

## Weekly Market Update

### Capital Market Overview

The market closed positive this week. The benchmark index DSEX (+0.31%) gained 16.74 points and closed the week at 5,435.01 points. The blue-chip index DS30 (+1.44%) gained 27.40 points and stood at 1,925.76 points. The shariah based index DSES (+1.20%) closed in green and stood at 1,265.75 points. DSEX, DS30 and DSES all posted negative YTD return of -12.96%, -15.66%, and -8.98% respectively.

**Total Turnover During The Week (DSE) :** BDT 38.9 billion (USD 468.5 million)

**Average Daily Turnover Value (ADTV):** BDT 7.8 billion (Δ% Week: +35.3%)

**Market P/E: 17.10x**

**Market P/B: 2.20x**

### Daily Index Movement during the Week:

The market performed five sessions during the week. Market showed negative performance by -0.14% in the first session. Market then turned in positive in the second session by +0.56% and then continued to be positive in the third session by 0.27%. Then the market turned negative again in the fourth session by -0.36% and remained negative in the last session by -0.02%.

### Sectoral Performance:

- All the financial sectors showed negative performance this week. General Insurance experienced the highest loss of 3.44% followed by Life Insurance (-1.35%), Mutual Funds (-1.35%), Banks (-0.29%) and NBFIs (-0.18%).

- Non-financial sectors showed mixed performance this week. Power posted the highest gain by 3.14% followed by Food and Allied (+2.14%), Pharmaceuticals (+0.32%). Engineering experienced the highest loss by 1.68% followed by Telecommunication (-0.21%).

### Macroeconomic arena:

- The International Monetary Fund (IMF) has forecasted that Bangladesh's GDP (gross domestic product) growth is likely to be 7.1% in fiscal 2019. It predicts Bangladesh's economic growth is expected to reach 7.0% in 2023. The IMF also projected that Bangladesh's annual consumer prices would be 5.8% by the end of 2018 and 6.1% by 2019.

- Bangladesh's single-month earnings from merchandise goods hit a record with 54.64% growth to reach USD 3.14 billion in September 2018, surpassing the target set for the month by 14.74%. The country fetched USD 2.03 billion during the corresponding month of last year. The overall earnings during first three months of current fiscal year of 2018-19 stood at USD 9.9 billion having 14.75% growth.

- The World Bank has approved USD 515 million for three projects in Bangladesh to aid improvement in the areas of coastal and marine fisheries, forest management, and rural roads. The financing will benefit rural people by reducing poverty and creating new livelihood opportunities, including for local communities in Cox's Bazar district hosting Rohingya people.

- The Bangladesh Bank (BB) sold USD 45 million to different commercial banks in the week to stabilize the local currency by stopping its depreciation against the US Dollar and to meet the higher demand for the US currency due to import settlement obligations.

### Stock Market arena:

- Silva Pharmaceuticals made an exceptional trade debut on October 10, as its shares traded between BDT 28.1 and BDT 38 each on the Dhaka Stock Exchange (DSE), before closing at BDT 29 each, soaring 190%, from the issue price of BDT 10 each.

- Initial public offerings (IPOs) surged by 194% in the nine months of this year compared to the same period of the previous year. During January-September 2018, 11 companies raised a total of BDT 5.0 billion through their respective IPOs.

- The Investment Corporation of Bangladesh (ICB) has planned to inject fresh funds of BDT 20.0 billion through issuing its subordinate bonds into the capital market to keep the market stable ahead of the upcoming general election. The money that will be received by the end of this month through issuing the bonds will help reduce their cost of fund.

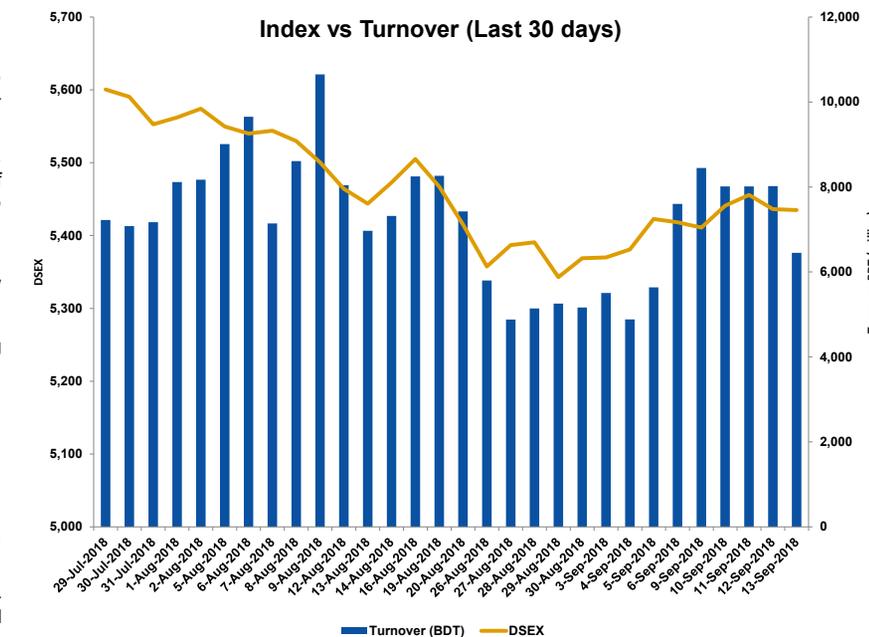
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,435.01	5,418.28	16.74	6,244.52	0.31%	-12.96%
DS30	1,925.76	1,898.36	27.40	2,283.23	1.44%	-15.66%
DSES	1,265.75	1,250.72	15.03	1,390.67	1.20%	-8.98%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,542,037.1	19,413,350.9	0.7%
	Mn USD	235,078.0	233,530.0	
Turnover	Mn BDT	38,943.8	28,790.4	35.3%
	Mn USD	468.5	346.3	
Average Daily Turnover	Mn BDT	7,788.8	5,758.1	35.3%
	Mn USD	93.7	69.3	
Volume	Mn Shares	844.9	644.5	31.1%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Silva Pharmaceuticals Limited	29.00	10.00	190.0%	.0	257.28	0.0x	0.0x
Meghna Cement	119	90.18	32.2%	2,950.3	104.28	45.1x	3.5x
Central Pharmaceuticals Limited	15.00	11.60	29.3%	1,711.4	159.09	15.7x	1.0x
VFS Thread Dyeing Limited	44.80	36.70	22.1%	3,795.2	529.37	26.9x	2.6x
Summit Power	49.40	41.50	19.0%	52,753.1	1,906.39	12.1x	2.1x
Uttara Bank	29.60	25.30	17.0%	11,842.4	227.37	7.7x	0.9x
Olympic Industries	235.80	201.90	16.8%	47,145.6	1,141.69	28.7x	8.7x
Libra Infusions Limited	747.30	648.10	15.3%	935.3	79.21	153.8x	0.5x
Mithun Knitting	16.30	14.30	14.0%	529.6	6.06	NM	0.7x
Saiham Textile	42.40	37.20	14.0%	3,839.9	194.23	41.6x	2.2x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Legacy Footwear	195.70	269.60	-27.4%	2,225.9	324.65	193.9x	11.6x
Stylecraft Limited	3,547.40	4,498.80	-21.1%	3,511.9	469.68	121.7x	12.6x
In Tech Online Ltd.	47.10	59.40	-20.7%	1,329.0	381.75	47.7x	4.7x
Republic Insurance	29.80	37.30	-20.1%	1,320.8	58.26	22.6x	2.4x
BD Autocars	327.60	394.20	-16.9%	1,265.4	100.56	355.2x	118.0x
Meghna Pet Industries	15.00	17.60	-14.8%	180.0	1.51	NM	NM
Fareast Finance & Investment Limited	4.90	5.70	-14.0%	803.9	6.93	7.8x	0.4x
Information Services Network Ltd.	25.30	29.20	-13.4%	276.3	16.05	NM	1.7x
National Housing Fin. and Inv. Ltd.	48.10	54.60	-11.9%	5,117.5	281.90	21.0x	3.1x
Sonali Aansh	267.20	301.30	-11.3%	724.6	29.43	162.1x	1.2x

