

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.

Bangladesh Bank (BB) extends liquidity support to prop up stocks

- Bangladesh Bank yesterday announced liquidity support for banks with a view to ramping up their capacity to invest in the capital market as part of a concerted effort to arrest the ongoing bear run. The liquidity support will be provided in the form of Repurchase Agreement (repo), a form of short-term borrowing by banks from the central bank by placing government securities as collateral securities, as per the BB notice sent out to all lenders
- Lenders will have to count 6% interest rate to enjoy the liquidity support through repo. The repo will be for 28 days but the fund will be extended for six months.
- The Banking Companies Act 1991, which was amended in 2018, has limited a bank's stock market exposure to up to 25% of its capital. The capital includes paid-up capital, share premium, statutory reserve and retained earnings. But the investment ceiling goes up to 50% if the banks' subsidiary companies' capital is considered. Banks will have to open fresh beneficiary owner account to invest the fund through their own portfolio. They will have to apply to the central bank within the next three months.
- A former chairman of BSEC, said the initiative may impact the market positively for a few days but it will not have any long-lasting effect. For long-term impact, the government will have to curb manipulation in trading by way of ensuring transparency and restoring investor confidence.

<http://today.thefinancialexpress.com.bd/first-page/bbs-new-policy-to-increase-banks-investment-1569173681>
<https://www.thedailystar.net/business/news/bb-extends-liquidity-support-prop-stocks-1803982>

Cash incentives announced for goods exports under 37 categories

- The government on Sunday announced cash incentives against export of products under 37 categories, including one% additional special incentive for readymade garment products, for the current fiscal year of 2019-20. The government also included consumer electronics, electrical home and kitchen appliances to the product list for the first time with 10% cash incentive and boosted incentives for a number of products manufactured in economic zones and hi-tech parks.
- According to a Bangladesh Bank circular issued on Sunday, readymade garment exporters would get one% additional special incentive in addition to the 4% cash incentive remained unchanged for this fiscal year for export of new textile and garment products and expanding export of textile items to new markets — markets other than the United States, Canada and the European Union. The government kept unchanged the cash incentive at 4% for apparel products export for the small and medium industries of the textile sector. According to the circular, the export-oriented local textile sector would enjoy cash incentive at the rate of 4% as an alternative to duty bonds and duty drawbacks.
- Information technology-enabled services would get 15% cash incentive and the information technology companies established in hi-tech park would also get 4% additional incentive for exporting products to new markets, the circular said. Exporters of pharmaceuticals and surgical instruments and appliances, photovoltaic modules, motorcycles, chemical products, razors and razor blades, ceramic products, caps, crabs, mud eels and galvanized sheets/coils would get 10% cash incentive in FY20.

<http://www.newagebd.net/article/85381/cash-incentives-announced-for-goods-exports-under-37-categories>

Now online businesses to pay 5.0% VAT on service charge

- The National Board of Revenue (NBR) will collect 5.0% Value Added Tax (VAT) on commission from the online businesses on their sales of products, irrespective of VAT-able or VAT-exempt. The online businesses which procure products paying VAT and have no showrooms of its own will have to pay VAT on their service charge they receive from manufacturers of goods and suppliers of services. The businesses will have to pay VAT on its commission, fees, service charge, and revenue sharing from online sales. However, consumers will not have to pay VAT on total prices of a products or service if online sales company collects the products or services after payment of VAT, it said, adding that second time VAT collection from consumers would cause double taxation on the same prices.

<http://today.thefinancialexpress.com.bd/last-page/now-online-businesses-to-pay-50pc-vat-on-service-charge-1569174545>

Subscription of Ashuganj Power bonds opens today

- The public subscription for bonds of Ashuganj Power Station Company Ltd will open today (Monday), aiming to raise BDT 1.0 billion from the capital market. The name of the bond is "APSCCL Non-Convertible and Fully Redeemable Coupon Bearing Bond" and the company will raise capital by issuing bonds through initial public offering (IPO).
- On July 2 last, the Bangladesh Securities and Exchange Commission (BSEC) approved the company's proposal for raising a capital worth BDT 1.0 billion through issuing bond. The will issue total 200,000 bonds of BDT 5000 each. The characteristics of the bond will be non-convertible, fully redeemable and coupon bearing with a face value of BDT 5000 per unit. The tenure of the bond will be seven years. The annual interests from the bonds will be minimum 8.5% and maximum 10.5%, payable every six months.

<http://today.thefinancialexpress.com.bd/stock-corporate/subscription-of-ashuganj-power-bonds-opens-today-1569166791>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$58.71	+0.62	+1.07%
Crude Oil (Brent)*	\$64.99	+0.71	+1.10%
Gold Spot*	\$1,516.59	-0.31	-0.02%
DSEX	4,920.97	64.98	1.34%
Dow Jones Industrial Average	26,935.07	-159.72	-0.59%
FTSE 100	7,344.92	-11.50	-0.16%
Nikkei 225	22,079.09	+34.64	+0.16%
BSE SENSEX	38,994.71	+980.09	+2.58%

Exchange Rates

USD 1 = BDT 84.49*
GBP 1 = BDT 105.52*
EUR 1 = BDT 93.14*
INR 1 = BDT 1.19*

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

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Deputy Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805 211
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md. Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
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BRAC EPL Research 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