

Weekly Market Update

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.56%) gained 35.54 points and closed the week at 6,325.73 points. The blue-chip index DS30 (+0.15%) gained 3.22 points and stood at 2,198.50 points. The Shariah-based index DSES (+0.19%) gained 2.53 points and stood at 1,370.78 points. The large cap index CDSET (-0.04%) lost -0.43 points and closed at 1,211.38 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.92%, +0.15%, +0.88%, -0.25%, respectively.

Total Turnover During the Week (DSE): BDT 45.9 billion (USD 425 million)
Average Daily Turnover Value (ADTV): BDT 9.2 billion (Δ% Week: +24.6%)
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 (-0.14%) on Sunday. However, rebounded on Monday (+0.01%) and remained positive on Tuesday (+0.39%). However, it closed on a negative note on Wednesday (-0.00%). Lastly, the market closed on a positive note (+0.31%) on Thursday.

Sectoral Performance

- All the financial sectors posted positive performance this week. Life Insurance booked the highest gain of 7.79% followed by General Insurance (+3.43%), Mutual Fund (+0.43%), Bank (+0.13%), and NBFi (+0.01%).
- Non-financial sectors posted mixed performance this week. Pharmaceutical booked the highest gain of 0.47% followed by Food & Allied (+0.37%), and Telecommunication (+0.00%). Fuel & Power experienced the highest loss of 0.03% followed by Engineering (0.00%).

Macroeconomic arena

• Saudi offers large scale investment in Bangladesh. Transsion opens new factory in Bangladesh. CPD proposes inheritance tax to reduce wealth inequality. Keep provision against loss in securities investments. Govt to procure 18 Mn liters of soybean oil, 80,000 tons of fertilizer. Govt lifts ban on aromatic rice export. NBFIs interest rate spread falls 60% in a month. Hike property tax to curb accumulation of wealth, inequality. Interbank dollar exchange rate rises to BDT 108.75. Metro rail gets VAT exemption from ticket sales. Online marketplaces may be exempted from VAT challans. MCCI for taka-rupee trade with India Bangladesh to turn to China-led NDB seeking development support. Direct tax regime getting a facelift. Withdraw 10% tax on cash assistance against RMG exports: BGMEA. Budget 2023-24: E-cigarettes to be costlier by June. Inflation-aligned pay rise for govt employees from July. IFC invests in mega rice mill project to boost food security in Bangladesh.

• Trade-based money laundering falls significantly, says ABB. Govt plans BDT 3.03 Bn livestock, poultry project. Private firms to get 90% revenue from govt's broadband infrastructure. Ceramic industry wants supplementary duty to go. Cenbank prints BDT 700 Bn new money in 11 months to support nat'l budget. Govt to withdraw 5% advance tax on fuel import. End of zero tax!. Japanese loans get costlier. Upcoming MPS to focus on taming inflation, boosting forex reserves. Nagad incurs BDT 6.25 Bn loss, builds hope on BDT 5.1 Bn bond. Regulator to cap mobile data prices. Public expenditure stays at lower level. Duty hikes planned to discourage imports, boost local industries. Govt mulls withdrawing advance tax on farm machinery. SMEs demand withdrawal of 7% tax deduction at source. NBR tasked to collect BDT 4300 Bn. Homebuyers, builders set to see higher tax, price surge. Budget FY24: Electricity may eat up one-third of subsidies. 1 Month extension raises project cost by 0.95% points: study. Private investment falls for second time in 3 years. Banks vs banks: Suits rising, BDT 160 Bn involved. Inflation, panic withdrawal dent bank deposit growth.

Stock Market arena

• GQBALLPEN | GQ Ball Pen adjusts BDT 11.5 Mn bank loan with land sell proceeds. GLOBALINS | Global Insurance to pay 12.25% cash dividends. BBSCABLES | BBS Cables to supply BDT 1.06 Bn cables to DPDC. EGEN | eGeneration appointed to set up Bangladesh Insurance Authority data centre. SIBL, SOUTHEASTB | SIBL, Southeast Bank get nod to declare stock dividends. ABBANK | AB Bank gets BSEC approval to issue 2% stock dividend. NRBCBANK | NRBC Bank receives BSEC nod to issue 4.5% stock dividend. ISLAMIBANK | UAE-based BTA Wealth buys BDT 1110 Mn shares of Islami Bank. KEYACOSMET | Keya Cosmetics under BSEC scanner once again. PRIMEBANK | Prime Bank joins hands with Dream Square Resort. IFIC | IFIC Bank gets BSEC consent to issue 2.5% stock dividend. IFADAUTOS | Ifad Autos to sell land in Gazipur. EASTLAND | Eastland Insurance makes higher profit in Q1. BBSCABLES | BBS Cables secures BDT 517.6 Mn supply order from Rural Electrification Board. FIRSTSBANK | Director buys over 3.2 Mn First Security Islami Bank shares.

May 25, 2023 (Week: May 21, 2023 – May 25, 2023)

Dhaka Stock Exchange

DSEX ended in Green (+0.56%) in the week

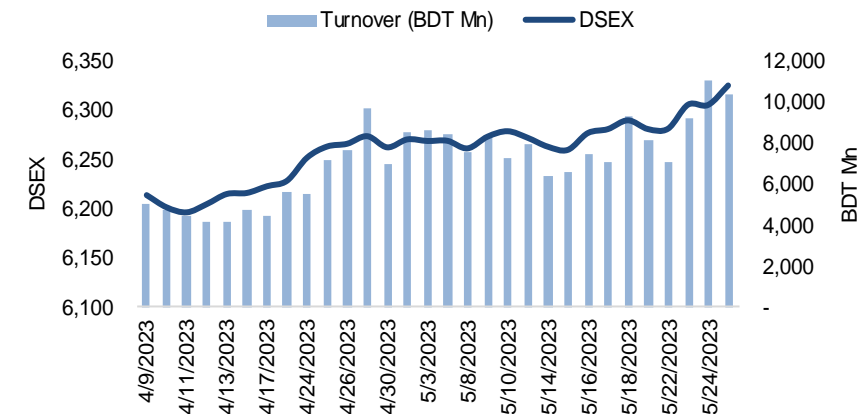
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	29-Dec-2022	Δ% Week	Δ% YTD
DSEX	6,325.73	6,290.20	+35.54	6,206.81	+0.56%	+1.92%
DS30	2,198.50	2,195.29	+3.22	2,195.30	+0.15%	+0.15%
DSES	1,370.78	1,368.25	+2.53	1,358.84	+0.19%	+0.88%
CDSET	1,211.38	1,211.81	-0.43	1,214.42	-0.04%	-0.25%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	7,725,600	7,706,379	+0.2%
	Mn USD	71,621	71,443	
Turnover	Mn BDT	45,860	36,797	+24.6%
	Mn USD	425	341	
Average Daily Turnover	Mn BDT	9,172	7,359	+24.6%
	Mn USD	85	68	
Volume	Mn Shares	916	717	+27.8%

