

Weekly Market Update

Capital Market Overview

The market closed positive this week. The benchmark index DSEX (+1.12%) gained 60.74 points and closed the week at 5,467.74 points. The blue-chip index DS30 (+1.16%) gained 21.93 points and stood at 1,915.27 points. The shariah based index DSES (+0.08%) closed in green and stood at 1,246.90 points. DSEX, DS30, and DSES all posted negative YTD return of -12.44%, -16.12%, and -10.34% respectively.

Total Turnover During The Week (DSE) : BDT 26.3 billion (USD 316.1 million)
Average Daily Turnover Value (ADTV): BDT 6.6 billion (Δ% Week: -4.4%)

Market P/E: 16.98x
Market P/B: 2.19x

Daily Index Movement during the Week:

The market performed four sessions during the week. Market opened this week with a positive movement of 0.00% in the first session and turned negative by -0.53% in the second session. Market rebounded in the third session by +0.55% and remained positive in the last session by +1.10%.

Sectoral Performance:

- All the financial sectors showed positive performance this week except Life Insurance (-2.25%). Banks posted the highest gain of 5.16% followed by General Insurance (+3.54%), NBFIs (+3.03%) and Mutual funds (+0.26%).
- Non-financial sectors showed mixed performance. Telecommunication recorded the highest gain of +3.01% followed by Engineering (+0.32%) and Power (+0.12%). Food & Allied experienced the highest loss of -1.50% followed by Pharmaceuticals (-1.07%).

Macroeconomic arena:

- Bangladesh's export earnings in July, the first month of the current financial year 2018-19, grew by 19.9% to USD 3.6 billion from USD 3.0 billion in the same period of the financial year 2017-18. Defying the negative growth in the month of June in last financial year, the country's export earnings in the month of July achieved a strong growth mainly for the good performance of RMG sector. The apparel exports to the US grew by 4.81% during the first half of 2018 compared to that of last year. Bangladesh fetched USD 2.70 billion from apparel exports to the US market during January to June period of 2018 against USD 2.57 billion earnings of the corresponding period of last year.
- Bangladesh's trade deficit passed the USD 18 billion mark in fiscal year (FY) 2017-18 mainly due to higher import payments than lower export receipts. The trade gap with the rest of the world rose to USD 18.26 billion in the July-June period of the just-concluded fiscal year. It was USD 9.47 billion in the same period of FY '17.
- Chinese Ambassador of Bangladesh has said that a number of Chinese companies are eager to invest in different sectors in Bangladesh, including fisheries, agro-processing, footwear, processed food and ready-made garment.
- The ratio of the shadow economy in Bangladesh in terms of the Gross Domestic Product (GDP) has been declining for more than one decade. The ratio came down to 27.60% of the country's annual GDP in 2015, which was 36.65% in 2003- According to a working paper of the International Monetary Fund (IMF) spotted the trend.

Stock Market arena:

- The board of directors of Eastern Bank Limited (EBL) has decided to issue non-convertible subordinated bond of BDT 5.0 billion. The bank will issue the bond for strengthening its capital base, subject to approval by the Bangladesh Bank (BB) and the BSEC. The seven-year bond titled '2nd Subordinated Bond of EBL' is non-convertible, non-listed and redeemable.
- The total market value of the top 10 listed companies has increased 10.18% year-on-year to BDT 1467.2 billion in June due to strong performance. GP is the strongest performer in terms of absolute increase in market capitalisation, gaining 12.92% or BDT 60.1 billion in value. In the second quarter of 2018, the country's leading mobile operator's earnings per share soared 36.29%.
- The earnings of the listed financial companies mostly declined in the first half (January-June) of the current calendar year compared with that in the same period of the previous year. Out of the 30 listed banks, the EPS of 15 declined and that of the rest 15 increased, while out of the 23 non-bank financial institutions, the EPS of 18 dropped and that of the rest five rose in the first half of 2018 compared with that in the same period of 2017.

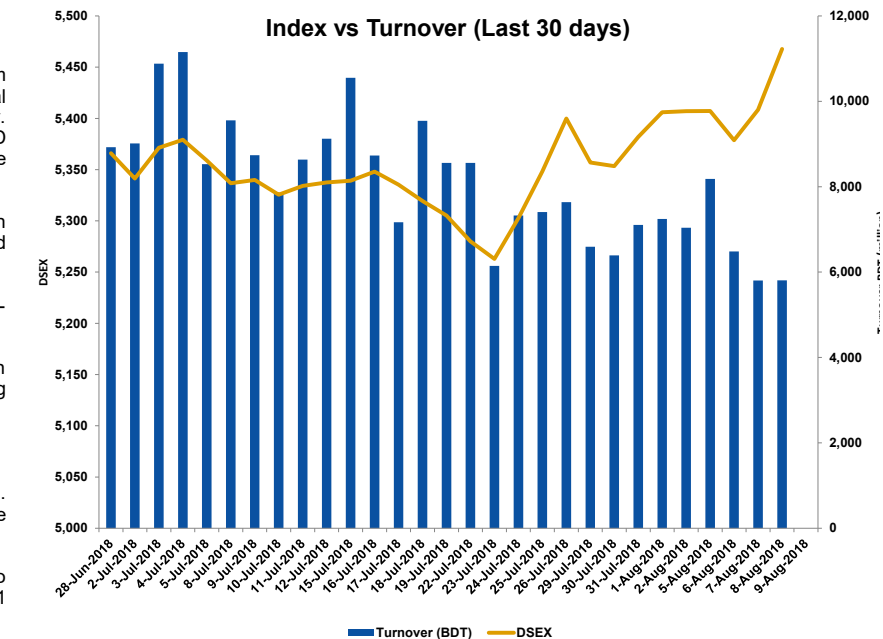
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,467.74	5,407.01	60.74	6,244.52	1.12%	-12.44%
DS30	1,915.27	1,893.34	21.93	2,283.23	1.16%	-16.12%
DSES	1,246.90	1,245.86	1.04	1,390.67	0.08%	-10.34%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	15,358,004.2	19,252,209.4	-20.2%
	Mn USD	184,746.8	231,591.6	
Turnover	Mn BDT	26,275.9	34,374.4	-23.6%
	Mn USD	316.1	413.5	
Average Daily Turnover	Mn BDT	6,569.0	6,874.9	-4.4%
	Mn USD	79.0	82.7	
Volume	Mn Shares	780.3	966.1	-19.2%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

	Close	Open	Δ%	Mcap		P/E	P/B
				(mn BDT)	Vol (mn BDT)		
Midas Financing Ltd.	25.50	20.80	22.6%	3,373.5	39.38	18.9x	2.6x
Paramount Insurance	16	13.60	19.9%	515.7	28.95	18.2x	1.3x
Social Islami Bank	18.50	16.00	15.6%	15,028.4	123.41	6.6x	1.0x
Premier Leasing	11.40	9.90	15.2%	1,443.7	29.39	9.6x	1.0x
Rupali Insurance	20.90	18.30	14.2%	1,456.6	44.07	12.8x	1.0x
Rupali Bank	42.90	37.80	13.5%	16,152.6	192.48	NM	1.7x
Sonar Bangla Ins	17.90	16.00	11.9%	676.2	19.68	12.3x	1.2x
Continental Ins Ltd.	19.60	17.70	10.7%	711.2	21.14	15.0x	1.2x
Union Capital	14.60	13.20	10.6%	2,399.6	38.22	11.7x	0.9x
Dutch-Bangla Bank	134.30	121.60	10.4%	26,860.0	133.76	15.2x	1.6x

