

## Weekly Market Update

### Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.08%) lost -4.94 points and closed the week at 6,215.30 points. The blue-chip index DS30 (-0.03%) lost -0.74 points and stood at 2,218.02 points. The Shariah-based index DSES (-0.27%) lost -3.60 points and stood at 1,353.25 points. The large cap index CDSET (-0.11%) lost -1.32 points and closed at 1,215.34 points. DSEX, DS30, DSES and CDSET showed YTD returns of +0.14%, +1.03%, -0.41%, +0.08%, respectively.

**Total Turnover During the Week (DSE):** BDT 17.6 billion (USD 165 million)

**Average Daily Turnover Value (ADTV):** BDT 3.5 billion ( $\Delta\%$  Week: -30.6%)

**Market P/E:** 18.4x

### Daily Index Movement during the Week

The market performed five sessions during this week. The market started on a negative note (-0.21%) on Sunday. It remained negative on Monday (-0.05%). It reverted to positive on Tuesday (+0.30). It turned negative again on Wednesday (-0.26%). And lastly, the market closed on a positive note (+0.14%) on Thursday.

### Sectoral Performance

• Most of the financial sectors registered negative performance this week. Life Insurance experienced the highest loss of -1.17% followed by General Insurance (-1.04%), Mutual Fund (-0.20%), NBFi (-0.02%), and Bank (+0.04%).

• Non-financial sectors posted mixed performance this week. Food & Allied booked the highest gain of 0.48% followed by Fuel & Power (+0.04%), and Telecommunication (+0.00%). Pharmaceutical experienced the highest loss of 0.28% followed by Engineering (-0.16%).

### Macroeconomic arena

• NDB is keen to lend Bangladesh over USD 1 Bn annually. Can Bangladesh avail it? 'Foreign currency reserves to be stabilised by June this year'. Impose income tax on tech giants: ICAB. Health insurance getting popular among local firms. Country needs a roadmap to become aviation hub. Subsidy burden balloons on war. Remittance from Malaysia falls by USD 1 Bn in FY22. ADP implementation progress record low in first eight months of FY23. It's not govt responsibility to protect small investors: Salman F Rahman. Tax exemption for IT sector likely to be extended. 57 MNCs apply this year for permission to invest BDT 150 Bn. Bangladesh now a hub for making winter jackets. Foreign banks see spike in deposits. Finance minister's budget dialogue: Businesses seek fiscal protection. Indian businesses keen to invest heavily here. Russia may launch direct flights to Bangladesh. New inflation measure to replace outmoded index. Consumers bracing for further belt-tightening. Asian Paints brings two new products.

• Explainer: How Bangladesh will calculate reserves from June. ECNEC approves five revised projects. 'Bank's assets will decrease by 40% if IFRS is followed'. Local production of pharma raw materials gaining traction. High prices may cut demand by 20%. PM for ensuring sustainable export growth, exploring new markets. Bangladesh urges international community to continue providing trade facilities to graduated countries. 67% RMG export earnings come from 10 items. No minimum deposit for micro-merchant account holders. BDT 1 Bn fresh investment to ramp up waste paper processing. Watermelon enters export basket. EDF reduced to USD 5.5 Bn, banks to face penalty interest for repayment delay. Revenue barely grows, raising worries about fiscal balance. Depreciation adds BDT 600 Bn payment burden for foreign loan borrowers. EVs to dominate future car market. Daily transaction of MFS exceeds BDT 32 Bn: Bangladesh Bank. ADB, IFC offer to invest USD 10 Bn in bonds to tap blue economy. Gold prices hit historic high of BDT 98,794 a bhori.

### Stock Market arena

EXCHANGE | Dhaka bourse's ICT to be state-of-the-art: Chairman.. EXCHANGE | Banglalink keen to offload 10% shares for BDT 9 Bn. GPHISPAT | GPH Ispat launches high-grade steel rebar. PHENIXINS | EXCHANGE | IFC to support Bangladesh's bond market development. EXCHANGE | Labaid Cancer Hospital plans to go public. UNITEDINS | United Insurance's profit goes up on marine business. ACI | ACI calls creditors' meeting to demerge plastic business. EXCHANGE | DSE, CSE trading session shortened for Ramadan. MOSTFAMETL | Mostafa Metal to issue BDT 180 Mn bond for business expansion. EXCHANGE | Dollar crunch holds multinationals back from higher dividends. EXCHANGE | Time extension again for provisioning against unrealised losses. EXCHANGE | 'Floor price is helping none'. WALTONHIL | Walton launches products of 3 European brands.

March 23, 2023 (Week: March 19, 2023 – March 23, 2023)

**Dhaka Stock Exchange**

**DSEX ended in red (-0.08%) in the week**

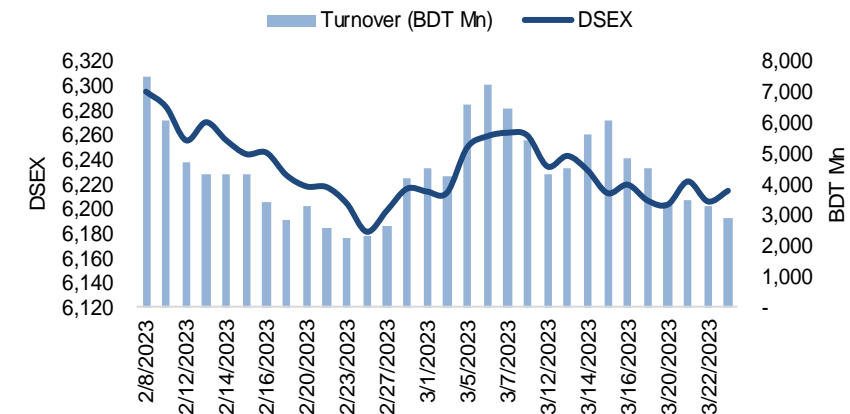
Table 1: Index

Index	Closing*	Opening*	$\Delta$ (Pts)	29-Dec-2022	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,215.30	6,220.24	-4.94	6,206.81	-0.08%	+0.14%
DS30	2,218.02	2,218.76	-0.74	2,195.30	-0.03%	+1.03%
DSES	1,353.25	1,356.85	-3.60	1,358.84	-0.27%	-0.41%
CDSET	1,215.34	1,216.66	-1.32	1,214.42	-0.11%	+0.08%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	7,614,109	7,618,947	-0.1%
	M n USD	71,494	71,539	
Turnover	M n BDT	17,620	25,401	-30.6%
	M n USD	165	239	
Average Daily Turnover	M n BDT	3,524	5,080	-30.6%
	M n USD	33	48	
Volume	M n Shares	252	369	-31.5%

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
LEGACYFOOT	56.2	43.5	+29.2%	735	56.6	NM	6.2x
HAKKANIPUL	55.4	49.2	+12.6%	1053	36.1	NM	2.4x
FINEFOODS	72.9	66.1	+10.3%	1,019	236.9	NM	6.9x
SHYAMPSUG	96.5	87.8	+9.9%	483	24.4	NM	NM
SAMATALETH	59.0	53.9	+9.5%	609	10.6	NM	4.1x
RDFOOD	44.6	40.9	+9.0%	3,388	657.3	38.7x	2.8x
ZEALBANGLA	147.1	135.5	+8.6%	883	7.5	NM	NM
USMANIAGL	55.8	52.0	+7.3%	972	3.2	NM	0.7x
JUTESPINN	256.9	239.8	+7.1%	437	2.2	NM	NM
GQBALLPEN	81.9	77.5	+5.7%	731	5.8	NM	0.7x

