

Weekly Market Update

Jun 06, 2024 (Week: Jun 02, 2024 – Jun 06, 2024)

Dhaka Stock Exchange

DSEX ended in Red (-0.28%) in the week

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.28%) lost -14.64 points and closed the week at 5,237.32 points. The blue-chip index DS30 (-0.90%) lost -16.86 points and stood at 1,857.98 points. The Shariah-based index DSES (-0.61%) lost -6.93 points and stood at 1,136.76 points. The large cap index CDSET (-0.54%) lost -5.49 points and closed at 1,003.22 points. DSEX, DS30, DSES and CDSET showed YTD returns of -16.16%, -11.26%, -16.67%, -16.59%, respectively.

Total Turnover During the Week (DSE): BDT 22.6 billion (USD 191 million)
Average Daily Turnover Value (ADTV): BDT 4.5 billion (Δ% Week: +15.8%)
Market P/E: 13.5x

Daily Index Movement during the Week

The market performed five sessions during this week. The market started on a negative note (-0.35%) on Sunday and turned positive on Monday (+0.04%) and remained positive on Tuesday (+0.23%) followed by a negative Wednesday (-0.44%) before ending the week on a positive note on Thursday (+0.25%).

Sectoral Performance

- Financial sectors posted mixed performance this week. Life Insurance booked the highest gain of 3.66% followed by NBFII (+0.59%). Mutual Fund experienced the highest loss of 4.00% followed by General Insurance (-1.21%), Bank (-0.59%).
- Most of the non-financial (large-cap) sectors registered negative performance this week. Engineering experienced the highest loss of 3.10% followed by Pharmaceutical (-1.41%), Fuel & Power (-0.61%), Food & Allied (-0.54%), and Telecommunication (+0.61%).

Macroeconomic arena

Govt to rely more on local banks than foreign funds. Exports slide 16% in May. Budget support from dev partners to cross USD 2 Bn for second time. NBR to align import duties for 20 products with WTO standards in FY25. BANK | State banks' default loans rise 42% in a year. BANK | Deposit interest highest in decade, while growth lowest in 10 months. Thumbs-down on treasuries to bridle bank-lending rate. Cautiously crafted BDT 7.97 Tn budget tomorrow amid economic pains. Lower budget deficit planned as foreign financing seen slowing. IT | Govt may offer another 3-year tax exemption for IT sector. Ctg customs see 12.57% revenue growth in 11 months of FY24. Source tax on fruit imports may double; hotels, clinics to come under new tax. BANK | Excise duty exemption likely on offshore banking deposits. Rising food prices drive up general inflation to 9.89% in May. Almost all extreme poor with disabilities to be brought under social safety net. BANK | Nagad becomes country's first digital bank. BANK | Nagad becomes country's first digital bank.

BANK | bKash generates BDT 700 Mn profit in March quarter. Bangladesh's trade with Saarc countries falls in FY23. Foreign investors continue to sell shares. Power, agriculture to drive up subsidies. BANK | Islamic banks face liquidity challenges: Fitch. Remittance up 32% in May ahead of Eid. VAT likely to go up on 13 items – from fruit juice to LED bulbs to home appliances. BANK | BB to resume publishing key bank health data from July. CHEMICAL | Most chemical cos continue to ride a bumpy road. Narrowest budget deficit in a decade as govt to curb expenses. WB to give USD 500 Mn as budget support. NBR raising source tax on income of univs, other edu institutions. FOOD & ALLIED | TK Group expands into shipping, plans to carry own edible oil imports. Revenue, subsidy, inflation: Key fiscal concerns for govt. Social spending gets less priority in lopsided budgets. FDI inflow is shrinking. Here's why. MISCELLANEOUS | AkijBashir set to enter glass market, invests BDT 22 Bn. RMG | RMG export prices fall up to 16% in last 8 months. RMG | BGMEA pushes for lower taxes, cash boost as garment exports falter. RMG | Service halt for new units outside industrial zones to hurt investment: BGMEA.

Stock Market arena

ICB | ICB expands holding in Unilever Consumer Care. BANKASIA | Bank Asia to issue bonds worth BDT 8 Bn. SINGERBD | Special economic zone gets 8 investors, Singer Bangladesh in. PUBALIBANK | Pubali Bank, UCB Fintech Company strike deal on fund. transfer facilities. TITASGAS | Titas Gas' fixed assets soar by BDT 39.04 Bn. EXCHANGE | Debt funds to pay dividends for FY24, having enjoyed favourable climate. MIRAKHTER | Mir Akhter Ltd wins contract to dredge Old Brahmaputra. HAMI | Hami Industries takes lease of new agro project. EXCHANGE | Sukuk bonds' auction on Wednesday for developing Upazila and Union roads of Chattogram. EXCHANGE | Bangladesh at the bottom of global markets in May.

