

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-1.32%) lost 73.63 points and closed the week at 5,500.62 points. The blue-chip index DS30 (-1.97%) lost 38.65 points and stood at 1,919.88 points. The shariah based index DSES (-0.57%) closed in red and stood at 1,271.37 points. DSEX, DS30, and DSES all posted negative YTD return of -11.91%, -15.91%, and -8.58% respectively.

Total Turnover During The Week (DSE) : BDT 45.1 billion (USD 542.1 million)

Average Daily Turnover Value (ADTV): BDT 9.0 billion (Δ% Week: 18.0%)

Market P/E: 17.22x

Market P/B: 2.22x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market opened this week with a negative movement of -0.44% in the first session and continued to be negative in the second session by -0.17%. In the third session. Market turned positive by +0.07%. Then the market turned negative again by -0.25% in the fourth session and continued to be negative in the last session by -0.53%.

Sectoral Performance:

- All the financial sectors showed mixed performance this week. Life Insurance posted the highest gain of 19.16% followed by General Insurance (+0.02%). Banks experienced the highest loss of 4.68% followed by NBFIs (-3.60%) and Mutual Funds (-2.72%).

- All the non-financial sectors showed mixed performance this week. Engineering posted the highest gain of 2.62% followed by Power (+2.21%) and Food & Allied (+0.06%). Telecommunication posted the highest loss of 3.77% followed by Pharmaceuticals (-0.83%).

Macroeconomic arena:

- Country's trade deficit widened further in July, the first month of the current fiscal year (2018-2019), maintaining the last fiscal year's trend, as import payments remained high. As per the Bangladesh Bank data, trade deficit in July of FY19 increased by 12.14% to USD 1,173 million compared with that of USD 1,046 million in July of FY18.

- The government has cut source tax on export earnings for readymade garment and other export-oriented sectors to 0.60% from 1%. Corporate tax rate for apparel makers and exporters has also been reduced to 12% from 15%.

- The central bank said unclaimed bank deposits would be transferred to the government account if no demand is received for refund of the inoperative deposit for 12 years. Deposits and assets at banks not claimed by anyone for 10 years are considered unclaimed, according to guidelines released by Bangladesh Bank yesterday. Banks will have to submit the unclaimed fund and asset to the central bank first and two years later the BB will transfer those to the government account

- According to the central bank, the number of loan defaulters in the country reached to 230,658, and the amount of unrecovered loan from them totaled over BDT 1.31 trillion until June 2018. The finance minister also informed that the loan defaulters were involved with 88 banks and financial institutions (FIs).

Stock Market arena:

- The bidding for IPO shares of Runner Automobiles by the eligible investors (EIs) started with BDT 81 each through the uniform and integrated electronic subscription system (ESS) at 5.00 pm on 10th September, Monday. The price discovery of the initial public offering (IPO) through book building method will continue till 5.00 pm on September 13

- There has been a reduction in capital gain tax to 5.0% from 15% on the Chinese funds for the Dhaka Stock Exchange (DSE) shareholders. To avail it, the DSE TREC (trading right entitlement certificate) holders should invest the funds in the capital market for three years.

- VFS Thread Dyeing makes its share trading debut on 9th September 2018 (Sunday) on both the bourses under 'N' category. DSE trading code for the company is "VFSTDL" and DSE company code is 17478. The company raised a fund worth BDT 220 million from the capital market by floating 22 million ordinary shares at an offer price of BDT 10 under the fixed price method. The company will utilise the IPO fund to purchase plant and machinery, repay bank loans and bear the IPO expenses

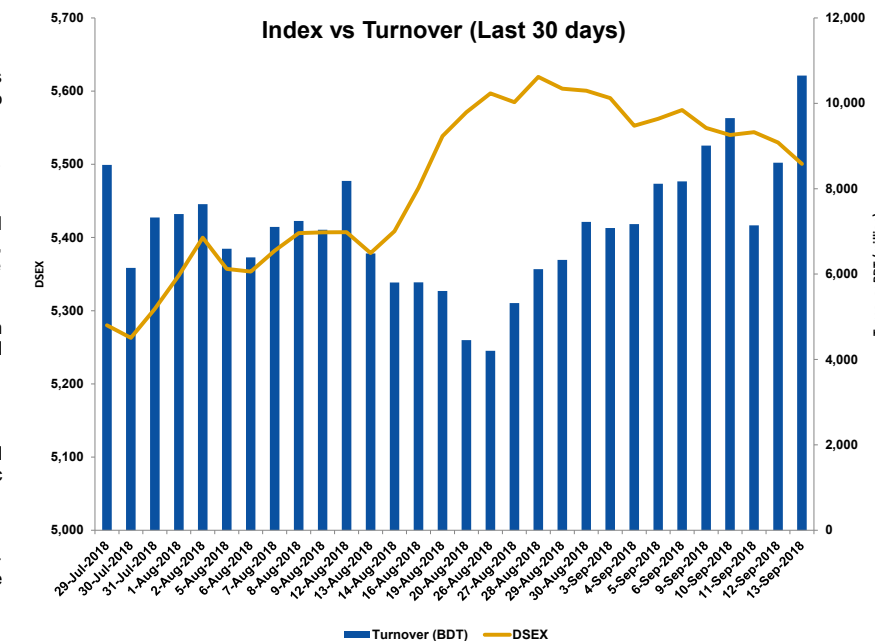
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,500.62	5,574.25	-73.63	6,244.52	-1.32%	-11.91%
DS30	1,919.88	1,958.53	-38.65	2,283.23	-1.97%	-15.91%
DSES	1,271.37	1,278.66	-7.29	1,390.67	-0.57%	-8.58%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,739,916.2	15,846,887.3	24.6%
	Mn USD	237,458.4	190,627.8	
Turnover	Mn BDT	45,063.1	30,538.8	47.6%
	Mn USD	542.1	367.4	
Average Daily Turnover	Mn BDT	9,012.6	7,634.7	18.0%
	Mn USD	108.4	91.8	
Volume	Mn Shares	1,008.3	737.4	36.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
VFS Thread Dyeing Limited	26.70	10.00	167.0%	2,261.9	507.63	16.0x	1.5x
National Life Ins	222	149.80	48.4%	24,124.4	298.98	NM	22.2x
Meghna Condensed Milk	19.80	14.80	33.8%	316.8	4.34	NM	NM
Monno Ceramic	348.30	270.90	28.6%	8,750.8	289.20	3324.7x	3.8x
In Tech Online Ltd.	51.00	41.40	23.2%	1,439.1	403.93	51.7x	5.0x
Khulna Power Company Limited	122.10	99.90	22.2%	44,112.9	3,149.74	24.1x	5.0x
Aziz Pipes	192.90	164.10	17.6%	982.3	92.04	355.3x	NM
Shasha Denim Limited	71.80	61.60	16.6%	8,584.0	1,126.19	14.5x	2.1x
Popular Life Insurance	111.40	95.70	16.4%	6,731.7	109.28	NM	11.1x
Nahee Aluminium Composite Panel Ltd.	80.80	69.60	16.1%	3,878.4	990.34	45.9x	6.8x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
National Housing Fin. and Inv. Ltd.	67.20	80.70	-16.7%	7,149.5	795.26	29.3x	4.4x
IFIL Islamic Mutual Fund-1	6.90	7.90	-12.7%	690.0	11.42	NM	0.6x
Bangladesh Submarine Cable Company Limited	96.60	108.80	-11.2%	15,929.9	207.60	50.1x	3.0x
Mithun Knitting	15.60	17.50	-10.9%	506.9	3.17	NM	0.7x
The Premier Bank	10.80	12.10	-10.7%	8,640.9	136.20	5.4x	0.8x
Midas Financing Ltd.	27.10	30.20	-10.3%	3,585.2	88.47	20.1x	2.8x
Reliance Insurance Mutual Fund	9.70	10.80	-10.2%	586.9	4.01	NM	0.7x
Prime Bank 1st ICB AMCL Mutual Fund	6.40	7.10	-9.9%	640.0	1.09	NM	0.5x
Phoenix Finance 1st Mutual Fund	5.50	6.10	-9.8%	330.0	2.55	NM	0.5x
Phoenix Finance 1st Mutual Fund	5.50	6.10	-9.8%	330.0	2.55	NM	0.5x