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	28.1	0.0	+59.7%	1,124	0.1	NM	NM
NTC	415.4	273.2	+52.0%	2,742	40.8	NM	205.6x
RUPALILIFE	165.3	118.9	+39.0%	4,961	1,274.7	NM	NM
JUTESPINN	445.9	336.1	+32.7%	758	53.7	NM	NM
MEGHNAPET	37.1	28.5	+30.2%	445	45.5	NM	NM
IMAMBUTTON	105.8	82.8	+27.8%	815	69.1	NM	22.0x
EMERALDOIL	110.3	87.0	+26.8%	6,586	401.1	NM	NM
LEGACYFOOT	100.5	79.3	+26.7%	1,315	644.7	NM	11.3x
NORTHERN	250.4	199.7	+25.4%	536	53.5	NM	3.1x
NAVANAPHAR	100.9	82.8	+21.9%	10,838	1,089.5	22.9x	2.5x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FARCHEM	10.7	11.7	-8.5%	2,334	158.7	NM	0.9x
MONOSPOOL	309.6	334.2	-7.4%	2,907	290.9	41.1x	6.4x
APEXFOODS	424.2	456.0	-7.0%	2,419	491.4	42.7x	3.4x
OLYMPIC	156.0	167.0	-6.6%	31,190	466.0	19.0x	3.1x
MONNOAGML	944.4	1,010.8	-6.6%	2,580	184.7	NM	5.4x
ZAHEENSPIN	10.0	10.5	-4.8%	1,138	85.2	NM	2.0x
SIMTEX	22.0	23.0	-4.3%	1,751	656.3	24.2x	1.0x
AFTABAUTO	27.5	28.7	-4.2%	2,902	82.3	39.7x	0.5x
GBBPOWER	15.3	15.9	-3.8%	1,558	66.7	16.5x	0.7x
PARAMOUNT	49.1	50.9	-3.5%	1,997	107.2	28.1x	1.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BSC	134.0	135.0	-0.7%	20,440	2,293.4	8.5x	1.6x
INTRACO	40.2	41.2	-2.4%	3,949	1,512.3	26.7x	3.1x
EHL	105.7	107.2	-1.4%	9,867	1,291.0	15.7x	1.4x
RUPALILIFE	165.3	118.9	+39.0%	4,961	1,274.7	NM	NM
NAVANAPHAR	100.9	82.8	+21.9%	10,838	1,089.5	22.9x	2.5x
ORIONINFU	369.5	347.5	+6.3%	7,523	1,069.7	NM	26.8x
GEMINISEA	764.3	732.9	+4.3%	4,666	1,057.2	36.4x	30.1x
CLICL	86.8	76.5	+13.5%	3,255	1,001.1	NM	NM
MEGHNALIFE	86.9	75.5	+15.1%	3,685	913.0	NM	NM
SEAPPEARL	240.2	211.5	+13.6%	29,004	823.8	34.8x	13.9x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	282.2	+57.6%	15,945	49.6x	4.2x
UNIQUEHRL	75.0	+30.0%	22,080	13.2x	0.8x
OLYMPIC	156.0	+25.8%	31,190	19.0x	3.1x
UNILEVERCL	2,040.3	+14.6%	39,325	44.7x	13.1x
ADNTEL	128.0	+12.2%	8,275	33.2x	4.6x
PIONEERINS	76.2	+11.9%	6,775	12.8x	1.5x
JAMUNAOIL	179.3	+7.2%	19,799	6.6x	0.9x
EBL	29.4	+4.0%	35,493	6.9x	0.9x
BATASHOE	990.1	+4.0%	13,545	28.3x	3.8x
LHBL	67.1	+3.5%	77,928	14.4x	3.9x

*BDT

**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,447.5	1,445.6	1,427.09	+0.13%	+1.43%
NBFI	1,918.6	1,918.5	1,927.24	+0.01%	-0.45%
Mutual Fund	829.9	826.3	852.07	+0.43%	-2.60%
General Insurance	3,565.1	3,446.9	3,177.87	+3.43%	+12.19%
Life Insurance	2,879.9	2,671.7	2,492.91	+7.79%	+15.52%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,702.7	3,685.3	3,754.47	+0.47%	-1.38%
Fuel & Power	1,704.6	1,705.2	1,694.29	-0.03%	+0.61%
Cement	2,523.2	2,479.1	2,319.67	+1.78%	+8.77%
Services & Real Estate	2,142.6	2,047.6	1,782.23	+4.64%	+20.22%
Engineering	4,507.6	4,507.6	4,503.40	-0.00%	+0.09%
Food & Allied	21,473.5	21,395.3	21,247.80	+0.37%	+1.06%
IT	3,276.3	3,279.0	3,004.33	-0.08%	+9.05%
Textile	1,615.3	1,620.4	1,621.87	-0.31%	-0.41%
Paper & Printing	10,792.4	10,783.4	10,388.08	+0.08%	+3.89%
Tannery	3,232.0	3,215.8	3,093.43	+0.50%	+4.48%
Jute	15,909.6	14,409.9	14,850.17	+10.41%	+7.13%
Ceramics	690.6	693.6	704.74	-0.43%	-2.01%
Miscellaneous	4,177.9	4,191.7	4,071.46	-0.33%	+2.61%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	166.6	171.1	-2.62%	+1.99%	11.9x	0.7x
NBFI	12.5	7.6	+64.36%	+0.15%	NM	4.3x
Mutual Fund	24.8	4.3	+477.71%	+0.30%	NM	0.7x
General Insurance	1,035.0	860.1	+20.34%	+12.39%	18.8x	1.6x
Life Insurance	1,182.2	737.1	+60.39%	+14.15%	NM	NM
Telecommunication	1.4	2.6	-47.26%	+0.02%	16.9x	4.3x
Pharmaceutical	812.4	422.0	+92.49%	+9.72%	19.3x	2.3x
Fuel & Power	496.9	485.0	+2.46%	+5.95%	23.6x	1.1x
Cement	242.9	183.5	+32.40%	+2.91%	30.8x	2.6x
Services & Real Estate	632.8	582.6	+8.62%	+7.57%	30.7x	1.1x
Engineering	469.4	364.4	+28.81%	+5.62%	72.5x	1.8x
Food & Allied	831.8	780.0	+6.64%	+9.95%	19.9x	8.2x
IT	570.1	646.9	-11.87%	+6.82%	29.9x	3.1x
Textile	539.6	608.1	-11.26%	+6.46%	77.5x	1.1x
Paper & Printing	285.7	346.6	-17.58%	+3.42%	40.1x	2.1x
Tannery	200.4	114.5	+75.06%	+2.40%	49.2x	3.3x
Jute	60.3	64.1	-5.91%	+0.72%	NM	6.3x
Ceramics	117.0	69.4	+68.61%	+1.40%	48.9x	1.9x
Miscellaneous	675.1	520.4	+29.71%	+8.08%	16.2x	1.8x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
EGEN	45.2	-13.2%	3,390	31.0x	2.0x
ISLAMIBANK	32.6	-1.2%	52,486	8.9x	0.8x
PRIMEBANK	19.0	-1.0%	21,513	5.4x	0.6x
BRACBANK	35.8	-0.0%	57,596	9.0x	0.9x
IDLC	46.5	-	19,330	10.7x	1.0x
IPDC	57.6	-	21,375	30.8x	3.1x
LANKABAFIN	26.0	-	14,010	28.0x	1.3x
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

Saudi offers large scale investment in Bangladesh

- Saudi Arabia has offered to make a large scale of investment in various sectors of Bangladesh, as the country has a stable government and a tremendous record of economic growth. Saudi Arabian Minister of Investment Khalid A Al-Falih and Minister of Economy and Planning Faisal Alibrahim came up with the offer when they jointly called on Prime Minister Sheikh Hasina at her place of residence in Doha today. The Saudi Minister of Investment and the Minister of Economy also sought cooperation from Bangladesh in achieving the goal of Saudi Arabia's Vision 2030.

<https://www.tbsnews.net/economy/saudi-offers-large-scale-investment-bangladesh-637050>

Transsion opens new factory in Bangladesh

- Transsion Holdings, a leading provider of smart devices and mobile services, has inaugurated its ISMARTU factory to meet the growing demand for smart devices in Bangladesh. The new factory, located in the Meghna Industrial Economic Zone, Narayanganj, was officially opened by Transsion Holdings Chairman George Zhu and ISMARTU Bangladesh Chief Executive Officer Rezwanaul Hoque.
- The total investment of the first phase of the new ISMARTU factory is about USD 22 Mn, which demonstrates Transsion's commitment to the local market. From design to construction, the new factory introduces more advanced production standards, with a more scientific layout to better meet the needs of modernized mobile phone production.

<https://www.tbsnews.net/economy/transsion-opens-new-factory-bangladesh-637502>

CPD proposes inheritance tax to reduce wealth inequality

- The Center for Policy Dialogue (CPD) has proposed imposing an inheritance tax as part of a wealth tax to reduce wealth inequality in the country and increase revenue collection. "The wealth and income disparity in the country has increased. Tax collection should be increased to ensure tax fairness," Debapriya Bhattacharya, distinguished fellow at the think tank, said in his keynote presentation at a dialogue titled "State and scope of property taxation in Bangladesh".
- Shameem Haider Patwary said tax collection is low due to a lack of democracy and good governance in the country. Additionally, people do not want to pay taxes if they don't get the expected services.

