

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Macro:

Apparel exports up by 10.55% YoY in July-October

- Bangladesh's apparel exports in the July-October period of FY23 grew by 10.55% year-on-year to USD 13.95 Bn, which is 83% of the country's total exports, belying fears of negative growth expressed by industry leaders last month.
- The country earned USD 12.62 Bn from RMG exports from July-October last year, said Export Promotion Bureau (EPB) data released Wednesday (2 November). Apparel exports posted a 7.5% negative growth in September this year compared to the same month last year, after a prolonged spell of growth for 13 months.

<https://www.tbsnews.net/economy/apparel-exports-1055-yoy-july-october-524634>

Hoteliers seek tax cut for hospitality industry

- Hoteliers have sought a cut in value added tax (VAT) for the local hospitality industry to help hotels, resorts and restaurants cushion the pandemic fallout and flourish further.
- Comparing the local tariff structure with neighbouring nations, they said tourism in Bangladesh costs higher thanks to the VAT and taxes ranging 15% to 25%.

<https://www.tbsnews.net/economy/hoteliers-seek-tax-cut-hospitality-industry-524714>

Reduce fund wastage, phase out subsidy in energy sector

- The government should stop fund wastage in the energy sector and eventually phase out subsidies, which have created pressure on the public coffer, according to economists and entrepreneurs. However, the subsidies should not be removed amid the ongoing economic crisis, they said.
- These recommendations came after two multilateral lenders -- the International Monetary Fund (IMF) and World Bank - suggested removing subsidies to make Bangladesh's budget financing more efficient.

<https://www.thedailystar.net/business/economy/news/reduce-fund-wastage-phase-out-subsidy-energy-sector-3158336>

Export earnings drop by 7.85% year-on-year in October

- Bangladesh's export earnings dropped by 7.85% year-on-year in October, said a report by the Export Promotion Bureau (EPB). The country earned USD 4.35 Bn from export earnings in October this year, according to the Export Promotion Bureau data.
- The export earning target for October this year was USD 5 Bn. In October last year, Bangladesh's export earnings were USD 4.72 Bn. Exports earnings in July-October of FY23 increased by 7.01% to USD 16.85 Bn from USD 15.75 Bn in the same period of FY22.

<https://www.tbsnews.net/economy/export-earnings-drop-785-year-year-october-524438>

IMF calls for tariff rationalisation

- International Monetary Fund (IMF) has advised the government to rationalise the existing tariff structure by reducing various types of para and non-tariff barriers to improve competitiveness of domestic industries.
- A visiting delegation of the multilateral lender made the recommendation at a meeting with top officials of the commerce ministry yesterday. The delegation arrived on October 26 for talks over Bangladesh's USD 4.5 Bn loan request.

<https://www.thedailystar.net/business/economy/news/imf-calls-tariff-rationalisation-3159351>

Current account balance: Sinks further in red

- Bangladesh's current account balance sank further in the red in September, heaving the pressure on the exchange rate that is trading at record lows against the US dollar. The current account records a nation's transactions with the rest of the world, specifically its net trade in goods and services.
- At the end of September, the current account was USD 3.6 Bn in the deficit as both exports and remittances dropped and imports remained elevated, according to data from the Bangladesh Bank. A year earlier, the current account had posted a deficit of USD 2.5 Bn.

<https://www.thedailystar.net/news/bangladesh/news/current-account-balance-sinks-further-red-3159106>

Stocks:

ZAHEENSPIN | Zaheen Spinning extends losses

- Zaheen Spinning Limited incurred a loss of BDT 145.7 Mn in the year that ended on June 30, extending its losses to three years. The manufacturer of hosiery yarn also suffered a loss of BDT 286.8 Mn in 2020-21. So, Zaheen Spinning reported earnings per share of BDT 1.28 negative for the last financial year, which was BDT 2.52 negative in 2020-21.

<https://www.thedailystar.net/business/economy/news/zaheen-spinning-extends-losses-3159306>

GHAIL | Golden Harvest Agro Industries in high liability risk

- Golden Harvest Agro Industries Limited – one of the leading frozen food and ice cream sellers of the country – is in a high liability risk with its bank loan amounting to 66.87% of the shareholders' equity.
- MABS J and Partner said in an audit report for the fiscal 2021-22, the working capital of the company was mainly sourced from short-term bank loans. Most of the loans are interest bearing for which any upward changes in the interest rate may adversely affect the company's ability to loan servicing.
- According to its financial statement, the total long-term and short-term loans of Golden Harvest Agro stood at BDT 1.9515 Bn, which is 66.87% of the shareholders' equity. The interest cost against these loans amounted to BDT 112 Mn in FY22 which is 36% of the total expenses of the company. This transpires that a significant portion of the total expenses is interest cost, the auditor noted in the report.

<https://www.tbsnews.net/economy/stocks/golden-harvest-agro-industries-high-liability-risk-524750>

EXCHANGE | Cheque transaction boosts DSE turnover

- The daily turnover of the country's main bourse Dhaka Stock Exchange (DSE) jumped 62% yesterday as investors' participation increased following the regulator's directive to resolve issues related to cheque encashment. On Wednesday, the DSE turnover stood at BDT14.6157 Bn, which was BDT 9.0283 Bn a day ago. The DSE's key index – DSEX – surged 35 points or 0.56% to reach 6,388 and the blue-chip index DS30 rose by 8.37 points to reach 2,244 points.

<https://www.tbsnews.net/economy/stocks/cheque-transaction-boosts-dse-turnover-524738>

BSC | Shipping Corp to invest USD 242 Mn for fleet expansion

- After experiencing colossal growth in the business through riding on new ocean-going ships, the Bangladesh Shipping Corporation is now going to expand its fleet with another four vessels at a cost of USD 241.92 Mn for future prospects.
- As per the decision, the four ships – two crude oil tankers and two bulk carriers – will be procured from China under a government-to-government agreement. Crude oil tankers have a capacity of 0.1 Mn deadweight tonnes each and each bulk carrier's capacity is 0.08 Mn tonnes. The crude oil tankers and bulk carriers will cost USD 151.96 Mn and USD 89.96 Mn respectively.

<https://www.tbsnews.net/economy/stocks/shipping-corp-invest-242m-fleet-expansion-524754>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 89.43	USD 14.22	18.91%
Crude Oil (Brent)*	USD 95.79	USD 18.01	23.16%
Gold Spot*	USD 1,638.09	(USD 191.11)	-10.45%
DSEX	6,388.56	-368.10	-5.45%
S&P 500	3,759.69	-1,006.49	-21.12%
FTSE 100	7,144.14	-240.40	-3.26%
BSE SENSEX	60,906.09	2,652.27	4.55%
KSE-100	41,944.59	-2,651.48	-5.95%
CSEALL	8,605.85	-3,620.16	-29.61%

Exchange Rates**1 US Dollar = 101.66 BDT****1 GBP = 115.99 BDT****1 Euro = 99.95 BDT****1 INR = 1.23 BDT**

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