

Weekly Market Update

Capital Market Overview

The market closed positive this week. The benchmark index DSEX (+0.76%) gained 40.89 points and closed the week at 5,399.79 points. The blue-chip index DS30 (-0.40%) lost 7.54 points and stood at 1,899.24 points. The shariah based index DSES (-0.42%) closed in red and stood at 1,262.10 points. DSEX, DS30, and DSES all posted negative YTD return of -13.53%, -16.82%, and -9.25% respectively.

Total Turnover During The Week (DSE) : BDT 34.3 billion (USD 412.5 million)

Average Daily Turnover Value (ADTV): BDT 6.9 billion (Δ% Week: -23.0%)

Market P/E: 16.97x

Market P/B: 2.19x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market opened this week with negative movement of -0.47% in the first session and continued to be negative by -0.32% in the second session. Market rebounded in the third session by +0.75%. In the fourth and fifth session, market remained positive respectively by +0.86% and +0.96%.

Sectoral Performance:

- All the financial sectors showed positive performance this week. Banks posted the highest gain of 5.86% followed by General Insurance (+5.08%), NBFIs (+2.33%), Life Insurance (+1.60%) and Mutual Funds (+0.93%).
- Non-financial sectors showed mixed performance. Telecommunication recorded the highest gain of +0.74% followed by Power (+0.07%). Pharmaceuticals experienced highest loss of -0.58% followed by Engineering (-0.50%) and Food & Allied (-0.22%).

Macroeconomic arena:

- The country's commercial banks have been empowered to lend more, as the central bank has revised the advance-deposit ratio (ADR) calculation formula. Banks are now eligible to add net investment in bonds, particularly in the subordinate ones, as their total time and demand liabilities to meet the ADR requirement.
- The MPS for the first half (H1) of the FY kept domestic credit unchanged, the target of broad money (M2) supply rose to 10.2% for H1 of FY 19 and 12% for H2, from 9.2% of FY 18. Such monetary targets of domestic credit and broad money are sufficient to accommodate real gross domestic product (GDP) growth of up to 7.8% and average annual inflation of up to 5.8% in FY 19.
- The Asian Development Bank (ADB) has approved an assistance package of over USD 357 million for a project to develop two power lines to help Bangladesh reach its national goal of ensuring electricity for all by 2021.
- Bangladesh's pharmaceuticals sector will grow 15% year-on-year to reach USD 5.11 billion by 2023, propelled by high investments by local companies as they seek to grab a bigger share of the global market. Bangladesh's pharmaceutical industries aim to capture 10% of the global generic market as 5 to 7 companies have received approval from top regulatory bodies.
- Bangladesh Bank allowed non-resident or foreign investors to make investments in alternative investment funds with a view to widening the scope for foreign investment in the country. The payment against purchase of AIF units by eligible non-resident investors must be made by inward remittance through the normal banking channels.
- The share of Bangladesh in the global apparel export market reached 6.46% in 2017. The country's share in the global export of apparel products was 6.36% in 2016. Annual exports of Bangladeshi apparel products increased by moderate 2.0% to USD 29.33 billion in 2017 from USD 28.22 billion in 2016, according to The World Trade Statistical Review 2018.

Stock Market arena:

- A total of 1,14,853 beneficiary owners' accounts were closed in July due mainly to non-payment of annual account renewal fees by the accountholders. The number of active BO accounts was 27,64,387 at the end of June, but the figure declined to 26,49,534 on July 26.
- Failure to launch "appropriate" medicines for Bangladesh market led to losses and the eventual decision to close down the operations of the British pharmaceuticals goliath GlaxoSmithKline. The company on 26 July announced that they would close down the commercially unsustainable Bangladesh pharmaceutical operations but its main consumer healthcare products will stay in the market.

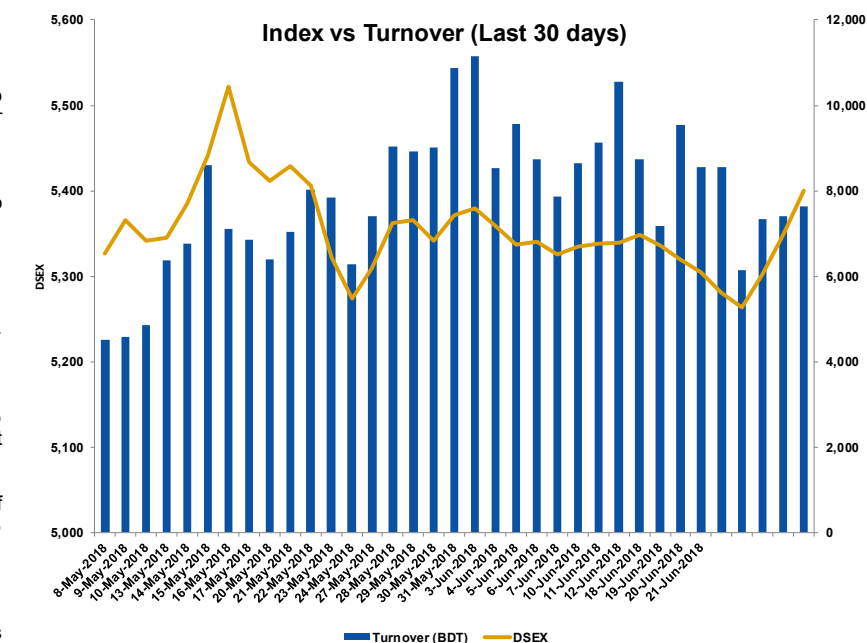
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,399.79	5,358.91	40.89	6,244.52	0.76%	-13.53%
DS30	1,899.24	1,906.78	-7.54	2,283.23	-0.40%	-16.82%
DSES	1,262.10	1,267.38	-5.28	1,390.67	-0.42%	-9.25%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,204,567.1	19,257,504.3	-0.3%
	Mn USD	231,018.5	231,655.3	
Turnover	Mn BDT	34,290.2	44,547.3	-23.0%
	Mn USD	412.5	535.9	
Average Daily Turnover	Mn BDT	6,858.0	8,909.5	-23.0%
	Mn USD	82.5	107.2	
Volume	Mn Shares	881.5	1,026.6	-14.1%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Renwick Jajneswar	1,137.40	804.70	41.3%	2,274.8	86.22	368.7x	NM
National Housing Fin. and Inv. Ltd.	53	39.20	34.9%	5,628.1	109.75	23.1x	3.4x
BD Autocars	407.70	304.30	34.0%	1,574.7	376.08	442.0x	146.8x
In Tech Online Ltd.	28.20	21.70	30.0%	795.7	343.76	28.6x	2.8x
Legacy Footwear	226.90	179.70	26.3%	2,580.7	568.71	224.9x	13.5x
Simtex Industries Limited	41.40	33.20	24.7%	2,729.0	660.00	18.1x	2.5x
IPDC	35.40	28.70	23.3%	7,722.9	136.46	25.5x	2.6x
Bangas	309.50	255.50	21.1%	1,954.3	67.34	NM	13.6x
Rupali Insurance	18.40	15.40	19.5%	1,282.4	12.26	11.2x	0.9x
Mercantile Bank	18.20	15.60	16.7%	14,831.5	252.55	6.7x	0.9x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Meghna Pet Industries	12.80	17.60	-27.3%	153.6	3.13	NM	NM
Meghna Condensed Milk	14.90	20.30	-26.6%	238.4	3.49	NM	NM
Beach Hatchery Ltd.	9.10	11.00	-17.3%	376.7	11.18	NM	0.8x
Dulamia Cotton	24.40	29.10	-16.2%	184.4	1.71	NM	NM
Intraco Refueling Station Limited	33.60	39.60	-15.2%	2,520.0	137.44	NM	2.7x
Khulna Printing & Packaging Limited	18.20	21.20	-14.2%	1,329.3	47.75	NM	1.1x
Shaympur Sugar	29.80	34.50	-13.6%	149.0	1.50	NM	NM
Dacca Dyeing	5.80	6.40	-9.4%	505.5	2.68	NM	0.3x
IT Consultants Limited	55.20	60.90	-9.4%	5,743.7	284.77	55.2x	4.3x
Jute Spinners	100.50	110.60	-9.1%	170.9	3.77	NM	NM