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

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Khulna Power Company Limited	136.30	127.70	6.7%	49,243.1	4,415.71	26.9x	5.5x
United Power Generation & Distribution Company Ltd	354.10	346.40	2.2%	169,644.7	2,139.22	40.6x	14.7x
Summit Power	49.40	41.50	19.0%	52,753.1	1,906.39	12.1x	2.1x
Dragon Sweater & Spinning Ltd.	33.80	33.10	2.1%	8,940.1	1,260.23	61.4x	2.8x
Active Fine Chemicals Limited	43.00	43.90	-2.1%	8,597.7	1,233.77	15.5x	2.9x
BBS Cables Limited	122.70	127.60	-3.8%	16,932.6	1,196.07	41.0x	7.4x
Olympic Industries	235.80	201.90	16.8%	47,145.6	1,141.69	28.7x	8.7x
Singer Bangladesh	230.80	233.90	-1.3%	17,701.1	990.80	32.4x	9.9x
IFAD Autos Limited	126.60	130.30	-2.8%	28,935.1	972.45	27.6x	4.6x
Confidence Cement	230.00	221.20	4.0%	12,418.2	717.74	24.9x	4.5x

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

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Summit Power	49.40	37.60%	52,753.1	12.1x
Mutual Trust Bank	38.20	22.79%	21,902.5	15.0x
Berger Paints	1,223.70	18.63%	56,752.6	28.1x
Singer Bangladesh	230.80	18.06%	17,701.1	32.4x
Eastern Housing	50.90	3.46%	4,751.3	21.8x
Marico Bangladesh Limited	1,131.50	2.30%	35,642.3	24.7x
Delta Life Insurance	109.80	2.04%	13,587.8	NM
Delta Brac Housing	135.70	-0.22%	16,535.3	21.0x
BATBC	3,300.30	-2.98%	198,018.0	26.1x
Padma Oil Co.	231.30	-3.22%	22,721.2	11.2x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1398.97	1403.09	1848.21	-0.29%	-24.31%
NBFIs	2136.63	2140.54	2714.85	-0.18%	-21.30%
Mutual Funds	647.50	656.36	788.81	-1.35%	-17.91%
General Insurance	1411.80	1462.08	1592.30	-3.44%	-11.34%
Life Insurance	2005.55	2033.06	1834.85	-1.35%	9.30%
Telecommunication	5020.97	5031.48	6494.31	-0.21%	-22.69%
Pharmaceuticals	2602.62	2594.24	2821.05	0.32%	-7.74%
Fuel & Power	2021.58	1960.07	1527.27	3.14%	32.37%
Cement	1903.11	1894.50	2280.58	0.45%	-16.55%
Services & Real Estate	1111.86	1100.77	1224.11	1.01%	-9.17%
Engineering	3089.79	3142.49	3166.83	-1.68%	-2.43%
Food & Allied	14354.59	14054.48	15304.34	2.14%	-6.21%
IT	1435.91	1508.74	1484.41	-4.83%	-3.27%
Textiles	1395.19	1403.07	1222.72	-0.56%	14.11%
Paper & Printing	11595.34	12112.31	1013.11	-4.27%	1044.53%
Tannery	2546.57	2651.36	2642.41	-3.95%	-3.63%
Jute	8104.35	8463.00	8867.22	-4.24%	-8.60%
Ceramics	621.35	634.66	597.46	-2.10%	4.00%
Miscellaneous	1885.38	1885.00	1725.62	0.02%	9.26%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
Banks	403.3	280.7	43.66%	5.38%	9.0x	1.0x
NBFIs	276.7	290.5	-4.73%	3.69%	20.1x	2.1x
Mutual Funds	22.7	15.6	45.30%	0.30%	NM	0.5x
General Insurance	94.4	186.1	-49.27%	1.26%	12.9x	1.0x
Life Insurance	106.6	114.8	-7.14%	1.42%	NM	8.3x
Telecommunication	91.5	82.4	11.10%	1.22%	22.1x	16.3x
Pharmaceuticals	771.8	490.5	57.35%	10.29%	19.6x	3.2x
Fuel & Power	1,886.2	1,063.9	77.29%	25.15%	17.1x	2.6x
Cement	197.5	97.3	102.91%	2.63%	21.4x	3.5x
Services & Real Estate	158.3	120.9	30.96%	2.11%	27.9x	0.9x
Engineering	1,048.3	952.0	10.12%	13.98%	24.5x	2.3x
Food & Allied	412.3	166.3	147.97%	5.50%	29.1x	10.3x
IT	142.7	163.7	-12.82%	1.90%	27.7x	3.0x
Textiles	1,261.1	970.8	29.90%	16.82%	22.2x	1.2x
Paper & Printing	74.4	83.3	-10.75%	0.99%	NM	6.3x
Tannery	108.6	81.6	33.14%	1.45%	19.5x	3.1x
Jute	25.8	17.4	48.72%	0.34%	NM	3.4x
Ceramics	105.7	138.0	-23.44%	1.41%	30.0x	2.3x
Miscellaneous	310.3	285.3	8.79%	4.14%	26.1x	1.3x

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

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	12.10	-45.25%	9,173.4	6.1x
United Airways (BD) Ltd.	3.30	-41.07%	2,268.1	11.7x
Lankabangla Finance	26.40	-40.63%	9,032.0	11.4x
EXIM Bank	11.10	-35.47%	15,676.0	5.3x
Prime Bank	16.20	-34.96%	18,343.0	8.4x
Eastern Bank	33.90	-33.66%	25,018.2	9.2x
Islami Bank	24.50	-33.06%	39,444.8	8.8x
City Bank	32.60	-32.27%	31,556.4	7.8x
IFIC Bank	11.00	-31.56%	15,559.7	9.8x
Rupali Bank	38.70	-27.51%	14,571.2	NM

## Important News: Business & Economy

### Export earnings from India skyrocket by 142% in first quarter

- Country's export earnings from neighboring India posted a whopping 142% growth in the first quarter of the current fiscal year while the earnings from two major export destinations the USA and Germany also registered sizable growth. The readymade garment exports mainly drove the earnings growth in these countries in July-September of the financial year of 2018-2019, according to Export Promotion Bureau data.
- Growth in export earnings from two major Asian countries Japan and China also turned around in the period after experiencing frustrating performances in last few months.
- Export earnings from India grew to USD 375.0 million in the first three months of the current fiscal year from that of USD155 million in the same period of last fiscal year (2017-2018). RMG export to India alone witnessed a 167% growth with USD145.11 million earnings in the period than that of USD54.31 million in the same period of last year. Export of edible oils to the country also rose significantly to USD98.0 million from USD5.0 million, the EPB data showed.
- Exporters said that ongoing trade war between the US and China created an additional demand for Bangladeshi apparel products in the US market contributing higher growth while growth in Germany was a continuation of previous year's better performance of RMG makers in the market. On the other hand, export earnings from India witnessed a remarkable growth as Western and Indian clothing brands set up a good number of stores in India and raised procurement from Bangladesh.

<http://www.newagebd.net/article/52866/export-earnings-from-india-skyrocket-by-142pc-in-q1>

### Anonymous transaction biggest loophole: Bangladesh Institute of Bank Management

- Anonymous transaction is the "biggest loophole" in tackling money laundering through mobile payment in Bangladesh, a new survey on the bankers has revealed. Improper KYC (Know Your Client) by agents is the main reason behind such anonymous transactions, which are triggering such money laundering, said the survey conducted by Bangladesh Institute of Bank Management (BIBM).
- According to Professor and Director of BIBM, new payment systems are opening new avenues for money laundering. He also said that alongside remarkable benefits, expansion of MFS has resulted in numerous instances of abuse. This became particularly visible during the mass abuse of MFS platforms for illegal remittances last year.
- The study found that almost 67% of the bankers identified anonymous transactions as the biggest money laundering vulnerability in MFS. However, the selection of agents is also one of the determining factors in such instances.
- There is a lack of coordination among various relevant entities. At the same time, the lack of awareness about the latest technology is also a major challenge. The biggest challenge for the public sector entities including NBR is the lack of willingness to adopt new technology, said First Secretary of the National Board of Revenue (NBR). There should also be greater coordination between NBR and Bangladesh Bank to prevent money laundering and tax evasion.

