

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:**Banks can show interest receivables as income**

- Banks can show interest receivables for 2022 as income on their books on the term loans that have been extended a relaxed repayment facility up to December, said the central bank yesterday. Interest receivable is the amount of interest that has been earned but has not yet been received in cash.
- On December 18, the Bangladesh Bank relaxed its loan repayment policy, saying the real income of borrowers has fallen due to the severe impacts of the prolonged Russia-Ukraine war. Thanks to the relaxation, borrowers can avoid being classified as a defaulter if they clear 50% of their instalments payable in the final quarter of 2022 instead of 75% previously.

<https://www.thedailystar.net/business/economy/banks/news/banks-can-show-interest-receivables-income-3203041>

10-year experience a must to become director of state banks

- No one can be a chairman or director of a state-owned bank without at least 10 years of administrative, managerial or professional experience, according to a circular of the Financial Institutions Division of the Ministry of Finance.
- A person holding more than 20% of the shares of any bank or financial institution cannot be a director of a government bank or financial institution, it said. The circular was issued on Thursday to formulate a policy fixing the qualifications of the chairmen and directors of state-owned banks and financial institutions.

<https://www.tbsnews.net/economy/10-year-experience-must-become-director-state-banks-557354>

Lubricant import LCs to require minimum advance

- Bangladesh Bank yesterday asked banks to take a minimum cash advance from importers while opening letters of credit (LCs) for lubricant and engine oil in order to enable running the operations of industries smoothly. The advance payment, also known as the cash LC margin, should be kept at the minimum level for the products depending on the bank-client relationship, Bangladesh Bank said in a notice.

<https://www.thedailystar.net/business/economy/news/lubricant-import-lcs-require-minimum-advance-3203031>

Work on to develop land ports to boost cross-border trade, revenue

- The government has taken many initiatives to bring about massive development in the country's land port infrastructure and enhance port efficiency and connectivity to boost cross-border trade and make ports more accessible and hassle-free to users.
- As part of that move, six new land ports are scheduled for opening by June 2023. Also, work is underway to develop infrastructure and bring automation to three existing key ports – Benapole, Bhomra, and Burimari.

<https://www.tbsnews.net/economy/work-develop-land-ports-boost-cross-border-trade-revenue-556974>

High prices buoy hybrid rice cultivation

- Farmers are showing interest to use more of their lands to cultivate hybrid rice, encouraged by an increase in domestic market prices, said seed sellers yesterday. In the ongoing Boro cultivation season, seed sellers expect to sell nearly 14,000 tonnes of hybrid rice seeds, around 12% higher year-on-year.
- "It is because paddy prices are attractive while hybrid rice cultivation provides increased yield," said FH Ansarey, managing director and CEO of the agribusiness division of ACI, one of the major business houses. Another draw is the scope to harvest the grain in a shorter period than popular inbred variety BRRI Dhan 29, he said.

<https://www.thedailystar.net/business/economy/news/high-prices-buoy-hybrid-rice-cultivation-3204386>

Two new inland container depots launch in 2024 to facilitate trade

- Two new private inland container depots (ICDs), costing around BDT 8 Bn, in Chattogram will be launched in 2024, easing the pressure of containers and facilitating the country's import-export trade.
- Afsarul Ameen, lawmaker from Chattogram-10 constituency, has invested in Anchorage Containers Depot located in South Kattali area, 10 km away from Chattogram port, while Dhaka-based AGC Group has invested in Bay Link Containers Depot in Barabkunda area of Sitakunda, 35 km away from the port.

<https://www.tbsnews.net/economy/two-new-inland-container-depots-launch-2024-facilitate-trade-557446>

Govt inks EUR 162 Mn energy loan deals with Germany's KfW Bank

- The Economic Relations Division (ERD) of the Ministry of Finance and the KfW Development Bank of Germany have signed two loan agreements worth EUR 162 Mn for the projects – Energy Efficiency in the Industry and Renewable Energy Programme II.
- A grant agreement worth EUR 19.5 Mn for implementing the "Renewable Energy Program III" was also signed on Thursday (22 December), said an ERD press release issued yesterday.

<https://www.tbsnews.net/economy/erd-germanys-kfw-bank-sign-loan-agreements-worth-eu162m-556746>

Non-bank deposits on the wane

- Non-bank financial institutions (NBFIs) have been witnessing a persistent fall in deposits for the past one year as many clients withdrew their savings to manage expenses amid the soaring cost of living and lower returns. Deposits at the NBFIs declined 3% year-on-year to BDT 415.85 Bn in July-September. It was BDT 427.90 Bn in the identical three-month quarter a year ago.

