

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-2.27%) lost 124.16 points and closed the week at 5,342.89 points. The blue-chip index DS30 (-0.85%) lost 16.17 points and stood at 1,884.83 points. The shariah based index DSES (-2.03%) closed in red and stood at 1,230.02 points. DSEX, DS30 and DSES all posted negative YTD return of -14.44%, -17.45%, and -11.55% respectively.

Total Turnover During The Week (DSE) : BDT 28.5 billion (USD 342.8 million)
Average Daily Turnover Value (ADTV): BDT 5.7 billion (Δ% Week: -26.6%)

Market P/E: 16.83x
Market P/B: 2.17x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market opened this week with a negative movement of 0.95% in the first session and continued to be negative in the second session by 1.07%. In the third session, market turned positive by 0.55% and remained positive in the fourth session by 0.07%. Then the market closed negative again by 0.89 % in the last session.

Sectoral Performance:

- All the financial sectors showed negative performance except general Insurance (+5.21%). Life Insurance experienced highest loss of 7.74% followed by NBFIs (-4.45%), Mutual Funds (-3.08%) and Banks (-1.63%).
- Non-financial sectors showed mixed performance this week. Telecommunication posted the highest gain by 2.43% followed by Food and Allied (+0.79%) and Pharmaceuticals (+0.31%). Engineering experienced the highest loss of 4.81% followed by Power (-0.63%).

Macroeconomic arena:

- The Asian Development Bank (ADB) has projected Bangladesh's economy is expected to advance by 7.5% during the current fiscal year, slightly lower than the government target of 7.8 %, propelled by private consumption. Growth in public investment is expected to ease but remain another key growth driver, and private investment may step up slightly as the central bank reaches out to small enterprises and agriculture. Inflation is projected at 6.3 % in FY2019 due to higher global fuel prices, currency depreciation, and upward adjustments to natural gas and electricity prices.
- Nine local and foreign companies have been allotted land at the Bangabandhu Hi-Tech City in Gazipur to manufacture hi-tech products. The firms will collectively invest about USD 150 million and create 25,000 jobs.
- Bangladesh's overall exports to China declined above 26 % in fiscal year (FY) 2017-18 to USD 694.96 million due to absence of direct marketing, limited exportables and language, along with poor negotiating skills and lengthy process of getting products' certification.
- The per capita income of Bangladesh rose to USD 1,751 in the last fiscal year 2017-18 (FY18) from USD 1,610 in the FY17. The rise in per head Gross National Income (GNI) in FY18 is 8.80% higher than that of FY17.

Stock Market arena:

- The sponsors of Padma Islami Life Insurance announced to sell their entire holdings in the company. The board of directors of the company has decided to sell 17.4 million shares accounting for 44.78 % of the total paid-up capital of the company. The board has decided to sell off the shares as the company is facing liquidity crisis and it cannot meet policyholders' demand now.
- Shurwid Industries will transfer its 2.6 million shares to NRB Bank for settling the company's liabilities of BDT 97.30 million to the bank. The shares will be handed over to the bank from the holdings of three ex-directors of the company who were the guarantors of the loan. After transferring the shares, the company's liabilities will be adjusted and they will be relieved of the personal guarantees, financial expenses of the company will be reduced, net profit and EPS will be increased.
- Mutual Trust Bank (MTB) has decided to issue fresh shares equivalent to 10 % of total outstanding shares, amounting above 63.70 million shares, to Norfund, the Norwegian Investment Fund, at a price of BDT 27.19 each. The company took the decision as part of its move to enhance the paid-up capital along with strengthening corporate governance.

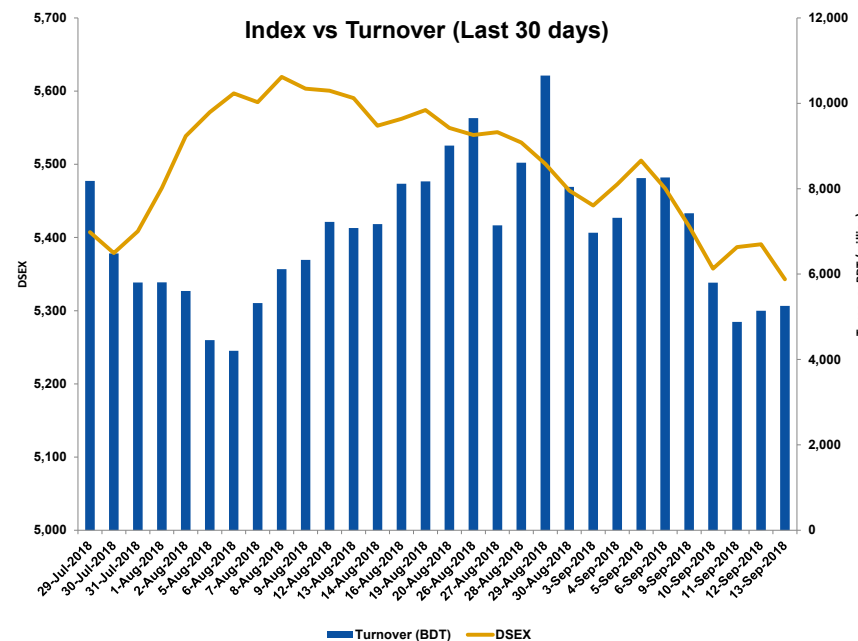
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,342.89	5,467.05	-124.16	6,244.52	-2.27%	-14.44%
DS30	1,884.83	1,901.00	-16.17	2,283.23	-0.85%	-17.45%
DSES	1,230.02	1,255.51	-25.49	1,390.67	-2.03%	-11.55%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,340,335.9	19,532,901.2	-1.0%
	Mn USD	232,651.7	234,968.1	
Turnover	Mn BDT	28,497.9	38,838.6	-26.6%
	Mn USD	342.8	467.2	
Average Daily Turnover	Mn BDT	5,699.6	7,767.7	-26.6%
	Mn USD	68.6	93.4	
Volume	Mn Shares	639.5	889.8	-28.1%

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
Republic Insurance	39.30	28.40	38.4%	1,741.9	439.89	29.8x	3.1x
Information Services Network Ltd.	24	20.20	20.8%	266.4	18.30	NM	1.7x
Pioneer Insurance	34.30	29.00	18.3%	2,400.3	137.58	19.0x	1.2x
Phoenix Insurance	28.00	24.00	16.7%	1,129.6	14.76	11.5x	0.8x
Dhaka Insurance Limited	22.70	19.50	16.4%	910.8	11.96	14.2x	1.3x
Dulamia Cotton	23.20	20.00	16.0%	175.3	1.57	NM	NM
Shaympur Sugar	23.10	20.00	15.5%	115.5	.82	NM	NM
Marico Bangladesh Limited	1,238.00	1,100.70	12.5%	38,997.0	5.15	27.1x	29.5x
Nitol Insurance	33.80	30.10	12.3%	1,359.0	13.65	15.7x	1.7x
Stylecraft Limited	3,911.30	3,512.70	11.3%	3,872.2	186.14	134.2x	13.9x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Evince Textile Limited	9.40	15.00	-37.3%	1,489.0	98.69	8.1x	0.7x
Central Pharmaceuticals Limited	11.40	14.70	-22.4%	1,300.7	60.44	11.9x	0.7x
Mozaffar Hossain Spinning Mills Ltd.	11.40	14.50	-21.4%	1,075.0	15.39	7.1x	0.7x
Al-Haj Textile	57.10	70.60	-19.1%	1,157.5	23.80	36.2x	4.7x
R.N. Spinning Mills Limited	8.90	11.00	-19.1%	3,176.0	49.79	10.6x	0.6x
Yeakin Polymer Limited	12.80	15.70	-18.5%	872.3	12.57	23.2x	1.0x
Appollo Ispat Complex Limited	9.20	11.20	-17.9%	3,584.5	44.38	7.5x	0.5x
Rangpur Dairy & Food Products	17.50	21.00	-16.7%	1,095.7	153.51	31.0x	1.3x
Khulna Power Company Limited	110.00	130.90	-16.0%	39,741.3	2,539.77	21.7x	4.5x
National Housing Fin. and Inv. Ltd.	57.20	68.00	-15.9%	6,085.6	592.54	25.0x	3.7x

