

## Weekly Market Update

### Capital Market Overview

The market closed positive this week. The benchmark index DSEX (+0.53%) gained 29.44 points and closed the week at 5,600.64 points. The blue-chip index DS30 (+0.64%) gained 12.55 points and stood at 1,960.72 points. The shariah based index DSES (+0.95%) closed in green and stood at 1,269.61 points. DSEX, DS30, and DSES all posted negative YTD return of -10.31%, -14.13%, and -8.71% respectively.

**Total Turnover During The Week (DSE) :** BDT 29.2 billion (USD 351.2 million)

**Average Daily Turnover Value (ADTV):** BDT 5.8 billion ( $\Delta\%$  Week: 16.1%)

**Market P/E:** 17.44x

**Market P/B:** 2.25x

### Daily Index Movement during the Week:

The market performed five sessions during the week. Market opened this week with a positive movement of 0.46% in the first session but in the second session, market showed negative performance by -0.21%. Market rebounded in the third session by 0.62%. In the fourth and fifth session market again continued to be negative respectively by -0.29% and -0.05%.

### Sectoral Performance:

- All the financial sectors showed negative performance except Life Insurance (+0.75%). General Insurance experience highest loss by -2.04% followed by Banks (-1.85%), Mutual Funds (-0.85%) and NBFIs (-0.37%).

- All the non-financial sectors showed positive movement this week. Power posted the highest gain by 5.15% followed by Telecommunication (+2.96%), Engineering (+1.38%), Pharmaceuticals (+0.74%) and Food & Allied (0.67%).

### Macroeconomic arena:

- Pharmaceuticals export has crossed USD 100-million mark for the first time in the country's history. Export earnings from the sector hit USD 103.46 million in 2017-18, up 16.03% from a year ago thanks to improved compliance by the local manufacturers.

- The number of agent banking accounts across the country increased by 21.01% or 0.31 million in April-June quarter compared to the previous quarter of January-March in 2018. According to the quarterly data of April to June 2018 of Bangladesh Bank, the number of accounts with agents increased to 17,77,400 from 14,68,797 in the January-March period of 2018

- The country's gross investment is projected to exceed its gross national savings in this fiscal year (FY), 2018-19, apparently due to rise in the public-sector investment. The gross investment is projected to stand at 32.3% of the gross domestic product (GDP), up by 2.3% points than that of gross national savings. Public investment in terms of the GDP is estimated to be at 9.1% in this FY. It was less than 7.0% of the GDP even a few years back.

- The central bank has decided to give licence to one more private commercial bank a few months ahead of the national elections. Proposals for two other banks are also under process. The central bank has given clearance in principle to issue licence to the proposed Community Bank Limited, sponsored by Bangladesh Police Welfare Trust after completing all rules and regulations properly.

### Stock Market arena:

- The Dhaka Stock Exchange (DSE) is set to receive the fund from its Chinese strategic partner, which is a consortium of two stock exchanges, within a week against the DSE's shares sold to the partner. After transfer of the shares, 250 TREC (Trading Right Entitlement Certificate) holders of the DSE will receive around BDT 9.46 billion from the consortium. The fund will be distributed equally to the TREC holders as each of them sold 25% of their shareholdings.

- The number of active mobile phone subscribers increased by 1.6 million in July this year with the subscriber base of Grameen-phone crossing 70-million mark. The number of internet users also increased by 0.90 million in July, the Bangladesh Telecommunication Regulatory Commission data showed. On the eve of 4G launch on February 18, in the January-March quarter of the year 2018, the mobile phone operators managed to attain 5.17 million new subscribers.

- The finance ministry has recommended that the Bangladesh Securities and Exchange Commission should extend the tenure of around 30 closed-end mutual funds by another term of 10 years amid hectic lobbying by trustees of some of the funds. The ministry in a letter to the commission last week made the recommendation after BSEC chairman had sought the ministry's advice on the fate of 36 mutual funds, which would be wound up or be made open-end funds between 2018 and 2028.

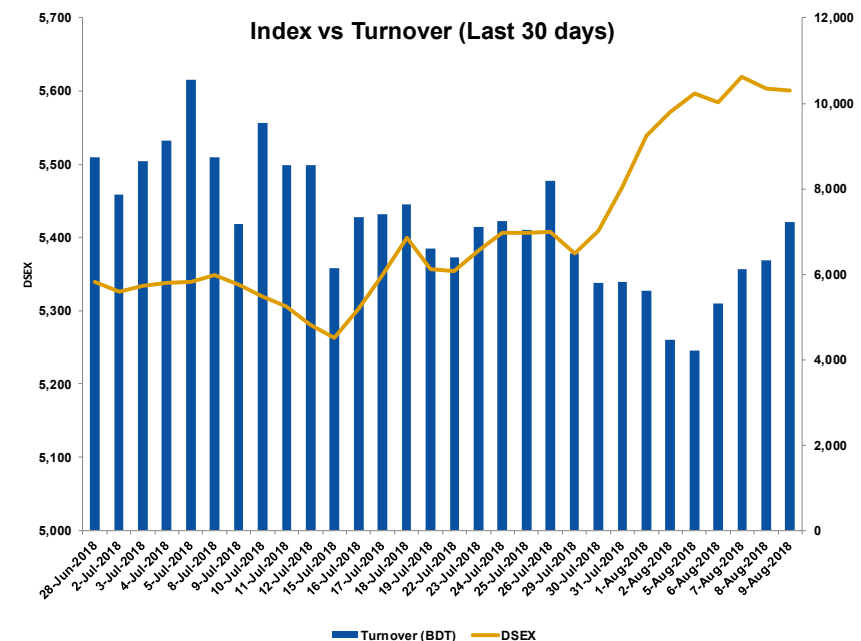
Table 1: Index

Index	Closing	Opening	$\Delta$ (Pts)	31-Dec-2016	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,600.64	5,571.20	29.44	6,244.52	0.53%	-10.31%
DS30	1,960.72	1,948.16	12.55	2,283.23	0.64%	-14.13%
DSES	1,269.61	1,257.64	11.97	1,390.67	0.95%	-8.71%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,780,897.5	7,819,912.7	153.0%
	Mn USD	237,951.4	94,068.5	
Turnover	Mn BDT	29,197.1	10,058.9	190.3%
	Mn USD	351.2	121.0	
Average Daily Turnover	Mn BDT	5,839.4	5,029.5	16.1%
	Mn USD	70.2	60.5	
Volume	Mn Shares	852.1	363.4	134.5%

