

## Weekly Market Update

### Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.59%) lost 34.00 points and closed the week at 5,711.83 points. The blue-chip index DS30 (-0.18%) lost 3.53 points and stood at 1,998.65 points. The shariah based index DSES (+0.13%) gained 1.73 points and stood at 1,314.64 points. DSEX, DS30 and DSES all posted positive YTD return of +6.06%, +6.27%, and +6.64% respectively.

**Total Turnover During The Week (DSE) :** BDT 26.7 billion (USD 320.9 million)  
**Average Daily Turnover Value (ADTV):** BDT 6.7 billion (Δ% Week: -8.4%)

### Daily Index Movement during the Week:

The market performed four sessions during this week. Market opened this week with a negative movement of 0.55% in the first session. Then the market turned around in the second session (+0.73%). In the third session, the market turned negative (-0.30%) and continued to be negative (-0.47%) in the fourth session as well.

### Sectoral Performance:

- The financial sectors showed negative performance this week except General Insurance (+2.41%). Mutual Funds recorded the highest loss of 1.69% followed by NBFIs (-1.49%), Life Insurance (-0.82%), and Banks (-0.65%).
- The non-financial sectors registered mixed performance this week. Telecommunication recorded highest gain of 2.10% followed by Food & Allied (+0.88%), and Pharmaceuticals (+0.47%). Engineering on the other hand, posted highest loss of 1.99% followed by Power (-1.54%).

### Macroeconomic arena:

- The central bank is set to raise paid-up capital of scheduled banks to BDT 5.0 billion from the existing BDT 4.0 billion over the next two years. The relevant department of the BB is likely to issue an instruction to the banks that have the paid-up capital below BDT 5.0 billion. Currently a total of 17 banks, including seven fourth generation private commercial banks (PCBs), do now have paid-up capital below BDT 5.0 billion.
- The central bank has issued a new policy asking banks to comply with cash reserve requirement (CRR) and statutory liquidity ratio (SLR) rules for their Offshore Banking Operations. Under the new policy, three-fourths of total outstanding offshore operations' funds will have to be invested in Bangladesh.
- The volume of classified loans in the country's banking system jumped by over 26% or BDT 196.08 billion in the last calendar year despite close monitoring by the central bank. The non-performing loans (NPLs) rose to BDT 939.11 billion as of December 31 in the last calendar year from BDT 743.03 billion on the same day in 2017.
- World-renowned German brand Bosch has stepped foot in Bangladesh market. Edison Group of Bangladesh was made the sole distributor of Bosch home appliances in the country. Bosch is keen to offer its world-class home appliances to the premium segment of Bangladesh.

### Stock Market arena:

- Summit Power, the country's largest independent power producer (IPP), inaugurated their 21st power plant in Gazipur on Sunday, which is capable of generating 464MW electricity. With the addition of the new Summit Gazipur I & II Power Ltd, their total power generation capacity increased from 1,941MW to 2,045MW.
- Local cement manufacturers have comfortably pummelled their foreign counterparts in their scrap for market share in the past seven years -- in a testament of their nous and industriousness. By 2018 local cement manufacturers had cornered 86% of the market, a reversal in scenario from 15 years earlier, when the multinational companies ruled the roost, according to data from the Bangladesh Cement Manufacturers Association.
- The Bangladesh Securities and Exchange Commission (BSEC) yesterday decided to fine each director of Emerald Oil, except the independent one, BDT 5 lakh for not publishing the financial statement of the fiscal year ending on June 30, 2017.
- Runner Automobiles is set to hold IPO lottery draw on March 04 to allocate 13.93 million ordinary shares among the successful applicants. Runner Automobiles, a flagship company of Runner Group, raised a fund worth BDT 1.0 billion from the capital market under the book-building method. The cut-off price of the shares of motorcycle maker was fixed at BDT 75 each as discovered by eligible investors (EIs) through bidding under the book-building method.

