

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.08%) lost -5.05 points and closed the week at 6,302.03 points. The blue-chip index DS30 (-0.12%) lost -2.53 points and stood at 2,134.57 points. The Shariah-based index DSES (-0.63%) lost -8.61 points and stood at 1,360.58 points. The large cap index CDSET (-0.20%) lost -2.38 points and closed at 1,206.76 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.53%, -2.77%, +0.13%, -0.63%, respectively.

Total Turnover During the Week (DSE): BDT 28.6 billion (USD 260 million)

Average Daily Turnover Value (ADTV): BDT 5.7 billion (Δ% Week: -12.6%)

Market P/E: 18.5x

Daily Index Movement during the Week

The market performed five sessions during this week. The market started on a negative note (-0.34%) on Sunday and stayed negative on Monday (-0.03%). However, the market reverted to positive on Tuesday (+0.27%) and remained positive on Wednesday (+0.07%). Finally, the market closed on a negative note on Thursday (-0.05%).

Sectoral Performance

- Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 7.89% followed by Life Insurance (+0.58%). Mutual Fund experienced the highest loss of 0.15% followed by Bank (-0.15%), NBFi (-0.05%).
- All the non-financial sectors registered negative performance this week. Food & Allied experienced the highest loss of 0.68% followed by Pharmaceutical (-0.45%), Engineering (-0.21%), Fuel & Power (0.00%), and Telecommunication (0.00%).

Macroeconomic arena

• RMG exports to US up by 2.95% this July-August compared to last year: EPB report. Bangladesh to become 3rd largest global market after UK, Germany: PM Hasina. Bangladesh Bank relaxes rules for EFPF loan payment. Govt to import 0.3 Mn tonnes of wheat from Russia. Bangladesh's average import tariffs higher than in most countries. TCB starts selling four essentials at subsidised rate. Bangladesh apparel faces USD 27 Bn export hit from extreme weather by 2030: Study. Dollar 'vanishes' even from kerb market. A sudden surge in orders to test RMG, textile sectors' capacity. MFS transaction decreased by BDT 340 Bn in July: BB. Bangladesh to get USD 1 Bn from global climate fund: PM. Chinese assistance sought in infrastructure development. Shipbuilders get more time to regularise defaulted loans. Financial acc deficit widens by USD 829 Mn in July despite narrowing trade deficit. 4-year BSCIC project now entering 14th year. BB feeding funds to banks thru repo, liquidity support, IBLF. Digital dilemmas complicate online reg for e-commerce startups.

• Janata's great leniency to an errant client. Bangladesh's RMG export potential to EU USD 60 Bn by 2030. BDT 42.82 Bn project for developing Mongla Port. ADB sees strides in utilising funds, challenges too. 63 years of unpaid rents get in way of Ctg custom reconstruction. How is life when inflation outpaces wage growth. Online pharmacy MedEasy raises USD 750,000. Anti-harassment committees inactive in apparel industry: Study shows. Nagad hikes cash-out charges, adds new fees. Japan keen to increase investment in Bangladesh. Deposit outflow reverses course back into banks. Tech park opens in Netrokona. Feature phone production doubles in July. Solve land lease issues, gas crisis for further investment: Chinese entrepreneurs. Facilitate vision for motorcycle exports. NBR moves to cut taxes on land, flat registration. Hike in bank interest rates likely. Apparel shipment to US plunges 20% in Jan-Jul. Buyer's credit contracts, cuts industrial output.

Stock Market arena

• ALARABANK | AIBL pens deal with Bangladesh Bank. PROGRESLIF | BSEC to appoint auditor to look into Progressive Life Insurance 'anomalies'. RINGSHINE | Ring Shine raises red flag on stake acquisition by Wise Star and five other cos. BDLAMPS | Bangladesh Lamps to make plastic parts for tube lights. BXPHERMA | Beximco Pharma faces EU export restrictions on ophthalmic plant's design concerns. LEGACYFOOT | Legacy Footwear issues new shares at 11x lower rate than market price. EASTERNINS | Commercial Bank of Ceylon allowed to seize Eastern Insurance directors' shares. DHAKABANK | Mirza Abbas to gift 13 Mn Dhaka Bank shares to his son. PLFSL | Troubled NBFi People's Leasing calls AGM after six years. RENATA | Renata to launch Parkinson's drug in Germany in widening footprint in EU. SUMITPOWER | Summit partners with Indian company to improve rail logistics. WMSHIPYARD | Western Marine Shipyard put on auction. WALTONHIL | Walton declares 300% cash dividend despite profit dropped over 35%. UNIONCAP | Loss-making Union Capital unable to pay dividends for years. MEGCONMILK, MEGHNAPEP | Two Meghna Group concerns out of operations for a long time.

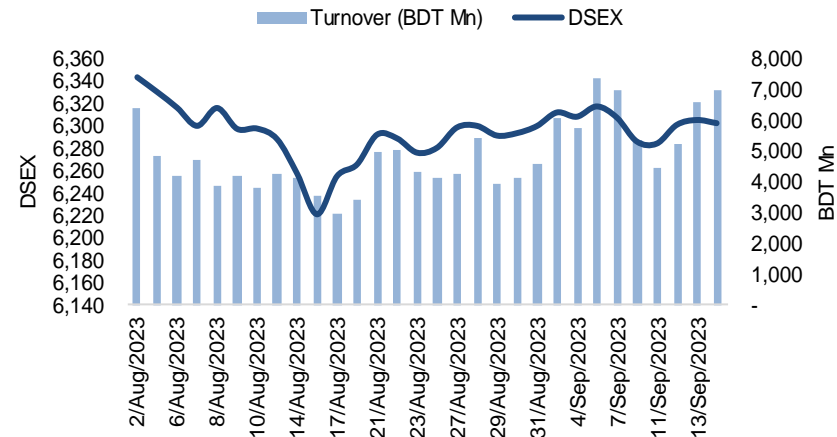
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	29-Dec-2022	Δ% Week	Δ% YTD
DSEX	6,302.03	6,307.08	-5.05	6,206.81	-0.08%	+1.53%
DS30	2,134.57	2,137.10	-2.53	2,195.30	-0.12%	-2.77%
DSES	1,360.58	1,369.19	-8.61	1,358.84	-0.63%	+0.13%
CDSET	1,206.76	1,209.14	-2.38	1,214.42	-0.20%	-0.63%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,759,333	7,764,300	-0.1%
	M n USD	70,539	70,585	
Turnover	M n BDT	28,644	26,228	+9.2%
	M n USD	260	238	
Average Daily Turnover	M n BDT	5,729	6,557	-12.6%
	M n USD	52	60	
Volume	M n Shares	566	538	+5.2%

Figure 1: DSEX & Turnover in last four weeks



Hossain Zaman Towhidi Khan

Senior Research Associate

(880) 1708805224

hztowhidi.khan@bracepl.com

Billal Hossain

Research Associate

(880) 1708805229

billal.hossain@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
CRYSTALINS	99.3	72.5	+37.0%	3,972	577.1	30.6x	4.0x
PARAMOUNT	68.3	52.6	+29.8%	2,777	710.4	45.8x	2.5x
STANDARINS	57.7	47.2	+22.2%	2,498	292.7	24.2x	2.6x
AGRANINS	50.7	43.2	+17.4%	1,610	198.8	25.6x	2.4x
RUPALINS	35.0	30.3	+15.5%	2,683	544.3	35.7x	1.6x
BNICL	67.2	58.4	+15.1%	2,974	428.0	19.2x	2.6x
BGIC	61.0	53.1	+14.9%	3,296	44.9	39.4x	2.9x
MERCINS	40.0	34.9	+14.6%	1,724	113.8	22.1x	1.8x
MEGHNALIFE	84.6	74.4	+13.7%	3,587	844.2	NM	NM
MIRACLEIND	54.2	48.7	+11.3%	1,909	807.0	NM	1.7x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
LEGACYFOOT	94.9	120.8	-21.4%	1,241	444.1	NM	10.6x
FUWANGFOOD	34.0	41.3	-17.7%	3,769	2,105.6	NM	8.6x
KBPPWBIL	21.0	24.9	-15.7%	2,060	335.9	NM	1.8x
CENTRALPHL	11.9	13.3	-10.5%	1,426	91.6	NM	2.1x
KPPL	9.5	10.6	-10.4%	694	25.2	NM	NM
YPL	26.3	29.3	-10.2%	1,938	350.6	NM	4.9x
OAL	10.6	11.8	-10.2%	1,797	75.8	NM	0.9x
EMERALDOIL	150.2	165.1	-9.0%	8,969	311.5	NM	NM
DESHBANDHU	24.6	26.7	-7.9%	1,510	147.1	70.3x	1.3x
OIMEX	19.8	21.4	-7.5%	1,328	26.0	NM	1.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FUWANGFOOD	34.0	41.3	-17.7%	3,769	2,105.6	NM	8.6x
MEGHNALIFE	84.6	74.4	+13.7%	3,587	844.2	NM	NM
CONTININS	53.8	49.1	+9.6%	2,238	838.3	89.7x	2.5x
MIRACLEIND	54.2	48.7	+11.3%	1,909	807.0	NM	1.7x
PARAMOUNT	68.3	52.6	+29.8%	2,777	710.4	45.8x	2.5x
GEMINISEA	785.4	790.0	-0.6%	4,795	703.4	37.4x	30.9x
RUPALILIFE	113.0	112.1	+0.8%	3,392	701.3	NM	NM
EHL	98.5	98.7	-0.2%	9,194	681.3	13.4x	12x
EASTERNINS	69.6	63.2	+10.1%	3,000	676.5	22.5x	1.3x
SEAPEARL	169.9	165.8	+2.5%	20,515	669.5	24.6x	9.8x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	272.1	+51.9%	15,375	34.2x	4.0x
UNIQUEHRL	70.8	+22.7%	20,844	12.4x	0.8x
PIONEERINS	80.9	+18.8%	7,193	14.7x	1.8x
OLYMPIC	145.7	+17.5%	29,131	17.7x	2.9x
UNILEVERCL	2,021.2	+13.5%	38,957	45.1x	22.1x
ADNTEL	125.0	+9.6%	8,081	32.5x	4.5x
BERGERPBL	1,871.5	+8.6%	86,796	28.4x	6.2x
JAMUNAOIL	177.8	+6.3%	19,633	6.5x	0.9x
LHBL	68.7	+6.0%	79,786	13.6x	4.0x
BATASHOE	1,009.0	+6.0%	13,803	26.8x	3.5x

