

*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:****Will BB's lending rate-setting formula yield expected results?**

- The Bangladesh Bank has decided to implement a market-based interest rate from July, moving away from the 9% interest rate cap on loans, an initiative that may help the central bank uses its policy rates effectively in its fight against higher inflation. Bankers have welcomed the move in their initial reactions but analysts are doubtful whether the upcoming rate-setting method will give a market-determined lending rate in a true sense.

<https://www.thedailystar.net/business/economy/news/will-bbs-lending-rate-setting-formula-yield-expected-results-3307696>

**Strengthening Japan-Bangladesh partnership will usher new hope for investment and trade: DCCI President**

- Considering bilateral trade and investment exposure, Japan emerged as the 11th largest export destination and 7th largest import sourcing country of Bangladesh, recording total bilateral trade to USD 3.79 Bn in FY 2021-22. On the other hand, Japan is the 12th largest source of FDI stock of Bangladesh with USD 457.98 Mn Japanese investment.
- Japan is a longstanding development partner of Bangladesh. Japan is providing financial and technical support to Bangladesh for improving regional connectivity, transport infrastructure, power and energy, metro rail and Moheshkhali-Matarbari Integrated Infrastructure Development Initiative (MIDI).

<https://www.tbsnews.net/economy/corporates/strengthening-japan-bangladesh-partnership-will-usher-new-hope-investment-and>

**Govt to raise subsidy to lower coarse rice prices**

- The government plans to bring down the price of coarse rice and keep it affordable throughout the upcoming fiscal year, starting in July, in an effort to provide some relief to lower-income people who are grappling with rising inflation. If the price of coarse rice exceeds BDT 42 in Dhaka or BDT 40 outside the capital after the boro paddy harvesting season, the government will expedite the supply of low-priced rice through open market sales (OMS), and the finance ministry will increase its allocation for food subsidies.
- They note that at the instructions of the prime minister, the Trading Corporation of Bangladesh (TCB) will provide 10 n family cardholders with 10kg of rice at BDT 15 per kg every month. It is expected to take about six months to supply rice, using smart cards. In the meantime, the government will continue to operate the OMS programme as a tool for intervening in the market price of rice.

<https://www.tbsnews.net/economy/govt-raise-subsidy-lower-coarse-rice-prices-622854>

**Summit and JERA explore investment of USD 2 Bn in Bangladesh's energy supply chain**

- Summit Corporation Limited, a subsidiary company of Summit Power International Limited and JERA Asia Pte Ltd a subsidiary company of JERA Co. Inc. signed a Memorandum of Understanding ("MOU") on Thursday (27 April) in the presence of Prime Minister of Bangladesh Sheikh Hasina with her entourage.
- Valued around USD 2 Bn, the objective of the MoU is to collaborate in providing cost effective and reliable long-term Liquefied Natural Gas ("LNG") and other fuels supply in addition to developing both on-shore and off-shore regasification and storage infrastructure for Bangladesh.

<https://www.tbsnews.net/economy/summit-and-jera-explore-investment-2-billion-bangladeshs-energy-supply-chain-622702>

**Finance disagrees with IMF terms on social security spending**

- The finance ministry has not agreed on the International Monetary Fund's term to exclude pension and savings certificate interest payments from the social security budget. "We have not agreed to accept the IMF's condition to separate the allocation for social security from the allocation for pension and savings certificates interest. Even without separation of the two accounts, our social safety net budget is well in proportion to the GDP, as per the IMF's advice," said an official of the Finance Division, who was present in a meeting with a visiting IMF mission in Dhaka.
- However, the officials of the finance ministry informed the lending agency about the plan to increase the scope of the social security sector in the upcoming budget. The visiting mission of the IMF discussed social security and subsidies in a meeting with the Finance Division officials in the last two days. During the talks, the organisation has asked to increase support for the real poor by reducing subsidies and increasing allocation to the social security sector.

