

## Weekly Market Update

### Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.28%) gained 17.77 points and closed the week at 6,290.20 points. The blue-chip index DS30 (+0.04%) gained 0.93 points and stood at 2,195.29 points. The Shariah-based index DSES (-0.27%) lost -3.75 points and stood at 1,368.25 points. The large cap index CDSET (+0.00%) gained 0.04 points and closed at 1,211.81 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.34%, 0.00%, +0.69%, -0.21%, respectively.

**Total Turnover During the Week (DSE):** BDT 36.8 billion (USD 342 million)

**Average Daily Turnover Value (ADTV):** BDT 7.4 billion (Δ% Week: -7.0%)

**Market P/E:** 22.5x

### Daily Index Movement during the Week

The market performed Five sessions during this week. The market started on a negative note (-0.14%) on Sunday. Further remained negative on Monday (-0.05%) but recovered on Tuesday (+0.27%) and remained positive on Wednesday (+0.06%). Lastly, the market closed on a positive note (+0.14%) on Thursday.

### Sectoral Performance

• Financial sectors posted mixed performance this week. General Insurance booked the highest gain of 10.75% followed by Life Insurance (+5.19%), and Mutual Fund (+0.09%). Bank experienced the highest loss of 0.69% followed by NBFI (0.00%).

• Non-financial sectors posted mixed performance this week. Engineering booked the highest gain of 0.27% followed by Fuel & Power (+0.21%), and Telecommunication (+0.00%). Food & Allied experienced the highest loss of 0.87% followed by Pharmaceutical (-0.14%).

### Macroeconomic arena

• Dhaka's poverty falls by 4.3% in 2019-2022. Govt to purchase 0.23 Mn tonnes of fertilisers. Govt to buy 12,500 tonnes of sugar from US firm. War-induced price shocks push 3 Mn people into poverty: BIDS. Tougher value addition rules for an RMG segment mulled. Govt keeps borrowing big amounts from BB. Major targets of current budget still unmet. Rise in med prices: Government sits with stakeholders today. Govt to rely more on banks to finance budget deficit. Korea biggest source of FDI for Bangladesh in 2022, Korean envoy tells PM. Can falling imports alone ease stress in the economy?. Interbank dollar rate rises to BDT 108.50. LC opening, settlement both fall. Lower agri, industrial outputs drag down GDP in FY23. Surcharge-free limit of wealth likely to rise. Export cash incentive cuts, VAT on mobile handsets planned. Disability allowance may go up. BB cash funneling mitigates banks' liquidity crunch. Owning flat, land to get costlier as gain tax increase planned. Bangladesh poised to fall short on tax-GDP ratio. April saw highest BDT 296.97 Bn govt borrowing from banks in FY23.

• Juggling revenue gaps and spending obligations in an election year budget. Non-traditional markets drive export growth for Bangladesh. Govt eyes BDT 50 Bn more revenue from cigarette by fixing retail price gap. Bangladesh receives USD 774 Mn in remittance in first 12 days of May. Steel makers halve production as Turkey-Syria reconstruction fuels scrap price hikes. Widening revenue shortfall, declining exports, remittance key concerns: PRI. Carbon tax on cars likely in next budget. BDT 2630 Bn ADP approved with highest allocation for transport. BGMEA wants source tax to be slashed to 0.50% in upcoming budget. RMG exports reach USD 38.57 Bn with 9.09% YoY growth during July-April. Govt to give BDT 162 Mn incentive to increase summer onion production. IsDB to provide EUR 270 Mn for housing project. Rules allowing exit from locked-in TIN ready. Per capita income falls to USD 2,765. Bangladesh's GDP growth projection for FY23 revised down to 6.03%.

### Stock Market arena

• EBL | Eastern Bank posts higher Q1 profit despite rising costs. MTB | Sponsor to transfer 1.52 Mn Mutual Trust Bank shares. PTL | Paramount Textile's profit surges 121% in Jan-Mar. LANKABAFIN | LankaBangla Finance's profit drops by 66% in Jan-Mar. BDFINANCE | BD Finance's profit declines by 75% in Q1. MERCINS | Mercantile Islami Insurance's profit drops 25% in Jan-Mar. RINGSHINE | Ring Shine lets go of expansion plan, uses IPO fund as working capital. EXCHANGE | Firms to face music for failure to transfer unclaimed dividends. BATASHOE | Bata Shoe profit nearly doubles. IFIC | IFIC Bank's profit jumps over 94% in Jan-Mar. UCB | UCB's profit jumps 37% in Q1. ALARABANK | Al-Arafah Islami Bank's profit drops 60% in first quarter. RELIANCINS | Reliance Insurance's profit up over 24% in Q1. BATASHOE | Bata Shoe profit doubles in Jan-Mar. ROBI | Robi Axiata's revenue rises 16% on strong data sales. IDLC | IDLC Finance's profits slump 29% in Q1. DHAKABANK | Dhaka Bank's profit decline in Jan-Mar. BATBC | British American Tobacco to invest BDT 610 Mn for capacity expansion.

May 18, 2023 (Week: May 14, 2023 – May 18, 2023)

**Dhaka Stock Exchange**

**DSEX ended in Green (+0.28%) in the week**

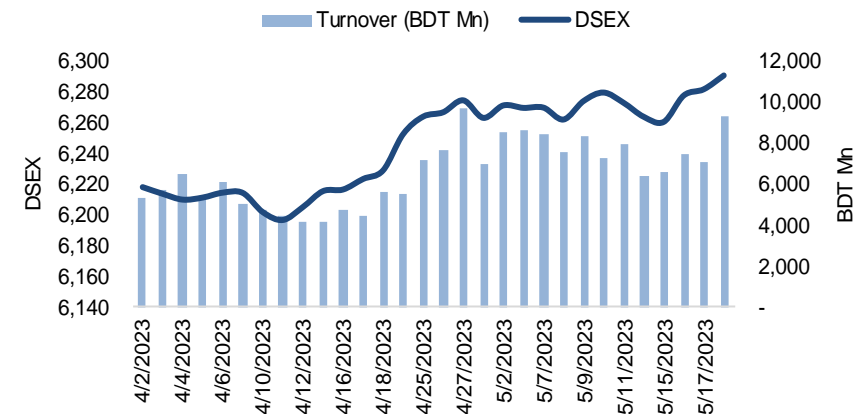
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	29-Dec-2022	Δ% Week	Δ% YTD
DSEX	6,290.20	6,272.43	+17.77	6,206.81	+0.28%	+1.34%
DS30	2,195.29	2,194.35	+0.93	2,195.30	+0.04%	-0.00%
DSES	1,368.25	1,372.00	-3.75	1,358.84	-0.27%	+0.69%
CDSET	1,211.81	1,211.77	+0.04	1,214.42	+0.00%	-0.21%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,706,379	7,661,067	+0.6%
	M n USD	71,721	71,299	
Turnover	M n BDT	36,797	39,574	-7.0%
	M n USD	342	368	
Average Daily Turnover	M n BDT	7,359	7,915	-7.0%
	M n USD	68	74	
Volume	M n Shares	717	793	-9.6%

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
TILIL	17.6	0.0	+60.0%	704	0.0	NM	NM
MEGHNAINS	43.0	29.9	+43.8%	1,720	242.8	27.9x	2.8x
PARAMOUNT	50.9	38.4	+32.6%	2,070	131.8	29.1x	1.9x
GLOBALINS	38.7	29.3	+32.1%	1,569	158.7	25.3x	2.9x
OIMEX	25.6	19.5	+31.3%	1,717	298.0	NM	2.3x
EMERALDOIL	87.0	69.2	+25.7%	5,195	407.0	NM	NM
RUPALILIFE	118.9	95.0	+25.2%	3,569	1,147.7	NM	NM
ISLAM IINS	49.9	40.7	+22.6%	2,054	111.7	16.8x	2.5x
SIMTEX	23.0	18.9	+21.7%	1,831	530.4	25.3x	10x
CLICL	76.5	63.8	+19.9%	2,869	422.2	NM	NM

