

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-0.48%) lost 28.05 points and closed the week at 5,813.14 points. The blue-chip index DS30 (-0.35%) lost 7.74 points and stood at 2,186.79 points while the shariah based index DSES (-0.27%) closed in red and stood at 1,352.84 points. DSEX, DS30, and DSES all posted negative YTD return of -6.91%, -4.22%, and -2.72% respectively.

Total Turnover During The Week (DSE) : BDT 31.1 billion (USD 373.8 million)

Average Daily Turnover Value (ADTV): BDT 6.2 billion (Δ% Week: +14.5%)

Market P/E: 17.84

Market P/B: 2.34

Daily Index Movement during the Week:

The market performed five sessions during the week. Market started with a positive movement of 2.06% and continued to be positive in second session (+0.24%). Market corrected itself in third session (-0.34%) and continued to be negative in fourth (-0.45%) and fifth session (-0.35%).

Sectoral Performance:

• All the financial sectors ended in positive except NBFIs (-2.53%) and Banks (-2.08%). Life Insurance posted the highest gain of 6.74% followed by General Insurance (+0.71%), and Mutual Funds (+0.12%).

• The large cap non-financial posted negative performance except Telecommunication (+1.71%) and Power (+0.90%). Engineering posted the highest loss of 1.93% followed by Food & Allied (-1.50%), and Pharmaceuticals (-0.04%) which closed flat in red.

Macroeconomic arena:

• The Asian Development Bank (ADB) has projected a 7.0% economic growth for Bangladesh in the current fiscal year (FY), 2017-18. According to Bangladesh Bureau of Statistics (BBS) GDP is expected to expand at 7.65% rate in the current FY. The World Bank said national economy could grow at 6.5% rate in FY 18, which is 1.15% points lower than the BBS estimation.

• The government plans to offer a host of incentives to encourage local manufacturing of raw materials for the pharmaceutical sector with a view to boosting exports and lowering the cost for domestic consumers. The government will give unconditional tax-holiday to all API and laboratory reagents producers, both local and joint ventures, for five years from fiscal 2016-17 to fiscal 2021-22. According to the draft policy, value-added tax and VAT deduction at source will be waived on purchase and sales of locally made API, laboratory reagents, all raw materials, immovable assets and services up to 2032. The policy has proposed a 20% cash incentive if producers add at least 20% value.

• 51% or 85 million of Bangladesh's population subscribe to mobile phone services that reflects digital divide within the country, according to a report of Global System for Mobile Communications. The GSMA report stated that the total SIM connections would be 190 million by 2025 from 145 million in 2017. The GSMA report also showed that 21% or around 33.8 million people had access to mobile internet in Bangladesh.

• Bangladesh recorded a budget surplus of BDT 2.37 billion in the six months to December of the current fiscal year, mainly due to slow spending of budgetary resources. Progress in implementation of the annual development programme remained sluggish in the first nine months of the current fiscal year 2017-2018 as the government agencies could implement only 45.65% of the total ADP outlay.

Stock Market arena:

• Premiaflex Plastics, a subsidiary of ACI Limited, will manufacture and market household plastic products like furniture and other allied plastic articles. ACI Premio Plastics has started its journey with 200 premium design and quality home and furniture plastics goods.

• Impress Capital Limited (ICL), a wealth management company, has floated a new open-end mutual fund namely "BCB ICL Growth Fund" recently. The initial fund size was BDT 250 million. Advent Pharma, an animal healthcare drugs manufacturer, makes its share trading debut today (Thursday) on the Dhaka and Chittagong Stock Exchanges under "N" category. The DSE trading code for Advent Pharma is "ADVENT".

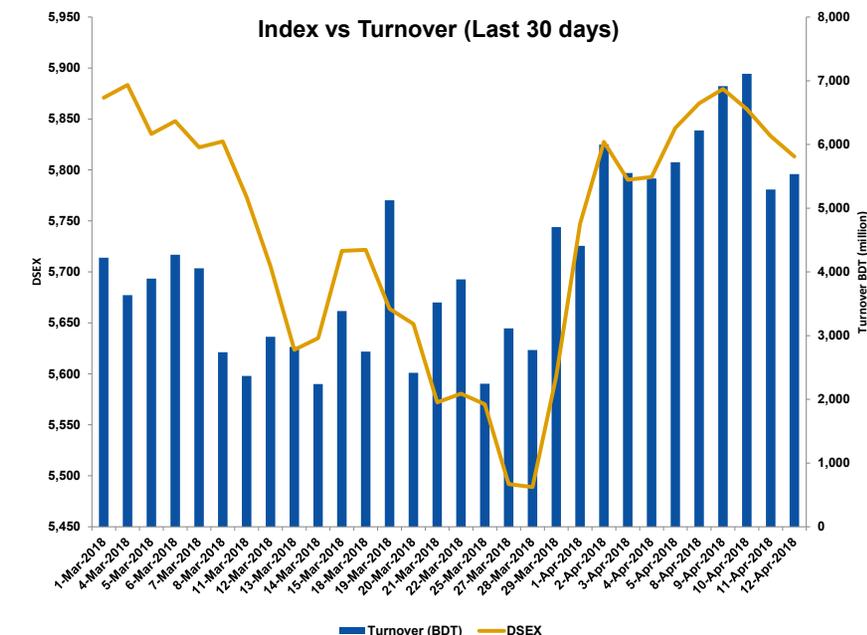
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,813.14	5,841.19	-28.05	6,244.52	-0.48%	-6.91%
DS30	2,186.79	2,194.54	-7.74	2,283.23	-0.35%	-4.22%
DSES	1,352.84	1,356.54	-3.71	1,390.67	-0.27%	-2.72%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	20,287,041.4	20,145,171.0	0.7%
	Mn USD	244,040.0	242,333.3	
Turnover	Mn BDT	31,071.7	27,146.3	14.5%
	Mn USD	373.8	326.6	
Average Daily Turnover	Mn BDT	6,214.3	5,429.3	14.5%
	Mn USD	74.8	65.3	
Volume	Mn Shares	943.1	818.5	15.2%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Monno Jute Staffers	1,475.30	1,117.30	32.0%	678.6	190.51	2976.5x	31.9x
Popular Life Insurance	129	99.20	30.3%	7,813.4	313.55	NM	12.9x
Sonali Aansh	257.60	216.90	18.8%	698.6	51.07	156.3x	1.1x
Renwick Jaineswar	779.00	681.80	14.3%	1,558.0	84.66	252.5x	NM
Mercantile Insurance	23.80	21.30	11.7%	1,025.7	76.00	16.9x	1.5x
Kay and Que	161.10	144.90	11.2%	789.8	9.53	3222.0x	NM
Eastern Lubricants	1,152.90	1,051.60	9.6%	1,146.0	122.18	28.4x	10.3x
Central Insurance	22.80	20.80	9.6%	1,073.5	.51	13.9x	1.1x
Fareast Islami Life Ins	84.10	76.90	9.4%	6,285.9	105.03	NM	8.4x
AFC Agro Biotech Ltd.	40.10	36.80	9.0%	3,652.3	142.13	13.8x	2.8x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Islamic Finance & Inv	17.80	20.10	-11.4%	2,390.3	36.48	8.6x	1.4x
Rupali Bank	48.70	53.40	-8.8%	14,787.4	54.19	NM	1.6x
Dulamia Cotton	41.20	45.00	-8.4%	311.3	1.07	NM	NM
City Bank	39.50	42.80	-7.7%	36,414.8	205.01	9.0x	1.5x
First Finance Limited	9.40	10.10	-6.9%	1,147.1	2.40	23.0x	0.7x
Pragati Insurance	25.10	26.90	-6.7%	1,465.3	14.05	11.1x	0.5x
United Commercial Bank Limited	17.30	18.50	-6.5%	18,236.5	87.83	6.9x	0.7x
Uttara Finance	64.20	68.60	-6.4%	8,039.2	31.19	9.7x	1.6x
Dhaka Bank	16.40	17.50	-6.3%	11,845.6	90.96	7.6x	0.8x
Reckitt Benckiser	1,800.10	1,919.30	-6.2%	8,505.5	11.70	28.7x	36.8x

