

*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.*

### **Trade deficit rises 12% in July**

- Trade deficit jumped 12.14% in July in continuation of the trend seen throughout last fiscal year on the back of higher import payments against slow exports. The gap stood at USD 1.17 billion in the first month of the current fiscal year, up from USD 1.04 billion in July last year, according to the latest data from the central bank. The country's trade deficit hit USD 18.25 billion in fiscal 2017-18, the highest in its history. Bankers and experts called for diversifying export basket and exploring new markets in a bid to contain the rising trade deficit.

- Imports stood at USD 4.7 billion in July, up 17.44% year-on-year. At the same time, exports rose 19.32% to USD 3.52 billion. A former finance adviser to the caretaker government, said that the government should take measures to boost export earnings in order to ease the tight situation in the balance of payments. Export earnings in July rose but it was not up to the mark, given the large trade gap in the recent times, he said. He again added that exports should be diversified as the country is largely reliant on garments.

<https://www.thedailystar.net/business/news/trade-deficit-rises-12pc-july-1634752>

### **Banks allowed to appoint additional auditors outside Bangladesh Bank (BB) panel for export subsidy issues**

- Bangladesh Bank on Sunday announced that it would allow banks to appoint auditors not registered with the central bank for quick completion of auditing of the export-subsidy issues of apparel and other sectors. The BB issued a circular in this regard stating that the banks would be allowed to appoint auditors from the BB-approved auditors' panel like the previous years for issues involving cash subsidy or incentives for the year 2018-2019. The banks, however, will be allowed to appoint additional auditors outside the panel for quick disposal of the issues based on rational. In such cases, the banks will have to submit application to the BB.

- Earlier, on September 10 this year, the government announced cash incentives in favour of exporters of 35 products for the current fiscal year of 2018-19, adding nine new items to the product list. In the FY 2017-18, exporters enjoyed the benefit for 26 products.

<http://www.newagebd.net/article/50758/banks-allowed-to-appoint-additional-auditors-outside-bb-panel-for-export-subsidy-issues>

### **Government mulls more benefits to RMG exporters after wage hike: Commerce minister**

- Commerce minister said that the government was mulling over more benefits for the country's readymade garment sector so that the sector could remain competitive in the global market as the worker wages increased by 51% but the prices of apparel products remained unchanged in the international markets for a couple of years.

<http://thefinancialexpress.com.bd/economy/bangladesh/bds-per-capita-income-to-reach-16000-by-2041-azad-1536845518>

### **Mobile Number Portability (MNP) service fee hiked to BDT 50**

- The government has facilitated charging a customer BDT 50, up BDT 20 on the initially planned tariff, by mobile number portability service provider Infozillion Teletech BD against its service. Infozillion Teletech will get the opportunity of charging higher as the government recently withdrew the specification of BDT 30 as mobile number portability fee for the customers under the amended MNP licensing guidelines. The posts, telecommunications and information technology ministry, following proposal from the Bangladesh Telecommunication Regulatory Commission, approved the charge.

- Withdrawal of the specification of charge from the guidelines has allowed the BTRC to set higher MNP charge. The MNP operator would get the fees from the mobile phone operators for the porting facility. The decision of the telecom regulator came months after the Telecom Regulatory Authority of India slashed charge against mobile number porting service to Rs 4 (equivalent to BDT 4.65) per successful porting from Rs 19 (equivalent to BDT 22.09). In India, the porting charge is being paid by the mobile phone operator, which receives a customer from another operator.

<http://www.newagebd.net/article/50755/mnp-service-fee-hiked-to-BDT-50>

### **Bangladesh Securities & Exchange Commission (BSEC) allows extension of MFs' tenure despite legal challenge**

- The Bangladesh Securities and Exchange Commission on Sunday allowed extension of tenure of all the existing closed-end mutual funds by up to 10 years despite legal complexities hanging over such extension. The BSEC meeting decided that the 10-year tenure of the existing closed-end mutual funds could be extended by up to another 10-year term on condition that the total duration of any of the fund would not exceed 20 years from its inception, said a BSEC press release. It also said that the mutual funds that were not interested to extend their tenure could be abolished or converted into open-end mutual funds by their existing 10-year tenure as per securities rules.
- The BSEC decision came after the finance ministry had advised the commission to extend the tenure of the mutual funds by 10 years. The ministry had advised the commission to extend the tenure of around 30 mutual funds, which were scheduled to be abolished or be made open-end funds by 2023. The commission decision of tenure extension, however, will be applicable for all 37 mutual funds, said officials.