**Table 4: Top Ten Losers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
NTC	273.2	651.6	-58.1%	1,803	23.4	NM	135.2x
GEMINISEA	732.9	912.1	-19.6%	4,475	1,290.1	34.9x	28.9x
HEIDELBCEM	268.7	304.4	-11.7%	15,183	246.8	47.2x	4.0x
GBBPOWER	15.9	17.8	-10.7%	1,619	98.2	17.1x	0.8x
MIDLANDBNK	14.1	15.7	-10.2%	9,019	336.4	14.6x	1.1x
SONALIANSH	465.7	516.7	-9.9%	2,526	287.4	NM	2.0x
BDWELDING	26.7	29.0	-7.9%	1,157	82.0	NM	2.3x
HWAWELLTEX	59.4	64.4	-7.8%	3,326	58.9	NM	1.6x
APEXSPINN	137.1	147.7	-7.2%	1,152	72.5	39.5x	2.3x
BRACBANK	35.8	38.5	-7.0%	57,596	1.4	9.0x	0.9x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BSC	135.0	130.9	+3.1%	20,592	1,785.9	9.0x	1.7x
GEMINISEA	732.9	912.1	-19.6%	4,475	1,290.1	34.9x	28.9x
INTRACO	412	39.1	+5.4%	4,047	1,263.0	27.4x	3.2x
SEAPEARL	2115	2113	+0.1%	25,539	1,180.5	30.7x	12.2x
RUPALILIFE	118.9	95.0	+25.2%	3,569	1,147.7	NM	NM
EHL	107.2	115.1	-6.9%	10,007	789.5	15.9x	14x
PAPERPROC	2615	233.1	+12.2%	2,733	772.6	53.0x	7.7x
AGNISYSL	27.3	29.1	-6.2%	1,981	721.2	23.1x	1.7x
AAMRANET	78.5	76.2	+3.0%	4,866	690.5	20.6x	2.1x
UNIQUEHRL	74.5	76.4	-2.5%	21,933	688.2	13.1x	0.8x

**Table 6: Most Appreciated YTD in BRAC EPL Universe**

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	268.7	+50.0%	15,183	47.2x	4.0x
OLYMPIC	167.0	+34.7%	33,390	20.3x	3.4x
UNIQUEHRL	74.5	+29.1%	21,933	13.1x	0.8x
UNILEVERCL	2,026.9	+13.8%	39,067	44.4x	13.0x
ADNTEL	127.5	+11.7%	8,243	33.1x	4.6x
PIONEERINS	74.2	+9.0%	6,597	12.5x	15x
JAMUNAOIL	1815	+8.5%	20,042	6.7x	0.9x
BATASHOE	1,008.5	+5.9%	13,796	28.9x	3.8x
BERGERPBL	1,798.0	+4.4%	83,387	28.2x	6.9x
EBL	29.4	+4.0%	35,493	6.9x	0.9x

\*BDT

\*\*BDT Mn

**Table 7: Sector Indices**

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1445.6	1455.6	1427.09	-0.69%	+1.30%
NBFI	1,918.5	1,918.6	1,927.24	-0.00%	-0.45%
Mutual Fund	826.3	825.5	852.07	+0.09%	-3.02%
General Insurance	3,446.9	3,112.3	3,177.87	+10.75%	+8.47%
Life Insurance	2,671.7	2,539.9	2,492.91	+5.19%	+7.17%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,685.3	3,690.5	3,754.47	-0.14%	-1.84%
Fuel & Power	1,705.2	1,701.6	1,694.29	+0.21%	+0.64%
Cement	2,479.1	2,545.8	2,319.67	-2.62%	+6.87%
Services & Real Estate	2,047.6	2,080.8	1,782.23	-1.59%	+14.89%
Engineering	4,507.6	4,495.5	4,503.40	+0.27%	+0.09%
Food & Allied	21,395.3	21,582.6	21,247.80	-0.87%	+0.69%
IT	3,279.0	3,357.6	3,004.33	-2.34%	+9.14%
Textile	1,620.4	1,617.2	1,621.87	+0.19%	-0.09%
Paper & Printing	10,783.4	10,733.5	10,388.08	+0.46%	+3.81%
Tannery	3,215.8	3,252.6	3,093.43	-1.13%	+3.96%
Jute	14,409.9	15,346.2	14,850.17	-6.10%	-2.96%
Ceramics	693.6	687.2	704.74	+0.93%	-1.58%
Miscellaneous	4,191.7	4,184.2	4,071.46	+0.18%	+2.95%

**Table 8: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	171.1	202.3	-15.42%	+2.46%	11.9x	0.7x
NBFI	7.6	112	-32.12%	+0.11%	NM	4.3x
Mutual Fund	4.3	13	+227.00%	+0.06%	NM	0.7x
General Insurance	860.1	184.4	+366.51%	+12.34%	18.1x	16x
Life Insurance	737.1	315.2	+133.86%	+10.57%	NM	NM
Telecommunication	2.6	1.1	+133.32%	+0.04%	16.9x	4.3x
Pharmaceutical	422.0	746.9	-43.50%	+6.05%	19.2x	2.3x
Fuel & Power	485.0	480.5	+0.94%	+6.96%	23.6x	1.1x
Cement	183.5	464.2	-60.47%	+2.63%	30.3x	2.6x
Services & Real Estate	582.6	815.6	-28.57%	+8.36%	29.3x	10x
Engineering	364.4	402.8	-9.55%	+5.23%	72.5x	18x
Food & Allied	780.0	966.8	-19.32%	+11.19%	19.9x	8.2x
IT	646.9	1,051.4	-38.48%	+9.28%	29.9x	3.1x
Textile	608.1	633.1	-3.94%	+8.72%	85.4x	1.1x
Paper & Printing	346.6	347.0	-0.10%	+4.97%	40.1x	2.1x
Tannery	114.5	152.4	-24.86%	+1.64%	48.9x	3.3x
Jute	64.1	125.6	-48.96%	+0.92%	NM	5.7x
Ceramics	69.4	49.1	+41.18%	+1.00%	49.1x	1.9x
Miscellaneous	520.4	512.8	+1.48%	+7.47%	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	31.0x	2.0x
PRIMEBANK	18.9	-1.6%	21,400	5.4x	0.6x
ISLAMIBANK	32.9	-0.3%	52,969	9.0x	0.8x
BRACBANK	35.8	-0.0%	57,596	9.0x	0.9x
IDLC	46.5	-	19,330	10.7x	10x
IPDC	57.6	-	21,375	30.8x	3.1x
LANKABAFIN	26.0	-	14,010	28.0x	13x
ACI	260.2	-	19,829	NM	2.0x
LINDEBD	1,397.7	-	21,271	29.4x	3.5x
UPGDCL	233.7	-	135,475	16.7x	4.4x

## Important News: Business & Economy

### Dhaka's poverty falls by 4.3% in 2019-2022

- The overall poverty headcount decreased by 4.3% in Dhaka city between 2019 and 2022, according to a survey of the Bangladesh Institute of Development Studies (BIDS). It came down to 22.24% from 26.54%, the survey data showed. The think-tank also found that the proportion of extremely poor households declined by 3.2% from 17.01% to 13.83% during the period. The BIDS disclosed the findings of the survey at the BIDS Research Almanac 2023 at the Lakeshore Hotel in Dhaka today.
- "This is considerable progress in poverty reduction under the duress of Covid-19," BIDS Director-General Binayak Sen said while presenting a paper on "Urban Poverty Dynamics during Covid-19 Anatomy of Resilience". The reduction of poverty happened due to self-employment, income transfer both from the private and public sectors, and financial dissaving, he said.

