

Economy

Forex reserve to drop to USD 30 Bn

The pressure on Bangladesh's foreign currency reserve mounts further, as the central bank is set to clear import bills amounting to over USD 1.0 Bn to the Asian Clearing Union (ACU) within next few days, officials said. With this payment to settle the import bills through the ACU mechanism, the forex reserve would go down to USD 30 Bn. As of April 27, the country's foreign currency reserve was over USD 31.06 Bn, the Bangladesh Bank (BB) data showed.

The significant fall in reserve, particularly the greenback, is deemed as a matter of serious concern for the economy, which is facing difficulties to meet the NIR (net international reserve) target of USD 24.46 Bn within June, as set by the International Monetary Fund (IMF).

<https://thefinancialexpress.com.bd/economy/bangladesh/forex-reserve-to-drop-to-30b>

Exports from Bogura drop to USD 57.2 Mn in 2022 amid Ukraine war

Exports from Bogura, which have always been the highest among the northern districts, dropped by USD 1 Mn this year mainly due to the negative impact of the ongoing conflict between Russia and Ukraine, which has resulted in a slowdown of the global economy.

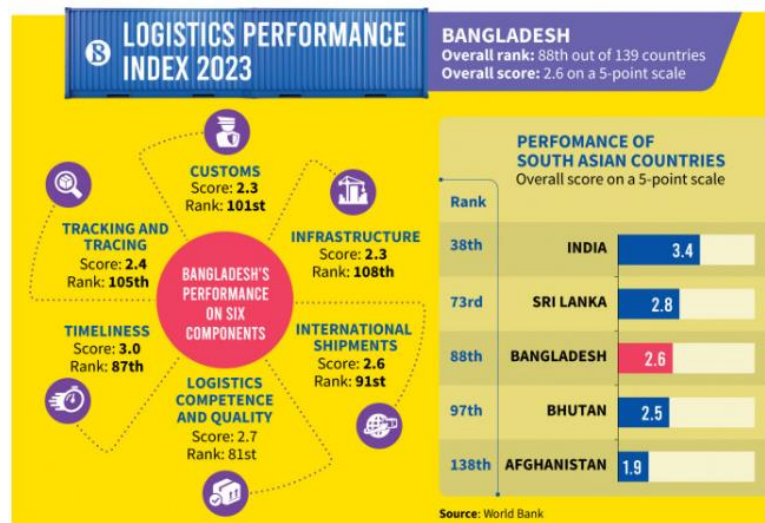
Seventeen companies in the district exported 16 types of products, including rice bran oil, jute products, irrigation pumps, motor parts, air filters, vegetables, soybean products, RMGs and handicraft products, amounting to a total of USD 57.2 Mn, in 2022. They said the country has been facing a dollar crisis amid the global situation which has resulted in the decline in exports.

<https://www.tbsnews.net/economy/exports-bogura-drop-572cr-2022-amid-ukraine-war-623218>

Bangladesh 12 notches up in World Bank's Logistics Performance Index

Bangladesh has climbed 12 notches in the World Bank's Logistics Performance Index 2023 thanks to competent and high-quality logistics services, timely shipments, and effective customs and border management.

With a score of 2.6 on a 5-point scale, Bangladesh came in third among the five South Asian economies assessed in the 2023 index, behind India (38th) and Sri Lanka (73rd).

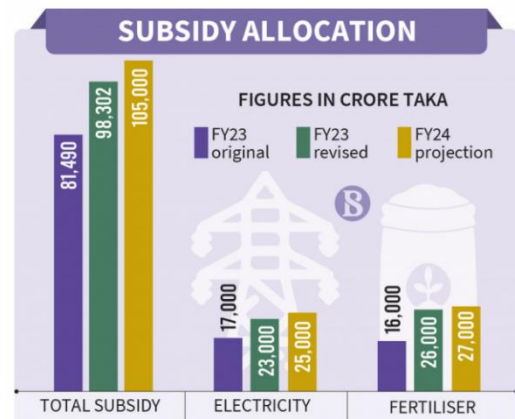


<https://www.tbsnews.net/economy/bangladesh-leaps-12-notches-world-banks-logistic-performance-index-621826>

Next fiscal year to see higher allocation for gross subsidy

Despite increasing the prices of fertilisers, electricity and gas, the next fiscal year (FY2023-24) will see an additional allocation for gross subsidies to adjust to the amount required in excess of the allocation for the current fiscal year.

