

*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.*

### **Imports witness 16% growth in July**

- A whopping 274% rise in fuel oil import enhanced country's overall imports growth by nearly 16% or USD 640.40 million in July. The settlement of letters of credit (LCs), generally known as actual import, in terms of value, rose to USD 4.69 billion in July, the first month of the FY 2018-19 from USD 4.05 billion in the same period of the FY 18. The overall imports increased significantly during the period under review due to higher imports of petroleum products, one of the Bangladesh Bank officials said.
- Import of petroleum products soared by 274.27% to USD 492.96 million in July of the FY 19 from USD 131.71 million in the same period of the previous fiscal. The upward trend of petroleum products import may continue in the coming months to meet the extra demand for the items for oil-based power plants, he added.

<http://today.thefinancialexpress.com.bd/first-page/imports-witness-16pc-growth-in-july-1537206208>

### **Secondary trading of t-bills, bonds drop 62% in January-August**

- Secondary trading of treasury bills and treasury bonds dropped sharply in the first eight months of the current calendar year, according to the latest statistics of the central bank. It showed that value of the secondary transactions of t-bills and t-bonds dropped to BDT 84.01 billion in January-August period of 2018. The value was BDT 219.39 billion in the same period of the past year. Thus secondary trading of t-bills and t-bonds dropped by 62% during the period under review. The transaction was lowest in the month of June this year when t-bills and bonds worth BDT 1.16 billion were traded in the secondary market. T-bills are short term fixed government securities while t-bonds are long-term securities. Government uses the securities to borrow from the financial market.

<http://thefinancialexpress.com.bd/economy/bangladesh/secondary-trading-of-t-bills-bonds-drop-62pc-in-jan-aug-1537011361>

### **High return keeps national savings certificates (NSC) sales above BDT 50.00 billion in July**

- Government's borrowing from the sales of national savings certificates remained buoyant in the first month of the fiscal year 2018-2019 in line with the trend of the last fiscal year as the rate of return from the instruments remained high. As per the data of the Directorate of National Savings, government's borrowing from the NSCs stood at BDT 50.35 billion in July of the FY19. Government's net borrowing from the savings certificates was BDT 465.30 billion in the fiscal year 2017-2018 against its initial target that was revised upward to BDT 440.00 billion crore. The net sale of NSCs was BDT 50.53 billion in July of the last fiscal year.
- Government after the budget approval has already announced that it will not cut interest rate of NSCs before the national election likely to be held by the end of December this year. Besides the announcement from the government, high interest rates of NSCs compared with fixed deposit rates of banks was another reason behind the high sales of the saving tools, officials of central bank said. Investors were in an apprehension that the deposit rates of the banks might decline further in the coming days as banks were in a move to cut deposit rate to 6% to implement a decision of the government high-ups, they said.

<http://www.newagebd.net/article/50844/high-return-keeps-nsc-sales-above-BDT-5000cr-in-july>

### **International Finance Corporation (IFC), ready to lend USD 1 billion a year**

- The International Finance Corporation (IFC), a member of the World Bank Group, is ready to lend Bangladesh USD 1 billion a year to meet its long-term financing needs. He said that the IFC's long-term funding for the last fiscal year that ended on June 30 was USD 426 million, the lowest in several years. He added that the way Bangladesh Bank fixed interest rates of foreign funds was also faulty. The central bank follows an unwritten policy, which has set the maximum interest rate on the IFC loans at 6% taking into account the London interbank offered rate (LIBOR). Presently, the Bangladesh Bank (BB) has capped the interest rate at LIBOR+3% but it cannot be more than 6% .
- The LIBOR could go up to 4% on the back of growing demand. How then Bangladeshi borrowers would follow the BB's 6% fixed rate, he asked. He also added that Bangladesh needs a guideline for approval of foreign loans and its interest rate. The country manager of the IFC, said the IFC aims to address key development gaps by focusing on building sustainable infrastructure, expanding financial access to improve logistics and value-added manufacturing while seeking opportunities to promote smart solutions.

