

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.15%) lost -9.65 points and closed the week at 6,329.86 points. The blue-chip index DS30 (-0.34%) lost -7.34 points and stood at 2,152.52 points. The Shariah-based index DSES (-0.07%) lost -1.03 points and stood at 1,372.93 points. The large cap index CDSET (-0.03%) lost -0.40 points and closed at 1,209.88 points. DSEX, DS30, DSES and CDSET showed YTD returns of +1.98%, -1.95%, +1.04%, -0.37%, respectively.

Total Turnover During the Week (DSE): BDT 29.6 billion (USD 271 million)

Average Daily Turnover Value (ADTV): BDT 5.9 billion ($\Delta\%$ Week: -9.0%)

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 (-0.09%) on Sunday and remained negative on Monday (-0.14%). However, it ended on a positive note on Tuesday (+0.22%) and remained positive on Wednesday (+0.07%). Lastly, the market closed on a negative note on Thursday (-0.21%).

Sectoral Performance

• All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of -2.04% followed by Life Insurance (-2.03%), Bank (-0.33%), Mutual Fund (-0.20%), and NBFIL (-0.02%).

• Non-financial sectors posted mixed performance this week. Pharmaceutical booked the highest gain of 0.24% followed by Food & Allied (+0.09%), and Fuel & Power (+0.02%). Engineering experienced the highest loss of 0.15% followed by Telecommunication (0.00%).

Macroeconomic arena

• Bangladesh's exports soar by 15.26% in July. Bangladesh 49th merchandise trader in 2022 globally. DGePay gets payment operator's licence. 200MW solar power plant opens. Thumbprints now mandatory for taking loans. Unicorn Nagad now plans to form subsidiary under digital bank: Tanvir A Mishuk. Apparel sector must adopt sustainable business models: Experts. Chinese FDI showing strong growth. Bangladesh's global market share in clothing exports rises to 7.9%. Ministries positive about joining China-led trading bloc RCEP. 'Fisheries sector may get a separate economic zone'. Ctg VAT zone attains 38.71% growth, collection exceeds by BDT 11.68 Bn. Customs allows UNHCR imports after over a month. Govt agencies can now buy up to BDT 14.5 Mn cars. Exporters to get BDT 108.5 for each dollar from today. Remittance inflow falls 5.86% in July. Cement makers call for tax rationalization. Aviation market to grow threefold in next 15 years: State minister. Tanners move to set up ETPs at own cost to catch up with world market.

• Revenue falls BDT 385 Bn short of target in FY23. Why agri exports failing to tap full potential. SME Policy 2019: Many things proposed, few implemented. Bangladesh now has 2.5 Mn jobless people: BBS. Private credit growth dips to 19-month low in June. Govt eyes 5 unicorn startups in two years, 50 by 2041. 25 products dominated imports in FY23. Application deadline extended to Aug 17. LC opening slumped 26% in FY23. VAT collection registers 17% growth in FY'23 despite adversities. Business leaders to explore Saudi markets, strengthen commercial ties. Govt examines pros-cons of joining world's biggest trade bloc. Bangladesh goes great guns to strike FTAs. Penalty interest back on overdue and classified loans. Brick-and-mortar banking set to get big shakeup as all rush for digital banking. Bank chairmen can now serve on both banks' foundations, foreign entities. Bangladesh loses USD 361 Mn tax a year: report. Chattogram port slips three notches. Vehicle insurance business going thru tough times.

Stock Market arena

• DHAKABANK | Dhaka Bank's EPS jumps 31% in April-June quarter. GREENDELTA | Green Delta profit rebounds in April-June. CITYBANK | City Bank's profit rises 9% in Q2. IPDC | IPDC Finance posts BDT 80 Mn profit in April-June. ICB | ICB declares 34.9% dividend. RUPALIBANK | Rupali Bank profit jumps 182% in H1 of 2023. BATASHOE | Bata Shoe profit surges 31% in H1 of 2023. BRACBANK, PRAGATILIF | bKash, Pragati Life Insurance to launch digital bank. BRACBANK | bKash makes BDT 380 Mn profit in H1 of 2023. RECKITT | Reckitt Benckiser's profits see slight fall. UNILEVERCL | Unilever Consumer Care posts 8% fall in Q2 profits. IDLC | IDLC's profit falls 13% in Q2. LINDEBD | Linde's profit slumps 40% in Q2 on costlier raw materials. BANKASIA | Bank Asia's profits almost double in Q2. FEDERALINS | Federal Ins declares 10% cash dividend. BERGERPBL | Berger profit grows 5.42% in Q1. ROBI | Robi returns to profit. ISLAMIBANK | Islami Bank's profit rises slightly. FIRSTFIN | First Finance's board restructured. DUTCHBANGL | Dutch-Bangla Bank's profit drops 23% in Apr-Jun.

August 03, 2023 (Week: July 30, 2023 – August 03, 2023)

Dhaka Stock Exchange

DSEX ended in Red (-0.15%) in the week

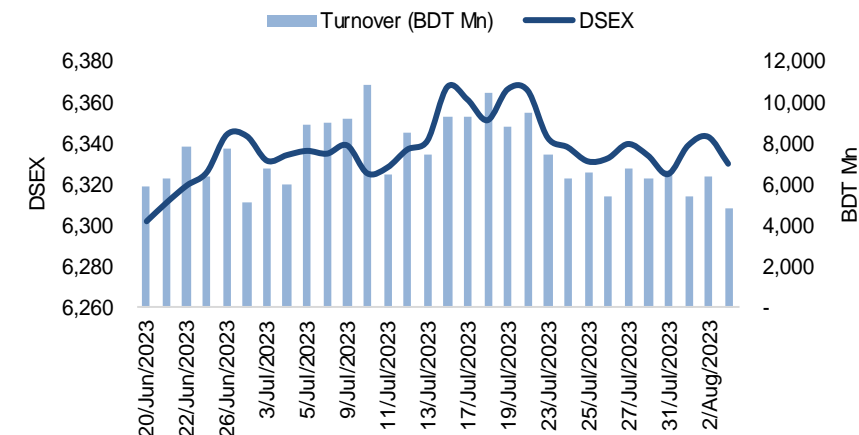
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	29-Dec-2022	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,329.86	6,339.51	-9.65	6,206.81	-0.15%	+1.98%
DS30	2,152.52	2,159.87	-7.34	2,195.30	-0.34%	-1.95%
DSES	1,372.93	1,373.96	-1.03	1,358.84	-0.07%	+1.04%
CDSET	1,209.88	1,210.28	-0.40	1,214.42	-0.03%	-0.37%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	7,813,705	7,638,988	+2.3%
	Mn USD	71,358	69,762	
Turnover	Mn BDT	29,639	32,567	-9.0%
	Mn USD	271	297	
Average Daily Turnover	Mn BDT	5,928	6,513	-9.0%
	Mn USD	54	59	
Volume	Mn Shares	569	717	-20.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
LIBRAINFU	820.0	707.4	+15.9%	1,232	134.1	NM	0.7x
DESHBANDHU	32.2	28.7	+12.2%	1,976	389.6	92.0x	1.7x
METROSPIN	44.3	39.7	+11.6%	2,733	646.9	45.3x	2.1x
MEGHNA PET	37.1	33.3	+11.4%	445	11.1	NM	NM
SINO BANGLA	76.0	68.3	+11.3%	1,535	306.0	41.6x	2.7x
CONTININS	48.4	43.6	+11.0%	2,014	704.7	80.7x	2.3x
MEGCONMILK	32.3	29.3	+10.2%	517	12.7	21.8x	NM
SONALILIFE	90.8	83.6	+8.6%	4,313	343.2	NM	NM
NAVANAPHAR	106.9	98.6	+8.4%	11,483	330.0	24.3x	2.6x
JHRML	83.6	77.5	+7.9%	10,475	1,053.3	36.2x	2.7x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
MEGHNA INS	48.1	56.6	-15.0%	1,924	332.9	24.4x	3.4x
CLICL	59.0	67.2	-12.2%	2,213	113.3	NM	NM
RUPALIBANK	32.1	36.1	-11.1%	14,917	295.2	28.5x	0.9x
ICICL	33.4	37.0	-9.7%	1,692	84.9	26.1x	1.9x
FUWANGFOOD	34.4	38.1	-9.7%	3,813	1,409.9	NM	8.7x
DELTALIFE	144.3	159.0	-9.2%	17,857	828.4	NM	NM
ASIAINS	53.0	57.9	-8.5%	2,495	399.3	25.2x	1.9x
EASTERNINS	52.0	56.8	-8.5%	2,242	37.5	16.8x	1.0x
CAPMIBBLMF	13.2	14.4	-8.3%	882	18.9	NM	1.5x
CAPMIBBLMF	13.2	14.4	-8.3%	882	18.9	NM	1.5x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FUWANGFOOD	34.4	38.1	-9.7%	3,813	1,409.9	NM	8.7x
SEAPPEARL	214.7	218.9	-1.9%	25,925	1,087.8	31.1x	12.4x
JHRML	83.6	77.5	+7.9%	10,475	1,053.3	36.2x	2.7x
BSC	121.7	119.0	+2.3%	18,564	972.1	7.8x	1.5x
DELTALIFE	144.3	159.0	-9.2%	17,857	828.4	NM	NM
KBPWBIL	32.5	34.8	-6.6%	3,188	792.6	NM	2.7x
CONTININS	48.4	43.6	+11.0%	2,014	704.7	80.7x	2.3x
METROSPIN	44.3	39.7	+11.6%	2,733	646.9	45.3x	2.1x
EMERALDOIL	151.0	154.4	-2.2%	9,017	611.1	NM	NM
CRYSTALINS	61.5	65.8	-6.5%	2,460	599.2	18.9x	2.5x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	280.2	+56.4%	15,832	35.2x	4.1x
ADNTEL	141.4	+23.9%	9,142	36.7x	5.1x
OLYMPIC	145.0	+16.9%	28,991	17.6x	2.9x
UNIQUEHRL	67.0	+16.1%	19,725	11.8x	0.8x
UNILEVERCL	2,033.6	+14.2%	39,196	45.3x	22.3x
PIONEERINS	73.1	+7.3%	6,499	13.3x	1.6x
JAMUNAOIL	178.1	+6.5%	19,667	6.5x	0.9x
LHBL	68.2	+5.2%	79,206	13.5x	4.0x
BERGERPBL	1,809.8	+5.1%	83,935	27.4x	6.0x
EBL	29.4	+4.0%	35,493	6.7x	1.0x

