

*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:****Next budget may be 13.5% bigger**

- The government is likely to place a 13.5% bigger budget for the next fiscal year (FY 2023-24), with higher subsidies and debt-servicing costs. Such a higher outlay would be due to a 35% increase in subsidies and incentives, coupled with 27% rise in allocation for debt servicing, and 6.0% rise in annual development programme (ADP).
- Finance Division officials said the FY 24 budget size might stand at BDT 7.698 Tn, against the current outlay of BDT 6.78 Tn, which saw 12% rise compared to the previous fiscal. They also said despite the recent rise in electricity and gas prices, the government's total subsidy in the new budget would see a robust rise.
- The subsidy allocation for food, agriculture, fertiliser, and open market sale of food items by the Trading Corporation of Bangladesh (TCB) would rise in the new fiscal, when the upcoming national election is scheduled to be held.

<https://thefinancialexpress.com.bd/economy/bangladesh/next-budget-may-be-135pc-bigger>

**Bid to develop cold chain infrastructure**

- US-based agriculture development organisation Venture37 signed a memorandum of understanding with City Bank Capital yesterday to collaborate in the development of a robust and efficient cold chain infrastructure in Bangladesh. Affiliated with Land O'Lakes, Inc., one of the largest farmer-owned agribusinesses in the US, Venture37 has been delivering market insights and technical expertise to agricultural development projects around the world since 1981.
- This partnership will focus on increasing investment opportunities in the areas of cold chain networks, warehousing systems, energy efficiency investment for cold storage, and temperature-controlled logistic services, says a press release. Venture37 aims to implement innovative solutions by increasing awareness and education among farmers and producers about the importance of proper post-harvest management and the use of safe preservation techniques.
- The two organisations will collaborate in holding conferences, seminars, and workshops to promote awareness and understanding of the temperature-controlled logistic sector. The absence of temperature-controlled logistics infrastructure in Bangladesh results in significant post-harvest losses, as reported by The Food and Agriculture Organization of the United Nations, with post-harvest loss of 26% for fruits and 12-30% for fish.

<https://www.thedailystar.net/business/economy/news/bid-develop-cold-chain-infrastructure-3283216>

**Imprudence causes liquidity crunch, CPD says**

- Malgovernance and lack of prudential management mostly caused liquidity drop in the banking sector by BDT 665.81 Bn to BDT 1.37 Tn in seven months of this fiscal, said the Centre for Policy Dialogue (CPD). While presenting budget recommendations for fiscal year 2023-24, it said the crisis deepened as Islami banks as a group could not meet the total minimum liquidity requirement by the end of January 2023.
- "We've been arguing for setting up Independent Banking Commission for improving health of the banking sector," said CDP executive director Fahmida Khatun while addressing a press conference.

<https://thefinancialexpress.com.bd/economy/bangladesh/imprudence-causes-liquidity-crunch-cpd-says>

**Bank subsidiaries may go under BB control**

- Banks' subsidiaries including brokerage firms, merchant banks and asset management companies are going to fall under the purview of Bangladesh Bank as per the final draft of a bank company (amendment) act, 2023. The cabinet approved the final draft yesterday.
- According to the draft, banks will have to follow the central bank's orders when recruiting the boards of directors, managing directors or chief executive officers. Moreover, if existing officials do not meet qualifications and eligibility requirements stipulated by the central bank, they will lose the right to retain their posts.

<https://www.thedailystar.net/business/economy/news/bank-subsidiaries-may-go-under-bb-control-3283191>

**Traders' access to SME loans broadens as rules eased**

- The Bangladesh Bank yesterday withdrew the ceiling on the loans going to the trading sector from its BDT 250 Bn refinance scheme. The BB, in a notice, said banks and non-bank financial institutions (NBFIs) would not have to follow the ceiling of 30% for the trading sector as credit demand among traders is high due to acceleration in economic activities.
- The easing of rules will be in place until June 30. Under the scheme, lenders can distribute at least 75% of the loans among cottage, micro and small enterprises and a maximum of 25% among medium-sized firms. They have to give out at least 60% of the refinance scheme as term loans, whose repayment tenure is more than one year. The rest can be disbursed as working capital, which has to be repaid in one year.