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Active Fine Chemicals Limited	46.40	40.50	14.6%	9,277.5	3,672.35	16.8x	3.2x
Khulna Power Company Limited	122.10	99.90	22.2%	44,112.9	3,149.74	24.1x	5.0x
BBS Cables Limited	133.30	122.00	9.3%	18,395.4	1,923.10	44.5x	8.0x
IFAD Autos Limited	135.10	127.10	6.3%	30,877.9	1,580.96	29.5x	4.9x
United Power Generation & Distribution Company Ltd	306.00	302.92	1.0%	146,600.6	1,189.48	35.1x	12.7x
Shasha Denim Limited	71.80	61.60	16.6%	8,584.0	1,126.19	14.5x	2.1x
Nahee Aluminium Composite Panel Ltd.	80.80	69.60	16.1%	3,878.4	990.34	45.9x	6.8x
Summit Power	43.70	43.80	-0.2%	46,666.2	959.50	10.7x	1.8x
Confidence Cement	217.80	216.60	0.6%	11,759.5	886.84	23.6x	4.3x
National Housing Fin. and Inv. Ltd.	67.20	80.70	-16.7%	7,149.5	795.26	29.3x	4.4x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Summit Power	43.70	21.73%	46,666.2	10.7x
Berger Paints	1,229.20	19.17%	57,007.7	28.2x
Mutual Trust Bank	36.90	18.61%	21,157.1	14.5x
S. Alam Cold Rolled Steels	38.50	15.27%	3,787.3	31.4x
Singer Bangladesh	222.90	14.02%	17,095.2	31.3x
Eastern Housing	52.80	7.32%	4,928.6	22.7x
Marico Bangladesh Limited	1,140.10	3.07%	35,913.2	24.9x
Agni System Limited	22.50	2.74%	1,554.8	23.1x
Delta Brac Housing	134.80	-0.88%	16,425.6	20.9x
DESCO	44.20	-2.64%	17,572.6	100.5x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1396.63	1465.21	1848.21	-4.68%	-24.43%
NBFIs	2225.07	2308.28	2714.85	-3.60%	-18.04%
Mutual Funds	709.67	729.48	788.81	-2.72%	-10.03%
General Insurance	1404.41	1404.07	1592.30	0.02%	-11.80%
Life Insurance	2130.25	1787.73	1834.85	19.16%	16.10%
Telecommunication	5137.47	5338.86	6494.31	-3.77%	-20.89%
Pharmaceuticals	2638.28	2660.37	2821.05	-0.83%	-6.48%
Fuel & Power	1925.77	1884.05	1527.27	2.21%	26.09%
Cement	1907.83	1918.66	2280.58	-0.56%	-16.34%
Services & Real Estate	1146.68	1162.68	1224.11	-1.38%	-6.33%
Engineering	3307.44	3223.01	3166.83	2.62%	4.44%
Food & Allied	14029.46	14021.65	15304.34	0.06%	-8.33%
IT	1592.87	1615.04	1484.41	-1.37%	7.31%
Textiles	1377.50	1340.46	1222.72	2.76%	12.66%
Paper & Printing	12699.40	12761.13	1013.11	-0.48%	1153.51%
Tannery	2715.10	2713.23	2642.41	0.07%	2.75%
Jute	7528.06	7608.85	8867.22	-1.06%	-15.10%
Ceramics	629.95	604.91	597.46	4.14%	5.44%
Miscellaneous	1924.04	1934.43	1725.62	-0.54%	11.50%

Table 7: Sector Trading Matrix

	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
	Banks	455.6	564.6	-19.30%	5.10%	9.0x
NBFIs	478.1	633.6	-24.54%	5.35%	20.9x	2.1x
Mutual Funds	36.4	45.2	-19.33%	0.41%	NM	0.6x
General Insurance	60.9	56.8	7.11%	0.68%	12.8x	1.0x
Life Insurance	163.9	57.9	182.93%	1.83%	NM	9.1x
Telecommunication	99.6	172.0	-42.10%	1.11%	22.6x	16.6x
Pharmaceuticals	1,203.3	606.3	98.47%	13.47%	19.9x	3.3x
Fuel & Power	1,416.5	1,367.1	3.61%	15.85%	16.3x	2.5x
Cement	219.2	261.2	-16.09%	2.45%	21.5x	3.5x
Services & Real Estate	345.5	488.2	-29.23%	3.87%	28.7x	1.0x
Engineering	1,951.2	1,253.8	55.63%	21.84%	26.2x	2.5x
Food & Allied	239.9	192.4	24.69%	2.68%	28.5x	10.1x
IT	219.7	191.7	14.64%	2.46%	30.8x	3.3x
Textiles	1,356.6	881.1	53.97%	15.18%	22.7x	1.3x
Paper & Printing	71.6	94.0	-23.89%	0.80%	NM	6.9x
Tannery	152.6	63.8	138.94%	1.71%	20.7x	3.3x
Jute	10.1	28.7	-64.86%	0.11%	NM	3.2x
Ceramics	90.2	47.2	91.20%	1.01%	30.4x	2.4x
Miscellaneous	365.1	415.7	-12.18%	4.09%	26.7x	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	12.50	-43.44%	9,476.6	6.3x
United Airways (BD) Ltd.	3.30	-41.07%	2,268.1	11.7x
Lankabangla Finance	27.10	-39.05%	9,271.4	11.7x
Prime Bank	16.20	-34.96%	18,343.0	8.4x
EXIM Bank	11.30	-34.30%	15,958.4	5.4x
Islami Bank	24.20	-33.88%	38,961.8	8.7x
Eastern Bank	34.00	-33.46%	25,092.0	9.2x
City Bank	32.40	-32.69%	31,362.8	7.7x
Uttara Bank	24.70	-30.03%	9,882.0	6.4x
IFIC Bank	11.50	-28.44%	16,266.9	10.3x

Important News: Business & Economy

Apparel pushes up exports to US

- The overall value of Bangladesh's exports to the US increased 5.83% year-on-year to USD 3.63 billion in the first seven months this year propelled by higher apparel shipments, US Census Bureau data shows. Export of apparel items grew 5.61% to USD 3.21 billion while Bangladesh moved to the third position from sixth with respect to garment export to the US, according to data from the US Office of Textile and Apparel (OTEXA).

- Of Bangladesh's total export value, garment items account for over 90%. According to the President of BGMEA, The inspection and remediation of the factories as per recommendations of the Accord and Alliance brightened the country's image a lot, for which customers of the western world are satisfied with Bangladeshi goods, he said. Both the Accord and Alliance have already completed over 90% remediation of the factories in the garment sector, mainly fixing electrical, fire and structural loopholes. He also said that some of the US retailers who had left Bangladesh a few years ago for countries like Myanmar and those in Africa were coming back with hands full of work orders.

<https://www.thedailystar.net/business/news/apparel-pushes-exports-us-1631353>

August inflation slightly eases to 5.48%

- The general point to point inflation rate in August last slightly eased to 5.48% point from the previous month due to the slight decrease in food inflation. The general point to point inflation rate slightly eased to 5.48% point in August, Planning Minister said. The general point to point inflation rate in July was 5.51% point down from 5.54% point in June. The general point to point inflation rate in May was 5.57% point down from 5.63% point in April. The inflation rate in March was 5.68% point while it was 5.72% point in February. The general point to point inflation rate in January was 5.88% point.

<http://today.thefinancialexpress.com.bd/public/first-page/aug-inflation-slightly-eases-to-548pc-1536256082>

USD 2.0 billion fund soon to finance power, energy projects

- The government is planning to create a sovereign fund amounting to USD 2.0 billion by this year to finance infrastructure development in the power and energy sector. Principal Coordinator for Sustainable Development Goals (SDGs) Affairs of Prime Minister's Office (PMO) disclosed this while speaking at a seminar in the city on Friday. Speaking on the challenges to be encountered while mobilising an estimated USD 60 billion for producing 40 gigawatts (GW) of power by 2030, he said the government is contemplating all possible options for the required power-mix and fund-mix for it. Ministry of Power, Energy and Mineral Resources organised the seminar as part of its three-daylong Power and Energy Week 2018.