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Beximco Limited	30.60	28.70	6.6%	25,538.4	2,301.96	24.9x	0.5x
BRAC Bank	87.00	82.80	5.1%	93,004.1	1,143.43	23.9x	4.8x
Monno Ceramic	142.10	148.30	-4.2%	3,570.2	818.50	1356.4x	1.6x
Keya Cosmetics	10.60	9.80	8.2%	10,622.3	813.92	6.3x	0.8x
Alif Manufacturing Company Ltd.	12.80	12.10	5.8%	1,400.3	674.97	6.7x	0.9x
IFAD Autos Limited	118.30	123.00	-3.8%	27,038.1	666.94	25.8x	4.3x
Mercantile Bank	23.10	23.00	0.4%	17,928.2	517.14	8.0x	1.1x
Unique Hotel & Resorts Limited	58.30	61.90	-5.8%	17,163.5	495.59	32.4x	0.9x
Northern Jute	445.00	439.20	1.3%	953.2	467.59	104.2x	5.9x
Alif Industries Limited	103.50	95.70	8.2%	3,891.3	445.37	29.6x	8.5x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Fareast Islami Life Ins	84.10	17.62%	6,285.9	NM
Beximco Limited	30.60	13.33%	25,538.4	24.9x
Delta Life Insurance	116.10	7.90%	14,367.4	NM
Marico Bangladesh Limited	1,192.00	7.77%	37,548.0	26.1x
Prime Islami Life Ins	57.60	4.92%	1,758.0	NM
Square Pharmaceuticals	313.90	4.01%	231,467.1	21.8x
Grameenphone Ltd.	486.00	3.23%	656,245.8	29.1x
Berger Paints	2,096.60	1.63%	48,617.9	24.0x
Beximco Pharmaceuticals	105.10	1.25%	42,624.0	19.1x
Green Delta Insurance	61.60	0.33%	4,970.6	17.8x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1542.64	1575.44	1848.21	-2.08%	-16.53%
NBFIs	2338.07	2398.76	2714.85	-2.53%	-13.88%
Mutual Funds	789.97	789.00	788.81	0.12%	0.15%
General Insurance	1501.25	1490.71	1592.30	0.71%	-5.72%
Life Insurance	2024.21	1896.44	1834.85	6.74%	10.32%
Telecommunication	6682.11	6569.76	6494.31	1.71%	2.89%
Pharmaceuticals	2904.75	2905.81	2821.05	-0.04%	2.97%
Fuel & Power	1471.25	1458.10	1527.27	0.90%	-3.67%
Cement	2072.88	2044.11	2280.58	1.41%	-9.11%
Services & Real Estate	1151.57	1171.42	1224.11	-1.69%	-5.93%
Engineering	2916.01	2973.33	3166.83	-1.93%	-7.92%
Food & Allied	15000.84	15229.91	15304.34	-1.50%	-1.98%
IT	1437.13	1463.99	1484.41	-1.83%	-3.18%
Textiles	1153.93	1145.33	1222.72	0.75%	-5.63%
Paper & Printing	1047.24	990.27	1013.11	5.75%	3.37%
Tannery	2514.37	2537.65	2642.41	-0.92%	-4.85%
Jute	8741.76	8149.18	8867.22	7.27%	-1.41%
Ceramics	568.46	571.15	597.46	-0.47%	-4.85%
Miscellaneous	1787.00	1775.04	1725.62	0.67%	3.56%

Table 7: Sector Trading Matrix

	Daily average	Daily average	% Change	% of Total	PE	PB
	this Week	last week				
Banks	755.6	1,046.8	-27.81%	12.90%	9.9x	1.2x
NBFIs	235.2	323.8	-27.35%	4.02%	22.0x	2.3x
Mutual Funds	65.2	104.8	-37.82%	1.11%	NM	0.7x
General Insurance	52.0	32.1	61.76%	0.89%	13.7x	1.1x
Life Insurance	243.0	138.5	75.53%	4.15%	NM	8.9x
Telecommunication	87.5	63.9	36.93%	1.49%	29.4x	21.7x
Pharmaceuticals	680.5	533.3	27.60%	11.62%	21.9x	3.6x
Fuel & Power	361.3	233.8	54.53%	6.17%	12.3x	1.9x
Cement	88.3	90.3	-2.19%	1.51%	23.3x	3.8x
Services & Real Estate	166.0	162.9	1.93%	2.83%	28.9x	1.0x
Engineering	766.2	717.4	6.80%	13.08%	23.1x	2.2x
Food & Allied	235.1	223.7	5.09%	4.01%	30.9x	10.9x
IT	192.6	251.8	-23.50%	3.29%	27.8x	3.0x
Textiles	875.4	567.5	54.26%	14.95%	20.6x	1.1x
Paper & Printing	5.2	3.0	74.56%	0.09%	NM	1.1x
Tannery	96.4	86.8	11.08%	1.65%	19.2x	3.1x
Jute	104.2	12.8	714.81%	1.78%	NM	3.7x
Ceramics	200.3	124.5	60.87%	3.42%	27.4x	2.1x
Miscellaneous	646.6	358.1	80.57%	11.04%	25.1x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Lankabangla Finance	31.00	-30.28%	10,605.7	13.3x
Prime Bank	20.00	-27.01%	20,587.0	9.4x
AB Bank	16.20	-26.70%	12,281.7	8.1x
United Commercial Bank Limited	17.30	-26.69%	18,236.5	6.9x
Rupali Bank	48.70	-26.44%	14,787.4	NM
Dutch-Bangla Bank	113.00	-26.19%	22,600.0	12.8x
Dhaka Bank	16.40	-25.45%	11,845.6	7.6x
Islami Bank	27.70	-24.32%	44,596.7	10.0x
City Bank	39.50	-21.84%	36,414.8	9.0x
Uttara Bank	27.60	-21.81%	11,042.2	7.2x

Important News: Business & Economy

Bangladesh economy to grow at 7.0% in FY 18: Asian Development Bank

- The Asian Development Bank (ADB) has projected a 7.0% economic growth for Bangladesh in the current fiscal year (FY), 2017-18. The national statistical body -- the Bangladesh Bureau of Statistics (BBS) -- has recently unveiled its provisional data, according to which Gross Domestic Product (GDP) is expected to expand at 7.65% rate in the current FY. The World Bank said national economy could grow at 6.5% rate in FY 18, which is 1.15%age points lower than the BBS estimation.

- ADB Economist said the GDP is expected grow 7.0% in FY 18, as consumption demands slacken despite a rebound in workers' remittance. He added that the remittance beneficiaries are likely to adopt a cautious approach to spending, repaying debt incurred in the recent years of remittance decline. The Manila-based lender also forecasted a higher trend of inflation. It said inflation is expected to accelerate to 6.1% on an average in FY 18, and rise further to 6.3% in the coming FY. BDT depreciated by 4.3% against the USD in February 2018 from the same period last year, and it is expected to depreciate further in response to the large current account deficit, ADO mentioned.

- The ADB country chief said he thinks that the government has right policies and capacity in implementing its development projects. Private investment is expected to edge up with support from an accommodative credit policy, and public investment will expand as the authorities seek to speed up implementation of the infrastructure projects. It added that broadly favorable global growth and trade prospects are expected to continue in FY 19. ADB in its report, however, cautioned that despite rising remittances and exports, the current account deficit is expected to widen further to equal 2.2% of GDP in FY 18 as import demand rises.

<http://today.thefinancialexpress.com.bd/first-page/bd-economy-to-grow-at-70pc-in-fy-18-adb-1523468773>

Planning minister protests World Bank comments on growth

- Planning Minister has protested the World Bank's comments on Bangladesh's economic growth, asking the global lender to amend its latest update by next month. He urged the bank to sit with the Bangladesh Bureau of Statistics (BBS) for gathering knowledge about the questions it raised on different government data and to bring changes in its just-published Bangladesh Development Update report. He also urged the Asian Development Bank to verify the government data on the economic growth and other issues sitting with the national statistical agency.

- The World Bank report expressed doubt over the government's GDP growth projection of 7.65% for the current financial year (FY) 2017-18 and raised the question over different

data and statistics. The bank forecasted a 6.5% GDP growth rate for the current fiscal year, a 1.15%age points lower than the government's provisional estimates of 7.65%. There is no scope for assumption on the economy, he added. The minister insisted that the economy at the end of the year is expected to surge at more than 7.65% rate.

<http://today.thefinancialexpress.com.bd/first-page/planning-minister-protests-wb-comments-on-growth-1523469073>

Government spends one-fourth of current budget in H1

- Bangladesh recorded a budget surplus of BDT 2.37 billion in the six months to December of the current fiscal year, mainly due to slow spending of budgetary resources. The surplus is significantly larger than previously-estimated as Bangladesh had a deficit of BDT 64.44 billion in the same period a year ago, according to the documents placed in the Jatiya Sangsad. The documents show that there were two reasons for such type of fiscal surplus: Rise in foreign funding in the budget and the net sales of national saving certificates.

- Finance minister in his statement said the there was no budget deficit up to December last. However, the government estimated a budget deficit of 4.8% of the gross domestic product (GDP) or amounting to BDT 1.0678 trillion for the current financial year. Funding from external sources to meet the budget deficit was estimated at 2.1% of the GDP while that of domestic sources at 2.7%. External funding used to meet the budget deficit during the period under review was much lower, only BDT 24.23 billion.

- However, foreign loan increased to BDT 68.72 billion to fund the budget against BDT 38.37 billion during the same period a year ago. On the other hand, the volume of grant fell significantly to BDT 360 million to December 2017. It was BDT 1.305 billion in July-December 2016. However, the government spent a total of BDT 1.02957 trillion during the period. The amount is equivalent to one-fourth of the total estimated budgetary expenditures for the FY 2017-18. Finance minister also said as a nation, it is desirable that Bangladesh will be a self-dependent and developed one discarding dependency on others. He mentioned that Bangladesh has been able to maintain its expected trend in the USA market without duty-free facility.

<http://today.thefinancialexpress.com.bd/first-page/govt-spends-one-fourth-of-current-budget-in-h1-1523468944>

Annual Development Programme (ADP) spending stands only at 45.65% in 9 months

- Progress in implementation of the annual development programme remained sluggish in the first nine months of the current fiscal year 2017-2018 as the government agencies could

implement only 45.65% of the total ADP outlay. According to Implementation Monitoring and Evaluation Division data, 57 ADP implementing ministries and divisions of the government in July-March of FY 2018 spent BDT 719.40 billion, out of the total allocation of BDT 1.58 trillion for the year. In nine months of the last FY 2017, the agencies spent BDT 538.64 billion or 45.15% of the total ADP allocation of BDT 1.19 trillion for the year.