<https://www.tbsnews.net/economy/cpd-proposes-inheritance-tax-reduce-wealth-inequality-637438>

Bangladesh's apparel export to EU increases by 3.9%, remains second largest source

- Bangladesh's apparel export to European Union has shown value-wise growth by 3.9% during the January-March period of 2023 to USD 5.6 Bn from USD 5.4 Bn in January-March 2022. Also, with 24.07% share of the EU's total RMG import (in terms of dollar value), Bangladesh remains the second largest apparel import source for the EU after China (China's share 24.55%) during January-March 2023.
- However, according to the quantity-wise import statistics (measured in kilogram), Bangladesh became number "one" sourcing country for EU during the mentioned months of 2023. In fact, Bangladesh secured the top position in EU's apparel sourcing list in terms of quantity in 2022 as well.

<https://www.tbsnews.net/economy/rmg/bangladeshs-apparel-export-eu-increases-39-remains-second-largest-source-637618>

Saarc biz leaders urge tapping intra-regional trade potential

- Bangladesh's current exports to South Asian countries amount to USD 532.70 Mn, with a potential for further growth of USD 7.2 Bn. Business leaders from the Saarc countries have stressed the need for harnessing the untapped potential of intra-regional trade amidst the global recession caused by the Russia-Ukraine war following the Covid-19 pandemic.
- During the "Conference on Harnessing Regional Strengths: Saarc's Importance for South Asia's Growth" organised by the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) in Dhaka on Wednesday, they highlighted the significant role that Saarc countries can play in driving economic prosperity in the region.

<https://www.tbsnews.net/economy/saarc-biz-leaders-urge-tapping-intra-regional-trade-potential-637578>

Keep provision against loss in securities investments

- Banks will have to keep provisions if the market price of the investments made in listed and non-listed companies falls or their net worth deteriorates, according to the central bank. If the net worth -- the difference between assets and liabilities -- of the investment in non-listed companies declines, banks will have to set aside provisions in proportion to the funds invested, said the Bangladesh Bank in a circular yesterday. The instructions will come into effect on June 30.

<https://www.thedailystar.net/business/economy/banks/news/keep-provision-against-loss-securities-investments-3328951>

Govt to procure 18 Mn liters of soybean oil, 80,000 tons of fertilizer

- The Cabinet Committee on Government Purchase (CCGP) on Wednesday approved separate proposals for procuring some 18 Mn liters of soybean oil, 80,000 tons of fertilizer and 12,500 tons of sugar to meet the growing demand of the country. The approvals came from the 18th meeting of the CCGP in this year, held virtually with Finance Minister AHM Mustafa Kamal in the chair.
- Briefing reporters after the meeting, Cabinet Division Additional Secretary Sayeed Mahbub Khan informed that the day's CCGP meeting approved a total of 11 proposals. He said following a proposal from the Ministry of Commerce, the state-run Trading Corporation of Bangladesh (TCB) would procure some 11 Mn liters of soybean oil under international tender method from Accentuate Technology Inc USA (Local Agent: OMC Ltd Dhaka) with around BDT 1295.8 Mn where per liter soybean oil would cost BDT 140.16.

<https://www.tbsnews.net/economy/govt-procure-180cr-litres-soybean-oil-80000-tonnes-fertiliser-637450>

Govt lifts ban on aromatic rice export

- The government is going to lift ban on export of aromatic rice soon as a measure for export diversification, said Senior Commerce Secretary Tapan Kanti Ghosh today. "We will not allow export of aromatic rice by all. We will allow export of aromatic rice on a case-to-case basis as many have already applied," he told The Daily Star over the phone. If any exporter wants to export aromatic rice, they can do it from now although no circular has been published in this connect yet, Ghosh said.

<https://www.thedailystar.net/business/news/govt-lifts-ban-aromatic-rice-export-3328676>

NBFIs interest rate spread falls 60% in a month

- The interest spread of non-bank financial institutions (NBFIs) experienced a significant decline of 60% in April compared to the previous month due to an increase in non-performing loans within the sector. People concerned said when the interest rate spread decreases, it directly impacts the income of the institution. For non-bank financial institutions to operate effectively, it is recommended to maintain a minimum interest spread of 3% to ensure financial stability and sustainability.
- According to the central bank data, NBFIs are currently collecting deposits at an average interest rate of 7.83%. However, the interest rate on loans stands at 8.27%. Consequently, the interest rate spread for NBFIs has narrowed down to 0.44%. In March, they were receiving an interest rate of 8.89% on loans, resulting in an interest rate spread of 1.11%.

<https://www.tbsnews.net/economy/nbfis-interest-rate-spread-falls-60-month-637686>

Hike property tax to curb accumulation of wealth, inequality

- An increase in property tax is needed to curb rapid wealth accumulation and rising inequality as the rate in Bangladesh is one of the lowest in the world, said the Centre for Policy Dialogue (CPD) and analysts yesterday. The property tax, which is collected in the form of land taxes and stamp duties, accounts for 0.27% of the of Bangladesh's gross domestic product (GDP), close to the average in African countries.
- The amount of tax generated from properties, mainly land, is supposed to increase in line with the growth of the economy: if the GDP per capita of a country goes up by one per cent, the property tax as a percentage of GDP should increase by 0.47%. "An additional BDT 60 Bn were supposed to come in the form of property taxes. We have not got that," said CPD Distinguished Fellow Debapriya Bhattacharya while presenting the findings of a study on property taxes in Bangladesh at a dialogue.

<https://www.thedailystar.net/business/economy/news/hike-property-tax-curb-accumulation-wealth-inequality-3328981>

Japanese realtor JP Building to invest USD 20 Mn in Bangladesh

- Japanese real estate and construction company JP Building opened its new Bangladesh chapter "JP Build BD Co", through which the realtor plans to invest USD 20 Mn or BDT 2160 Mn in the local market in the next three years. JP Build BD Co will provide Bangladesh's real estate sector with construction solutions and sophisticated technology, JP Building said in a statement today.

<https://www.thedailystar.net/business/news/japanese-realtor-jp-building-invest-20-million-bangladesh-3327576>

Interbank dollar exchange rate rises to BDT 108.75

- The interbank exchange rate for dollars rose from BDT 108.50 to BDT 108.75, which is the highest in the country's history. According to central bank data, the American greenback traded at the lowest rate of BDT 108.50 and highest rate of BDT 108.75 on Monday (22 May). On 30 April, Association of Bankers Bangladesh (ABB) and Bangladesh Foreign Exchange Dealers' Association (BAFEDA) increased the remittance dollar rate by BDT 1 to BDT 108. Earlier, the dollar rate of remittance was BDT 107 for about six months, although several banks have brought remittances with higher rates in March.

<https://www.tbsnews.net/economy/interbank-dollar-exchange-rate-rises-tk10875-636846>

Metro rail gets VAT exemption from ticket sales

- The government has exempted value added tax (VAT) on metro rail ticket sales till 30 June 2024. This order will be deemed effective from the day metro rail was launched (28 December 2022), the National Board of Revenue said in a notification on Sunday. In order to make metro rail more popular in the initial stage of the introduction, it is necessary to make the cost of travel in this public transport affordable, the revenue board said.

<https://www.tbsnews.net/nbr/metro-rail-gets-vat-exemption-ticket-sales-636958>

Health and hygiene to get budgetary care

- The government plans to offer duty rebate on the import of more raw materials of medicine and medical equipment productions in the upcoming national budget, a move experts say will strengthen the local industry and benefit the health sector. Besides, the VAT waiver may continue in the next year for raw material import for manufacturing sanitary napkins, diapers and toiletries, necessary items for public health and hygiene.
- According to finance ministry officials, the government is going to include another 10-12 raw materials of cancer and diabetes drugs to the existing duty-free list to make the treatments more affordable. Import of silicone tube for manufacturing intravenous cannula also may get duty rebate.

