

*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:****Dollar rates for remittance, export proceeds raised by BDT 1**

- The exchange rate of dollars for both remitters and exporters has been increased by BDT 1. Banks will offer BDT 108 per dollar for remittance and BDT 106 for export proceeds from Tuesday when the new rate will come into effect. The decision came at a meeting between the Association of Bankers Bangladesh (ABB) and the Bangladesh Foreign Exchange Dealers' Association (BAFEDA) on Sunday (30 April).
- "It was also decided at the meeting that from now on, a difference of BDT 2 will be maintained in the dollar rate for export proceeds and remittances. That means, if the rate of export proceeds increases, the price of remittance will also increase," said the source.

<https://www.tbsnews.net/economy/banking/dollar-rates-remittance-export-proceeds-raised-tk1-624354>

**3rd phase stimulus loan disbursement at snail's pace**

- The third phase of disbursement of loans from the stimulus package aimed at helping out the Covid-affected industrial and service sector companies is moving at a snail's pace, with only 7.19% of the target amount disbursed in the nine months of the current fiscal year.
- Bankers believe that the disbursement dwindled over the phases because the central bank is taking action against borrowers who are using the loan, granted to be used as working capital, for fulfilling other obligations such as paying off debts. Another reason they mentioned is that the loan ceiling under this fund is fixed (30% of the working capital loan). So, a borrower exceeding the limit cannot apply for fresh loans. Besides, banks having less interest in disbursing loans to small borrowers is another big reason for the low disbursement of stimulus loans.

<https://www.tbsnews.net/economy/3rd-phase-stimulus-loan-disbursement-snails-pace-624130>

**Money supply up 9.13% to BDT 17.79 Tn**

- The total broad money supply (M2) in the banking sector was recorded at about BDT 17.79 Tn in March 2023, showing an annual increase of 9.13%, the Bangladesh Bank (BB) reported on Sunday. It was BDT 16.29 Tn in March 2022. The growth was 8.77% in February 2023, the central bank report mentioned. The BB officials told the FE that this surge took place due to a rise in net domestic assets. There are two types of assets: net domestic assets (NDA) and net foreign assets (NFA), and money growth comes from the sources.
- Some economists said the government's borrowing through treasury bills and bonds contributed much to the growth of broad money. Dr. Ahsan H. Mansur, executive director of the Policy Research Institute of Bangladesh (PRI), told the FE that the broad money growth is mainly hailing from the NDA. This should have been good once it used to expand based on the NFA. He said this type of growth may affect the balance of payment and destabilise the foreign exchange market. Bangladesh's NDA is now positive, rising by 15.4% in March 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/money-supply-up-913pc-to-tk-1779-trillion>

**More devaluation this month**

- The Bangladesh Bank will devalue the taka again this month in an effort to narrow the gap between the dollar selling rate from reserves and the market rate as a visiting IMF review team has stressed faster implementation of a unified exchange rate to ease pressure on foreign exchange reserves. According to a source within the central bank, the rate at which US dollars are sold from reserves is expected to be raised by BDT 1 to BDT 104 this week, with a further increase to BDT 106 scheduled for June. This will align the central bank's selling rate with the current market average rate.
- The taka has already been devalued by 19% over the last year, which has led to an increase in the dollar rate from BDT 86.20 to BDT 103, according to Bangladesh Bank data. Meanwhile, the Bangladesh Foreign Exchange Dealers Association (Bafeda) raised the dollar rate by BDT 1 for both remitters and exporters to BDT 108 and BDT 106, respectively, in a meeting on Sunday, according to sources present at the meeting.

<https://www.tbsnews.net/economy/banking/more-devaluation-month-624458>

**Traders want EDF back to USD 7 Bn**

- Fearing negative impacts on exports due to the downsizing of the Export Development Fund (EDF) as well as reduction in the amount of loans taken from the fund, traders have called for the EDF to be reverted back to the original state. Besides, a series of gas and electricity price hikes by the government has increased business costs, further reducing competitiveness, they added.
- Traders pointed out that there was a negative trend in overall exports, including ready-made garments. In such a scenario, downsizing the EDF and the increasing of interest rates may lead to export to fall further in the coming months, they said, urging the EDF to be restored back to 7 Bn dollars and the reinstatement of previous interest rates.