*BDT

**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1445.9	1448.0	1427.09	-0.15%	+1.31%
NBFI	1,917.5	1,918.4	1,927.24	-0.05%	-0.51%
Mutual Fund	827.2	828.4	852.07	-0.15%	-2.92%
General Insurance	4,013.4	3,720.0	3,177.87	+7.89%	+26.29%
Life Insurance	2,679.3	2,663.9	2,492.91	+0.58%	+7.48%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-0.00%
Pharmaceutical	3,706.4	3,723.2	3,754.47	-0.45%	-1.28%
Fuel & Power	1,700.8	1,700.8	1,694.29	-0.00%	+0.39%
Cement	2,552.0	2,566.7	2,319.67	-0.57%	+10.02%
Services & Real Estate	1,861.3	1,841.6	1,782.23	+1.07%	+4.44%
Engineering	4,482.8	4,492.4	4,503.40	-0.21%	-0.46%
Food & Allied	21,478.2	21,625.4	21,247.80	-0.68%	+1.08%
IT	3,069.7	3,119.2	3,004.33	-1.59%	+2.18%
Textile	1,627.2	1,633.3	1,621.87	-0.38%	+0.33%
Paper & Printing	10,563.5	10,673.6	10,388.08	-1.03%	+1.69%
Tannery	3,208.2	3,231.3	3,093.43	-0.71%	+3.71%
Jute	15,821.6	15,994.5	14,850.17	-1.08%	+6.54%
Ceramics	679.9	679.9	704.74	-	-3.52%
Miscellaneous	4,223.4	4,270.2	4,071.46	-1.10%	+3.73%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	70.2	60.8	+15.41%	+13.2%	12.1x	0.7x
NBFI	7.7	9.9	-21.81%	+0.15%	NM	6.9x
Mutual Fund	4.4	8.2	-46.14%	+0.08%	NM	0.7x
General Insurance	1,882.7	1,436.7	+31.04%	+35.53%	21.7x	1.8x
Life Insurance	497.1	330.9	+50.25%	+9.38%	NM	NM
Telecommunication	0.4	0.4	-6.70%	+0.01%	15.6x	4.4x
Pharmaceutical	299.0	396.3	-24.55%	+5.64%	19.2x	2.3x
Fuel & Power	139.2	153.9	-9.56%	+2.63%	23.6x	1.1x
Cement	73.9	113.9	-35.14%	+1.39%	27.0x	2.7x
Services & Real Estate	390.6	576.8	-32.28%	+7.37%	24.5x	12x
Engineering	185.0	317.9	-41.83%	+3.49%	58.4x	1.8x
Food & Allied	781.2	1,074.5	-27.29%	+14.74%	20.0x	7.5x
IT	155.4	271.1	-42.68%	+2.93%	28.2x	2.9x
Textile	226.5	322.0	-29.67%	+4.27%	79.4x	12x
Paper & Printing	135.2	195.9	-30.99%	+2.55%	39.2x	2.0x
Tannery	100.5	129.2	-22.20%	+1.90%	46.3x	3.2x
Jute	19.3	36.2	-46.72%	+0.36%	NM	-1343.6x
Ceramics	0.8	7.4	-89.17%	+0.02%	53.4x	1.9x
Miscellaneous	329.8	456.5	-27.75%	+6.22%	16.2x	1.8x

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

RMG exports to US up by 2.95% this July-August compared to last year: EPB report

- Bangladesh's apparel exports to the United States (US) went up 2.95% in July-August of the current fiscal year compared to the same period of the previous fiscal year, according to statistics released by the Export Promotion Bureau (EPB). During the period, the RMG exports to the US increased from USD 1.42 Bn to USD 1.46 Bn, Bangladesh Garment Manufacturers and Exporters Association Director Mohiuddin Rubel said citing the EPB data.

<https://www.tbsnews.net/economy/rmg/rmg-exports-us-295-july-august-compared-last-year-epb-report-699698>

Bangladesh to become 3rd largest global market after UK, Germany: PM Hasina

- Prime Minister Sheikh Hasina has invited investors from the Commonwealth countries to come to Bangladesh in a bigger way. "Geographically, Bangladesh is at the centre of a market of 3 Bn people. We have 170 Mn people of our own. By 2030, the affluent population of Bangladesh will stand at 35 Mn. So, Bangladesh will become the third largest market globally, after Germany and the United Kingdom," she said while addressing the two-day "Commonwealth Trade and Investment Forum Bangladesh 2023", reports UNB.

<https://www.tbsnews.net/bangladesh/bangladesh-become-3rd-largest-global-market-after-uk-and-germany-pm-hasina-tells>

Chinese companies launch 'localisation' drive to boost employment

- Chinese companies in Bangladesh have taken an initiative to boost employment for local people in a massive scale, concerned officials said. Disclosing the decision Mr. Ke Changliang, the President of the CEAB told this correspondent that Chinese firms here unveiled a robust 'localisation strategy' in a bid to tap into global expertise. According to CEAB officials, leaders of Chinese business community and Bangladesh-China Alumni also urged overseas Bangladeshi students to return home and contribute to their homeland's development.

<https://thefinancialexpress.com.bd/economy/bangladesh/chinese-companies-launch-localisation-drive-to-boost-employment>

Bangladesh Bank relaxes rules for EFPF loan payment

- The Bangladesh Bank on Wednesday (13 September) relaxed the settlement rules of funds businessmen have taken from the Export Facilitation Pre-finance Fund (EFPF). The central bank has relaxed this rule after businessmen argued for a partial payment opportunity to reduce the interest expense of the fund. From now on, EFPF will be able to pay part or all the money before the expiry of the term if the bank wants.

<https://www.tbsnews.net/economy/banking/bangladesh-bank-relaxes-rules-efpf-loan-payment-700062>

Govt to import 0.3 Mn tonnes of wheat from Russia

- The Cabinet Committee on Government Purchase (CCGP) in a meeting on Wednesday approved 14 proposals including one to import 0.3 Mn tonnes of wheat from Russia. As per the approval, the Food Ministry will import the wheat from the Russian Federation at a cost of BDT 10.329 Bn through the G2G method. Each kg of wheat will cost BDT 33.43.

<https://www.tbsnews.net/bangladesh/govt-import-3-lakh-tonnes-wheat-russia-699938>

Bangladesh's average import tariffs higher than in most countries

- Bangladesh's average nominal tariffs are higher than in low-income, middle-income and high-income countries, as well as most of its comparators, said an economist yesterday. Such a high tariff on imported items raises relative profitability for domestic market-oriented industries compared to exports, discourages production for overseas markets, and acts as a major barrier to export diversification, said Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI).
- The nominal tariff is 27.6% in Bangladesh. It is 22.4% in Sri Lanka, 18.1% in India, 9.7% in Thailand, 9.6% in Vietnam, 5.6% in Malaysia, and 8% in Indonesia.

<https://www.thedailystar.net/business/economy/news/bangladeshs-average-import-tariffs-higher-most-countries-3418386>

TCB starts selling four essentials at subsidised rate

- The state-run Trading Corporation of Bangladesh (TCB) yesterday began selling four essential commodities at a rate lower than the market prices. Under the initiative, 10 Mn family cardholders will get rice, edible oil, lentil and sugar for the month of September, the TCB stated in a press release. The government has taken the initiative to provide these subsidies from taxpayers' money in order to cushion the impact of soaring food and non-food prices on poor and low-income families.

<https://www.thedailystar.net/business/economy/news/tcb-starts-selling-four-essentials-subsidised-rate-3418281>

Bangladesh apparel faces USD 27 Bn export hit from extreme weather by 2030: Study

- Bangladesh's apparel industry may face a USD 26.78 Bn export hit from extreme heat and flooding by 2030 as workers struggle under high temperatures and factories close, according to research by Schroders and Cornell University released on Wednesday.
- The study titled "Higher Ground: How Fashion Supply Chains are Being Impacted by Extreme Heat and Flooding" forecasts that under a climate-adaptive scenario, if the apparel industry moves quickly to reduce heat stress for workers, the country's apparel export earnings could reach USD 122.01 Bn by 2030 and USD 1,038.22 Bn by 2050.

<https://www.tbsnews.net/economy/bangladesh-apparel-faces-27b-export-hit-extreme-weather-2030-study-700178>

Dollar 'vanishes' even from kerb market

- Obtaining cash dollars through banks and authorised money exchangers has become increasingly difficult leaving. In recent days, the kerb market for currencies has witnessed an extraordinary surge with the US dollar rate soaring to a painful BDT 120 in trading.
- Consequently, the pressure has shifted to the card market, as evidenced by the escalating number of transactions, increasing transaction values, and a surge in the issuance of new cards over the past 12 months, as per data from the Bangladesh Bank.

<https://www.tbsnews.net/economy/dollar-vanishes-even-kerb-market-700174>

A sudden surge in orders to test RMG, textile sectors' capacity

- Bangladesh might be the second-largest apparel supplier in the world, but its current installed capacity will not be adequate to meet demand if orders surge significantly as buyers shift away from countries such as China and Vietnam. Bangladesh's share in the global readymade garment trade more than tripled in the past 17 years: in 2005, the country's share was 2.5% but it rocketed to 7.9% last year.
- And local suppliers say Bangladesh's share would grow in the coming years, a prospect that might bode well for the country's largest foreign exchange earning sector but it could also bring about one of the stiffest challenges for the sector as well.