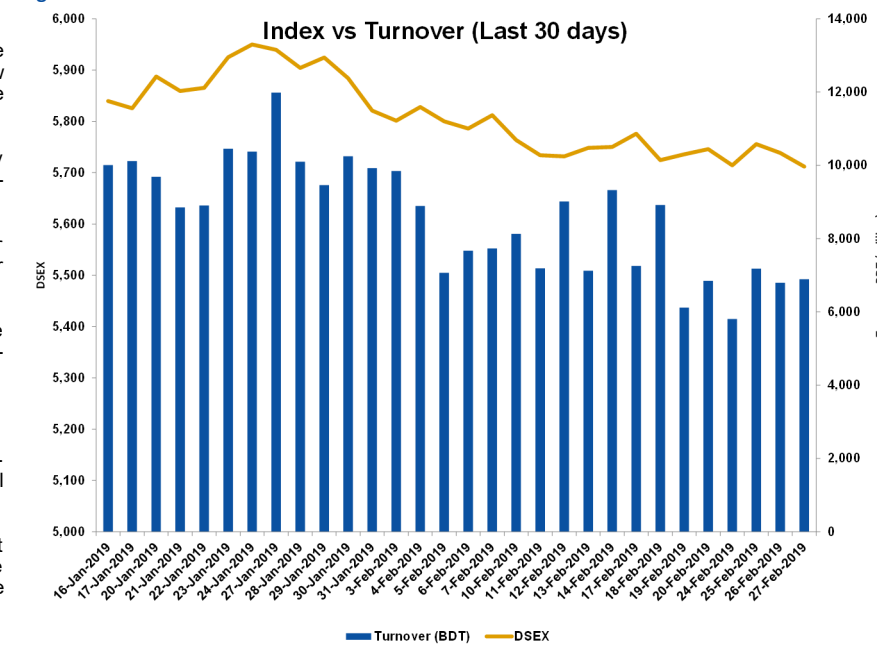
Table 1: Index

Index	Closing	Opening	Δ(Pts)	27-Dec-2018	Δ% Week	Δ%YTD
DSEX	5,711.83	5,745.83	-34.00	5,385.64	-0.59%	6.06%
DS30	1,998.65	2,002.18	-3.53	1,880.78	-0.18%	6.27%
DSES	1,314.64	1,312.91	1.73	1,232.82	0.13%	6.64%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	16,623,789.0	16,597,731.0	0.2%
	Mn USD	199,973.4	199,659.9	
Turnover	Mn BDT	26,676.5	29,134.2	-8.4%
	Mn USD	320.9	350.5	
Average Daily Turnover	Mn BDT	6,669.1	7,283.6	-8.4%
	Mn USD	80.2	87.6	
Volume	Mn Shares	527.0	652.9	-19.3%

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
Takaful Insurance	34.10	28.20	20.9%	1,370.0	44.28	27.8x	2.2x
Northern Jute	1,260	1,086.00	16.0%	2,697.8	25.31	294.8x	16.6x
Provati Insurance	40.40	35.00	15.4%	1,200.0	203.25	23.7x	2.6x
Sonar Bangla Ins	67.30	58.60	14.8%	2,542.3	502.00	46.1x	4.5x
Monno Ceramic	413.70	363.00	14.0%	13,512.2	1,211.55	5133.6x	5.7x
United Insurance	83.80	75.60	10.8%	3,519.5	42.03	29.2x	2.9x
City General Insurance	19.60	17.80	10.1%	1,336.1	77.59	14.3x	1.4x
Purabi Gen. Insurance Company Ltd.	18.80	17.10	9.9%	1,039.7	103.48	19.2x	1.6x
Dutch-Bangla Bank	179.20	163.30	9.7%	35,840.0	324.95	20.3x	2.1x
Safko Spinnings	20.30	18.70	8.6%	608.6	93.14	54.8x	1.2x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Emerald Oil Industries Ltd.	16.40	23.30	-29.6%	979.3	60.87	5.4x	1.0x
Imam Button	18.00	21.70	-17.1%	138.6	1.72	NM	2.2x
Meghna Condensed Milk	18.40	21.70	-15.2%	294.4	2.39	NM	NM
Shaympur Sugar	28.60	33.30	-14.1%	143.0	.87	NM	NM
United Finance Limited	20.40	23.30	-12.5%	3,817.1	120.34	12.2x	1.3x
Prime Finance First MF	10.00	11.40	-12.3%	200.0	7.85	NM	0.9x
Premier Leasing	9.30	10.50	-11.4%	1,177.7	18.23	7.9x	0.8x
Beach Hatchery Ltd.	17.30	19.00	-8.9%	716.2	6.28	NM	1.5x
Beximco Syntehtics	6.50	7.10	-8.5%	563.6	2.77	NM	0.3x
Legacy Footwear	180.70	196.60	-8.1%	2,363.6	644.57	205.9x	11.3x

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

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Bangladesh Submarine Cable Company Limited	174.20	168.20	3.6%	28,726.5	1,344.96	90.3x	5.4x
United Power Generation & Distribution Company Ltd	407.70	419.10	-2.7%	195,323.8	1,272.67	46.8x	16.9x
Monno Ceramic	413.70	363.00	14.0%	13,512.2	1,211.55	5133.6x	5.7x
Square Pharmaceuticals	273.80	269.90	1.4%	216,030.5	1,118.35	20.3x	4.6x
Fortune Shoes Limited	38.40	36.80	4.3%	4,797.5	1,103.08	25.7x	2.9x
Khulna Power Company Limited	64.40	63.30	1.7%	25,593.4	1,102.02	14.0x	2.8x
Legacy Footwear	180.70	196.60	-8.1%	2,363.6	644.57	205.9x	11.3x
Grameenphone Ltd.	393.50	385.70	2.0%	531,343.1	591.73	23.6x	20.7x
BRAC Bank	81.20	79.20	2.5%	87,087.0	547.78	22.4x	4.5x
Sonar Bangla Ins	67.30	58.60	14.8%	2,542.3	502.00	46.1x	4.5x

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

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,834.70	77.87%	85,089.5	42.1x
Singer Bangladesh	240.00	22.76%	18,406.7	33.7x
Marico Bangladesh Limited	1,310.10	18.44%	41,268.2	28.7x
Summit Power	42.20	17.55%	45,064.4	10.3x
Dutch-Bangla Bank	179.20	17.05%	35,840.0	20.3x
Atlas Bangladesh	137.00	14.69%	4,538.4	NM
Pragati Insurance	32.30	13.81%	1,980.0	15.0x
Eastern Housing	55.60	13.01%	5,190.0	23.9x
Pioneer Insurance	33.80	10.82%	2,365.3	18.7x
Prime Islami Life Ins	60.80	10.75%	1,855.6	NM

