

*Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.*

### **July-May imports soar 16.56%**

- The country's overall import jumped nearly 17% in the first 11 months of the just-concluded fiscal year (FY), 2017-18, mainly due to high import of food grains and fuel oils. The settlement of letters of credit (LCs), in terms of value, rose by 16.56% to USD 47.79 billion during the July-May period of FY 2017-18 from nearly USD 41 billion in the same period of FY 17. According to a central bank official, higher import of consumer goods, including food grains, has pushed up the overall import expense during the period under review.
- During the July-May period of FY 18, the import of consumer items increased significantly mainly due to the Holy Ramadan and the Eid-ul-Fitr festival, he explained. Usually, a large quantity of essential commodities is imported to meet the additional demand of consumers during the month of Ramadan, the month of fasting. Import of consumer goods rose by 56.24% to USD 7.26 billion during the period under review from USD 4.65 billion in the same period of the previous fiscal, according to the Bangladesh Bank's (BB) latest statistics.

<http://today.thefinancialexpress.com.bd/public/first-page/july-may-imports-soar-1656pc-1532713151>

### **Remittance inflow rebounds**

- Bangladeshi expatriates in the Kingdom of Saudi Arabia (KSA) sent home remittance amounting to over US USD2,591.58 million in the last fiscal year. According to available data of the central bank, Bangladesh received USD3,345.23 million remittance from the KSA in 2014-15 fiscal year, USD2,955.55 million in 2015-16 and USD2,267.22 million in 2016-17
- In FY18, Saudi Arabia is followed by the United Arab Emirates (UAE) as NRBs residing in the Gulf country remitted USD2,428.06 million. Bangladesh received USD1,997.49 million remittance from the USA in FY18 while USD1,199.70 million from Kuwait. The total inflow of remittance has also increased by USD2,209.41 million or 17.30 % in FY18.

<http://today.thefinancialexpress.com.bd/trade-market/remittance-inflow-rebounds-1532793814>

### **Banks now can lend more as Bangladesh Bank (BB) revises ADR calculation**

- The country's commercial banks have been empowered to lend more, as the central bank has revised the advance-deposit ratio (ADR) calculation formula relaxing their reserve requirement. According to the revised formula, the banks are now eligible to add net investment in bonds, particularly in the subordinate ones, as their total time and demand liabilities to meet the ADR requirement. Besides, the banks will have to maintain both cash reserve requirement (CRR) and statutory liquidity ratio (SLR) requirement with the Bangladesh Bank (BB) only for net investment in such bonds instead of the previous gross investment amount.
- BB separately issued two circulars on Thursday, asking the chief executives of all the scheduled banks to maintain the revised formula on both ADR calculation and reserve requirement. According to BB official, they have revised their policies to reduce the cost of fund that held the banks to bring down their interest rates on lending to 9.0% from the existing level. He also said that such revision will help the banks to improve their liquidity inflow. Currently, the banks have issued sub-ordinate bonds worth around BDT 140 billion to consolidate their capital base in line with the Basel-III framework.
- However, their net investment in such bonds stood at around BDT 30 billion, according to another BB senior official. He also said that the banks will have to comply with all the key indicators, including ADR, under the asset-liability management (ALM) guidelines before sanctioning any fresh loan. About this matter, managing director and chief executive officer (CEO) of NRB Bank Limited, said that the latest measures of BB will help increase the banks' lending capacity. He also added that following the revision, the banks' net investment in the subordinate bonds will be considered as deposit in calculation of their ADR.

<http://today.thefinancialexpress.com.bd/public/first-page/banks-now-can-lend-more-as-bb-revises-adr-calculation-1532626346>

### **Bangladesh bond market one of the lowest in Asia**

- Bangladesh's bond market is one of the lowest in Asia as its size is only 8.06% of the Gross Domestic Product (GDP), according to a new research study. Among the total, the share of the corporate bond market is at only 0.2% compared with that of government bonds at 7.86% in the country, the Bangladesh Institute of Bank Management (BIBM) said in the research finding. According to the study, Bangladesh is on the lower trajectory even compared with its trade

competitors-India and Vietnam.

- Indian bond market size is 18.74% of GDP while that of Vietnam is 22.98%. The BIBM study showed that Bangladesh's debt instrument is heavily dependent on national savings certificate as its growth during the financial year (FY), 2016-17, was 37.37% compared to the previous FY2016. On the other hand, the growth of the treasury bills and T-bonds in Bangladesh dropped by 0.16% in FY2017 compared to FY2016, the research paper showed.