<http://today.thefinancialexpress.com.bd/last-page/anonymous-transaction-biggest-loophole-bibm-1539192976>  
<https://www.thedailystar.net/business/news/anonymous-transaction-mobile-raises-risks-study-1645480>

### USD 100 million BIMSTEC Development Fund on the cards

- The member states of regional trade bloc Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation are set to establish a fund for research, planning and financing development projects. At the initial stage the fund styled 'BIMSTEC Development Fund (BDF)' will be worth USD 100 million.
- The fund will be set up with voluntary contributions from the member states. Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand joined hands with an express aim to boost economic cooperation for mutual gains.

<http://today.thefinancialexpress.com.bd/last-page/100m-bimstec-dev-fund-on-the-cards-1539193070>

### Tax from biggies BDT 3.0 billion short of target in first quarter

- Tax collection by the National Board of Revenue (NBR) from financial institutions fell short of the target by BDT 3.0-billion in the first quarter (Q1) of the current fiscal year (FY). The shortfall to 2.5 % cut in corporate tax for banks, non-banking financial institutions, insurance and leasing companies in the national budget for FY 2018-19. The LTU has received taxes worth BDT 34.9 billion against the target of BDT 37.8 billion set for the quarter. The unit collected BDT 32.2 billion in the corresponding period in FY '18.
- For FY '19, finance ministry has set a BDT 215.0 billion target for the LTU, representing a 27% growth in revenue earning. Officials felt that the target is ambitious as there is little scope to extract more taxes from the large taxpayers. They said the LTU has to focus on realizing a large sum of tax arrears pending with the court cases. Roughly BDT 125.0 billion income tax remains stuck up with the court cases filed by banks and mobile phone operators.

<http://today.thefinancialexpress.com.bd/first-page/tax-from-biggies-BDT-30b-short-of-target-in-q1-1539192623>  
<http://www.newagebd.net/article/52867/nbr-corporate-tax-receipt-short-of-q1-target-on-rate-cut>

### Mobile users lodge 1,496 complaints with regulator in 3 months

- Subscribers of the mobile phone operators lodged 1,496 complaints with Bangladesh Telecommunication Regulatory Commission in the July-September period this year regarding different problems they faced after they failed to get any remedy for their grievances from their respective operators. The issues of complaints included customers' dissatisfaction over network coverage, data package and volume offered by the mobile operators Grameenphone, Robi, Banglalink and state-owned Teletalk.
- A total of 364 complaints were about SIM block, 306 issues about network problem, 144 issues about different tariffs, 121 issues about social media and cyber security and 52

issues about value-added services. Besides, the number of data volume and speed-related complaints were 49 and 46 respectively while SMS and poor coverage drew 47 and 32 complaints respectively. Victims of fraudulent activities via mobile phones submitted 17 complaints to the commission seeking remedy. Of the 1,496 complaints, 1,366 issues have already been resolved and 130 issues are in process of resolution.

<http://www.newagebd.net/article/52868/mobile-users-lodge-1496-complaints-with-regulator-in-3-months>

### **International Monetary Fund (IMF) projects 7.1% growth for Bangladesh**

- The International Monetary Fund (IMF) has forecasted that Bangladesh's GDP (gross domestic product) growth is likely to hit 7.1% in fiscal 2019-end. Bangladesh's economic growth is expected to reach 7.0% in 2023, the IMF said in its World Economic Outlook 2018 (WEO).
- The IMF, in its global report, also projected that Bangladesh's annual consumer prices would be 5.8% by the end of 2018 and 6.1% by 2019.
- The IMF's GDP projections for Bangladesh were slightly higher than the World Bank and lower than the projection made by the Asian Development Bank (ADB). The WB and the ADB in their latest projections forecasted a 7.0% and 7.5% GDP growth for Bangladesh respectively for fiscal year 2018-19.

<http://today.thefinancialexpress.com.bd/first-page/imf-projects-71pc-growth-for-bdesh-1539107528>

<http://www.newagebd.net/article/52773/imf-projects-bangladesh-gdp-growth-to-fall-to-71pc>

### **Non-food inflation creeps up in September**

- Non-food prices rose for the country's consumers as point-to-point rate of inflation for such items went up to 5.45% in September. Data released from the Bangladesh Bureau of Statistics (BBS) showed that the increase was 0.72% points higher logged in August. The inflation of non-food items in September last year was only 2.98%.
- The BBS officials said although the inflation rate last month dropped to 5.43% compared to 5.48% in the previous month of August, the non-food inflation is rising. According to the BBS data, the inflation rate for non-food items increased to 5.45% in September from 4.73% in August.
- Meanwhile, the point-to-point inflation for the food item dropped to 5.42% last month from 5.97% in the month of August. The point-to-point inflation both in urban and rural areas dropped slightly.

<http://today.thefinancialexpress.com.bd/first-page/non-food-inflation-creeps-up-in-sept-1539107579>

<https://www.thedailystar.net/business/news/inflation-drops-18-month-low-1645036>

<http://www.newagebd.net/article/52772/inflation-falls-to-543pc-in-sept>

### **Bangladesh Bank issues revised risk management guidelines for banks**

- The central bank has issued revised risk management guidelines for banks to ensure a

sound risk management culture in the country's banking sector. As part of this endeavor, the previous guideline has been revised for ensuring the sound risk management culture effectively in the banks, it noted.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-issues-revised-risk-mgt-guidelines-for-banks-1539064190>

<http://www.newagebd.net/article/52770/bangladesh-banks-fresh-guidelines-for-banks-risk-management>

### **Executive Committee of the National Economic Council (ECNEC) approves 20 development projects**

- The Executive Committee of the National Economic Council (ECNEC) on Tuesday approved 20 development projects involving BDT 325.25 billion. The total estimated cost of the 20 projects is BDT 325.25 billion. Of the cost, BDT 154.94 billion will come from government funds, while BDT 116.56 billion from the own funds of the organisations concerned and BDT 53.74 billion as foreign assistance
- Of the 20 projects, 14 are new and the remaining six are revised ones. In terms of the cost, the three biggest projects are Ghorashal Palash Urea Fertilizer project involving BDT 104.61 billion; Cross-Border Road Network Improvement Project (Bangladesh) (1st revised) Project involving BDT 36.85 billion and Rural Connectivity Improvement Project (LGED Part) involving BDT 36.67 billion.

<https://thefinancialexpress.com.bd/economy/bangladesh/ecnec-approves-20-development-projects-1539082306>

<http://today.thefinancialexpress.com.bd/last-page/ecnec-approves-record-number-of-projects-worth-BDT-32525b-1539108098>

### **Indian company wins order worth Rs 14.9 billion in BD power line**

- KEC International, an RPG Group company, has won a new turnkey order worth Rs 14.96 billion transmission and distribution (T&D) business in Bangladesh. The order is for the design, supply and installation of the 400 kV Meghnaghat-Madunaghat double circuit transmission line.

<http://today.thefinancialexpress.com.bd/trade-market/indian-co-wins-order-worth-rs-149b-in-bd-power-line-1539106245>

### **Government sets target to export USD 5.0 billion Information and Communications Technology products by 2021**

- The government has developed 32,000 skilled manpower in the ICT sector in the last five years to address the shortage of skilled workforce in the information and communications technology industry. The government has set a target of exporting ICT products worth USD 5.0 billion by 2021 as the country's fast-expanding industry has the capacity to reach the target following creation of the skilled manpower.

- Executive Director of Bangladesh Computer Council (BCC) told that earlier there was a shortage of skilled workforce in the country's ICT sector and now the vacuum has been fulfilled largely after creation of the 32,000 skilled manpower.

- The 32,000 graduate and post graduate youths from the colleges and universities of the country were selected through online examination. Later, they were provided with training by the local and foreign instructors of the UK-based institution.

<http://today.thefinancialexpress.com.bd/trade-market/govt-sets-target-to-export-50b-ict-products-by-2021-1539106269>

### **4,181 change operators in first week of launch**

- One week past mobile number portability being made available, 4,181 cellphone users have changed from one mobile operator to another while retaining their existing 11-digit number. However, another 5,862 attempted to do so but were barred by the operators they were leaving, in most of the cases for dues not being cleared.
- Market leader Grameephone lost the highest number of customers and gained the lowest: 1,834 and 682 respectively. Of those who tried but failed to shift, 2,782 were from Grameephone, 1,519 Banglalink, 982 Robi and 579 Teletalk.
- Meanwhile the acting chairman of the Bangladesh Telecommunication Regulatory Commission (BTRC) said that there are some challenges, including issues raised by a few operators which are yet to found to be true, but the process will become smoother in the coming days, addressing to the complaints of the companies regarding switching process.