<https://www.thedailystar.net/business/economy/news/dhakas-poverty-falls-43-percentage-points-2019-2022-3322366>

### Govt to purchase 0.23 Mn tonnes of fertilisers

- The government will purchase 0.23 Mn tonnes of fertilisers under seven proposals approved by the cabinet committee on public purchase today. The cabinet in a meeting gave go-ahead to three proposals of the industries ministry and four of the agriculture ministry. The Bangladesh Chemical Industries Corporation under the industries ministry will purchase a total of 70,000 tonnes of fertilisers from three different sources. The corporation will bring in 10,000 tonnes of phosphoric acid at BDT 609.5 Mn from a company of the United Arab Emirates and 30,000 tonnes of bagged granular urea fertiliser at BDT 1.204 Bn from Karnaphuli Fertiliser Company Ltd.

<https://www.thedailystar.net/business/news/govt-purchase-23-lakh-tonnes-fertilisers-3322671>

### Govt to buy 12,500 tonnes of sugar from US firm

- The government is going to buy 12,500 tonnes of sugar from a US company. The cabinet committee on public purchase today approved a proposal to this end in a meeting chaired by Finance Minister AHM Mustafa Kamal. As per the proposal, the Trading Corporation of Bangladesh (TCB) will buy 12,500 tonnes of sugar from the Accentuate Technology Inc in the United States through local company OMC Limited for BDT 662.7 Mn through the international open tender system.

<https://www.thedailystar.net/business/news/govt-buy-12500-tonnes-sugar-us-firm-3322526>

### War-induced price shocks push 3 Mn people into poverty: BIDS

- The spike in global commodity prices caused by the Russia-Ukraine war pushed around 3 Mn people into poverty in Bangladesh, reveals a study by the Bangladesh Institute of Development Studies (BIDS). The study titled "Impact of the Russia-Ukraine War Price Shocks on Bangladesh Economy" further states that rural households, especially the vulnerable groups who earn the most from agriculture, are worst affected by the war. Thareen Tahrima Chowdhury of the BIDS and Angga Pradesha from the International Food Policy Research Institute presented the highlight of the paper on the first day of the BIDS Research Almanac on Wednesday.

<https://www.tbsnews.net/economy/price-shocks-due-russia-ukraine-war-pushed-3m-bangladeshis-poverty-bids-633590>

### Tougher value addition rules for an RMG segment mulled

- The government has planned to implement stricter regulations regarding the eligibility criteria for cash incentives provided to garment exporters who rely on materials supplied by their buyers, according to officials of the Bangladesh Bank. Apparel manufacturers who receive fabrics and other materials from buyers and export finished products after cutting, making, and trimming (CMT), will now be subject to a revised calculation of their value addition.
- To qualify for cash incentives, the value addition must amount to at least 20%. Currently, exporters in this sector determine the value addition by subtracting the cost of production, including purchases from local markets and profit margins, from the export proceeds except for freight costs.

<https://www.tbsnews.net/economy/rmg/garment-sector-see-tighter-cash-incentive-rule-luxury-hotels-will-lose-duty-concession>

### Govt keeps borrowing big amounts from BB

- The government has kept borrowing a hefty amount of funds from the Bangladesh Bank as commercial banks are unable to meet the financing requirement of the state because of the liquidity crunch. Between July 1 and May 10 this fiscal year, the government borrowed BDT 679.06 Bn from the central bank, BB data showed.
- It borrowed BDT 314.03 Bn from the BB in the entire previous fiscal year. "Borrowing from the central bank means an injection of money into the market," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh. "It will put an adverse impact on inflation and the balance of payments (BoP)."

<https://www.thedailystar.net/business/economy/news/govt-keeps-borrowing-big-amounts-bb-3323031>

### **Major targets of current budget still unmet**

- The government is far away from achieving the major targets set for the current fiscal year when the national budget was unveiled in June last year, owing to its failures to assess the global scenario before fixing the goals, experts said. The major targets that the government might miss at the end of 2022-23 include gross domestic product (GDP) growth, inflation, revenue and annual development programme (ADP).

<https://www.thedailystar.net/business/economy/news/major-targets-current-budget-still-unmet-3323036>

### **Rise in med prices: Government sits with stakeholders today**

- The government is scheduled to sit with stakeholders today (Wednesday) to find reasons behind a recent hike in prices of medicines and medical equipment. Today's meeting is part of an instruction from the Prime Minister's Office (PMO). The Directorate General of Drug Administration (DGDA), which is authorised to approve prices of medicines, will hold the meeting on its premises. Pharmaceutical company representatives, chemists and druggists, law-enforcers, intelligence officials, medical device and instrument importers association, pharmaceutical importers association and Consumers Association of Bangladesh (CAB) have been invited to the meeting.

<https://thefinancialexpress.com.bd/economy/bangladesh/rise-in-med-prices-government-sits-with-stakeholders-today>

### **Govt to rely more on banks to finance budget deficit**

- The government is going to rely heavily on the banking system to finance the budget deficit for the next fiscal year — a move that analysts say could potentially crowd out the private sector from the loan market and eventually slow investment growth. Finance Minister AHM Mustafa Kamal is set to place the BDT 7600 Bn budget for FY24 in parliament on 1 June. The budget deficit is estimated to be BDT 2600 Bn, of which BDT 1360 Bn is targeted to be sourced from the banking system, according to a finance ministry document obtained by The Business Standard.
- According to Finance Division officials, the government will borrow 28% more than the target of the current fiscal year from the banking system to meet the budget deficit in the next financial year. The bank borrowing target for the current financial year is BDT 1063.34 Bn. In April, the government borrowed BDT 296.97 Bn from the banking system, the highest in a single month in the fiscal year so far.

<https://www.tbsnews.net/economy/govt-rely-more-banks-finance-budget-deficit-633070>

### **Korea biggest source of FDI for Bangladesh in 2022, Korean envoy tells PM**

- Korea has become the largest foreign direct investor to Bangladesh in the year of 2022 with a gross volume of USD 662 Mn. Ambassador Lee Jang-Keun said this when he paid a farewell call on Prime Minister Sheikh Hasina at the Ganabhaban on Tuesday. Ambassador Lee shared with Prime Minister recent milestone development in relations between Korea and Bangladesh in multiple areas such as trade, official development assistance, expatriate workers and investment in the year of 50th anniversary of Korea-Bangladesh diplomatic ties in 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/korea-biggest-source-of-fdi-for-bangladesh-in-2022>

### **Can falling imports alone ease stress in the economy?**

- Bangladesh's trade gap and current account deficit have narrowed significantly in recent months but the positive developments might not prove enough to bring back stability to the economy. The government and the central bank earlier took a set of initiatives to reduce import payments in order to decrease both the trade gap and the shortfall in the current account. The initiatives have not paid off since the erosion of the foreign exchange reserves could not be stopped. The large shortfall in the financial account, which had historically enjoyed a surplus, is now responsible for the drastic fall in the reserves. Bangladesh's international currency reserves stood at USD 30.34 Bn last week in contrast to USD 42.20 Bn in May last year, a decrease of 28% year-on-year.

<https://www.thedailystar.net/business/economy/news/can-falling-imports-alone-ease-stress-the-economy-3321221>

### **Interbank dollar rate rises to BDT 108.50**

- Within a week, the interbank exchange rate for dollars rose from BDT 108 to BDT 108.50, which is the highest in the country's history. The rate at which one bank sells dollars to another bank is called the interbank exchange rate. According to central bank data, the dollar traded at the lowest rate of BDT 107.26 and highest rate of BDT 108.50 on Monday (16 May). Earlier on 7 May, the dollar rate rose to BDT 108 in interbank exchange. This was the highest dollar rate in this market till day. Bankers said the interbank dollar rate has increased mainly due to the increase in remittance rates.

<https://www.tbsnews.net/economy/interbank-dollar-rate-rises-tk10850-632962>



### **LC opening, settlement both fall**

- The opening and settlement of letters of credit (LCs) in Bangladesh fell 26.80% and 8.15% year-on-year in the July-April period of the current financial year, central bank figures showed. LC opening stood at USD 56.36 Bn in the first 10 months of 2022-23, down from USD 76.99 Bn a year ago. The settlement fell to USD 62.39 Bn from USD 67.93 Bn during the period, said the Bangladesh Bank in its monthly update on major economic indicators.
- The fresh opening of import LCs fell by 26.80% in July-April as a result of the close monitoring, the BB said. The central bank has taken moves to curb the imports of non-essential and luxury items in order to stop the erosion of the foreign currency reserves.

