

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:**Broad money up 10.48% in June**

- The broad money (M2) in Bangladesh has recorded a 10.48% growth (y-o-y) at the end of June 2023 over the same period a year back amid the persisting high inflationary pressure on the economy. This type of money, defined as the sum of currency outside banks and demand deposits plus time deposits accepted by other deposit corporations, was 9.46% at the end of May last, according to the Bangladesh Bank (BB) data.
- The BB officials opined that this rise is due to an increase in the net domestic asset (NDA) following sale of dollars to banks. But the net foreign asset (NFA) of Bangladesh has dropped, as it has sold dollars to the market. They added that reserve money, which is also called high-powered money, has been expanding - leading to surge in broad money.

<https://thefinancialexpress.com.bd/economy/bangladesh/broad-money-up-1048pc-in-june>

Draft deal gets go-ahead for oil, gas exploration

- The cabinet has approved the draft agreement for deep and shallow sea oil and gas exploration to meet the country's growing energy needs. The approval was given at a meeting of the Cabinet Committee on Economic Affairs today. Cabinet Division Additional Secretary Sayeed Mahbub Khan briefed reporters after the meeting.
- The Department of Energy and Mineral Resources has prepared the draft of "Bangladesh Offshore Model Production Sharing Contract (PSC)" for deep and shallow sea oil and gas exploration to meet the growing energy demand for the country's continued economic growth, he said.

<https://www.thedailystar.net/business/news/draft-deal-gets-go-ahead-oil-gas-exploration-3379071>

Cabinet okays BDT 177.06 Bn purchase proposals

- Thirteen proposals involving BDT 177.06 Bn were approved yesterday by the cabinet committee on public purchase. Of the money, BDT 129.37 Bn will come from the government's own fund and the rest BDT 47.69 Bn from domestic banks and foreign financing. Under a proposal, the government will purchase 8,000 tonnes of lentil at BDT 755.9 Mn for the Trading Corporation of Bangladesh (TCB) from Nabil Naba Foods Ltd.
- Another proposal was okayed to buy 8 Mn litres of soybean oil at BDT 1.31 Bn for the TCB from Meghna Edible Oils Refinery Ltd. The committee also gave go-ahead to the purchase of 1.68 Mn tonnes of refined furnace oil with premium and reference price at BDT 128.51 Bn for the period July to December 2023 for Bangladesh Petroleum Corporation.

<https://www.thedailystar.net/business/economy/news/cabinet-okays-tk-17706cr-purchase-proposals-3379511>

Banks asked to bring down directors from same family to 3

- The central bank today instructed banks to bring down the number of directors from the same family to three in line with the Bank Company (Amendment) Act 2023 within the shortest possible time. A maximum of four members from a family were allowed to seat on the board of a bank at the same time as per an amendment of the Bank Company Act 1991.
- The modification was made in 2018. But the new Act, which was passed in parliament on June 21, specified that the number of directors from a single family can't be more than three. The concerned directors should reach a mutual understanding if one of them has to be resigned from the board in order to comply with the law, said the central bank in a notice yesterday.

<https://www.thedailystar.net/business/economy/banks/news/banks-asked-bring-down-directors-same-family-3-3379036>

Women entrepreneurs won't get incentives for classified CMSME loans

- The Bangladesh Bank on Wednesday announced that Cottage, Micro, Small and Medium Enterprises (CMSME) loans taken by women entrepreneurs from banks or financial institutions, if classified, would no longer be eligible for incentive benefits. In a circular issued on Wednesday, the central bank outlined the criteria for determining the amount of incentive, stating that it will be calculated based on the total amount of all regular loans or investments and the period of utilisation.
- Additionally, if continuous or revolving loans or investments are renewed within the designated term, they will still be eligible for incentive benefits. The Bangladesh Bank has previously launched the "Small Enterprise Refinance Scheme for Women Entrepreneurs" with a fund of BDT 30 Bn. This scheme aims to support women entrepreneurs by providing loans at a maximum interest/profit rate of 5%.

