

## Weekly Market Update

### Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.83%) lost 45.59 points and closed the week at 5,459.91 points. The blue-chip index DS30 (-1.03%) lost 20.22 points and stood at 1,948.47 points. The shariah based index DSES (-0.94%) lost 12.04 points and stood at 1,269.42 points. DSEX, DS30 and DSES all posted positive YTD return of +1.38%, +3.60%, and +2.97% respectively.

**Total Turnover During The Week (DSE):** BDT 22.9 billion (USD 275.6 million)  
**Average Daily Turnover Value (ADTV):** BDT 4.6 billion ( $\Delta$ % Week: +67.9%)

### Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a negative movement of -0.25% in the first session. Then the market closed in positive territory in the second session (+0.20%) and continued to be positive by 0.35%. The market turned negative in the fourth session (-1.27%) and again turned positive in the fifth session (+0.14%).

### Sectoral Performance:

- The financial sectors showed negative performance this week except General Insurance (+2.92%). NBFIs posted the highest loss of 1.45% followed by Banks (-0.93%), Life Insurance (-0.65%) and Mutual Funds (-0.55%).
- The non-financial sectors registered negative performance this week except Food & Allied (+1.09%). Telecommunication posted the highest loss of 4.39% followed by Power (2.44%), Engineering (-1.67%) and Pharmaceuticals (-0.39%).

### Macroeconomic arena:

- The flow of inward remittances rose by more than 10% in the first nine months of the current fiscal year as the exchange of local currency maintained a depreciating mode against the US dollar. The remittance inflow was estimated at USD 1.46 billion in March last, up by USD 140 million from that of the previous month. In February 2019, the amount stood at USD 1.32 billion. As per Bangladesh Bank (BB) official, that the inflow of remittance may rise further in the coming months ahead of the Holy Ramadan.
- The private-sector credit growth fell to 12.54% this February on a year-on-year basis from 13.20% a month ago. Scarcity of funds to give loans with, shortage of greenbacks to meet import payments and disbursement of large amounts of loans for the mega infrastructure projects are responsible for the dwindling credit growth, according to analyst opinion.
- The Asian Development Bank (ADB) projected Bangladesh's economic growth at 8.0% for the current fiscal year (FY) with buoyant export earnings and remittance. The ADB, however, earmarked challenges like reforms in the banking sector, enabling a better business environment, expanding tax base and developing human capital to make economic expansion sustainable.
- Country's overall imports grew by more than 9.0% in the first eight months of this fiscal year (FY), 2018-19, following higher imports of intermediate goods and fuel oils. Imports may rise slightly ahead of the month of Ramadan.

### Stock Market arena:

- The Dhaka and Chattogram stock exchanges demanded a cut in the corporate tax rate for the listed companies to attract non-listed firms to the market. They also demanded doubling of the gap in the corporate tax rate between listed and non-listed companies. Currently, the corporate tax rate for the listed companies is 25% and for the non-listed companies it is 35%, meaning firms that went public enjoy a 10-% point advantage. Now, the Dhaka Stock Exchange (DSE) says the gap should be widened to 20% points.
- The Investment Corporation of Bangladesh (ICB) has proposed creation of a BDT 50-billion 'market support fund' to help make the stock market stable. The ICB's investment in the bourses was at BDT 7.35 billion in June 2009 which rose to BDT 105.70 billion in June 2018.
- The Colombo Stock Exchange (CSE) and the Dhaka Stock Exchange (DSE) have signed a Memorandum of Understanding (MoU) to pave the way of exchanging information between two exchanges and will focus on product development, capacity building and the joint promotion of capital raising efforts both in Bangladesh and Sri Lanka.
- Grameenphone's woes over unpaid dues just got worse, with the government now likely to claim about BDT 8.0 billion more following revision of the audit books.

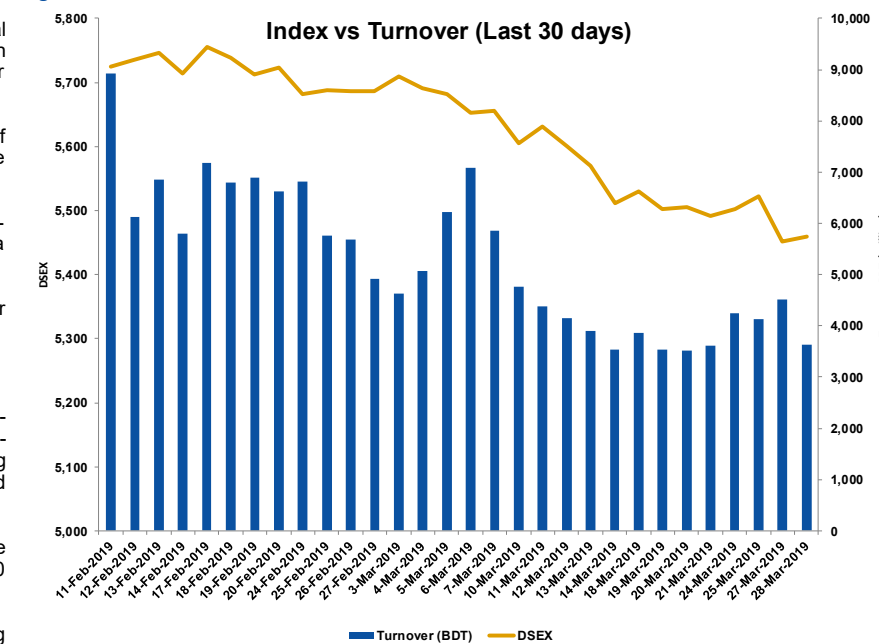
Table 1: Index

Index	Closing	Opening	$\Delta$ (Pts)	27-Dec-2018	$\Delta$ % Week	$\Delta$ %YTD
DSEX	5,459.91	5,505.50	-45.59	5,385.64	-0.83%	1.38%
DS30	1,948.47	1,968.68	-20.22	1,880.78	-1.03%	3.60%
DSES	1,269.42	1,281.46	-12.04	1,232.82	-0.94%	2.97%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	24,723,673.8	12,378,130.8	99.7%
	Mn USD	297,409.8	148,900.9	
Turnover	Mn BDT	22,914.5	10,916.9	109.9%
	Mn USD	275.6	131.3	
Average Daily Turnover	Mn BDT	4,582.9	2,729.2	67.9%
	Mn USD	55.1	32.8	
Volume	Mn Shares	446.5	203.8	119.1%