<https://www.thedailystar.net/business/news/4181-change-operators-first-week-launch-1645033>

<http://www.newagebd.net/article/52771/gp-sees-highest-departure-of-users-robi-highest-opt-in>

### **Japan's Sojitz in USD 500 million tie-up with Energypac**

- Sojitz Corporation, one of the leading business groups in Japan, is keen to make massive investment in Bangladesh's energy and infrastructure sectors and industrial park. It has already teamed up with Energypac Power Generation Ltd, a local conglomerate, and is seeking to establish a port at the Mirsarai economic zone over 1,000 acres of land.
- The joint venture would initially invest USD 500 million and it would go up to USD 2 billion phase by phase, Humayun Rashid, managing director of Energypac. The corporation is set to sign a memorandum of understanding (MoU) with the Bangladesh Economic Zones Authority (Beza) on October 21 to start feasibility studies.
- Sojitz has placed a proposal seeking 1,000 acres of land to establish a service-oriented industrial park, including a port at the Mirsarai economic zone and is keen to develop businesses in various industries such as machinery, chemical, medical, renewable energy, coal, food and textiles.

<https://www.thedailystar.net/business/news/japans-sojitz-500m-tie-energypac-1645027>

### **Export earnings in September up 55%**

- The country's single-month earnings from merchandise goods hit a record 54.64% growth to reach USD 3.14 billion in September 2018. The earnings also surpassed the target set for the month by 14.74%. The country fetched USD 2.03 billion during the corresponding month of last year.

- The overall earnings during first three months of current fiscal year of 2018-19 stood at USD 9.9 billion marking 14.75% growth. The export performance was 6.54% higher than the target set for the period. The earnings were USD 8.7 billion during July-September of last fiscal.

- Experts and exporters attributed the robust growth to the surge in Ready Made Garment's (RMG) productivity performance. Earnings from export of RMG products during July-September of this fiscal grew by 14.66% to USD 8.19 billion, which was USD 7.1 billion in the corresponding period of last fiscal, according to Export Promotion Bureau data. The earnings also surpassed the target by 4.75%.

<http://today.thefinancialexpress.com.bd/trade-market/export-earnings-in-sep-up-55pc-1539014909>

<https://www.thedailystar.net/business/news/exports-remain-robust-sep-1644619>

<https://www.dhakatribune.com/business/2018/10/08/export-earnings-up-by-over-50-in-september>

<http://www.newagebd.net/article/52683/q1-exports-surge-by-1475pc-on-higher-shipment-us-china-trade-war>

### **Bangladesh Bank must ensure compliance of regulatory measures by commercial banks**

- President of International Chamber of Commerce-Bangladesh (ICC-B) has said Bangladesh Bank must ensure compliance of regulatory measures by the commercial banks. According to the ICC-B chief, so far only limited action has been taken to penalise defaulters, improve risk management and strengthen professionalism in bank management. To tackle the sector's deep-rooted problems of corruption and poor risk practices further efforts are needed. He said huge amount of Non-Performing Loans (NPL) is affecting the eight state-owned commercial and specialized banks.

- Since 2009, the government has injected BDT 145.1 billion into the state owned banks but they are yet to show any sign of strengthening their capital base. On top of this, total banking sector loan amounted to BDT 7,527.3 billion, of which BDT 803.1 billion or 10.67% was bad debt. And if restructured or rescheduled loans were included, NPL in the banking sector would be 17% of total outstanding loans.

<http://today.thefinancialexpress.com.bd/last-page/bb-must-ensure-compliance-of-regulatory-measures-by-commercial-banks-1539020966>

<https://www.thedailystar.net/business/news/more-efforts-needed-cut-banking-graft-iccb-1644598>

### **Banks can lend more**

- Commercial banks have been empowered to lend more as the central bank has relaxed cash reserve requirement (CRR) and statutory liquidity ratio (SLR) rules. Officials said the banks are allowed to maintain both CRR and SLR with the Bangladesh Bank (BB) only for net investment in subordinate bonds instead of the previous gross investment amount.

- Bangladesh Bank has revised CRR and SLR rules to help the banks improve loanable funds that may also be lent to their prospective clients. The central bank issued a circular with two reporting formats on Monday, saying it will come into force with immediate effect. The revised policies will help the banks bring down interest rates on lending through

reducing the cost of funds.

<http://today.thefinancialexpress.com.bd/first-page/banks-can-lend-more-1539020562>

### **Prime Minister's Office asks National Board of Revenue to find reasons behind foreign investors leaving country**

• The Prime Minister's Office (PMO) has asked the National Board of Revenue (NBR) to find reasons behind the departure of some large foreign investors. PMO Principal Coordinator SDG (Sustainable Development Goals) Affairs said some major industrial units and airlines are withdrawing their business operations from Bangladesh. He also said that NBR will have to examine the reasons behind their departure, and consider possible measures in this regard.

• Since January last, four foreign airlines have left Bangladesh. They are -- Bangkok Airways, Thai Smile, Oman Air, and Etihad Airways. Besides, Glaxosmithkline has closed operations of its pharmaceuticals plant in Bangladesh. Such withdrawal of investment may give a negative signal to potential investors, if the government fails to address the issue properly.

• According to the decisions of the meeting, NBR will have to organise meetings between PMO, the Bangladesh Investment Development Authority (BIDA), the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the Metropolitan Chamber of Commerce and Industry (MCCI), the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Chattogram Chamber of Commerce and Industry (CCCI) and other major business associations.

<http://today.thefinancialexpress.com.bd/first-page/pmo-asks-nbr-to-find-reasons-behind-foreign-investors-leaving-country-1539020478>

<http://www.newagebd.net/article/52680/pmo-asks-nbr-to-find-reasons-behind-foreign-investors-exit>

### **Bangladesh Energy Regulatory Commission goes slow on gas price hike move**

• The Bangladesh Energy Regulatory Commission (BERC) is now going slow on its move to increase gas prices in the country. The BERC was long waiting for a government decision on supplementary duty (SD) waiver on import of pricey liquefied natural gas (LNG) and has been planning to raise gas prices upon calculating the SD waiver implications.

• Though the energy regulator has received the SD waiver SRO (statutory regulatory order) from the National Board of Revenue (NBR) last week, it's now weighing the pros and cons of the timing of the gas price hike decision, especially just ahead of the upcoming national election. Energy sector insiders believe that the things are getting delayed as the BERC is now going slow on its price hike decision to avoid any political repercussion ahead of the national election.

<http://today.thefinancialexpress.com.bd/trade-market/berc-goes-slow-on-gas-price-hike-move-1539014973>

### **Bangladesh Telecommunication Regulatory Commission busts six illegal VoIP centres, seizes 11,000 SIM cards last month**

• The telecoms regulator seized nearly 11,000 SIM cards from illegal VoIP (Voice over Internet Protocol) call centres across the country last month. The telecoms regulator seized nearly 11,000 SIM cards from illegal VoIP (Voice over Internet Protocol) call centres across the country last month. The telecoms regulator said over 25 million minutes of overseas (incoming) calls are made through illegal VoIP exchanges every day, causing loss of revenue worth millions of BDT to the state exchequer.

• The telecoms regulator also said over 25 million minutes of overseas (incoming) calls are made through illegal VoIP exchanges every day, causing loss of revenue worth millions of BDT to the state exchequer.

• During the drives conducted jointly by the BTRC and the Rapid Action Battalion (RAB), 5,075 SIM cards of Teletalk, 3,897 of Robi, 1,414 of Grameenphone, 426 of Banglalink, 120 of PSTN operator Rankstel and 15 SIM cards of WIMAX operator Banglalion were seized. BTRC also seized 72 GSM gateways (SIM box) and many other VoIP equipment.