<http://today.thefinancialexpress.com.bd/public/first-page/bd-bond-market-one-of-the-lowest-in-asia-1532626390>

### **BTRC to ask telcos to furnish data on digital marketing expenditure**

- Bangladesh Telecommunication Regulatory Commission has initiated a move to collect data from mobile phone operators and other licensees on their advertising spending on online media that have no physical presence in the country. The online media for advertisement of goods and services include search engines Google and Yahoo, e-commerce site Amazon, social networking sites Facebook, WhatsApp and imo, video-sharing site YouTube and all other international platforms.
- A seven-member committee, formed following a high court order in April this year to exact revenue from the international online platforms from Bangladesh, led by BTRC acting chairman took the decision in a recent meeting. As per the decision, the BTRC would ask all the mobile phone operators and other licensees to furnish data on how much revenue they have spend for the purpose of online advertisement, a senior BTRC official told New Age on Thursday.
- The committee would also ask the entities to furnish information about the agencies which were acting in Bangladesh or abroad to collect revenue on behalf of Google, Yahoo, Amazon, Facebook, WhatsApp, imo and YouTube, he said. After getting responses from the BTRC's licensees, the commission would further analyse whether the information are well enough to reach a conclusion, the BTRC official said. As it would take time to find the exact figure of the revenue of the global technology giants, the committee would inform its progress to the court in due course, he said.

<http://www.newagebd.net/article/47145/btrc-to-ask-telcos-to-furnish-data-on-digital-marketing-expenditure>

### **National Board of Revenue (NBR) detects evasion of BDT 8.7 billion in tax**

- Income tax intelligence and investigation cells across the country have uncovered tax evasion worth BDT 8.71 billion. The two wings of the National Board of Revenue (NBR) have detected the evasion after scrutinising some 2,847 cases since their inception.
- According to revenue board data, the cells have so far logged some 3,881 allegations of tax evasion from various sources and means including written, verbal and telephonic. It has detected tax evasion in 73.35 % cases. The board has found that field-level income tax zones have identified evidences of tax evasion in majority of the allegations and information collected by the cells. %.

<http://today.thefinancialexpress.com.bd/first-page/nbr-detects-evasion-of-BDT-87b-in-tax-1532796384>

### **0.12 million BO accounts closed in July**

- A total of 1,14,853 beneficiary owners' accounts were closed in July due mainly to non-payment of annual account renewal fees by the accountholders. The number of active BO accounts was 27,64,387 at the end of June, but the figure declined to 26,49,534 on July 26, Central Depository of Bangladesh Limited data showed. Of the annulled BO accounts, most of them became void as the accountholders failed to pay the annual fees by the June 30 deadline set by the CDBL.
- Opening a BO account with the CDBL through a depository participant, which is usually a stockbroker or a merchant bank, is a must for trading shares at the Dhaka and Chittagong stock exchanges. In 2016, the Bangladesh Securities and Exchange Commission reduced the renewal fee to BDT 450 from BDT 500 for each BO account with the aim of reducing financial burden on investors. Of the BDT 450, the CDBL gets BDT 100, while the government, DP and BSEC get BDT 200, BDT 100 and BDT 50 respectively.
- Of the current active BO accounts, individual investors operate 16,76,556 BO accounts, investors jointly operate 9,61,035 BO accounts and 11,943 accounts are operated by different companies including institutional investors, the CDBL data showed. Of the accounts (excluding the company-operated BO accounts), 24,80,412 BO accounts are owned by Bangladeshi investors and 1,57,179 accounts by non-resident Bangladeshi investors, it showed.

<http://www.newagebd.net/article/47057/115-lakh-bo-accounts-closed-in-july>

### **Average turnover rises to BDT 8.91 billion**

- The average turnover of the week stood at BDT 8.91 billion on the premier bourse DSE as the investment capacity of Investment Corporation of Bangladesh (ICB) rose to a significant level due to intervention of the finance ministry. The average trade volume increased by 12.4% and total numbers of trade decreased by 0.5%. And the market participation on the premier bourse increased by 1.5% in the last week.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/average-turnover-rises-to-BDT-891-billion-1532709397>

### **Silva Pharmaceuticals IPO subscription begins today**

- The IPO (initial public offering) subscription of Silva Pharmaceuticals starts today (Sunday) and will end on August 05, according to Dhaka Stock Exchange (DSE). Earlier on June 11 last, the securities regulator has approved the IPO proposal of the Silva Pharmaceuticals under the fixed price method.
- The company will raise a capital worth BDT 300 million by offloading 30 million ordinary shares at an offer price of BDT 10 each. The company reported net asset value (NAV) of BDT 16.48 per share, (without revaluation), weighted average of EPS worth BDT 1.03 as per the financial statement for the year ended on June 30, 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/silva-pharmaceuticals-ipo-subscription-begins-today-1532792001>