- Managing Director of Boston Consulting Group (BCG) Ferdinand Varga moderated the function, where a number of local and overseas investors were present. Mentioning various initiatives of the government to achieve the targets in the sector, Mr. Azad said the government projected the power-mix with 35 % power coming from gas and coal each, and formulated policy accordingly. Calling upon the multilateral donor agencies and development partners to pour their investment into the power and energy sector, he said the sector never failed in paying dues to the private sector, which contributes 45 % of the country's total power generation. The chairman of Summit, which has invested USD 1.5

billion in the sector, termed ensuring efficiency as one of the major challenges for the nation in the area in the coming years.

<http://today.thefinancialexpress.com.bd/first-page/20b-fund-soon-to-finance-power-energy-projects-1536341986?date=08-09-2018>

Investment guru thinks Bangladesh RMG export to US may rise

- Bangladesh readymade garment sector may see boost to its exports to the US market as the US president Donald Trump warned on Friday he was ready to slap tariffs on virtually all Chinese imports into the United States, according to a global investment expert. Trump threatened duties on another USD 267 billion of Chinese goods on top of USD 200 billion in imports primed for levies in coming days, reports Reuters. If the US president goes with his plan, Chinese apparel exports will also face tariffs in US market, where Bangladesh is one of the leading players. An article on portfolio strategy posted on Seeking Alpha, a US-based crowd-sourced content service provider for financial markets, on August 14 highlighted that Bangladesh and Vietnam would be beneficial most if US imposes any tariff on apparel imports from China. China exports apparel products worth around USD 11.40 billion to US in a year while Bangladesh exports around USD 5.5 billion and Vietnam around USD 11.50 billion.

<http://www.newagebd.net/article/50160/investment-guru-thinks-bangladesh-rmg-export-to-us-may-rise>

Call to make energy prices affordable, rational

- Providing electricity and gas at "affordable" and "rational" prices is the major challenge for the country as it seeks to keep the industries competitive, said speakers at a seminar on Saturday. They stressed the need for devising an efficient pricing mechanism and ensuring proper energy mix to reduce the dependence on expensive liquid fuel. They also suggested use of less-expensive coal to make energy prices affordable. The Ministry of Power, Energy and Mineral Resources (MPEMR) organised the seminar on 'Energy Pricing' at Bashundhara International Convention Centre in the city. The seminar was part of a three-day programme to observe Power and Energy Week 2018.

- Executive Director of the Policy Research Institute of Bangladesh (PRI) placed the importance on deregulating the energy sector to ensure the private sector's engagement in electricity distribution and allow them to sell electricity directly to consumers. It would be win-win for both the government and the consumers, he said.

<http://today.thefinancialexpress.com.bd/first-page/call-to-make-energy-prices-affordable-rational-1536424455>

Bangladesh attracts nearly USD 3.0 billion FDI in 2017-18 fiscal year

- Bangladesh has attracted nearly 3.0 billion US dollars in Foreign Direct Investment (FDI) in the fiscal year 2017-18 (FY18), the country's central bank data showed Wednesday. According to the Bangladesh Bank (BB) data, the country's gross FDI inflows stood at USD 2,798 million in FY18. The figure was USD 3,038 million in FY17, it showed. According to BB data, net FDI inflow in the country in the last fiscal (FY18) stood at USD 1,583 million against USD 1,653 million in the same period a year earlier, reports Xinhua. Inadequate

basic infrastructure has long been blamed for impeding large FDI inflow in Bangladesh.

<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-attracts-nearly-3b-fdi-in-2017-18-fiscal-year-1536149782>

Four SoCBs, ICB to invest BDT 10 billion

- Four state-owned commercial banks (SoCB) and a financial institution will invest BDT 10 billion (1000 crore) more in the troubled Farmers Bank Limited (FBL) through subscribing subordinated bonds. Under the latest decision, taken by the board of directors of the FBL earlier, Sonali Bank Limited will subscribe to bonds worth BDT 3.0 billion while the Investment Corporation of Bangladesh (ICB) will invest BDT 1.0 billion in the bonds. Three other SoCBs -Janata, Agrani and Rupali - will subscribe to bonds worth BDT 2.0 billion each, according to sources both at the BB and the FBL.

- Earlier four SoCBs and the ICB were included in the reconstituted board of the private commercial bank (PCB) as directors on their injection of BDT 7.15 billion as equity into the FBL in a bid to rescue it. The meeting reviewed the latest overall performance of the troubled fourth generation PCB and advised the top management of the bank to gear up their ongoing recovery drives. The FBL MD said that the floating of subordinated bonds will be completed in two phases. The process of issuing bonds worth BDT 5.0 billion has already started under phase-I that would end by the current month, he added.

<http://today.thefinancialexpress.com.bd/first-page/four-socbs-icb-to-invest-BDT-10b-1536515192>

Regional lending gap threatens SDGs: Study

- The big regional lending gap emerged one of the major barriers to the country's financial institutions (FIs) in achieving SDGs (sustainable development goals). The study report of the Bangladesh Institute of Bank Management (BIBM) titled "Achieving SDGs in Bangladesh: The role of banking sector" found almost 85% of the banks' advances are concentrated only in Dhaka (66.18%) and Chattogram (18.80%) in 2017. Six other regions are getting Only 20% of the overall loans which experts term lending inequality, not suitable for achieving SDGs by 2030.

- Of the regions, Barishal (1.27 %) received the lowest volume of loans while Khulna, Rajshahi, Rangpur, Mymensingh and Sylhet got 4.10%, 4.03%, 2.41%, 1.62% and 1.59% respectively. Other factors like the growing volume of NPL (non-performing loans) coupled with the declining trend of small and medium enterprise (SME) financing also pose a threat to establishing a sustainable financial sector in the country. Professor and director of Dhaka School of Bank Management (DSBM) said that almost 90% of the advances focus on urban areas although rural areas contributed 20% of the deposits. This is unfair.

- He again said that 17.35% of the loans were disbursed in 2017 against 14.51% in 2010. BIBM supernumerary said that the country needed to ensure access to finance for all so that not a single piece of land remains unutilised due to lack of capital. He was critical of too many service charges imposed in various forms by the banks. He laid emphasis on ensuring financial literacy at all stages for a sustainable financial sector.

<http://today.thefinancialexpress.com.bd/first-page/regional-lending-gap-threatens-sdgs-study-1536515331>

<http://www.newagebd.net/article/50232/bangladesh-lagging-behind-neighbours-in-financial->

[inclusion-bibm-study](http://www.thedailystar.net/business/news/bangladesh-behind-neighbours-bibm-1631743)

<https://www.thedailystar.net/business/news/bangladesh-behind-neighbours-bibm-1631743>

Private sector can help improve infrastructure: IDB president

- Countries like Bangladesh should ensure an investment-friendly environment for the private sector that plays a big role in meeting the development financing needs, Islamic Development Bank (IsDB) President said. He also added that if member countries think that they can depend only on multilateral development banks (MDBs) for their development finance, they are wrong. For example, our member countries would require, in total, around USD 1.0 trillion each year to implement the Sustainable Development Goals (SDGs).

- At the same time, they need around USD 700 billion each year for implementing just the basic infrastructure. But the total amount of financing available with the MDBs is only around USD 147 billion. So, the financing gap is huge. And we need other sources of financing and that source is the private sector. In this context, the IsDB president called for creating congenial environment for private sector investment in the country. The only way to attract more investment from the private sector is to create an investment-friendly regulatory environment, the president added.