*BDT

**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,452.6	1,457.4	1,427.09	-0.33%	+1.79%
NBFI	1,921.9	1,922.3	1,927.24	-0.02%	-0.28%
Mutual Fund	830.7	832.4	852.07	-0.20%	-2.51%
General Insurance	3,612.5	3,687.7	3,177.87	-2.04%	+13.68%
Life Insurance	2,792.7	2,850.5	2,492.91	-2.03%	+12.03%
Telecommunication	4,945.6	4,945.6	4,945.60	-	-
Pharmaceutical	3,707.0	3,698.1	3,754.47	+0.24%	-1.27%
Fuel & Power	1,699.9	1,699.7	1,694.29	+0.02%	+0.33%
Cement	2,561.9	2,582.7	2,319.67	-0.81%	+10.44%
Services & Real Estate	1,953.3	1,955.4	1,782.23	-0.11%	+9.60%
Engineering	4,511.5	4,518.2	4,503.40	-0.15%	+0.18%
Food & Allied	21,575.5	21,556.2	21,247.80	+0.09%	+1.54%
IT	3,209.4	3,175.9	3,004.33	+1.06%	+6.83%
Textile	1,647.4	1,644.4	1,621.87	+0.18%	+1.57%
Paper & Printing	10,646.0	10,611.3	10,388.08	+0.33%	+2.48%
Tannery	3,234.0	3,262.1	3,093.43	-0.86%	+4.54%
Jute	16,455.3	16,672.2	14,850.17	-1.30%	+10.81%
Ceramics	685.7	685.8	704.74	-0.01%	-2.70%
Miscellaneous	4,211.6	4,157.3	4,071.46	+1.30%	+3.44%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	124.1	160.4	-22.61%	+2.25%	12.1x	0.7x
NBFI	7.4	17.5	-57.90%	+0.13%	NM	4.6x
Mutual Fund	5.9	11.4	-48.75%	+0.11%	NM	0.7x
General Insurance	1,232.1	1,326.4	-7.11%	+22.30%	19.6x	1.6x
Life Insurance	578.6	546.6	+5.85%	+10.47%	NM	NM
Telecommunication	0.9	1.5	-42.87%	+0.02%	15.5x	4.5x
Pharmaceutical	456.9	377.6	+21.00%	+8.27%	19.2x	2.3x
Fuel & Power	118.3	210.4	-43.75%	+2.14%	23.6x	1.1x
Cement	92.1	207.0	-55.51%	+1.67%	27.1x	2.7x
Services & Real Estate	315.8	338.6	-6.75%	+5.72%	26.2x	1.0x
Engineering	322.4	498.6	-35.33%	+5.84%	69.3x	1.8x
Food & Allied	818.3	939.2	-12.87%	+14.81%	20.1x	7.6x
IT	262.6	316.0	-16.89%	+4.75%	29.3x	3.0x
Textile	442.4	482.0	-8.22%	+8.01%	80.4x	1.2x
Paper & Printing	76.8	112.4	-31.65%	+1.39%	39.6x	2.1x
Tannery	131.3	171.4	-23.40%	+2.38%	46.7x	3.3x
Jute	24.4	58.0	-57.92%	+0.44%	NM	-1397.4x
Ceramics	48.5	58.6	-17.27%	+0.88%	52.6x	1.9x
Miscellaneous	466.6	394.3	+18.32%	+8.44%	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	8.4x	0.7x
TRUSTBANK	31.7	-0.1%	27,142	9.9x	1.1x
BRACBANK	35.8	-0.0%	57,596	8.3x	0.9x
IDLC	46.5	-	19,330	11.2x	1.1x
IPDC	57.6	-	21,375	38.4x	3.3x
LANKABAFIN	26.0	-	14,010	27.4x	1.4x
ACI	260.2	-	19,829	NM	2.0x
LINDEBD	1,397.7	-	21,271	33.7x	3.7x
UPGDCL	233.7	-	135,475	16.7x	4.4x

Important News: Business & Economy

Bangladesh's exports soar by 15.26% in July

- Bangladesh's merchandise exports grew by an impressive 15.26% year-on-year to USD 4.59 Bn in July, the first month of the new fiscal year, as per government data. This robust growth was driven by an acceleration in the shipment of apparel items, which will help the country minimise its ongoing foreign exchange crisis.
- The data released on Wednesday by the Export Promotion Bureau (EPB) showed that the garment sector contributed over 86% to the overall export earnings. The growth came as a surprise to apparel exporters, while economists observe a big gap between the experiences of industry people and the data provided by the government.

<https://www.tbsnews.net/economy/bangladeshs-exports-soar-1526-july-675682>

Bangladesh 49th merchandise trader in 2022 globally

- Bangladesh became the 49th merchandise trader in the world last year, according to the latest ranking of the World Trade Organization (WTO). Four years back in 2019, the country's position was 53rd among the top 100 merchandise traders in the world. Bangladesh is also ranked 46th leading importers in world merchandise trade in the last year.
- Bangladesh is also ranked 46th leading importers in world merchandise trade in the last year. United States of America (USA) is on the top of the list followed by China and Germany respectively. In a similar vein, Bangladesh ranked 40th in the list of top-50 merchandise exporters excluding intra-EU trade.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-49th-merchandise-trader-in-2022-globally>

DGepay gets payment operator's licence

- DGepay Services Limited has received the licence to run as a payment system operator. The company will run operation as a white label merchant acquirer inside the country under the brand "DG e-pay", said the central bank in a notice yesterday. A white label merchant acquirer is a non-bank entity that deploys, owns and operates automated teller machines and offers in-store merchant acquiring services such as point of sale/quick response payments. Besides, they may provide e-commerce merchant acquiring facilities as well. DGepay is the first PSO in Bangladesh with a no-objection certificate from the central bank for white label merchant acquisition, according to the company's website.

<https://www.thedailystar.net/business/economy/news/dgepay-gets-payment-operators-licence-3385051>

200MW solar power plant opens

- Prime Minister Sheikh Hasina yesterday inaugurated a 200-megawatt (MW) solar power plant, the highest renewable resource-focused power generation capacity of a single facility in the country, built by Beximco Power Ltd. Some USD 300 Mn was invested to set up the plant, named Teesta Solar Ltd, on 650 acres of a landmass formed through sedimentation in Sundarganj upazila of the northwestern district of Gaibandha, said a press statement.
- The plant is expected to provide 200MW of electricity to the national grid daily, said the statement issued by Public Relations Officer Shafiqul Islam of the office of the adviser to the prime minister on private industries and investment. Shayan F Rahman, chairman of Beximco Power Limited said they launched the first sukuk bond of the private sector in the country to finance this project.

<https://www.thedailystar.net/business/economy/news/200mw-solar-power-plant-opens-3385101>

Govt working to double farm productivity by 2030: Razzaque

- The agriculture ministry is working to reduce production costs and increase the variety of crops being cultivated with the aim of doubling agricultural productivity by 2030, according to Agriculture Minister Muhammad Abdur Razzaque. Citing how Bangladesh was once known as a country where persisting food shortages were met through imports and foreign aid, he said the country is now self-sufficient in food grains and many other crops.
- Agricultural exports from Bangladesh have been growing by more than 18% for the past five years. Besides, global demand for agricultural products is expected to grow by 15% annually between 2019 and 2028, providing a great opportunity for local food processors to expand their exports and thereby help diversify the country's export basket.

<https://www.thedailystar.net/business/economy/news/govt-working-double-farm-productivity-2030-razzaque-3385031>

Unilever cuts toiletries prices

- Unilever Bangladesh Ltd has reduced prices of its soaps, shampoos and handwash, attributing it to a recent reduction in inflation of some of raw materials in the global commodity market. The price of a 150gm Lux soap has been reduced to BDT 70 from BDT 80 and a 100gm one to BDT 48 from BDT 60 while a 150gm Lifebuoy soap to BDT 50 from BDT 60, said a press release yesterday. The fast-moving consumer goods company also reduced the price of a 200ml Lifebuoy handwash pack to BDT 80 from BDT 105 and offered a 10% free grammage in Lifebuoy handwash refill packs from 170ml to 187ml.

<https://www.thedailystar.net/business/news/unilever-cuts-toiletries-prices-3384671>

Thumbprints now mandatory for taking loans

- In the wake of some borrowers and guarantors denying having been provided loans, Bangladesh Bank (BB) today made it compulsory for banks to take thumbprints to ensure proper recovery of depositors' money, which was welcomed by bankers. The central bank, citing High Court observations, said some writs have been filed in the recent period where borrowers and guarantors denied having signed loan and guarantee-related documents.

<https://www.thedailystar.net/business/news/thumbprints-now-mandatory-taking-loans-3384836>

Unicorn Nagad now plans to form subsidiary under digital bank: Tanvir A Mishuk

- Nagad, the second largest mobile financial service provider (MFS) which was awarded for fastest growing unicorn startup recently, now plans to expand its business by setting up a digital bank. Earlier, in August last year, the board of Bangladesh Bank gave a letter of intent against "Nagad Finance PLC" under which Nagad was supposed to form a subsidiary to legitimate its MFS operation.
- The MFS company now became a lucrative platform to foreign investors after it got recognition as a billion-dollar company. Startup Bangladesh Limited, the flagship venture capital company of the Information and Communication Technology Division of the government of Bangladesh, recognised Nagad with the "Fastest to Unicorn Award" at an event titled "Bangladesh Startup Summit 2023" held recently. Nagad's valuation of USD 1 Bn, equivalent to BDT 100 Bn, was measured by the global accounting firm Big Four in December 2022.

<https://www.tbsnews.net/economy/unicorn-nagad-now-plans-form-subsidiary-under-digital-bank-tanvir-mishuk-675470>

BB gets down to rolling out Taka Pay card

- The Bangladesh Bank has stepped up efforts to roll out a national card this year in order to cut the country's reliance on international cards and save foreign currencies. Two committees of the central bank recently started working to introduce the "Taka Pay" card after Bangladesh Bank Governor Abdur Rouf Talukder hinted about the initiative for the first time on June 18.
- Paris-based consultancy Fime has been appointed to develop the card. Also, the central bank arranged a three-day workshop at its headquarters last month with the presence of representatives from Fime and eight local banks to advance the idea to fruition.