<https://www.thedailystar.net/business/banking/wb-gives-515m-power-insurance-projects-1561042>

Banks' non-performing loan (NPL) a curse for sustainable growth

- The International Chamber of Commerce-Bangladesh has called growing non-performing loans (NPL) a curse for sustainable growth, urging the government to do more to combat the menace. The ICCB said until now, only limited action has been taken to penalize defaulters, curtail risks and strengthen bank management.

- The NPL is an issue that is impacting the capital adequacy of the sector. In Bangladesh, six state-owned commercial banks account for about a quarter of the total banking sector assets. They are supplemented by two state-owned specialized banks, 40 private commercial banks and nine foreign banks. According to a Bangladesh Bank study covering 2012 to 2016, the average ratio of NPLs to total loans was about 27.10%. It was 4.9% for private commercial banks, 6.5% for foreign banks and 22.56% for state banks.

<https://www.thedailystar.net/business/banks-npl-curse-sustainable-growth-1561663>
<http://www.newagebd.net/article/38840/ballooning-defaulted-loans-curse-for-growth-iccb>

World Bank gives USD 55 million for renewable energy expansion

- The World Bank (WB) would provide USD 55 million additional funds to expand Bangladesh's renewable energy in rural areas as the global lender approved the loan. The loan will be additional financing from the current USD 233 million WB loan for the renewable project in the country. The WB Board in Washington approved the USD 55 million concessional loan, to expand use of clean renewable energy in rural areas of the country where grid electricity cannot reach easily, the WB Dhaka office said.

- This additional USD 55 million loan will be used to the Second Rural Electrification and Renewable Energy Development (RERED II) Project to be ended in December 2018. It will enable about 10 million people living in villages, shoals, and islands to access electricity and use energy efficient cook-stoves. In the energy sector, the World Bank has ongoing support of over USD 1.6 billion in Bangladesh covering generation, transmission, distribution, and renewable energy. The credit from the World Bank's International Development Association, which provides grants or zero-interest loans, has a 38-year term, including a six-year grace period, and a service charge of 0.75%.

<http://today.thefinancialexpress.com.bd/last-page/wb-gives-55m-for-renewable-energy-expansion-1523469635>

Government to import another 500 megawatt from India

- The government is set to import 500 megawatt more electricity on a short- and long-term basis from India to meet the growing demand for power in the country. The proposal to import electricity from two Indian companies for BDT 4.7148 to BDT 6.5474 kW/h has already been approved by the cabinet committee on purchase yesterday. The short-term would be from June 2018 to December 31, 2019. The short-term would be from June 2018 to December 31, 2019. The same companies will also provide power over the long-term: from January 1, 2020 to May 31, 2033. Another 100MW of electricity is being imported from Tripura from March 2016.

<https://www.thedailystar.net/business/govt-import-another-500mw-india-1561651>

A new horizon opens for pharmaceutical ingredient makers

- The government plans to offer a host of incentives to encourage local manufacturing of raw materials for the pharmaceutical sector with a view to boosting exports and lowering the cost for domestic consumers. Bangladesh largely relies on imports for raw materials in the absence of local active pharmaceuticals ingredients (API); about 95% of the BDT 50.00 billion worth of raw materials needed by the pharmaceutical sector are brought in from abroad. Besides, the raw materials, which are mostly imported from China, South Korea and India, are not always of the requisite quality.

- The government will give unconditional tax-holiday to all API and laboratory reagents producers, both local and joint ventures, for five years from fiscal 2016-17 to fiscal 2021-22. If a producer can manufacture at least five molecules every year it would get 100% tax holiday from fiscal 2021-22 through to December 31, 2032. Firms that will produce at least three molecules will be entitled to a 75% tax holiday. Waiver on advance income tax and tax deduction at source will also be offered.

- According to the draft policy, value-added tax and VAT deduction at source will be waived on purchase and sales of locally made API, laboratory reagents, all raw materials, immovable assets and services up to 2032. The policy has proposed a 20% cash incentive if producers add at least 20% value. However, the government will review the value addition issue after 2026.

<https://www.thedailystar.net/business/new-horizon-opens-pharma-ingredient-makers-1561084>

Government signs deal on costly World Bank loan for power sector

- The government is finally going to borrow USD 450 million worth of a costly loan from the World Bank (WB)'s hard-term fund for upgrading the power transmission system as it signed a deal on Tuesday in Dhaka to this effect. Besides, it also signed another deal on USD 65 million worth of loans from the WB's concessional window International Development Association (IDA) to improve Bangladesh's insurance sector capacity. The WB would provide USD 450 million for the Enhancement and Strengthening of Power Transmission Network in Eastern Region Project from its costly Scale-up Facility Fund (SUF).
- The SUF loan bears an interest rate of nearly 4.0% and a 35-year maturity time including a four-year grace period. Under the power transmission network project, the Power Grid Company of Bangladesh Ltd (PGCB) will improve reliable electricity supply and reduce load shedding in the eastern region, covering greater Cumilla and Noakhali and part of greater Chattogram. About 275,000 households and 16,000 farm consumers will get new electricity connections under the project.
- The USD 65 million loan for the Insurance Sector Development Project (ISDP) will help strengthen the regulatory and supervisory capacity of the Insurance Development and Regulatory Authority (IDRA) and the country's two state-owned insurance corporations -- Shadharan Bima Corporation and Jiban Bima Corporation -- through modernising their systems and business practices.
- It will also help enhance the capacity of the Bangladesh Insurance Academy as a reliable resource for training and research, and thereby address the severe lack of insurance professionals. The ISDP will receive interest-free IDA credit, which is repayable in 38 years, including a six-year grace period. It carries a service charge of 0.75%.

<http://today.thefinancialexpress.com.bd/first-page/govt-signs-deal-on-costly-wb-loan-for-power-sector-1523383039>
<https://www.thedailystar.net/business/banking/wb-gives-515m-power-insurance-projects-1561042>

Power sector's demand for Annual Development Programme (ADP) fund soars

- The power division has sought an allocation of BDT 316.27 billion for development projects under the government's Annual Development Programme in 2018-19 financial year. The demand is 25.84% higher than the revised development allocation for the current financial year to be closed on June 30, 2018. The power division sent the proposal to the planning ministry via finance ministry in March seeking development allocation of BDT 316.27 billion for implementing 98 projects of power generation, transmission and distribution.

<http://www.newagebd.net/article/38770/power-sectors-demand-for-adp-fund-soars>

The Executive Committee of the National Economic Council (ECNEC) okays BDT 109.82 billion project for power transmission from Rooppur nuclear plant

- The Executive Committee of the National Economic Council (Ecneec) on Tuesday approved a project involving BDT 109.82 billion to improve transmission infrastructures for evacuating power from the Rooppur Nuclear Power Plant. On December 25, 2015, an agreement was signed between the Bangladesh Atomic Energy Commission (BAEC) and the Russian Rosatom worth USD 12.65 billion to construct the country's first nuclear power plant in Rooppur. Out of the two units of the plant, the first unit having a capacity of 1,200MW is expected to come into operation by October 2022 while the second unit also having a 1,200MW capacity is expected to come into operation by 2023.
- Of the total project cost of BDT 109.82 billion for the Power Transmission infrastructures project, the government will provide BDT 15.28 billion, the Power Grid Company of Bangladesh (PGCB) will provide BDT 12.35 billion while the rest of BDT 82.19 billion will come from the Indian third line of credit. An official at the Power Division said the project will be implemented at some 37 upazilas under 13 districts in three divisions.

<http://www.dhakatribune.com/business/economy/2018/04/10/ecnec-project-power-transmission-rooppur-nuclear-plant/>

Slight step-up in banks' IT security: Bangladesh Institute of Bank Management (BIBM)

- The banking sector's cybersecurity measures hardly saw any reinforcements despite being struck by one of the biggest cyber heists in history two years ago, displaying the stakeholders' casual attitude towards the rapidly emerging threat. As many as 68% of the banks do not have any IT governance framework, while 78% do not have a data leakage prevention system, found a survey conducted by the Bangladesh Institute of Bank Management. Eight% of the banks have still not initiated the implementation of IT governance, while 60% have but they do not have a definitive completion date.
- Banks should give proper attention to the matter, it said. The survey found that 60% of the banks had updated their cybersecurity policy in 2017, in contrast to 73% in 2016. However, training for cybersecurity awareness increased as banks realised that IT training is vital for their survival. Last year, banks trained 97% of the employees, up from 84% the previous year, according to the survey. IT investment last year increased 13.49% to BDT 20.35 billion. Of the sum, 36.5% went towards procuring hardware.