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
Jute Spinners	95.30	73.40	29.8%	162.0	2.63	NM	NM
Savar Refractories	107	84.00	26.9%	148.5	3.43	NM	17.0x
National Housing Fin. and Inv. Ltd.	71.40	56.40	26.6%	7,596.4	782.39	31.2x	4.6x
Rangpur Dairy & Food Products	23.30	18.80	23.9%	1,458.8	472.36	41.2x	1.7x
Prime Textile	36.40	29.50	23.4%	1,390.5	83.05	35.0x	0.9x
Dulamia Cotton	20.90	17.70	18.1%	157.9	.75	NM	NM
H.R. Textile	52.30	44.40	17.8%	1,323.2	142.79	36.5x	3.7x
Samata Leather	44.70	39.00	14.6%	461.3	6.10	NM	3.0x
Nahee Aluminium Composite Panel Ltd.	61.30	53.50	14.6%	2,942.4	363.24	34.8x	5.1x
Kay and Que	197.20	172.50	14.3%	966.8	52.27	3944.0x	NM

**Table 4: Top Ten Losers**

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Grameen One Scheme Two	15.00	16.60	-9.6%	2,737.9	36.12	NM	0.8x
Islami Insurance	21.10	23.20	-9.1%	752.0	11.33	16.9x	1.7x
Pragati Life Insurance	91.70	100.20	-8.5%	1,224.1	10.26	NM	9.2x
Paramount Insurance	15.30	16.70	-8.4%	484.1	17.94	17.1x	1.2x
Rupali Insurance	20.20	21.90	-7.8%	1,407.9	43.20	12.3x	1.0x
Information Services Network Ltd.	21.10	22.80	-7.5%	230.4	2.61	NM	1.5x
Eastern Cables	184.10	198.40	-7.2%	4,418.4	5.36	154.7x	6.1x
Sonargaon Textiles	14.40	15.50	-7.1%	381.1	1.80	NM	0.5x
Sonar Bangla Ins	16.30	17.50	-6.9%	615.7	8.73	11.2x	1.1x
Agrani Ins Co. Ltd.	16.80	18.00	-6.7%	483.9	3.27	9.6x	1.0x

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

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
United Power Generation & Distribution Company Ltd	353.50	330.80	6.9%	141,131.0	1,220.99	33.8x	13.1x
Active Fine Chemicals Limited	38.00	37.60	1.1%	7,598.0	942.60	13.7x	2.6x
National Housing Fin. and Inv. Ltd.	71.40	56.40	26.6%	7,596.4	782.39	31.2x	4.6x
BBS Cables Limited	116.00	117.70	-1.4%	16,008.0	763.46	38.7x	7.0x
Lankabangla Finance	30.00	30.00	0.0%	10,263.6	758.77	12.9x	1.8x
Beximco Limited	26.30	25.00	5.2%	21,949.7	758.76	21.4x	0.4x
Khulna Power Company Limited	76.90	68.70	11.9%	27,782.8	705.78	15.2x	3.1x
IPDC	44.00	38.90	13.1%	9,599.1	599.93	31.7x	3.2x
International Leasing	17.50	17.10	2.3%	3,696.8	534.73	29.4x	1.5x
Rangpur Dairy & Food Products	23.30	18.80	23.9%	1,458.8	472.36	41.2x	1.7x

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

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Mutual Trust Bank	39.50	26.96%	22,647.8	15.5x
Berger Paints	1,268.20	22.95%	58,816.4	29.1x
Summit Power	39.90	11.14%	42,608.3	9.7x
S. Alam Cold Rolled Steels	36.00	7.78%	3,541.4	29.3x
Agni System Limited	22.80	4.11%	1,575.5	23.5x
Eastern Housing	50.80	3.25%	4,741.9	21.8x
Singer Bangladesh	201.60	3.12%	15,461.6	28.3x
Marico Bangladesh Limited	1,133.00	2.43%	35,689.5	24.8x
Delta Brac Housing	136.70	0.51%	16,657.1	21.2x
Jamuna Bank	17.90	-0.74%	13,411.1	7.5x

**Table 6: Sector Indices**

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1519.12	1547.73	1848.21	-1.85%	-17.81%
NBFIs	2338.91	2347.64	2714.85	-0.37%	-13.85%
Mutual Funds	746.47	752.91	788.81	-0.85%	-5.37%
General Insurance	1442.86	1472.88	1592.30	-2.04%	-9.39%
Life Insurance	1760.88	1747.81	1834.85	0.75%	-4.03%
Telecommunication	5341.27	5187.84	6494.31	2.96%	-17.75%
Pharmaceuticals	2649.98	2630.50	2821.05	0.74%	-6.06%
Fuel & Power	1811.24	1722.56	1527.27	5.15%	18.59%
Cement	1867.98	1878.66	2280.58	-0.57%	-18.09%
Services & Real Estate	1109.49	1080.37	1224.11	2.70%	-9.36%
Engineering	3140.65	3097.88	3166.83	1.38%	-0.83%
Food & Allied	14096.72	14003.49	15304.34	0.67%	-7.89%
IT	1605.95	1552.24	1484.41	3.46%	8.19%
Textiles	1366.24	1333.57	1222.72	2.45%	11.74%
Paper & Printing	12053.69	12297.06	1013.11	-1.98%	1089.77%
Tannery	2695.16	2698.62	2642.41	-0.13%	2.00%
Jute	7460.95	6935.68	8867.22	7.57%	-15.86%
Ceramics	592.39	590.57	597.46	0.31%	-0.85%
Miscellaneous	1959.37	1875.93	1725.62	4.45%	13.55%

