-cannot-have-more-one-director-entity-cenbank-622546>

**What strategic partnership means for Bangladesh**

- A strategic partnership involves closer collaboration and cooperation between two nations in a range of areas, including trade, security, technology, culture, and education. The implications of such partnership are significant for both Bangladesh and Japan as this has the potential to benefit both countries in a wide range of areas and could contribute to regional stability and economic growth.
- "Strategic partnership is mainly a long-term partnership that is not limited to trade and investment only. There may be some geo-strategic elements," said Prof Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue. He referred to the issue of Bangladesh's 15-point Indo-Pacific Outlook announced on Monday. Also, Japan is mulling to make a comprehensive partnership centring Matarbari where trade, investments, connectivity and logistics issues are there, he told The Business Standard.

<https://www.tbsnews.net/economy/what-strategic-partnership-means-bangladesh-622554>

**Lowest transit fee set at BDT 589 per tonne for Indian goods**

- Bangladesh will charge at least BDT 589 for the transportation of a tonne of Indian goods to the north-eastern states from the mainland of India through Mongla and Chattogram ports as Dhaka offers regular transit facility to the neighbouring country. Apart from the transit fee, there would be a charge for using the roads of each kilometre and it would be BDT 1.85 per tonne, according to a gazette of the National Board of Revenue (NBR) issued on Monday.
- The document processing fee would be BDT 30, the security charge has been fixed at BDT 100, the administrative fee would be BDT 100, and the transshipment fee has been set at BDT 20 for each tonne in each shipment. The escort charge for each container, truck, trailer, or covered van would be BDT 85 per kilometre. A certain amount of fees for the electric lock and seal will also be paid, it said. A 15% value-added tax on the fees will be applied, the NBR added.

<https://www.thedailystar.net/business/economy/news/lowest-transit-fee-set-tk-589-tonne-indian-goods-3305401>

**IMF concerned over rising default loans, poor recovery**

- The visiting review team of the International Monetary Fund (IMF) has expressed concern over the growth of default loans, reducing which was one of the conditions for the IMF loan package, according to officials of the finance ministry's Financial Institution Division. The IMF team, during a meeting with the division's Secretary Sheikh Mohammad Salim Ullah yesterday, also expressed disappointment over the poor recovery of default loans as it was below the target set by the banks, officials who were present in the meeting told The Business Standard requesting anonymity.
- In a separate meeting with the National Board of Revenue (NBR), the IMF proposed imposing 15% Value Added Tax (VAT) across the board to increase revenue collection. NBR officials, in response, said it does not have the capacity to implement a unified 15% VAT rate at the moment. However, according to the conditions of the IMF, the agency has outlined a detailed plan to increase the revenue by 0.5% of GDP in the next fiscal year.

<https://www.tbsnews.net/economy/imf-concerned-over-rising-default-loans-poor-recovery-622550>

**Meeting IMF-set net forex reserve limit of USD 24.46 Bn 'challenging'**

- Achieving the targeted net foreign currency reserve of USD 24.46 Bn by June, as set by the International Monetary Fund (IMF), remains a matter of concern for the country, said sources at the Ministry of Finance (MoF). They said Bangladesh managed to make good progress in implementing the reform suggestions of the IMF excepting the net reserve limit.
- "We've to receive around USD 4.0 Bn more in just over two months, which is a challenge. If we can reach close to the target, we can convince the IMF, and the government is working on it," said an official of the MoF. As part of the IMF prescriptions, the National Board of Revenue (NBR) needs to increase revenue earning by 0.5% as percentage of the GDP by June. The ministry is hopeful that the NBR would be able to meet the target, the sources added.

<https://thefinancialexpress.com.bd/economy/bangladesh/meeting-imf-set-net-forex-reserve-limit-of-2446-billion-challenging>

**Export diversification still in slow lane**

- Bangladesh's plans aimed at diversifying export baskets are yet to bring about the expected results as the priority sectors are not enjoying most of the benefits promised in the Export Policy for 2021-24, according to entrepreneurs. This means the garment sector continues its domination in the national export basket: apparel shipment accounted for 84.50% of the country's overseas sales in the July-March period of the ongoing financial year.
- When the government unveiled the new Export Policy, it identified 14 sectors as the most priority ones considering their immense potential. MA Razzaque, research director of the Policy Research Institute of Bangladesh, says the export policy is not a legally binding document. "The government may promise a lot in the policy, but many of the pledges might not translate into reality for various reasons," he said, urging the government to formulate an action plan to execute the policy successfully.

<https://www.thedailystar.net/business/economy/news/export-diversification-still-slow-lane-3305416>

**Stocks:****UCB | United Commercial Bank proposes 5% cash and 5% stock dividends**

- The United Commercial bank (UCB) has proposed to give 5% cash and 5% stock dividend to its shareholders for the calendar year 2022. It also set the record date for the annual general meeting on 18 May, where the meeting will be held on 26 June this year. During the last year, its consolidated earnings per share (EPS) was BDT 2.35, which was 32% higher than the previous year. The bank also suffered a net operating cash crisis as its net operating cash flow per share was BDT 13.25 negative.

