

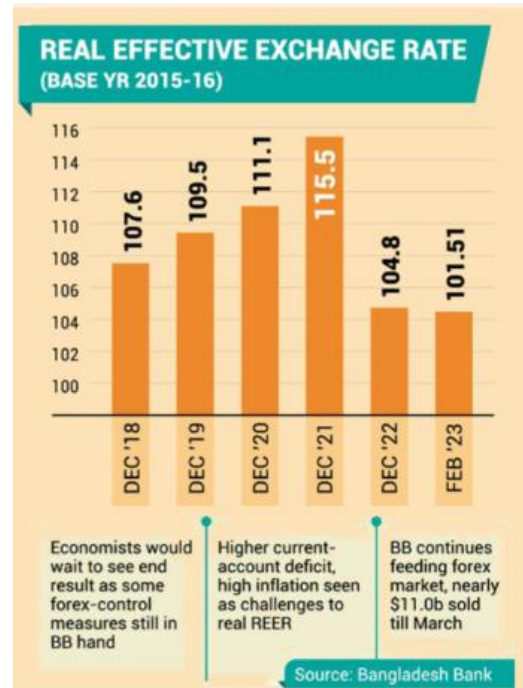
Economy

BD trade competitiveness improves with exchange rates stabilizing

Bangladesh's global trade-competitiveness signals improvement as the local currency now appears to be settling near its fair value in exchange with a basket of peer currencies after recurrent depreciations, official data show. The real effective exchange rate (REER) of the taka against a 15-currency basket of its global trading partners dropped further last February-in the process of stabilizing through recent relaxation measures.

The REER index fell from 102.29 in January to 101.51 in February 2023 as the local currency depreciated more compared to currencies of its peer trading-partner economies across the globe, according to Bangladesh Bank data. The REER, measured by the central bank of Bangladesh against the currency basket, is said to be at its fair state when the value is 100.

<https://thefinancialexpress.com.bd/economy/bangladesh/bd-trade-competitiveness-improves-with-exchange-rates-stabilising>



Good news for savers as banks hike deposit rate

Banks in Bangladesh are raising the interest rate on deposits to pull funds with a view to tackling the liquidity shortage and meeting a higher demand for loans. It comes as good news for savers, who saw the real return on their deposits turn negative as the interest rate continues to remain below the inflation rate. Data from the Bangladesh Bank showed that banks in February offered as high as 8% for fixed deposits to attract savers, particularly from public institutions. The weighted average interest rate on deposits stood at 4.31% in February, the highest in nearly two years. In January, it was 4.29%.

<https://www.thedailystar.net/business/economy/banks/news/good-news-savers-banks-hike-deposit-rate-3302251>

Flat 15% VAT likely to replace multiple rates from FY '24

Government's revenue authority has moved to close the scope of levying VAT at multiple rates and keep 15% as a flat rate to be included in product prices, sources said. Once ratified in the budget for the forthcoming fiscal 2023-24, the value-added tax collected from consumers at varied rates, such as 5%, 7.5%, 10%, and specific tax would stand nullified in phases. "The measure is being taken to accelerate revenue growth and bring discipline in VAT collection," says one official, adding that the VAT now collected from consumers will be merged proportionally in product prices.

<https://thefinancialexpress.com.bd/economy/bangladesh/flat-15pc-vat-likely-to-replace-multiple-rates-from-fy-24>

ADP execution lowest in 13 years for agencies' 'incapacity'

Development works go slow, despite prod from high-ups, as ADP implementation in three quarters of the current fiscal recorded the lowest rate in 13 years at 41.65%, official data showed. In the same period (July-Mar) last fiscal year (FY2021-22), government project- implementation agencies executed 45.05% of the Annual Development Programme (ADP).

An FE analysis has found the ADP-execution rate in the 3Q of the current FY2023 lowest within the available IMED time-series data dating back FY2011. Even the Covid-infested two years-FY2020 and FY2021-showed better performance than that in the current fiscal year. IMED officials said the government ministries and agencies had failed to improve their capacity even after recovery from the Covid-19 impact when the project works were affected severely.

