

## Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.08%) lost 3.70 points and closed the week at 4,706.67 points. The blue-chip index DS30 (+0.76%) gained 12.39 points and stood at 1,650.63 points. The Shariah-based index DSES (+0.08%) gained 0.85 points and stood at 1,081.77 points. DSEX, DS30 and DSES all posted negative YTD return of -12.61%, -12.24%, and -12.25% respectively.

**Total Turnover During The Week (DSE):** BDT 19.8 billion (USD 238.4 million)  
**Average Daily Turnover Value (ADTV):** BDT 4.0 billion (Δ% Week: +13.4%)

**Market P/E:** 13.71x

### Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of 0.15% in the first session and continued this trend in the second and third sessions by 0.10% and 0.01%, respectively. The market turned around in the fourth session by -0.64%. However, the market turned positive again in the fifth session by 0.31%.

### Sectoral Performance:

- The financial sectors showed positive performance during this week except Banks (-0.99%). Life Insurance booked the highest gain of 4.52% followed by General Insurance (+3.06%), NBFIs (+1.78%), and Mutual Funds (+0.05%).
- The non-financial sectors showed mixed performance during this week. Telecommunication booked the highest gain of 7.19% followed by Pharmaceuticals (+0.15%) and Engineering (+0.06%). Power experienced the highest loss of 1.92% followed by Food & Allied (-1.72%).

### Macroeconomic arena:

- The increase in issuance of T-bonds and T-bills propelled their yield curves upward in FY 2018-19. The net issuance of T-bonds was BDT 198.64 billion in 2018-19, up by 300% over the previous FY. The net worth of T-bills issued in FY 19 was BDT 177.31 billion, nearly 900% higher than that of FY 18.
- Tax collection growth slowed in the first quarter of the fiscal year. Revenue collection grew 2.62% y-o-y to BDT 473.88 billion between the months of July and September thanks to an 11% growth in income tax receipts during the period. Yet, the NBR missed its target of BDT 622.94 billion for the period by almost BDT 150 billion.
- Foreign aid utilization in the annual development programme dropped 8.14% over the last four months. Between the months of July and October, some 10.64% of the foreign aid allocation for the fiscal year was utilized. At this point last year, foreign aid utilization was 13.93% of total foreign aid allocation. Spending from the government-owned funds increased 50.14% year-on-year to during the first four months of the fiscal year, which is 16.97% of the total government allocation.
- The central bank has scaled up its foreign currency support to the commercial banks to help settle their import payment obligations, particularly for oil. The Bangladesh Bank sold USD 73 million to the banks during the last three days. The central bank has so far sold USD 240 million to the banks during the current fiscal. During the last fiscal, the BB sold USD 2.34 billion to the banks.

### Stock Market arena:

- The High Court has directed all parties concerned to maintain status quo regarding the asset manager of Green Delta Mutual Fund and DBH 1st Mutual Fund until January 8, 2020. LR Global Bangladesh is the asset manager of the two mutual funds.
- The Supreme Court has asked Grameenphone not to pursue any arbitration process over the payment of BDT 125.8 billion to the Bangladesh Telecommunication and Regulatory Commission (BTRC) before any other forum till November 24, 2019.
- The BSEC asked DSE and CSE to put 50% circuit breaker on share prices of newly listed companies for the opening two days.
- The government's revenue earnings from the Dhaka bourse tumbled 28% month-on-month in October this year as trading volume was on the decline. The government bagged revenue worth about BDT 112 million in October of 2019 which was BDT 157 million a month ago.

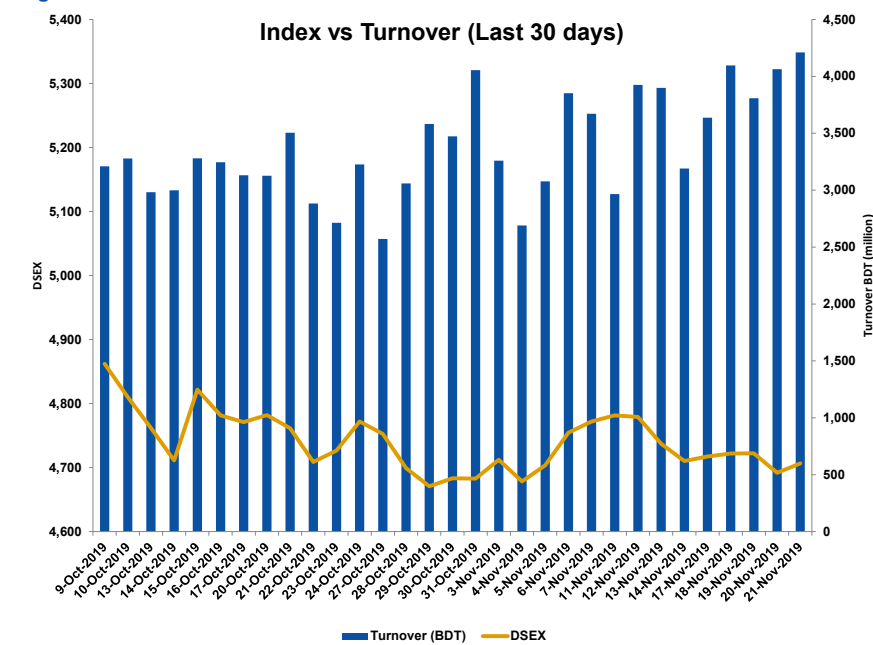
Table 1: Index

Index	Closing	Opening	Δ(Pts)	27-Dec-2018	Δ% Week	Δ%YTD
DSEX	4,706.67	4,710.37	-3.70	5,385.64	-0.08%	-12.61%
DS30	1,650.63	1,638.25	12.39	1,880.78	0.76%	-12.24%
DSES	1,081.77	1,080.92	0.85	1,232.82	0.08%	-12.25%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	17,804,004.0	14,319,578.1	24.3%
	Mn USD	214,170.6	172,255.2	
Turnover	Mn BDT	19,815.0	13,981.9	41.7%
	Mn USD	238.4	168.2	
Average Daily Turnover	Mn BDT	3,963.0	3,495.5	13.4%
	Mn USD	47.7	42.0	
Volume	Mn Shares	655.7	483.1	35.7%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (mn)	Vol (mn BDT)	P/E	P/B
BD Autocars	190.60	137.20	38.9%	948.2	88.86	135.1x	41.1x
Sea Pearl Beach Resort & Spa Limited	35	25.50	36.1%	3,470.0	162.15	78.9x	3.3x
Mithun Knitting	9.00	7.00	28.6%	292.4	1.10	NM	0.5x
Mozaffar Hossain Spinning Mills Ltd.	11.20	9.00	24.4%	1,108.9	36.23	NM	0.7x
M.L. Dyeing Limited	39.40	32.40	21.6%	7,584.2	137.59	30.4x	2.0x
Beacon Pharmaceuticals Limited	34.10	28.20	20.9%	7,877.1	441.92	64.8x	2.7x
Asia Insurance Limited	29.50	24.70	19.4%	1,388.6	418.23	19.5x	1.8x
Kay and Que	206.80	177.60	16.4%	1,013.8	71.64	237.4x	2.7x
GQ Ball Pen	75.20	65.80	14.3%	671.4	27.21	NM	0.6x
Standard Ceramic	604.20	529.60	14.1%	3,903.5	253.73	NM	47.6x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Wata Chemicals Limited	479.30	598.80	-20.0%	7,104.5	398.07	46.0x	7.5x
Far East Knitting & Dyeing Industries Limited	9.50	11.71	-18.9%	2,037.3	14.09	15.6x	0.6x
Kohinoor Chemicals	351.00	430.90	-18.5%	7,084.1	10.29	38.0x	7.6x
Olympic Accessories Limited	6.10	7.20	-15.3%	1,034.1	26.91	27.9x	0.4x
Delta Spinnings Ltd.	3.90	4.50	-13.3%	649.3	.95	15.2x	0.3x
Tosrif Industries Limited	9.70	11.10	-12.6%	643.4	10.49	NM	0.4x
Pacific Denims Limited	10.10	11.50	-12.2%	1,668.6	25.27	7.7x	0.7x
Khulna Printing & Packaging Limited	12.30	14.00	-12.1%	898.4	22.39	NM	0.8x
Kattali Textile Limited	11.90	13.50	-11.9%	1,281.5	118.41	5.2x	0.8x
Khulna Power Company Limited	42.80	48.50	-11.8%	17,009.3	151.24	13.3x	1.8x