<http://www.newagebd.net/article/50756/bsec-allows-extension-of-mfs-tenure-despite-legal-challenge>

### **Robi set to transfer 20% stake to edotco at USD 120 million**

- Mobile operator Robi is set to offload its 20% stake valued at USD 120 million to edotco Bangladesh, a Malaysia-based telecommunications infrastructure services company. Bangladesh's second largest mobile phone operator has taken the latest initiative to facilitate edotco Bangladesh Co. Ltd. (edotco BD) for complying with the rules to be eligible for the license of tower company which will operate mobile towers across the country. Bangladesh Bank official said that The fund has already been deposited with Robi's account from Axiata Group Malaysia through a foreign commercial bank.
- The fund is treated as foreign direct investment (FDI) that has helped increase the inflow of foreign exchange in the local market, the central banker explained. Malaysia-based edotco Group holds 80% shares of edotco BD while Robi, which is also a subsidiary of Axiata Group, holds rest of 20% shares. edotco is now working with local business group Getco to form a partnership as part of taking preparation for applying to the telecom regulator for the mobile tower company license.

<http://today.thefinancialexpress.com.bd/first-page/robi-set-to-transfer-20pc-stake-to-edotco-at-120m-1537119300>

### **ML Dyeing makes debut today**

- ML Dyeing Limited makes its share trading debut on stock exchanges under "N" category today (Monday). The Dhaka Stock Exchange (DSE) trading code for the company is "MLDYEING" and DSE company code is 17479. ML Dyeing will be the 52nd listed company in the textile sector on the prime bourse. The textile sector accounted for about 3.90% of the DSE's total market capitalisation. Using the fixed price method, ML Dyeing offloaded 20 million ordinary shares at an offer price of BDT 10 each.
- The company's nine months profit after tax was BDT 167.58 million and basic earnings per share (EPS) of BDT 1.19 that ended on March 31, 2018 as against profit after tax of BDT 167.80 million and basic EPS of BDT 1.20 for the same period of the previous year. The post-IPO EPS would be BDT 1.04 for nine months period ended on 31 March 2018. The fund raised through the IPO will be used for purchasing machinery (89.15%) and bearing the expenses of the IPO process (10.85%), according to the IPO prospectus. The company's post-IPO paid-up capital is BDT 1.60 billion and authorised capital is BDT 2.10 billion.

<http://today.thefinancialexpress.com.bd/stock-corporate/ml-dyeing-makes-debut-today-1537111795>

### **Intech to provide Amazon web services in Bangladesh**

- Intech Limited, an IT company, has signed an 'Exclusive Commercial Agreement' with Indian Minfy Technologies Private Ltd to provide Amazon web services in Bangladesh. The Intech will provide Amazon web services on exclusive basis with collaboration and support of Minfy Technologies, said an official disclosure posted on the Dhaka Stock Exchange (DSE) on Sunday. Intech Ltd is a listed company in the DSE and Minfy Technologies is Hyderabad-based IT service provider. The Intech also said it has signed a 'detailed commercial agreement' with Raniel Systems Inc., Somerset, USA, for working together for pursuing different financially rewarding businesses in, specially, IT/IT enabled services, computer software/hardware, internet of things (IOT), managed services, ERP, Intelligent Energy management, strategic consulting and co-innovation, vertical applications etc.
- The company's paid-up capital is BDT 282.17 million and authorised capital is BDT 300 million, while the total number of securities is 28.21 million, according to DSE data. The sponsor-directors own only 4.77% stake in the company while the institutional investors own 36.87% and the general public 58.36% as on August 30, 2018, the DSE data shows.

<http://today.thefinancialexpress.com.bd/stock-corporate/intech-to-provide-amazon-web-services-in-bangladesh-1537111751>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$68.95	-0.04	-0.06%
Crude Oil (Brent)*	\$78.11	+0.02	+0.03%
Gold Spot*	\$1,194.15	-0.70	-0.06%
DSEX	5464.17	-36.44	-0.66%
Dow Jones Industrial Average	26,154.67	+8.68	+0.03%
FTSE 100	7,304.04	+22.47	+0.31%
Nikkei 225	23,094.67	+273.35	+1.20%

**Exchange Rates**

USD 1 = BDT 83.85\*

GBP 1 = BDT 109.64\*

EUR 1 = BDT 97.50\*

INR 1 = BDT 1.17\*

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

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### 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
----------------------	-------------------------------------	--	---------------