<https://www.thedailystar.net/business/economy/news/bb-gets-down-rolling-out-taka-pay-card-3385121>

Apparel sector must adopt sustainable business models: Experts

- The country's apparel industry must adopt sustainable and innovative business models to align with evolving global trends, experts and industry insiders said on Wednesday. At the launching ceremony of the 8th Textile Talent Hunt (TTH) in the capital, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan emphasised aligning the course curriculum of Bangladesh universities with the current and future industry requirements. "To enhance the linkage, we must alter the conventional education approach by integrating more practical learning", he said.

<https://www.tbsnews.net/economy/rmg/apparel-sector-must-adopt-sustainable-business-models-experts-675870>

Will the butterfly effect of US rating downgrade reach our shores?

- The rating downgrade of the US could potentially lead to a further increase in US Treasury yields, resulting in capital losses for Bangladesh's foreign exchange reserves invested in US treasury bonds. This situation may also put additional strain on foreign investment inflows, intensifying stress on the country's capital account, analysts suggest.
- On Tuesday, rating agency Fitch downgraded the US government's top credit rating to AA+ from AAA, a move that the White House and the US Treasury strongly criticised as arbitrary. Analysts say the downgrade might leave an impact on Bangladesh as the US is the biggest source of foreign investment for the country. Bangladesh Bank data show that 80% of the total forex reserves are held in the US dollar, of which a major portion remained invested in the US treasury as of May this year.

<https://www.tbsnews.net/economy/will-butterfly-effect-us-rating-downgrade-reach-our-shores-675946>

Chinese FDI showing strong growth

- Bangladesh has seen rapid growth in foreign direct investment (FDI) from China ever since the country joined its Belt and Road Initiative (BRI) in 2016, according to a report by the Chinese embassy in Dhaka. Besides, Chinese investors have started coming to Bangladesh as the country has a favourable investment climate, it said.
- Bangladesh received more than USD 2.6 Bn in FDI from China over the past 10 years while the total FDI from Japan stands at just USD 380 Mn till date, according to data of Bangladesh Bank. The Chinese FDI was made in industries such as garments, telecommunications, energy, manufacturing, infrastructure, leather and leather goods, chemicals, and so on.

<https://www.thedailystar.net/business/economy/news/chinese-fdi-showing-strong-growth-3384116>

Bangladesh's global market share in clothing exports rises to 7.9%

- Bangladesh has more than tripled its share of clothing exports in the global markets, reaching 7.9% in 2022 from just 2.5% in 2005, according to a World Trade Organisation (WTO) report. Despite facing headwinds in the global markets and grappling with rising production costs due to price hikes of raw materials and energy, Bangladesh retains its position as the world's second-largest clothing exporting country after China.
- Bangladesh exported USD 45 Bn worth of clothing in 2022, accounting for a 7.9% share of the global market, as said in the report titled "World Trade Statistical Review 2023" released on 31 July. Exporters attributed this growth to the country's efforts to go for value-added products and diversification of orders from China. Exports could go up further if exporters get the required support from the government, such as the uninterrupted supply of energy and favourable tax and duties.

<https://www.tbsnews.net/economy/bangladeshs-global-market-share-clothing-exports-rises-79-675394>

Ministries positive about joining China-led trading bloc RCEP

- An inter-ministerial meeting has in principle decided in favour of Bangladesh joining the Regional Comprehensive Economic Partnership (RCEP), the world's largest trading bloc led by China. The RCEP, a pact of 15 countries that accounts for about 30% of the world's population (2.3 Bn people) and a market of USD 26.3 Tn, was launched in January last year.
- Several officials who participated in the meeting highlighted that in the 21st century, the centre of the global economy comprises East Asian countries, including Asean, which are part of the RCEP. Therefore, it would be logical for Bangladesh to join the centre of the world economy. The officials said that although RCEP is called a China-led trading bloc, America's close allies such as Japan, South Korea and Australia are also members. Moreover, India can also join RCEP as a founding member at any time.

<https://www.tbsnews.net/economy/ministries-positive-about-joining-china-led-trading-bloc-rcep-675402>

'Fisheries sector may get a separate economic zone'

- The government wants to set up a separate economic zone for the fisheries sector to help the sector grow further, Fisheries and Livestock Minister SM Rezaul Karim said today. The minister made the comment at a workshop when stakeholders of the fisheries industry demanded establishing a special zone for fish processing. The minister said the government would extend all kinds of support, including land acquisition support, for setting up the zone as part of the government's action plan for reducing overfishing at the sea to save rare species.

<https://www.thedailystar.net/business/news/fisheries-sector-may-get-separate-economic-zone-3383776>

Ctg VAT zone attains 38.71% growth, collection exceeds by BDT 11.68 Bn

- The Chattogram Customs, Excise, and VAT Commissionerate has exceeded its VAT collection target by BDT 11.68 Bn in the fiscal year 2022-23 thanks to realising unpaid VAT and instilling a positive attitude towards VAT payment among businesses. It collected BDT 151.31 Bn Value Added Tax (VAT) against the target of BDT 139.63 Bn for the fiscal year.
- Chattogram VAT zones also achieved 38.71% growth or an increase of BDT 42.22 Bn year-on-year as the VAT Commissionerate had collected BDT 109.09 Bn in the 2021-22 fiscal year. VAT Commissionerate officers said they were able to exceed the VAT collection target by increasing surveillance, collecting unpaid VAT, and instilling a positive attitude towards VAT payment among businesses.

<https://www.tbsnews.net/economy/ctg-vat-zone-attains-3871-growth-collection-exceeds-tk1168cr-675222>

Bangladesh focuses on lower duty, higher investment

- Bangladesh focused on areas of duty-reduction and increasing investment from Japan during recent discussions on the potential signing of an Economic Partnership Agreement (EPA) between the two countries, according to an official of the commerce ministry. During the discussions held at a city hotel in Dhaka last week, Japan said it would protect its domestic agriculture industry from implications of the potential EPA as the country is self-sufficient in this regard.
- This means Bangladesh may not enjoy any duty benefits on agricultural exports to Japan even if an EPA is signed between the two countries, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday. Bangladesh's main target for the EPA is to enjoy zero-duty benefit on shipments of garment items, leather and leather goods, electronics and other products, Ghosh told The Daily Star over phone. The relationship between Japan and Bangladesh had turned from a comprehensive one into a strategic partnership through a summit in April earlier this year.

<https://www.thedailystar.net/business/economy/news/bangladesh-focuses-lower-duty-higher-investment-3384146>

Customs allows UNHCR imports after over a month

- The customs department has unlocked the business identification number of the United Nations High Commissioner for Refugees (UNHCR), after locking it more than a month ago over alleged irregularities involving vehicles imported under the duty-free facility. Md Abdul Hannan, deputy commissioner of Chattogram Customs House, told The Business Standard, that there will be no obstacles in importing any goods for the UNHCR.

- On condition of anonymity, a senior official of the National Board of Revenue told TBS that the UNHCR's business identification number has been unlocked on humanitarian grounds. The agency has to import various goods including the relief material for the Rohingya refugees, which was being hampered due to locking their business identification number. Earlier, the Chattogram Customs House issued a notice demanding BDT 760 Mn as duty-tax from UNHCR, alleging that the UN agency had handed over 46 vehicles – imported under duty-free facility – to various individuals and organisations without the National board of Revenue's permission.

<https://www.tbsnews.net/economy/customs-allows-unhcr-imports-after-over-month-675378>

Govt agencies can now buy up to BDT 14.5 Mn cars

- The Finance Division has increased the expenditure limit on vehicle purchase by various ministries, departments, directorates and inspectorates of the government. The revision will allow government bodies to buy pricier cars and increase government expenditure at the same time.
- Government agencies can now spend a maximum of BDT 4.5 Mn - including registration, VAT and taxes- to buy a car below 1600 cc, according to the Finance Division circular. Besides, BDT 14.5 Mn can be spent to buy a jeep under 2700 cc. Such cars and jeeps are bought for grade-1 and grade-2 level (senior secretary and secretary rank) officials. Until now, a maximum of BDT 3.5 Mn could be spent on cars, BDT 9.4 Mn on 2700 cc jeeps and BDT 5.7 Mn on 2000 cc jeeps.

<https://www.tbsnews.net/economy/govt-agencies-can-now-buy-pricier-cars-675294>

Exporters to get BDT 108.5 for each dollar from today

- Banks yesterday hiked the buying and selling rates of US dollar as part of efforts to gradually reach a uniform exchange rate for the greenback by September this year. As such, bankers at a meeting decided to purchase dollars from exporters by paying BDT 108.5 for each US dollar from August 1, up nearly by 1% or BDT 1 from BDT 107.5 set in June.
- Migrant workers and non-resident Bangladeshis living abroad will get BDT 109 for a dollar. Until July 31, banks were officially offering BDT 108.5 for each US dollar, two bankers after a joint meeting between the Bangladesh Foreign Exchange Dealers' Association (Bafeda) and Association of Bankers, Bangladesh (ABB) told The Daily Star. Importers will require to count BDT 109.5 for every dollar, according to the decision.

<https://www.thedailystar.net/business/economy/news/exporters-get-tk-1085-each-dollar-today-3383196>

Banglalink to apply for digital banking licence

- Mobile network operator Banglalink has decided to apply for a digital banking licence as it looks to leverage its vast pool of customers to serve a population increasingly using technologies to make and receive payments. The decision to apply for a digital bank is based on "our global strategy of transforming ourselves" as a digital operator, Kaan Terzioğlu, group chief executive officer of Banglalink's parent company Veon, told The Daily Star on Monday.
- VEON, which operates in seven countries, is increasingly launching more digital services amid the decreasing voice revenue in the global telecom industry. In Bangladesh, Toffee was an example of how great feats could be achieved in entertainment, said Terzioğlu, adding that MyBanglalink is a super app that addresses education and healthcare. The company is planning to utilise its existing customer base as a strategic asset to enhance its position in the digital banking market and bring innovation.

