

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.

August remittance flow rises 7.0%

- The flow of remittances grew by more than 7.0% in August as expatriates sent increased amount of money on the occasion of Eid-ul-Azha. The money sent home by Bangladeshis working abroad amounted to USD 1.41 billion in August 2018, up by USD 92.87 million from the previous month's level, according to the central bank statistics released on Tuesday. In July last, the remittances stood at USD 1.32 billion. It was USD 1.42 billion in August 2017. Meanwhile, the flow of remittances increased by 7.70% to USD 2.73 billion during the July-August period of fiscal year (FY) 2018-19 from USD 2.53 billion in the same period of the FY' 18.
- The central bank earlier took a series of measures to encourage the expatriate Bangladeshis to send their hard-earned money through the formal banking channel instead of the illegal "hundi" system, which can help boost the country's foreign exchange reserves. Besides, the central bank is asking the banks to increase the flow of remittance from different parts of the world to meet their internal demand for the foreign currency, another BB official said. All PCBs received USD 1.03 billion as remittances in August last while the state-owned commercial banks (SoCBs) received USD 357.23 million, foreign commercial banks (FCBs) USD 10.74 million, and specialised banks USD 15.38 million.

<http://today.thefinancialexpress.com.bd/trade-market/aug-remittance-flow-rises-70pc-1536077689>

Eight-month outbound jobs decline by 38%

- The number of outbound workers dropped by about 38% in the last eight months of the current calendar year, compared to the same period of the last year. According to the data available with the Bureau of Manpower, Employment and Training (BMET), over 0.5 million (500,694) workers went abroad with jobs during the period between January and August in 2018. Some 0.69 million (690,046) workers went abroad during the same period of 2017, the official data showed. Besides, the number of monthly overseas jobs for Bangladeshi workers also dropped, the data showed.
- Overseas jobs dropped to 49,727 in August from 58,627 in July this year, registering a 15% decline. Private manpower recruiters and officials said the Middle Eastern countries, particularly Saudi Arabia, cut recruitment from Bangladesh. The recruitment of both Bangladeshi male and female workers by the Kingdom of Saudi Arabia (KSA) has declined in the recent months. In eight months of the current year, Saudi Arabia recruited 172,379 Bangladeshi workers followed by Malaysia 125,819, Qatar 50,952, Oman 47,658 and Kuwait 24,516.

<http://today.thefinancialexpress.com.bd/trade-market/eight-month-outbound-jobs-decline-by-38pc-1536077637>

Bangladesh Bank turns down Janata Bank's plea for fund

- The Bangladesh Bank (BB) has turned down a plea of Janata Bank, seeking BDT 110.49 million for its Janata Exchange Company (JEC), Italy to recoup the loss incurred in last three years, officials said. The central bank wrote that 'there was no scope to consider the request' made to Financial Institutions Division (FID) by Janata Bank. FID later sought opinion in this regard from the central bank, they added. The central bank also suggested that the state-run bank should shut down one of the branches of the JEC which spent more on operational costs, according to the letter.
- Currently, there are two branches of Janata Exchange Company at Milan and Rome in Italy. The company started operation in June 2002. It was a profit-making exchange company between 2002 and 2008, according to the data available with Janata Bank. The company, a subsidiary of state-run Janata Bank Ltd, counted an aggregate loss amounting to over BDT 241.81 million (over €2.44 million) in last nine years, the documents mentioned. Due to liquidity shortfall, the exchange house might face the bankruptcy proceedings in line with Italian laws. The state-run bank has already taken a two-year action plan to make the entity profitable, an official said.
- It (JEC) has incurred losses due to a downward trend in the remittance flow and increase in operational costs of the exchange house, he said, adding that the exchange is still struggling to meet regular expenses. The exchange house incurred an aggregate loss of over BDT 110.50 million between the calendar years 2015 and 2017. The losses of the company amounted to over BDT 28.67 million in 2015, over BDT 30.53 million in 2016 and over BDT 51.29 million in 2017, the data showed. The exchange house suffered a loss of BDT 131.31 million from 2009 to 2014 due to increase in income tax, limited network, formulation of new anti-money laundering act and rise in regulatory and compliance related cost, a bank source said.

<http://today.thefinancialexpress.com.bd/last-page/bb-turns-down-janata-banks-plea-for-fund-1536083344>

Asian Infrastructure Investment Bank (AIIB) to bring USD 270 million for water supply project

- The Asian Infrastructure Investment Bank (AIIB) plans to bring USD 270 million to Bangladesh for a municipal water supply and sanitation project. The project is expected to be approved at a board meeting in December this year, said the head of communications and development of the Beijing-based lender, on Monday. She shared the information while talking to The Daily Star when she and an AIIB delegation visited Savar to meet the beneficiaries of a power distribution system upgrade and expansion project, which was also financed by the lender. She also said that the tentative investment will be co-financed by the World Bank.
- Of the fund, the AIIB and the WB will contribute USD 130 million each and the Bangladesh government will chip in USD 10 million. The project will be implemented from March 2019 to March 2024, according to the project proposal. Currently, the AIIB has provided a total of USD 274 million in funding to three projects in Bangladesh. The Distribution System Upgrade and Expansion project is one of them and was completed in June this year. The project is part of a national plan to provide about 2.5 million service connections to rural consumers, upgrade two grid substations and convert 85 kilometres of overhead distribution lines into underground cables. The installation of the connections has been completed and about 12.5 million Bangladeshis are directly benefiting from the project, said the chief engineer of Bangladesh Rural Electrification Board.