<https://www.tbsnews.net/economy/traders-want-edf-back-7b-624614>

**Govt re-imposes fumigation of US cotton**

- The government has re-imposed the provision of fumigation of US cotton at ports, official documents showed, a move that may increase the lead time and cost of production for importers. Previously, cotton brought from the US would have to be locally fumigated even if the raw material underwent such treatment before being shipped. This created barriers to export as the extra time and costs involved led to delays in completing work orders for nearly five decades.
- The government eased the rule of double fumigation and issued a circular on February 19 this year as the US is becoming an important source of cotton for local millers, traders and importers. However, it has again imposed a similar fumigation provision, according to a gazette notification on April 25.

<https://www.thedailystar.net/business/economy/news/govt-re-imposes-fumigation-us-cotton-3308501>

**Concerns as NBR looks at wider revenue shortfall**

- Economists have raised concerns over fiscal management as revenue shortfall against the target of the current fiscal year continues to widen further than initially anticipated and may hit BDT 400 Bn by the year-end. According to the National Board of Revenue (NBR) sources, the shortfall in revenue collection against the target is about BDT 280 Bn in the first nine months (July- March) of the current fiscal year 2022-23.
- If the shortfall continues to stretch, experts said, it could pose a serious challenge for the government regarding overall economic management because the government's bank borrowing has quadrupled in the first seven months of FY23 compared to the same period of the previous fiscal year.

<https://www.tbsnews.net/nbr/concerns-nbr-looks-wider-revenue-shortfall-624662>

**Demand for loans falls to 12-month low**

- Private sector credit growth in Bangladesh slipped to a 12-month low of 12.03% in March, a development that may hurt GDP growth and job creation. This was the fourth consecutive monthly decline, data from the Bangladesh Bank showed. The credit growth stood at 12.14% in February.
- Bankers blamed the liquidity stress in the banking system and banks' cautious approach in disbursing loans amid rising non-performing loans for the deceleration in credit growth. "In addition, non-performing loans in banks are on the rise, so banks are cautious about disbursing loans. This has affected the credit growth."

<https://www.thedailystar.net/business/economy/news/demand-loans-falls-12-month-low-3308511>

**BSCIC Barishal project in the slow lane**

- A project of the Bangladesh Small and Cottage Industries Corporation (BSCIC) aimed at developing its industrial estate in Barishal and improving infrastructure there has again missed the deadline for completion owing to sluggish implementation, official documents showed. As a result, the project that set out its journey in January 2017 to raise the number of factories by 100 over a two-year period, is going to take seven years to carry out the same task if it is implemented within the new deadline of December 2023.

<https://www.thedailystar.net/business/economy/news/bscic-barishal-project-the-slow-lane-3308436>

**Edible oil refiners seek to hike prices**

- Edible oil refiners in Bangladesh yesterday sought to increase their prices by up to 9.62% as the industry will no longer enjoy a reduced tax benefit following the completion of its one-year tenure. The National board of Revenue (NBR) had reduced the value-added tax (VAT) on edible oil by 10% to 5% in March last year in a bid to provide consumers with some relief in the face of growing international prices.
- "A decision will be taken in this regard only after the Bangladesh Trade and Tariff Commission examines the proposal in detail," he said, adding that they would meet with industry stakeholders on May 3 to discuss the next step.

<https://www.thedailystar.net/business/economy/news/edible-oil-refiners-seek-hike-prices-3308481>

**Stocks:****CROWNCEMNT | Crown Cement earnings per share jumps**

- Registering a moderate recovery of profitability in the October-December quarter, Crown Cement PLC posted a significant improvement in its profits in the January-March quarter. According to a price sensitive information disclosure, the cement maker's earnings per share (EPS) jumped to BDT 1.52 in the January-March period or the third quarter of the fiscal year, which was BDT 0.16 in the same period last year. For the first nine months of the fiscal year, the EPS improved to BDT 2.16, from BDT 0.91 a year ago.
- In the October to December quarter, its EPS was BDT 0.99, while it incurred a loss of BDT 0.36 for the previous three months through September. Its annual loss in the 2021-22 fiscal year was BDT 1.54 per share. In the October to December quarter, its EPS was BDT 0.99, while it incurred a loss of BDT 0.36 for the previous three months through September. Its annual loss in the 2021-22 fiscal year was BDT 1.54 per share.

<https://www.tbsnews.net/economy/stocks/crown-cement-earnings-share-jumps-623894>

**RENATA | Inflation erodes Renata's profit despite revenue increase**

- An 11.49% increase in Renata Limited's revenue could not offset the onslaught of high inflation, an increasing cost of energy and borrowing, as well as foreign exchange losses. In an unaudited financial statement, a leading drug manufacturer in the country suffered a 57% drop in its net profit in the January-March quarter. During the quarter, its consolidated revenue was BDT 8.44 Bn, which was BDT 7.57 Bn a year ago at the same time.
- Company Secretary Jubayer Alam told The Business Standard, "We saw good growth in the pharma segment by 6.70%, animal health by 11.10%, and export by 60.30%." "Despite strong revenue growth, our profit shrank due to the increased cost of goods sold," he explained. He said that in the first nine months of the current fiscal year, the cost of goods sold has increased by 17%, mainly due to increases in raw material prices caused by global inflation amid the Russia-Ukraine conflict.

