

Weekly Market Update

DSEX ended in Green (0.12%) in the week

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.12%) gained 7.59 points and closed the week at 6,307.08 points. The blue-chip index DS30 (-0.21%) lost -4.51 points and stood at 2,137.10 points. The Shariah-based index DSES (-0.24%) lost -3.33 points and stood at 1,369.19 points. The large cap index CDSET (-0.24%) lost -2.94 points and closed at 1,209.14 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.62%, -2.65%, +0.76%, -0.43%, respectively.

Total Turnover During the Week (DSE): BDT 26.2 billion (USD 239 million)
Average Daily Turnover Value (ADTV): BDT 6.6 billion ($\Delta\%$ Week: +47.1%)
Market P/E: 18.5x

Daily Index Movement during the Week

The market performed four sessions during this week. The market started on a positive note (+0.19%) on Sunday and became negative on Monday (-0.06%). However, the market reverted to positive on Tuesday (+0.15%). However, the market closed on a negative note on Thursday (-0.16%).

Sectoral Performance

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 8.50% followed by Mutual Fund (0.00%). Bank experienced the highest loss of 0.28% followed by Life Insurance (-0.05%), NBF (0.02%).
- All the non-financial sectors registered negative performance this week. Food & Allied experienced the highest loss of 0.18% followed by Pharmaceutical (-0.12%), Fuel & Power (-0.07%), Engineering (-0.03%), and Telecommunication (0.00%).

Macroeconomic arena

- Export of paper, paper products jumps 85%. Bangladesh considers joining Global Biofuel Alliance led by India, USA. PM offers land to Japanese businesses to set up industries. Garment makers reducing reliance on imported fabrics. Experts for coordination with ministries to boost FDI inflow. 'Bangladesh on right track to become middle income country'. UNIDO launches 'Switch to circular economy value chains' project. LC openings rise in August from July, settlement falls. Flag raised over RHD's BDT 5.16 Bn per km highway cost estimate. Sluggish private investment stokes concerns. Don't do business with two banks of Myanmar. No sign of recovery in shrimp exports. Germany to provide EUR 191 Mn for sustainable development of Bangladesh. Exports rise slightly in August. Private sector's foreign debt falls further. Commercial counsellors at foreign missions to help diversify exports. Why digital banks may be more successful. Shamim re-elected as BPGMEA president.
- Construction of Patuakhali EPZ to begin soon. BDT 8.21 Bn laundered in name of export. A green shift: Why industries are loving rooftop solar solution. Bank interest rate spread hits 40-month high. Third tea auction centre launched in Panchagarh. CMSMEs needs all services under one roof.. Remittance plunged 21.47% in August. Debt buildup, capital flight, inflation stoke instability. Remittance inflow may decline this fiscal. ADB agog to arrange USD 3.5 Bn for project funding. US firms want to invest more in agri, services sectors. World Bank gives USD 200 Mn for healthcare services, dengue prevention in Bangladesh. Bangladesh, US discuss trade, investment, tech transfers. Fuel price hike unlikely before polls despite IMF's Sep deadline. Construction materials industry thriving on mega projects. Banks move away from multiple exchange rates. Reserves to slip below USD 22 Bn after ACU payment next week. Revenue revamp bid expands tax-return scope. FDI inflow on perilously prolonged fall. Major currencies getting stronger against taka.

Stock Market arena

EXCHANGE | BSEC finalising rules to set up commodity exchange. LEGACYFOOT | Nearly BDT 200 Mn of Legacy Footwear's loan waived. BATBC | NBR forms committee to inquire into BDT 20.54 Bn tax waiver to BAT. NORTHERN | DSE inspection team finds Northern Jute deserted, locked. PUBALIBANK | Trouser Line buys 2 Mn shares of Pubali Bank. BRACBANK | Indenting agents' assoc to avail Brac Bank services. SEAPEARL | Sea Pearl Beach Resort subjected to probe into price volatility. FUWANGFOOD | No undisclosed price sensitive info behind share price jump: Fu-Wang tells DSE. PRAGATILIF | Pragati Life Ins settles BDT 1900 Mn claims in H1. STANDBANKL | Standard Bank launches four deposit products. BERGERPBL | Berger now eyes fresh shares for public shareholders. BRACBANK | Brac Bank gets award as a top sustainable bank. BANKASIA | Bank Asia launches service for low value cross-border payment. TRUSTBANK | Trust Bank top lender in BB sustainability rating. WALTONHIL | Walton's sponsor director to offload 25,000 shares. PREMIERLEA | Premier Leasing suffers loss of BDT 2.12 Bn in 2022.

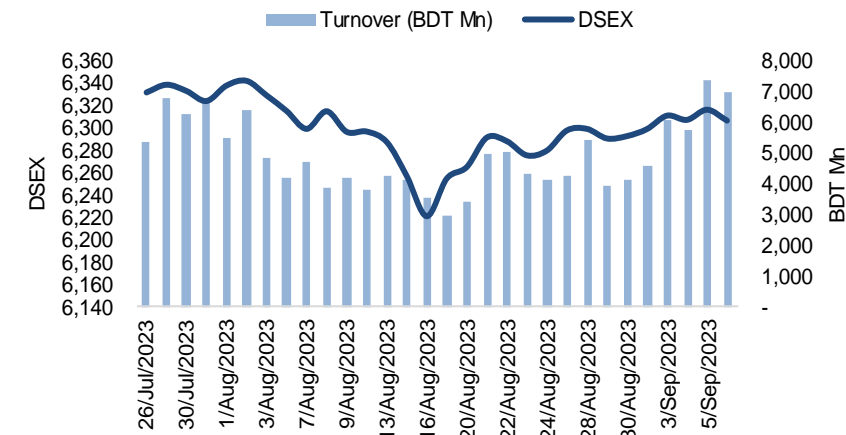
Table 1: Index

| Index | Closing* | Opening* | Δ (Pts) | 29-Dec-2022 | $\Delta\%$ Week | $\Delta\%$ YTD |
|-------|----------|----------|----------------|-------------|-----------------|----------------|
| DSEX | 6,307.08 | 6,299.50 | +7.59 | 6,206.81 | +0.12% | +1.62% |
| DS30 | 2,137.10 | 2,141.61 | -4.51 | 2,195.30 | -0.21% | -2.65% |
| DSES | 1,369.19 | 1,372.52 | -3.33 | 1,358.84 | -0.24% | +0.76% |
| CDSET | 1,209.14 | 1,212.08 | -2.94 | 1,214.42 | -0.24% | -0.43% |

Table 2: Market Statistics

| | | This Week | Last Week | % Change |
|------------------------|------------|-----------|-----------|----------|
| M cap | M n BDT | 7,764,300 | 7,760,576 | +0.0% |
| | M n USD | 70,745 | 70,711 | |
| Turnover | M n BDT | 26,228 | 22,287 | +17.7% |
| | M n USD | 239 | 203 | |
| Average Daily Turnover | M n BDT | 6,557 | 4,457 | +47.1% |
| | M n USD | 60 | 41 | |
| Volume | M n Shares | 538 | 450 | +19.7% |

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

| Company Name | Close* | Open* | Δ% | Mcap** | Turnover** | PE | PB |
|--------------|--------|-------|--------|--------|------------|-------|-------|
| EASTERNINS | 63.2 | 48.9 | +29.2% | 2,725 | 352.4 | 20.4x | 12x |
| PARAMOUNT | 52.6 | 416 | +26.4% | 2,139 | 177.5 | 35.3x | 2.0x |
| ASIAPACINS | 67.9 | 56.8 | +19.5% | 2,876 | 496.3 | 28.4x | 2.9x |
| MIRACLEIND | 48.7 | 40.9 | +19.1% | 1,715 | 500.7 | NM | 16x |
| CRYSTALINS | 72.5 | 62.1 | +16.7% | 2,900 | 824.3 | 22.3x | 2.9x |
| ISNLTD | 52.3 | 46.6 | +12.2% | 571 | 60.7 | 96.9x | 16.4x |
| PIONEERINS | 79.4 | 70.8 | +12.1% | 7,059 | 235.9 | 14.5x | 1.7x |
| ISLAMINS | 518 | 46.5 | +11.4% | 2,132 | 73.3 | 16.7x | 2.5x |
| RELIANCINS | 75.2 | 67.6 | +11.2% | 7,908 | 88.0 | 14.7x | 1.1x |
| UNITEDINS | 43.5 | 39.2 | +11.0% | 1,936 | 15.4 | 27.4x | 1.3x |

Table 4: Top Ten Losers

| Company Name | Close* | Open* | Δ% | Mcap** | Turnover** | PE | PB |
|--------------|--------|-------|--------|--------|------------|-------|------|
| KBPPWBIL | 24.9 | 28.3 | -12.0% | 2,442 | 592.1 | NM | 2.1x |
| DAFODILCOM | 78.5 | 86.4 | -9.1% | 3,918 | 243.2 | NM | 5.8x |
| SEAPEARL | 165.8 | 1819 | -8.9% | 20,020 | 700.1 | 24.0x | 9.6x |
| MEGHNA PET | 33.7 | 36.4 | -7.4% | 404 | 9.5 | NM | NM |
| SKTRIMS | 29.0 | 30.7 | -5.5% | 2,456 | 199.9 | 25.7x | 1.9x |
| PAPERPROC | 223.9 | 236.5 | -5.3% | 2,340 | 918 | 45.4x | 6.6x |
| RSRMSTEEL | 17.1 | 18.0 | -5.0% | 1,730 | 5.9 | NM | 0.4x |
| INTRACO | 39.3 | 41.3 | -4.8% | 3,861 | 372.7 | 26.1x | 3.1x |
| NORTHERN | 202.8 | 212.7 | -4.7% | 434 | 9.4 | NM | 2.5x |
| KPPL | 10.6 | 11.1 | -4.5% | 774 | 314 | NM | NM |

Table 5: Top Ten Most Traded Shares

| Company Name | Close* | Open* | Δ% | Mcap** | Turnover** | PE | PB |
|--------------|--------|-------|--------|--------|------------|-------|-------|
| FUWANGFOOD | 413 | 40.6 | +17% | 4,578 | 2,399.7 | NM | 10.4x |
| EHL | 98.7 | 95.1 | +3.8% | 9,213 | 1,071.3 | 13.4x | 12x |
| CRYSTALINS | 72.5 | 62.1 | +16.7% | 2,900 | 824.3 | 22.3x | 2.9x |
| SEAPEARL | 165.8 | 1819 | -8.9% | 20,020 | 700.1 | 24.0x | 9.6x |
| RUPALILIFE | 112.1 | 114.1 | -1.8% | 3,365 | 597.7 | NM | NM |
| KBPPWBIL | 24.9 | 28.3 | -12.0% | 2,442 | 592.1 | NM | 2.1x |
| GEMINISEA | 790.0 | 779.7 | +1.3% | 4,823 | 587.9 | 37.7x | 31.1x |
| CONTININS | 49.1 | 46.7 | +5.1% | 2,043 | 569.4 | 818x | 2.3x |
| MIRACLEIND | 48.7 | 40.9 | +19.1% | 1,715 | 500.7 | NM | 16x |
| UNIQUEHRL | 69.8 | 64.3 | +8.6% | 20,549 | 500.4 | 12.2x | 0.8x |