**Table 7: Sector Trading Matrix**

	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
	Banks	771.2	1,353.3	-43.02%	13.38%	9.8x
NBFIs	792.6	774.9	2.28%	13.75%	22.0x	2.3x
Mutual Funds	48.3	49.2	-1.82%	0.84%	NM	0.6x
General Insurance	73.9	147.0	-49.71%	1.28%	13.2x	1.0x
Life Insurance	51.4	31.7	62.35%	0.89%	NM	7.5x
Telecommunication	55.9	32.6	71.32%	0.97%	23.5x	17.3x
Pharmaceuticals	509.8	302.3	68.63%	8.84%	20.0x	3.3x
Fuel & Power	747.5	253.2	195.26%	12.97%	15.3x	2.4x
Cement	54.5	44.7	21.90%	0.95%	21.0x	3.4x
Services & Real Estate	137.5	75.3	82.73%	2.39%	27.8x	0.9x
Engineering	805.4	595.9	35.16%	13.97%	24.9x	2.3x
Food & Allied	226.1	110.5	104.68%	3.92%	28.6x	10.1x
IT	138.8	115.5	20.20%	2.41%	31.0x	3.3x
Textiles	829.8	739.7	12.18%	14.39%	23.1x	1.3x
Paper & Printing	46.0	60.5	-23.96%	0.80%	NM	6.5x
Tannery	53.7	50.8	5.75%	0.93%	20.6x	3.3x
Jute	29.7	16.5	80.19%	0.51%	NM	3.2x
Ceramics	55.6	26.0	113.52%	0.96%	28.6x	2.2x
Miscellaneous	337.8	184.1	83.44%	5.86%	27.2x	1.3x

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

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	13.80	-37.56%	10,462.2	6.9x
United Airways (BD) Ltd.	3.60	-35.71%	2,474.2	12.7x
Lankabangla Finance	30.00	-32.53%	10,263.6	12.9x
Islami Bank	26.30	-28.14%	42,342.8	9.5x
Prime Bank	17.90	-28.14%	20,267.9	9.3x
EXIM Bank	12.40	-27.91%	17,511.9	6.0x
Eastern Bank	37.00	-27.59%	27,306.0	10.1x
City Bank	35.50	-26.25%	34,363.5	8.5x
Lafarge Surma Cement	53.20	-23.89%	61,785.1	27.7x
RAK Ceramics Limited	42.10	-22.69%	16,379.5	17.9x

## Important News: Business & Economy

### Pharma winning global markets

- Pharmaceuticals export has crossed USD 100-million mark for the first time in the country's history, according to the Export Promotion Bureau. Export earnings from the sector hit USD 103.46 million in 2017-18, up 16.03% from a year ago thanks to improved compliance by the local manufacturers. Shipment of pharmaceutical products registered an average 14.6% growth between 2011 and 2016. Managing director of Incepta Pharmaceuticals said that pharmaceutical companies have the potential to earn USD 1 billion a year through exports in the next five years, but the sector needs fiscal benefits and policy support to do so.
- Local players dominate Bangladesh's pharmaceutical industry. Square Pharmaceuticals is the major player with 18.8% share. Incepta holds 10.2% share, Beximco 8.5%, Opsonin 5.6%, Renata 5.1% and Eskayef 4.5%, according to the Bangladesh Association of Pharmaceuticals Industries. Multinational companies Radiant, Sanofi and Novo Nordisk also have significant presence and are focused on some specialised products. Bangladesh exports pharma products to 144 countries and caters 97% of the domestic need. Per capita consumption of medicine in Bangladesh was about USD 15.36 in 2017.
- In 2012, the local market size stood at BDT 93.90 billion and rose to BDT 187.56 billion in 2017, according to IMS Health Care Report 2017. Currently, Bangladesh has the ability to produce advanced medicines such as bio-similar drugs, vaccines and oncology products as well as medical devices.

<https://www.thedailystar.net/news/business/pharma-winning-global-markets-1626547>

### Agent banking accounts increase by 21%

- The number of agent banking accounts across the country increased by 21.01% or 0.31 million in April-June quarter compared to the previous quarter of January-March in 2018. According to the quarterly data of April to June, 2018 of Bangladesh Bank, the number of accounts with agents increased to 17,77,400 from 14,68,797 in the January-March period of 2018. In the April-June period, the number of agents increased to 3,588 from 3,216 in the January to March quarter and the number of bank agent outlets also increased to 5,351 from 4,905 in the same quarter.
- During the quarter, deposit collection through the agent banking went up to BDT 20.13 billion, which was BDT 16.34 billion in the January-March period. During the April-June period, official data show, Bangladeshi expatriates sent BDT 35.14 billion through the agent banking channel, which was BDT 26.74 billion in the January to March quarter. Islami Bank Bangladesh Limited deputy managing director said that agent banking is moving fast across the country since the banks are providing all sorts of efforts to bring the grassroots people under the banking services.

<http://www.newagebd.net/article/49370/agent-banking-accounts-increase-by-21pc>

### July farm loan disbursement falls by 27%

- Disbursement of farm loans by the scheduled banks declined by 26.86% in July, the first month of the current fiscal year (2018-2019), compared with that in the same month of the previous fiscal year. As per the Bangladesh Bank data, the scheduled banks including foreign and private commercial banks disbursed BDT 11.51 billion in farm loans in July this

year against the figure of BDT 15.74 billion in July last year. The amount of farm loans disbursed by the banks in July this year was 5.28% of the annual target of BDT 218.00 billion for FY19.

- In July of FY18, the banks had distributed 7.72% of the annual target of BDT 204.00 billion. BB officials said that the banks might have opted to go slow regarding the farm loan disbursement amid their emphasis on devising strategy for adjusting advance deposit ratio along with implementing single digit lending rate. Disbursement of farm loans, however, might increase gradually as the banks are bound to follow the central bank-set target to avoid punitive measures, they said. As per bank rules, the banks are supposed to disburse 2.50% of their total loans and advances in a fiscal year in the farm sector.
- The eight state-owned banks — Agrani Bank, BASIC Bank, BDBL, Bangladesh Krishi Bank, Janata Bank, Rajshahi Krishi Unnayan Bank, Rupali Bank and Sonali Bank — disbursed BDT 3.68 billion in farm loans in the period, which is 7.72% or BDT 308 million lower than BDT 3.99 billion disbursed by the entities in the first month of FY18. The government banks disbursed only 3.73% of their annual target of BDT 98.75 billion, while their disbursement in the same month in the previous fiscal year was 4.16% of their annual target of BDT 95.90 billion.

