

## Weekly Market Update

### Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.04%) lost 55.23 points and closed the week at 5,266.18 points. The blue-chip index DS30 (-1.77%) lost 33.64 points and stood at 1,863.94 points. The shariah based index DSES (-1.04%) lost 12.74 points and stood at 1,214.87 points. DSEX, DS30, DSES all posted negative YTD return of -2.22%, -0.90%, and -1.46% respectively.

**Total Turnover During The Week (DSE):** BDT 13.7 billion (USD 164.4 million)  
**Average Daily Turnover Value (ADTV):** BDT 3.4 billion ( $\Delta$ % Week: +10.8%)

### Daily Index Movement during the Week:

The market performed four sessions during this week. Market opened this week with a positive movement of 0.04% in the first session and turned negative in the second session (-1.18%). Market continued to be negative in the third session (-0.39%) and ended in positive in the fourth session by (+0.49%).

### Sectoral Performance:

- The financial sectors showed mixed performance this week. Life Insurance posted the highest gain of 1.87% followed by Mutual Funds (+0.07%). General Insurance posted the highest loss of 6.24% followed by NBFIs (-0.90%) and Banks (-0.05%).
- The non-financial sectors registered negative performance this week. Power experienced the highest loss of 5.63% followed by Food & Allied (-2.36%), Engineering (-2.05%), Telecommunication (-1.38%), and Pharmaceuticals (-0.34%).

### Macroeconomic arena:

- The government is set to fix GDP (gross domestic product) growth target for the next fiscal year at 8.2%, officials said. According to the officials, the total size of the budget for fiscal year 2019-20 may be around BDT 5.25 trillion. A leading private think tank, Centre for Policy Dialogue (CPD) has deplored that economy's high growth performance are not reflected in key macroeconomic parameters like private-sector credit, revenue mobilization, private investment and employment generation.
- The current account deficit soared to USD 1.7 billion in the second quarter of the current fiscal, up by USD 400 million from level in the first quarter, according to central bank statistics. Meanwhile, foreign exchange reserves are dwindling due to market intervention by the central bank to handle the exchange rate. The report said foreign exchange reserves slightly edged down to USD 32.2 billion at the end of Q2. Its coverage of import still remained at an adequate level of five months.
- Bangladesh Bank has extended three months' time for two types of classified loans - 'doubtful' and 'bad' - to facilitate business activities. With the revision, the loans overdue for three, nine and twelve months will be considered as 'sub-standard', 'doubtful' and 'bad' respectively, effective from June 30. The central bank has revised loan classification rules to treat unpaid instalment(s) of a term loan 'overdue' after six months of its (loan) 'expiry' date.
- The Bangladesh Investment Development Authority (BIDA) has suggested the central bank to take necessary steps to bring down the daily transaction limit of 'Nagad', making it equivalent to that of other mobile financial services. Other financial services including bKash are allowed to cash in BDT 15,000 and cash out BDT 10,000 a day in the case of an individual account holder, according to the Bangladesh mobile financial services (MFS) regulations 2018. On the other hand, under the scheme, a 'Nagad' customer will be able to cash in or cash out BDT 50,000 in a single transaction and a maximum of BDT 250,000 through 10 transactions a day.

### Stock Market arena:

- The proposal regarding issuance of a substantial number of shares to a foreign investment fund by Mutual Trust Bank (MTB) is yet to get regulatory approval though the bank sought permission from the BSEC almost six months back. Norfund, owned by the Norwegian government, in September of 2018 reached an agreement to buy 10% equity shares in Mutual Trust Bank at more than BDT 1.73 billion.
- The stock market regulator voided the share purchase deal between United Mymensingh Power Ltd (UMPL), a corporate director of United Power Generation, and a foreign company due to irregularities in the agreement process.
- The public subscription of Sea Pearl Beach Resort & Spa Limited opens today (Tuesday) to raise a fund worth BDT 150 million from the capital market. The subscription for shares of the company under fixed price method will be continued until May 6. Sea Pearl Beach Resort will offload 15 million ordinary shares at an offer price of BDT 10 each.

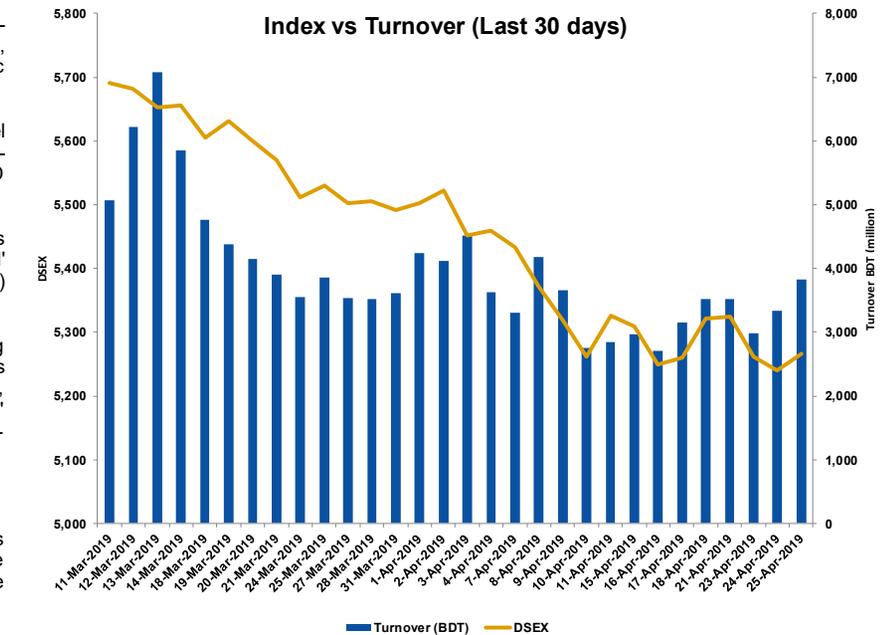
Table 1: Index

| Index | Closing  | Opening  | $\Delta$ (Pts) | 27-Dec-2018 | $\Delta$ % Week | $\Delta$ %YTD |
|-------|----------|----------|----------------|-------------|-----------------|---------------|
| DSEX  | 5,266.18 | 5,321.41 | -55.23         | 5,385.64    | -1.04%          | -2.22%        |
| DS30  | 1,863.94 | 1,897.58 | -33.64         | 1,880.78    | -1.77%          | -0.90%        |
| DSES  | 1,214.87 | 1,227.62 | -12.74         | 1,232.82    | -1.04%          | -1.46%        |

Table 2: Market Statistics

|                        |           | This Week    | Last Week    | %Change |
|------------------------|-----------|--------------|--------------|---------|
| Mcap                   | Mn BDT    | 15,669,758.7 | 15,765,308.6 | -0.6%   |
|                        | Mn USD    | 188,497.0    | 189,646.4    |         |
| Turnover               | Mn BDT    | 13,662.9     | 12,326.2     | 10.8%   |
|                        | Mn USD    | 164.4        | 148.3        |         |
| Average Daily Turnover | Mn BDT    | 3,415.7      | 3,081.6      | 10.8%   |
|                        | Mn USD    | 41.1         | 37.1         |         |
| Volume                 | Mn Shares | 347.8        | 284.5        | 22.2%   |

