

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:**Journey from middle to high income: How Bangladesh can win**

- Bangladesh had been well on track for a smooth graduation from LDC status in November 2026 until the Covid-19 pandemic interrupted the sustained high growth witnessed over the past decade and upset some other gains. As the country started recovering from the pandemic shocks, the Ukraine war came as a fresh blow, making it harder to balance the budget book for the next fiscal year and realign strategic plans for a higher growth trajectory.

<https://www.tbsnews.net/economy/journey-middle-high-income-how-bangladesh-can-win-612942>

Manufacturing majors rebound

- Bangladesh's large-scale manufacturing sector grew 13.7% in December in a rebound from the global pandemic-led slump while upper-class food supplements, refined petroleum and tobacco topped the growth flowchart. Latest data released by the Bangladesh Bureau of Statistics (BBS) show such fairly robust- growth trend comparative of previous indicators. Economists and manufactures, however, points at challenges stemming from inflation, high price of raw materials for dollar dearth and so.

<https://thefinancialexpress.com.bd/economy/bangladesh/manufacturing-majors-rebound>

Two panels formed to start Cepa talks with India

- The commerce ministry has formed two separate committees to start negotiations with India over signing a proposed Comprehensive Economic Partnership Agreement (Cepa) to boost bilateral trade and investment in the post-LDC period. The negotiation committee is headed by Additional Secretary to the commerce ministry Noor Mahbubul Haque while the advisory committee by Senior Commerce Secretary Tapan Kanti Ghosh.
- In September last year, both Prime Minister Sheikh Hasina of Bangladesh and Prime Minister Narendra Modi of India in a joint statement welcomed the recent finalisation of the joint feasibility study which recommended that a Cepa would be beneficial for both countries.

<https://www.thedailystar.net/business/economy/news/two-panels-formed-start-cepa-talks-india-3291041>

Bangladesh moves to remove Indian port hurdles, NTBs

- Bangladesh has moved to remove the existing hurdles exporters facing at different Indian ports, in order to boost trade with the neighbour as duty-free market access remains underutilised, sources said. To this end, commerce ministry has sought information about the bottlenecks facing exporters while exporting goods through the neighbouring country's land customs stations (LCS) or integrated check- posts (ICP) from the revenue board and local trade bodies, including FBCCI, and BGMEA.
- Currently, Bangladeshi traders face different types of barriers, including non-tariff barriers, anti-dumping duty, certification, insufficient banking and warehouse facilities, rundown infrastructures and transport conditions and limited transportation between land and river, according to commerce ministry document.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-moves-to-remove-indian-port-hurdles-ntbs>

Contractionary monetary policy to curb inflation to 6%

- Inflation will fall significantly in the next fiscal for various balancing measures, finance officials predict, as the coming BDT 7.55 Tn budget sets the target at 6.0%. The target was set at a meeting of the fiscal coordination council and resource committee, organised Wednesday virtually by the ministry of finance with finance minister AHM Mustafa Kamal in the chair.
- The meeting was told that the central bank would announce a contractionary monetary policy next June to regulate money supply to the market which will help lessen inflation to some extent. The target is much lesser than the present rate of inflation that climbed up to 9.33% in March and over 8.0% since October this fiscal year.

<https://thefinancialexpress.com.bd/economy/bangladesh/contractionary-monetary-policy-to-curb-inflation-to-60pc>

BB's fund injection controlling call rate

- The central bank's growing fund injection to the market through various instruments is helping to control the interbank call money rate even ahead of the Eid-ul-Fitr, when the rate normally goes up following mounting liquidity demand, officials and bankers said.
- The instruments are repo, liquidity support facility, Islamic banks liquidity facility (IBLF), and Mudaraba liquidity facility (MLS). As a result, the interbank call money rate on a short-term or overnight loan continued to decline to 6.01% as on April 06, from a record high of 7% on January 25.

<https://thefinancialexpress.com.bd/economy/bangladesh/bbs-fund-injection-controlling-call-rate>

General insurers have to keep 40%-100% reserve against risk: Idra

- Non-life insurance companies have to keep a reserve between 40% and 100% as a solvency margin against their bearing risk of insurance coverage as the regulatory body, Insurance Development and Regulatory Authority (Idra), is going to issue Solvency Margin. Regulations to increase the risk-bearing capacity of the insurance sector, for the first time in the country.
- The financial base of insurance companies in Bangladesh is very weak and no company can pay the insurance claim on time, which creates a crisis of public confidence in the insurance sector. Hence, the insurance regulatory body has made these regulations which will increase the risk-taking financial capacity of insurance companies.