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1510.18	1520.01	1848.21	-0.65%	-18.29%
NBFIs	2152.96	2185.50	2714.85	-1.49%	-20.70%
Mutual Funds	669.55	681.04	788.81	-1.69%	-15.12%
General Insurance	2010.44	1963.07	1592.30	2.41%	26.26%
Life Insurance	2133.44	2151.10	1834.85	-0.82%	16.27%
Telecommunication	5572.45	5457.81	6494.31	2.10%	-14.19%
Pharmaceuticals	2852.13	2838.74	2821.05	0.47%	1.10%
Fuel & Power	2070.58	2103.03	1527.27	-1.54%	35.57%
Cement	1658.08	1668.40	2280.58	-0.62%	-27.30%
Services & Real Estate	1057.13	1063.74	1224.11	-0.62%	-13.64%
Engineering	3180.55	3245.06	3166.83	-1.99%	0.43%
Food & Allied	15799.31	15661.39	15304.34	0.88%	3.23%
IT	1899.16	1947.83	1484.41	-2.50%	27.94%
Textiles	1499.50	1533.48	1222.72	-2.22%	22.64%
Paper & Printing	8654.34	8842.91	1013.11	-2.13%	754.24%
Tannery	2643.49	2651.19	2642.41	-0.29%	0.04%
Jute	20489.13	18912.41	8867.22	8.34%	131.07%
Ceramics	718.22	692.04	597.46	3.78%	20.21%
Miscellaneous	2382.66	2385.47	1725.62	-0.12%	38.08%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	563.1	1,525.8	-63.10%	8.97%	9.7x	1.1x
NBFIs	164.0	871.9	-81.19%	2.61%	20.6x	2.1x
Mutual Funds	20.0	62.2	-67.92%	0.32%	NM	0.5x
General Insurance	695.2	1,943.4	-64.23%	11.07%	18.3x	1.4x
Life Insurance	110.2	277.9	-60.35%	1.75%	NM	8.9x
Telecommunication	484.2	513.3	-5.68%	7.71%	24.5x	18.1x
Pharmaceuticals	631.3	1,081.5	-41.62%	10.05%	21.5x	3.4x
Fuel & Power	949.0	1,356.4	-30.04%	15.11%	17.5x	2.7x
Cement	53.9	83.9	-35.72%	0.86%	18.7x	3.0x
Services & Real Estate	109.0	426.0	-74.42%	1.74%	26.7x	0.9x
Engineering	741.7	1,374.6	-46.04%	11.81%	24.2x	2.2x
Food & Allied	114.5	371.5	-69.17%	1.82%	32.1x	11.2x
IT	120.5	322.2	-62.61%	1.92%	31.0x	3.1x
Textiles	560.2	1,453.0	-61.45%	8.92%	23.1x	1.3x
Paper & Printing	21.2	46.6	-54.37%	0.34%	NM	4.7x
Tannery	445.5	210.9	111.29%	7.09%	20.8x	3.3x
Jute	19.6	39.8	-50.76%	0.31%	NM	8.7x
Ceramics	320.9	158.3	102.66%	5.11%	34.8x	2.7x
Miscellaneous	156.0	514.5	-69.68%	2.48%	34.3x	1.5x

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

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	11.80	-46.61%	8,945.9	5.9x
United Airways (BD) Ltd.	2.70	-41.91%	2,235.9	11.5x
Lafarge Surma Cement	40.80	-41.63%	47,384.0	21.3x
City Bank	28.90	-39.96%	27,974.8	6.9x
International Leasing	13.10	-33.61%	2,767.3	22.0x
Islami Bank	25.10	-31.42%	40,410.8	9.0x
EXIM Bank	11.80	-31.40%	16,664.6	5.7x
ACI Limited	305.30	-31.28%	15,231.1	14.3x
Aftab Automobiles	44.80	-30.22%	4,288.8	10.9x
Prime Bank	17.80	-28.54%	20,154.6	9.2x

## Important News: Business & Economy

### Rising buyer's credit puts pressure on reserves, exchange rate

- Importers' appetite for buyer's credit from overseas sources shot up last year, in an ominous development for the country's foreign currency reserves and the exchange rate. Buyer's credit is a loan facility extended to an importer by a bank or financial institution to finance the purchase of capital goods or services and other big ticket items.
- The interest rate on buyer's credit from foreign sources, which the Bangladesh Bank allowed for importers in 2008, tends to be 6% in contrast to 9 to 10% from local banks and financial institutions.
- At the end of 2018, total outstanding buyer's credit from foreign sources stood at USD 10.16 billion, up 29.92% year-on-year.
- The uptick in foreign currency buyer's credit gives a boost to the private sector and the reserves, but the euphoria is short-lived: the loans must be paid in a year's time.

<https://www.thedailystar.net/business/news/rising-buyers-credit-puts-pressure-reserves-exchange-rate-1706518>

### Internal Resources Division (IRD) secretary hints at reducing savings tools interest rate

- National Board of Revenue chairman and Internal Resources Division senior secretary said the government was considering reducing the interest rates of state-owned savings certificates.
- The government had formed a committee to analyse all issues including interests for small savers. If the interest rate was reduced, it would be higher than that of banks as the government will consider the small savers' benefits, according to his statement.
- But, he said, it was not possible to say at this moment whether the rate would be changed this year or not.