<http://www.newagebd.net/article/49403/july-farm-loan-disbursement-falls-by-27pc>

### International calls fall by 20% in 6 months as new termination rate bites

- The daily average incoming international calls through the legal channel has declined by 20% or 11 million minutes over a span of just six months after the government 'surprisingly' increased the call termination rate in February this year. The average international call termination through the legal channel declined to 43 million minutes per day in July this year from 54 million minutes per day in February this year, according to the latest data of the Bangladesh Telecommunication Regulatory Commission. The BTRC introduced the new call termination rate on February 27 this year.
- The average international call termination through the legal channel was 53 million minutes in March and 52 million minutes in April this year. As per the BTRC directive on the new call rate, international gateway operators are allowed to bring international calls at 2.5 US cents (BDT 2) per minute instead of the previous rate of 2 US cents per minute. The operators, however, are allowed to share revenue with the government at 1.75 US cents (BDT 1.4) per minute. An official said that the commission's reluctance to identify illegal voice over internet protocol business and pressure from influential quarters to keep the rate high played as major factors behind the drastic fall in the volume of international incoming calls.
- Besides the implementation of new call rate, growing mobile application-based phone calls also known as over-the-top (OTT)-based calls was another reason for the sharp fall in incoming international phone calls through the legal channel. As a result of the decline in international calls and reluctance to identify illegal VoIP businesses, the government is being deprived of a huge amount of revenue as IGW operators are supposed to share 40% of their revenue with the government.

<http://www.newagebd.net/article/49308/international-calls-fall-by-20pc-in-6-months-as-new-termination-rate-bites>

## Regulating performance in the telecom sector

- The telecom sector in Bangladesh, particularly the mobile telecom business, has experienced rapid growth over the last couple of years. The price of telecom services has been falling over the years, resulting in more subscribers availing more services from these operators. According to the data published by Bangladesh Telecommunication Regulatory Commission (BTRC), there were 150 million mobile subscribers in Bangladesh in June 2018. Effective regulation has been instrumental to this growth journey of the telecom companies. The mobile telecom sector in Bangladesh is regulated by the BTRC, which started operations in January 2002. Among its many duties, the BTRC is responsible for regulating the sector to ensure the attainment of economic and social objectives of each stakeholder, including customers.
- An effective regulator is also responsible for encouraging the market participants to innovate and create new products and services. The innovation may also lead to a new business model. An effective regulator assesses such business models objectively and creates an environment for those business models to operate. An effective regulator should also champion continuous learning. Many new innovations are taking place around the world in the telecom sector. The regulator should learn from the experience of other regulators, and should encourage telecom operators to learn from experiences of operators in other countries.

<https://www.thedailystar.net/news/business/regulating-performance-the-telecom-sector-1626457>

## Export to cross USD 60 billion by 2021: Commerce Minister

- Bangladesh's export figure will cross the USD 60 billion mark by 2021 thanks to the presence of high quality diversified products in the export basket, Commerce Minister said yesterday. Bangladesh shipped only 25 kinds of products worth BDT 7.87 billion in 1972, just after the independence of the country, he said. The country exported 700 different kinds of products to 199 countries worth USD 41.5 billion last fiscal year, of which USD 37 billion came from the export of commodities and the remaining from the services sectors, he added.
- Being the second largest garment exporter in the world, Bangladeshi manufacturers shipped USD 30.66 billion worth of apparel items last fiscal year, he said. The minister also praised the quality of the products of the country's emerging pharmaceuticals sector. He said the local producers meet 98% of the local demand for medicine and also export the items to 100 countries. If the sustainable development goal is implemented properly, the rate of extreme poverty in Bangladesh would come down to less than 3% by 2030, the minister expected. The central bank has USD 32 billion in foreign currency reserve now, he said.

<https://www.thedailystar.net/news/business/export-cross-60b-2021-tofail-1626016>

## Bangladesh Bank (BB) gives nod to set up one more private bank

- The central bank has decided to give licence to one more private commercial bank a few months ahead of the national elections. Proposals for two other banks are also under process. The decision was taken at a meeting of the Bangladesh Bank (BB)'s board of directors held at its headquarters in Dhaka on Tuesday. According to the Governor of BB, they have given clearance in principle to issue licence to the proposed Community Bank

Limited, sponsored by Bangladesh Police Welfare Trust after completing all rules and regulations properly.

- Another two proposals for setting up new private banks are still under process, another BB senior official told the FE without giving further details. The proposed banks are Bengal Bank Limited and Peoples Bank Limited. A ruling party lawmaker and owner of Bengal Group of Industries lobbied for Bengal Bank while a Chittagong-based businessman MA Kashem pursued for Peoples Bank.
- In 2009, after Awami League formed the government, nine banks were given the permission on political consideration despite the opposition from different quarters. Currently, there are 58 banks in Bangladesh. Of them, 40 are local private banks, nine foreign and nine state-owned.

<http://today.thefinancialexpress.com.bd/first-page/bb-gives-nod-to-set-up-one-more-pvt-bank-1535474599>  
<https://www.thedailystar.net/news/business/police-get-banking-licence-1626010>

## Finance minister rules out BASIC Bank's image crisis

- Finance minister ruled out the possibility of a negative impact on the image of BASIC bank after the resignation of its managing director. When asked about the managing director's resignation, the minister said that the bank won't face any problem. BASIC bank was once a healthy bank, but it became financially weak during the 2009-2013 period after BDT 45 billion was allegedly swindled. A section of directors of the bank in connivance with the officials looted the money in the name of granting loans to businesses and individuals by submitting forged documents.

<http://today.thefinancialexpress.com.bd/first-page/muhith-rules-out-basic-banks-image-crisis-1535475038>

## International calls fall by 20% in 6 months as new termination rate bites

- The daily average incoming international calls through the legal channel has declined by 20% or 110 million minutes over a span of just six months after the government 'surprisingly' increased the call termination rate in February this year. The average international call termination through the legal channel declined to 430 million minutes per day in July this year from 540 million minutes per day in February this year, according to the latest data of the Bangladesh Telecommunication Regulatory Commission. The BTRC introduced the new call termination rate on February 27 this year.
- The average international call termination through the legal channel was 530 million minutes in March and 52 million minutes in April this year. As per the BTRC directive on the new call rate, international gateway operators are allowed to bring international calls at 2.5 US cents (BDT 2) per minute instead of the previous rate of 2 US cents per minute. The operators, however, are allowed to share revenue with the government at 1.75 US cents (BDT 1.4) per minute. An official said that the commission's reluctance to identify illegal voice over internet protocol business and pressure from influential quarters to keep the rate high played as major factors behind the drastic fall in the volume of international incoming calls.