<https://www.thedailystar.net/business/economy/news/banglalink-apply-digital-banking-licence-3384136>

Insurance claim settlement far below average

- Claim settlement in the insurance sector in Bangladesh stood at 67% in 2022, highlighting bad investments and non-compliance that prevented insurers from attaining a higher ratio, data from the regulator showed. Last year, 35 life insurance companies settled 66.97% of claims, meaning around 33% of claims made by the clients remained unsettled, according to the Insurance Development & Regulatory Authority (Idra).
- Though the claim settlement ratio improved in 2022 compared to 2021, it was much lower than that of 2020. The ratio plunged to 57.84% owing to the impacts of the coronavirus pandemic. It was 85.08% in 2020. The ratio averaged more than 80% in the decade to 2021. Prof Md Main Uddin, a former chairman of the Department of Banking and Insurance at the University of Dhaka, said "The main reason for the low claim settlements is bad investments and non-compliance. The Idra should take measures and legal actions against the insurers that failed to settle claims despite having sufficient funds."

<https://www.thedailystar.net/business/economy/news/insurance-claim-settlement-far-below-average-3384161>

Current-account deficit little cured, reserves crunch not

- Bangladesh sees its CAD recoup slowly with export and remittance earnings outstripping tightfisted import spending meant to weather dollar dearth, official data showed. According to the statistics available with the country's central bank, Bangladesh spent USD 6.34 Bn for import purposes in July 2022 while the total earnings from export and remittance came to USD 6.1 Bn. The spending was USD 256.10 Mn higher than the earnings.

- But things started to make a turnaround in December 2022 and a surplus trend continued till May with USD 76.58 Mn, according to the available BB data. Despite the gradual increase in forex holding, a BB official, who preferred not to be quoted by name, smells a rat in banks' unrelenting dollar suck from the central bank's reserve and wonders as the sale of the US dollar by BB from its reserves continues soaring.

<https://thefinancialexpress.com.bd/economy/bangladesh/current-account-deficit-little-cured-reserves-crunch-not>

Remittance inflow falls 5.86% in July

- Remittance inflow to Bangladesh fell 5.86% year-on-year to USD 1.97 Bn in July, central bank data showed today. It was USD 2.09 Bn in the same month last year. Funds transferred by migrant workers in the first month of the new fiscal year declined 10.27% from June's USD 2.19 Bn. Bangladesh Bank assistant spokesperson Md Sarwar Hossain described July's receipts as better.

<https://www.thedailystar.net/business/economy/news/remittance-inflow-falls-586-july-3383736>

Taka becomes weaker against dollar again

- The taka has become weaker against the dollar again as the central bank has increased the price of the greenback by BDT 0.50 to BDT 109.50 in case of selling from forex reserves. The central bank sold around USD 69 Mn dollars at the new rate today, according to sources at the Bangladesh Bank.
- This is the third time the taka was devalued in FY24. The price of a dollar was BDT 109 in July this year. Over the last one year, the country experienced a currency devaluation of BDT 15.05, equivalent to 16%, from BDT 94.45 per dollar a year ago. A senior official of the central bank told TBS that the central bank is selling dollars from reserves at the interbank rate. The interbank rate for dollars rose by BDT 0.50. The central bank has also increased the selling rate of dollars from the reserves.

<https://www.tbsnews.net/economy/taka-becomes-weaker-against-dollar-again-675390>

Cement makers call for tax rationalization

- Cement manufacturers have urged the government to rationalise the duties and taxes levied on the imports of raw materials of cement, saying the tax hike in the last budget has become a burden for them and is hurting their businesses. In a letter to the National Board of Revenue (NBR) on Sunday, the Bangladesh Cement Manufacturers Association (BCMA) said the government in the budget of FY23-24 raised the customs duty (CD) to BDT 700 against imports of per ton clinker, the main raw material for the industry.

- But the cement industry, before the budget was passed, requested the government to reduce the CD to BDT 200 from BDT 500. Now the effective rate of CD against clinker imports surged to 14.3%, which would come down to 4.08% if the CD rate is brought down to BDT 200, the BCMA said. The tariff value, the lowest allowable price the NBR considers while imposing duties, has been abnormally higher and it should be rationalised, it said in the letter. Companies have long been paying the additional taxes because of the inflated tariff value, said BCMA President Alamgir Kabir in the letter.

<https://www.tbsnews.net/economy/cement-makers-call-tax-rationalisation-674702>

Slow import, manufacturing squeeze domestic revenues

- Decline in import of commodities and local manufacturing pulled Bangladesh's domestic tax-revenue growth down the average, to 10%, in the past fiscal, and such "setback" is predicted to prolong for poll unrest. According to central bank data, the opening of letter of credit for import plummeted 27% in the first ten months of the financial year 2022-23.
- The target for entire year was BDT 3.70 Tn while the NBR collected BDT 3.31 Tn in taxes last year on account of value-added tax (VAT), income tax and customs duty. However, Ministry of Finance data on NBR's revenue collection in 2021-22 show BDT 2.87 Tn as aggregate receipt. A senior official of the NBR thinks the target of revenue collection has been set in 'super- ambitious' manner, resulting in a large deficit.

<https://thefinancialexpress.com.bd/economy/bangladesh/slow-import-manufacturing-squeeze-domestic-revenues>

Aviation market to grow threefold in next 15 years: State minister

- Aviation market of Bangladesh has grown nearly twofold in the last 10 years and it will grow almost threefold in the next 15 years, State Minister for Civil Aviation M Mahbub Ali said today at a function marking the inauguration of the newly constructed terminal building of Jashore Airport.
- The state minister said the investment in the country's aviation sector has increased due to the policy support from the present government. "Our aim is to transform Bangladesh's aviation industry into a smart one under the leadership of the prime minister. The smart aviation industry will play an important role in building a developed and Smart Bangladesh," he added. He said with the construction of this new terminal, passengers will now get more advanced and modern air services. This airport will also play a role in the expansion of tourism industry and other economic activities in the region.

<https://www.thedailystar.net/business/economy/aviation/news/aviation-market-grow-threefold-next-15-years-state-minister-3383076>

Health Services Division lowest ADP spender

- The Ministry of Health has once again failed to recover from its decade-long poor performance in spending development budget despite a crying need of improving health services across the country, insiders said on Monday. The Health Services Division (HSD) under the ministry has implemented only 68.2% of its total outlay.
- According to the FE analysis, the HSD, the seventh largest budget-holder, emerged as the worst performer in ADP implementation in the fiscal. It spent only BDT 66.86 Bn, or 68.20%, of its total BDT 98.04 Bn ADP. The ministry has been showing almost the same weakness in its project implementation over the years.

<https://thefinancialexpress.com.bd/economy/bangladesh/health-services-division-lowest-adp-spender>

Tanners move to set up ETPs at own cost to catch up with world market

- Tannery owners, frustrated with the faulty central effluent treatment plant (CETP) at the Tannery Industrial Estate in Savar, have taken steps to set up ETPs on their own to boost the leather sector. They took matters into their own hands after the Bangladesh Small and Cottage Industries Corporation (Bscic), in charge of the tannery estate, failed to fix the CETP despite repeated calls from the tanners.
- Because of this non-compliance, tanners are not getting the certification from the Leather Working Group (LWG) — the largest leather industry-specific stakeholder organisation in the world. According to tannery owners, BDT 50-100 Mn is needed to build an ETP and the cost depends on the plant's capacity.

<https://www.tbsnews.net/economy/industry/tanners-move-set-etps-own-cost-catch-world-market-674346>

Revenue falls BDT 385 Bn short of target in FY23

- The National Board of Revenue (NBR) witnessed a 10% growth in revenue collection during the 2022-23 FY compared to the previous fiscal year. However, despite this positive growth, there was a deficit of around BDT 385 Bn in revenue collection compared to the target set for the same period.
- According to the NBR, the revenue growth was around 15% in the 2021-22 FY. NBR sources said revenue collection was BDT 3.31 Tn in FY23 against the targeted amount of BDT 3.70 Tn. The NBR had collected BDT 30.8 Mn in FY22. Analysts say the growth in revenue collection was not as expected due to the slowdown in the economy throughout the last financial year. In particular, the government's strict measures for imports reduced imports.

<https://www.tbsnews.net/nbr/revenue-falls-tk38500cr-short-target-fy23-674710>

Why agri exports failing to tap full potential

- Lack of quality testing and poor packaging are among the reasons that hold back Bangladesh's agricultural export potential, says a commerce ministry report. When Bangladesh's LDC graduation will be in effect after 2026, the sector will lose cash incentives from the government and export benefits from various countries, warns the report.
- Export data shows Bangladesh's exports of farm products slipped to USD 843 Mn in the last fiscal year, from over USD 1 Bn in the previous two consecutive years. The country's vegetables exports to the top importers -- the US, Germany, the UK, France, and Canada -- accounted for 0.0%, 0.01%, 0.54%, 0.02%, and 0.02% respectively in 2021. The five countries sourced vegetables worth USD 3.34 Bn from the global market that year.

<https://www.tbsnews.net/economy/why-agri-exports-failing-tap-full-potential-674726>

SME Policy 2019: Many things proposed, few implemented

- The government formulated the SME Policy 2019 for sustainable development of small and medium enterprises, but has so far implemented very little of it. People involved with the policy said short, medium and long-term plans have been proposed in the Policy, but they have mostly not been implemented due to "lack of allocation of funds". Some work has been done in line with the policy but important issues like connecting small entrepreneurs to large scale industries, creating backward and forward linkages, and making it obligatory for government institutions to purchase SME products or services, are yet to be implemented.

<https://www.tbsnews.net/supplement/sme-policy-2019-many-things-proposed-few-implemented-674294>

Private sector's foreign borrowing falls in June

- Short-term foreign debt in the private sector fell to USD 13.66 Bn in June, down 3% from USD 14.08 Bn in May, as repayments outpaced new loans during the period, according to Bangladesh Bank. Central bank data shows that the private sector took short-term loans from foreign sources amounting to USD 2.31 Bn in June, when the total repayment against previous disbursements stood at USD 2.62 Bn.
- However, the trend of higher repayments compared to fresh borrowing has persisted since January. The private sector borrowed USD 13.69 Bn as short-term financing from foreign sources during the first six months of 2023, when repayments, including interest, totalled USD 16.7 Bn.