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
United Insurance	64.50	50.10	28.7%	2,708.9	124.55	26.8x	2.3x
Federal Insurance	12	10.20	17.6%	773.2	75.10	21.6x	1.1x
Prime Insurance	19.20	16.40	17.1%	784.8	31.84	8.8x	1.2x
Eastern Lubricants	1,707.70	1,503.40	13.6%	1,697.5	231.69	42.0x	15.2x
Paramount Insurance	16.20	14.40	12.5%	538.2	18.45	13.1x	1.3x
United Airways (BD) Ltd.	2.80	2.50	12.0%	2,318.7	39.35	NM	0.3x
Renwick Jajneswar	1,667.80	1,493.50	11.7%	3,335.6	130.55	400.0x	NM
Agrani Ins Co. Ltd.	38.50	34.60	11.3%	1,109.0	179.23	22.8x	2.4x
Asia Insurance	28.20	25.60	10.2%	1,327.4	121.85	15.9x	1.8x
Foreast Finance & Investment Limited	5.80	5.30	9.4%	951.6	2.09	NM	0.5x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Aamra Network Limited	48.70	56.20	-13.3%	2,583.1	26.39	21.1x	2.9x
S. S. Steel Limited	27.20	31.30	-13.1%	6,664.0	76.03	25.1x	1.7x
Aamra Technologies Limited	25.30	28.50	-11.2%	1,400.8	27.69	16.7x	1.9x
Quasem Industries Limited	37.40	41.30	-9.4%	2,200.9	40.10	23.0x	1.2x
Southeast Bank	14.20	15.40	-7.8%	14,973.8	46.38	12.8x	0.5x
Monno Jute Staffers	1,629.40	1,765.10	-7.7%	3,372.9	318.45	14728.6x	90.2x
Meghna Pet Industries	11.60	12.50	-7.2%	139.2	.79	NM	NM
Mercantile Insurance	28.40	30.60	-7.2%	1,223.9	17.78	22.0x	1.8x
BIFC	5.40	5.80	-6.9%	543.7	.20	NM	0.3x
Legacy Footwear	135.10	145.10	-6.9%	1,767.1	166.86	154.2x	8.5x

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

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
United Power Generation & Distribution Company Ltd	385.40	403.10	-4.4%	184,640.1	2,023.51	44.2x	16.0x
BATBC	4,565.50	4,483.10	1.8%	273,930.0	1,215.12	35.0x	14.5x
Grameenphone Ltd.	387.90	407.40	-4.8%	523,781.4	806.23	19.1x	20.4x
Monno Ceramic	347.70	355.80	-2.3%	11,356.5	805.91	4175.2x	4.8x
Bangladesh Submarine Cable Company Limited	159.90	153.30	4.3%	26,368.4	618.36	82.9x	5.0x
Fortune Shoes Limited	35.70	33.30	7.2%	4,460.2	461.80	23.9x	2.7x
BRAC Bank	77.70	77.30	0.5%	83,333.3	433.31	16.0x	4.3x
Alif Industries Limited	69.70	68.90	1.2%	2,882.6	362.65	22.0x	5.8x
Singer Bangladesh	185.20	192.10	-3.6%	18,465.0	323.30	24.6x	9.2x
Monno Jute Staffers	1,629.40	1,765.10	-7.7%	3,372.9	318.45	14728.6x	90.2x

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

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,871.60	81.44%	86,800.8	NM
Dutch-Bangla Bank	209.20	36.64%	41,840.0	17.0x
BATBC	4,565.50	34.22%	273,930.0	35.0x
Marico Bangladesh Limited	1,457.90	31.81%	45,923.9	31.9x
Singer Bangladesh	185.20	23.15%	18,465.0	24.6x
Atlas Bangladesh	137.20	14.86%	4,545.0	NM
Summit Power	40.10	11.70%	42,821.9	10.7x
Delta Brac Housing	135.20	9.35%	18,121.8	19.1x
Power Grid Co. of Bangladesh Ltd.	56.90	9.00%	26,225.9	13.1x
Green Delta Insurance	60.20	7.85%	5,343.4	18.4x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1450.51	1464.15	1848.21	-0.93%	-21.52%
NBFIs	2041.82	2071.92	2714.85	-1.45%	-24.79%
Mutual Funds	650.35	653.96	788.81	-0.55%	-17.55%
General Insurance	1804.61	1753.35	1592.30	2.92%	13.33%
Life Insurance	1960.44	1973.17	1834.85	-0.65%	6.84%
Telecommunication	5473.75	5724.90	6494.31	-4.39%	-15.71%
Pharmaceuticals	2817.56	2828.67	2821.05	-0.39%	-0.12%
Fuel & Power	1962.14	2011.24	1527.27	-2.44%	28.47%
Cement	1663.65	1652.42	2280.58	0.68%	-27.05%
Services & Real Estate	997.14	999.85	1224.11	-0.27%	-18.54%
Engineering	2961.83	3012.25	3166.83	-1.67%	-6.47%
Food & Allied	18488.83	18288.75	15304.34	1.09%	20.81%
IT	1724.71	1799.20	1484.41	-4.14%	16.19%
Textiles	1372.40	1382.72	1222.72	-0.75%	12.24%
Paper & Printing	7598.29	7840.21	1013.11	-3.09%	650.00%
Tannery	2628.01	2575.08	2642.41	2.06%	-0.54%
Jute	19560.87	20115.77	8867.22	-2.76%	120.60%
Ceramics	604.33	620.13	597.46	-2.55%	1.15%
Miscellaneous	2357.32	2309.86	1725.62	2.05%	36.61%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	415.9	90.5	359.55%	10.66%	9.3x	1.1x
NBFIs	126.2	23.7	431.56%	3.24%	35.5x	2.0x
Mutual Funds	13.8	2.6	429.40%	0.35%	NM	0.5x
General Insurance	294.4	61.0	382.76%	7.55%	14.2x	1.2x
Life Insurance	29.5	6.1	382.55%	0.76%	NM	8.1x
Telecommunication	284.9	51.1	457.81%	7.30%	19.8x	17.7x
Pharmaceuticals	404.7	92.5	337.43%	10.38%	21.1x	3.4x
Fuel & Power	644.7	156.9	311.00%	16.53%	17.1x	2.6x
Cement	81.8	7.9	929.74%	2.10%	30.9x	3.1x
Services & Real Estate	46.9	10.1	365.53%	1.20%	NM	0.8x
Engineering	471.1	103.5	354.94%	12.08%	22.1x	2.0x
Food & Allied	299.5	81.9	265.78%	7.68%	37.2x	13.1x
IT	65.0	13.8	372.71%	1.67%	27.9x	2.8x
Textiles	293.2	69.4	322.50%	7.52%	21.5x	1.2x
Paper & Printing	11.3	2.8	308.15%	0.29%	NM	4.1x
Tannery	146.7	27.8	427.48%	3.76%	19.3x	3.2x
Jute	11.3	3.8	197.60%	0.29%	NM	8.3x
Ceramics	166.6	42.9	287.99%	4.27%	26.6x	2.3x
Miscellaneous	92.9	26.4	251.49%	2.38%	73.1x	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	11.50	-47.96%	8,718.5	214.2x
City Bank	25.50	-47.02%	24,683.7	7.1x
International Leasing	11.10	-43.75%	2,344.9	6.0x
Lafarge Surma Cement	41.20	-41.06%	47,848.6	59.4x
United Airways (BD) Ltd.	2.80	-39.76%	2,318.7	NM
Aftab Automobiles	38.80	-39.56%	3,714.4	9.4x
RAK Ceramics Limited	34.10	-37.38%	13,267.0	13.0x
EXIM Bank	10.90	-36.63%	15,393.5	4.7x
IFIC Bank	11.00	-35.22%	14,726.1	6.1x
Prime Bank	17.40	-30.15%	19,701.7	16.2x

