

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.

BDT 930 Bn foreign funds likely in FY '23 ADP

- The government is likely to allocate BDT 930 Bn funds from external sources in the FY23 annual development programme (ADP). The allocation is BDT 50 Bn higher than the original BDT 880 Bn worth of project assistance (PA), and it is BDT 227 Bn more than the revised allocation of BDT 702.50 Bn in the current FY.
- A Planning Commission official told that the government wants to go for expansionary expenditure policy in the coming years to minimise the losses in the last couple of years due to the COVID-19 pandemic impact on the development projects. So, the overall development budget in FY 2023 is likely to be more than 20% higher than the present FY.

<https://today.thefinancialexpress.com.bd/last-page/tk-930b-foreign-funds-likely-in-fy-23-adp-1650909260>

Now direct shipping to Spain, Netherlands from 20 May

- Exporters of the country are going to get direct shipping to two more European destinations – Rotterdam in the Netherlands and Barcelona in Spain – as three ships start operating from Chattogram port on 20 May. The ships of Reliance Shipping and Logistics – the MV Spica, MV Andromeda J, and MV Music – will leave Chattogram every 15 days with export goods.
- The Chattogram Port Authority (CPA) and exporters say this is good news for the country's exports. The sooner there is direct shipping to the United States and other European countries as well, the better it will be for the country's economy. According to the CPA, direct shipping to Portugal, Slovenia, and the Middle East will also be launched soon.

<https://www.tbsnews.net/bangladesh/now-direct-shipping-spain-netherlands-20-may-409502>

USD 50 Mn to be invested by Chinese Company at BEPZA economic zone

- Chinese company Venus Beauty Limited will invest USD 50 Mn to set up a hair fashion accessories manufacturing industry at Bangladesh Export Processing Zones Authority Economic Zone. This fully foreign-owned company will produce 226.09 Mn pieces of fashion accessories annually. The company has another diversified product manufacturing factory named Tung Hing Manufacturing Limited at the Cumilla Export Processing Zone.

<https://www.newagebd.net/article/168978/50m-to-be-invested-by-chinese-company-at-bepza-economic-zone>

New policy curbs ministry control on imports

- Local manufacturing industries will also enjoy duty-free facility through the bonded-warehouse window under new import policy the government issued Monday to ease controls on the trade. The duty-free import facility under the bonded-warehouse mechanism used to be enjoyed by export industries, especially in the export-processing zones.
- Local industries can now import raw materials against partial export order through 100-percent bank guarantee. The Import Policy Order 2021-24, effective from Sunday, also allows import of cruise ship through lifting bars.
- Government authorities hope the latest import-policy order would facilitate local industries to manufacture products in a simplified way. Currently, local manufacturing industries are required to obtain drawback of the paid duty taxes against the partial import, which pressurized their capital.

<https://today.thefinancialexpress.com.bd/first-page/new-policy-curbs-ministry-control-on-imports-1650908750>

Gold price drops to BDT 77,682 a bhari

- Jewellers on Monday lowered the price of gold to BDT 77,682 a bhari (11.664 gram) on the local market as the price of the precious metal has fallen on the global market. The Bangladesh Jewellers' Samity said that the prices of the gold have been reduced in the domestic market in the wake of falling prices in the global market.
- According to BAJUS, the price of 22-karat gold has been decreased to BDT 77,682/bhari from BDT 78,849/bhari, 21-karat gold to BDT 74,183/bhari from BDT 75,349/bhari, and that of 18-karat gold to BDT 63,569 a bhari from BDT 64,560 a bhari. The price of traditional gold has been dropped to BDT 53,071 a bhari from BDT 53,829 a bhari,

<https://www.newagebd.net/article/168996/gold-price-drops-to-tk-77682-a-bhari>

Bangladesh loses out on terms of trade

- Bangladesh's 'terms of trade (TOT)' increasingly go against the country, according to a central-bank report, following faster growth of the import-price index relative to the export-price index amid global market volatility. The report portrayed the situation of the past fiscal, and local economists and a multilateral lender forecast that this mismatch in foreign trade will deteriorate further this year (FY2022) leading to TOT losses for Bangladesh. The report estimates Bangladesh's terms of trade loss around 0.5 per cent of the GDP.
- The export-price index and the import-price index grew by 3.23% and 5.06% respectively during the reported fiscal year, the Bangladesh Bank said in its latest annual report released recently. The report says the immediate terms-of-trade impact solely due to expected oil-price increases triggered by the war and related sanctions is expected to be 0.9 per cent for the region (South Asia).