**Table 5: Top Ten Most Traded Shares**

Company Name	Close	Open	Δ%	Mcap	Vol (mn)	P/E	P/B
National Tubes	159.10	154.20	3.2%	5,036.5	783.93	240.3x	0.9x
Grameenphone Ltd.	329.50	306.20	7.6%	444,923.9	751.83	12.8x	10.5x
Sonar Bangla Ins	50.40	49.60	1.6%	2,018.1	491.14	25.9x	3.3x
Beacon Pharmaceuticals Limited	34.10	28.20	20.9%	7,877.1	441.92	64.8x	2.7x
Asia Insurance Limited	29.50	24.70	19.4%	1,388.6	418.23	19.5x	1.8x
Wata Chemicals Limited	479.30	598.80	-20.0%	7,104.5	398.07	46.0x	7.5x
Bangladesh Submarine Cable Company Ltd.	106.20	108.80	-2.4%	17,513.0	387.01	25.8x	2.9x
Square Pharmaceuticals	217.90	237.30	-8.2%	183,959.7	380.16	14.3x	2.8x
Stylecraft Limited	709.60	678.20	4.6%	3,582.8	308.74	106.5x	11.4x
National Polymer	72.50	68.20	6.3%	2,645.7	303.95	14.2x	2.7x

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Pragati Insurance	40.00	53.41%	2,623.6	12.6x
Marico Bangladesh Limited	1,730.60	44.19%	54,513.9	21.8x
Pioneer Insurance	36.50	25.43%	2,554.3	8.2x
Dutch-Bangla Bank	71.60	23.96%	35,800.0	7.3x
The Premier Bank	12.40	22.41%	11,458.8	4.2x
Power Grid Co. of Bangladesh Ltd.	57.80	20.42%	26,640.8	6.6x
Glaxo Smithkline	1,717.80	18.45%	20,693.4	71.2x
Bank Asia Ltd.	19.40	15.08%	22,618.6	9.1x
Linde Bangladesh Limited	1,333.60	11.28%	20,295.1	17.2x
Singer Bangladesh	183.90	8.08%	18,335.4	17.7x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1339.35	1352.69	1428.63	-0.99%	-6.25%
NBFIs	1605.62	1577.53	2087.55	1.78%	-23.09%
Mutual Funds	604.49	604.16	644.52	0.05%	-6.21%
General Insurance	2023.66	1963.50	1488.77	3.06%	35.93%
Life Insurance	2106.77	2015.76	2251.96	4.52%	-6.45%
Telecommunication	4601.04	4292.28	5088.05	7.19%	-9.57%
Pharmaceuticals	2715.74	2711.71	2698.49	0.15%	0.64%
Fuel & Power	1659.78	1692.19	1745.15	-1.92%	-4.89%
Cement	1127.37	1146.47	1676.63	-1.67%	-32.76%
Services & Real Estate	918.22	899.08	1017.99	2.13%	-9.80%
Engineering	2421.63	2420.15	2933.11	0.06%	-17.44%
Food & Allied	13454.11	13689.32	15034.05	-1.72%	-10.51%
IT	1663.42	1638.39	1545.46	1.53%	7.63%
Textiles	1030.07	1031.36	1461.18	-0.12%	-29.50%
Paper & Printing	4960.28	5127.49	9105.21	-3.26%	-45.52%
Tannery	1845.43	1879.78	2560.38	-1.83%	-27.92%
Jute	12663.06	11902.91	21417.92	6.39%	-40.88%
Ceramics	491.49	468.06	579.64	5.01%	-15.21%
Miscellaneous	1814.85	1814.37	1943.42	0.03%	-6.62%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	317.1	323.8	-2.08%	8.16%	7.2x	0.8x
NBFIs	130.1	178.8	-27.25%	3.35%	78.0x	2.0x
Mutual Funds	107.4	345.3	-68.88%	2.77%	NM	0.5x
General Insurance	792.4	629.4	25.90%	20.39%	14.6x	1.3x
Life Insurance	107.0	59.7	79.06%	2.75%	NM	8.7x
Telecommunication	227.8	171.3	32.95%	5.86%	13.0x	9.6x
Pharmaceuticals	494.8	511.0	-3.17%	12.73%	18.3x	2.4x
Fuel & Power	195.5	328.6	-40.51%	5.03%	10.7x	1.9x
Cement	30.2	20.9	44.24%	0.78%	21.6x	2.1x
Services & Real Estate	68.0	42.4	60.15%	1.75%	NM	0.7x
Engineering	531.8	651.3	-18.34%	13.69%	14.5x	1.4x
Food & Allied	140.1	115.4	21.34%	3.60%	25.7x	7.6x
IT	73.4	80.0	-8.16%	1.89%	19.7x	2.5x
Textiles	280.1	355.2	-21.13%	7.21%	NM	0.8x
Paper & Printing	11.7	13.7	-14.39%	0.30%	280.4x	1.3x
Tannery	120.4	135.1	-10.92%	3.10%	21.9x	2.1x
Jute	16.4	28.9	-43.42%	0.42%	NM	5.8x
Ceramics	100.9	184.5	-45.32%	2.60%	25.2x	1.8x
Miscellaneous	140.4	220.8	-36.41%	3.61%	20.0x	1.0x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
IFAD Autos Limited	38.90	-64.11%	9,646.8	11.0x
International Leasing	5.20	-60.15%	1,153.4	29.2x
United Airways (BD) Ltd.	1.40	-51.72%	1,159.3	NM
Heidelberg Cement	167.20	-50.04%	9,447.4	59.6x
Aftab Automobiles Limited	26.30	-42.70%	2,517.8	26.0x
Bata Shoe	702.60	-37.07%	9,611.6	19.9x
Prime Finance	6.00	-36.84%	1,637.5	3.0x
Beximco Limited	14.90	-36.60%	13,057.2	9.6x
AB Bank Limited	7.70	-35.83%	5,837.6	NM
Agni Systems Ltd.	14.70	-30.00%	1,066.6	23.5x

