

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:**Bangladesh likely to receive IMF loan's 2nd instalment in Nov**

- Bangladesh is expected to receive the second installment of the USD 4.7 Bn loan from the IMF by November this year. "Officials of the International Monetary Fund (IMF) visited Dhaka several times and found satisfactory achievement in different sectors. The second instalment of the loan will be released timely," a senior official of the finance ministry told UNB on Monday. Bangladesh received USD 470.62 Mn as the first instalment of IMF's loan last February. The entire amount of the IMF loan will be released to Bangladesh in seven instalments over three and a half years till 2026.

<https://thefinancialexpress.com.bd/economy/bangladesh-expected-to-receive-imf-loans-2nd-instalment-in-nov>

Australian duty benefit to continue: BGMEA

- Australia will continue to provide duty free access to Bangladesh's products even after it makes the LDC graduation in 2026, said a top leader of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday. This was assured at a meeting between the BGMEA and the Australian government's Department of Foreign Affairs and Trade (DFAT) in Canberra in July 21 this year, said BGMEA President Faruque Hassan. Australia is one of Bangladesh's non-traditional export destinations, receiving garments worth USD 1.16 Bn last fiscal year, which was less than half a billion dollars 10 years ago, the BGMEA said in a statement.

<https://www.thedailystar.net/business/economy/news/australian-duty-benefit-continue-bgmea-3405511>

BGMEA seeks Korean investment in non-cotton textiles

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) today urged the Korean businesses to invest in non-cotton textiles, man-made fibre (MMF) based yarns and fabrics, functional fabrics like polyester, viscose, spandex and mélange.
- In the meeting, Hassan highlighted the growing interests of Bangladesh's garment industry in diversifying into non-cotton products, including high-value fashion items based on MMF and technical textiles, according to a statement from the BGMEA. Bangladesh is a promising destination for Korea to ship its MMF, textile machinery, chemical dyes and other raw materials while Korea is a potential garment export market for Bangladesh, Hassan said.

<https://www.thedailystar.net/business/news/bgmea-seeks-korean-investment-non-cotton-textiles-3405356>

Local company holds potential in automobile filter export

- Bogra Motors Pvt Ltd, a factory located in the Bangladesh Small and Cottage Industries Corporation's (BSCIC) industrial estate in Bogura, has achieved a remarkable feat as it can produce filters that can be used in automobiles both at home and abroad. Bogra Motors obtained ISO (International Organisation for Standardisation) certification in 2004 and is selling its products under the brand name of "Power". Currently, the company has the capacity to produce more than 70,000 to 80,000 units of filters worth around BDT 20 Mn annually. Last year, it manufactured filters worth BDT 200 Mn.

<https://www.thedailystar.net/business/economy/news/local-company-holds-potential-automobile-filter-export-3405646>

Biman sees huge potential in Dhaka-Narita direct flights

- The state-owned Biman Bangladesh Airlines is all set to inaugurate its Dhaka-Narita direct flight on 1 September with an aim not only to cater to the travel needs of Bangladeshis flying to Japan and Japanese visitors heading to Dhaka but also to lure Japan-bound travellers from neighbouring Nepal and India.
- According to Japan's Ministry of Justice, till 2022, there were 20,954 Bangladeshis living in Japan. The island nation is also considered a desirable study destination for Bangladeshi students. Though Nepal Airlines operates direct flights on the Kathmandu-Narita route, the Biman authorities think that it is not sufficient against the huge demand. Biman had suspended its Dhaka-Tokyo route in 2006, as it was not commercially viable due to a lack of sufficient aircraft, said aviation stakeholders.

<https://www.tbsnews.net/economy/aviation/there-huge-potentials-dhaka-narita-route-says-biman-chief-690118>

In a decade, Rahman Jute Spinners expands exports to 40 countries

- Founded just over a decade ago, Rahman Jute Spinners Private Limited in Rajshahi now exports eco-friendly jute yarn to 40 countries. The company, which currently ships 25,000 tonnes of jute yarn, cloth, and bags annually, has undertaken a plan to add two more units to its factory. Fazlur Rahman, managing director at the company, stated that there are approximately 150 jute yarn-producing mills in the country, and out of those, 10 mills export their products to various countries. The global market size for jute yarn is approximately 0.4 Mn tonnes.