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

| Company Name                      | Close  | Open   | Δ%    | Mcap (mn BDT) | Vol (mn BDT) | P/E    | P/B   |
|-----------------------------------|--------|--------|-------|---------------|--------------|--------|-------|
| Standard Ceramic                  | 264.20 | 156.30 | 69.0% | 1,706.9       | 157.95       | 111.1x | 20.8x |
| Savar Refractories                | 136    | 94.40  | 44.1% | 189.4         | 4.01         | NM     | 21.7x |
| Imam Button                       | 25.00  | 19.60  | 27.6% | 192.5         | 2.42         | NM     | 4.5x  |
| Beach Hatchery Ltd.               | 22.20  | 18.30  | 21.3% | 919.1         | 30.83        | 977.8x | 2.1x  |
| Information Services Network Ltd. | 35.70  | 30.50  | 17.0% | 405.4         | 8.83         | 47.2x  | 2.9x  |
| Fine Foods Ltd                    | 45.60  | 39.00  | 16.9% | 637.2         | 194.44       | 160.5x | 4.3x  |
| Bangas                            | 265.30 | 227.30 | 16.7% | 1,926.5       | 104.50       | 80.7x  | 13.2x |
| Daffodil Computers Ltd.           | 55.30  | 47.80  | 15.7% | 2,760.1       | 172.90       | 32.8x  | 4.1x  |
| Jute Spinners                     | 104.20 | 91.00  | 14.5% | 177.1         | .53          | NM     | NM    |
| Golden Son Ltd.                   | 10.20  | 9.00   | 13.3% | 1,751.6       | 3.26         | NM     | 0.6x  |

**Table 4: Top Ten Losers**

| Company Name                                       | Close    | Open     | Δ%     | Mcap (mn BDT) | Vol (mn BDT) | P/E   | P/B   |
|--|----------|----------|--------|---------------|--------------|-------|-------|
| Reckitt Benckiser                                  | 2,220.50 | 3,268.80 | -32.1% | 10,491.9      | 78.25        | 29.1x | 40.6x |
| Monno Ceramic                                      | 245.20   | 334.10   | -26.6% | 8,008.7       | 676.00       | 37.3x | 3.5x  |
| United Power Generation & Distribution Company Ltd | 281.10   | 339.50   | -17.2% | 134,671.4     | 647.57       | 22.2x | 9.5x  |
| Agrani Ins Co. Ltd.                                | 31.00    | 37.20    | -16.7% | 892.9         | 84.62        | 21.1x | 1.8x  |
| Global Insurance Ltd.                              | 12.70    | 15.10    | -15.9% | 467.1         | 13.27        | 25.8x | 1.1x  |
| GSP Finance Company (Bangladesh) Limited           | 17.00    | 19.80    | -14.1% | 2,196.8       | 27.66        | 7.6x  | 0.7x  |
| The Premier Bank                                   | 11.00    | 12.80    | -14.1% | 10,165.0      | 135.19       | 5.1x  | 0.6x  |
| Eastern Lubricants                                 | 1,354.80 | 1,575.40 | -14.0% | 1,346.7       | 52.43        | 33.3x | 9.5x  |
| Midas Financing Ltd.                               | 15.80    | 18.30    | -13.7% | 2,090.3       | 4.94         | 23.8x | 1.4x  |
| FAS Finance & Investments Limited                  | 7.70     | 8.90     | -13.5% | 1,093.2       | 31.25        | 10.5x | 0.6x  |

**Table 5: Top Ten Most Traded Shares**

| Company Name                                       | Close    | Open     | Δ%     | Mcap (mn BDT) | Vol (mn BDT) | P/E    | P/B    |
|--|----------|----------|--------|---------------|--------------|--------|--------|
| Fortune Shoes Limited                              | 38.50    | 37.10    | 3.8%   | 4,810.0       | 1,001.78     | 19.7x  | 2.8x   |
| Monno Ceramic                                      | 245.20   | 334.10   | -26.6% | 8,008.7       | 676.00       | 37.3x  | 3.5x   |
| United Power Generation & Distribution Company Ltd | 281.10   | 339.50   | -17.2% | 134,671.4     | 647.57       | 22.2x  | 9.5x   |
| Bangladesh Submarine Cable Company Limited         | 158.10   | 160.80   | -1.7%  | 26,071.6      | 547.11       | 87.0x  | 4.3x   |
| National Tubes                                     | 124.80   | 116.70   | 6.9%   | 3,950.7       | 542.46       | NM     | 0.7x   |
| BRAC Bank  | 63.90    | 64.09    | -0.3%  | 78,812.7      | 276.74       | 15.1x  | 1.9x   |
| Monno Jute Staffers                                | 1,292.90 | 1,275.20 | 1.4%   | 2,676.3       | 219.96       | 230.2x | 109.1x |
| Bangladesh Shipping Corporation                    | 46.90    | 43.00    | 9.1%   | 7,153.9       | 215.05       | 46.2x  | 0.4x   |
| Esquire Knit Composite Limited                     | 41.50    | 42.90    | -3.3%  | 5,598.2       | 205.31       | 16.3x  | 0.0x   |
| Fine Foods Ltd                                     | 45.60    | 39.00    | 16.9%  | 637.2         | 194.44       | 160.5x | 4.3x   |

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

| Top 10 Most Appreciated Stocks    | Close    | Δ% YTD | Mcap (mn BDT) | P/E   |
|-----------------------------------|----------|--------|---------------|-------|
| Dutch-Bangla Bank                 | 77.20    | 33.66% | 38,600.0      | 12.6x |
| Berger Paints                     | 1,718.50 | 27.86% | 79,700.4      | 42.0x |
| Power Grid Co. of Bangladesh Ltd. | 59.70    | 24.38% | 27,516.5      | 9.9x  |
| BATBC                             | 1,436.90 | 21.71% | 258,642.0     | 26.8x |
| Rupali Bank                       | 41.90    | 17.04% | 15,776.1      | 30.3x |
| Marico Bangladesh Limited         | 1,380.40 | 15.01% | 43,482.6      | 22.9x |
| Eastern Bank                      | 40.80    | 13.33% | 30,110.4      | 14.4x |
| DESCO                             | 45.60    | 12.87% | 18,129.2      | 21.0x |
| Atlas Bangladesh                  | 133.50   | 9.52%  | 4,422.5       | NM    |
| The Premier Bank                  | 11.00    | 8.59%  | 10,165.0      | 5.1x  |