## Important News: Business & Economy

### Centre for Policy Dialogue (CPD) warns of debt-servicing trouble

- A think-tank on Wednesday warned that Bangladesh would face debt-servicing problem unless it proceeded with caution while securing foreign loans. A distinguished fellow at the CPD said the foreign loan to Bangladesh has been increasing in recent times, thanks to the country's latest status of a lower-middle income country. About 37% foreign funding is required for the annual development programme, he said, underlining the need for mobilizing domestic resources.
- Potential mis-invoicing and other illicit outflows for Bangladesh, as percentage of total trade with advanced economies have been estimated to be more than 7.0%, CPD's senior research fellow said. The UNCTAD report said that illicit financial flow from Bangladesh as of 2015 was equivalent to 36% of its tax revenue, which is equivalent to the average of all LDCs. He said Bangladesh's tax-GDP ratio is significantly lower than that of LDC average. The money laundered in 2015 was 36% of our total tax collected during that period, according to the report. Tax buoyancy and tax efforts are also very low compared to other LDC countries, the report noted.

<https://today.thefinancialexpress.com.bd/first-page/cpd-warns-of-debt-servicing-trouble-1574272627>

<http://www.newagebd.net/article/91227/bangladesh-exposure-to-capital-flight-very-high-unctad-report>

<https://www.dhakatribune.com/bangladesh/dhaka/2019/11/20/ldc-report-2019-illicit-money-transfer-from-bangladesh-36-of-total-revenue>

### ICT sector set to fetch USD 5.0 billion in export earnings by 2025

- The country's computer and information communication technology (ICT) sector is poised to fetch USD 5.0 billion in export earnings by the year 2025 buoyed by competitiveness and growing number of ICT-skilled youth, industry insiders said. Experts said that the recent move to remove complications over the disbursement of the cash incentive for the ICT and computer sector will also boost the exports.
- In the last fiscal, the export touched USD 1.0 billion-mark, showing a 66% growth over the last two years. The USD 1.0 billion industry, comprising ICT and IT enabled services, has seen higher compound annual growth than India and Vietnam in the last couple of years.
- Industry people said that the non-resident Bangladeshi entrepreneurs and the start-ups would be encouraged to invest in Bangladesh targeting the global ICT market to get the benefit of the 10% export subsidy. According to Tholons, a global research organization, IT education cost is around 35% less in Bangladesh than India and Philippines. Apart from this, there are over 650,000 IT free-lancers in the country which is the highest in the world.

<https://today.thefinancialexpress.com.bd/trade-market/ict-sector-set-to-fetch-50b-in-export-earnings-by-2025-1574271225>

### WEF: Bangladesh slips two notches in global competitiveness

- Bangladesh ranked 105th out of 141 countries in the Global Competitiveness Report 2019

published by the World Economic Forum (WEF) on Tuesday, down by two notches from the previous year ranking as competitiveness weakened in most of the indicators. It ranked 103<sup>rd</sup> in 2018 and 102<sup>nd</sup> in 2017. Bangladesh's score this year is similar to last year, 52.1.

- The report also included that the garment trade that began in Bangladesh in the 1970s is now a USD 30 billion industry. But the economy is diversifying. The services sector – including microfinance and computing – makes up 53% of the country's GDP. The success of the IT industry is central to the digital transformation and ongoing economic growth of Bangladesh. It exports nearly USD 1 billion of technology products every year – a figure that the government expects to increase to USD 5 billion by 2021. The country also has 600,000 IT freelancers.

<https://www.dhakatribune.com/business/2019/11/20/wef-bangladesh-slips-two-notches-in-global-competitiveness>

### Bangladesh Bank clears up confusion over remittance incentive

- Remittance receivers will not need to provide documents to collect cash incentive against inflows of the euro, the pound sterling and other currencies along with US dollars equivalent to USD 1,500, or BDT 150,000, the central bank said yesterday. In June, the government introduced 2% cash subsidy for remitters to encourage them to send money home through legal channels. The initial central bank circular did not mention any other currencies other than the US dollar, creating a confusion among remitters and recipients. Yesterday's notice also extended the timeframe to 15 working days from the existing five days to submit documents for the amount that goes past USD 1,500, or BDT 150,000, in euros, pound sterling and other foreign currencies.

- In the budget for fiscal 2019-20, the government introduced 2% cash subsidy for remitters to encourage them to send money home through legal channels. This has given a boost to the remittance inflow, a Bangladesh Bank official said. Remittances reached USD 16.4 billion in FY19, a new historic height in nominal terms. Migrant workers sent home USD 1.63 billion in October, the second largest inflow in a single month.

<https://www.thedailystar.net/business/news/bb-clears-confusion-over-remittance-incentive-1829953>

<https://today.thefinancialexpress.com.bd/last-page/conversion-of-local-currency-allowed-1574273127>

### Government willing to fully own Sanofi's Bangladesh operations

- After local businesses, the government is now willing to buy the French drug maker Sanofi, which decided to leave Bangladesh after 60 years of its operations, officials said. Of the government shares, the ministry of industries owns 25.40% while the state-owned Bangladesh Chemical Industries Corporation, or BCIC, holds 19.96%. To discuss the departure process, a five-member Sanofi team called on the government shareholders who made the offer of buying 54.64% stake in the multinational company. Officials at the ministry and the BCIC said four to five local business groups have already shown interest to buy Sanofi's shares soon after the report on the company's exit decision was published in the Financial Express on September 14, 2019.

<https://today.thefinancialexpress.com.bd/first-page/govt-willing-to-fully-own-sanofis-bd-operations-1574272821>

### **Rise in issuance of T-bonds, bills pushes up yield curves**

- The increase in issuance of T-bonds and T-bills propelled their yield curves upward in last fiscal year (FY), 2018-19, according to the Bangladesh Bank (BB) statistics. Yield curve has direct relationship with issuance of treasury securities at a given time. It also helps increase the yield rates of such securities in the market. In FY 19, the government had borrowed more through issuance of treasury bills and bonds over the previous FY. The net issuance of T-bonds was BDT 198.64 billion in 2018-19, up by 300% over the previous FY, according to the central bank. On the other hand, the net worth of T-bills issued in FY 19 was BDT 177.31 billion, nearly 900% higher than that of FY 18.
- The cut-off yield of 2-year bond rose by over 51% to 7.55% (annualized), of five-year bond by 33% to 8.10%, of 10-year bond by 13% to 8.44%, of 15-year bond by 10% to 8.9%, and of 20-year bond by 4.35% to 9.29%, according to the BB statistics. The statistics also showed that the cut-off yield of 91-day T-bills rose by 57% to 7.19% (annualized), 182-day bills by 61% to 7.35%, and 364-day bills by 48% to 7.39%.
- In the meantime, bankers opined that the upward trend of T-bills and T-bonds is a good news for them, as many find it a good opportunity for investing their money. They also said many hold these for selling in future. There are many financial market players, including the life insurance firms, which have to invest in the instruments.