<https://www.thedailystar.net/business/economy/news/sudden-surge-orders-test-rmg-textile-sectors-capacity-3418311>

MFS transaction decreased by BDT 340 Bn in July: BB

- Transaction through mobile financial service (MFS) has decreased by around BDT 340 Bn. The latest statistics on the MFS by the Bangladesh Bank (BB) said BDT 983.07 Bn were transacted in July this year in mobile banking services like bKash, Rocket, Nagad—an amount which was BDT 338.68 Bn less than the previous month of June.

<https://www.tbsnews.net/economy/mfs-transaction-decreased-tk34000-crore-july-bb-700050>

Consumers protest cancellation of 3-day internet packages

- Bangladesh Mobile Consumers Association yesterday demanded the reinstatement of short-term and low-cost internet packages mostly used by low-income and marginal consumers. This comes as the BTRC recently issued a directive, slated to take effect on October 15, discontinuing internet data packages with a tenure of three and 15 days. The move has been met with opposition from both consumers and experts, who believe that it restricts consumer choices and imposes higher costs on grassroots, low-income, and young users.

<https://www.thedailystar.net/business/economy/news/consumers-protest-cancellation-3-day-internet-packages-3418271>

Saudi firm to set up USD 100 Mn data centre in Kaliakoir

- Data centre manufacturing and power generation firm DataVolt of Saudi Arabia has unveiled plans to invest USD 100 Mn (around BDT 10.98 Bn) to establish a cutting-edge data centre in Bangladesh. DataVolt Chief Strategy Officer Ayad Al Amri made the announcement during a bilateral meeting with Zunaid Ahmed Palak, state minister for ICT, at Renaissance Dhaka Gulshan Hotel yesterday. Founded this year, Riyadh-based DataVolt is a subsidiary of Vision Invest, a Saudi Arabian development and investment holding company focused on critical infrastructure.

<https://www.thedailystar.net/business/economy/news/saudi-firm-set-100m-data-centre-kaliakoir-3417431>

Bangladesh receives BDT 40.38 Bn remittance in first week of September

- Bangladesh received BDT 40.38 Bn (USD 368.87 Mn) in remittances during the first week of the current month, according to a recent Bangladesh Bank (BB) report. Of the USD 368.87 Mn, USD 32.08 Mn came through state-owned banks, USD 329.12 Mn via private banks, and 1.76 Mn through foreign banks. In June of this year, Bangladesh received USD 2.2 Bn in remittances, marking the highest foreign income for a single month in the last three years.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-receives-tk-4038b-remittance-in-first-week-of-september>

Bangladesh to get USD 1 Bn from global climate fund: PM

- Bangladesh is set to receive USD 1 Bn financing from the global climate fund, said Prime Minister Sheikh Hasina at the Executive Committee of the National Economic Council (Ecneec) meeting on Tuesday. She directed the Ministry of Environment, Forest and Climate Change to frame projects in coordination with the Delta Plan to avail the fund.
- Planning Minister MA Mannan said the issue of availing USD 1 Bn financing from the climate fund was discussed recently between French President Emmanuel Macron and Prime Minister Sheikh Hasina. He also said the amount will not be provided in a single instalment. Bangladesh will receive this assistance on a project-by-project basis, with individual projects ranging from USD 20 Mn to USD 200 Mn.

<https://www.tbsnews.net/bangladesh/pm-devising-dev-projects-line-delta-plan-avail-financing-climate-fund-699230>

Chinese assistance sought in infrastructure development

- Politicians and policymakers have sought China's assistance in technology transfer and human resource development in Bangladesh, in addition to loan assistance for infrastructure development. Despite the government implementing a remarkable number of mega projects in recent years, Bangladesh is still facing an infrastructure deficit, Planning Minister MA Mannan said at the "10th Anniversary of the Belt and Road Initiative" arranged by the Bangladesh China Silk Road Forum at a hotel in the capital yesterday.

<https://www.tbsnews.net/economy/chinese-assistance-sought-infrastructure-development-699462>

Shipbuilders get more time to regularise defaulted loans

- Shipbuilders have been granted another two and a half months or so to reschedule their defaulted loans through a 2.5% down payment, according to a Bangladesh Bank (BB) notice yesterday. The move comes a couple of days ahead of the expiry of a 90-day deadline set by the central bank in this regard in June. In the June circular, the BB offered rescheduling the loans for a period of 10 years. The central bank's measure comes against the backdrop of some banks putting up some shipbuilding and ship recycling yards for auction to recover loans.

<https://www.thedailystar.net/business/economy/news/shipbuilders-get-more-time-regularise-defaulted-loans-3417446>

If Bangladesh falls into 'middle-income trap, it can't become developed nation by 2041: Salman F Rahman

- Highlighting tremendous success achieved over the last 15 years, Prime Minister's Adviser Salman F Rahman on Tuesday said at a report launching ceremony at a city hotel "If we fall into the middle-income trap, we will not be able to achieve our goal of becoming a developed nation by 2041".
- According to report, Bangladesh needs to modernize its policy approach and it identified five priorities for policy reforms: fostering innovation, managing openness and regional integration, institutional streamlining and modernization of cutting red-tape, and updating the regulatory framework.

<https://www.thedailystar.net/business/economy/news/if-bangladesh-falls-middle-income-trap-it-cant-become-developed-nation-2041-salman-f-rahman-3416986>

Growth relies on better public service, productivity

- Bangladesh needs to provide quality public goods and services, raise productivity and adapt to technological advancement-induced challenges to maintain its growth towards its aim to become an upper-middle-income country, said an economist working for the British government yesterday. Soon to make the status graduation from a least-developed country (LDC), Bangladesh will face a new set of challenges, said Professor Adnan Khan, chief economist and director for Economics and Evaluation Directorate at the Foreign, Commonwealth & Development Office.

<https://www.thedailystar.net/business/economy/news/growth-relies-better-public-service-productivity-3417426>

Bangladesh aligning accounting framework with global standards

- Bangladesh has been making significant strides in aligning its accounting framework with international standards, which is making it easier for investors to understand and engage with public authorities. Experts made the comment at a webinar jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and the Financial Reporting Council (FRC) on Sunday. FRC Bangladesh recently developed guidance and framework for various public enterprises (PEs) and statutory public authorities (SPAs), including local authorities.

<https://www.thedailystar.net/business/economy/news/bangladesh-aligning-accounting-framework-global-standards-3417316>

Deferred LCs hit record USD 1 Bn in July as banks lack dollar

- As the dollar crisis continues, banks are opening more and more LCs on terms of deferred payments. The importers who are now forced to opt for deferred payments for the dollar crisis are counting hefty extra costs for the facility, and yet this is the best option available to them if they have to keep their business running.
- A senior executive of the Bangladesh Bank said, "Deferred payment is an immediate caution for reserve. There is a possibility of reducing the global interest rate in the next six months which will help importers to reduce cost by delaying payment."

<https://www.tbsnews.net/economy/banking/deferred-lcs-hit-record-1b-july-banks-lack-dollar-699490>

Financial acc deficit widens by USD 829 Mn in July despite narrowing trade deficit

- The country's year-on-year trade deficit narrowed by around USD 1.46 Bn in July as exports grew amid restrained imports, but the financial account deficit widened by USD 829 Mn in that month due to fewer foreign loans and investments, according to Bangladesh Bank's monthly balance of payments data.
- The country's trade deficit declined by 48.8% in FY23 to end with a deficit of USD 17.16 Bn, which was USD 33.25 Bn at the end of FY22, data shows. Bankers said the overall trade deficit came down as export earnings saw a slight boost amid decreasing imports for the last one and a half years due to the dollar crisis and various restrictions imposed by the government.

<https://www.tbsnews.net/economy/financial-acc-deficit-widens-829m-july-despite-narrowing-trade-deficit-699482>

4-year BSCIC project now entering 14th year

- A four-year industrial park project undertaken by the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Sirajganj will enter its 14th year of construction due to delays in land acquisition and difficulties in obtaining approval from relevant ministries.
- The Executive Committee of the National Economic Council (EcneC) yesterday approved the project for the fourth time without increasing costs. Previously, the project cost had risen three times during revisions. However, the Implementation Monitoring and Evaluation Division (IMED) asked to complete all remaining works by 2024 and recommended not to extend the deadline further.

<https://www.thedailystar.net/business/economy/news/4-year-bscic-project-now-entering-14th-year1>

BB feeding funds to banks thru repo, liquidity support, IBLF

- Funds are being funneled into the banking system through increased credits under repo, liquidity support and IBLF in the regulator's bid to stem call-money-rate overshooting, sources say. Economists, as such, raise alarm about inflation spikes as Bangladesh Bank's liquidity support to the commercial banks continues rising to a large extent that helps the central bank to keep the interbank call-money rate under the policy rate.
- According to statistics of Bangladesh Bank, the central bank provided liquidity support amounting to BDT 633.47 Bn to the banks in June 2023. The figure more than doubled to BDT 1.28 Tn in the following month. The upward trend in handing out credit facility to the banks continues as the monthly entire volume of the liquidity supports reached BDT 1.33 Tn in August 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-feeding-funds-to-banks-thru-repo-liquidity-support-iblf>

Digital dilemmas complicate online reg for e-commerce startups

- Digital Business Identification (DBID) has yet to pay off by way of disciplining Bangladesh's anomalous e-commerce operations as a year elapsed sans outcome of the government's legal move. The government has made registration mandatory for e-commerce businesses without setting forth any legal obligation for start-ups to obtain the registration, sources say.
- Entrepreneurs need to enter a dedicated website to apply for DBID following 'Digital Business Identification Registration Guidelines' under the 'National Digital Commerce Policy 2020'. However, ecommerce business insiders say volumes of rejection of applications have been discouraging entrepreneurs from coming up in business in the worldwide fastest-growing economic sector.