<https://www.tbsnews.net/economy/general-insurers-have-keep-40-100-reserve-against-risk-idra-613378>

Five items lead Ctg Customs' revenue growth

- When the country's international trade is stifled by LC opening restrictions and the dollar crisis, imports of five items through the Chattogram port are showing promising growth, helping the government's much-needed customs revenue collection efforts.
- Among the top revenue-generating import items, only five - high speed diesel oil, motor sprint of HBOC TYPE, broken or crushed stone, other coal, and cement clinker - have seen import growth in the first eight months (July to February) of the current fiscal year. The port's data show that customs revenue generated from these five items increased by BDT 20 Bn during the period.

<https://www.tbsnews.net/economy/five-items-lead-ctg-customs-revenue-growth-613406>

BGMEA again seeks duty benefit for apparel made from US cotton

- In a gap of a month, Bangladeshi garment makers have sent their second letter to the US senators and governors seeking duty-free benefit on export of locally made apparels made from imported American cotton. Last month, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) sent their first letter to Greg Abbott, governor of Texas; Ted Cruz senator from Texas, and Peter Haas, US ambassador to Bangladesh.
- The BGMEA mentioned in the letter that Bangladesh government eased the rules of mandatory fumigation tests on February 19 for importing cotton from Western Hemisphere countries or regions that covers the USA. The relaxation of the rule will certainly make trades easier, reduce time and cost of importing US cotton, the garment makers' platform said.

<https://www.thedailystar.net/business/news/bgmea-again-seeks-duty-benefit-apparel-made-us-cotton-3290551>

SOLshare's IoT revolutionising 3-wheeler EVs in Bangladesh

- Leading climate-tech startup SOLshare has revolutionised solar peer-to-peer energy sharing and is now tackling the electric three-wheeler market in the country with their one-of-a-kind technology, SOLmobility, helping electric three-wheeler garage owners battle against high upfront costs for lead acid batteries paired with rising electricity costs, said a press release.
- One of its most immediate endeavours has been to push its patented The Internet of Things (IoT) technology and expedite the adoption of smarter batteries for three-wheeled EVs to make Bangladesh the flag bearer for amplifying smarter usage of power in the micro-mobility space, checking the box for renewable energy goals while benefiting underserved communities in the sector.

<https://www.tbsnews.net/economy/solshares-iot-revolutionising-3-wheeler-evs-bangladesh-613106>

Import LC openings drop USD 14 Bn in Jul-Feb

- The opening of Letters of Credit (LCs) for imports has dropped by around USD 14 Bn, or 23.45%, year-on-year in the first eight months of the current fiscal year due to the central bank's restrictions as well as a decrease in export orders. Data from the Bangladesh Bank show that LCs worth USD 45.52 Bn were opened during the July-February period, compared to USD 59.46 Bn a year ago.
- According to top officials at several banks and importers, the raising of LC margin to 100% – among a few other restrictions to minimize the dollar crisis – discouraged businesses from importing capital machinery and luxury goods. Additionally, because of shortages in dollar supply, banks also became cautious about opening LCs.

<https://www.tbsnews.net/economy/import-lc-openings-drop-14b-jul-feb-612690>

Pipeline foreign aid balloons to USD 45.17 Bn for utilisation failure

- The government has backpedaled from its utilisation target of pipeline foreign aid as it has proposed only 1% higher project assistance (PA) outlay in the upcoming development programme, officials said on Friday. Although its allocation has increased some 1.07% in taka terms, but it has fallen in USD terms after the higher rate of foreign exchange on the market, they said.
- Economists say it is interesting that when the unutilised foreign aid in the pipeline is ballooning year on year, the government is allocation comparatively lower project-aid funds in the development programme. It is not only pushing up the unutilised foreign aid in the pipeline but also proving the implementing agencies' weak capacity of external fund utilisation, they observed.

<https://thefinancialexpress.com.bd/economy/bangladesh/pipeline-foreign-aid-balloons-to-4517b-for-utilisation-failure>

Weak policies also to blame for reserve crunch, food price surge: Economists

- Apart from Ukraine war-induced supply chain disruptions and commodity price surges in the global market post-Covid pandemic, the government's weak policies also have been a major contributing factor to the present reserve crisis and food price rallies in Bangladesh, economists have said.
- Controlling the dollar rate for a long period, followed by a sudden 25% increase, was one of the main causes of the foreign exchange reserve crisis in the country, they said while addressing a seminar, organised by the Economic Development Research Organisation (Edro) on Saturday.