<https://www.thedailystar.net/business/banking/slight-step-banks-it-security-bibm-1561045>

<http://www.newagebd.net/article/38769/90pc-of-banks-lack-complete-it-governance-bibm-study>

Economy to grow at 6.5% in this fiscal, says World Bank (WB)

- The World Bank has expressed its doubt over the Bangladesh's 7.65% economic growth projection for the current fiscal year (FY) raising questions about data accuracy. The bank's lead economist questioned a series of government data such as higher manufacturing growth, lower service sector growth compared to its higher job creation, higher growth amid lower labour income and remittance inflow, production capacity of the industrial sector, and almost stagnant investments.
- The Washington-based lender said that Bangladesh's GDP growth is expected to grow at 6.5% rate in the current FY2018. The WB economist said the service sector growth rate had declined to 6.3% in the current FY2018 from 6.7% in FY2017, its employment rose by 1.76 million or nearly 8.0% in the current fiscal. He wondered whether the economy had superseded its capacity or it was a "bubble" for achieving the 7.65% GDP growth against this backdrop.
- Referring to the countries in the "7.0% plus GDP growth club", the bank's economist said that Bangladesh is the only exceptional country, which has expanded through the higher consumption growth. But all other countries either grow through maintaining higher investment or higher investment and remittances combined. About the inflation data, the update said that although there is stability in headline inflation, there is a negative correlation (volatility) between food and non-food inflation. About the banking and financial sector, the bank's lead economist said that with the higher non-performing loan, the banking sector is facing liquidity crisis with lower deposit growth and higher call money rate.
- The "constrained" monetary policy of the central bank has now turned into an "expansionary" one as the banking sector has reduced the cash reserve requirement (CRR) and proposed to cut the Advance-Deposit Ratio (ADR) from 85% to 83.5% by March 2019, he noted. This could stoke inflation, he said. The continuation of the higher rate for the national savings certificate, and re-capitalization of the state-owned banks is not a good decision of the government, he added. A 17% growth in remittances, with more Bangladeshis going to work abroad, combined with effective action against illegal money transfers, may have contributed to the recovery, the report said.

<http://today.thefinancialexpress.com.bd/first-page/economy-to-grow-at-65pc-in-this-fiscal-says-wb-1523295724>

<https://www.thedailystar.net/business/banking/wb-doubts-765pc-gdp-growth-estimate-1560541>

<http://www.newagebd.net/article/38697/wb-raises-eyebrows-over-govts-gdp-estimate>

<http://www.dhakatribune.com/business/2018/04/09/world-bank-gdp-growth-projected-6-5-7->

[range-next-2-fiscal-years/](http://www.newagebd.net/article/38769/90pc-of-banks-lack-complete-it-governance-bibm-study)

Submit action plans to bring down ADR limit

- The central bank has asked the banks to submit their specific action plans to its department concerned by April 30 to help bring down the advance-deposit ratio (ADR) limit at required level. The banks, having the ADR above re-fixed limit, will have to submit monthly progress reports to the Department of Off-site Supervision (DOS) within 10 working days each month, according to a notification issued by the Bangladesh Bank (BB). BB officials said that banks will have to implement the asset-liability management (ALM) guidelines strictly to manage their liquidity risk properly.
- As per the notification, the banks having over ADR limit will have to avoid sanctioning fresh loans without complying with other prime indicators of the ALM guidelines. The prime indicators include liquidity coverage ratio (LCR), net stable funding ratio (NSFR) and wholesale borrowing limit, commitment limit and swapped fund limit funding, according to the central banker. The ADR of all banks rose to 75.88% as of December 31 last year from 71.85% in the previous year. All private commercial banks' ADR was, on average, 84.68% as of December 31 last against 81.25% on the same day of the previous calendar year while the ADR of nine foreign commercial banks stood at 69.73% from 60.54%.

<http://today.thefinancialexpress.com.bd/last-page/submit-action-plans-to-bring-down-adr-limit-1523296289>

Budget to 'rationalize' rate, cut layers

- The budget for the upcoming fiscal year, 2018-19, would explore ways for 'rationalizing' the existing corporate tax rate in the country, Finance Minister. The current corporate tax rate in Bangladesh is quite high, and there are many layers depending on types (of the corporate entities), he said. He also said that they are planning to rationalize this high corporate tax rate as well as to reduce the number of layers and will bring down the number of corporate tax layers to two.

<http://today.thefinancialexpress.com.bd/first-page/budget-to-rationalise-rate-cut-layers-1523295759>

Banks get more time to lower advance-deposit ratio

- The banking regulator yesterday extended the deadline for banks to lower their advance-deposit ratio (ADR) by three months to March 31 next year amid pressure from the directors of commercial banks. On January 30, the central bank ordered conventional banks to lower their ADR to below 83.50% by June from the existing ceiling of 85% and Shariah-based banks to 89% from 90% to control aggressive lending practices.

<https://www.thedailystar.net/business/banking/banks-get-more-time-lower-advance-deposit-ratio-1560523>

<http://www.newagebd.net/article/38699/bb-extends-adr-adjustment-time-to-next-march>

Impose additional taxes on cash dividends exceeding 200%: The Institute of Cost and Management Accountants of Bangladesh (ICMAB)

• The Institute of Cost and Management Accountants of Bangladesh on Monday proposed that the National Board of Revenue should impose additional taxes on cash dividends exceeding 200% by the companies with a view to check capital flight in the form of dividends. At present, many of the multinational companies declare cash dividends ranging from 300-750%, resulting in capital flight from the country, said ICMAB executive director. He said that imposition of such tax would encourage companies, including listed and non-listed MNCs, to offer stock dividends and thus resulting in retention of investments in the country for a longer period of time.

<http://www.newagebd.net/article/38701/impose-additional-taxes-on-cash-dividends-exceeding-200pc>

<http://today.thefinancialexpress.com.bd/trade-market/impose-additional-taxes-on-cash-dividends-exceeding-200pc-1523291069>

Stock taxes to be consistent: National Board of Revenue (NBR)

• The National Board of Revenue will focus on bringing consistency among the tax measures related to the stock market, NBR Chairman said yesterday. The tax administrator will also consider making the corporate tax rate attractive for listed companies, he said at a pre-budget discussion. At present, non-listed companies pay 35% corporate tax when listed ones pay 25%. An honorary professor of the Department of Economics at Dhaka University proposed lowering the tax for listed companies to 20%.

<https://www.thedailystar.net/business/economy/stock-taxes-be-consistent-nbr-1561048>

<http://www.newagebd.net/article/38768/economists-recommend-cut-in-corporate-tax-to-promote-fdi>

<http://www.dhakatribune.com/business/2018/04/11/experts-nbr-lower-tax-rates-attract-fdi/>

World Bank (WB) to provide loan of USD 515 million for two projects

• The World Bank is set to provide a loan of USD 515 million financial assistance for two projects in the power transmission and insurance sectors in the country. Out of the total amount, the World Bank will provide USD 450 million for Enhancement and Strengthening of Power Transmission Network in Eastern Region Project. The project will expand the electricity transmission network in the eastern region, covering greater Cumilla, Noakhali

and part of greater Chattogram. The project will also expand the existing grid network by building 13 new substations and rehabilitating an existing one.

• It will provide new electricity connections to some 275,000 households and 16,000 agricultural consumers and reduce power interruptions. It will also construct 290 kilometre and rehabilitate 157 kilometre of the existing transmission lines. The project will enhance transmission capacity, ensure efficient evacuation of power, and improve grid operations. The World Bank board approved the project on March 29, 2018. The Washington-based lending agency will also provide USD 65 million for Bangladesh Insurance Sector Development Project which will improve capacity of the state owned insurance corporations.

<https://thefinancialexpress.com.bd/economy/bangladesh/wb-to-provide-loan-of-515m-for-two-projects-1523279094>

Finance minister brings up VAT on private units again

• The finance minister has once again said that the government will continue the VAT for private universities. The government plans to impose tax on income of social media sites, Facebook, YouTube and Google in the upcoming budget of 2018-2019, he said. The minister said the government would rationalize corporate tax in the next budget as the tax rate is very high.

<http://www.dhakatribune.com/business/economy/2018/04/10/muhith-brings-vat-private-unis/>

Government to levy tax on dividend only once

• National Board of Revenue (NBR) chairman said simplification of the relevant process is on to ensure that any dividend income is taxed only once. The NBR is trying to find out a formula to avoid taxation of dividends that are transferred by the main or principal companies to their subsidiaries, he added. Currently, tax is levied on dividend at every stage of distribution or transfer. He hinted at the possible changes in relation to dividend taxation in the upcoming budget following a proposal mooted by the MCCI's tariff and taxation subcommittee chairman.

• It will be a difficult task for the NBR to meet the revenue shortfall worth BDT 175.12 billion until February in the next four months of the current FY, said the vice-president of MCCI and chairman of the British American Tobacco, Bangladesh. The expenditure plan of the finance division or allocation of resources for annual development programme (ADP) may have some reflection of an election year, but not the fiscal policy of NBR, the NBR chairman argued.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-levy-tax-on-dividend-only-once->

[1523209928](http://www.thedailystar.net/business/banking/keep-watch-banks-1560019)<http://www.thedailystar.net/business/banking/keep-watch-banks-1560019><http://www.newagebd.net/article/38625/nbr-mulls-scraping-multilayer-taxation-on-dividend>

Raise savings tools' investment ceiling

- Government secretaries have requested the finance minister to raise the ceiling on investment in savings tools to help them during their old age. They made the request at a pre-budget discussion. Presently, a government official can invest up to 45% of his or her retirement benefits in savings tools. The secretaries also suggested reducing corporate tax, raising value added tax (VAT) collection, higher allocation for river dredging, steps for reducing migration cost, protecting the interests of local industry, and rationalizing motorcycle registration fee.

<http://today.thefinancialexpress.com.bd/first-page/raise-savings-tools-investment-ceiling-1523210235>

Finance Minister to check if he can cut corporate tax

- Finance Minister AMA Muhith yesterday promised to examine scope for reducing corporate income tax for the coming fiscal 2018-19. Currently, the revenue authority collects corporate tax in six categories, ranging from 25% to 45 percent. Companies listed with the bourse face a 25% tax while non-listed ones pay 35 percent. Cigarette and bidi manufacturers have to pay a 45% income tax.