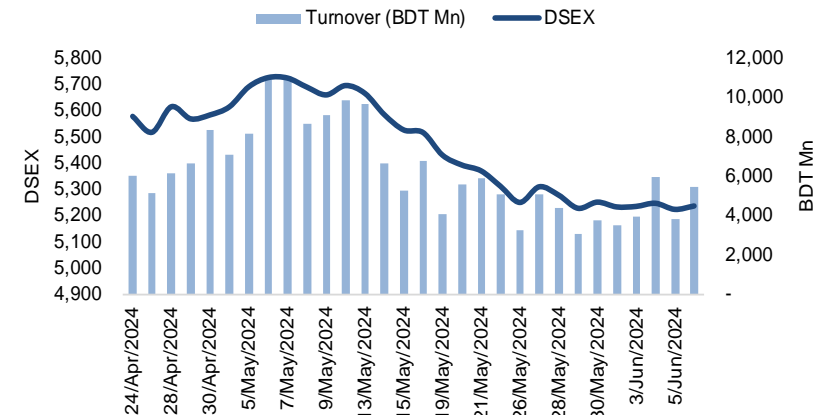
Table 1: Index

| Index | Closing* | Opening* | Δ(Pts) | 28-Dec-2023 | Δ% Week | Δ% YTD |
|-------|----------|----------|--------|-------------|---------|---------|
| DSEX | 5,237.32 | 5,251.96 | -14.64 | 6,246.50 | -0.28% | -16.16% |
| DS30 | 1,857.98 | 1,874.84 | -16.86 | 2,093.83 | -0.90% | -11.26% |
| DSES | 1,136.76 | 1,143.70 | -6.93 | 1,364.13 | -0.61% | -16.67% |
| CDSET | 1,003.22 | 1,008.71 | -5.49 | 1,202.82 | -0.54% | -16.59% |

Table 2: Market Statistics

| | | This Week | Last Week | % Change |
|------------------------|-----------|-----------|-----------|----------|
| Mcap | Mn BDT | 6,464,779 | 6,489,221 | -0.4% |
| | Mn USD | 54,809 | 55,017 | |
| Turnover | Mn BDT | 22,580 | 19,507 | +15.8% |
| | Mn USD | 191 | 165 | |
| Average Daily Turnover | Mn BDT | 4,516 | 3,901 | +15.8% |
| | Mn USD | 38 | 33 | |
| Volume | Mn Shares | 735 | 679 | +8.3% |

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 |
|--------------|--------|-------|--------|--------|------------|-------|------|
| CENTRALPHL | 20.1 | 16.5 | +21.8% | 2,408 | 484.6 | NM | 2.8x |
| FORTUNE | 33.9 | 28.2 | +20.2% | 5,785 | 535.3 | 33.4x | 2.3x |
| EMERALDOIL | 45.4 | 38.0 | +19.5% | 4,144 | 264.2 | 35.0x | NM |
| NURANI | 4.4 | 3.7 | +18.9% | 540 | 6.1 | NM | 0.5x |
| RUPALILIFE | 184.3 | 155.4 | +18.6% | 5,532 | 555.5 | NM | NM |
| TUNGHAI | 4.7 | 4.0 | +17.5% | 501 | 12.8 | NM | NM |
| BDTHAI | 19.5 | 16.6 | +17.5% | 2,492 | 216.8 | NM | 0.7x |
| TILIL | 49.7 | 42.5 | +16.9% | 1,988 | 102.9 | NM | NM |
| STANCERAM | 99.9 | 87.5 | +14.2% | 645 | 8.5 | NM | NM |
| AFTABAUTO | 32.4 | 28.5 | +13.7% | 3,420 | 203.2 | NM | 0.7x |