<http://today.thefinancialexpress.com.bd/trade-market/btrc-busts-six-illegal-voip-centres-seizes-11000-sim-cards-last-month-1539014936>

<https://www.dhakatribune.com/business/2018/10/08/btrc-illegal-voip-calls-incur-huge-revenue-loss>

<http://www.newagebd.net/article/52688/mnos-must-take-liability-for-sim-card-misuse-in-illegal-voip-business>

### **State banks' loss-making branches shrink**

• The number of loss-making branch of five state-owned commercial banks came down 24% to 270 in the first half of the year. All five banks except Janata saw a sharp decline in the number of loss-making branches thanks to an expansion of loan activities at branch level.

• Sonali, the largest state-owned bank, saw its loss-making branches come down to 137 at the end of June from 181 six months earlier. During the period, Agrani bank brought down its loss-making branches to 31 from 57, Rupali to 27 from 33 and BASIC Bank to 16 from 21, according to data from the central bank.

• Only Janata, which is mired in controversies surrounding loans amounting to BDT 83.0 billion, saw a rise in loss-making branches in the first six months of the year: from 57 to 59. The state banks put in more efforts on reducing their number of loss-making branches due to constant pressure from the Bangladesh Bank

<https://www.thedailystar.net/business/news/state-banks-loss-making-branches-shrink-1644586>

### **Agrani Bank approves loan to Le Meridian owner**

• State-owned Agrani Bank is going to provide a large loan to the owner of the five-star Le Meridian hotel who is facing an Anti-Corruption Commission (ACC) investigation into the alleged amassing of illegal wealth. Even though the owner of Le Meridian is accused of accumulating wealth totalling millions of BDT through illegal business and the misappropriation of government assets. The bank board meeting approved BDT 1.25 billion as a loan to Best Holding Limited, owned by Amin Ahmad Bhuiyan, without any deposits.

- The loan was approved with corporate guaranty and personal guaranties although the paid up capital of the company is only BDT 20 million. The former deputy governor of Bangladesh Bank, said that it is not a right practice to approve loans without verification of information. The former deputy governor of Bangladesh Bank, said that the Dhaka Tribune that it is not a right practice to approve loans without verification of information. This includes BDT 1.01 billion with City Bank, BDT 0.85 billion with NCC Bank, BDT 1.10 billion with Southeast Bank, and BDT 1.00 billion with Bangladesh Infrastructure Finance Fund Limited.

<https://www.dhakatribune.com/business/2018/10/08/agrani-bank-approves-loan-to-le-meridian-owner>

### **Bangladesh Bank sells USD 45.0 million to banks to steady forex market**

- The central bank of Bangladesh again lent its foreign exchange support last week through selling US dollars to banks aiming to keep the market stable. The Bangladesh Bank (BB) sold USD 45 million to different commercial banks in the week to meet the growing demand for the greenback in the foreign exchange (forex) market. Earlier on September 27 last, a total of USD 30.0 million was sold to banks, particularly public ones, on the same grounds.

- During the last week the exchange rate of the local currency depreciated by five paishas against the US dollar in the inter-bank foreign exchange market, mainly due to the higher demand for the US currency. On the other hand, at the customer level the exchange rate of Bangladesh Taka (BDT) depreciated by 10 paishas against the US currency last week as the pressure built because of import settlement obligations.

<http://today.thefinancialexpress.com.bd/last-page/bb-sells-45m-to-banks-to-steady-forex-market-1538935129>

<https://www.thedailystar.net/business/news/bb-steps-dollar-sales-1644106>

### **Internet consumption in Bangladesh rises by 63.0% in FY18**

- Country's international bandwidth consumption increased 63.5% in the financial year 2017-2018 compared to that of the previous year amid soaring internet usage in day-to-day life.

- According to Bangladesh Telecommunication Regulatory Commission data, international internet bandwidth consumption increased 261 gigabits per second to 672 Gbps at the end of June this year from 411 Gbps a year ago. In June 2016, country's total international bandwidth consumption was 265 Gbps while it was 186 Gbps in December 2016 and only 8 Gbps in 2009.

- The number of internet users in the country increased to 87.8 million at the end of June 2018 while the figure was 73.3 million at the end of June 2017.

- According to a senior official of Bangladesh Submarine Cable Company Limited, currently the BSCCL is supplying 60.0% of the country's total demand and I hope that the scenario would be more favorable for the state-owned entity in coming days.

<http://www.newagebd.net/article/48657/internet-consumption-in-bangladesh-rises-by-63pc-in-fy18>

### **Canada keen to develop trade relations with Bangladesh**

- Canada is very much keen to boost its bilateral trade relations with Bangladesh as it has expressed interest to have regular meetings and undertake mutual initiatives among the private sectors of both the countries. High commissioner of Canada said that they value Bangladesh as a significant trade partner. He also added that as the existing trade is not satisfactory, and much potential are untapped, Canada businessmen are coming to Bangladesh more than before to develop the bilateral trade.

- Mentioning about the role of private sector in the fast-growing development activities of the country, FBCCI president said that FBCCI along with its member bodies are working with the government to ensure a conducive business environment in the country. Moreover, he mentioned that the Canadian investors can avail the opportunity of investing in the countrywide 100 Special Economic Zones.

- According to FBCCI, Bangladesh's export to Canada totaled USD 1118.7 million US in fiscal 2017-18 against the import of USD 498.2 million. The principal export products of Bangladesh to Canada are woven garments, knitwear, home textile and footwear etc. The import items from Canada are vegetable products, machinery and mechanical appliances, textiles and textile articles etc.

<http://www.newagebd.net/article/52607/canada-keen-to-develop-trade-relations-with-bangladesh>

### **Bangladesh, Brazil agree to sign Free Trade Agreement**

- Commerce minister said Bangladesh and Brazil have agreed to form a joint chamber of commerce and sign a Free Trade Agreement (FTA) to boost bilateral trade and commerce. The businessmen of the two countries will be inspired in trade and communication among them will increase after formation of the Brazil-Bangladesh Chamber. Brazil is a potential market for Bangladesh's garments, but Bangladesh cannot export as per its expectation due to high tariff, the minister said, adding that the country would get trade facilities from Brazil after signing FTA. Brazil is keen to boost trade with Bangladesh, said Brazil Envoy, underscoring the need for forming a chamber and signing a FTA involving businessmen of the both countries to this end.

<http://www.newagebd.net/article/52606/bangladesh-brazil-agree-to-sign-free-trade-agreement>

### **Ready Made Garment's woes: long work hours**

- The garment sector's main challenge now is the long work hours that result from weak supply chain, poor infrastructure, insufficient utility services and high migration rates, a study finds. Workers have to work for 12 hours a day mainly because of poor supply chain and infrastructure, insufficient utility services and high rate of migration, it said. Moreover, shorter lead time in the age of fast fashion is also liable for the excessive working and holiday work, it revealed.

- On the other hand, the gazette for minimum wage structure cannot serve as a complete guideline to determine the wage administration in the garment sector. The gazette itself created confusions and accelerated deprivation as all focus of the gazette falls on the entry-level workers and their wages. There is no guideline on how to measure workers'

competency for a particular grade and for how long a worker will be retained in the same grade.

- The study recommended forming a separate ministry for labor-intensive RMG sector for its sustainable development. It also suggested developing a delegated authority and management system as a large number of foreigners are working in RMG and its associated sectors. It recommended forming workers' participatory committees as best substitute for traditional trade unions and relocating factories to areas from where most of the workers are migrated.

<http://today.thefinancialexpress.com.bd/last-page/long-working-hours-a-major-challenge-in-rmg-sector-study-1538935278>

<https://www.thedailystar.net/business/news/rmgs-woes-long-work-hours-1644115>

### Companies want to reduce costs, improve business agility

- A number of local companies are gradually migrating to cloud after realising its potential benefits for a business. The adoption of cloud and SaaS (Software-as-a-Service) has been remarkable in Bangladesh. Big Bangladeshi brands including Dulal Brothers, Zaber & Zubayer, a subsidiary of Noman Group and one of the leading home textile and ready-made garments (RMG) manufacturers of Bangladesh and BRAC Bank Limited have selected Oracle to support their journey towards cloud.