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	110.00	130.90	-16.0%	39,741.3	2,539.77	21.7x	4.5x
United Power Generation & Distribution Company Ltd	322.60	304.90	5.8%	154,553.5	1,819.92	37.0x	13.4x
IFAD Autos Limited	131.00	133.90	-2.2%	29,940.8	1,394.58	28.6x	4.8x
Shasha Denim Limited	68.60	78.00	-12.1%	8,201.5	1,051.56	13.9x	2.0x
Active Fine Chemicals Limited	41.20	42.80	-3.7%	8,237.8	1,050.88	14.9x	2.8x
BBS Cables Limited	122.50	131.70	-7.0%	16,905.0	816.38	40.9x	7.3x
In Tech Online Ltd.	63.30	66.80	-5.2%	1,786.2	675.59	64.1x	6.3x
National Housing Fin. and Inv. Ltd.	57.20	68.00	-15.9%	6,085.6	592.54	25.0x	3.7x
National Life Ins	243.60	276.20	-11.8%	26,436.0	525.60	NM	24.4x
Aman Feed Limited	70.80	78.40	-9.7%	8,224.1	520.16	17.2x	2.9x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,256.10	21.77%	58,255.3	28.8x
Mutual Trust Bank	36.20	16.36%	20,755.7	14.2x
Summit Power	41.00	14.21%	43,783.0	10.0x
Pioneer Insurance	34.30	12.46%	2,400.3	19.0x
Marico Bangladesh Limited	1,238.00	11.92%	38,997.0	27.1x
Singer Bangladesh	214.50	9.72%	16,451.0	30.1x
Eastern Housing	50.60	2.85%	4,723.3	21.7x
BATBC	3,390.00	-0.34%	203,400.0	26.8x
Delta Brac Housing	135.30	-0.51%	16,486.6	21.0x
Fareast Islami Life Ins	70.00	-2.10%	5,232.0	NM

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1367.66	1390.29	1848.21	-1.63%	-26.00%
NBFIs	2111.92	2210.30	2714.85	-4.45%	-22.21%
Mutual Funds	651.10	671.81	788.81	-3.08%	-17.46%
General Insurance	1482.08	1408.68	1592.30	5.21%	-6.92%
Life Insurance	2250.80	2439.59	1834.85	-7.74%	22.67%
Telecommunication	5072.07	4951.56	6494.31	2.43%	-21.90%
Pharmaceuticals	2599.35	2591.26	2821.05	0.31%	-7.86%
Fuel & Power	1885.97	1897.88	1527.27	-0.63%	23.49%
Cement	1864.14	1925.63	2280.58	-3.19%	-18.26%
Services & Real Estate	1070.16	1105.55	1224.11	-3.20%	-12.58%
Engineering	3097.83	3254.49	3166.83	-4.81%	-2.18%
Food & Allied	14292.13	14180.47	15304.34	0.79%	-6.61%
IT	1475.57	1566.15	1484.41	-5.78%	-0.60%
Textiles	1323.79	1418.77	1222.72	-6.69%	8.27%
Paper & Printing	11506.25	12269.76	1013.11	-6.22%	1035.74%
Tannery	2621.13	2696.65	2642.41	-2.80%	-0.81%
Jute	6655.64	7015.90	8867.22	-5.13%	-24.94%
Ceramics	607.64	621.17	597.46	-2.18%	1.70%
Miscellaneous	1894.89	1899.40	1725.62	-0.24%	9.81%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
Banks	253.7	324.1	-21.70%	4.63%	8.8x	1.0x
NBFIs	251.0	404.3	-37.91%	4.58%	19.8x	2.0x
Mutual Funds	30.1	29.6	1.61%	0.55%	NM	0.5x
General Insurance	199.2	101.1	96.98%	3.63%	13.5x	1.0x
Life Insurance	204.9	311.9	-34.31%	3.73%	NM	9.4x
Telecommunication	65.3	100.3	-34.85%	1.19%	22.3x	16.4x
Pharmaceuticals	495.4	848.2	-41.59%	9.03%	19.6x	3.3x
Fuel & Power	1,076.9	1,206.8	-10.76%	19.63%	16.0x	2.5x
Cement	85.1	161.2	-47.21%	1.55%	21.0x	3.4x
Services & Real Estate	98.3	246.4	-60.10%	1.79%	26.8x	0.9x
Engineering	1,031.8	1,381.6	-25.32%	18.81%	24.5x	2.3x
Food & Allied	193.2	313.1	-38.32%	3.52%	29.0x	10.2x
IT	183.1	248.3	-26.27%	3.34%	28.5x	3.1x
Textiles	838.5	1,337.8	-37.32%	15.28%	21.0x	1.2x
Paper & Printing	36.2	54.2	-33.30%	0.66%	NM	6.2x
Tannery	70.6	139.2	-49.27%	1.29%	20.0x	3.2x
Jute	12.6	14.2	-10.82%	0.23%	NM	2.8x
Ceramics	86.1	89.2	-3.40%	1.57%	29.3x	2.3x
Miscellaneous	273.8	384.3	-28.75%	4.99%	26.3x	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	12.70	-42.53%	9,628.3	6.4x
Lankabangla Finance	26.00	-41.53%	8,895.1	11.2x
United Airways (BD) Ltd.	3.40	-39.29%	2,336.8	12.0x
Prime Bank	15.70	-36.97%	17,776.9	8.1x
Islami Bank	23.60	-35.52%	37,995.8	8.5x
EXIM Bank	11.10	-35.47%	15,676.0	5.3x
City Bank	31.90	-33.73%	30,878.8	7.6x
Eastern Bank	34.30	-32.88%	25,313.4	9.3x
IFIC Bank	11.00	-31.56%	15,559.7	9.8x
Uttara Bank	24.60	-30.31%	9,842.0	6.4x

Important News: Business & Economy

Economy to expand 7.5% this fiscal, projects Asian Development Bank

- The Asian Development Bank (ADB) has said Bangladesh's economy is expected to advance by 7.5% during the current fiscal year, powered by private consumption. The forecast is slightly lower than the government target of 7.8 %. Private consumption is likely to remain buoyant as remittances continue to recover. Growth in public investment is expected to ease but remain another key growth driver, and private investment may step up slightly as the central bank reaches out to small enterprises and agriculture.
- Exports are expected to expand at a steady pace despite somewhat slower growth in Bangladesh's main trade partners. Agriculture growth in fiscal year (FY) 2018-19 is expected to be at 2.9 %, taking into account the high base set in FY2018. Industrial growth is projected to be at 11.5 % as private consumption remains strong and exports expand. Expansion in services, at 6.2 %, will mirror trends in agriculture and industry. Inflation is projected at 6.3 % in FY2019, unchanged from the ADO 2018 projection, with higher global fuel prices, currency depreciation, and upward adjustments to natural gas and electricity prices.
- Bangladesh economy is in a good shape and its growth momentum is likely to continue, it has recorded over 7.0 % GDP growth for the last three consecutive years, reaching close to 8.0 % now. It is possible getting to 8.0 % growth but, it definitely needs to continue with the same kind of policies and same kind of environment. Again, the ease of doing business needs to be really supported much more, so you can attract higher foreign direct investment (FDI) and higher private investment.