<https://www.tbsnews.net/economy/women-entrepreneurs-wont-get-incentives-classified-cmsme-loans-672042>

Remittances stagnate despite record manpower export in FY23

- Bangladesh has achieved a remarkable milestone in its manpower export during the immediate past fiscal 2022-23, sending a record 1.14 Mn workers abroad. The number surpasses the target by more than 40% and represents a substantial 15% increase compared to the previous year, according to data from the Bureau of Manpower, Employment, and Training.
- Despite this impressive performance in exporting manpower, the inflow of remittances has not seen a corresponding increase. Remittances only grew by a modest 2.75%, reaching a total of USD 21.61 Bn. The amount is nearly 13% lower than remittances received two years ago despite the government's incentive of 2.5%.

<https://www.tbsnews.net/economy/remittances-stagnate-despite-record-manpower-export-fy23-671646>

Private sector credit continues to slide as BB battles against inflation

- Formal credit to the private sector is witnessing a continued decline amid the central bank's efforts to contain inflation through money-supply contraction and import tightening due to forex dearth, according to officials and financial-market analysts. Private-sector-credit growth dropped to 10.57% in June compared to the corresponding month last year, according to the latest statistics from the Bangladesh Bank (BB).
- The credit flow had been on an upturn since early in the last fiscal year (FY'23), reaching 13.95% in July and 14.07% in August. However, it started declining subsequently, recording figures of 13.91%, 13.91%, 13.97%, 12.89%, and 12.62% in September, October, November, December, and January, respectively.

<https://thefinancialexpress.com.bd/economy/bangladesh/private-sector-credit-continues-to-slide-as-bb-battles-against-inflation>

Online scammers lay out 'easy money' trap

- The scammers offer high-paying jobs or easy money that require the victims to pay upfront. After taking enough, they vanish. Such scams are on the rise in Bangladesh with schemes using apps and chatbots to defraud thousands through fake job postings and Ponzi schemes in the guise of financial market trading and affiliated marketing or anything people may find lucrative.
- For example, you may see a sponsored ad claiming you can work for Amazon 2-4 hours a day online and earn BDT16,000 daily. No need for any education or work experience – only a smartphone and a few hours on it every day are enough to have such a handsome income and a rich life, promises that sound too good to be true but hard to resist.

<https://www.tbsnews.net/economy/online-scammers-lay-out-easy-money-trap-672154>

Highest growth in pricey edible oil taxes

- Consumers of pricey edible oils contributed the highest growth of 241.30% in the government's VAT collection last fiscal as banks managed some increase while insurers were negative among large corporate taxpayers. Officials, however, say the financial year (FY) 2022-23 upswing in value-added tax (VAT) collection from edible oil sales was because of paltry receipts in the corresponding previous period for offering exemption to keep prices affordable on the overheated local market.
- Collection of the consumption tax from the banking sector registered a low 5.07% growth in the past financial year, while the bankers strived for advances by way of devising few newer savings schemes. Insurance sector's tax growth looked stymied in a negative territory, according to official data. Depositors to large commercial banks contributed 5.07% of consumption taxes to the public exchequer last year-a period in the cusp of economic rebound worldwide from pandemic-and war-induced crises.

<https://thefinancialexpress.com.bd/economy/bangladesh/highest-growth-in-pricey-edible-oil-taxes>

Exports to China fall despite duty benefit

- Bangladesh's export to China fell to its three-year low of USD 677 Mn in the last fiscal year as entrepreneurs could not take advantage of the duty benefits extended by Beijing. If the earnings generated in 2019-20 when the Covid-19 pandemic wreaked havoc around the world are excluded, the receipts in 2022-23 would be the lowest in a decade, data from the Export Promotion Bureau (EPB) showed.
- A limited number of products in the export basket and a lack of intermediate goods and technology products are standing in the way of increasing exports to the world's second-largest economy, which offers duty-free entry to 98% of the items listed in its tariff schedule. Bangladesh's shipment in FY23 was down 1% from USD 683 Mn a year ago and was the lowest since FY20 when the pandemic hit Bangladesh and exports fetched USD 600 Mn in the year.