**Table 6: Sector Indices**

| Sector Name            | Week Close | Week Open | Year Open | %Δ Week | %Δ YTD  |
|------------------------|------------|-----------|-----------|---------|---------|
| Banks                  | 1432.52    | 1433.21   | 1848.21   | -0.05%  | -22.49% |
| NBFIs                  | 1914.53    | 1931.99   | 2714.85   | -0.90%  | -29.48% |
| Mutual Funds           | 645.98     | 645.55    | 788.81    | 0.07%   | -18.11% |
| General Insurance      | 1656.83    | 1767.09   | 1592.30   | -6.24%  | 4.05%   |
| Life Insurance         | 1972.02    | 1935.88   | 1834.85   | 1.87%   | 7.48%   |
| Telecommunication      | 5152.39    | 5224.40   | 6494.31   | -1.38%  | -20.66% |
| Pharmaceuticals        | 2722.90    | 2732.12   | 2821.05   | -0.34%  | -3.48%  |
| Fuel & Power           | 1732.07    | 1835.39   | 1527.27   | -5.63%  | 13.41%  |
| Cement                 | 1514.58    | 1544.63   | 2280.58   | -1.95%  | -33.59% |
| Services & Real Estate | 955.08     | 967.16    | 1224.11   | -1.25%  | -21.98% |
| Engineering            | 2865.26    | 2925.11   | 3166.83   | -2.05%  | -9.52%  |
| Food & Allied          | 17519.31   | 17943.04  | 15304.34  | -2.36%  | 14.47%  |
| IT                     | 1732.96    | 1686.64   | 1484.41   | 2.75%   | 16.74%  |
| Textiles               | 1360.38    | 1387.31   | 1222.72   | -1.94%  | 11.26%  |
| Paper & Printing       | 7053.36    | 7278.20   | 1013.11   | -3.09%  | 596.21% |
| Tannery                | 2580.79    | 2562.20   | 2642.41   | 0.73%   | -2.33%  |
| Jute                   | 17633.25   | 18336.62  | 8867.22   | -3.84%  | 98.86%  |
| Ceramics               | 535.15     | 547.33    | 597.46    | -2.23%  | -10.43% |
| Miscellaneous          | 2225.51    | 2267.23   | 1725.62   | -1.84%  | 28.97%  |

**Table 7: Sector Trading Matrix**

| Sector Name            | Daily average this Week | Daily average last week | % Change | % of Total Turnover | P/E   | P/B   |
|------------------------|-------------------------|-------------------------|----------|---------------------|-------|-------|
| Banks                  | 339.5                   | 242.9                   | 39.73%   | 10.56%              | 9.9x  | 0.9x  |
| NBFIs                  | 66.4                    | 73.5                    | -9.67%   | 2.06%               | 72.0x | 1.8x  |
| Mutual Funds           | 17.1                    | 11.9                    | 43.24%   | 0.53%               | NM    | 0.5x  |
| General Insurance      | 164.0                   | 223.3                   | -26.55%  | 5.10%               | 12.5x | 1.1x  |
| Life Insurance         | 37.9                    | 22.4                    | 69.25%   | 1.18%               | NM    | 8.2x  |
| Telecommunication      | 175.9                   | 216.0                   | -18.57%  | 5.47%               | 14.6x | 10.7x |
| Pharmaceuticals        | 261.2                   | 322.5                   | -19.00%  | 8.12%               | 19.2x | 2.5x  |
| Fuel & Power           | 361.9                   | 275.2                   | 31.49%   | 11.25%              | 12.1x | 2.0x  |
| Cement                 | 27.1                    | 35.3                    | -23.32%  | 0.84%               | 34.5x | 2.8x  |
| Services & Real Estate | 43.2                    | 33.0                    | 30.81%   | 1.34%               | NM    | 0.8x  |
| Engineering            | 508.5                   | 388.0                   | 31.04%   | 15.81%              | 14.9x | 1.8x  |
| Food & Allied          | 144.7                   | 110.5                   | 30.97%   | 4.50%               | 29.7x | 10.2x |
| IT                     | 105.1                   | 48.9                    | 114.89%  | 3.27%               | 21.8x | 2.7x  |
| Textiles               | 291.1                   | 291.4                   | -0.10%   | 9.05%               | 17.7x | 1.1x  |
| Paper & Printing       | 18.8                    | 14.2                    | 32.01%   | 0.58%               | 23.1x | 1.8x  |
| Tannery                | 292.7                   | 241.6                   | 21.13%   | 9.10%               | 17.2x | 2.9x  |
| Jute                   | 12.1                    | 15.9                    | -24.16%  | 0.37%               | NM    | 8.0x  |
| Ceramics               | 214.5                   | 200.5                   | 7.00%    | 6.67%               | 20.3x | 2.0x  |
| Miscellaneous          | 134.3                   | 126.7                   | 5.93%    | 4.17%               | 29.3x | 1.3x  |

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

| Top 10 Least Appreciated Stocks | Close  | Δ% YTD  | Mcap (mn BDT) | P/E   |
|---------------------------------|--------|---------|---------------|-------|
| International Leasing           | 9.40   | -31.39% | 1,985.7       | 4.8x  |
| IFAD Autos Limited              | 79.30  | -26.85% | 19,665.7      | 12.4x |
| Heidelberg Cement               | 259.10 | -22.59% | 14,640.1      | 22.6x |
| Aftab Automobiles               | 36.20  | -21.13% | 3,465.5       | 18.2x |
| RAK Ceramics Limited            | 32.40  | -16.92% | 12,605.6      | 14.6x |
| City Bank                       | 25.40  | -15.89% | 24,586.9      | 8.2x  |
| IDL Finance Ltd.                | 60.10  | -13.77% | 22,660.8      | 9.9x  |
| Delta Life Insurance            | 95.30  | -13.21% | 11,793.4      | NM    |
| Lankabangla Finance             | 20.60  | -10.04% | 10,571.5      | 11.0x |
| Apex Footwear Limited           | 269.00 | -8.97%  | 3,026.3       | 62.8x |

## Important News: Business & Economy

### Government's likely budget to be BDT 5.25 trillion

- The government is set to fix GDP (gross domestic product) growth target for the next fiscal year at 8.2%, officials said.
- The total size of the budget for fiscal year 2019-20 may be around BDT 5.25 trillion, they said. The total size of the budget for fiscal year 2019-20, which is expected to be held in June 13, may be around BDT 5.25 trillion, they said.
- The Finance Minister said that all these things are at the preliminary stage and not final, he noted..
- On another occasion, Finance Minister asked the Centre for Policy Dialogue (CPD) to provide data in support of the think-tank's claim that the economy's high growth performance is not reflected in key macroeconomic indicators.
- Meanwhile, the government is likely to allocate a record BDT 718 billion foreign aid for the upcoming development budget as some mega projects will eat up a significant amount of external funds. The Economic Relations Division (ERD) of the ministry of finance has finalised the project aid for the Annual Development Programme (ADP) of the fiscal year 2019-20. The proposed allocation is 40.78% higher than the current allocation in the revised ADP of the ongoing fiscal. In the current budget, the government allocated BDT 510 billion worth of foreign aid (project aid) in the Revised Annual Development Programme (RADP) of the FY2018-19.
- Since some mega projects including Rooppur nuclear power plant will receive a good amount of allocations, the total size of the foreign aid in the ADP has risen by nearly 41% in the upcoming ADP, according to official. Some projects in the power and transport sectors will also receive higher allocations in the upcoming budget, prompting the Division to prepare a rising project aid profile for the next national budget.
- The ministry of finance (MoF) and the Commission are working on formulating the national budget for the upcoming fiscal, where ADP will be the major part of the development budget. In the original BDT 1.73 trillion ADP for FY2019, the government had allocated BDT 600 billion as project aid. But last month, it slashed the amount by BDT 90 billion as development projects could spend less.