<http://www.newagebd.net/article/65614/ird-secy-hints-at-reducing-savings-tools-interest-rate>

### Banks' CSR spending soars despite lower profits

- Banks' spending on corporate social responsibility shot up last year, even overshooting the regulatory ceiling -- at a time when they logged in lower profits for higher provisioning needs from the mounting default loans.
- In 2018, banks spent a total of BDT 9.04 billion, up 21% year-on-year, according to data from the Bangladesh Bank.
- As per the CSR expenditure guideline of the BB, banks can spend for philanthropic purposes from their net profits and there is no limit on expenditure. The expenditure will be participatory and not mandatory. But, they cannot spend more than: 30% of their CSR outlay on the education sector, 20% on the health sector, and 10% for climate risk or disaster management.

- Banks breached the ceilings last year: they spent BDT 3.80 billion on the education sector and BDT 3.31 billion on disaster management, which are 42% and 36.62% respectively of the total CSR expenditure.

<https://www.thedailystar.net/business/banking/news/banks-csr-spending-soars-despite-lower-profits-1705639>

### Government to cut 15% project aid

- The government is set to cut development project aid by 15% to BDT 510 billion for lower-than-expected utilisation of the same in the first half of the current fiscal year (FY).
- Economic Relations Division (ERD) officials said they recommended slashing some BDT 90 billion in the revised annual development programme (RADP) from the current BDT 600 billion project aid allocation.
- The government framed a BDT 1.73-trillion ADP for FY '19, providing BDT 600 billion project aid. In the development programme, project aid comes from different development partners as foreign aid to finance public-sector development work.
- Meanwhile, the lower development budget execution rate with project aid is ballooning the unutilised external resources. The unutilised foreign aid in the pipeline is now stands at more than USD 30 billion, ERD officials said.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-cut-15pc-project-aid-1550855103>

### Mirsarai will be the investment capital

- Mirsarai Industrial City, which spans over 30,000 acres in Mirsarai, Feni and Sitakunda, will be the country's future investment capital, said the chief of the Bangladesh Economic Zones Authority.
- The industrial city -- which comprises three economic zones of Mirsarai, Feni and Sitakunda -- is being built as part of the government's plan to put 100 economic zones in place for foreign and domestic entrepreneurs by 2030 and create 10 million jobs.
- BEZA expects USD 20 billion to USD 25 billion to flow in to the industrial city considering the proposals it has been receiving for the last two years.
- Adani Group of India, Wilmar of Singapore, Kunming Iron and Steel Group and Jindun Group of China, Sumitomo Corporation and Mitsui & Co. of Japan, SK Group of South Korea and local giants Summit, Bashundhara, ACI, PHP Family, BSRM and some other have booked their plots at Mirsarai.

<https://www.thedailystar.net/business/news/mirsarai-will-be-the-investment-capital-1705669>

### Bangladesh Bank (BB) to widen reach of digital wallets

- The central bank is set to come up with a guideline for electronic money in further proof of its commitment to building a cashless society. The draft guideline has been sent to

stakeholders for vetting, after which it will be issued at the earliest.

- At present, there is only one digital company, iPay, to provide e-money service in Bangladesh, but many are waiting in the wings. The finalization of the guideline will help them get the license. An individual can transact a maximum of BDT 50,000 a day through the system.
- The monthly ceiling for withdrawal and deposits is BDT 200,000. The digital wallet can have a maximum balance of BDT 400,000.
- The digital wallet must be linked with one's bank account, from where the money will be sent. Once loaded, the customer can: send funds to another digital wallet, make payments for purchases at point-of-sale, pay utility bills, taxes, tuition fees and transport fares.

<https://www.thedailystar.net/business/news/bb-widen-reach-digital-wallets-1706929>

### **Banks' paid-up set to get raised by a quarter**

- The central bank is set to raise paid-up capital of scheduled banks to BDT 5.0 billion from the existing BDT 4.0 billion over the next two years. BB board has given its opinion in favour of jacking up the paid-up capital considering the size of the country's economy.
- The relevant department of the BB is likely to issue an instruction to the banks that have the paid-up capital below BDT 5.0 billion. Currently a total of 17 banks, including seven fourth generation private commercial banks (PCBs), do now have paid-up capital below BDT 5.0 billion.
- The banks will have to meet the required amount either by increasing its capital base or issuing rights shares or floating initial public offerings (IPOs) within the timeframe and foreign banks will have to meet the capital requirement by injecting fresh funds from overseas

<http://today.thefinancialexpress.com.bd/first-page/banks-paid-up-set-to-get-raise-by-a-quarter-1551030304>

### **National Board of Revenue (NBR) seeks opinion on Value Added Tax (VAT) law**

- The National Board of Revenue (NBR) has sought opinions from businesses and other stakeholders on the VAT and Supplementary Duty Act 2012 and related rules in order to frame tax proposals for the next fiscal year.
- The revenue collector requested business chambers of all districts and associations representing various sectors to send their views and proposals about the law within March 7. In a separate letter, the NBR also asked its field offices of VAT and customs to provide opinion on the law.
- Finance Minister said the law would come into effect from the next fiscal year.

<https://www.thedailystar.net/business/news/nbr-seeks-opinion-vat-law-1706920><http://www.newagebd.net/article/65734/nbr-seeks-proposals-on-budget-with-focus-on-new-vat-law>

### **Bangladesh Bank issues new policy to police offshore banking operations**

- The central bank has issued a new policy asking banks to comply with cash reserve requirement (CRR) and statutory liquidity ratio (SLR) rules for their Offshore Banking Operations. Under the new policy, three-fourths of total outstanding offshore operations' funds will have to be invested in Bangladesh.
- All the banks will have to maintain capital requirements under Basel-III framework along with the implementation of Asset Liability Management (ALM) guidelines for their offshore banking operations, according to the new policy issued by the Bangladesh Bank (BB).
- The banks have been asked to renew the approvals of OBU's in line with the new policy by applying to the central bank within three months.
- The banks will have to launch their offshore banking operations within six months or the time period subsequently extended by the central bank from the issuing date of approval, the policy added.