- Finance Minister also promised to consider a hike in interest of a savings instrument called Pensioner Sanchayapatra. Pensioner Sanchayapatra is a five-year savings scheme designed for retired public officials offering the highest 11.76% interest on reaching maturity.

<https://www.thedailystar.net/business/muhith-check-if-he-can-cut-corporate-tax-1560016>

Telecom companies seek VAT waiver on 4G service revenue sharing

- Association of Mobile Telecom Operators of Bangladesh has sought exemption from payment of value-added tax on revenue sharing with Bangladesh Telecommunication Regulatory Commission for 4G services. As per licensing conditions, mobile operators pay 5.5% of their gross revenue as revenue sharing to the government, represented by BTRC. VAT at the rate of 15% is applicable on revenue sharing under 4G (fourth generation mobile technology) licenses, said National Board of Revenue officials.

- Earlier in 2013, the revenue board through two separate special orders exempted VAT on revenue the mobile companies share with the BTRC for 2G and 3G services. Telecom operators fear that the BTRC might seek VAT on revenue sharing for 4G services as

previous NBR orders deal with only 2G and 3G services.

<http://www.newagebd.net/article/38628/telcos-seek-vat-waiver-on-4g-service-revenue-sharing>

Islamic banks, NBFIs to give loan for green buildings

- Entrepreneurs would get loans at lower interest rate for Environment-friendly buildings from the refinancing scheme of shariah-based banks and non-bank financial institutions, a Bangladesh Bank master circular issued on Thursday said. Bangladesh Bank has so far allowed the shariah-based banks and NBFIs to award the refinance facility to 51 types of environment-friendly ventures.

- The BB circular said that the banks would have to pay base rate, the lower rate between the provisional interest rate of Mudaraba savings account and bank rate, to the central bank for the refinance facility, while the average rate of profit in shariah-based banks' Mudaraba savings account would be treated as base rate for the shariah-based NBFIs.

- Bank and NBFIs would be allowed to charge the highest three% plus base rate from the clients for any credit facility, treated as investments in shariah compliant banks, for less than 5 years tenure, the rate could be 3.5% plus base rate for any loans between 5-8 years tenure and 4% plus base rate for loans above 8 years tenure. For distribution of loans through agents and outsourcing, a customer could be charged another 1% for loans below 5 years tenure, another 1.5% for 5-8 year tenure loans and another 2% for loans above 8 years tenure.

<http://www.newagebd.net/article/38627/islamic-banks-nbfis-to-give-loan-for-green-buildings>

BDT depreciates slightly against USD

- The exchange rate of local currency depreciated slightly against the USD again on Thursday after more than a month despite the central bank's support with foreign currency for the commercial banks. The Bangladesh Taka (BDT) depreciated by two paisa on the day mainly due to higher demand for the greenback, according to the market operators. The USD was quoted at BDT 82.98 each in the inter-bank foreign exchange (forex) market on Thursday against BDT 82.96 on the previous working day.

- As part of the move, the central bank sold USD 17 million directly to seven banks on the day to meet the growing demand for the greenback in the market. The central bank has resumed giving its support in recent months through selling the US currency to the banks directly to keep the market stable. A total of USD 1.77 billion was sold to the commercial banks since July 01 of this fiscal year 2017-18 as part of its ongoing support, according to BB's latest data. The market operators, however, said the demand for the USD is

increasing gradually mainly due to higher import payment pressure, particularly of capital machinery, petroleum products and fertilizer and consumer items including food grains.

<http://today.thefinancialexpress.com.bd/last-page/bdt-depreciates-slightly-against-us-dollar-1522951952?date=06-04-2018>

No cut in yield rates on savings tools: National Board of Revenue (NBR) chief

- National Board of Revenue (NBR) Chairman said the government has no plan to reduce the yield rates on state-owned savings certificates. His assurance came after small savers urged the government not to reduce the rates of interest on national savings tools. Investors also sought to ensure proper services during investment or encashment of their savings tools at respective outlets. Although the government is making a higher amount of interest payment on savings tools, such schemes are continuing to give priority on small savers' benefits, said senior secretary of Internal Resources Division (IRD).

- State-run savings schemes are non-profitable for the government, but it is necessary for the people including women, elderly and physically challenged people, he added. According to him, now the government's cumulative liabilities have stood at BDT 1.93 trillion on savings instruments against 20 million investors. The rate of yield is the highest on savings certificates among other deposits schemes in the country. So, sales of these certificates have increased significantly. Gross sales of savings tools have stood at BDT 550.00 billion in the last eight months of the fiscal year (FY) 2017-18 against the total fiscal target of BDT 600.00 billion.

- The NBR chairman said although the government gets only 5.0% source tax on savings certificates, revenue collection stood at BDT 6.24 billion in the eight months of FY 2017-18. The amount of revenue is expected to be more than BDT 10.00 billion on savings tools at the end of the year, he added. Savings Week will continue until April 13 with a view to building savings attitude among the people.

<http://today.thefinancialexpress.com.bd/first-page/no-cut-in-yield-rates-on-savings-tools-nbr-chief-1523119328>

<http://www.newagebd.net/article/38568/govt-has-no-plan-to-cut-savings-tools-interest-rates-ird-secy>

Stunning success in using Japanese aid

- Bangladesh achieved considerable progress in utilizing Japan's aid loan in the Japanese financial year ending in March, data shows. The disbursement of overseas development assistance loan from JICA (Japan International Cooperation Agency) reached 142,514 million JPY (USD 1.32 billion) until March 13. This shows the utilization rate of 96.5% against the annual target, according to a recent portfolio review. Japanese financial year

ends in March. The target for disbursing Japanese loan was 147,727 million Japanese Yen (USD 1.37 billion) against 32 Bangladeshi projects.

- Secretary of the Economic Relations Division termed the utilization rate "very satisfactory" and urged the implementing agencies to make every effort to continue the spirit of project execution. He said that Japan is Bangladesh's largest bilateral development partner and its assistance is helping the country increase its growth potentials. In the review meeting, chief representative of JICA office in Dhaka said Japanese Prime Minister made a commitment of JPY 600 billion loan assistance for Bangladesh in May 2014. The Japan government fulfilled the commitment by 2017.

- He said the Japanese ODA commitment has jumped tenfold in 10 years. Bangladesh was the third-largest ODA-recipient among South and Southeast Asian countries in Japanese financial year 2017, according to JICA senior representative Kaita Tsuchiya. He said that the ODA disbursement (96.5% of the annual target) is the highest among all major recipient countries. This was the highest achievement for Bangladesh compared to the performance in recent years, he noted.

- Statistics show that disbursement in favor of New Haripur Power Plant Project (II) is only 8.0% against the target, for the Inclusive City Governance Project the disbursement was 11% of the target, and for the Haor Flood Management and Livelihood project, the disbursement was 22% of annual target. The review meeting requested the executing ministries and divisions and the implementing agencies to put highest efforts in utilising JPY 148 billion as earmarked for the Japanese financial year 2017, according to a senior finance ministry official.

<https://thefinancialexpress.com.bd/economy/bangladesh/stunning-success-in-using-japanese-aid-1523038114>

Project aid allocation worth BDT 600 billion likely

- The government is likely to earmark more than BDT 600 billion as project aid in the development budget for the next financial year (FY) 2018-19, up 16% from the outlay for the current FY. In the current national budget, the authorities allocated BDT 520.50 billion in project aid to be provided from overseas assistance in the revised Annual Development Programme (ADP) of the current fiscal year. Project aid is made available by different bilateral and multilateral development partners for executing development project aimed at improving infrastructure and reducing poverty.

- The World Bank, the Asian Development Bank, Japan, China, India and Islamic Development Bank (IDB) are Bangladesh's major project aid providers. In the current fiscal, the government framed a BDT 1.64 trillion original ADP, where it allocated BDT 604.16 billion worth of funds, 51% higher than those of the previous fiscal, as the project aid. Later,

in the third quarter of this fiscal year, it slashed the allocations by 16.5% to BDT 505.20 billion in the revised ADP from the original BDT604.16 billion outlay. In the first eight months (July-February) of the current fiscal, the government agencies spent only 42% of the total outlay channelled into the current year's ADP.

<http://today.thefinancialexpress.com.bd/public/first-page/project-aid-allocation-worth-BDT-600b-likely-1523036078>

85 million people have access to mobile services: Global System for Mobile Communications (GSMA)

- Fifty-one% or 85 million of Bangladesh's population subscribe to mobile phone services that reflects digital divide within the country, according to a report of Global System for Mobile Communications. The figure contradicts a Bangladesh Telecommunication Regulatory Commission claim that the number of mobile phone subscribers was 145.1 million at the end of December, 2017.
- A BTRC official said that the commission published the number of mobile phone subscribers taking into consideration the active number of SIM cards not the number of people having access to mobile phone services. The GSMA report, however, stated that the total SIM connections would be 190 million by 2025 from 145 million in 2017.
- The GSMA report also showed that 21% or around 33.8 million people had access to mobile internet in Bangladesh. The government's estimate, however, showed that the total number of internet subscribers in the country reached 80.5 million at the end of December, 2017.
- Another estimation of ITU, a specialized agency of the United Nations responsible for issues concerning information and communication technologies, on the country's internet users published in 2018 showed that only 18% of the country's people had access to internet.