<https://today.thefinancialexpress.com.bd/last-page/rise-in-issuance-of-t-bonds-bills-pushes-up-yield-curves-1574185553>

### **Bangladesh Bank cuts interest rates on Export Development Fund (EDF) loans to boost exports**

- The central bank has slashed interest rates on loans under the Export Development Fund (EDF) scheme by 1.0 percentage point to facilitate exporters. As per the revised policy, exporters will now get such loans from the commercial banks at six-month US Dollar (USD) London Inter-bank Offered Rate (LIBOR) plus 1.50% instead of six-month USD LIBOR plus 2.50%. The new interest rates on EDF loans will be applicable until June 30, 2020 from November 19, according to a notification issued by the Bangladesh Bank (BB) on Tuesday.
- The BB's latest move came against the backdrop of falling trend in export earnings in recent months. The country's export earnings dropped by nearly 7.0% to USD 12.72 billion during the July-October period of fiscal year (FY) 2019-20 from USD 13.65 billion in the same period a year earlier, according to Export Promotion Bureau (EPB) data.

<https://today.thefinancialexpress.com.bd/last-page/bb-cuts-interest-rates-on-edf-loans-to-boost-exports-1574185685>  
<https://www.thedailystar.net/business/news/bb-cuts-interest-rate-export-dev-fund-1829446>  
<http://www.newagebd.net/article/91107/bb-cuts-edf-loan-interest-rate-on-exporters-demand>  
<https://www.dhakatribune.com/business/2019/11/19/bb-cuts-interest-on-exporters-borrowing-from-edf>

### **Housing sector gets a shot in the arm: Home loans ceiling raised to BDT 20 million**

- The central bank yesterday increased the ceiling for home loans by 66.66% to help the expanding middle class buy properties and build houses amid the price hike of construction materials. As a result, a single client will be able to avail a maximum of BDT 20 million in home loans compared to BDT 12 million previously, according a central bank notice sent out to all lenders. The Bangladesh Bank, however, kept unchanged the debt-equity ratio at 70:30, meaning clients will be allowed to receive up to 70% of the total construction cost of homes from commercial banks.
- This will not only help the real estate sector but also the 250 backward linkage industries, said the First Vice-President of the REHAB. The increase in the credit ceiling would give a fillip to the sector, which has been recovering from a slowdown, he said.
- The property price corrections in the past few years have lured in many prospective home buyers and the market is invigorated again. As of June 2018, total outstanding home loans from banks and financial institutions were BDT 815.2 billion, according to data from the BB. In fiscal 2002-03, total outstanding loans were BDT 75.27 billion, indicating that financing to housing grew 11 times in 15 years.

<https://www.thedailystar.net/business/news/housing-sector-gets-shot-the-arm-1829440>  
<http://www.newagebd.net/article/91109/home-loan-ceiling-hiked-to-BDT-2-crore>  
<https://www.dhakatribune.com/business/banks/2019/11/19/bb-raises-house-finance-credit-limit-to-BDT2-0cr>  
<https://today.thefinancialexpress.com.bd/last-page/central-bank-ups-home-loan-limit-to-BDT-20-million-1574185805>

### **Agent banking getting popular**

- Agent banking, that takes banking services to the unbanked people, is gaining popularity among depositors, borrowers and diaspora Bangladeshis. As of September this year, deposit collection through the agent banking channel was BDT 61.69 billion, up from BDT 20.13 billion in the same period a year earlier. At the same time, the amount of loan disbursement stood at BDT 3.06 billion, up from BDT 1.37 billion in the same period a year ago, according to Bangladesh Bank data. Besides, remittance sent through agent banking was BDT 119.37 billion, up from BDT 35.14 billion a year ago.
- Agent banking is growing robustly owing to its cost-effectiveness and availability. Beside deposit collection, lending through agent banking also are increasing, which is good for rural economy, said the managing director of Bank Asia. He said Now Bank Asia was enjoying 75.85% share of the total loan disbursement through agent banking.
- As of September, the number of agents increased by 82.02% to 6,431, up from 3,588 in the same period a year ago. The number of outlets increased by 75.50% to 9,391, up from 5351 a year earlier. On the other hand, agent banking account rose by 123.04% to 3,964,346, up from 1,777,400 a year ago, according to Bangladesh Bank data. 19 banks have so far commenced agent banking services, but only eight gave out loans.

<https://www.dhakatribune.com/business/banks/2019/11/18/agent-banking-getting-popular>

### **Tax collection dismal for sluggish domestic VAT**

- Tax collection growth slowed in the first quarter of the fiscal year due to a decline in the flow of value-added tax (VAT) from domestic economic activities and decline in import tariff, according to data released by the National Board of Revenue (NBR). Overall, revenue collection grew 2.62% year-on-year to BDT 473.88 billion between the months of July and September thanks to an 11% growth in income tax receipts during the period. Yet, the NBR missed its target of BDT 622.94 billion for the period by almost BDT 150 billion.
- Revenue officials linked the sluggish growth in collection to delays in adoption of the new VAT law by businesses because of changes in the accounting system and definition of rebate. Decline in collection of VAT from cigarettes, one of the biggest sources of revenue, and imports were also blamed. A section of smokers switched to low-end segment of cigarettes after the hike in prices of mid-price cigarette at the beginning of the fiscal year. This has affected VAT receipts from this sector, said a senior official of the NBR. The overall fall in imports affected the collection of tariffs from overseas trade activities, said the commissioner of Customs House at Chattogram. Imports declined 2.54% year-on-year to USD 14,324 million in the July-September period, according to data from Bangladesh Bank.

<https://www.thedailystar.net/business/news/tax-collection-dismal-sluggish-domestic-vat-1829125>

<https://www.dhakatribune.com/business/2019/11/18/countrywide-tax-fair-nbr-collects-BDT1-659-crore-in-five-days>

### **Foreign aid utilization for development projects crawling**

- Foreign aid utilization in the annual development programme dropped 8.14% over the last four months although the government had set an ambitious target of spending from foreign sources. Between the months of July and October, some BDT 76.37 billion was utilized, which is 10.64% of the foreign aid allocation for the fiscal year. At this point last year, foreign aid utilization was BDT 83.60 billion, which was 13.93% of total foreign aid allocation for fiscal 2018-19. The government has targeted to spend BDT 718.0 billion or more than USD 8 billion from the foreign fund for ADP implementation this fiscal year.
- A senior finance ministry official said the amount of foreign aid has been increasing over the last few years because Russia, China, Japan and India have committed more funds to Bangladesh with a view to implementing the mega infrastructure projects in the country. However, the implementation progress of the projects is still slow although those lending countries are ready to give a lot of funds to Bangladesh. Delays in appointment of project staffers, contract approvals and revision of project design and costs are often blamed, the official said.
- On the other hand, spending from the government-owned funds increased 50.14% year-on-year to BDT 222.22 billion during the first four months of the fiscal year, which is 16.97% of the total government allocation, according to data from the Implementation Monitoring and Evaluation Division. The BB circular also allowed banks to grant rescheduling facility to the garments and textile entities without conducting special audit in the entities.

