

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 eases sale process for foreigners to attract Foreign Direct Investment (FDI)

- The central bank has simplified and rationalized the sale process of foreigners' equity investment in both public and private entities to attract more foreign direct investment (FDI) in Bangladesh. Under the rationalization and simplification of sale process, buyers and sellers will have to sign a memorandum of understanding (MoU) prior to seeking approval from the Bangladesh Bank (BB) for transferring fund.
- Under the new procedures, the central bank will accept the fair value of the shares as repatriable abroad /or for re-investment in Bangladesh determined on the date of MoU for share sale-purchase agreement based on the latest audited financial statements of the target company. The fair value of the shares will be determined by weighted average calculation maintaining all the three valuation approaches or any of the suitable approaches depending on the nature of the company, having justified ground. The valuation approaches are net asset value approach, market value approach and discounted cash flow approach.

<http://today.thefinancialexpress.com.bd/last-page/bb-eases-sale-process-for-foreigners-to-attract-fdi-1525630973>

Bangladesh-China Joint Venture to build coal-fired power plant

- State-run Bangladesh Power Development Board (BPDB) and China Huadian Hongkong Company Ltd (CHDHK) Sunday inked a deal to form a joint venture (JV) company to build a 1,320 megawatt (MW) coal-fired power plant at Moheshkhali in Cox's Bazar. Both the companies would have similar stakes in the power plant to be built on 200 acres of land.

<http://today.thefinancialexpress.com.bd/last-page/bd-china-jv-to-build-coal-fired-power-plant-1525630920>
<https://www.thedailystar.net/business/deal-signed-chinese-firm-1320mw-plant-1572652>

Government's earning from Dhaka Stock Exchange (DSE) doubles in April

- The government bagged tax worth about BDT 220 million in April as against BDT 104 million in March 2018, registering an increase of nearly 112%, according to statistics from the Dhaka Stock Exchange (DSE). Market operators said the government earnings from the Dhaka bourse rose substantially during the month compared to March on the back of increased trading volume coupled with significant share transactions by sponsor-directors and placement holders.
- Of the total earnings in April, BDT 115 million came from TREC holders' commission and BDT 104 million came from share sales by sponsor-directors and placement holders, the DSE data shows. The DSE, on behalf of the government, collects tax as TREC holders' commission and sponsor-directors and placement holders' shares sales at the rate of 0.05% and 5.0% respectively and deposits the amount to the national exchequer.

<http://today.thefinancialexpress.com.bd/stock-corporate/govts-earning-from-dse-doubles-in-april-1525628256>

Government tax collection from DSE doubles in April

- The government's tax collection from the Dhaka Stock Exchange doubled in April compared with that in the previous month due to a rise in turnover on the bourse. The National Board of Revenue in April received BDT 220.2 million that included BDT 114.9 million as tax on turnover and BDT 105.3 million as tax on sponsor-directors' capital gain from share sales.
- In March, the government's tax receipt from the bourse was BDT 103.5 million — BDT 67.1 million as turnover tax and BDT 36.7 million as tax on sponsor-directors' capital gain from share sales. Turnover on the bourse increased in April amid the rise in share prices in the bourse. The key index, DSEX, gained 141 points in the month. The average daily turnover on the DSE soared by 63% to BDT 5.47 billion in April with 21 trading sessions compared with that of BDT 3.35 billion in March with 20 trading sessions. The tax on sponsor-directors' capital gain shot up in April due to a significant amount of share transactions by directors of some of the companies in block market.
- Under the Income Tax Ordinance 1984, the DSE collects 0.05% tax on turnover from brokerage houses which collect the tax from investors on their daily transactions and 5% tax on capital gains made by sponsor-directors and placement shareholders.

<http://www.newagebd.net/article/40587/govt-tax-collection-from-dse-doubles-in-april>

ACI upsets investors

- ACI, a blue-chip stock, has been disappointing investors with its sliding earnings in the first three quarters of the financial year. The company, however, reported revenue of BDT 16.27 billion for the three quarters, up nearly 19% year-on-year. In fact, the third quarter revenue also rose nearly 17%. Earnings per share of ACI slumped about 72% year-on-year to BDT 0.96 only in the third quarter (January to March).
- A top executive of ACI said their sales turnover remains healthy, but high borrowing and import costs due to a rise in lending and exchange rates and massive duty reduction of rice have impacted the EPS of the company. Executive Director (finance and planning) of ACI said that Sales growth of ACI is quite healthy but the EPS has declined due to high borrowing and import costs.
- China decided to shut down thousands of its polluting factories and ACI sourced products from many of them. So, those products' prices have soared almost 22%. Another shock on the EPS came from the food products. Quarterly report of ACI shows loss in the food subsidiaries increased 165% year-on-year to BDT 17.99. This year, EPS was hurt by the new subsidiaries also.
- Quarterly report of ACI shows its supermarket chain Shwapno's losses are shrinking: it declined 7.14% year-on-year to BDT 880.3 million. ACI announced 115% cash and 10% stock dividends in 2017, which is the same as in the previous year. Its net profit after tax for the financial year that ended on June 2017 was BDT 1.24 billion.

<https://www.thedailystar.net/business/aci-upsets-investors-1572649>

World Stock and Commodities*

| Index Name | Close Value | Value Change | % Change |
|------------------------------|-------------|--------------|----------|
| Crude Oil (WTI)* | \$70.43 | +0.71 | +1.02% |
| Crude Oil (Brent)* | \$75.69 | +0.82 | +1.10% |
| Gold Spot* | \$1,318.23 | +3.73 | +0.28% |
| DSEX | 5694.28 | -4.41 | -0.08% |
| Dow Jones Industrial Average | 24,262.51 | +332.36 | +1.39% |
| FTSE 100 | 7,567.14 | +64.45 | +0.86% |
| Nikkei 225 | 22,372.14 | -100.64 | -0.45% |

Exchange Rates

USD 1 = BDT 83.85*
 GBP 1 = BDT 113.70*
 EUR 1 = BDT 100.40*
 INR 1 = BDT 1.25*

*Currencies and Commodities are taken from Bloomberg.

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