<http://today.thefinancialexpress.com.bd/first-page/economy-to-expand-75%-this-fiscal-projects-adb-1537984674>

<http://www.newagebd.net/article/51614/adb-projects-75%-gdp-growth-in-fy19>

Banks' profit rises 20%

- Banks' net profit soared 19.55 % in the first six months of the year, compared to the same period a year ago, propelled by impressive performance by a few private lenders. Between the months of January and June, the banks raked in profits of BDT 22.06 billion. During the period, they logged in operating profit of BDT 113.58 billion, from which BDT 39.29 billion was deducted as tax and BDT 52.23 billion as provisioning against bad loans. In truth, only a few banks managed to bag handsome amounts of profit, which has flattered the entire sector's performance in the first half of 2018.
- It is not possible to register net profit growth if default loans are on the rise. As of June, the banking sector's total default loans stood at BDT 893.40 billion, up 20.23 % from six months earlier. Banks that were able to restrain their non-performing loans registered good net profits, said managing director of Pubali Bank. Pubali's net profit more than doubled to BDT 2.03 billion in the first six months of this year.

- Among the private banks, Brac Bank recorded the highest net profit of BDT 6.43 billion, followed by Standard Chartered at BDT 4.99 billion, Sonali at BDT 3.27 billion and Islami at BDT 3.12 billion. Brac Bank Managing Director however, disputed the figure put out by the

central bank about his bank's net profit in the first half of the year. Among the private lenders, Bank Asia put up a strong showing in the first six months of the year: its net profit shot up 75.71 % year-on-year to BDT 1.23 billion. The six state-run banks, however, collectively registered a net loss of BDT 12.34 billion in the first half, against BDT 10.47 billion a year earlier.

<https://www.thedailystar.net/business/news/banks-profit-rises-20%-1639363>

Government seeks funds from World Bank

- Bangladesh has sent a proposal to the World Bank (WB) seeking finances for its USD 5.15-billion Ganges Barrage project, said Finance Minister. He said he has given the World Bank the Ganges Barrage project much earlier. The Ganges Barrage scheme is a top priority project under the government's 100-year Delta Plan 2100, which was approved by the National Economic Council on September 4. The barrage project is one of the 80 top priority schemes to be implemented by 2031 at an estimated cost of about USD 37 billion under the Plan. Finance Minister said the WB will surely participate in the Plan as it is Bangladesh's largest donor.
- The good use of the WB's financial support is reflecting in Bangladesh's growth numbers. In the last fiscal year, Bangladesh used about USD 3 billion. WB Vice President said the WB would help the country with knowledge and resources to strengthen its resilience to natural disasters. Bangladesh government has provided tremendous support to the Rohingya refugees and the global community is recognising it, he added.

<https://www.thedailystar.net/business/news/govt-seeks-funds-wb-1639345>

Dhaka, Delhi agree to ink economic partnership deal

- Bangladesh and India on Wednesday reached consensus over signing a Comprehensive Economic Partnership Agreement (CEPA) in an attempt to boost bilateral trade and investment. This comprehensive economic partnership will benefit people of both countries and the deal will be signed after taking all the issues of Bangladesh into consideration, visiting Indian commerce minister said. CEPA is a bilateral comprehensive agreement on trade in goods and services and investment. Under a standard CEPA, two countries also agree to negotiate competition, intellectual property (IP) rights and dispute settlement mechanism.
- The commerce minister of Bangladesh told that India had agreed to back Bangladesh in the WTO forum over the TRIPs issue. He said a business delegation led by him will have a meeting with Indian business leaders next month to discuss business and trade cooperation between the two countries. CEPA is likely to deepen the bilateral economic relations in the long-run and there is a potential to enhance export to India.

<http://today.thefinancialexpress.com.bd/first-page/dhaka-delhi-agree-to-ink-economic-partnership-deal-1537984404>

<https://www.thedailystar.net/business/news/major-trade-deal-india-the-way-1639369>

<http://www.newagebd.net/article/51612/bangladesh-india-eye-comprehensive-economic->

[partnership-deal](#)

BD Venture launches crowdfunding platform

• BD Venture formally launched a crowdfunding platform on Wednesday for the entrepreneurs seeking funds to materialise their innovative ideas. Crowdfunding is the practice of funding a project or venture by raising small amounts of funds from a large number of people, typically via the Internet. Entrepreneurs will have to develop a project profile, which typically includes a title, video, description of planned use of funds, funding goal, campaign duration and reward descriptions, to get the funds. New entrepreneurs will be benefited by using this Internet-based crowdfunding platform.

<http://today.thefinancialexpress.com.bd/trade-market/bd-venture-launches-crowdfunding-platform-1537983976>

<https://www.thedailystar.net/business/news/bd-venture-help-raise-funds-online-1639351>

Mobile Number Portability (MNP) service for cell phone users from October 1

• The mobile number portability (MNP) service will be available for the country's cell phone customers from the early hours of October 1, said officials of Bangladesh Telecommunication Regulatory Commission. BTRC on Tuesday issued a directive to all the parties concerned including MNP operator Infozillion Teletech BD, telecom network operators, international gateway operators and interconnecting exchanges asking them to complete all preparations to launch the service on October 1.

• BTRC's acting chairman said that there was no possibility to miss the October 1 deadline to launch the MNP service. The launch of MNP has been differed twice because of the noncooperation of the mobile phone operators. Officials said all the mobile phone operators, public switched telephone network (PSTN) operators and other operators had already been connected with the platform of Infozillion.

• Before finalising the launching date, the telecom regulator revised upward the porting charge at BDT 50 from BDT 30 and reduced per port transaction charge, that would be applicable on mobile phone operators, at BDT 100 from BDT 150.

<http://www.newagebd.net/article/51613/mnp-service-for-cell-phone-users-from-october-1>

Singapore firm invests USD 15 million in Shohoz

• Online ride-hailing and ticketing platform Shohoz yesterday announced it has raised USD 15 million from Golden Gate Ventures of Singapore to expand its business. However, both Shohoz and Golden Gate Ventures declined to give the number of shares the investor will receive in exchange of the fund. Founding partner of Golden Gate Ventures said the Singaporean company has received a minority stake in Shohoz through the investment and will sit in the board of the company.

<https://www.thedailystar.net/business/news/singapore-firm-invests-15m-shohoz-1639360>

<https://www.dhakatribune.com/business/stock/2018/09/26/golden-gate-ventures-invests->

[15m-in-shohoz](#)

Investment hits record high

• Overall investment crossed 31% of GDP for the first time in Bangladesh's history last fiscal year thanks to a spike in public spending on mega infrastructure projects now being implemented. In fiscal 2017-18, overall investment to gross domestic product ratio stood at 31.23%, which was 30.51% the previous year, according to data from the Bangladesh Bureau of Statistics. For about a decade the ratio has been hovering between 27 and 30%. But to hit the country's growth ambitions, it can ill afford to hover around the 31%-mark. The ratio has to be about 35% of GDP.

<https://www.thedailystar.net/business/news/investment-hits-record-high-1638673>

Private foreign borrowing now costlier than before

• Amid impending risks, foreign borrowing by the country's private sector keeps rising, which in turn increases the external debt gradually. Bankers, beneficiaries and financial market analysts said the fund users might face difficulties in repaying the loans if the cost of borrowing continues to rise. The appreciation of US dollars against Bangladesh currency also enhances the vulnerability manifold because the loan recipients have to repay the debt in dollars. foreign fund was available at a cost below 4.0%, including LIBOR (London Inter-bank Offered Rate) just a few years ago but the cost has gradually gone up and now it has crossed 6.0% in many cases.

• The committee approved 134 proposals worth USD 1,489.66 million in 2017, up from USD 1,486.85 million the year before. But in the first five months of the calendar year, the amount approved fund for the private sector is USD 1,386.12 million, almost equivalent to the previous year's overall size. The average loan per recipient increased to USD 11.11 million in 2017 from USD 9.0 million as recorded in 2016. In the first five months of the year, it reached USD 18 million.

• In the past, the readymade garment industry dominated the chart of foreign borrowing. But the trend started changing in recent years, with the power and energy sector making up over 60% of the loans. In terms of the actual flow of overseas debt, the private sector received over USD 683 million during the financial year (FY) 2017-2018, up by 30% from the previous fiscal when the amount was USD 520 million. The borrowing was, however, calculated without overseas funds coming through the offshore banking unit (OBU). If it is calculated, the figure will be much higher.