<https://www.thedailystar.net/business/news/foreign-aid-utilisation-dev-projects-crawling-1829101>

### **Size of ceramic industry may double by 2023**

- The country's ceramic industry is estimated to be doubled in size by 2023, aided by the growing domestic real estate industry, rising demand for products in the EU markets and the trade tension between US and China, industry people said. A recent USAID report also made a similar forecast, saying the ceramic industry of Bangladesh would attain a value worth USD 1.56 billion by 2023.
- The industry that started journey in 1960s currently caters to 87% of the domestic demand worth USD 668.5 million. According to the Export Promotion Bureau (EPB), the country fetched USD 68.97 million through exporting ceramic products in the last fiscal year (FY 2018-19), marking a 32.79% growth against USD 51.94 million in the last FY. Industry people said more than a dozen of new ceramic manufacturing units are in the pipeline to cater for the growing demands both in and outside the country.
- Recently, the government has declared 10% cash incentives on export of ceramic items, sources said. It is also a priority sector in accordance with the 2018-21 export policy. Currently, there are more than 60 ceramic manufacturers in the country with 20 units more in the pipe line to hit the market shortly, the association officials said.

<https://today.thefinancialexpress.com.bd/trade-market/size-of-ceramic-industry-may-double-by-2023-1574094287>

### **Non-life insurers must invest 7.5% of assets in government securities**

- The government has made it mandatory for non-life insurance companies to invest at least 7.5% of their assets in government securities. The government securities include short-term and long-term securities such as treasury bills and treasury bonds. At the same time, each non-life insurer will have to invest 10% of their premium income or the sum equivalent to their liabilities plus BDT 10 million, which is higher of the two, in the country.
- As per the rules, the companies can invest their remaining amount either in Bangladesh or abroad with prior approval from relevant government agencies. After investing in government securities, the non-life insurers can invest their remaining assets in nine specified sectors. The sectors include deposits in A-rated scheduled banks, bonds issued for infrastructure development, debenture and securities issued by city corporations, debenture, mutual funds and unit funds approved by the Bangladesh Securities and Exchange Commission (BSEC), shares listed with stock exchanges, immovable asset located at city corporations and municipalities and in subsidiary companies.
- As per the regulation, non-life insurers will be able to invest a maximum of 15% of their assets in the government infrastructure bonds or other bonds that are rated not below 'AA'. Some 5.0% of the assets of non-life insurance companies could be invested in debenture or other securities issued by city corporations. They are also allowed to invest a maximum of 15% of their assets in the BSEC-approved debenture. The companies will also be able to keep up to 80% of their assets in deposits in the scheduled banks. However, the amount of deposits to a particular bank should not exceed 15% of assets of a company. A non-life

insurer will be able to invest 20% of its assets in undisputed immovable assets located in the areas of city corporations and municipalities. Also, total investment in shares of any company would not exceed 25% of non-life insurer's assets. However, investment in Z-category shares would not be allowed. The non-life insurance companies can also invest 2.0% of their assets in residential property.

<https://today.thefinancialexpress.com.bd/last-page/non-life-insurers-must-invest-75pc-of-assets-in-govt-securities-1574097746>  
<http://www.newagebd.net/article/91011/gen-insurers-must-invest-75pc-of-assets-in-govt-securities>

### **Apparel exporters to get additional 1.0% cash incentive**

- Apparel exporters will get an additional 1.0% cash incentive as the government is going to issue a circular soon to this end amid less-than-expected export growth due to global competition, officials said. They said the existing four categories of exporters, who now enjoy 4.0% incentive, will also be entitled to get the extra subsidy, once the government issues an order in this regard. The exporters, who have so far been deprived of the facility, will then get 1.0% incentive as proposed in the budget for the current fiscal year. Bangladesh expects the volume of garment exports to reach USD60 billion within next three to five years.

<https://today.thefinancialexpress.com.bd/first-page/apparel-exporters-to-get-addl-10pc-cash-incentive-1574097267>

### **Finnish businesses want to invest in Bangladesh**

- Finnish businesses are interested to invest in Bangladesh's different sectors including financial services, renewable energy, information communication technology (ICT), education and healthcare services. They also showed willingness to find local partners in Bangladesh to expand their activities so that the bilateral trade and investment between the two countries grow significantly.

- FBCCI is dealing with knowledge transfer for third industrial revolution to fourth (4IR), artificial intelligence (AI), regulatory planning, SDGs, industry-academia gap assessment, skill development and technology transfer, FBCCI President added. The apex trade body leader also noted the bilateral trade between the two countries which is estimated to be around US USD 245 million in FY 2018-19.

<https://today.thefinancialexpress.com.bd/trade-market/finnish-businesses-want-to-invest-in-bangladesh-1574005309>  
<https://www.dhakatribune.com/business/2019/11/17/finland-keen-to-invest-in-bangladesh>  
<https://www.thedailystar.net/business/news/finnish-eye-bangladesh-potential-investment-destination-1828660>

### **Special Loan Rescheduling: Defaulters get more time to apply for the facility**

- The Bangladesh Bank on Sunday extended the application submission deadline for granting loan defaulters special loan rescheduling and one-time exit facility by another 90 days. A BB circular issued on the day said that it had extended the deadline following a

High Court order issued on November 3 this year. The extended timeframe began on Sunday, the BB circular said.

- Under the BB's new circular, banks would be allowed to issue fresh loans to the beneficiaries of the loan rescheduling under special policy if the beneficiaries pay 15% of their loans as down payment for loan rescheduling. However, banks are barred from issuing fresh loans to the borrowers who would receive special rescheduling scope by paying 2% of their loans as down payment. Apart from the rescheduling for 10 years, the BB will also allow settlement of defaulted loans under 'One Time Exit' scheme that allows the defaulters to enjoy interest waiver for the preceding period of loan settlement. However, the borrowers are supposed to clear the entire loan amount within 360 days without any grace period to avail the one time exit scheme.

- The BB circular also allowed banks to grant rescheduling facility to the garments and textile entities without conducting special audit in the entities.

<http://www.newagebd.net/article/90938/defaulters-get-more-time-to-apply-for-the-facility>  
<https://www.dhakatribune.com/business/2019/11/17/bb-extends-special-loan-rescheduling-facility-until-february-4>

### **Bangladesh Bank moves to cut dollar's spread at customer level**

- The central bank has started a process to reduce the spread between selling and buying rates of the USD at the customer level to the benefit of exporters and remitters, officials said. As part of the move, 10 leading commercial banks were asked on Sunday to report in writing in a couple of days, if they face any problem with reduction of the spread. We want to revisit the gap between BC (bill for collection) Selling and TT (telegraphic transfer) Clean considering different cost factors for fixing such rates, a senior official of the Bangladesh Bank (BB) said.