<https://www.thedailystar.net/business/news/ifc-ready-lend-1b-year-1635436>

### **RMG export to India soars to USD 101 million in July-August**

- Country's earnings from readymade garment exports to India increased by 138.54% in July-August of the current financial year (2018-19) compared with that in the same period of last fiscal year. RMG exports fetched USD 101 million in July-August of FY19 against USD 42 million in the same period of FY18. Country's exports to the US and Germany achieved a minimal growth in the first two months of FY19, while the exports to most of the European countries witnessed a negative growth. Exporters said that the shipment to the EU market was heavily hampered in the month of August due to the Eid-ul-Azha holidays and the earnings from the zone witnessed a negative growth in the month.

- The EPB data, however, showed that export to India in July-August of FY19 increased by 127.08% to USD 244.65 million from USD 107.73 million in the same period of FY19. Exporters also said that export earnings from India witnessed a remarkable growth as Western and Indian clothing brands set up a significant number of stores in India and raised procurement from Bangladesh. Export earnings from the US, the largest export destination for Bangladesh, in the first two months of the FY19 grew to USD 1.17 billion from USD 1.09 billion in the period of FY18 with a 6.69-per cent growth.

<http://www.newagebd.net/article/50845/rmg-export-to-india-soars-to-101m-in-jul-aug>

### **Bangladesh Securities and Exchange Commission (BSEC) extends tenure for ten more years**

- The securities regulator has extended the tenure of the existing closed-end mutual funds (MFs) for another term of ten years. In this regard, the Bangladesh Securities and Exchange Commission (BSEC) has issued a directive scrapping its previous directive regarding conversion or liquidation of closed-end MFs on completion of tenure of ten years. According to BSEC directive, total tenure, including another term of ten years, of the existing closed-end MFs will not be more than twenty years. According to the BSEC directive, the existing closed-end MFs which are unwilling to extend tenure will be allowed to be converted or liquidated as per the rules.

- However, a former chairman of the securities regulator has differed with the decision of extending the tenure of closed-end MFs, as the decision is not applicable to the characteristic of such funds. He said that unit-holders could have been benefited if they would get back money as per the NAV (Net Asset Value) following the liquidation of closed-end MFs. The decision of extending the tenure of closed-end MFs is not right at all as market prices of most of the mutual funds are now being traded below face value and NAV, he added.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-extends-tenure-for-ten-more-years-1537200794>

<https://www.thedailystar.net/business/news/mutual-funds-get-nod-time-extension-1635421>

<https://www.dhakatribune.com/business/stock/2018/09/16/bsec-extends-mutual-funds-by-10-years>

### **All acts to be superseded by corporate governance code**

- Listed banks and insurance companies must follow the Bangladesh Securities and Exchange Commission's (BSEC) corporate governance code, even if it contradicts the bank companies and insurance acts, said the stock market regulator yesterday. A participant pointed out that as per the bank companies act, a bank has to have two independent directors if it has fewer than 20 directors. This contradicts the code, which stipulates that at least one-fifth of directors in a company's board shall be independent ones.

- Executive director of the BSEC, while giving a presentation, clarified that as per the code, if the total number of directors divided by five results in a fraction, the next integer has to be considered as the required number of independent directors. The code has already been sent to Bangladesh Bank and the Insurance Development and Regulatory Authority so that it does not create any confusion, he added. Managing director of Central Depository Bangladesh Limited, said the BSEC issued the code exercising section 2cc of the securities and exchange ordinance, for which it supersedes all acts. That is why listed banks and insurers have to follow the code, he said.

- The BSEC issued a corporate governance guideline in 2006 and reissued it with some changes under the name "corporate governance code" on August 8, 2018. Listed companies have to follow the code which contains some directives on selecting independent director, directors' report to shareholders, formation of board, audit and remuneration committees, and maintaining websites. Principal coordinator for sustainable development goals affairs at the Prime Minister's Office, said the code would help the capital market's potential to bloom.