<https://www.thedailystar.net/business/economy/news/private-sectors-foreign-borrowing-falls-june-3383186>

Despair over inflation combat thru interest regulation alone

- Just-introduced interest-rate corridor (IRC) and reference lending rate known as SMART will not be enough to hold high inflation in check under the targeted 6.0%, experts said. In stocktaking on outcomes the new monetary policy and its interest-rate regime at a dialogue Sunday in Dhaka, they felt that alongside the two instruments, measures like slowing down growth with proper filtering in taking development projects to lessen the volume of fiscal deficit and coordination of fiscal and monetary policy are an imperative.

<https://thefinancialexpress.com.bd/economy/bangladesh/despair-over-inflation-combat-thru-interest-regulation-alone>

Bangladesh now has 2.5 Mn jobless people: BBS

- The number of unemployed people in Bangladesh decreased by 3.47% or 90,000 in the April-June quarter compared to the previous quarter this year, according to data of the Bangladesh Bureau of Statistics (BBS). Bangladesh had 2.59 Mn unemployed people in the January-March quarter of 2023, which came down to 2.5 Mn in the April-June quarter. Moreover, the April-June quarter's number is also 2.34% lower than the same period of the previous year's 2.56 Mn, according to the second quarterly Labour Force Survey 2023 of BBS.

<https://www.thedailystar.net/business/economy/news/bangladesh-now-has-25-lakh-jobless-people-bbs-3382321>

Private credit growth dips to 19-month low in June

- Private sector credit growth continued to decline for the seventh consecutive month, with a year-on-year growth rate of 10.49% this June – the lowest in 19 months, amidst a declining trend in imports owing to the ongoing dollar crisis and liquidity stress in banks. In November 2021, private sector loan growth was recorded at 10.11%. Data obtained from the central bank indicate that there had been a steady upward trend in private credit growth from mid-2021 to November last year.
- But, since then, the growth rate has experienced a consistent downward trend for seven consecutive months, presenting an unprecedented scenario within the banking sector. This falling trend in credit growth implies that the economy is in a slowdown mode and may not recover in the immediate future, banking experts have observed. Furthermore, the decrease in the opening of LCs for capital machinery imports has led to a decline in new investments in the country, further compounding the situation.

<https://www.tbsnews.net/economy/banking/private-credit-growth-dips-19-month-low-june-674114>

Govt eyes 5 unicorn startups in two years, 50 by 2041

- Prime Minister Sheikh Hasina has said the government is working to support at least five startup companies to achieve billion-dollar value by 2025. Bangladesh started late and significantly lags behind its comparator economies in terms of startup funding and growth of the firms.
- Apart from the MFS industry that revolutionised financial transactions of unbanked people in a decade and kept growing the daily transaction numbers and value consistently, e-commerce, smart logistics, mobility, Ed-tech, healthcare tech, Agro-tech startups have also been flourishing in the country over the last half a decade. According to the government, the tech industry ecosystem that already has over 2,000 startups helped create 1.5 Mn jobs in the country already.

<https://www.tbsnews.net/economy/govt-eyes-5-unicorn-startups-two-years-50-2041-674118>

25 products dominated imports in FY23

- About half the imports through Chattogram port during fiscal year (FY) 2022-23 were made up of just 25 products that have industrial or household applications, according to data of the Chattogram Custom House. Roughly 88.5 Mn tonnes of goods worth BDT 4.62 Tn were imported through the country's premier seaport in the previous fiscal year.
- The top imported items are cotton, diesel, used and scrap ships, furnace oil, palm oil, cement clinker, wheat, crude oil, fertiliser, soybean, hot rolled steel, lentils, iron and steel structures, broken or crushed stones, and peas. although these products make up a lion's share of Bangladesh's imports, there is no chance of decreasing dependency on them as they are mostly used for essential purposes, said Dr Moniul Islam, a professor of economics at Chattogram University.

<https://www.thedailystar.net/business/economy/news/25-products-dominated-imports-fy23-3382291>

Application deadline extended to Aug 17

The application deadline for digital bank licences has been extended to August 17 this year, according to an official of Bangladesh Bank. Md Sarwar Hossain, assistant spokesperson of Bangladesh Bank, yesterday told The Daily Star that they extended the deadline to give entrepreneurs more time to prepare detailed and quality applications with all the necessary documents. The central bank invited applications for forming digital banks from June 21 this year and the deadline was set to end on August 1.

<https://www.thedailystar.net/business/economy/news/application-deadline-extended-aug-17-3382306>

LC opening slumped 26% in FY23

- Bangladesh's imports fell sharply in the immediate past fiscal year as reflected by the slide in the opening of letters of credit (LCs) driven by a shortage of US dollars and restrictions on the purchase of non-essential items from external sources. Private and public entities opened LCs of USD 69.36 Bn in 2022-23, down 26% year-on-year from USD 94.26 Bn a year ago, according to data from the Bangladesh Bank.
- During the 11-month period, businesses opened USD 2.69 Bn worth of LCs to import capital machinery, which was 55% lower year-on-year. In the face of rising pressure on the country's foreign exchange reserves and volatility in the exchange market as imports were higher than exports and remittances, the central bank started tightening measures to discourage imports.

<https://www.thedailystar.net/business/economy/news/lc-opening-slumped-26-fy23-3382326>

Most railway projects in slow lane as funds trickle in

- The pace at which funds are being released is likely to push most of the railway projects years beyond deadlines and make their implementation uncertain, officials and experts fear. The limited capacity of Bangladesh Railway and burden of new projects over the ongoing ones worsen the situation further, they feel. Citing some examples, they said the BDT 55.80 Bn Bogura-Sirajganj dual-gauge railway line project, initiated in 2018, has made a meagre 0.2% progress. The current fiscal year allocates BDT 4.4050 Bn for this stagnant project.

<https://www.tbsnews.net/bangladesh/most-railway-projects-slow-lane-funds-trickle-674142>

VAT collection registers 17% growth in FY'23 despite adversities

- Collection of value-added tax (VAT) grew by 17% last fiscal year (FY) despite multiple challenges on both external and domestic trade fronts. Though the government adopted austerity measures amid adverse economic situations, and the revenue board missed a substantial amount of VAT against some projects, desperate drives by the VAT wing of the National Board of Revenue (NBR) facilitated the collection, according to a statement issued on Thursday.
- The VAT wing collected BDT 1.25 Tn in FY '23 which is BDT 170.04 Bn more than that of the previous year. It has collected 92% of the FY's ambitious target of BDT 1.36 Tn which is marked as 'outstanding' as per Annual Performance Agreement of the Ministry of Finance. VAT collection grew by 18% alone in the month of June, 2023 alone.

<https://thefinancialexpress.com.bd/economy/bangladesh/vat-collection-witnesses-17pc-growth-in-fy23>

Business leaders to explore Saudi markets, strengthen commercial ties

- Top business leaders are gearing up for a visit to Saudi Arabia to explore the Kingdom's markets and enhance commercial relations between the two nations, Arab News reports the delegation as saying. With the UN's resolution to graduate Bangladesh from LDC status by 2026, the country is poised to lose certain international support measures, necessitating diversification of export markets and increased trade with other nations.
- The push for greater cooperation began in March, with a high-level delegation led by Saudi Commerce Minister Majid bin Abdullah Al-Qasabi visiting Dhaka which resulted in the signing of multiple investment agreements, marking Saudi Arabia's entry into Bangladesh's energy, seaport, and agriculture sectors.

<https://www.tbsnews.net/economy/business-leaders-explore-saudi-markets-strengthen-commercial-ties-673214>

Govt examines pros-cons of joining world's biggest trade bloc

- The government is scrutinising the conditions to join the Regional Comprehensive Economic Partnership (RCEP), the world's largest trade bloc led by China, as well as weighing the pros and cons of joining the treaty. The RCEP, a pact of 15 countries accounting for about 30% of the world's population (2.3 Bn people) and a market of USD 26.3 Tn, was launched in January last year.
- Last year, the Bangladesh Trade and Tariff Commission conducted a feasibility study on Bangladesh's accession to the RCEP. The report was mostly in favour of inclusion as joining the RCEP will increase Bangladesh's exports to the global market by 17.37%, amounting to more than USD 5 Bn. Joining the RCEP would also boost the country's GDP by a marginal 0.23%.
- Several disadvantages also emerged in the Tariff Commission report. The overall industrial production outside of the ready-made garment sector may decline and Bangladesh's revenue and income from import duties may also decline. While Bangladesh would enjoy duty-free access to 15 other RCEP countries, those countries would also get the same advantage as Bangladesh. Accession to the RCEP would result in a significant increase in Bangladesh's global imports, which would grow by 14.46%.

<https://www.tbsnews.net/economy/govt-examines-pros-cons-joining-worlds-biggest-trade-bloc-673498>

Bangladesh goes great guns to strike FTAs

- Bangladesh attains a good going towards striking free-trade agreements (FTAs) with some countries having significant bilateral trade, as the nation braces for post-graduation loss of market-access preferences, officials said. Among the countries having close trade ties with Bangladesh and approached for free-trade deals are Asian neighbours like Japan, India, and China.
- The work is advancing as the country is poised to lose tariff facilities in many wealthier countries when Bangladesh sees off the world's poor-nation club in 2026. Commerce Minister Tipu Munshi last month told parliament that the government had completed feasibility studies to sign free-trade and preferential-trade agreements with 23 countries. He said primarily steps were taken to initiate negotiations for signing FTAs with 10 countries and three regional alliances on a priority basis.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-goes-great-guns-to-strike-ftas>

Early starts govt search for external funds

- Early starts the government's search for budget-support credits for the current fiscal year with preference for external funds to avert further domestic push to inflation, officials said. Requests for funding the budget deficit have already been dispatched to some bilateral and multilateral development, they said Friday. The donors approached include the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the World Bank and Japan.
- Meanwhile, three key donors -- ADB, AIIB and Japan -- under a common initiative had already provided USD 400 Mn, USD 400 Mn and USD 209 Mn respectively in the immediate-past financial year (FY23). The budget deficit for the current 2023-24 financial year has been estimated at BDT 2.62 Tn, 5.2% of the GDP. The total size of the budget for the current FY is BDT 7.62 Tn.

<https://thefinancialexpress.com.bd/economy/bangladesh/early-starts-govt-search-for-external-funds>

Penalty interest back on overdue and classified loans

- Banks can now charge a maximum 1.5% penalty interest for overdue and classified loans. Besides, the interest rate on pre-shipment export credit – which an exporter can access before sending goods to a buyer – has been aligned with the Six Months Moving Average Rate of 182 days Treasury Bill (SMART). As per the new guidelines, the interest rate on pre-shipment export loans will be 9.10%, which was 10.10%.