<http://today.thefinancialexpress.com.bd/first-page/bb-issues-new-policy-to-police-offshore-banking-operations-1551117165>  
<https://www.thedailystar.net/business/news/policy-framed-offshore-banking-1707439>  
<http://www.newagebd.net/article/65819/bb-limits-banks-fund-transfer-to-offshore-units>

### **Higher default loans to impede investment pickup**

- The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, cautioned that if left unaddressed, the problem of high-level non-performing loans in the banking sector could impede a pickup in investment in the country.
- The Dhaka-based leading trade body also said in addition to the bulging non-performing loans (NPLs), poor governance and corruption in administration, among others, remain major obstacles to country's sustained trade and economic growth.
- The trade body made the observations in its 'Review of Economic Situation in Bangladesh for October-December 2018 (Q2 of FY19).
- Among others, it pinpointed the domestic risks in relation to the government's poor ability to prevent both current and planned reforms from going off-track and maintain fiscal discipline.

<http://today.thefinancialexpress.com.bd/first-page/higher-default-loans-to-impede-investment-pickup-1551117327>  
<http://www.newagebd.net/article/65820/npl-poor-governance-to-hinder-investment>  
<https://www.dhakatribune.com/business/2019/02/25/mcci-npls-may-affect-pace-of-investment-growth>  
<https://www.thedailystar.net/business/news/10pc-growth-must-middle-income-status-says-mcci-1707418>

### **Public hearing to justify gas price hike proposals from March 11**

- The energy regulator has announced a four-day public hearing from March 11 to justify gas tariff hike proposals for all types of consumers, including households, for nearly doubling the average tariff to BDT 12.19 per cubic metre from BDT 7.35.

- The hearing would start with the presentation from state-run Petrobangla in favour of the tariff hike proposals and conclude with the same of Pashchimanchol Gas Company Ltd (PGCL) proposal on March 14.

- Proposal made to raise tariff for household single and double burners to BDT 1,000 and BDT 1200 per month respectively from existing BDT 750 and BDT 800 per month respectively. The feed gas in the compressed natural gas (CNG) for filling stations has been proposed to be raised by 25% to BDT 40 per cubic metre from the existing BDT 32.

- All the gas companies sought to raise tariff for gas-fired power plants to BDT 7.66 per cubic metre from the existing BDT 3.16, representing a 142% hike. For gas-fired captive power plants, the proposed tariff is BDT 15.70 per cubic metre from existing BDT 9.62, representing a 63% hike.

<http://today.thefinancialexpress.com.bd/last-page/public-hearing-to-justify-gas-price-hike-proposals-from-march-11-1551117973>

### **Bangladesh Bank Governor: Influential loan defaulters pose risk to economy**

- Bangladesh Bank Governor said wilful bank loan defaulters, who are influential in the society puts the economy at risk in connivance with a section of unscrupulous bankers.

- The governor added that measures have been taken to increase the central bank's surveillance on all the banks. He remarked our officials are undergoing rigorous trainings to fix the menace. State-of-the-art technology will be applied to monitor the loopholes of banks.

<https://www.dhakatribune.com/business/banks/2019/02/26/bb-governor-influentials-loan-defaulters-pose-risk-to-economy>

### **NPL volume swells to BDT 939.11 billion**

- The volume of classified loans in the country's banking system jumped by over 26% or BDT 196.08 billion in the last calendar year despite close monitoring by the central bank.

- The non-performing loans (NPLs) rose to BDT 939.11 billion as of December 31 in the last calendar year from BDT 743.03 billion on the same day in 2017.

- Stronger recovery drives by the commercial banks and rescheduling of loans before the last parliament election pushed down the volume of default loans in the final quarter (Q4) of 2018.

- Senior bankers, however, said several loan irregularities, particularly in the public banks, pushed up the volume of NPLs in the last calendar year.

<http://today.thefinancialexpress.com.bd/first-page/npl-volume-swells-to-BDT-93911-billion-1551203430>

<https://www.thedailystar.net/business/banking/news/default-loans-soar-26pc-1707811>

<https://www.dhakatribune.com/business/banks/2019/02/26/bank-npls-down-by-BDT-450cr-in-three-months-upto-december>

### **6.5 million tons fuel worth BDT 329.37 billion imported in 2018**

- State Minister for Power, Energy and Mineral Resources said the government imported 6.5 million metric tons of fuel at a cost of about BDT 329.37 billion in 2018.

- The state minister revealed the information while responding to a starred question placed by lawmaker of Chittagong 4 in the parliament.

- Responding to another question the minister said the government has taken an initiative to set up solar charging stations in six divisional cities as a huge amount of electricity is draining everyday due to charging batteries of vehicles across the country.

<https://www.dhakatribune.com/bangladesh/power-energy/2019/02/26/6-5m-tons-fuel-worth-BDT-32937-crore-imported-in-2018>

### **National Board of Revenue (NBR) mulls chemical import ban on Old Dhaka shops**

- The National Board of Revenue (NBR) is considering to impose restriction on import of chemicals by the Old Dhaka-based inventories to avert recurrence of deadly fire incidents in the area.