<http://today.thefinancialexpress.com.bd/first-page/BDT-525t-budget-likely-1556128221>

### Centre for Policy Dialogue (CPD) skeptical about GDP growth assessment

- A leading private think tank, Centre for Policy Dialogue (CPD) has deplored that economy's high growth performance are not reflected in key macroeconomic parameters. It also raised a question regarding an array of recent steps to curb the volume of non-performing loans (NPLs).
- Major parameters like private-sector credit, revenue mobilization, private investment and employment generation are on the decline while productivity is far below the expected level, it added.
- The noted economist said it is the government entities like the Bangladesh Bureau of Statistics (BBS), finance and planning ministries, and Bangladesh Bank (BB) need to offer

answers to these questions. He demanded full disclosure of the data considered to estimate the GDP (gross domestic product).

<http://today.thefinancialexpress.com.bd/first-page/cpd-sceptical-about-gdp-growth-assessment-1556042434>

### 2018 net FDI inflow at USD 3.61 billion

- The net inflow of foreign direct investment (FDI) in Bangladesh stood at USD 3.61 billion on a final count, according to the latest statistics of the central bank. Annual net FDI inflow jumped by 67% last year as net FDI was USD 2.15 billion. In 2017, FDI dropped by 7.73% from USD 2.33 billion.
- The Bangladesh Bank data put gross inflow of foreign investment at USD 4.54 billion in the 2018 calendar year.
- The statistics further showed that more than one-third of net FDI in 2018 was sourced by reinvesting earnings of existing multinational entities in Bangladesh.
- Former president of the Dhaka Chamber of Commerce and Industry said the ration of FDI to GDP (gross domestic product) here is still below 2.0% when it should be 4-5% to boost long-term growth.
- The statistics posted on the central bank's website, however, did not disclose the full-year data on county-wise FDI inflow to Bangladesh.

<http://today.thefinancialexpress.com.bd/last-page/2018-net-fdi-inflow-at-361b-1556043098>

### Current account deficit could snowball into financial sector

- The current account deficit soared to USD 1.7 billion in the second quarter of the current fiscal, up by USD 400 million from level in the first quarter, according to central bank statistics.
- The Bangladesh Bank (BB), in its latest quarterly publication, said this deficit is weakening the local currency against major currencies. The current account deficit has worsened due to the higher trade gap between the country and rest of the world.
- The report also said that the BB continued its intervention in the foreign exchange market by net selling of foreign currency to avoid excessive volatility during the quarter under review." Nominal exchange rate of the most peer countries appreciated, except Pakistan and Sri Lanka, the BB report said.
- Meanwhile, foreign exchange reserves are dwindling due to market intervention by the central bank to handle the exchange rate. The report said foreign exchange reserves slightly edged down to USD 32.2 billion at the end of Q2. Its coverage of import still remained at an adequate level of five months.
- Economists familiar with the matter said the observation made by the central bank is true and this is a matter of concern.

<http://today.thefinancialexpress.com.bd/first-page/current-account-deficit-could-snowball->

[into-financial-sector-1555695069](http://today.thefinancialexpress.com.bd/public/first-page/44b-adb-loans-likely-for-next-three-years-1555609893)

## USD 4.4 billion ADB loans likely for next three years

- The Asian Development Bank (ADB) has proposed providing USD 4.41 billion credit line through 2022 to support Bangladesh's key sectors. The sectors, which will get priority over the next three years, include energy, transport, education, agriculture, and finance. The financial assistance will come under its Country Operations Business Plan (COBP) for the next three years, according to a draft lending programme.
- Of the total amount, some USD 1.82 billion will be provided from its soft-lending provision-concessional OCR loans. The rest will come from its hard-term window - ordinary capital resources (OCR). An ADB team is now in Dhaka to prepare the country business plan. The Manila-based lender also said its support aims at reducing high transport and logistics costs and improving access to domestic, regional, and international markets.
- Last year the ADB, the country's second-largest development partner, confirmed some USD 2.1 billion funds. For 2019, the ADB has some USD 1.44 billion available for approval for Bangladesh, of which USD 835 million will come as hard loans and USD 612.45 million as soft loans.

<http://today.thefinancialexpress.com.bd/public/first-page/44b-adb-loans-likely-for-next-three-years-1555609893>

## Term loan borrowers to get breathing space

- The central bank has revised loan classification rules to treat unpaid instalment(s) of a term loan 'overdue' after six months of its (loan) 'expiry' date. The loans, which are repayable within a specific time period under a specific repayment schedule, will be treated as fixed-term loans. The revised loan classification rules will come into effect from June 30 next.
- As per the existing rules, loans overdue for three, six and nine months are classified as 'sub-standard', 'doubtful' and 'bad' respectively.
- The BB has also extended three months' time for two types of classified loans - 'doubtful' and 'bad' - to facilitate business activities. With the revision, the loans overdue for three, nine and 12 months will be considered as 'sub-standard', 'doubtful' and 'bad' respectively, effective from June 30, according to the notification. The loans will be treated as 'doubtful' after non-payment for nine months, and 'bad' after 12 months, while categorizing 'sub-standard' will remain unchanged at three months. These revised rules will be applicable for continuous loans, demand loans and fixed-term loans.
- The central bank's latest circular also changed rules for installment(s) of fixed term loans. If any installment(s) or part of installment(s) of a fixed-term loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.
- Chairman of the Association of Bankers, Bangladesh (ABB), said that such measures will help reducing the amount of non-performing loans (NPLs) but it will delay loan repayment, particularly from term-loan borrowers. This might impact, to some extent, the liquidity situation.

<http://today.thefinancialexpress.com.bd/first-page/term-loan-borrowers-to-get-breathing-space-1555955104>  
<https://www.thedailystar.net/business/news/bb-loosens-rules-loan-classification-1733470>

## Loans against movable assets on the cards

- People can soon get loans from banks by keeping their movable assets with banks as collateral, in a development that will expand the access to finance. The central bank has already drafted a law titled "The Secured Transaction (Movable Assets) Act", which will soon be sent to the law ministry for vetting.
- As per the draft act, furniture, gold, motor vehicles, computers, patents, goodwill, copyrights and many other tangible and intangible assets will be considered collateral. At present, borrowers are mainly allowed to keep the immovable assets like land, house and infrastructure as collateral with banks.
- The proposed act is scheduled to be passed by the national parliament within the next year, said a Bangladesh Bank official. The government will form a "Secured Transaction Registration Authority" under the upcoming act, which subsequently will create a data warehouse to register the collateral of movable assets. For instance, banks will register movable assets as collateral with the data warehouse once clients take loans by keeping the assets with them. Such a data warehouse will bar clients from taking loans from a number of banks by way of using the same properties as collateral.
- The government signed an advisory agreement with the International Finance Corporation in August 2016 for the implementation of the act.
- The central bank and the IFC have already discussed with different stakeholders including the Association of Bankers, Bangladesh (ABB), the Bangladesh Leasing and Finance Companies Association, the Bangladesh Investment Development Authority, law ministry and so on.