Table 6: Most Appreciated YTD in BRAC EPL Universe

| Company Name | Close* | YTD %Δ | Mcap** | PE | PB |
|--------------|---------|--------|--------|-------|-------|
| HEIDELCEM | 263.3 | +47.0% | 14,877 | 33.1x | 3.9x |
| UNIQUEHRL | 69.8 | +21.0% | 20,549 | 12.2x | 0.8x |
| OLYMPIC | 147.8 | +19.2% | 29,551 | 18.0x | 3.0x |
| PIONEERINS | 79.4 | +16.6% | 7,059 | 14.5x | 1.7x |
| UNILEVERCL | 2,029.3 | +14.0% | 39,113 | 45.2x | 22.2x |
| BERGERPBL | 1,907.3 | +10.7% | 88,457 | 28.9x | 6.3x |
| ADNTEL | 126.3 | +10.7% | 8,166 | 32.8x | 4.6x |
| LHBL | 69.4 | +7.1% | 80,599 | 13.7x | 4.1x |
| JAMUNAOIL | 178.0 | +6.4% | 19,656 | 6.5x | 0.9x |
| MARICO | 2,557.9 | +5.6% | 80,574 | 19.3x | 16.4x |

*BDT

**BDT Mn

Table 7: Sector Indices

| Sector Name | Week Close* | Week Open* | Year Open* | Δ% Week | Δ% YTD |
|------------------------|-------------|------------|------------|---------|---------|
| Bank | 1448.0 | 1452.0 | 1427.09 | -0.28% | +146% |
| NBFI | 1,918.4 | 1,918.7 | 1,927.24 | -0.02% | -0.46% |
| Mutual Fund | 828.4 | 828.4 | 852.07 | - | -2.78% |
| General Insurance | 3,720.0 | 3,428.4 | 3,177.87 | +8.50% | +17.06% |
| Life Insurance | 2,663.9 | 2,665.1 | 2,492.91 | -0.05% | +6.86% |
| Telecommunication | 4,945.6 | 4,945.6 | 4,945.60 | - | -0.00% |
| Pharmaceutical | 3,723.2 | 3,727.7 | 3,754.47 | -0.12% | -0.83% |
| Fuel & Power | 1,700.8 | 1,702.0 | 1,694.29 | -0.07% | +0.39% |
| Cement | 2,566.7 | 2,581.4 | 2,319.67 | -0.57% | +10.65% |
| Services & Real Estate | 1,841.6 | 1,840.5 | 1,782.23 | +0.06% | +3.33% |
| Engineering | 4,492.4 | 4,494.0 | 4,503.40 | -0.03% | -0.24% |
| Food & Allied | 21,625.4 | 21,663.8 | 21,247.80 | -0.18% | +1.78% |
| IT | 3,119.2 | 3,181.8 | 3,004.33 | -1.97% | +3.82% |
| Textile | 1,633.3 | 1,632.6 | 1,621.87 | +0.04% | +0.71% |
| Paper & Printing | 10,673.6 | 10,986.6 | 10,388.08 | -2.85% | +2.75% |
| Tannery | 3,231.3 | 3,224.2 | 3,093.43 | +0.22% | +4.46% |
| Jute | 15,994.5 | 16,143.6 | 14,850.17 | -0.92% | +7.71% |
| Ceramics | 679.9 | 679.9 | 704.74 | - | -3.52% |
| Miscellaneous | 4,270.2 | 4,232.3 | 4,071.46 | +0.89% | +4.88% |

Table 8: Sector Trading Matrix

| Sector Name | Daily average this Week | Daily average last Week | % Change | % of Total Turnover | PE | PB |
|------------------------|-------------------------|-------------------------|----------|---------------------|-------|----------|
| Bank | 60.8 | 70.9 | -14.28% | +1.03% | 12.1x | 0.7x |
| NBFI | 9.9 | 6.3 | +55.93% | +0.17% | NM | 6.1x |
| Mutual Fund | 8.2 | 9.6 | -14.87% | +0.14% | NM | 0.7x |
| General Insurance | 1,436.7 | 260.2 | +452.06% | +24.36% | 20.1x | 1.7x |
| Life Insurance | 330.9 | 317.6 | +4.18% | +5.61% | NM | NM |
| Telecommunication | 0.4 | 0.8 | -46.76% | +0.01% | 15.6x | 4.4x |
| Pharmaceutical | 396.3 | 305.2 | +29.88% | +6.72% | 19.3x | 2.3x |
| Fuel & Power | 172.5 | 172.5 | +0.00% | +2.61% | 23.6x | 1.1x |
| Cement | 113.9 | 137.8 | -17.32% | +1.93% | 27.2x | 2.7x |
| Services & Real Estate | 576.8 | 320.7 | +79.82% | +9.78% | 24.3x | 12x |
| Engineering | 317.9 | 223.3 | +42.42% | +5.39% | 69.0x | 18x |
| Food & Allied | 1,074.5 | 917.3 | +17.14% | +18.22% | 20.1x | 7.6x |
| IT | 271.1 | 253.2 | +7.10% | +4.60% | 28.7x | 2.9x |
| Textile | 322.0 | 268.2 | +20.08% | +5.46% | 79.7x | 12x |
| Paper & Printing | 195.9 | 244.4 | -19.85% | +3.32% | 39.7x | 2.1x |
| Tannery | 129.2 | 71.1 | +81.70% | +2.19% | 46.7x | 3.2x |
| Jute | 36.2 | 27.7 | +30.51% | +0.61% | NM | -1358.3x |
| Ceramics | 7.4 | 14.5 | -48.61% | +0.13% | 53.4x | 19x |
| Miscellaneous | 456.5 | 416.2 | +9.69% | +7.74% | 16.4x | 18x |

Table 9: Least Appreciated YTD in BRAC EPL Universe

| Company Name | Close* | YTD %Δ | Mcap** | PE | PB |
|--------------|---------|--------|---------|-------|------|
| EGEN | 45.2 | -13.2% | 3,390 | 310x | 2.0x |
| ISLAMIBANK | 32.6 | -1.2% | 52,486 | 8.4x | 0.7x |
| TRUSTBANK | 31.7 | -0.1% | 27,142 | 9.9x | 1.1x |
| BRACBANK | 35.8 | -0.0% | 57,596 | 8.3x | 0.9x |
| IDLC | 46.5 | - | 19,330 | 11.2x | 1.1x |
| IPDC | 57.6 | - | 21,375 | 38.4x | 3.3x |
| LANKABAFIN | 26.0 | - | 14,010 | 27.4x | 1.4x |
| ACI | 260.2 | - | 19,829 | NM | 2.0x |
| LINDEBD | 1,397.7 | - | 21,271 | 33.7x | 3.7x |
| UPGDCL | 233.7 | - | 135,475 | 16.7x | 4.4x |

Important News: Business & Economy

Export of paper, paper products jumps 85%

- The export of paper and paper products from Bangladesh rose 85% year-on-year in the first two months of fiscal 2023-24 as the country is grabbing a bigger share of the global market in face of reduced competition. Export earnings from the sector amounted to USD 39.79 Mn in the July-August period of the current fiscal year, according to data of the EPB.
- However, manufacturers are struggling to keep up with the heightened demand as the country's ongoing foreign currency crisis is preventing them from opening letters of credit for raw materials. The US and countries in Europe, the Middle East and Africa are major export destinations for locally produced paper and paper products, according to the BPMA.

<https://www.thedailystar.net/business/economy/news/export-paper-paper-products-jumps-85-3412891>

Bangladesh considers joining Global Biofuel Alliance led by India, USA

- India has proposed Bangladesh join the Global Biofuel Alliance (GBA), an international initiative spearheaded by Delhi and Washington and aimed at fostering collaboration in the adoption of sustainable biofuels. India, the USA, and Brazil are already signatories to this global alliance. According to Energy Division officials, Bangladesh is currently reviewing India's proposal. It is expected that there may be a bilateral discussion on this issue during Prime Minister Sheikh Hasina's visit to India on 8 September.

<https://www.tbsnews.net/bangladesh/energy/bangladesh-considers-joining-global-biofuel-alliance-led-india-usa-696130>

PM offers land to Japanese businesses to set up industries

- Prime Minister Sheikh Hasina on Tuesday said that Bangladesh will allocate more space to Japan to set up industries if they want as many companies are interested in investing in the country, reports UNB. She said this when a Japanese parliamentary delegation told her that many companies in their country are interested in investing in Bangladesh.
- "Bangladesh has given space to Japan in the EPZ, and we can give more (space) if Japan wants to set up industries," Hasina said. The five-member delegation, led by the director of the committee on general affairs, House of Councillors, NAKANISHI Yusuke called on the Prime Minister at her official residence Ganabhaban.

<https://thefinancialexpress.com.bd/economy/bangladesh/pm-offers-land-to-japanese-businesses-to-set-up-industries>

Garment makers reducing reliance on imported fabrics

- The import of woven fabrics declined by 25.97% in the first seven months of this calendar year, compared to the same period last year, as garment makers have brought down their reliance on imported products because of an increase in local production. Another reason is that international clothing retailers and brands now demand a significantly shorter lead time to catch business in tune with the recovery in the global supply chain from the severe fallouts of the pandemic and Russia-Ukraine war, and so local sourcing of materials is more efficient.

<https://www.thedailystar.net/business/economy/news/garment-makers-reducing-reliance-imported-fabrics-3412906>

Experts for coordination with ministries to boost FDI inflow

- Necessary steps should be taken to coordinate with various ministries in a bid to boost up the country's inflow of foreign direct investment (FDI), experts have said. The government's efforts to improve the country's business environment in recent years showed promise but implementation in some sectors has yet to materialise. Slow adoption of alternative dispute resolution mechanisms and the corruption are hindering the foreign investment, they observed.
- "FDI is considered a potent weapon for developing an economy like Bangladesh and can play an important role in achieving the country's socio-economic objectives. It can act as a significant vehicle to build up physical capital, create employment opportunities, develop productive capacity, and enhance the skills of local labour through the transfer of technology," said Md Moniruzzaman FCA, president of the Institute of Chartered Accountants of Bangladesh (ICAB).

<https://www.tbsnews.net/economy/experts-coordination-ministries-boost-fdi-inflow-695994>

Investment, trade, manpower export to feature PM's talks with G-20 leaders in India

- Prime Minister Sheikh Hasina will engage in bilateral talks with the heads of government of several countries including India, Argentina, Canada, Korea, the United Arab Emirates, and Saudi Arabia on the sidelines of the upcoming G-20 Summit in India slated for 9-10 September where she will lay emphasis on enhancing economic relations with these nations.
- The talks will encompass a wide range of issues, including investment, export, manpower export, food, fuel, fertiliser, tourism and culture, women-led development, and technological transformation, according to sources within the foreign ministry and the ERD.

<https://www.tbsnews.net/bangladesh/investment-trade-manpower-export-feature-pms-talks-g-20>

ECNEC approves BDT 34.03 Bn project for land acquisition to construct ICD at Dhirashram

- The Executive Committee of the National Economic Council (ECNEC) on Tuesday approved a BDT 34.0289 Bn project in a bid to ensure land acquisition and setting up Pubail-Dhirashram rail link for constructing Inland Container Depot (ICD) at Dhirashram under Gazipur City Corporation area, reports BSS. The approval came at the ECNEC meeting, presided over by its chairperson Prime Minister Sheikh Hasina. The meeting was held at the NEC Conference Room in the city's Sher-e-Bangla Nagar area today.