<https://www.thedailystar.net/business/news/lc-opening-settlement-both-fall-3322056>

### **Lower agri, industrial outputs drag down GDP in FY23**

- A fall in production in the agriculture, manufacturing and service sectors led to a slowdown in Bangladesh's gross domestic product (GDP). According to the Bangladesh Bureau of Statistics (BBS), the GDP growth in agriculture, manufacturing, service sectors for the fiscal 2022-23 decreased compared to the previous year. The growth in the agriculture sector for the fiscal 2022-23 slowed to 2.61%, down from 3.05% in the previous fiscal year.
- The industrial sector also registered a drop in production from 9.86% to 8.18% in FY2022-23. According to BBS calculations, production in the manufacturing sector fell by 2.18% to 9.23%. Although production in the small, medium and micro industry grew by 4.89%, the service sector saw a dip from 6.26% to 5.84%.

<https://www.tbsnews.net/economy/lower-agri-industrial-outputs-drag-down-gdp-fy23-633034>

### **Surcharge-free limit of wealth likely to rise**

- The government may increase the threshold of surcharge-free net wealth from the coming fiscal year 2023-24 beginning from July – a plan that is likely to reduce the pressure of tax on the upper middle-income people. At present, an individual does not have to pay any surcharge on net wealth of up to BDT 30 Mn. The ceiling may rise to BDT 40 Mn, said a senior finance ministry official. The National Board of Revenue (NBR) had increased the ceiling to BDT 30 Mn from BDT 25 Mn three years ago.

<https://www.thedailystar.net/business/economy/news/surcharge-free-limit-wealth-likely-rise-3321211>

### **Export cash incentive cuts, VAT on mobile handsets planned**

- In preparation for the post-LDC era beginning in 2026, when cash incentives will no longer be permitted under WTO rules, the government has decided to gradually reduce cash incentives for exporters. There is a proposal in principle to decrease cash incentives for exports by a range of 0.5% to 2% points starting in the next fiscal year. The government has also decided to impose value-added tax (VAT) on mobile handsets manufactured and assembled locally in the next fiscal year, commerce ministry officials said.
- A senior commerce ministry official familiar with the matter said, "Cash incentives will be phased out gradually to adjust to the WTO rules." He said this strategic approach has been taken to ensure a smooth transition while continuing to support key sectors, including the readymade garment industry, which has significantly benefited from cash incentives over the past three decades.

<https://www.tbsnews.net/economy/budget/export-cash-incentive-cuts-vat-mobile-handsets-planned-633082>

### **Disability allowance may go up**

- The allowance for people with physical impairments may be increased through the next budget for fiscal year 2023-24, Planning Minister MA Mannan said yesterday. No other allowance will be increased, he quoted Prime Minister Sheikh Hasina as saying. Addressing an event organised by the Citizen's Platform for SDGs, Bangladesh at Bangabandhu International Conference Centre in Dhaka, Mannan said, "It is just a support for them, not payment. It would be a tool to change their situation."

<https://www.thedailystar.net/business/economy/news/disability-allowance-may-go-3321196>

### **BB cash funneling mitigates banks' liquidity crunch**

- Generous devolvement of Bangladesh Bank on risk-free government securities like treasury bills and treasury bonds has gone up remarkably, helping ease banks' liquidity stress, but with downside risks. As BB officials sing success of the monetary intervention in the money market in the crunch time, economists strike a bit different note as they anticipate further strokes to inflation-meaning price rises on the already-overheated market.
- According to the statistics of BB, the grand total of devolvement on treasury bills and bonds by BB had stood at BDT 1.07 Tn up to May 2023 of this fiscal year while primary dealers who participate in the auction made devolvement on only treasury bills amounting to BDT 21.07 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-cash-funneling-mitigates-banks-liquidity-crunch>

### **Owning flat, land to get costlier as gain tax increase planned**

- Owning property may become costlier in the next fiscal year as the government moves to increase the gain tax, while benefits may be given to some specific electronics items to encourage local manufacturing, according to finance ministry officials. Also, local manufacturers of refrigerators, freezers, and their compressors are likely to continue benefiting from the current duty rebate for an additional year.
- Currently, the total gain taxes and fees on buying flats and plots amount to 10-12.5%, which may increase by 1-2% in the upcoming national budget according to the sources in the National Board of Revenue (NBR). However, real estate businessmen say there is currently a downtrend in the housing sector due to the economic slowdown. If the tax is increased again, sales in this sector will further decrease, which will have a negative impact on the economy.

<https://www.tbsnews.net/economy/budget/owning-flat-land-get-costlier-gain-tax-increase-planned-632438>

### **Bangladesh poised to fall short on tax-GDP ratio**

- Bangladesh may fall short on the International Monetary Fund (IMF) lending condition regarding domestic revenue mobilization for long neglecting fundamental reforms required for raising the tax-GDP ratio through economic vibrancy, economists say.
- The reforms should have been carried out 15 to 20 years ago to avoid current poor state of tax-GDP ratio down to 7.4% in the fiscal year 2023 from 7.9% last year, the economists at the Policy Research Institute (PRI) said Sunday. Without carrying out fundamental reforms in revenue administration, including separation of tax-policy wing from enforcement, there is little hope to increase the country's tax-GDP ratio, they opined.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-poised-to-fall-short-on-tax-gdp-ratio>

### **April saw highest BDT 296.97 Bn govt borrowing from banks in FY23**

- As the fiscal year draws to a close, the government is turning to banks, especially the central bank, to secure funds to cover its expenses amid a decline in revenue collection. Data from the Bangladesh Bank shows that the government borrowed BDT 296.97 Bn from banks in April, the highest amount borrowed in a single month during the fiscal 2022-23. In March, the borrowing was BDT 177.7 Bn, while in February, it was BDT 68.03 Bn.

- According to the Bangladesh Bank, from July to April in FY23, the government borrowed a total of BDT 820.57 Bn from the banking system, and around 80% of this fund was provided by the central bank. It is worth noting that when a central bank lends money to the government by printing additional currency, it is referred to as high-powered money, which can potentially result in higher inflation.

<https://www.tbsnews.net/economy/banking/april-saw-highest-tk29697cr-govt-borrowing-banks-fy23-632434>

### **Juggling revenue gaps and spending obligations in an election year budget**

- The Bangladeshi economy continues to grapple with macroeconomic stress. These challenges began surfacing domestically when imports spiked due to pent-up demand in the wake of economic recovery after the Covid-19 shock. The rising value of the US dollar across the world exacerbated the situation. The Russia-Ukraine conflict further contributed to the strain by disrupting supply chains and escalating global commodity prices, which in turn made imports even more expensive.
- As of July 2022, the gross foreign exchange reserve was at a robust USD 39.6 Bn. However, it experienced a significant reduction over the year, dropping to USD 30.34 Bn by May 8, 2023. Inflation also saw a sharp rise, peaking at 9.5% in August 2022 and maintaining an average of 8.9% over the subsequent 10 months, overshooting the annual target by 3.5%. On the other hand, remittances accumulated from July 2022 to April 2023 amounted to USD 17.72 Bn. Projections from PRI Study Center on Domestic Resource Mobilisation (PRI-CDRM) suggest that by the close of the current fiscal year, the total remittance earnings will amount to USD 21.26 Bn. However, this figure still falls short by USD 6.10 Bn of the revised remittance target outlined in the Monetary Policy Statement.