Table 4: Top Ten Losers

| Company Name | Close* | Open* | Δ% | Mcap** | Turnover** | PE | PB |
|--------------|--------|-------|--------|--------|------------|-------|-------|
| KBPWPBIL | 140.6 | 163.4 | -14.0% | 13,790 | 42.1 | NM | 11.9x |
| HAMI | 133.9 | 154.4 | -13.3% | 1,031 | 27.7 | NM | 14.7x |
| BIFC | 10.5 | 12.0 | -12.5% | 1,057 | 6.7 | NM | NM |
| ORIONINFU | 508.9 | 572.1 | -11.0% | 10,361 | 415.7 | NM | 34.1x |
| RAHIMTEXT | 114.1 | 126.9 | -10.1% | 1,079 | 8.9 | NM | 4.7x |
| NCCBANK | 11.1 | 12.3 | -9.8% | 12,326 | 9.6 | 7.1x | 0.5x |
| FIRSTFIN | 3.9 | 4.3 | -9.3% | 462 | 0.5 | NM | NM |
| GLDNJMF | 15.8 | 17.4 | -9.2% | 1,580 | 67.2 | NM | 1.6x |
| PHENIXINS | 29.2 | 32.1 | -9.0% | 1,178 | 2.0 | 20.9x | 0.8x |
| CAPITECGBF | 11.3 | 12.4 | -8.9% | 1,759 | 88.2 | NM | 1.2x |

Table 5: Top Ten Most Traded Shares

| Company Name | Close* | Open* | Δ% | Mcap** | Turnover** | PE | PB |
|--------------|--------|-------|--------|---------|------------|-------|------|
| MPETROLEUM | 198.6 | 198.6 | - | 21,492 | 712.6 | 4.6x | 0.9x |
| BATBC | 326.5 | 328.8 | -0.7% | 176,310 | 650.7 | 10.1x | 3.4x |
| LOVELLO | 94.5 | 86.9 | +8.7% | 8,033 | 590.5 | 68.5x | 7.2x |
| BEACHHATCH | 75.3 | 74.7 | +0.8% | 3,117 | 576.4 | 39.0x | 6.0x |
| RUPALILIFE | 184.3 | 155.4 | +18.6% | 5,532 | 555.5 | NM | NM |
| ASIATICLAB | 52.9 | 54.8 | -3.5% | 6,475 | 539.9 | NM | 1.0x |
| FORTUNE | 33.9 | 28.2 | +20.2% | 5,785 | 535.3 | 33.4x | 2.3x |
| EGEN | 38.6 | 39.6 | -2.5% | 2,895 | 516.9 | 26.3x | 1.7x |
| AIL | 126.8 | 135.6 | -6.5% | 5,611 | 493.2 | 51.3x | 5.3x |
| CENTRALPHL | 20.1 | 16.5 | +21.8% | 2,408 | 484.6 | NM | 2.8x |

Table 6: Most Appreciated YTD in BRAC EPL Universe

| Company Name | Close* | YTD %Δ | Mcap** | PE | PB |
|--------------|--------|--------|--------|-------|------|
| BRACBANK | 33.9 | +4.2% | 59,993 | 6.7x | 0.9x |
| POWERGRID | 41.2 | +0.8% | 37,649 | NM | 0.2x |
| BSRMLTD | 90.0 | - | 26,873 | 4.6x | 0.6x |
| ISLAMIBANK | 32.6 | - | 52,486 | 8.3x | 0.7x |
| KPCL | 26.6 | - | 10,571 | 80.6x | 1.5x |
| MPETROLEUM | 198.6 | - | 21,492 | 4.6x | 0.9x |
| NM | NM | NM | NM | NM | NM |
| NM | NM | NM | NM | NM | NM |
| NM | NM | NM | NM | NM | NM |
| NM | NM | NM | NM | NM | NM |