<https://www.tbsnews.net/economy/weak-policies-also-blame-reserve-crunch-food-price-surge-economists-613382>

Private wheat imports slump 45%

- Wheat imports by the private sector have continued to remain low in Bangladesh than the last fiscal year as businesses are facing persisting difficulties in opening letters of credits owing to the dollar shortage at banks. Businesses brought 1.41 Mn tonnes of wheat between July 1 to March 9 in the current fiscal year of 2022-23, down from 2.56 Mn tonnes recorded during the identical period a year ago.
- On the other hand, public sector imports soared 38% during the period, food ministry data showed. Despite the surge in the public sector import, overall imports fell 33% year-on-year, affecting the supply of cereal in the domestic market, which is highly dependent on imported grain for the dearth of local production.

<https://www.thedailystar.net/business/economy/news/private-wheat-imports-slump-45-3291051>

Ctg Customs witnesses negative revenue growth for 4 consecutive months

- Chattogram Custom House has seen a negative growth in revenue collection for four consecutive months since December 2022. The volume of import and export containers handled at Chattogram Port in January-March this year was also lower compared to the same period in the previous year, sources at the port said.
- The growth in revenue collection was 40.87% in July of FY23, which fell to 24.67% in August. Then the Custom House witnessed 0.17% negative revenue growth in September, which picked up in the following two months -3.91% in October and 14.13% in November.

<https://www.tbsnews.net/economy/ctg-customs-witnesses-negative-revenue-growth-4-consecutive-months-612702>

Ukraine war, high inflation squeeze Bangladesh's non-RMG exports

- Bangladesh's non-RMG export to the global market has been squeezed by the ongoing Russia-Ukraine war and high inflation, according to industry leaders. Exporters have said that they are facing challenges in adjusting their additional production costs due to gas and electricity price hikes within the country. Additionally, the price hikes of locally sourced raw materials have affected businesses dealing in jute products and frozen and live fish, they added.
- Data from the Export Promotion Bureau (EPB) show that Bangladesh's merchandise exports grew by 8.07% to USD 41.72 Bn year-on-year in the July-March period of this fiscal year. However, this growth was primarily due to the readymade garments sector, which saw a 12.17% growth to USD 38.25 Bn in the period.
- All major export sectors, apart from the RMG and leather sectors, registered negative growth in the first nine months of the current fiscal year. For instance, exports of home textiles fell by 25.73%, jute and jute goods by 21.23%, agricultural products by 28.31%, and engineering products by 33.65%.

<https://www.tbsnews.net/economy/rmg/ukraine-war-high-inflation-squeeze-bangladeshs-non-rmg-exports-611990>

Floating interest rates a must for economic stability

- The government should get rid of its mentality of fixing rates for any sector, as the bank interest and forex exchange rates should be floating and there should not be any floor price in the stock market, economists said yesterday. They spoke at a webinar on the "Reserve crisis and price hike of food: a way forward, Bangladesh perspective", hosted by the Economic Development Research Organisation (EDRO), an independent research organisation.

<https://www.thedailystar.net/business/economy/news/floating-interest-rates-must-economic-stability-3292141>

Stocks:**EBL | Eastern Bank declares 25% dividend**

- Eastern Bank has declared a 25% dividend for its shareholders for 2022, of which 12.5% will be cash and 12.5% stock dividend. Earlier, the bank had paid the same dividend to its shareholders in 2021. According to its disclosure published on the Dhaka Stock Exchange (DSE), the consolidated earnings per share (EPS) stood at BDT 4.77, which was BDT 4.47 (restated) in 2021.
- The consolidated net asset value (NAV) per share stood at BDT 33.33, up from BDT 29.48 (restated). The bank said a stock dividend had been recommended to strengthen the capital base of the Company in order to support projected business growth and improve certain regulatory ratios.