<https://thefinancialexpress.com.bd/economy/bangladesh/juggling-revenue-gaps-and-spending-obligations-in-an-election-year-budget>

### **Non-traditional markets drive export growth for Bangladesh**

- In the first ten months until April of the current fiscal year, exports to non-traditional markets grew by an impressive 30.80%, reaching USD 7 Bn. Also, the market shares of non-traditional export destinations increased to over 18%, up from 15% during the same period a year ago. Among the non-traditional markets, Japan, Australia, India, and South Korea emerged as the major players, with RMG exports amounting to USD 1.32 Bn, USD 961.30 Mn, USD 889.06 Mn, and USD 477.81 Mn respectively.

<https://www.tbsnews.net/economy/non-traditional-markets-drive-export-growth-bangladesh-631614>

**Govt eyes BDT 50 Bn more revenue from cigarette by fixing retail price gap**

- The government plans to set a maximum retail price for a pack of cigarettes to earn more revenue, plugging the gap between what retailers charge from customers and what is printed on the packet, according to a senior finance ministry official. Now, the retail price is printed on the packet, but customers have to pay at least BDT 10 to BDT 20 higher. This means the government loses revenue as the taxes are calculated on the basis of the rate printed on the packet.
- For instance, a ten-stick packet of premium brand cigarettes (such as Benson & Hedges and Marlboro) has a retail price tag of BDT 142, which means each stick should cost BDT 14.2. However, buyers are currently being charged BDT 16 per stick, which stands at BDT 160 for a packet, resulting in a potential revenue loss of BDT 18 per packet of 10 sticks only. Similarly, in the case of higher-segment cigarettes (Gold Leaf or likes), each stick is sold at BDT 12, whereas the retail price is set at BDT 11.10.
- The National Board of Revenue (NBR) has estimated that if taxes were collected based on the retail sales price, the government could have earned an additional BDT 35 Bn in revenue from the tobacco sector in the last nine months to March of the current fiscal year. For a full year, this amount could reach approximately BDT 50 Bn.

<https://www.tbsnews.net/nbr/govt-eyes-tk5000cr-more-revenue-cigarette-fixing-retail-price-gap-631370>

**Mango export target more than doubled to 4,000 tonnes this year**

- The growth of exportable mango plantations, modern orchard management, and the creation of new markets have all contributed to a steady increase in mango exports from Bangladesh to various countries and regions, including the Middle East and Europe, in recent years. The trend is expected to continue this season. The Department of Agricultural Extension (DAE) has set a target of producing about 10,000 tonnes of exportable mangoes in the country this season. On the other hand, fruit exporters aim to export 4,000 tonnes of the country's national fruit in the current fiscal year 2022-23, more than double the 1,757 tonnes exported last year.
- The export price per kilogram of mangoes, excluding air freight charges, ranges between BDT 150 and BDT 160, said exporters, adding that the country is expected to earn some USD 600,000 or BDT 640 Mn from mango exports this year.

<https://www.tbsnews.net/economy/mango-export-target-more-doubled-4000-tonnes-year-631378>

**Govt to tighten baggage rules for gold bar to boost remittance inflow**

- The government plans to tighten regulations on inbound travellers bringing gold bars to prevent misuse and promote remittance inflow through banking channels, according to officials of the finance ministry. The national budget for the upcoming fiscal 2023-24 will introduce a provision to confiscate any gold bar weighing more than 150 grams from passengers. Additionally, filing tax returns for trust firms will be made mandatory to curb income tax evasion as many individuals evade taxes by forming trusts and diverting their money.
- These proposals made in the draft FY24 budget were discussed in a recent meeting chaired by Finance Minister AHM Mustafa Kamal and presented at a meeting with Prime Minister Sheikh Hasina for approval on Sunday. The proposals will now be sent to the law ministry for legal review before being included in the budget.

<https://www.tbsnews.net/economy/govt-tighten-baggage-rules-gold-bar-boost-remittance-inflow-631866>

**MRT 01, MRT 05 get BDT 47.11 Bn in next ADP**

- Work on MRT lines 01 and 05 is set to begin from next fiscal year, as the government has earmarked a substantial volume of funds in the upcoming development budget. The government has also provided additional funds to the under-construction MRT-6 project to complete the remaining work by the next year, officials said on Saturday. The National Economic Council (NEC), with Prime Minister Sheikh Hasina in the chair, has approved a BDT 2.63- Tn ADP for FY2024. Work on MRT-01, which links Airport with Kamalapur, began months back, and has got an allocation of BDT 39.11- Bn allocation in the ADP for next fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/mrt-01-mrt-05-get-tk-4711b-in-next-adp>

**Bangladesh receives USD 774 Mn in remittance in first 12 days of May**

- Expatriates have sent USD 774 Mn to the country through the banking channel in the first 12 days of May. Majority of the earnings came through the country's 43 private banks, amounting to USD 622 Mn. The state-owned banks brought in USD 148 Mn followed by around USD 3 Mn through foreign banks. Earlier, within the first 14 days of April, the country received USD 959 Mn in remittance and USD 1.68 Bn over the entire month. The earnings were comparatively low given the celebration of Eid-ul-Fitr in April. Bank insiders blamed the low exchange rate of the dollar for the poor remittance.

<https://www.tbsnews.net/economy/bangladesh-receives-774m-remittance-may-631750>

## **Steel makers halve production as Turkey-Syria reconstruction fuels scrap price hikes**

- The steel industry of the country has already been shaken by the dual shock of the Covid-19 pandemic and the Russia-Ukraine war, resulting in increased raw material prices in the international market and supply chain disruptions. Furthermore, recent power and energy price hikes triggered by the country's dollar crisis have exacerbated the situation.
- The international market is facing a rise in scrap prices once again, attributed to the increasing demand for steel due to large-scale infrastructural rebuilding projects in Turkey and Syria. These projects were initiated after a devastating earthquake hit both countries in February, causing the destruction of thousands of buildings. Entrepreneurs in the country's steel sector have reported that the situation has forced them to cut down on rod production by 40%-50%. This has made it extremely difficult for businesses in the sector to stay afloat.

<https://www.tbsnews.net/economy/industry/steel-makers-halve-production-turkey-syria-reconstruction-fuels-scrap-price-hikes>

## **Widening revenue shortfall, declining exports, remittance key concerns: PRI**

- The country's economy is expected to face more strain in the coming months as revenue shortfall against the target in the current fiscal year continues to widen amid depleting foreign exchange reserves and declining exports and remittance.
- During a pre-budget press briefing and discussion on Sunday, PRI Executive Director Ahsan H Mansur criticized the government for its lack of action and reliance on mere rhetoric to address the deterioration of confidence in the financial account (interbank borrowing, suppliers' credit). Dr Zaidi Sattar said, "In the last 20 to 30 years, our macroeconomic management has been satisfactory. Due to the global situation, our balance of payment is now under pressure. Normally, export proceeds are repatriated to the country within four months, but now the proceeds are not even coming in six to nine months."

<https://www.tbsnews.net/nbr/revenue-deficit-may-hit-tk55000-crore-current-fiscal-policy-research-institute-631602>

## **Carbon tax on cars likely in next budget**

- Levying carbon tax on private cars and increasing the rate of wealth surcharge are among budgetary means the government envisages to narrow growing income inequality, as Bangladesh reportedly sees rise of some super-rich. The budget for the fiscal year (FY) 2023-24 may impose 'carbon tax' on a taxpayer having more than one vehicle. People having net asset of over BDT 1.0 Bn might have to pay tax at 40%, up by 5%, from the next fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/carbon-tax-on-cars-likely-in-next-budget>

## **BDT 2630 Bn ADP approved with highest allocation for transport**

- Bangladesh's development budget faces a persistent issue of inefficiency in utilising foreign funds allocated for projects. This trend has continued in recent years, and the upcoming budget follows suit. Of the BDT 2630 Bn budget for the Annual Development Programme (ADP) for upcoming fiscal year 2023-24, BDT 940 Bn or 35.74% will come from foreign sources as project loans, according to the planning commission. The ADP of FY24 is 6.88% higher compared to that of the outgoing year.
- In the outgoing fiscal year, the government reduced the contribution of project loans from the initial proposal of BDT 930 Bn to BDT 745 Bn, accounting for 32.73% of the total outlay. In the previous year, foreign loans accounted for 33.83% of the total ADP budget.