Table 4: Top Ten Losers

	Close	Open	Δ%	Mcap		P/E	P/B
				(mn BDT)	Vol (mn BDT)		
Padma Islami Life Insurance Limited	24.70	31.70	-22.1%	960.3	84.23	NM	2.5x
Aman Cotton Fibrous Limited	57.00	71.30	-20.1%	5,747.5	444.72	19.2x	1.7x
KDS Accessories Limited	85.30	105.60	-19.2%	5,123.1	311.04	40.8x	3.9x
Dulamia Cotton	20.10	24.70	-18.6%	151.9	1.04	NM	NM
Dragon Sweater & Spinning Ltd.	37.80	46.30	-18.4%	8,331.8	446.67	57.2x	3.1x
Savar Refractories	81.70	98.20	-16.8%	113.8	2.66	NM	13.0x
H.R. Textile	47.40	56.70	-16.4%	1,199.2	110.45	33.0x	3.3x
Meghna Pet Industries	14.20	16.90	-16.0%	170.4	1.84	NM	NM
Samata Leather	39.60	46.90	-15.6%	408.7	7.70	NM	2.7x
Shasha Denim Limited	57.00	64.90	-12.2%	6,814.6	185.65	11.5x	1.7x

Table 5: Top Ten Most Traded Shares

	Close	Open	Δ%	Mcap		P/E	P/B
				(mn BDT)	Vol (mn BDT)		
BBS Cables Limited	119.90	118.10	1.5%	16,546.2	1,300.62	40.0x	7.2x
IFAD Autos Limited	123.30	120.20	2.6%	28,180.9	853.79	26.9x	4.5x
Shepherd Industries Limited	33.20	30.70	8.1%	4,123.6	697.95	32.2x	1.9x
Saiham Textile	30.50	33.50	-9.0%	2,762.2	550.11	29.9x	1.6x
Hamid Fabrics Limited	31.20	29.90	4.3%	2,841.0	495.56	39.4x	1.1x
Dragon Sweater & Spinning Ltd.	37.80	46.30	-18.4%	8,331.8	446.67	57.2x	3.1x
Aman Cotton Fibrous Limited	57.00	71.30	-20.1%	5,747.5	444.72	19.2x	1.7x
Legacy Footwear	262.80	265.80	-1.1%	2,989.1	428.61	260.4x	15.6x
Lankabangla Finance	28.00	26.40	6.1%	9,579.4	423.81	12.0x	1.6x
United Power Generation & Distribution Company Ltd	331.30	335.10	-1.1%	132,267.9	410.74	31.7x	12.3x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Mutual Trust Bank	33.80	8.64%	19,379.7	13.2x
Berger Paints	1,111.50	7.76%	51,549.0	25.5x
Summit Power	38.20	6.41%	40,792.9	9.3x
Marico Bangladesh Limited	1,137.80	2.87%	35,840.7	24.9x
Agni System Limited	22.00	0.46%	1,520.2	22.6x
Singer Bangladesh	196.30	0.41%	15,055.1	27.6x
Delta Brac Housing	134.90	-0.81%	16,437.8	20.9x
Jamuna Bank	17.80	-1.29%	13,336.2	7.4x
S. Alam Cold Rolled Steels	32.60	-2.40%	3,206.9	26.6x
Eastern Housing	47.80	-2.85%	4,461.9	20.5x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1477.81	1405.25	1848.21	5.16%	-20.04%
NBFIs	2222.91	2157.48	2714.85	3.03%	-18.12%
Mutual Funds	747.48	745.53	788.81	0.26%	-5.24%
General Insurance	1465.90	1415.83	1592.30	3.54%	-7.94%
Life Insurance	1752.03	1792.43	1834.85	-2.25%	-4.51%
Telecommunication	5183.62	5032.16	6494.31	3.01%	-20.18%
Pharmaceuticals	2619.61	2648.00	2821.05	-1.07%	-7.14%
Fuel & Power	1720.28	1718.22	1527.27	0.12%	12.64%
Cement	1853.36	1867.40	2280.58	-0.75%	-18.73%
Services & Real Estate	1088.34	1104.25	1224.11	-1.44%	-11.09%
Engineering	3121.38	3111.34	3166.83	0.32%	-1.44%
Food & Allied	13804.33	14014.15	15304.34	-1.50%	-9.80%
IT	1559.46	1598.43	1484.41	-2.44%	5.06%
Textiles	1351.85	1431.32	1222.72	-5.55%	10.56%
Paper & Printing	12724.22	11895.95	1013.11	6.96%	1155.96%
Tannery	2692.33	2734.62	2642.41	-1.55%	1.89%
Jute	7052.60	6845.30	8867.22	3.03%	-20.46%
Ceramics	611.72	621.78	597.46	-1.62%	2.39%
Miscellaneous	1804.79	1879.63	1725.62	-3.98%	4.59%

Table 7: Sector Trading Matrix

	Daily average		% Change	% of Total Turnover	PE	PB
	this Week	last week				
Banks	819.8	417.0	96.58%	13.70%	9.5x	1.1x
NBFIs	348.5	228.7	52.40%	5.82%	20.9x	2.1x
Mutual Funds	50.1	26.6	88.43%	0.84%	NM	0.6x
General Insurance	116.6	49.0	137.92%	1.95%	13.4x	1.0x
Life Insurance	75.8	115.2	-34.18%	1.27%	NM	7.7x
Telecommunication	79.7	50.2	58.74%	1.33%	22.8x	16.8x
Pharmaceuticals	423.6	580.8	-27.05%	7.08%	19.7x	3.3x
Fuel & Power	294.4	496.3	-40.68%	4.92%	14.6x	2.3x
Cement	53.8	77.1	-30.22%	0.90%	20.9x	3.4x
Services & Real Estate	110.1	190.0	-42.05%	1.84%	27.3x	0.9x
Engineering	1,164.7	1,413.1	-17.57%	19.47%	24.7x	2.3x
Food & Allied	219.1	221.5	-1.08%	3.66%	28.0x	9.9x
IT	154.0	256.3	-39.94%	2.57%	30.1x	3.2x
Textiles	1,382.0	1,428.1	-3.23%	23.10%	22.8x	1.3x
Paper & Printing	99.2	107.6	-7.80%	1.66%	NM	6.9x
Tannery	203.9	370.6	-44.99%	3.41%	20.6x	3.3x
Jute	17.0	17.3	-1.77%	0.28%	NM	3.0x
Ceramics	94.8	128.6	-26.28%	1.58%	29.5x	2.3x
Miscellaneous	276.3	324.3	-14.78%	4.62%	25.0x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	12.80	-42.08%	9,704.1	6.4x
Lankabangla Finance	28.00	-37.03%	9,579.4	12.0x
United Airways (BD) Ltd.	3.60	-35.71%	2,474.2	12.7x
Islami Bank	25.10	-31.42%	40,410.8	9.0x
EXIM Bank	11.80	-31.40%	16,664.6	5.7x
City Bank	33.10	-31.23%	32,040.4	7.9x
Glaxo Smithkline	1,084.10	-30.09%	13,059.6	20.3x
Eastern Bank	36.50	-28.57%	26,937.0	9.9x
Prime Bank	17.80	-28.54%	20,154.6	9.2x
RAK Ceramics Limited	40.30	-25.99%	15,679.2	17.1x

Important News: Business & Economy

Bangladesh export earnings soar by 20% in July

• Bangladesh's export earnings in July, the first month of the current financial year 2018-19, grew by 19.88% to USD 3.58 billion from USD 2.98 billion in the same period of the financial year 2017-18. Defying the negative growth in the month of June in last financial year, the country's export earnings in the month of July achieved a strong growth riding on the good performance of readymade garment sector. Experts and exporters find the export earnings growth in the first month of the current fiscal encouraging but say it is not possible to assess the export trend based only on one month data.

• Eid festival-related issues may have been reflected in the export earnings growth of the month of July as a good quantity of export products of the month of June were shipped in July considering the Eid-ul-Fitr holidays, they posit. The EPB data shows that the earnings from RMG product export in July of FY19 grew by 21.72% to USD 3.01 billion from USD 2.48 billion in the same period of FY18. 'Export earnings growth in the first month of the current fiscal is positive and optimistic but it will not help understand the trend of export earnings with only one month's data,' Policy Research Institute of Bangladesh executive director said.