<https://www.thedailystar.net/business/economy/news/traders-access-sme-loans-broadens-rules-eased-3283206>

**Bccci, Beza to jointly promote Chinese investments in economic zones**

- The Bangladesh China Chamber of Commerce and Industry (Bccci) is going to team up with the Bangladesh Economic Zones Authority (Beza) to promote Chinese investments in the economic zones across the country. To this end, the two parties are set to sign a memorandum of understanding (MoU) on Wednesday (29 March).
- Beza sources say the main objective of this MoU between Beza and Bccci is to work jointly for the augmentation of the trade and investment between Bangladesh and China by encouraging and facilitating Chinese entrepreneurs, business communities, researchers, and trade bodies of both countries.

<https://www.tbsnews.net/economy/bccci-beza-jointly-promote-chinese-investments-economic-zones-607094>

**Foreign aid commitments slide 63%, disbursements 17%**

- Bangladesh has witnessed a sharp decline in foreign loan commitments and disbursements for development projects in the first eight months (July-February) of the current fiscal year, which may overwhelm the foreign exchange reserves further.
- According to data from the Economic Relations Division (ERD), commitments of foreign aid declined by 63.19% to USD 1.78 Bn in the July-February period, down from USD 4.84 Bn in the corresponding period of the last fiscal year. In addition, foreign aid disbursement has decreased to USD 4.87 Bn in the eight months of FY23, registering a 17% fall compared to USD 5.89 Bn in the same period of FY22.
- According to ERD officials, the interest rate on floating rate loans is high due to the global economic situation caused by the Russia-Ukraine war. Currently, the six-month Secured Overnight Financing Rate (SOFR) is around 4%, which is why the government is not taking loans at floating rates.

<https://www.tbsnews.net/economy/foreign-aid-commitments-slide-63-disbursements-17-606734>

**Western Union money transfers now accessible through bKash agent points**

- bKash customers in Bangladesh can now redirect their cash-intended Western Union money transfers into their bKash wallets conveniently, with the assistance of over 330,000 bKash agent points, reads a press release. To facilitate this service, Western Union, a global leader in cross-border, cross-currency money movement and payments, NCC Bank, one of the leading banks in the country, and bKash, the country's leading mobile financial services provider, have jointly launched the "Agent Assisted Model (PIN base Remittance)" service.
- With this service, Western Union international money transfer receivers in Bangladesh with a valid national ID, active bKash account and Money Transfer Control Number (MTCN) can route their money transfers into their bKash wallets with the assistance of any bKash agent point available in their locality. NCC Bank also acts as a settlement partner for this service.

<https://www.tbsnews.net/economy/western-union-money-transfers-now-accessible-through-bkash-agent-points-606774>

**US policymakers' support sought for getting duty-free access**

- The Bangladesh Garment Manufacturers and Exporters Association has requested US policymakers and a diplomat to persuade the United States government to give duty-free market access to Bangladeshi apparel products made of US cotton. BGMEA president Faruque Hassan on Monday made the request through separate letters to US senator Ted Cruz, Texas State governor Greg Abbott and US Ambassador to Bangladesh Peter Haas.
- As Bangladesh depends greatly on its access to foreign markets and the clothing industry remains the driving force behind our exports and economic growth, we urge the United States to consider duty-free access to apparel products made of US cotton,' Faruque said. The BGMEA president urged the senator, the governor and the diplomat to take this request of giving duty-free access to Bangladeshi apparel up with the relevant policymakers in the US.

<https://www.newagebd.net/article/197989/us-policymakers-support-sought-for-getting-duty-free-access>

**Cabinet nods tougher laws on wilful defaulters with ban on travel, political posts**

- Wilful defaulters will be barred from travelling abroad, registering houses, vehicles and companies as well as being in committees of political parties, says the draft Bank Company (Amendment) Act, which the cabinet approved Tuesday. The draft act also says not more than three people from one family can become directors of a bank.
- Briefing newsmen following the cabinet meeting, Cabinet Division Secretary Md Mahmudul Hossain Khan said according to the approved draft law, a bank can also file criminal cases against wilful defaulters if they choose to. The draft act also prohibits lending to directors without collateral.