Table 7: Sector Indices

| Sector Name | Week Close* | Week Open* | Year Open* | Δ% Week | Δ% YTD |
|------------------------|-------------|------------|------------|---------|---------|
| Bank | 1,297.0 | 1,304.7 | 1,455.32 | -0.59% | -10.88% |
| NBFI | 1,098.4 | 1,091.9 | 1,902.52 | +0.59% | -42.27% |
| Mutual Fund | 667.9 | 695.7 | 876.90 | -4.00% | -23.84% |
| General Insurance | 2,906.6 | 2,942.1 | 3,489.09 | -1.21% | -16.69% |
| Life Insurance | 2,073.4 | 2,000.2 | 2,637.78 | +3.66% | -21.40% |
| Telecommunication | 3,786.0 | 3,763.0 | 4,945.60 | +0.61% | -23.45% |
| Pharmaceutical | 2,981.6 | 3,024.2 | 3,732.58 | -1.41% | -20.12% |
| Fuel & Power | 1,189.8 | 1,197.1 | 1,691.80 | -0.61% | -29.67% |
| Cement | 2,160.8 | 2,152.6 | 2,523.22 | +0.38% | -14.36% |
| Services & Real Estate | 1,552.3 | 1,567.2 | 1,518.57 | -0.95% | +2.22% |
| Engineering | 2,639.3 | 2,723.7 | 4,520.40 | -3.10% | -41.61% |
| Food & Allied | 15,376.4 | 15,460.6 | 21,180.76 | -0.54% | -27.40% |
| IT | 2,485.0 | 2,447.8 | 2,894.80 | +1.52% | -14.16% |
| Textile | 1,238.1 | 1,238.1 | 1,658.23 | +0.00% | -25.34% |
| Paper & Printing | 6,682.7 | 6,781.7 | 10,093.63 | -1.46% | -33.79% |
| Tannery | 2,405.1 | 2,302.1 | 3,103.94 | +4.47% | -22.52% |
| Jute | 15,613.8 | 15,727.4 | 17,683.51 | -0.72% | -11.70% |
| Ceramics | 506.0 | 505.0 | 694.56 | +0.20% | -27.14% |
| Miscellaneous | 4,147.8 | 4,209.4 | 4,265.32 | -1.46% | -2.76% |

Table 8: Sector Trading Matrix

| Sector Name | Daily average this Week | Daily average last Week | % Change | % of Total Turnover | PE | PB |
|------------------------|-------------------------|-------------------------|----------|---------------------|-------|------|
| Bank | 265.7 | 293.9 | -9.58% | +6.56% | 7.2x | 0.6x |
| NBFI | 53.0 | 50.1 | +5.60% | +1.31% | NM | NM |
| Mutual Fund | 168.1 | 260.7 | -35.54% | +4.15% | NM | 0.6x |
| General Insurance | 98.1 | 101.1 | -2.96% | +2.42% | 15.3x | 1.3x |
| Life Insurance | 256.8 | 165.6 | +55.12% | +6.34% | NM | NM |
| Telecommunication | 34.9 | 47.2 | -26.03% | +0.86% | 9.9x | 2.7x |
| Pharmaceutical | 693.1 | 667.2 | +3.87% | +17.12% | 15.4x | 1.7x |
| Fuel & Power | 202.5 | 124.1 | +63.14% | +5.00% | 20.5x | 0.7x |
| Cement | 28.6 | 25.9 | +10.31% | +0.71% | 15.0x | 2.1x |
| Services & Real Estate | 170.2 | 157.4 | +8.11% | +4.20% | 26.9x | 0.6x |
| Engineering | 440.9 | 263.5 | +67.32% | +10.89% | 12.8x | 1.0x |
| Food & Allied | 593.8 | 436.3 | +36.10% | +14.67% | 15.0x | 4.7x |
| IT | 198.5 | 183.5 | +8.18% | +4.90% | 27.0x | 2.1x |
| Textile | 501.3 | 437.4 | +14.60% | +12.38% | 94.0x | 0.9x |
| Paper & Printing | 47.4 | 55.0 | -13.97% | +1.17% | 47.3x | 1.5x |
| Tannery | 125.3 | 50.0 | +150.71% | +3.09% | 37.9x | 2.5x |
| Jute | 9.7 | 19.9 | -51.18% | +0.24% | NM | NM |
| Ceramics | 85.1 | 54.2 | +56.88% | +2.10% | 43.9x | 1.4x |
| Miscellaneous | 75.1 | 59.1 | +27.00% | +1.85% | 38.1x | 1.8x |

Table 9: Least Appreciated YTD in BRAC EPL Universe

| Company Name | Close* | YTD %Δ | Mcap** | PE | PB |
|--------------|--------|--------|---------|-------|------|
| IPDC | 19.8 | -63.9% | 7,715 | 22.3x | 1.1x |
| DOREENPWR | 25.9 | -57.5% | 4,691 | 6.5x | 0.5x |
| WALTONHIL | 478.1 | -54.4% | 144,830 | 11.2x | 1.3x |
| ACI | 123.6 | -52.5% | 9,419 | NM | 1.2x |
| BSCPLC | 105.3 | -51.9% | 17,365 | 9.0x | 1.1x |
| RUNNERAUTO | 24.1 | -50.2% | 2,736 | NM | 0.4x |
| RENATA | 635.0 | -47.9% | 72,832 | 31.7x | 2.2x |
| TITASGAS | 22.0 | -46.2% | 21,763 | NM | 0.3x |
| UPGDCL | 126.6 | -45.8% | 73,389 | 9.8x | 2.2x |
| DBH | 31.1 | -45.1% | 6,185 | 6.9x | 0.7x |

Important News: Business, Economy & Sector

Govt to rely more on local banks than foreign funds

- The government will rely more on domestic bank borrowing than foreign financing in the next fiscal year, intensifying pressure on the economy. In the revised budget for the current fiscal year of 2023-24, the net foreign financing was cut by 25% due to the increasing debt servicing cost and low utilisation of foreign funds.