- Central bank officials said banks requested the central bank to reinstate the penalty interest against defaulted loans to encourage good borrowers and discourage bad ones or willful defaulters. The official said, banks can impose penalty interest on all types of classified loans if they want.

<https://www.tbsnews.net/economy/banking/penalty-interest-back-overdue-and-classified-loans-672710>

Brick-and-mortar banking set to get big shakeup as all rush for digital banking

- The banking landscape in Bangladesh braces for a monumental transformation, as traditional brick-and-mortar banking institutions, MFS providers, and telecommunication companies are actively pursuing licences to establish digital banks, following the central bank's opening door for applications starting from 21 June.
- During the past month, approximately 60 name clearance applications have been submitted to the RJSC for digital banks. Among these applications, more than a dozen are from commercial banks, at least two are from MFS providers, and two are from mobile network operators. Bangladesh Bank is likely to extend the online application deadline, originally set to expire on 1 August, for another month in response to a request from trade bodies.

<https://www.tbsnews.net/economy/banking/big-shakeup-set-traditional-banking-all-rush-digital-banking-672734>

Bank chairmen can now serve on both banks' foundations, foreign entities

- Chairmen of banks' boards of directors and subsidiary committees can now serve on the boards of directors of bank-owned foreign exchange houses, money transfer operators and finance companies abroad as well as bank-financed foundations within the country, the Bangladesh Bank said in a circular on Thursday.
- Earlier in May 2022, a central bank directive stated that the chairman of a bank's executive committee, audit committee, or risk management committee, if they are the chairman or board member of the bank, could not be the director of any company or foundation formed and managed by the bank. However, due to demands from the Bangladesh Association of Banks (BAB), the resignation deadline for subsidiaries was postponed to 30 June of this year. Furthermore, the BAB's demand resulted in the relaxation of rules concerning foundations formed and managed with the financing of subsidiaries and banks located abroad.

<https://www.tbsnews.net/economy/banking/bank-chairmen-now-permitted-hold-positions-affiliated-foreign-entities-says-bb>

Bangladesh loses USD 361 Mn tax a year: report

- Bangladesh is losing USD 361 Mn worth of tax annually owing to the shifting of profits by multinational companies, especially into tax heavens abroad, according to a report by the Tax Justice Network (TJN). In addition, the country is losing USD 26 Mn a year due to global tax evasion committed by private individuals, said the TJN in its State of Tax Justice. The amount of tax loss is 0.1% of the country's gross domestic product (GDP), said the network of individuals and organisations working for a fairer tax system.

<https://www.thedailystar.net/business/economy/news/bangladesh-loses-361m-tax-year-report-3380476>

Chattogram port slips three notches

- Holding its rank among the busiest seaports worldwide could be compared to climbing an oiled bamboo for Chattogram port as it again slipped by three notches in Lloyd's List: One Hundred Ports 2023. After advancing three steps to 64th in last year's edition of Lloyd's List, Chattogram port has fallen back down to 67th among the 100 busiest global ports in terms of annual container movement.
- As per Lloyd's List, Chattogram port handled about 3.14 Mn TEUs (twenty-foot equivalent units) of containers in 2022, down 2.2% from around 3.21 Mn TEUs the previous year. Chattogram port had advanced in rankings for seven years straight since 2014, but it eventually slipped nine notches to 67th in the 2021 edition, mainly for reduced container traffic the year before. The port had ranked 58th in 2020, 64th in 2019, 70th in 2018.

<https://www.thedailystar.net/business/economy/news/chattogram-port-slips-three-notches-3380451>

Vehicle insurance business going thru tough times

- The vehicle insurance business in Bangladesh is passing hard times as people are not interested in insuring automobiles in the absence of legal obligation as well as a lack of trust in insurers and promotional activities. In the past, insurance was mandatory for all types of vehicles such as motorcycles, cars, buses and trucks. The government abolished the system in 2018, taking a toll on the insurance business.
- Recently, the government has moved to make insurance mandatory for vehicles again. An official of the Financial Institutions Division said a proposal to make insurance mandatory was sent to the finance ministry in April. The government loses revenue of BDT 8.78 Bn every year since vehicle insurance is not mandatory, the official added.

<https://www.thedailystar.net/business/economy/news/vehicle-insurance-business-going-thru-tough-times-3380486>

Important News: Capital Market

BGIC | BGIC achieves 'AAA' credit rating

- Bangladesh General Insurance Company (BGIC) Ltd has achieved Triple-A ('AAA') credit rating in the long-term and 'ST-1' in the short term. Argus Credit Rating Services Ltd has determined the credit rating for the insurer, said a press release. The rating was determined in light of the audited financial statements for the financial year that ended on December 31, 2022, the unaudited financial statements up to June 30, 2023 and other relevant information. The insurer was listed as a non-life insurance company on the stock exchanges of Bangladesh in 1989.

<https://www.thedailystar.net/business/economy/news/bgic-achieves-aaa-credit-rating-3384981>

BATASHOE | Bata Bangladesh appoints India's Emami Agrotech marketing chief as managing director

- Bata Shoe Company (Bangladesh) Limited has appointed Debabrata Mukherjee as managing director. Mukherjee previously worked as the chief marketing and strategy officer at Emami Agrotech, the edible oil and biodiesel arm of the India-based Emami Group.
- On Wednesday, Bata Bangladesh's shares crossed BDT 1,000 apiece at the DSE. Bata Bangladesh reported the highest-ever revenue in its history for the first half of this year. The multinational footwear manufacturer attributed the record-breaking revenue to increased consumer spending during Eid festivals when people traditionally buy new clothes and shoes.

<https://www.tbsnews.net/economy/stocks/bata-bangladesh-appoints-indias-emami-agrotech-marketing-chief-managing-director>

MERCANBANK | Mercantile Bank re-elects vice-chairman, EC chairman

- ASM Feroz Alam and Akram Hossain Humayun have recently been re-elected as vice chairman and chairman of executive committee of the board of directors of Mercantile Bank Ltd. Alam, who is associated with leasing and banking business, is a director of Mercantile Bank Securities Ltd, and managing director of Toyo System BD Ltd, said a press release. Humayun, a sponsor director of the bank, was the chairman of the bank and served as vice-chairman, EC chairman and other committees of the board of directors of the bank.

<https://www.thedailystar.net/business/economy/banks/news/mercantile-bank-re-elects-vice-chairman-ec-chairman-3384976>

UNILEVERCL | Inflation hurts Horlicks sales even more than pandemic

- Unilever Consumer Care Ltd, the company behind the making and marketing of the most popular health food drink in the country, faced a 24% decline in its revenue quarter-on-quarter in April-June this year, while its quarterly revenue of BDT 826 Mn was even lower than that for the same period during the pandemic years of 2020 and 2021. Meanwhile, Horlicks prices surged a lot due to the soaring costs, which means sales volume dropped more than the decline in revenue.
- During the pandemic, the company launched "Horlicks Sachet" a BDT 10 mini pack to prepare a glass of Horlicks with milk which played a significant role in reaching more households and growing sales. At the end of the tough year 2022, Horlicks reached over 26% of Bangladeshi households, up from less than 16% two years back. However, the rising cost of production as a global economic impact of the Ukraine War – soaring raw material and dollar prices – weakened even the winning pack's appeal as its price initially at the end of 2022 was raised to BDT 12 and again earlier this year to BDT 15.

<https://www.tbsnews.net/economy/stocks/inflation-hurts-horlicks-sales-even-more-pandemic-675846>

MEGCONMILK, MITHUNKNIT | Two firms, an investor fined for stock manipulation

- The securities regulator slapped fines on an individual investor as well as directors at two firms — Meghna Condensed Milk and Mithun Knitting and Dyeing — because of share price manipulation and submission of fake financials. The Bangladesh Securities and Exchange Commission (BSEC) took this decision at a commission meeting held on 17 July.
- A senior official at the BSEC, seeking anonymity, said Meghna Condensed Milk has submitted overstated and false financial reports to the Dhaka Stock Exchange (DSE), which misled the investors in trading the company's shares. Which is why the managing director and chairman at Meghna Condensed Milk each have to pay a fine of BDT 10 Mn. Consequently, MF Kamal has to pay BDT 20 Mn fine as he is both the chairman and managing director of the company. Mithun Knitting and Dyeing's directors have to pay a fine of BDT 0.3 Mn each because of violating securities rules. The company is now known as Toto Knitex. The BSEC has called the company's directors to know their plan on reviving the firm's business.

<https://www.tbsnews.net/economy/stocks/two-firms-investor-fined-stock-manipulation-675858>

EXCHANGE | Banks' BDT 160 Bn stock investments remain stuck for floor price

- Banks' investments of more than BDT 160 Bn have remained almost stuck in the stock market for the last one year owing to a thin presence of buyers amid the floor price, which has hit lenders' bottom line and brought down their liquid assets. The Bangladesh Securities and Exchange Commission (BSEC) set the floor price of every stock to halt their free fall amid global economic uncertainties brought on by the dragging coronavirus pandemic in 2021.
- Fifty-three banks invested BDT 163.14 Bn in the stock market in 2022 but the investments yielded almost no capital gains. Their only consolation came from dividends, which were largely flat in 2022 compared to a year ago. Bankers describe the floor price-induced situation as unique for them, saying banks don't prefer to invest in stocks that are not liquid. All local private commercial banks have investments in the stock market but the proportion is higher among state-run banks.

<https://www.thedailystar.net/business/economy/stock/news/banks-tk-16000cr-stock-investments-remain-stuck-floor-price-3385136>

DHAKABANK | Dhaka Bank's EPS jumps 31% in April-June quarter

- The consolidated earnings per share of Dhaka Bank Ltd soared 31% year-on-year to BDT 0.71 for April-June this year due to an increase in interest income and a decrease of provision against loans. The lender's half-yearly consolidated EPS also rose more than 7% to BDT 1.31 for January-June 2023, up from BDT 1.22 (restated) for the same period as a year earlier.
- "EPS increased due to increase of interest income and decrease of provision against loans and advances as compared to the previous period," said the bank in its earnings note published on Tuesday. The bank's consolidated net asset value per share was BDT 22.05 as on June 30, 2023, and BDT 20.91 (restated) as on June 30, 2022. The bank disbursed 6% cash and 6% stock dividends for the year 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/dhaka-banks-eps-jumps-31pc-in-april-june-quarter>

GREENDELTA | Green Delta profit rebounds in April-June

- Publicly traded Green Delta Insurance, after a significant drop in profits in the first quarter this year, has turned around in the April-June quarter. The non-life insurer posted a consolidated earnings per share (EPS) of BDT 2.14 for the second quarter that ended in June, which was BDT 2.06 for the same period last year.