<https://www.tbsnews.net/economy/health-and-hygiene-get-budgetary-care-637006>

Online marketplaces may be exempted from VAT challans

- Online marketplaces are expected to receive an exemption from the mandatory collection of invoices for value-added tax, known as VAT challans, for sales made on their sites starting from the next fiscal year. The introduction of the measure will result in the exemption of online marketplaces from the mandatory collection of VAT challans, with the aim of attracting increased foreign direct investments (FDIs) in the sector.
- The officials further said starting in the new fiscal year, e-commerce companies will only be required to pay VAT on their service commissions. If the platforms are engaged in selling goods, sales VAT will be applicable, and the companies will be responsible for paying their VAT on their sales.

<https://www.tbsnews.net/nbr/online-marketplaces-may-be-exempted-vat-challans-636998>

MCCI for taka-rupee trade with India

- The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday proposed introducing a currency swap facility enabling use of both the Bangladeshi taka and the Indian rupee to increase bilateral trade. The chamber also recommended a dual currency credit card and the free flow of the two currencies without any cap in case of bilateral trade regardless of Bangladesh's export performance. The MCCI also proposed harmonisation of standards of the Bureau of Indian Standards (BIS) with those of the Bangladesh Standards and Testing Institution (BSTI) to promote and bring ease to the trade.

<https://www.thedailystar.net/business/economy/news/mcci-taka-rupee-trade-india-3327951>

Next budget to focus on Smart Bangladesh concept, 4IR challenges

- Keeping in mind the concept of "Smart Bangladesh", the budget for the fiscal year 2023-24 will focus on creating smart manpower to cope with the impacts of the Fourth Industrial Revolution (4IR). Officials said the lack of smart manpower will hinder the transformation of the country into a "Smart Bangladesh". Therefore, the government plans to prioritise capacity building by providing the necessary training.

<https://thefinancialexpress.com.bd/economy/bangladesh/next-budget-to-focus-on-smart-bangladesh-concept-4ir-challenges>

Bangladesh to turn to China-led NDB seeking development support

- Amid the current global economic turbulence, Bangladesh is going to approach the China-led New Development Bank (NDB) to seek greater financial support for the country's infrastructure development, officials said on Tuesday. A Bangladeshi delegation, headed by Economic Relations Division (ERD) Secretary Sharifa Khan, will participate in the NDB's board of governors meeting in Shanghai next week, officials said.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-to-turn-to-china-led-ndb-seeking-development-support>

Direct tax regime getting a facelift

- Bangladesh is getting a full-fledged income-tax law after 39 years from July with an updated direct-tax regime shifting government reliance on import taxes that make imported goods costlier. The changes in direct tax measures would come through 'The Income Tax Law 2023' meant for action from the upcoming fiscal year, officials said. Currently, income-tax measures are enforced through the Income Tax Ordinance 1984. An updated draft of the new income-tax law was handed over to the Internal Resources Division (IRD) on Monday to proceed further on the latest taxing modalities.

<https://thefinancialexpress.com.bd/economy/bangladesh/direct-tax-regime-getting-a-facelift>

Withdraw 10% tax on cash assistance against RMG exports: BGMEA

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has called for the removal of a 10% tax on cash assistance provided for the export of ready-made garments in the upcoming budget. According to the BGMEA, as cash assistance is not considered business income, it is reasonable to exempt it from taxation. The association emphasized the need for policy support from the government to ensure the sustainability of the export-oriented apparel business.
- To enhance the business environment and reduce the overall "cost of doing business," the BGMEA recommended measures such as uninterrupted electricity and gas supply, decreased value-added tax (VAT) and tax rates, single-digit bank interest rates, and the continuation of incentives for export earnings.

<https://www.tbsnews.net/economy/rmg/withdraw-10-tax-cash-assistance-against-rmg-exports-bgmea-636946>

Budget 2023-24: E-cigarettes to be costlier by June

- The new budget for the upcoming fiscal year 2023-24 will spell relief for lungs as the government will impose duty on e-cigarettes, electronic vaporizing devices and its parts. Finance ministry officials said the new budget will impose a 150% supplementary duty on liquid nicotine, and transdermal use of nicotine. At the same time it may also impose a 212.20% duty on electronic cigarettes and similar personal electric vaporising devices and its parts. The move is aimed to discourage the use of electronic cigarettes and similar devices considering the health risk, officials of the finance ministry have told The Business Standard.

<https://www.tbsnews.net/economy/budget-2023-24-e-cigarettes-be-costlier-june-636942>

Jiban Bima sees steady growth despite challenges

- Jiban Bima Corporation, a state-run life insurance provider in Bangladesh, witnessed steady growth for the past few years as its subscriber base has expanded even though customers lack faith in the industry. The company's life insurance fund advanced 7.37% year-on-year to BDT 24.74 Bn in 2022, registering annual growth of above 6% for the past three years.
- "The main reason for the higher life premium is that people are confident they will get their funds back without facing any fraud as we are a state-run company," said Ferdous Alam Khan, manager for consolidation accounts of Jiban Bima Corporation.

<https://www.thedailystar.net/business/economy/news/jiban-bima-sees-steady-growth-despite-challenges-3327811>

Inflation-aligned pay rise for govt employees from July

- Government employees will receive salary increase in the next fiscal year beyond the stipulated 5% annual increment to cope with inflation. According to finance ministry officials, the upcoming budget will have an announcement in this regard. However, the rate of increase will be determined later. This follows the demand for a new pay scale amid runaway inflation caused by the Russia-Ukraine war. Despite the demand, the finance ministry was considering the inclusion of dearness allowance in the budget for the fiscal 2023-24. However, last week, Prime Minister Sheikh Hasina rejected the idea of dearness allowance and stated that the salary would be increased in line with inflation.

<https://www.tbsnews.net/economy/budget/inflation-aligned-pay-rise-govt-employees-july-635818>

IFC invests in mega rice mill project to boost food security in Bangladesh

- The International Finance Corporation (IFC), the private sector arm of the World Bank Group, has made a groundbreaking move by providing funding to a Bangladeshi private company to establish a state-of-the-art automated composite rice mill. With a total investment of BDT 7000 Mn, the project aims to produce boiled and non-boiled rice, as well as oil, poultry feed, and electricity from husk materials.
- Under the agreement, Tanveer Food Limited (TFL), a subsidiary of the renowned Meghna Group of Industries (MGI), will receive USD 35 Mn in funding from IFC, while MGI will contribute the remaining capital. The funding package includes USD 21 Mn from the IFC's own account and an additional subordinated loan of up to USD 14 Mn from the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP).

<https://www.tbsnews.net/economy/ifc-invests-mega-rice-mill-project-boost-food-security-bangladesh-636026>

US welcomes Bangladesh's lift of cotton fumigation on-arrival requirement

- US cotton can arrive to Bangladesh without fumigation at the port of entry, saving Bangladeshi importers millions of dollars and five days of waiting, effective from 16 May. This action follows a November 2022 visit to the United States by a technical delegation from Bangladesh's Ministry of Agriculture, which verified that the US cotton production and pest management strategies, followed by cotton processing techniques—ginning, lint cleaning, and bale compression—that remove any risk of boll weevil in US cotton, according to a press release on Monday (22 May).

<https://www.tbsnews.net/economy/us-welcomes-bangladeshs-lift-cotton-fumigation-arrival-requirement-636262>

Trade-based money laundering falls significantly, says ABB

- Trade-based money laundering has come down significantly in recent months following intensifying monitoring about over and under-invoicing prices of imported products by banks and central bank, the Association of Bankers, Bangladesh (ABB) said on Monday. Office-bearers of the platform of the country's banking sector top executives said bankers have little idea about the perception on trade-based money laundering even a few years ago but close monitoring of prices of imported and exported goods by banks and central bank helps curb the illegal outflow of foreign currencies from Bangladesh.