<https://www.thedailystar.net/business/economy/news/exports-china-fall-despite-duty-benefit-3379611>

Stocks:**CITYBANK | City Bank's profit surges 9% in first half of 2023**

- The City Bank's net profit increased by 9% in the first half of this year compared to the same time a year ago. During the January to June period, its consolidated earnings per share was BDT 1.97, which was BDT 1.81 a year ago at the same period. Its shares traded on the floor price at BDT 21.40 each at the Dhaka bourse.

<https://www.tbsnews.net/economy/stocks/city-banks-profit-surges-9-first-half-2023-671754>

SBACBANK | SBAC Bank profit jumps 130% in April-June

- South Bangla Agriculture and Commerce (SBAC) Bank's net profit jumped 130% in the April-June quarter of this year as provision requirements against classified loans decreased. During the quarter, its earnings per share was BDT 0.23, which was BDT 0.10 a year ago at the same time. At the end of the first half of this year, its earnings per share increased to BDT 0.41 from BDT 0.31 in the previous year at the same time. Its share was traded on the floor price at BDT 10.50 each on Wednesday at the Dhaka bourse.

<https://www.tbsnews.net/economy/stocks/sbac-bank-profit-jumps-130-april-june-671726>

HEIDELCEM | Heidelberg Cement posts profit in second quarter

- Heidelberg Cement Bangladesh Ltd has continued to recover from losses as it registered profit for the second quarter in a row thanks to a reduction in the cost of sales. The multinational company made a profit of BDT 91.1 Mn in April-June against a loss of BDT 37.5 Mn during the same quarter a year earlier.
- As a result, the earnings per share returned to positive territory at BDT 1.61 in the second quarter of 2023 from a negative BDT 0.66 in the identical period in 2022. This raised Heidelberg Cement's total profit to BDT 478 Mn in January-June, against a loss of BDT 205.2 Mn in the first half of 2022, according to its unaudited financial statements published today.

<https://www.thedailystar.net/business/economy/stock/news/heidelberg-cement-posts-profit-second-quarter-3379051>

ROBI | Robi Axiata profit jumps 140% in H1 of 2023

- Robi Axiata Limited—Country's second largest mobile telecom operator—reported that its net profit jumped 140% in the first half of 2023 against the same period last year. During January-June, its net profit was BDT 663.8 Mn, which was BDT 276.7 Mn a year ago. Its earnings per share stood at BDT 0.13 at the end of June this year. In the first half of this year, its revenue also grew by 18% to BDT 48.87 Bn from the previous year at the same time. Its shares closed at BDT 30 each on Wednesday at the Dhaka Stock Exchange.

<https://www.tbsnews.net/economy/stocks/robi-axiata-profit-jumps-140-h1-2023-671982>

GIB | Global Islami Bank profit drops 57% in April-June

- The Global Islami Bank's net profit dropped by over 57% in the April-June quarter of this year. During the quarter, its consolidated earnings per share was BDT 0.13, which was BDT 0.30 a year ago at the same time, according to the Dhaka Stock Exchange (DSE) filing.
- At the end of the first half of this year, earnings per share stood at BDT 0.74, which was BDT 0.50 a year ago during the same period. Its net operating cash flow per share became negative at BDT 10.51 due to increase of profits paid on deposits and decrease of deposits from other banks borrowings.

<https://www.tbsnews.net/economy/stocks/global-islami-bank-profit-drops-57-april-june-671674>

MARICO | Marico Bangladesh profit surges 29% in Apr-Jun

- Marico Bangladesh has reported a 29% growth in profit during the April-June quarter of 2023, despite facing challenges such as high inflation, shortages in fuel and electricity supply, and a dollar crisis. According to its unaudited financial statement approved in its board meeting on Wednesday, the first-moving consumer goods (FMCG) sector company achieved growth by reducing marketing and selling costs. During the quarter, its net profit was BDT 1.33 Bn, which was BDT 1.03 Bn at the same time a year ago. Its earnings per share stood at BDT 42.18 at the end of June.