<https://thefinancialexpress.com.bd/economy/bangladesh/digital-dilemmas-complicate-online-reg-for-e-commerce-startups>

Janata's great leniency to an errant client

- Troubled state-run lender Janata Bank continues to be overly lenient towards AnonTex Group, one of its five large borrowers, despite negligible loan recovery in 13 years from the garment manufacturer. At the 746th meeting of the board of directors of Janata Bank that was held on November 28 last year, a BDT 33.59 Bn interest waiver was extended to AnonTex on the condition that it pay back the principal amount within June 15 this year. Otherwise, the loans will be shown classified, according to the meeting minutes.

<https://www.thedailystar.net/business/economy/banks/news/janatas-great-leniency-errant-client-3417221>

Bangladesh's RMG export potential to EU USD 60 Bn by 2030

- Bangladesh has the potential to increase its export earnings to USD 22.5 Bn from major non-RMG products to the European Union by enhancing its supply-side capacity, suggests a study. Additionally, earnings from ready-made garment exports could rise up to USD 60 Bn to the EU market through the diversification of garment items, according to the study of the Research and Policy Integration for Development Bangladesh (RAPID).
- In FY23, Bangladesh's exports to the world market were more than USD 55 Bn, where RMG's share was USD 47 Bn and non-RMG's share was USD 8.5 Bn. Currently, Bangladesh exports more than 400 types of products to around 200 countries.

<https://www.tbsnews.net/economy/rmg/bangladeshs-rmg-export-potential-eu-60b-2030-698818>

BDT 42.82 Bn project for developing Mongla Port

- The government is going to implement a project with Chinese funds for the development of Mongla Port. Of the BDT 42.82 Bn Mongla Port development project, the Chinese government will provide 88% or BDT 37.82 Bn in loan under a government-to-government mechanism, according to the Ecne meeting agenda.
- The objectives of the project are to enhance the port's container-handling capacity with modern facilities and build container terminal (jetty), container delivery yard, and container yard (near the jetty). Once the project is completed, it will be possible to provide the port users with modern services, according to an assessment of the Planning Commission.

<https://www.thedailystar.net/business/news/tk-4282cr-project-developing-mongla-port-3416556>

ADB sees strides in utilising funds, challenges too

- The amount of uncontracted and undisbursed funds in Bangladesh has decreased compared to the previous year, indicating progress in utilising these funds for various projects, according to a report of the Asian Development Bank (ADB). However, the ADB advises Bangladesh to take significant steps to improve awarding contracts and fund disbursement, enabling greater access to the bank's funds in the future.
- The report notes that over the last decade, Bangladesh's portfolio has surged from USD 5.3 Bn in 2013 to USD 13.01 Bn as of 31 August 2023, with a compound annual growth rate of 9.39%. This growth is expected to continue due to the ADB's increasing annual lending to Bangladesh, as highlighted in a review of its projects.

<https://www.tbsnews.net/economy/adb-sees-strides-utilising-funds-challenges-too-698822>

Finance minister assures parliament of steps to control inflation

- Finance Minister AHM Mustafa Kamal on Monday said due to the steps taken by the government, inflation will be brought under control. "The balance of payment will improve and the exchange rate of foreign currency will stabilise," the finance minister said. The finance minister said the government has various plans to control inflation, improving the balance of payment situation and stabilising the exchange rate of foreign currency and is implementing them.

<https://www.tbsnews.net/economy/finance-minister-assures-parliament-steps-control-inflation-698718>

Govt's bank borrowing decreases in August

- The government's borrowing from the banking sector decreased in August as implementation of the ADP is yet to start in full swing at the beginning of the new fiscal year. According to central bank data, the government borrowed BDT 35.10 Bn from the banking sector in August last year, which was BDT 5.40 Bn in August this year.
- According to a central bank report, in August, the government borrowed BDT 132.74 Bn from commercial banks mainly through treasury bills, and repaid BDT 127.33 Bn to the central bank. Economists said increased government borrowing from commercial banks could further fuel inflation as the money supply to the private sector decreases.

<https://www.tbsnews.net/economy/banking/govts-bank-borrowing-decreases-august-698806>

63 years of unpaid rents get in way of Ctg custom reconstruction

- The reconstruction of buildings and facilities of the Chattogram Custom House hit a roadblock as the Chattogram Port, the landowner, demanded that the customs authorities clear unpaid rent for over six decades first. The NBR has undertaken the initiative to demolish the old and dilapidated buildings at the customs house and construct new buildings and facilities at a cost of BDT 7.15 Bn.
- According to the Port Authority Act, the customs house is obligated to pay annual rent for an 8.33-acre plot of land at the port on which it was built in 1960. However, over the course of 63 years, customs has not made a single payment, resulting in a total outstanding due of BDT 136.1 Mn.

<https://www.tbsnews.net/economy/63-years-unpaid-rents-get-way-ctg-custom-reconstruction-698250>

How is life when inflation outpaces wage growth

- Soaring food prices have placed a heavy burden on lower-income people, compelling them to spend a significant portion of their wages on groceries, when their income growth has significantly lagged behind the food inflation. A Willis Towers Watson survey found Bangladeshi workers' wage growth remains 5% points less than the food inflation.
- In this scenario, low-income individuals, including the working population of the country, are compelled to consume less food than necessary and reduce their cost of living by decreasing their demand. Experts express concerns about the potential long-term consequences, such as malnutrition and a lack of education, for a significant portion of the population.

<https://www.tbsnews.net/economy/how-life-when-inflation-outpaces-wage-growth-698830>

Dhaka commits to buy 10 planes from Airbus

- Bangladesh has committed to buying 10 new A350 airplanes from Airbus, a multinational aerospace corporation, as the two countries forge a new strategic partnership. The two countries also signed a letter of intent for space partnership between Airbus and Bangladesh Satellite Company Ltd. The letter includes a clause about buying the Bangabandhu-2 Earth Observation Satellite System. Bangladesh's first satellite Bangabandhu-1 was also manufactured by a French company. Besides, a credit facility agreement was also signed with Agence Française de Développement, under which France will provide EUR 184 Mn to support urban governance and infrastructural development in Bangladesh.

<https://www.thedailystar.net/news/bangladesh/news/dhaka-commits-buy-10-planes-airbus-3416396>

Payra port's first terminal likely to open by October

- The Payra sea port's first terminal is expected to be up and running by October, facilitating transport of goods from mother vessels and speeding up operations in the country's third major seaport. The terminal, built on the banks of the Rabnabad channel, will have the capacity to simultaneously load three 200-metre-long mother vessels. The 650-metre main terminal will have a 0.325 Mn square metre backup yard and a 10,000 square metre container freight station facility. Two more terminals are also under construction.

<https://www.thedailystar.net/business/economy/industries/ports-and-shipping/news/payra-ports-first-terminal-likely-open-october-3416496>

Man-made factors drive soaring food inflation to 13-year high

- While global prices for staple foodstuffs hit a two-year low in August, Bangladesh experienced a staggering 12.54% food inflation that month, the highest in 13 years, a situation that is significantly impacting the cost of living, particularly for the low-income.

- The last time Bangladesh witnessed inflation higher than August was in FY2010-11 when it reached 14.11%. Economists attribute this persistently high inflation to internal factors, describing it as largely man-made. These factors include availability of cheap credit, market manipulation by vested interest groups, weak monitoring mechanisms, deteriorating macroeconomic fundamentals, and issues within the banking sector and money market.

<https://www.tbsnews.net/economy/man-made-factors-drive-soaring-food-inflation-13-year-high-698230>

Online pharmacy MedEasy raises USD 750,000

- MedEasy, a Dhaka-based online pharmacy startup, has managed to raise USD 750,000 in seed funding to expand services. The startup's future plan is to introduce subscription-based features, a digital vital sign monitoring system and an appointment-booking marketplace, according to a press release. The seed funding round was led by Seedstars International Ventures, Doha Tech Angels, Startup Bangladesh Limited, Accelerating Asia, and nVentures.

<https://www.thedailystar.net/business/economy/news/online-pharmacy-medeasy-raises-750000-3416626>

Anti-harassment committees inactive in apparel industry: Study shows

- The anti-harassment committees are not carrying out their responsibilities in the apparel industry, despite it being the largest industry with a workforce of 3.5 Mn people, according to a study. As a result, the garment sector is still lagging behind in ensuring a safe working environment for the female workers, who comprise 60% of the workforce, said Associate professor Mostafiz Ahmed of Jagannath university. Despite being subjected to sexual harassment at work, most of the workers do not speak out due to social stigma and the fear of losing their jobs, he added.

<https://www.tbsnews.net/economy/rmg/anti-harassment-committees-inactive-apparel-industry-study-shows-698610>

Nagad hikes cash-out charges, adds new fees

- Mobile financial service provider Nagad has announced an increase in charges for cash-outs while introducing new fees for fund transfers. The rates and fees came into effect from September 8, according to a company official. In a statement, Nagad explained most of the services are still free of charge like before. The new charge comes less than six months after Nagad Managing Director Tanvir A Mishuk told The Daily Star that they would offer free-of-charge cash withdrawal services to its account-holders by this year in order to accelerate Bangladesh's financial inclusion drive.

<https://www.thedailystar.net/business/economy/news/nagad-hikes-cash-out-charges-adds-new-fees-1>

Local firms equally dissatisfied with business climate

- Like Japanese and Chinese companies operating in Bangladesh, domestic firms as well as those from other countries are not happy with the overall business climate in the country, said a number of entrepreneurs, heads of chambers and experts. Policy inconsistency, complicated customs procedures, shipment delays, lack of service-oriented attitudes among government officials, and prevalence of informal payments aimed at ensuring quick services from regulators and facilitating agencies are all blamed for the poor business environment.