<http://today.thefinancialexpress.com.bd/first-page/rely-more-on-private-sector-for-development-financing-1536515382>

<https://www.thedailystar.net/business/news/private-sector-can-help-improve-infrastructure-idb-president-1631755>

Government to set up 2 more leather industrial estates

- The government is going to establish two more leather industrial estates in Chittagong and Rajshahi to utilise the untapped potential of leather and leather goods both at domestic and export market. Industries minister on Sunday said that Bangladesh Small and Cottage Industries Corporation was now working on selecting the possible sites for the estates. The ministry took the initiative at the instruction of prime minister after implementation of first leather estate at Savar, minister said at the ninth meeting of executive committee on National Council of Industrial Development held at the ministry's conference room in Dhaka.

- Earlier in November 2017, prime minister announced the plan to take ahead the country's leather sector. The government chose Chittagong and Rajshahi to decentralise the tannery and leather industries which were now mostly Dhaka-centric. The planned estates would be environment-friendly to attract both local and foreign investors, officials said.

- That leather sector was the second largest export earner after apparel products in the country. Export earnings from leather and leather goods stood at USD 1.08 billion in the fiscal year 2017-2108. They hoped export earnings would rise significantly in coming years when Savar leather estates would be fully operative and other government initiatives to boost the sector would be implemented.

<http://www.newagebd.net/article/50231/govt-to-set-up-2-more-leather-industrial-estates>

Apparel makers seek government incentives

- Garment makers have called for realising government facilities in the form of direct or indirect incentives to implement the proposed pay hike. They proposed adjusting annual inflation through increment instead of pay hike review every five years. The manufacturers voiced concern over the pay rise, saying if the wages are increased much more than BDT 6,360, the industry might not survive. A former president of the BGMEA, suggested the owners unite for strong negotiations with buyers to ensure fair prices of their products. He also called for an end to unhealthy practice of price cut among themselves in time of taking orders from buyers.

<http://today.thefinancialexpress.com.bd/last-page/apparel-makers-seek-govt-incentives-1536515544>

NPLs soar by over 20%

- Despite close monitoring by the central bank, the amount of non-performing loans (NPLs) jumped by over 20% or BDT 150.37 billion at the end of June this year from December last year. The volume of NPLs rose to BDT 893.40 billion as of June 30, 2018 from BDT 743.03 billion as of December 31 last. The amount of NPLs was BDT 741.48 billion a year ago. The share of classified loans reached 10.41% of the total outstanding loans during the period under review than that of 9.31% six months back, according to the central bank's latest statistics.

- Lax loan recovery drive in the January-March (Q1) period of this calendar year along with turning of some rescheduled credits into classified loan again during the first six months to June this year have pushed up the overall volume of default loans, according to the senior bankers. Some fresh loans also became NPLs during the period under review, they added. The senior bankers, however, said the amount of NPLs might fall in the final quarter of this calendar year mainly due to the upcoming national election.

- Some banks have already instructed their divisional and branch offices across the country for taking preparations to recover default loans from possible candidates, they explained. An executive director of the central bank said that the banks will have to take effective measures to reduce classified loans through strengthening their recovery drives. Another BB official, however, said the amount of NPLs increased slightly in the second quarter (Q2), but the share of classified loans of the total outstanding credits dropped as of June 30.

<http://today.thefinancialexpress.com.bd/first-page/npls-soar-by-over-20pc-1536600818>
<https://www.thedailystar.net/business/news/banks-toxic-loans-rise-20pc-six-months-1632280>
<http://www.newagebd.net/article/50320/defaulted-bank-loans-near-BDT-90000cr>

India supplies 500MW additional electricity to Bangladesh

- India has started supplying an additional 500MW of electricity to Bangladesh. The power transfer from the West Bengal's Baharampur grid to Kushtia's Bheramara was inaugurated by Bangladesh Prime Minister Dhaka and Indian Prime Minister videoconference on Monday. The two prime ministers officially inaugurated the newly-built 500MW High-Voltage DC Back-to-Back Station 2nd Block on the occasion. The two prime ministers also inaugurated construction work on the Bangladesh portion of the Akhaura-Agartala dual gauge rail line project and the Moulvibazar district Kulaura-Shahbazpur rail connection repair project.

- Currently, India exports 660MW of power to Bangladesh, 500MW of which are transferred through the Baharampur-Bheramara connection and 160MW from Tripura to the Cumilla power grid. BDT 6.78 billion will be spent to rebuild the 53km-long Kulaura-Shahbazpur rail connection, of which BDT 5.55 billion will be paid by an Indian LoC, while the Bangladesh government pays the remaining 1.23 billion. Meanwhile, Bangladesh Prime Minister said that the government has planned to import 9000 MW of electricity from neighbouring countries by 2041 to maintain the country's high economic growth.

<http://today.thefinancialexpress.com.bd/first-page/india-supplies-500mw-addl-electricity-to-bangladesh-1536600888>

<https://www.thedailystar.net/country/hvdc-power-station-at-bheramara-in-kushtia-inaugurated-bangladesh-pm-sheikh-hasina-indian-pm-narendra-modi-mamata-banerjee-1631938>

Asian Development Bank (ADB) lending to cross USD 2 billion this year

- Asian Development Bank's lending to Bangladesh is likely to exceed USD 2 billion this year. The ADB has already approved over USD 1.6 billion, of which USD 1,535 million is sovereign, USD 60 million non-sovereign and USD 8.7 million technical assistance. According to the country director of the ADB that more projects worth over USD 600 million are likely to be approved by year-end. He said that USD 988 million was approved for different projects since January, of which USD 586 million has been disbursed as of yesterday -- the amount being 46% higher compared to that in the same period in 2017.

- ADB and the ERD signed a loan agreements yesterday. The deals comprised USD 350 million in loan and USD 7.5 million in grant for a project to develop two power lines. According to the ADB, the project will get another USD 7 million as grant from the Japan Fund for the Joint Crediting Mechanism to finance new high-technology energy efficient conductors. Another USD 0.5 million grant from South Korea's e-Asia and Knowledge Partnership Fund will promote socially inclusive growth with gender equality.

<https://www.thedailystar.net/business/news/adb-lending-cross-2b-year-1632268>

Bangladesh Telecommunication Regulatory Commission (BTRC) likely to raise mobile number portability (MNP) fees as it amends guidelines

- The government has withdrawn from MNP licensing guidelines the specification of BDT 30 as mobile number portability fee for the customers, widening the space for charging the subscriber a higher amount against the MNP service. Bangladesh Telecommunication Regulatory Commission has amended a provision of the mobile number portability licensing guidelines in this regard. Instead of specifying the charge in the guidelines, the revised guidelines allowed BTRC to set MNP charge that would be applicable on the subscribers to switch mobile network operator.

- The charge for changing mobile operator is expected to be set at BDT 50. MNP operator would get the fees from the mobile phone operators for the porting facility. On January 31, 2018, Telecom Regulatory Authority of India slashed charge against mobile number porting service to Rs 4 (equivalent to BDT 4.65) per successful porting from Rs 19 (equivalent to BDT 22.09) earlier.

<http://www.newagebd.net/article/50308/btrc-likely-to-raise-mnp-fees-as-it-amends->

[guidelines](#)**Tenure extension to dent investor confidence: experts**

- Experts have opposed the government's plan to extend the tenure of closed-end mutual funds by 10 years as the move may erode investors' confidence in the stock market. Closed-end mutual funds are investment funds that gather a fixed amount of money normally for a decade from a number of investors and re-invest them into stocks, bonds and other assets. The finance ministry has recently instructed Bangladesh Securities and Exchange Commission (BSEC) to rethink about extending the time for the funds that are going to be liquidated in the coming years.

- The president of the DSE Brokers' Association said that the extension will deepen the confidence crisis among investors. So, the extension should not be given. He added that fund managers are calling for the extension only to receive annual fee, but the regulator should think about the general investors. A stock market analyst, said that unsuccessful asset managers are lobbying with the government to have the tenure extended. The extension, if approved, will affect the investors as well as the mutual fund sector, he said.

- A former chairman of the economics department of Dhaka University, said that the regulator should think about the investors, not the bad performers. Proponents of the extension say if the funds are liquidated, the market may fall because of selling pressure. Market analysts have come up with proposals against the extension demand. The Dhaka University professor again added that one of the proposals is to allow floatation of new mutual funds, which will create demand and thus minimise the impact of the selling pressure of the old funds. In another suggestion, he said all the funds would not mature for liquidation within one or two months, so the market will have the time to absorb the selling pressure.