<https://thefinancialexpress.com.bd/economy/bangladesh/trade-based-money-laundering-falls-significantly>

Govt plans BDT 3.03 Bn livestock, poultry project

- The government is planning to undertake a BDT 3.03 Bn project to increase milk, meat and egg production in char areas under Dhaka division by at least 15% to 20% and subsequently improve living standards. The project aims to donate livestock and poultry alongside early-stage feed, vaccine and medicine among 65,290 families in 31 upazilas of Manikganj, Dhaka, Munshiganj, Rajbari, Faridpur, Madaripur and Shariatpur. Proposed by the Ministry of Fisheries and Livestock and to be implemented by the Department of Livestock Services (DLS) from July this year to June 2027, the project will run under 10 packages, according to planning commission documents.

<https://www.thedailystar.net/business/economy/news/govt-plans-tk-303cr-livestock-poultry-project-3326131>

Private firms to get 90% revenue from govt's broadband infrastructure

- The government spent a whopping BDT 12 Bn to lay optical fibre across 2,600 unions of Bangladesh under phase-3 of the Info Sarkar project, which aims to provide high-speed internet at the union level. The Bangladesh Computer Council (BCC) yesterday signed a deal with Summit Communications and Fiber@Home for the maintenance, upgradation, replacement, operation and connection of the new broadband internet infrastructure. Under a public-private partnership (PPP), 90% of the revenue earned from the broadband connections will go to the two private entities while the government will just get 10%.

<https://www.thedailystar.net/business/economy/news/private-firms-get-90-revenue-govts-broadband-infrastructure-3326986>

Ceramic industry wants supplementary duty to go

- Entrepreneurs in the ceramic sector in the country, who are currently facing challenges due to the ongoing dollar and gas crisis, have urged the government to withdraw the supplementary duty and introduce a depreciation facility for the import of raw materials. In a pre-budget discussion organised by The Business Standard on Sunday, they said there is a supplementary duty of 15% and 10% imposed on tiles and sanitary ware production respectively.

- "Supplementary duty is typically levied on luxury items. However, tiles and sanitary ware products have now become essential for both rural and urban areas. Therefore, it is imperative to remove the supplementary duty for these products and consider them as necessities," said Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers & Exporters Association (BCMEA) and director of FARR Ceramics Ltd.

<https://www.tbsnews.net/economy/ceramic-industry-wants-supplementary-duty-go-636386>

Cenbank prints BDT 700 Bn new money in 11 months to support nat'l budget

- The Bangladesh Bank has injected BDT 700 Bn in new money into circulation in the first 11 months of the current fiscal year 2022-23 to support the government's budget expenditure, creating further risk of inflation, which already eroded the living standard of general people. The Bangladesh Bank started to create new money, also known as printing money, at the beginning of the current fiscal year amid a liquidity crunch in banks, said a senior executive of the central bank.

- Although the liquidity situation has improved over the past few months after pumping money into banks, the central bank continued to inject new money into circulation to keep interest rates of treasury bills and bonds below 9%, the executive added.

<https://www.tbsnews.net/economy/budget/cenbank-prints-tk70000cr-new-money-jul-may-fy23-support-natl-budget-635910>

Govt to withdraw 5% advance tax on fuel import

- The government plans to withdraw the existing 5% advance tax on the import of 13 oil and petroleum products in the upcoming budget aiming to alleviate the burden on the public due to rising inflationary pressure, according to sources within the finance ministry. Currently, the prices of major fuel oils such as furnace oil, jet fuel diesel, and octane include a total of 34% government duties and taxes, comprising a 10% duty, 15% VAT, 2% advance income tax, and 5% advance tax. With the removal of the advance tax, the overall tax ratio on fuel oil prices will decrease to 29%.

<https://www.tbsnews.net/bangladesh/energy/govt-withdraw-5-advance-tax-fuel-import-636398>

From orange to red: How shipbreaking pays the price for downgrade in industry category

- The shipbreaking industry, which has been in trouble for a long time owing to disruption in importing scrap ships for the dollar crisis, could resume imports at a limited scale some three to four months ago. However, it got stuck again thanks to a change in its industry category – from less hazardous "orange-b" to highly hazardous "red" – in the Environment Protection Rules.
- The changes, brought in early March this year, made a second round of environmental clearance for breaking every ship mandatory, which industry insiders say causing delays and losses. The required clearance earlier could be obtained in just 48 hours. They added that they are incurring BDT 0.6-0.7 Mn each day for a ship for the delays as they imported these ships with bank loans.

<https://www.tbsnews.net/economy/industry/orange-red-how-shipbreaking-pays-price-downgrade-industry-category-635894>

Cuba interested to boost bilateral trade with BD

- Cuba has expressed the interest to strengthen bilateral trade with Bangladesh based on the existing political relations between the two countries. They also requested Bangladesh to send a high-powered trade delegation to initiate a process in this regard. The Cuban Deputy Minister for Foreign Trade and Investment expressed the interest when Bangladesh High Commissioner to Canada Dr. Khalilur Rahman, also the concurrent ambassador to Cuba, presented his credentials in Havana last month. More than 7,000 new enterprises have been registered under a new investment act, presenting a unique platform for Bangladeshi businesses to tap into these new opportunities.

<https://thefinancialexpress.com.bd/economy/bangladesh/cuba-interested-to-boost-bilateral-trade-with-bd>

End of zero tax!

- The government is considering a minimum BDT 2,000 tax on individuals who will file tax returns even if they do not have taxable income. But, analysts argue that such a move would burden low-income people and contradict the concept of tax-free income thresholds. According to finance ministry officials involved in the process, the budget proposals for the fiscal year 2023-24 are expected to incorporate the new rule regarding the minimum tax and the provision for deregistering from TIN in the event of death or no income. Officials said there is a possibility that the minimum tax could be gradually imposed on all TIN holders.

<https://www.tbsnews.net/nbr/end-zero-tax-635786>

Japanese loans get costlier

- Bangladesh is set to face higher borrowing costs, as Japan – the largest bilateral development partner of the country – has proposed a second increase in lending rates within a little over a year. The new proposal by the Japan International Cooperation Agency (Jica) suggests an interest rate of 1.6%, marking a 40 basis points hike from the previous raise implemented in March. This translates to a total increase of 90 basis points in Jica loan interest rates over the past year, starting from the 0.70% rate at the beginning of the last Japanese fiscal year (April 2022 to March 2023).
- Officials of the Economic Relations Division (ERD) confirmed that Japan presented the new interest rate hike proposal in April this year and the new rate will be effective from the 44th loan package of Jica. However, discussions are ongoing to potentially reduce the proposed interest rate, as stated by AKM Shahabuddin, Additional Secretary of the ERD. He also mentioned that Jica has proposed similar interest rate increases for all countries it lends to.

<https://www.tbsnews.net/economy/japanese-loans-get-costlier-635474>

Upcoming MPS to focus on taming inflation, boosting forex reserves

- Amid high inflation and depleting foreign exchange reserves, the central bank is set to hold a consultation meeting with stakeholders concerned today (Sunday) to prepare the upcoming monetary policy stance (MPS) for the first half (H1) of next fiscal year (FY). People familiar with the development told the FE that two key factors would be addressed prominently during the deliberations and in the MPS - taming the headline inflation and ways to keep foreign exchange reserves at a level recommended by the International Monetary Fund (IMF).

<https://thefinancialexpress.com.bd/economy/bangladesh/upcoming-mps-to-focus-on-taming-inflation-boosting-forex-reserves>

Nagad incurs BDT 6.25 Bn loss, builds hope on BDT 5.1 Bn bond

- Mobile financial services (MFS) provider Nagad has incurred a loss of BDT 6.25 Bn since its inception in 2018, mainly due to substantial promotional and administrative expenses, says a prospectus submitted to the Bangladesh Securities and Exchange Commission (BSEC).
- The company, which operates under an agreement with Bangladesh Post Office on the basis of sharing revenue by 51%, has got BSEC's approval to issue a bond worth BDT 5.1 Bn, which will help it to repay loans and become profitable in a couple of years. Nagad spends more than 60% of its revenue on "uddokta commission".