<https://www.tbsnews.net/economy/decade-rahman-jute-spinners-expands-exports-40-countries-689998>

Do our sweets have sweeter potential in the global market?

- The sweet market in the country has undergone a remarkable transformation over the last decade, driven by the involvement of several corporate entities. Recently, initiations of small-scale exports have sparked optimism among stakeholders regarding the industry's potential.
- Industry insiders say a strategic focus on sweet product exports for the global market could unlock new opportunities. According to the Export Promotion Bureau of Bangladesh (EPB), the export income of the sugar confectionery sector in fiscal year 2022-23 was USD 236.8 Mn. But there has been no contribution of sweets here.

<https://www.tbsnews.net/economy/do-our-sweets-have-sweeter-potential-global-market-689978>

Diversify exports to face post-LDC challenges: WB country director

- Bangladesh needs to diversify its export products, including light engineering and pharmaceuticals, and explore new market opportunities to face challenges after its graduation from LDC status, said the World Bank country director for Bangladesh and Bhutan. Abdoulaye Seck also observed that the country's exports might experience a decline of up to 14% following its graduation. He reaffirmed the WB's commitment to Bangladesh's development and its openness to partnerships in the future.

<https://www.tbsnews.net/economy/bangladesh-needs-diversity-export-face-ldc-graduation-challenges-wb-country-director-690278>

MFS service charge set at 0.7% for payment

- The mobile financial service providers can charge a maximum of BDT 0.7 for every BDT 100 deposited by the policyholders of the Universal Pension Scheme (UPS) as subscription fees to the pension authority. The central bank, referring to a circular of the finance division issued on August 16, said the government earlier fixed the cash out charge at 0.7% for withdrawal of funds by the beneficiaries under social safety net schemes. The same service charge will be applicable for payment of instalment for UPS through MFSs, it said.

<https://www.thedailystar.net/business/economy/news/mfs-service-charge-set-07-payment-3405666>

Worker outflow to Saudi Arabia climbs but remittance falls

- The outflow of migrant workers from Bangladesh to Saudi Arabia surged around four times in the last three years, official figures showed. However, remittance earnings from Saudi Arabia stood at USD 5.7 Bn in 2020-21. It dropped to USD 4.5 Bn in 2021-22 and USD 3.7 Bn in 2022-23, Bangladesh Bank data showed. Since a large number of people are going abroad for low-paid jobs, per person remittance inflow is quite low in Bangladesh compared to that of India and the Philippines, Khan, a senior research fellow at the Centre for Policy Dialogue, said.

<https://www.thedailystar.net/business/global-economy/news/worker-outflow-saudi-arabia-climbs-remittance-falls-3405671>

Dollar kerb market heats up again

- The exchange rate gap in the official and unofficial channels in Bangladesh has started to widen after a few months of lull as the US dollar is getting costlier in the informal market, a development that may adversely impact the remittance flow.
- Industry people blame the lower deposits of the USD in the banking system, the fixed dollar rate, the rising number of students going abroad, and the higher illegal cross-border transactions for the growing gap. The spike in the dollar rate may hit the inflow of remittance as remitters turn to the illegal hundi markets to send funds to the beneficiaries. In Bangladesh, a one-per cent deviation between the formal and informal exchange rate shifts 3.6% of remittances from the formal to the informal financial sector, said the World Bank in May.

<https://www.thedailystar.net/business/economy/news/dollar-kerb-market-heats-up-again-3405676>

Interest rate spread of NBFIs drops to historic low

- The country's non-bank financial institutions (NBFIs) witnessed a historic low interest-rate spread at 0.16% last July, due to a number of reasons including the rise of classified loans and the interest rate cap imposed by the central bank.
- According to the central bank data, NBFIs are currently collecting deposits at an average interest rate of 8.02%. However, the interest rate on loans stands at 8.18%. Consequently, the interest rate spread for NBFIs has narrowed down to 0.16% in July. Central bank data shows that the number of NBFIs in negative spreads was 10 even a year ago. In the last one year, there have been two new additions. Due to these NBFIs in the negative, the sector's cumulative interest total spread is going negative.