- The chairman of NBR said presence of a large number of chemical godowns causes recurrence of devastating fire incidents in the densely-populated Old Dhaka.

- He further said they can take steps to stop import of chemicals for the Old Dhaka-based companies, if the government wants it, and the revenue board has discussed the issue with the government.

- If the banks refuse to open letters of credit (L/Cs) for these firms and NBR does not allow import of chemicals, the warehouses in Old Dhaka will be forced to relocate somewhere else.

<http://today.thefinancialexpress.com.bd/first-page/nbr-mulls-chemical-import-ban-on-old-dhaka-shops-1551203526>

<https://www.thedailystar.net/business/news/nbr-supports-barring-import-chemicals-old-dhaka-firms-1707697>

<http://www.newagebd.net/article/65907/nbr-for-ban-on-import-of-chemicals-by-old-dhaka-cos>

### **MoU with EEU states in March to spur trade**

- Bangladesh will sign a memorandum of understanding (MoU) with the Eurasian Economic Union (EEU) member states at the end of next March.

- Commerce minister said there is a long-time economic and trade relationship between Bangladesh and Russia. But trade volume between the two countries did not increase at an expected level due to some complexities.

- The minister said the EEU comprises five northern Eurasian nations. A single state cannot trade smoothly. For this, Dhaka is ready to sign an MoU next month.

<http://today.thefinancialexpress.com.bd/trade-market/mou-with-eeu-states-in-march-to-spur-trade-1551205510>

### **5,000 traders to import used clothes this FY**

- A total of 5,000 traders across the country will get opportunity to import used clothes (second-hand clothes) in the current fiscal year. Importers will be selected on the basis of the population density in each district and through lottery by deputy commissioners (DCs) concerned.
- Each trader can import used clothes worth maximum BDT 50,000. They have to submit proper documents ensuring that consignments of clothes to be imported from different countries are free from all toxic and hazardous substances.
- For importing used clothes, the traders will have to apply to the DCs by March 20. They have to open Letters of Credit (LCs) by 30 June and complete shipments of clothes by October 15.
- A total of 401 importers will be selected from the Dhaka region including the capital. Some 738 importers will be selected from other districts of this region.

<http://today.thefinancialexpress.com.bd/trade-market/5000-traders-to-import-used-clothes-this-fy-1551205468>

### **BDT 280 billion development projects thrust Chattogram into limelight**

- Dozen-plus infrastructure development projects involving about BDT 280 billion have now made Chattogram a centre of attraction. The projects have been undertaken by the CDA, Chittagong Port, Chittagong City Corporation and the Roads and Highways Department.
- The Prime Minister inaugurated main work of the two biggest projects. One is nearly BDT 100 billion Karnaphuli Tunnel project and the other is BDT 40 billion Elevated Expressway.
- The Chittagong Development Authority, the implementing agency of the Expressway, is also implementing a BDT 56.16-billion Chattogram waterlogging mitigation project.

<http://today.thefinancialexpress.com.bd/trade-market/BDT-280b-development-projects-thrust-ctg-into-limelight-1551205599>

### **Government plans BDT 33.22 billion transmission line**

- The government is going to construct a 140-kilometre high-voltage electricity transmission line between Barapukuria and Kaliakair to import 1,600 megawatts of power from Indian conglomerate Adani Group.
- The planning ministry is going to place a mega project involving BDT 33.22 billion at the meeting of the Executive Committee on National Economic Council (Ecneec) today to set up the transmission line. Of the cost, 52% will come from a second Indian line of credit.
- Earlier, the power division of Bangladesh and Adani Group signed a memorandum of understanding to allow the Indian firm to invest USD 2.5 billion to build a 1,600MW coal-fired power plant in the country. Later, Adani Power, changed its plans. The power will now be generated in Jharkhand of India.
- Adani Group is expected to start producing the electricity between 2022 and 2023, said a planning ministry official. The planning minister is also going to place another project

involving BDT 8.45 billion to acquire 1,000 acres of land in Mirsarai in Chittagong for Indian investors.

<https://www.thedailystar.net/business/news/govt-plans-BDT-3322cr-transmission-line-1707706>

### **Bosch makes debut in Bangladesh market**

- World-renowned German brand Bosch has stepped foot in Bangladesh market. Edison Group of Bangladesh was made the sole distributor of Bosch home appliances in the country. Bosch is keen to offer its world-class home appliances to the premium segment of Bangladesh. BSH Hausgeräte GmbH is the largest home appliance manufacturer in Europe and the 2nd largest worldwide.
- German companies have always considered Bangladesh as a preferred destination for trade and business, since Bangladesh offers an immense opportunity for bilateral trade between the two countries. These views were shared by BSH Home Appliances CEO Tomas Alonso.

<http://today.thefinancialexpress.com.bd/stock-corporate/bosch-makes-debut-in-bd-mkt-1551202638>

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

#### **Bangladesh Telecom Regulatory Commission (BTRC)'s SMP conditions not to ensure competition**

- Fresh regulatory conditions imposed by the telecom regulator on Grameenphone as a significant market power would not help ensure healthy competition in the telecommunication sector, the conditions rather would act as damaging factors for the mobile operator, GP officials said.
- GP officials also said that the commission, under the significant market regulations, was supposed to identify anti-competitive issues GP had been doing before slapping any condition to address the factors. The commission did not follow the procedure, they said.
- Mentioning the BTRC's condition that bars GP from making any sort of market communication as conflicting with the objective of SMP regulations, GP regulatory affairs head said that getting information regarding products and packages were the customers' rights.

