

*Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.*

### **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>

### **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>

### **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), 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 Chottogram. 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-Ing-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>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$ 67.49	+0.29	+0.43%
Crude Oil (Brent)*	\$ 72.85	+0.24	+0.33%
Gold Spot*	\$ 1,195.26	+1.76	+0.15%
DSEX	5378.73	-28.46	-0.53%
Dow Jones Industrial Average	25,187.70	-125.44	-0.50%
FTSE 100	7,642.45	-24.56	-0.32%
Nikkei 225	22,172.17	+314.74	+1.44%

**Exchange Rates**

USD 1 = BDT 83.81\*

GBP 1 = BDT 107.04\*

EUR 1 = BDT 95.59\*

INR 1 = BDT 1.20\*

*\*Currencies and Commodities are taken from Bloomberg.*

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