<https://www.tbsnews.net/economy/stocks/marico-bangladesh-profit-surges-29-apr-jun-672146>

MJLBD | MJL Bangladesh strikes USD 75 Mn deal for largest-ever oil tanker

- MJL Bangladesh has entered into a contract with South Korea's DH Shipbuilding to acquire a third-generation oil tanker for USD 75 Mn, equivalent to approximately BDT 8 Bn. The deal was officially signed on 20 July, with plans to launch the vessel into the water during the first quarter of 2026, according to Azam J Chowdhury, managing director of MJL Bangladesh.
- The new oil tanker will be LNG-ready and boast an impressive capacity of 115,000 deadweight tonnes (DWT), making it the largest ship to carry the Bangladesh flag. According to the Bangladesh Ocean Going Ship Owners Association, there are over 60 ocean-going ships with Bangladeshi flags, but none of them have a capacity of 115,000 DWT.

<https://www.tbsnews.net/economy/mjl-bangladesh-strikes-75m-deal-largest-ever-oil-tanker-672142>

EXCHANGE | Commodity exchange to launch soon

- A commissioner of the securities regulator has provided assurance of the soon-to-be-established commodity exchange (CX), which will feature non-delivery cash settlements for three commodities. The assurance was given during a workshop titled "Commodity Exchange: Prospects and Challenges" held at the Bangladesh Securities and Exchange Commission (BSEC) office on Tuesday. According to BSEC Commissioner Prof Shaikh Shamsuddin Ahmed, there is a huge prospect for a CX considering the country's large market size.
- However, he also acknowledged that there are many challenges and obstacles in establishing the CX. Representatives from the central bank, revenue board, tariff commission, and different ministries, including finance, industries, and agriculture, attended the workshop. The primary focus of the workshop was to discuss the draft rules and gather feedback from the participants on the proposed commodity exchange. A commodity exchange is a platform where future commodity contracts are traded, with traders agreeing to buy or sell goods at a negotiated price by a predetermined date.

<https://thefinancialexpress.com.bd/stock/bangladesh/commodity-exchange-to-launch-soon>

EXCHANGE | DSE to inspect operational status of 14 non-compliant firms

- The Dhaka Stock Exchange (DSE) will conduct an inspection of the operational status and related issues of 14 companies due to their non-compliance with the securities laws and listing regulations. The Bangladesh Securities and Exchange Commission (BSEC) has recently granted permission to the country's premier bourse to carry out an investigation in order to uncover the facts behind the non-compliance.
- According to the BSEC, the 14 companies are Fortune Shoes, National Feed Mills, Central Pharmaceuticals, CVO Petrochemical Refinery, Dulamia Cotton Spinning Mills, Family Tex (BD), Keya Cosmetics, Khan Brother PP Woven Bag Industries, Northern Jute Manufacturing Company, Regent Textile Mills, The Dacca Dyeing and Manufacturing Company, Usmania Glass Sheet Factory, Zaheen Spinning, and Zaheen Tex Industries.

<https://www.tbsnews.net/economy/stocks/dse-inspect-operational-status-14-non-compliant-firms-672150>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 79.45	USD 4.24	5.64%
Crude Oil (Brent)*	USD 83.49	USD 5.71	7.34%
Gold Spot*	USD 1,976.48	USD 202.33	11.40%
DSEX	6,332.52	125.52	2.02%
S&P 500	4,566.75	727.25	18.94%
FTSE 100	7,676.89	225.15	3.02%
BSE SENSEX	66,707.20	5,866.46	9.64%
KSE-100	46,724.58	6,304.13	15.60%
CSEALL	11,069.44	2,566.95	30.19%

Exchange Rates**1 US Dollar = 108.51 BDT****1 GBP = 140.56 BDT****1 Euro = 120.43 BDT****1 INR = 72.00 BDT**

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