<https://www.thedailystar.net/business/bangladesh-national-budget-fy2024-25/news/govt-rely-more-local-banks-foreign-funds-3627711>

Exports slide 16% in May

- Merchandise exports from Bangladesh declined 16.06% year-on-year to USD 4.07 Bn in May due to the poor performance of major sectors such as garments, jute and jute goods, and leather and leather products, official figures showed yesterday.

<https://www.thedailystar.net/business/economy/news/exports-slide-16-may-3627671>

Budget support from dev partners to cross USD 2 Bn for second time

- This fiscal year marks the second instance of the government receiving over USD 2 Bn in budget support from development partners. Previously, the highest recorded budgetary assistance stood at USD 2.597 Bn in the fiscal 2021-22, according to data from the Economic Relations Division (ERD).

<https://www.tbsnews.net/economy/budget-support-dev-partners-cross-2b-second-time-869156>

NBR to align import duties for 20 products with WTO standards in FY25

- Six products were brought under WTO Bound Duty in the 2022-23 fiscal year budget. Sixty more products have been identified for duty alignment with the WTO. The plan aims to achieve this alignment for all 60 products by 2026, implementing it in three phases: 20 products in 2024, 20 in 2025, and 20 in 2026.

<https://www.tbsnews.net/nbr/nbr-align-import-duties-20-products-wto-standards-fy25-869136>

BANK | State banks' default loans rise 42% in a year

- Default loans at six state-run banks rose by 42% to BDT 858.69 Bn at the end of March this year, giving an indication of their fragile financial health resulting from a lack of good governance.

<https://www.thedailystar.net/business/economy/news/state-banks-default-loans-rise-42-year-3627666>

BANK | Deposit interest highest in decade, while growth lowest in 10 months

- Most banks offered up to 12% interest on deposits in April, the highest in a decade. Despite higher interest rates, deposit growth slowed to 8.63%, the lowest in the last ten months, according to central bank sources.

<https://www.tbsnews.net/economy/deposit-interest-highest-decade-while-growth-lowest-10-months-869126>

Thumbs-down on treasuries to bridle bank-lending rate

- The strategy change of the government on interest regime in order to ease the business climate here becomes clear in very recent auctions of treasury bills where the auction committee only accepted bids within the target, so the cut-off yields of the treasury auctions did not increase further, according to them.

<https://today.thefinancialexpress.com.bd/first-page/thumbs-down-on-treasuries-to-bridle-bank-lending-rate-1717524034>

Cautiously crafted BDT 7.97 Tn budget tomorrow amid economic pains

- Higher inflation, lower investment and forex crunch remain pains in the neck as the government goes to place in parliament tomorrow a cautiously crafted BDT 7.97 Tn new national budget.

<https://today.thefinancialexpress.com.bd/first-page/cautiously-crafted-tk-797t-budget-tomorrow-amid-economic-pains-1717524082>

Lower budget deficit planned as foreign financing seen slowing

- The finance ministry is estimating a significantly lower overall deficit for the fiscal 2024-25 compared to the current fiscal year, while formulating a contractionary budget amid high inflation, volatile dollar exchange rates, and sluggish import-export growth.

<https://www.tbsnews.net/economy/lower-budget-deficit-planned-foreign-financing-seen-slowing-868941>

IT | Govt may offer another 3-year tax exemption for IT sector

- The government is planning to provide another three-year tax exemption for the IT sector with the condition to ensure cashless transactions aiming to support the government's vision of Smart Bangladesh and transforming the country into a prosperous, developed, and technologically sophisticated nation by 2041, according to the Finance Ministry officials.

<https://www.tbsnews.net/economy/budget/govt-may-offer-another-3-year-tax-exemption-it-sector-868911>

Ctg customs see 12.57% revenue growth in 11 months of FY24

- Chattogram Customs House, the country's largest customs station, has collected BDT 620.25 Bn in revenues in the first 11 months of the fiscal year 2023-24.