• He said that export earnings in June witnessed a negative growth as a lesser number of consignments were shipped in the month due to long Eid-ul-Fitr holidays. A good quantity of finished products were shipped in July. He again said that readymade garment sector was always doing well but the performance of non-RMG sectors including leather sector was disappointing. According to the EPB data, earnings from knitwear export in the first month of FY 19 grew by 20.88% to USD 1.52 billion compared to that of USD 1.26 billion in the same month of last fiscal.

<http://www.newagebd.net/article/48446/bangladesh-export-earnings-soar-by-20pc-in-july>

RMG exports to US grow 4.81% in first half

• Bangladesh's apparel exports to the United States grew by 4.81% during the first half of 2018 compared to that of last year. The country fetched USD 2.70 billion from apparel exports to the US market during January to June period of 2018 against USD 2.57 billion earnings of the corresponding period of last year, according to data from Office of Textiles and Apparel (OTEXA) affiliated with the US Department of Commerce. During the period, Bangladesh shipped 1.0 billion square meter of apparel which was 964 million in first quarter of last calendar year.

• The US imported a total of USD 2.83 billion of goods from Bangladesh during January to June 2018 period, it showed. Export earnings from non-apparel items, including shrimp and plastic products, stood at USD 132.72 million during the January to June period registering a 2.91% growth, according to data. After the Rana Plaza building collapse in 2013, Bangladesh's apparel exports to US declined in 2014 and stood at USD 4.83 billion which was USD 4.95 billion in 2013. In 2015, exports grew to USD 5.40 billion but continued declining trends in next two consecutive years.

• In 2017, the country earned USD 5.06 billion from garment exports to US, according to OTEXA data. A recent study conducted by the US Fashion Industry Association (USFIA), however, revealed that US-based apparel companies this year again considered Bangladesh as their fifth sourcing destination as the country offered most competitive price.

On the other hand, Chinese apparel exports witnessed a negative growth of 2.0% to USD 11.27 billion in the first half of this year.

<http://today.thefinancialexpress.com.bd/last-page/rmg-exports-to-us-grow-481pc-in-first-half-1534355782>

Bangladesh Bank allows forex clearing account in Chinese yuan

• Bangladesh Bank on Tuesday announced that it would allow banks to open foreign currency clearing account with the central bank in Chinese yuan (renminbi). To this end, the central bank's foreign exchange policy department issued a circular on the day keeping other provisions of the Guidelines for Foreign Exchange Transactions-2018 unchanged. Officials of central bank said that the central bank's approval in this regard would help bilateral trade between Bangladesh and China. Exporters and importers would be able to get rid of the costs that arise due to exchange of currency from Chinese yuan to the USD and then to Bangladeshi currency BDT while conducting bilateral trade, they said.

• Opening letters of credit in the Chinese currency against import might help contain the growing pressure over the USD on the back of sharp increase in import payments, they said. The growing pressure over the dollar and the subsequent increase in the currency's exchange rate were also amplifying risk of inflation, the BB officials said. Due to huge import pressure, the interbank dollar exchange rate increased to BDT 83.75 on Monday from BDT 78 in January, 2016. The country's import payments increased by 25.23% to USD 54.463 billion in last financial year of 2017-2018 against USD 43.491 billion in FY17.

• Apart from the benefits for business to business trade, the government to government payments would also be benefited due to the new facility of opening foreign currency clearing account in Chinese yuan, they added. Before the renminbi inclusion, the authorised dealers of banks were allowed to open foreign currency clearing account with the central bank in currencies of five countries — US dollar, pound sterling, euro, Japanese yen and Canadian dollar.

<http://www.newagebd.net/article/48452/bangladesh-bank-allows-forex-clearing-account-in-chinese-yuan>

Banks go rural for inclusive growth

• The country's commercial banks have made their presence significantly in the mostly unbanked rural areas in recent times. The urban-focused banks are going rural to help the government foster financial inclusion by bringing the people under coverage. The banking authorities are fast making their presence. This has been possible mainly due to efforts by the central bank. According to the Bangladesh Bank (BB), both privately-run and state-owned banks have opened a total of 9,981 branches across the country till May 2018.

• 5,633 were opened in rural areas and 4,348 in urban regions. Some 2,349 state-owned commercial banks (SoCBs), 1,297 specialised banks (SBs), 1,987 private commercial banks (PCBs) opened branches in rural areas. The total number of branches was 8,685 as of December 2013. Of them, 4,962 were in rural areas and 3,723 in urban areas, revealed the BB data. The central bank is trying to provide banking services to rural areas and increase financial inclusion for the sake of poverty alleviation.

- The central bank earlier introduced the guideline for bringing unbanked people under the banking network. As per the policy, 50% of the bank branches opened in a calendar year must be in rural areas. The authorities have put the banking sector on a sound footing. This has been possible because of the efforts made by the BB. Rural banks have traditionally supported local economic development by supplying funds to local businesses.

<http://today.thefinancialexpress.com.bd/first-page/banks-go-rural-for-inclusive-growth-1534355542>

Government facilitates BDT 3.87 billion monthly prize for telcom companies as users pay more

- Bangladesh government has created a scope for three leading mobile operators to earn additional combined monthly revenue of around BDT 3.87 billion by introducing unified minimum rate of BDT 0.45 per minute, leaving the subscribers to feel the pinch of increased call rate. Four mobile phone operators, following a directive from the Bangladesh Telecommunication Regulatory Commission (BTRC) on Monday, implemented the new tariff rate, ranging from BDT 0.45 to BDT 2 per minute, on Tuesday, scrapping the provision of separate floor price for on-net and off-net of BDT 0.25 and BDT 0.60 respectively.

- While many of the subscribers are complaining that the cost of their calls increased in last two days mainly because of the hiking of floor price to BDT 0.45 from BDT 0.25, a BTRC estimate shows that mobile operators Grameenphone, Banglalink and Robi will make a windfall revenue increase while state-run Teletalk will incur losses. The BTRC estimate placed before the government shows that compound monthly revenue of three mobile phone operators — GP, Robi and Banglalink — will increase by BDT 3.87 billion to BDT 12.06 billion from BDT 8.19 billion because of the introduction of uniform minimum call rate.

- Considering the change in floor price and monthly average on-net, off-net and termination of voice call minutes, the leading mobile phone operator GP's monthly revenue will increase by 54.93% or BDT 2.19 billion, according to the estimation. GP's monthly revenue will increase to BDT 6.17 billion from BDT 3.98 billion. Banglalink and Robi's monthly revenue will increase by 44.45% and 35.07% respectively. Banglalink's monthly revenue will increase by BDT 0.97 billion to 3.16 billion from BDT 2.19 billion. Besides, Robi's revenue will increase by BDT 0.71 billion in a month to 2.74 billion from BDT 2.03 billion.

<http://www.newagebd.net/article/48505/govt-facilitates-BDT-387cr-monthly-prize-for-telcos-as-users-pay-more>

Trade deficit crosses USD 18.0 billion

- The country's trade deficit passed the USD 18 billion mark in fiscal year (FY) 2017-18 mainly due to higher import payments than lower export receipts. Officials said the trade gap with the rest of the world rose to USD 18.26 billion in the July-June period of the just-concluded fiscal. It was USD 9.47 billion in the same period of FY '17.

- The deficit recorded 92.76% growth last fiscal, according to the latest Bangladesh Bank (BB) statistics released on Monday. The data showed import expenses jumped by more than 25%, but export earnings were recorded over 6.0% growth. The overall imports rose to USD 54.46 billion in the July-June period of FY '18 from USD 43.49 billion in FY '17. In contrast, export income stood at USD 36.20 billion in FY '18 against USD 34.02 billion in the previous fiscal.

- The current-account deficit reached USD 9.78 billion during the July-June period of FY 18 against USD 1.33 billion in the preceding year. The inward remittance, however, climbed by more than 17% to USD 14.98 billion in FY '18 from USD 12.77 billion in FY '17. The financial account recorded a surplus of USD 9.08 billion despite the falling trend in the inflow of foreign direct investment (FDI). Such surplus was USD 4.25 billion in FY '17.

