

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:**Inflation falls slightly to 9.24% in April**

- The overall inflation in Bangladesh stood at 9.24% in April, which was 9.33% in March, the highest in the last eight months, according to the latest data of the Bangladesh Bureau of Statistics (BBS) released on Wednesday. Earlier in August last year, inflation in the country hit a record 9.52%. According to BBS data, food inflation stood at 8.84% in April, down from 9.09% in March, while non-food inflation remained the same as the previous month at 9.72%. The global economy was hit by a recession following the global pandemic and the Russia-Ukraine war. Bangladesh's economy is also affected by the recession and has been witnessing high inflation rates for the past few months.

<https://www.tbsnews.net/economy/inflation-falls-slightly-924-april-625766>

Bank deposits grow BDT 185 Bn in March

- Banks have witnessed growth in deposits for three consecutive months, which indicates that people's confidence in the country's banking sector is coming back. Data from the Bangladesh Bank show a BDT 185.29 Bn increase in deposits in March compared to the previous month. At the same time, loan disbursements also reported an increase of BDT 121.55 Bn. According to bankers, people are getting their confidence back in the banking system, although not all banks are experiencing a similar response. Banks that have fewer non-performing loans and good governance are in a better position for deposit collection.

<https://www.tbsnews.net/economy/bank-deposits-grow-tk18500cr-march-625938>

Govt to buy 30 Mn blank smart cards for EC, 0.25 Mn tonnes of fertilizer

- The government will buy 30 Mn blank smart cards for the Election Commission (EC) at a cost of BDT 4.06 Bn. Under the "Identification System for Enhancing Access to Services (2nd Phase)" project, the Armed Forces Division of the Prime Minister's Office will purchase the cards from the Bangladesh Machine Tools Factory Limited (BMTF) managed by the Bangladesh Army. It will also procure some 0.26 Mn tonnes of fertiliser and 13.6 Mn MMBtu LNG to meet the growing demand of the country.

<https://www.tbsnews.net/economy/govt-buy-3cr-blank-smart-cards-ec-265-lakh-tonnes-fertiliser-625706>

RMG exports reached USD 38.57 Bn during July-April of FY2022-23

- RMG exports reached USD 38.57 Bn during the July-April of 2022-23 fiscal year, reflecting a 9.09% increase compared to the same period in the previous fiscal year, according to the Export Promotion Bureau (EPB). A detailed breakdown of the various categories indicated that knitwear exports reached USD 20.96 Bn, while woven garment exports became USD 17.60 Bn with 8.97% and 9.24% year-over-year growth respectively. Overall, it's a sign of a steady growth in Bangladesh's overall RMG export earnings. Regardless of the overall positive trend, a more detailed inspection of single month statistics reveals a recent decline in apparel export growth.

<https://www.tbsnews.net/economy/rmg/rmg-exports-reached-3857bn-during-july-april-fy2022-23-626014>

Education, health to get boost in next ADP

- The education sector is set to receive a 62% higher ADP allocation for the upcoming fiscal 2023-24, with the aim of recovering from the impact of Covid-19 by preventing dropouts, enhancing education quality, and developing infrastructure and higher education. Sources within the Planning Commission have revealed that BDT 298.89 Bn has been proposed for the education sector in the next Annual Development Programme (ADP), up from BDT 184.31 Bn in the revised ADP for this year. The increased allocation represents 11.36% of the total proposed ADP, making it the third-highest allocation among all sectors.

<https://www.tbsnews.net/economy/education-health-get-boost-next-adp-626450>

More strain on reserves as unrealised export proceeds hit all-time high of USD 3 Bn

- When the country's reserve is under pressure amid slowdown in foreign currency inflow, the volume of unrealised export proceeds increased to a highest ever amount of USD 3 Bn in the July-February period of the current fiscal year, triggering concern of the Bangladesh Bank. Though Bangladesh's export continued to grow in the first nine months till March of the current fiscal year even in global headwinds, it could not reduce the pressure on balance of payment due to the shortfall in realised export value.
- The country's balance of payment statement for the current fiscal year's July-February period was prepared considering export shipment value of USD 34.96 Bn, the realised export proceeds were USD 3 Bn short at USD 31.96 Bn, according to the central bank's data.