<https://www.tbsnews.net/economy/ctg-custom-revenue-sees-1257-growth-current-fiscal-year-over-tk62000cr-868691>

Source tax on fruit imports may double; hotels, clinics to come under new tax net

- The existing source tax on imported fruits and flowers may be doubled in the upcoming budget, raising it from the current 5% to 10%, sources in the finance ministry say.

<https://www.tbsnews.net/nbr/source-tax-fruit-imports-may-double-hotels-clinics-come-under-new-tax-1>

BANK | Excise duty exemption likely on offshore banking deposits

- The central bank allowed Bangladeshi and foreign nationals to avail the benefit and permitted domestic commercial banks' OBUs to offer an interest or profit rate markup over a benchmark rate for term deposits in foreign currencies to eligible customers.

<https://www.thedailystar.net/business/economy/news/excise-duty-exemption-likely-offshore-banking-deposits-3626821>

Rising food prices drive up general inflation to 9.89% in May

- Just days before the budget for the upcoming fiscal year, expected to focus on curbing soaring prices, the country's general inflation surged to a seven-month peak of 9.89%, primarily fueled by rising food prices.

<https://www.tbsnews.net/economy/inflation-bangladesh-rises-989-may-867411>

Almost all extreme poor with disabilities to be brought under social safety net

- The government is planning to bring almost all indigent persons with disabilities under the social safety net from the upcoming fiscal year 2024-25 (FY25).

<https://www.tbsnews.net/bangladesh/budget-fy25-almost-all-extremely-poor-persons-disabilities-be-brought-under-social-safety>

BANK | Nagad becomes country's first digital bank

- The Bangladesh Bank has granted final approval to Nagad Digital Bank with an exemption on the shareholding of its three institutional investors.

<https://www.tbsnews.net/economy/banking/nagad-receives-digital-bank-plc-licence-867796>

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<https://www.tbsnews.net/economy/banking/nagad-receives-digital-bank-plc-licence-867796>

BANK | bKash generates BDT 700 Mn profit in March quarter

- The country's leading mobile financial service (MFS) provider bKash generated BDT 700 Mn in profit in the first quarter, marking 95% year-on-year growth.

<https://www.tbsnews.net/economy/stocks/bkash-generates-tk70cr-profit-march-quarter-868876>

Bangladesh's trade with Saarc countries falls in FY23

- Bangladesh's trade – both imports and exports – with the member countries of the South Asian Association for Regional Cooperation (Saarc), is declining. In FY23, according to central bank data, Saarc countries accounted for 3.44% of Bangladesh's total exports, with Europe and the United States being the major destinations.

<https://www.tbsnews.net/economy/bangladeshs-trade-saarc-countries-falls-fy23-867061>

Foreign investors continue to sell shares

- The net foreign portfolio investment in Bangladesh continued to fall in the July-March period of fiscal year 2023-24 due to the negative economic outlook, repeated devaluation of the local currency against the US dollar, and policy instability.

<https://www.thedailystar.net/business/news/foreign-investors-continue-sell-shares-3626016>

Power, agriculture to drive up subsidies

- The subsidies are mainly increasing in the power, energy, and the agriculture sectors. In the upcoming fiscal year, which begins on July 1, the subsidy allocation is likely to be BDT 1,120 Bn, up from BDT 1,001.74 Bn in the outgoing fiscal year.

<https://www.thedailystar.net/business/economy/news/power-agriculture-drive-subsidies-3626101>

BANK | Islamic banks face liquidity challenges: Fitch

- Liquidity shortages are still affecting Bangladesh's Islamic banking sector, which is more vulnerable than conventional banks, according to a report released by Fitch Ratings yesterday. Islamic banks' liquidity coverage ratio (LCR) tumbled to 58.7% at the end of last year, compared to 87.7% in 2022 and 188.5% in 2021.

<https://www.thedailystar.net/business/economy/news/islamic-banks-face-liquidity-challenges-fitch-3626076>

Remittance up 32% in May ahead of Eid

- Bangladesh witnessed a significant increase in remittance inflows in May, with a 32.35% rise compared to the same month last year, as migrants sent more money home ahead of the Eid-ul-Azha festival.

<https://thefinancialexpress.com.bd/economy/remittance-up-32pc-in-may-ahead-of-eid>

VAT likely to go up on 13 items – from fruit juice to LED bulbs to home appliances

- The government plans to increase the value-added tax (VAT) on more than 13 goods and services, including LED bulbs and tube lights, various juices, mango bars, rolling paper, security services, auction services, refrigerators, and air conditioners.