<https://www.tbsnews.net/economy/stocks/eastern-bank-declares-25-dividend-612122>

PRAGATIINS | Pragati Ins declares 30% dividend

- Pragati Insurance Ltd has declared a 30% dividend (25% cash and 5% stock) for the year that ended on December 31, 2022 despite a challenging year. The general insurer raked in a net profit of nearly BDT 371 Mn for 2022, slightly down from BDT 375 Mn earned in 2021.
- As a result, the insurer's earnings per share (EPS) stood at BDT 5.65 in 2022 as against BDT 5.72 a year before, according to the company's disclosure published on Thursday. The board of directors of the company has declared 25% cash and 5% stock dividend for 2022. In 2021, it provided a 35% cash dividend.

<https://thefinancialexpress.com.bd/stock/bangladesh/pragati-ins-declares-30pc-dividend>

BRACBANK | Brac Bank launches remittance application FXPAY

- Brac Bank has launched FXPAY, an end-to-end commercial remittance application to provide accessible, fast and secure remittance services to institutional customers. FXPAY is a 360-degree commercial remittance system capable of performing business-to-business, business-to-consumer, consumer-to-business and consumer-to-consumer transactions in compliance with regulations, the bank said in a statement.
- The system can perform automated tax, value-added tax, encashment certificate, no objection certificate, Nostro funding checking and client intimation via email or text, the bank said. Additionally, it has a separate module for student file remittance, a nongovernmental organisation, loan file, foreign direct investment, freelancer remittance and expatriate remittance tracking.

<https://www.thedailystar.net/business/news/brac-bank-launches-remittance-application-fxpay-3292021>

ICBIBANK | ICB Islamic Bank's 84% investment turns classified: Auditor

- The audit firm of the entangled ICB Islamic Bank has raised a red flag as financial indicators of the lender have remained negative for long. The bank suffered a net loss of BDT 252 Mn in 2022. Hence, the accumulated loss of the bank stood at nearly BDT 19.49 Bn said the auditor of the bank -- Shafiq Basak & Co in a filing with the DSE on Wednesday.
- Negative equity amounts to BDT 12.31 Bn as of December 2022 and the capital adequacy ratio -138.91 % while the minimum is 12.50%. Overall, 84.34% of the investments of the bank are classified. "These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the bank's ability to continue as a going concern," said the auditor.

<https://thefinancialexpress.com.bd/stock/bangladesh/icb-islamic-banks-84pc-investment-turns-classified-auditor>

KTL | Kattali Textile in a dire strait, seeks time for audit

- Kattali Textile Ltd is facing an extreme lack of purchase orders for the past few months due to an adverse business environment, the company told the securities regulator. The Chattogram-based garment exporter, listed with both the bourses in the country, sought a 120-day extension of the special audit deadline, citing two different problems.
- In March this year, the regulator appointed Islam Jahid and Company Chartered Accountants as the special auditor to review Kattali Textile's financial statements for the last three years and check how much of the funds it raised through initial public offering (IPO) five years ago was utilised as per its promises.

<https://www.tbsnews.net/economy/stocks/kattali-textile-dire-strait-seeks-time-audit-612498>

EXCHANGE | UFS says will refund BDT 2.35 Bn embezzled from mutual funds

- Universal Financial Solutions (UFS) has promised to refund investors BDT 2.35 Bn which it embezzled from four mutual funds by showing false investments and fixed deposit receipts (FDRs). The asset management company sent a letter to the Bangladesh Securities and Exchange Commission (BSEC) on Tuesday, promising to return the money within the next three months.
- Syed Alamgir Farooq and Israt Alamgir, the parents of UFS Managing Director Syed Hamza Alamgir, who have fled the country, met the top officials of the commission recently. After that, the board met and sent a letter to the commission along with the resolution, and a top BSEC official confirmed this to The Business Standard.

<https://www.tbsnews.net/economy/stocks/ufs-says-will-refund-tk235cr-embezzled-mutual-funds-612494>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 80.70	USD 5.49	7.30%
Crude Oil (Brent)*	USD 85.12	USD 7.34	9.44%
Gold Spot*	USD 2,007.91	USD 233.76	13.18%
DSEX	6,214.20	7.20	0.12%
S&P 500	4,105.02	265.52	6.92%
FTSE 100	7,741.56	289.82	3.89%
BSE SENSEX	59,832.97	-1,007.77	-1.66%
KSE-100	40,049.65	-370.80	-0.92%
CSEALL	9,256.90	754.41	8.87%

Exchange Rates**1 US Dollar = 106.35 BDT****1 GBP = 132.07 BDT****1 Euro = 116.88 BDT****1 INR = 1.30 BDT**

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