<https://www.tbsnews.net/economy/nagad-incurs-tk625cr-loss-builds-hope-tk510cr-bond-635438>

Regulator to cap mobile data prices

- The telecom regulator is set to introduce fixed maximum tariff rates for mobile data packages with the aim of ensuring simple and affordable connectivity services for consumers. The Systems and Services, a division of Bangladesh Telecommunication Regulatory Commission (BTRC), is finalising the conditions in this regard. "We will introduce a rate schedule for data with a ceiling price for operators," said Shyam Sunder Sikder, chairman of the BTRC.
- However, Sikder then said they are yet to finalise the terms and conditions as changes will be brought about after consulting stakeholders. The regulator is conducting consultations with various stakeholders, including mobile network operators, to understand their concerns and take into consideration different perspectives of the industry, said an official of the BTRC.

<https://www.thedailystar.net/business/economy/news/regulator-cap-mobile-data-prices-3325236>

Duty-free access sought again for RMG made from US cotton

- Bangladesh again demanded duty-free access to the American markets today for the locally made garments made from the US cotton, Senior Commerce Secretary Tapan Kanti Ghosh said. Bangladesh placed the demand in a meeting with the senior officials of the United States Trade Representative (USTR) at the secretary's office in the capital's commerce ministry.
- The US government usually does not allow duty-free access to garment items imported from any country, Ghosh said. Bangladesh lifted the rule of mandatory fumigation of US cotton this month and, in reciprocity, the south Asian nation asked for the special access for the locally produced apparels, he said. However, the fumigation is still mandatory for raw cotton brought in from other North American countries, as those are not scientifically tested like the ones imported from the USA.

<https://www.thedailystar.net/business/news/duty-free-access-sought-again-rmg-made-us-cotton-3325861>

Public expenditure stays at lower level

- Bangladesh's public expenditure is not growing in keeping pace with the steadily expanding economy as it struggles to raise adequate revenues, thus failing to ensure full implementation of development programmes and provide expected services to its citizens. The country's public expenditure was BDT 5181.91 Bn in the fiscal year of 2021-22, accounting for 13.05% of the gross domestic product, a measure of final goods and services in an economy during a certain period of time.

- During the current fiscal year, the government targets to spend Tk 6780.64 Bn, but it is unlikely to reach the goal amid a sluggish pace of execution of the Annual Development Programme (ADP). As a result, the development budget has been slashed from the original one.

<https://www.thedailystar.net/business/economy/news/public-expenditure-stays-lower-level-3326186>

Stymied manufacturing growth slows economic rebound

- An anticipated significant fall in the growth of Bangladesh's manufacturing sector for multiple adversities, including contraction in local and global demand, could affect the country's economic recovery this fiscal, analysts say. In the last FY2022, the actual growth of the sector as a component of the gross domestic product (GDP) at constant price was 11.41%, in the process of a rebound from a global and local gloom stemming from the Covid-19 pandemic and the Ukraine war.
- Economists say contraction in domestic and external consumption amid high inflation, import restrictions amid US dollar crisis, and gas and electricity crunch over the last few months have stymied the growth in the manufacturing sector.

<https://thefinancialexpress.com.bd/economy/bangladesh/stymied-manufacturing-growth-slows-economic-rebound>

UK-Bangladesh trade hits record GBP 4.7 Bn in 2022

- In a significant milestone in bilateral trade, the United Kingdom (UK) and Bangladesh witnessed a remarkable surge in trade volume, with the total trade reaching a record GBP 4.7 Bn (USD 5.83 Bn) in 2022. The UK's Department for Business and Trade released these figures on Thursday, revealing a substantial increase of 50.4% compared to the previous year.
- The trade balance heavily favoured Bangladesh, largely attributed to its thriving readymade garments (RMG) sector, which accounted for the lion's share of the trade. The UK's total imports from Bangladesh surged by 54% to GBP 3.8 Bn in 2022. At the same time, UK exports to Bangladesh increased by 36.7% to reach GBP 897 Mn during the same period.

<https://www.tbsnews.net/economy/uk-bangladesh-trade-hits-record-ps47b-2022-634810>

Duty hikes planned to discourage imports, boost local industries

- The government is set to increase import duties on certain products to protect domestic industries, generate employment, and reduce import bills. The national budget for the forthcoming fiscal 2023-24 is expected to introduce import duty hikes, ranging from 10 to 15% points, on a range of items including fridges, fans, LPG cylinders, lifts, and escalators, according to officials of the finance ministry. Additionally, the government intends to exclude escalator imports from the list of capital machinery enjoying a mere 1% import duty, the officials said. These proposed measures aim to stimulate local industries by providing them with a competitive advantage over imported goods.

<https://www.tbsnews.net/economy/duty-hikes-planned-discourage-imports-boost-local-industries-634298>

Govt mulls withdrawing advance tax on farm machinery

- The government plans to withdraw the advance tax (AT) levied on the import of rice transplanters, agricultural drier machines, all types of sprayers, and potato planters in the upcoming national budget aiming to modernise the agriculture sector. Currently, these four types of farm machinery are subject to a 5% advance tax at the import stage.
- This move is aimed at encouraging farmers to invest in agricultural machinery, enabling them to timely plant and harvest crops while removing concerns about the availability of farm workers, officials of the finance ministry have told The Business Standard. At the same time, the government plans to introduce a 15% value-added tax (VAT) on the import of basmati rice to provide protection for local rice farmers as well as prevent the misuse of government policies, according to the officials.

<https://www.tbsnews.net/economy/budget/govt-mulls-withdrawing-advance-tax-farm-machinery-634802>

SMEs demand withdrawal of 7% tax deduction at source

- Small and medium enterprise (SME) entrepreneurs have sought withdrawal of the existing 7% deduction of income tax at source (TDS) on the sale of their backward linkage products to encourage big companies to purchase those from SMEs. The SME Foundation, in its proposal for the upcoming budget for the fiscal year 2023-24, said that the 7% advance income tax deduction levied on the sale of SMEs products is hampering the development of cottage, small and medium industries, and creating a negative impact on the country's rapid industrialisation.

<https://www.tbsnews.net/economy/smes-demand-withdrawal-7-tax-deduction-source-635250>

NBR tasked to collect BDT 4300 Bn

- An 'ambitious' revenue target set for the next budget prompts the government to estimate 36% of the domestic revenues to be realized from direct taxes, hugely banking on import duties. For the upcoming financial year (FY) 2023-24, the Ministry of Finance (MoF) has set BDT 4300 Bn as revenue-collection target for the National Board of Revenue (NBR). Of the target, BDT 1540 Bn is set to be collected by the direct-tax wing while BDT 1160 Bn by the customs wing of the revenue board.
- However, the highest is earmarked to be mobilized by the value-added tax (VAT) wing, amounting to BDT 1590 Bn. Target for income tax has been set at BDT 1220 Bn while it is BDT 1360 Bn for VAT and import taxes BDT 1110 Bn in FY 23.

<https://thefinancialexpress.com.bd/economy/bangladesh/nbr-tasked-to-collect-tk-430t>

Homebuyers, builders set to see higher tax, price surge

- Sales of cement may see an increase in value added tax (VAT) in the next budget, which, along with potential rise in taxes on property registration and crucial construction materials, will make homes and land costlier further. In the upcoming budget, it is proposed that for all companies, this VAT may be set at BDT 20 per bag, which would be consistent with the tariff VAT, according to finance ministry officials. The officials have also hinted at the possibility of hiking the import duty on elevators and ceramic raw materials. Moreover, land registration costs in Dhaka and Chattogram are also anticipated to escalate, posing additional challenges for prospective buyers and developers.

<https://www.tbsnews.net/economy/homebuyers-builders-set-see-higher-tax-price-surge-634282>

Budget FY24: Electricity may eat up one-third of subsidies

- Jacking up electricity subsidy, particularly as power generation in private plants remains expensive, is set to swell the overall amount of fiscal incentives in the forthcoming national budget, officials said. The government is likely to allocate nearly BDT 320 Bn in subsidy for the power sector in the fiscal year (FY) 2023-24 national budget, nearly 39% higher than in the revised budget for the current fiscal, Ministry of Finance (MoF) officials told the FE Wednesday.
- The total subsidy in the upcoming budget might come to BDT 1100 Bn-BDT 120 Bn higher than the current fiscal's revised outlay on this head. In the original budget's subsidy figure for the current FY2023 was BDT 814.90 Bn, which was recently revised upward to BDT 980 Bn.