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
United Power Generation & Distribution Company Ltd	325.20	315.20	3.2%	129,832.6	1,207.76	31.1x	12.1x
BBS Cables Limited	104.80	101.50	3.3%	14,462.4	1,202.63	35.0x	6.3x
Saiham Textile	31.00	27.90	11.1%	2,807.4	1,087.71	30.4x	1.6x
Fortune Shoes Limited	36.90	35.00	5.4%	4,008.8	947.37	21.5x	2.7x
KDS Accessories Limited	108.70	99.80	8.9%	6,528.5	755.79	52.0x	5.0x
Simtex Industries Limited	41.40	33.20	24.7%	2,729.0	660.00	18.1x	2.5x
IFAD Autos Limited	120.30	120.70	-0.3%	27,495.2	647.30	26.2x	4.4x
The Peninsula Chittagong Limited	34.70	33.90	2.4%	4,117.7	626.97	65.5x	1.6x
Legacy Footwear	226.90	179.70	26.3%	2,580.7	568.71	224.9x	13.5x
Pacific Denims Limited	22.70	24.00	-5.4%	2,885.7	504.16	21.5x	1.5x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,275.40	23.65%	59,150.3	29.3x
Agni System Limited	24.30	10.96%	1,679.2	25.0x
Summit Power	39.10	8.91%	41,754.0	9.5x
Mutual Trust Bank	33.30	7.04%	19,093.0	13.0x
Atlas Bangladesh	137.10	4.34%	4,128.8	NM
Apex Footwear Limited	341.20	3.83%	3,838.5	46.8x
Marico Bangladesh Limited	1,131.30	2.28%	35,636.0	24.7x
Singer Bangladesh	198.40	1.48%	15,216.2	27.9x
Eastern Housing	49.00	-0.41%	4,573.9	21.0x
Delta Brac Housing	134.30	-1.25%	16,364.7	20.8x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1364.85	1289.30	1848.21	5.86%	-26.15%
NBFIs	2190.62	2140.72	2714.85	2.33%	-19.31%
Mutual Funds	747.39	740.48	788.81	0.93%	-5.25%
General Insurance	1410.20	1342.04	1592.30	5.08%	-11.44%
Life Insurance	1749.07	1721.44	1834.85	1.60%	-4.68%
Telecommunication	5379.71	5340.22	6494.31	0.74%	-17.16%
Pharmaceuticals	2655.52	2670.90	2821.05	-0.58%	-5.87%
Fuel & Power	1711.52	1710.33	1527.27	0.07%	12.06%
Cement	1908.75	1958.15	2280.58	-2.52%	-16.30%
Services & Real Estate	1101.06	1114.68	1224.11	-1.22%	-10.05%
Engineering	3116.15	3131.71	3166.83	-0.50%	-1.60%
Food & Allied	13913.15	13943.48	15304.34	-0.22%	-9.09%
IT	1634.96	1683.30	1484.41	-2.87%	10.14%
Textiles	1370.84	1329.35	1222.72	3.12%	12.11%
Paper & Printing	12624.77	13810.90	1013.11	-8.59%	1146.14%
Tannery	2756.98	2669.80	2642.41	3.27%	4.34%
Jute	7121.99	6921.28	8867.22	2.90%	-19.68%
Ceramics	639.46	640.01	597.46	-0.09%	7.03%
Miscellaneous	1968.24	1983.23	1725.62	-0.76%	14.06%

Table 7: Sector Trading Matrix

	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
	Banks	417.0	360.8	15.57%	6.42%	8.8x
NBFIs	228.7	156.8	45.81%	3.52%	20.6x	2.1x
Mutual Funds	26.6	26.2	1.72%	0.41%	NM	0.6x
General Insurance	49.0	31.0	58.20%	0.75%	12.9x	1.0x
Life Insurance	115.2	144.6	-20.31%	1.77%	NM	7.7x
Telecommunication	50.2	81.2	-38.11%	0.77%	23.7x	17.4x
Pharmaceuticals	580.8	1,040.7	-44.20%	8.94%	20.0x	3.3x
Fuel & Power	496.3	539.0	-7.92%	7.64%	14.5x	2.2x
Cement	77.1	112.9	-31.70%	1.19%	21.5x	3.5x
Services & Real Estate	190.0	348.5	-45.50%	2.92%	27.6x	0.9x
Engineering	1,413.1	2,264.1	-37.59%	21.75%	24.7x	2.3x
Food & Allied	221.5	353.0	-37.27%	3.41%	28.3x	10.0x
IT	256.3	394.1	-34.95%	3.94%	31.6x	3.4x
Textiles	1,428.1	1,362.6	4.81%	21.98%	24.4x	1.3x
Paper & Printing	107.6	194.9	-44.79%	1.66%	NM	6.8x
Tannery	370.6	282.3	31.30%	5.70%	21.1x	3.4x
Jute	17.3	23.7	-26.75%	0.27%	NM	3.0x
Ceramics	128.6	200.9	-35.99%	1.98%	30.8x	2.4x
Miscellaneous	324.3	683.2	-52.54%	4.99%	27.3x	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	11.80	-46.61%	8,945.9	5.9x
Lankabangla Finance	27.30	-38.60%	9,339.9	11.7x
City Bank	30.70	-36.22%	29,717.2	7.3x
Prime Bank	16.00	-35.77%	18,116.5	8.3x
Islami Bank	23.60	-35.52%	37,995.8	8.5x
Eastern Bank	33.20	-35.03%	24,501.6	9.0x
EXIM Bank	11.20	-34.88%	15,817.2	5.4x
United Airways (BD) Ltd.	3.90	-30.36%	2,680.4	13.8x
Uttara Bank	24.80	-29.75%	9,922.0	6.4x
United Commercial Bank Limited	16.60	-29.66%	17,498.6	6.7x

Important News: Business & Economy

July-May imports soar 16.56%

- The country's overall import jumped nearly 17% in the first 11 months of the just-concluded fiscal year (FY), 2017-18, mainly due to high import of food grains and fuel oils. The settlement of letters of credit (LCs), in terms of value, rose by 16.56% to USD 47.79 billion during the July-May period of FY 2017-18 from nearly USD 41 billion in the same period of FY 17. According to a central bank official, higher import of consumer goods, including food grains, has pushed up the overall import expense during the period under review.
- During the July-May period of FY 18, the import of consumer items increased significantly mainly due to the Holy Ramadan and the Eid-ul-Fitr festival, he explained. Usually, a large quantity of essential commodities is imported to meet the additional demand of consumers during the month of Ramadan, the month of fasting. Import of consumer goods rose by 56.24% to USD 7.26 billion during the period under review from USD 4.65 billion in the same period of the previous fiscal, according to the Bangladesh Bank's (BB) latest statistics.

<http://today.thefinancialexpress.com.bd/public/first-page/july-may-imports-soar-1656pc-1532713151>

Remittance inflow rebounds

- Bangladeshi expatriates in the Kingdom of Saudi Arabia (KSA) sent home remittance amounting to over US USD2,591.58 million in the last fiscal year. According to available data of the central bank, Bangladesh received USD3,345.23 million remittance from the KSA in 2014-15 fiscal year, USD2,955.55 million in 2015-16 and USD2,267.22 million in 2016-17
- In FY18, Saudi Arabia is followed by the United Arab Emirates (UAE) as NRBs residing in the Gulf country remitted USD2,428.06 million. Bangladesh received USD1,997.49 million remittance from the USA in FY18 while USD1,199.70 million from Kuwait. The total inflow of remittance has also increased by USD2,209.41 million or 17.30 % in FY18.