<https://www.tbsnews.net/economy/interest-rate-spread-nbfis-drops-historic-low-690522>

Secret behind banks' hefty profit

- The banking sector in Bangladesh witnessed an astonishing surge of 183% in net profit in 2022 as compared to the preceding year even as business activities remained stagnant in the face of a severe dollar crisis. However, this high growth in profit is attributable to window-dressing in the balance sheets of banks through the practice of provision deferral.
- As per the Bangladesh Bank's Financial Stability Report 2022, the net profit within the banking sector increased to BDT 142.26 Bn in 2022 from BDT 50.22 Bn in the previous year. Additionally, the cumulative provisions allocated for bad debts witnessed a decline of 42.66%, dwindling to BDT 87.67 Bn from BDT 152.9 Bn. The aggregate default loans in banks reached BDT 1.20 Tn at the close of December last year, which was BDT 1.03 Tn in the corresponding period of the preceding year.

<https://www.tbsnews.net/economy/banking/secret-behind-banks-hefty-profit-690526>

Decline in IDCOL's solar home system sparks loan waiver appeal

- The government's various rural electrification initiatives have led to a sharp decline in the Solar Home System (SHS) programme of the Infrastructure Development Company Limited (IDCOL), forcing the non-bank financial institution to seek loan waivers from the government.
- Due to rapid grid expansion, free SHS distribution, and an unregulated SHS market have made it challenging for POs to collect payments from customers, and therefore they are facing a difficult situation to repay IDCOL loans, according to the letter. The matter was presented to Finance Minister AHM Mustafa Kamal for approval. However, the minister has yet to make a decision on the matter, according to finance ministry officials.

<https://www.tbsnews.net/bangladesh/energy/decline-idcols-solar-home-system-sparks-loan-waiver-appeal-689986>

Stocks:**BSCCL | Bangladesh Submarine Cable declares record dividend for FY2022-23**

- Bangladesh Submarine Cable Company Limited (BSCCL) has declared a record 51% cash dividend to its shareholders for the financial year 2022-23. The dividend declaration came from the state-owned company's board meeting held on Monday (28 August).
- According to the company's disclosure, its revenue grew over 16% to BDT 5.15 Bn in the last fiscal compared to the previous year. To approve the dividend and financial statement, it will conduct the AGM on 12 October and the record date is set on 20 September.

<https://www.tbsnews.net/economy/stocks/bangladesh-submarine-cable-declares-record-dividend-fy2022-23-690378>

BRACBANK | Brac Bank rated stable by S&P

- Brac Bank has been provided a "B+" credit rating with a stable outlook by S&P Global Ratings. This is in contrast to a recent "Banking Industry Country Risk Assessment (BICRA) for Bangladesh" seeing a revision in industry risk trend from stable to negative, said a press release.
- The US-based institution provided the rating on August 8. "Brac Bank's established franchise enables it to access foreign currency from its retail remittance and export-oriented clients. This somewhat alleviates the US dollar funding pressure facing the broader banking sector," it said in a statement.

<https://www.thedailystar.net/business/economy/news/brac-bank-rated-stable-sp-3405536>

INTRACO | Intraco Refueling plans to merge with 3 other CNG stations

- Intraco Refueling has decided to merge its business with three other CNG stations. The directors of the company have approved the amalgamation proposal with M HYE & Co CNG Refueling Station, Nessa & Sons Limited and Good CNG Re-Fueling Station Limited, according to Dhaka Stock Exchange (DSE) disclosure. The amalgamation will be implemented subject to the creditors, shareholders, high court and the securities regulator's approval.