- Briefing reporters after the meeting, Planning Minister MA Mannan said that a total of 17 projects were approved today involving an overall estimated cost of BDT 129.52 Bn. "Of the total project cost, BDT 102.6752 Bn will come from the government of Bangladesh portion, BDT 138.4 Mn from the concerned organization's own fund while the rest of BDT 26.70 Bn as project assistance."

<https://thefinancialexpress.com.bd/economy/bangladesh/ecnec-approves-tk-3403b-project-for-land-acquisition-to-construct-icd-at-dhirashram>

Corporates, poultry giants expand foothold in egg market

- Bangladesh's egg market used to be largely ruled by thousands of small retailers and wholesalers, but the composition of sellers has been changing for the past several years with the emergence of large corporates and poultry industry giants. They are gradually expanding the size of their baskets by including the popular protein item, which has raised concerns among small farmers and egg producers.
- It has also led to analysts calling for major reforms in terms of market management, identifying dominant players and fixing investment ceilings to ensure fair competition. Take the example of Pran-RFL Group, a leading food and plastic producer in Bangladesh. The company produced 20,000-25,000 eggs per day when it started commercial production in September 2022.

<https://www.thedailystar.net/business/economy/news/corporates-poultry-giants-expand-foothold-egg-market-3412081>

'Bangladesh on right track to become middle income country'

- Bangladesh is on the right track to become a high middle-income country by 2041, said Souleymane Coulibaly, acting country director for Bangladesh and Bhutan of The World Bank, yesterday. "Bangladesh is one of the fastest growing economies in the world," he told a discussion on development of microenterprises in Bangladesh organised by Palli Karma-Sahayak Foundation (PKSF), according to a press release.

- "I strongly believe that the country is on the right track to become an upper-middle income country by 2041, as Bangladesh has maintained its economic growth over the years despite the Covid-19 pandemic," he said. Bangladesh needs to invest in microenterprises if the country wants to benefit from the demographic dividend, said PKSF Chairman Qazi Kholiquzzaman Ahmad while presiding over the discussion.

<https://www.thedailystar.net/business/economy/news/bangladesh-right-track-become-middle-income-country-3411896>

UNIDO launches 'Switch to circular economy value chains' project

- The United Nations Industrial Development Organisation (UNIDO) today launched a project titled "SWITCH to Circular Economy Value Chains (SWITCH2CE)" in Bangladesh to steer the textiles and garments sector toward sustainable circular practices. The UNIDO and the commerce ministry jointly organised the inaugural event at the Westin Dhaka with the presence of industry leaders, government representatives, academia, and international partners, according to a press release.

<https://www.thedailystar.net/business/news/unido-launches-switch-circular-economy-value-chains-project-3411731>

LC openings rise in August from July, settlement falls

- In August, LC openings rose nearly 12% from July, totalling USD 5.59 Bn, according to data from Bangladesh Bank, though the openings still fell 15% from last year. On a gloomier note, the settlements fell in August both on monthly and year-on-year basis. July witnessed LC openings amounting to USD 4.96 Bn, as per central bank data. When asked about the year-on-year decline in LC openings, a central bank official explained that they are closely monitoring import LCs exceeding USD 3 Mn. This heightened scrutiny has led to a decrease in incidence of over-invoicing, contributing to the reduction in LC openings.

<https://www.tbsnews.net/economy/lc-openings-rise-august-july-settlement-falls-695510>

Flag raised over RHD's BDT 5.16 Bn per km highway cost estimate

- The Roads and Highways Department (RHD) has proposed a cost of BDT 5.16 Bn per kilometre for widening a 23.5-km stretch of the Chittagong-Cox's Bazar highway, according to officials. This has prompted the Planning Commission to express reservations about the inflated cost estimate. According to state-run road developer RHD, the total cost of the road-widening project will be BDT 121.36 Bn. The Planning Commission has recommended that RHD trim the expenditure, which is significantly higher than similar projects in Bangladesh.

<https://thefinancialexpress.com.bd/economy/bangladesh/flag-raised-over-rhds-tk-516bn-per-km-highway-cost-estimate>

Sluggish private investment stokes concerns

- Bangladesh seems stumbling at a low equilibrium level of private- investment growth, amid a crucial transition in its economic status, says a finance-ministry report while economists raise stagnation alarms. Economists note that unless the rate is raised above 49%, the vision of Bangladesh becoming a high-income country (HIC) by 2041 will remain as a "chimera".
- The report, prepared by a think-tank for a division of the finance ministry, suggests that Bangladesh should have a decade-long high spell of private investment, as experienced by the East Asian comparators, to break out of 'middle-income-country trap' and move ahead to high-income-country status. Commenting on the situation renowned economist Dr Mustafa Kamal Mujeri told the FE that for several years private-investment ratio "has been stagnant in our country".

<https://thefinancialexpress.com.bd/economy/bangladesh/sluggish-private-investment-stokes-concerns>

Jewellery industry still depends on informal sources

- The jewellery industry has apparently remained largely dependent on unauthorised channels for sourcing gold although there is no direct government bar on importing the precious metal. Industry insiders said the taxes on legally importing gold were high, which was the main reason companies felt more comfortable sourcing gold from unauthorised channels. Companies source gold by taking advantage of the NBR's baggage rules and through other informal avenues, they added. In 2018, the government framed a policy on gold to boost its import, prevent smuggling and ensure greater transparency in its trade.

<https://www.thedailystar.net/business/economy/news/jewellery-industry-still-depends-informal-sources-3412896>

More efforts needed to stabilise economy

- More actions are needed to stabilise the foreign exchange reserve, ease inflation, enhance government revenue, ensure adequate fuel and power for industrial activities, and extend social safety net programmes in Bangladesh, according to a leading trade body. The government had taken decisive measures to address the fallouts of Covid-19 and the ongoing Russia-Ukraine war, but further initiatives are needed considering the current economic situation.
- The gross foreign exchange reserve fell by about 25% year-on-year to USD 31.20 Bn as of June this year, shows an economic review by the Metropolitan Chamber of Commerce and Industry (MCCI). Meanwhile, the 12-month average inflation rate stood at 9.02% in the previous fiscal year (FY) while it was 6.15% in FY22.

<https://www.thedailystar.net/business/economy/news/more-efforts-needed-stabilise-economy-3411906>

Don't do business with two banks of Myanmar

- Bangladesh Bank has instructed local banks to refrain from engaging in financial transactions with Myanmar Foreign Trade Bank (MFTB) and Myanmar Investment and Commercial Bank (MICB) as the US has recently imposed sanctions on these two. The banking regulator, through letters to all scheduled banks on August 20, said the two were now under sanctions issued by the Office of Foreign Assets Control, a financial intelligence and enforcement agency of the US Department of the Treasury.
- In June this year, the US imposed sanctions on the two Myanmar banks and the defence ministry of Myanmar. Bangladesh Bank has issued the letter months after the US embassy in Dhaka informed Bangladesh's foreign ministry about the sanctions. The US embassy also requested the ministry to take steps as the two have correspondent accounts with state-owned Sonali Bank.

<https://www.thedailystar.net/business/economy/news/dont-do-business-two-banks-myanmar-3412071>

No sign of recovery in shrimp exports

- After recording a 21% dip in earnings in fiscal 2022-23, the downturn in frozen food exports have extended in the current fiscal year, according to market players. This is because the demand for black tiger shrimp has not recovered in Europe, the main market for locally grown shrimp, they said. Exports of frozen and live fish declined 25% year-on-year to USD 61 Mn in the July-August period of fiscal year 2023-24, shows data of the Export Promotion Bureau (EPB). This was due to a slump in earnings from shrimp, which brought home 73% of the export receipts for the sector during the opening quarter.

<https://www.thedailystar.net/business/economy/news/no-sign-recovery-shrimp-exports-3412031>

BOGSOA's consent not needed for foreign vessel's waiver certificates

- A High Court division has given a stay order for six months on the requirement of seeking consent from Bangladesh Ocean Going Ship Owners' Association (BOGSOA) for issuing waiver certificates to the foreign flagged container vessels under Flag Vessel (Protection) Rule, 2023.
- The Bangladesh Container Shipping Association (BCSA) filed a writ petition last week before the High Court division impugning rule number 4 of Bangladesh Flag Vessel (protection) Rules, 2023 as it relates to requiring the Department of Shipping to secure consent from BOGSOA at the time of issuance of waiver certificate to the foreign flagged container ships, members of BCSA.

<https://www.thedailystar.net/business/news/bogsoas-consent-not-needed-foreign-vessels-waiver-certificates-3411871>

Govt's desperate search for funds to tackle crisis

- As part of a desperate attempt to weather the ongoing financial crisis, the government has launched an initiative to collect all cash available in government offices and institutions and deposit it to the treasury. In separate letters last month, the Finance Division instructed ministries, departments, and deputy commissioners to promptly deposit these funds to the treasury, said officials involved in the process.
- They said the government is in the process of reclaiming unspent funds held by various state institutions, non-tax revenue accumulated by public organisations, and dividend payments from institutions in which the government holds equity or has financing. Furthermore, the Finance Division has implemented changes in the fund release system for autonomous institutions to mitigate the potential misuse of funds.

<https://www.tbsnews.net/economy/govts-desperate-search-funds-tackle-crisis-695586>

Luxury hotels hit by import challenges

- Luxury hotels in Bangladesh are struggling to ensure the quality of services to their foreign and other important guests owing to a dearth of import-dependent supplies, such as food ingredients, alcoholic beverages, and room amenities. The problem has arisen as a result of bureaucratic complications, government restrictions, and a dollar crunch.
- For instance, it takes hoteliers at least six months to over a year to obtain foreign-brand liquors, as this process requires permission from multiple authorities. Industry insiders attribute this issue as one of the reasons for the low turnout of leisure inbound tourists in Bangladesh, as approximately 70% of their guests are foreigners, primarily business travellers.

<https://www.tbsnews.net/economy/luxury-hotels-hit-import-challenges-694890>

Germany to provide EUR 191 Mn for sustainable development of Bangladesh

- Germany will provide EUR 191 Mn to Bangladesh in the form of technical cooperation and financial cooperation for the sustainable development of the country, reports BSS. In this regard, two bilateral agreements on Development Cooperation were signed on Sunday between the Governments of Bangladesh and Germany following up on the commitments of the last government negotiations in December 2022. The total volume of the agreements is EUR 191 Mn (about BDT 22.15 Bn) of which EUR 55 Mn will be available as Technical Cooperation (TC) and EUR 136 Mn for Financial Cooperation (FC), said a press release.

<https://thefinancialexpress.com.bd/economy/bangladesh/germany-to-provide-eur191m-for-sustainable-development-of-bangladesh>

Exports rise slightly in August

- Earnings from merchandise shipments in August increased slightly by 3.80% to USD 4.78 Bn, mainly riding on apparel exports as all the other major sectors staged a poor performance last month. Three important sectors, including leather and leather goods, jute and jute goods and home textiles, which earned over USD 1 Bn last fiscal year, staged a very poor performance. This was largely due to the volatile global economic situation stemming from the severe fallouts of the pandemic and Russia-Ukraine war. Although inflation is going down in the major export destinations in Europe and North American countries, including the US, bank interest rates are still high.

