

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.

### **National Savings Certificates (NSC) sales dip by 57% in July due to higher tax**

- The net sales of national savings certificates fell by 57.10% or BDT 28.76 billion in July, the first month of the current fiscal year (2019-2020), compared with that in the same month in last fiscal year (2018-19) due to an increase in tax on income from the investment in the instruments. In July this year, the government sold NSCs worth Tk 6,091.33 crore against repayment of BDT 39.31 billion, taking the net sales of the government's borrowing tools to BDT 21.60 billion against BDT 50.35 billion in the same month last year, according to a report of Department of National Savings.
- Due to the fall in NSC sales and to meet the expenditure, the government borrowed BDT 262.48 billion from the banking system in just 51 days of the current fiscal year. The government's net borrowing from the banking system in the first 51 days of the current fiscal year (2019-2020) almost touched its net borrowing from the source in the entire last fiscal year (2018-2019). Banks officials said that the increase in tax on interest income from investment on savings instruments might be the reason for the fall in NSC sales in July. In the Finance Bill-2019, the government increased the tax at source on savings tools by two fold to 10 per cent, irrespective of investment ceiling, to make it consistent with the bank interest rate.
- The central bank has already cautioned the high net worth individual along with entities in purchasing NSCs beyond the allowable limit, resulting in a sharp fall in NSCs sales. In FY19, the government's net sales of savings certificates reached BDT 499.39 billion against the net sales of BDT 465.30 billion in FY18. The government is giving interest at the rates between 11.04% and 11.76% against the NSCs. In the budget for FY20, the revenue collection target was set at BDT 3.78 trillion, leaving deficit at BDT 1.45 billion. For deficit financing, the government has planned to borrow BDT 638.48 billion from overseas sources and the rest BDT 773.63 billion from domestic sources mainly from banks and saving certificates.

<http://today.thefinancialexpress.com.bd/first-page/small-savers-to-cheer-as-source-tax-slashed-1567359601>  
<http://www.newagebd.net/article/83285/5pc-tax-on-nscs-up-to-BDT-5-lakh-from-aug-28>

### **Remittances top USD 3.0 billion in August**

- Money sent home by expatriate Bangladeshis amounted to over USD3.0 billion in the two months to August, boosted by increased flow on the occasion of Eid-ul-Azha. The flow of remittances rose by nearly 13% to USD 3.08 billion during the July-August period of financial year 2020 from USD 2.73 billion in the same period a year earlier, according to the central bank's latest statistics, released on Monday.
- The Eid festival along with lower interest rate sparked by the fear of possible global meltdown has helped increase the inflow of remittances, a senior official of the Bangladesh Bank (BB) said. The central banker also expected the upward trend in inward remittance to continue in the coming months as the government has announced a 2.0% incentive on the overseas workers' money. The central bank had earlier taken a series of measures to encourage the expatriate Bangladeshis to send their hard-earned money through the formal banking channel, instead of the illegal "hundi" system to help boost the country's foreign exchange reserves.

<http://today.thefinancialexpress.com.bd/last-page/remittances-top-30b-in-august-1567446052>  
<https://www.thedailystar.net/business/news/remittance-climbs-cash-incentive-1794730>  
<https://www.newagebd.net/article/83371/remittance-rises-by-5pc-in-august-on-cash-incentive>

### **Bangladesh tops GDP growth in last 10 years**

- Bangladesh has topped the growth in Gross Domestic Product (GDP) in the last 10 years since 2009, according to the recently released Spectator Index. During the decade, Bangladesh's GDP grew by 188% according to the index released on August 29 last, said Cabinet Secretary. We've secured the number one position in the world in achieving GDP growth in the last 10 years since 2009 on the basis of the current price method, he said. Quoting the index, he said, China grew 177%, India 117, Indonesia 90, Malaysia 78, Australia 41 and Brazil 17%.

<http://today.thefinancialexpress.com.bd/first-page/bangladesh-tops-gdp-growth-in-last-10-years-1567445424>  
<https://www.thedailystar.net/business/bangladesh-recorded-the-highest-gdp-growth-1794736>

### **Move underway to utilize government agencies' idle money**

- The government has initiated a move to bring the surplus money of different autonomous, semi-autonomous and statutory agencies, including non-financial corporations, to the national exchequer as 68 self-governed agencies have BDT 2121.00 billion idle money in different banks. The Cabinet Secretary said that the policy of the government is to

bring the surplus money to the national exchequer with the proposed law for financing different development projects and supporting public welfare. Of the idle money, the surplus one will be deposited to the national exchequer after keeping aside the operational cost, additional 25% of operational cost as emergency fund, money for general provident fund (GPF) and pension, he said.

<http://today.thefinancialexpress.com.bd/first-page/move-underway-to-utilise-govt-agencies-idle-money-1567445383>

### Tax receipts from DSE dip 57% in August

- The government's revenue earnings from the Dhaka Stock Exchange (DSE) slumped 57% month-on-month in August due to lower trading sessions on the occasion of Eid-ul-Azha holiday. Market analysts said low share sales by the sponsor-directors coupled with lower trading sessions due to Eid-ul-Azha vacation, affected the government earnings from the prime bourse. The government bagged revenue worth BDT 83 million in August, the second month of the current fiscal year, against BDT 195 million in July, registering a decline of 57% month-on-month, the DSE data showed.
- Of the total earnings in August, BDT 74 million came from the TREC (trading right entitlement certificate) holders' commission, popularly known as brokerage commission. And the government earned only BDT 9 million from share sales by sponsor-directors and placement holders in August against BDT 105 million in July, which impacted overall earnings.

<http://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-dip-57-per-cent-in-august-1567444405>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.91	-0.19	-0.34%
Crude Oil (Brent)*	\$58.73	+0.07	+0.12%
Gold Spot*	\$1,524.18	-5.11	-0.33%
DSEX	5,033.54	-37.15	-0.73%
Dow Jones Industrial Average	26,403.28	+41.03	+0.16%
FTSE 100	7,281.94	+74.76	+1.04%
Nikkei 225	20,634.85	+14.66	+0.07%
BSE SENSEX	37,009.55	-323.24	-0.81%

### Exchange Rates

**USD 1 = BDT 84.48\***  
**GBP 1 = BDT 101.65\***  
**EUR 1 = BDT 92.41\***  
**INR 1 = BDT 1.17\***

\*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### 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
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
Md. Mahirul Quddus	Research Associate	<a href="mailto:mmahirul.quddus@bracepl.com">mmahirul.quddus@bracepl.com</a>	01709 636 546

#### 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
----------------------	-------------------------------------	--	---------------

#### BRAC EPL Research [www.bracepl.com](http://www.bracepl.com)

121/B Gulshan Avenue  
Gulshan-2, Dhaka  
Phone: +880 2 881 9421-5  
Fax: +880 2 881 9426  
E-Mail: [research@bracepl.com](mailto:research@bracepl.com)