<http://today.thefinancialexpress.com.bd/first-page/trade-deficit-crosses-18b-1534183163>
<http://www.newagebd.net/article/48377/trade-deficit-doubles-to-1825b-in-fy18>

Bangladesh Bank (BB) to block funds of 10 banks

- The central bank will take punitive actions against 10 private banks for failing to attain their farm loan disbursement target in the last fiscal year. The banks are AB Bank, First Security Islami Bank, Meghna Bank, Modhumoti Bank, NCC Bank, NRB Global Bank, Shimanto Bank, South Bangla Agriculture and Commerce Bank, Farmers Bank and Union Bank.

- As a punishment, the Bangladesh Bank will block 3% of the undisbursed farm loan amount of the banks from their current accounts with the BB. A BB official told The Daily Star yesterday that the central bank would return the fund to the respective banks if they can distribute the undisbursed amount along with the fresh targets in the next two fiscal years.

- A BB official told The Daily Star yesterday that the central bank would return the fund to the respective banks if they can distribute the undisbursed amount along with the fresh targets in the next two fiscal years. Some of these 10 banks faced acute liquidity crisis in the last fiscal year, resulting in their failure to meet the target. The rest, however, showed negligence in disbursing the farm loans, breaching the central bank's rules.

- Farm loan disbursement, rose 1.88% year-on-year to BDT 213.9 billion in 2017-18. The central bank has set a BDT 218.0 billion farm loan disbursement target for the current fiscal year, up 6.86% from a year ago. As per the BB policy, banks have to distribute at least 2% of their total loans in the agricultural sector.

<https://www.thedailystar.net/news/business/bb-block-funds-10-banks-1620517>

RMG exports record 21.7% growth in July

- Bangladesh's apparel export earnings in the first month of the fiscal year saw the highest growth rate in a single month since August 2015. According to provisional data from the Export Promotion Bureau (EPB), Bangladesh earned USD 3.01 billion in July, 21.72% higher than the USD 2.47 billion earned in the same period last year.

- Of the total, knitwear products contributed USD 1.53 billion to national exports, while woven products contributed USD 1.50 billion. In the same period last year, knitwear earned USD 1.26 billion and woven products USD 1.21 billion. This amounts to 20.88% growth in the export of knitwear, and 22.59% growth in that of woven products. In the last fiscal year, the apparel sector contributed USD 30.61 billion, or 83.49%, to the country's total exports of USD 36.66 billion.

• In the last fiscal year, Bangladesh's export earnings from the apparel sector registered 8.76% growth, reaching USD 30.61 billion. However, Bangladesh's overall export earnings rose by 5.8% to USD 36.66 billion in FY17, as compared to USD 34.65 billion in FY16. In August 2015, export earnings from the RMG sector grew by 32.45%, reaching USD 2.72 billion.

<https://www.dhakatribune.com/business/2018/08/14/rmg-exports-record-21-72-growth-in-july>

Bangladesh government makes mobile calls pricy in the name of uniform rate

• The government has made mobile phone calls costly for the majority of the customers as the uniform floor rate (BDT 0.45 per minute) came into force from 12:01am Tuesday. The government's move that scrapped provision of separate rates for on-net (same network) and off-net (other network) calls came ahead of the launch of mobile number portability service.

• To this end, the Bangladesh Telecommunication Regulatory Commission issued a directive on Monday asking the mobile phone operators to implement the uniform floor rate for calls 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, an official of BTRC told New Age.

• Initially, the proposal of the telecom regulator was to set uniform call rate at BDT 0.40 per minute, but it was revised upward at BDT 0.50 per minute at a meeting of top government officials on July 24. As per the BTRC statistics, leading mobile phone operator Grameenphone's subscribers make 90% of their calls on-net and the rest 10% off-net. On the other hand, 71% of the calls that the Robi customers generate are on-net and 69% of the calls that the Banglalink subscribers generate are on-net.

<http://www.newagebd.net/article/48355/bangladesh-govt-makes-mobile-calls-pricy-in-the-name-of-uniform-rate>

Excelerate starts re-gasifying imported LNG

• The country has got its first re-gasified LNG as Excelerate Energy has started re-gasifying imported gas. The US-based company also initiated pumping LNG into the pipeline network from Sunday evening, said officials. Earlier, Excelerate successfully moored its floating storage and regasification unit to its docking facility on the Moheshkhali Island terminal in the Bay of Bengal on August 5 and initiated pre-commissioning work subsequently.

• The vessel Excellence, carrying 136,000 cubic metre of lean LNG from Qatar, arrived at the terminal on April 24 and was due to start injecting gas into the pipeline network for consumption in Chattogram from May 7. But technical issues and rough seas had kept the vessel stranded off the south coast of Chattogram for more than three months. More constraints, however, lie ahead as the construction of the necessary pipelines has not completed yet.

• The current pipeline infrastructure only has the capacity of carrying around 250 million cubic feet per day (mmcf/d), half the LNG project's re-gasification capacity, said a senior official of the state-owned Karnaphuli Gas Distribution Company Ltd. It supplies gas to the key consuming region of Chattogram. Petrobangla signed 'terminal use agreement' and

'implementation agreement' with the US firm on the LNG terminal project-Moheshkhali Floating LNG Terminal-in July 2017. It will charge USD 0.49 per Mcf (1,000 cubic feet) against its service from the day one.

• Despite logistical and commercial challenges, Bangladesh is set to become a key LNG importer in the coming years, supported by growing consumption, dwindling domestic reserves and a healthy pipeline of LNG import and gas distribution projects.

<http://today.thefinancialexpress.com.bd/first-page/excelerate-starts-re-gasifying-imported-lng-1534183653>

United States looks to open commercial office in Dhaka

• The United States is looking into the possibility of opening a separate commercial office in Dhaka as the world's largest economy seeks boost its trade ties with Bangladesh, the outgoing envoy said on Monday. The US Department of Commerce has already assigned an official for evaluating the possibility of establishing such an office in Bangladesh, said US ambassador Marcia Bernicat.

• The US ambassador's remark came while reflecting on the growing business ties between the two countries in recent years. According to her, US remains, by far, the largest foreign direct investor in Bangladesh while it is also the single top country for the exports of Bangladesh. She also said that bilateral trade in goods in 2017 was over USD 7.0 billion while we did manage a 61% increase in exports from the US to Bangladesh last year

<http://today.thefinancialexpress.com.bd/first-page/us-looks-to-open-commercial-office-in-dhaka-1534183096>

<https://www.thedailystar.net/news/business/ease-trade-rules-attract-more-us-investment-1620508>

National Board of Revenue (NBR) makes Electronic Fiscal Device (EFD) installation mandatory for businesses

• Some 13 types of businesses in city corporation area will have to install Electronic Fiscal Device (EFD) on their premises by November 01, 2018 to keep recorded data on financial transactions. The National Board of Revenue (NBR) issued an order, dated August 09, 2018 in this regard, making it mandatory for the businesses to install EFD across the country. However, businesses in district towns will have to install EFD by December 01, 2018.

• According to the order issued by a VAT policy member, Electronic Fiscal Printer (EFP) and Point of Sales (POS) software will be also allowed for the businesses under almost similar technical specification including interconnectivity with the NBR. Businesses using Electronic Cash Register (ECR) will have to replace it by procuring EFD as per technical specification of the latest order issued by the revenue board. EFD must have interconnectivity with the Electronic Fiscal Device Management System (EFDMS) of the NBR through Application Programming Interface (API).

• The operating system of the device should be 'environment android', windows or linux-based. EFDMS will issue its authorisation code and give permission to print receipt for EFD. Businesses will not be able to print receipt without approved code of NBR. Each of EFDs

will have to be registered against a Business Identification Number (BIN). In case of use of more than one EFD at different counters, the devices have to be registered under the central BIN. EFD must be connected through SIM along with wifi, fibre optic connectivity. EFD must ensure security of the data stored in fiscal memory and check tampering of the data.