**Table 4: Top Ten Losers**

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BENGALWTL	29.2	39.1	-25.3%	2,671	371.3	55.1x	1.1x
RUPALILIFE	89.7	106.1	-15.5%	2,692	796.8	NM	NM
MEGHNALIFE	76.3	85.3	-10.6%	3,236	382.5	NM	NM
ORIONINFU	265.1	291.1	-8.9%	5,397	287.5	NM	19.8x
IFILISLMF1	6.4	7.0	-8.6%	640	0.1	NM	10x
OIMEX	16.3	17.7	-7.9%	1,093	39.6	NM	15x
DHAKAINS	616	65.7	-6.2%	2,472	38.9	18.9x	19x
ICICL	27.6	29.3	-5.8%	1,398	42.6	30.5x	17x
ADNTEL	152.7	161.9	-5.7%	9,872	503.4	45.3x	5.3x
METROSPIN	31.9	33.7	-5.3%	1,968	95.8	32.6x	15x

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

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SEAPEARL	316.9	308.2	+2.8%	38,266	1,154.7	76.9x	22.4x
RUPALILIFE	89.7	106.1	-15.5%	2,692	796.8	NM	NM
EHL	102.8	97.3	+5.7%	9,596	672.4	16.1x	14x
SPCERAMICS	46.3	44.5	+4.0%	6,805	663.2	85.7x	15x
RDFOOD	44.6	40.9	+9.0%	3,388	657.3	38.7x	2.8x
BSC	128.4	127.5	+0.7%	19,585	631.4	8.6x	16x
GENEXIL	93.7	94.5	-0.8%	10,852	599.2	28.3x	5.1x
OLYMPIC	157.7	158.2	-0.3%	31,530	546.5	20.5x	3.3x
ADNTEL	152.7	161.9	-5.7%	9,872	503.4	45.3x	5.3x
AL-HAJTEX	184.4	194.3	-5.1%	4,112	400.2	NM	19.5x

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

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
ADNTEL	152.7	+33.8%	9,872	45.3x	5.3x
OLYMPIC	157.7	+27.2%	31,530	20.5x	3.3x
UNIQUEHRL	66.6	+15.4%	19,607	14.8x	0.8x
UNILEVERCL	3,092.0	+8.5%	37,248	510x	22.1x
JAMUNAOIL	180.4	+7.8%	19,921	7.6x	0.9x
PRIMEBANK	20.1	+4.7%	22,759	6.5x	0.7x
BANKASIA	20.6	+2.0%	24,018	7.9x	0.8x
BATASHOE	965.9	+1.4%	13,214	37.3x	3.6x
ISLAMIBANK	33.2	+0.6%	53,452	10.9x	0.8x
MPETROLEUM	199.6	+0.5%	21,600	6.0x	10x

**Table 7: Sector Indices**

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1433.2	1432.6	1427.09	+0.04%	+0.43%
NBFI	1916.6	1916.9	1927.24	-0.02%	-0.55%
Mutual Fund	825.2	826.8	852.07	-0.20%	-3.15%
General Insurance	3,052.0	3,084.0	3,177.87	-1.04%	-3.96%
Life Insurance	2,544.3	2,574.4	2,492.91	-1.17%	+2.06%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,688.6	3,698.9	3,754.47	-0.28%	-1.75%
Fuel & Power	1694.5	1694.5	1694.29	+0.04%	+0.01%
Cement	2,308.9	2,309.0	2,319.67	-0.00%	-0.46%
Services & Real Estate	2,302.4	2,249.4	1,782.23	+2.36%	+29.19%
Engineering	4,473.4	4,480.5	4,503.40	-0.16%	-0.67%
Food & Allied	21,726.8	21,623.1	21,247.80	+0.48%	+2.25%
IT	3,295.9	3,377.4	3,004.33	-2.41%	+9.71%
Textile	1,578.3	1,580.9	1,621.87	-0.16%	-2.69%
Paper & Printing	10,892.1	10,614.0	10,388.08	+2.62%	+4.85%
Tannery	3,105.1	3,070.5	3,093.43	+1.13%	+0.38%
Jute	12,579.9	12,279.3	14,850.17	+2.45%	-15.29%
Ceramics	694.0	688.4	704.74	+0.81%	-1.53%
Miscellaneous	4,085.7	4,074.7	4,071.46	+0.27%	+0.35%

**Table 8: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	614	50.0	+22.78%	+2.22%	7.8x	0.7x
NBFI	3.8	16.4	-77.11%	+0.14%	NM	4.4x
Mutual Fund	16	2.9	-44.16%	+0.06%	NM	0.7x
General Insurance	93.1	230.1	-59.53%	+3.37%	15.0x	14x
Life Insurance	343.4	757.6	-54.68%	+12.42%	NM	NM
Telecommunication	0.4	15	-70.97%	+0.02%	16.8x	4.7x
Pharmaceutical	215.5	270.5	-20.35%	+7.79%	18.5x	2.4x
Fuel & Power	67.3	78.3	-14.11%	+2.43%	17.9x	1.1x
Cement	4.0	4.5	-11.23%	+0.14%	57.9x	2.6x
Services & Real Estate	432.8	448.4	-3.48%	+15.66%	38.7x	12x
Engineering	121.3	222.5	-45.49%	+4.39%	56.1x	2.1x
Food & Allied	402.7	483.7	-16.75%	+14.57%	20.1x	8.1x
IT	409.8	864.2	-52.57%	+14.83%	31.3x	2.9x
Textile	110.9	142.8	-22.35%	+4.01%	42.7x	10x
Paper & Printing	151.1	152.4	-0.88%	+5.47%	41.4x	2.1x
Tannery	38.3	58.7	-34.69%	+1.39%	47.5x	3.1x
Jute	8.1	15.1	-46.28%	+0.29%	NM	4.8x
Ceramics	153.0	129.8	+17.87%	+5.54%	41.6x	1.9x
Miscellaneous	145.9	149.4	-2.34%	+5.28%	13.2x	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	312x	2.1x
MTB	16.6	-0.6%	14,836	3.5x	0.7x
SHAHJABANK	18.8	-	20,314	5.6x	0.9x
IDLC	46.5	-	19,330	10.6x	1.1x
DBH	57.8	-	11,270	11.1x	15x
IPDC	57.6	-	21,375	23.7x	3.1x
LANKABAFIN	26.0	-	14,010	16.6x	13x
ACI	260.2	-	19,829	NM	2.0x
LINDEBD	1,397.7	-	21,271	24.1x	3.5x
UPGDCL	233.7	-	135,475	15.4x	4.7x

\*BDT

\*\*BDT Mn

## Important News: Business & Economy

### **NDB is keen to lend Bangladesh over USD 1 Bn annually. Can Bangladesh avail it?**

- The New Development Bank (NDB), formerly known as the BRICS Development Bank, is keen to invest in Bangladesh's public and private sectors that have been growing impressively for years, its Director General for the Indian regional office D J Pandian said in an interview with The Business Standard in Dhaka recently.
- "We have already started working on a big project to improve water supply systems in Dhaka. We are planning to lend USD 235 Mn for this project," he added. The Bangladesh government is in discussions with the NDB for projects in the renewable energy and infrastructure development sectors. "The New Development Bank is happy to look into the opportunities. We want to lend Bangladesh at least USD 1 Bn a year," the director general said, noting that the country will need long-term financing on a regular basis to develop infrastructure and so on.

<https://www.tbsnews.net/economy/ndb-keen-lend-bangladesh-over-1bn-annually-can-bangladesh-avail-it-603722>

### **Balanced use of fertiliser can save BDT 200 Bn a year**

- Balanced use of fertilisers could increase crop production by 8% to 14% and save BDT 200 Bn annually in Bangladesh, according to researchers. They said in the past, the government gave subsidies of about BDT 80 Bn for fertiliser every year and now the amount has been increased to more than BDT 300 Bn owing to the price hike in the international market.
- Agriculture Secretary Wahida Akhtar said that the government has decided to increase the use of di-ammonium phosphate (DAP) fertiliser and reduce the use of fertiliser. "But it is seen that the use of urea is increasing day by day. The use of DAP is also increasing. This leads to wastage of fertilisers and increases the cost of importing fertilisers."
- She said if one kilogramme of DAP is applied, the requirement to use fertiliser will go down by 400 grammes. "In this case, there is no need to use triple superphosphate (TSP) fertiliser." So, farmers should be interested in the balanced use of fertilisers in crop cultivation, Akhtar said.