<http://today.thefinancialexpress.com.bd/trade-market/remittance-inflow-rebounds-1532793814>

Banks now can lend more as Bangladesh Bank (BB) revises ADR calculation

- The country's commercial banks have been empowered to lend more, as the central bank has revised the advance-deposit ratio (ADR) calculation formula relaxing their reserve requirement. According to the revised formula, the banks are now eligible to add net investment in bonds, particularly in the subordinate ones, as their total time and demand liabilities to meet the ADR requirement. Besides, the banks will have to maintain both cash reserve requirement (CRR) and statutory liquidity ratio (SLR) requirement with the Bangladesh Bank (BB) only for net investment in such bonds instead of the previous gross investment amount.
- BB separately issued two circulars on Thursday, asking the chief executives of all the scheduled banks to maintain the revised formula on both ADR calculation and reserve requirement. According to BB official, they have revised their policies to reduce the cost of

fund that held the banks to bring down their interest rates on lending to 9.0% from the existing level. He also said that such revision will help the banks to improve their liquidity inflow. Currently, the banks have issued sub-ordinate bonds worth around BDT 140 billion to consolidate their capital base in line with the Basel-III framework.

- However, their net investment in such bonds stood at around BDT 30 billion, according to another BB senior official. He also said that the banks will have to comply with all the key indicators, including ADR, under the asset-liability management (ALM) guidelines before sanctioning any fresh loan. About this matter, managing director and chief executive officer (CEO) of NRB Bank Limited, said that the latest measures of BB will help increase the banks' lending capacity. He also added that following the revision, the banks' net investment in the subordinate bonds will be considered as deposit in calculation of their ADR.

<http://today.thefinancialexpress.com.bd/public/first-page/banks-now-can-lend-more-as-bb-revises-adr-calculation-1532626346>

Bangladesh bond market one of the lowest in Asia

- Bangladesh's bond market is one of the lowest in Asia as its size is only 8.06% of the Gross Domestic Product (GDP), according to a new research study. Among the total, the share of the corporate bond market is at only 0.2% compared with that of government bonds at 7.86% in the country, the Bangladesh Institute of Bank Management (BIBM) said in the research finding. According to the study, Bangladesh is on the lower trajectory even compared with its trade competitors-India and Vietnam.
- Indian bond market size is 18.74% of GDP while that of Vietnam is 22.98%. The BIBM study showed that Bangladesh's debt instrument is heavily dependent on national savings certificate as its growth during the financial year (FY), 2016-17, was 37.37% compared to the previous FY2016. On the other hand, the growth of the treasury bills and T-bonds in Bangladesh dropped by 0.16% in FY2017 compared to FY2016, the research paper showed.

<http://today.thefinancialexpress.com.bd/public/first-page/bd-bond-market-one-of-the-lowest-in-asia-1532626390>

BTRC to ask telcos to furnish data on digital marketing expenditure

- Bangladesh Telecommunication Regulatory Commission has initiated a move to collect data from mobile phone operators and other licensees on their advertising spending on online media that have no physical presence in the country. The online media for advertisement of goods and services include search engines Google and Yahoo, e-commerce site Amazon, social networking sites Facebook, WhatsApp and imo, video-sharing site YouTube and all other international platforms.
- A seven-member committee, formed following a high court order in April this year to exact revenue from the international online platforms from Bangladesh, led by BTRC acting chairman took the decision in a recent meeting. As per the decision, the BTRC would ask all the mobile phone operators and other licensees to furnish data on how much revenue they have spend for the purpose of online advertisement, a senior BTRC official told New Age on Thursday.

- The committee would also ask the entities to furnish information about the agencies which were acting in Bangladesh or abroad to collect revenue on behalf of Google, Yahoo, Amazon, Facebook, WhatsApp, imo and YouTube, he said. After getting responses from the BTRC's licensees, the commission would further analyse whether the information are well enough to reach a conclusion, the BTRC official said. As it would take time to find the exact figure of the revenue of the global technology giants, the committee would inform its progress to the court in due course, he said.

<http://www.newagebd.net/article/47145/btrc-to-ask-telcos-to-furnish-data-on-digital-marketing-expenditure>

National Board of Revenue (NBR) detects evasion of BDT 8.7 billion in tax

- Income tax intelligence and investigation cells across the country have uncovered tax evasion worth BDT 8.71 billion. The two wings of the National Board of Revenue (NBR) have detected the evasion after scrutinising some 2,847 cases since their inception.

- According to revenue board data, the cells have so far logged some 3,881 allegations of tax evasion from various sources and means including written, verbal and telephonic. It has detected tax evasion in 73.35 % cases. The board has found that field-level income tax zones have identified evidences of tax evasion in majority of the allegations and information collected by the cells. %.

<http://today.thefinancialexpress.com.bd/first-page/nbr-detects-evasion-of-BDT-87b-in-tax-1532796384>

Bangladesh Bank (BB) to unveil H1 monetary policy tomorrow

- Bangladesh Bank will unveil its monetary policy statement for the first half (H1) of the 2018-19 fiscal, covering the period from July to December. Central bank governor will announce the monetary policy statement (MPS) at a press conference at Bangladesh Bank.

- According to sources at the central bank, the MPS is likely to continue the cautionary monetary policy geared towards arresting any significant uptick in the rate of inflation, that has been the norm over the course of the current governor's tenure, and even earlier.

- The imperative to keep prices under control is even greater this time, against the backdrop of the coming general election likely anytime between December and January next. The central bank has adopted the current 'cautionary' policy to support the targeted GDP growth by ensuring quality credit for the productive sector.

<http://today.thefinancialexpress.com.bd/last-page/bb-to-unveil-h1-monetary-policy-tomorrow-1532886483>

<http://www.newagebd.net/article/47220/bb-to-declare-mps-tomorrow-major-changes-unlikely>

Japan to help build another mass transit corridor

- The government is likely to get highest-ever funds from Japan to construct next mass transit corridor from Hazrat Shahjalal International Airport (HSIA) to Kamalapur Railway Station. The assurance about around USD 6.0 billion was given during the meetings between the ministry concerned and agency and a mission of Japan International Cooperation Agency (JICA) last week.

- Officials said the mission talked with the officials of the Ministry of Road Transport and Bridges (MoRTB) and Dhaka Mass Transit Company Ltd (DMTCL) and discussed the issues of project formulation and implementation.

- The mission also set some actions needed to be taken to get the loan agreement signed in the next Official Development Assistance (ODA) which is the 40th Yen Loan package, they added. The loan agreement will be signed as per the JICA's new ODA terms and conditions which mean 1.0% interest with 30 years of repayment period and 10 years' grace period.

- IBC also alleged that real representation of the sector was not made as the worker representative appointed at the board was favoured by the government and garment factory owners.

<http://today.thefinancialexpress.com.bd/last-page/japan-to-help-build-another-mass-transit-corridor-1532886298>

ECNEC okays nine projects involving BDT 75.39 billion

- The Executive Committee of the National Economic Council (ECNEC) approved nine projects with the total estimated cost of BDT 75.39 billion, including a BDT 25.11 billion project to expand the scope for science education in some 200 government colleges across the country, reports UNB. The approval came from an ECNEC meeting held at the NEC conference room in the city with EECNEC chairperson and Prime Minister Sheikh Hasina in the chair.

- Of the total estimated cost, BDT 67.51 billion will come from the national exchequer, while BDT 5.28 billion as project assistance and BDT 2.85 billion from the own funds of the organisations concerned. Eight of the projects are new while another is revised one.

- In terms of cost, the biggest project is 'Expansion of Science Education's Scope in Government Colleges Project' involving BDT 25.11 billion. The entire cost will come from government funds. The goals of the project are to extend infrastructures, expand scope for ICT and science research and enhance skills of teachers with a view to expanding scope for science education.

<http://today.thefinancialexpress.com.bd/last-page/ecnec-okays-nine-projects-involving-BDT-7539b-1532886446>

Building materials' prices budge, bricks defiant

- The prices of key construction materials like steel rod and cement have receded slightly in recent weeks. Traders have attributed this fall in prices and demand for the raw materials to monsoon. The price may zoom up at the end of the rainy season when building work will start in full swing. Scrap price has decreased in the global market which also another reason behind the price fallen of steel and rod in the market.