<https://www.tbsnews.net/economy/stocks/inflation-erodes-renatas-profit-despite-revenue-increase-623902>

**SALAMCRST | S Alam Cold Rolled Steels profit drops 23% in Jan-Mar quarter**

- S Alam Cold Rolled Steels Limited's net profit dropped by 23% in the January- March quarter of the fiscal year 2022-23. According to the company's unaudited financial statement filed on the stock exchanges, its earnings per share (EPS) stood at BDT 0.31 during the corresponding quarter, which was BDT 0.40 a year ago at the same time.
- At the end of the first nine months of FY2023, its EPS stood at BDT 0.60, which was 3% lower than the previous year over the corresponding period. Besides, S Alam Cold Rolled suffered a severe net operating cash crisis as it reported the net operating cash flow per share was BDT 43.45 negative during the July-March period of FY2023.

<https://www.tbsnews.net/economy/stocks/s-alam-cold-rolled-steels-profit-drops-23-jan-mar-quarter-624110>

**SQURPHARMA | Square Pharma's profit drops 6.21% in January-March**

- Despite more than 8% growth in sales, Square Pharmaceuticals posted a 6.21% year-on-year decline in its net profits for the January-March quarter. The pharmaceuticals market leader posted a quarterly earnings per share (EPS) of BDT 4.83, down from BDT 5.15 over the same period a year ago, according to a price sensitive information statement. However, due to the earnings growth over the first half, its EPS inched up to BDT 16.82 for the first nine months of the fiscal year, from BDT 16.03 a year ago. However, due to the earnings growth over the first half, its EPS inched up to BDT 16.82 for the first nine months of the fiscal year, from BDT 16.03 a year ago.

<https://www.tbsnews.net/economy/stocks/square-pharmas-profit-drops-621-january-march-624306>

**HEIDELBCEM | HeidelbergCement Bangladesh snaps 5-quarter losing streak**

- HeidelbergCement Bangladesh Limited has snapped a losing streak of five quarters and returned to profit in the first three months of this year. In an unaudited financial statement, the German-based multinational cement manufacturer said it has managed to make profit as its cost of goods sold decreased by 6% and revenue increased by 5% in the first quarter.
- Seeking anonymity, a senior officer of the company told The Business Standard, "Since October last year, the price of cement raw material has been falling in the global market. And since this time, the price of cement has also increased by 5-10%. It has helped us overcome losses and return to profit." He further said that the cement industry has long been struggling to increase prices due to stiff competition, and earlier this year, they finally managed to get some better prices both from government and private sector customers.

<https://www.tbsnews.net/economy/stocks/heidelbergcement-bangladesh-snaps-5-quarter-losing-streak-623886>

**FEKDIL | Far East Knitting posts higher profits in January-March**

- Far East Knitting and Dyeing Industries posted an earnings per share (EPS) of BDT 0.52 for the January-March period, which was BDT 0.39 for the same period last year. In a price sensitive information disclosure, the composite knitwear exporter thanked its declined production costs of goods on top of an increase in other income. For the July-March period or the first nine months of the fiscal year, its EPS increased to BDT 0.97 from BDT 0.82 a year ago.

<https://www.tbsnews.net/economy/stocks/far-east-knitting-posts-higher-profits-january-march-624338>

**MERCANBANK | Mercantile Bank's profit drops by 34% in 2022**

- Mercantile Bank's earnings per share (EPS) dropped by 34% in 2022 compared to the previous year. The bank also declared a lower dividend for last year than the previous. According to the bank's price sensitive statement, during last year its EPS was BDT 2.17, which was BDT 3.29 a year ago. The bank also recommended a 10% cash and 2% stock dividends to its shareholders for the last year. It paid a 12.50% cash and 5% stock dividends in 2021.

<https://www.tbsnews.net/economy/stocks/mercantile-banks-profit-drops-34-2022-624342>

**NBL | National Bank incurs BDT 32.60 Bn loss in 2022**

- National Bank Limited incurred a huge loss of BDT 32.60 Bn in 2022 as its borrowers could not repay their instalments in time and became classified. In its price sensitive financial statement, the bank said its earnings per share (EPS) was BDT 10.13 negative in the previous year. Its net profit was BDT 380 Mn and EPS was BDT 0.12 in 2021. Due to the high loss, the bank failed to recommend any dividend to its shareholders for the year 2022. Earlier, in 2021, it did not pay any dividend to the shareholders. Besides, it suffered a severe net operating cash crisis as it reported a net operating cash flow per share of BDT 17.21 negative.