<https://www.thedailystar.net/business/economy/news/balanced-use-fertiliser-can-save-BDT-20000cr-year-3278481>

### **'Foreign currency reserves to be stabilised by June this year'**

- Prime Minister's Private Industries and Investment Adviser Salman F Rahman has said the process of opening letters of credit (LCs) would be eased further in coming days and foreign currency reserves would be stabilised by June this year.
- Regarding the shortage of foreign currency reserves in the last few months, he said that the central bank took immediate steps to address the issue, like controlling imports, especially the luxurious items for which the import bills came down at USD 5.0 Bn in December.
- The adviser to the prime minister came up with the information at a pre-budget discussion of the Dhaka Chamber of Commerce and Industry (DCCI) for the next fiscal year (FY23) held at the Bangabandhu International Conference Centre (BICC) in the capital on Wednesday, reports BSS.

<https://thefinancialexpress.com.bd/economy/bangladesh/foreign-currency-reserves-to-be-stabilised-by-june-this-year>

### **Impose income tax on tech giants: ICAB**

- The Institute of Chartered Accountants of Bangladesh (ICAB) yesterday proposed imposing a "digital service tax" or an income tax on global technology companies offering digital services in Bangladesh. Bangladesh currently imposes value added tax (VAT) on digital advertisement, including those put on social networking sites Facebook and YouTube.
- The proposal was placed at a pre-budget meeting organised by the National Board of Revenue (NBR) at its headquarters in the capital's Agargaon and afterwards at a press conference on the ICAB premises in the capital. The NBR has taken a number of initiatives to digitalise some processes such as return submissions but the processes are not comprehensive, said ICAB Member Snehasish Barua.

<https://www.thedailystar.net/business/economy/news/impose-income-tax-tech-giants-icab-3278441>

### **Health insurance getting popular among local firms**

- Many companies in Bangladesh now offer group health insurance benefits to their employees in a bid to attract young talents, survive in the competition and comply with regulations, according to industry people. Health insurance is a must nowadays as Covid-19 has taught that anyone could require urgent medical attention without prior notice, draining them of all savings in the blink of an eye.

<https://www.thedailystar.net/business/economy/news/health-insurance-getting-popular-among-local-firms-3278556>

### **Country needs a roadmap to become aviation hub**

- Prime Minister Sheikh Hasina said Bangladesh should formulate a roadmap considering its geo-strategic advantage to make the country an aviation hub. Bangladesh aspires to become an aviation hub, she said at the inaugural session of the first-ever Bangladesh Aviation Summit.
- "We have undertaken several measures to support the development of an aviation hub. During the last one decade, we implemented a host of projects to upgrade our airports, airport security and ground handling. The government is going to introduce an e-visa system which will also facilitate and expedite the flow of passengers visiting Bangladesh for business or tourism," she said.

<https://www.thedailystar.net/business/economy/news/country-needs-roadmap-become-aviation-hub-3278536>

### **Meghna Bank steps into MFS market**

- Meghna Bank yesterday joined the race for dominance over the highly competitive market for mobile financial services (MFS) in Bangladesh by introducing "MeghnaPay", which aims to provide smart and convenient banking facilities for people across the country.
- Customer acquisition in the local MFS industry is high mainly due to severe competition between bKash and Nagad that led to a discount war between the two companies, making it very difficult for others to penetrate the market. Other than basic services such as fund transfer, add money and mobile recharge, Meghna Bank will focus on introducing innovating banking facilities under the MeghnaPay umbrella, the lender said in a statement.

<https://www.thedailystar.net/business/economy/banks/news/meghna-bank-steps-mfs-market-3278521>

### **Subsidy burden balloons on war**

- The government's subsidy to various sectors ballooned in the current fiscal year pushed by the Russia-Ukraine war-induced inflation. Despite an additional subsidy demand of BDT 1,101.05 Bn from various government agencies for supplying electricity, fertiliser, fuel oil, gas and food products, the Ministry of Finance has allocated only BDT168.12 Bn in the revised budget of FY23, according to ministry sources.
- Finance Division officials said this huge subsidy burden was created due to the increase in the prices of goods and services in the international market and the devaluation of the taka against the US dollar stemming from the prolonged war. Officials also said the shortfall in revenue collection is another reason for allocating only 15% of the total additional demand.

<https://www.tbsnews.net/economy/subsidy-burden-balloons-war-604090>

### **Remittance from Malaysia falls by USD 1 Bn in FY22**

- Remittance inflow from Malaysia dropped by USD 1 Bn in FY22 due to higher remittance price in informal channels than that in the banking channel amid the dollar price volatility. Expatriates living in Malaysia sent remittances to the tune of USD 1 Bn in FY22, down from USD 2 Bn sent in FY21, downgrading the country from the fifth largest remittance source to the eighth, according to data from the Bangladesh Bank.
- In such a situation, Bangladesh Bank Governor Abdur Rouf Talukder held a meeting with top officials of three banks, which have branches in Malaysia, to discuss improving their banking services to encourage migrants to send remittances through the banking channels.

<https://www.tbsnews.net/economy/remittance-malaysia-falls-1b-fy22-604054>

### **ADP implementation progress record low in first eight months of FY23**

- The Annual Development Programme (ADP) implementation registered a record low of 32.10% progress in the first eight months of the current Fiscal Year 2023, with the implementation rate of some of the ministries and divisions with the highest allocations being among the lowest, available data shows. The rate of ADP implementation in the July-February period was 35.80% in FY22.
- In the current economic situation, work on many projects has been halted due to the increase in the cost of construction materials. Besides, government austerity in project spending in view of the present economic situation restricted fund spending in some projects causing slow implementation of the ADP, said officials of the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry.

<https://www.tbsnews.net/economy/adp-implementation-progress-record-low-first-eight-months-fy23-604066>

### **It's not govt responsibility to protect small investors: Salman F Rahman**

- The prime minister's private industry and investment adviser Salman F Rahman on Wednesday said it is not the responsibility of the government to protect investors who experience losses after making their own investment decisions without coming through institutional investors.
- "I have also heard today that everyone is talking about protecting small investors. It is not the government's responsibility to protect small investors. Small investors should not invest here. They should invest through institutional channels," he said at a pre-budget discussion..

<https://www.tbsnews.net/economy/stocks/its-not-govt-responsibility-protect-small-investors-salman-f-rahman-604078>

### **Tax exemption for IT sector likely to be extended**

- The tax exemption facility for the software and Information technology-enabled services sector, which is scheduled to end in June 2024, is likely to be extended for several more years, a senior tax policy official hinted in a pre-budget talk on Tuesday.
- The development came as the Association of Software and Information Services (BASIS) proposed to extend the tax facility until 2030 so that the country can achieve the target of USD 5 Bn IT-service export and make the sector further vibrant.

<https://www.tbsnews.net/nbr/govt-likely-extend-tax-exemption-facility-ict-entrepreneurs-603382>

### **57 MNCs apply this year for permission to invest BDT 150 Bn**

- One of the top Indian chemical companies Indokem is gearing up to invest some BDT 150 Bn in Bangladesh. The company has already received investment approval from the Bangladesh Investment Development Authority (Bida) and set up a camp office in Dhaka.
- Indokem has now applied to the Registrar of Joint Stock Companies and Firms (RJSC), seeking permission to open a branch in Bangladesh. They have also sought allocation of land in a private economic zone to set up factories. Aside from Indokem, 56 other big and small multinational companies (MNCs) have applied to the RJSC this year, seeking permission to open their branches to import, produce and export various products and to market locally.