<https://thefinancialexpress.com.bd/economy/bangladesh/electricity-may-eat-up-one-third-of-subsidies>

1 Month extension raises project cost by 0.95% points: study

- A one-month extension in duration leads to a 0.95% point spike in costs during the implementation of development projects, according to a study of the Bangladesh Institute of Development Studies (BIDS). The findings gave an idea how much could be saved if delays are avoided in a country where BDT 2460.66 Bn has been allocated for the current financial year to implement development projects under the Annual Development Programme (ADP).
- The development budget accounts for 5.5% of the country's gross domestic product of USD 460 Bn. The autonomous research think-tank studied 361 projects implemented by the Roads & Highways Department from 2012-13 to 2021-22 and audited by the Implementation Monitoring Evaluation Division (IMED).

<https://www.thedailystar.net/business/economy/news/1-month-extension-raises-project-cost-095-percentage-points-study-3323936>

Private investment falls for second time in 3 years

- The private investment-to-GDP ratio in Bangladesh declined in the current fiscal year owing to a lower confidence among investors amid the persisting dollar crisis and global uncertainty, higher inflation and a fall in demand for goods in international markets. The private investment-to-gross domestic product (GDP) ratio declined by 0.88% points to 23.64% in 2022-23, provisional data from the Bangladesh Bureau of Statistics showed.
- This is the second fall in the ratio in three years. Usually, private investment either remains unchanged or slightly increases in a fiscal year compared to the preceding year. However, it witnessed a slight decline in 2020-21 owing to the impacts of Covid-19.

<https://www.thedailystar.net/business/economy/news/private-investment-falls-second-time-3-years-3325256>

Banks vs banks: Suits rising, BDT 160 Bn involved

- The number of cases filed by banks against other banks over the recovery of loans and other forms of outstanding payments continues to surge and experts say this trend hurts customer confidence and the stability of the financial system. According to court sources, the number of bank-vs-bank cases pending with money loan courts across the country stood at 6,876 as of March this year, involving a staggering BDT 160 Bn. Currently, 3,634 cases filed by banks against other banks are under trial in the four money loan courts in Dhaka alone. These cases involve approximately BDT 75 Bn.

<https://www.tbsnews.net/economy/banking/banks-vs-banks-suits-rising-tk16000cr-involved-635262>

Inflation, panic withdrawal dent bank deposit growth

- Deposit growth in Bangladesh's banking system slowed to 7.53% year on year at the end of March as inflationary pressures on the economy and some panic withdrawals dented savings, sources said. The deposit growth was 9.05% at the end of the same month of the preceding year, according to data prepared by Bangladesh Bank, the country's central bank.
- As per the central bank count, the total sum of deposits -time and demand deposits- stood at BDT 15239 Bn at the end of March last. The time deposit, having over 88% share in total deposits, grew over 7% at the end of March while demand deposit expanded by 10.88% during the period. The demand deposit stood at BDT 1830 Bn while the time deposit, for example, fixed-deposit receipt (FDR), at BDT 13430 Bn at the time. Economists and bankers say this slow pace of deposit growth is mainly due to higher inflationary pressures on the economy as the clients do not hold enough money to spend and save.

<https://thefinancialexpress.com.bd/economy/bangladesh/inflation-panic-withdrawal-dent-bank-deposit-growth>

Important News: Capital Market

QGBALLPEN | GQ Ball Pen adjusts BDT 11.5 Mn bank loan with land sell proceeds

- GQ Ball Pen Industries has got BDT 34.5 Mn from selling its 7.67 katha land at Agrabad, Chattogram, the company disclosed through the Dhaka Stock Exchange (DSE) on Wednesday. As announced earlier, the company paid BDT 11.5 Mn to South East Bank to partially adjust its bank liabilities and the rest of the amount it got from the land buyer would be utilised on a "priority basis". According to the DSE, the company had a short-term bank liability of BDT 31.7 Mn at the end of June 2022, while it had no long-term loans.

<https://www.tbsnews.net/economy/stocks/gq-ball-pen-adjusts-tk115-crore-bank-loan-land-sell-proceeds-637370>

GLOBALINS | Global Insurance to pay 12.25% cash dividends

- The board of directors of Global Insurance Company has proposed a cash dividend of BDT 1.225 per share, representing 12.25% of the face value of BDT 10 per share for the year 2022, according to the Dhaka Stock Exchange (DSE). The publicly traded non-life insurer posted BDT 1.63 in earnings per share (EPS) for 2022, which was BDT 1.62 in 2021. At the end of December last year, Global Insurance's net asset value per share stood at BDT 13.8.

<https://www.tbsnews.net/economy/stocks/global-insurance-pay-1225-cash-dividends-637478>

BBSCABLES | BBS Cables to supply BDT 1.06 Bn cables to DPDC

- BBS Cables Limited has been given the task of supplying copper cables worth BDT 1.06 Bn to Dhaka Power Distribution Company Limited. In a filing on the Dhaka Stock Exchange yesterday, the company said it has received the notification of award from the state-run power distributor to supply the cables.

<https://www.thedailystar.net/business/economy/news/bbs-cables-supply-tk-106cr-cables-dpdc-3328826>

EGEN | eGeneration appointed to set up Bangladesh Insurance Authority data centre

- eGeneration Limited, a renowned software firm, has recently signed an agreement with the Bangladesh Insurance Sector Development Project to set up a state-of-the-art data centre for the Bangladesh Insurance Authority. The cost of the data centre project is estimated to reach BDT 150 Mn.

<https://www.tbsnews.net/economy/stocks/egeneration-ltd-partners-bangladesh-insurance-authority-establish-data-centre-636646>

SIBL, SOUTHEASTB | SIBL, Southeast Bank get nod to declare stock dividends

- Social Islami Bank Ltd and Southeast Bank Ltd have received permissions from the Bangladesh Securities and Exchange Commission (BSEC) to declare stock dividends for the financial year that ended on December 31, 2022. In a filing on the Dhaka Stock Exchange yesterday, SIBL said the BSEC has accorded its consent for their declaration of a 5% stock dividend for the year. In another post, Southeast Bank said it has received nod from the commission to award a 4% stock dividend for 2022.

<https://www.thedailystar.net/business/economy/banks/news/sibl-southeast-bank-get-nod-declare-stock-dividends-3328841>

ABBANK | AB Bank gets BSEC approval to issue 2% stock dividend

- AB Bank has obtained the consent of the Bangladesh Securities and Exchange Commission (BSEC) to issue a 2% stock dividend for the fiscal year 2022. The stock dividend entitlement will be based on the record date set for 31 May. Shareholders of AB Bank will be eligible to receive the dividend in the form of additional shares, in proportion to their existing holdings. Notably, AB Bank's consolidated earnings per share (EPS) for 2022 remained at BDT 0.83, the same as the previous year, indicating stability in the bank's financial performance. Meanwhile, AB Bank's shares continue to trade at the floor price of BDT 9.90 each.

<https://www.tbsnews.net/economy/stocks/ab-bank-gets-bsec-approval-issue-2-stock-dividend-636522>

NRBCBANK | NRBC Bank receives BSEC nod to issue 4.5% stock dividend

- NRB Commercial (NRBC) Bank Limited has obtained the green light from the Bangladesh Securities and Exchange Commission (BSEC) to issue a 4.5% Stock Dividend for the fiscal year 2022. This decision comes after the bank recommended a total dividend of 12% on 2 May 2023, which includes 7.5% cash dividend and 4.5% stock dividend for its shareholders, covering the period ending 31 December 2022.

<https://www.tbsnews.net/economy/stocks/nrbc-bank-receives-bsec-nod-issue-45-stock-dividend-636566>

DELTALIFE | Delta Life, Ha-Meem sign deal on insurance coverage

- Delta Life Insurance Company Ltd recently signed an agreement with Ha-Meem Group and its subsidiaries Channel-24 Ltd and the daily Samakal on insurance facilities. Under the agreement, all officials and employees of the three organisations will get the facilities of group and health insurance from Delta Life.