<https://www.thedailystar.net/business/news/loans-against-movable-assets-the-cards-1733464>

## Banks' exposure to 'single large borrowers' widens

- Loans in the country's banking sector are being highly concentrated in the hands of 'single large borrowers', a research paper said. This means that the banks may be chasing some big borrowers for lending money to them.
- The research, conducted by Professor of the Bangladesh Institute of Bank Management (BIBM), said such type of lending rose by 4.0% in 2018 over the previous year. The research - 'Credit Operations of Banks' - was based on the primary data, collected from some 32 banks. Besides, different circulars, relevant publications and journals were used as secondary sources.
- Sector insiders said that there are 59 commercial banks in the country, but the number of big groups or big borrowers is limited. That is why the banks pursue these borrowers vigorously. They also said such type of lending may raise the volume of default loans, as the borrowers may misuse the loans.

- Every bank has limit for providing 'single borrower' loans, based on the capital and nature of the industries. Usually borrowers get loans amounting to around 35% of their assets. If the borrowers get loans up to the maximum limit from different banks, ultimately they can collect a substantial amount of loans. A member of BIBM said that there is need for strong monitoring on such type of lending.

- The research paper also mentioned that the country's banking activities are very much urbanized and that this is creating a major problem for the banking sector.

<http://today.thefinancialexpress.com.bd/first-page/banks-exposure-to-single-large-borrowers-widens-1556042283>

### **Banks focus more on loan restructuring than cash recovery**

- Loan rescheduling and restructuring were the banks' most preferred mode for recovering loans last year, found a recent survey. All banks had resorted to restructuring to recover their bad loans last year, while 93.10% employed rescheduling, found the survey styled 'Credit Operation of Banks' by the Bangladesh Institute of Bank Management (BIBM). The disclosure casts suspicion on banks' recent proclamations of intensified recovery efforts to bring down the sector's non-performing loans.

- After grazing BDT 1 trillion in the third quarter of 2018, the banking sector's total NPLs stood at BDT 9.33 trillion at the year's end, which is 10.30% of the total outstanding loans, according to data from the Bangladesh Bank. Arbitration is getting popular in recovering loans, with 62.50% taking up the tool last year, up from 41.38% in the previous year, according to the survey. Lending to a single client by multiple banks has become an acute problem to the sector's credit management.

- Some 90.63% of the banks faced the problem in the last year, up from 86.21% a year earlier. The survey identified interest waiver and urban concentration as the other problems. Some 72% of the banks faced the problem of interest waiver last year, while 62.50% perceived urban concentration as a hurdle for credit operation. Another problem identified by the survey is that banks are interested in only lending to a select group of clients with little interest in branching out. In 2018, only 20% of the banks disbursed loans to new sectors.

- The disparity between urban and rural credit is still high as banks lack in confidence in lending large sums to rural areas. As of September last year, the share of credit in urban area was 89.66% , according to the survey. The lower credit flow to rural areas reflects the ignorance of inclusive banking, said chair professor of BIBM. Policymakers should give their attention in improving the share of credit to the rural area, he said.

<https://www.thedailystar.net/business/news/banks-focus-more-loan-restructuring-cash-recovery-1733758>

### **Bangladesh Bank plans forming CMC for banks' liquidity demand**

- The Bangladesh Bank (BB) is planning to set up a Cash Management Cell (CMC) under its Debt Management Department (DMD) to meet instant liquidity requirement of banks, officials said.x

- At the meeting, the senior officials of the Primary Dealer (PD) banks proposed the central bank to take such a measure, as the BB is the last resort to facilitate proper liquidity

management in the country's banking system.

- According to the proposal, at the closure of businesses, the central bank may arrange Repo and Reserve Repo auctions to help the bank concerned comply with the BB's cash reserve requirement (CRR) rules. Normally, the banks do not lend their excess funds to others without having counterparty limits that are set by an entity in order to manage and control risks. Excess funds with both the commercial banks as well as the government may be used through the cell, according to a PD official.

- When contacted, a BB senior official said the central bank is considering the proposal positively.

<http://today.thefinancialexpress.com.bd/last-page/bb-plans-forming-cmc-for-banks-liquidity-demand-1556128790>

### **Bangladesh Bank raises NBFIs' limit on borrowing**

- Country's non-banking financial institutions (NBFIs) will be allowed to borrow from the inter-bank call money market maximum 40% instead of 30% of their equities. The BB's latest move came against the backdrop of liquidity pressure on the non-banking financial sector

- Earlier on January 29 last year, the central bank set the call money borrowing limit based on equity instead of net asset for the NBFIs.

- The equity will be ascertained on the basis of the balance-sheet on the last working day of each calendar year of the NBFIs concerned.

- Chairman of Bangladesh Leasing and Finance Companies Association (BLFCA), said such policy relaxation will help ease liquidity pressure on the NBFIs to some extent.

- At the meeting, the NBFIs also were advised to raise capital through issuing bonds that will also help reduce dependence on funds from banks. He also said the central bank, Bangladesh Securities and Exchange Commission (BSEC) and the Ministry of Finance are working to develop the country's bond market.

<http://today.thefinancialexpress.com.bd/last-page/bb-raises-nbfis-limit-on-borrowing-1556043224>

### **Bangladesh Bank (BB) may go tough as farm credit flattens**

- The central bank is likely to toughen its stance against the banks whose farm credit disbursement continues to weaken. The overall disbursement of agriculture loans has flattened. The farm loan disbursement grew by only 0.31% to BDT 162.63 billion in the July-March period of the current fiscal year (FY) from BDT 162.14 billion in the same period a year ago, according to the central bank's latest statistics.

- The disbursement of farm credit has not increased significantly yet due to the unwillingness of some banks in both the public and private sectors, as per a BB official. He also said the central bank will take action against the banks, if they fail to achieve their farm credit target by the end of this fiscal.

- Therefore, BB may impose different policy restrictions on the banks if farm loan disbursement performance remains weak by the end of this fiscal for the expansion of their business, the central banker hinted. Of the total amount, BDT 77.57 billion was disbursed by eight public banks and the remaining BDT 85.07 billion by private commercial banks (PCBs) and foreign commercial banks (FCBs).
- All the banks have achieved more than 74% of their annual agricultural loan disbursement target for FY 2018-19. The target has been fixed at BDT 218 billion. The recovery of farm loans rose to BDT 170.14 billion during the period from BDT 153.95 billion, the BB data showed.

<http://today.thefinancialexpress.com.bd/public/last-page/bb-may-go-tough-as-farm-credit-flattens-1555610722>

### **Bangladesh Investment Development Authority (BIDA) suggests bringing down transaction limits for all MFS providers**

- The Bangladesh Investment Development Authority (BIDA) has suggested the central bank to take necessary steps to bring down the daily transaction limit of 'Nagad', making it equivalent to that of other mobile financial services. 'Nagad' is a mobile financial service (MFS) introduced recently by the Bangladesh Post Office (BPO). Industry insiders fear 'Nagad' service, with its increased transaction ceiling, may create an unhealthy competition in the market.
- Other financial services including bKash are allowed to cash in BDT 15,000 and cash out BDT 10,000 a day in the case of an individual account holder, according to the Bangladesh mobile financial services (MFS) regulations 2018. On the other hand, under the scheme, a 'Nagad' customer will be able to cash in or cash out BDT 50,000 in a single transaction and a maximum of BDT 250,000 through 10 transactions a day.
- A high official of BPO said Nagad would only be regulated by the 'Bangladesh Postal Act (Amendment) 2010'. 'Nagad' would not, thus, come under MFS regulations, he explained.