<https://www.tbsnews.net/economy/57-mncs-apply-year-permission-invest-BDT15000cr-603454>

### **Bangladesh now a hub for making winter jackets**

- Bangladesh has gradually turned into a major manufacturing hub for winter jackets as work orders are mainly shifting away from China due to higher production costs and a shortage of skilled workers in the country. Winter jackets are a relatively new export sector as local apparel makers have been diversifying their products with this type of value-added garment item in recent years.
- Bangladesh's apparel shipments have grown even amid times of global economic uncertainty for two reasons, namely the shift of work orders from China and increased export of value-added garments. For instance, nearly 50 local apparel exporters are currently producing winter jackets that are priced between USD 30 and USD 50.

<https://www.thedailystar.net/business/economy/news/bangladesh-now-hub-making-winter-jackets-3277421>

### **Dhaka, Thimphu set to sign transit deals Wednesday**

- Bangladesh and Bhutan are set to sign an agreement and a protocol to offer each other multi-modal transit facilities aimed at boosting bilateral trade. A Bangladesh delegation, led by Commerce Minister Tipu Munshi, was already on its way to Bhutan where the deals are expected to be signed likely tomorrow (Wednesday), a senior commerce ministry official said on Monday.
- With the signing of the agreements, Bhutan would be another neighbouring country after India that will enjoy the transit facilities at nine customs points of the land, rail, air and river routes in Bangladesh. In return, Bhutan would allow Bangladesh to use its eight transit routes for the export and import of goods.

<https://thefinancialexpress.com.bd/economy/bangladesh/dhaka-thimphu-set-to-sign-transit-deals-wednesday>

### **Foreign banks see spike in deposits**

- Foreign banks operating in Bangladesh registered an 8.57% growth in deposits in the October-December quarter of 2022, the highest since 2018, as many savers shifted their funds from local banks amid a confidence crisis. Nine multinational lenders logged BDT 739.80 Bn in deposits in the fourth quarter, up from BDT 681.43 Bn in the third quarter, according to the Quarterly Scheduled Banks Statistics released by the Bangladesh Bank yesterday.
- On a year-on-year basis, the banks recorded a 14% growth in deposits even though several well-known multinational banks offer lower interest rates on deposits compared to their local competitors. "Due to the perceived high-risk around a few local banks and financial institutions, cautious savers preferred to park their deposits with foreign banks despite lower returns," said Mamun Rashid, a former CEO of Citibank, NA Bangladesh.

<https://www.thedailystar.net/business/economy/news/foreign-banks-see-spike-deposits-3276576>

### **Traders eye 5 times more exports to Uzbekistan**

- If the immense potential of trade between Bangladesh and Uzbekistan can be realised, it is possible to increase exports to that country by five times, said traders. Uzbekistan can be a good market for various Bangladeshi products and services including medicines, leather products, bicycles, ceramic products, frozen food, furniture, handicrafts, clothes, tourism, IT, agricultural processing, plastics, and human resources, said entrepreneurs at a press conference organised at the Capital Market Journalist Forum's office in Dhaka.

<https://www.tbsnews.net/economy/traders-eye-5-times-more-exports-uzbekistan-603418>

### **Finance minister's budget dialogue: Businesses seek fiscal protection**

- Bangladesh's trade leaders demanded "logical duty-tax protection" for local industry and investment as the finance minister consulted them Monday on fiscal measures in making the coming budget amid persisting odds. At a virtually held pre-budget meeting with Finance Minister AHM Mustafa Kamal, they also sought tax waiver or bond facility to support domestic production and export diversification.
- The country's apex trade body -- the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) -- placed the pleas in a package of suggestions which include keeping supply and price of essential commodities stable, expansion of tax net by modernising tax policy, and lowering economic inequality by enhancing income and employment generation.

<https://thefinancialexpress.com.bd/economy/bangladesh/finance-ministers-budget-dialogue-businesses-seek-fiscal-protection>

### **Indian businesses keen to invest heavily here**

- Indian businesses showed interest to invest heavily in various sectors of Bangladesh. The leaders of the Bharat Chamber of Commerce (BCC) expressed this interest at a meeting with the Bangladesh Investment Development Authority (Bida) at the conference room of Bida in the city's Agargaon on Monday.
- A 10-member delegation of the BCC is now on a four-day visit to Bangladesh to find the business opportunities here. Indian businessmen have always been interested to be development partners of Bangladesh, said NG Khaitan, president of BCC.

<https://www.thedailystar.net/business/global-economy/news/indian-businesses-keen-invest-heavily-here-3277371>

### **Russia may launch direct flights to Bangladesh**

- Russia may launch direct flights to eleven countries, including Bangladesh, reports Russian News Agency TASS. The news agency said it obtained a telegram of the Federal Air Transport Agency sent to the heads of Russian airlines.
- The document also notes that the Federal Air Transport Agency is collecting proposals to increase air travel from Russian cities to cities in Azerbaijan, Armenia, Belarus, India, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, Thailand, Turkey, Uzbekistan, Venezuela, Egypt, Cuba and Turkmenistan.

<https://www.thedailystar.net/business/economy/aviation/news/russia-may-launch-direct-flights-bangladesh-3276771>

### **New inflation measure to replace outmoded index**

- Bangladesh is updating the consumer inflation index with lot many goods and services in count, with 2021-22 as new base year, as price rises have upset indices locally and globally. Officials say the updated gauge to measure inflation is likely to be launched next fiscal year, beginning in July, as the existing one uses 2006 fiscal as base year and fails to portray real picture of inflation.
- The updating with the additional items in basket will result in new weightings for the components of its Consumer Price Index (CPI) basket, people at the national statistics office told the FE Sunday. "There have been huge changes in the consumption habits over the years, so we need the latest commodity basket to reflect the real picture of the price changes," said a senior official working at the national accounting wing of Bangladesh Bureau of Statistics (BBS).

<https://thefinancialexpress.com.bd/economy/bangladesh/new-inflation-measure-to-replace-outmoded-index>

### **Consumers bracing for further belt-tightening**

- Prices of groceries which witness peak demand during Ramadan, the holy month of fasting for Muslims, have swelled significantly year-on-year owing to hikes in import and transportation costs alongside the value of dollar. Prices of daily necessities and the cost of living have also increased, resulting in a decrease in the sale of all those products, including chickpeas, dates, lentils, edible oil and sugar.
- According to Bangladesh Bank, the price of one dollar was BDT 86 in May last year, which has now increased to BDT 106. Importers say that although prices of some products have decreased in the world market, local customers are not getting the benefits due to the increase in import costs.

<https://www.thedailystar.net/business/economy/news/consumers-bracing-further-belt-tightening-3277411>

### **Asian Paints brings two new products**

- Asian Paints Bangladesh recently launched two products -- SmartCare Damp Proof Silicon Ceramic and Ultima Protek Shyne -- for exterior walls and wooden furniture, offering a 12-year warranty. The use of SmartCare Damp Proof Silicon Ceramic, a waterproofing solution, as a sealer on new exterior walls and Ultima Protek Shyne, a lamination exterior emulsion paint, as a topcoat ensures protection from any weather damage for a long time, says a press release.