- Currently, the banks are allowed to maintain around BDT 1.0 spread between the BC Selling and TT Clean. Actually, the spread is lower than that of official announcement in consideration of the higher rates, offered by some banks to the exchange houses abroad, to boost inflow of remittances, the senior banker explained. On the other hand, the spread between the inter-bank rate and the BC Selling is now only five poisha. The exchange rate of the USD was quoted at a maximum of BDT 84.85 for the BC Selling on Sunday unchanged from the previous level.

<https://today.thefinancialexpress.com.bd/first-page/bb-moves-to-cut-dollars-spread-at-customer-level-1574012454>

### **BASIS for special uninterrupted cards in digital marketing: Meeting next week with all banks**

- The Bangladesh Association of Software and Information Services (BASIS) on Sunday sought central bank's intervention to open the facility of international credit and pre-paid cards. At a meeting, the association leaders informed the Bangladesh Bank (BB) that some banks have stopped the facility of international credit and pre-paid cards which are hindering the development of digital marketing sector of the country.

- In addition to the domestic and foreign companies, telecoms, technology companies and consumers of various e-commerce models in Bangladesh every year, numerous individuals and companies are expanding their brands, products and services to digital media channels such as Facebook, Google, Instagram, Twitter, YouTube and spending more than BDT 20 billion for advertising. Industry insiders said there are about 1000 agencies, big and small, involved in this growing digital industry.

- In the context of the meeting, the delegation suggested to use special uninterrupted cards containing network providers such as MasterCard or Visa Card in digital marketing. It can be provided through public or private banks and can only be used to send payments to authorised media channels.

<https://today.thefinancialexpress.com.bd/stock-corporate/basis-for-spl-uninterrupted-cards-in-digital-marketing-1574013558>

### **SEZ units get wider scope for bringing overseas funds**

- The Bangladesh Bank on Sunday widened the scope for bringing funds from abroad for the enterprises which are operating in different specialised economic zones in the country. A BB circular issued on the day said that it was observed that eligible enterprises operating in different specialised economic zones like export processing zones, economic zones and hi-tech parks received inward remittances other than foreign equity, authorised foreign loans and export proceeds. In order to enhance scope of operation, the BB allowed authorised dealers of banks to credit the entities' accounts with legitimate receipts against small, quality and insurance claims, freight charge of sample, reimbursement of expenses for samples from the buyers or partners, it said.

<http://www.newagebd.net/article/90943/sez-units-get-wider-scope-for-bringing-overseas-funds>

### **Deposits dominate agent banking**

- Rural clients of agent banking are missing out on its benefits as loan disbursement amounted to less than 5% of the deposits collected as of September this year, highlighting lenders' preference for deposit only. Banks attracted BDT 61.69 billion in deposits as of September, up from BDT 25.77 billion in the same period a year earlier, according to Bangladesh Bank data. However, only BDT 3.06 billion was lent, although it is a twofold rise compared to the BDT 1.50 billion given out a year ago. Bankers apprehend that this imbalance created by banks would adversely affect the rural economy in the long run. Though the jump in lending is stunning, the trend is not good in context to the deposits mobilized, said a central bank official.

- Nineteen banks have so far commenced agent banking services, but only eight gave out loans. With a view to taking banking services to the underserved parts of the country, the BB issued the agent banking guideline in 2013. But the licensees did not start full-fledged operations until 2016. Agent banking offers limited banking and financial services by way of village stores.

- The central bank data, however, showed that solely Bank Asia stood out in the incongruity created by banks. The private commercial bank alone provided BDT 2.32 billion in loans,

meaning 76% of the total distributed by banks.

<https://www.thedailystar.net/business/news/deposits-dominate-agent-banking-1828099>

### **Bangladesh Bank asks state banks to ramp up recovery**

- The central bank has asked four state-owned commercial banks, or SoCBs, to gear up the recovery drive, keeping in mind top 20 defaulters. The instruction was given at a meeting to review the memorandums of understanding of the four banks - Sonali, Janata, Agrani and Rupali.

- During the first half of the current calendar year, the total amount of NPLs with four leading SoCBs rose to BDT 437.40 billion from BDT 391.77 billion on December 31 last, the BB data showed. The BB advised the SoCBs to use all type of options -bond issuance, own profits and reduction of risk weighted assets-to meet their capital shortfalls. The overall capital shortfall of the four SoCBs stood at BDT 28.25 billion as on June 30 this calendar year. It was BDT 120.19 billion six months before.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-asks-state-banks-to-ramp-up-recovery-1573751739>

### **Bangladesh Bank steps up forex support to banks**

- The central bank has scaled up its foreign currency support to the commercial banks to help settle their import payment obligations, particularly for oil, officials said. The Bangladesh Bank, or BB, sold USD73 million to the banks during the last three days to help them meet the growing demand for the greenback. On Thursday, some USD 48 million was sold to three state-owned commercial banks (SoCBs), while USD 5.0 million and USD 20 million were provided to a state bank on Wednesday and Tuesday respectively, according to the officials.

- We've extended our foreign currency support to the public banks for import payment bills against petroleum products and liquefied natural gas (LNG), a senior BB official told the FE on Friday. The central bank has also provided the foreign currency support to a state lender to clear an installment of Rooppur nuclear power plant loans, the central banker noted.

- The central bank has so far sold USD 240 million to the banks, particularly state lenders, during the current fiscal as the demand for the greenback soared. During the last fiscal, the BB sold USD 2.34 billion to the banks on the same ground, according to official data. Talking to the FE, a senior treasury official of a leading private bank said the local currency has been maintaining a depreciating trend against the US dollar in recent months mainly due to higher demand for the greenback in the market.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-steps-up-forex-support-to-banks-1573839489>

### **Bangladesh, World Bank Group to collaborate in doing business reforms**

- Bangladesh and the World Bank Group have agreed to extend collaboration in a number of areas, including on doing business reforms, development of investment policies,

enhancement of promotional activities and skills development to face the 4th industrial revolution. Both the sides also agreed to develop institutional capacity of Bangladesh Investment Development Authority (BIDA), introduction of risk-based management and implementation of one-stop service.

<https://today.thefinancialexpress.com.bd/trade-market/bd-wb-group-to-collaborate-in-doing-business-reforms-1573916527>

### **Online foreign card transactions face roadblock**

• International credit cardholders will face trouble in settling online transactions abroad as they will have to take prior approval from banks for every cross-boundary payment. The central bank asked commercial banks on November 14 to take online transaction authorization form (OTAF) from clients for every foreign payment in order to tackle illegitimate online transaction. This has forced the Bangladesh Association of Software and Information Services (BASIS), the national trade body for software and IT-enabled service industry, to sit with the central bank today to withdraw the notice. The Association of Bankers, Bangladesh (ABB), the forum of private commercial banks, will also take preparations to sit with the central bank on this matter as this is highly tough for clients to submit OTAF for every transaction, said its Chairman.

• Bangladesh has around 1.5 million international cards, which are very low compared to the size of population and number of banks.