<https://www.thedailystar.net/business/economy/news/exports-rise-slightly-august-3411181>

Private sector's foreign debt falls further

- Short-term private sector foreign debt has continued to fall since January of this year, with new disbursements being outweighed by repayments each month this year except May. In July, short-term foreign debt in the private sector stood at USD13.38 Bn, down 2% from USD13.65 Bn in June, as per the latest data from the Bangladesh Bank (BB). In January, that figure was USD15.58 Bn.
- The private sector took short-term loans from foreign sources amounting to USD 2.27 Bn in July, when the total repayment against previous disbursements stood at USD 2.60 Bn, BB data showed. In July, short-term foreign debt in the private sector stood at USD 13.38 Bn, down 2% from USD 13.65 Bn in June. Foreign lenders have lost confidence in lending to Bangladeshi companies as the country's forex reserves continue to fall, opined Zahid Hussain, former lead economist at World Bank's Dhaka office.

<https://www.thedailystar.net/business/economy/news/private-sectors-foreign-debt-falls-further-3411176>

Commercial counsellors at foreign missions to help diversify exports

- The foreign ministry and FBCCI have agreed to bolster collaboration on expanding the country's export opportunities, diversifying exports and seeking out new markets. The decision was taken at a meeting between Foreign Secretary Masud Bin Momen and FBCCI President Mahbubul Alam at the FBCCI headquarters in the capital on Monday. The FBCCI chief said government-appointed commercial counsellors at different foreign missions across the world can help diversify exports by promoting different products alongside ready-made garments. Foreign missions can also provide information on the demand of different products in different countries to help businesses expand exports.

<https://www.tbsnews.net/economy/commercial-counsellors-foreign-missions-help-diversify-exports-694762>

Dhaka South starts issuing 5-year trade licence

- The Dhaka South City Corporation has started issuing trade licences, valid for five years, to businessmen, which is a major improvement from the previous one-year validity period. Dhaka South Mayor Sheikh Fazle Noor Taposh inaugurated the service at a programme organised by the Metropolitan Chamber of Commerce and Industry (MCCI) on Monday.
- Businessmen of all levels under Dhaka South will be able to get a new five-year trade licence or renew their old ones for a five-year term starting from Monday, avoiding the additional hassle of renewal every year, said MCCI, the oldest trade organisation in the country. The MCCI also said this service will be gradually extended to the union level which will greatly improve the ease of doing business in the country.

<https://www.tbsnews.net/economy/five-year-trade-license-registration-renewal-policy-unveiled-694562>

Banks can't transfer exporters' proceeds

- Bangladesh Bank yesterday barred transferring the value-added portion of export proceeds to other banks for settling the exporters' import liabilities. The value-added portion refers to the export proceeds that are available to exporters after their import bills for back-to-back letters of credit have been met.
- The central bank issued a notice in this regard, saying that it has been decided that retained funds will be useable only by designated banks for the settlement of bona fide payment obligations of relevant exporters. Bangladesh Bank took the decision for maintaining discipline in foreign exchange transactions.

<https://www.thedailystar.net/business/economy/news/banks-cant-transfer-exporters-proceeds-3411156>

Ultimately comes uniform dollar exchange rate

- Ultimately Bangladesh courts uniform exchange rate of the US dollar in its latest bid for buttressing forex reserves and cooling persistent market volatility. Officials said the regulator Sunday fixed unified buying and selling rates for the greenback, which ends trial and error with multiple rates in the wake of global financial crisis.
- Bangladesh Foreign Exchange Dealers' Association (BAFEDA) issued a circular to this effect on the day, stating that it was "unanimously decided" in a joint meeting between BAFEDA and ABB (Association of Bankers' Bangladesh Limited) held on August 31, 2023 to implement uniform exchange-rate guidelines with effect from Sunday until issuance of further notice.

<https://thefinancialexpress.com.bd/economy/bangladesh/ultimately-comes-uniform-dollar-exchange-rate>

Why digital banks may be more successful

- Bangladesh Bank issued comprehensive guidelines for establishing digital banks in mid-June. This important decision has generated a lot of excitement among different groups, including major banks, non-banking financial institutions (NBFIs) and innovative startups. The most promising aspect is the cooperation between established financial institutions and startups as they work together to obtain licenses and lead the way. This collaboration has the potential to propel Bangladesh into a digitally advanced future. Media reports say 52 groups or institutions have applied for digital bank licenses.

<https://www.thedailystar.net/business/economy/news/why-digital-banks-may-be-more-successful-3411151>

Shamim re-elected as BPGMEA president

- Shamim Ahmed has been re-elected as the president of the Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA) for a one-year term (2023-2024). BPGMEA election board chairman Abdur Razzaque, accompanied by other members of election board Hafez Harun or Rashid and Abul Khair, announced the results after the election was held at the association's head office in Paltan yesterday, said a press release.
- KM Iqbal Hossain has been elected as the senior vice-president, while Quazi Anwarul Haque and Md Enamul Haque have been elected vice-presidents of the association. As per the order of the ministry of commerce, seven new directors were elected to the seven vacant posts of the board of directors of the BPGMEA on September 2.

<https://www.thedailystar.net/business/economy/news/shamim-re-elected-bpgmea-president-3411086>

Construction of Patuakhali EPZ to begin soon

- The construction of an export processing zone (EPZ) in Patuakhali will begin soon after all land acquisition costs are cleared within the next one month or so, according to project officials. The planned EPZ featuring 306 industrial plots will be built on 410.78 acres of land in Pachakoralia Mouza of Auliapur union under Patuakhali sadar upazila.
- The Executive Committee of the National Economic Council (ECNEC) approved the project involving BDT 14.43 Bn on August 29 earlier this year while it is scheduled for completion by June 2026. The government decided to set up the Patuakhali EPZ to take advantage of the increased connectivity offered by Padma Bridge and Payra Port, said Project Director Md Ashraful Kabir.

<https://www.thedailystar.net/business/economy/news/construction-patuakhali-epz-begin-soon-3411161>

Monetary Policy Implementation: Have we figured the path towards modernisation?

- The Monetary Policy Statement (MPS) for FY24 announced a few steps to transition from monetary base to interest rate targeting by mid-2026. The conduct of monetary policy so far in FY24 shows glimmers of hope in modernising the monetary policy framework while at the same time reminding of Mark Twain's adage "history doesn't repeat itself, but it often rhymes".
- Monetary policy is supposed to start wedding the policy rate and the interbank call money rate through a symmetric Interest Rate Corridor (IRC). The targeted call money rate can vary within 200 basis points of the 6.5% repo rate. Banks and non-bank financial institutions can borrow from the BB at 8.5% from the Standing Lending Facility. They can deposit cash with BB at an interest rate of 4.5% in a Standing Deposit Facility. BB renamed the repo rate, special repo rate and reverse repo rate as repo policy rate, standing lending facility (SLF) rate and standing deposit facility (SDF) rate respectively from July 1, 2023.

<https://www.tbsnews.net/economy/monetary-policy-implementation-have-we-figured-path-towards-modernisation-694414>

'Bangladesh can export USD 6 Bn RMG made from recycled yarn'

- Bangladesh can export USD 6 Bn worth of garment items if it can locally process the 400,000 tonnes of recycled yarn and fabrics the local garment makers produce every year, experts said today. The exporters said they want to make garments from the wastes as the European nations—the major markets for Bangladesh—are making a law for importing apparels made from recycled yarn. Moreover, making of garment items from recycled yarn will also help Bangladesh in obtaining the GSP Plus facility in the European Union (EU).

<https://www.thedailystar.net/business/news/bangladesh-can-export-6-billion-rmg-made-recycled-yarn-3410281>

BDT 8.21 Bn laundered in name of export

- In one of the biggest money laundering scams unearthed so far in the country, customs authorities have found that 33 readymade garment factories and buying houses laundered at least BDT 8.21 Bn over the last six years. For the illicit money transfer, the fraudsters employed two tactics – under invoicing and using wrong shipping code. In the first case, prices were shown up to 10 times lower than the actual rate. In the second case, shipments were shown as "samples" when they were actually exports worth billions of taka.

- "Multiple gangs are involved here. We have found links of many powerful organisations and individuals at home and abroad. A case will be filed against them very soon," a Chattogram customs official The Daily Star recently on condition of anonymity. Documents show Dhaka-based buying house Asia Trading Corporation shipped 14,085 tonnes of clothing items worth BDT 3.08 Bn (USD 28 Mn) to the UAE, Singapore and Malaysia in 2022. However, not even a single dollar entered the country against this shipment.

<https://www.thedailystar.net/business/news/tk-821-crore-laundered-name-export-3411311>

A green shift: Why industries are loving rooftop solar solution

- Despite the significant increase in national grid capacity – which now exceeds 25,000MW, far surpassing the demand of approximately 15,000MW – industries are increasingly finding alternative energy sources like solar power more attractive. The Business Standard has talked with at least a dozen major companies who say they have already moved to solar power for meeting partial energy needs or are exploring different investment models for getting on board.
- Rooftop solar power, in particular, is becoming popular due to its reliability and cost-effectiveness, industry insiders said. Also, industries are showing a growing interest in rooftop solar power because of the convenient access to financing. Also, the adoption of this relatively new solar power harnessing method got a boost with the rising power cost and the ability to sell excess generated power to the national grid.

<https://www.tbsnews.net/bangladesh/energy/green-shift-why-industries-are-loving-rooftop-solar-solution-694830>

Bank interest rate spread hits 40-month high

- The interest rate spread – the difference between deposit and lending rates – hit a 40-month high of 3.29% last July when the monetary policy was unveiled for the second half of the year, creating a scope for banks to increase their lending rates by more than 1%. Bankers expressed their satisfaction, saying that a spread of at least 3% is required for a bank to cover its running costs comfortably.
- According to data from the Bangladesh Bank, banks received deposits at an average interest rate of 4.46% in July and lent the funds at 7.75% interest. A higher spread of 4.07% was recorded in March 2020, when the interest rates on deposits and lending were 5.51% and 9.58%, respectively.

<https://www.tbsnews.net/economy/banking/bank-interest-rate-spread-hits-40-month-high-694826>

Retired bankers can join banks as director: Cenbank

- From now, retired bankers can rejoin banks as directors, said a Bangladesh Bank circular on Sunday. "Officials from any bank can become directors of the bank five years after retirement or expiry of contract," reads the circular. Earlier, in 2021, appointment of retired bankers was restricted to board members of the same bank they served. A high official of the central bank said that the same facility [reappointment] was earlier provided for Non-Bank Financial Institutions (NBFIs). It has now been applied for banks.

<https://www.tbsnews.net/economy/banking/retired-bankers-can-join-banks-director-cenbank-694122>

NBR to introduce automated customs declaration system soon

- Passengers arriving in or departing from Bangladesh would soon enjoy an automated system of declaring their belongings and currencies they are carrying with to the customs authorities. The customs wing of the National Board of Revenue (NBR) is developing the system as instructed by Chairman Abu Hena Md Rahmatul Muneem, officials said. The board's IT wing is providing necessary support to the initiative.
- Officials at the NBR said the new system is expected to be inaugurated soon to facilitate air, land and sea route passengers complete the customs process easily and within a short time. Misbehaviour is one of the major setbacks in-bound passengers, especially remittance earners, experience at the airports in Bangladesh.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-to-introduce-automated-customs-declaration-system-soon>

Will more freight tracks, ICDs change Railway's future?