<https://www.thedailystar.net/business/economy/news/asian-paints-brings-two-new-products-3277311>

### **Explainer: How Bangladesh will calculate reserves from June**

- The Bangladesh Bank will disclose its new reserve position per the IMF formula in June. The IMF set the floor on net reserves at USD 24.46 Bn for June when the lender will conduct the first review of the performance criteria of the central bank. The net reserve will have to be calculated according to the new formula prescribed by the IMF. According to the central bank data, Bangladesh will show a USD 19 Bn-plus net reserve if the new formula is applied.
- As per the IMF formula based on the Balance of Payments and International Investment Position Manual, the Bangladesh Bank will have to exclude foreign currency loans to local banks, known as the Export Development Fund (EDF), which is now USD 5.5 Bn, deposits with state-owned local banks, deposits with the IDB Group, fixed-income securities below investment grade, a loan to Sri Lanka and other foreign currency assets in non-convertible currencies, which total USD 2 Bn of the gross reserve.
- The IMF says the central bank must also exclude the reserve-related liabilities to estimate the net reserve. Bangladesh's current reserve-related liabilities amount to USD 4 Bn. The net reserve will be USD 19 Bn-plus if this amount is excluded.

<https://www.tbsnews.net/economy/explainer-how-bangladesh-will-calculate-reserves-june-602490>

### **ECNEC approves five revised projects**

- The executive committee of National Economic council in a meeting on Tuesday approved nine projects with an overall cost of BDT 17.30 Bn. Of them, five are linked to revision which will require more time and an additional amount of over BDT 11 Bn.
- The revised projects include enhancing capacity of the Dhaka Metropolitan Police in combating terrorism and ensuring public security with an extra cost of BDT 2.30 Bn to BDT 3.09 Bn from BDT 796.6 Mn. The first revision of the project under which 35 special purpose vehicles would be procured has got its tenure extended until 2023.

<https://www.newagebd.net/article/197412/ecnec-approves-five-revised-projects>

### **'Bank's assets will decrease by 40% if IFRS is followed'**

- Chairman of the Financial Reporting Council (FRC) Professor Hamid Ullah Bhuiyan has said no bank in the country follows International Accounting Standards or International Financial Reporting Standards (IFRS) in preparing financial statements. Due to this, the actual picture of the financial health of the banks does not come out in the financial reports. If IFRS is followed, it will reduce banks' assets by 40%, he said.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-assets-will-decrease-by-40pc-if-ifs-is-followed>

### **Cut source tax on exports, continue cash incentives until LDC graduation, businesses urge**

- Businesspeople have called for reducing taxes deducted at source during exports and continuing cash incentives for exporters until the country's graduation from least developed country (LDC) status. In a pre-budget talk with Finance Minister AHM Mustafa Kamal in the capital Monday, they also called for lifting advance taxes on raw material imports, cutting the cost of doing business by improving the business environment, and taking effective measures for preventing tax dodging.
- "We proposed to the finance minister to cut source tax on exports to 0.5% from the existing 1%. We also requested him to withdraw advance tax and advance income tax on raw material imports and reduce tax pressure on small and medium enterprises," Federation of Bangladesh Chambers of Commerce and Industry President Md Jashim Uddin, who participated in the meeting, told The Business Standard.

<https://www.tbsnews.net/economy/cut-source-tax-exports-continue-cash-incentives-until-ldc-graduation-businesses-urge-602830>

### **Local production of pharma raw materials gaining traction**

- Pharmaceutical companies are gradually enhancing their capacity to produce the raw materials needed to make medicines, which will go on to reduce Bangladesh's over-reliance on imports and augment the country's competitive edge in the global market.
- In the last 12 years, the value of active pharmaceutical ingredients (APIs) made in the country grew four times to more than BDT 20 Bn thanks to the entry of more firms in the segment in recent years. It was about BDT 5 Bn in 2010. Local companies meet 10% to 15% of the annual demand for APIs, according to Monjurul Alam, director for global business development at Beacon Pharmaceuticals.

<https://www.thedailystar.net/business/economy/news/local-production-pharma-raw-materials-gaining-traction-3275646>

### **High prices may cut demand by 20%**

- The demand for essential commodities may fall 20% year-on-year in the upcoming month of Ramadan thanks to the high prices of the items in the market, according to a paper by the commerce ministry. The paper was presented at a meeting of the taskforce on prices of essentials and market situation yesterday. Officials said industrial use of edible oil and sugar to make wheat-based foods such as biscuits and bread has already declined resulting from a slump in wheat imports.

<https://www.thedailystar.net/business/economy/news/high-prices-may-cut-demand-20-3275591>

## **PM for ensuring sustainable export growth, exploring new markets**

Prime minister Sheikh Hasina on Monday asked all concerned to find a way out to ensure sustainable export growth and explore new global markets for Bangladeshi goods in the context of Ukraine war." Steps will have to be taken to achieve sustainable export growth after analysing situation steamed from the global economic recession due to the war in Ukraine,' she told the 11th meeting of the national committee on export.

- The prime minister also asked all concerned to diversify the export items and explore new markets for those alongside revitalising the local markets. 'A new scope has been created globally to explore new markets for Bangladeshi items due to enhanced demands for goods because of the war in Ukraine. We have to grasp the markets,' she said. The premier also called for formulating a new export policy for another four or five years by revising, changing and improving the existing one going to expire by 2024.

<https://www.newagebd.net/article/197306/pm-for-ensuring-sustainable-export-growth-exploring-new-markets>

## **Bangladesh's potato export continues to grow: FAO**

- Potato export from farmers, supported by the Food and Agriculture Organization of the United Nations, continues to grow, as producers came together on Sunday to celebrate another year of success. Four producer co-operatives joined the fourth annual potato export inauguration in Rangpur - the country's main potato growing region, a FAO press release said.
- Last year, Bangladesh produced 11 Mn tonnes - making it the third largest producer in Asia, after China and India - of which it exported nearly 0.8 Mn tonnes. More than a third of potato exports went to Malaysia, a fourth went to Nepal and a fifth went to Sri Lanka.

<https://www.newagebd.net/article/197239/bangladeshs-potato-export-continues-to-grow-fao>

## **Bangladesh urges international community to continue providing trade facilities to graduated countries**

- Foreign Minister Dr AK Abdul Momen, on Sunday, called upon the international community to continue providing trade facilities to the countries who have graduated from the LDC status. Addressing the 25th founding anniversary celebration programme of the Diplomatic Correspondents' Association of Bangladesh (DCAB) in the city, the minister said that the continuation of trade facilities is essential for the successful transition of the graduated countries.

<https://thefinancialexpress.com.bd/economy/bangladesh/international-community-urged-to-continue-providing-trade-facilities-to-graduated-countries>

## **Only FRC-listed auditors can audit listed firms**

- The Financial Reporting Council (FRC), an independent government regulatory body, is imposing new obligations on the audit of about 5,500 public interest entities (PIEs), including companies listed on the country's capital market. Under the new rules, only auditors enlisted with the FRC will be able to audit PIEs, and firms that are willing to carry out these audits will need to apply for enlistment with the council by 30 May.
- From among the enlisted auditors, the council will form separate auditor panels for the Bangladesh Bank, the Bangladesh Securities and Exchange Commission (BSEC), and other regulatory bodies. The council will set up the panels in the next six months, FRC Chairman Md Hamid Ullah Bhuiyan said at the "CMJF Talk" organised by the Capital Market Journalists' Forum (CMJF) on Monday.

<https://www.tbsnews.net/economy/only-frc-listed-auditors-can-audit-listed-firms-602866>

## **67% RMG export earnings come from 10 items**

- About 68% of Bangladesh's annual export earnings from apparels is still confined to just 10 items, indicating that product diversification in the industry is yet to reach expected levels even after a journey of four-and-a-half decades.
- The 10 most exported apparel items accounted for USD 30.94 Bn of the country's USD 45.70 Bn earnings from the industry last year, according to data from the Export Promotion Bureau compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

<https://www.thedailystar.net/business/economy/news/67-rmg-export-earnings-come-10-items-3275621>

## **No minimum deposit for micro-merchant accountholders**

- Small merchants who have personal retail accounts will not have to maintain any minimum deposit and face any account maintenance fee, according to a central bank notice. In November 2020, the central bank allowed micro and underprivileged businesses to open personal retail accounts with a view to bringing millions of small traders under the digital payment ecosystem.
- This enables micro and underprivileged businesses that have accounts with banks, mobile financial service and payment service providers to open personal retail accounts without a trade licence. The central bank said the personal retail accounts of the labour-intensive micro enterprises, service providers engaged in marginalised segments, and the individuals who sell products and services online would be considered special privileged accounts.