<http://www.newagebd.net/article/38456/85cr-people-have-access-to-mobile-services-gsma>

Bangladesh Bank chief economist says the next decade looks bright for the economy

- Bangladesh Bank's Chief Economist Faisal Ahmed on Saturday said diversification in the business sector beyond the RMG industry is shaping a better future for the country. He said leveraging finance, fiscal policies, technology, and avoiding policy capture will be the key to further economic development. Faisal Ahmed also underlined the need for innovation and higher productivity in agriculture and service manufacturing to further establish Bangladesh's global footprint.

<http://www.dhakatribune.com/business/2018/04/08/bb-chief-economist-says-next-decade-looks-bright-economy/>

Services account deficit soars to record high level

- Bangladesh's services account deficit hit a record high in the seven months to January as the payment for freights jumped by nearly 24% on back of rise in the external trade, the central bank said. Services account is part of the balance of payment (BoP), which includes transportation, travel, computer, and telecommunication and information. Even the deficit could not be counterbalanced, despite the arrival of increased number of inbound tourists, boosted by the Rohingya crisis in Bangladesh.
- Services account deficit amounted to USD2.58 billion in July-January 2018, up from USD 1.99 billion in the same period a year earlier, according to data from the Bangladesh Bank (BB). Such type of deficit in the service accounts is impacting the overall BoP, which is in the negative territory, more than USD 1.0 billion. Economists who follow the situation said that Bangladesh's payment for freights has been climbing on the back of rise in external trade, widening the gap between receipts and payment.
- The transport account balance logged a deficit of USD 3.22 billion against USD 2.61 billion a year ago. This is the biggest deficit in terms of dollar-based calculation. The widening deficit comes against the backdrop slump in business of the global shipping industry. In contrast, local people's payment for overseas travelling account widened by over 32% to USD 412 million in the period through January. The payment for health and education-related services accounts also marginally rose by 0.2%age point to USD 0.8 million dollars and nearly 13% to USD 113 million respectively.
- But the country's total receipt from different services sector was USD 2.47 billion dollars, with travel accounts climbing by nearly 35% during the period. Executive director at the Policy Research Institute of Bangladesh, said that local people are now spending substantial money for education and treatment abroad, which explains why the payment for the services has been rising in recent years. He also said that the payment for freight charges is the biggest account as the country lacks transportation facility on the international routes. Bangladesh received just USD 339 million from transport account in July-January period, around one-tenth of the payment for transport accounts.

<http://today.thefinancialexpress.com.bd/first-page/services-account-deficit-soars-to-record-high-level-1523119599>

Revenue shortfall widens in July-February

- The shortfall from revenue collection target has widened further in the first eight months of

the fiscal year as collection of the National Board of Revenue did not pick up. The NBR logged in BDT 1.26 trillion as revenue in July-February, up 16% year-on-year. The overall receipt was BDT 175.12 billion short of the target of BDT 1.44 trillion set for the period. The revenue collector missed the target in January by BDT 148.02 billion, according to preliminary data from the NBR.

- The deficits of VAT and income tax collection from targets were BDT 69.41 billion and BDT 69.96 billion respectively. Between July last year and February this year, VAT collection soared 18% year-on-year to BDT 490.78 billion and income tax receipts 13% to BDT 371.49 billion. VAT has been the prime source of tax revenue, followed by income tax. But the proportionate contribution of income tax has been quite low in comparison to other south Asian countries.

<http://www.thedailystar.net/business/revenue-shortfall-widens-jul-feb-1559683>
<http://www.newagebd.net/article/38569/nbr-revenue-receipts-BDT-17500cr-short-of-target-in-jul-feb>

US imposes highest tariffs on Bangladeshi goods: study

- Bangladesh pays the highest tariffs in the world, in terms of value of export, to the US market, according to an analysis of Pew Research Center, a US-based research organization 'Nearly all Bangladeshi imports were subject to US duty and the tariffs on them were equivalent to 15.2% of the total value of the country's shipment to the US,' said organization analyzing the data from the US International Trade Commission This is the highest average rate among the 232 countries, territories and other jurisdictions in the ITC database, said the report released on Thursday. For all imports worldwide, the US imposed tariffs equal to about 1.4% of total value. Bangladesh exported goods worth about USD 5.7 billion to the US in 2017, 95% of which were apparel, footwear, headgear and related items, it said.

- Policy Research Institute executive director said that the average duty incidence was the highest for Bangladesh because of its concentration on a single item — readymade garment — in export to the US market. Bangladesh paid around 16% duty on RMG export to the USA, he said, adding that the duty was reflected in the report.

<http://www.newagebd.net/article/38566/us-imposes-highest-tariffs-on-bdesh-goods-study>

Government mulls security tool for Islamic banks

- The government is considering introducing a separate security instrument for the Islamic banks, aiming to meet its budget deficit. Such banks have no fixed-income instrument for liquidity management like conventional banks. The name of the instrument is likely to be 'Islamic financial instrument'. To this effect, a project on the instrument will be taken up in

the next fiscal budget. The finance ministry has started preparatory work. It will hold a high-level meeting sometime next week to scrutinize and discuss the issue.

- Assistant secretary of the finance division however, said there is a huge demand for Islamic financial instrument for the country's Shariah-based banks. The government is trying to introduce a separate instrument for the Shariah-based financial institutions, aiming to keep the government budget deficit financing risk-free and develop further, he said. The government is trying to introduce a separate instrument for the Shariah-based financial institutions, aiming to keep the government budget deficit financing risk-free and develop further, he added.

- Total deposits of the Islamic banks and Islamic banking branches and windows of the conventional banks stood at BDT 1857.3 billion at the end of December 2016 which accounted for 20.79% of total deposits BDT 8933.92 billion, according to the BB's annual report. Total credit of the Islamic banks and the Islamic banking branches and windows of the conventional banks stood at BDT 1647.0 billion at the end of December 2016 which accounted for 24.44% of total credit BDT 6739.3 billion of the banking system of the country.

<http://today.thefinancialexpress.com.bd/trade-market/govt-mulls-security-tool-for-islamic-banks-1523034735?date=07-04-2018>

Important News: Capital Market

Advent Pharma makes trading debut today

- Advent Pharma, an animal healthcare drugs manufacturer, makes its share trading debut today (Thursday) on the Dhaka and Chittagong Stock Exchanges under "N" category. The DSE trading code for Advent Pharma is "ADVENT" and DSE company code is 18492 while the CSE scrip Id is 13032 and scrip code is "ADVENT". The company, which raised a capital worth BDT 200 million from the public using fixed price method, floated 20 million ordinary shares of BDT 10 each.

- The company will use the IPO fund for acquisition of machinery and equipments of BDT 81.43 million, construction of building and other civil works BDT 100.07 million and IPO expenses of BDT 18.50 million. As per un-audited financial reports for October to December quarter of 2017, the company's net profit after tax stood at BDT 15.30 million, pre-IPO earnings per share (EPS) stood at BDT 0.31 and post-IPO EPS was BDT 0.22. In six months from July to December 2017, the company's net profit after tax was BDT 31.65 million, pre-IPO earnings per share (EPS) was BDT 0.65 and post-IPO EPS was BDT 0.46. The net asset value (NAV) per share was BDT. 13.11 as of December 31, 2017.

<https://www.thedailystar.net/business/banking/slight-step-banks-it-security-bibm-1561045>
<http://www.newagebd.net/article/38769/90pc-of-banks-lack-complete-it-governance-bibm-study>

Modern Steel to hold IPO road show on April 22

• Modern Steel Mills Limited will hold a road show for eligible institutional investors on April 22 as the company plans to go public. The steels maker is set to raise BDT 2.0 billion from the capital market through initial public offering (IPO) using the book building method for repaying the bank loans, purchasing machinery and meeting IPO expenses. Eligible investors will be allowed to purchase 50% shares of the company at cut-off price, while mutual funds will purchase 10% shares at the same price. General public and non-resident Bangladeshis (NRBs) will get 30% and 10% shares respectively at 10% discount from the cut-off price, according to the revised public issue rules.

<http://today.thefinancialexpress.com.bd/stock-corporate/modern-steel-to-hold-ipo-road-show-on-apr-22-1523464743>

Al-Arafah Bank to issue bond of BDT 5.0 billion

• The board of directors of Al-Arafah Islami Bank has decided to issue Mudaraba Subordinated Bond worth BDT 5.0 billion to strengthen its capital base, said an official disclosure. The "AIBL 2nd Mudaraba Subordinated Bond" will be issued to strengthen Tier II capital of the bank as per requirement under Basel II. The bond will be non-convertible and redeemable, and will be sold through private placement. The bank will issue the bond subject to approval of the regulatory authorities - Bangladesh Securities & Exchange Commission (BSEC) and Bangladesh Bank.

• The bank's board also recommended 15% cash and 5.0% stock dividend for the year ended on December 31, 2017. The bank also reported consolidated earnings per share (EPS) of BDT 3.15, consolidated net asset value (NAV) per share of BDT 20.87 and consolidated net operating cash flow per share (NOCFPS) of BDT 10.40 for the year ended on December 31, 2017 as against BDT 3.07, BDT 19.72 and BDT 11.18 in the year ended on December 31, 2016. The bank's paid-up capital is BDT 9.94 billion and authorised capital is BDT 15 billion while the total number of securities is 994.30 million.

<http://today.thefinancialexpress.com.bd/stock-corporate/al-arafah-bank-to-issue-bond-of-BDT-50b-1523376953>

Bangladesh Securities & Exchange Commission (BSEC) warns Standard Insurance

• The securities regulator has warned Standard Insurance for not submitting its audited financial statements timely to the commission. The regulator said that the company had

failed to submit the audited financial statements for the year ended on December 31, 2015 within stipulated timeframe and breached the securities rules. The company had also not submitted the first quarterly statement for the period ended on March 31, 2016 within the stipulated timeframe.