- Bangladesh Railway needs dedicated freight tracks and connectivity with major sea and land ports to raise its share in cargo transportation and become commercially viable, says a strategic plan drafted by the Planning Commission. Full conversion to broad gauge line, building more inland container depots (ICDs), and procuring adequate equipment to modernize the railway services and maintenance are among the integrated future strategic plans that also aim to ensure full operational cost recovery in the next 10 years.
- Planning Commission officials said the medium-term budgetary framework (MTBF) has a total allocation of BDT 106.4 Bn for railway projects till the fiscal 2027-28. The amount of investment required to implement the new strategic plan will be determined in consultation with the railway authorities.

<https://www.tbsnews.net/bangladesh/will-more-freight-tracks-icds-change-railways-future-694126>

Third tea auction centre launched in Panchagarh

- A new tea auction centre began operations in Bangladesh's northwest bordering district of Panchagarh yesterday, making it the third establishment of its kind following the country's first in Chattogram and the second in Sreemangal. Following the inaugural ceremony, brokers started their bidding activities via a virtual platform. At least 12,079 acres of land are under tea cultivation across five northern districts, namely Panchagarh, Thakurgaon, Nilphamari, Lalmonirhat and Dinajpur.

<https://www.thedailystar.net/business/economy/news/third-tea-auction-centre-launched-panchagarh-3409596>

CMSMEs needs all services under one roof

- All services including registration, financing, and business development of the Cottage, Micro, Small & Medium Enterprises (CMSME) sector in Bangladesh need to be under a single organisation, experts have suggested. Besides, separate policies are needed for cottage, micro and small enterprises and separate one for medium industries.
- Most Asian countries have a unified organisation for CMSME sector development, but in Bangladesh, entrepreneurs face service gaps due to poor inter-agency coordination, according to the keynote of the seminar, jointly organised by ILO Bangladesh and SME Foundation.

<https://www.tbsnews.net/economy/industry/cmsmes-needs-all-services-under-one-roof-694082>

Jamuna Life Ins in crisis, Idra prescribes remedies

- Teetering on the verge of a crisis, Jamuna Life Insurance Company Limited has been prescribed some remedies by the insurance regulator, including preparation of a business action plan at the earliest for the next three years. Steps must be taken to ensure continuation of over 60% of policies, such as by deferring 10% of first-year premium commission payments to agents till the second year, said the Idra.
- Moreover, average management expenses must be reduced by 30% while customer claims settled timely, it said. The directives were passed following a hearing at the Idra office on May 22 based on the regulator's analysis of the insurer's financials for the 2017-2021 period. According to Idra's investigation documents on the five-year period, just 14.08% of the insurer's policies were continued by customers on an average in their first year.

<https://www.thedailystar.net/business/economy/news/jamuna-life-ins-crisis-idra-prescribes-remedies-3409586>

Remittance plunged 21.47% in August

- Remittance inflow to Bangladesh plunged 21.47% year-on-year to USD 1.59 Bn in August, according to central bank data released today. The amount of funds sent by Bangladeshi migrant workers was USD 2.03 Bn in the same month last year. Bankers said the remittance inflow has fallen in recent months mainly due to the huge gap between formal and informal exchange rates, meaning a portion of the remittance earnings comes to Bangladesh through illegal channels.

<https://www.thedailystar.net/business/news/remittance-plunged-2147-august-3410111>

Debt buildup, capital flight, inflation stoke instability

- Inflation, debt buildup, capital flight and reserves depletion are among factors fueling macroeconomic instability in Bangladesh that could be averted with prudent measures in time, says a noted economist. Bangladesh's economy has been facing macroeconomic challenges like fast-depleting foreign-exchange reserves, volatility on the foreign-exchange market, and persisting higher inflation. "If we did gradual adjustment with dollars, then we could avoid the current problems, but we kept it static," Prof Dr Wahiududdin Mahmud said.

<https://thefinancialexpress.com.bd/economy/bangladesh/debt-buildup-capital-flight-inflation-stoke-instability>

Remittance inflow may decline this fiscal

- Speakers at a seminar on Saturday expressed the fear that remittance might decrease in the current financial year compared to the last year as the remittance inflow from Bangladesh expatriates continues to decline. It said the inward remittance decreased by 5.88% in July this year than July last year. They identified using hundi by the workers and money launderers among the main reasons for the downward trend in inward remittance. At the same time, due to service shortages in banking channels, additional costs of sending money officially and fluctuations in the dollar exchange rate are the reasons behind it.

<https://thefinancialexpress.com.bd/economy/remittance-inflow-may-decline-this-fiscal>

ADB agog to arrange USD 3.5 Bn for project funding

- A sum of USD 3.5 Bn is assured by the Asian Development Bank (ADB) for bankrolling Dhaka metro's MRT-5 southern route for expansion of overhead transport facility aimed at easing city-traffic tailbacks. As hinted during a meeting between an ADB team and the Economic Relations Division (ERD) Thursday, officials said Friday, the Manila-based lender would provide USD 2.5 Bn worth of loan and mobilise another chunk of USD 1.0 Bn in credit from any foreign lenders as co-financers of the MRT-5 project.

- The offer comes apparently as a matter of solace at this hour of a prolonging crunch time as Bangladesh is in need of foreign investment to buttress the country's depleting foreign-exchange reserves and inexorable inflation that is pushing up prices for expensive imports. Dhaka Mass Transit Company Limited (DMTCL) will construct the MRT-5 (south) from Gabtoli to Dasherbandi via Kalyanpur-Russell Square-Rampura-Aftabnagar-Dasherbandi at a proposed cost of BDT 530 Bn, equivalent to USD 5.0 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/adb-agog-to-arrange-35b-for-project-funding>

US firms want to invest more in agri, services sectors

- Businesses of the US want to invest more in agriculture and service sectors in Bangladesh as the country is expected to be the 9th largest consumer market globally by 2030, stated a visiting American business delegation yesterday. Urging the government to offer tax holiday facilities in the two sectors, the delegation wanted to know about the prevailing facilities for investment in Bangladesh.
- The query was made at a meeting between the delegation, led by Steven Kobos, president and chief executive officer of Excelerate Energy, and Finance Minister AHM Mustafa Kamal at the secretariat office in Dhaka. The delegation included Atul Keshap, president of the US-Bangladesh Business Council, and Kevin Roepke, head of South Asia of the US Soybean Export Council.

<https://www.thedailystar.net/business/economy/news/us-firms-want-invest-more-agri-services-sectors-3408241>

Market diversification can raise RMG export

- Bangladesh can increase garment exports to USD 100 Bn by 2030 and account for 12% of the global trade through market diversification, innovation and technological and skills development, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association. "We have proven our capability globally becoming the second largest apparel manufacturer with an about 8% market share and retaining our position since 2010," he said.
- He made this comment at a seminar titled "Supply Chain Reconfiguration and Structured Trade Finance for the apparel industry" organised by HSBC Bank Bangladesh at The Westin Dhaka last Tuesday. HSBC can play a pivotal role to introduce innovative solutions and create awareness among Bangladeshi apparel exporters in view of changing market dynamics, Hassan added.

<https://www.thedailystar.net/business/economy/news/market-diversification-can-raise-rmg-export-3408231>

A Boon to Business and Economy

- A massive transformation is set to occur in the transportation of goods and passengers with the opening of the country's first elevated expressway in Dhaka. Economists and businesses have said that this mega-infrastructure project will significantly reduce both the time and cost of doing business. According to a study by the Accident Research Institute of Bangladesh University of Engineering and Technology (BUET) in 2018, Bangladesh loses BDT 370 Bn and five million working hours annually due to heavy traffic congestion in Dhaka. The operations of the expressway are expected to address these losses to a great extent, businesses have stated.

<https://www.thedailystar.net/supplements/dhaka-elevated-expressway-0/news/boon-business-and-economy-3408976>

World Bank gives USD 200 Mn for healthcare services, dengue prevention in Bangladesh

- The World Bank has approved a USD 200 Mn loan to help improve primary healthcare services and prevent mosquito-borne diseases like dengue in Bangladesh. The loan, which was approved yesterday, will help improve primary healthcare services for treatment, prevention and referral for common illnesses, and medical waste management in Dhaka North and South City corporations, Chattogram City Corporation, and Savar and Tarabo municipalities, according to a WB press release.
- Under the funding, a project titled "Urban Health, Nutrition and Population Project" will establish a network of primary health centres offering a broad range of health, nutrition, and population services along with a direct referral system with secondary and tertiary-level facilities. About 2.5 Mn children under five in these urban areas will receive services, the global lender said.

<https://www.thedailystar.net/business/news/world-bank-gives-200m-healthcare-services-dengue-prevention-bangladesh-3407671>

Bangladesh, US discuss trade, investment, tech transfers

- Bangladesh Foreign Minister and a Business delegation from the USA discussed the possibility of trade, investment, and technology transfers in the next two years from now building on a stronger sub-regional growth trajectory and leveraging the Bay of Bengal frontiers. Minister AK Abdul Momen hosted the US-Bangladesh Business Council, headed by Chairman Kobos and Ambassador Atul Keshap, at the State Guest House Padma on Wednesday, according to a press release.

<https://www.tbsnews.net/economy/bangladesh-us-discuss-bilateral-business-opportunities-692882>

Sri Lanka repays USD 100 Mn of loan from Bangladesh

- Sri Lanka has repaid another USD 100 Mn of the total USD 200 Mn loan it took from Bangladesh under a currency-swap mechanism two years ago to combat an acute economic crisis. The second instalment of the loan came just a couple of weeks after the first repayment of USD 50 Mn.
- With this latest payment, the island nation has now cleared 75% of the total it borrowed from Bangladesh in 2021. Confirming the deposit of the second loan instalment by Sri Lankan authorities, Bangladesh Bank (BB) Spokesperson Md Mezbaul Haque said that it was received on August 31.

<https://thefinancialexpress.com.bd/economy/bangladesh/sri-lanka-repays-100m-loan-to-bangladesh-in-second-instalment>

Bangladesh, Hong Kong sign avoidance of double taxation agreement

- Bangladesh and Hong Kong signed a comprehensive avoidance of double taxation agreement (CDTA) on Wednesday. The agreement aims to eliminate double taxation with respect to taxes on income and prevent tax evasion and avoidance. National Board of Revenue (NBR) Chairman Abu Hena Md Rahmatul Muneem signed the agreement on behalf of Bangladesh while Christopher Hui, secretary for Financial Services and the Treasury, represented Hong Kong.