<https://www.tbsnews.net/economy/banking/national-bank-incurs-tk3260cr-loss-2022-624346>

**DHAKABANK | Dhaka Bank's EPS decline by 22% in 2022**

- Dhaka Bank's earnings per share (EPS) dropped by 22% in 2022 compared to the previous year. According to the bank's price sensitive statement, last year its consolidated earnings per share was BDT 1.76, which was BDT 2.25 a year ago. The bank also recommended 6% cash and 6% stock dividends to its shareholders for the last year. It paid a 12% cash dividend in 2021. To approve the dividends and audited financial statements, the bank will conduct its annual general meeting (AGM) on 18 June. It also set the record date on 22 May for the AGM.

<https://www.tbsnews.net/economy/stocks/dhaka-banks-eps-decline-22-2022-624366>

**AMCL(PRAN) | Two Pran-RFL concerns see lower profits in March quarter**

- Agricultural Marketing Company Limited (Pran) and Rangpur Foundry Limited (RFL) of the Pran-RFL Group have reported year-on-year declines in their profits in the January to March quarter of the ongoing 2022-23 fiscal year. According to a disclosure by Rangpur Foundry on the Dhaka Stock Exchange (DSE) website on Sunday, the company's unaudited earnings per share (EPS) in the third quarter of FY23 fell by 3% to BDT 0.89, compared to the same quarter of FY22. In the July to March period of FY23, the company's EPS stood at BDT 3.03, which was 2.57% lower than that in the same nine months of the previous fiscal. According to Pran's DSE disclosure on Sunday, its EPS dropped by 14% to BDT 1.72 in the third quarter of FY23, compared to the same quarter of the previous fiscal.

<https://www.tbsnews.net/economy/stocks/two-pran-rfl-concerns-see-lower-profits-march-quarter-624450>

**REGENTTEX | Investors unlikely to get anything from Regent Textile liquidation**

- Publicly listed Regent Textile Mills Ltd, one of the 11 debt-ridden companies of the Chattogram-based Habib Group, is having to liquidate as the US business conglomerate Wilmington Trust Company filed an application against the company for being a guarantor of a substantial amount of dues. While creditors and lenders will be prioritised in the process, analysts warn that general investors (public) are unlikely to get anything from the liquidation.
- The Habib Group's Regent Airways and ten other companies have also applied for liquidation due to non-payment of aircraft rentals owed to Wilmington Trust Company. According to sources, Regent Airways had rented aircraft from Wilmington Trust Company on various occasions but had failed to make payments for a prolonged period, leading it to becoming a defaulter. The High Court has recently accepted the liquidation application in this regard, according to court officials.

<https://www.tbsnews.net/economy/stocks/investors-unlikely-get-anything-regent-textile-liquidation-624454>

**ISLAMIBANK | Islami Bank registers dip in profit**

- Islami Bank Bangladesh Limited's profit slumped 32.70% year-on-year to BDT 563.5 Mn in the first quarter of 2023. The country's largest Shariah-based bank in terms of deposits made a profit of BDT 837.2 Mn in the January-March quarter of 2022. The bank, thus, recorded BDT 0.35 earnings per share in January-March, down from BDT 0.52 in the same period a year ago, according to a disclosure on the Dhaka Stock Exchange. The net operating cash flow per share became negative in the first quarter. IBBL said its net operating cash flow per share decreased significantly due to an increase in net cash outflows against investments to customers and lower deposits mobilisation from customers.

<https://www.thedailystar.net/business/economy/banks/news/islami-bank-registers-dip-profit-3308456>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.63	USD 0.42	0.56%
Crude Oil (Brent)*	USD 79.29	USD 1.51	1.94%
Gold Spot*	USD 1,983.17	USD 209.02	11.78%
DSEX	6,262.68	55.68	0.90%
S&P 500	4,167.87	328.37	8.55%
FTSE 100	7,870.57	418.83	5.62%
BSE SENSEX	61,112.44	271.70	0.45%
KSE-100	41,580.85	1,160.40	2.87%
CSEALL	8,983.21	480.72	5.65%

**Exchange Rates****1 US Dollar = 106.07 BDT****1 GBP = 132.58 BDT****1 Euro = 116.55 BDT****1 INR = 1.30 BDT**



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