

Economy:

Exporters to get BDT 108.5 for each dollar from today

Banks yesterday hiked the buying and selling rates of US dollar as part of efforts to gradually reach a uniform exchange rate for the greenback by September this year. As such, bankers at a meeting decided to purchase dollars from exporters by paying BDT 108.5 for each US dollar from August 1, up nearly by 1% or BDT 1 from BDT 107.5 set in June. Migrant workers and non-resident Bangladeshis living abroad will get BDT 109 for a dollar. Until July 31, banks were officially offering BDT 108.5 for each US dollar, two bankers after a joint meeting between the Bangladesh Foreign Exchange Dealers' Association (Bafeda) and Association of Bankers, Bangladesh (ABB) told The Daily Star. Importers will require to count BDT 109.5 for every dollar, according to the decision

<https://www.thedailystar.net/business/economy/news/exporters-get-tk-1085-each-dollar-today-3383196>

Private sector's foreign borrowing falls in June

Short-term foreign debt in the private sector fell to USD 13.66 Bn in June, down 3% from USD 14.08 Bn in May, as repayments outpaced new loans during the period, according to Bangladesh Bank. Central bank data shows that the private sector took short-term loans from foreign sources amounting to USD 2.31 Bn in June, when the total repayment against previous disbursements stood at USD 2.62 Bn. However, the trend of higher repayments compared to fresh borrowing has persisted since January. The private sector borrowed USD 13.69 Bn as short-term financing from foreign sources during the first six months of 2023, when repayments, including interest, totalled USD 16.7 Bn

<https://www.thedailystar.net/business/economy/news/private-sectors-foreign-borrowing-falls-june-3383186>

Slow import, manufacturing squeeze domestic revenues

Decline in import of commodities and local manufacturing pulled Bangladesh's domestic tax-revenue growth down the average, to 10 per cent, in the past fiscal, and such "setback" is predicted to prolong for poll unrest. According to central bank data, the opening of letter of credit for import plummeted 27 per cent in the first ten months of the financial year 2022-23. The National Board of Revenue (NBR) was lagging behind its target by Tk 384.97 billion in the last fiscal year, according to provisional data of tax-revenue collection by the NBR.

<https://thefinancialexpress.com.bd/economy/bangladesh/slow-import-manufacturing-squeeze-domestic-revenues>

Banks, NBFIs, and Insurance

Banks report mixed H1 earnings amid NPL impact

In the first half of 2023, listed banks displayed a varied performance in generating profits compared to the same period in the previous year. While over half of the banks that disclosed their half-yearly financial statements reported growth in net profit, others faced declines due to provision expenses against non-performing loans (NPLs). Out of the 29 listed banks that released their H1 2023 financial statements, 17 witnessed positive growth ranging from 1 per

cent to 48 per cent in their net profits compared to the corresponding period last year. The rise in operating income was a key driver of the growth. Notable performers included The City Bank, Prime Bank, BRAC Bank, Social Islami Bank, First Security Islami Bank, Global Islami Bank, Islami Bank Bangladesh and Midland Bank.

<https://thefinancialexpress.com.bd/trade/banks-report-mixed-h1-earnings-amid-npl-impact>

IDLC's profit falls 13% in Q2

IDLC Finance Ltd posted 13% lower profit year-on-year to BDT 378.3 Mn in the April-June quarter of 2023 owing to a fall in net interest income, investment income and other earnings. The profit of the non-bank financial institution stood at BDT 436.5 Mn in the identical quarter of 2022. Thus, the consolidated earnings per share slipped to BDT 0.91 in the second quarter of 2023 from BDT 1.05 in April-June of 2022. The EPS decreased due to a fall in net interest income, investment income, commission exchange and brokerage and other operating incomes, said IDLC in a filing on the Dhaka Stock Exchange. The consolidated net operating cash flow per share narrowed to a negative BDT 2.40 in January-June of 2023 against BDT 25.43 negative in the same half of 2022. The NOCFPS increased due to a hike in cash generation from terms and other deposits, loans and bank borrowing, the filing said.

<https://www.thedailystar.net/business/news/idlcs-profit-falls-13-q2-3382806>

Brac Bank, Pragati Life up for investment in digital banks

Two more listed companies -- BRAC Bank and Pragati Life Insurance -- have decided to invest in the proposed digital banks, according to separate disclosures on Monday. Earlier, three listed companies -- Bank Asia, Crystal Insurance and Advanced Chemical Industries -- shared their plans for the same. Digital bank, also known as neobank or virtual bank, operates exclusively online without any traditional physical branch network. BRAC Bank Ltd has decided to invest in a digital bank named 'bKash Digital Bank PLC' subject to the approval of the country's central bank, the Bangladesh Bank.

<https://thefinancialexpress.com.bd/stock/bangladesh/brac-bank-pragati-life-up-for-investment-in-digital-banks>

Capital Market:

Most listed MNCs post higher profits despite headwinds

Most of the listed multinational companies operating in Bangladesh witnessed higher profits and sales in the April-to-June quarter despite persisting economic challenges at home and abroad, inflationary pressures and higher raw materials prices. All of the 13 multinational companies that are listed on the Dhaka Stock Exchange have published their financial reports for the quarter. Their collective profit rose 23% year-on-year to BDT 22.47 Bn. A top official of an asset management company credits product quality and brand value that allowed MNCs to pass higher costs of production onto consumers. Among the MNCs, LafargeHolcim Bangladesh, Singer Bangladesh, Grameenphone, Bata Shoe Bangladesh, Berger Paints, and Marico Bangladesh logged higher profits in the threemonth period, while Robi Axiata and Heidelberg Cement returned to profits.

<https://www.thedailystar.net/business/economy/news/most-listed-mncs-post-higher-profits-despite-headwinds-3383266>

Stock-Specific:

Bata Shoe profit surges 31% in H1 of 2023

Bata Shoe Company (Bangladesh) Limited's profit jumped 31% in the first half of this year compared to the same period last year. According to the company's financial statement, its earnings per share was BDT 32.07 in the January-June period of 2023, which was BDT 24.41 a year ago. In the April-June quarter, its earnings per share surged by 14% to BDT 22.11 against the same quarter in the previous year

<https://www.tbsnews.net/economy/stocks/bata-shoe-profit-surges-31-h1-2023-674582>

Marico starts production from new manufacturing unit at Mirsarai

Marico Bangladesh has started commercial production from its new manufacturing unit at Mirsarai Special Economic Zone from July 4 this year to grab a greater share of the growing market for fast-moving consumer goods. The India-based multinational company has set up its third manufacturing unit with a 10-acre area by investing BDT 2.27 Bn at Mirsarai Special Economic Zone in phases for enhancing its "Made in Bangladesh" production. ▪ Earlier in October 2020, Marico Bangladesh had decided to build its third manufacturing unit in Mirsarai EPZ under Bangladesh Economic Zones Authority (BEZA) to meet the growing demands of its products. Despite the news, its stock price remained unmoved, languishing at the floor of BDT 2,421.5 on the Dhaka Stock Exchange since October last year

<https://thefinancialexpress.com.bd/stock/bangladesh/marico-starts-production-from-new-manufacturing-unit-at-mirsarai>

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