<https://www.thedailystar.net/business/news/all-acts-be-superseded-corporate-governance-code-1635418>

<https://www.dhakatribune.com/business/stock/2018/09/17/bsec-chairman-proper-implementation-of-cgc-will-boost-stock-market-growth>

### **Record export of ceramics**

- The country's ceramic ware exports set a new record in fiscal year (FY) 2017-18, thanks to the growing global demand for local products. Domestic producers will benefit further this fiscal in the wake of increased US tariffs against Chinese products, including ceramics, according to experts. According to official data, local exporters shipped ceramics worth USD 52 million in FY '18, a 33% rise over FY '17. They exported ceramics worth above USD 11 million in the July-August period of the current FY-more than 80% of its target, according to the Export Promotion Bureau. Around 50% of ceramics is exported to the US. Bangladeshi ceramic products are also transported to Canada, the European Union (EU) and other countries.
- A diversified product base with competitive prices helped the sector boost ceramic ware exports, according to the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA). Paragon Ceramic Industries Ltd chief executive officer (global marketing) said that local products have a great demand in the US and the EU. To boost exports, the government has recently declared to provide 10% incentives for the exporters, he added.

<http://today.thefinancialexpress.com.bd/trade-market/record-export-of-ceramics-1537204175>

### **Bashundhara Paper launches new product**

- Bashundhara Paper Mills Ltd has started commercial operation of 'Xtreme Mosquito Coil' as a new product of the Bashundhara Paper Mills. The plant having a daily production capacity of 1.0 million pieces of coil has set a yearly production target of 36 million (3.60 crore) boxes of coil. As per DSE disclosure, total yearly sales revenue of the company is expected to grow up by more than BDT 1.0 billion approximately. Bashundhara Paper Mills, a concern of the country's leading business conglomerate, Bashundhara Group, raised a capital worth BDT 2.0 billion by offloading more than 26 million ordinary shares under the book-building method.

<http://today.thefinancialexpress.com.bd/stock-corporate/bashundhara-paper-launches-new-product-1537200879>

### **Suspension of trading of 3 companies extended by 15 days**

- The Bangladesh Securities and Exchange Commission has extended the suspension period of trading of the shares of three companies — Monno Jute Stafflers, BD Autocars and Legacy Footwear — by 15 days. The order from the commission said that the commission was in the opinion that it was necessary in the interest of trade and in the public interest to extend the suspension period of trading of shares of the three listed companies and directed the Dhaka and Chittagong stock exchanges to extend the suspension period by 15 days with an effect from September 18.
- Earlier, on August 16, the market regulator suspended trading of the shares of Monno Jute Stafflers, BD Autocars and Legacy Footwear for 30 days following a spate of criticisms over lack of action from the market regulator in reigning in the unusual price hike of the companies. On the same day, it also sent five other companies — Monno Ceramic Industries, Key&Que, Aziz Pipes, Stylecraft and Dragon Sweater and Spinning — to the spot market for the unusual and astronomical hike in the prices of their shares. However, the shares of Dragon Sweater were put back on the public market from the spot market on September 6.

<http://www.newagebd.net/article/50848/suspension-of-trading-of-3-cos-extended-by-15-days>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$68.69	-0.22	-0.32%
Crude Oil (Brent)*	\$77.77	-0.28	-0.36%
Gold Spot*	\$1,197.89	-3.57	-0.30%
DSEX	5443.81	-20.37	-0.37%
Dow Jones Industrial Average	26,062.12	-92.55	-0.35%
FTSE 100	7,302.10	-1.94	-0.03%
Nikkei 225	23,251.23	+156.56	+0.68%

**Exchange Rates**

USD 1 = BDT 83.86\*

GBP 1 = BDT 108.25\*

EUR 1 = BDT 97.94\*

INR 1 = BDT 1.17\*

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

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