### **Six companies report increased EPS for Apr-June quarter**

- Five banks and British American Tobacco Bangladesh Company Limited (BATBC) have reported increased earnings per share (EPS) for April-June quarter of this year compared to same period of the previous year. The banks are Pubali Bank, Mutual Trust Bank (MTB), Shahjalal Islami Bank, Eastern Bank Limited (EBL) and National Bank Limited (NBL).
- The EPS of BATBC rose significantly for April-June, 2018 compared to same period of the previous year. The company's EPS rose 63% to close at BDT 51.26 for April-June, 2018 as against BDT 31.46 for April-June, 2017. Pubali Bank reported its consolidated EPS of BDT 1.44 for April-June, 2018 as against BDT 0.50 for April-June, 2017. The consolidated EPS of the company was BDT 2.17 for January-June, 2018 as against BDT 1.15 for January-June, 2017.
- Shahjalal Islami Bank reported consolidated EPS of BDT 0.60 for April-June, 2018 as against BDT 0.49 for April-June, 2017. The consolidated EPS was BDT 1.01 for January-June, 2018 as against BDT 0.98 for January-June, 2017. The EBL reported its consolidated EPS of BDT 1.14 for April-June, 2018 as against BDT 1.04 for April-June, 2017. The consolidated EPS was BDT 1.83 for January-June, 2018 as against BDT 2.31 for January-June, 2017.
- The consolidated EPS of Uttara Bank was BDT 1.00 for April-June, 2018 as against BDT 1.32 for April-June 2017. The consolidated EPS was BDT 1.38 for January-June, 2018 as against BDT 2.03 for January-June 2017. The NBL reported its consolidated EPS of BDT 0.44 for April-June, 2018 as against BDT 0.22 for April-June, 2017. The consolidated EPS was BDT 0.56 for January-June, 2018 as against BDT 0.44 for January-June 2017.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/six-cos-report-increased-eps-for-apr-june-quarter-1532622287>

### **Failure to cope with market prompts closure, says GSK**

- Failure to launch "appropriate" medicines for Bangladesh market led to losses and the eventual decision to close down the operations of the British pharmaceuticals giant GlaxoSmithKline, the company said. GSK Bangladesh chairmans said that it was in their mind how to fill up the portfolio gap, but they could not do that. The company on Thursday after a board meeting announced that they would close down the commercially unsustainable Bangladesh pharmaceutical operations but its main consumer healthcare products will stay in the market.
- It, however, promised to compensate nearly 1,000 of its workers properly, and the pneumonia vaccines, which the government buys via the UN's wing for children UNICEF, will continue to be available in Bangladesh. But the argument of "unsustainable" market comes as a surprise as Bangladesh is known to be a perfect market for drug sellers with its 160 million population, increasing purchasing power, a shift of diseases from acute to chronic, and rising ageing population. Global data suggest Bangladesh's pharmaceutical sector can grow at 15% for the next five years.
- Bangladesh's growing domestic market can meet 98% of the local demand and export to 127 countries. Its consumer healthcare products in Bangladesh include nutritional drinks Horlicks, Maltova, Boost, Viva and Glaxose-D, Sensodyne toothpaste, and Horlicks Biscuit. The workers and employees at the GSK factory at Fouzderhat evening launched indefinite programme on Thursday to protest closure of its operations and demanded its re-opening. Several hundred workers and employees staged sit-in in front of the giant factory on Thursday evening after the authority announced closure of the pharmaceutical unit.

<http://today.thefinancialexpress.com.bd/public/first-page/failure-to-cope-with-market-prompts-closure-says-gsk-1532713193>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$68.69	-0.92	-1.32%
Crude Oil (Brent)*	\$74.29	-0.25	-0.34%
Gold Spot*	\$1,224.22	+1.53	+0.13%
DSEX	5305.17	-14.27	-0.27%
Dow Jones Industrial Average	25,451.06	-76.01	-0.30%
FTSE 100	7,701.31	+38.14	+0.50%
Nikkei 225	22,712.75	+125.88	+0.56%

**Exchange Rates**

USD 1 = BDT 84.23\*

GBP 1 = BDT 110.38\*

EUR 1 = BDT 98.18\*

INR 1 = BDT 1.23\*

*\*Currencies and Commodities are taken from Bloomberg.*

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### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Deputy Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Md. Sakib Chowdhury	Research Analyst	<a href="mailto:sakib.chowdhury@bracepl.com">sakib.chowdhury@bracepl.com</a>	01709 641 247
S. M. Samiuzzaman	Research Analyst	<a href="mailto:sm.samiuzzaman@bracepl.com">sm.samiuzzaman@bracepl.com</a>	01708 805 224
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Ahmed Zaki Khan	Research Associate	<a href="mailto:zaki.khan@bracepl.com">zaki.khan@bracepl.com</a>	01708 805 211
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229

#### International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
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