<http://today.thefinancialexpress.com.bd/last-page/nbr-makes-efd-installation-mandatory-for-businesses-1534183929>

<https://www.thedailystar.net/news/business/businesses-have-use-electronic-fiscal-devices-nov-1-1620505>

<http://www.newagebd.net/article/48378/efd-use-made-mandatory-for-13-shop-categories>

BDT depreciation set to fuel external debt stocks

- The local currency's depreciation against dollar is set to raise external debt stocks and interest payments largely, according to economists. According to economics parlance, taka's depreciation against US dollar pushes up the country's external debt stocks. Interest payments also grow large due to the depreciation.

- Bangladesh Taka (BDT) depreciated 4.0% in fiscal year (FY) 2017-18, according to the latest Monetary Policy Statement (MPS) of the Bangladesh Bank (BB). The local currency further depreciated 1.8% last July, the first month of the current fiscal year.

- The current account deficit is estimated at USD 9.2 billion or 3.3% of the gross domestic product (GDP) in the past fiscal year, according to the BB. The country's external debt volume stood at BDT 2.7 trillion in FY '18, according to the medium-term macroeconomic policy statement of finance ministry.

<http://today.thefinancialexpress.com.bd/first-page/bdt-depreciation-set-to-fuel-external-debt-stocks-1534096163>

Export subsidy gets bigger

- The government is set to extend export subsidy to eight new products and increase the amount for existing ones with a view to boosting overseas shipments and encouraging environment-friendly industrialisation. The decision, which was taken last week at a meeting chaired by Finance Minister will soon be conveyed to the central bank for implementation.

- The export target for this fiscal year is USD 44 billion, which is about 20% more than fiscal 2017-18's receipts. At present, cash incentive ranging from 2-20% is given to 26 product categories. The new products that will get export subsidy are: pharmaceuticals, photovoltaic modules, locally assembled motorcycles, razor and razor blades, ceramics, prayer caps, galvanized sheets and coils, and crabs and eels.

- The export target for this fiscal year is USD 44 billion, which is about 20% more than fiscal 2017-18's receipts. At present, cash incentive ranging from 2-20% is given to 26 product categories.

<https://www.thedailystar.net/news/business/export-subsidy-gets-bigger-1620001>

Survey unveils RMG financing hurdles

- Bankers have identified late shipment and delays in presentation of documents as major impediments to financing the country's readymade garment (RMG) sector. They have also identified default and non-repatriation of export proceeds as another critical challenge in this regard.

- About 66% of the surveyed bankers considered late shipment as the critical challenge associated with RMG trade services, according to the research finding. Some 53% of the respondents have identified late presentation of documents while 42% see non-repatriation of fund against contract as challenges to financing in the largest foreign currency earning sector.

- Lower usage of packing credit, inefficiency in assessing working capital, absence of tolerance in credit limit, absence of customized collateral system, inconsistency in different trade charges among banks were seen as operational obstacles in proper trade facilitation by the exporters, it said.

<http://today.thefinancialexpress.com.bd/first-page/survey-unveils-rmg-financing-hurdles-1534096417>

Thrust on improving ease of doing business to boost leather sector

- Business leaders have called for improving ease of doing business and addressing logistical hassles and infrastructure bottlenecks such as port congestions in order to realise the full potential of the leather industry. They also called upon the relevant bodies to take up long-term policy support to achieve USD 5.0 billion exports by 2021.

- In the last five years, from fiscal year (FY) 2013-14 to 2016-17, the leather sector retained an approximate positive average annual growth rate (AAGR) of 11%. In FY 2017-18, however, there was a downfall to 10.7%.

<http://today.thefinancialexpress.com.bd/trade-market/thrust-on-improving-ease-of-doing-business-to-boost-leather-sector-1534091276>

China evinces interest in free trade agreement with Bangladesh (BD FTA): Commerce Minister

- China showed its interest in signing a free trade agreement (FTA) with Bangladesh, Commerce Minister Tofail Ahmed said on Sunday. The minister was talking to reporters at a view-exchange meeting with Chinese ambassador to Bangladesh Zhang Zuo at the Ministry of Commerce (MoC) at the Bangladesh Secretariat. Bangladesh and China earlier inked a memorandum of understanding (MoU) in this regard.

- Both the countries started working towards a joint feasibility study on the possibility of inking an FTA, the minister mentioned. Bangladesh is enjoying some duty benefits in the Chinese market as a least-developed country (LDC), according to a commerce ministry official. Bangladesh's exports to China totaled USD 949.41 million during fiscal year 2016-2017 and imports from China accounted for USD 1,0128.10 million, a document showed.

<http://today.thefinancialexpress.com.bd/print/china-evinces-interest-in-bd-fta-tofail-1534091403>

Ratio of Bangladesh's black economy slipping- International Monetary Fund (IMF) paper

- The ratio of the shadow economy in Bangladesh in terms of the Gross Domestic Product (GDP) has been declining for more than one decade. The ratio came down to 27.60% of the country's annual GDP in 2015, which was 36.65% in 2003. A working paper of the International Monetary Fund (IMF) spotted the trend.
- The paper also showed Bangladesh is listed among the 31 countries where the average ratio of shadow economy is more than 30%, as estimated on the basis of Predictive Mean Matching Method (PMM). It also presented the size of the shadow economy for 158 countries all over the world between 1991 and 2015.
- The working paper, titled 'Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?', showed that average size of the shadow economy of the 158 countries over 1991 to 2015 is 31.9%. The largest ones are Zimbabwe with 60.6% and Bolivia with 62.3% of GDP. The lowest ones are Austria with 8.9% and Switzerland with 7.2%.
- According to the estimation of the paper, shadow economy as a percentage of the GDP was 36.34% in 1991 which slightly came down to 35.60% in 2000. In the decade, the average ratio stood at 36.04% of the GDP of Bangladesh. In the later decade, the average ratio modestly came down to 33.83%, according to the estimation.

<http://today.thefinancialexpress.com.bd/first-page/ratio-of-bds-black-economy-slipping-says-imf-paper-1533922938?date=11-08-2018>

Government releases cash incentives for exporters

- The government released the first installment of cash incentives amounting to BDT 11.3 billion for disbursement among major exporters in fiscal year (FY) 2018-19. The Ministry of Finance issued a circular in this regard on Thursday. The cash incentives will be provided for the exporters during the period from July to September in 2018.
- Of the total amount, the jute and jute product sub-sector will receive BDT 1.3 billion in the first installment and other sectors receive the remaining BDT 10.0 billion. At present, a total of 36 export-oriented sectors are receiving cash incentives on their export earnings.

<http://today.thefinancialexpress.com.bd/trade-market/govt-releases-cash-incentives-for-exporters-1533836643?date=10-08-2018>

Plastic export tumbles

- Export of plastics, including recyclable scrap ones, fell nearly 16% in fiscal 2017-18 from a year earlier because of what the sector players and exporters say a rise in the price of raw materials and fuel. Export Promotion Bureau data put fiscal 2017-18's figure at USD 98.48 million, down from USD 116.95 million in the previous fiscal year. Waste plastic exports accounted for USD 13.53 million, dropping 44% to USD 30.65 million.
- The main raw material for producing plastic goods is polyolefins, derived from petrochemicals. Waste plastic is sorted according to type, shredded, cleaned and melted to form resin pellets, which can be used to manufacture other products. Bangladesh has no

unit for producing polyolefins. It, however, currently manufactures more than 142 plastic items and mainly exports intermediate products like film plastic, household items and garment accessories.

- The sector is growing at about 20% a year on the back of spiralling demand from domestic and export markets. In fiscal 2017-18, the domestic market size of plastic products hit BDT 250.0 billion, according to the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA).
- Though exports grew 31% in fiscal 2016-17, it could not achieve the target of 33.5% increase to reach USD 148 million. China used to import PET scrap from Bangladesh for recycling and reuse, said the president of the BPGMEA. He also said, it, however, stopped the import last fiscal year. Now, China wants to import a more refined quality of waste plastic -- something plastic goods manufacturers do not have the technology to produce.