<https://www.thedailystar.net/business/economy/news/no-minimum-deposit-micro-merchant-accountholders-3276491>

### **BDT 1 Bn fresh investment to ramp up waste paper processing**

- Paper industry leaders are now leaning towards boosting the recycling of waste paper as the dearth of dollars continues to hinder the import of raw materials of pulp and paper. According to sector insiders, the new investment will be a shot in the arm for the industry, which has been facing a crisis since the pandemic hit in early 2020, halting imports. The Russia-Ukraine war made the crisis only worse with the dollar shortage.
- Lipy Paper Mills Ltd, a company that currently produces and exports white print paper, has invested BDT 1 Bn in waste paper processing to turn discarded or thrown-away paper into new paper products. Shahriar Hasan Khan, deputy managing director of Lipy Paper Mills, told The Business Standard (TBS), "We made the investment in waste paper processing to reduce the dependence on import of raw materials (pulp). We are now in the middle of installing modern machinery in our factory in Sonargaon to process discarded paper and make new products."

<https://www.tbsnews.net/economy/industry/BDT100cr-fresh-investment-ramp-waste-paper-processing-601826>

### **BGMEA to go all out for post-LDC duty benefit**

- Apparel exporters will begin lobbying with major trading partners and blocs from next month to win their support for Bangladesh's efforts aimed at retaining duty benefits for six more years after the graduation of the nation from the group of least-developed countries.
- Bangladesh is expected to lose its duty-free market access following its graduation to a developing country in 2026. But the European Union and the UK have already announced a three-year transition period to help the country graduate smoothly amid challenges posed by the coronavirus pandemic.

<https://www.thedailystar.net/business/economy/news/bgmea-go-all-out-post-ldc-duty-benefit-3274791>

### **Watermelon enters export basket**

- In a first for Bangladesh, a consignment of watermelon has been shipped to Malaysia through Chattogram port by Sattar International, a vegetable exporter based in the port city. The consignment of more than 13 tonnes of watermelon and 5 tonnes of tomato had reached a private inland container depot last week.
- The goods were then packed into a 40-foot refrigerated container after customs and quarantine tests. Abdul Kaiyum, proprietor of Sattar International, said the value of the 5 tonnes of tomato alone is worth USD 3,000.

<https://www.thedailystar.net/business/economy/news/watermelon-enters-export-basket-3274776>

### **EDF reduced to USD 5.5 Bn, banks to face penalty interest for repayment delay**

- Banks will have to pay 4% "penal interest" if they fail to repay loans taken from the Export Development Fund (EDF) formed from the country's foreign exchange reserves on time, according to a circular issued by the Bangladesh Bank on Sunday. The central bank has made the decision as several banks have been delaying the repayment of EDF loans for a long time, officials concerned have told The Business Standard.
- Data obtained from the central bank on 19 March show that the outstanding amount of EDF loans currently stands at USD 5.5 Bn. To reduce the strain on its reserves, the central bank has been more aggressive in recovering outstanding EDF loans than disbursing new loans from the fund. In the last two and a half months, the amount of outstanding EDF loans has been reduced by over USD 1.5 Bn.

<https://www.tbsnews.net/economy/banking/bb-impose-4-penal-interest-banks-unpaid-edf-loans-602090>

### **Revenue barely grows, raising worries about fiscal balance**

- Revenue growth has nosedived and fallen far behind the target in the eight months of the current fiscal year up to February, raising concerns over financing the deficit and development projects with prospects of more domestic resource mobilisation in the rest of the year remaining bleak.
- The downward trend in revenue collection that began in November last year continues with collection growth falling as low as 3.07% this February, sliding by more than a percentage point from 4.91% in January. According to the National Board of Revenue (NBR) sources, BDT 237.27 Bn in revenue – income tax, value-added tax (VAT) and customs tax – was collected in February this year, which was BDT 230.20 Bn in February of FY22.

<https://www.tbsnews.net/economy/revenue-barely-grows-raising-worries-about-fiscal-balance-602206>

### **Sugar price to go down by BDT 5 soon: Commerce minister**

- Commerce Minister Tipu Munshi has said that sugar prices in the consumer market will go down by BDT 5 per kg soon. "It will take seven days to implement the new price rate," the minister said during a meeting of the task force on essential commodities.
- Tipu Munshi said, "The government slashed duties on sugar imports last month following which the retail price is expected to go down by BDT 4.5. "But we have requested traders to lower the rate by BDT 5. They have agreed to our request and assured us that the rate will be effective after a week."

<https://www.tbsnews.net/economy/bazaar/sugar-price-go-down-BDT5-soon-commerce-minister-601886>

### **Depreciation adds BDT 600 Bn payment burden for foreign loan borrowers**

- The once cheaper foreign loan has now turned into a burden for private sector borrowers as they will have to pay an additional BDT 600 Bn against the total foreign currency loan of USD 24.3 Bn thanks to taka devaluation. Back in 2021, when the greenback rate stood at BDT 84.8, private borrowers indebted in dollars were staring at a payment of BDT 2 Tn against their loans.
- Fast forward to the present day, with the dollar surging to BDT 107, and the payment for the same quantum of offshore debt has jumped to BDT 2.60 Tn. As if the taka depreciation in the past year was not enough, private borrowers are now grappling with escalating interest rates in the global market. This is deterring them from seeking external loans.

<https://www.tbsnews.net/economy/banking/depreciation-adds-BDT60000cr-payment-burden-foreign-loan-borrowers-601778>

### **EVs to dominate future car market**

- Electric vehicles (EVs), including plug-in hybrids, will one day dominate the automobile market in Bangladesh as the demand for cars run on alternative fuel is slowly gaining ground, according to importers and distributors. Around 20 EVs of global automotive brands such as Tesla and Porsche have been registered with the Bangladesh Road Transport Authority (BRTA) since September 2022, when EV registration was first introduced.
- Market insiders say around 50 to 60% of all passenger car imports are now either plug-in hybrid or hybrid cars. The National Board of Revenue currently exacts 20% supplementary duty on EV imports while the customs duty is 72%. The BARVIDA president demanded the withdrawal of these taxes to reduce the price of EVs and thereby increase demand.

<https://www.thedailystar.net/business/economy/news/evs-dominate-future-car-market-3274786>

### **Daily transaction of MFS exceeds BDT 32 Bn: Bangladesh Bank**

- The Average daily transaction of mobile financial service has crossed BDT 32 Bn and its volume shows a growing trend, said the latest report of Bangladesh Bank. Analysing the data of 13 MFS in the country the BB report said that MFS gets popular in Bangladesh due to convenient transaction opportunities and payment facilities.
- The BB has released the updated statistics of MFS with information on 13 service providers. It has been seen that in the first month of this year January, customers transacted BDT 1.05 Tn. This figure is the second-highest recorded transaction on mobile so far.

<https://www.newagebd.net/article/197159/daily-transaction-of-mfs-exceeds-BDT3200-crore-bangladesh-bank>

### **ADB, IFC offer to invest USD 10 Bn in bonds to tap blue economy**

- The Asian Development Bank (ADB) and the International Finance Corporation (IFC) have expressed interest in investing at least USD 10 Bn through bonds over the next 10 years in Bangladesh to tap into the vast resources of the Bay of Bengal. Besides, the two international organisations will also invest in developing various city corporations and municipalities, the Bangladesh Securities and Exchange Commission (BSEC) said in a recent report sent to the Parliamentary Standing Committee on Planning Ministry.
- In addition to Bay of Bengal-based financing, the two companies may also invest the money on various projects in the service sector through promising private sector bonds, which the commission believes will help Bangladesh's economic development and stabilise foreign exchange reserves.