<http://today.thefinancialexpress.com.bd/trade-market/building-materials-prices-budge-bricks-defiant-1532793543>

Higher NPLs hit asset quality of banks: Central Bank

- Higher classified loans in public banks in the recent years remain a concern for the banking sector from financial stability perspective, the central bank said. It also said asset quality for the country's private commercial banks (PCBs) has slightly deteriorated mainly due to higher non-performing loan (NPL).

- The gross NPL ratio in the banking sector increased to 9.3% in the calendar year (CY) 2017 from 9.2% a year before, according to the Financial Stability Report (FSR) 2017, released on Monday. According to Bangladesh Bank inadequate due diligence in credit management is one of the key reasons for persistent high NPL in few banks

- The gross NPL ratios of all groups of banks except foreign commercial banks (FCBs) and specialised development banks (SDBs), generally known as specialised banks (SBs) went up between end-December 2016 and end-December 2017. Asset quality deteriorated for private commercial banks (PCBs) as their gross NPL ratio increased to 4.9% in CY 17 from 4.6% in the previous calendar year.

<http://today.thefinancialexpress.com.bd/first-page/higher-npls-hit-asset-quality-of-banks-1532972393>

<https://www.thedailystar.net/business/banking/state-banks-escalating-bad-loans-threat-bb-report-1613758>

Bangladesh Bank (BB) bars mobile companies from holding stake in MFS companies

- Bangladesh Bank on Monday issued a set of regulations on mobile financial services, barring mobile phone companies from holding any stake in an MFS providing company. The new Bangladesh Mobile Financial Services (MFS) Regulations, 2018 replaced the previously issued guidelines titled 'Mobile Financial Services for the Banks', said a BB circular issued on Monday, adding that the new regulations would come into effect immediately.

- The provision of allowing mobile phone operators in the MFS business was scrapped in an anticipation of conflict of interest between the BB and telecom regulator Bangladesh Telecommunication Regulatory Commission, BB officials said. They also said that suspicion of conflict of interest in providing MFS services by mobile operators was among the other reasons for the central bank's decision. The existing MFS providers would be allowed to continue business with the existing licences, while formation of a subsidiary has been made mandatory for getting new licenses.

- Apart from the parent bank, banks, non-banking financial institutions, non-government organisations, investment and fintech companies, experience of working in financial market, excepting mobile network operators, would be allowed to become shareholder in a MFS entity. Any bank or a non bank, however, would be allowed to hold equity in only one MFS providing subsidiary. The existing MFS providers will be monitored for 12 months after the issuance of the regulations and the existing non-performing MFS might face licence cancellation if it seems appropriate to the central bank.

<http://www.newagebd.net/article/47276/bb-bars-mobile-cos-from-holding-stake-in-mfs-cos>

Bangladesh Bank (BB) unveils H1 monetary policy today

- The central bank unveils its first-half (H1) yearly monetary policy today (Tuesday) aiming

to achieve maximum economic growth by boosting investments in productive sectors. Bangladesh Bank (BB) governor will announce the monetary policy statement (MPS) for July-December period of the fiscal year (FY), 2018-19.

- The policy will help real sectors achieve sustainable economic growth while fighting inflation. According to the officials of Central Bank, the central bank has formulated the growth-supportive monetary policy giving top priority to investment through increasing credit flow, especially in the real economic sectors. BB will facilitate credit flow to the productive sectors for achieving 7.8% GDP (gross domestic product) growth by the end of this fiscal.

- The central bank has prepared the policy blueprint considering the upward trend in prices of petroleum products in the global market, and possible rising inflationary pressure, they explained.

- Meanwhile, the inflation as measured by consumers' price index (CPI) rose to 5.78% in the FY'18 on annual average basis from 5.44% a year ago, according to the Bangladesh Bureau of Statistics (BBS) data. Food inflation stood at 7.13% in the FY'18 as compared to 6.02% in the previous fiscal. The government had set the inflation target at 5.6% for the FY'19.

<http://today.thefinancialexpress.com.bd/first-page/bb-unveils-h1-monetary-policy-today-1532972612>

Study suggests more perks for SEZs in lagging regions

- The Special Economic Zones (SEZs) located in the country's rather backward regions need more lucrative incentive packages compared to the SEZs in the developed areas to attract investors, a study opined. The investors will be able to overcome locational disadvantages, if the government offers more attractive incentives for them, it also suggested.

- The Center on Budget and Policy of Department of Development Studies of University of Dhaka conducted the study with the support of UKaid and Asia Foundation. The study has also found that accommodating the small and medium enterprises (SMEs) in the SEZs is a challenge for the government.

- The study suggested implementing the planned 100 SEZs by the government in phases, terming it a 'practical option'. Connectivity of the SEZs in the lagging regions with the economic corridors and well-functioning infrastructure should be considered seriously, it said.

- The researchers of the study opined that utilising the SEZ policies for balanced regional development will need analytical policy work, for which Bangladesh currently lacks sufficient and good quality data.

<http://today.thefinancialexpress.com.bd/last-page/study-suggests-more-perks-for-sezs-in-lagging-regions-1532972944>

Government mulls coal import from Australia, South Africa, Indonesia

- The government is considering coal import from Australia, South Africa and Indonesia to re-initiate electricity generation from Barapukuria coal-fired power plant and resolve existing 'voltage' problem in northern region, said officials.

- Electricity supply situation in the country's northern region has been facing a major setback from last week as all the three units of Barapukuria thermal power plant having total capacity of 525 megawatt (MW) remained closed due to coal scarcity. The 'missing' of around 142,000 tonnes of coal stock worth around BDT 2.27 billion from the BCMCL's coal storage yard a couple of weeks back pushed suspension of operation of the Barapukuria coal-fired power plant to uncertainty. State-run Barapukuria Coal Mining Company Ltd (BCMCL) could detect this anomaly only a couple of weeks back when it initiated to assess the overall coal stock in the yard.

- Officials said, the BCMCL coal storage yard should have a stock of around 142,000 tonnes of coal now according to its extraction and sells report. Existing market price of coal is BDT 16,000 a tonne, they said.

- The coal production of BCMCL remained suspended for more than a month as the equipment and machinery is being shifted from one coalface underground to another.

<http://today.thefinancialexpress.com.bd/last-page/govt-mulls-coal-import-from-australia-s-africa-indonesia-1532973188>

Bangladesh Bank (BB) releases MPS aiming to spur growth, curb inflation

- The central bank announced a new monetary policy statement (MPS) on Tuesday for promoting job-centric growth with a restraining approach to curb inflationary pressure on the economy. Bangladesh Bank (BB) unveiled the MPS for the July-December period of the fiscal year (FY) 2018-19 at a press conference at the central bank headquarters in Dhaka. The MPS for the first half (H1) of the FY focuses on helping the sectors, particularly the productive ones, in achieving sustainable economic growth by reining in inflation.

- According to BB governor, the monetary policy will be a restrained one like the previous one to facilitate economic growth and curb inflation. The central bank, however, kept unchanged its domestic credit (DC) target at 15.9% for FY 19. The target of broad money (M2) supply rose to 10.2% for H1 of FY 19 and 12% for H2, from 9.2% of FY 18. Such monetary targets of domestic credit and broad money are sufficient to accommodate real gross domestic product (GDP) growth of up to 7.8% and average annual inflation of up to 5.8% in FY 19, according to the MPS.

- The BB projected the GDP growth ranging between 7.5% and 7.7% in FY 19, assuming a continuation of calm domestic political situation and no further escalation of global trade-related conflicts. On the other hand, the central bank estimated the average inflation to be around 5.4-5.8% in December 2018, while the government set the inflation target at 5.6% for FY 19. Meanwhile, the inflation as measured by consumers' price index (CPI) rose to 5.78% in FY 18 on annual average basis from 5.44% a year before, according to the Bangladesh Bureau of Statistics (BBS) data.