<https://www.thedailystar.net/business/economy/news/non-bank-deposits-the-wane-3205091>

Next budget may bank on higher foreign aid

- Development spending in the next fiscal may draw higher foreign assistance as the government envisages allocating BDT 70 Bn more as project aid (PA) in the financial year (FY) 2023-24 development budget, officials say.
- Economic Relations Division (ERD) officials say they are likely to allocate BDT 990 Bn worth of PA in the next budget, 7.60% higher than the current BDT 920 Bn outlay in the Annual Development Programme or ADP.

<https://thefinancialexpress.com.bd/economy/next-budget-may-bank-on-higher-foreign-aid-1671936934>

Housing sales dip to 5-year low amid recession

- A 20%-30% surge in flat prices owing to a sharp rise in the prices of construction materials and the latest Detailed Area Plan (DAP) for Dhaka city has caused real estate sales to plunge to a five-year low this year, according to industry insiders.
- The five-day housing fair that ended in the capital yesterday also bore witness to buyers losing affordability, as the volume of spot orders received in the fair was the lowest in the past seven years. The number of visitors was also some 3,000 fewer compared to last year, organisers said.

<https://www.tbsnews.net/economy/housing-sales-dip-5-year-low-amid-recession-557890>

Revenue collection growth falls YoY in November

- The country's internal revenue collection growth in the current fiscal registered a declining trend, rising by 9% in November. In the fiscal 2021-22, the average was about 16%. Sources at the National Board of Revenue (NBR) said the tax collection in November was also slightly less than in October. Besides, the NBR's target growth for November also fell by 12%.

<https://www.tbsnews.net/economy/revenue-collection-growth-falls-yoy-november-557878>

Remittance outflow crosses USD 100 Mn -- thru legal channel

- Outward remittances from Bangladesh through legal channels crossed the USD 100 Mn mark for the first time in 2021 as more foreigners are working in the fast-growing economy, data from a global organisation showed. Foreigners remitted USD 101 Mn last year, up 6.3% from USD 95 Mn in 2020, according to the new estimates of the World Bank's Global Knowledge Partnership on Migration and Development (KNOMAD).

<https://www.thedailystar.net/business/economy/news/remittance-outflow-crosses-100m-thru-legal-channel-3205081>

Apparel export falls 2.15% YoY in first 3 weeks of Dec

- Bangladesh's apparel exports have registered a 2.15% year-on-year negative growth in the first 21 days of December. During that period, the readymade garment sector raked in USD 2.49 Bn in contrast to USD 2.54 Bn in the same period of the last fiscal year, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

<https://www.tbsnews.net/economy/rmg/apparel-export-falls-215-yoy-first-3-weeks-dec-557418>

Saudi Arabia says 'no' to Bangladesh request for customs duty exemption

- The Kingdom of Saudi Arabia (KSA) has declined to provide any exemption from customs duties to Bangladeshi products due to a unified customs tariff system of Gulf countries. Bangladesh requested the Saudi authorities to exempt customs duties on its 130 products during the fourteenth session of the Saudi-Bangladeshi Joint Committee meeting, held in Riyadh on October 30-31.
- To this effect, the embassy of KSA in Dhaka has recently conveyed it to the Bangladesh foreign ministry through a note verbale. A note verbale is a diplomatic communication from one government to another, delivered through each other's diplomatic representatives.

<https://thefinancialexpress.com.bd/economy/saudi-arabia-says-no-to-bangladesh-request-for-customs-duty-exemption-1671680579>

Industrial production costs up 20%-40% on pricier capital goods

- Various industrial sectors – including grain milling, iron and steel, dairy products, sugar, animal feed, transport equipment, motorcycle, food products, basic metals, and wooden furniture – have witnessed 20%-40% surge in production costs in the wake of a 13%-17% hike in capital goods prices over the last one year, according to the Bangladesh Bureau of Statistics (BBS).