<https://www.tbsnews.net/economy/tk263000cr-adp-approved-highest-allocation-transport-629982>

## **BGMEA wants source tax to be slashed to 0.50% in upcoming budget**

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has demanded the source tax on apparel sector be reduced to 0.50% from 1% in the upcoming fiscal year budget 2023-24. At the same time, the apparel exporters also demanded 10% cash incentives on non-cotton product exports to encourage exporters towards diversification. "If the government makes the tax at source at 0.5%, then, entrepreneurs can confidently undertake mid-term business and investment plans," Faruque Hassan said. The tax at source on the RMG sector was increased to 1% from the previous 0.5% in the previous fiscal year.

<https://www.tbsnews.net/economy/bgmea-wants-source-tax-be-slashed-050-upcoming-budget-630046>

## **RMG exports reach USD 38.57 Bn with 9.09% YoY growth during July-April**

- Bangladesh's apparel industry has recorded a strong year-over-year (YOY) growth of 9.09% for the period of July-April in FY2022-23, according to the data released by the Export Promotion Bureau (EPB). The country's total RMG export during this period reached USD 38.57 Bn, out of which the EU market accounted for USD 19.20 Bn, accounting for 49.78% of total exports. The EPB data revealed that the country's export to EU countries grew by 8.58% compared to the same period of the previous fiscal year. However, exports to Germany, Bulgaria, and Poland have declined. In contrast, Bangladesh's RMG export to France and Spain showed positive growth of 22.21% and 16.69% year-over-year, respectively.

<https://www.tbsnews.net/economy/rmg/rmg-exports-reach-3857-billion-909-yoy-growth-during-july-april-630858>



### **Govt to give BDT 162 Mn incentive to increase summer onion production**

- The government will give an incentive of BDT 162 Mn to increase the cultivation and production of summer onion. "A total of 18,000 farmers of 19 districts will get free seeds and fertilisers under this incentive. Under this incentive, each farmer will get one kg of seeds, and 20 kgs of DAP and 20 kgs of MOP fertilisers at free of cost for cultivating onion on one bigha of land," said an Agriculture Ministry press release today. This incentive will be given from the regular budget of Agriculture Ministry for agricultural support and rehabilitation sector, the release said, adding that a government order was issued in this regard today.

<https://www.tbsnews.net/economy/govt-give-tk1620cr-incentive-increase-summer-onion-production-630126>

### **IsDB to provide EUR 270 Mn for housing project**

- The Islamic Development Bank (IsDB) is set to provide EUR 270 Mn to Bangladesh for the rural and peri-urban housing project. The board of governors of the bank approved the loan during its annual meeting at Jeddah in Saudi Arabia that took place from May 10 to 13, according to a press release from the Economic Relations Division (ERD) of Bangladesh. The theme of this year's meeting was "Partnerships to Fend off Crises" and a delegation from Bangladesh led by ERD Secretary Sharifa Khan took part in the meeting. The delegation emphasized the importance of IsDB supporting its member countries with concessional financing, technical support and building partnerships to tackle the current geopolitical crisis.

<https://www.thedailystar.net/business/economy/news/isdb-provide-eu270m-housing-project-3319246>

### **Rules allowing exit from locked-in TIN ready**

- The government is set to introduce exit policy for taxpayers for the first time to rid cross-sections of people, including expatriates, locked in TIN forever once taken. The revenue authority is likely to incorporate a provision of de-registration into the law for the taxpayers who are searching ways to exit from tax net for various reasons. Under the provision, to be placed with the new budget before Parliament on June 1, 2023, taxpayers will be able to apply for discontinuation of their Taxpayer Identification Number (TIN) to the tax authority by explaining valid reasons.

<https://thefinancialexpress.com.bd/economy/bangladesh/rules-allowing-exit-from-locked-in-tin-ready>

### **Per capita income falls to USD 2,765**

- The per capita income in Bangladesh fell 1% year-on-year to USD 2,765 in 2022-23. Citing estimates by the Bangladesh Bureau of Statistics, a planning ministry official confirmed the fall, chalking it down to the devaluation of the taka against the US dollar. State Minister for Planning Shamsul Alam, however, said per capita income had grown in terms of taka in pace with the economy, which also grew 6.03% this fiscal year. Per capita income was USD 2,824 in 2021-22 fiscal year, up from USD 2,591 in 2020-21. As taka's value fell amid the Russia-Ukraine war and the dollar crisis, incomes also fell.

<https://www.tbsnews.net/economy/capita-income-falls-2763-630090>

### **Bangladesh's GDP growth projection for FY23 revised down to 6.03%**

- Bangladesh's GDP growth projection has been lowered further to 6.03% for the current fiscal year, State Minister for Planning Shamsul Alam said On Thursday. This growth rate surpasses the estimates made by the Asian Development Bank and the World Bank, although it is slightly lower than the government's initial projection of 6.5%.
- According to The Bangladesh Development Update April 2023 by the World Bank, the country's gross domestic product (GDP) is expected to increase by 5.2% in the fiscal year 2023. This lower projection is influenced by factors such as elevated inflation, tighter financial conditions, disruptive import restrictions, and global economic uncertainty. In line with these figures, the Asian Development Bank (ADB) reported in April that Bangladesh's GDP will grow by 5.3% in FY23.

<https://www.tbsnews.net/economy/bangladeshs-gdp-growth-projection-fy23-revised-down-603-629998>

### **Bangladesh 2nd in South Asia in bad loan ratio**

- Bangladesh's banking sector has the second-highest ratio of non-performing loans (NPL) among the countries in South Asia as lenders continue to face multiple challenges emanating from scams, a lack of corporate governance and borrowers' growing reluctance to make instalments regularly. And in the case of non-bank financial institutions (NBFIs), the ratio of NPL is the highest in Bangladesh, with Sri Lanka coming second, according to a World Bank report, which was released recently. The report styled "Expanding Opportunities: Toward Inclusive Growth" said the latest NPL ratios remain below the 2021 levels and the 10% threshold commonly used to indicate systemic stress in most South Asian countries.

<https://www.thedailystar.net/business/economy/news/bangladesh-2nd-south-asia-bad-loan-ratio-3319251>

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**Austerity to continue in next budget**

- The finance ministry has initiated measures to reduce operating expenses in the budget for the fiscal 2023-24, in line with Prime Minister Sheikh Hasina's directive to continue the government's austerity policy and cut unnecessary allocations. To save dollars, the prime minister has called for continuing restrictions on government officials' foreign trips, and luxury expenses and vehicle purchases of government agencies. The instructions might result in trimming the size of the overall budget for the next fiscal, initially estimated at BDT 7600 Bn, finance officials hinted.

<https://www.tbsnews.net/economy/austerity-continue-next-budget-630250>

## Important News: Capital Market

### EBL | Eastern Bank posts higher Q1 profit despite rising costs

- Despite struggling with higher foreign currency borrowing cost and expensive deposits, Eastern Bank Limited, posted a nearly 4% year-on-year growth in net profit on a solo basis in the first quarter of 2023. The bank's March quarter profit was mainly driven by a significant growth in investment income and release of provision against its unrealised losses in listed securities, the bank said in a statement. Eastern Bank's Managing Director and Chief Executive Officer Ali Reza Iftekhhar said, "Despite rising inflation, dollar crisis, and market volatility, the bank saw higher profits thanks to our prudent banking and responsible lending."
- The banking sector has faced a decrease in net interest income, fees and commission earnings including foreign exchange gain during the first quarter of 2023. This was mainly because of the ongoing economic crisis due to scarcity of the US dollar. As a result, foreign currency borrowing cost, particularly for offshore banking operations, increased.