<http://today.thefinancialexpress.com.bd/first-page/private-foreign-borrowing-now-costlier-than-before-1537897823>

Farm credit disbursement falls 25% in July-August

• Farm credit disbursement dropped by over 25% or BDT 7.04 billion in the first two months of the current fiscal year (FY), 2018-19, despite the central bank's close monitoring. Disbursement of agriculture loan came down to BDT 20.90 billion during the July-August period of FY '19 from BDT 27.94 billion in the same period of the previous fiscal, according

to the Bangladesh Bank's (BB) latest statistics. Of the BDT 20.90 billion, eight state-owned banks disbursed BDT 7.92 billion, and the remaining BDT 12.98 billion was disbursed by the private commercial banks (PCBs) and foreign commercial banks (FCBs).

- Managing director of Bangladesh Krishi Bank (BKB) said that they expect that the disbursement of farm loan will pick up from this month (September), and the trend may continue until December. He also expressed the hope that BKB will cross its agriculture loan disbursement target by the end of this fiscal. BKB had set BDT 50 billion farm loan disbursement target for FY '19. Meanwhile, all scheduled banks have achieved 9.59% of their FY 19 agricultural loan disbursement target, fixed at BDT 218 billion.

- The central bank is set to review the performance of eight public banks in agriculture credit disbursement and recovery at a meeting, scheduled to be held in the BB headquarters in Dhaka on September 30. The eight SoCBs are - Sonali Bank Limited, Janata Bank Limited, Agrani Bank Limited, Rupali Bank Limited, BASIC Bank Limited, Bangladesh Development Bank Limited (BDBL), BKB and Rajshahi Krishi Unnayan Bank (RAKUB).

<http://today.thefinancialexpress.com.bd/trade-market/farm-credit-disbursement-falls-25pc-in-july-august-1537897069>

<http://www.newagebd.net/article/51560/farm-loan-release-drops-25pc-in-july-aug>

International Monetary Fund team due next week to review State owned Commercial Banks' performance

- A team of the International Monetary Fund is expected to arrive in the city next week to assess the overall performance of the state owned commercial banks (SoCBs). The IMF delegation will assess the banks' performance during fiscal year (FY) '18 and the first quarter of FY '19. The non-performing loans, profitability, capital adequacy, the liquidity situation, and funding will be assessed during the four-day visit. They will also discuss the loan recovery framework update of the SoCBs.

- The volume of non-performing loans (NPL) in the banking sector jumped by BDT 150.37 billion at the end of June this year from December last year, reaching BDT 893.40 billion. At the same period, the classified loans stood at 10.41% of the total outstanding loans. The NPL of six SoCBs rose to BDT 428.52 billion in June last from BDT 373.26 billion in December last year.

<http://today.thefinancialexpress.com.bd/first-page/imf-team-due-next-week-to-review-socbs-performance-1537898005>

Banks to offer single-digit interest rate soon: Finance Minister

- Finance Minister expressed the hope that the private commercial banks (PCBs) will bring down their lending rate to single digit shortly. Both the public and private sector banks were supposed to bring down their loan interest rates to single digit by August 9. The state-owned commercial banks (SoCBs) have already implemented the decision, but only a few private commercial banks (PCBs) have done it. The finance minister said the bringing down of interest rate to single digit is just a simple matter, if the banks want to make less profit.

<http://today.thefinancialexpress.com.bd/last-page/banks-to-offer-single-digit-interest-rate-soon-muhith-1537898451>

Businesses suffer as new VAT form full of inconsistencies

- The faulty format of new Value Added Tax (VAT) returns has forced many of the businesses to submit their return in the older version. The VAT authority scrapped the old VAT return forms on June 19 last and it is not "legally acceptable" to submit returns in the invalid form. In August and September, most of the VAT payers submitted their returns in the old form. The field-level VAT offices also raised their objections to the inconsistencies in the new VAT return forms. Following the objections, the NBR attempted to issue another new form addressing the faults. The board would issue a gazette notification by cancelling the existing form and introducing new version.

- The new form has no column for providing economic code number of the supplementary duty. There is also no space for stating the amount of VAT that businesses deposited through the treasury chalan. The new forms also created the scope for adjusting VAT and Supplementary Duty with each other, making it contradictory for the VAT law. Tax officials said the VAT online project has framed a new form following suggestions from the field-level officials.

<http://today.thefinancialexpress.com.bd/last-page/businesses-suffer-as-new-vat-form-full-of-inconsistencies-1537898849>

<http://www.newagebd.net/article/51555/new-vat-returns-format-ineffective>

Government taking action against irregularities in insurance sector: Finance Minister

- Finance Minister has said there will be no duplicity with policyholders committed by the insurers within next two-three years as the government is taking action against irregularities. He holds that there are a good number of complaints against the insurers for not giving payment at the end of terms as per policy. But the government is working to ensure that all the policyholders duly get their money. He also said the Insurance Development and Regulatory Authority (IDRA) is enhancing its capacity to check irregularities in the insurance sector.

<http://today.thefinancialexpress.com.bd/stock-corporate/govt-taking-action-against-irregularities-in-insurance-sector-muhith-1537896571>

Nine firms get land at Bangabandhu Hi-Tech City

- Nine local and foreign companies were allotted land at the Bangabandhu Hi-Tech City in Gazipur yesterday to manufacture hi-tech products. The firms will collectively invest about USD 150 million and create 25,000 jobs. Bangladesh Hi-Tech Park Authority (BHTPA) handed over the 21 acres of land to the firms for 40 years at a ceremony at the Bangabandhu International Conference Centre in Dhaka. Telecom and ICT Minister gave away the allocation documents to the companies and asked them to start investing as early as possible.

- Samsung's local manufacturing partner Fair Electronics Ltd will assemble laptops and some other communication devices in its plant to be built on 3.5 acres of land. It will invest USD 10 million and create 250 jobs. Fair Electronics has started assembling mobile handsets, refrigerators, microwave ovens and air-conditioners in its plant in Narsingdi. Genex Infosys, the country's largest business process outsourcing firm, and three other software makers BJIT Ltd, JR Enterprise and KDS Group will invest USD 10 million each and together create more than 9,000 jobs. Robi Axiata, the second largest mobile phone operator in Bangladesh, plans to invest USD 2.6 million in its plant with a target to innovate various kinds of Internet of Things and artificial intelligence products. It will employ 110 people.

<https://www.thedailystar.net/business/news/nine-firms-get-land-bangabandhu-hi-tech-city-1638631>

Banks' deposit base expands slightly

- Banks' aggressive drive for funds has finally pushed up the deposit growth, easing the cash crunch that has crippled the banking sector in recent months. Yet, the growth in loans, which was nearly 17% in June this year, is still significantly higher than the deposit growth, creating a likelihood for asset-liability mismatch. The average deposit growth in the industry stood at 11.29% in June, in contrast to 10.62% in December last year, according to data from the Bangladesh Bank.

- At the end of June, deposits in the banking sector totalled BDT 105.7 trillion. Since June last year, the deposit growth ranged between 10% and 10.6% as banks were reluctant to take deposits amid huge excess liquidity. But aggressive lending and loan scams by some banks sparked a liquidity crisis in the sector at the turn of the year. To counter the situation, banks started to offer interest rates upwards of 10% to depositors, which, in turn, pushed up the interest rate on lending to past 13%.

- The deposit growth improved as banks are aggressively collecting deposits to bring down the loan-deposit ratio in line with new authorised limit of 83.5%, said the chairman of the Association of Bankers Bangladesh (ABB), a forum of chief executives of the private banks. According to managing director of Pubali Bank, Funds are now available in the banking system and there is no deposit crisis. Pubali Bank has brought down the interest rate on lending gradually, with most of the loans now being given at 9%.

- State banks mostly contributed to higher deposit growth in June as they still enjoy a certain level of confidence among the general public. The deposit growth of the state banks stood at 8.50% in June, up from 6.46% in December last year. Private banks' deposit growth was 12.73% in June, in contrast to 12.58% six months earlier.

