

Economy

ADB provides USD 230 Mn for flood rehabilitation in Bangladesh

The Asian Development Bank (ADB) has signed agreements with Bangladesh for USD 230 Mn in loan to help the rehabilitation and reconstruction efforts in the north-eastern region of the country affected by devastating floods in May–June 2022. The assistance under the Flood Reconstruction Emergency Assistance Project aims to help in the reconstruction, improvement of resilience, and economic recovery of northeastern districts.

<https://www.tbsnews.net/economy/adb-provides-230-million-flood-rehabilitation-bangladesh-618038>

Finance ministry releases BDT 10 Bn incentives for knitwear sector ahead of Eid

The Ministry of Finance has released cash incentives of BDT 10 Bn for the export-oriented knitwear sector.

<https://www.tbsnews.net/economy/finance-ministry-releases-tk1000cr-incentives-knitwear-sector-ahead-eid-618118>

Capital machinery imports keep falling

Bangladesh's import of capital machinery has continued its falling trend as banks have remained cautious in financing purchases amid the dollar crisis while entrepreneurs showed reluctance to expand owing to slowing domestic and export sales.

Data from the Bangladesh Bank showed that the opening of letters of credit (LCs) to import capital machinery slumped nearly 56% year-on-year to USD 2.29 Bn in the first three quarters of the ongoing financial year of 2022-23. Settlement of LCs dropped 15% to USD 3.13 Bn in the July-March period.

<https://www.thedailystar.net/business/economy/news/capital-machinery-imports-keep-falling-3299516>

Dhaka, Delhi close to start trading in taka, rupee

Bangladesh and India have agreed to settle a part of bilateral trade transactions in their own currencies to ease pressure on dollar holdings. To facilitate the cross-country transactions, Sonali Bank and Eastern Bank will open accounts in two Indian lenders – State Bank of India and ICICI Bank. The two Indian banks will also open similar accounts in the two Bangladeshi banks.

Opening of these accounts – known as vostro and nostro accounts in global accounting – will require approval of respective central banks. Exports from Bangladesh to India are worth about USD 2 Bn, transactions of which will be completed in rupees and takas. On the other hand, Bangladesh's import from India in last fiscal year was about USD 13.69 Bn, of which USD 2 Bn, an equal trade value, will be traded in rupees, while the rest will be paid in US dollars as always.

<https://www.tbsnews.net/economy/dhaka-delhi-close-start-trading-taka-rupee-618338>

Banking, FI, and Insurance

Banks turning away from capital market, with investments far below limit set

Capital market exposure as of Feb Figures in %

Bank	Solo basis	Consolidated basis	Bank	Solo basis	Consolidated basis
AB Bank	19.72	53.09	One Bank	21.92	32.52
Bank Asia	19.09	28.30	Premier Bank	23.78	33.93
BRAC Bank	15.41	16.90	Prime Bank	18.39	32.82
The City Bank	18.14	33.66	Pubali Bank	20.10	41.73
Dhaka Bank	23.54	29.39	Shahjalal Islami Bank	21	34.90
Eastern Bank	24.71	40.90	SBAC Bank	20.82	19.28
EXIM Bank	26.78	34.41	Southeast Bank	19.11	41.97
First Security Islami Bank	18.26	25.28	Standard Bank	24.03	38.62
Global Islami Bank	20.50	20.50	Trust Bank	21.31	51.12
IFIC Bank	24.70	37.40	Union Bank	14.91	14.91
Jamuna Bank	16.30	19.37	United Commercial Bank	20.90	33.44
Mercantile Bank	14.21	37.27	Uttara Bank	18.58	21.70
MTB	8.66	35.35	Islami Bank Bangladesh	20.54	19.12
National Bank	20.31	28.70	Al-Arafa Islami Bank	24.51	49.74
NCC Bank	22.46	33.01	ICB Islami Bank	0.16	0.16
NRB Commercial Bank	23.49	28.30	Dutch-Bangla Bank	4.54	4.54

Source: BSEC

As many as 32 scheduled banks have the scope of investing around Tk 37 billion more in total into the capital market, keeping their exposure to listed securities within the permissible limit on solo basis. At present, the lenders have a little over Tk 136 billion invested in equity and debt-backed securities, according to the Bangladesh Securities and Exchange Commission (BSEC).

<https://thefinancialexpress.com.bd/stock/bangladesh/banks-turning-away-from-capital-market-with-investments-far-below-limit-set>

Economic crisis, war take a toll on non-life insurers



The global economic crisis, fueled by the Russia-Ukraine war, appears to have hit the non-life insurance

sector hard, as most insurers experienced year-on-year declines in their profits for 2022. Twelve of the 42 publicly listed general insurers have published their annual performance. Eight of them witnessed declines, while only four posted year-on-year growth.

Industry people blame the sluggish business of insurance companies on a combination of factors – declining imports, a stock market slowdown, the resumption of agents' commissions, and higher reinsurance costs. Usually, general insurers provide services to their clients in the following areas: fire, marine, engineering, motor, and miscellaneous.

<https://www.tbsnews.net/economy/stocks/economic-crisis-war-take-toll-non-life-insurers-618302>

Textile

Apparel export to nontraditional market increases by 34.74% in Q3

Bangladesh's apparel export to the nontraditional market increased by 34.74% year-on-year to USD 6.44 Bn in the first three quarters of (July-March) of FY2022-23, according to the EPB data. The apparel export earnings were USD 4.78 Bn in the same period of FY2021-22. Among the major non-traditional markets, RMG exports to **Japan, India, and Australian markets** have grown 43.79% to USD 1.22 Bn, 58.38% to USD 830.51 Mn, 42.22% to USD 889.88 Mn year-on-year respectively.

<https://www.tbsnews.net/economy/rmg/apparel-export-nontraditional-market-increases-3474-q3-617978>

Stock-Specific News

Eastern Housing's land, apartment sales surge in March quarter

Eastern Housing, the lone publicly traded real-estate company in the country, witnessed an 8% growth in land sales and 11% in apartment sales in the January-March quarter of FY23 amid inflationary pressure. During the quarter, the company sold land worth BDT 604.2 Mn and apartments worth BDT 67.6 Mn. The total revenue of this company amounted to BDT 670 Mn in the period, which was 8% higher than that in the same period in the previous year. Its net profit also jumped year-on-year by 30% to BDT 156.8 Mn and the earnings per share (EPS) stood at BDT 1.68 during the third quarter of FY23.

<https://www.tbsnews.net/economy/stocks/eastern-housings-land-apartment-sales-surge-march-quarter-618298>

Berger to borrow \$60m from parent company

Berger Paints Bangladesh Ltd is going to borrow US\$ 60 million from its UK-based parent company J&N Investments (Asia) Limited. The loan will be utilized to open letters of credit (LC) for raw material imports, and will be disbursed in phases, based on the company's business requirements.

<https://thefinancialexpress.com.bd/stock/bangladesh/berger-to-borrow-60m-from-parent-company>