<http://www.newagebd.net/article/49308/international-calls-fall-by-20pc-in-6-months-as-new-termination-rate-bites>

### **Bangladesh Road Transport Corporation (BRTC) to buy 300 more double-deckers under second Indian Line of Credit (LOC)**

• Bangladesh Road Transport Corporation (BRTC) will soon add 300 more double-decker buses to its fleet after importing those vehicles from India. The state-owned bus operator signed a BDT 2.39-billion contract with Ashok Leyland Limited on Tuesday to purchase the buses under second Indian Line of Credit (LoC). According to the contract, the supplier will start sending the buses to the country from this December and will complete the process by next February. Under the first USD 1.0-billion Indian LoC, BRTC completed procurement of 290 double-decker buses from Ashok Leyland in 2013.

• The BRTC chairman said each of the new buses will cost USD 86,500 and will have ramp to facilitate use of wheelchairs by the physically-challenged people. The Cabinet Committee on Government Purchase approved the bus procurement proposal with supplier's credit on August 1. BRTC signed another contract with TATA on August 16 to procure 500 trucks and 100 non-airconditioned buses. BRTA now has over 400 double-decker buses in its fleet of 900 buses.

<http://today.thefinancialexpress.com.bd/last-page/brtc-to-buy-300-more-double-deckers-under-second-indian-loc-1535475385>

### **Profits jump before listing, fall afterwards**

• The earnings of 19 out of the 21 textile companies that got listed on the Dhaka bourse between 2010 and 2015 have fallen sharply from the level shown during the initial public offerings. What is more, four of these companies have become junk because of their poor performance and failure to pay dividends to shareholders.

• The scenario is more or less the same for companies that went public in the five years to 2015. During the period, 67 companies were listed. Of them, the earnings of 48 went lower compared to the prelisting level, according to the latest data of the firms available on the DSE website. Only 17 were able to make higher earnings per share (EPS) last year compared to the year of the listing. The earnings of one firm remained unchanged while data about one company were not available.

• Ten companies were downgraded to the junk shares category while three closed operations. The sponsors of most of the companies bring the shares to the market when they think they have no potential to grow. The promoters also go for IPOs when they feel the necessity of raising capital to save themselves from bank loans.

<https://www.thedailystar.net/news/business/profits-jump-listing-fall-afterwards-1626022>

### **Dhaka South City Corporation (DSCC) mayor to devise unified city bus service**

• The mayor of Dhaka South City Corporation (DSCC) will now discharge the responsibility of developing a unified bus operation system. Late mayor Annisul Huq initiated the move. The decision was taken at the meeting of Road Transport Advisory Council held at the Ministry of Road Transport and Bridges on Monday.

• Mayor Annisul Huq had taken the initiative to rationalise the city's more than 200 bus routes into six for operating those under six companies in line with the recommendation of the strategic transport plan (STP). Though it was a task of the coordination authority, the responsibility was vested with the late mayor after a directive from the Prime Minister.

<http://today.thefinancialexpress.com.bd/first-page/dscc-mayor-to-devise-unified-city-bus-service-1535387904>

### **Indian company to supply 350 trucks to Bangladesh Road Transport Corporation (BRTC)**

• India-based company Eicher Trucks and Buses, part of VE Commercial Vehicles, announced on Monday that it has bagged an order for 350 heavy duty trucks from Bangladesh Road Transport Corporation (BRTC). BRTC has bought 350 units of Eicher 20.16, the 16 tonnes GVW haulage truck. The new order will further drive VECV's vision of modernising the commercial vehicle industry in Bangladesh. The delivery of the order is expected to take place within eight months.

<http://today.thefinancialexpress.com.bd/trade-market/indian-co-to-supply-350-trucks-to-brtc-1535384633>

### **China's Foton to assemble vehicles in Bangladesh**

• Foton Motor, a Chinese vehicle manufacturer, will set up a plant in Bangladesh by next year to assemble commercial vehicles, a top official of the company said yesterday. According to the President of Foton Motor, the market for commercial vehicles in Bangladesh is very potential as the demand is increasing in line with the country's consistent economic growth. He informed this after the signing of an exclusive dealership deal with local ACI Motors at the ACI Centre in the capital for marketing Foton vehicles.

• At present, the country's market size for commercial vehicles is about BDT 42.00 billion a year and the segment is dominated by Indian vehicles. Japanese vehicles used to control the segment a decade ago. ACI Motors believes that this partnership will enable it to grab 10% of the market of commercial vehicles within the next three years, according to Subrata Ranjan Das, executive director of the company.

<https://www.thedailystar.net/news/business/chinas-foton-assemble-vehicles-bangladesh-1625551>

### **Steelmakers flexing muscles**

• Steelmakers are investing billions of BDT either to expand existing capacity or set up new units as consumption is on the rise. Per capita steel consumption in Bangladesh has grown more than 54% to 37kg in the last eight years thanks to the government's large infrastructure projects and the thriving housing sector. According to market players, per capita steel use was 24kg in 2010.

• Market leader Bangladesh Steel Re-Rolling Mills (BSRM) and other top firms such as Anwar Ispat, AKS, GPH, KSRM and Bashundhara Steel have expanded their capacity in recent years. Chinese companies have also shown interest to invest in the steel sector. In 1972, local millers used to produce a meagre 47,000 tonnes of steel. The figure rose to 5.5

million tonnes in 2017 and is expected to hit 7.0 million tonnes this year. The sector turns over about BDT 300.00 billion a year in sales revenue. There are some 400 big, medium- and small-sized steel mills in the country with a combined production capacity of 8.0 million tonnes. Of them, the top 10 companies hold more than 50% stakes.

<https://www.thedailystar.net/news/business/steelmakers-flexing-muscles-1625572>

### **FY19 investment likely to exceed gross national savings**

- The country's gross investment is projected to exceed its gross national savings in this fiscal year (FY), 2018-19, apparently due to rise in the public-sector investment, according to the International Monetary Fund (IMF). The gross investment is projected to stand at 32.3% of the gross domestic product (GDP), up by 2.3% points than that of gross national savings. The picture came up in IMF country staff report prepared for 2018.
- The gross national savings, consisting of public national savings and private national savings, usually remain above gross investment, and it has been a trend of Bangladesh's economy for long. But the trend reversed, as gross investment stands above gross national savings, in the past two fiscal years - FY 2017 and FY 2018.
- The Bangladesh Bank recently told the reporters that a group of businesses are reported to have been involved in capital flight, amounting to Tk 40 billion in the guises of import and export. It also asked the tax authority to take necessary actions regarding the matter by probing it. Public investment in terms of the GDP is estimated to be at 9.1% in this FY. It was less than 7.0% of the GDP even a few years back.