<https://www.thedailystar.net/business/news/banks-deposit-base-expands-slightly-1638382>

Banks, Financial Institutions to disburse home loans to public servants

- Finance ministry will enter into an agreement with four banks and state-run financial institutions today to disburse home loans for public servants. Housing loan disbursements

will take effect next month following Tuesday's agreement with four state entities, Bangladesh House Building Finance Corporation (BHBFC) officials said. Finance division and four disbursers BHBFC, Sonali, Rupali and Agrani banks are all set to sign a memorandum of understanding (MoU) to this end. According to BHBFC Managing Director, about the size of the funds the BHBFC is going to get to run the loan scheme, he said they have yet to get any instruction from the government.

- But the size of disbursements would be bigger in the current fiscal year after allocations from the government for housing loans, he added. The government offers a 20-year repayment period for public servants aged under 56 for buying houses or flats at 10% interest rate. However, the government will provide 5.0% subsidy to the rate while a loanee will bear the remainder. A total of BDT 3.0 billion has been allocated as subsidy from the government in the current fiscal year. Currently, there are 1.4 million government employees in the country who can enjoy the house building loan. The installments will be deducted from a borrower's salary per month.

<http://today.thefinancialexpress.com.bd/last-page/banks-fis-to-disburse-home-loans-to-public-servants-1537811779>

Government may increase gas prices next week

- Government is all set to hike gas prices next week. However, residential and commercial consumers will be spared from paying higher prices. The upward price revision will affect industrial consumers, power plants, fertilizer factories, captive power plants, and CNG refueling stations. Bangladesh Energy Regulatory Commission (BERC) sources hinted at a price hike of up to 40%. The move comes at a time when government started supplying high-cost imported LNG in national gas network to supplement to locally produced gas since August this year. Per unit (thousand cubic feet or mcf) LNG costs USD 11 as against locally produced gas price of only USD 2.9 per unit.

<https://thefinancialexpress.com.bd/economy/bangladesh/govt-may-increase-gas-prices-next-week-1537524096>

Bangladesh Telecommunication Regulatory Commission (BTRC) to assess impact of uniform call rate

- Bangladesh Telecommunication Regulatory Commission has decided to assess the impact of recently introduced uniform call rate that drew widespread criticism from the mobile phone customers. The telecom regulator made the decision at a recent meeting after noticing negative impact of the uniform call rate on the customers. Mobile phone operators from August 14 this year implemented the uniform floor rate at BDT 0.45 per minute by resetting the previous floor rates (BDT 0.25 per minute for on-net and BDT 0.60 per minute for off-net) and keeping the upper ceiling unchanged at BDT 2 per minute.

- Bangladesh Cell Phone Costumers Association immediately after the implementation of the uniform call rate formed human chain in capital Dhaka demanding scrapping of the decision. The association also said that the BTRC decision was an undemocratic one as the telecom regulator imposed the order keeping people in the dark. A number of senior officials of the mobile phone operators said that they noticed an increase in their revenues

after the uniform call rate came into force. They, however, said that call volumes also declined after August 14 as mobile phone customers reduced call volumes to keep their bills within budget.

- The telecom regulator before the execution of new rate before the launch of mobile network portability service had informed the government high-ups that the setting floor price at BDT 0.45 per minute would facilitate mobile phone operators making increased revenues. A BTRC estimation showed that three leading mobile operators — Grameenphone, Robi and Banglalink — would earn additional monthly revenues of around BDT 3.87 billion in total by introducing the uniform minimum rate of BDT 0.45 per minute.

<http://www.newagebd.net/article/51410/btrc-to-assess-impact-of-uniform-call-rate>

Chinese investors keen on power sector

• Chinese investors are keen to park their funds in Bangladesh's power sector as there is a huge room for investment, said a top diplomat. The Chinese government, financial institutions and the companies are quite interested to provide support in the power sector of Bangladesh believes the economic and commercial counsellor of the embassy of China in Bangladesh. China has changed its financing policy: a separate organisation like the Japan International Cooperation Agency and US Aid has been formed to deal with the financing issue. Called the China Aid, the body will deal the government-to-government financing. Financing though will depend on the satisfaction of the Exim Bank of China over project proposal. There are two ways to receive funds from China -- preferential buyer's credit and government concessional loan for power plant establishment.

• As per the power sector master plan, Bangladesh needs USD 9 billion investment every year until 2041. The government has set a target to increase power generation to 60,000 megawatt (MW) by 2041, 40,000 MW by 2030 and 24,000 MW by 2021 and there is scope for independent power producers and the government has created a favourable investment environment on this front.

<https://www.thedailystar.net/business/news/chinese-investors-keen-power-sector-1638376>

United States wants to invest in telecom sector

• The United States has expressed its interest to investment in telecommunication sector of Bangladesh. US envoy in Dhaka conveyed the interest of her country during a meeting with Telecommunication and ICT Affairs Minister. She praised Bangladesh's progress in telecom sector and sought Bangladesh's support for the US in upcoming International Telecommunication Union (ITU) election.

<https://thefinancialexpress.com.bd/economy/bangladesh/us-wants-to-invest-in-telecom-sector-1537796870>

Bangladesh offers duty benefit to five Asia Pacific Trade Agreement (APTA) states

• Bangladesh has offered duty benefit on import of 602 products from five countries under Asia Pacific Trade Agreement (APTA). APTA member countries - India, China, Lao PDR (Laos), Republic of Korea (South Korea) and Sri Lanka - will enjoy concessional rates of Customs Duty (CD) ranging from 10% to 70%. Mainly imported products, including intermediate goods, basic raw materials, capital goods and machinery, and industrial parts, will enjoy the concessional duty benefit. Bangladesh for the first time offered the duty benefit for the APTA member countries as per the agreement.

• The duty benefit will bring some negative impact on revenue mobilisation of the government, as major importing countries like India and China will enjoy the concessional duty. China and India constitute for around 50% of annual import of Bangladesh. The benefit will affect the government's revenue earning to some extent. Out of its total USD 51.50 billion import, Bangladesh brought goods worth around USD 16 billion from China and Hong Kong and USD 9.0 billion from India in last fiscal year (FY), 2017-18.

• Of the 602 products under concessional duty, 598 products are for all member countries. Laos, as a least developed country, will enjoy additional benefit for the remaining four products. India announced that it will provide tariff concession on 3,142 products to the APTA member states including Bangladesh. Also, China in general slashed duty on 2,191 products, South Korea on 2,797, Sri Lanka on 598 and Laos on 999 products. Besides, India waived tariff on 48 products, China on 181 products, and Sri Lanka on 75 products for both Bangladesh and Laos. Meanwhile, South Korea has cut duty up to 100% on 951 products for Bangladesh.

<http://today.thefinancialexpress.com.bd/first-page/bd-offers-duty-benefit-to-five-apta-states-1537811396>

<http://www.newagebd.net/article/51409/bangladesh-cuts-duty-on-602-products-for-apta-states>

Bangladesh economy performing well, claims Finance Minister

• Expecting another decade of vibrant economic activities, Finance Minister said that Bangladesh's economy has been performing well for the last 10 years. In the last 10 years, the minister said that the government is working for increasing the effective demand in the economy as it is the only way to take forward economy. He also added that Bangladesh is achieving success in poverty alleviation by increasing the demand (of economy) as it is expanding the market and trade. In order to increase trade, the finance minister said, the government is working for enhancing trade relations all over the world, including in the South Asian region, reports BSS.

<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-economy-performing-well-claims-muhith-1537698697>

India plans to use Bangladesh waterway for a freight corridor

• The Indian government is working on a plan to set up a waterway freight corridor to connect the mainland with the northeastern states via Bangladesh at a cost of Indian rupees 50 billion. The move would substantially reduce the time taken to transport goods to the eight northeastern states of India and costs. The proposed 900-km waterway would be

used to transport freight from the northern and eastern states to the northeast and would start near Haldia in West Bengal, go to the Sundarbans, merge into the Padma river in Bangladesh and then join up with the Brahmaputra in Assam.