<http://today.thefinancialexpress.com.bd/first-page/budget-to-rationalise-rate-cut-layers-1523295759>

Dhaka Stock Exchange (DSE) not required to pay for licensing

• The technical offer of Chinese consortium includes 10-year licensing for use of SZSE (Shenzhen Stock Exchange) trading system application software by Dhaka Stock Exchange (DSE). The cost of such trading system improvement service will stand at USD 9.0 million, out of a total offer worth USD 37 million. But the DSE will not be required to pay for total offer of Chinese consortium. The free Chinese technical offer needs DSE shareholders' approval and the prime bourse will seek the endorsement in its extra-ordinary general meeting (EGM) to be held on April 30 next.

• DSE will also seek its shareholders' approval of selling exchange's 25% shares to the Chinese consortium comprising of Shenzhen Stock Exchange and Shanghai Stock Exchange at BDT 22 each. After taking shareholders' approval, the DSE will send the proposal to the securities regulator. The consortium will also provide consulting services for development of latest version of trading system on the DSE. The manpower required for latest version of trading system will also be trained without any fee by the consortium.

• The DSE will also be offered 10-year licensing for use of SZSE surveillance system application software including e-mail and telephone-based support services worth USD 6.5 million. The training required for running application software will be provided free by the consortium. The Chinese Consortium's BPM (Business Process Management) consulting plan includes 10-year licensing for use of SZSE BPM system infrastructure components including e-mail and telephone-based support services by the DSE. The premier bourse will also avail 10-year use rights of SZSE Bond Tender and Distribution System and support services via e-mail and telephone.

• The consortium will offer 10-year licensing for use of SZSE information disclosure system infrastructure components including e-mail and telephone-based support services. Required number of employees will also be trained free along with providing consulting services for development of information disclosure on the DSE. The DSE will obtain 10-year licensing free for use of FDEP (Financial Data Exchange Platform) software including e-mail and telephone-based support services. Another right of using application software of Financial Cloud Computing and further software subscription will be offered to the DSE for 10 years. The DSE managing director KAM said the technical offers of Chinese Consortium will be availed through SZSE (Shenzhen Stock Exchange) as it is the leading one in the

consortium.

<http://today.thefinancialexpress.com.bd/first-page/dse-not-required-to-pay-for-licensing-1523295809>

National Board of Revenue (NBR) seeks explanation from Agrani

• The National Board of Revenue (NBR) has issued a show cause notice on Agrani Bank following the state-owned bank's failure to pay value added tax (VAT) and excise duty worth BDT 400 million to it (NBR). The large taxpayers unit (LTU) under the VAT wing of the NBR sent a letter Sunday addressing the managing director (MD) of the bank seeking explanation from him within next fifteen days for non-payment of the revenue to the public exchequer. In the letter, LTU commissioner said legal process will be initiated if reply to the show-cause notice is not received within the given time-frame.

• The Agrani has a total of 942 branches across the country, but only fifteen days' time has been allowed to give reply to the show-cause notice, the Managing Director (MD) and Chief Executive Officer (CEO) said. He also claimed that it is difficult to reply within such a short time. The bank introduced online system last year, before that data was maintained under manual system, he added. He also said that as a state-owned entity, there is no reason for not paying the VAT and excise duty to another government entity.

<http://today.thefinancialexpress.com.bd/first-page/nbr-seeks-explanation-from-agrani-1523295858>

Probashi Kallyan Bank (PKB) manages BDT 4 billion paid-up capital to be scheduled bank

• Probashi Kallyan Bank (PKB) has finally mobilized the entire amount of fund for meeting the paid-up capital requirement to convert it into a commercial bank. Wage Earners' Welfare Board (WEWB) handed over BDT 1.0 billion on Monday. The amount has helped PKB to manage a total amount of BDT 4.0 billion, which is the required paid-up capital for a scheduled bank. With this BDT 1.0 billion, the contribution of WEWB to the specialised bank has stood at BDT 3.80 billion. Finance Division gave only BDT 200 million to the bank to raise its paid-up capital.

• PKB will send a letter to Bangladesh Bank today to take necessary steps to transform it into a commercial bank. However, migrant rights campaigners criticised the mobilisation of WEWB fund to the bank, as it will hamper welfare activities of the board. They also said without proper evaluation of commercial viability of the bank, the WEWB authority should not have provided fund to PKB. WEWB director general said they have provided 95% of the required paid-up capital from the board to transform PKB into a specialized bank.

• There is no reason that their welfare will be hampered following providing the money to PKB, he noted. The WEWB chief said the board will not get much profit from the bank. It will get only dividend, if the bank makes profit. PKB started its operation in April 2011 with a capital of BDT 1.0 billion aiming to provide collateral-free loans to overseas jobseekers as well as loans for rehabilitation of returnee workers through various income-generating activities. 23,731 outbound Bangladeshi workers were given loans amounting to BDT 2.29 billion by the bank between the fiscal years 2011-12 and 2016-17. The bank is now operating 45 branches across the country.

<http://today.thefinancialexpress.com.bd/last-page/pkb-manages-BDT-4b-paid-up-capital-to-be-scheduled-bank-1523296392>

ACI launches Premio Plastics and invests BDT 487 million in its subsidiary Premiaflex Plastics

• Premiaflex Plastics, a subsidiary of ACI Limited, will manufacture and market household plastic products like furniture and other allied plastic articles. The ACI Limited, the parent company of Premiaflex Plastics and one of the largest business conglomerates in Bangladesh, holds 87.32% stake in the subsidiary. Initial investment in the new company would be BDT 486.88 million with a projected sales target of BDT 1,301 million in 2018-2019, BDT 1,893 million in 2019-2020 and BDT 2,011 million in 2020-21, according to the disclosure. Meanwhile, ACI Limited launched the ACI Premio Plastics at ACI Centre of Tejgaon industrial area in the capital, according to a statement. ACI Premio Plastics has started its journey with 200 premium design and quality home and furniture plastics goods.

<http://www.thedailystar.net/business/aci-launches-premio-plastics-1559989>

<http://today.thefinancialexpress.com.bd/stock-corporate/aci-approves-BDT-487m-investment-in-its-subsiidiary-1523205757>

Move underway to withdraw Rupali Bank shares from Pak Summit Bank

• After a three-year lull, the government has moved forward to withdraw existing shares of state-run Rupali Bank from Pakistan-based Summit Bank. Deputy managing director of Rupali Bank said that a four-member team will go to Pakistan soon for selling Rupali Bank's shares in Summit Bank. He added that in this connection, they have sent a letter to the finance ministry for approval. they will have to get permission from the State Bank of Pakistan and Securities and Exchange Commission of Pakistan for selling the existing shares.

• The State Bank of Pakistan is very slow. Rupali Bank has some funds in its account. But it is yet to bring back the funds from that country due to lack of required response from the regulatory authorities despite repeated attempts, he claimed. the government in March 2015 took decision to sell 1.84% or 32.77 million shares of Rupali Bank in the Pakistani

bank. In 2008, Summit Bank issued 3.27 million bonus shares in favor of Rupali Bank. Currently, the Pakistani bank owes over PKR 16.3 million to Rupali Bank as mentioned in the Pakistani bank's balance sheet.

- Rupali Bank holds 1.84% shares in the Pakistani bank. Some 32.77 million out of total shares of the Pak bank are held by Rupali Bank. Face value of each share is PKR 10. Market price of per share is hovering between PKR 2.37 and PKR 2.45. According to annual report 2016 of Summit Bank, during the year, the bank posted loss after tax of Rs. 2,174.39 million as compared to the profit after tax of Rs. 217.22 million last year. According to a quarterly report ended in September 2017, during the nine-month period under review, the bank posted a loss after tax of Rs. 427.78 million as compared to the loss after tax of Rs. 1275.70 million during the corresponding period

<http://today.thefinancialexpress.com.bd/last-page/move-underway-to-withdraw-rupali-bank-shares-from-pak-summit-bank-1523210712>

Investment Corporation of Bangladesh (ICB) to issue subordinated bond worth BDT 20 billion

- Investment Corporation of Bangladesh (ICB), one of the largest investors in the capital market, has decided to issue a subordinated bond worth BDT 20 billion. The board of directors of Investment Corporation of Bangladesh has decided to issue ICB Subordinated Bond of BDT 20 billion for seven years, including two years grace period (redeemable). However, the issuance of the "ICB Subordinated Bond" is subject to approval by Bangladesh Securities and Exchange Commission (BSEC) and other regulatory authorities.

- Investment Corporation of Bangladesh (ICB) will be the issuer of the coupon-bearing, non-convertible, redeemable and subordinated bond with a face value and issue value of BDT 10 million per unit. The bond with non-listed status will be issued through private placement and minimum subscription for an individual will be one bond valuing BDT 10 million and for institution five bonds valuing BDT 50 million. Late redemption interest will be an extra 2.0% (yearly basis). The interest rate of the transferable bond will be 9.0% (yearly basis) to be paid on six-month basis, after deducting an income tax at source.

- The company disbursed 30% cash and 5.0% stock dividend for the year ended on June 30, 2017. ICB's paid-up capital is BDT 6.64 billion and authorised capital is BDT 10 billion. Its total number of securities is 664.45 million. The sponsor-directors own 69.81% stake in the company, while the government owns 27 per cent, institutional investors 1.44% and the general public 1.75% as on February 28.