<http://today.thefinancialexpress.com.bd/first-page/fy19-investment-likely-to-exceed-gross-natl-savings-1535305256>

### **Foreign Direct Investment (FDI) inflow curve heads downward again**

- The foreign direct investment (FDI) in Bangladesh dropped again in the past fiscal year (FY) after three years of gaining, according to the latest statistics of the central bank. Provisional data of the Bangladesh Bank (BB) on the annual balance of payments (BoP) showed that the gross inflow of FDI declined by 7.90% to US\$ 2.79 billion in FY 2017-18 from \$3.03 billion in FY 2016-17. According to the BoP data, the net inflow of FDI also slipped to \$1.58 billion in the past fiscal year from \$1.65 billion in FY '17. Thus, the rate of decline in the net FDI stood at 4.23%.
- The country last experienced a decline in FDI in FY '14, when the net inflow of FDI declined by 14.45% to \$1.48 billion from \$1.73 billion in FY '13. The decline in FDI in the past fiscal year also went against the ambitious projection made in the Seventh Five Year Plan (7FYP) of the country. For FY '18, the 7FYP projected an FDI inflow worth \$ 5.87 billion. But the gross inflow of FDI stood at \$ 2.79 billion. Thus, the difference between the projection and the actual inflow hovered over \$ 3.0 billion. In FY '17, the actual inflow of FDI also stood well behind the projection of \$ 4.31 billion.
- According to the Metropolitan Chamber of Commerce and Industry (MCCI), Bangladesh's low labour costs are generally believed to be attractive to foreign investors, but yet they hesitate to make fresh investments in the country because of the country's underdeveloped infrastructure. It also mentioned other impediments like the shortage of power and energy, lack of consistency in policy and regulatory framework, scarcity of industrial land, corruption

and political uncertainty.

<http://today.thefinancialexpress.com.bd/first-page/fdi-inflow-curve-heads-downward-again-1535305410>

### **Bangladesh Bank's operating profit soars on forex income**

- Bangladesh Bank's operating profit jumped 46% year-on-year to BDT 7.91 billion last fiscal year on the back of higher income from the investment of foreign exchange. The central bank will transfer BDT 6.90 billion as net profit to the state coffer -- the amount being more than double the target of BDT 2.80 billion. BB Governor and the auditors signed the balance sheet for 2017-18 at an internal meeting at the central bank headquarters in the capital yesterday.
- The central bank received interest from fixed deposits with foreign banks at an average of 2% in 2017-18, which was less than 1% in the previous year, the deputy Governor of Bangladesh Bank said. However, the income from domestic sources was insignificant because of higher spending on efforts to mop up money from the market, he added. The BB's income from reserve management has also seen a huge year-on-year rise—around 56%—last fiscal year.
- In the balance sheet, the BB showed around BDT 5.50 billion as asset out of the USD 81 million (around BDT 6.76 billion) reserve that hackers stole from its account at the New York Fed in February 2016. Of the stolen amount, USD 15 million has been recovered. Bangladesh's foreign exchange reserve stood at USD 33.17 billion as of August 13, according to the central bank data.

<https://www.thedailystar.net/news/business/bbs-operating-profit-soars-forex-income-1625092>

### **No subsidy burden on power sector for LNG import, says State Minister for energy and power**

- The country's power sector would not require any 'significant' amount of subsidy out of LNG imports as the existing dual fuel power plants would be converted into gas-fired ones, state minister for energy and power Nasrul Hamid said on Sunday. According to him, Oil-fired power plants would be shifted to gas-fired ones wherever necessary. A significant amount of additional money would be required for the power sector, he said while speaking at a post-Eid press conference at the secretariat on Sunday morning. Dual fuel power plants have provision to run on both diesel and gas, but such power plants were running on diesel for long due to gas crisis. Currently, Bangladesh has the capacity to consume around 75-100 million cubic feet per day (mmcf) equivalent of re-gasified LNG.
- Regarding the move to re-initiate electricity generation from Barapukuria coal-fired power plant, he also said a tender has been floated to import around 1.0 million tonnes of coal to generate electricity and resolve electricity crisis in the northern region. One unit of the Barapukuria power plant was kept operational over the past five days under special arrangements. Barapukuria coal-fired power plant would be fully operational by October.
- Electricity supply situation in the country's northern region has been facing a major setback over the past couple of months as all the three units of Barapukuria thermal power

plant having total capacity of 525 megawatt (MW) are 'under force-closure' due to coal scarcity. 'Disappearance' of around 142,000 tonnes of coal worth around Tk 2.27 billion from BCMCL's coal storage yard a couple of weeks back pushed suspension of operation of the Barapukuria coal-fired power plant to uncertainty. State-run Barapukuria Coal Mining Company Ltd (BCMCL) could detect this anomaly only in mid-July when it initiated to measure out the overall coal stock in the yard.

<http://today.thefinancialexpress.com.bd/first-page/no-subsidy-burden-on-power-sector-for-Ing-import-says-nasrul-1535305458>

### Investors suffer, sponsors stay unscathed

- There is no law in Bangladesh to protect the general investors of a company, which got delisted from the stock market for the failure of the promoters or sponsors. Even there is no law to create pressure on the promoters of the junk companies to buy back the shares from the retail investors in case of a delisting.

- The issue has come to the fore when Dhaka Stock Exchange (DSE) delisted two companies—Rahima Food Corporation and Modern Dyeing and Screen Printing—for remaining closed for three years. About BDT 500 million of general investors' money got stuck because of the delisting and they are in the dark whether and how they will get their money back, according to data from the DSE. More investors could also find themselves in the similar situation as the DSE has recently sent notices to 15 companies and asked to explain why they failed to pay dividends for at least five years in a row. The issuance of the notices is the first step for delisting a company and the companies may get delisted if they cannot assure that they would soon start giving dividends, according to DSE officials. Stakeholders and analysts called for a similar protection rule regarding this in India for investors in Bangladesh. Otherwise, they said, nothing would be able to stop the errant promoters of companies.