<https://www.tbsnews.net/economy/stocks/eastern-bank-posts-higher-q1-profit-despite-rising-costs-633654>

### MTB | Sponsor to transfer 1.52 Mn Mutual Trust Bank shares

- Associated Builders Corporation Limited — a sponsor of the Mutual Trust Bank Limited — has declared to sell 13.8% or 1.52 Mn of its total 11 Mn shares at the bank. On the other hand, Rashed Ahmed Chowdhury, a director at Associated Builders Corporation as well as at the bank, is going to buy the same shares at the prevailing market price. According to the bank's disclosure on the Dhaka Stock Exchange (DSE) website on Wednesday, the transaction will take place in the block market within the next 30 working days.

<https://www.tbsnews.net/economy/stocks/sponsor-transfer-152-lakh-mutual-trust-bank-shares-633634>

### EXCHANGE | Foreign investment in stocks on the rise

- The stock market is witnessing a rise in foreign investments as the dollar market in Bangladesh started to become stable after months of volatility. According to Dhaka Stock Exchange (DSE) data, foreign investors bought more shares than they sold in April this year, which increased their net investment in the market to BDT 810 Mn compared to just BDT 30 Mn in March. After a long hiatus, foreign investors are now buying more shares than they are selling. In April 2023, they bought shares worth BDT 1.31 Bn, against which they sold shares worth BDT 500 Mn.

<https://www.tbsnews.net/economy/stocks/foreign-investment-stocks-rise-633662>

### PTL | Paramount Textile's profit surges 121% in Jan-Mar

- Paramount Textile Limited posted a 121% year-on-year higher profit growth in the third quarter of the current fiscal year along with higher revenue. From January to March quarter, the company made a consolidated net profit of BDT 341.6 Mn, which was BDT 154.2 Mn in the same period of the previous year. During the period, its consolidated revenue increased by 30.92% to BDT 2.2464 Bn from BDT 1.7158 Bn compared to the previous year.

<https://www.tbsnews.net/economy/stocks/paramount-textiles-profit-surges-121-jan-mar-632610>

### LANKABAFIN | LankaBangla Finance's profit drops by 66% in Jan-Mar

- LankaBangla Finance Limited has posted a 66% decline in its consolidated profits for the January to March quarter of 2023. From January to March, the consolidated net profit after taxes of the non-bank financial institution (NBFI) stood at BDT 79 Mn, which was BDT 234.6 Mn in the same period of the previous year. Its consolidated earnings per share (EPS) stood at BDT 0.15, which was BDT 0.43 from one year ago. Its net asset value per share was BDT 19.41 end of March this year.

<https://www.tbsnews.net/economy/stocks/lankabangla-finance-profit-drops-66-jan-mar-632546>

### BDFINANCE | BD Finance's profit declines by 75% in Q1

- Bangladesh Finance Ltd posted a 66% profit decline in its consolidated in the January to March quarter of 2023 due to lower interest income. From January to March quarter, the consolidated net profit after taxes of the non-bank financial institution (NBFI) stood at BDT 18.8 Mn, which was BDT 75.3 Mn in the same period of the previous year. Its consolidated earnings per share (EPS) stood at BDT 0.10, which was BDT 0.40 from one year ago. Its net asset value per share was BDT 17.51 end of March 2023. The company said in the disclosure, EPS has decreased due to a decrease in net interest income and lower income from investment in securities.

<https://www.tbsnews.net/economy/stocks/bd-finance-profit-declines-75-q1-632590>

### MERCINS | Mercantile Islami Insurance's profit drops 25% in Jan-Mar

- Mercantile Islami Insurance PLC saw an over 25% year-on-year drop in profit in the January-March quarter of this year. The local general insurance company made a profit of BDT 32.3 Mn in the first three months of 2022, which came down to BDT 24.1 Mn in the same period this year. The company's net operating cash flow per share also experienced a massive 61.5% year-on-year fall, as it hit BDT 0.2 in the Jan-Mar quarter of 2023, down from BDT 0.52 the same period previous year.

<https://www.thedailystar.net/business/news/mercantile-islami-insurances-profit-drops-25-jan-mar-3321726>

**RINGSHINE | Ring Shine lets go of expansion plan, uses IPO fund as working capital**

- Ring Shine Textiles Limited, which once planned to spend its initial public offering (IPO) fund on business expansion, is now having a hard time staying afloat, and has decided to use the fund as working capital instead. The company raised BDT 1.5 Bn from the stock market in 2019. Of the fund, it was supposed to use BDT 960 Mn for machinery acquisition, BDT 500 Mn for loan repayment, and the remaining BDT 40 Mn for IPO expenses, as per its IPO prospectus. Although the company did ensure the repayment of its loans and meeting other expenses, it failed to purchase machinery for business expansion. Now, the company will use a total BDT 664 Mn of the IPO fund as working capital in phases, while around BDT 300 Mn is lying unused.

<https://www.tbsnews.net/economy/stocks/ring-shine-lets-go-expansion-plan-uses-ipo-fund-working-capital-632558>

**EXCHANGE | Firms to face music for failure to transfer unclaimed dividends**

- The Bangladesh Securities and Exchange Commission (BSEC) is becoming stricter in realising unclaimed and undisbursed dividends from companies listed on the country's stock market. The companies will have until 30 June to deposit the undisbursed dividends to the Capital Market Stabilisation Fund (CMSF). In the event of default, they will be required to pay a surcharge of 2.5% of the undisbursed amount every month. After the formation of CMSF in 2021, the commission directed the listed companies to deposit the undistributed dividends of more than three years into the fund.

<https://www.tbsnews.net/economy/stocks/firms-face-music-failure-transfer-unclaimed-dividends-633078>

**BATASHOE | Bata Shoe profit nearly doubles**

- Bata Shoe Company (Bangladesh) Limited's profit surged 98.80% year-on-year to BDT 136.3 Mn in the first quarter of 2023, riding on higher revenue growth. The profit stood at BDT 68.5 Mn in the same January-March quarter of 2022. Thus, earnings per share rocketed to BDT 9.96 in January-March against BDT 5.01 in the identical three-month period of 2022, according to the unaudited financial statements. The EPS increased significantly driven by revenue growth, especially due to school and winter seasonal businesses and other promotional activities, said the multinational company in a filing on the Dhaka Stock Exchange.

<https://www.thedailystar.net/business/economy/news/bata-shoe-profit-nearly-doubles-3321166>

**IFIC | IFIC Bank's profit jumps over 94% in Jan-Mar**

- Subsidiary companies' earnings boosted IFIC Bank's net profit by 94% in the January-March quarter of 2023. During the first quarter of this year, its earnings per share were BDT 0.35, which was BDT 0.18 a year ago at the same time. The company explained in its statement filed on the stock exchanges that the profit increase compared to the previous quarter was due to the better performance of one of the subsidiaries.

<https://www.tbsnews.net/economy/stocks/ific-banks-profit-jumps-over-94-jan-mar-632046>

**UCB | UCB's profit jumps 37% in Q1**

- The private commercial lender made a profit of BDT 337.5 Mn in the identical January-March quarter of 2022. The consolidated earnings per share rose to BDT 0.33 for January-March from BDT 0.24 during the same period last year, the unaudited financial statements showed. The consolidated net operating cash flow per share surged to BDT 16.28 from a negative BDT 6.17. The consolidated net asset value per share advanced to BDT 28.91 on March 31 this year from BDT 26.82 a year earlier.

<https://www.thedailystar.net/business/economy/news/ucbs-profit-jumps-37-q1-3321101>

**ALARABANK | Al-Arafah Islami Bank's profit drops 60% in first quarter**

- Al-Arafah Islami Bank's net profit has dropped over 60% in the first quarter of this year compared to the same period of the previous year. During the January-March quarter of 2023, its earnings per share came down to BDT 0.19 from BDT 0.48. The bank said in its statement that earnings per share have dropped due to a decrease in net investment income and an increase in operating expenses compared to the previous corresponding period.