<http://today.thefinancialexpress.com.bd/first-page/bida-for-ensuring-uniform-rules-for-all-mfs-providers-1555955340>

### **Number of mobile subscribers nears 160 million in Bangladesh**

- The number of mobile subscribers in the country neared 160 million at the end of March as the mobile operators managed to add 1.34 million customers in the month. The number of total mobile phone subscribers increased to 159.7 million at the end of March from 158.4 million in February this year.
- BTRC officials said that although the total number of mobile subscribers neared 160 million, almost catching with the total population of the country of over 160 million, the actual number of mobile users would be less as many people use multiple connections or SIMs.
- Country's largest mobile phone operator Grameenphone added highest 0.58 million customers, taking its subscriber-base to 74.0 million in March from 73.5 million in the previous month. The second largest operator Robi managed to add 0.32 million subscribers, taking the number of its total subscribers to 47.3 million in March from 47.0 million in February. The number of subscribers of the third largest operator Banglalink increased by 0.35 million to 34.3 million at the end of March from 34.0 million in the

previous month.

- Apart from the mobile phone subscribers, the number of country's internet users increased by 1.1 million in March to reach 93.1 million in the month, according to the BTRC data. Mobile phone-based connections have contributed to the internet-users tally with the total number reaching 87.3 million, followed by WiMAX with 61,000 users while ISP and PSTN have 5.73 million users, showed the statistics.

<http://www.newagebd.net/article/70627/number-of-mobile-subscribers-nears-16-crore-in-bangladesh>

### **Telcos demand elimination of SIM tax**

- Telecom operators have demanded elimination of SIM tax on both new connection and SIM replacement, and withdrawal of VAT and other fees on internet use to boost telecommunication services in the country.
- Association of Mobile Telecom Operators of Bangladesh also demanded imposition of 10% of total disputed VAT as appeal fee only once instead of current provision of payment of 10% of disputed amount as appeal fee at every stage of appeal process.
- It is not rational to pay 30% of disputed VAT as fee for filing appeal at three forums — commissioner (appeal), appellate tribunal and High Court, it observed. The association said a subscriber is now required to pay BDT 100 in total for new SIM connection or replacement of old SIM and RUIM. NBR should withdraw the tax on SIMs and RUIMS connection and replacement and on the upcoming virtual SIMs to facilitate more people to get SIM cards at cheaper cost, it suggested.
- Telecom operators also demanded clear guidelines on VAT registration of government agencies and regulatory bodies for VATable services as the service receivers would be deprived of taking input tax credit in absence of VAT registration of the service providing agencies. They sought withdrawal of VAT, supplementary duty and surcharge which now stand at 11.25% in total on mobile internet usage.

<http://www.newagebd.net/article/70557/telcos-demand-elimination-of-sim-tax>

### **SMEs seek equal bond facility like RMG**

- The small and medium enterprises (SMEs) have sought equal bonded warehouse facilities for all exporters to help diversify export items and sustain in the competitive global market. In a pre-budget meeting on Tuesday, they also demanded the similar facility that the readymade garment (RMG) exporters are enjoying in terms of designated bonded area.
- Currently, the entire factory premises of the members of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is considered as the bonded area while the other exporters, including Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), are not entitled to enjoy the similar facility. They are allowed to enjoy the bonded facility for only a part of area of their factories.
- Bangladesh Agricultural Machinery Merchant Association (BAMMA), Bangladesh Tea Association and CTO forum Bangladesh also placed their pre-budget proposal for the fiscal year 2019-20 in the meeting.

<http://today.thefinancialexpress.com.bd/trade-market/smes-see-equal-bond-facility-like-rmg-1556038901>

### Net metering adds 4.25MW solar power to national grid

- The solar power generation under the net metering system reached nearly 4.25 megawatt (MW) in February last, officials said. They said some 179 producers were generating the electricity in their building rooftops and supplying to the national electricity grid.
- Under the net metering system, one can store the energy in the grid when the solar panels produce excess power than that of the requirement and later can take electricity from the grid when the solar system produces lower than required electricity.
- Power Division joint secretary Mohammad said that the net metering system is an option for industry owners to generate electricity in their building rooftops and get power at low cost. He said the industrialists pay much higher price due to commercial rate of the electricity. However if the industrialists produce solar power on their own, they are actually paying much lower. Because, nowadays the production cost of solar electricity is lower than the commercial rate of power for industrialists, he noted.
- The government formulated guidelines for net energy metering in July 2018 and asked the power distribution companies to encourage factory owners to invest in solar power production in their building rooftops..

<http://today.thefinancialexpress.com.bd/trade-market/net-metering-adds-425mw-solar-power-to-national-grid-1556038929>

### Bangladesh eyes greater energy sector cooperation with Brunei

- Bangladesh and Brunei agreed to explore the possibility of comprehensive collaboration in the energy sector amid the growing demand for energy in Bangladesh to support the rapid economic growth. Prime Minister Sheikh Hasina and Brunei's Sultan Haji Hassanal Bolkhiah also agreed to encourage the relevant agencies from both sides to continue discussions to identify specific areas and modalities of cooperation in this sector, according to a joint statement issued on Tuesday.
- The two countries are looking for comprehensive collaboration in the energy sector via a Government-to-Government (G2G) arrangement, including liquefied natural gas (LNG) supply to Bangladesh as well as the participation of both public and private sectors; covering areas such as investments and trade in petro-chemicals, offshore oil and gas exploration, technical collaboration, and capacity building.

<http://today.thefinancialexpress.com.bd/last-page/bd-eyes-greater-energy-sector-cooperation-with-brunei-1556043010>

### Garment exports in new destinations rise sevenfold in a decade

- Garment exports to new destinations grew sevenfold to USD 5 billion in the last one decade buoyed by market diversification drives and the government's stimulus package set aside for exploring opportunities in emerging markets, exporters said.

- The country's garment shipment to the emerging markets was USD 700 million in 2009, according to vice-president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA). India, China, Russia, Japan, South Africa, Turkey and Brazil are among the major non-traditional markets for the garment sector. Currently, the government gives 4% export incentive against garment shipments to new destinations.

<https://www.thedailystar.net/business/news/garment-exports-rise-sevenfold-decade-1731793>

### Local car manufacturing to get fiscal support

- The National Board of Revenue (NBR) would provide necessary support to the investors who are interested in setting up of car manufacturing units in Bangladesh. NBR Chairman informed that formulation of a policy is underway to encourage car manufacturing in the country. Representatives from different associations of automobile assemblers and manufacturers, automobile workshops, automobile accessories, aviation operators, etc. placed their proposal ahead of upcoming budget for fiscal year 2019-20.
- Expressing the hope that the investors would take the advantage of manufacturing automobile, the NBR chief said the policy will help start manufacturing of cars which will be sold with 'made in Bangladesh' tagline. The motorcycle industry has grown in the country following the government incentives and tax benefits, he said, adding: the car manufacturers will also get such privileges.
- He pointed out that a breakthrough in the motorcycle manufacturing and assembling sector has been made in the last five to ten years and now chances are there for the sector to explore export markets. BAAMA secretary mentioned that the annual sales of motorcycles increased to 450,000 units in 2018 from 300,000 units in 2016 while the market may grow by 10% in the next fiscal.