<https://www.tbsnews.net/economy/bangladesh-hong-kong-sign-avoidance-double-taxation-agreement-692274>

Dollar rates for export proceeds raised by BDT 1, remittance by BDT 0.50

- The Bangladesh Foreign Exchange Dealers' Association (Bafeda) and the Association of Bankers, Bangladesh (ABB) have adjusted the exchange rate of the US dollar at BDT 109.50 for both the export proceeds and remittances. As a result, remittances and export proceeds will be bought at the same price after almost a year.
- In a meeting of the two organisations yesterday, the dollar rate for remittance was raised by BDT 0.50 and export proceeds by BDT 1, Md Afzal Karim, chairman of Bafeda and managing director and CEO of Sonali Bank, told The Business Standard. Earlier, on 31 July this year the dollar rates for export proceeds and remittance were set at BDT 108.50 and BDT 109, respectively.

<https://www.tbsnews.net/economy/dollar-rate-export-proceeds-remittances-now-tk10950-692490>

Maersk gets initial nod to install container terminal in Ctg port

- The Chittagong Port Authority (CPA) has said they gave their initial approval to Copenhagen-based port and cargo operator Maersk Group to set up a new container terminal near the country's main seaport, officials said. "We (CPA) reviewed the Maersk proposal and gave our initial approval after the Shipping Ministry sought our opinion . . . we now await the shipping ministry decision," CPA chairman Rear Admiral Mohammad Sohail told BSS.

<https://www.tbsnews.net/economy/maersk-gets-initial-nod-install-container-terminal-ctg-port-692330>

Technology, ethics to help ensure sustainable development

- Analysts and economists yesterday recommended ensuring environmental, social and corporate governance (ESG), technological advancement and ethics in every stage of development activities to attain its sustainability. Their comments came at a two-day Bangladesh Strategy Summit 2023 organised by Valor of Bangladesh at Radisson Blu Dhaka Water Garden with the theme of "Advancing Economic Sustainability".

<https://www.thedailystar.net/business/economy/news/technology-ethics-help-ensure-sustainable-development-3409486>

IT exports fall for the first time in five years

- IT exports from Bangladesh have fallen for the first time in five years, which is an ominous sign for the government's export diversification efforts as the country is failing to produce big IT firms. According to the Export Promotion Bureau (EPB), earnings of domestic IT firms declined by 7.42% compared to the previous year, reaching USD 548.10 Mn in fiscal 2022-23.
- This is also a big blow to the county's target of achieving USD 5 Bn in exports of IT and digital devices by 2025. "The government emphasised creating IT freelancers in recent years but there was no visible effort to upskill people for developing software and other sophisticated technology," said AKM Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services (BASIS).

<https://www.thedailystar.net/business/economy/news/it-exports-fall-the-first-time-five-years-3408201>

Fuel price hike unlikely before polls despite IMF's Sep deadline

- The government has decided not to raise fuel oil prices this year even if prices continue to rise in the international markets. The decision, despite the commitment to implement an automated pricing formula as per the agreement with the International Monetary Fund (IMF) starting from September this year, has been taken with the impending general elections in mind, according to officials from the energy ministry.

- However, in the event that global market prices declined, the government has a plan to reduce the fuel prices. It would be good for consumers, particularly with the ongoing inflationary pressures, officials said. Though global oil prices reached a seven-month peak on Friday, the Bangladesh Petroleum Corporation (BPC) seems able to absorb it for now, relieving the government of any immediate pressure for price hike.

<https://www.tbsnews.net/bangladesh/energy/fuel-price-hike-unlikely-polls-despite-imfs-sep-deadline-693574>

Construction materials industry thriving on mega projects

- The construction materials industry of Bangladesh has registered massive growth over the past decade as some mega projects are providing ample opportunity for capacity building and ensuring world-class products, according to industry insiders. Local companies need to ensure quality products as well as display sufficient production capacity and operational efficiency to participate with international firms in implementing mega projects, they said.
- At present, the government is implementing around a dozen mega projects using locally made construction materials instead of imported alternatives. For example, at least 10 local companies are contributing materials, such as cement, steel and paint, for constructing the country's first elevated expressway in Dhaka.

<https://www.thedailystar.net/business/economy/news/construction-materials-industry-thriving-mega-projects-3409641>

Banks move away from multiple exchange rates

- Banks in Bangladesh have decided to enforce a uniform exchange rate of the US dollar from next week with a view to moving away from multiple prices of the American greenback blamed for the ongoing foreign currency instability. The move is part of the central bank's effort to embrace a market-based exchange rate in line with the conditions attached to the International Monetary Fund's USD 4.5 Bn loan.
- Yesterday, banks decided to buy the US dollar at BDT 109.50 and sell them at BDT 110 from the first working day of next week. The Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers, Bangladesh (ABB) fixed the single exchange rate during a virtual meeting, which was attended by the leaders of the two associations.

<https://www.thedailystar.net/business/economy/news/banks-move-away-multiple-exchange-rates-3408236>

Packaging industry bears the brunt of slowdown in other sectors

- The growth of the country's packaging industry is in a slow lane due to the persisting economic uncertainty and the impacts of the price hike of the US dollar, gas and electricity, according to industry people. The packaging industry is a backward linkage sector and relies on sectors such as food-processing and readymade garments. As a result, the industry has been in trouble for the past 18 months owing to the slowdown that has hit the overall economy. The sector expanded at an annual pace of 10% to 12% from 2000 to 2010 while at around 20% in the decade before the coronavirus pandemic struck.

<https://www.thedailystar.net/business/economy/news/packaging-industry-bears-the-brunt-slowdown-other-sectors-3408251>

Sonali top among state banks

- For a third consecutive year Sonali Bank PLC has topped the chart among state-owned commercial banks under Financial Institutions Division in implementing its annual performance agreement (APA) in fiscal year 2022-23. Maksuma Akter Banu, joint secretary to Financial Institutions Division alongside the APA focal point, issued a signed memo in this regard, said a press release.

<https://www.thedailystar.net/business/economy/banks/news/sonali-top-among-state-banks-3408126>

Reserves to slip below USD 22 Bn after ACU payment next week

- The country's foreign exchange reserves are set to slip below USD 22 Bn after clearing the import bills of USD 1.2 Bn with the Asian Clearing Union (ACU) next week, according to Bangladesh Bank sources. The reserves stood at USD 23.06 Bn as of 30 August. As such, it will be slightly more than USD 21.86 Bn after the import bill payment.
- The ACU payment for the July-August period is expected to be USD 100 Mn higher than the previous two months and will be cleared on Monday, according to a senior official at the central bank. "Although the country's overall imports decreased during the period, the imports from Asian countries were on an upward trend," he added.

<https://www.tbsnews.net/economy/reserves-slip-below-22b-after-acu-payment-next-week-692774>

Revenue revamp bid expands tax-return scope

- All types of funds, including provident ones, will be required return submission with audited financial statements by November 30 on their incomes for the fiscal year 2022-23. The new Income Tax Act has made tax-return submission mandatory for private companies' employee funds, including recognized provident fund, approved gratuity fund and superannuation fund.

<https://thefinancialexpress.com.bd/economy/bangladesh/revenue-revamp-bid-expands-tax-return-scope>

Govt bank borrowing goes ballooning

- Government bank borrowing this fiscal also goes ballooning as the amounts for the first two months doubled to BDT 750.24 Bn compared to the corresponding period in 2022-23, stoking inflation fears. The gross bank borrowings in the past two months, thus, marked a 99.4% rise from the gross figures of the July-August 2022 period, according to the central bank's treasury statistics. In the meantime, the government issued a debt calendar for borrowing from the banking system for this month (September 2023) worth BDT 320.5 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-bank-borrowing-goes-ballooning>

Bangladesh can export USD 500 Mn flowers a year: minister

- Bangladesh can earn USD 500 Mn a year by exporting flowers thanks to its increasing demand both at home and abroad, Agriculture Minister Muhammad Abdur Razzaque said. "Around USD 36 Bn worth of flowers are sold worldwide every year and Bangladesh has the potential to capture USD 500 Mn sales of the global flower market."

<https://www.thedailystar.net/business/news/bangladesh-can-export-500-million-flowers-year-minister-3409311>

FDI inflow on perilously prolonged fall

- Foreign direct investment in Bangladesh has been on a prolonged slowdown with worrisome macroeconomic implications notwithstanding consistent high economic growth in past decades, an economic study shows. The economic growth-FDI paradox is presented in a report on the study, titled 'Expanding private investment in Bangladesh in the context of LDC graduation', which has been submitted to finance ministry.
- A copy of the report on the study, conducted by an economic think-tank, is obtained by the FE, which points out that since 1972 and until 2005, net FDI flow into Bangladesh always remained less than 1.0% of gross domestic product (GDP). And between 2005 and 2015, there had been a gradual, but slight, rise in the net inflows with a peak at 1.74% in 2013.

<https://thefinancialexpress.com.bd/economy/bangladesh/fdi-inflow-on-perilously-prolonged-fall>

Major currencies getting stronger against taka

- Almost all major foreign currencies like the European Union's euro, British pound sterling, Chinese renminbi, Japanese yen and Indian rupee are following in the footsteps of the US dollar in becoming stronger against the local currency. The inter-bank selling rate for each US dollar stood at BDT 109.50 last Thursday, up from BDT 95 exactly a year back. For each euro, it was BDT 119.66, up from BDT 95.15 in the previous year.

- Till July of this year, the Swiss franc made the highest appreciation of 28.25% year-on-year against the taka. It was followed by the euro (25.54%), pound sterling (24.4%), Saudi riyal (15.96%), US dollar (15.83%), Australian dollar (13.82%), Indian rupee (11.86%), yen (11.59%) and renminbi (8.89%).

<https://www.thedailystar.net/business/economy/news/major-currencies-getting-stronger-against-taka-3409621>

'No more infrastructure on triple-cropping lands'

- The proposed Land Reform Bill 2022 will prohibit building of any infrastructure on triple-cropping lands, Land Minister Saifuzzaman Chowdhury said today. "The cabinet has already given go-ahead to the Land Reform Bill 2022 and the land ministry will now present the bill in the next parliamentary session in October."
- The proposed bill will also not allow anyone to have over 60 bighas of land under single ownership, he said. The minister made the comments today at a seminar on "Decentralisation of Dhaka and sustainable urbanisation in Bangladesh" organised by the Dhaka Chamber of Commerce and Industry (DCCI) at its auditorium in the capital.

<https://www.thedailystar.net/business/news/no-more-infrastructure-triple-cropping-lands-3409341>

Most NBFIs struggling, but a few shining

- The non-bank financial institution (NBFI) sector in Bangladesh has been struggling with a huge amount of non-performing loans, a liquidity crisis, and an extreme squeeze in the NBFIs' net interest margin in recent quarters. A significant portion of the blame can be attributed to non-compliant firms that sunk due to non-compliance and embezzlement.
- However, some top-tier firms having better corporate governance, winning strategies, and the financial strengths to weather tough times, clearly stood apart from their mediocre competitors and also to show a contrasting picture of the devastated NBFIs that were struggling to pay back depositors. For instance, at the end of the challenging year 2022, publicly traded NBFIs' average non-performing loans (NPLs) ratio skyrocketed to nearly 24% due to some extreme figures such as 89% bad loans of scam-hit International Leasing.

<https://www.tbsnews.net/economy/most-nbfis-struggling-few-shining-693562>

Zaved Akhtar, new chairman of Unilever Bangladesh

- Zaved Akhtar has been unanimously elected as the chairman of the board of directors of Unilever Bangladesh Ltd, the country's leading fast moving consumer goods company, with effect from August 28 this year. The decision came from the company's 194th board meeting held on August 27.