<https://www.thedailystar.net/news/business/aiib-bring-270m-water-supply-project-1629223>

Global buyers sever ties with 28 more Readymade Garment units

- Two global buyers' platforms cut business relations with 28 more readymade garment factories in Bangladesh in last two months (July-August) due to the units' failure in implementing workplace safety measures. With the 28, the total number of RMG factories with which global buyers cut business relations reached 344. Of them, European buyers' platform Accord on Fire and Building safety in Bangladesh terminated business ties with 171 factories, while North American buyers' platform Alliance for Bangladesh Worker Safety cut relations with 173 factories. Accord said in a statement that it terminated business relations with 22 factories due to their failure in implementing workplace safety measures while cut business ties with another

<http://www.newagebd.net/article/49853/global-buyers-sever-ties-with-28-more-rmg-units>

Dhaka Stock Exchange (DSE) transfers stake to Chinese partner

- Dhaka Stock Exchange (DSE) handed over its 25% stake to a Chinese consortium on Tuesday after completion of necessary formalities under the exchange's demutualisation move. The premier bourse received fund amounting to BDT 9.62 billion on Monday in exchange of its one-fourth stake, which has been transferred into BO (beneficiary owner's) account of the Chinese consortium. The consortium comprises of Shenzhen Stock Exchange and Shanghai Stock Exchange. Now the fund will be equally distributed among the DSE Trading Right Entitlement Certificate (TREC)-holders, as each of them sold 25% of respective share holdings.
- On May 3, Bangladesh Securities and Exchange Commission (BSEC) approved the Chinese consortium's proposal for being a strategic partner of DSE. Following the approval, DSE signed the share purchase agreement with the Chinese consortium on May 14. The Chinese consortium earlier offered BDT 22 per share for 25% of the DSE's total shares. It also offered technical supports worth nearly USD 37 million for free. However, the price offered by the Chinese consortium declined to BDT 21 per share following DSE's dividend disbursement. Another consortium, led by National Stock Exchange of India (NSE), was the second highest bidder for being the strategic partner. It offered BDT 15 per share for 25.01% of the DSE's total shares.

<http://today.thefinancialexpress.com.bd/first-page/dse-transfers-stake-to-chinese-partner-1536083189>

<http://www.newagebd.net/article/49854/chinese-bourses-consortium-joins-dse>

<https://www.thedailystar.net/news/business/dse-get-face-lift-1629238>

Bangladesh Securities & Exchange Commission (BSEC) approves Genex Infosys IPO

- The securities regulator has approved the IPO (initial public offering) proposal of Genex Infosys for raising a capital worth BDT 200 million from the market. The approval came on Tuesday at a meeting held at the office of the Bangladesh Securities and Exchange Commission (BSEC). As per the BSEC approval, Genex Infosys will offload 20 million shares at an offer price of BDT 10 each under the fixed price method to raise BDT 200 million. The company will utilise the fund to expand call centre business, repay bank loan partially and bear the IPO expenses.
- As per financial statement for the year ended on June 30, 2017, the company's weighted average of EPS (earnings per share) is BDT 1.89, while the net asset value (NAV) per share BDT 13.96, without revaluation. Genex Infosys is a fully-owned (99.99%) subsidiary. That's why, the company's consolidated NAV and weighted EPS of Genex Infosys stood at BDT 13.97, without revaluation, and BDT 2.02 respectively as of June 30, 2017. Imperial Capital is working as the issue manager of the IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-genex-infosys-ipo-1536081281>
<http://www.newagebd.net/article/49857/bsec-approves-BDT-20cr-ipo-of-genex-infosys>

World Stock and Commodities*

| Index Name | Close Value | Value Change | % Change |
|------------------------------|--------------------|---------------------|-----------------|
| Crude Oil (WTI)* | \$69.42 | -0.45 | -0.64% |
| Crude Oil (Brent)* | \$77.96 | -0.21 | -0.27% |
| Gold Spot* | \$1,193.47 | +1.95 | +0.16% |
| DSEX | 5600.64 | -2.62 | -0.04% |
| Dow Jones Industrial Average | 25,952.48 | -12.34 | -0.05% |
| FTSE 100 | 7,457.86 | -46.74 | -0.62% |
| Nikkei 225 | 22,602.98 | -93.92 | -0.41% |

Exchange Rates

USD 1 = BDT 83.74*
GBP 1 = BDT 107.71*
EUR 1 = BDT 97.10*
INR 1 = BDT 1.17*

**Currencies and Commodities are taken from Bloomberg.*

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BRAC EPL Stock Brokerage Limited

Research

| | | | |
|---------------------|-------------------------|--|---------------|
| Ayaz Mahmud, CFA | Deputy Head of Research | ayaz.mahmud@bracepl.com | 01708 805 221 |
| Md. Sakib Chowdhury | Research Analyst | sakib.chowdhury@bracepl.com | 01709 641 247 |
| S. M. Samiuzzaman | Research Analyst | sm.samiuzzaman@bracepl.com | 01708 805 224 |
| Sadman Sakib | Research Associate | sadman.sakib@bracepl.com | 01730 727 939 |
| Ahmed Zaki Khan | Research Associate | zaki.khan@bracepl.com | 01708 805 211 |
| Md. Rafiqul Islam | Research Associate | mrafiquislam@bracepl.com | 01708 805 229 |

International Trade and Sales

| | | | |
|----------------------|-------------------------------------|--|---------------|
| Ahsanur Rahman Bappi | Head of International Trade & Sales | bappi@bracepl.com | 01730 357 991 |
|----------------------|-------------------------------------|--|---------------|