<https://www.thedailystar.net/news/business/plastic-export-tumbles-1619485>

Outbound jobs drop by 24%

- Bangladesh's overseas employment dropped by more than 24% in last seven months compared to that of the corresponding period last year. According to the data available with Bureau of Manpower Employment and Training (BMET), 451,536 workers went abroad with jobs during the period between January and July of the current calendar year, but a total of 596,705 workers went overseas during the same period in 2017, the official data showed.
- Sector insiders said Middle East countries including Saudi Arabia, Kuwait, Qatar, Oman and Bahrain have reduced recruitment of workers from Bangladesh this year. So, the number of outbound jobseekers witnessed a declining trend, they added.
- The outflow of jobseekers to Middle East will decrease further as Saudi Arabia has recently restricted foreign workers to its several sectors. Development works are also getting slow in this country. Qatar is also searching skilled workers for its different sectors.
- The government set a target of sending 1.2 million workers in 2018, said officials of the expatriates' welfare and overseas employment ministry. In six months of the current year, Saudi Arabia recruited 159,577 Bangladeshi workers while Qatar 45,375, Oman 43,216 and Kuwait 22,241.

<http://today.thefinancialexpress.com.bd/first-page/outbound-jobs-drop-by-24pc-1533923099?date=11-08-2018>

Chinese companies want to invest in Bangladesh: Envoy

- Chinese Ambassador of Bangladesh has said to the Planning minister of Bangladesh that a number of Chinese companies are eager to invest in different sectors in Bangladesh, including fisheries, agro-processing, footwear, processed food and ready-made garment.
- The minister asked the ambassador to facilitate more investment in the special economic zones (SEZs) in Bangladesh. They also discussed economic and development issues including foreign direct investment (FDI), project financing and trade.

- In another programme, the minister said South and South-East Asia can march together towards economic development. He urged the ASEAN countries to invest more in Bangladesh, the gateway of South Asia.

<http://today.thefinancialexpress.com.bd/trade-market/chinese-cos-want-to-invest-in-bd-envoy-1533754042?date=09-08-2018>

Foreign investors may get 'Commercially Important Person' (CIP) status in Bangladesh

- Foreign investors in the country may also become eligible for getting the prestigious Commercially Important Person (CIP) status, according to the latest policy that is currently in the final stage of formulation. At the same time, the new policy may create provision for a separate CIP category for the service sector, officials concerned have revealed.
- Under the strategy, eligible businesspeople from a fully-foreign owned entity having investment in Bangladesh or a joint venture company with majority foreign equity can also become eligible for CIP status. At present, FDI constitutes a meagre portion of Bangladesh's total investment. The FDI flow in the country has also been quite erratic and very low compared to some other countries in the region, like Vietnam.
- Statistics available with the Bangladesh Bank (BB) showed that net inflow of FDI in the country stood at USD 2.15 billion in 2017, declining 7.72% from USD 2.33 billion a year ago. Meanwhile, the new policy may also make way for a separate category for the service sector to encourage more service-related export.

<http://today.thefinancialexpress.com.bd/first-page/foreign-investors-may-get-cip-status-in-bangladesh-1533923058?date=11-08-2018>

Set up chemical zone: Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)

- Leaders of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) have urged the government to set up a separate chemical zone as per its earlier decision to facilitate chemical business. They also called for steps to ease the process of issuance and renewal of licenses of chemical business.
- The apex trade body made the call at a meeting of its standing committee relating to the ministry of industries (productivity and related chemical). At the meeting, the business leaders said chemicals are the main element of most of the industries, including readymade garment (RMG), agriculture, pharmaceuticals, power and research activities. According to them, Bangladesh has earned BDT 12 billion by exporting chemicals in the last fiscal year

<http://today.thefinancialexpress.com.bd/trade-market/set-up-chemical-zone-fbcc-1533924545?date=11-08-2018>

38 government, private agencies ink deal with National Board of Revenue (NBR)

- A total of 38 government and private agencies signed agreements with the National Board of Revenue (NBR) to be connected with the National Single Window (NSW) system. The system is meant to provide services related to export and import through an electronic and

online platform.

- The NBR and the International Finance Corporation, an arm of World Bank Group, jointly organised a Memorandum of Understanding (MoU) signing ceremony on 'National Single Window'. The National Single Window will deliver a user-friendly, electronic system that streamlines and automates procedures for international trade-related permits, licences, certificates and customs declarations. It will have a link with 39 ministries and agencies in Bangladesh.

- The NBR is implementing the NSW with support from the World Bank Group under Bangladesh Regional Connectivity Project with customs modernisation and NSW implementation components involving USD 74.1 million. The DFID-funded Bangladesh Investment Climate Fund is providing technical assistance to design and develop technical and functional specifications while IFC is implementing it.

<http://today.thefinancialexpress.com.bd/first-page/38-govt-pvt-agencies-ink-deal-with-nbr-1533751483?date=09-08-2018>

Entrepreneurship Support Fund to replace Equity and Entrepreneurship Fund (EEF)

- The new Entrepreneurship Support Fund (ESF) will be formally launched on August 12, replacing the existing Equity and Entrepreneurship Fund (EEF). The Bangladesh Bank (BB) will start receiving Expression of Interest (EOI) on the day from the entrepreneurs seeking new loans from the fund, according to its recent circular. The Ministry of Finance (MoF) has approved the new funding initiative, designed to recover disbursed loans properly in line with a time-befitting policy
- The government had created the EEF in the fiscal year 2000-01 to extend support to the two promising sectors -- agro-based food-processing and information and communication technology (ICT) -- for which BDT 1.0 billion was allocated. The initiative to launch the ESF was taken considering it necessary to recover disbursed funds properly as well as to prepare a time-befitting policy.
- According to the ESF proposal, a minimum of BDT 8.0 million and a maximum of BDT 50 million loan support will be provided to the agro-based and food-processing industries. A maximum of BDT 120 million funds will be given to each machinery-dependent agro-based project. Besides, ICT-based projects will be entitled to get a minimum of BDT 5.0 million and a maximum of BDT 50 million in loan assistance.
- The ESF will support up to 49% of a project's cost, while the entrepreneur concerned will invest the remaining 51%. The loan tenure will be eight years with 2.0% simple interest rate.

<http://today.thefinancialexpress.com.bd/trade-market/entrepreneurship-support-fund-to-replace-eef-1533836464?date=10-08-2018>

Rights groups dispute the proposal of Centre for Policy Dialogue (CPD)

- Two rights groups have rejected the CPD's proposal regarding the minimum monthly wages for the garment workers, saying that the amount the local think-tank recommended is not consistent with the cost of living.

- On last Sunday, the Centre for Policy Dialogue (CPD) proposed a minimum wage of BDT 10,028 for the readymade garment (RMG) workers. In a statement on Tuesday, the Bangladesh OSK Garments and Textile Sramik Federation rejected the CPD's proposal, saying that such proposal would uphold the factory owners' stance. In another statement, the Bangladesh Trade Union Sangha (BTUS) also disputed the CPD's proposal and expressed dismay over it.

<http://today.thefinancialexpress.com.bd/trade-market/rights-groups-dispute-cpds-proposal-1533753826?date=09-08-2018>

Important News: Capital Market

Formation of companies to facilitate stock trading getting delayed

- The formation of a proposed company for facilitating trades in the stock market is taking much time than expected due to delay in getting necessary approval from the Bangladesh Securities and Exchange Commission (BSEC). The Dhaka and Chittagong stock exchanges in May last announced to form the company, Central Counterparty Bangladesh Limited (CCBL), immediately after completion of the relevant formalities. But after three months, the exchanges were now saying that they could not yet form the CCBL as the approval on the draft of the memorandum and articles of association of the proposed company is being delayed.
- The CCBL is expected to provide clearing and settlement services for trades in securities, options and derivative contracts with a capability of bigger scale risk management. The Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) agreed on shareholding portions of the proposed company to be held by stakeholders on May 16, 2018. CSE Managing Director said that both the stock exchanges are now doing the relevant works of forming the proposed CCBL.