- Currently, highway connectivity to the Indian northeastern states is patchy and transportation of goods by road entails a high cost and takes time. The waterway could help reduce the cost of transportation by about 70%. The Indian government is already developing a waterway along the Ganga river between Haldia and Allahabad (1,620 km) at a cost of Rs 45 billion. This link will also be utilised for trade between India and Bangladesh.

- Bangladesh plans to use Indian ports as transshipment hubs instead of using Colombo or Singapore as a transshipment hub. The shipping ministry recently allowed foreign vessel operators to transport containerised cargo meant for import or export within ports located in Indian territory to ensure cargo doesn't land up in foreign hubs such as Singapore and Colombo. In the long term, India plans to develop two ports each on the west and east coasts as transshipment hubs.

<http://today.thefinancialexpress.com.bd/first-page/india-plans-to-use-bd-waterway-for-a-freight-corridor-1537811221>

Japan-Bangladesh jt venture gets 100 acres of land at Mirsarai

- Bangladesh Economic Zones Authority (BEZA) has allocated 100 acres of land in Mirsarai to a joint venture investor Nippon and McDonald Steel Industries Limited. A land lease agreement in this regard was signed on Sunday at the BEZA premises. Nippon and McDonald Steel Industries Limited is a joint venture company of Nippon Steel & Sumikin Bussan Corporation of Japan and McDonald Steel Building Products Ltd of Bangladesh, said a press statement issued by BEZA.

- The company will build a large steel mill in Mirsarai Economic Zone in Chattogram. It has been learnt that the joint venture company would invest around USD 59.19 million in the zone. The company would procure 50% of its raw materials from local sources. The company aims to complete the project within next two years.

<http://today.thefinancialexpress.com.bd/last-page/japan-jt-venture-to-invest-5919m-in-mirsarai-ez-1537379159> <https://www.thedailystar.net/business/economy/news/jv-invest-BDT-500cr-steel-plant-1637794>

<http://www.newagebd.net/article/51329/jv-of-nippon-steel-mcdonald-steel-to-invest-59m-in-mez>

Waning grant flow creating pressure on budget financing

- The availability of foreign grant has been declining over the past few years, putting the government's budget financing under pressure. Development partners now view that Bangladesh's gross national income (GNI) has increased, and that's why the country can get less grant or the aid which need not be repaid. In the last FY, 2017-18, the foreign grant flow was recorded BDT 7.51 billion. The fall was much lower than the government's expectation of BDT 40.0 billion a year on an average.

- Bangladesh's per capita GNI in FY 2017-18 stood at USD 1,752, in FY 2016-17 at USD 1,610, in FY 2015-16 at USD 1,465, in FY 2014-15 at USD 1,316, and in FY 2013-14 at USD 1,184. The foreign grant flow has been gradually waning, as the country has become a lower middle-income country (MIC). This fall means the government has to raise domestic financing or borrow from external sources at higher cost. In the meantime, the grant inflow might rise to some extent in this FY, 2018-19, following Rohingya influx to Bangladesh, where they are funding in different infrastructure, shelter and other humanitarian projects.

<http://today.thefinancialexpress.com.bd/first-page/waning-grant-flow-creating-pressure-on-budget-financing-1537724994>

Non-Resident Bangladeshis urged to invest in bonds

- Sending of remittances by all Bangladeshis through formal banking channels can help jack the country's foreign exchange reserve up. Besides, non-resident Bangladeshis (NRBs) can get better yields by making their investments in different types of bonds available in the country.

<http://today.thefinancialexpress.com.bd/last-page/hrbs-urged-to-invest-in-bonds-1537725403>

Firms pay fees for four tower sharing licences

- Four tower sharing companies selected by Bangladesh Telecommunication Regulatory Commission for awarding licences have deposited BDT 25 crore each in licence fees. The entities also deposited value-added tax at the rate of 15% applicable on the licence fee to the telecom regulator. Edotco Bangladesh Company Limited, TASC Summit Towers Limited, ISON Tower Bangladesh Private Limited (renamed as Kirtonkhola Tower Bangladesh Limited), and AB Hightech Consortium deposited the money after getting notification of award from BTRC.

<http://www.newagebd.net/article/51330/firms-pay-fees-for-four-tower-sharing-licences>

Exports to China fall

- Absence of direct marketing, limited exportables and language are major barriers to the rise of exports to China. Factors such as poor negotiating skills and lengthy process of getting products' certification or certificate of origins from China did also hurt flow of exports to the world's second largest economy. The country's overall exports to the global economic powerhouse declined above 26 % in fiscal year (FY) 2017-18 to USD 694.96 million. It was USD 949.41 million in the FY '17, according to the latest Export Promotion Bureau (EPB) data. Apparel exports to China also remained stagnant at USD 391.64 million for the year, according to Bangladesh Garment Manufacturers and Exporters Association. Leather and leather goods exports to China fell to USD 75.29 million in last fiscal which was USD 239.04 million in the fiscal of 2016-17.

- According to the senior vice-president of Bangladesh China Chamber of Commerce and Industry (BCCI) Procrastination is one of the key reasons behind this decline in export. The vice-president of Bangladesh China Chamber of Commerce and Industry (BCCI) said that

there are more than 4,500 local items get duty-free access to China, but the exportable items, in true sense, are very limited. Both of them stressed on better dealing, product diversification, value addition and inclusion of major exportables to raise the export volume.

<http://today.thefinancialexpress.com.bd/public/last-page/exports-to-china-fall-1537466510>

Seven banks in 'red zone'

- The central bank is concerned about seven banks, including three state-run lenders, for their deteriorating financial health stemming largely from rising default loans and declining capital and profits. These lenders belong to the "red zone" in the Bangladesh Bank's Bank Health Index (BHI) report. The banks are: state-run Sonali, Rupali and BASIC, private commercial banks Farmers, Bangladesh Commerce and AB as well as foreign lender National Bank of Pakistan.

- In the second week this month, the Financial Stability Department (FSD), a wing of the central bank, recommended the BB's policy and inspection departments take special supervisory and regulatory measures to improve the financial health of the lenders. Banks that perform well in line with the indicators are placed in the 'green' category, while lenders with worst performance belong to the red zone. The yellow zone consists of banks that stay between the red and the green zones. Among the seven lenders, Sonali, BASIC, Bangladesh Commerce, Farmers and Rupali have failed to meet the minimum capital requirement in the recent quarters.

- The FSD also advised the departments concerned at the central bank to take special measures to supervise six other lenders in the yellow zone as their financial health worsened significantly in recent times. The banks are Agrani, Janata, Prime, Islami, Shahjalal Islami and First Security Islami. Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank and ICB Islamic Bank are not included in the BHI report as their financial health is "too bad". Shimanto Bank was also excluded as it received licence in 2016.

<https://www.thedailystar.net/business/news/seven-banks-red-zone-1637245>

Tax structure makes Bangladesh cigarette prices lowest in world

- Cigarette prices in Bangladesh are among the lowest in the world because of tax structure despite having some of the highest tax rates, finds a World Bank study. The WB study has recommended introduction of a specific excise tax replacing the current tariff-based (ad valorem) system and a gradual transition to a uniform tax structure to control tobacco consumption in Bangladesh. Although tobacco taxation has been recognised as one of the most effective strategies to reduce smoking, the tobacco tax structure has helped make cigarette prices in Bangladesh among the lowest in the region despite some of the highest tax rates. In case of cigarette, the tax rate in Bangladesh is 77 %, highest among the seven Asian countries, which also included India, Sri Lanka, Nepal, Thailand, Pakistan and Indonesia, but the price of cigarette is second lowest after Pakistan.