<http://today.thefinancialexpress.com.bd/first-page/bb-releases-mps-aiming-to-spur-growth-curb-inflation-1533059069>

Government servants to get upto BDT 7.5 million as home loan

- Government employees will get home loan as much as BDT 7.5 million at 5.0% simple interest rate. The lowest amount of home loan for them is BDT 2.0 million. This was stated in the policy rules, issued by the Ministry of Finance (MoF) on Monday, regarding home

loans for government employees through banking system. "The interest rate of home loan will be 10%. The borrower will pay loan as bank rate (presently 5.0%). The government will pay the rest as subsidies," a notification of the policy said.

- However, the government will be able to re-fix the interest rate of bank loan through discussion with the implementing agencies. The fresh rate will be effective for new borrowers only. According to the policy, government employees after five years of regularisation of their job will be entitled to the home loan. Employees aged up to 56 years will remain eligible to secure home loan. The tenure of the repayment of home loan is 20 years. Both the civil and non-civil servants employed in ministries, divisions, departments, and authorities having a regular job will be eligible for the home loan.

- Employees of state-owned enterprises, autonomous bodies, state-owned companies, and people employed in government enterprises which were established under separate or specialised laws will remain out of the purview of the home loan policy. A borrower will have to invest at least 10% from his or her own for buying a flat or constructing a building on his own land. In case of buying an apartment, the entire loan amount will be released at one go. However, the loan amount will be released in four installments for the construction of a building.

<http://today.thefinancialexpress.com.bd/last-page/govt-servants-to-get-upto-BDT-75m-as-home-loan-1533059637>

Overall trade deficit may cross USD 22 billion by the end of this fiscal

- Country's overall trade deficit may cross USD 22 billion by the end of the current fiscal year (FY) 2018-19, the central bank said. Bangladesh Bank official said that their trade deficit may create new record in this fiscal year mainly due to higher import payments against lower export receipts. He also said that the upward trend of import continues in this fiscal because of high import of fuel oils and capital machinery for implementation of different infrastructure development projects, including Padma Bridge.

- The gap in merchandise trade with the rest of the world is projected to reach at USD 22.20 billion in the FY 19 from USD 18.37 billion in the outgoing FY 18, according to the BB's latest estimation. The higher trade deficit may push the current-account deficit further up in the FY 19 despite an uptrend in inward remittances. Bangladesh's current-account deficit is projected to reach USD 10.16 billion in the FY 19 against USD 9.18 billion a year ago. The widening current account deficit led to a reversal of the liquidity injections due to a decline in net foreign assets (NFA) at negative 4.3% in June 2018, well below the initial FY 18 target of 5.4%, accompanied by exchange rate depreciation, and sales of foreign exchange reserves.

- The BB also projected the negative growth of NFA at 1.2% for H1 of the FY 19 and 1.6% for H2 of this fiscal respectively. The country's overall balance of payments (BoP) may turn into positive territory by the end of this fiscal from the existing negative level. The central bank estimated that the BoP would reach USD 379 million in the FY 19 from estimated negative USD 691 million in the FY 18.

<http://today.thefinancialexpress.com.bd/last-page/overall-trade-deficit-may-cross-22b-by-the-end-of-this-fiscal-1533059706>

Half of listed banks show lower EPS in H1

- The earnings of half of the country's 30 listed banks declined during the first half of this year (H1) as compared to the same period of previous year, mainly due to increased non-performing loans (NPLs). According to the un-audited financial statements for January-June 2018, the consolidated earnings per share (EPS) of the other half, however, increased during the period under review. EPS is the portion of a company's profit allocated to each outstanding share of common stock. In short, it serves as an indicator of a company's profitability.
- Mutual Trust, Pubali, Bank Asia, Jamuna, Southeast, National, NCC, Dutch-Bangla, Social Islami, Brac, Premier, Islami, Shahjalal, Dhaka and Mercantile registered increased EPS in January-June 2018. Of them, Mutual Trust Bank's EPS posted the highest rise of 105% to BDT 1.52 in January-June 2018 period.
- On the other hand, ONE, Standard, Exim, Al-Arafah, AB, Trust, First Security, Rupali, Uttara, IFIC, City, Eastern, UCB, Prime and ICB Islami Bank saw their EPS decline, according to statistics from the Dhaka Stock Exchange (DSE). ONE Bank's EPS declined the most, by 78% year-on-year to BDT 0.40 in January-June period 2018. Meanwhile, ICB Islami Bank saw higher losses in January-June 2018 period.

<http://today.thefinancialexpress.com.bd/stock-corporate/half-of-listed-banks-show-lower-eps-in-h1-1533050290>
<https://www.thedailystar.net/business/monetary-policy-remains-unchanged-1614139>
<http://www.newagebd.net/article/47382/bb-unveils-cautious-monetary-policy-ahead-of-natl-polls>

Cap deposit rates for cheaper loans

- The interest rate on lending did not come down to single digit as promised by banks as the rate on deposits remained sticky upwards. Earlier on June 20, banks, both public and private, have pledged to lower the interest rate for lending to single digits from July 1 provided there is a cap on the interest rate for deposits. Private banks then announced they would lower the interest rate on deposits at 6%; the state banks did not make any such announcement but their interest rate was expected to shadow the private banks'.
- But, neither of the rates has come down one month on. Currently, the private banks' lending rates hover between 10% and 16% while deposit rates are below 6%. But the rates on fixed deposit schemes for three months to three years range between 5% and 10%; the rates are above 10% in a few banks. However, the interest rates on all types of deposit schemes at state banks are between 3% and 6%. Their lending rates vary from 11% to 13%.
- Subsequently, the directors of the private banks yesterday met with Finance Minister at the Economic Relations Division headquarters in the capital. According to meeting sources the bank directors informed that since the interest rate on deposits has not come down, the rate on lending could not be lowered. They also said the government agencies withdraw deposits from a bank if they get higher rates elsewhere. Subsequently, they urged the BB to fix a rate. But a central banker present at the meeting said it cannot be done in a market economy as it would give a wrong signal to the rest of the world.

<https://www.thedailystar.net/business/cap-deposit-rates-cheaper-loans-1614136>

Asian Development Bank (ADB) to give USD 357 million to develop two power lines

- The Asian Development Bank (ADB) has approved an assistance package of over USD 357 million for a project to develop two power lines to help Bangladesh reach its national goal of ensuring electricity for all by 2021. The investments comprise a USD 350 million ADB loan and a USD 7 million grant from the Japan Fund for the Joint Crediting Mechanism (JFJCM) to partially finance new high-technology energy efficient conductors. It also includes a USD 500,000 grant from the Republic of Korea e-Asia and Knowledge Partnership Fund (EAKPF) to promote socially inclusive growth with gender equality, the Manila-based donor said in a statement.
- The Southwest Transmission Grid Expansion Project builds on ADB's previous work, including the recently approved Rupsha 800 megawatt Combined Cycle Power Plant in the southwest region. The project will develop a 126-kilometre 230 kilovolt (kV) transmission line from Barisal to Faridpur and a 104 km 400 kV transmission line from Bogra to Rohanpur along with substations, transformers and associated extensions and connections. The new transmission lines are a new type of high temperature conductor to allow more power transfer at lower energy losses.

<https://www.thedailystar.net/business/adb-give-357m-develop-two-power-lines-1614130>

Bangladesh Bank (BB) bars mobile companies from holding stake in MFS companies

- Bangladesh Bank on Monday issued a set of regulations on mobile financial services, barring mobile phone companies from holding any stake in an MFS providing company. The new Bangladesh Mobile Financial Services (MFS) Regulations, 2018 replaced the previously issued guidelines titled 'Mobile Financial Services for the Banks', said a BB circular issued on Monday, adding that the new regulations would come into effect immediately. The central bank, however, in its draft on MFS regulations had allowed mobile operators to hold maximum 49% stake in an MFS providing entity.
- The provision of allowing mobile phone operators in the MFS business was scrapped in an anticipation of conflict of interest between the BB and telecom regulator Bangladesh Telecommunication Regulatory Commission, BB officials said. They said that suspicion of conflict of interest in providing MFS services by mobile operators was among the other reasons for the central bank's decision. The central bank in the finalised guidelines allowed bank-led MFS, a model where a scheduled bank may run the MFS as a product of the bank or a bank may form an MFS providing subsidiary with at least 51% of the share held by the bank with control of the board.