<https://www.thedailystar.net/business/economy/news/local-firms-equally-dissatisfied-business-climate-3416671>

Chinese firm to invest USD 19.5 Mn in Mongla EPZ

- Chinese factory M/s QSL.S Garments Co, is going to set up a RMG industry in Mongla EPZ (MEPZ) with an investment of USD 19.5 Mn. This fully foreign owned company will produce annually 6 Mn pcs of woven & knit garments products like Shirt, T-Shirt, Jacket, Pant, Shorts, etc. They will create employment opportunities for 2598 Bangladeshi nationals.

<https://www.tbsnews.net/economy/chinese-firm-invest-195-million-mongla-epz-698054>

Cotton waste the new cash cow

- Cotton waste is turning into a new cash cow for Bangladesh as it is increasingly being sold abroad although local garment exporters are in favour of retaining and recycling it. Cotton waste exports marked a significant rise of 76.77% year-on-year to fetch USD 84.85 Mn in the July-August period, the first two months of the current fiscal year, as per the Export Promotion Bureau. Demand for cotton waste is rising worldwide with increased awareness among end consumers on the sustainable use of garments through recycling.

<https://www.thedailystar.net/business/economy/news/cotton-waste-the-new-cash-cow-3415906>

Japan keen to increase investment in Bangladesh

- Japanese Ambassador to Dhaka Iwama Kiminori said his country would like to increase investment in Bangladesh's Economic Zones. Regarding the export of manpower to Japan, Ambassador Kiminori said, "We are trying to improve the commercial relationship and communication between the two countries." The ambassador assured that Japan will work jointly with Bangladesh to expand employment opportunities in Japan and travel for Bangladeshi to Japan.

<https://thefinancialexpress.com.bd/economy/bangladesh/japan-keen-to-increase-investment-in-bangladesh>

Hortex makes 18,000 agro entrepreneurs

- A government value-chain development initiative has generated more than 18,000 agro entrepreneurs in the past five years, boosting farm trade in 30 districts. Hortex Foundation jointly with the Department of Agricultural Extension (DAE) conducted the five-year project on 'value-chain development (VCD) of selected high-value crops. Mitul Kumar Saha, managing director (in-charge) of Hortex Foundation, said the key objective of the activities was to "improve smallholder farmers' access to markets". According to Hortex, a total of 43,670 tonnes of produce have so far been traded by POs while 2,633 tonnes been exported.

<https://thefinancialexpress.com.bd/economy/bangladesh/hortex-makes-18000-agro-entrepreneurs>

Forex reserves slip below USD 22 Bn after ACU payment

- The country's foreign exchange reserves fell below USD 22 Bn after clearing the import bills of USD 1.3 Bn with the Asian Clearing Union (ACU). According to data from the central bank, the country cleared USD 1.1 Bn in ACU payments for the May-June period in July. Last February, the IMF disbursed USD 476.27 Mn to Bangladesh as the first tranche of the USD 4.7 Bn loan. The second instalment is expected to be released later this year. According to the terms of the IMF loan agreement, the country's net reserves should be USD 25.31 Bn in September and USD 26 Bn at the end of December.

<https://www.tbsnews.net/economy/forex-reserves-slip-below-22b-after-acu-payment-698218>

State of e-commerce: Con trick undercuts roaring rise

- Fabulously growing e-commerce business in Bangladesh, which boasted a record growth of 300% during the Covid-19 pandemic, now loses its shine for multiple factors that conspicuously include confidence trick on consumers. Sources say consumers are also raising the question of violation of privacy of their personal data confided to the e-commerce businesses.
- Jahangir Alam Shovon, Executive Director of the e-commerce Association of Bangladesh, blames a section of staff members of e-commerce business for indulging in data-trading by supplying consumer information of a new venture. Market rate of data of each consumer is BDT 0.10 to BDT 10 each in trading by a section of e-commerce businessmen, he adds.

<https://thefinancialexpress.com.bd/economy/bangladesh/state-of-e-commerce-con-trick-undercuts-roaring-rise>

Powder milk imports dip to 8-year low as consumers tighten belts

- Bangladesh's imports of milk and cream plummeted to 118,000 tonnes in the last fiscal year of 2022-23, the lowest in eight years, after a section of consumers cut consumption of milk-based foods and beverages in a bid to manage costs amid heightened levels of inflation. FY23's imports of milk and cream were nearly 16% lower than the volume imported the previous year, data from the Bangladesh Bureau of Statistics (BBS) showed. Industry people attributed the drop to increased domestic production of milk and a reduction in consumption by budget-conscious consumers.

<https://www.thedailystar.net/business/economy/news/powder-milk-imports-dip-8-year-low-consumers-tighten-belts-3415871>

Bangladesh 12th most attractive destination for Chinese investors: EIU

- Bangladesh has climbed a whopping 40 notches up in a decade in the Economist Intelligence Unit's (EIU) China Going Global Investment Index 2023, standing as the 12th most attractive destination for Chinese investors after India (11th).
- The EIU forecasted that Indonesia and Bangladesh will be among the top 20 global economies by 2040, based on market size, economic growth and the potential of the aforementioned sectors. Bangladesh stood as the 8th most attractive destination for supply-chain development investment.

<https://www.tbsnews.net/economy/bangladesh-12th-most-attractive-destination-chinese-investors-eiu-697486>

Chinese entrepreneurs urged to invest in heavy industries

- Businessmen and government officials have urged Chinese entrepreneurs in Bangladesh to invest in heavy industries including capital machinery, saying the government has strengthened the infrastructure, ICT, roads and highways, and power and energy sectors to create a safe environment for foreign investors.
- Addressing as the chief guest of the seminar titled "China-Bangladesh Enterprises High-quality Development Forum Achievement and Way Forward", Additional Secretary of the Economic Relations Division (ERD) AHM Jahangir said, "The Chinese investment in Bangladesh is visible enough. Chinese companies are making good profits and their investment is safe here. So, we hope for more and more Chinese investment in Bangladesh in the coming days."

<https://www.tbsnews.net/economy/chinese-entrepreneurs-urged-invest-heavy-industries-697666>

Deposit outflow reverses course back into banks

- Deposit outflow for trust deficit amid scams and for near-negative gains from savings begins reversing course back into banks, largely as rate rises provide the baits, sources say. According to latest statistics of Bangladesh Bank (BB), the volume of currency outside the banks was recorded at BDT 2.92 Tn in June 2023 that declined to BDT 2.66 Tn in the following month of July. Seeking anonymity, a BB official said the central bank governor recently asked the commercial banks to take measures so that the money that went away from vaults can come back to the banking system.

<https://thefinancialexpress.com.bd/economy/bangladesh/deposit-outflow-reverses-course-back-into-banks>

Tech park opens in Netrokona

- The Metal Pvt Ltd, in association with Appropriate Scale Mechanisation Innovation Hub (ASMIH)-Bangladesh project of Bangladesh Agricultural University (BAU) and Single Shade Service Point (S3P), opened a technology park at Purbadhala in Netrokona on Wednesday. This park exhibits modern machinery and serves as a training and service centre for farmers, offering guidance on the operation and maintenance of these advanced agricultural tools.

<https://www.thedailystar.net/business/economy/news/tech-park-opens-netrokona-3413571>

Feature phone production doubles in July

- Feature phone production has more than doubled month-on-month in July as consumers turn to more affordable alternatives to smartphones amid sustained high inflation. Local manufacturers produced 1.73 Mn feature phones or 2G phones in July, a 104% increase compared to June, according to data from the Bangladesh Telecommunication Regulatory Commission (BTRC).
- Meanwhile, smartphone production dropped by 7.35% month-on-month in July to 0.59 Mn. Industry insiders said smartphone prices had been steadily climbing for the past one-and-a-half years due to increased prices of raw materials on the international market. The depreciating rate of the BDT against the USD caused import costs to soar further.

<https://www.thedailystar.net/business/economy/news/feature-phone-production-doubles-july-3413611>

Dairy Board Bill gives farmers hope

- Dairy farming in Bangladesh will get a boost once a dairy development board comes into being, hoped farmers yesterday regarding a bill being recently placed in parliament. The Bangladesh Dairy Development Board Bill 2023 aims to increase production of milk and milk products and ensure quality production and marketing.

- The dairy sector flourished in India, Pakistan and various advanced economies following recommendations of their boards. "We, farmers, will be able to contribute more," said Mohammad Imran Hossain, president of Bangladesh Dairy Farmers Association (BDFA).

<https://www.thedailystar.net/business/economy/news/dairy-board-bill-gives-farmers-hope-3414881>

BDT 2.09 Bn project to boost char crop output

- The government has initiated an agricultural project at a cost of BDT 2.09 Bn with the aim to increase production of crops in char areas by expanding the use of modern technologies. The Department of Agricultural Extension (DAE), under the agriculture ministry, will implement the project in 121 upazilas across 34 districts by June 2027. According to the project proposal, the main activities include skills development trainings for farmers, field days, seminars and workshops, technology exhibitions, distribution of solar light traps and construction of facilities for farmers.

<https://www.thedailystar.net/business/economy/news/tk-209cr-project-boost-char-crop-output-3414876>

BDT 12.43 Bn LNG to be imported from spot market

- The government yesterday approved two proposals seeking to buy 6.72 Mn tonnes of liquefied natural gas (LNG) worth BDT 12.43 Bn from the international spot market to alleviate the energy shortage facing the economy. Bangladesh depends on imported LNG for about 25% of its gas consumption as its domestic production can't meet the entire demand for the energy.

<https://www.thedailystar.net/business/economy/news/tk-1243cr-lng-be-imported-spot-market-3413651>

Solve land lease issues, gas crisis for further investment: Chinese entrepreneurs

- Chinese entrepreneurs in Bangladesh face land-related issues, visa and work permit extension complexities and customs hurdles as main barriers in the way of further investment while the ongoing industrial gas crisis is another headache for foreign as well as local investors, said stakeholders at a seminar. A Chinese entrepreneur highlighted the issues foreign entrepreneurs face while buying or leasing land in Bangladesh. Another Chinese entrepreneur said, "It is quite complicated and time-consuming to get a one-year visa and work permit in Bangladesh."