- Oracle Cloud is helping their businesses to innovate processes, modernise talent acquisition, reduce IT costs and improve business agility and fuel growth. Bangladeshi companies progressing towards cloud transformation are backed by technology adaptation and Oracle has been a partner in their endeavours for the last 19 years, said the Head of Applications of Oracle Corporation - Bangladesh, Nepal & Bhutan. He added that, Oracle wants to bring innovation to the country. Innovation is a key aspect and will be crucial to succeed in the region. Oracle invests a huge sum of money on R&D and wants to bring new technologies to Bangladesh so that organizations can elevate their businesses and successfully compete in international markets. That is Oracle's vision for Bangladesh.

<http://today.thefinancialexpress.com.bd/stock-corporate/cos-want-to-reduce-costs-improve-business-agility-1538930253>

### Private credit growth hits 31-month low

- Private sector credit growth hit a 31-month low of 14.95% in August as investors shy away from business expansion due to the upcoming national election in December. The development will bring much cheer to the Bangladesh Bank as this is the first time in about a year that the growth rate has been below its ceiling. The private sector credit growth target for the second half of the year is 16.80 percent. Banks have enough money but investors are unwilling to take investment decisions ahead of the election, said managing director of Bank Asia.

- The central bank's decision to slash the loan-deposit ratio by 1.5% points to 83.5% was one of the main reasons behind the declining credit growth. Most of the banks have brought down their loan-deposit ratio in line with the central bank's instruction. As a result, credit growth has slowed recently. But the trend is normal as it remained within the central bank's ceiling. At the end of June, the average loan-deposit ratio stood at 76.66 percent.

<https://www.thedailystar.net/business/news/private-credit-growth-hits-31-month-low-1642783>

### Bangladesh Bank sees growth, inflation outlook stable in FY '19

- The central bank assumes that political tensions centring on next general election in the country will be insignificant and hence economic growth and inflation are likely to remain stable in the current fiscal year (FY). Looking ahead, growth and inflation outlook would likely remain relatively favourable in FY 2018-19, assuming no significant pickup in election-related political tension. The World Bank (WB) however, views the upcoming election as a domestic risk factor that may affect business confidence and investment, if the polls are not inclusive.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-sees-growth-inflation-outlook-stable-in-fy-19-1538674635>

### Secondary bond market still elusive

- Bangladesh is far off from getting a much-needed secondary bond market as 96% of the securities issued by the government are owned by banks and insurers, which are tightly holding on to them to meet their regulatory requirements. As of June, the government issued treasury bills and bonds worth BDT 1.62 trillion. Banks have 77.12% or BDT 1.25 trillion of them with a view to maintaining the statutory liquidity ratio determined by the Bank Companies Act 1991. Similarly, life and general insurance companies possess treasury bills and bonds worth BDT 128.00 billion to fulfil their legal compliance. In the absence of a vibrant secondary bond market, bonds have become non-tradable assets. Had there been a functional bond market, the government could have easily mobilised funds to implement mega infrastructural projects.

<https://www.thedailystar.net/business/news/secondary-bond-market-still-elusive-1643662>

### Confidence powers pharma exports

- The country's medicine export crossed the USD 100-million mark during the last fiscal, thanks to the growing recognition of Bangladeshi drugs in the global market. The local pharmaceutical industry fetched USD 103.46 million during fiscal year (FY) 2017-18. The amount was around 16% higher than the earning (USD 89.17 million) of FY 2016-17. The volume of export was USD 18.77 million in the first two months of the current fiscal year, which is 19% higher than that of the corresponding period of the last fiscal year. The sector is expected to grow at much higher rate in coming years as local companies are getting access to new export destinations, helped by required policy support from the government. Strong manufacturing base and skilled manpower are playing a crucial role for the positive growth in the sector.

<http://today.thefinancialexpress.com.bd/first-page/confidence-powers-pharma-exports-1538845204>

### Buy handsets with ease

- The telecom regulator has finalised a directive that will soon allow those with no credit card to enjoy equal monthly instalment facility to purchase high-end smartphones from

mobile operators. A longstanding demand of the carriers, the move is expected to boost 4G-enabled handset penetration in the market, enabling operators to better monetise their investment on 4G. The EMI will be for six months and the handsets will be locked to the network until then, said a senior official of Bangladesh Telecommunication Regulatory Commission related with the process.

- The handsets, which would carry the mobile operator's logo as well as the vendor's, can have no less than 1GB RAM and 8GB storage space and be compatible with 900, 1,800 and 2,100 spectrum bands. The handsets must not cost more than the regular market price, and the mobile operators can run advertising campaigns to market them, as per the directive. The development is a cause for alarm for mobile operators as they built their network for the fastest mobile data by investing billion of dollars.

<https://www.thedailystar.net/business/news/buy-handsets-ease-1642789>

### Most of banks don't have budget for compliance units

- Around 70% of the surveyed banks don't have separate budget for their compliance units that deal with both internal and external issues. But 91% believe compliance costs help to reduce banking business risks. Besides, private and public commercial banks have to submit a total of 263 reports annually to the central bank to comply with various issues. As Bangladesh Bank (BB) is the main regulatory authority of the banking sector, it has 15 acts/laws, 46 guidelines, 10 regulations and 478 circular/circular letters as regulatory requirements. But these regulations also incur a cost on banks. With the increasing regulatory compliance requirements for banks over the years in the country, costs of complying with the requirements are also increasing.

<http://today.thefinancialexpress.com.bd/public/last-page/most-of-banks-dont-have-budget-for-compliance-units-1538675325>

<https://www.thedailystar.net/business/news/too-many-compliance-reports-raise-costs-banks-paper-1642786>

### Janata seeks FID nod to raise deposit rate amid crisis

- State-owned Janata Bank, reeling from loans scams, has sought consent from the Financial Institutions Division for offering more than six% interest rate on deposit against the backdrop of sharp decline in its deposits. Deposits of over BDT 30.00 billion were withdrawn from the bank since the implementation of a government decision to set the interest rate for lending at nine % and deposit at six per cent. Janata that suffered loan scams of BDT 12.00 billion involving Bismillah Group in 2012, BDT 55.00 billion involving Crescent Group and over BDT 50.00 billion by AnonTex in the last one year is facing severe liquidity crisis following withdrawal of deposits.

- Although all the state-owned commercial banks have complied with the directive, only a couple of private banks have implemented it. Most of the private banks and non-bank financial institutions were offering more than 6% interest on deposits. As a result, the state-owned banks are facing an uneven competition and suffering from falling deposit which forced Janata to appeal for increasing the interest rate by at least 0.5% points to 6.5 per cent.

<http://www.newagebd.net/article/52526/janata-seeks-fid-nod-to-raise-deposit-rate-amid-crisis>

### January-July RMG export to European Union low in value

- The country's ready-made garment export to the European Union (EU) during the last January-July period was much lower in terms of value than that of volume. Exporters and experts attributed sluggish global demand, depreciation of euro and market shift from China to the declining trend of apparel prices. The EU's apparel import from Bangladesh in terms of value grew by 3.92% to €9.52 billion from €9.16 billion for the seven months. The same in terms of volume rose by 15.75% to 749.20 million kilograms, up from 647.23 million kilograms of last year. The data showed the EU's overall apparel import from across the globe during the period increased by 5.58% to 2.73 billion kg. In terms of value, it witnessed a meagre 0.06% growth with earnings of €46.66 billion.

<http://today.thefinancialexpress.com.bd/last-page/jan-july-rmg-export-to-eu-low-in-value-1538844555>

<http://www.newagebd.net/article/52529/rmg-export-volume-growth-outpaces-value-in-eu-market-as-price-falling>

### World Bank approves USD 515 million for three projects

- The World Bank has approved USD 515 million for three projects in Bangladesh to aid improvement in the areas of coastal and marine fisheries, forest management, and rural roads. The financing will benefit rural people by reducing poverty and creating new livelihood opportunities, including for local communities in Cox's Bazar district hosting Rohingya people who fled violence in Myanmar. These three projects will create opportunities for the rural population and especially help the vulnerable people come out of poverty. At the same time, they will improve the country's resilience to climate change.

- Under the project trees will be planted on about 79,000 hectares of forest, including a coastal green belt that will also help increase climate change resilience. The project will support increasing income through alternative income generation activities for about 40,000 households in the coastal, hill and central districts of the country. The project will particularly help the host communities through its income generation activities, improving the availability of wood for fuel in a sustainable way and reducing human-wild elephant conflict which has affected parts of the district.