- The managing director of AIMS of Bangladesh, an asset management company, said asset managers set a tenure when they initiate a fund and investors put in their money after looking at the term. He also argued that the regulator should not interfere in the tenure issue. In June 2015, the regulator set the 10-year tenure for conversion or liquidation of closed-end mutual funds. Later, a writ petition was filed with the High Court challenging the BSEC's directive.

<https://www.thedailystar.net/business/news/tenure-extension-dent-investor-confidence-experts-1632265>

Bonanza for RMG makers: govt cuts export, corporate tax

- The government has cut source tax on export earnings for readymade garment and other export-oriented sectors to 0.60% from 1% amid apparel makers' hectic lobbying for the reduction. Corporate tax rate for apparel makers and exporters has also been reduced to 12% from 15%. Internal Resources Division of the finance ministry on September 6 issued two separate statutory regulatory orders giving the benefits with retrospective effect from July this year. Reduction of export source tax, known as withholding tax, may narrow the government earnings from the sector by around BDT 16.00 billion, according to a National Board of Revenue estimate.

- NBR estimated revenue earnings worth around BDT 40.00 billion at the rate of 1% from the targeted export earnings in the fiscal year of 2018-2019. Now, its total revenue earnings

will fall short of the target by around BDT 16.00 billion. The government set a target of earnings worth USD 39 billion from export of goods in the year. According to the SROs, the reduced tax rates will remain applicable only for the current fiscal year (2018-2019) which will end on June 30, 2019. Export tax rate was 0.70% in the FY 2017-2018.

<http://www.newagebd.net/article/50307/bonanza-for-rmg-makers-govt-cuts-export-corporate-tax>

Body formed to work on former mayor's proposal on city bus service

- The government has constituted a 10-member committee, headed by Dhaka South City Corporation mayor, to work on the introduction of a bus operating system under a limited number of companies in Dhaka city. A notification, signed by the President, was issued to this effect Sunday. Following meetings with stakeholders and transport experts, a draft was shared with the Prime Minister's Office (PMO) to operate and manage a modern bus system. According to the notification, the team will work on the introduction of a bus operating system under a limited number of companies. It will also work on the rationalisation of routes to bring discipline and reduce traffic jams in the city.

<http://today.thefinancialexpress.com.bd/first-page/body-formed-to-work-on-annisuls-proposal-on-city-bus-service-1536600948>

Export earnings fall 11.74% in August

- The single-month export earnings from merchandise shipments fell by 11.74% to USD 3.21 billion in August. Bangladesh raked in USD 3.64 billion in the corresponding month of the calendar year 2017. The August earnings also fell short of target slightly by 0.60% set for the month. The overall earnings from goods exports, however, witnessed a sluggish 2.51% growth, showed the Export Promotion Bureau (EPB) data. The earnings posted USD 6.79 billion in the first two months of the current fiscal year (FY), 2018-19, surpassing the August target by 3.24%.

- The country fetched USD 6.62 billion in the corresponding period last fiscal. Earnings from garment exports during the July-August period grew by 3.82% to USD 5.73 billion. It was USD 5.52 billion in the corresponding period last fiscal, according to the EPB data. The earnings thus surpassed the target by 3.96%. The country earned USD 2.91 billion from knitwear exports during the period, a meagre growth of 1.53% compared with last fiscal's USD 2.86 billion. The earning from woven garments in the first two months of FY '19 grew by 6.28% to USD 2.82 billion, from USD 2.65 billion for the same month of FY '18.

<http://today.thefinancialexpress.com.bd/trade-market/export-earnings-fall-1174pc-in-aug-1536686844>

<https://www.thedailystar.net/business/news/export-falls-august-1632682>

<http://www.newagebd.net/article/50380/bangladesh-exports-fall-by-1174pc-in-aug-on-eid-holidays>

13 banks face BDT 109.71 billion provision deficit

- Thirteen banks faced a combined provisioning shortfall of BDT 109.71 billion in the second quarter of 2018 which not only exposed their worsening financial health but also raised the possibility of lending rate hike. The banks are Sonali, Agrani, Rupali, BASIC, AB, Bangladesh Commerce, IFIC, Mutual Trust, First Security Islami, National, Premier, Social

Islami and Standard, according to data from the Bangladesh Bank. Some of the lenders have been facing the provision shortfall for a long time as they disbursed loans flouting rules, said BB officials. First Security Islami Bank faced the provision shortfall for the first time in recent years.

- A shortfall is an amount by which a financial obligation or liability exceeds the amount of cash that is available. The shortfall can be temporary, arising out of a unique set of circumstances, or it can be persistent, which may indicate poor financial management practices. In the first quarter, the provisioning shortfall stood at BDT 105.96 billion at 12 banks. At the end of June, default loans in the banking sector totalled BDT 893.40 billion, up 20.23% from six months ago. The capital base of the 13 banks will erode significantly if they kept provisioning as per the central bank rules, said a BB official. The overall shortfall in provisioning against general and defaulted loans in the banking sector widened to BDT 79.90 billion in June, up from BDT 67.67 billion last December.

<https://www.thedailystar.net/business/banking/news/13-banks-face-BDT-10971cr-provision-deficit-1632697>

Most banks renege on promises despite availing benefits

- The majority of the banks have not brought down the lending rate to single digits despite availing both policy and fiscal supports offered by the government. More than three dozen banks did not re-fix their rates on lending at 9.0%. Four banks offered more than 6.0% interest rate on three-month term deposits, according to the central bank's monitoring reports on lending and deposits rates for July 2018. However, only seven private commercial banks, mostly Shariah-based Islamic lenders, implemented the decisions of the Bangladesh Association of Banks (BAB) by cutting both lending and deposit rates.

- Twelve more banks including foreign lenders have brought down the lending rate to the single-digits, particularly for term loans and working capital. Earlier on June 20, the BAB decided to cut back on the interest rates on both lending and deposit at 9.0% and 6.0% respectively from July 01. The number of banks, which brought down the lending rates at single digits, particularly for the productive sector may go up in August 2018, a senior official of the Bangladesh Bank (BB) said. They are now preparing the reports on both lending and deposits rates for August 2018.

- Meanwhile, influential large borrowers have already taken the advantage from the BAB's decisions by securing loans at 9.0%, according to the banking sector insiders. But small borrowers have not yet benefited from the much-talked about BAB move, they said. A BB senior official said that the central bank has already expedited monitoring and supervision to assess the overall interest rates on both lending and deposits in the banking sector

<http://today.thefinancialexpress.com.bd/first-page/most-banks-renege-on-promises-despite-availing-benefits-1536687549>

Japan to assess funding scope for five large infrastructure projects

- Japan is set to field a fact-finding mission to assess whether it will extend loans to five large infrastructure projects in Bangladesh. The objective of the mission is to verify and consolidate necessary data or information, review the current status of preparation, and discuss further details of the projects with authorities concerned. In a recent letter to the Economic Relations Division (ERD), the Japan International Cooperation Agency (JICA) said that the projects are still subject to consideration by the government of Japan.

- However, JICA did not make commitment to extend the loans for the projects under the 40th ODA (official development assistance) loan package for Bangladesh. The five projects the mission will assess are Matarbari port development project, Matarbari coal-fired power project, Dhaka mass rapid transit development project, foreign direct investment promotion project, and energy efficiency and conservation promotion financing project. Bangladesh received 152.5 billion Japanese Yen (US\$ 1.54 billion) worth of fund during the last Japanese fiscal year (April 2017 to March 2018), becoming the second-largest ODA recipient in Asia.

<http://today.thefinancialexpress.com.bd/first-page/japan-to-assess-funding-scope-for-five-large-infrastructure-projects-1536687600>

Super rich grow exponentially in Bangladesh: Global report

- The number of ultra-rich people in Bangladesh is growing at the fastest rate in the world, said the latest edition of the Wealth-X World Ultra Wealth Report. The country of 160 million has seen its ultra-wealthy population surge by around 17.3% in between 2012 and 2017. Asian economic giant China, on the other hand, has seen its ultra rich population grow by 13.4% during the same period. Vietnam, another major emerging Asian economy, has seen an increase of 12.7% in its Ultra High Net Worth (UHNW) population, the third highest increase in the list.