In the current fiscal year's budget, the government allocated Tk81,490 crore for subsidies, stimuluses and cash loans. In the budget of the next fiscal year, the total allocation for these sectors may be increased to Tk1,05,000 crore.



<https://www.tbsnews.net/economy/next-fiscal-year-see-higher-allocation-gross-subsidy-623926>

Banks and NBF

Financial institutions' BDT 115.52 Bn stuck in money loan court

Around BDT 115.52 Bn of non-bank financial institutions (NBFIs) is stuck in 4,702 lawsuits with the money loan court – formally known as Artha Rin Adalat – as of 31 December 2022, according to the latest Bangladesh Bank data. Of the amount, the top five out of 35 creditors have some BDT 65 Bn, more than half of the claimed money.

Sector insiders said the gradual rise in cases, inadequate courts, shortage of judges, prolonged trials, stay orders from the High Court, and absence of defendants are the key reasons behind the worsening situation. The number of cases filed by NBFIs with the court was 3,919 involving BDT 85.18 Bn at the end of 2021. The case number increased by 783 and the claimed amount rose by BDT 30.34 Bn over the next year, the central bank report said.

<https://www.tbsnews.net/economy/financial-institutions-tk11552cr-stuck-money-loan-court-623706>

Stock-Specific News

Marico posts record profit

Marico Bangladesh reported a **net profit of BDT 3.87 Bn in financial year 2023**, the highest since its listing on the stock market, thanks to an increase in sales and product prices. Its net profit grew **9.0% year-on-year for the financial year that ended in March 2023**, according to a disclosure published on Friday. The India-based fast-moving consumer goods company also posted an 8.45% growth in sales revenue to BDT 14.13 Bn.

Despite its record profit, the board of the multinational company **did not recommend any final dividend** for 2023 as it had already paid a 750% interim cash dividend in two phases (450% and 300%) for the year. It is the lowest dividend since 2020. However, he said, the higher cost of production and exchange rate volatility slowed down the profit growth. Otherwise, the net profit would be much higher, he added.

<https://thefinancialexpress.com.bd/stock/bangladesh/marico-posts-record-profit>

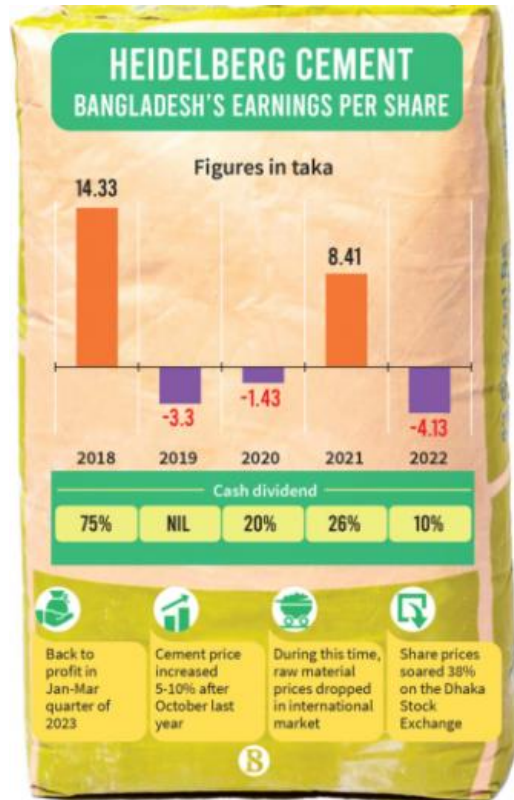
HeidelbergCement Bangladesh snaps 5-quarter losing streak

HeidelbergCement Bangladesh Limited has snapped a losing streak of five quarters and returned to profit in the first three months of this year.

In an unaudited financial statement, the German-based multinational cement manufacturer said it has managed to make profit as its cost of goods sold decreased by 6% and revenue increased by 5% in the first quarter.