## Important News: Business & Economy

### Matarbari deep-sea port to outshine Asian peers

- The Matarbari deep-sea port will have the highest water draft against similar facilities in Asia, officials said. The first phase of the port is expected to be completed by 2023 when one jetty for handling containers and one for multipurpose use will be ready, they said.
- Japan International Cooperation Agency (JICA) said that Matarbari port will have 18.7-metre deep draft and will be able to accommodate container vessels of 8,200 TEUs (twenty-foot equivalent unit) and bulk carriers of nearly 70,000 deadweight tonnage (DWT). In Asia, the Hambantota port has 17-metre water draft, the port of Colombo has 15.5-m depth, and the port of Singapore's maximum water draft is 16-metre, according to websites. The maximum water draft of the port of Jeddah's main channel is 16-metre, the port of Jebel Ali in the United Arab Emirates has water depth of 15.2-metre, and port of Busan's water depth is only 12-metre.

<http://today.thefinancialexpress.com.bd/last-page/matarbari-deep-sea-port-to-outshine-asian-peers-1553793093?date=29-03-2019>

### Private banks' deposit growth falls further last year

- The overall deposit growth in the country's private commercial banks (PCBs) fell further last year despite allowing the state-owned enterprises (SoEs) to deposit of half their funds with them. The falling trend in deposit growth pushed up further advance-deposit ratio (ADR), which was higher than that of the safe limit, set by the Bangladesh Bank (BB) earlier, officials said.
- The deposit growth in all 40 PCBs had been on a decline, slumping from 12.58% on December 31, 2017 to 11.46% on the same day of the last calendar year and 13.73% as on December 31, 2016. Most of State owned Enterprises (SoEs) still prefer to deposit their funds with public banks rather than the PCBs, according to the banking sector insiders. In April 2018, the government allowed the public entities to deposit 50% of their funds with the private banks, up from the earlier ceiling of 25% , to help mitigate the liquidity crunch in the banking system.
- Meanwhile, the amount of rescheduled loans jumped by more than 21% or BDT 40.90 billion in the last calendar year due to the national election that was held on December 30. The volume of rescheduled loans rose to BDT 232.10 billion as on December 31, 2018 from BDT 191.20 billion on the same day of the previous year, according to the central bank's latest statistics.
- Meanwhile, the credit growth of all 40 PCBs came down to 14.32% on December 31, 2018 from 19.90% on the same day of previous year. It was 17.70% as on December 31, 2016.

<http://today.thefinancialexpress.com.bd/trade-market/pvt-banks-deposit-growth-falls-further-last-year-1553877175?date=30-03-2019>

### Recovery fails to keep pace with default loan spike

- The pace of recovery of banks' nonperforming loans (NPL) was much lower than the rate at which their NPL increased last year -- an ominous development for the sector. In 2018, banks recovered BDT 133.92 billion of NPLs, up 5.86% from a year earlier, while delinquent loans in the sector soared 26.38% to BDT 939.11 billion, according to data from the sector. Given the trend, the latest government move to amend the existing loan rules to extend more facilities to defaulters will only exacerbate the situation, said Khondkar Ibrahim Khaled, former deputy governor of the central bank.
- Last week, the government announced that defaulters would be allowed to reschedule their loans for 12 years after furnishing 2% down payment under a special package. At present, defaulters can reschedule their loans for at most 3 years by providing 10 to 15% down payment. Both small and large borrowers will be able to get the rescheduling facility and a 7% simple interest formula instead of existing compound formula will be applied.
- Both small and large borrowers will be able to get the rescheduling facility and a 7% simple interest formula instead of existing compound formula will be applied. If their payments are regular, borrowers will also be able to get fresh loans from the same bank after rescheduling. Finance Minister said that only those with genuine reasons for becoming defaulters can avail the facility. The discretionary measure will only widen the scope for unethical bankers to facilitate delinquent borrowers in exchange for favours, said experts.