<https://www.tbsnews.net/economy/stocks/intraco-refueling-plans-merge-3-other-cng-stations-690022>

EBL | Eastern Bank to sell lands in Purbachal, Bashundhara

- Eastern Bank Limited has decided to sell two of its lands - one is located in Purbachal and the other one in the capital's Bashundhara. The bank said in a disclosure on the Dhaka Stock Exchange (DSE) that it will sell 85.15 katha at Purbachal and 5 katha at Bashundhara residential area. However, the amount expected to be generated by selling the lands was not mentioned in the disclosure.

<https://www.tbsnews.net/economy/stocks/eastern-bank-sell-lands-purbachal-bashundhara-690002>

MIDLANDBNK | Midland Bank calls meeting to change IPO fund utilization

- Midland Bank Limited called an extra general meeting (EGM) to get the shareholders' approval for changing the utilization proceeds of the IPO fund. The bank, in a disclosure on the Dhaka Stock Exchange (DSE), said it wants to invest BDT 4.67 Mn of the IPO fund in government securities. This money was earmarked for IPO expenses.
- Earlier, in September last year, BSEC had allowed the bank to raise BDT 700 Mn from the capital market with an initial public offering (IPO). The bank issued 70 Mn shares at a face value of BDT 10 each. Besides, the bank also decided to change its name to Midland Bank PLC.

<https://www.tbsnews.net/economy/stocks/midland-bank-calls-meeting-change-ipo-fund-utilisation-690214>

AL-HAJTEX | Alhaj Textile gets three new independent directors

- The securities regulator has appointed three new independent directors at the publicly listed Alhaj Textile Mills Limited. Also, BSEC has withdrawn two independent directors who were appointed at the company's board earlier. In the mid-2019, Alhaj Textile decided to shut down the factory following its failure to sell products. After that, the company turned losses for the last two years and abstained from paying any dividend to the shareholders. To revive the listed firm, the BSEC has restructured the board of Alhaj Textile. After that, the company returned to operations in June 2021.

<https://www.tbsnews.net/economy/stocks/alhaj-textile-gets-three-new-independent-directors-690470>

AOL | BSEC to look into Associated Oxygen's factory operation

- The Bangladesh Securities and Exchange Commission (BSEC) has formed an inquiry committee to look into Associated Oxygen Limited's financial statements and activities as irregularities are suspected in its operation. The inquiry committee will submit a report to the commission within 60 days of its formation.
- Sources at the Dhaka Stock Exchange told The Business Standard that when its officials, seeking anonymity, recently contacted Associated Oxygen – a listed company – on the pretext of buying products, the company told them that their factory was closed for a few months. Then the Dhaka Stock Exchange informed the Bangladesh Securities Regulator and Exchange Commission about the matter and expressed its interest to investigate it.

<https://www.tbsnews.net/economy/stocks/bsec-look-associated-oxygens-factory-operation-690482>

NLTUBES | National Tubes' undistributed bonus shares raised more questions than answered

- The state-run listed company National Tubes on Sunday transferred 42% of its outstanding shares to the account of Capital Market Stabilisation Fund (CMSF). These shares had been issued in stock dividends and remained undistributed since 2007. "Giving stock dividend has the same accounting impact as retaining cash on balance sheet. We can thus conclude that the company has reinvested capital in its own business," said Asif Khan, chairman of EDGE Asset Management. National Tubes has also transferred cash dividends worth around BDT 5 Mn to the CMSF.

<https://thefinancialexpress.com.bd/stock/bangladesh/national-tubes-undistributed-bonus-shares-raised-more-questions-than-answered>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 80.01	USD 4.80	6.38%
Crude Oil (Brent)*	USD 84.42	USD 6.64	8.54%
Gold Spot*	USD 1,921.48	USD 147.33	8.30%
DSEX	6,299.66	92.66	1.49%
S&P 500	4,433.31	593.81	15.47%
FTSE 100	7,338.58	-113.16	-1.52%
BSE SENSEX	64,996.60	4,155.86	6.83%
KSE-100	47,500.78	7,080.33	17.52%
CSEALL	11,169.73	2,667.24	31.37%

Exchange Rates**1 US Dollar = 109.18 BDT****1 GBP = 137.81 BDT****1 Euro = 118.25 BDT****1 INR = 1.32 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
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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