- Bangladesh's giant neighbour India, on the other hand, has seen its ultra rich population rise by 10.7% during the same period, the fifth highest increase in the world. Kenya, Hong Kong, Ireland, Israel, Pakistan and United States are the other names that are among the list of top 10 fastest growing UNHW countries. Individuals with a net worth above USD 30m has been classified as ultra high net worth while preparing this study, Wealth-X said. While analysing the reasons for such a startling growth of the ultra rich population in countries like Bangladesh, the report attributed it to the growth of manufacturing, infrastructure investment and rapid urbanisation in these countries.

<http://today.thefinancialexpress.com.bd/last-page/super-rich-grow-exponentially-in-bangladesh-global-report-1536687865>

<https://www.thedailystar.net/online/news/fastest-growing-rich-population-country-bangladesh-report-1632385>

Cash incentives for export of pharma, motorcycle, 33 other items announced

- The government on Monday announced cash incentives in favour of exporters of 35 products for the current fiscal year of 2018-19, adding nine new items to the product list. In the FY 2017-18, exporters enjoyed the benefit for 26 products. The government on Monday also raised cash incentive to 4% from 3% for this fiscal year for export of new textile and garment products and expanding export of textile items to new markets — markets other than the United States, Canada and the European Union.

- According to a Bangladesh Bank circular issued on Monday, exporters of nine new products including pharmaceuticals, photovoltaic modules, motorcycles, chemical products, razors and razor blades, ceramic products, caps, crabs, mud eels and galvanised sheets/coils would get 10% cash incentive in FY19. The government kept unchanged the cash incentive at 4% for apparel products export for the small and medium industries of the textile sector.

<http://www.newagebd.net/article/50309/cash-incentives-for-export-of-pharma-motorcycle-33-other-items-announced>

Trade deficit widens by 12% in July

- Country's trade deficit widened further in July, the first month of the current fiscal year (2018-2019), maintaining the last fiscal year's trend, as import payments remained high. As per the Bangladesh Bank data released on Wednesday, trade deficit in July of FY19 increased by 12.14% to USD 1,173 million compared with that of USD 1,046 million in July of FY18. Higher import payment was the key reason for the widening trade gap for the last two fiscal years, experts and Bangladesh Bank officials said. A less-than-expected industrial growth in the country in the period, however, has raised suspicion that a section of importers laundered money in the name of imports, they said.
- Recent media reports referring to the central bank investigation said that importers refrained from submitting proofs of imports of goods and machinery despite completion of payments, raising suspicion of money laundering. Experts said that the BB should take strict measures with a view to preventing capital flights in the name of imports ahead of national polls due by January next year. They said that continuation of heavy trade deficit would ultimately push inflation up and create pressure on the country's economy as a whole. Country's trade deficit doubled in FY18 compared with that in the previous fiscal year, hitting a record USD 18.25 billion.

<http://www.newagebd.net/article/50444/trade-deficit-widens-by-12pc-in-july>

Unrealised loan totals BDT 1.31 trillion from 230,658 defaulters: Finance Minister

- The number of loan defaulters in the country reached 230,658, and the amount of unrecovered loan from them totaled over BDT 1.31 trillion until June 2018, according to the central bank. The finance minister also informed that the loan defaulters were involved with 88 banks and financial institutions (FIs). Of the banks, the volume of default loans with Sonali Bank was BDT 186.62 billion, followed by Janata Bank BDT 148.40 billion, Agrani Bank BDT 92.84 billion, Rupali Bank BDT 49.01 billion, Basic Bank BDT 85.76 billion, Bangladesh Krishi Bank BDT 21.78 billion, and Bangladesh Development Bank BDT 23.32 billion.
- The amount of default loans with Pubali Bank was BDT 21.16 billion, National Bank BDT 50.76 billion, Islami Bank BDT 35.20 billion, and Prime Bank BDT 35.85 billion, the minister also said. He also unveiled the list of the top 100 loan defaulters that includes Elias Brothers, Quantum Power System, Remix Footwear, Max Spinning, Rubia Vegetables Industries, Rising Steel, Dhaka Trading House, Bentex Industries, Anowara Spinning, Crescent Leather Products, Yasin Enterprise, Chowdhury Knitwear, Siddique Traders, Rupali Composite Leatherwear, Alpha Composite Towels, Hall-Mark Fashion, Munnu Fabrics, Fair Yarn Processing and etc.

<http://today.thefinancialexpress.com.bd/first-page/unrealised-loan-totals-BDT-131t-from-230658-defaulters-muhith-1536773082>

Provisioning shortfall soars 18% to BDT 79.90 billion in H1

- Overall shortfall in provisioning against loans in the country's banking system swelled by

over 18% or BDT 12.23 billion in the first half (H1) of this calendar year (2018). The aggregate amount of provisioning shortfall rose to BDT 79.90 billion as on June 30 from BDT 67.67 billion six months ago. The shortfall was BDT 79.58 billion as on March 31 this year. Bangladesh Bank (BB) official said that higher growth in non-performing loans (NPLs) pushed up the amount of provisioning shortfall with the banks. During the period under review, the volume of classified loans (NPLs) in the banking system jumped by over 20% to BDT 893.40 billion from BDT 743.03 billion as on December 31.

- The public sector banks have faced more provisioning shortfall than that of the private commercial banks (PCBs), the central banker added. A total of 13 banks, out of 57, failed to keep the requisite provisions against loans, particularly the classified ones, in the first six months of 2018, the BB data showed. Of them, four are state-owned commercial banks (SoCBs) and others are PCBs. Nine banks, including four public ones, faced such provisioning shortfall in the final quarter (Oct-Dec) of 2017, while the number was 12 in the first quarter (Jan-March) of 2018.
- Under the existing BB regulations, the banks have to keep 0.25% to 5.0% provision against loans under general category, 20% against substandard category, 50% against doubtful loans, and 100% against bad or loss category. The banks usually keep the required provisions against both classified and unclassified loans from their operating profits in a bid to mitigate risks.

<http://today.thefinancialexpress.com.bd/last-page/provisioning-shortfall-soars-18pc-to-BDT-7990b-in-h1-1536773693>

Bangladesh Bank (BB) issues guideline on unclaimed deposits

- The central bank yesterday said unclaimed bank deposits would be transferred to the government account if no demand is received for refund of the inoperative deposit for 12 years. Deposits and assets at banks not claimed by anyone for 10 years are considered unclaimed, according to guidelines released by Bangladesh Bank yesterday. Banks will have to submit the unclaimed fund and asset to the central bank first and two years later the BB will transfer those to the government account. Before submitting the fund and assets to the BB, commercial banks will have to send a registered letter through the post office to the client's address mentioned in their accounts.
- Clients will have to be given three months to reply to the letter. If clients do not give any feedback, banks will have to submit such funds and assets to the central bank in April of every calendar year. After transferring the funds and assets to the BB, banks will have to publish advertisements in at least two newspapers once every three months for a year. If anyone comes up with a claim after the transfer to the central bank, the banks will have to submit the clients' applications along with required documents. No claim would be accepted after 12 years.

<https://www.thedailystar.net/business/news/bb-issues-guideline-unclaimed-deposits-1633225>

<http://www.newagebd.net/article/50452/bb-issues-guidelines-on-unclaimed-fund-valuable-management>

Banks get one more year to link to NPSB

- Banks have got one more year from the central bank to connect their point-of-sales (POS)

terminals to the National Payment Switch Bangladesh (NPSB). Under the revised regulations, the banks and non-banking financial institutions (NBFIs) are allowed to connect their terminals to the NPSB by December 31, 2019 instead of December 31, 2018. According to a Bangladesh Bank (BB) notification issued on Wednesday, all member banks have also been asked to use the NPSB for all inter-bank card transactions using POS terminals within the timeframe.