- The company thanks its higher underwriting profits that grew to BDT 388.3 Mn in this April-June from BDT 256.5 Mn a year ago for the EPS growth. However, the first quarter EPS that dropped to BDT 0.74 from the previous year's BDT 1.78 did not let the company post a growth in half-yearly profit.

<https://www.tbsnews.net/economy/stocks/green-delta-profit-rebounds-april-june-675370>

CITYBANK | City Bank's profit rises 9% in Q2

- City Bank's consolidated profit rose 9.07% year-on-year to BDT 2.37 Bn in the first half of 2023. The amount was BDT 2.17 Mn during the same period of last year. Consolidated earnings per share (EPS) of the bank was recorded at BDT 1.97 for the half year that ended in June, 2023 against BDT 1.81 during the same period of last year.

<https://www.thedailystar.net/business/economy/news/city-banks-profit-rises-9-q2-3384051>

PIONEERINS | Nasim Manzur becomes Pioneer Insurance chair

- Syed Nasim Manzur has been elected as the chairman of Pioneer Insurance Company Ltd at a meeting of the board of directors of the insurer in Dhaka recently. Manzur is the chairman of Landmark Footwear Ltd and managing director of Apex Footwear Ltd. He is on the board of Apex Tannery Ltd, Apex Pharma Ltd, Blue Ocean Footwear Ltd, Grey Advertising Bangladesh Ltd, Quantum Consumer Solutions Ltd, Sunbeams School Ltd, and International Publications Ltd.

<https://www.thedailystar.net/business/economy/news/nasim-manzur-becomes-pioneer-insurance-chair-3384016>

IPDC | IPDC Finance posts BDT 80 Mn profit in April-June

- Publicly traded IPDC Finance Limited, in this April-June quarter, has posted a net profit of BDT 80 Mn — about five times of what it was in the previous quarter. But the non-bank financial institution (NBFI) still has a long way to go in this year's second half for recovering its annual performance.
- In the January to June period this year, the company's profit after taxes stood at BDT 95.1 Mn — a 78% plunge from what it was in the same six months of 2022. Analysts said the NBFI industry has gone through a tough time in the first half of 2023 due to a pressure to pay more interest against the collected funds amid the inability to charge their borrowers more because of the lending rate cap. At the end of June, IPDC's net asset value per share stood at BDT 17.51.

<https://www.tbsnews.net/economy/stocks/ipdc-finance-posts-tk8cr-profit-april-june-674650>

ICB | ICB declares 34.9% dividend

- The Investment Corporation of Bangladesh (ICB) declared a 34.9% dividend for 2022-2023. The meeting also revealed that the repurchase price of ICB unit certificate is fixed at BDT 272 which will be effective from August 1. Md Kismatul Ahsan, chairman of the ICB, attended the meeting, said a press release.

<https://www.thedailystar.net/business/economy/news/icb-declares-349-dividend-3383051>

RUPALIBANK | Rupali Bank profit jumps 182% in H1 of 2023

- State owned Rupali Bank's profit jumped 182% in the first half of this year, compared to the same period last year. According to the bank's financial statement, its consolidated earnings per share was BDT 0.79 in the January-June period of 2023, which was BDT 0.28 a year ago. In the April-June quarter, its earnings per share surged 5 times to BDT 0.42 against the same quarter in the previous year.

<https://www.tbsnews.net/economy/stocks/rupali-bank-profit-jumps-182-h1-2023-674578>

BATASHOE | Bata Shoe profit surges 31% in H1 of 2023

- Bata Shoe Company (Bangladesh) Limited's profit jumped 31% in the first half of this year compared to the same period last year. According to the company's financial statement, its earnings per share was BDT 32.07 in the January-June period of 2023, which was BDT 24.41 a year ago. In the April-June quarter, its earnings per share surged by 14% to BDT 22.11 against the same quarter in the previous year.

<https://www.tbsnews.net/economy/stocks/bata-shoe-profit-surges-31-h1-2023-674582>

BRACBANK, PRAGATILIF | bKash, Pragati Life Insurance to launch digital bank

- bKash and Pragati Life Insurance Ltd yesterday became the latest companies in Bangladesh to share plans to roll out digital banks as the country looks to offer financial services using technologies and accelerate financial inclusion. The setting up of the proposed digital bank named "bKash Digital Bank PLC" is subject to the approval of the Bangladesh Bank, it said.
- In a separate post on the DSE, Pragati Life Insurance Ltd said its board has decided to invest 10% of its paid-up capital, or BDT 125 Mn, in the proposed digital bank named Pragati Digital Bank. Shares of the insurer, however, slipped 5.77% to BDT 129. Three more listed companies ACI Ltd, Bank Asia and Crystal Insurance shared plans to roll out digital banks.

<https://www.thedailystar.net/business/economy/news/bkash-pragati-life-insurance-launch-digital-bank-3383256>

BRACBANK | bKash makes BDT 380 Mn profit in H1 of 2023

- bKash Limited made a profit of BDT 380 Mn in the first half of this year thanks to the interest income from the deposits. During the same period a year back, the mobile financial services provider reported a loss of BDT 420 Mn. The BRAC Bank subsidiary incurred an operating loss of BDT 229.6 Mn in the January-June period this year, but it earned BDT 830 Mn from the deposits as finance income, which offset the loss and helped the company to make a profit. In the second quarter (April-June) this year, its profit was BDT 23.7 Mn, which was a loss of BDT 136.8 Mn a year ago at the same time.

<https://www.tbsnews.net/economy/stocks/bkash-makes-tk38cr-profit-h1-2023-674262>

MARICO | Marico starts production from new manufacturing unit at Mirsarai

- Marico Bangladesh has started commercial production from its new manufacturing unit at Mirsarai Special Economic Zone from July 4 this year to grab a greater share of the growing market for fast-moving consumer goods. The India-based multinational company has set up its third manufacturing unit with a 10-acre area by investing BDT 2.27 Bn at Mirsarai Special Economic Zone in phases for enhancing its "Made in Bangladesh" production.
- Earlier in October 2020, Marico Bangladesh had decided to build its third manufacturing unit in Mirsarai EPZ under Bangladesh Economic Zones Authority (BEZA) to meet the growing demands of its products. Despite the news, its stock price remained unmoved, languishing at the floor of BDT 2,421.5 on the Dhaka Stock Exchange since October last year.

<https://thefinancialexpress.com.bd/stock/bangladesh/marico-starts-production-from-new-manufacturing-unit-at-mirsarai>

ISLAMIBANK | Islami Bank takes PLC suffix

- The name of Islami Bank Bangladesh Ltd has been changed to Islami Bank Bangladesh PLC, Bangladesh Bank said in a circular yesterday. As per the Company (Second Amendment) Act 2020, banks would have to change the name of the company and the Articles of Association to assume the PLC suffix.
- In Bangladesh, the companies are switching to the PLC (Public Limited Company) suffix in order to comply with the amended Company Act 1994. The amendment was made in 2020. The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

<https://www.thedailystar.net/business/economy/news/islami-bank-takes-plc-suffix-3383096>

RECKITT BEN | Reckitt Benckiser's profits see slight fall

- Reckitt Benckiser Bangladesh experienced a rise in sales in the April-June period of this year, but still the multinational had to see a drop in profits. Profits of the hygiene products producer dropped slightly to BDT 146.9 Mn in April to June period of 2023, which was BDT 148.0 Mn in the same period of 2022. Its earnings per share stood at BDT 31.11 in the period, down from BDT 31.36. Reckitt Benckiser's sales rose 6.5% year-on-year to BDT 1.31 Bn in the second quarter of 2023, according to the financial statements of the company.

<https://www.thedailystar.net/business/news/reckitt-benckisers-profits-see-slight-fall-3382986>

UNILEVERCL | Unilever Consumer Care posts 8% fall in Q2 profits

- Unilever Consumer Care, previously known as GloxoSmithKline, registered a fall in profits in the April-June period of 2023. The company's profits dropped 8% year-on-year to BDT 165 Mn in the second quarter of this year, according to the company's financial report. So, its earnings per share also fell to BDT 8.57, which was BDT 9.37 in the same period of the previous year.
- The seller of famous nutritional drink Horlicks witnessed 8% fall in sales in the second quarter of 2023, which stood at BDT 820 Mn, down from BDT 900 Mn of the same period of 2022. Though the profits of the company dropped in the second quarter, its half-yearly profit rose depending on higher profits in the first quarter.

<https://www.thedailystar.net/business/news/unilever-consumer-care-posts-8-fall-q2-profits-3382971>

IDLC | IDLC's profit falls 13% in Q2

- IDLC Finance Ltd posted 13% lower profit year-on-year to BDT 378.3 Mn in the April-June quarter of 2023 owing to a fall in net interest income, investment income and other earnings. The profit of the non-bank financial institution stood at BDT 436.5 Mn in the identical quarter of 2022. Thus, the consolidated earnings per share slipped to BDT 0.91 in the second quarter of 2023 from BDT 1.05 in April-June of 2022.
- The EPS decreased due to a fall in net interest income, investment income, commission exchange and brokerage and other operating incomes, said IDLC in a filing on the Dhaka Stock Exchange. The consolidated net operating cash flow per share narrowed to a negative BDT 2.40 in January-June of 2023 against BDT 25.43 negative in the same half of 2022. The NOCFPS increased due to a hike in cash generation from terms and other deposits, loans and bank borrowing, the filing said.

<https://www.thedailystar.net/business/news/idlcs-profit-falls-13-q2-3382806>

LINDEBD | Linde's profit slumps 40% in Q2 on costlier raw materials

- Linde Bangladesh's net profit plunged 40% year-on-year to BDT 140 Mn in April-June quarter this year owing to costlier raw materials and higher operating expenses. Business has been tougher due to a stronger dollar and a sharp decline in revenue from the healthcare segment. The company's net profit was BDT 233 Mn in the same quarter a year before.
- Profit had gone down mainly for lower sales and higher prices of raw materials in the global market, coupled with a sharp devaluation of the local currency against the US dollar. The company's sales revenue dropped nearly 6% year-on-year to BDT 2.37 Bn in the six months through June this year as the demand for medical oxygen, its main product, kept falling since the pandemic waned.