<http://today.thefinancialexpress.com.bd/stock-corporate/icb-to-issue-subordinated-bond-worth-BDT-20b-1523205605>

Five top Islami Bank officials resign

- Five top officials of Islami Bank Bangladesh have resigned from their jobs following restructuring at the management level. The officials had submitted their resignation letters earlier this week and the board accepted their plea on Tuesday, said the chairman of Islami Bank Bangladesh. When asked whether the board of the bank had forced them to resign, the chairman said, "They resigned willingly."

- In June last year, major changes were brought about in the board of directors and the management team of the private commercial bank. The latest change in the management is a continuation of the previous restructuring process of the bank, said an official of the bank upon conditions of anonymity.

<http://www.thedailystar.net/business/banking/five-top-islami-bank-officials-resign-1558735>
<http://today.thefinancialexpress.com.bd/public/first-page/ibbl-sees-top-management-shake-up-1522951279>

Prime Bank arranges syndicated loan of BDT 1.44 billion for rice mill

- Prime Bank has arranged its 30th syndication deal as a lead arranger through raising BDT 1.44 billion to finance an auto rice mill project of Hashem Rice Mills Limited, one of the concerns of Sajeeb Group. The bank along with five other banks and financial institutions -- Bank Asia Limited, BASIC Bank Limited, Pubali Bank Limited, Trust Bank Limited and SABINCO -- participated in the syndication. The project will be established at Godagari in Rajshahi at an estimated cost of BDT 2.06 billion being financed at a debt-equity ratio of 70:30. The production capacity of the project will be 40 tonnes per hour (192,000 tonnes per annum). Most of the machinery and equipment of the project will be of European brand and the project is expected to create employment opportunities for more than 200 people of various categories.

<http://today.thefinancialexpress.com.bd/stock-corporate/prime-bank-arranges-syndicated-loan-of-BDT-144b-for-rice-mill-1523113995>

Chittagong Stock Exchange (CSE) moves to modernize OTC market

- The Chittagong Stock Exchange (CSE) has moved to make its over-the-counter (OTC) market time befitting. In this regard, the port city bourse needed amending the existing rules or formulating new rules. As part of its move, the CSE has submitted a proposal to Bangladesh Securities and Exchange Commission (BSEC), seeking its decision about amending the existing rules or formulation of new rules. Apart from transaction of the shares of de-listed companies, the non-listed companies will also be able to transfer their shares through the OTC market.

- Presently, some 65 companies are listed with the OTC market and some 32 companies trying to comply with the securities rules. Meanwhile, the Dhaka Stock Exchange (DSE) advanced much to modernize the function of its OTC market. The securities regulator has already formed a five-member committee to make recommendation on the development of OTC (over-the-counter) market of the bourse. The regulatory move came following the premier bourse's proposal to change existing rules of the OTC market.

<http://today.thefinancialexpress.com.bd/stock-corporate/cse-moves-to-modernise-otc-market-1523115508>

Trustee seeks regulator's view to decide Mutual Fund's fate

- The trustee of Grameen One: Scheme Two, a closed-end mutual fund (MF), has sought regulatory opinion to decide their position regarding continuation, or liquidation, or conversion of the fund. The move came as the tenure of the MF will end this year as per 10-year tenure set for all the closed-end MFs. Following the regulatory approval, Grameen One: Scheme Two was floated in 2008 with a tenure of 15 years. As per the regulatory approval, the fund's tenure is supposed to end in 2023.

- But after flotation of Grameen One: Scheme Two, Bangladesh Securities and Exchange Commission (BSEC) had issued a directive, setting 10-year tenure for all the closed-end MFs. In last year, the trustee of Grameen One: Scheme Two wanted to know the regulatory decision regarding continuation or liquidation or conversion of the fund. Then the BSEC said all closed-end MFs will be liquidated or converted into open-ended ones on completion of 10-year tenure subject to approval of the unit holders.

- Recently, the trustee has sent another letter to the BSEC, seeking the regulator's decision about the Grameen One: Scheme Two. The BSEC will reply to the trustee's letter soon in the light of the directive having a tenure of 10-year for all closed-end MF. The fund will be converted into open-end one or will be liquidated subject to approval of the unit holders.

- Referring to the rising tendency to invest in national savings certificates (NSCs) rather than the bank deposit schemes, he said it is happening for lack of confidence of the depositors on banks. After issuance of the BSEC's directive, another closed-end MF Grameen One: Scheme One was liquidated, following the unit holders' consent. Besides, eight more closed-end MFs managed by the Investment Corporation of Bangladesh (ICB) were converted into open-ended ones.

<http://today.thefinancialexpress.com.bd/stock-corporate/trustee-seeks-regulators-view-to-decide-mfs-fate-1523113939>

Impress Capital Limited floats Mutual Fund

- Impress Capital Limited (ICL), a wealth management company, has floated a new open-end mutual fund namely "BCB ICL Growth Fund" recently. It opened initial public subscription on April 01, 2018 and closed the fund successfully within a day. The initial fund size was BDT 250 million. Bangladesh Commerce Bank Limited (BCB), the sole sponsor of the fund, contributed BDT 100 million of the initial fund size. Investment Corporation of Bangladesh (ICB) will act as Trustee of the fund. Brac Bank Limited is the custodian and ICL is the fund manager. ICL launched a self-sponsored open-end mutual fund in August 2016, namely "ICL Balanced Fund", first of its kind in the capital market of Bangladesh. The total return of "ICL Balanced Fund" for the year 2017 was 31.06%.

<http://today.thefinancialexpress.com.bd/stock-corporate/icl-floats-mf-1523114122>

Bangladesh Securities & Exchange Commission (BSEC) halves its fines on Dragon Sweater

- The Bangladesh Securities and Exchange Commission has halved the total fines imposed on Dragon Sweater and Spinning Ltd to BDT 1.5 million although the regulator found distortion in utilization of BDT 210 million of the company's initial public offering fund.

- Earlier on January 8 this year, the commission slapped BDT 3 million fine on the company as it found that Dragon Sweater had spent more than 53% or BDT 210 million of its IPO fund through cash transactions, deviating from securities rules. The commission also found that the company did not purchase machinery as per declaration, failed to maintain deadline for project completion and violated a number of securities rules that ultimately resulted in misrepresentation of financial statements.

<http://www.newagebd.net/article/38570/bsec-halves-its-fines-on-dragon-sweater>

Indo-Bangla Pharma IPO process hinges on court

- The subscription to the IPO (initial public offering) of Indo-Bangla Pharmaceuticals Limited, which was supposed to start from Sunday, will remain suspended until resolution of a stay order on the process by a court. The High Court recently stayed the IPO process of the company for six months as four of its directors are 'loan defaulters' as the guarantors of loans disbursed by National Bank Limited (NBL). Following the stay order, the company appealed against the order and, after the hearing held on Thursday, the Appellate Division sent the matter to regular court.

- A lawyer of the NBL said that it was not certain when the regular court will deliver its order on completion of hearing. As a result, the public subscription of the Indo-Bangla Pharmaceuticals Limited will not be started from April 8, he added. He also said that four directors of Indo-Bangla Pharmaceuticals Limited were the guarantors of the loans earlier disbursed to Indo-Bangla Pharmaceuticals Works. That's why the four directors of the

company are also loan defaulters as guarantors.

- He said the NBL had earlier filed a case with Barishal Artha Rin Adalat against Indo-Bangla Pharmaceuticals Works over the non-payment of a loan worth more than BDT 141.50 million. The managing director of Indo-Bangla Pharmaceuticals Limited had no CIB (Credit Information Bureau) clearance before applying for IPO approval, the NBL's lawyer said. He said the securities regulator cannot approve the IPO proposal of any company if any of its directors is loan defaulter. The company got the regulatory approval to raise a fund worth BDT 200 million by issuing 20 million ordinary shares at an offer price BDT 10 each under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/indo-bangla-pharma-ipo-process-hinges-on-court-1522950596?date=06-04-2018>

Intraco Refueling Station to hold IPO lottery April 17

- The initial public offering (IPO) lottery of Intraco Refueling Station will be held on April 17 to allocate 30 million ordinary shares among the successful applicants. Intraco Refueling Station, which received regulatory approval on January 16, raised BDT 300 million from the public, issuing 30 million ordinary shares at an issue price of BDT 10 each. IPO subscription of the company was open to resident and non-resident Bangladeshis during a period from March 18 to March 27.
- The company will utilise the IPO fund for LPG bottling and setting up distribution plant along with bearing the IPO expenses, according to the prospectus. As per the entity's consolidated financial statement (including its five subsidiary companies) for the year ended on June 30, 2017, earnings per share (EPS) and net asset value (NAV) per share were BDT 1.43 and BDT 13.87 respectively. The company's pre-IPO paid-up capital is BDT 450 million and authorised capital is BDT 1.0 billion.
- The company has 95% holding in five subsidiaries. AFC Capital Limited and Asian Tiger Capital Partners Investment are working as the issue managers of the company's IPO. The principal service of the company is selling gas through CNG re-fueling stations. Intraco Refueling Station is selling compressed natural gas (CNG) from its re-fueling stations.

<http://today.thefinancialexpress.com.bd/stock-corporate/intraco-refueling-station-to-hold-ipo-lottery-apr-17-1522950730?date=06-04-2018>