<http://today.thefinancialexpress.com.bd/last-page/wb-approves-515m-for-three-projects-1538844513>

### Transshipment deal with India likely this month

- Bangladesh and India are expected to sign this month the much-talked-about transshipment agreement that would allow the latter to use Chittagong and Mongla ports to transport goods to its north-eastern states. The cabinet recently gave its seal of approval for the proposed agreement. The bilateral deal is expected to be signed during the shipping secretary-level meeting between the two countries. The meeting is scheduled to be held later this month. The agreement will remain effective for a period of five years with a provision of auto-renewal for another five years. Either of the countries, however, could cancel the deal giving six months' notice. This will affect the manufacturing sector as we export a lot of goods to the north eastern states of India.

<http://today.thefinancialexpress.com.bd/first-page/transshipment-deal-with-india-likely-this-month-1538844886>

## Investment in Export Processing Zones grows threefold in 10 years

• Investment under the Bangladesh Export Processing Zone Authority (BEPZA) increased around three times in the last 10 years due to the government's business-friendly initiatives. According to the BEPZA, the flow of investment soared to USD 4,724.92 million in August 2018 from USD 1509.14 million in December 2008. Due to different measures taken by the BEPZA, the flow of investment in the country's eight Export Processing Zones (EPZs) showed an upward trend in the last couple of years, said BEPZA General Manager. She said a total of 476 industries under the eight EPZs also made better performance in the fields of export and employment generation as the two components increased 2.5 times and two times respectively in the last 10 years.

• Official data shows that the cumulative investment stands at USD 1,643.02 million in Chittagong EPZ up to June 2018 while USD 1,360.81 million in Dhaka EPZ, USD 315.51 million in Comilla EPZ, USD 59.01 million in Mongla EPZ, USD 159 million in Uttara EPZ, USD 136.77 million in Ishwardi EPZ, USD 471.70 million in Adamjee EPZ and USD 535.03 million in Karnaphuli EPZ. In order to stimulate rapid economic growth of the country, particularly through industrialisation, the government has adopted an 'Open Door Policy' to attract foreign investment to Bangladesh. The BEPZA is the official organ of the government to promote, attract and facilitate foreign investment in the EPZs.

<http://today.thefinancialexpress.com.bd/public/trade-market/investment-in-epzs-grows-threefold-in-10-years-1538673903>

## Bangladesh Energy Regulatory Commission (BERC) likely to declare new gas tariff next week

• The country's energy regulator has waived a total of 122% tax on locally-produced natural gas at the consumer end to keep the blended gas price rational with imported re-gasified LNG. The tax includes 93.25% supplementary duty (SD) and 15% value added tax (VAT) thereafter. National Board of Revenue (NBR), however, slapped 15% VAT on the import of LNG (liquefied natural gas). The actions came with issuance of three separate statutory regulatory orders (SROs).

• NBR waived 5.0% customs duty (CD) on LNG import last week, but slapped 2.0% advance income tax (AIT) in April 2018. With the issuance of these SROs the 'indecisive stage' of the energy regulator in this regard came to an end. It also paves the way for announcing a fresh hike in gas tariff. It is almost eminent that the declaration of a fresh gas price will come next week.

<http://today.thefinancialexpress.com.bd/public/first-page/berc-likely-to-declare-new-gas-tariff-next-week-1538674826>

## Energy costs to double by 2031: Japan International Cooperation Agency

• Energy costs in the industrial and transport sectors will stand at USD 20 billion by 2031, double that of 2021, said chief representative at the Bangladesh office of Japan International Cooperation Agency (Jica). He said efficient use of energy in Bangladesh is very crucial as the country has been importing power alongside going for low-cost natural gas-based electricity generation. To minimise costs, the power tariff has also been increased, he added.

<https://www.thedailystar.net/business/news/energy-costs-double-2031-jica-1642792>

## NBR revenue receipt 20% short of target in July-August

• Revenue collection by National Board of Revenue fell BDT 72.74 billion or 20.45% short of target in the first two months of the current fiscal year 2018-2019. Taxmen managed to collect only BDT 283.03 billion in July-August against the collection target of BDT 355.77 billion for the period, according to the provisional data of NBR. Tax mobilisation also witnessed very insignificant growth at 1.53% in July-August of the current FY 2019 compared with that of the same period of last FY 2018 due mainly to negative growth in value-added tax and customs duty collections.

• VAT collection declined by 2.33% and customs duty by 2.35% in two months compared with the same period of last year. Income tax collection grew by 13.83% in the period. Of the total revenue collection, the highest BDT 109.86 billion came from customs duty, BDT 97.14 billion from VAT and BDT 76.03 billion came as income tax. NBR had collected BDT 278.77 billion in the first two months of the last FY 18. NBR has set a target of realising BDT 2.96 trillion revenue in the current fiscal year.

<http://www.newagebd.net/article/52527/nbr-revenue-receipt-20pc-short-of-target-in-jul-aug>

## Important News: Capital Market

### Bangladesh Securities and Exchange Commission chief warns of scrapping Initial Public Offering quota

• Chairman of the securities regulator has warned different eligible investors (EIs) of 'scrapping' their IPO (initial public offering) quota if they fail to carry out stipulated roles. He said that he IPO quota will be scrapped if the EIs quote unjustified price in determining the cut-off price of shares of a company which is allowed to go public under book building method.

• The chairman also warned the stockbrokers of scrapping their IPO quota if the fund of consolidated customers' account is set aside for their (brokers) own investment. He also added that a merchant bank, also the issue manager, will not be entitled to the quota facility if it fails to bring two IPOs in one year and also warned that the license of an asset manager will also be cancelled if it does not carry out due role as per the securities rules.

• Under the book building method, the securities regulator has kept 60 % quota for the EIs like banks, financial institutions, and asset management companies. The general investors, including non-resident Bangladeshis (NRBs), are allowed to avail the remaining 40 % IPO quota. Under the fixed price method, the EIs are entitled to 50 % IPO quota, while remaining 50 % quota is kept for the general investors, including NRBs.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-chief-warns-of-scrapping-ipo-quota-1539191553>

<https://www.thedailystar.net/business/news/regulator-go-tough-institutional-investors-1645507>

## Investment Corporation of Bangladesh plans to inject fresh funds into stock market

- The Investment Corporation of Bangladesh (ICB) has planned to inject fresh funds into the capital market to keep the market stable ahead of the upcoming general election. Under the move, the state-run investment agency is now working to collect funds worth BDT 20.0 billion through issuing its subordinate bonds shortly.
- The fund will be available for investment by the end of this month. The money that will be received through issuing the bonds will help reduce their cost of fund. ICB will invest more in the share market in line with the market requirement.
- On the other hand, all scheduled banks are now exempted from complying with the relevant section of existing Banking Companies Act (BCA) for investing in the ICB's subordinate bonds. Currently, the banks are allowed to invest maximum 25 % of their total capital in share market on solo basis in line with BCA (Amended) 2013.
- Bangladesh Securities and Exchange Commission (BSEC) approved the ICB's proposal for issuing bond. The tenure of the ICB's non-convertible and fixed rate bond will be seven years. The bond will be fully redeemable, unsecured and unlisted.

<http://today.thefinancialexpress.com.bd/last-page/icb-plans-to-inject-fresh-funds-into-stock-mkt-1539193029>  
<https://www.thedailystar.net/business/news/bb-encourages-investment-icb-bond-1645465>  
<http://www.newagebd.net/article/52872/investment-of-banks-in-icb-bond-exempted-from-stock-exposure-tally>

### **Silva Pharma share jumps 190% on debut trading**

- Silva Pharmaceuticals made a flying trade debut on Wednesday as its share price jumped 190 % on the first day of trading. The share traded between BDT 28.1 and BDT 38 each on the Dhaka Stock Exchange (DSE), before closing at BDT 29 each, soaring 190%, from the issue price of BDT 10 each.
- It also featured in the top ten turnover chart on the prime bourse with more than 7.2 million shares worth nearly BDT 214 million changing hands. On the Chittagong Stock Exchange (CSE), its share price soared 184% to close at BDT 28.4 each. Some 1.8 million shares worth BDT 53.9 million changing hands in the port city's bourse.