Since October last year, the price of cement raw material has been falling in the global market. And since this time, the price of cement has also increased by 5-10%. It has helped us overcome losses and return to profit. And the breath of relief in the cement business has started since October last year. Moreover, the value of the dollar did not fluctuate much during this time.

It reported that EPS stood at Tk6.85 at the end of March this year, which was Tk2.97 negative a year ago. The company said in its financial statement that EPS increased mainly due to a higher net sales price, a lower cost of raw materials, and lower plant repairs and maintenance costs.



It also declared a 10% cash dividend for its shareholders for 2022, despite incurring a loss during the year.

<https://www.tbsnews.net/economy/stocks/heidelbergcement-bangladesh-snaps-5-quarter-losing-streak-623886>

Strong dollar hits Power Grid hard again

Power Grid Company of Bangladesh Limited, after seeing record losses in the October to December quarter of the fiscal 2022-23, has incurred a loss in the January to March quarter as well, owing it once again to the appreciation of the US dollar against the taka. Although the company posted higher year-on-year revenue and operating profit in the March quarter of FY23, its higher foreign debt servicing cost is what dragged the company to quarterly losses.

According to the company's latest financial statement, its net loss stood at BDT 508.6 Mn in the January to March quarter of FY23, which was a net profit of BDT 830 Mn in the same quarter of FY22. Power Grid's Company Secretary Md Jahangir Azad earlier told The Business Standard, "Over the years, Power Grid has taken multiple foreign loans from Bangladesh's development partners for capital expenditure." "According to the current exchange rate of the taka against the dollar, the loan amount is much higher than what it was last year. As a result, there has been a huge loss due to fluctuations in foreign currency exchange rates," he further said.

<https://www.tbsnews.net/economy/stocks/strong-dollar-hits-power-grid-hard-again-623134>

Beximco Pharma's profit falls 15% in Q3 FY23

Beximco Pharmaceuticals, a leading drug maker in the country, posted a 15% decline in profit in the third quarter of the current fiscal year. From January to March 2023, the drug maker made a revenue of BDT 9.55 Bn, which was BDT 8.95 Bn in the same period of the previous year. Its net profit after tax stood at BDT 0.90 Bn, which was BDT 1.06 from one year ago. Its earnings per share (EPS) for the third quarter of this fiscal year came down to BDT 2.13 from BDT 2.47 a year ago.

<https://www.tbsnews.net/economy/stocks/beximco-pharmas-profit-falls-15-q3-fy23-623754>

Apex Footwear's profit drops 60% despite higher sales

Apex Footwear reported a 59.6% year-on-year decline in its EPS for the January-March quarter despite a continuation of sales growth. It was due to the higher costs of production, marketing, selling, and distribution, as well as the finance costs, according to the top tier footwear maker's latest financial statement. The company only managed to reduce its administration costs for the third quarter of the current fiscal year, which was not enough to offset surges in other major costs.

Its revenue increased to BDT 3.61 Bn from BDT 2.84 Bn a year ago, and the higher costs dragged its net profit down to BDT 12.6 Mn from BDT 31 Mn. The publicly traded company's EPS came down to BDT 0.97 from BDT 2.40 for the three months, while for the first nine months of the fiscal year, it was slightly up at BDT 6.19 compared to BDT 6.08 as its profits for the previous six months were better.

<https://www.tbsnews.net/economy/stocks/apex-footwears-profit-drops-60-despite-higher-sales-623358>

Renata's revenue growth offset by external factors

Renata Ltd witnessed strong growth in its sales during July of 2022 to March of 2023 though profits fell during the period mainly due to inflation, higher costs of energy, borrowing costs, and foreign exchange losses. The major pharmaceutical company's sales grew 8.7% year-on-year to BDT 24.39 Bn in the first nine months period of the current financial year of 2022-23, according to its quarterly financial reports. "We have observed more encouraging sales growth for Q3 FY22-23 of 14.3% indicating increased momentum predominantly by volume growth as we have taken a very cautious approach on pricing," said Md. Jubayer Alam, company secretary of Renata.

<https://www.thedailystar.net/business/news/renatas-revenue-growth-offset-external-factors-3307306>