<https://www.thedailystar.net/business/news/recovery-fails-keep-pace-default-loan-spike-1722655>

### Telcos asked to block 2.6 million illegal SIMs

- The telecom regulator has made a list of about 2.6 million illegal SIMs and urged the mobile operators to deactivate the connections on April 26. The SIMs were registered exceeding the permissible limit of 15 mobile connections against every national identity card. The number of mobile connections of each operator will be disclosed on April 3 and the operators will then communicate with the users and deactivate the illegal ones.
- "A senior official of BTRC said that they have found that youths are involved in most of the cases. In some cases, a huge number of SIMs were found registered against each of the NIDs of some businesspeople. Law enforcing agencies have frequently been finding a lot of active registered and biometrically verified mobile connections involved in criminal activities, he said.
- On March 28, the BTRC through a letter warned the mobile phone operators on informing of the decisions taken a day before and warned them of stern regulatory measures if the SIMs were not deactivated on time. Earlier in November 2017, the BTRC instructed the telecom operators not to register more than 15 SIM cards against an NID card, scrapping an earlier provision that allowed an individual to own 20 SIM cards. But the telecom watchdog could not monitor whether the order was implemented due to the absence of a Central Biometric Verification Monitoring (CBVM) platform.

<https://www.thedailystar.net/business/news/telcos-asked-block-26-lakh-illegal-sims-1722643>

## New Swedish medicines in Bangladesh

- AstraZeneca, a leading biopharmaceutical company of Swedish-British origin, announced its partnership with MGH Healthcare Ltd to provide reliable access to AstraZeneca medicines in Bangladesh. AstraZeneca and MGH Healthcare will increase awareness among physicians and patients about the science behind innovative treatments and will increase access to innovative treatments to make a difference to patients in Bangladesh.

<http://today.thefinancialexpress.com.bd/trade-market/new-swedish-medicines-in-bangladesh-1553788056?date=29-03-2019>

## Gas price hike for international oil companies (IOCs) on the cards

- Bangladesh plans a 7.5% hike in gas price for international oil companies to lure global players into hydrocarbon exploration in its untapped offshore blocks in the upcoming bidding. The selected bidders would also be able to export gas in any form-piped or liquefied-after having 'right of first refusal' from state-run Petrobangla.
- In the model production-sharing contract (PSC), gas price has been pegged to high sulfur fuel oil prices, or HSFO. The floor price for HSFO has been fixed at USD 100 per tonne and the ceiling price at USD 215 per tonne. It works out the price at around USD 7.25 per Mcf (1,000 cubic feet), said a senior Petrobangla official.

<http://today.thefinancialexpress.com.bd/last-page/gas-price-hike-for-iocs-on-the-cards-1553882383?date=30-03-2019>

## Bay Terminal gets final approval for land

- The Central Land Allocation Committee (CLAC) on Thursday approved 803.1710 acres of land for the Bay Terminal project. In a meeting held at the ministry of land yesterday, the committee finally approved the "Bay Terminal" of Chattogram Port Authority (CPA).
- The works of Bay Terminal with all modern port facilities to mobilize port activities and reduce transportation cost is now progressing in full swing as the project is in the top priority list of Prime Minister, said officials of CPA. CPA officials said, the bigger ships with more length and draft will be able to berth at the jetties of the terminal for handling goods. The new terminal would immensely reduce transportation cost and bring dynamism in port activities.

<http://today.thefinancialexpress.com.bd/trade-market/bay-terminal-gets-final-approval-for-land-1553877621?date=30-03-2019>

## Interest rate of bank loan 'to be brought down: PM

- Expressing her government's firm stance to bring down the interest rate of bank loan to a single digit, Prime Minister said on Sunday the government will take measures again to

reduce the interest rate for the sake of the country's industrialisation, reports UNB. They will sit again to discuss how to reduce the interest rate of bank loan, she added while inaugurating the weeklong first national industrial fair in the city. PM said that the government earlier took initiatives to reduce the bank interest rate and provided some facilities to the banks

- Some banks brought down the interest rate to 9% accordingly, but all didn't do so. It (the rate) was taken to 14-16% again, she added. The Prime Minister questioned why the banks did not reduce the interest rate despite enjoying the facilities. PM said that the owners of banks are running mills and factories and also doing businesses. Noting that now she will have to interfere in this area she said. They're running banks and also industries, but won't reduce the interest rate. What businesses they have and whether they're paying tax and VAT properly.

<http://today.thefinancialexpress.com.bd/first-page/interest-rate-of-bank-loan-to-be-brought-down-1554055712>

<https://www.thedailystar.net/business/news/lending-rate-be-brought-down-pm-1723132>

<http://www.newagebd.net/article/68880/bank-loan-interest-to-be-brought-down-pm>

## Liquidity shortage hits banks' farm loan disbursement

- Farm loan disbursement dropped by 2.81% or BDT 4.06 billion in the July-February period of the current fiscal year due mainly to liquidity crisis in the country's banking sector. In July-February of FY19, banks disbursed BDT 141.13 billion in farm loans against BDT 145.20 billion disbursed in the same period of FY18, according to the latest Bangladesh Bank data. Officials of the central bank mentioned liquidity shortage as the key reason for the fall in agricultural loan disbursement by banks.

- They said that banks were facing multiple challenges that were holding them back from disbursing farm loans in line with the central bank-set target for the current fiscal year. The liquidity crisis of banks was reflected in inter-bank loans, call money rate and increasing deposit rate in the banking sector. Even the private sector credit growth was 13.2% in January this year, far below the BB-set target (16.5%). Riding on higher demand for liquidity, call money rate increased to 4.53% on March 28 this year. The rate of call money was 2.77% in June last year.

- Banks borrowed BDT 134.75 billion from the central bank through repurchase agreement (REPO) in the period between July, 2018 and March 5, 2019 while the entities borrowed BDT 5.72 billion in the entire 2017-2018 fiscal year. In the fiscal year of 2016-2017, banks' borrowing through REPO was BDT 1.15 billion. Deposit growth in the banking sector dropped below 10% in recent months, which also worsened the liquidity situation in the banking sector.

<http://www.newagebd.net/article/68881/liquidity-shortage-hits-banks-farm-loan-disbursement>

## Government offers low-cost fund for safer RMG

- The government has formed a €50 million fund to give out low-cost loans for garment

factory remediation with the view to enhancing workplace safety in the country's main export-earning sector. Each garment factory will get loans of up to €1 million from the fund at 7% interest rate. In exceptional cases, the amount of loan will be increased to €3 million for massive upgrades. The fund can also be used to reduce pollution, ensure efficient use of energy and create a decent place to work, as per the notice sent out to all lenders and non-bank financial institutions yesterday.