<https://www.tbsnews.net/economy/more-strain-reserves-unrealised-export-proceeds-hit-all-time-high-3b-625970>

Bottled soybean oil price hiked to BDT 199 per litre

- Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association today hiked the price of bottled soybean oil by BDT 12 per litre to BDT 199. "Since the government-provided VAT exemption period for the import of edible oil ended on 30 April, the Bangladesh Vegetable Oil Refiners and Banaspati Manufacturers Association decided to increase the price of edible oil in consultation with the Ministry of Commerce and the Bangladesh Tariff Commission," the press release added.

<https://www.tbsnews.net/economy/bazaar/bottled-soybean-oil-price-hiked-tk199-litre-626094>

Reserves fall below USD 30 Bn after ACU payment

- The country's foreign exchange reserves are set to come down to the USD 29 Bn mark as the Bangladesh Bank is clearing import bills of USD 1.18 Bn to the Asian Clearing Union (ACU). In a SWIFT message on Wednesday afternoon, the central bank gave its approval to the Federal Reserve Bank of the United States to process the ACU payment, Bangladesh Bank Spokesperson Md Mezbaul Haque told The Business Standard.
- Earlier in March, the Bangladesh Bank cleared USD 1.05 Bn in import bills to the Union, which brought down the reserves to USD 31.15 Bn. With the latest payment, the reserve may stand at approximately USD 29.8 Bn. On 2 May, it was USD 30.98 Bn, according to available latest central bank data.

<https://www.tbsnews.net/economy/reserves-fall-below-30b-after-acu-payment-625930>

Ctg Customs' revenue keeps falling for 5 straight months

- Chattogram customs has experienced a decline in revenue collection for five months in a row, up until April this year, mainly due to a decrease in imports caused by the ongoing dollar crisis and a global economic slowdown triggered by the Russia-Ukraine conflict. In April, the collection in customs duty stood at BDT 45.59 Bn, which is 14.45% down from a year ago and 33.34% short of the target set for that month.
- According to data from the country's largest customs station, revenue collection dropped in six of the first 10 months of the current fiscal year, including a 0.17% decline in September. It has resulted in a drop in overall growth in customs duty collection.

<https://www.tbsnews.net/economy/ctg-customs-revenue-keeps-falling-5-straight-months-626626>

Apparel exports to US fall 13% in Jan-Mar

- Bangladesh's apparel exports to the US shrank by 13.34% in the first quarter (January to March) of 2023 as this key market is going through an overall slowdown in demand for garment products. Bangladesh's apparel shipment to the US was valued at USD 2.14 Bn in the first three months of this year, which was USD 2.46 Bn in the same period last year, according to the US Department of Commerce's Office of Textiles and Apparel (OTEXA). The overall apparel demand in the US is seeing a downturn due to an economic slowdown induced by the ongoing Russia-Ukraine war, exporters said.

<https://www.tbsnews.net/economy/apparel-exports-us-fall-13-jan-mar-627322>

Foreign funding for startups in Bangladesh still low

- Startups in Bangladesh raised about USD 35.58 Mn in the first three months of 2023, according to LightCastle Partners, a Dhaka-based research and business consulting firm. Of that, e-commerce platform ShopUp alone raised about USD 30 Mn of the amount from UK-based lender Lendable and the local City Bank as debt financing, which is not typical startup funding, according to industry people.
- So, the overall inflow of global funding for startups in the country remained very low in the first quarter of the year as the local and global economic downturn continued, they said. Global inflationary pressures, macroeconomic disruptions and increased geo-economic fragmentation are causing shockwaves for economies across the world.

<https://www.thedailystar.net/business/economy/news/foreign-funding-startups-bangladesh-still-low-3311376>

Interest 'corridor' planned for lending, deposit rates

- Bangladesh Bank plans to introduce a much-hyped 'interest rate corridor (IRC)' following India's model to ensure coordinated lending and deposit rates under a financial-reform package. This is believed to be part of the central bank's monetary-policy-modernisation framework suiting an IMF condition to be executed from the next fiscal year prior to getting second tranche of its USD 4.7 Bn loan needed to stabilise the country's forex-market volatility. In fact, the interest-rate corridor is minimum and maximum interest-rate ceilings. Once the corridor is applied, there is a guarantee that the short-term interest rates will not go above or below a certain limit.