<http://today.thefinancialexpress.com.bd/stock-corporate/formation-of-co-to-facilitate-stock-trading-getting-delayed-1534350508>

Ten companies raise BDT 4.67 billion through IPOs in eight months this year

- Ten companies raised an aggregate amount of BDT 4.67 billion through initial public offerings (IPOs) in the first eight months of this calendar year. Market operators said that the fund raising through the IPOs is going to surge this year, after hitting a ten-year low in 2017, as some 21 companies already applied for raising BDT 13.07 billion through the IPOs. In 2017, six companies and a mutual fund raised only BDT 2.19 billion through IPOs, according to statistics from the Dhaka Stock Exchange (DSE). The IPO is the first sale of a stock of a private company to the public.
- According to officials of the securities regulator, 21 more companies submitted applications to the Bangladesh Securities and Exchange Commission (BSEC) for raising funds both through the fixed price and book-building method. The companies include textile, power, real estate, ceramic, engineering, automobile, pharmaceuticals, IT and insurance sectors. Of the firms, 11 companies submitted their applications to collect more than BDT 10.66 billion under the book building method. STS Holding sought to raise BDT 750 million, Shamsual Alamin Real Estate BDT 800 million, Esquire Knit Composite BDT

1.50 billion, Runner Automobiles BDT 1.0 billion, ADN Telecom BDT 570 million, Popular Pharmaceuticals BDT 700 million.

- Delta Hospital BDT 500 million, Index Agro BDT 500 million, Energypac Power Generation BDT 1.50 billion, Star Ceramics BDT 600 million and Baraka Patenga Power BDT 2.25 billion. Of the companies, BSEC allowed Esquire Knit Composite, Runner Automobile and ADN Telecom to explore IPO cut-off price - a requirement for going public under the book building method. And rest 10 companies would raise BDT 2.40 billion under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/ten-cos-raise-BDT-467b-through-ipo-in-eight-months-this-year-1534350677>

Bangladesh Securities & Exchange Commission (BSEC) fines 7 Doreen Power officials for insider trading

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday decided to fine seven officials of Doreen Power Generations and some investors for manipulating share prices through insider trading. Insider trading is the buying or selling of a security by someone who has access to price sensitive information about the security that has not been made public. Doreen's chief financial officer, independent director, company secretary, general manager, and senior general manger, will be fined BDT 0.1 million each. During a meeting, the BSEC also settled on fining a stock broker, Dynamic Securities Consultants, BDT 2 lakh for having a deficit in consolidated customer accounts.
- The meeting decided to issue warnings on seven persons and entities for violating securities ordinance in trading. The commission also decided to warn United Airways for failing to submit several quarterly reports on time.

<https://www.thedailystar.net/news/business/bsec-fines-7-doreen-power-officials-insider-trading-1621390>

Dhaka Stock Exchange (DSE) to seek Bangladesh Securities & Exchange Commission (BSEC) fines guideline on companies' PSI

- Dhaka Stock Exchange mulls over seeking a guideline on disclosure of companies' price sensitive information from Bangladesh Securities and Exchange Commission as DSE has detected loopholes regarding the issue in the Dhaka Stock Exchange (Listing) Regulations 2015. DSE board of directors will submit its proposals in this regard to the BSEC after Eid holidays to combat the manipulation of shares. Any information and decision that the issuers of securities are obliged to disclose according to Securities and Exchange Commission Rules 1995 and have potentiality to have their impacts on share prices are called price sensitive information (PSI).
- The DSE is planning to propose a guideline as it has detected ambiguity in the listing regulations that the companies misuse for illicit gain. DSE is not going to seek an amendment to the listing regulations as it was formed just three years back, rather it would ask the BSEC for a new guideline regarding the PSI that would give solutions to the problems the DSE is facing, he said. There is a general trend that whenever the bourse asks any company whether it has any unpublished PSI behind irrational increase in the company's share prices, it denies any possibility of undisclosed PSI behind the price hike.

- However, it has been observed that a number of companies made crucial decisions and disclosed their PSIs just a week after they had denied. Some companies said that it was not logical to ask about any unpublished PSI as the companies were obliged by law to disclose PSI within 30 minutes of the decision. Therefore, the DSE will request to widen the disclosure requirements. It may propose to make it mandatory for companies to inform it about any informal decision that the board agreed to do in principle. According to the DSE listing regulation, any listed company must disclose its price sensitive information within 30 minutes of the decision on such information to the exchange and the commission.

<http://www.newagebd.net/article/48508/dse-to-seek-bsec-guideline-on-cos-psi>

Telenor unhappy over Bangladesh Telecommunication Regulatory Commission (BTRC) snub

- Norwegian multinational telecommunications entity Telenor Group has expressed its dissatisfaction to the Bangladesh Telecommunication Regulatory Commission for not being one of the four companies picked by the telecom regulator for tower sharing company licences. BD Tower Business Co Consortium, in which Telenor Norway and Peak Tower Holding Co Pte Ltd, two sister concerns of Telenor Group, are partners, applied for the tower sharing business licence in Bangladesh but a BTRC evaluation committee put the consortium on seventh out of eight applicants.

- The consortium also includes Transcend Infrastructure Holdings Pte Ltd, a subsidiary of American Tower Corporation, and Grameen Byabosa Bikash, a sister concern of Grameen Bank. Telenor Group on August 10 sent a letter, issued by its EVP to acting BTRC chairman seeking information on why the application of the consortium was not successful in obtaining tower sharing company licence. Although the Bangladesh's telecom regulator is yet to make the names of the successful applicants public officially, the commission has already forwarded the names to the posts and telecommunications ministry for approval.

- Telenor issued the letter following a media report that the BTRC at a special commission meeting held on August 5 endorsed a report of the 15-member committee formed to evaluate the applications for awarding tower sharing business licences. In the letter, Telenor requested for a debriefing opportunity with the relevant members of the evaluation committee or BTRC officials to learn the reasoning behind the scores that were given to their application.

<http://www.newagebd.net/article/48449/telenor-unhappy-over-btrc-snub>

Bangladesh Securities & Exchange Commission (BSEC) allows ADN Telecom to discover IPO price

- The Bangladesh Securities and Exchange Commission on Tuesday allowed ADN Telecom Limited to discover cut-off price of its shares under the book building method for raising BDT 0.57 billion from the capital market through an initial public offering. The commission gave the approval at a meeting presided over by its chairman. With the participation of institutional investors, the selling price of the company's share would be set through the bidding process. ADN Telecom will use the IPO proceeds in infrastructure development, installing data centre, paying bank loans and meeting the IPO expenses. As per the entity's audited financial statements for the year ended on June 30, 2017, the company's net asset value per share and weighted average earnings per share were BDT

16.13 and BDT 2.52 respectively. ICB Capital management Limited is the issue manager of the company's IPO.

<http://www.newagebd.net/article/48450/bsec-allows-adn-telecom-to-discover-ipo-price>

Eastern Bank to issue BDT 5.0 billion bond

- The board of directors of Eastern Bank Limited has decided to issue non-convertible subordinated bond of BDT 5.0 billion, said an official disclosure on Monday. The bank will issue the bond for strengthening its capital base, subject to approval by the Bangladesh Bank (BB) and the Bangladesh Securities & Exchange Commission (BSEC). The seven-year bond titled '2nd Subordinated Bond of EBL' is non-convertible, non-listed and redeemable.

- Each share of the bank, which was listed on the Dhaka bourse in 1993, closed at BDT 35.80 on Monday, registering an increase of 1.70% over the previous day. The bank's paid-up capital is BDT 7.38 billion and authorised capital is BDT 12 billion while total number of securities is 737.99 million, according to statistics from the DSE. The sponsor-directors own 31.56% stake in the bank while institutional investors own 43.42%, foreign 0.51% and the general public 24.51% as on June 30, 2018.

- The bank reported consolidated earnings per share (EPS) of BDT 1.14 for April-June, 2018 as against BDT 1.04 for April-June, 2017. In six months for January-June, 2018, the consolidated EPS was BDT 1.83 as against BDT 2.31 for January-June, 2017. The bank disbursed 20% cash dividend for the year ended on December 31, 2017. In 2016, it disbursed 20% cash and 5.0% stock dividend.