- Bangladesh is one of the largest consumers of tobacco in the world as approximately 4 in 10 adults (46 million adults) use some form of tobacco. Tobacco consumption is also widespread across households in the country as approximately 65 % of households

consumed some type of tobacco products in 2016, based on the Bangladesh's Household Income and Expenditure Survey 2016-2017. The high rates of tobacco consumption in Bangladesh impose an increasing health and economic burden on the country.

- The overall economic cost of tobacco use has been estimated at USD 1.85 billion or over 3 % of gross domestic product (GDP). The current taxation system has neither discouraged consumption nor maximised revenue in Bangladesh. The annual direct health care cost attributable to tobacco related illnesses was approximately USD 990 million in 2016. By reducing tobacco consumption, tobacco taxation could also generate longer term monetary gains because of the improved health of the population.

<http://www.newagebd.net/article/51234/tax-structure-makes-bangladesh-cigarette-prices-lowest-in-world>

A dozen banks pay 22% of corporate tax in FY '18

- Some 12 commercial banks paid 21.75 % of the total corporate tax collected by the Large Taxpayer Unit (LTU) belonging to the income tax wing of the National Board of Revenue (NBR) during the fiscal year (FY), 2017-18. Of the banks, Islami Bank Bangladesh Limited, Standard Chartered Bank Ltd, HSBC, Sonali Bank, Agrani Bank and Southeast Bank are among the top payers. Islami Bank paid the highest amount of BDT 6.11 billion, followed by Standard Chartered Bank, BDT 5.20 billion last fiscal year.

- During FY '18, the LTU collected BDT 168.70 billion, mostly corporate tax, achieving 22 % 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/first-page/a-dozen-banks-pay-22%-of-corporate-tax-in-fy-18-1537635067>

Per capita income rises to USD 1,751

- The per capita income rose to USD 1,751 in the last fiscal year 2017-18 (FY18) from USD 1,610 in the FY17. The rise in per head Gross National Income (GNI) in FY18 is 8.80% higher than that of FY17. However, per head GNI marked a dip of USD 1.0 from the provisional estimation of USD 1,752 made by Bangladesh Bureau of Statistics (BBS) in May of FY18 .

- The BBS also unveiled the GDP growth of the country which finally stood at 7.86% in the last fiscal year from the preliminary estimation of 7.65%. The national statistical body usually unveiled a preliminary estimation of the per capita income and gross domestic product (GDP) size of the economy based on the data available from the first three quarters (July-March).

<http://thefinancialexpress.com.bd/economy/bangladesh/per-capita-income-rises-to-1751-1537275526>

Indian fabric makers eye Bangladesh

• Indian manufacturers look to capture a bigger share of the fabric market in Bangladesh as the country has already shown its strength in the global readymade garment supply chain, India's textile raw material exporters said. Bangladesh, the second largest garment exporter worldwide, largely relies on India, apart from China, for garments raw materials.

• Currently, Bangladesh imports fabric worth USD 7 billion a year to run its garment sector. Of them, fabric worth more than USD 2 billion come from India and USD 5 billion from China, according to industry people. According to the director of Ayma Creations Pvt Ltd, India, Bangladesh is a better garments manufacturer than India and the garment sector is dependent on fabric import, which has created an opportunity for Indian fabric manufacturers

<https://www.thedailystar.net/business/news/indian-fabric-makers-eye-bangladesh-1637239>

Outflow of maids to Saudi Arabia up in Aug despite workplace exploitation

• The outflow of Bangladeshi women domestic helps to Saudi Arabia has increased in August. The month saw a surge in outflow of women workers even after many women were forced to return home because of workplace exploitation. During the January-August period this year, a total of 67,052 women workers went abroad. Of them, about 50,000 have gone to Saudi Arabia, according to the official figure.

• In August alone, some 4,101 women domestic helps went to the Kingdom of Saudi Arabia as against 2,535 workers in July. More than 0.7 million Bangladeshi female workers have gone abroad with jobs since 1991. Of them, over 0.2 million went to Saudi Arabia alone, where they are mostly employed as domestic helps.

<http://today.thefinancialexpress.com.bd/public/trade-market/outflow-of-maids-to-s-arabia-up-in-aug-despite-workplace-exploitation-1537464654>

Free-of-cost remittance service likely: Finance Minister

• The government is considering introducing a system so that the expatriates can remit their money free of cost, Finance Minister. The government is actively considering the proposal of sending money by the expatriates without any fees. But who send money have a cost. And the government is thinking to introduce a scheme how to meet the cost, he added.

<http://thefinancialexpress.com.bd/economy/bangladesh/free-of-cost-remittance-service-likely-muhit-1537504180>

Government working to 'cut cost of doing business'

• The government is considering slashing source tax and taking other initiatives to reduce the cost of doing business, Commerce Minister. He came up with this assurance to businessmen, as the government has raised the minimum monthly wage for garment

workers to BDT 8,000 from existing BDT 5,300 with effect from December next.

<http://today.thefinancialexpress.com.bd/public/trade-market/govt-working-to-cut-cost-of-doing-business-1537464680>

Budget execution lowest in four years

• The budget implementation rate has fallen to its lowest level in four years in 2017-18 fiscal year, signifying the poor capacity of the public agencies. According to a preliminary estimate, the rate fell to 68 % of the original budget in Fiscal Year 2018 from 79 % in the year before (2016-17). It was 81 % in FY2015- 2016 and 83 % in FY 2014-15. The total receipts by the national exchequer stood at BDT 2.14 trillion against the original target of BDT 2.93 trillion. The budget deficit as% of Gross Domestic Product (GDP) was 2.7.

• The data shows that the total financing was BDT 592.67 billion. Of the financing, the net foreign borrowing was BDT 42.54 billion while the net domestic borrowing was BDT 550.13 billion during the period under review. The government repaid nearly BDT 20 billion to the banking system, but did not borrow afresh. On the other hand, the government's non-bank borrowing was BDT 570.08 billion during the last fiscal year. Lead economist at the World Bank's Dhaka office said the increase in the size of the original budget has outpaced the execution capacity, resulting in a significant rise in implementation shortfall.

<http://today.thefinancialexpress.com.bd/public/first-page/budget-execution-lowest-in-four-yrs-1537465777>

Important News: Capital Market

Sponsors of Padma Islami Life Insurance to sell ownership

• The sponsors of Padma Islami Life Insurance listed on both Dhaka and Chittagong stock exchanges yesterday announced to sell their entire holdings in the company. The insurer informed that the board of directors of the company has decided to sell 17.4 million shares held by five sponsor shareholders, 11 sponsor directors, one director and one shareholder (the inheritor of one sponsor) subject to the approval of competent authorities. The shares account for 44.78 % of the total paid-up capital of the company, established in 2000.

• As the company is facing liquidity crisis, it cannot meet policyholders' demand now. So, the board has decided to sell off the shares. The company purchased land in many places in the country, but it cannot sell them now. Last year the insurer failed to give any dividend to its shareholders. As a result, it is now considered a junk stock.

<https://www.thedailystar.net/business/news/sponsors-padma-islami-life-ins-sell-ownership-1639357>

NRB Bank to get 2.6 million Shurwid shares against BDT 97.30 million loan

• Shurwid Industries will transfer its 2.6 million shares to NRB Bank for settling the

company's liabilities of BDT 97.30 million to the bank. The shares will be handed over to the bank from the holdings of three ex-directors of the company who were the guarantors of the loan. An agreement has been signed between the three ex-directors of the company and the bank regarding settlement of the loan liabilities. As per the agreement, the guarantors of the company will hand over 2.6 million shares of the company holding by them to NRB Bank against liabilities of BDT 97.30 million.

- After transferring the shares, the company's liabilities will be adjusted and they will be relieved of the personal guarantees, financial expenses of the company will be reduced, net profit and EPS will be increased. According to the chairman of the Shurwid Industries, the NRB Bank would be a corporate shareholder of the company on receipt of the shares and the bank can appoint a director, if it intends to, at the company's board as it will hold 5.0% shares.