<https://thefinancialexpress.com.bd/economy/bangladesh/interest-corridor-planned-for-lending-deposit-rates>

Social safety-net schemes: Spending likely to rise by 5.0% to BDT 1.19 Tn

- The government is likely to allocate 5.0% higher funds in the upcoming national budget for expanding coverage of the social safety-net programmes, taking the total allocation for the poor and vulnerable to BDT 1.19 Tn, officials said. Besides, the current allowance amounts for the old-age populations and widows are likely to be boosted from the next fiscal year (FY), 2023-24, the Ministry of Finance (MoF) officials told the FE on Friday.

<https://thefinancialexpress.com.bd/economy/bangladesh/social-safety-net-schemes-spending-likely-to-rise-by-50pc-to-tk-119t>

Bangladesh to overtake China in GDP growth rate in current fiscal

- Bangladesh is likely to overtake China in GDP growth rate in the current fiscal year, according to a report by the Internal Monetary Fund (IMF) on the Asia-Pacific region. The report also predicts that Bangladesh will be in second place, after Vietnam, in terms of GDP growth rate in Asia-Pacific in the next fiscal year, reports UNB. According to the IMF's Regional Economic Outlook for Asia and Pacific May 2023 report, Bangladesh is expected to surpass both China and India in terms of growth in 2024.
- The IMF report suggests that the recently approved Extended Fund Facility for Bangladesh will help address economic challenges caused by Russia's war in Ukraine, and the Resilience and Sustainability Facility arrangement will expand fiscal space to finance climate investment priorities and build resilience against long-term climate risks.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-to-overtake-china-in-gdp-growth-rate-in-current-fiscal>

Growth in monthly wages still below inflation

- Monthly wage growth for workers in Bangladesh has remained below the inflation rate for 15 months consecutively, suggesting that many people are having to reduce consumption to cope with increased financial stress. In April, wages of low paid skilled and unskilled workers grew 7.23%, which was 2.01% points below the inflation rate of 9.24% that month, shows the Wage Rate Index (WRI) of the Bangladesh Bureau of Statistics.
- The average monthly wage rate of low paid skilled and unskilled labourers is estimated from the pay scale of 44 occupations, including 11 in the agriculture sector, 22 in the industry sector and 11 in the service sector. "This indicates that there are depletions in their real income," said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue. As a result, the purchasing capacity of low paid skilled and unskilled workers is falling and so, they are compromising on food and non-food expenditures, he added.

<https://www.thedailystar.net/business/economy/news/growth-monthly-wages-still-below-inflation-3311436>

Bangladesh sees foreign debt buildup

- Bangladesh sees foreign-debt buildup as the government opted for increased external borrowing largely to meet budget deficit and foreign-exchange needs amid lower incomes, sources say. Official statistics show the borrowing in terms of the US currency in the second quarter of the financial year 2022-23 grew over USD 3.55 Bn on average compared to the previous three months of the fiscal. Officials concerned said need for financing the deficit budget and coping with lower earnings from export and remittance necessitated escalating external borrowings.
- Meanwhile, the country's debt liabilities are poised to be pushed up by some recent big loans from two major multilateral lenders—the International Monetary Fund (IMF) and the World Bank (WB). The borrowing by government rose over USD 3.55 Bn to USD 96.25 Bn in the October-December quarter of FY 2022-23 from USD 92.69 Bn in the previous quarter (July-September), according to latest figures available with Bangladesh Bank (BB).

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-sees-foreign-debt-buildup>

15 banks account for two-thirds of total CSR spending

- One-fourth of the 61 banks in Bangladesh accounted for 72% of the total BDT 11.29 Bn spending on Corporate Social Responsibilities (CSR) in 2022, according to a Bangladesh Bank report released last week. The remaining banks spent the rest 28%, the data showed. Bankers say they spent most of the money for education, health and disaster management and climate change adaptation as per the guideline. As per the rule, banks have to invest 30% of their CSR fund in education, 30% in health and 20% in disaster management and climate change adaptation.