<https://www.tbsnews.net/economy/vat-likely-go-13-items-fruit-juice-led-bulbs-home-appliances-867006>

BANK | BB to resume publishing key bank health data from July

- After a 12-month pause, the Bangladesh Bank (BB) plans to resume publishing key data used to assess the financial health of commercial banks, including interest rates and spreads, from July next, according to officials.

<https://thefinancialexpress.com.bd/economy/bb-to-resume-publishing-key-bank-health-data-from-july>

CHEMICAL | Most chemical cos continue to ride a bumpy road

- Most listed chemical manufacturers are struggling to make profits since the pandemic while lingering macroeconomic challenges, stronger dollar and runaway inflation have continued to affect their business adversely.

<https://today.thefinancialexpress.com.bd/stock-corporate/most-chemical-cos-continue-to-ride-a-bum1>

Narrowest budget deficit in a decade as govt to curb expenses

- As the government wants to lower expenses, it is likely to contain the budget deficit to 4.6% of gross domestic product in the next fiscal year, a level seen a decade ago.

<https://www.thedailystar.net/business/economy/news/narrowest-budget-deficit-decade-govt6>

WB to give USD 500 Mn as budget support

- After the IMF's loan, the World Bank is now going to provide USD 500 Mn in budget support to Bangladesh, double from what it had initially planned, by the end of June, said finance ministry officials.

<https://www.thedailystar.net/business/economy/news/wb-give-500-million-budget-support-3623246>

NBR raising source tax on income of univs, other edu institutions

- The government plans to increase the source tax on the interest income of educational institutions, including public universities and schools under monthly pay orders (MPOs), as well as the income of the Bangladesh Telecommunication Regulatory Commission (BTRC) from mobile phone companies, up to double the current rate of 10% in the upcoming budget, according to finance ministry sources.

<https://www.tbsnews.net/nbr/nbr-raising-source-tax-income-univs-other-edu-institutions-867011>

FOOD & ALLIED | TK Group expands into shipping, plans to carry own edible oil imports

- TK Group, a major player in the country's consumer goods and industrial sectors, has initiated massive investments with the goal of transporting its own edible oil imports by using its own vessels.

<https://www.tbsnews.net/economy/tk-group-expands-shipping-plans-carry-own-edible-oil-imports-866266>

Revenue, subsidy, inflation: Key fiscal concerns for govt

- The finance ministry anticipates a challenging fiscal year ahead with key areas of concern that include meeting revenue targets, addressing subsidy arrears in power, gas, and fertiliser, and controlling imported inflation.

<https://www.tbsnews.net/economy/revenue-subsidy-inflation-key-fiscal-concerns-govt-866126>

Social spending gets less priority in lopsided budgets

- The government has prioritised budgetary investments in three sectors, namely public services, transportation and communications, and energy, since the fiscal year of 2008-09. By contrast, actual spending witnessed a drop in vital sectors such as agriculture, social security, health, and education.

<https://www.thedailystar.net/business/economy/news/social-spending-gets-less-priority-lopsided-budgets-3624501>

FDI inflow is shrinking. Here's why

- Bangladesh has been consistently getting little foreign direct investment (FDI) over the years despite witnessing handsome GDP growth, developing several special economic zones and adopting one-stop services.

<https://www.thedailystar.net/business/economy/news/fdi-inflow-shrinking-heres-why-3624341>

MISCELLANEOUS | AkijBashir set to enter glass market, invests BDT 22 Bn

- AkijBashir Group is set to soon offer different types of high-end glass used in construction, seeking to grab a share of rising sales amounting to around BDT 26 Bn annually.

<https://www.thedailystar.net/business/economy/news/akijbashir-set-enter-glass-market-invests-tk-2200cr-3624336>

RMG | RMG export prices fall up to 16% in last 8 months

- Export prices of locally made garment items have fallen by 8% to 16% year-on-year over the last eight months, according to data of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

<https://www.thedailystar.net/business/economy/news/rmg-export-prices-fall-16-last-8-months-3624331>

RMG | BGMEA pushes for lower taxes, cash boost as garment exports falter

- The measures include a reduction in source tax to 0.50%, continuation of the cash incentive for apparel exports until 2029 and immediate steps to stop customs harassment.

<https://today.thefinancialexpress.com.bd/stock-corporate/bgmea-pushes-for-lower-taxes-cash-boost-as-garment-exports-falter-1717260543>

RMG | Service halt for new units outside industrial zones to hurt investment: BGMEA

- The decision to allow no new industries outside designated economic zones and industrial enclaves, such as BSCIC, will badly hurt industrialization, new investments, and exports in the country, readymade garment manufacturers have warned.