<https://www.tbsnews.net/economy/finance-disagrees-imf-terms-social-security-spending-623030>

**Financial institutions' BDT 115.52 Bn stuck in money loan court**

- Around BDT 115.52 Bn of non-bank financial institutions (NBFIs) is stuck in 4,702 lawsuits with the money loan court – formally known as Artha Rin Adalat – as of 31 December 2022, according to the latest Bangladesh Bank data. Of the amount, the top five out of 35 creditors have some BDT 65 Bn, more than half of the claimed money.
- Sector insiders said the gradual rise in cases, inadequate courts, shortage of judges, prolonged trials, stay orders from the High Court, and absence of defendants are the key reasons behind the worsening situation. The number of cases filed by NBFIs with the court was 3,919 involving BDT 85.18 Bn at the end of 2021. The case number increased by 783 and the claimed amount rose by BDT 30.34 Bn over the next year, the central bank report said.

<https://www.tbsnews.net/economy/financial-institutions-tk11552cr-stuck-money-loan-court-623706>

**'Make draft bank companies act public'**

- The Transparency International Bangladesh (TIB) has urged the government to publish the draft Bank Companies (Amendment) Act for the interest of the people. Quoting media reports, the press release said the TIB was astonished when it came to know that the banking division of the finance ministry declined to share the draft Act with a mission of the International Monetary Fund (IMF) recently, citing it as a classified document. As per the reform actions agreed with the IMF for the USD 4.7 Bn loan programme, the government is supposed to submit the draft to parliament by June.

<https://www.thedailystar.net/business/news/make-draft-bank-companies-act-public-3305826>

**Forex reserve to drop to USD 30 Bn**

- The pressure on Bangladesh's foreign currency reserve mounts further, as the central bank is set to clear import bills amounting to over USD 1.0 Bn to the Asian Clearing Union (ACU) within next few days, officials said. With this payment to settle the import bills through the ACU mechanism, the forex reserve would go down to USD 30 Bn. As of April 27, the country's foreign currency reserve was over USD 31.06 Bn, the Bangladesh Bank (BB) data showed.
- The ACU is an arrangement through which the member countries settle payments for intra-regional transactions among the participating central banks on a net multilateral basis. The significant fall in reserve, particularly the greenback, is deemed as a matter of serious concern for the economy, which is facing difficulties to meet the NIR (net international reserve) target of USD 24.46 Bn within June, as set by the International Monetary Fund (IMF).

<https://thefinancialexpress.com.bd/economy/bangladesh/forex-reserve-to-drop-to-30b>

**Exports from Bogura drop to USD 57.2 Mn in 2022 amid Ukraine war**

- Exports from Bogura, which have always been the highest among the northern districts, dropped by USD 1 Mn this year mainly due to the negative impact of the ongoing conflict between Russia and Ukraine, which has resulted in a slowdown of the global economy.
- Seventeen companies in the district exported 16 types of products, including rice bran oil, jute products, irrigation pumps, motor parts, air filters, vegetables, soybean products, RMGs and handicraft products, amounting to a total of USD 57.2 Mn, in 2022. They said the country has been facing a dollar crisis amid the global situation which has resulted in the decline in exports.

<https://www.tbsnews.net/economy/exports-bogura-drop-572cr-2022-amid-ukraine-war-623218>

**Stocks:****ISLAMIBANK | Islami Bank's depositors withdraw BDT 177.83 Bn in 2022**

- Islami Bank Bangladesh Limited is suffering severe net operating cash crisis as its depositors withdrew BDT 177.83 Bn in 2022. During the year, the bank invested BDT 114.30 Bn for the customers. As a result, its net operating cash flow per share dropped by BDT 97.11 in 2022 compared to the previous year. Islami Bank published its audited financial statement for 2022 after a board meeting held on Thursday, sources confirmed. In the last year, its earnings per share was BDT 3.84, which was BDT 2.99 a year ago. The bank also declared a 10% cash dividend.