<https://www.thedailystar.net/business/economy/news/15-banks-account-two-thirds-total-csr-spending-3311441>

Stocks:**BRACBANK | More lending, borrowing helps BRAC Bank profit grow 32%**

- BRAC Bank has achieved a 32% growth in its net profit after taxes for 2022 on a consolidated basis. The top tier private sector lender's Managing Director and CEO Selim R F Hussain thanked the strong growth in its balance sheet that referred to more deposit mobilisation and more lending or investing. BRAC Bank's consolidated net profit for the challenging year of 2022 was BDT 6.12 Bn, up from BDT 4.65 Bn in the previous year, according to its annual financial statement. The lender on a standalone basis secured a 3.9% increase in its annual net profit that grew to BDT 5.76 Bn.

<https://www.tbsnews.net/economy/banking/more-lending-borrowing-helps-brac-bank-profit-grow-32-625830>

TOSRIFA | Northern Corp Ltd sells 0.3 Mn shares of Tosrifa Industries

- Northern Corporation Limited, a corporate director of Tosrifa Industries, has completed its sale of 0.3 Mn shares out of its total holding of over 10.9 Mn shares, according to a regulatory disclosure issued by the company on Wednesday (3 May). The shares were sold at the public market through the Dhaka Stock Exchange (DSE) as per the pre-announcement the company made on 14 March.

<https://www.tbsnews.net/economy/stocks/northern-corp-ltd-sells-3-lakh-shares-tosrifa-industries-625582>

ACMELAB | Acme's muscle relaxant tablet 'Chlorzoxazone 500' gets US FDA approval

- The Acme Laboratories Limited has got US Food and Drug Administration (US FDA) approval for its centrally acting muscle relaxant tablet "Chlorzoxazone 500 mg", according to a regulatory disclosure by the company. The company last week informed its shareholders that the tablet manufactured in its Solid Dosage Unit two was submitted to the US FDA and it obtained the prestigious accreditation from the world's most stringent drug authority.
- Over the first nine months of the fiscal year, Acme Laboratories has had an earnings per share of BDT 7.98, up from BDT 7.55 during the same period of the previous fiscal year. At the end of March, net asset value per share of the company stood at BDT 107.48.

<https://www.tbsnews.net/economy/stocks/acmes-muscle-relaxant-tablet-chlorzoxazone-500-gets-us-fda-approval-627302>

EMERALDOIL | BSEC for probing Emerald Oil shares' 'suspicious' jumps

- The Bangladesh Securities and Exchange Commission (BSEC) has advised the Dhaka Stock Exchange (DSE) to investigate the "unusual and suspicious" jumps in Emerald Oil Industries shares. "It appears that the share price of the listed company has changed from BDT 30.8 to BDT 52.30 (increased by 69.81%) from 2 April to 26 April 2023, which seems unusual and suspicious," the market regulator stated in a letter to the DSE last month. The country's premier bourse has been asked to submit the probe report to the commission within the 15 working days.

<https://www.tbsnews.net/economy/stocks/bsec-probing-emerald-oil-shares-suspicious-jumps-627306>

ALARABANK | Al-Arafah Islami Bank made BDT 2.07 Mn profit in 2022

- Al-Arafah Islami Bank Ltd made a BDT 2.07 Bn profit in the financial year that ended on December 31. It was slightly down from the BDT 2.08 Bn profit the Shariah-based bank made in 2021. Al-Arafah Islami Bank, thus, reported consolidated earnings per share of BDT 1.95 for 2022 compared to BDT 1.96 a year earlier. Consolidated net asset value per share rose slightly to BDT 22.75 in the last financial year from BDT 22.73 in 2021 while the consolidated net operating cash flow per share returned to a positive territory of BDT 10.28 from a negative BDT 9.21 during the period.

<https://www.thedailystar.net/business/economy/banks/news/al-arafah-islami-bank-made-tk-207cr-profit-2022-3311396>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.34	(USD 3.87)	-5.15%
Crude Oil (Brent)*	USD 75.30	(USD 2.48)	-3.19%
Gold Spot*	USD 2,016.79	USD 242.64	13.68%
DSEX	6,269.16	62.16	1.00%
S&P 500	4,136.25	296.75	7.73%
FTSE 100	7,778.38	326.64	4.38%
BSE SENSEX	61,054.29	213.55	0.35%
KSE-100	42,241.98	1,821.53	4.51%
CSEALL	8,830.36	327.87	3.86%

Exchange Rates**1 US Dollar = 106.72 BDT****1 GBP = 134.89 BDT****1 Euro = 119.62 BDT****1 INR = 1.31 BDT**

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