- The current CEO and managing director of the company, Akhtar will succeed Kedar Lele, who has served UBL as chairman since 2020. Akhtar will continue to lead the Bangladesh business as managing director while assuming his new role as chairman of the six-decade-old company, Unilever said in a statement today.

<https://www.thedailystar.net/business/news/zaved-akhtar-new-chairman-unilever-bangladesh-3407766>

Important News: Capital Market

EXCHANGE | BSEC finalising rules to set up commodity exchange

- The Bangladesh Securities and Exchange Commission (BSEC) is finalising a draft of rules regarding the commodity exchange on availing opinions from stakeholders with hopes that the first-ever exchange can be launched within a couple of months. A commodities exchange is a legal entity that determines and enforces rules and procedures for trading standardised commodity contracts and related investment products.
- According to experts, a commodity exchange allows farmers to lock in prices using forward contracting. This also reduces the risk of a drastic price drop and squeezes out uneven ups and downs of commodity prices in the country. Last month the stock market regulator received public opinion on a draft of the Bangladesh Securities and Exchange Commission (Commodity Exchange) Rules, 2023.

<https://www.thedailystar.net/business/economy/stock/news/bsec-finalising-rules-set-commodity-exchange-3412061>

LEGACYFOOT | Nearly BDT 200 Mn of Legacy Footwear's loan waived

- Publicly listed Legacy Footwear, which had borrowed BDT 315.9 Mn from Rupali Bank, has secured a waiver of BDT 199.3 Mn of that loan. The manufacturer of leather shoes will now have to pay only BDT 116.6 Mn for the final settlement of the entire loan.
- According to officials at Legacy Footwear, the remaining amount will be paid from the fund that will be raised through the issuance of new ordinary shares to increase the company's paid-up capital. Md Abdul Baten Bhuiyan, company secretary at Legacy Footwear told the Business Standard, "We got a loan waiver from the bank. Now, we will have to pay only the remaining amount."

<https://www.tbsnews.net/economy/stocks/nearly-tk20cr-legacy-footwears-loan-waived-696118>

MTB | Mahmood becomes AMD of Mutual Trust Bank

- Mutual Trust Bank Ltd has promoted a deputy managing director to the post of additional managing director with effect from September 1 this year. The promotee, Md Khalid Mahmood Khan, will also be serving the bank as a chief business officer concurrently, said a press release. Khan embarked on his banking career with Agrani Bank Limited as a probationary officer in 1994.

- He has 29 years of front-line banking experience in relationship management of diverse customer segments i.e. corporate, financial institutions, local corporate, and SME and retail, and practical knowledge in lending, recovery, international trade, foreign exchange, and general banking.

<https://www.thedailystar.net/business/economy/banks/news/mahmood-becomes-amd-mutual-trust-bank-3411941>

RENATA | Renata to avail 'Cash Pickup' service of bKash

- Renata Ltd, a pharmaceutical manufacturer of Bangladesh, recently signed a deal with bKash to use its business-to-business (B2B) "Cash Pickup" solution at 19 distribution depots across the country. Ali Ahmmed, chief commercial officer of the mobile financial service (MFS) provider, and Mustafa Alim Aolad, chief financial officer of the pharmaceutical company, inked the agreement at the latter's head office in Dhaka, said a press release.

<https://www.thedailystar.net/business/economy/news/renata-avail-cash-pickup-service-bkash-3411951>

TRUSTBANK | Trust Bank, Astra Airways sign MoU

- Trust Bank Ltd and Astra Airways Ltd have signed a memorandum of understanding (MoU) at the bank's head office in Dhaka on Monday. Md Mostafa Musharrof, head of card division at the bank, and Md Mozammel Haque Bhuiya, head of marketing at Astra Airways, inked the MoU, said a press release.
- Under the MoU, the bank's debit and credit cardholders will be able to avail 10% discount on base fare on domestic routes' ticket purchase from Astra Airways. Ahsan Zaman Chowdhury, deputy managing director and chief business officer of the bank, along with other officials from both organisations were present.

<https://www.thedailystar.net/business/economy/banks/news/trust-bank-astra-airways-sign-mou-3411946>

ABBANK | AB Bank signs MoU with Trinamul Nari Uddokta Society

- AB Bank Ltd signed an agreement with Trinamul Nari Uddokta Society at the bank's head office in Dhaka on Tuesday. Under this agreement, the bank will provide training to the women entrepreneurs and provide them loan facilities on easy terms and conditions. Iftekhar Enam Awal, head of corporate and SME of the bank, and Himangshu Mitra, chief executive officer of the society, inked the deal, said a press release.

<https://www.thedailystar.net/business/economy/banks/news/ab-bank-signs-mou-trinamul-nari-uddokta-society-3412831>

PRIMEBANK | Prime Bank inks deal with Star Tech

- Prime Bank signed an agreement with Star Tech Ltd, a computer and tech retailer in the country, at the former's head office in Dhaka recently. Under this agreement, the bank's credit cardholders will enjoy equal monthly instalment facility of up to 12 months at 0% interest. Moreover, new credit cardholders will enjoy discounts of up to 15% on online purchases from the tech retail company. Nazeem A Choudhury, deputy managing director of the bank, and Sheikh Shohel Akhter, assistant general manager (finance and accounts) of the tech retailer, signed the deal, said a press release.

<https://www.thedailystar.net/business/economy/banks/news/prime-bank-inks-deal-star-tech-3412816>

BATBC | NBR forms committee to inquire into BDT 20.54 Bn tax waiver to BAT

- The National Board of Revenue (NBR) has formed a six-member committee to inquire into the BDT 20.54 Bn tax waiver granted to British American Tobacco Bangladesh Company (BATBC) by the large taxpayers unit (LTU-VAT), according to an NBR document. NBR sources said due process of law was not followed when LTU-VAT on 19 August 2021 granted the tax waiver and such a large amount of revenue waiver has never happened before.
- Besides, the decision was taken despite mixed opinions emerging from a seven-member committee, they said. The new committee, formed on 14 August, has been asked to review the legality of supplementary duty and value-added tax waiver to BATBC and submit a self-contained report within 30 working days with a thorough judicial analysis of the matter.

<https://www.tbsnews.net/economy/nbr-forms-committee-inquire-tk2504cr-tax-waiver-batbc-695034>

NORTHERN | DSE inspection team finds Northern Jute deserted, locked

- An inspection team of the Dhaka Stock Exchange (DSE) found Northern Jute Manufacturing Company's factory shut in a recent visit. They went to the BSCIC Industrial Estate in Kushtia, where the company is located, to examine its operational status. But they could not enter the factory premises and perform any inspection, according to a stock exchange filing on Tuesday.
- It is suspected that the organisation has remained closed for more than three years since it has disclosed no financial data for the period. The DSE last month separated out 42 companies, including Northern Jute, for inspection of physical entities for their failure to meet one or more regulatory obligations - holding annual general meetings, giving out dividends as declared, or paying listing fees.

<https://thefinancialexpress.com.bd/stock/bangladesh/dse-inspection-team-finds-northern-jute- locked>

EXCHANGE | Pran-RFL concern raises BDT 3 Bn thru sukuk

- Banga Building Materials Limited (BBML), a concern of Pran-RFL Group, has raised BDT 3 Bn issuing sukuk bonds to repair existing machinery and procure new ones. The sukuk was issued to banks of Bangladesh, with City Bank Capital serving as the arranger and issue adviser, according to a press release.
- The closing ceremony for the sukuk took place at Radisson Blu Dhaka Water Garden yesterday. Addressing the event, Prof Shibli Rubayat UI Islam, chairman of the Bangladesh Securities and Exchange Commission, laid emphasis on fixed income securities and Islamic instruments in supporting the country's infrastructure development.

<https://www.thedailystar.net/business/economy/news/pran-rfl-concern-raises-tk-300cr-thru-sukuk-3411901>

EXCHANGE | FM Plastic withdraws SME board listing application

- FM Plastic Industries PLC has withdrawn its application for a qualified investor offer (QIO), as the company now plans to arrange funds for business expansion from other sources, according to an official at the issue manager. The company wrote late last month to the Bangladesh Securities and Exchange Commission (BSEC) seeking to withdraw from the QIO, according to a BSEC official.

<https://www.tbsnews.net/economy/stocks/fm-plastic-withdraws-sme-board-listing-application-696110>

EXCHANGE | Launch of maiden exchange traded fund expected by December

- The Bangladesh capital market awaits its first ever exchange traded fund (ETF) by the end of this year, according to officials of the Dhaka Stock Exchange (DSE) and LankaBangla Asset Management Company which is going to manage the maiden ETF "LB Multi Asset Income ETF". LankaBangla Asset Management Company, at its corporate office in the capital on Monday, has signed the trust deed with the trustee Bangladesh General Insurance Company (BGIC) to launch the new investment vehicle.
- According to the regulatory approval letter issued in December last year, the BDT 1 Bn ETF will be an actively managed one. That means the asset manager will choose portfolio scrips and investment allocation based on its discretion in compliance with the regulations. On the other hand, passively managed ETFs simply mimic an index to build a portfolio in terms of both the constituent scrips and portfolio weight.

<https://www.tbsnews.net/economy/stocks/launch-maiden-exchange-traded-fund-expected-december-694786>

PUBALIBANK | Trouser Line buys 2 Mn shares of Pubali Bank

- Trouser Line Limited has bought 2 Mn shares of Pubali Bank through the Dhaka Stock Exchange (DSE). Currently, the apparel company's Managing Director Rana Laila Hafiz holds the director position in the bank's board. Earlier, on 20 June, Trouser Line had declared to buy the bank's shares on the stock exchange. In the early session on Monday, Pubali Bank shares were traded at BDT 27.40 each, which was 0.36% lower than the opening price.

<https://www.tbsnews.net/economy/stocks/trouser-line-buys-20-lakh-shares-pubali-bank-694198>

BRACBANK | Indenting agents' assoc to avail Brac Bank services

- Brac Bank Ltd signed a memorandum of understanding with Bangladesh Indenting Agents' Association (BIAA) yesterday to provide comprehensive banking solutions tailored for over 1,500 member firms of the association. Tareq Refat Ullah Khan, deputy managing director and head of corporate banking of the bank, and Md Nuruzzaman, president of the BIAA, inked the deal at the former's head office in Dhaka, said a press release.

<https://www.thedailystar.net/business/economy/banks/news/indenting-agents-assoc-avail-brac-bank-services-3411126>

SEAPEARL | Sea Pearl Beach Resort subjected to probe into price volatility

- The stock market regulator has formed a two-member committee to find out any possible price manipulation of shares of the travel & leisure sector company --- Sea Pearl Beach Resort & Spa. The Bangladesh Securities and Exchange Commission (BSEC) seeks to learn if any individual, stock broker, stock dealer, institution or any insider of the company were involved in price manipulation of the stock. In an order issued on August 23, the committee was asked to submit a report on its findings to the BSEC within 60 working days.