<https://thefinancialexpress.com.bd/stock/bangladesh/lindes-profit-slumps-40pc-in-q2-on-costlier-raw-materials>

EXCHANGE | Most banks see higher profit in H1 2023

- Most of the listed banks posted year-on-year growth in profit in the first half of 2023, despite inflationary pressure on deposit rates. The Bangladesh Bank has fixed the deposit rate in line with inflation leading to a shrink in the banks' core income. Moreover, the central bank has also withdrawn the lending rate cap effective from 1 July this year.
- According to bankers, gains from foreign currency exchange helped most banks absorb inflationary pressure. Out of the 35 banks listed on the country's capital market, 32 disclosed their unaudited reports for the January-June period this year. Twenty posted growth in profit, 10 suffered profit drops, and two incurred losses.

<https://www.tbsnews.net/economy/stocks/most-banks-see-higher-profit-h1-2023-674646>

ROBI | Robi forms subsidiary for digital services, startup investments

- Robi Axiata Ltd has incorporated a solely owned subsidiary company named r-ventures PLC to operate in the area of digital services that include OTT services, ticketing services and mobile value-added services, according to the Dhaka Stock Exchange (DSE). The subsidiary firm would also invest in startup and digital ventures, the company said. The second largest telecom operator in the country has posted BDT 0.13 in earnings per share for the six months over January to June this year, which was BDT 0.05 for the same period of last year.

<https://www.tbsnews.net/economy/stocks/robi-forms-subsiary-digital-services-startup-investments-674106>

EXCHANGE | Most listed MNCs post higher profits despite headwinds

- Most of the listed multinational companies operating in Bangladesh witnessed higher profits and sales in the April-to-June quarter despite persisting economic challenges at home and abroad, inflationary pressures and higher raw materials prices. All of the 13 multinational companies that are listed on the Dhaka Stock Exchange have published their financial reports for the quarter. Their collective profit rose 23% year-on-year to BDT 22.47 Bn.
- A top official of an asset management company credits product quality and brand value that allowed MNCs to pass higher costs of production onto consumers. Among the MNCs, LafargeHolcim Bangladesh, Singer Bangladesh, Grameenphone, Bata Shoe Bangladesh, Berger Paints, and Marico Bangladesh logged higher profits in the three-month period, while Robi Axiata and Heidelberg Cement returned to profits.

<https://www.thedailystar.net/business/economy/news/most-listed-mncs-post-higher-profits-despite-headwinds-3383266>

BANKASIA | Bank Asia's profits almost double in Q2

- Bank Asia saw its profits almost double in the April-June period of the current calendar year, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website. The lender's earnings per share soared 92.5% year-on-year to BDT 1.81 during the second quarter compared to BDT 0.94 in the same period of the previous year. The bank provided 15% cash dividend for its shareholders for the year 2022.

<https://www.thedailystar.net/business/economy/news/bank-asias-profits-almost-double-q2-3382261>

FEDERALINS | Federal Ins declares 10% cash dividend

- Federal Insurance Company Ltd has approved a 10% cash dividend. This was announced at the 35th annual general meeting, which was held virtually yesterday, said a press release. The meeting witnessed the re-election of Faraaz Karim Chowdhury as a director from public shareholders.

<https://www.thedailystar.net/business/economy/news/federal-ins-declares-10-cash-dividend-3380256>

EXCHANGE | Rules relaxed for Best Holdings' IPO

- The Bangladesh Securities and Exchange Commission (BSEC) has relaxed the initial public offering (IPO) rules for Best Holdings on three conditions to help the owning entity of Le Méridien Dhaka raise fund from the public. The stock market watchdog delayed approving Best's BDT 3.5 Bn IPO application submitted in October of 2022, as the company converted its BDT 1.25 Bn bond invested by Agrani Bank into shares in June that year.

- The rules of the BSEC did not allow a company to apply for an IPO after raising paid-up capital through cash. However, in a gazette published on July 27, the commission exempted the rules for Best Holdings on several conditions against the company's urge to relax it.

<https://www.thedailystar.net/business/economy/news/rules-relaxed-best-holdings-ipo-3382296>

EXCHANGE | Stabilisation fund invests BDT 2.7 Bn to support ailing stock market

- The Capital Market Stabilisation Fund (CMSF) has invested BDT 2.7 Bn since its inception in 2021 with a view to supporting the ailing stock market. The fund has been invested through the Investment Corporation of Bangladesh, said Md Nojibur Rahman, chairman of the CMSF.
- The Bangladesh Securities and Exchange Commission (BSEC) has formed the CMSF as a custodian of undistributed cash and stock dividends, non-refunded public subscription money and unallotted rights shares from the issuer of listed securities. Cash and stocks in the fund are returned following claims by the shareholders or investors at any time in the indefinite perpetuity. The move from the regulator came after it decided to use undistributed and unclaimed dividends of listed companies. It ordered listed companies to deposit their undistributed dividends to the fund.

<https://www.thedailystar.net/business/economy/news/stabilisation-fund-invests-tk-270cr-support-ailing-stock-market-3382151>

ACI | ACI to enter aviation market, invest in digital bank

- ACI Ltd, one of the leading business houses in Bangladesh, has decided to enter the aviation business and invest BDT 100 Mn in a digital bank, said the company. The company, in a board meeting on July 26, decided to form a subsidiary named ACI Avionics and Airlines Services Ltd with a BDT 500 Mn authorised capital and a BDT 10 Mn paid-up capital. ACI is the latest company that has disclosed plans to invest in digital banks after two listed companies — Bank Asia and Crystal Insurance — shared a similar plan.

<https://www.thedailystar.net/business/economy/news/aci-enter-aviation-market-invest-digital-bank-3380471>

BERGERPBL | Berger profit grows 5.42% in Q1

- Berger Paints Bangladesh saw a 5.42% year-on-year increase in net profit during the April-June quarter this year, thanks to reduced operating costs and a significant rise in finance income. The multinational paints maker, commanding half of the country's paints market, reported net profits of BDT 972 Mn for the June quarter, up from BDT 922 Mn in the same quarter the previous year.

- According to the unaudited financial statements of Berger, the company's consolidated earnings per share rose to BDT 20.96, compared to BDT 19.87 in the corresponding quarter last year. Despite the positive profit growth, the company faced challenges in its sales revenue, which only saw a 0.87% year-on-year increase to BDT 6.92 Bn. The growth was hindered by macroeconomic adversities and rising costs of raw materials. Berger Paints Bangladesh got listed on the stock market in 2006 by issuing shares representing only 5% of its paid-up capital.

<https://thefinancialexpress.com.bd/stock/bangladesh/berger-profit-grows-542pc-in-q1>

ROBI | Robi returns to profit

- Robi Axiata Ltd, the second largest mobile phone operator in Bangladesh, made a BDT 244 Mn profit in the second quarter of 2023. With this, the carrier recovered from a BDT 121.5 Mn loss it suffered during the same period a year ago. Thus, EPS were BDT 0.05 in April-June of 2023, rebounding from a BDT 0.02 per share loss a year ago, according to its financial statements.
- The profit surged 140% year-on-year to BDT 663.8 Mn in the first half of the year. It was BDT 276.7 Mn in the identical half of 2022. So, the consolidated EPS rocketed to BDT 0.13 from BDT 0.05 a year prior. The company made capex investment of BDT 7.62 Bn from April to June to further bolster its 4G network. Robi contributed BDT 16.84 Bn to the government exchequer in the three-month period, which accounted for 66.3% of its revenue. The company said it ensured 98.5% 4G population coverage with more than 16,000 sites across the country.

<https://www.thedailystar.net/business/economy/news/robi-returns-profit-3380446>

ISLAMIBANK | Islami Bank's profit rises slightly

- Islami Bank Bangladesh Ltd's profit grew 1.4% year-on-year to BDT 3.43 Bn in the January-June half of 2023. The Shariah-based private bank made a profit of BDT 3.387 Bn in the identical six-month period last year. Thus, earnings per share increased to BDT 2.13 in the six months to June from BDT 2.10 in the same period the previous year, said the bank in a disclosure yesterday. In April-June this year, IBBL's EPS grew to BDT 1.78 from BDT 1.58 in the same quarter of 2022. So, profits rose 12% to BDT 2.86 Bn.

<https://www.thedailystar.net/business/economy/banks/news/islami-banks-profit-rises-slightly-3380441>

FIRSTFIN | First Finance's board restructured

- The stock market watchdog has restructured the board of First Finance as the non-bank financial institution has been performing poorly for a long time. At present, the company's accumulated loss stands at BDT 3.25 Bn and the total shareholders' equity is BDT 1.698 Bn in the negative, according to the letter the Bangladesh Securities and Exchange Commission (BSEC) sent to the company.
- First Finance got listed with the stock exchange in 2003 and was downgraded as a Z category share in 2016 because of its failure to provide any cash dividend to its shareholders for the last 14 years. On top of that, around 86.6% of the company's loans have become non-performing loans. The share price of the company is BDT 5.5 now and it could not find any buyer for many days.

<https://www.thedailystar.net/business/economy/news/first-finance-board-restructured-3380411>

DUTCHBANGL | Dutch-Bangla Bank's profit drops 23% in Apr-Jun

- Profits of Dutch-Bangla Bank dropped 23% year-on-year in the April to June period of 2023. The earnings per share (EPS) of the lender was BDT 1.54 in the second quarter of 2023, down from BDT 2.02 in the same period the previous year. Though the profit of the company dropped, its share price remained unchanged at BDT 59.1 yesterday at the Dhaka Stock Exchange (DSE). Due to the drop in profit in the second quarter, the bank's profit fell in the first half of 2023. Its EPS stood at BDT 3.21 in January to June period of 2023, down from BDT 3.33 in the same period of 2022. The lender provided 17.5% cash dividend and 7.5% stock dividends to its shareholders for 2022.

<https://www.thedailystar.net/business/economy/banks/news/dutch-bangla-banks-profit-drops-23-apr-jun-3380396>

IMPORTANT DISCLOSURES

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