<https://www.tbsnews.net/economy/industrial-production-costs-20-40-pricier-capital-goods-557378>

Rice and maize prices up globally, wheat down

- Average wheat prices were 5% lower year-on-year in December, while it was up 9% for maize and 12% for rice, according to the World Bank's Food Security Update. Maize and wheat prices are 28% and 18% higher, respectively, than in January 2021, and rice prices are 11% lower.
- The update showed the agricultural and export price indices closed 1% and 6% higher on December 15, respectively, than in the last update prepared on December 1. The cereal price index closed at the same level. Wheat and rice prices closed 1% and 6% higher, respectively, whereas maize prices were 1% lower over the same period.

<https://www.thedailystar.net/business/economy/news/rice-and-maize-prices-globally-wheat-down-3205056>

3,200 tonnes of lentils arrive at Benapole from India

- A consignment of 3,200 metric tonnes of lentils has arrived at the Benapole Port from neighbouring India. Trading Corporation of Bangladesh (TCB) imported the lentils at USD 1,136.13 per metric tonne. Safayet Hossain, joint commissioner of Benapole Customs, told The Business Standard that the consignment was delivered to the port on Wednesday.

<https://www.tbsnews.net/economy/3200-tonnes-pulses-arrive-benapole-india-556302>

Lift anti-dumping duty on jute, jute goods

- Bangladesh has again proposed that the Indian government refrain from retaining an anti-dumping duty imposed on the country's jute and jute goods once it ceases to have effect on December 31. "We proposed to the Indian commerce and finance ministries for the removal of the anti-dumping duty on Bangladeshi jute and jute goods," said Md Hafizur Rahman, additional secretary to the commerce minister.

<https://www.thedailystar.net/business/economy/news/lift-anti-dumping-duty-jute-jute-goods-3205076>

Stocks:**GPHISPAT | Strong dollar throws GPH Ispat into losses in Sept quarter**

- Despite posting a decent growth in its revenue, GPH Ispat Limited has incurred a massive loss in the first (July to September) quarter of the ongoing fiscal year. Along with expensive raw materials, and power crisis that disrupted production, the steel manufacturer also blamed the losses from foreign exchange transactions due to a strong dollar against the taka.
- During the quarter, the company's losses stood at BDT 789.2 Mn, from a profit of BDT 454.7 Mn in the same quarter previous year. Its loss per share stood at BDT 1.82 and net asset value per share at BDT 26.98. In the first quarter of the 2022-23 fiscal year, its revenue increased by 36% to BDT 12.82 Bn, which was BDT 9.43 Bn a year ago.

<https://www.tbsnews.net/economy/stocks/strong-dollar-throws-gph-ispate-losses-sept-quarter-556374>

ETL | Evince Textiles to buy machinery worth BDT 160 Mn

- Evince Textiles Limited is going to purchase capital machinery worth around BDT 160 Mn to enhance its existing production capacity in hopes of producing premium quality fabrics. The company decided this in a board meeting on 24 December. At present, the company is using only half of its production capacity.

<https://www.tbsnews.net/economy/stocks/evince-textiles-buy-machinery-worth-tk16cr-557838>

HRTEX | HR Textile allowed to issue bonus shares

- The Bangladesh Securities and Exchange Commission (BSEC) has recently allowed HR Textile Mills Ltd — a 100% export oriented textile firm — to raise its paid-up capital through issuing stock dividends or bonus shares. The commission issued a letter in this regard last Wednesday.
- In the 2021-22 fiscal year, the company recommended 5% cash and 10% stock dividends for its shareholders. Its paid-up capital is currently BDT 265.6 Mn, which will increase to BDT 292.2 Mn after the stock dividend adjustment. For this, the company has to issue 0.265 Mn ordinary shares at a face value of BDT 10 each.

<https://www.tbsnews.net/economy/stocks/hr-textile-allowed-issue-bonus-shares-557842>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 79.56	USD 4.35	5.78%
Crude Oil (Brent)*	USD 83.92	USD 6.14	7.89%
Gold Spot*	USD 1,798.20	(USD 31.00)	-1.69%
DSEX	6,202.21	-554.44	-8.21%
S&P 500	3,844.82	-921.36	-19.33%
FTSE 100	7,473.01	88.47	1.20%
BSE SENSEX	59,845.29	1,591.47	2.73%
KSE-100	39,669.20	-4,926.87	-11.05%
CSEALL	8,379.95	-3,846.06	-31.46%

Exchange Rates**1 US Dollar = 106.35 BDT****1 GBP = 128.35 BDT****1 Euro = 112.95 BDT****1 INR = 1.28 BDT**

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