- Banks will have to count interest rate at 3.50% to get the fund. The central bank will play the role of implementing agency for the fund, formed with soft loans from the Agence Française de Développement, which is a public financial institution that implements the policy defined by the French government. Apart from the loan fund, an additional €14.29 million will be provided as grants to the successful garment factories and banks that disburse the loans properly.

- European Union, Kreditanstalt für Wiederaufbau, Gesellschaft für Internationale Zusammenarbeit and the Bangladesh Bank will provide the fund as grant in the interest of the country's garment sector. In fiscal 2017-18, garment exports fetched USD 36.66 billion, according to data from the Export Promotion Bureau.

<https://www.thedailystar.net/business/news/govt-offers-low-cost-fund-safer-rmg-1723117>

<http://www.newagebd.net/article/68879/50m-euro-loan-fund-at-bb-for-rmg-sector>

### **Businesses on same page with government over VAT law**

- Businesses are on board with the government's plan to introduce four different rates of value-added tax (VAT) from July, clearing the way for the implementation of the much-talked about VAT law 2012. As per the scheme, there will be four different rates of VAT applied on most of the goods and services under the existing VAT law 1991: 5%, 7.5%, 10% and 15%. President of the Federation of Bangladesh Chambers of Commerce and Industry said that they have agreed in principle and will fix the remaining issues later.

- Over the next two months, the National Board of Revenue (NBR) in consultation with businesses will slot the sectors into the four VAT rates. Businesses have accepted the 5%, 7.5% and 10% rates of VAT, Finance Minister said. The introduction of multiple rates would require amendment of the VAT and Supplementary Duty Act 2012 as it envisaged a uniform 15% rate, according to NBR officials familiar with the law.

- NBR Chairman said that they will fix the rates of VAT in the budget proposal. They have also hiked the threshold of VAT-free turnover ceiling and decided to rationalise the turnover tax. The VAT-free turnover limit would be increased to 5.0 million from existing BDT 3.6 million. The ceiling of turnover tax would be increased to BDT 30 million from BDT 8.0 million, and the rate of turnover tax would be hiked to 5% from 3% at present, he added.

<https://www.thedailystar.net/business/news/businesses-same-page-govt-over-vat-law-1723126>

### **South Bangla Agriculture and Commerce (SBAC) to go public**

- South Bangla Agriculture and Commerce (SBAC) Bank, a fourth generation private

commercial bank, has taken initiative to go public under the fixed price method. As part of offloading shares, the SBAC Bank signed an agreement on Sunday with its issue manager-ICB Capital Management. After getting the audited financial statement they will start the job of preparing the company's IPO proposal, chief executive officer at ICB Capital Management said. The company secretary of the SBAC Bank, said their company will go public with the financial statement for the year ended on December 31, 2018 if the relevant processes are completed by April this year. The paid-up capital of the SBAC Bank, which was incorporated in 2013, is BDT 5.65 billion.

<http://today.thefinancialexpress.com.bd/stock-corporate/sbac-to-go-public-1554056983>

### **BDT depreciation boosts inflow of remittances**

- The flow of inward remittances rose by more than 10% in the first nine months of the current fiscal year as the exchange of local currency maintained a depreciating mode against the US dollar. Bangladeshi nationals working abroad sent USD 11.87 billion home during the July-March period of the FY 2018-19. It was USD 10.76 billion in the same period of the previous fiscal, according to the central bank's latest statistics. The remittance inflow was estimated at USD 1.46 billion in March last, up by USD 140 million from that of the previous month. In February 2019, the amount stood at USD 1.32 billion.

- A senior official of the Bangladesh Bank (BB) said that the inflow of remittance may rise further in the coming months ahead of the Holy Ramadan. He also said the flow of overall inward remittance continues to maintain an upward trend due to the depreciation of local currency against the US currency.

<http://today.thefinancialexpress.com.bd/last-page/bdt-depreciation-boosts-inflow-of-remittances-1554142682>

### **Slow execution may lead to pullout by World Bank of funding worth USD 2.0 billion**

- The World Bank (WB) has warned that it will reconsider financing projects worth USD 2.0 billion unless the authority expedites implementation of the projects. The global lender may even withdraw funds if the agencies fail to speed up the execution process of the WB-aided projects, they added.

- The Bank sat with the project executing agencies and the Economic Relations Division (ERD) to review its portfolio to get the updates on the projects. The Bank picked up 11 of its aided projects for stocktaking as those were struggling. The Bank picked up 11 of its aided projects for stocktaking as those were struggling.

- The lender had made the commitment of providing nearly USD2.02 billion worth of concessional loans for the projects on various occasions to improve Bangladesh's different sectors, including infrastructure, education, finance, water supply and sanitation.

<http://today.thefinancialexpress.com.bd/first-page/problem-projects-threaten-20b-wb-loans-1554141634>

### National Board of Revenue (NBR) launches online VAT return system

- The National Board of Revenue (NBR) launched Monday online the VAT return submission system help businesses complete the process without harassment. With the newly-launched system, companies will now be able to submit their VAT returns from anywhere without visiting offices.
- Initially, the large taxpayers will be able to avail the online submission facility, while all businesses will come under the system by August 14.

<http://today.thefinancialexpress.com.bd/last-page/nbr-launches-online-vat-return-system-1554142627>

### NBFIs can now write off more bad loans

- Country's non-banking financial institutions (NBFIs) are now allowed to write off more bad loans, particularly retail ones, without filing lawsuit that will help reduce their classified loans in the near future.
- The NBFIs are empowered to write off loans up to BDT 0.20 million instead of the previous ceiling of BDT 50,000 without filing cases for recovery, according to latest loan/lease/investment write-off policy for the NBFIs. The policy also allowed the financial institutions to write off such loans after three consecutive years instead of the previous five years.
- Senior bankers and experts earlier told the FE that the banks stand to benefit from the policy as they will now write off small-sized loans without resorting to court. But they said the new policy may not be effective for large loans.