<https://www.tbsnews.net/economy/stocks/islami-banks-depositors-withdraw-tk17783-crore-2022-623062>

**MARICO | Marico posts record profit**

- Marico Bangladesh reported a net profit of BDT 3.87 Bn in financial year 2023, the highest since its listing on the stock market, thanks to an increase in sales and product prices. Its net profit grew 9.0% year-on-year for the financial year that ended in March 2023, according to a disclosure published on Friday. The India-based fast-moving consumer goods company also posted an 8.45% growth in sales revenue to BDT 14.13 Bn.
- Despite its record profit, the board of the multinational company did not recommend any final dividend for 2023 as it had already paid a 750% interim cash dividend in two phases (450% and 300%) for the year. It is the lowest dividend since 2020. However, he said, the higher cost of production and exchange rate volatility slowed down the profit growth. Otherwise, the net profit would be much higher, he added.

<https://thefinancialexpress.com.bd/stock/bangladesh/marico-posts-record-profit>

**POWERGRID | Strong dollar hits Power Grid hard again**

- Power Grid Company of Bangladesh Limited, after seeing record losses in the October to December quarter of the fiscal 2022-23, has incurred a loss in the January to March quarter as well, owing it once again to the appreciation of the US dollar against the taka. Although the company posted higher year-on-year revenue and operating profit in the March quarter of FY23, its higher foreign debt servicing cost is what dragged the company to quarterly losses.
- According to the company's latest financial statement, its net loss stood at BDT 508.6 Mn in the January to March quarter of FY23, which was a net profit of BDT 830 Mn in the same quarter of FY22. Power Grid's Company Secretary Md Jahangir Azad earlier told The Business Standard, "Over the years, Power Grid has taken multiple foreign loans from Bangladesh's development partners for capital expenditure." "According to the current exchange rate of the taka against the dollar, the loan amount is much higher than what it was last year. As a result, there has been a huge loss due to fluctuations in foreign currency exchange rates," he further said.

<https://www.tbsnews.net/economy/stocks/strong-dollar-hits-power-grid-hard-again-623134>

**STANDARINS | Standard Insurance made BDT 100 Mn profit in 2022**

- Standard Insurance Limited posted a 2.6% year-on-year increase in profit to BDT 101.7 Mn in 2022. The profit stood at BDT 99.1 Mn in 2021. The insurer reported earnings per share of BDT 2.35 for 2022 against BDT 2.29 a year ago. The net asset value per share rose to BDT 20.77 from BDT 19.84 in 2021 while the net operating cash flow per share slipped to BDT 2.19 from BDT 4.12 during the period. The board of directors of Standard Insurance has recommended a 13% cash dividend for the year that ended on December 31.

<https://www.thedailystar.net/business/economy/news/standard-insurance-made-tk-10cr-profit-2022-3306051>

**LANKABAFIN | LankaBangla issues BDT 3 Bn bonds to attract diverse investors**

- LankaBangla Finance has recently issued non-convertible, zero-coupon bonds worth about BDT 3 Bn to attract a diverse group of investors, including individuals, corporates, banks, insurance companies, mutual funds, and pension and gratuity funds. This bond has been issued in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 after receiving consent from both Bangladesh Bank and the BSEC. The bond has been issued in dematerialised form and will be listed on the Alternative Trading Boards of DSE & CSE.

<https://www.thedailystar.net/business/economy/news/lankabangla-issues-tk-300cr-bonds-attract-diverse-investors-3306036>

**SIBL | SIBL's profit jumps 18% despite troubles**

- Social Islami Bank Limited made a BDT 2.06 Bn profit in 2022, up more than 18% a year earlier, despite alleged loan irregularities and abrupt resignations by the board chairman and a top official. The bank clocked a profit of BDT 1.74 Bn in 2021. But the consolidated net operating cash flow per share (NOCFPS) stood at BDT 1.05 negative against BDT 1.64, also negative. The NOCFPS has slightly improved mainly due to higher cash inflow in respect of deposits and investment compared to the previous year, said SIBL.