<https://www.thedailystar.net/news/business/investors-suffer-sponsors-stay-unscathed-1625110>

### Bangladesh garments get boost in Canada exposition

- Bangladesh readymade garment (RMG) industry has received huge response from international buyers in a mega exposition in Canada, reports BSS. A total of 17 RMG factories and exporters from Bangladesh participated in the three-day event titled 'Apparel Textile Sourcing Canada (ATSC)'. The fair was held at the International Centre in Toronto from August 20 to 22 under the guidance of the Export Promotion Bureau (EPB) of Bangladesh.

<http://today.thefinancialexpress.com.bd/trade-market/bd-garments-get-boost-in-canada-exposition-1535213387>

### Bangladesh, Nigeria want to boost business

- Bangladesh and Nigeria have showed their interest to work closely to strengthen bilateral relations especially in the fields of trade and commerce, reports BSS. During the meeting, held in a very cordial atmosphere, both the sides expressed their interest to strengthen and expand existing cordial bilateral relations in depth and dimensions.

<http://today.thefinancialexpress.com.bd/trade-market/bangladesh-nigeria-want-to-boost-business-1535213428>

### China prints money for Bangladesh

- China has been printing bank notes for the governments of different countries as Beijing offers secured money printing facilities at low costs, reports South China Morning Post. According to the South China Morning Post, this year money printing plants in China are running in full swing to meet the high demands. China won the bids of NPR100, NPR1000 and NPR5 from Nepal, Liu wrote in an article published in China Finance. China also produced a total of 200 million in NPR1000 notes last year. Most of the orders come from the countries which signed for Belt and Road Initiative (BRI) project.

- So far China has won contracts for money production projects from countries from different parts of the world including Bangladesh, Thailand, Sri Lanka, Malaysia, India, Brazil and Poland. China provides embedded thread, metallic ribbon and colour-shifting ink at a relatively low cost compared with their Western rivals. Currency paper varies also from country to another and each client has their own requirements. China also performs Intaglio, or "raised" printing simultaneously on both sides of a banknote.

<https://www.dhakatribune.com/feature/2018/08/22/china-prints-money-for-bangladesh>  
<https://www.dhakatribune.com/opinion/op-ed/2018/08/26/we-import-banknotes-from-china-then-why-not-other-things>

### Operators say uniform rate beneficial in the long run

- Mobile phone operators have claimed that the minimum new call rate for mobile phones will stimulate competition in the market and in the long term reduce consumer cost 3% to 5%. Bangladesh Telecommunication Regulatory Commission (BTRC) implemented the new tariff rate from August 14, which ranges from BDT0.45 to BDT2 per minute, scraping the previous on-net and off-net floor prices of BDT0.25 and BDT0.60 respectively.

- According to the Chief Corporate and Regulatory Affairs Officer, this will enable our customers to call 150 million mobile subscribers of Bangladesh at the same rate. The benefit will be better realized once MNP is introduced in the market. BTRC said that the country has 150.9 million active mobile phone connections as of June 2018, of which Grameenphone has 69.2 million, Robi 44.7 million, Banglalink 33.3 million and Teletalk 3.7 million.

<https://www.dhakatribune.com/business/2018/08/20/operators-say-uniform-rate-beneficial-in-the-long-run>

### Robi continues to make losses

- Robi posted a net loss of BDT 444.0 million in April-June, extending its losses for the seventh straight quarter, because of inconsistent subscriber base and revenue growth. The last time the second-largest operator had managed to make a profit was in the July-September quarter of 2016, just before its merger with Airtel.

- Since the merger in November 2016, Robi's revenue has grown but failed to secure a net profit, according to the financial statement of Axiata Group, the parent company of the operator. The statement was published yesterday. Before the merger, the company had

been making profit regularly. It registered a profit of BDT 4.00 billion in 2015, BDT 4.40 billion in 2014 and BDT 3.65 billion in 2013. It incurred a loss of BDT 1.48 billion in the first half of 2018.

- Customer base of Robi narrowed by 2% to 447 million at the end of June compared to the first quarter. Average revenue per user (ARPU) also fell. The ARPU stood at BDT 117 at the end of the second quarter, from BDT 132 in the same period a year ago and BDT 135 in 2016. The operator attributed the loss, among other reasons, to the extensive investment it has made in expanding the network. Robi invested BDT 5.50 billion as capital expenditure in April-June.

<https://www.thedailystar.net/news/business/robi-continues-make-losses-1624648>  
<http://www.newagebd.net/article/49009/robi-incurs-BDT-444-crore-in-losses-in-april-june>

### **Fresh hike in gas tariff in September likely**

- The country's energy regulator is set to announce a fresh hike in natural gas tariff in September to foot the import bills of 'expensive' LNG, said officials. The Bangladesh Energy Regulatory Commission (BERC) is now at the final stage of its scrutiny after holding public hearings over the tariff hike proposals of state-run gas transmission, marketing and distribution companies in June, a senior commission official said. Chattogram consumers have been getting re-gasified imported LNG (liquefied natural gas) since Saturday (August 18) after more than eight years of the move to import LNG by the government.

- Existing and new consumers of Chattogram are now receiving around 75-100 million cubic feet per day (mmcf) of re-gasified LNG, a senior Petrobangla official said. The quantity of re-gasified LNG would gradually be increased to around 300 mmcf by late September with the increase of pressure in the pipeline network, he said. The supply of re-gasified LNG to consumers would increase to around 500 mmcf after the completion of an under-construction Anowara-Fouzdarhat pipeline.

- The government had initiated the move to import LNG in November 2010, when state-run Petrobangla floated a construction tender for a floating LNG terminal. The LNG import terminal project was brought to a fast-track route for the implementation on a priority basis, to ease the country's energy crisis and accelerate economic growth in January 2014. The BERC has planned to fix a new gas tariff considering blend of the imported LNG with locally produced gas, BERC officials said.

- Petrobangla has argued that the blended gas price will be BDT 9.69 per cubic metre (cubic metre) after importing around 500 mmcf of LNG at USD 8.5 per cubic metre from the international market. The blended gas price will be BDT 10.91 per cubic metre after importing around 500 million cubic feet per day (mmcf) of LNG at USD 10.76 per cm from the international market.

<http://today.thefinancialexpress.com.bd/first-page/fresh-hike-in-gas-tariff-in-sept-likely-1535215403>

### **Tanners stick to government-fixed rates**

- Claiming that misleading information are being spread over the prices of sacrificial animal rawhide, tanners have said they will start rawhide purchase by next week at the rates fixed by the government, reports UNB. They also said the tannery owners will not take

the responsibility, if seasonal traders do not purchase rawhides at the government-fixed rates. Bangladesh Tanners Association (BTA) Chairman said that the tanners will not take the responsibility for the seasonal rawhide traders who purchased those at higher prices.