<https://www.thedailystar.net/business/news/online-foreign-card-transactions-face-roadblock-1828102>

### **High Court's status quo on asset manager of two Mutual Funds**

• The High Court (HC) has directed all parties concerned to maintain status quo regarding the asset manager of Green Delta Mutual Fund and DBH 1st Mutual Fund until January 8, 2020. LR Global Bangladesh is the asset manager of the two mutual funds, whose investors recently sought to change their asset manager. The HC ruling came after the LR Global recently filed an appeal for the temporary injunction on the decision of the unit holders.

• At the end of October, over two-thirds of the unit holders of the two mutual funds appealed to the trustee of the funds, Bangladesh General Insurance Company (BGIC), to change their asset manager. They also urged BGIC to appoint IDLC Asset Management as their new fund manager. The unit holders who applied for changing the asset manager own 72.50% units of DBH 1st MF and 70.12% units of Green Delta MF.

<https://today.thefinancialexpress.com.bd/last-page/hcs-status-quo-on-asset-manager-of-two-mfs-1574185723>

### **Important News: Capital Market**

#### **Standard Bank to issue perpetual bond worth BDT 5.0 billion**

• Standard Bank will raise a capital worth BDT 5.0 billion through issuance of perpetual bond as additional tier-I capital. The company's board of director has taken the decision of raising capital through the bond, according to a disclosure. The company will raise the capital to strengthen its capital base along with supporting the business growth subject to approval from the concerned regulators.

<https://today.thefinancialexpress.com.bd/stock-corporate/standard-bank-to-issue-perpetual-bond-worth-BDT-50-billion-1574181902>

#### **Supreme Court (SC) defers order on Bangladesh Telecommunication Regulatory Commission (BTRC) petition**

• The Supreme Court has deferred its order until November 24 on a petition filed by the Bangladesh Telecommunication Regulatory Commission (BTRC) seeking a stay on the High Court order that issued an injunction on its move to realize BDT 125.80 billion due from Grameenphone. The apex court, however, asked Grameenphone not to pursue any arbitration process over the payment before any other forum during this period.

• During the SC hearing on November 14 on the issue, Grameenphone has agreed to deposit BDT 2 billion with the BTRC against its claim of BDT 125.80 billion. On the other hand, a lawyer for the BTRC told the SC that Grameenphone should clear 50% of the BDT 125.80 billion due now.

<https://www.thedailystar.net/business/news/sc-defers-order-btrc-petition-1829095>  
<https://www.dhakatribune.com/business/2019/11/18/sc-asks-gp-not-to-settle-btrc-audit-dispute-outside-court>  
<https://today.thefinancialexpress.com.bd/last-page/gp-asked-not-to-proceed-with-the-issue-in-any-other-forum-1574097809>  
<http://www.newagebd.net/article/91012/no-arbitration-by-icsid-during-pendency-of-hearing-ad>

#### **Bata to keep expanding in Bangladesh: A top official of Bata**

• Thanks to steady economic development and higher incomes of people, Bangladesh has turned into a lucrative market for multinational retail companies, said the president of the Asia-Pacific region of Bata. Bata has been in Bangladesh for many years and investing in its own manufacturing units. A huge amount of money will be invested in Bangladesh by Bata in near future, he said. The company is targeting the younger population to keep up the growth momentum, he added. He is upbeat about the robust growth of the retail market in Bangladesh in the coming days. The retail marketing is growing on the back of economic growth. He said the shoe market is growing in Bangladesh. Bata holds the majority of the market share, at 40%.

• The multinational shoe company has been serving the local customers since 1962. Currently, Bata Shoe Company (Bangladesh) Ltd operates two manufacturing facilities – one in Tongi and the other in Dhamrai. With a production capacity of 160,000 pairs of shoes



daily, its annual sales stand at about 30 million pairs, according to the company's website.

<https://www.thedailystar.net/business/news/bata-keep-expanding-bangladesh-1828879>

### **Dhaka Stock Exchange (DSE) board okays Ring Shine listing**

• The board of directors of Dhaka Stock Exchange on Monday approved listing of Ring Shine Textiles on the bourse. The bourse found that the Managing Director of Ring Shine Textiles is the chairman of Universe Knitting while around twenty million placement shares of Ring Shine were issued to Universe Knitting, but the shares were placed under one-year lock-in period. The premier bourse wanted to investigate whether there was any existence of Universe Knitting at all. The BSEC did not pay heed to the DSE appeal and imposed a three-year lock-in on those shares held by him. The BSEC also said that he did not violate securities rules as the company sent documents related to Universe Knitting and the matter was settled on disclosure basis.

<http://www.newagebd.net/article/91019/dse-board-okays-ring-shine-listing>

### **Bonus shares recommended by BD Autocars: Central Depository Bangladesh Limited (CDBL) asked to refrain from provisional credit**

• The securities regulator has asked the Central Depository Bangladesh Limited (CDBL) to refrain from provisional credit of the bonus shares recommended by Bangladesh Autocars. A CDBL official said the Bangladesh Securities and Exchange Commission (BSEC) asked them to refrain from provisional credit of the bonus shares till holding of the company's annual general meeting (AGM).

• On October 21, the Bangladesh Autocars recommended 15% stock dividend for the year ended on June 30, 2019. Later, the Dhaka Stock Exchange (DSE) made a query regarding declaration of bonus share in connection with the company's negative retained earnings.

<https://today.thefinancialexpress.com.bd/stock-corporate/cdbl-asked-to-refrain-from-provisional-credit-1574094578>

<https://www.thedailystar.net/business/news/regulator-blocks-bangladesh-autocars-dividend-1829086>

### **Premier Cement takes up BDT 13.00 billion expansion despite industry glut**

• An unhealthy competition plagues Bangladesh's cement sector for a 43% overcapacity but this seems to have done little to dissuade Premier Cement from realising plans of doubling its annual production by next March. They have constructed two more units in Narayanganj and Chattogram involving BDT 13.00 billion, the company's managing director said. He said to have taken up the expansion plans way back in 2017 foreseeing demand taking the lead within 2021. The promise comes from the past, with demand continually growing for eight years by around 15.6% on the back of government plans on implementing mega projects.

• The new units are up and ready for trial runs, he said, adding that its Dhaka Stock Exchange disclosure would come following an annual general meeting in this fiscal year's third quarter. The Narayanganj unit is taking up BDT 8.00 billion and the Chattogram one the rest. Standard Chartered Bank, Pubali Bank and City Bank provided 70pc of the cost as

loan while a Danish bank another USD 35 million or BDT 2.80 billion for purchase of capital machinery.

• There are 37 active cement factories in Bangladesh which invested over BDT 300.00 billion to attain a combined annual production capacity of 58 million tonnes against a demand of 33 million tonnes. According to Bangladesh Cement Manufacturers Association, local companies dominate the market where annual sales have reached USD 3 billion, or BDT 255.00 billion. Of the total consumption, individuals account for 25%, real estate companies and developers 30% and the government 45%. Bangladesh's per capita cement consumption is around 181 kilogrammes. It is expected to increase to 220 kg by 2020.