<https://www.thedailystar.net/business/economy/banks/news/sibls-profit-jumps-18-despite-troubles-3306121>

**BXPHERMA | Beximco Pharma's profit falls 15% in Q3 FY23**

- Beximco Pharmaceuticals, a leading drug maker in the country, posted a 15% decline in profit in the third quarter of the current fiscal year. From January to March 2023, the drug maker made a revenue of BDT 9.55 Bn, which was BDT 8.95 Bn in the same period of the previous year. Its net profit after tax stood at BDT 0.90 Bn, which was BDT 1.06 from one year ago. Its earnings per share (EPS) for the third quarter of this fiscal year came down to BDT 2.13 from BDT 2.47 a year ago.

<https://www.tbsnews.net/economy/stocks/beximco-pharmas-profit-falls-15-q3-fy23-623754>

**APEXFOOT | Apex Footwear's profit drops 60% despite higher sales**

- Apex Footwear reported a 59.6% year-on-year decline in its earnings per share (EPS) for the January-March quarter despite a continuation of sales growth. It was due to the higher costs of production, marketing, selling, and distribution, as well as the finance costs, according to the top tier footwear maker's latest financial statement. The company only managed to reduce its administration costs for the third quarter of the current fiscal year, which was not enough to offset surges in other major costs.
- Its revenue increased to BDT 3.61 Bn from BDT 2.84 Bn a year ago, and the higher costs dragged its net profit down to BDT 12.6 Mn from BDT 31 Mn. The publicly traded company's EPS came down to BDT 0.97 from BDT 2.40 for the three months, while for the first nine months of the fiscal year, it was slightly up at BDT 6.19 compared to BDT 6.08 as its profits for the previous six months were better.

<https://www.tbsnews.net/economy/stocks/apex-footwears-profit-drops-60-despite-higher-sales-623358>

**LANKABAFIN | LankaBangla Finance's profit drops 49% in 2022**

- LankaBangla Finance Limited posted a 49% decline in its consolidated annual profits for the year 2022. The consolidated net profit after taxes of the non-bank financial institution (NBFI) stood at BDT 661.4 Mn in 2022, which was BDT 1,305.9 Mn in the previous year. Its consolidated earnings per share (EPS) stood at BDT 1.21, which was 2.38 one year ago. Its net asset value per share was BDT 20.02 as of 2022. LankaBangla Finance's board has also recommended a 10% cash dividend to its shareholders for 2022.

<https://www.tbsnews.net/economy/stocks/lankabangla-finance-profit-drops-49-2022-623730>

**RENATA | Renata's revenue growth offset by external factors**

- Renata Ltd witnessed strong growth in its sales during July of 2022 to March of 2023 though profits fell during the period mainly due to inflation, higher costs of energy, borrowing costs, and foreign exchange losses. The major pharmaceutical company's sales grew 8.7% year-on-year to BDT 24.39 Bn in the first nine months period of the current financial year of 2022-23, according to its quarterly financial reports. "We have observed more encouraging sales growth for Q3 FY22-23 of 14.3% indicating increased momentum predominantly by volume growth as we have taken a very cautious approach on pricing," said Md. Jubayer Alam, company secretary of Renata.

<https://www.thedailystar.net/business/news/renatas-revenue-growth-offset-external-factors-3307306>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 76.78	USD 1.57	2.09%
Crude Oil (Brent)*	USD 80.33	USD 2.55	3.28%
Gold Spot*	USD 1,990.00	USD 215.85	12.17%
DSEX	6,274.06	67.06	1.08%
S&P 500	4,169.48	329.98	8.59%
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 = 106.53 BDT****1 GBP = 133.89 BDT****1 Euro = 118.52 BDT****1 INR = 1.30 BDT**

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