<https://www.tbsnews.net/economy/adb-ifc-offer-invest-10b-bonds-tap-blue-economy-600850>

### **Price of MS rod crosses BDT 100,000**

- Bangladesh's construction sector is facing challenges due to frequent hikes in the price of mild steel (MS) rod and other major construction materials while slow development activities have put many workers out of job, according to industry people. The price of MS rod crossed BDT 100,000 per tonne on Tuesday as production costs have risen due to increasing fuel and energy prices amid the ongoing US dollar crisis.
- However, the Trading Corporation of Bangladesh has been listing the price of 60-grade MS rod at BDT 92,500 per tonne since Monday, down from BDT 95,500 previously. "The higher cost will not only impact construction firms, but also the country's overall economic growth by slowing money circulation," said SM Khorshed Alam, former president of the Bangladesh Association of Construction Industry (BACI).

<https://www.thedailystar.net/business/economy/news/price-ms-rod-crosses-BDT-1-lakh-3273401>

### **Inflation, economic volatility top threats to businesses**

- Higher inflation, macroeconomic volatility and geopolitical conflict are the top three threats for the business sector in Bangladesh for the next one year, according to the PwC's global CEO survey. Chief executive officers in Bangladesh feel that they will be most exposed to the three threats in the next 12 months, said the global professional service provider in its survey titled "26th Annual Global CEO Survey 2023". The CEOs think all three issues are potent enough to compound and reinforce each other.

<https://www.thedailystar.net/business/economy/news/inflation-economic-volatility-top-threats-businesses-3273416>

### **Gold prices hit historic high of BDT 98,794 a bhoari**

- Gold prices hit a historic high of BDT 98,794 a bhoari and Bangladesh Jewellers' Association (Bajus) has decided to make the rate effective from tomorrow. The Bajus shared the information through a press release today evening. "We have decided to increase gold prices as we have to pay higher now to buy it from international markets," Dewan Aminul Islam, vice president of the Bajus, told The Daily Star.
- The increased cost of US dollars has also fuelled gold prices, he said. According to the new rates, 22-carat gold will cost BDT 98,794 a bhoari, up from the previous rate of BDT 91,096 each 11.66 grams or a bhoari.

<https://www.thedailystar.net/business/news/gold-prices-hit-historic-high-tk-98794-bhoari-3274601>

### **Edible oil price heats up despite significant global drop**

- The price of palm and soybean oil has dropped drastically by at least BDT 200-250 per maund in the international market in the past two and a half months, but the commodity is still selling at a higher rate in the domestic market. Although the booking price is decreasing every day, the price of cooking oil has been rising by BDT 200-300 per maund in the domestic market for the past two weeks, according to traders.
- However, edible oil importers said due to the normal production and supply in producing countries, the prices in the international market decreased slightly in the last six months, but the consumers of the country did not get that benefit due to the increase in the exchange rate of the dollar.

<https://www.tbsnews.net/economy/bazaar/edible-oil-price-heats-despite-significant-global-drop-601338>

### **Raise SME loan ratio to 25% by 2024**

- Bangladesh Bank yesterday asked banks and non-bank financial institutions to raise their loan disbursement ratio for cottage, micro, small and medium enterprises to 25% of their outstanding loans by next year. From 2024, of all the loans provided to this sector, 50% must be distributed among cottage, micro and small enterprises, according to a central bank notice.
- Moreover, at least another 15% will have to be given out to women entrepreneurs, 40% to manufacturing, 25% to service and 35% to trading sectors. The central bank had issued almost the same instructions to lenders in 2019, said a Bangladesh Bank official.

<https://www.thedailystar.net/business/economy/banks/news/raise-sme-loan-ratio-25-2024-3273411>

## Important News: Capital Market

### EXCHANGE | Dhaka bourse's ICT to be state-of-the-art: Chairman

- The ICT Department of the Dhaka Stock Exchange (DSE) will be modernised and automated, said Professor Hafiz Mohammad Hasan Babu, the newly-elected chairman of the country's premier bourse. The DSE has failed several times to provide flawless transaction services to investors. If the transaction is a little high, the ICT department cannot provide uninterrupted support.
- Following such a failure in October of last year, the Bangladesh Securities and Exchange Commission (BSEC) formed a committee to investigate flaws in the DSE's trading operations, trading system, and IT department performance. Later, recommendations and strong urges were also given by the commission for the improvement of this department.

<https://www.tbsnews.net/economy/stocks/dhaka-bourses-ict-be-state-art-chairman-604086>

### BANKASIA | Bank Asia-Western Union launches joint campaign for remittance clients

- Bank Asia Limited and Western Union launched a joint promotional campaign for remittance clients. Adil Chowdhury, president and managing director of Bank Asia, and Shihab Hasan, regional operations manager (South Asia) of Western Union, inaugurated the campaign at Bank Asia Tower in Karwan Bazar, Dhaka on Tuesday, said a press release. Under this campaign, clients of the bank will receive a gift every time they withdraw remittance through Western Union. The offer will be valid from March 24 to April 22 this year.

<https://www.thedailystar.net/business/economy/banks/news/bank-asia-western-union-launches-joint-campaign-remittance-clients-3278411>

### EXCHANGE | Banglalink keen to offload 10% shares for BDT 9 Bn

- Banglalink Digital Communications Limited – the third-largest telecom service provider in the country – is keen to raise BDT 9 Bn from the stock market. To this end, the company, which has a paid-up capital of over BDT 80 Bn, will offload 10% of its shares at a face value of BDT 10.
- Once listed, it will be the company with the highest paid-up capital in the stock market, according to officials at the Bangladesh Securities and Exchange Commission (BSEC). At the same time, Banglalink will be the third multinational telecom service provider to get listed on Bangladesh's stock exchanges.

<https://www.tbsnews.net/economy/stocks/banglalink-keen-offload-10-shares-tk900cr-603434>

### GPHISPAT | GPH Ispat launches high-grade steel rebar

- GPH Ispat Limited, one of the leading steel manufacturers in Bangladesh, on Monday launched its new high-grade steel rebar product, which they claim will reduce construction cost as well as ensure safety of the structures. The group announced to launch GPH Quantum B600D-R steel rebar, first of its kind in the country, within over four months of launching its another new product GPH Quantum B600C-R steel rebar.

<https://www.thedailystar.net/business/economy/news/gph-ispate-launches-high-grade-steel-rebar-3277226>

### PHENIXINS | Phoenix Insurance profit drops, 15% cash dividend recommended

- Phoenix Insurance Company Ltd posted an almost double-digit drop in its 2022 profit as dividend income and other income declined in the tough year for businesses and investors, according to a disclosure published through the Dhaka Stock Exchange (DSE).

- The non-life insurer reported earnings per share of BDT 2.02 for 2022, which was BDT 2.20 a year ago. However, the company's board of directors recommended 15% dividend for 2022 which means BDT 1.5 in cash dividends against each share having a face value of BDT 10.

<https://www.tbsnews.net/economy/stocks/phoenix-insurance-profit-drops-15-cash-dividend-recommended-603070>

### EXCHANGE | IFC to support Bangladesh's bond market development

- The International Finance Corporation (IFC) of the World Bank Group will support Bangladesh in the development of its bond market and corporate governance. To this end, the IFC held a bilateral meeting with the Bangladesh Securities and Exchange Commission (BSEC) on Thursday. A cooperation agreement was signed between the two sides during the meeting.
- Through this agreement, four objectives will be achieved. These include strengthening the environment, social, and governance (ESG) regulatory and reporting framework, supporting the development of a framework for sustainable bonds (including blue, green, and pink bonds), and IFC working closely with the BSEC to review the corporate governance code.
- The IFC will cooperate in developing environmental social management systems, including improving due diligence standards and corporate governance practices among financial institutions. The real sector will help clients overcome investment barriers and improve the performance of IFC's portfolio companies.