<https://thefinancialexpress.com.bd/economy/bangladesh-loses-out-on-terms-of-trade-1650941661>

No limit on number of MFS transactions

- Digital transactions in the country are set to get a boost as Bangladesh Bank has allowed customers to make an unlimited number of transactions through mobile financial services (MFSs). A customer could make 25 cash-in transactions and 20 cash-out transactions per month.
- The central bank has now set the cash-in limit at BDT 500,000 per month, up from BDT 200,000 earlier. Of the amount, a customer will be able to cash-in BDT 200,000 through agents and BDT 300,000 through bank transfer each month. The cash-in limit from the agent point will be BDT 30,000 per day and BDT 50,000 through bank transfer. The cash-out transaction amount limit has remained unchanged, meaning that a customer will be able to cash-out BDT 150,000 per month and BDT 25,000 per day.
- Currently, over 110.0 Mn account holders now conduct 20.0 Mn transactions through MFSs each day. MFS operators register BDT 23.66 Bn in average daily transactions, employing 1.12 Mn agents, according to the latest central bank data. The numbers mentioned in this data would have been higher if Nagad could be included. Launched in 2019, Bangladesh Post Office's MFS arm is yet to get a full-fledged licence.

<https://www.thedailystar.net/business/economy/banks/news/no-limit-number-mfs-transactions-3012516>

Default loan rescheduling falls to 7-year low

- Rescheduling of default loans fell to a seven-year low in 2021, riding on a moratorium extended by the Bangladesh Bank to protect borrowers from the economic shocks arising from the coronavirus pandemic. Last year, non-performing loans (NPLs) amounting to BDT 123.79 Bn were rescheduled, the lowest since 2015, data from the central bank showed. Analysts describe the declining loan rescheduling as a welcoming trend for the banking sector but add that there is no scope to be complacent.

- The temporary suspension of loan repayments had allowed borrowers to avoid slipping into the default zone by paying only 15% of their instalments payable for 2021. In spite of the facility, the NPLs went up 16.38% year-on-year to BDT 1.03 Bn last year. The NPLs would have increased to a large degree had the central bank not declared forbearance.
- Emranul Huq, managing director of Dhaka Bank, said the lower volume of default loans rescheduled in 2021 did not reflect the actual scenario in the banking sector. He told that NPLs may increase this year, which will push up the loan rescheduling once again, and added that borrowers were able to evade the default category in the last two years thanks to the loan moratorium and forbearance.

<https://www.thedailystar.net/business/economy/news/default-loan-rescheduling-falls-7-year-low-3012611>

BD sticks to its decision on fumigation checks

- Bangladesh sticks to its decision to continue fumigation requirement for cotton imported from the USA despite opposition from local spinners. The government upheld its decision in the new import policy for the period of 2021 to 2024. Local spinners and cotton importers have repeatedly urged the government to withdraw the 'age-old provision' of conducting fumigation in importing raw cotton from the US to save time and money.
- Bangladesh imports cotton from a number of countries, including South Africa, India, Brazil and the US, to meet the huge demand for raw materials for its local market and export-oriented ready-made garment sector, industry people said. But, in Bangladesh, only the US cotton is subject to fumigation, a process of eliminating specific cotton germ 'boll weevil', they said. Even a consignment, having cotton imported from other countries, is subject to fumigation, if it has the US cotton.
- The fumigation process and clearance need five days or more to complete. It causes congestion at Chattogram port and also adds 3.0-4.0 cents in cost per bale which affects the country's business competitiveness. About 9.0% of the country's total cotton requirement is met by importing from the US, he said adding the share could be increased up to 20% if there is no such fumigation requirement.

<https://today.thefinancialexpress.com.bd/trade-market/bd-sticks-to-its-decision-on-fumigation-checks-1650905884>

Up to 500cc bikes can be made locally

- The government has granted permission to manufacturers to produce bikes up to 500cc engine capacity, a move that is expected to give a huge boost to the motorcycle industry in Bangladesh and provide the scope to bike lovers to ride higher engine two-wheelers. The development comes as demand for motorcycles with a higher engine capacity is growing among bike enthusiasts thanks to reduced prices and a reduction in registration fees.
- In the Import Policy Order 2021-24, published on Sunday, the government said motorcycle makers would be able to import machinery and spare parts required to manufacture 500cc bikes. It, however, banned the import of bikes above 165cc engine capacity. Some 375,000 motorcycles were sold in 2021, up 21%.

<https://www.thedailystar.net/business/economy/news/500cc-bikes-can-be-made-locally-3012596>

Place import tax on computer, laptop

- The Ministry of Posts, Telecommunications and Information Technology has proposed imposing taxes on the import of computers and laptops in the fiscal year (FY) 2022-23, to facilitate development of local industry. The ministry has recently put forward the recommendation to the National Board of Revenue (NBR) and the Ministry of Finance to discourage imports and encourage local manufacturing and assembling of the devices.
- The proposal also included providing a 5.0% tax incentive to the local manufacturers and zero tax on the import of

basic parts. Talking to the FE about the percentage, Posts and Telecommunications Minister has recommended creating a 25% tax gap between imported laptops-computers and locally manufactured gadgets. A number of world reputed companies are ready to set up factories in Bangladesh if the country offers tax benefits to the local computer and laptop manufacturing companies, said the minister.