<https://thefinancialexpress.com.bd/stock/bangladesh/sea-pearl-beach-resort-subjected-to-probe-into-price-volatility>

RUPALIINS | Rupali Insurance's alleged use of dead director's shares as collateral prompts regulatory probe

- The securities regulator has been probing into the allegation that Rupali Insurance kept a deceased director's shares as guarantee while taking out a loan from another listed non-bank financial institution. The loan was allegedly secured from Uttara Finance & Investment, using shares of Md Nazim Uddin Khan, a sponsor-director of Rupali Insurance, as collateral three years after his death in 2012. The matter drew attention after a report was published on this by an online financial news portal in May this year.

<https://thefinancialexpress.com.bd/stock/bangladesh/rupali-insurances-alleged-use-of-dead-directors-shares-as-collateral-prompts-regulatory-probe>

FUWANGFOOD | No undisclosed price sensitive info behind share price jump: Fu-Wang tells DSE

- In response to the Dhaka Stock Exchange's (DSE's) inquiry about the sharp increase in Fu-Wang Foods' share price in recent days, the company yesterday said there was no undisclosed price sensitive information behind the price hike. According to the DSE data, Fu-Wang Foods' stock price jumped by 61% in 15 trading days, from BDT 25.9 on 14 August to BDT 41.6 each on 4 September.

- Market insiders said Fu-Wang's share price started soaring after Minori Bangladesh – a subsidiary of the Japanese farming company Minori Co Ltd – started operating the company following an acquisition of the shares held by its sponsor-directors. Minori Bangladesh has also gained the ownership of Emerald Oil Industries, which resumed operation in January 2022 after remaining closed for around five years. The share price of Emerald Oil jumped from BDT 30.8 on 2 April to BDT 168.6 each on 4 September this year.

<https://www.tbsnews.net/economy/stocks/no-undisclosed-price-sensitive-info-behind-share-price-jump-fu-wang-tells-dse-694810>

PRAGATILIF | Pragati Life Ins settles BDT 1900 Mn claims in H1

- Pragati Life Insurance has settled BDT 1896.8 Mn claims in the first half of 2023, an increase of 25.92% from the same period last year. The company settled a total of 60,152 claims in the first half of the current year, including death claims, maturity claims, medical claims and other insurance benefits. In 2022, the insurer settled BDT 3157.5 Mn claims with a claim settlement ratio of 98%, meaning that the company paid out 98% of all claims that were filed in 2022.

<https://www.thedailystar.net/business/economy/news/pragati-life-ins-settles-tk-190cr-claims-h1-3410366>

STANDBANKL | Standard Bank launches four deposit products

- Standard Bank has recently launched four deposit schemes to meet the growing customers' demand and expand its range of services. The four deposit products, which will be operated in complete compliance with shariah, are: Nobabi -- Mudaraba Millionaire Plus, Ameer -- Mudaraba Kotipoti Plus, Sohojei Digun -- Mudaraba Double Scheme and Uparjon -- Mudaraba Monthly Income.

<https://www.thedailystar.net/business/economy/banks/news/standard-bank-launches-four-deposit-products-3410371>

EXCHANGE | BSEC to go tough to ensure 30% shareholding by owners

- The companies that fail to comply with maintaining a minimum 30% shareholding of paid-up capital by sponsors and directors have to submit a comprehensive plan to the Bangladesh Securities and Exchange Commission (BSEC) by 30 September. In its instructions issued for stock exchanges, the regulator has also said that at least two additional independent directors will have to be appointed to the companies subject to the approval of the commission within 15 days.

<https://www.tbsnews.net/economy/stocks/bsec-go-tough-ensure-30-shareholding-owners-694110>

EXCHANGE | Investors barely show interest in bank, NBFIs stocks

- Investors are hardly showing any interest to buy stocks of banks mainly due to the sector's key indicators portraying a gloomy outlook. Moreover, manipulation is a big draw for investors here. With a higher free float of banking stocks than what companies have on an average, there is little scope for manipulation. As a result, stocks of eight banks have remained below their face-value of BDT 10 for the last couple of months amidst the scarcity of buyers.
- The intrinsic value is low for two reasons, one of which is for banks not being able to generate required cash flow for non-performing loans (NPLs) being too big, said Prof Mohammad Musa, a stock market analyst. The other is that investors believe the banks and NBFIs are not adequately keeping provision, for which their income may not prevail for long, he added.

<https://www.thedailystar.net/business/economy/news/investors-barely-show-interest-bank-nbfi-stocks-3410436>

BERGERPBL | Berger now eyes fresh shares for public shareholders

- Berger Paints Bangladesh now considers issuing fresh shares to increase public shareholding by 5% to maintain regulatory requirements of a minimum of 10%. In a letter to the Bangladesh Securities and Exchange Commission (BSEC) earlier this month, the company requested a regulatory exemption to issue right shares among public shareholders, excluding sponsor-directors.
- The letter, which was seen by The Business Standard, also sought approval from the market regulator to allocate 15% of the intended new shares for its employees. The paint maker had previously tried to comply with the 2021 regulatory order by selling 5% of its current shares held by its sponsor-directors through block transactions on the Dhaka and Chattogram stock exchanges.

<https://www.tbsnews.net/economy/stocks/berger-now-eyes-fresh-shares-public-shareholders-693542>

BRACBANK | Brac Bank gets award as a top sustainable bank

- Brac Bank has been awarded as one of the top sustainable banks in the country by the Bangladesh Bank in its "Sustainability Rating of 2022". The bank achieved this recognition for the third consecutive year, said a press release. Tareq Refat Ullah Khan, deputy managing director and head of corporate banking at the bank, received the award from Abdur Rouf Talukder, governor of the central bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday.

<https://www.thedailystar.net/business/economy/banks/news/brac-bank-gets-award-top-sustainable-bank-3408171>

BANKASIA | Bank Asia launches service for low value cross-border payment

- Bank Asia Limited has launched a "Swift Go" service through JPMorgan Chase Bank, NA to facilitate low value (up to USD10,000) cross-border payments for small and medium enterprises. The Society for Worldwide Interbank Financial Telecommunication (SWIFT) has introduced this service for easy as well as direct transfer of payment within four hours (maximum) of the same day with detailed tracking of receipt and payment by the beneficiary and payee.

<https://www.thedailystar.net/business/economy/banks/news/bank-asia-launches-service-low-value-cross-border-payment-3409546>

TRUSTBANK | Trust Bank top lender in BB sustainability rating

- Trust Bank has been recognised as one of the top seven banks in the "Sustainability Rating 2022" by the Bangladesh Bank. Humaira Azam, managing director and CEO of the bank, received an award from Abdur Rouf Talukder, governor of the central bank, at the latter's headquarters in Motijheel, Dhaka on Tuesday, said a press release. Among others, Nurun Nahar, deputy governor of the BB, Md Khurshid Alam, executive director, Chowdhury Liakat Ali, director of sustainable finance department, and Akhlasur Rahman Bhuiyan, deputy managing director and CRO of Trust Bank, were present.

<https://www.thedailystar.net/business/economy/banks/news/trust-bank-top-lender-bb-sustainability-rating-3408141>

WALTONHIL | Walton's sponsor director to offload 25,000 shares

- Walton Hi-Tech Industries Ltd's sponsor director SM Ashraful Alam has announced to sell 25,000 of the company's shares in the secondary market to increase free float shares as per the directives from the securities regulator. Free float, also known as public float, refers to the shares of a company that can be publicly traded without prior declaration.

- According to the company's disclosure on the Dhaka Stock Exchange (DSE) website on Thursday, Alam will sell the shares at prevailing market price in the block market through DSE within 30 working days. Currently, Walton's free float shares at the DSE are 1% of its total shares. SM Ashraful Alam currently holds 65,881,643 shares of the company.

<https://www.tbsnews.net/economy/stocks/waltons-sponsor-director-offload-25000-shares-692562>

HIMADRI, YUSUFLOUR | Himadri, Yousuf Flour beat most of expensive stocks on main board

- Two SME stocks --- Himadri and Yousuf Flour Mills -- have become second and third most expensive stocks on the Dhaka Stock Exchange (DSE) without any justified reasons. That means the money injected into the stocks would hardly have any scope of creating value for investors. Himadri, which operates six potato cold storages in the northern part of the country, reported a remarkable 68% year-on-year surge in profit to BDT 37.95 Mn for July-December 2022. It is yet to disclose financial figures for the January-June period of FY23.

<https://thefinancialexpress.com.bd/stock/bangladesh/himadri-yousuf-flour-beat-most-of-expensive-stocks-on-main-board>

PREMIERLEA | Premier Leasing suffers loss of BDT 2.12 Bn in 2022

- Premier Leasing & Finance, a third-generation financial institution, suffered a loss of BDT 2.12 Bn in 2022, because of its adjustment of provision shortfall since 2015. The non-bank financial institution is suffering losses for the past three years since 2020 and cumulative losses piling up to BDT 4.93 Bn, as per the data available on the Dhaka Stock Exchange. The company reported a loss of BDT 15.97 per share in 2022 as against loss of BDT 18.18 in 2021, according to a stock exchange filing on Thursday.

<https://thefinancialexpress.com.bd/stock/bangladesh/premier-leasing-suffers-loss-of-tk-212b-in-2022>

KEYACOSMET | Keya Cosmetics seeks High Court nod to hold pending AGMs

- Keya Cosmetics Limited has requested permission from the High Court to convene its annual general meetings (AGMs) for fiscal years 2020-21 and 2021-22. When a company fails to hold an AGM within the stipulated time, capital market rules will necessitate High Court approval to proceed with the pending meeting at a later date.

<https://www.tbsnews.net/economy/stocks/keya-cosmetics-seeks-high-court-nod-hold-pending-agms-693538>

EXCHANGE | DSE asked to explain non-payment of claims from Investor Protection Fund

- The securities regulator has sought explanations from the Dhaka Stock Exchange (DSE) about why the bourse has still not paid the claims of the defrauded investors from the DSE Investor Protection Fund. On 28 August, the Bangladesh Securities and Exchange Commission (BSEC) asked the Dhaka bourse to submit detailed documents about the protection fund within ten working days.

- Earlier, four brokerage firms — Tamha Securities, Crest Securities, Banco Securities, and Shah Mohammad Sagir & Company — embezzled investors' money from their beneficiary owner (BO) accounts. Therefore, the BSEC decided to settle the claims of the defrauded customers of these brokerage houses with the money available in the protection fund.

<https://www.tbsnews.net/economy/stocks/dse-asked-explain-non-payment-claims-investor-protection-fund-692566>

EXCHANGE | Cenbank excludes bonds, debentures, Islamic securities from banks' capital market exposure

- From now on, banks' investments in bonds, debentures, and Shariah-based securities will not be counted as parts of their capital market exposure, according to a circular issued by the Bangladesh Bank yesterday. The recent measure will increase the banks' capacity to invest in the capital market within the exposure limit, said market insiders who have been demanding such a facility for a long time.
- The central bank issued the circular in this regard after the amended Bank Companies Act excluded bonds, debentures, and Shariah-based investment instruments from the capital market exposure limit this year. Sayadur Rahman, president of the Bangladesh Merchant Bankers Association, said, "A bank's investment in non-listed instruments was not counted as part of its capital market exposure. Only investments in listed instruments were within this exposure limit."

<https://www.tbsnews.net/economy/stocks/cenbank-excludes-bonds-debentures-islamic-securities-banks-capital-market-exposure>

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