<https://www.tbsnews.net/economy/solve-land-lease-issues-gas-crisis-further-investment-chinese-entrepreneurs-697662>

Facilitate vision for motorcycle exports

- The government should facilitate local motorcycle manufacturers in various ways to grab a share of the international export market, said Hafizur Rahman Khan, president of the Bangladesh Automobiles Assemblers and Manufacturers Association, yesterday.

- The world market has an annual demand for over 60 Mn motorcycles of high engine displacement capacities and the demand is rising, he said. Global motorcycle sales amounted to USD 75.63 Bn in 2022, according to research firm Fortune Business Insights. The market is projected to grow from USD 79.57 Bn in 2023 to USD 124.09 Bn by 2030.

<https://www.thedailystar.net/business/economy/news/facilitate-vision-motorcycle-exports-3414956>

Did cash incentives for exports really work?

- The government offers cash incentives in the range of 1% to 20% to a wide range of sectors to diversify export products and markets. This support is intended to encourage entrepreneurs to explore markets for mainly non-conventional items and find new markets for existing products.

- But the reality is that most of the export sectors other than apparels could not demonstrate promising growth despite receiving cash support for years. Economists and experts feel that the current export cash incentives policy should be revised if the government wants to make export sectors competitive and strong enough to diversify the export basket.

<https://www.tbsnews.net/analysis/did-cash-incentives-exports-really-work-697250>

Cenbank asks NBR to reconsider 20% tax on foreign loan interests

- The Bangladesh Bank has made a formal request to the National Board of Revenue (NBR) to reconsider the 20% "withholding tax" imposed on interest payments for foreign loans in the current budget, arguing that this tax would increase borrowing costs from foreign sources by one-fourth.
- Foreign loans bear an additional interest margin of up to 3.5%. With the recent US Federal Reserve rate hike, SOFR surged to 5.31% as of September 9 from its pandemic low of 0.25%, increasing international loan interest rates. Businesses and bankers said this tax, if not withdrawn, will significantly disrupt the growth of the industrial sector given that many entrepreneurs have relied on these cost-effective loans for business expansions.

<https://www.tbsnews.net/economy/banking/cenbank-asks-nbr-reconsider-20-tax-foreign-loan-interests-697674>

NBR moves to cut taxes on land, flat registration

- The National Board of Revenue (NBR) has moved to reduce the land-and-flat registration taxes as it found that land and flat owners have refrained themselves from registration of immovable propitiates, as tax has been raised by twofold or 100% in the budget for current fiscal year (FY), 2023-24.
- Previously, land and flat registration tax was 4.0% on the deed value that has been raised to 8.0% in FY 2023-24. Purchase and sale of land is now one of the major sources of black money creation, as neither buyers nor sellers show real land values in their purchase documents.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-moves-to-cut-taxes-on-land-flat-registration>

Reserves decline may invite negative credit ratings

- Bangladesh risks negative credit ratings for external finance factors, including sustained declines in foreign-exchange reserves, says global rating-agency Fitch Ratings. Earlier, another assessment by Moody's had forewarned that Bangladesh's heightened external vulnerability and liquidity risks stay persistent, and together with institutional weaknesses uncovered during the ongoing crisis, the sovereign's credit profile remained as before in B1 grade. According to US-based Fitch Ratings, Bangladesh has improved its reserves transparency with the adoption of the IMF definitions in June following credit negotiations.

<https://thefinancialexpress.com.bd/economy/bangladesh/reserves-decline-may-invite-negative-credit-ratings>

EIU puts Bangladesh after Pakistan, Sri Lanka in financial risk

- In Asia, Bangladesh is just behind Pakistan and Sri Lanka in terms of financial risk, signifying the potential for investment or business ventures to incur losses, according to the Economist Intelligence Unit (EIU). Regarding the assessment of external financing requirements, the London-based unit forecasts that Bangladesh's foreign exchange reserves may fall short by as much as 60% in meeting these requirements. According to the EIU report, Bangladesh's public debt to GDP ratio is forecasted to be moderately good, at less than 40% in FY24.

<https://thefinancialexpress.com.bd/economy/bangladesh/eiu-puts-bangladesh-after-pakistan-sri-lanka-in-financial-risk>

Private sector credit growth drops to single digit

- The private sector credit growth in Bangladesh nosedived to single digit in July as both banks and borrowers face multiple challenges amid lingering economic uncertainty at home and abroad and the growing political crisis centring next year's national elections.

- A tight liquidity situation in the banking sector, falling trend of the opening of letters of credit (LCs), volatility in the foreign exchange market, slow deposit growth, and lacklustre loan recovery pushed down the credit growth, said bankers. The private sector credit growth is projected at 11% at the end of FY24.

<https://www.thedailystar.net/business/economy/news/private-sector-credit-growth-drops-single-digit-3413641>

Thrust on taking tough action against illegal forex transactions

- A high-profile meeting on Thursday suggested taking tough action against illegal hundi, online gambling, betting, forex, and crypto currency trading as they have been impacting the economy adversely. Heads of the MFS providers were present at the meeting at Bangladesh Bank, presided over by Masud Biswas, head of the Bangladesh Financial Intelligence Unit (BFIU). The chiefs of the MFS providers assured the meeting that they would strengthen the KYC (Know Your Clients) to help prevent such illegal transactions. They would also launch campaigns to inform people about the adverse impact of such illegal transactions on the economy.

<https://thefinancialexpress.com.bd/economy/bangladesh/thrust-on-taking-tough-action-against-illegal-forex-transactions>

Hike in bank interest rates likely

- Prime Minister's Private Industry and Investment Adviser Salman F Rahman hinted at the possibility of increase in the bank interest rates in the coming days as such rates have already gone up globally. He, however, said the interest rates in Bangladesh will decline, once if the same decreases internationally. He also admitted that the country's businesses faced harassment by National Board of Revenue (NBR) in different times. Mr Rahman hoped that exiting tax reform measures will help end such harassment in the coming days.

<https://thefinancialexpress.com.bd/economy/bangladesh/hike-in-bank-interest-rates-likely>

Apparel shipment to US plunges 20% in Jan-Jul

- Bangladesh's apparel shipments to the US declined 19.82% year-on-year in the January-July period this year in spite of a gradual improvement in retail sales. In 2023, work orders globally have been coming about slowly because of the volatile economic situation and the situation is improving gradually, said Faruque Hassan, president of the BGMEA.

- The good sign is that the prices of locally made garment items going to the US have increased by 12.99% year-on-year to USD 3.26 per unit this year. Among all other competing countries, Bangladesh's exports to the US fared comparatively better.

<https://www.thedailystar.net/business/economy/news/apparel-shipment-us-plunges-20-jan-jul-3413636>

Buyer's credit contracts, cuts industrial output

- Buyer's credit taken by private sector slides largely for gradual but significant fall in import of capital machinery amid forex dearth, sources said. Economists and analysts see this downward cycle as one reason for an inexorable volatility on the domestic market apart from alleged manipulation of the supply chain. According to the statistics of Bangladesh Bank (BB), the volume of buyer's credit was USD 8.91 Bn in January 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/buyers-credit-contracts-cuts-industrial-output>

Initiative to ease import release limps

- In nearly a decade, there has been little progress in allowing businesses with a good track record to have their imports released quickly from ports under a special arrangement. The customs authorities said the companies failed to meet NBR's conditions, including using the designated VAT software, which ensures accounting transparency.
- According to the World Bank Logistic Performance Index (LPI) 2018, Bangladesh is behind all its major competitors, including China, Vietnam, India and Cambodia. Again, the country has performed the worst in customs clearance among the six LPI indicators. Experts blame a lack of preparation for the failure to meet the expected success.

<https://www.tbsnews.net/economy/initiative-ease-import-release-limps-696190>

Islamic banks' excess liquidity drops 88% amid deposit concerns

- Excessive liquidity held by 10 Islamic banks in the country declined by about 88% to BDT 24.93 Bn at the end of June this year as compared to the same period a year ago. Nonetheless, the volume of excess liquidity in these banks saw an upsurge of about BDT 5 Bn in the April-June period of this year compared to the previous March quarter. According to a report from the central bank, deposits in Islamic banks increased by approximately BDT 157 Bn in the past year as of June, while these banks disbursed loans or investments exceeding BDT 390 Bn.

<https://www.tbsnews.net/economy/banking/islamic-banks-excess-liquidity-drops-88-amid-deposit-concerns-696858>

After 13 years, Sirajganj BSCIC industrial park awaits another extension

- The construction of the BSCIC Industrial Park in Sirajganj began in 2010 with a four-year deadline, but it has not yet been completed even after several extensions in time and costs. According to the project officials, only due to the negligence of the contractor in the construction of the drain has the progress of the industrial park been hampered.

- The BSCIC is constructing the industrial park three kilometres away from Sirajganj district town along the banks of the Jamuna River with the aim of providing employment to at least 0.1 Mn people. According to BSCIC officials, the project hit a snag at the beginning, and construction could not begin by 2014. Then the deadline was extended till 2015, and the cost was increased to BDT 4.90 Bn.

<https://www.tbsnews.net/economy/industry/after-13-years-sirajganj-bscic-industrial-park-awaits-another-extension-697266>

Important News: Capital Market

ALARABANK | AIBL pens deal with Bangladesh Bank

- Al-Arafah Islami Bank Ltd (AIBL) yesterday signed a participating financial institution (PFI) agreement with Bangladesh Bank to avail pre-financing under a project styled 'Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi RMG sector Project (SREUP)'.

<https://www.thedailystar.net/business/economy/banks/news/aibl-pens-deal-bangladesh-bank-3418121>

PROGRESLIF | BSEC to appoint auditor to look into Progressive Life Insurance 'anomalies'

- The Bangladesh Securities and Exchange Commission (BSEC) will appoint an independent auditor to find out whether there are anomalies in Progressive Life Insurance. To this end, the commission issued a tender notice on 10 September for the selection of auditors.
- The securities regulator said the auditor would conduct a special audit on the financial statements of the company for the last ten years and submit the report within three months from the date of signing the contract, as mentioned in the notice.