<http://today.thefinancialexpress.com.bd/first-page/nbfis-can-now-write-off-more-bad-loans-1554142032>

<https://www.thedailystar.net/business/news/write-policy-relaxed-nbfis-well-1723693>

### Defaulted loan recovery slows as government moves to ease rescheduling

- Banks have been facing a fresh hurdle to recovering defaulted loans in recent weeks following the government's move to give easy rescheduling opportunity for defaulted loans.
- Many defaulters have refrained from paying instalments against their loans and opted to wait for the final decision of the government in this connection. The loan defaulters are waiting to avail themselves of the opportunity of paying lower interest rate along with lower amount of down payment for rescheduling their loans, according to BB officials.
- Many defaulters usually pay a portion of their defaulted loan amounts at the end of a quarter, but at the end of January-March quarter such payment slowed after the government made statements over the proposed rescheduling facility, they said.

<http://www.newagebd.net/article/68931/defaulted-loan-recovery-slows-as-govt-moves-to-ease-rescheduling>

### Review meeting on draft ADR (Mediation-Arbitration or Med-Arb) guidelines to help banks protect themselves

- In a meeting called the third tripartite review, participated by representatives of Bangladesh Bank, Association of Bankers, Bangladesh (ABB) and Bangladesh International Arbitration Centre (BIAC), it was agreed in the meeting that incorporating the ADR (Mediation-Arbitration or Med-Arb) clause in all bank contracts will provide banks with a tool to protect themselves from the risk of non-performance of contracts.
- The clause will be framed in a manner that will give the banks an additional safeguard against the risk of default in loan contracts. Banks will have the discretion to use the ADR Cause appropriately in risk mitigation. The committee believed mediation can be tried by the parties even if a loan has been rescheduled since it leaves a scope for negotiation and this is likely to strengthen the existing rescheduling circular.
- To address the existing overhang of bad debts/default court led arbitration is being considered. The committee deems arbitration as a significant option, particularly in cases where the defaulter has assets abroad, because of the cross-border enforceability of an international arbitral award under the New York Convention.
- The draft is being revised and will be submitted to the Bangladesh Bank soon

<http://today.thefinancialexpress.com.bd/stock-corporate/review-meeting-on-draft-adr-guidelines-held-1554139982>

### Significant drop in private sector credit growth in February

- The private-sector credit growth dropped significantly in February as some banks, particularly private ones, faced liquidity pressure due mainly to unavailability of deposits, bankers said. Credit growth fell to 12.54% this February on a year-on-year basis from 13.20% a month ago, showed the central bank's latest statistics released on Thursday.
- This growth was 3.96% points lower than the Bangladesh Bank (BB)'s target of 16.50% for second half (H2) of the current fiscal year.
- Scarcity of funds to give loans with, shortage of greenbacks to meet import payments and disbursement of large amounts of loans for the mega infrastructure projects are responsible for the dwindling credit growth, analysts said.
- According to a senior executive of a leading private commercial bank, individual deposits are being diverted to government schemes due mainly to higher interest rates on public savings instruments than deposit rates offered by the banks. He said that the current trend in the private-sector credit growth may continue in the coming months until liquidity situation improves, the private banker cited.

<https://www.thedailystar.net/business/news/private-credit-growth-hits-53-month-low-1724239>

<http://today.thefinancialexpress.com.bd/first-page/significant-drop-in-pvt-sector-credit-growth-in-feb-1554227767>

### **Finance Minister for BDT 10 billion paid-up capital for new bank**

- Finance Minister AHM Mustafa Kamal said on Tuesday the paid-up capital for any new commercial bank should be BDT 10 billion so that the consumers are not affected even after any possible shocks to their deposits.
- The Finance Minister also said the government would overhaul the capital market for a vibrant economy. He said many good companies have not entered the capital market, adding that they should be enlisted for making it vibrant.

<http://today.thefinancialexpress.com.bd/first-page/kamal-for-BDT-10b-paid-up-capital-for-new-bank-1554227720>

### **Padma bank plans to sell default loans to asset management companies specialized in loan recovery, according to its Managing Director.**

- State-run Padma Bank has taken up a set of plans to make a turnaround from its current sorry state, starting off with the rebranding of its name this year to restore depositors' confidence and brighten its image.
- Setting a target to reduce the amount of default loan by 40% this year and urging loan recovery a top priority, the Managing Director of the bank said that the bank plans to sell bad loans amounting to BDT 10 billion to asset management companies which specialize in loan recovery and it has already sought approval from Bangladesh Bank.

<https://www.thedailystar.net/business/news/loan-recovery-top-priority-1724227>

### **Telcos to be fined for misuse of SIMs with faulty registration**

- Bangladesh Telecommunication Regulatory Commission has warned mobile phone operators of penalty for any misuse of SIM cards having faulty registration.
- The telecom regulator came up with the warning on Monday for the prevention of misuse of SIM cards, which are registered inappropriately without biometric verification, for extortion and giving threats. The responsibility for proper verification of SIM cards and prevention of sales of pre-activated SIM cards lies with the mobile phone operators, it said.
- Misuse of each SIM card will result in BDT 5,000 in fine for the mobile phone operators. Mobile phone operators would be fined BDT 5,000 for termination of illegal VoIP call from each SIM card.

<http://www.newagebd.net/article/69028/telcos-to-be-fined-for-misuse-of-sims-with-faulty-registration>

### **Asian Development Bank (ADB) projects 8.0% growth for Fiscal year, 2019**

- The Asian Development Bank (ADB) projected on Wednesday Bangladesh's economic growth at 8.0% for the current fiscal year (FY) with buoyant export earnings and remittance. The Manila-based lender has revised its growth forecast upward from its earlier 7.5% projection at the Asian Development Outlook (ADO) 2018 Update unveiled last September.
- Besides, the growth projection is 0.13% point lower than the government's provisional estimation of 8.13% for FY 2018-19.
- The ADB, however, earmarked challenges like reforms in the banking sector, enabling a better business environment, expanding tax base and developing human capital to make economic expansion sustainable.
- The ADB outlook 2019 said public investment would remain strong as the government continues to expedite the implementation of large infrastructure projects and other large projects receiving overseas support. Private investment is expected to rise, supported by measures to increase private-sector credit, improve the ease of doing business and make hundreds of industrial plots available in special economic zones.
- Despite a weaker growth outlook in key exports markets, the report said, earnings from apparel exports are expected higher as new destinations strengthen. According to an ADB representative, the US-China tariff tensions make Bangladesh an attractive alternative source of manufacturing.