<http://today.thefinancialexpress.com.bd/stock-corporate/nrb-bank-to-get-26m-shurwid-shares-against-BDT-9730m-loan-1537896602>

China group plans support to make Dhaka Stock Exchange (DSE) a top bourse

- The Chinese consortium, which became strategic partner of the Dhaka Stock Exchange early this month, has said the consortium would help DSE enhance its capability with the aim of making the Bangladesh's premier bourse a leading market in Asia. There should be no concern about the consortium as they were not trying to sell anything to Bangladesh. The Chinese consortium of Shenzhen and Shanghai stock exchanges on September 4 joined DSE as its strategic shareholder through purchasing 25% shares of the Bangladesh's premier bourse at BDT 9.47 billion.

<http://www.newagebd.net/article/51561/china-group-plans-support-to-make-dse-a-top-bourse>

Stock investors lose BDT 68.76 billion in 3 days

- Stock investors lost BDT 68.76 billion in the last three days' slump that saw the DSE benchmark index shed more than 147 points or 2.67%. DSEX, the benchmark index of Dhaka Stock Exchange, yesterday slid by 57.69 points, or 1.06%, to finish the day at 5,357.54. Market insiders said that investors have been gripped by a fear of political unrest ahead of the upcoming national election. Another expert said the continuous fall of blue chip stocks, which are of the best quality, and rise in junk shares have also made investors disappointed.

- The overall situation has dampened investors' sentiment, which is also reflected not only on the index but also on turnover, an important indicator of the stock market. Turnover declined by nearly 22% to BDT 5.80 billion compared to the previous session.

<https://www.thedailystar.net/business/news/stock-investors-lose-BDT-6876cr-3-days-1638388>

Focus needs to be on capital market

- Capital market should be the key funding source for Bangladesh's future economic expansion instead of banks and financial institutions. Such shift is also necessary to attain sustainable development goals (SDGs) as some 42% of the SDG financing here should come from the private sector.

- According to chief financial officer of Seven Circle, Bangladesh stocks should evolve as the main source of capital for economic expansion. According to him, Banks and NBFIs [non-banking financial institutions] together are still a major source of funding for Bangladesh economy. Sustainable Stock Exchanges Initiative should play a significant role in this regard and stock exchanges should drive value for all stakeholders. Bringing together the right stakeholders is the number-one challenge of implementing SDGs

<http://today.thefinancialexpress.com.bd/last-page/focus-needs-to-be-on-capital-market-1537725275>

Apex Footwear to buy land, building in Tongi

- Apex Footwear, an 'A' category company, will purchase one bigha (20 kathas) of land with a six-story building at a cost of BDT 290 million, excluding registration and other costs. The board of directors has decided to purchase the land with a built up area of 72,000 square foot. (12,000 square foot each floor) situated at Block-C, Plot No. 29 of Tongi Industrial Area of RAJUK at Tongi in Gazipur district.

- The company's board of directors also recommended 55% cash dividend for the year ended on June 30, 2018. In the latest financial year, the company witnessed a sharp rise in earnings per share (EPS) compared to the previous year. The EPS rose 60% to BDT 11.54 for the year ended on June 30, 2018 compared to same of the previous year.

<http://today.thefinancialexpress.com.bd/stock-corporate/apex-footwear-to-buy-land-building-in-tongi-1537719747>

Aramit Thai Aluminium plans to triple production

- Aramit Thai Aluminium Ltd, one of the leading aluminum profile producers of the country, has taken a project to triple its annual production to 15, 000 metric tonnes (MT). Currently, production of the factory at Kalurghat heavy industrial area is 5,000 MT per year. The company will now set up two more production units as part of its expansion plan. The new production units of the aluminium profile will be set up on the huge site of the existing plant.

- The first unit of the company was set up in 2002 and the second unit in 2010, reaching the annual production capacity to 5,000 MT. Now it will establish two more plants with their total annual production capacity of 10,000 MT. The product of the company has earned reputation due to its improved, long-lasting quality and standard of service.

<http://today.thefinancialexpress.com.bd/public/first-page/a-dozen-banks-pay-22%-of-corporate-tax-in-fy-18-1537635067>

MTB decides to sell 10% stake to Norfund

• Mutual Trust Bank (MTB) has decided to issue above 63.70 million shares to Norfund, the Norwegian Investment Fund, at a price of BDT 27.19 each. The company took the decision as part of its move to enhance the paid-up capital along with strengthening corporate governance. The company's board of directors at a meeting on Wednesday took the decision to issue fresh shares equivalent to 10 % of total outstanding shares to Norfund.

• Relevant formalities of issuing 63.70 million fresh shares to Norfund are likely to be completed by December this year subject to the approval from the regulator. The managing director of MTB said after taking shareholders' approval at the extraordinary general meeting (EGM), they would seek consent of the central bank and the securities regulator. MTB, presently an 'A' category company, was listed on the stock exchanges in 2003. The company's sponsor-directors hold 37.31 % shares while institutes 23.39 % and general shareholders 39.30 % as of August 31, 2018.

<http://today.thefinancialexpress.com.bd/public/first-page/mtb-decides-to-sell-10%-stake-to-norfund-1537466108>

<https://www.thedailystar.net/business/news/norfund-buy-10%-stake-mtb-1636735>

<http://www.newagebd.net/article/51102/norfund-to-buy-mtb-stakes-invest-BDT-173cr-by-dec>

United Commercial Bank (UCB) adopts special strategy to cut Non-Performing Loans (NPLs), increase profit

• United Commercial Bank (UCB) has adopted special strategy to reduce its non-performing loans (NPLs), which was mainly responsible for comparatively poor net profits registered in the last couple of years than the trend of previous three years. The strategy is expected to help reduce the extent of NPLs and the impact would be reflected on the bottom line.

• According to the financial statements, the bank's net profit increased during the period from 2013 to 2015, but started declining in the following years (2016 and 2017) although the gross revenue earnings and operating profit were increasing. The provisioning and taxes time to time left an impact on the net profit. That's why the company displayed a mixed trend in net profit and dividend disbursement in last five years. According to the chairman of the UCB the strategy has been undertaken with an understanding of the risks and opportunities involved with the strategy, addressing concerns of stakeholders in a holistic manner.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/ucb-adopts-special-strategy-to-cut-npls-increase-profit-1537629123>

Simtex Industries to set up spinning unit

• The board of directors of Simtex Industries Ltd has decided to set up a spinning unit of 26,000 spindles to produce high quality spun polyester sewing thread. The project cost will be around BDT 1.80 billion. The estimated production capacity of the unit will be 15 metric tonnes (MT) per day of raw sewing thread, which would cover 75 % of the existing raw material requirement of the company. The Credit Rating Information and Services Limited

(CRISL) rated the company as "A" in the long term and "ST-3" in the short term along with a stable outlook.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/simtex-industries-to-set-up-spinning-unit-1537460949>

Kattali Textile's IPO lottery on October 4

• The initial public offering (IPO) of Kattali Textile Limited (KTL) will be held on October 4. The IPO subscriptions of KTL opened for resident and non-resident Bangladeshis from August 28 to September 13. The company has floated 34 million shares at an issue price of BDT 10 each. The lot has been set at 500 shares. The company aims to raise BDT 340 million from the public.

• The company's audited financial statement for the year ended on June 30, 2017. Its net asset value per share stood at BDT 20.48 (without revaluation), and the weighted average of earnings per share (EPS) was BDT 1.94. KTL will utilize the proceeds from the IPO to purchase capital machinery, repay bank loans, install an electric transformer, and bear IPO expenses.

• Kattali Textile is a production unit of the Asian Group, established in 2002 with the aim of catering to international buyers. The Chittagong based company has a monthly production capacity of 450,000 woven tops, 350,000 woven bottoms, 550,000 knit tops, and 550,000 knit bottoms. NRB Equity Management Limited will act as the issue manager.

<https://www.dhakatribune.com/business/stock/2018/09/22/kattali-textile-s-ipo-lottery-on-october-4>