<https://www.tbsnews.net/economy/stocks/united-commercial-bank-proposes-5-cash-and-5-stock-dividends-622170>

**FIRSTSBANK | First Security Islami Bank declares 10% stock dividend**

- First Security Islami Bank Limited declared a 10% stock dividend to its shareholders for 2022 that ended on 31 December. It also scheduled the annual general meeting on 20 June with a record date fixed on 21 May. Last year, its consolidated earnings per share (EPS) was BDT 2.81, which was 12% lower than the previous year.
- Besides, the bank also declared its first quarter financial statement. As per the statement, its EPS dropped year-on-year by 30% to BDT 0.37 in the January-March quarter. The bank also suffered a severe net operating cash crisis as its net operating cash flow per share was BDT 30.94 negative.

<https://www.tbsnews.net/economy/stocks/first-security-islami-bank-declares-10-stock-dividend-622162>

**BDLAMPS | Quarterly loss brings down Bangladesh Lamps shares by 6.35%**

- Bangladesh Lamps shares price dropped by 6.35% on Wednesday's trading session at the Dhaka Stock Exchange (DSE) as it incurred loss in the January-March quarter this year. At the end of the first three hours trading session, its share price lost BDT 17 to BDT 252.20 at the DSE. On the day, the Philips brand light producer reported that it incurred a loss of BDT 22.1 Mn and earnings per share was BDT 2.21 negative. Due to the loss, its total profit fell year-on-year by 81% to BDT 10.7 Mn in the first three-quarters of FY2023.

<https://www.tbsnews.net/economy/stocks/quarterly-loss-brings-down-bangladesh-lamps-shares-635-622154>

**KARNAPHULI | Karnaphuli Insurance sees drop in profit, dividend**

- Karnaphuli Insurance Company logged lower profits and declared lower dividends for its shareholders for the year ended on December 31, 2022. The insurer declared 10% cash dividend for the year, down from the previous year's 12%. Its profits dropped over 21% year-on-year to BDT 83.4 Mn in 2022, according to the company's disclosure posted on the website of the Dhaka Stock Exchange (DSE). The insurance company's earnings per share stood at BDT 1.86 in 2022, which was BDT 2.37 the previous year.

<https://www.thedailystar.net/business/news/karnaphuli-insurance-sees-drop-profit-dividend-3304876>

**DHAKABANK | Khasru becomes DMD of Dhaka Bank**

- A senior official of Dhaka Bank Limited has recently been promoted to the post of deputy managing director (DMD). The promotee, Darashiko Khasru, had been serving the bank as the senior executive vice-president and chief risk officer concurrently, said a press release. Khasru joined Dhaka Bank on June 3, 1995 and worked in different capacities. He started his career with AB Bank Limited.

<https://www.thedailystar.net/business/economy/banks/news/khasru-becomes-dmd-dhaka-bank-3305276>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 74.54	(USD 0.67)	-0.89%
Crude Oil (Brent)*	USD 78.09	USD 0.31	0.40%
Gold Spot*	USD 1,991.69	USD 217.54	12.26%
DSEX	6,266.36	59.36	0.96%
S&P 500	4,055.99	216.49	5.64%
FTSE 100	7,852.64	400.90	5.38%
BSE SENSEX	60,300.58	-540.16	-0.89%
KSE-100	41,099.58	679.13	1.68%
CSEALL	9,091.72	589.23	6.93%

**Exchange Rates****1 US Dollar = 106.17 BDT****1 GBP = 132.36 BDT****1 Euro = 117.22 BDT****1 INR = 1.30 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	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Anika Mafiz	Research Analyst	<a href="mailto:anika.mafiz@bracepl.com">anika.mafiz@bracepl.com</a>	01708 805 206
Fahim Hassan	Research Analyst	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	<a href="mailto:hztowhidi.khan@bracepl.com">hztowhidi.khan@bracepl.com</a>	01708 805 224
Billal Hossain	Research Associate	<a href="mailto:billal.hossain@bracepl.com">billal.hossain@bracepl.com</a>	01708 805 229
Md. Tanvir Ahmed	Research Associate	<a href="mailto:mtanvir.ahmed@bracepl.com">mtanvir.ahmed@bracepl.com</a>	01708 805 201
Syed Tawsifuzzaman	Research Associate	<a href="mailto:s.tawsifuzzaman@bracepl.com">s.tawsifuzzaman@bracepl.com</a>	01708 805 202

#### International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-------------------------	--	---------------

For any queries or services, you can reach us at [care@bracepl.com](mailto:care@bracepl.com) or hotline **16285**.