

*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.*

### **T-bills' interest rates up ahead of Eid**

- The interest rates on the treasury bills (T-bills) increased significantly, as the banks showed unwillingness to invest their funds in the government securities ahead of the Eid. The cut-off yield, generally known as interest rate, on 91-day T-bills jumped to 4.14% on Sunday from 1.20% of the previous auction, held on June 03. On May 13, the cut-off yield was 1.00%, according to the market operators. Besides, the cut-off yield on 182-day T-bills rose to 4.19% on the day from 4.00% of the previous auction. As per Bangladesh Bank (BB) officials, the interest rates on the T-bills will increase further, if the government borrows the total targeted amount of the auctions from the banks. He also said around 50% of the targeted borrowing amount was passed to the BB for curbing the upward trend of interest rates.

<http://today.thefinancialexpress.com.bd/last-page/t-bills-interest-rates-up-ahead-of-eid-1528653473>

### **Finance Minister under fire over loan scandals in banking sector**

- Opposition leaders and some lawmakers from the ruling party came down hard on Finance Minister over the loan scandals and mismanagement that plagued the banking sector amid discussions on budget in the national parliament. Most of the lawmakers criticised the finance minister on Sunday during a discussion session on the supplementary budget. A lawmaker of the ruling Awami League, said the banking sector may collapse if they are not brought under a proper system of rules. He urged the minister to take necessary action against loan scams and money laundering. One of the Independent MPs remarked that the people are afraid of depositing money in banks.

<http://today.thefinancialexpress.com.bd/last-page/muhith-under-fire-over-loan-scandals-in-banking-sector-1528653512>

### **Bangladesh Bank (BB) allows FCBs to remit shares of head office expenses**

- Foreign commercial banks (FCBs) operating in Bangladesh are allowed to remit the shares of expenses at their head offices without the central bank's prior approval. According to Bangladesh Bank officials, the FCBs will be able to remit such expenses complying with the Income Tax Ordinance 1984 and other conditions. To this end, the BB issued a circular on Sunday and asked all authorised dealer banks to follow the latest instructions. According to the circular, branch operations of foreign banks need to share expenses of their head offices against benefits accrued to operations in Bangladesh.

- It also said that these expenses of head offices are incurred on account of the general management, administration and strategy of the whole company, including its foreign branches. It further said that the gross remittable amount (before deduction of tax at source) will not exceed the limit allowed in the country's income tax regulations. As per the circular, the remittance is subject to compliance with tax regulations like deduction and payment of applicable source tax and VAT. Nine FCBs are currently in operation here.

<http://today.thefinancialexpress.com.bd/last-page/bb-allows-fcbs-to-remit-shares-of-head-office-expenses-1528653976>  
<http://www.newagebd.net/article/43389/foreign-bank-branches-can-remit-head-office-expenses-overseas-bb>

### **Consumers hit by higher VAT**

- VAT accounts for 37.32% of the total revenue collection target of BDT 29.62 trillion in fiscal 2018-19. The burden of value-added tax is set to get heavier from next fiscal year as the revenue authority looks high and low to find ways to collect the major share of its ambitious target from the indirect tax. To attain the lofty target, the NBR has increased the VAT and supplementary duty rates on 56 goods and services, meaning consumers will have to pay higher prices. Until recently, branded clothes lovers had to count 4% VAT. From next fiscal year, they will have to pay 5%. Garments buyers from non-branded and imported clothing stores will also face the same rate. Similarly, consumers will also have to bear the burden of increased prices for hike in SD rates on 17 items, including energy drinks, cosmetics, toiletries, bathtub, jacuzzi, by up to 10% points.

<https://www.thedailystar.net/business/consumers-hit-higher-vat-1589467>

### **Cash incentive for export of pharma raw materials**

- The government has extended 20% cash incentive to pharmaceutical raw material manufacturers as it earnestly looks to boost overseas shipments. The incentive will become effective from July last year, according to a notice from the central bank yesterday. Exporters who manufacture the active pharmaceutical ingredient at their own factories will qualify for the incentive. They will have to apply within 60 days to enjoy the benefit. Those produced in factories housed in export processing zones and economic zones will not come under the purview of the facility. The central bank will take punitive measures against banks that allow the businesspeople to enjoy the cash incentive by violating the rules. The amount of the cash incentive, which is provided to the unscrupulous persons, would be deducted from the errant

banks' current account maintained with the central bank, the notice said.

<https://www.thedailystar.net/business/cash-incentive-export-pharma-raw-materials-1589440>  
<http://www.newagebd.net/article/43391/bb-issues-instruction-over-cash-incentives-for-pharma-ingredient-export>

### **BBS Cables gets BDT 154 million BREB contract**

• BBS Cables Limited has received a 'Notification of Award (NOA)' from Bangladesh Rural Electrification Board (BREB) for supply of conductor under 'Rural Electrification Programme in Sylhet Division and Infrastructure Development of BREB Headquarters' with a contract price of over BDT 154.11 million. The contract will be signed within 28 days from the date of receiving the NOA. The goods will have to be delivered within four months from the date of contract signing, the letter of intimation will be submitted after signing of the contract.

<http://today.thefinancialexpress.com.bd/stock-corporate/bbs-cables-gets-BDT-154m-breb-contract-1528648651>

### **Western Marine, Indian co to jointly bid for IWAI projects**

• Western Marine Shipyard has struck a deal with an Indian company to form a consortium. Western Marine signed a memorandum of understanding (MoU) with The Shalimar Works (1980) Limited (SWL) of Kolkata on June 06, 2018. Under the agreement, the two companies would jointly bid for shipbuilding projects by forming a consortium for preparing and submitting of the bid (s) in respect of tender(s) floated by IWAI (Inland Waterways Authority of India) for various project(s). Western Marine has also informed that the capital contribution and the profit and/or losses arising from there would be shared between the Western Marine and Shalimar Works at the ratio of 74:26 respectively.

<http://today.thefinancialexpress.com.bd/stock-corporate/western-marine-indian-co-to-jointly-bid-for-iwai-projects-1528648622>

### **World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$65.67	-0.07	-0.11%
Crude Oil (Brent)*	\$76.48	+0.02	+0.03%
Gold Spot*	\$1,303.50	+0.80	+0.06%
DSEX	5323.29	-43.37	-0.80%
Dow Jones Industrial Average	25,316.53	+75.12	+0.30%
FTSE 100	7,681.07	-23.33	-0.30%
Nikkei 225	22,762.94	+68.44	+0.30%

### **Exchange Rates**

USD 1 = BDT 84.20\*  
 GBP 1 = BDT 112.91\*  
 EUR 1 = BDT 99.30\*  
 INR 1 = BDT 1.25\*

\*Currencies and Commodities are taken from Bloomberg.

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### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Deputy Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Md. Sakib Chowdhury	Research Analyst	<a href="mailto:sakib.chowdhury@bracepl.com">sakib.chowdhury@bracepl.com</a>	01709 641 247
S. M. Samiuzzaman	Research Analyst	<a href="mailto:sm.samiuzzaman@bracepl.com">sm.samiuzzaman@bracepl.com</a>	01708 805 224
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Ahmed Zaki Khan	Research Associate	<a href="mailto:zaki.khan@bracepl.com">zaki.khan@bracepl.com</a>	01708 805 211
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229

#### International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
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