- BB has planned to introduce 'QR Code' to facilitate inter-bank electronic transactions. BB official said that 55 out of 57 commercial banks are connected with the NPSB system. No NBFIs are yet to be the member of the NPSB system, he added. Earlier on December 27, 2012, the BB formally opened the national payment switch aimed at facilitating economic growth through expansion of business activities. The NPSB's key objective is to create a common platform for payments originating from different delivery channels and existing shared switches in order to facilitate inter-bank transactions.

<http://today.thefinancialexpress.com.bd/last-page/banks-get-one-more-year-to-link-to-npsb-1536773790>

<https://www.thedailystar.net/business/news/banks-get-more-time-1633228>

<http://www.newagebd.net/article/50453/bb-extends-deadline-for-linking-banks-pos-with-npsb-to-dec-2019>

Important News: Capital Market

Sonali Bank seeks guarantee from government against BDT 60 billion

- Sonali Bank has sought guarantee worth BDT 60 billion from the government to urgently meet its huge capital shortage. It also wants commission on a BDT 942 billion letter of credit (LC) opened for importing equipment and services for Rooppur Nuclear Power Plant (RNPP). The available data showed that Sonali Bank Ltd (SBL) had a capital shortage of BDT 67.55 billion until March 2018. It was BDT 53.97 billion at the end of December 2017. On August 30, SBL Managing Director wrote to finance ministry with a plea of help. The SBL sought the issuance of government's guarantee worth BDT 60 billion in its favour to address its capital shortfall. It needs the injection of fresh funds immediately.

- An official of the bank confirmed that they have sought guarantee from the government most recently. He explained that the government assures its guarantee and the central bank then raises the capital status as per the Basel guideline. The official said that a total of BDT 50 billion in commission comes usually through charging 0.40% against the LC opening for the RNPP project. If the government provides the actual commission instead of block allocation as per rules, he said, the bank could get some BDT 50 billion from the project.

<http://today.thefinancialexpress.com.bd/public/first-page/sonali-bank-seeks-guarantee-from-govt-against-BDT-60b-1536256040>

Amazon, Walmart to enter Bangladesh in two years

- American e-commerce giant Amazon and retail heavyweight Walmart will start operations in Bangladesh within a couple of years as the global companies are increasingly making foray into the market. Walmart already has a very big office in Dhaka and is planning to

start business while Amazon is in talks with the government, said vice-president of the e-Commerce Association of Bangladesh (e-Cab). With the launch of their operations, the market ecosystem will change and the local players will feel the heat, he said. Chinese e-commerce giant Alibaba is already operating in Bangladesh through Daraz, said Jami, also the coordinator of the government's e-commerce project Eakshop.

- The size of the local e-commerce market size is about BDT 10 billion and about 100 ventures account for BDT 7.00 billion in annual sales. Currently, the market is catering 30,000 orders a day and it is more than doubling every year. The market has been growing at more than 100% every year and has enormous opportunity to grow further. Local ventures said that the government needs to clear its position on whether only two or three foreign players will dominate the market and grab all the businesses after two years or there will be some local ventures alongside the foreign entities.

<https://www.thedailystar.net/business/news/global-e-commerce-giants-amazon-walmart-start-operations-bangladesh-2-years-1631011>

City Bank to invest BDT 1.30 billion in share capital

- The board of directors of City Bank has decided to invest BDT 1.30 billion in share capital against an offer by City Brokerage, a subsidiary of the bank. The bank will invest the amount in equivalent 130 million shares of BDT 10 each. The investment issue is subject to obtaining approval from the regulatory bodies-Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC) -and comply with the rules and regulations. The City Bank was listed on the Dhaka bourse in 1986. Each share of the bank closed at BDT 34.70 on Thursday, registering an increase of 4.20% over the previous day.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/city-bank-to-invest-BDT-130-billion-in-share-capital-1536257736>

Bangladesh Securities and Exchange Commission (BSEC) gets three options to seal fate of closed-end MFs

- A high-level meeting has proposed three options for Bangladesh Securities and Exchange Commission (BSEC) to settle the fate of closed-end mutual funds (MFs) as their respective tenures will expire in the near future. The securities regulator has been suggested to pick any one of the recommendations for settling the issue, said an official, who attended the meeting at the Ministry of Finance on Thursday last. The options suggested at the meeting were liquidation of closed-end MFs as per rules, conversion of the funds into open-end ones and extension of tenure once for ten years. Chaired by Finance Minister, the meeting was attended by BSEC Chairman. Senior officials of the ministry, securities regulator, stock exchanges and Investment Corporation of Bangladesh (ICB) were also present at the meeting.

- Presently, there are 37 closed-end mutual funds listed with the stock exchanges. Earlier on June 29 in 2015, the securities regulator had set deadlines for conversion or liquidation of the closed-end MFs, which earlier crossed 10 years, managed by the Investment Corporation of Bangladesh (ICB) and AIMS of Bangladesh in accordance with a decision taken by three-fourths of the unit-holders. Later, a writ petition was filed with the High Court (HC) challenging the BSEC's directive. Finally, the BSEC directive regarding conversion or liquidation of closed-end MFs remained valid as the Appellate Division of the Supreme Court upheld the directive.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-gets-three-options-to-seal-fate-of-closed-end-mfs-1536420901>

VFS Thread makes trade debut today

• VFS Thread Dyeing makes its share trading debut today (Sunday) on both the bourses under 'N' category. DSE trading code for the company is "VFSTDL" and DSE company code is 17478, according to an official disclosure. VFS Thread Dyeing, which received initial public offering (IPO) approval from the Bangladesh Securities and Exchange Commission (BSEC) on April 03, raised a fund worth BDT 220 million from the capital market.

• The company raised the amount by floating 22 million ordinary shares at an offer price of BDT 10 each under the fixed price method. The company's public subscription was held on June 24 to July 02 last. The company will utilise the IPO fund to purchase plant and machinery, repay bank loans and bear the IPO expenses. As per the un-audited financial statement in nine months for the period of July 2017-March, 2018, the company's net profit after tax was BDT 94.05 million, pre-IPO EPS was BDT 1.50 and post-IPO EPS was BDT 1.11.

<http://today.thefinancialexpress.com.bd/stock-corporate/vfs-thread-makes-trade-debut-today-1536420981>

Runner Automobiles' IPO bidding to begin today

• The bidding for discovering cut-off price for Runner Automobiles IPO shares under the book-building method will begin on today (September 10). The bidding by the eligible institutional investors through the uniform and integrated electronic subscription system of the stock exchanges will be continued till September 13. Runner Automobiles, which held road show in October 2016, will raise a capital worth BDT 1.0 billion from the capital market using the book-building method. According to the financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 55.70, with revaluation reserve. The value is BDT 41.94 without revaluation reserve.

• IDLC Investments is working as the issue manager of the IPO. Incorporated in 2000, the Runner Automobiles is a motorcycle manufacturer in Bangladesh. Currently, the company manufactures 12 different types of motorcycles ranging between 80 CC and 150 CC. Recently, the government has allowed the Runner Automobiles to import raw materials and components to make motorcycles of over 165cc to 500cc, widening export opportunities for the local company. The ministry of commerce gave its consent to import parts and raw materials on August 30 last. Under a move to diversify the export basket, Runner has set a target of exporting 165cc to 500cc motorcycles to Bhutan, Myanmar, and north-eastern states of India, Africa and the Middle East.

[Recently, the government has allowed the Runner Automobiles to import raw materials and components to make motorcycles of over 165cc to 500cc, widening export opportunities for the local company.](#)

Lilly's Elanco unit expects IPO to raise up to USD 1.45 billion

• Eli Lilly & Co's Elanco Animal Health unit on Thursday said it expects its initial public offering of 62.9 million shares to raise up to USD 1.45 billion. In July, Lilly said it would take Elanco public, marking the end of a nine-month review that weighed options for the unit.