<https://www.tbsnews.net/economy/banking/no-more-3-directors-bank-same-family-cabinet-approves-draft-bank-companies-act>

**Stocks:****UNIQUHRL | Unique Hotel gets USD 10.91 Mn from Nebras Power**

- Nebras Power Investment Management BV – a Qatar-based investment company – has paid USD 10.91 Mn (BDT 1.16 Bn as per Bangladesh Bank rate on 27 March) to Unique Hotel and Resorts Limited as the second and third phase payments for acquiring stake at Unique Meghnaghat Power Limited.
- Earlier in March last year, the company disbursed USD 9.6 Mn or BDT 820 Mn as the first phase payment. In April 2021, Nebras Power signed an agreement with Unique Hotel and Strategic Finance and Investments Ltd to buy a 24% stake in Unique Meghnaghat Power for BDT 4.5 Bn.

<https://www.tbsnews.net/economy/stocks/unique-hotel-gets-1091-million-nebras-power-607090>

**BSC | Shipping Corp to use USD 22.48 Mn insurance money as capital expenditure**

- The Bangladesh Shipping Corporation – a state-owned oceangoing vessel management authority – has finally received USD 22.48 Mn in insurance claims for "Banglar Samridhi", a cargo vessel that suffered a missile attack in Ukraine last year.
- Now, it will invest the fund as capital for its ongoing development works, according to Mohammad Ashraful Amin, general manager (admin) of the corporation. On 21 March, the compensation against the vessel abandoned at a Ukrainian port was added to the corporation's bank account. The Shipping Corporation got the funds from the Sadharan Bima Corporation, the primary insurer of the ship.

<https://www.tbsnews.net/economy/stocks/shipping-corp-use-2248m-insurance-money-capital-expenditure-607082>

**PIONEERINS | Pioneer Insurance declares 30% dividend**

- Pioneer Insurance Company Ltd has recommended a 30% dividend – 25% cash and 5% stock – for the year that ended on 31 December 2022. In its disclosure on the Dhaka Stock Exchange (DSE) website on Tuesday, the company said it declared the stock dividend in order to increase its paid-up capital, which in turn will strengthen its financial status in both local and global insurance markets.
- The stock dividend will be paid out of the company's accumulated profit. To secure approval of the declared dividends, audited report, and other matters, the company will hold an annual general meeting (AGM) on 31 May 2023. The record date has been fixed on 27 April.

<https://www.tbsnews.net/economy/stocks/pioneer-insurance-declares-30-dividend-606814>

**EXCHANGE | Why efforts to cheer up institutional investors went in vain**

- The cluster of efforts by regulators to ease some rules for the capital market intermediaries, so that they can boost the market, has failed to create any impact in the bourses. Spiraling down for weeks, DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), fell below the psychological threshold of 6,200 to close at 6,193, the lowest in a month.
- Upon request from the capital market intermediaries that include broker-dealers, merchant banks, asset managers, the Bangladesh Securities and Exchange Commission (BSEC) in February offered institutional investors a relief by relaxing the compulsion to park some of the funds into listed Treasury bonds.
- DSE Brokers Association President Richard D' Rozario, managing director of brokerage firm Global Securities, said most of the capital in the market is stuck due to no exit opportunities at floor prices, even worse fact is everyone is in fear of getting their further funds stuck. During the closing bell on Tuesday, 301 of the 399 DSE scrips had no buyer to quote any price.

<https://www.tbsnews.net/economy/stocks/why-efforts-cheer-institutional-investors-went-vain-607086>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 73.73	(USD 1.48)	-1.97%
Crude Oil (Brent)*	USD 78.65	USD 0.87	1.12%
Gold Spot*	USD 1,972.75	USD 198.60	11.19%
DSEX	6,193.08	-13.92	-0.22%
S&P 500	3,971.27	131.77	3.43%
FTSE 100	7,484.25	32.51	0.44%
BSE SENSEX	57,613.72	-3,227.02	-5.30%
KSE-100	40,082.37	-338.08	-0.84%
CSEALL	9,285.21	782.72	9.21%

**Exchange Rates****1 US Dollar = 107.61 BDT****1 GBP = 132.74 BDT****1 Euro = 116.67 BDT****1 INR = 1.31 BDT**

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### 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
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