<http://today.thefinancialexpress.com.bd/stock-corporate/silva-pharma-share-jumps-190pc-on-debut-trading-1539191665>  
<https://www.thedailystar.net/business/news/silva-pharma-rises-199pc-debut-1645468>

### **Initial Public Offerings surge 194% in nine months of 2018**

- Fund raising by companies through initial public offerings (IPOs) surged by 194% in the nine months of this year compared to the same period of the previous year. During January -September 2018, 11 companies raised a total of BDT 5.0 billion through their respective IPOs, according to statistics from the Dhaka Stock Exchange (DSE). Moreover, the outlook appears to be bullish for the remaining part of the year as some companies, including Runner Automobiles and Esquire Knit Composite, are expected to launch their initial share-sale offers in the coming months.
- Market insiders attributed the revival of the IPO market to poor performance of the secondary market coupled with proactive regulatory environment. DSEX, the prime index of

the DSE, eroded more than 876 points or 14% in the nine-month period of 2018.

- The performance of the primary market is relatively good as newly-listed companies' share prices soared manifold on their debut trading days, which encouraged investors to get at least one IPO lot to book short-term profit. As there is no risk in the primary market, the investors showed more interest in it.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipos-surge-194pc-in-nine-months-of-2018-1539098505>

### **Silva Pharma makes debut today**

- Silva Pharmaceuticals will make its share trading debut on the stock exchanges today under "N" category.
- The company's profit after tax stood at BDT 93.0 million and post-IPO earnings per share (EPS) was BDT 0.7 for the year ended on June 30, 2018 as against profit after tax of BDT 80.3 million in the previous year.
- Silva Pharma will be the 30th listed company under the 'pharmaceutical & chemicals sector on the Dhaka bourse. The sector accounted for 14.40% of the prime bourse's total market capitalisation.
- The Silva Pharma raised a capital worth BDT 300.0 million by offloading 30 million ordinary shares at an offer price of BDT 10 each under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/silva-pharma-makes-debut-today-1539098614>

### **Stock market can't keep pace with economic growth**

- The stock market has failed to keep pace with the country's robust economic growth because of the reluctance of the conglomerates to get listed and give the general people the opportunity to invest in good companies. Bangladesh's gross domestic product is growing at over 7% every year but the growth of market capitalisation is not on a par with it.
- The growth of Bangladesh's economy is praised in international forums but stock market does not match the high growth rate, said commissioner of the Bangladesh Securities and Exchange Commission (BSEC). He said the stock market experienced many reforms as well in the last few years but big conglomerates were yet to come forward. Many big conglomerates do not want to share ownership of the entities with the public and abide by rules and regulations of the securities law, he said. The BSEC is trying to increase institutional investors' base in the market, he added.
- The risk was higher, as the base of retail investors was much higher than institutional investors. When there is a boom in the stock market, general investors come over to invest. But when it stays in its lowest point, they do not come. But they should come when it stays at its lowest point as it would be lucrative for them, suggested the commissioner of BSEC. According to director of the CDBL, Investors should gain proper knowledge about the stock market before pouring their money into it.

<https://www.thedailystar.net/business/news/stock-market-cant-keep-pace-economic-growth-1644595>

<http://today.thefinancialexpress.com.bd/stock-corporate/list-more-cos-having-good-fundamentals-1539012467>

### **Evince Textiles to invest BDT 704.0 million for expansion**

- Evince Textiles, which was placed in 'Z' category on September 24 from 'A' category due to 'no' dividend declaration for the year ended on June 30, 2018, has decided to invest about BDT 703.7 million for Balancing, Modernization, Rehabilitation and Expansion of its existing project.
- Of the total amount, BDT 554.1 million or 79% will be arranged through term loan from Modhumoti Bank. The remaining amount of BDT 149.6 million or 21% will be financed from the company's own sources as equity. As per the BMRE (balancing, modernisation, rehabilitation and expansion) programme, the company will set-up capital machinery and equipment with pumps, motors, pipes, auxiliaries, fixtures, fabrication, erection and installation worth BDT 547.0 million and, building and civil construction worth BDT 156.7 million. The proposed BMRE has been taken up by the board with a view to enhancing the overall production capacity by 50%.

<http://today.thefinancialexpress.com.bd/stock-corporate/evince-textiles-to-invest-BDT-704m-for-expansion-1539012504>  
<https://www.thedailystar.net/business/news/evince-textiles-spend-BDT-70cr-expansion-1644592>

### **Finance Minister sees capital market as a tool to boost investment**

- Finance Minister on Sunday expressed the hope that the country's capital market would flourish in near future based on the foundation built over the last 25 years. The capital market can play an important role to meet the investment needs of the public and private sectors and turn the country into a developed nation by 2041, Finance Minister said. Thanks to the reforms taken in the last eight years, the capital market is now more efficient and ready to march ahead, he said.
- According to the finance minister, the country is lagging behind the neighboring countries in the investment indicator. India's investment-to-gross domestic product (GDP) ratio was 30% in 1930s whereas Bangladesh's investment-to-GDP ratio is still more or less 30%. The regulator is trying hard to protect investors' interest, said chairman of BSEC. Now institutional investors should be more active and play an important role, he added. He said institutional investors should determine an appropriate cut-off price. If they fail to do so the regulator will either discontinue or postpone the book building system or review it, he said.

<http://today.thefinancialexpress.com.bd/first-page/muhith-sees-capital-mkt-as-a-tool-to-boost-investment-1538934832>

<https://www.thedailystar.net/business/news/stockmarket-can-meet-financing-needs-1644109>

<http://www.newagebd.net/article/52605/foundation-for-a-strong-capital-market-laid-muhith>

### **Silva Pharma makes debut October 10**

- Silva Pharmaceuticals will make its share trading debut on the stock exchanges on

October 10 (Wednesday) under "N" category. The Dhaka Stock Exchange (DSE) trading code for the company is "SILVAPHL" and the company code is 18,493. Silva Pharma will be the 30<sup>th</sup> listed company under the 'pharmaceutical & chemicals' sector on the Dhaka bourse. The pharmaceuticals & chemicals sector accounted for 14.4% of the DSE's total market capitalisation. The Silva Pharma raised a capital worth BDT 300 million by offloading 30.0 million ordinary shares at an offer price of BDT 10.0 each under the fixed price method. The pharmaceutical company will purchase machinery, construct building, repay bank loans and bear the IPO expenses with the fund raised from the public.

<http://today.thefinancialexpress.com.bd/stock-corporate/silva-pharma-makes-debut-oct-10-1538930187>

### **Big firms still staying away from stock market: Bangladesh Securities and Exchange Commission**

- Big companies in Bangladesh are reluctant to get listed on the stock market in spite of tax benefits to avoid coming under the regulators' scanners. With a view to attracting much-needed quality stocks to the market, the government is extending 5 to 10% tax waiver to listed companies. But, listed companies have to comply with certain rules and regulations a daunting prospect for many.

<https://www.thedailystar.net/business/news/big-firms-still-staying-away-stock-market-bsec-1642765>

### **Kattali Textile to allocate 34 million primary shares**

- Kattali Textile will allocate 34 million ordinary shares among the successful applicants as the company's IPO lottery draw was held on Thursday. The initial public offering (IPO) lottery result has been published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company. Kattali Textile, which received the IPO approval from the Bangladesh Securities and Exchange Commission (BSEC) on June 26 last, raised a fund worth BDT 340 million from the capital market under the fixed price method.

- During FY '18, the LTU collected BDT 168.70 billion, mostly corporate tax, achieving 22% per cent growth over that of the previous year. Of the total collection, 12 banks paid BDT 36.40 billion last year. Although income tax wing lagged behind its annual revised target, the unit met its goal against its revised target for BDT 164.12 billion. However, the target for the unit has been set BDT 215 billion for the current fiscal expecting 31% growth.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/kattali-textile-to-allocate-34m-primary-shares-1538670519>

### **Runner Auto appoints distributor in Bhutan**

- Runner Automobiles has appointed authorised distributor in Bhutan as part of exporting motorcycles in that country. The State Trading Corporation of Bhutan (STCB), a state-owned subsidiary company, will play the role of authorised distributor for the Runner brand in Bhutanese market. For Runner Automobiles, Bhutan is the second international market after Nepal where they have already established Runner branded bikes that were launched in December 2017.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/runner-auto-appoints-distributor-in-bhutan-1538670542>