<https://www.thedailystar.net/business/news/premier-cement-takes-BDT-1300cr-expansion-despite-industry-glut-1828651>

### **Shepherd Industries' decision of purchasing shares of 'Shepherd Jeans': Bangladesh Securities and Exchange Commission (BSEC) halts the move**

• The securities regulator has halted the execution of the Shepherd Industries' decision of purchasing the shares of another company 'Shepherd Jeans' by the assets of the former. The securities regulator has halted the transfer of the assets of the listed Shepherd Industries as the Shepherd Jeans is a 'newly' private company. Shepherd Industries wanted to purchase 15.5 million shares of Shepherd Jeans at a price of BDT 10 each by consideration of land, building and machinery for a sum of BDT 155 million.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-halts-the-move-1574013603>

### **Grameenphone agrees to pay BDT 2.0 billion in parts**

• Grameenphone (GP) has agreed to pay Bangladesh Telecommunication Regulatory Commission (BTRC) BDT 2.0 billion in two installments from its claim for BDT 125.79 billion in dues. As proposed, GP will pay BDT 2.0 billion to BTRC in two installments on condition that BTRC will remove restrictions imposed on the operator, the Barrister in the court for GP added.

• Opposing him, the Attorney General who stood for BTRC, proposed that GP should deposit at least 50% of the claimed money. Only then a discussion could take place for the payment of the remaining money, he argued. He prayed to the SC to stay the High Court (HC) order that granted an injunction on BTRC's claim. After hearing the parties, a six-member bench of the appellate division headed by the chief justice fixed November 18 for an order on the matter.

<http://today.thefinancialexpress.com.bd/public/last-page/gp-agrees-to-pay-BDT-20b-in-parts-1573752315>

<https://www.dhakatribune.com/business/2019/11/14/gp-intends-to-pay-BDT200cr-to-btrc>

### **50% circuit breaker imposed on first two days stocks trading**

• The stock market regulator on Thursday asked two bourses to put 50% circuit breaker on share prices of newly listed companies for the opening two days to prevent their abnormal price movement. The new circuit breaker regulations would be effective immediately, said

an office order of the Bangladesh Securities and Exchange Commission, issued on the day.

- According to the BSEC order, on the first trading session, a 50% circuit breaker will be imposed on the issue price of the debutant company's shares. On the second trading session, the circuit breaker of 50% will be imposed on the reference price or first day's closing price or on the adjusted open price. Circuit breaker regulation will be as usual, or 10% from the third trading session, adds the order.

<https://www.dhakatribune.com/business/2019/11/14/50-circuit-breaker-imposed-on-first-two-days-stocks-trading>

### Listed textile, RMG companies in a tight spot

- Stock market data depicts a sorry picture of the textile and garment companies, depriving thousands of investors of expected dividends from the sector that accounted for 84% of Bangladesh's exports last fiscal year. The net profits of 36 listed companies for 2011-2018 period nosedived to BDT 3.41 billion in 2018 from over BDT 12.52 billion eight years ago. Entrepreneurs blamed higher cost of production, over capacity, competition, exchange rate and lower prices from international buyers for the situation.

- Data showed of the 36 listed textile and garment companies nine incurred losses last year. But all of them except one had logged profits in 2011. After 2011 another 19 textile companies have been listed on the DSE to take the tally to 55. A research director of the Centre for Policy Dialogue, said the listed companies' data seem doubtful due to poor financial reporting, so it may not represent the whole sector.

- Overall, the sector is suffering from lower profits, said the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The cost of production of apparel items increased 30% between 2014 and 2018. Furthermore, the minimum wage of garment workers has increased 51% since December last year, she said. Between fiscal years 2015-16 and 2018-19, the industry's value addition has gone down 1.61% though apparel exports have increased from USD 28.10 billion to USD 34.13 billion during the period.

<https://www.thedailystar.net/business/news/listed-textile-rmg-companies-tight-spot-1828108>

### Renata to merge with subsidiary

- Renata Limited, a listed pharmaceutical company, is going to merge with its subsidiary Renata Oncology Limited subject to approval from the creditors, shareholders and sanction of the High Court Division of the Supreme Court and other legal/regulatory authorities. The board of directors of the drug maker approved the draft scheme of the amalgamation, with the exchange of 0.02 shares of Renata Limited for each share of Renata Oncology based on net asset value per share as on June 30, 2019.

<https://www.thedailystar.net/business/news/renata-merge-subsiary-1827397>

### Poor turnover continues to hit tax collection hard

- The government's revenue earnings from the Dhaka bourse tumbled 28% month-on-

month in October this year as trading volume was on the decline. The government bagged revenue worth about BDT 112 million in October of 2019 which was BDT 157 million a month ago, according to data from the DSE.

- The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05% and 5.0% respectively and deposits the amount to the government exchequer. Of the total earnings, BDT 70 million came from the TREC holders' commission, popularly known as brokerage commission, while BDT 42 million from the share sales by sponsor-directors and placement holders, the DSE data shows.

- The government earnings from the DSE also fell 29% in four months (July-October) of the current fiscal year compared to the same period of the previous fiscal. The government bagged revenue worth about BDT 547 million in July-October period of the current fiscal year which was BDT 771 million in the same period in the previous fiscal, the DSE data shows. The daily average turnover for the July-September period of the current fiscal year came down to BDT 4.30 billion, which was BDT 7.40 billion in the same quarter in the previous fiscal.

- The DSE paid tax worth BDT 2.72 billion in FY 2011-12, BDT 1.27 billion in FY 2012-13, BDT 1.54 billion in FY 2013-14, BDT 1.74 billion in FY 2014-15, BDT 1.58 billion in FY 2015-16, BDT 2.46 billion in FY 2016-17, BDT 2.33 billion in FY 2017-18 and BDT 2.51 billion in FY 2018-2019 on TREC holders' commission and share sales by sponsor-directors and placement holders. However, the DSE paid tax worth BDT 4.47 billion in the FY 2010-11, the highest in its history, when the market witnessed a wild trend before crashing.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/poor-turnover-continues-to-hit-tax-collection-hard-1573838475>

<https://www.dhakatribune.com/business/stock/2019/11/14/govt-s-tax-receipts-from-dse-fall-28-in-october>

### Trading of Treasury bond by December likely

- The securities regulator and the central bank are set to launch Treasury bond trading on the Dhaka Stock Exchange, or DSE, shortly to help make the secondary debt market vibrant. The officials said the regulator would seek tax exemption from bond proceeds to encourage investors' participation in the transaction of the treasury bonds. To activate the transactions of the treasury bonds, the central bank's Market Infrastructure (MI) Module will have to be linked with the DSE.

- Presently, a total of 221 treasury bonds are listed with the prime bourse. The market capitalization of Treasury bonds listed on the stock exchange is around BDT 549.38 billion, accounting for around 17% of the DSE's total cap.

<https://today.thefinancialexpress.com.bd/last-page/trading-of-treasury-bond-by-dec-likely-1573921712>