<http://today.thefinancialexpress.com.bd/first-page/adb-projects-80pc-growth-for-fy-19-1554314132>

<https://www.thedailystar.net/business/news/fastest-asia-pacific-1724719>

### **Imports grow by more than 9.0%**

- Country's overall imports grew by more than 9.0% in the first eight months of this fiscal year (FY), 2018-19, following higher imports of intermediate goods and fuel oils, officials said.
- The actual import in terms of settlement of letters of credit (LCs) rose to USD 36.90 billion during the July-February period of FY'19 from USD 33.84 billion in the same period of the previous fiscal, according to the central bank's latest data.
- Imports may rise slightly ahead of the month of Ramadan.
- Meanwhile, import of intermediate goods such as coal, hard coke, clinker and scrap vessels etc, jumped by 38.58% to USD 3.68 billion during the period under review from USD 2.65 billion in the same period of FY '18. Different construction materials imported as intermediate goods pushed up the overall import payments in the first eight months of this

fiscal, according to the central banker.

<http://today.thefinancialexpress.com.bd/first-page/imports-grow-by-more-than-90pc-1554314252>

### **Bangladesh wants duty-free and quota-free (DFQF) market access after graduation from Least Development Country (LDC) status**

- Bangladesh on Wednesday sought continuation of duty-free and quota-free market access for countries graduated to developing countries from least developed country status for at least additional 6-10 years after graduation. The country made the plea to the member countries of the World Trade Organization during the first day of the fifth review of Bangladesh trade policy being held in Swiss city of Geneva.
- Bangladesh in its TPR report, placed its report to the WTO's trade policy review body, said that WTO members need to develop special programs for the newly graduated countries for ensuring smooth transition and preventing any unwanted setback. It also sought extension of exemption from TRIPS obligation particularly for the pharmaceutical products.

[www.newagebd.net/article/69115/bangladesh-wants-dfqf-after-graduation-from-ldc](http://www.newagebd.net/article/69115/bangladesh-wants-dfqf-after-graduation-from-ldc)

### **Payra 1,320-MW power plant project hits snag**

- Implementation of the Payra 1,320-megawatt (MW) thermal power plant project in Patuakhali is being delayed, allegedly due to lack of coordination among the stakeholders involved.
- Only 70% activities of the power plant worth USD 1.98 billion has been completed, although the initial target to start electricity generation from a 660-MW unit was April 25.
- Its second 660-MW unit was scheduled to initiate commercial operation by October 25. The required power evacuating transmission line to supply electricity from the plant is not yet completed.
- The Payra coal-fired power plant will be the first operational power plant, to be run on imported coal.

<http://today.thefinancialexpress.com.bd/last-page/payra-1320-mw-power-plant-project-hits-snag-1554314431>

### **Telcos fall short of 4G speed promise**

- None of the mobile operators can maintain the required 4G speed of 7 megabytes per second in any of the four divisions of Khulna, Rajshahi, Barishal and Rangpur, the telecom regulator found in a recent speed test. In some cases, the operators are offering half the threshold speed in the name of 4G within the big cities, according to Bangladesh

Telecommunication Regulatory Commission (BTRC).

- There are provisions in the law to punish the mobile operators for misleading customers. Mobile operators, however, disputed the findings of the speed test, saying their actual speed is much higher than what is mentioned in the report.

<https://www.thedailystar.net/business/news/telcos-fall-short-4g-speed-promise-1724716>

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

#### **The Investment Corporation of Bangladesh (ICB) seeks BDT 50 billion fund to stabilize stock market**

- The Investment Corporation of Bangladesh (ICB) has proposed creation of a BDT 50-billion 'market support fund' to help make the stock market stable. Sources said the corporation made an appeal to the finance ministry amid volatility now prevailing in bourses. The ICB's investment in the bourses was at BDT 7.35 billion in June 2009 which rose to BDT 105.70 billion in June 2018.
- Last Wednesday, the turnover at the country's prime bourse, Dhaka Stock Exchange (DSE), came down to BDT 3.53 billion, hitting a fresh three-month low. Many see it as an instance of investors' reluctance to stake new funds on stocks.

<http://today.thefinancialexpress.com.bd/first-page/icb-seeks-BDT-50b-fund-to-stabilise-stock-market-1553881738?date=30-03-2019>

#### **Coppertech subscription opens today & Sea Pearl Beach Resort & Spa Ltd's subscription is set to open on April 22**

- The initial public offering (IPO) subscription of Coppertech Industries opens today (Sunday). The company will raise a fund worth BDT 200 million from the capital market under the fixed price method. The subscription for shares of the Coppertech by the eligible investors through electronic subscription system will be continued until April 09. For non-resident Bangladeshi (NRB) and foreign applicants, the required amount (per lot) for subscription is USD 59.92 or GBP 45.40 or EUR 53:00, according to the Dhaka Stock Exchange (DSE). As per the financial statement for the year ended on June 30, 2018 the company's net asset value (NAV) per share, without revaluation, was BDT 12.06. For the same period, the earnings per share (EPS) of the Coppertech stood at BDT 2.60, whereas the diluted EPS was BDT 1.03. The weighted average EPS was BDT 0.87.
- The IPO subscription of Sea Pearl Beach Resort & Spa Ltd is set to open on April 22, aiming to raise BDT 150 million from the capital market. The subscription for shares of the company will be continued until May 06. Sea Pearl Beach Resort is originally owned by the Hotel Royal Tulip Sea Pearl Beach Resort situated in Cox's Bazar. According to the financial statements ended on June 30, 2018, the company's net asset value (NAV) per share stood at BDT 10.48 while the weighted average (three years) earnings per share (EPS) was BDT 0.41.