<http://www.newagebd.net/article/47276/bb-bars-mobile-cos-from-holding-stake-in-mfs-cos>

Local pharma market set to hit USD 5.11 billion by 2023

- Bangladesh's pharmaceuticals sector will grow 15% year-on-year to reach USD 5.11 billion by 2023, propelled by high investments by local companies as they seek to grab a bigger share of the global market, said a new study yesterday. By 2022, the market size will be more than doubled to USD 4.44 billion from USD 2.02 billion now, it said. According to chairman and managing director of Incepta, a local medicine producer and exporter, Bangladesh will soon become a major global hub for high quality and low-cost generic medicine and vaccine.
- Bangladesh's pharmaceutical industries aim to capture 10% of the global generic market

as 5 to 7 companies have received approval from top regulatory bodies, he again said. These include the UK's Medicines and Healthcare products Regulatory Agency and the United States Food and Drug Administration, he added. Bangladesh exports medicinal products to 144 countries after meeting 97% of the domestic demand. Pharmaceuticals exports fetched USD 103.46 million in the last fiscal year, up 16.03% year-on-year, according to the Export Promotion Bureau.

- Currently, Bangladesh has the facilities for producing advanced medicine like active pharmaceuticals ingredients, biosimilars, vaccines, and oncology products alongside medical devices. Bangladesh has a surplus of pharmaceutical industry-focused human resources, managing director of Incepta said that the formulation industry is well-developed and investing heavily for future growth. Bangladesh's pharmaceutical industries aim to capture 10% of the global generic market as 5 to 7 companies have received approval from top regulatory bodies, he again said.

<https://www.thedailystar.net/business/local-pharma-market-set-hit-511b-2023-1614133>
<http://www.newagebd.net/article/47383/raising-regulators-standards-stressed-for-global-acceptance-of-bdesh-pharma-items>

Japan wants to invest more in Bangladesh RMG sector: Commerce Minister

- Commerce minister said that Japan showed interest to invest more in Bangladesh especially in the textile sector. The minister said that the Japanese ministers assured that Japan would continue duty-free market access for Bangladeshi products even after the graduation of Bangladesh from a least developed country to a developing one. He also said that he requested the Japan government to withdraw the "Level-2" travel restriction the country imposed on its citizen following the Holey Artisan tragedy in Dhaka. The Japanese ministers are convinced that the law and order situation in Bangladesh is very good and they assured that the Japan government would take initiative to withdraw the security alert,' he said.

- The commerce minister said that he offered a special economic zone in Bangladesh for Japan and the Japanese government showed interest to make investment in the SEZ. He hoped that the bilateral trade and investment relations between the two countries would increase in the coming years and the Bangladesh's export to Japan would reach USD 2-billion mark within a short time. Commerce minister again said that the government was going to set a USD 44-billion export target for the financial year of 2018-19.

- Of the USD 44 billion, USD 39 billion would come from products while USD 5 billion from services, he said. The commerce minister said that export earnings from the country's leather sector fell short of its target by 12% in FY18 due to various reasons. Tanneries have been relocated to Savar, on the outskirts of Dhaka, but factory owners are yet to get the registration of land and at the same time the effluent treatment plant in the tannery village is not fully operational, he said.

<http://www.newagebd.net/article/47385/japan-wants-to-invest-more-in-bangladesh-rmg-sector-tofail>

Foreign investment allowed in alternative investment fund

- Bangladesh Bank on Monday allowed non-resident or foreign investors to make investments in alternative investment funds with a view to widening the scope for foreign investment in the country. To this end, the central bank on the day issued a circular stating

that the AIFs must be registered with the Bangladesh Securities and Exchange Commission to attain foreign investments. Under the existing rules, non-residents are also allowed to make direct investments or portfolio investments in Bangladesh.

- Monday's BB circular, however, said that eligible investors in terms of the BSEC (Alternative Investment) Rules, 2015 might invest in units of the AIFs registered with the BSEC. The transactions related to such investments may be made through non-resident investor's BDT account with Bangladeshi banks, it said. The payment against purchase of AIF units by eligible non-resident investors must be made by inward remittance through the normal banking channels including by debit to NITAs, permissible FC accounts, non-resident BDT accounts (Vostro) of overseas branches and corresponding NRTA, the BB circular said.

- BB's foreign exchange investment department must be informed within 14 days of issuance, transfer or redemption of units of AIFs in favour of non-residents or by non-resident investors with necessary documents. Payment on account of dividend may be remittable abroad and/or may be credited to NITAs, permissible FC accounts, NRTAs (Vostro) of overseas branches and correspondents subject to deduction of applicable taxes, duties/levies, commission etc. Foreign investors holding units of AIFs would be allowed to sell or transfer or redeem the units as per rules or directions issued by the BSEC.

<http://www.newagebd.net/article/47277/foreign-investment-allowed-in-alternative-investment-fund>

World Bank loans get costlier, its terms too

- Bangladesh will no longer eligible for concessional loan from the World Bank as it has started lending at 2.0% rate. The Washington lender has made the higher rate effective from this month instead of 0.75%, officials said on Monday. Besides rate, the bank's other lending terms will be harder than the existing conditions, they said. Moreover, the repayment period for the bank loans has been reduced to 30 years from the current 38 years.

- The bank has informed Finance Minister through a letter on Sunday last about its new lending policy to be effective from July 1, 2018. They said that since Bangladesh has graduated as the "Gap country" from the concessional loan "IDA-only" status due to its higher per capita income threshold, the global lender will charge higher rate from now.

- Bangladesh's GNI per capita in the last three years was USD 1,190, USD 1,330 and USD 1,430, which are higher than the bank's threshold. Among the South Asian nations, India and Sri Lanka have already been classified as "graduate countries" and Pakistan as the blend country.

<http://today.thefinancialexpress.com.bd/first-page/wb-loans-get-costlier-its-terms-too-1533146162>

Bangladesh's share in global apparel export market reaches 6.46%

- The share of Bangladesh in the global apparel export market reached 6.46% in 2017, according to the latest statistics released by the World Trade Organisation (WTO). The country's share in the global export of apparel products was 6.36% in 2016. Annual exports of Bangladeshi apparel products increased by moderate 2.0% to USD 29.33 billion in 2017 from USD 28.22 billion in 2016, according to The World Trade Statistical Review 2018.

- The statistical review also showed that Bangladesh retained its rank as the third largest global exporter of clothing, followed by China and the European Union (EU). Export of Chinese clothing items showed almost zero growth last year. The country also lost its global share which declined to 34.90% in 2017 from 36.40% in 2016.

- Vietnam, which registered as fourth largest manufacturer of apparel, registered around 8.0% growth in clothing export last year and inched to grasp 5.90% global share which was 5.54% in 2016. The WTO review report also showed that clothing and textile contributed 4.0% of global merchandise export in 2017.

<http://today.thefinancialexpress.com.bd/last-page/bds-share-in-global-apparel-export-mkt-reaches-646pc-1533146527>

<https://www.thedailystar.net/business/export/bangladesh-remains-the-second-biggest-apparel-exporter-1614856>

Bangladesh Investment Development Authority (BIDA) gets 11.89% higher investment bids in FY 18

- The amount involving the investment proposals with Bangladesh Investment Development Authority (BIDA) has increased by around 11.89% during the last fiscal year (FY), 2017-18, according to its latest figures. BIDA received investment proposals amounting to BDT 2.072 trillion from July 2017 to June 2018, which was BDT 220.3 billion higher than those of the previous FY.

- A total of 1,643 industrial entities have registered themselves with BIDA during the period, creating employment opportunities for 287,546 people, said a press release. Meanwhile, the amount involving the quarterly investment proposals with BIDA decreased by 20.17% during the last three months of FY 2017-18, as per official figures.