<https://www.tbsnews.net/economy/stocks/bsec-appoint-auditor-look-progressive-life-insurance-anomalies-700086>

EXCHANGE | BB-BSEC discord clouds NBFI governance

- Non-bank financial institutions (NBFIs) have remained comparatively less regulated owing to a major gap between the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) on some provisions relating to corporate governance, according to analysts.
- "There are some basic regulatory differences between the BB and the BSEC," said Mizanur Rahman, a commissioner of the BSEC. When the central bank sees any difference in the provisions of laws, it orders NBFIs not to comply with BSEC's rules, he said, citing the Corporate Governance Code 2018.

<https://www.thedailystar.net/business/economy/news/bb-bsec-discord-clouds-nbfi-governance-3418296>

RINGSHINE | Ring Shine raises red flag on stake acquisition by Wise Star and five other cos

- The board of directors of Ring Shine Textiles Ltd has expressed concerns about the credibility of the six companies that are set to collectively take over 38% stake in the textile firm. According to BSEC officials and Ring Shine sources, Wise Star will hold only 2% shares. The remaining 36% will be held by the other five companies. This August, the Bangladesh Securities and Exchange Commission (BSEC) conditionally allowed Wise Star Textile Mills Ltd and five Singapore-based companies to buy Ring Shine's shares, including those held by the sponsor-directors.

<https://www.tbsnews.net/economy/stocks/ring-shine-raises-red-flag-stake-acquisition-wise-star-and-five-other-cos-700138>

BDLAMPS | Bangladesh Lamps to make plastic parts for tube lights

- Bangladesh Lamps is going to set up a production line to manufacture plastic parts for tube lights, said the company today. The production line will be established with an investment of BDT 11.1 Mn at its existing factory in Narsingdi's Shibpur. The cost of the project will be met through bank borrowing, said Bangladesh Lamps in a disclosure on the Dhaka Stock Exchange. Shares of Bangladesh Lamps remained unchanged at BDT 252.20 at 1 pm at the DSE today.

<https://www.thedailystar.net/business/news/bangladesh-lamps-make-plastic-parts-tube-lights-3416946>

IFIC | IFIC Bank gets new DMD

- IFIC Bank PLC has recently promoted a senior executive vice-president to the post of deputy managing director (DMD). The official, Md Rafiqul Islam, will also serve as head of branch business of the bank concurrently. Islam joined IFIC Bank in 2014.

<https://www.thedailystar.net/business/economy/banks/news/ific-bank-gets-new-dmd-3417376>

BEXIMCO | Japan's ITOCHU enters Bangladesh with bags

- Japanese trading company ITOCHU Corporation is set to enter the Bangladesh market by offering bags of its OUTDOOR PRODUCTS brand through YELLOW, a fashion and lifestyle brand of Beximco Group. ITOCHU Corporation is engaged in trading textile, machinery, metals, minerals, energy, chemicals, food, general products, real estate, information and communications technology, and finance alongside business investments in Japan and overseas. Established over 160 years ago, the company now has approximately 90 bases in 61 countries.

<https://www.thedailystar.net/business/economy/news/japans-itochu-enters-bangladesh-bags-3417421>

PRIMEBANK | Prime Bank to provide digital solutions to subsidiary

- Prime Bank signed an agreement with Prime Bank Securities Limited (PBSL) recently to provide automated banking solutions through its digital platform PrimePay. Under the agreement, systems will be integrated to show client collections and deposits in portfolios in real time along with unique identifiers. The PBSL will be able to honour client withdrawal requests on time, make instant fund transfers to beneficiary accounts with Prime Bank and initiate bulk disbursements for any service.

<https://www.thedailystar.net/business/economy/banks/news/prime-bank-provide-digital-solutions-subsidiary-3417381>

BXPHARMA | Beximco Pharma faces EU export restrictions on ophthalmic plant's design concerns

- Beximco Pharmaceuticals faces a ban on export of eye drops for glaucoma to the European market over concerns tied to the manufacturing plant in Bangladesh. A US-based news organisation -- Endpoints News ---published a report on Friday on the outcome of the inspection. Endpoints News is specialised in global biotech and pharmaceutical news. Endpoints News also says the facility's good manufacturing procedure (GMP) certificate will be withdrawn nearly two and a half years after it was issued to Beximco Pharma.

<https://thefinancialexpress.com.bd/stock/bangladesh/beximco-pharma-faces-eu-export-restrictions-on-ophthalmic-plants-design-concerns>

LEGACYFOOT | Legacy Footwear issues new shares at 11x lower rate than market price

- Legacy Footwear has issued 30 Mn shares priced at BDT 10 each to three existing sponsors and directors and 14 other investors. As per the current value, the price of Legacy Footwear's 30 Mn shares is BDT 3.405 Bn, but the newly issued shares fetched only BDT 300 Mn. Market insiders have alleged that general investors were deprived of the newly issued shares due to the securities regulator's approval for private placement of these shares, and as a result they might not get their expected return and lose confidence in the capital market.

<https://www.tbsnews.net/economy/stocks/legacy-footwear-issues-new-shares-11x-lower-rate6>

EBL | EBL, Mastercard launch 'WEAREBL' payment solution

- Eastern Bank PLC, in collaboration with Mastercard, yesterday unveiled "WEAREBL," the country's first wearable payment device featuring cutting-edge NFC technology. Users can tap and pay, all with one stylish device by upgrading their phone into a payment powerhouse with a pop-socket.

- By using this device equipped with contactless payment options, Mastercard cardholders will be able to make safe, secure and fast transactions. The product will meet the rising demand of contactless payment solutions for local users, the bank said in a press release.

<https://www.thedailystar.net/business/economy/banks/news/ebi-mastercard-launch-wearebl-payment-solution-3416476>

EASTERNINS | Commercial Bank of Ceylon allowed to seize Eastern Insurance directors' shares

- The Dhaka Stock Exchange (DSE) has allowed the Commercial Bank of Ceylon to confiscate 7,53,900 shares of three directors of Eastern Insurance Company Limited for defaulting on a BDT 50 Mn loan. Earlier, Umme Kulsum Mannan, a sponsor-director of Eastern Insurance, Sunman Sweaters, director, and Alfa Textiles, a public shareholder director had taken the loan in lien of the said shares. The shares shall be transferred to the bank within 30 working days outside of the DSE trading system, according to a disclosure on Tuesday.

<https://www.tbsnews.net/economy/stocks/commercial-bank-ceylon-allowed-seize-eastern-insurance-directors-shares-699478>

DHAKABANK | Mirza Abbas to gift 13 Mn Dhaka Bank shares to his son

- Mirza Abbas Uddin Ahmed, a standing committee member of the BNP and a co-founder of Dhaka Bank, has announced his intention to gift 13 Mn shares of the bank to his son. The share transfer procedure will be executed outside the trading platform of the stock exchange within the next 30 days, according to a disclosure on the Dhaka Stock Exchange.

- According to data from Dhaka Bank, Mirza Abbas holds 6.16% of the private sector lender. His son Mirza Yasser Abbas has also held the directorship of the bank since 2012. As per the annual report for 2022, Mirza Yasser owns 34.9 Mn, or 3.68%, of the bank.

<https://www.tbsnews.net/economy/stocks/mirza-abbas-gift-130cr-dhaka-bank-shares-his-son-699126>

EXCHANGE | 3i asset management plans to introduce mutual funds

- The 3i Asset Management Company, a new-generation asset manager, is planning to manage an open-end mutual fund with a target size of the fund of BDT 250 Mn. As a sponsor, the asset manager will provide 10% of the total fund, and the remaining will be collected from public subscriptions. In this line, 3i Asset Management signed a trust deed with Sandhani Life Insurance Company as trustee and ICB Capital Management as custodian on Tuesday.

<https://www.tbsnews.net/economy/stocks/3i-asset-management-plans-introduce-mutual-funds-699402>

EXCHANGE | Minimum BDT 3 Mn investment must for trading SME shares from Oct

- Following a High Court order, the Dhaka Stock Exchange (DSE) is going to implement the minimum investment limit of BDT 3 Mn for an investor to be eligible for trading on its SME board from October this year. In November last year, an investor filed a writ in the High Court challenging the Bangladesh Securities and Exchange Commission's directive that set BDT 3 Mn as the minimum required investment to be qualified for trading on the SME board. As the writ was dismissed by the High Court, the securities regulators' directive requiring minimum BDT 3 Mn of investment for trading small and medium companies' shares has been reinstated.

<https://www.tbsnews.net/economy/stocks/minimum-tk30-lakh-investment-must-trading-sme-shares-oct-698814>

PLFSL | Troubled NBFIs People's Leasing calls AGM after six years

- Publicly listed People's Leasing and Financial Services Limited, a troubled NBFIs, has called its AGM after six years, following a directive from the High Court. People's Leasing, which commenced operations in 1996, has been reportedly facing a wide range of financial scams since 2004. It has been counting losses and has not been able to repay depositor's money despite maturity of their funds.

<https://www.tbsnews.net/economy/stocks/troubled-nbfi-peoples-leasing-calls-agm-after-six-years-698810>

RENATA | Renata to launch Parkinson's drug in Germany in widening footprint in EU

- Renata Ltd has received approval for one of its brands to export medicines to Germany. The permission enables its subsidiary company in Europe, Renata Pharmaceuticals Ireland to launch its first brand in Germany - Cabergoletten (Cabergoline 1mg and Cabergoline 2mg), a drug used to treat symptoms of Parkinson's disease.
- One of the leading drug manufacturers in Bangladesh, Renata has been heavily focused on research and development (R&D) of complex generics for several years, said Mr Kabir. Renata will file over 25 new product applications across regulated markets, including the EU, Canada, Australia, the USA and the UK.