<https://www.tbsnews.net/economy/rmg/bgmea-seeks-policy-support-pushes-making-tax-source-050-865806>

Important News: Capital Market

ICB | ICB expands holding in Unilever Consumer Care

- Between April and May, ICB bought a total of 0.893 Mn shares, or 4.63% of Unilever Consumer, for BDT 1.88 Bn through the block market at the DSE.

<https://www.tbsnews.net/economy/stocks/icb-expands-holding-unilever-consumer-care-869811>

BANKASIA | Bank Asia to issue bonds worth BDT 8 Bn

- Private sector commercial bank, Bank Asia decided to issue floating rate subordinated bonds worth BDT 8 Bn to raise regulatory capital. According to the 2023 financial statement, the bank has already issued subordinated bonds worth BDT 7.68 Bn.

<https://today.thefinancialexpress.com.bd/stock-corporate/bank-asia-to-issue-bonds-worth-tk-8b-1717613449>

SINGERBD | Special economic zone gets 8 investors, Singer Bangladesh in production

- Bangladesh Special Economic Zone (BSEZ) has attracted eight investors, with Singer Bangladesh Ltd already in trial production, said the zone's Managing Director Taro Kawachi.

<https://www.tbsnews.net/economy/special-economic-zone-gets-8-investors-singer-bangladesh-production-868761>

PUBALIBANK | Pubali Bank, UCB Fintech Company strike deal on fund transfer facilities

- Pubali Bank recently signed an agreement with UCB Fintech Company for fund transfer facilities between the bank's mobile banking apps and UCB Fintech's Upay Wallet.

<https://www.thedailystar.net/business/banking/news/pubali-bank-ucb-fintech-company-strike-deal-fund-transfer-facilities-3626766>

TITASGAS | Titas Gas' fixed assets soar by BDT 39.04 Bn

- The total value of fixed or long-term tangible assets held by Titas Gas Transmission and Distribution Company, a publicly listed state-owned gas distributor, has witnessed a BDT 39.04 Bn increase in a year.

<https://www.tbsnews.net/economy/stocks/titas-gass-fixed-assets-soar-tk3904cr-867791>

EXCHANGE | Debt funds to pay dividends for FY24, having enjoyed favourable climate

- Funds designed to invest in risk-free securities have generated positive returns for FY24 while other mutual funds having a larger share of the money in equity securities endured erosion of assets in the year.

<https://today.thefinancialexpress.com.bd/stock-corporate/debt-funds-to-pay-dividends-for-fy24-having-enjoyed-favourable-climate-1717526164>

MIRAKHTER | Mir Akhter Ltd wins contract to dredge Old Brahmaputra

- According to the company's statement, a joint venture between Mir Akhter and Confidence Infrastructure Limited obtained the dredging work under a BIWTA project for the improvement and restoration of navigability for the Old Brahmaputra, Dharala, Tulai, and Punarbhaba rivers.

<https://www.tbsnews.net/economy/stocks/mir-akhter-ltd-wins-contract-dredge-old-brahmaputra-866971>

HAMI | Hami Industries takes lease of new agro project

- Hami Industries, formerly known as Imam Button Industries, has decided to take lease of a new agro project in Cumilla. In a stock exchange filing on Sunday, the company said it took a lease of 705 decimal or 23.5 bigha of land from Mohammad Salamat Ullan and Tarikul Islam Bhuiyan for a period of five years.

<https://www.tbsnews.net/economy/stocks/hami-industries-takes-lease-new-agro-project-866961>

EXCHANGE | Sukuk bonds' auction on Wednesday for developing Upazila and Union roads of Chattogram

- The government has decided to collect funds through 'Sukuk Bond' to develop the Upazila and Union Road network in the Chattogram division. In line with this, the auction of a five-year term sukuk bond will be held on June 5 at Bangladesh Bank, reports UNB.

<https://thefinancialexpress.com.bd/stock/sukuk-bonds-auction-on-wednesday-for-developing-upazila-union-roads-of-ctg>

EXCHANGE | Bangladesh at the bottom of global markets in May

- The Bangladesh stock market was the worst performer globally in May this year, as the prime index plunged 6%, owing to a severe confidence crisis among local and foreign investors.

<https://today.thefinancialexpress.com.bd/stock-corporate/bangladesh-at-the-bottom-of-global-markets-in-may-1717093449?date=31-05-2024>

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