- During the April-June period of FY 2017-18, BIDA received investment proposals amounting to BDT 243.641 million, which was BDT 61.57 million lower than the previous quarter of the same fiscal. The decline in quarterly investment proposals can mainly be attributed to the fall in local investment.

- On the other hand, foreign and joint venture investment proposals, however, saw a quarterly increase of 74.96% when compared to the same period of last year, as per the BIDA figures. A total of 22 wholly foreign-owned and 30 joint venture entities have registered with BIDA during the April-June period of FY 18. The total amount of investment proposals made by these entities was worth around BDT 27.77 million.

<http://today.thefinancialexpress.com.bd/last-page/bida-gets-1189pc-higher-investment-bids-in-fy-18-1533146809>

Study suggests more perks for (Special Economic Zones) SEZs in lagging regions

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- The Center on Budget and Policy of Department of Development Studies of University of Dhaka conducted the study with the support of UKaid and Asia Foundation. The study has also found that accommodating the small and medium enterprises (SMEs) in the SEZs is a challenge for the government.

- The study suggested implementing the planned 100 SEZs by the government in phases, terming it a 'practical option'. Connectivity of the SEZs in the lagging regions with the economic corridors and well-functioning infrastructure should be considered seriously, it said. The researchers of the study opined that utilising the SEZ policies for balanced regional development will need analytical policy work, for which Bangladesh currently lacks sufficient and good quality data.

<http://today.thefinancialexpress.com.bd/last-page/study-suggests-more-perks-for-sezs-in-lagging-regions-1532972944>

Disbursement of farm loan by banks exceeds target

- Disbursement of farm loan by the scheduled banks exceeded their total target in the end of last fiscal year (FY) as banks strengthened disbursement drives, a central bank official said. The banks witnessed a high demand for credit from the country's agriculture sector, he added.

- The Bangladesh Bank (BB) is now taking special care of farm loan disbursement to jack the agro-based sector of the country up. Besides, loan disbursement in the sector has increased due to proper monitoring of the central bank, he said adding that the BB has already advised the banks to expedite both recovery and disbursement of farm loans. Loans are being disbursed in large scale in the agro sector every fiscal year (FY). As per the BB statistics as of June 30 last, the banks disbursed farm loans to the tune of over BDT 248.4 billion till July-June period of the last FY.

- The total target was fixed at BDT 204 billion for the FY 2017-18. Of the target, some BDT 95.90 billion and BDT 108.10 were fixed for disbursement by eight state-owned banks and private commercial banks (PCBs) and foreign commercial banks (FCBs) respectively, according to the BB data.

<http://today.thefinancialexpress.com.bd/last-page/disbursement-of-farm-loan-by-banks-exceeds-target-1533146941>

Important News: Capital Market

0.12 million BO accounts closed in July

- A total of 1,14,853 beneficiary owners' accounts were closed in July due mainly to non-payment of annual account renewal fees by the accountholders. The number of active BO accounts was 27,64,387 at the end of June, but the figure declined to 26,49,534 on July 26, Central Depository of Bangladesh Limited data showed. Of the annulled BO accounts, most of them became void as the accountholders failed to pay the annual fees by the June 30 deadline set by the CDBL.

- Opening a BO account with the CDBL through a depository participant, which is usually a stockbroker or a merchant bank, is a must for trading shares at the Dhaka and Chittagong stock exchanges. In 2016, the Bangladesh Securities and Exchange Commission reduced

the renewal fee to BDT 450 from BDT 500 for each BO account with the aim of reducing financial burden on investors. Of the BDT 450, the CDBL gets BDT 100, while the government, DP and BSEC get BDT 200, BDT 100 and BDT 50 respectively.

- Of the current active BO accounts, individual investors operate 16,76,556 BO accounts, investors jointly operate 9,61,035 BO accounts and 11,943 accounts are operated by different companies including institutional investors, the CDBL data showed. Of the accounts (excluding the company-operated BO accounts), 24,80,412 BO accounts are owned by Bangladeshi investors and 1,57,179 accounts by non-resident Bangladeshi investors, it showed.

<http://www.newagebd.net/article/47057/115-lakh-bo-accounts-closed-in-july>

Average turnover rises to BDT 8.91 billion

- The average turnover of the week stood at BDT 8.91 billion on the premier bourse DSE as the investment capacity of Investment Corporation of Bangladesh (ICB) rose to a significant level due to intervention of the finance ministry. The average trade volume increased by 12.4% and total numbers of trade decreased by 0.5%. And the market participation on the premier bourse increased by 1.5% in the last week.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/average-turnover-rises-to-BDT-891-billion-1532709397>

Silva Pharmaceuticals IPO subscription begins today

- The IPO (initial public offering) subscription of Silva Pharmaceuticals starts today (Sunday) and will end on August 05, according to Dhaka Stock Exchange (DSE). Earlier on June 11 last, the securities regulator has approved the IPO proposal of the Silva Pharmaceuticals under the fixed price method.

- The company will raise a capital worth BDT 300 million by offloading 30 million ordinary shares at an offer price of BDT 10 each. The company reported net asset value (NAV) of BDT 16.48 per share, (without revaluation), weighted average of EPS worth BDT 1.03 as per the financial statement for the year ended on June 30, 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/silva-pharmaceuticals-ipo-subscription-begins-today-1532792001>

Six companies report increased EPS for Apr-June quarter

- Five banks and British American Tobacco Bangladesh Company Limited (BATBC) have reported increased earnings per share (EPS) for April-June quarter of this year compared to same period of the previous year. The banks are Pubali Bank, Mutual Trust Bank (MTB), Shahjalal Islami Bank, Eastern Bank Limited (EBL) and National Bank Limited (NBL).

- The EPS of BATBC rose significantly for April-June, 2018 compared to same period of the previous year. The company's EPS rose 63% to close at BDT 51.26 for April-June, 2018 as against BDT 31.46 for April-June, 2017. Pubali Bank reported its consolidated EPS of BDT 1.44 for April-June, 2018 as against BDT 0.50 for April-June, 2017. The consolidated EPS of the company was BDT 2.17 for January-June, 2018 as against BDT 1.15 for January-June, 2017.

- Shahjalal Islami Bank reported consolidated EPS of BDT 0.60 for April-June, 2018 as against BDT 0.49 for April-June, 2017. The consolidated EPS was BDT 1.01 for January-June, 2018 as against BDT 0.98 for January-June, 2017. The EBL reported its consolidated EPS of BDT 1.14 for April-June, 2018 as against BDT 1.04 for April-June, 2017. The consolidated EPS was BDT 1.83 for January-June, 2018 as against BDT 2.31 for January-June, 2017.

- The consolidated EPS of Uttara Bank was BDT 1.00 for April-June, 2018 as against BDT 1.32 for April-June 2017. The consolidated EPS was BDT 1.38 for January-June, 2018 as against BDT 2.03 for January-June 2017. The NBL reported its consolidated EPS of BDT 0.44 for April-June, 2018 as against BDT 0.22 for April-June, 2017. The consolidated EPS was BDT 0.56 for January-June, 2018 as against BDT 0.44 for January-June 2017.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/six-cos-report-increased-eps-for-apr-june-quarter-1532622287>

Failure to cope with market prompts closure, says GSK

- Failure to launch "appropriate" medicines for Bangladesh market led to losses and the eventual decision to close down the operations of the British pharmaceuticals goliath GlaxoSmithKline, the company said. GSK Bangladesh chairmans said that it was in their mind how to fill up the portfolio gap, but they could not do that. The company on Thursday after a board meeting announced that they would close down the commercially unsustainable Bangladesh pharmaceutical operations but its main consumer healthcare products will stay in the market.

- It, however, promised to compensate nearly 1,000 of its workers properly, and the pneumonia vaccines, which the government buys via the UN's wing for children UNICEF, will continue to be available in Bangladesh. But the argument of "unsustainable" market comes as a surprise as Bangladesh is known to be a perfect market for drug sellers with its 160 million population, increasing purchasing power, a shift of diseases from acute to chronic, and rising ageing population. Global data suggest Bangladesh's pharmaceutical sector can grow at 15% for the next five years.