<https://www.tbsnews.net/economy/stocks/al-arafah-islami-banks-profit-drops-60-first-quarter-632078>

**RELIANCINS | Reliance Insurance's profit up over 24% in Q1**

- Reliance Insurance Ltd registered a 24.2% year-on-year rise in profit to BDT 167.2 Mn in the first quarter of the current financial year. The profit stood at BDT 134.6 Mn in the same period of 2022, according to a post on the Dhaka Stock Exchange. The insurer, thus, reported consolidated earnings per share of BDT 1.59 for January-March of 2023, which was BDT 1.28 in the first quarter of 2022. The consolidated net operating cash flow per share jumped to BDT 4.23 from BDT 1.28.

<https://www.thedailystar.net/business/economy/news/reliance-insurances-profit-over-24-q1-3320246>



**LINDEBD | Lower sales, high cost of raw materials halves Linde Bangladesh's profit in Jan-Mar 2023**

- Linde Bangladesh Limited – a leading medical and industrial gas producer in the country – has experienced a decline in profits owing to a rising cost of raw materials and lower sales in the first three months of 2023. From January to March, the company reported a 53% fall in profit compared to the same time of the previous year (2022). The net profit of Linde Bangladesh declined to BDT 140.2 Mn, lower from BDT 299 Mn in January to March of 2022. The earnings per share (EPS) declined to BDT 9.22, which was BDT 19.22 during the same time of the previous year.

<https://www.tbsnews.net/economy/stocks/lower-sales-high-cost-raw-materials-halves-linde-bangladeshs-profit-jan-mar-2023>

**BATASHOE | Bata Shoe profit doubles in Jan-Mar**

- The net profit of Bata Shoe Company (Bangladesh) Ltd has almost doubled for the January-March quarter compared to the same period last year. According to its financial statement published on Sunday, the multinational footwear company's net profit after taxes jumped to BDT 136.2 Mn for the first quarter of the year, up from BDT 68.5 Mn for the same period in 2022. Earnings per share (EPS) increased to BDT 9.91, from BDT 5.01. The 14% year-on-year growth in quarterly revenue reached BDT 2.45 Bn, while the cost of goods sold increased by almost 5% and operating expenses increased by 16%.

<https://www.tbsnews.net/economy/stocks/bata-shoe-profit-doubles-jan-mar-631802>

**ROBI | Robi Axiata's revenue rises 16% on strong data sales**

- Telecom operator Robi's profit rises 5.45% year-on-year BDT 420 Mn in the January-March quarter of 2023. At the same time, the company's revenue grew over 16.25% to BDT 23.47 Bn on the back of strong sales of data, Robi Axiata said in a statement. In the January-March quarter, Robi's voice revenue increased by 14.5% year-on-year while data revenue grew by 17.5%. Having added 1.2 Mn subscribers in the three-month quarter, Robi's subscriber base reached 55.6 Mn now, representing 30.2% of the subscriber market share at the end of first quarter.

<https://www.thedailystar.net/business/economy/news/robi-axiata-revenue-rises-16-strong-data-sales-3320196>

**IDLC | IDLC Finance's profits slump 29% in Q1**

- IDLC Finance Limited yesterday reported securing a profit of BDT 139 Mn in the first quarter of 2023. This is however 29% less than what the non-bank financial institution made in the same period of the previous year. The company logged a consolidated profit after tax of BDT 344 Mn in the January-March quarter of the current year. It was BDT 483 Mn in the same period last year. The rate cap imposed by the central bank resulted in lower interest income and higher payments on deposits while capital market income has decreased, the two major reasons for the fall in profit, the company said in a press release.

<https://www.thedailystar.net/business/economy/news/idlc-finance-profits-slump-29-q1-3320156>

**DHAKABANK | Dhaka Bank's profit decline in Jan-Mar**

- Dhaka Bank Limited has reported a 13.69% fall in earnings per share (EPS) in the first quarter of 2023. According to its unaudited data published on Sunday, the earnings per share (EPS) from January to March of 2023 stood at BDT 0.63. The company's EPS was BDT 0.73. at the same time in the previous year (2022). The net operating cash flow per share (NOCFPS) has increased to BDT 8.21, which was negative at BDT 4.36 from January to March 2022. Explaining the reasons behind the deviation in EPS and NOCFPS, Dhaka Bank said its EPS declined due to a drop in operating profit while the NOCFPS increased due to sale of trading securities, decrease in loans and advances to customers and increase in deposits from other banks.

<https://www.tbsnews.net/economy/stocks/dhaka-banks-profit-decline-jan-mar-631434>

**EXCHANGE | Grameen Bank to invest BDT 2 Bn in stock market**

- Grameen Bank is going to invest BDT 2 Bn in the stock market by forming a mutual fund named Capitec Grameen Bank Growth Fund. Yesterday, the fund's sponsor Grameen Bank, trustee Investment Corporation of Bangladesh (ICB) and fund manager Capitec Asset Management Company signed two separate agreements in this regard at Grameen Bank's head office in the capital. This is going to be the fourth mutual fund managed by Capitec Asset Management. The objective of the fund is to provide lucrative dividend to its shareholders by making money by getting capital gain and cash dividend from listed companies.

<https://www.thedailystar.net/business/economy/news/grameen-bank-invest-tk-200cr-stock-market-3320171>

**EXCHANGE | Stabilisation Fund to inject fresh BDT 2.50 Bn in stocks thru intermediaries**

- The Capital Market Stabilisation Fund (CMSF) is going to lend around BDT 2.5 Bn in fresh funds to stock market intermediaries for them to invest in the stock market. At present, the CMSF has over BDT 2.5 Bn in cash available, which has been kept in a special notice deposit account at the Community Bank Bangladesh Limited. According to officials, the CMSF will seek loan applications from the interested market intermediaries, and it will take no longer than 21 working days to disburse or reject the loan for each firm after receiving the application. The loan is likely to be disbursed by next month.

<https://www.tbsnews.net/economy/stocks/stabilisation-fund-inject-fresh-tk250cr-stocks-thru-intermediaries-631854>

**BATBC | British American Tobacco to invest BDT 610 Mn for capacity expansion**

- British American Tobacco Bangladesh Company Limited is going to invest BDT 610 Mn in its factory to increase the production capacity. The company's board has taken this decision in a meeting held on Wednesday where the company's unaudited financial report for the January to March quarter of 2023 was reviewed and approved. According to the company's disclosure on the Dhaka Stock Exchange (DSE) website on Thursday, British American Tobacco will finance this investment through its own funds and bank loans.

<https://www.tbsnews.net/economy/stocks/british-american-tobacco-invest-tk61cr-capacity-expansion-630202>

**RUNNERAUTO | Runner to issue BDT 2650 Mn bond to fuel three-wheeler business**

- Runner Automobiles will raise USD 25 Mn, equivalent to around BDT 2650 Mn, through issuing a non-convertible guaranteed bond to fuel its eco-friendly three-wheeler business, according to a disclosure through the Dhaka Stock Exchange (DSE). The money would be utilised partly to set up a rooftop solar power system for its three-wheeler manufacturing facility, and the rest of the amount would be used to augment the customer base for its liquefied petroleum gas (LPG) and compressed natural gas (CNG)-run three-wheelers as well as the electric ones through credit sales. The taka-denominated bond will be guaranteed by GuarantCo, and will have the first ever Moody's sustainability certification for any Bangladeshi company, said Runner's Chief Financial Officer (CFO) Shanat Datta.

<https://www.tbsnews.net/economy/stocks/runner-issue-tk265cr-bond-fuel-three-wheeler-business-630002>

**AGRANINS | Agrani Insurance's profit climbs 18%**

- Agrani Insurance Company Ltd posted more than 18% year-on-year increase in profit to BDT 63.2 Mn in the financial year that ended on December 31. The profit stood at BDT 53.4 Mn in 2021. The insurer reported consolidated earnings per share of BDT 1.99 for 2022 against BDT 1.68 in 2021. The consolidated net asset value per share improved to BDT 20.17 from BDT 19.84 but the consolidated net operating cash flow per share plummeted to BDT 0.54 from BDT 1.37.

<https://www.thedailystar.net/business/economy/news/agrani-insurances-profit-climbs-18-3317506>

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