<http://today.thefinancialexpress.com.bd/public/trade-market/local-car-manufacturing-to-get-fiscal-support-1555611652>

### Belt and Road Initiative (BRI) fits into our national priorities: International affairs adviser to the Prime Minister

- Welcoming China's Belt and Road Initiative (BRI), international affairs adviser to the Prime Minister Gowher Rizvi said the objectives of the agenda 'fit' into the national priorities of Bangladesh.
- More than 150 countries, including Bangladesh and 90 organizations from various parts of the world have so far confirmed their involvement with the initiative.

<http://today.thefinancialexpress.com.bd/first-page/bri-fits-into-our-natl-priorities-gowher-155577877>

### The Payra Port Authority (PPA) signs deal with Korean firms today to build terminal

- The Payra Port Authority (PPA) signs an agreement with a joint venture of South Korean firms today (Tuesday) for building terminal and other facilities at the Payra Port, official said. The Korean firms are Kunhwa Engineering and Consulting Company Limited, Daeyoung

Engineering Company Limited and Heerim Architects and Planners Company Limited.

- The government, under its mid-term plan, has taken the project to build two terminals, including six berths and 10.50 meter deep channel of the port by 2021 with an estimated cost of over BDT 39.82 billion. The port is one of the government's 10 first-track projects. The government has taken short, medium and long term plan for the development of the port.

<http://today.thefinancialexpress.com.bd/trade-market/ppa-signs-deal-with-korean-firms-today-to-build-terminal-1555949673>

### **Padma Bridge work unlikely to meet December 2019 deadline**

- The much-vaunted Padma Bridge project is once again fated to miss its construction deadline.
- The Chinese firm, China Major Bridge Engineering (CMBE), was given until December 2019 to complete the work on the 6.15-kilometre road-cum-rail bridge over the river Padma. Sources said the firm of late sought two and a half years more for completion of the project citing various reasons.
- The government earlier extended the deadline for completing the work on the much-talked-about Padma Bridge to December 2018. But then it again extended the deadline to December 2019 failing to achieve due progress in the project work. The cost of the Padma Multipurpose Bridge Project (PMBP) has already been raised to BDT 301 billion from BDT 288 billion. The project manager said that whenever pressure is put on the contractor to speed up the work, a plea for time extension is placed.

<http://today.thefinancialexpress.com.bd/first-page/padma-bridge-work-unlikely-to-meet-dec-19-deadline-1556128357>

### **The Financial Reporting (FRC) finds anomalies in companies' financials**

- The Financial Reporting Council (FRC) has asked all listed companies and respective auditors to prepare 'accurate' and 'truthful' financial statements. The instruction followed some inconsistencies detected in the financial statements of at least 20 companies. The statements, allegedly, have been prepared 'violating' international standards on auditing.
- The companies and their auditors concerned have been requested to take effective steps to formulate accurate and truthful financial statements by the FRC. Otherwise, legal steps will be taken as per the Financial Reporting Act (FRA) 2015.
- The companies which came under FRC scrutiny prepared their statements for the year that ended on December 31, 2018. A number of listed banks, financial institutions, insurers and multinational companies prepare financial statements for the year ending on December 31.
- When asked, FRC chairman said that they had arranged a hearing for the companies and auditors while re-auditing their financial statements. The Chairman said that the FRC could go tough with companies and auditors concerned as per the FRA (Financial Reporting Act) 2015 for making financial statements in breach of standards on accounting.

<http://today.thefinancialexpress.com.bd/first-page/frc-finds-anomalies-in-companies->

[financials-1555777558](#)

### **Important News: Capital Market**

#### **GP bound to pay outstanding BDT 126 billion: Bangladesh Telecommunication Regulatory Commission (BTRC)**

- Bangladesh Telecommunication Regulatory Commission (BTRC) said the country's leading mobile phone operator Grameenphone has no alternative to paying BDT 125.79 billion dues unearthed through an audit. Talking to the news agency, BTRC Chairman said that Grameenphone is legally bound to make the payment of the outstanding amount unearthed by conducting an audit.
- Officials said the telecom regulator is mulling to force the operator to pay the outstanding amount following legal procedures such as stopping issuance of NOC, putting cap on customer base and temporary ban of license.

<http://today.thefinancialexpress.com.bd/stock-corporate/gp-bound-to-pay-outstanding-BDT-126b-btrc-1556124731>

<http://www.newagebd.net/article/70745/gp-bound-to-pay-outstanding-BDT-12579cr-says-btrc>

#### **Bangladesh Securities and Exchange Commission (BSEC) yet to approve Norfund proposal to buy 10% equity shares of Mutual Trust Bank (MTB)**

- The proposal regarding issuance of a substantial amount of shares to a foreign investment fund by Mutual Trust Bank (MTB) is yet to get regulatory approval though the bank sought permission from the BSEC almost six months back.
- Norfund, owned by the Norwegian government, in September of 2018 reached an agreement to buy 10% equity shares in Mutual Trust Bank at more than BDT 1.73 billion. Both sides have agreed to make the deal at BDT 27.19 a share, including BDT 17.19 as premium. As per the board's decision, the MTB will issue above 63.70 million shares, which is 10% of paid-up capital, to the Norfund. In exchange, Norfund will get a seat in the board of the bank. The officials said the bank took the decision of issuing shares as part of its move to enhance the paid-up capital and strengthen corporate governance.
- Asked, a senior official of the Bangladesh Securities and Exchange Commission (BSEC), however said that the bank's proposal is under their active consideration. The securities regulator is set to settle the issue as soon as possible.
- The MTB sought approval from the securities regulator on November 6 last after completing relevant processes including approvals from the central bank and shareholders. The Managing Director said the regulatory approval to the proposal of issuing shares is also related to some other mandatory functions. Before getting the regulatory approval, the bank was unable to complete the bank's annual report and conduct annual general meeting (AGM) as well, according to the Director. The management is hoping that the the securities regulator will help the bank in completing mandatory functions in due time,
- With Norfund's investment, he said, MTB's capital base will also increase significantly to meet the Basel III requirement. Presently, the bank's paid-up capital stands at BDT 5.73

billion and it will go up to BDT 7.46 billion thanks to the injection of the fund.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-yet-to-approve-norfund-proposal-to-buy-10pc-equity-shares-of-mtb-1556124619>