Zoetis' IPO here raised USD 2.2 billion and the company currently has a market capitalization of USD 43 billion. For the six months ended June 30, Elanco's net income was USD 9.9 million and the company brought in revenue of USD 1.5 billion.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/lillys-elanco-unit-expects-ipo-to-raise-up-to-145b-1536257815>

Peninsula to expand hotel building

• The board of directors of The Peninsula Chittagong, a hotel service company, has decided to renovate and expand its hotel building. The cost for the renovations and expansion has been estimated BDT 124.20 million. The company said the fund will be arranged from the company's own source and loans from bank/financial institutions. The renovation and expansion work is expected to be completed within six months. The board of the company has also recommended 5.0% cash dividend for the year ended on June 30, 2018.

• The board has also decided to bring changes in the mode of utilisation of the proceeds from the initial public offering (IPO) and its implementation schedule and amendment of articles of association, which is subject to the approval by the shareholders in the extraordinary general meeting (EGM). The company raised a fund worth BDT 1.65 billion in March 2014 by offloading 55 million ordinary shares at an offer price of BDT 30 each, including BDT 20 as premium.

<http://today.thefinancialexpress.com.bd/stock-corporate/peninsula-to-expand-hotel-building-1536514251>

Eligible Investors (EIs) start bidding to discover Runner Auto's IPO share price

• The bidding for IPO shares of Runner Automobiles by the eligible investors (EIs) started with BDT 81 each through the uniform and integrated electronic subscription system (ESS) at 5.00 pm on Monday. The price discovery of the initial public offering (IPO) through book building method will continue till 5.00 pm on September 13. Managing director of IDLC Investments, confirmed that the bidding of the company's shares started with BDT 81 each. Under the book building method, the EIs purchase shares of a company at a cut-off price determined through electronic bidding. And general investors get the shares at 10% discount on the cut-off price.

• The EIs are allowed to purchase 60% shares of a company under the method while the general investors would purchase remaining 40%. Runner Automobiles will utilise the IPO fund for research and development works, purchasing machinery, repaying bank loans and bearing the IPO expense. According to financial statements for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 55.70, with revaluation reserve. The value is BDT 41.94 without revaluation reserve.

<http://today.thefinancialexpress.com.bd/stock-corporate/eis-start-bidding-to-discover-runner-autos-ipo-share-price-1536596581>

Indo-Bangla Pharma to allocate 20 million shares

• Indo-Bangla Pharmaceuticals will allocate 20 million ordinary shares among the

successful applicants as the company's IPO lottery draw was held on Tuesday. The initial public offering (IPO) result has been published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company. Indo-Bangla Pharma raised a fund worth BDT 200 million by issuing 20 million ordinary shares at an offer price of BDT 10 each under the fixed price method. According to Chittagong Stock Exchange (CSE) website, the company's IPO is oversubscribed by more than 34 times as it received about BDT 6.85 billion against the public issue of BDT 200 million.

<http://today.thefinancialexpress.com.bd/stock-corporate/indo-bangla-pharma-to-allocate-20m-shares-1536685924>

WiMax on brink of extinction

- Once a popular wireless broadband service, WiMax is on the brink of extinction in Bangladesh as operators lost 84% of their customers in the last five years and failed to make profits amid the onslaught of high-speed mobile internet. A decade ago two operators -- Banglalion and Qubee -- were awarded WiMax (worldwide interoperability for microwave access) licences at a fee of BDT 2.15 billion each. Since then, both spent more than BDT 20.00 billion in total on network and customer acquisition. The number of users reached a peak of 0.51 million in June 2013, just before mobile phone operators rolled out 3G service.

- The number plummeted to 80,860 at the end of June this year and fell by another 10,000 on August 30 when Qubee announced parting with individual subscribers to focus on enterprise business. Chief commercial officer of Augere Wireless Broadband Bangladesh Ltd, the owning company of Qubee, said that evolving 3G and 4G mobile internet has pushed them behind. Globally WiMax technology is becoming obsolete. They are not getting any equipment in the market as vendors have also shifted focus of their business.

- The market has lost more than BDT 20.00 billion and needs more investment to survive, he added. Qubee, once the second-largest operator, had only 16,211 active subscribers in June, down from 0.13 million during its heyday in 2013. Having handed over its individual customers to market leader Banglalion, it now has only a few thousand corporate customers. The limited coverage of WiMax is the major reason for the operators losing customers. The service is mostly available in city areas, whereas 3G connectivity can be found in nearly all parts of Bangladesh.

<https://www.thedailystar.net/business/news/wimax-brink-extinction-1633231>

Dhaka Stock Exchange (DSE) capital gain tax likely at 5.0%

- There has been a reduction in capital gain tax to 5.0% from 15% on the Chinese funds for the Dhaka Stock Exchange (DSE) shareholders. Finance Minister declared the tax cut in capital gain from the Chinese partner of the country's premier bourse on Wednesday. To avail it, the DSE TREC (trading right entitlement certificate) holders should invest the funds in the capital market for three years. Section 53 (N) of the Income Tax Ordinance says the government will get tax at the rate of 15% on capital gains of the DSE TREC holders from the Chinese funds for selling a 25% stake.

- Under the demutualisation move, the DSE received BDT 9.62 billion from its Chinese strategic partner on September 03. After depositing BDT 150 million as stamp duty fee, the funds stood at BDT 9.47 billion. 250 shareholders are eligible to receive BDT 37.88 million each. The TREC holders, whose costs of acquisition of respective 25% shares will be less than the Chinese funds, will pay tax at 15% rate. Earlier, the DSE made a plea for tax

exemption on capital gains of the funds to be received from the sale of a 25% stake to its partner.

<http://today.thefinancialexpress.com.bd/first-page/dse-capital-gain-tax-likely-at-50pc-1536773297>

<http://www.newagebd.net/article/50445/govt-to-cut-capital-gains-tax-on-bourse-shareholders-to-5pc-muhith>

Western Marine EGM revises rights issue proposal

- The company's Chairman proposed to revise the issue price and ratio of the rights share issue at 1R:2 (one right share for every two existing shares) at BDT 15 each (including a premium of BDT 5.0 each) instead of the earlier recommended 1.25R:1 (five right shares for four existing shares) at BDT 20 each (including a premium of BDT 10 each). The shareholders approved the proposal and thanked the WMS management for such proposal, according to a statement.

<http://today.thefinancialexpress.com.bd/stock-corporate/western-marine-egm-revises-rights-issue-proposal-1536764350>

Bourses extend trading time by 30 minutes for today

- Stocks ended almost flat amid volatile trading on Tuesday as investors booked profits with cautious positioning. The securities regulator planned to celebrate the occasion through organising weeklong programmes starting today (Wednesday). Meanwhile, the management of both the Dhaka and Chittagong stock exchanges decided to extend trading hours by 30 minutes only for today (Wednesday) due to the inaugural ceremony. The trading will open at 10:30 am and continue till 3:00 pm on the day. The regular trading hours from 10:30 am to 2:30 pm will be reverted from tomorrow (Thursday).

<http://today.thefinancialexpress.com.bd/stock-corporate/bourses-extend-trading-time-by-30-minutes-for-today-1536685891>

Banking loopholes limit potential of stock market: Chairman of the Bangladesh Securities and Exchange Commission (BSEC)

- Bangladesh's stock market is being held back from reaching its potential because of the indiscipline in the banking sector, which has spoiled companies' attitude, said chairman of the Bangladesh Securities and Exchange Commission (BSEC). To raise funds from the public, only submission of financial reports is required, he said. But big companies prefer to go to banks for their financial needs to avoid complying with the rule of having transparent financial transactions and maintaining corporate governance, he added. Stricter banking rules should be introduced now to punish the defaulters, so that the big companies are encouraged to come to the stockmarket for future financing, he again said.

- As is practice, unethical businesses take huge loans from banks and avoid paying them back by getting stay orders from court on their defaulter status. Although banks take huge collateral against the loans, they cannot confiscate the property because of the stay order. Besides, in Bangladesh regulator cannot compel multinational companies to come to the stock market due to lack of rules. But in India it is mandatory for every multinational to be listed with stock market if it wants to do business in that country. The existing rule of giving 10% tax benefit to every listed company has failed to attract the global firms, he said.

<https://www.thedailystar.net/business/banking/news/banking-loopholes-limit-potential-stockmarket-1632718>