<http://www.newagebd.net/article/65440/btrcs-smp-conditions-not-to-ensure-competition>

#### **Selling shares of Tower Company helps Robi gain slim profit in '18**

- Despite registering a loss of BDT 960 million in Q4'2018, Robi ended 2018 with a slim profit of BDT 2.15 billion due to the selling of its share in the tower company, said a statement.

- By the end of 2018, Robi's subscriber base stood at 46.9 million, representing 29.9% of the subscriber market share. Out of the total subscriber base of 46.9 million, 60.4% or 28.3 million subscribers are using data services.

- With revenue of 17.64 billion taka in fourth quarter of 2018 (Q4'2018), Robi ended 2018 with a total revenue of 67.98 billion taka. Compared to Q3'2018, the Q4'2018 revenue grew by 0.7% . However, from the perspective of Year-on-Year (Q4'2017 Vs Q4'2018) comparison, Robi's total revenue declined by 5.1% at the end of Q4'2018.

- Robi's voice revenue declined by 1.1% compared to Q3'2018. However, in light of YoY comparison, Q4'2018 voice revenue was 11% higher than Q4'2017. Spurred by the rapid expansion of the 4.5G network, Robi's data revenue grew by 14.9% , Year-on-Year (YoY); compared to Q3'2018, the data revenue in Q4'2018 grew by 6.9% .

<http://today.thefinancialexpress.com.bd/trade-market/selling-shares-of-tower-company-helps-robi-gain-slim-profit-in-18-1550849938>  
[http://www.newagebd.net/article/65515/robi-makes-BDT\\_-215cr-in-profits-in-2018](http://www.newagebd.net/article/65515/robi-makes-BDT_-215cr-in-profits-in-2018)

### **S&P affirms 'BB-' long-term issuer credit rating on Banglalink**

- S&P Global Ratings on Thursday affirmed its 'BB-' long-term issuer credit rating on Banglalink and the 'BB-' long-term issue rating on the Bangladesh-based telecom operator's USD 300 million senior unsecured notes.

- Banglalink could receive potential parent support through shareholder loans or via a proposed rights issue of USD 624.7 million by its immediate parent Global Telecom Holding S.A.E. (GTH). Pending shareholder's approval, Banglalink could use up to USD 300 million of the proceeds to meet its debt maturity.

- VEON (BB+/Stable/--) has adequate liquidity to support Banglalink backed by healthy available cash from the sale of its 50% stake in Wind Tre S.p.A. to CK Hutchinson Holdings Ltd. in September 2018 and an undrawn USD 1.7 billion revolving credit facility as on Sept. 30, 2018 according to their statement.

<http://today.thefinancialexpress.com.bd/trade-market/sp-affirms-bb-long-term-issuer-credit-rating-on-banglalink-1550849954>

### **Singer launches free AC cleaning service campaign**

- Singer Bangladesh is set to launch a campaign to offer free cleaning service for all existing Singer-branded air conditioners. Customers need to visit their nearest Singer Mega or Singer Plus shop and register on February 21-28 to avail the service.

- The company's service technicians will conduct the free servicing for the registered customers throughout March. Last year, around 25,000 customers got registered and availed the offer. Singer hopes that it would receive similar response this year as well, the statement added.

<https://www.thedailystar.net/business/news/singer-launches-free-ac-cleaning-service-campaign-1705609>

### **Local cement makers edge out global giants**

- Local cement manufacturers have comfortably pummeled their foreign counterparts in their scrap for market share in the past seven years -- in a testament of their nous and industriousness.

- By 2018 local cement manufacturers had cornered 86% of the market, a reversal in scenario from 15 years earlier, when the multinational companies ruled the roost, according to data from the Bangladesh Cement Manufacturers Association.

- Local Abul Khair Group's Shah Cement has the most market share, followed by Bashundhara Group and Meghna Group.

- Local brands' cement are sold for BDT 395 to BDT 420 a bag. In contrast, each bag of cement of the multinational brands' cost BDT 418 to BDT 450. The country's total cement production capacity at present is around 60 million tonnes against the consumption of 32 million tonnes, meaning there is room for exports.

<https://www.thedailystar.net/business/news/local-cement-makers-edge-out-global-giants-1705267>

### **Local, JV companies may get Bangladesh Securities Exchange Commission (BSEC) waiver like foreign companies**

- Prime Minister's Office has asked Bangladesh Securities Exchange Commission to exempt both local and local-foreign joint venture private limited companies, like foreign ones, from taking permission from the commission for raising their paid up capital up to BDT 1.00 billion.

- The commission has also been asked to inform the PMO after making an amendment to its relevant regulations although BSEC was reluctant to grant such benefits apprehending misuse.

- BSEC exempted fully foreign owned companies from taking the permission from the commission for hiking paid-up capital up to BDT 1.00 billion subject to submission of the encashment certificate of such capital and payment of applicable fees to the commission.

<http://www.newagebd.net/article/65623/local-jv-cos-may-get-bsec-waiver-like-foreign-cos>

### **Summit launches 464MW power plant in Gazipur**

- Summit Power, the country's largest independent power producer (IPP), inaugurated their 21st power plant in Gazipur on Sunday, which is capable of generating 464MW electricity. With the addition of the new Summit Gazipur I & II Power Ltd, their total power generation capacity increased from 1,941MW to 2,045MW.