<https://www.thedailystar.net/business/economy/news/delta-life-ha-meem-sign-deal-insurance-coverage-3326991>

ISLAMIBANK | UAE-based BTA Wealth buys BDT 1110 Mn shares of Islami Bank

- The United Arab Emirates-based BTA Wealth Management has bought over 2% stake – 34.2 Mn units of shares – of Islami Bank Bangladesh Limited at a cost of BDT 1110 Mn as the leading private-sector lender has been in a struggle for liquidity shortage. The shares were traded at BDT 32.6 each in the block market on 27 April, according to the Dhaka Stock Exchange.

<https://www.tbsnews.net/economy/stocks/uae-based-bta-wealth-buys-tk111cr-shares-islami-bank-637002>

EXCHANGE | BSEC approves Green Delta Dragon Enhance Blue Chip Growth Fund's drafts prospectus

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved a draft prospectus of the Green Delta Dragon Enhanced Blue Chip Growth Fund, an open-end mutual fund. According to the press release, the fund targets to raise BDT 500 Mn. The entrepreneurs Green Delta Insurance Company and Dragon Capital Markets will jointly provide BDT 50 Mn and the rest of the amount will be opened for general shareholders.

<https://www.tbsnews.net/economy/stocks/bsec-approves-green-delta-dragon-enhance-blue-chip-growth-funds-drafts-prospectus>

KEYACOSMET | Keya Cosmetics under BSEC scanner once again

- The Bangladesh Securities and Exchange Commission (BSEC) will review the financial statements of Keya Cosmetics for the last five years, as the stock market regulator suspects mismatches in the accounts that misled investors. In this regard, the commission on Sunday set up a four-member inquiry panel with BSEC's Additional Director Md Kawsar Ali as the convener, and deputy directors Mawdud Momen, Md Rafiqunnabi, and Assistant Director Md Sakil Ahmed as members. According to BSEC officials, the firm listed on the capital market has failed to comply with regulatory requirements and even did not respond to queries from the commission for a few years.

<https://www.tbsnews.net/economy/stocks/keya-cosmetics-under-bsec-scanner-once-again-636374>

PRIMEBANK | Prime Bank joins hands with Dream Square Resort

- Prime Bank has recently signed a strategic partnership agreement with Gazipur-based Dream Square Resort. Nazeem A Choudhury, deputy managing director of the bank, and Md Rafiqul Islam, assistant director of sales and marketing of the resort, signed the deal at the former's head office in Dhaka, said a press release. Under the partnership, the bank's

"monarch" (priority banking) customers, credit or debit cardholders and employees will enjoy benefits, including preferential pricing, at the resort.

<https://www.tbsnews.net/economy/corporates/prime-bank-joins-hands-dream-square-resort-enhance-customer-experience-636234>

IFIC | IFIC Bank gets BSEC consent to issue 2.5% stock dividend

- The IFIC Bank PLC has secured consent from the Bangladesh Securities and Exchange Commission (BSEC) to issue a 2.50% Stock Dividend for 2022. In a disclosure on Sunday on the Dhaka Stock Exchange (DSE), the bank said that BSEC has accorded its consent for raising Paid-up capital by issuing a 2.50% Stock Dividend for the year ended December 31, 2022." The bank recommended, on 30 April this year, a 5% dividend, of which 2.5% cash and 2.5% for its shareholders for the year ended on 31 December 2022.

<https://www.tbsnews.net/economy/stocks/ific-bank-gets-bsec-consent-issue-25-stock-dividend-635362>

UCB | UCB gets BSEC consent to issue 5% stock dividend

- The United Commercial Bank (UCB) has secured consent from the Bangladesh Securities and Exchange Commission (BSEC) to issue a 5% Stock Dividend for 2022. The record date for entitlement of stock dividends has been fixed on 31 May. In a disclosure on Sunday on the Dhaka Stock Exchange (DSE), the bank said that BSEC has accorded its consent for its declaration of a 5% stock dividend. The bank has recommended, on 26 April this year, a total 10% dividend, of which 5% cash and 5% stock dividend for its shareholders for the year ended on 31 December 2022.

<https://www.tbsnews.net/economy/stocks/ucb-gets-bsec-consent-issue-5-stock-dividend-635390>

IFADAUTOS | Ifad Autos to sell land in Gazipur

- Ifad Autos Limited has decided to sell a land measuring 90 decimals in Gazipur. The value of the land is BDT 165 Mn, according to a filing on the Dhaka Stock Exchange (DSE) on Sunday. Ifad Autos had witnessed a significant fall in profit in the January to March quarter and incurred loss in the first nine months of the current fiscal year. According to its financials, its earnings per share (EPS) declined to BDT 0.35 in the January to March of 2022-23, which was BDT 1.22 in the same time of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/ifad-autos-sell-land-gazipur-635410>

EASTLAND | Eastland Insurance makes higher profit in Q1

- Eastland Insurance Company Ltd made a BDT 31 Mn profit in the first quarter of the current financial year, up about 5.5% compared to a year earlier. The insurer reported a BDT 29.4 Mn profit in the identical January-March quarter in 2022. Thus, the earnings per share rose to BDT 0.37 in January-March from BDT 0.35 in the same period of 2022, according to the unaudited financial statements. The net operating cash flow per share improved to BDT 0.16 in January-March of 2023 against BDT 0.14 a year ago.

<https://www.thedailystar.net/business/economy/news/eastland-insurance-makes-higher-profit-q1-3323896>

BBSCABLES | BBS Cables secures BDT 517.6 Mn supply order from Rural Electrification Board

- BBS Cables Ltd has secured a supply order from the Bangladesh Rural Electrification Board (BREB) to supply conductors, bare wire and bare conductors worth BDT 517.6 Mn, according to a regulatory disclosure by the company through the Dhaka Stock Exchange (DSE).
- The company also informed that on 17 May it received the notification of award from the BREB and it would be effective upon signing the contract within twenty-eight days. BBS Cables, which was rising in the business of bulk supply of locally manufactured electrification cables had been suffering business declines since the pandemic and its profits were in a downtrend.

<https://www.tbsnews.net/economy/stocks/bbs-cables-secures-tk5176-crore-supply-order-rural-electrification-board-633986>

FIRSTSBANK | Director buys over 3.2 Mn First Security Islami Bank shares

- Director Farzana Parveen has bought over 3.2 Mn shares of First Security Islami Bank in the block market of the Chittagong Stock Exchange (CSE). Block market allows investors to buy and sell listed securities at a different platform meant for large transactions beyond the public market at previously negotiated prices. However, the block market price cannot be more than 10% higher or lower than the previous day's closing price in the regular market. Earlier, on 9 May, Abu Hena Mostafa Kamal, a sponsor of the bank, announced that he will sell his entire holding of over 2.4 Mn shares of the bank.

<https://www.tbsnews.net/economy/stocks/director-buys-over-32-lakh-first-security-islami-bank-shares-634006>

EXCHANGE | Brokerage customer account deficit dwindles to BDT 480 Mn, from over BDT 5 Bn

- Regulators' zero tolerance against stockbrokers' diversion or misuse of clients' idle cash helped reduce the deficit in the brokerage industry's consolidated customer accounts (CCA) to below BDT 480 Mn from over BDT 5 Bn found later last year. According to the regulatory report, only nine of the Dhaka Stock Exchange (DSE) brokers had deficits in their CCAs, down from 87 nearly nine months ago.
- Thanks to the strict supervision by the premier bourse after several brokerage firms' client money embezzlement cases unfolded over the recent years. DSE Acting Managing Director M Shaifur Rahman Mazumdar told TBS "Having faced few fraudulent cases by some brokers, the DSE strengthened its monitoring and supervision and that paid off."

<https://www.tbsnews.net/economy/stocks/brokerage-customer-account-deficit-dwindles-tk48cr-over-tk500cr-635258>

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