- Bangladesh's growing domestic market can meet 98% of the local demand and export to 127 countries. Its consumer healthcare products in Bangladesh include nutritional drinks Horlicks, Maltova, Boost, Viva and Glaxose-D, Sensodyne toothpaste, and Horlicks Biscuit. The workers and employees at the GSK factory at Fouzderhat evening launched indefinite programme on Thursday to protest closure of its operations and demanded its re-opening. Several hundred workers and employees staged sit-in in front of the giant factory on Thursday evening after the authority announced closure of the pharmaceutical unit.

<http://today.thefinancialexpress.com.bd/public/first-page/failure-to-cope-with-market-prompts-closure-says-gsk-1532713193>

City Bank, bKash to establish interconnectivity

- City Bank and bKash Limited, through a strategic partnership, are set to establish interconnectivity, aiming to help their customers make cross-platform financial transactions. The customers will be able to carry out instant fund transfer between bank and mobile bank account, pay credit card bill with bKash and withdraw cash from ATM within a few days. City Bank Limited (CBL), a private commercial bank, and bKash Limited, a mobile financial

service (MFS) provider, signed an agreement in this regard on Sunday.

- Following the integration between City Bank and bKash, any customer of the bank would be able to transfer fund to any of 35 million bKash users with the help of internet banking solution, Citytouch. On the other hand, a bKash user would be able to withdraw cash from any of 350 plus ATM's of the bank

<http://today.thefinancialexpress.com.bd/stock-corporate/city-bank-bkash-to-establish-interconnectivity-1532881350>
<https://www.thedailystar.net/business/banking/city-bank-bkash-team-serve-each-others-clients-1613116>

Aman Cotton Fibrous to make debut August 06

- Aman Cotton Fibrous Ltd is set to make its share trading debut on stock exchanges on August 06 (Monday) under "N" category, officials said. Aman Cotton floated a total of 20.83 million ordinary shares and raised a fund worth BDT 800 million from the capital market under the book-building method.

• Of the total 20.83 million shares, 12.50 million were issued to the eligible investors at the cut-off price of BDT 40 each, which was set by the eligible investors through electronic bidding in November last year. Remaining 8.33 million shares were issued to the general public, including affected small investors and non-resident Bangladeshis, at 10 % discount on the cut-off price, meaning they received each share at BDT 36.

- The initial public offering (IPO) subscription of the company was held between June 3 and June 10. Total subscription received from resident Bangladeshis, affected small investors and non-resident Bangladeshis is BDT 3.49 billion against the public issue of BDT 300 million, which is oversubscribed by 11.64 times. Aman Cotton will use the IPO fund to buy machinery, repay bank loans and meet the IPO expenses.

<http://today.thefinancialexpress.com.bd/stock-corporate/aman-cotton-fibrous-to-make-debut-aug-06-1532968132>

PKB inducted as scheduled specialised bank

- Bangladesh Bank has inducted state-run Probashi Kallyan Bank, which was initially set up as a financial institution for non-resident Bangladeshis, as a scheduled specialised bank. Banking regulation and policy department of the central bank on Monday issued a circular in this connection and asked officials concerned to take necessary measures.

• According to a separate circular issued on Monday, the central bank, as per the Section 121 of Bank Company Act 1991, exempted the PKB from the subsection 14 ka (1) in holding shares by the Wage Earners' Welfare Board. The BB's decision came after the finance ministry had given its consent in favour of allowing the migrants' welfare fund to hold 95% stake in the specialised PKB. The PKB started its operation in April, 2011 with BDT 1.00 billion in capital to provide collateral-free loans to overseas Bangladeshis as well as to give loans for rehabilitation of expatriate workers on their return home to engage them in various income-generating activities

<http://www.newagebd.net/article/47386/pkb-inducted-as-scheduled-specialised-bank>

Singer's profit up 23.5% in Q2

- Singer Bangladesh Ltd's profit after tax rose 23.5% to BDT 0.40 billion in the second quarter of the year on the back of stable trading conditions and a number of new marketing initiatives. Earnings per share increased 22% as per the company's earnings meeting. Turnover in the April-June period went up by 26.2% to BDT 6.40 billion. Gross margins were 26.7%, slightly lower than the corresponding period a year ago on account of price promotions to boost air conditioner sales following the persistent inclement weather. The company brought down expenses to 15.1% of the revenue in the quarter from 15.9% from a year ago.

• The chairman of Singer Bangladesh, said that Singer continued to enjoy significant unit sales increases in many product categories, in particular panel televisions by 50% on account of the FIFA World Cup. He also added that their factory operations have also been further augmented with 55% of first half sales being generated by products manufactured or assembled in-house. Singer's financial service offerings such as Western Union, bKash and Grameenphone airtime reloads and utility bill payments increased in value by 23% in the first half of the year, bringing over 120,000 additional customers to its stores during the period.

<https://www.thedailystar.net/business/singers-profit-235pc-q2-1614127>

Rupali Bank woos big conglomerates

- Rupali Bank Limited (RBL), a state-owned commercial bank (SoCB) has taken some positive measures including slashing the interest rates under single-digit, bringing more renowned corporate entities under its network and expanding the mobile-based banking services.

• The state-owned bank has also been able to bring some leading corporate entities of the country under its 'core banking activities'. SoCB is now consulting with Akij and Nasir Groups to finance their projects.

• Corporate insiders said big conglomerates are now being attracted by some state-owned commercial banks for borrowing at comparatively cheaper rates as private commercial banks are suffering from liquidity crunch to finance big projects.

<http://today.thefinancialexpress.com.bd/stock-corporate/rupali-bank-woos-big-conglomerates-1533148555>

Net foreign fund drops further at Dhaka bourse

- The net foreign fund in the Dhaka Stock Exchange (DSE) remained negative in July, the fourth straight month, as the foreign investors remained reluctant to put fresh stakes. Analysts said overseas investment in the DSE turned negative further as foreign fund managers reluctant to put fresh stakes amid fears over political uncertainty ahead of the national election by the year-end.

• The overseas investors collected shares worth BDT 4.12 billion but sold shares worth BDT 4.44 billion last month, resulting in their net position negative by BDT 327 million, according to statistics available with the Dhaka Stock Exchange (DSE). In June, the foreign investors' net position was negative BDT 2.06 billion, as they purchased shares worth BDT 4.46 billion and sold shares worth BDT 6.53 billion, the DSE data shows.

- The political uncertainty ahead of national election coupled with depreciation of the taka against the USD kept the foreign investors at bay. Depreciation of the taka against the USD also made the foreign investors concerned about injecting fresh fund in the market as their profitability reduced due to the depreciation. DSEX, the prime index of the Dhaka Stock Exchange (DSE), eroded about 103 points or 0.20% in July.

<http://today.thefinancialexpress.com.bd/stock-corporate/net-foreign-fund-drops-further-at-dhaka-bourse-1533148638>

BRAC Bank registers 13% profit growth in H1

- BRAC Bank Limited recorded a growth of 13% on consolidated profit after tax year-on-year (YoY) during the first half (January-June) of 2018, according to a statement. The bank reported a consolidated after tax profit of BDT 2,728 million during January-June 2018, compared to BDT 2,421 million in the same period of last year.
- On solo basis, the bank reported an after tax profit of BDT 2,551 million during January - June 2018, which was BDT 2,323 million in the same period of 2017. The bank's consolidated Earnings Per Share (EPS) reached to BDT 2.36 during January-June, 2018 from BDT 2.09 during the same period last year. The EPS on solo basis stood at BDT 2.38 during January - June 2018 which was BDT 2.17 in the corresponding period of 2017.
- The consolidated net asset value (NAV) per share at the end of June 2018 stood at BDT 29.03 compared to BDT 22.27 at the end of June 2017. The net asset value (NAV) per share on solo basis at the end of June 2018 stood at BDT 26.73 compared to BDT 21.55 at the end of June 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-registers-13pc-profit-growth-in-h1-1533148594>