- Chairman of Summit Power Ltd, told that the organization now supplies 15% electricity to the national grid.

- The Summit Gazipur I & II Power Ltd was implemented as a fast track project within nine months, a period that was set by Bangladesh Power Development Board (BPDB) and Power Division of the Ministry of Power, Energy and Mineral Resources.

<https://www.dhakatribune.com/bangladesh/power-energy/2019/02/24/summit-launches->

[464mw-power-plant-in-gazipur](#)**United Finance to issue BDT 5.0 billion bond, recommends 10% dividend**

- The board of directors of United Finance has decided to issue non-convertible zero coupon bonds worth up to BDT 5.0 billion (in face value).
- The company will issue the bond through private placement (unsecured, unlisted) only in multiple tranches if required, with tenure up to five years from the issue date.

<http://today.thefinancialexpress.com.bd/stock-corporate/united-finance-to-issue-BDT-50b-bond-recommends-10pc-div-1551025504>

**IDLC announces partnership with Exotix Capital**

• IDLC, the largest multi-product multi-segment non-banking financial institution in Bangladesh, and Exotix Capital, the leading developing markets investment platform announced a new partnership to provide extensive research insights and corporate access into the Bangladeshi market to global investors.

• Exotix will distribute in-depth insights from IDLC via its innovative new research platform to its global subscriber base. This partnership follows additional agreements of Exotix with other industry-leading brokerages in Egypt, Zimbabwe, Saudi Arabia, Vietnam, Sri Lanka and Pakistan.

<http://today.thefinancialexpress.com.bd/stock-corporate/idlc-announces-partnership-with-exotix-capital-1551112503>

**Local calling apps hold promise**

• Locally developed Brilliant Connect has garnered a lot of attention in the market as the amount of calls made through the communication app rose over 12 times in just six months after its launch.

• The mobile application handled 22.5 million minutes of calls last December while the amount was 1.81 million minutes in the month of its launch in July. Inter Cloud, a leading internet protocol telephony service provider (IPTSP), has developed the product.

• As of December, the app had been downloaded 1.46 million times and till date for about 2.0 million times, while the number of unique users crossed three and a 0.5 million. Having already exceeded the limit, Inter Cloud is currently moving towards expanding the app's capacity.

• The telecom watchdog in December approved four other IPTSPs—Amber IT Ltd, BDCOM Online Ltd, MetroNet Bangladesh and Link3 Technology Ltd—to run the service. The four are expected to hit the market within the next couple of weeks.

<https://www.thedailystar.net/business/news/local-calling-apps-hold-promise-1707442>

**Bangladesh Securities and Exchange Commission (BSEC) fines Emerald Oil****directors**

• The Bangladesh Securities and Exchange Commission (BSEC) yesterday decided to fine each director of Emerald Oil, except the independent one, BDT 5 lakh for not publishing the financial statement of the fiscal year ending on June 30, 2017.

• It also settled on freezing beneficiary owner accounts of the company's sponsors, directors, the chief executive officer, chief financial officer, company secretary and head of internal audit.

• The BSEC also fined a director of Purabi General Insurance, Golam-Fatema Tahera-Khanam, BDT 10 lakh for selling her shares without giving any prior declaration.

• The commission also decided to issue a warning on Eastland Insurance for having its post of independent director vacant for over 90 days.

<https://www.thedailystar.net/business/news/bsec-fines-emerald-oil-directors-1707691>  
<http://www.newagebd.net/article/65910/emerald-oil-directors-fined-BDT-5-lakh-each-top-brass-bo-accounts-frozen>  
<https://www.dhakatribune.com/business/stock/2019/02/26/bsec-fines-emerald-oil-directors-freezes-bo-accounts-of-top-brass>

**Runner to hold IPO lottery draw March 04**

• Runner Automobiles is set to hold IPO lottery draw on March 04 to allocate 13.93 million ordinary shares among the successful applicants. The initial public offering (IPO) lottery draw will be held at 10:00am.

• Runner Automobiles, a flagship company of Runner Group, raised a fund worth BDT 1.0 billion from the capital market under the book-building method. The cut-off price of the shares of motorcycle maker was fixed at BDT 75 each as discovered by eligible investors (EIs) through bidding under the book-building method.

<http://today.thefinancialexpress.com.bd/stock-corporate/runner-to-hold-ipo-lottery-draw-march-04-1551202581>

**ACI subsidiary losses: Inquiry report to be submitted this week**

• The inquiry committee tasked with unearthing why ACI Limited's subsidiary, Shwapno, has been incurring huge losses and gobbling up its parent company's profits, is scheduled to submit the inquiry report either today or by tomorrow.

• The committee, appointed by the Dhaka Stock Exchange (DSE) will submit its report to the DSE board, after which the board will hand over the report to the chief regulatory officer (CRO). The committee, which held its second meeting at DSE headquarters on Tuesday, has found some evidence regarding the issue, informed a DSE source.

• Losing money for a decade since its inception in 2008, Shwapno—comprising of 76% of ACI Logistics—has weighed on the profitability of ACI Ltd, registering a loss for the parent company as a consequence. The situation has aggrieved ACI shareholders, as its prices in the DSE fell by nearly BDT 125 in a year.

<https://www.dhakatribune.com/business/2019/02/26/aci-subsi-dary-losses-inquiry-report-to-be-submitted-this-week>