<https://www.tbsnews.net/economy/stocks/ifc-support-bangladeshs-bond-market-development-601694>

**EXCHANGE | Labaid Cancer Hospital plans to go public**

- Labaid Cancer Hospital and Super Specialty Centre, a sister concern of Labaid Diagnostic Centre, is planning to come to the stock market to raise fund. This will be the second hospital to go public after Samorita Hospital, which got listed with the Dhaka Stock Exchange in 1997.
- Labaid Cancer Hospital has already signed a corporate advisory and issue management agreement with City Bank Capital, a merchant bank, officials of the companies told The Daily Star. City Bank Capital will also act as the issue manager for the planned initial public offering of the hospital.

<https://www.thedailystar.net/business/news/labaid-cancer-hospital-plans-go-public-3277081>

**BANKASIA | Bank Asia declares 15% cash dividend for 2022**

- The board of directors of Bank Asia Ltd has recommended a 15% cash dividend for the year that ended on December 31, 2022. The final approval of the dividend will come during the annual general meeting (AGM) scheduled to be held on April 30 at 11:00 am in Dhaka through digital platforms.
- The record date for entitlement of dividend is April 4. The bank has also reported consolidated earnings per share (EPS) of BDT 2.62 for the year ended on December 31, 2022 as against BDT 2.34 in the previous year. The consolidated net asset value (NAV) per share stood at BDT 24.41 for the year ended on December 31, 2022, as against BDT 23.33 in the previous year.

<https://thefinancialexpress.com.bd/stock/bangladesh/bank-asia-declares-15pc-cash-dividend-for-2022>

**UNITEDINS | United Insurance's profit goes up on marine business**

- The net profit of United Insurance Company Ltd increased by 6% for 2022, riding on higher premium collection and interest income, and it recommended a 10% cash dividend for its shareholders. In 2022, the gross premium of the non-life insurer, which was incorporated in 1985 and listed on the Dhaka Stock Exchange in 1990, stood at BDT 585.7 Mn compared to BDT 543.3 Mn in the previous year.
- Consequently, its profit after tax stood at BDT 77.9 Mn, which was BDT 73.5 Mn in 2021. Khawja Manzer Nadeem, managing director of United Insurance, said the company has made good business in marine insurance, essential products, garments, and pharmaceutical raw materials over the year.

<https://www.tbsnews.net/economy/stocks/united-insurances-profit-goes-marine-business-602194>

**ACI | ACI calls creditors' meeting to demerge plastic business**

- Advanced Chemical Industries (ACI) Limited has called a creditors' meeting to approve the demerge of the plastic business from Premiaflex Plastics Limited and introduce ACI Premio Plastics Limited. The operation of Premiaflex Plastics Limited will be merged with ACI.
- ACI fixed the creditors' meeting on 13 April through a digital platform as per the direction of the High Court. After the demerger, ACI Premio Plastics will create a brand for the consumer and Premiaflex Plastics will engage as a backward linkage operation.

<https://www.tbsnews.net/economy/stocks/aci-calls-creditors-meeting-demerge-plastic-business-602462>

**EXCHANGE | DSE, CSE trading session shortened for Ramadan**

- Securities regulator has shortened trading sessions at both the stock exchanges by 60 minutes for the month of Ramadan. Market will open at 10.00am like before, and close at 1.20pm, instead of 2.20pm during Ramadan, according to a Bangladesh Securities and Exchange Commission (BSEC) announcement on Monday (20 March). The 10-minute post-closing session will run from 1.20pm to 1.30pm, instead of 2.20pm to 2.30pm. In the post-closing session, investors can trade securities at the closing price for the day.

<https://www.tbsnews.net/economy/stocks/dse-cse-trading-session-shortened-ramadan-602598>

**MOSTFAMETL | Mostafa Metal to issue BDT 180 Mn bond for business expansion**

- Mostafa Metal Industries, a listed firm on the SME board, has decided to issue a non-convertible bond worth BDT 180 Mn for the business expansion. The manufacturer of all kinds of Polyvinyl Chloride (PVC) and wood plastic composite (WPC) doors for the local market will issue the zero-coupon bond through private placement at an 11% coupon rate.
- The price for each of the 36 total lots of the bond units will be BDT 5 Mn, according to a disclosure on the DSE. In 2021, the SME firm went public to raise BDT 110 Mn from the stock market through a qualified investor offer (QIO) and got listed on the SME board.

<https://www.tbsnews.net/economy/stocks/mostafa-metal-issue-tk18cr-bond-business-expansion-600786>

**JAMUNABANK | Jamuna Bank to buy land worth BDT 1.37 Bn**

- The board of directors of Jamuna Bank Ltd has decided to purchase land from China Bangla Agro Feeds worth more than BDT 1.37 Bn excluding the cost of registration and other related expenses. The land measuring area is more or less 110 katha situated at Khilkhet in Dhaka, said the company in a regulatory filing on Thursday.

<https://thefinancialexpress.com.bd/stock/bangladesh/jamuna-bank-to-buy-land-worth-tk-137b>

**EXCHANGE | Dollar crunch holds multinationals back from higher dividends**

- Foreign companies operating in different countries may prioritise reinvesting earnings into growth opportunities overpaying dividends to shareholders, but that may not always be the case. Recent data show that foreign companies operating in Bangladesh are offering fewer dividends due to the unfavourable exchange rate.
- The taka (BDT) has depreciated by around 25% in the past year, and there is also a crisis with the greenback, according to insiders and analysts. As a result, foreign companies have chosen to retain earnings to mitigate currency exchange risks, which has resulted in lower dividend pay-outs to investors.

<https://www.tbsnews.net/economy/stocks/dollar-crunch-holds-multinationals-back-higher-dividends-601690>

**EXCHANGE | Time extension again for provisioning against unrealised losses**

- Stock dealers, stockbrokers, and merchant banks get more time -- until December 31, 2025 -- for provisioning their portfolios against unrealised losses after the latest time extension by the securities regulator.
- At a meeting on Wednesday, the Bangladesh Securities and Exchange Commission (BSEC) made the decision, having received requests by market operators, said BSEC spokesperson and executive director Mohammad Rezaul Karim. Against the backdrop of the sluggish stock market, the move will "inspire long-term investments by institutional investors," he said.

<https://thefinancialexpress.com.bd/stock/bangladesh/time-extension-again-for-provisioning-against-unrealised-losses>

**EXCHANGE | 'Floor price is helping none'**

- The floor price imposed against the basic concepts of market demand-supply is not helping anyone, believes stock market expert Abu Ahmed, a former professor of economics at the University of Dhaka. "Price goes up and down – that is the beauty of the stock market as they create opportunities for investors," the professor said in a recent interview with The Business Standard.
- As the market was lacking opportunities to sell stocks, it got stagnant, and fund managers would underperform and lack the strength to pay dividends to investors, he said.

<https://www.tbsnews.net/economy/stocks/floor-price-helping-none-601698>

**WALTONHIL | Walton launches products of 3 European brands**

- Electrical and electronics manufacturer Walton has recently launched products availing trademarks of three European brands aiming to emulate the quality standards. Eva Rizwana Nilu, deputy managing director of Walton Hi-Tech Industries PLC, launched the products at Walton Corporate Office in the capital, said a press release.
- The company also aims to export the products, including compressors, refrigerators, televisions and air conditioners, of ACC, Zanussi Elettromeccanica and Verdicther abroad.

<https://www.thedailystar.net/business/economy/news/walton-launches-products-3-european-brands-3274716>

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