<https://today.thefinancialexpress.com.bd/last-page/place-import-tax-on-computer-laptop-1650909364>

'Grameen Bank-AIMS First Unit Fund' in the offing

- The Trust Deed of "Grameen Bank-AIMS First Unit Fund" was signed between Grameen Bank and Sandhani Life Insurance Company Limited. Grameen Bank is the Sponsor while Sandhani Life Insurance Company Limited is the Trustee of the Fund. It would be the second mutual fund sponsored by Grameen Bank after "Grameen Mutual Fund One" which launched two Closed-end Schemes, also under the management of AIMS.

<https://today.thefinancialexpress.com.bd/stock-corporate/grameen-bank-aims-first-unit-fund-in-the-offing-1650899007>

City Bank joins UN-convened Net-Zero Banking Alliance

- City Bank has joined the Net-Zero Banking Alliance in line with its commitment to a greener planet recently, according to a press release. City Bank is committed to align its lending and investment portfolios with net-zero emissions by 2050, following the temperature goals of the Paris Agreement.

<https://www.newagebd.net/article/169004/city-bank-joins-un-convened-net-zero-banking-alliance>

BSEC body suspects Ashraf Textile Mills embezzled funds

- The Bangladesh Securities and Exchange Commission has found that Ashraf Textile Mills Limited sold assets worth BDT 3,250 Mn at BDT 750 Mn. The commission in a report said that the out-of-operation company might embezzle a huge amount of funds. Ashraf Textile Mills was earlier on the over-the-counter market and was later sent to the small capital platform last year.

<https://www.newagebd.net/article/168994/bsec-body-suspects-ashraf-textile-mills-embezzled-funds>

Soaring raw materials, finance costs bite into BSRM profits

- Following record sales and profits in many of the recent quarters, the escalating costs of raw materials and working capital finance have now begun to bite into the profits of BSRM companies. Both the listed companies of the top steel group of the country – BSRM Limited and BSRM Steels – posted year-on-year declines in the profits for the January-March quarter, despite the fact both the firms secured their significant topline growths.
- BSRM Steels' sales grew to BDT 21.53 Bn in 3QFY22 from BDT 16.63 Bn in 3QFY21. But its gross profit margin squeezed to 8.82% from 15.94% a year ago. Earnings per share for the quarter dropped to BDT 2.74 from BDT 3.68 in the same quarter a year ago. EPS for 9MFY22 increased to 12.01 from BDT 10.93.
- Meanwhile, BSRM Ltd posted revenue of BDT 23.71 Bn for the third quarter, up from BDT 18.72 Bn a year ago, and managed to retain its gross profit margin and the net profit after taxes. The merger with the subsidiary helped BSRM Ltd retain better profitability this year. However, the EPS for the three months declined to BDT 3.9 from BDT 6.26 a year ago.
- BSRM Managing Director Aameir Alihussain told that Letter of credits opened earlier at BDT 85-86 for each US dollar were settled at BDT 92 per US dollar on Monday and it all drastically added to finance costs. MS rod price soared by around 50% since the first wave of the pandemic, while the cost of raw material and sea freight soared even more.

<https://www.tbsnews.net/economy/soaring-raw-materials-finance-costs-bite-bsrm-profits-409466>

LafargeHolcim revenue falls due to aggregate business dispute

- The multinational cement manufacturer LafargeHolcim Bangladesh's revenue has declined for 1QCY22 as it could not run its business of limestone chips, known as aggregate, due to a dispute with the government. During the quarter this year, the company reported a revenue of BDT 6.25 Bn and a net profit of BDT 944.7 Mn, which was 1% and 9% respectively less than the previous year at the same time.

<https://www.tbsnews.net/economy/stocks/lafargeholcim-revenue-falls-due-aggregate-business-dispute-409414>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 99.61	USD 24.40	32.44%
Crude Oil (Brent)*	USD 103.68	USD 25.90	33.30%
Gold Spot*	USD 1,902.45	USD 73.25	4.00%
DSEX	6,667.11	-89.54	-1.33%
S&P 500	4,296.12	-470.06	-9.86%
FTSE 100	7,380.54	-4.00	-0.05%
BSE SENSEX	57,305.19	-948.63	-1.63%
KSE-100	46,073.25	1,477.18	3.31%
CSEALL	7,513.85	-4,712.16	-38.54%

Exchange Rates**1 US Dollar = 86.23 BDT****1 GBP = 110.40 BDT****1 Euro = 92.81 BDT****1 INR = 1.13 BDT**

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