<http://today.thefinancialexpress.com.bd/stock-corporate/eastern-bank-to-issue-BDT-50-billion-bond-1534181577>

Market value of top 10 firms rises 10%

- The total market value of the top 10 listed companies has increased 10.18% year-on-year to BDT 1467.2 billion in June thanks to strong performance. Grameenphone is the strongest performer in terms of absolute increase in market capitalisation, gaining 12.92% or BDT 60.1 billion in value. In the second quarter of 2018, the country's leading mobile operator's earnings per share soared 36.29%.

- It was followed by British American Tobacco and United Power Generation; their market capitalisation rose 22.2% and 48.41% respectively during the course of the year. The next three highest performers in absolute terms are Renata, Square Pharmaceuticals and Brac Bank. Top five companies, in terms of market value as of June, are Grameenphone (market value BDT 525.1 billion), Square Pharmaceuticals, BATBC investment Corporation of Bangladesh (BDT 100.9 billion) and United Power Generation (BDT 99.7 billion). The top ten valued companies weigh in with 38.13% of the overall market capitalisation, up from 35.13% last year.

<https://www.thedailystar.net/news/business/market-value-top-10-firms-rises-10%-1620514>

Runner Automobiles' IPO bidding to begin September 10

- The bidding for discovering cut-off price for Runner Automobiles IPO shares under the book-building method is set to begin on 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, officials said. The Bangladesh Securities and Exchange Commission (BSEC) allowed the company to conduct bidding for discovering IPO (initial public offering) share price on July 10.

- Runner Automobiles, which held road show on October 2016, will raise a capital worth BDT 1.0 billion from the capital market. Runner Automobiles will use the IPO proceeds for research and development, purchase of machinery, repaying bank loans and meeting expenditure for the IPO process. Of the IPO proceeds, BDT 630 million will be spent on design and development of new products, machinery purchase and upgradation of existing models, BDT 330 million for bank loan repayment and the remaining BDT 40 million will be IPO expenses.

- 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 41.9 without revaluation reserve. And, the weighted average earnings per share (EPS) of the company is BDT 3.3. IDLC Investments is working as the issue manager of the IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/runner-automobiles-ipo-bidding-to-begin-sept-10-1534090705>

Grameenphone launches 2 co-branded 4G enabled smartphones

- Grameenphone on Sunday launched two new co-branded smartphones — Symphony G100 and Micromax B5 Pro — with an aim to bring general customers under 4G ecosystem. The co-branded smartphones were introduced through an inauguration ceremony held at Pan Pacific Sonargaon Hotel in Dhaka.

<http://www.newagebd.net/article/48262/gp-launches-2-co-branded-4g-enabled-smartphones>

<https://www.dhakatribune.com/business/2018/08/13/gp-launches-two-co-branded-4g-enabled-smartphones>

bKash witnesses steady growth

- Mobile Financial Service (MFS) operator bKash has exhibited a steady growth in number of customers and transactions during last five years. The BRAC Bank subsidiary also registered steady growth in net profit during the period with the growth of its consumer base and transactions.

- The company reported a net profit worth more than BDT 487.8 million for 2017, which was BDT 188.5 million for 2014. The company witnessed the highest number of customers who opened accounts in 2017 to get mobile financial services. In 2017, the company's daily average transaction counts were 4.32 million, 20.2% higher than the daily average transaction counts observed in 2016.

- The number of customers increased gradually from 2013 to 2017. The number of customers rose to 28.76 million in 2017 while the number of active customers was above 14.36 million. The year 2017 was a significant for bKash in terms of its technological advancement, regulatory compliance and growth, the company said in its financial

statement. The number of active customers (defined as those who made at least one transaction in the past 90 days) has also increased by 6.9% in 2017 compared to 2016.

<http://today.thefinancialexpress.com.bd/stock-corporate/bkash-witnesses-steady-growth-1533832770?date=10-08-2018>

LafargeHolcim Bangladesh inks deal with Citibank, N.A.

- LafargeHolcim Bangladesh Limited (LHBL) and Citibank, N.A., Bangladesh have signed an agreement towards cooperation that enables LHBL to implement its 'Supplier Invoice Financing' programme, according to a statement. The programme enables LHBL suppliers to receive payments earlier than the scheduled agreed payment date with LHBL.

- "Supplier Invoice Financing" is a programme offered by LHBL for their loyal and long standing suppliers. Under this programme, LHBL's suppliers will avail early payment facility with simple and convenient terms and procedures.

<http://today.thefinancialexpress.com.bd/stock-corporate/lafargeholcim-bangladesh-inks-deal-with-citibank-1533743709?date=09-08-2018>

ML Dyeing to allocate 20.0 million shares

- ML Dyeing Ltd will allocate 20.0 million ordinary shares among the successful applicants as the company's initial public offering (IPO) lottery draw was held on Thursday. The IPO lottery draw was held at 10:30am at the Institution of Engineers, Bangladesh (IEB) in Dhaka. The IPO result has been published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), issue managers and the company.

- The ML Dyeing floated 20 million ordinary shares at an offer price of BDT 10 each to raise a fund worth BDT 200 million from the capital market under the fixed price method. The market lot was 500 shares and an investor deposited BDT 5,000 for one lot. The required amount (per lot) in foreign currency for NRBs and foreign applicants is USD 60.28 or GBP 45.24 or EUR 51.50, according to Dhaka Stock Exchange (DSE).

- According to the financial statements for the year ended on June 30, 2017, the net asset value (NAV) per share of the company stood at BDT 23.17 and earnings per share (EPS) BDT 1.58. NBL Capital and Equity Management Limited and Rupali Investment are jointly working as the issue manager for the IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/ml-dyeing-to-allocate-20m-shares-1533832810?date=10-08-2018>

Seven go to 'Z' category within two to seven years of listing

- Some seven companies have been shifted to 'Z' category within two to seven years of listing due to poor performance. The prices of the stocks, barring one, presently remain below the face value of BDT 10 each while few of the companies incurring losses. The companies having prices below the face value are United Airways (BD), C & A Textiles, Fareast Finance and Investment, Tung Hai Knitting & Dyeing, Emerald Oil Industries and Familytex (BD).

<http://today.thefinancialexpress.com.bd/stock-corporate/seven-go-to-z-category-within-two->

[to-seven-years-of-listing-1533999525](#)

Earnings of listed financial companies mostly slip in January-June

- The earnings of the listed financial companies mostly declined in the first half (January-June) of the current calendar year compared with that in the same period of the previous year. Out of the 30 listed banks, the earnings per share of 15 declined and that of the rest 15 increased, while out of the 23 non-bank financial institutions, the EPS of 18 dropped and that of the rest five rose in the first half of 2018 compared with that in the same period of 2017.
- Market experts attributed the dullness to scams, colossal amount of non-performing loans and poor monitoring in the financial sectors. They said the turmoil in the financial sectors also kept the stock market on the edge that also affected earnings of the listed banks and NBFIs. The bearish trend at the market ate into profits of the financial institutions as a major portion of their profits comes from the capital market, they said.

<http://www.newagebd.net/article/48108/earnings-of-listed-financial-cos-mostly-slip-in-jan-jun>

Mondelez International sets up operations in Bangladesh

- Mondelez International announced on Saturday establishment of its operations in Bangladesh, expanding the company's presence in South Asia. The company has set up its country headquarters in Dhaka, marking its entry into Bangladesh, said a press release.
- Over the next two years, the company's focus will be to invest in building our route-to-market and growing market share for our much-loved brands. Mondelez International has been marketing its powdered beverage brand Tang in Bangladesh since 1995. With the establishment of its own operations, the company is now well positioned to tap into the snacking opportunity in Bangladesh by leveraging its global brand portfolio, said the release.

<http://today.thefinancialexpress.com.bd/trade-market/mondelez-international-sets-up-operations-in-bangladesh-1534001796>