<https://thefinancialexpress.com.bd/economy/bangladesh/adp-execution-lowest-in-13-years-for-agencies-incapacity>

Stock-Specific News

Higher product price helps Singer Bangladesh return to quarterly profits

Singer Bangladesh Limited, after two consecutive quarters of losses, made a profit in the January to March quarter of this year, thanks to an increase in the prices of its products. During the quarter, the multinational electronics giant's net profit stood at BDT 112.3 Mn. In the previous July to September and October to December quarters of 2022, the company incurred losses of BDT 80 Mn and BDT 70 Mn respectively.

In its financial statement for the March quarter, Singer Bangladesh said the consumer spending on appliance products has decreased under economic pressures like the Ukraine war, high inflation, and the volatility in the forex market.



<https://www.tbsnews.net/economy/stocks/higher-product-price-helps-singer-bangladesh-return-quarterly-profits-618962>

Reckitt Benckiser's profit jumps by 67%

UK-based multinational Reckitt Benckiser Bangladesh posted 67% growth in its profit in the first quarter of 2023 (January to March) owing to fewer marketing expenses. During the period, the net profit of the company stood at BDT 152.1 Mn, which was BDT 91 Mn in the same period of the previous year.

The company said that the cost of goods sold has increased compared to the same period last year. The operating expenses have been reduced significantly due to fewer marketing expenses, which created a positive impact on EPS compared to the same period last year.

<https://www.tbsnews.net/economy/stocks/reckitt-benckisers-profit-jumps-67-618550>

Sea Pearl's profit jumps amid improving tourism industry

Sea Pearl Beach Resort and Spa Limited's posted higher profit growth in the third quarter (January to March) of the current fiscal year owing to the improvement of the hotel and tourism business in the post-Covid period. From January to March quarter of 2023, the revenue of the company stood at BDT 772.7 Mn, which was BDT 245.5 Mn in the same period of the previous year.

Its net profit was BDT 377.9 Mn, which was BDT 42.7 Mn one year ago. Its earnings per share stood at BDT 3.13, which was BDT 0.35 compared to the previous year. The company said EPS has increased due to an increase in net profit resulting from the improvement of the Covid situation, achieving good revenue for utilization of rooms, fully phased operation of Water Park, cruise ship revenue, Non-AC Restaurant opening, and other activities.

<https://www.tbsnews.net/economy/stocks/sea-pearls-profit-jumps-amid-improving-tourism-industry-618594>

Dutch Bangla Bank profit grows 1.87% in 2022

The Dutch Bangla Bank Ltd has posted 1.87% higher profits for 2022. The EPS of the private sector commercial bank increased to BDT 8.14 from BDT 7.99 in the previous year. At the end of December, the bank's net asset value per share stood at BDT 59.85. Its board of directors has recommended a 17.5% or BDT 1.75 cash dividend against each share having a face value of BDT 10. Also, the shareholders will get 7.5% stock dividends that means 15 new shares against every 200 existing shares.

<https://www.tbsnews.net/economy/stocks/dutch-bangla-bank-profit-grows-187-2022-618938>

Bangladesh Steel Re-Rolling Mills Ltd's revenue jumped 65% in January-March

The Bangladesh Steel Re-Rolling Mills Limited's (BSRM) revenue jumped over 65% in the January-March quarter of FY2023 compared to the previous year at the same time. During the corresponding period, its sales revenue was BDT 39.23 Bn, which was BDT 23.70 Bn a year ago. In that quarter, its net profit also surged year-on-year by 37% to BDT 1.59 Bn and the earnings per share (EPS) stood at BDT 5.35.

<https://www.tbsnews.net/economy/stocks/bangladesh-steel-re-rolling-mills-ltds-revenue-jumped-65-january-march-618882>

Inflation slashes Walton's revenue by 32% in March quarter

Walton Hi-Tech Industries has reported its revenue dropped by 32% in the January-March quarter of the ongoing 2022-23 fiscal year as people tighten belt of expenditure due to high inflation pressure. Besides, the country's electronic giant's net profit also shrinks by 37% during the corresponding period due to a number of factors including significant increase in the value of the dollar compared to the taka, increase in the cost of raw materials and freight, and the impact of the ongoing global crisis.

From January to March 2023, the revenue of the company was BDT 15.02 Bn, which was BDT 22.08 Bn in the same period of the previous year. However, it did better during the quarter than the immediate previous quarter. Its quarter on-quarter revenue increased by 36%.

<https://www.tbsnews.net/economy/stocks/inflation-slashes-waltons-revenue-32-march-quarter-619526>