### **Dhaka Stock Exchange (DSE) proposes ceiling on pre-IPO placement shares**

- The country's premier bourse has made a set of proposals including a provision for putting a cap on issuing pre-IPO (initial public offering) placement shares to ensure discipline in the country's capital market. The DSE made their proposals in four categories-pre-IPO placement process, sale of shares by sponsor-directors, supply of securities having good fundamentals, and revision of the limit of banks' exposure to the capital market.
- The DSE proposed a ceiling--25% of a company's paid-up capital--on pre-IPO placement shares. It also proposed one-year lock-in on the shares of the placement holders from the date of debut trading, instead of the date of approving the IPO prospectus. The number of pre-IPO placement shareholders should be limited to 50, the DSE proposal mentioned. The DSE made the proposal to avert any sudden sale pressure from the placement holders after their lock-in period.
- According to the DSE managing director, presently a company can issue shares up to 50% of the paid-up capital to the sponsors and placement holders. For different reasons, the lock-in system on placement shares almost ends just after debut trading. As a result, the market faces a sale pressure from the placement holders, he added. In its proposal the DSE also said there had been reports about unhealthy practices in issuing private placement shares in recent times.
- To prevent share sales without declaration by sponsor-directors and private placement holders, the DSE sought flagging the system for identification of such shares. The category of a listed company should be changed, if its sponsor-directors fail to hold the minimum amount of shares as per the securities rules, the DSE proposed.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/dse-proposes-ceiling-on-pre-ipo-placement-shares-1555612440>  
<https://www.thedailystar.net/business/news/dse-wants-curbs-sponsors-share-sale-1731805>  
<https://www.dhakatribune.com/business/stock/2019/04/18/dse-proposes-five-point-action-plans-for-turnaround-in-stock-market>

### **ICB seeks BDT 9.0 billion under refinancing scheme**

- The state-run Investment Corporation of Bangladesh (ICB) has sought the fund of BDT 9.0 billion which was earlier disbursed under the refinancing scheme of the capital market.
- The corporation has sought the fund to provide 'instant' support to the capital market which recently has witnessed continuous correction amid lack of confidence. To get the fund, the ICB has submitted a proposal to the ministry of finance (MoF).
- ICB Managing Director said the corporation has sought the fund at lower interest rate considering the ongoing market situation. In 2013, the ICB received BDT 9.0 billion from the central bank through three installments under the capital market refinancing scheme. The government provided the fund to reduce the suffering of small investors affected during 2010-11 stock market debacle.

<http://today.thefinancialexpress.com.bd/stock-corporate/icb-seeks-BDT-90b-under-refinancing-scheme-1556036164>

### **Finance Minister assures Bangladesh Securities Exchange Commission (BSEC) of budget incentives**

- Finance Minister has assured the securities regulator of his sincere consideration to provide incentives for the capital market in the upcoming budget, a release said.
- BSEC said in a release that the securities regulator has urged the finance minister to strengthen the financial capacity of the Investment Corporation of Bangladesh (ICB), as it plays a vast supportive role for the market.
- The minister has assured the securities regulator of considering the proposal of enhancing the financial capacity of the state-run ICB, it said.

<http://today.thefinancialexpress.com.bd/stock-corporate/kamal-assures-bsec-of-budget-incentives-1556036108>

### **Bangladesh Securities and Exchange Commission (BSEC) cancels United Power's share sale to foreign firm**

- The stock market regulator yesterday voided the share purchase deal between United Mymensingh Power Ltd (UMPL), a corporate director of United Power Generation, and a foreign company due to irregularities in the agreement process. The corporate director of United Power Generation, listed on the Dhaka and Chittagong stock exchanges, failed to submit any information on the owners of the foreign company.
- BSEC also did not follow the securities rules and regulations when determining the valuation of the shares. The agreement was to sell 7.51 million shares worth BDT 476.60 each -- which is way higher than the stock's peak price of BDT 419 -- through call option, which is forbidden by the country's rules, the BSEC said.
- Call option is a financial contract to buy an agreed quantity of a financial instrument from a seller at a certain time for a certain price. The buyer can decide not to make the purchase but for this right it pays a fee when the contract is signed. So, the regulator has decided to void the share purchase agreement that took place on March 31, 2019.
- The company informed the BSEC on April 7 about the agreement, but it did not notify its investors through the Dhaka Stock Exchange website, as stipulated by the rules. How come the corporate sponsors do not have any information on the owners of the foreign company, asked a top official of the DSE. The sponsor might have pulled this stunt to influence its stock's price, which has been flagging.

<https://www.thedailystar.net/business/news/bsec-cancels-united-powers-share-sale-foreign-firm-1733764>

### **Sea Pearl Beach's subscription opens today**

- The public subscription of Sea Pearl Beach Resort & Spa Limited opens today (Tuesday) to raise a fund worth BDT 150 million from the capital market. The subscription for shares of

the company by the eligible investors through electronic subscription system under fixed price method will be continued until May 6.

- Sea Pearl Beach Resort & Spa (the owner of "Royal Tulip Sea Pearl Beach Resort & Spa Cox's Bazar") a Five Star Resort & hotel in Bangladesh, started its commercial operation from 17 September 2015. As per the BSEC approval - under the fixed price method - Sea Pearl Beach Resort will offload 15 million ordinary shares at an offer price of BDT 10 each.
- The company will use the IPO fund for interior, finishing, furniture & fixture (157 rooms) 71.22%, acquisition of land 17.77% and bearing the IPO expenses 11.01%.

<http://today.thefinancialexpress.com.bd/stock-corporate/sea-pearl-beachs-subscription-opens-today-1555948799>

### **Capital market on right track: Finance Minister**

- Finance minister, said that he does not see any major problem in the prevailing trend in the capital market. About the positive side of the capital market, he said P/E (price earning) ratios of the companies presently are at a tolerable level. The broad index of the Dhaka Stock Exchange (DSE) was 5,950 points on January 24, which fell to 5,323 on April 21.
- The minister noted that the index and market capitalization are at the "right" level in the context of the economy. In contrast, experts on several occasions laid importance on listing of more companies having good fundamentals as the growth of the capital market fails to keep pace with that of the roughly USD 300 billion economy. The ratio of market capitalization to GDP, one of the major indicators of measuring depth of a market, is below 15%, whereas the ratios are above 20% in neighbouring countries. The ratios are above 100% in the markets of Thailand, Malaysia, Tokyo and Singapore.
- The minister said that the problem is that the number of educated investors is quite low in Bangladesh, whereas most of the investors in other capital markets are educated.

<http://today.thefinancialexpress.com.bd/first-page/capital-market-on-right-track-finance-minister-1555955277>  
<https://www.thedailystar.net/business/news/stocks-slide-not-unusual-kamal-1733461>

### **Summit LNG terminal arrives, awaits commissioning**

- Summit Group's LNG terminal reached the country Saturday and is now waiting for commissioning to initiate supply of re-gasified LNG to consumers.
- This is the country's second liquefied natural gas import terminal and both are floating, storage, re-gasification units (FSRUs). Known as Summit LNG, the vessel with the FSRU is moored six kilometres off the Moheshkhali Island in Cox's Bazar with around 138,000 cubic metre of Qatari lean LNG, the company said. Summit has chartered this vessel from the USA's Excelerate Energy, the contractor of the country's first LNG import terminal, for 15 years.
- The government, however, faces 'capacity payment' risk from the day one of the commercial operations of the country's second LNG import terminal. The risk emanates as necessary transmission pipeline to evacuate re-gasified LNG has not been installed as yet. Officials concerned fear that the pipeline is unlikely to get ready before the commissioning of the Summit's FSRU. It might take even several months to complete the pipeline for

evacuation of the LNG, said a senior official at the Gas Transmission Company Ltd (GTCL).

- With the existing pipeline network, some 650 million cubic feet per day (mmcf) of LNG can be evacuated as against the total 1,000 mmcf a day capacity of two FSRUs.

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