<https://thefinancialexpress.com.bd/stock/bangladesh/renata-to-launch-parkinsons-drug-in-germany-in-widening-footprint-in-eu>

SUMITPOWER | Summit partners with Indian company to improve rail logistics

- Summit Alliance Port Limited (SAPL) has signed a memorandum of understanding with Pristine Logistics & Infraprojects Limited, one of the largest integrated rail terminal operators in India, to form a joint venture to improve rail logistics in Bangladesh.
- It will mainly work to develop rail-linked inland container depots, container freight stations and multimodal logistics parks at strategically important locations in Bangladesh. The joint venture aims to facilitate the needs of the exporters and importers by providing long-haul rail services from Indian locations to the border and interiors of Bangladesh.

<https://www.thedailystar.net/business/news/summit-partners-indian-company-improve-rail-logistics-3415631>

TRUSTBANK | Trust Bank to buy 22.1 Mn shares of Trust Axiata Digital

- Trust Bank Limited (TBL) has decided to buy 22.1 Mn ordinary shares of Trust Axiata Digital Ltd from Axiata Digital Services Sdn Bhd. Of the shares, 2,20,49,990 will be purchased in the name of TBL while 10 shares will be in the name of TBL Managing Director and Chief Executive Officer Humaira Azam. By purchasing these shares, Trust Bank will take 100% control over the management of Trust Axiata Digital Ltd, the filing said.

<https://www.thedailystar.net/business/economy/banks/news/trust-bank-buy-221cr-shares-trust-axiata-digital-3415731>

PUBALIBANK | Pubali Bank deposits up 90-fold in four decades

- Pubali Bank had deposits amounting to BDT 549.94 Bn and current capital of approximately BDT 43.22 Bn as of June this year. When it had begun its journey as a privatised bank less than four decades ago, its deposits stood at BDT 6.14 Bn, as per a board meeting of the lender at its head office in Dhaka recently. Pubali Bank is operating at home and abroad with 501 branches, 170 sub-branches, 17 Islamic banking windows and a workforce of around 9,000 employees.

<https://www.thedailystar.net/business/economy/banks/news/pubali-bank-deposits-90-fold-four-decades-3415781>

EXCHANGE | 42 firms under Dhaka bourse scanner

- The DSE is set to investigate the operational status of 42 listed firms and determine the reasons behind their non-compliance with the listing rules. Some of these companies raised funds from the investors through the stock market but deprived them of their dividends. Also, some did not publish their financials, and also did not hold AGMs regularly.

- According to sources, the DSE wrote to the Bangladesh Securities and Exchange Commission (BSEC) earlier this year seeking permission for investigating 42 non-performing listed firms. This July, the BSEC allowed the DSE to inspect 14 of the 42 firms. After completing the inspection, the bourse will submit its findings to the BSEC. The commission will then take necessary steps based on the DSE's inspection report.

<https://www.tbsnews.net/economy/stocks/42-firms-under-dhaka-bourse-scanner-698198>

PHOENIXFIN | Loss widens, Phoenix Finance will not pay dividend

- Phoenix Finance and Investments Ltd — a non-bank financial institution in the country — will not pay dividends for 2022 as its losses have widened to the previous year. The NBFI paid its shareholders a 12% stock dividend in 2022. According to its disclosure published on the bourses on Sunday, the loss per share jumped to BDT 8.36. The loss per share was BDT 2.11 in the previous year in 2021. The net asset value per share declined to BDT 9.18 in 2022, which was BDT 17.54. In 2021, the NBFI had incurred a loss of BDT 350 Mn.

<https://www.tbsnews.net/economy/stocks/loss-widens-phoenix-finance-will-not-pay-dividend-697986>

EXCHANGE | What clueless female investors reveal in regulatory queries that numbers don't tell

- Of 1.73 Mn active BO accounts, 24.44% or 0.42 Mn accounts are owned by women. But brokerage houses say women investors' participation in trading is very low. A senior executive of Modern Securities said around 1-2% of BO accounts of women were maintained by the account holders themselves.
- Talking to the FE, some stock brokers said the number of female investors having authority to take investment decisions is insignificant. Usually, men open BO accounts in the name of their wives, sisters or mothers to serve their own interest.

<https://thefinancialexpress.com.bd/stock/bangladesh/what-clueless-female-investors-reveal-in-regulatory-queries-that-numbers-dont-tell>

WMSHIPYARD | Western Marine Shipyard put on auction

- Western Marine Shipyard Limited, listed on the capital market, has been put on auction as the export-oriented ship builder could not pay back money to its lender Dhaka Bank Limited. According to the auction notice, Western Marine took three loans from Chattogram Agrabad branch of Dhaka Bank in 2012. Its mother company Western Marine Services Limited mortgaged its office space and a cruise ship as collateral for the loans. As of 29 August 2023, Western Marine owed the Dhaka Bank around BDT 940 Mn including interests.

<https://www.tbsnews.net/economy/stocks/western-marine-shipyard-put-auction-697654>

WALTONHIL | Walton declares 300% cash dividend despite profit dropped over 35%

- Country's electronic manufacturing giant Walton High Tech declared a 300% cash dividend to its general shareholders for the fiscal year 2022-23 despite the company suffering a 35% loss in profit than the previous year. Its sponsors and directors decided to get a 90% cash dividend for the last fiscal.
- According to its disclosure, Walton's earnings per share was BDT 25.84 in FY 2022-23, which was BDT 40.16 a year ago. The company said, global economic pressure and currency fluctuation eats its profit in the last fiscal year. It incurred a loss over BDT 4.5 Bn only for taka devaluation.

<https://www.tbsnews.net/economy/stocks/walton-declares-300-cash-dividend-despite-profit-dropped-over-35-696714>

UNIONCAP | Loss-making Union Capital unable to pay dividends for years

- Union Capital Ltd, which posted profits for more than a decade after its listing in 2007, has been incurring losses for years and is unable to pay any dividends to its shareholders. According to its financial statements, the non-bank financial institution (NBFI) ended its 12-year winning streak in 2019 and plunged into losses, with the trend persisting into the first half of this year. Union Capital posted a consolidated loss of BDT 2.06 Bn in 2022, the highest in its history. The loss stood at BDT 1.38 Bn in 2021.

<https://www.tbsnews.net/economy/stocks/loss-making-union-capital-unable-pay-dividends-years-697658>

MEGCONMILK, MEGHNA PET | Two Meghna Group concerns out of operations for a long time

- Two listed Meghna Group KA companies — Meghna Condensed Milk Industries Limited and Meghna PET Industries Limited — have informed that they have not been in operations for a long time. In the disclosures, Meghna Condensed Milk said it has been off production for three years, while Meghna PET has not mentioned a specific period. In December 2021, the DSE, after an inspection, found the factories of the two firms closed. Both the companies released their financial statements and held AGMs regularly but did not inform investors about the factory shutdown.

<https://www.tbsnews.net/economy/stocks/two-meghna-group-concerns-out-operations-long-time-696710>

ZEALBANGLA, SHYAMPSUG | State-run, loss-making sugar mills: What's the way out for retail investors?

- Two government sugar manufacturers' liabilities surpassed the value of their assets while the stocks on the Dhaka Stock Exchange have become tools of gamble. The non-performing sugar mills have huge swaths of land, but the assets mean nothing to stock investors if they do not get any return. The securities regulator has restructured the boards of many non-performing companies, but is yet to reconstitute the boards of the listed sugar mills.

<https://thefinancialexpress.com.bd/stock/bangladesh/state-run-loss-making-sugar-mills-whats-the-way-out-for-retail-investors>

SBACBANK | SBAC Bank CEO resigns

- Habibur Rahman, managing director and CEO of the South Bangla Agriculture and Commerce (SBAC) Bank, has resigned from his post citing personal reasons. Rahman submitted the resignation letter to the chairman of the bank through the bank's Company Secretary Md Mokaddess Ali on September 7. Rahman joined the bank as MD and CEO in December last year for a three-year tenure.

<https://www.thedailystar.net/business/news/sbac-bank-ceo-resigns-3414816>

EXCHANGE | Margin loans hit pockets of investors

- The Bangladesh Securities and Exchange Commission (BSEC) introduced the floor price in July last year to halt the freefall of the indexes amid global economic uncertainties brought on by the war between Russia and Ukraine. The exact volume of margin loans in the stock market is hard to come by. A number of officials of the DSE and the BSEC put the figure at BDT 150 Bn. The interest rate on margin loans was 12% to 14% a couple months ago and it now stands at 15% to 17%. The current situation is hurting brokerage firms and merchant banks as well.

<https://www.thedailystar.net/business/economy/stock/news/margin-loans-hit-pockets-investors-3414976>

EXCHANGE | DSE plans to get green garment factories listed

- Dhaka Stock Exchange (DSE) is planning on wooing garment factories which adopted environment-friendly practices to get listed so that the opportunity to invest in good stocks arises while the factories can diversify their financing portfolio. At present 58 companies are listed in the textile category with the DSE. Of them, eight companies are categorised as junk stocks due to their lacklustre performance. Currently, Bangladesh is home to 9 out of the 10 top "green" industrial units worldwide.

<https://www.thedailystar.net/business/economy/stock/news/dse-plans-get-green-garment-factories-listed-3413646>

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transactions.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Fahim Hassan	Research Analyst	fahim.hassan@bracepl.com	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	hztowhidi.khan@bracepl.com	01708 805 224
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229
Syed Tawsifuzzaman	Research Associate	s.tawsifuzzaman@bracepl.com	01708 805 202
Foysal Ahmed	Research Associate	foysal.ahmed@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

FOR SERVICE-RELATED QUERIES, REACH OUT TO

 care@bracepl.com
 Call 16285



Website	Address	E-Mail	Contact
www.bracepl.com	Symphony, Plot No. S.E. (F) - 9, Road No. 142, Gulshan-1, Dhaka	Research: research@bracepl.com Sales: ftrader@bracepl.com	Phone: +880 2 985 2446-50 Fax: +880 2 985 2451