<http://today.thefinancialexpress.com.bd/stock-corporate/coppertech-subscription-opens-today-1553960986>

<https://www.dhakatribune.com/business/2019/03/30/ipo-subscription-of-coppertech-industries-begins-on-sunday>

### **Esquire Knit makes debut in first week of April & Runner Automobile will make its share trading debut soon**

• Esquire Knit Composite Limited is set to make its share trading debut in the first week of April on the bourses under 'N' category, officials said. Despite the company's IPO shares were credited into respective BO accounts in the first week of this month, the trading debut was delayed due to sluggish market trend, said a DSE official, seeking anonymity. Esquire Knit Composite, which received IPO approval from the securities regulator on September 26, 2018, raised a total capital worth BDT 1.50 billion through issuing 34.89 million ordinary shares under the book-building method. The company produces different types of knit garments through its six units -- knitting, fabric, printing, embroidery, industrial laundry and garments and sells the same to foreign buyers.

• Runner Automobiles will also make its share trading debut soon as the company's IPO shares has already been credited into respective BO accounts. Runner Automobiles, a flagship company of Runner Group, raised a fund worth BDT 1.0 billion by floating 13.93 million shares from the capital market under the book-building method. Runner Automobiles, which started its journey in 2000, is engaged in manufacturing two-wheelers in Bangladesh. It also started exporting motorcycles to Nepal in January 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/esquire-knit-makes-debut-in-first-week-of-april-1553961206>

### **Net foreign investment on DSE tumbles in March**

• Net foreign investment in the Dhaka Stock Exchange (DSE) entered a negative territory in March again, after two months break, as overseas investors booked profit by selling shares. Foreign investors collected shares worth BDT 3.75 billion but sold BDT 4.98 billion worth of shares last month, resulting in their net position of a negative BDT 1.23 billion, according to statistics available with the DSE.

<http://today.thefinancialexpress.com.bd/stock-corporate/net-foreign-investment-on-dse-tumbles-in-mar-1554139954>

### **Grameen Phone (GP) woes over unpaid dues get worse**

• Grameenphone's woes over unpaid dues just got worse, with the government now likely to claim about BDT 8.0 billion more following revision of the audit books.

• Last year, following audit into Grameenphone's books from its inception until June 2015 the government had claimed BDT 115.3 billion -- an amount that was disputed by the leading mobile operator. The operator requested the Bangladesh Telecommunication

Regulatory Commission to revisit the figures once again, which the telecom watchdog agreed to. Now, in a commission meeting on Sunday the BTRC has come to the decision that it would claim about BDT 8.0 billion and the National Board of Revenue another BDT 40.8 billion.

<https://www.thedailystar.net/business/news/gp-woes-over-unpaid-dues-get-worse-1723708>

### **Bourses demand corporate tax cuts**

• The Dhaka and Chattogram stock exchanges yesterday demanded a cut in the corporate tax rate for the listed companies to attract non-listed firms to the market. They also demanded doubling of the gap in the corporate tax rate between listed and non-listed companies.

• Currently, the corporate tax rate for the listed companies is 25% and for the non-listed companies it is 35%, meaning firms that went public enjoy a 10-% point advantage. Now, the Dhaka Stock Exchange (DSE) says the gap should be widened to 20% points.

<https://www.thedailystar.net/business/news/bourses-demand-corporate-tax-cuts-1724209>

### **United Commercial Bank (UCB) and Incentive Remit launch real-time remittance service**

• United Commercial Bank Limited (UCB) in collaboration with Incentive Remit (M) and FELDA Mobile, Malaysia launched the Real-time International Remittance Service through its digital payment system Upay.

• FELDA Mobile Sdn Bhd is a Joint Venture Company of Malaysia Government entity FELDA (Federal Land Development Authority). The service will enable Bangladeshi Migrant Workers of Malaysia to send money to their family members directly through Upay wallet.

<http://today.thefinancialexpress.com.bd/stock-corporate/ucb-incentive-remit-launch-real-time-remittance-service-1554222846>

### **Government earnings from Dhaka Stock Exchange (DSE) up 0.86% in March**

• The government revenue earnings from the Dhaka Stock Exchange (DSE) inched up 0.86% month-on-month in March despite trading activities fell sharply. The daily average turnover on the DSE also came down to BDT 4.84 billion in March, which was BDT 7.65 billion in February 2019, the DSE data shows. DSEX, the prime index of the Dhaka Stock Exchange (DSE), fell 220 points or 3.85% in March to close the month at 5,491 points.

• Market analysts said higher shares sale by sponsor-directors during the month kept the government earnings from the premier bourse afloat.

• The government collected revenue worth BDT 234 million in March which was BDT 232 million in February 2019, advancing 0.86% month-on-month, according to statistics from the

DSE.

<http://today.thefinancialexpress.com.bd/stock-corporate/govt-earnings-from-dse-up-086pc-in-mar-1554315907>

### **Dhaka Stock Exchange (DSE) inks Memorandum of Understanding (MoU) with Colombo Stock Exchange**

- The Colombo Stock Exchange (CSE) and the Dhaka Stock Exchange (DSE) have signed a Memorandum of Understanding (MoU) to pave the way of exchanging information between two exchanges.
- The MoU was signed on March 28 last while a three-member DSE delegation made a visit to Colombo to attend a program namely, 'High level engagement with Listed companies: Sustainability Reporting for Sustainable Development.' The MoU will pave the way for a greater level of information exchange between the two stock exchanges and will focus on product development, capacity building and the joint promotion of capital raising efforts both in Bangladesh and Sri Lanka.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-inks-mou-with-colombo-stock-exchange-1554316168>

### **IDLC's BDT 2.55 billion zero coupon bond gets nod**

- The Bangladesh Securities and Exchange Commission (BSEC) has approved a proposal of IDLC Finance, which is seeking to raise BDT 25.5 million by issuing non-convertible zero-coupon bond. The tenure of the fully redeemable, unsecured, and non-listed bond will be seven years. The proceeds will be used to strengthen the non-bank's liquidity situation. The offer price will be BDT 1 million per unit.

<https://www.thedailystar.net/business/news/idlcs-BDT-255cr-zero-coupon-bond-gets-nod-1724704>