- The BTA chairman, however, warned the seasonal traders saying that those who are not mixing salt with the rawhides properly will not get the proper prices. Noting that the leather industry is passing through a critical time, the BTA chairman that said many tanneries at Savar Tannery Estate are yet to go into full production after the relocation of their units from the capital's Hazaribagh area. Though 113 tanneries, out of 155, have gone into production, and only 40 tanneries have so far been able to go into full production.

- It's very difficult to ensure the fair prices of rawhides at the local level, as many seasonal traders are engaged in the business and they are purchasing rawhides defying the fixed rates. The Border Guard Bangladesh (BGB) and other law-enforcement agencies couldn't seize any rawhide during the last few years, which is an evidence that rawhide is not smuggled out of the country now. On August 9, the government fixed the prices of sacrificial animal rawhides, reducing those from the rates of the previous year. The government fixed raw cowhide prices at BDT 40-45 per square foot (sft) for the capital, while at BDT 35-40 for outside Dhaka during this Eid-ul-Azha, down from BDT 50-55 and BDT 40-45 respectively than last year's.

<http://today.thefinancialexpress.com.bd/last-page/tanners-stick-to-govt-fixed-rates-1535215808>

<http://www.newagebd.net/article/49068/tanners-shrug-off-blame-for-low-rawhide-prices>  
<https://www.dhakatribune.com/business/2018/08/26/seasonal-rawhide-collectors-suffer-due-to-syndicated-trading>

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

#### **VFS Thread to make share trading debut on September 9**

- VFS Thread Dyeing will make its share trading debut on September 09 (Thursday) on both the bourses under 'N' category. DSE trading code for the company is "VFSTDL" and DSE company code is 17478, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website. VFS Thread Dyeing, which received initial public offering (IPO) approval from the Bangladesh Securities and Exchange Commission (BSEC) on April 03, raised a fund worth BDT 220 million from the capital market.

- The company raised the amount by floating 22 million ordinary shares at an offer price of BDT 10 each under the fixed price method. The company will utilise the IPO fund to purchase plant and machinery, repay bank loans and bear the IPO expenses. According to financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share stood at BDT 19.90 (without revaluation). The weighted average of earnings per share (EPS) was BDT 2.02.

<https://epaper.thefinancialexpress.com.bd/stock/bangladesh/vfs-thread-to-make-share-trading-debut-sept-9-1535538681>

#### **ACI Motors becomes sole distributor of Foton vehicles**

- ACI Motors Ltd. has signed an agreement with Foton Motor Group on having exclusive



dealership and local assembling of Foton Motor in Bangladesh, says a press statement. As per the agreement, ACI Motors has become the sole distributor of a wide range of commercial vehicles of Foton - pick-up van, double cabin pick-up, school van, dump truck, transit mixer, bulk cement carrier, fire service vehicle, cleaning vehicle and heavy crane.

<http://today.thefinancialexpress.com.bd/trade-market/aci-motors-becomes-sole-distributor-of-foton-vehicles-1535471598>

### **Bangladesh Telecommunication Regulatory Commission (BTRC) to take further clarification from Grameenphone**

- Bangladesh Telecommunication Regulatory Commission will seek further clarification from the leading mobile phone operator Grameenphone regarding the audit findings that claimed BDT 115.30 million from the operator for the period of 1996-2017. A move in this direction was taken following request from the telecom operator after the audit report, prepared by third-party auditor, was finalised for making claim, a senior official of the commission told New Age. As the operator expressed its interest to clarify further its stance over the audit report that was carried out by Toha Khan Zaman & Co in association with India's CNK & Associates LLP, the commission would provide GP with the scope, he said.

- Under the initiative, the commission already forwarded the audit report to the mobile phone operator. The government has issued a demand letter to mobile operator Robi claiming BDT 8.67 million after accepting a separate audit report on the company at a commission meeting held on July 19. The claim amount of GP was also accepted in the same meeting but the commission is yet to issue final demand letter to GP in this regard.

- As per the audit report, the leading mobile phone operator shared BDT 10.39 billion less revenue with the telecom regulator since 1997. The operator's outstanding payable to the BTRC includes BDT 51.29-billion compound interest or compensation for delay payment.

<http://www.newagebd.net/article/49309/btrc-to-take-further-clarification-from-gp>

### **Barapukuria power plant goes out of operation again**

- A unit of Barapukuria Coal-fired Thermal Power Plant which resumed operation eight days ago to meet the demands of electricity during the Eid-ul-Azha was shut down again on Tuesday. Executive Engineer and Manager of the power plant Mahbubur Rahman said the unit having a capacity of producing 125MW electricity went out of operation around 3:45 pm as the reserved coal got exhausted. The operation of the power plant will resume again depending on the availability of coal, he said. After remaining closed for about a month, the unit-2 of the Barapukuria power plant resumed its operation on August 20. Barapukuria Coal-fired Thermal Power Plant was shut down on July 22 for shortage

<http://today.thefinancialexpress.com.bd/first-page/barapukuria-power-plant-goes-out-of-operation-again-1535475133>

### **No visible headway yet in Bangladesh Securities and Exchange Commission (BSEC) move**

- The proposed Electronic Data Gathering, Analysis and Retrieval (EDGAR) system of the securities regulator has not made any visible progress yet, though the move was initiated two years ago. The Bangladesh Securities and Exchange Commission (BSEC) had earlier taken the initiative to introduce the EDGAR system aimed at speeding up the data and

information submission by market intermediaries and listed companies. The commission officials, however, said they have not started the work for EDGAR system fully yet owing to different reasons, including the delay in appointing the consultant for the project.

- The Asian Development Bank (ADB) had also tagged a condition for introducing e-data gathering system with its third phase of the Capital Market Development Project (CMDP-III). After the introduction of the e-data gathering system, all intermediaries and listed companies will have to submit data and information through a format to the securities regulator.

<http://today.thefinancialexpress.com.bd/first-page/no-visible-headway-yet-in-bsec-move-1535387678>

### **Dhaka Stock Exchange (DSE) gets fund from Chinese strategic partner 'in a week'**

- The Dhaka Stock Exchange (DSE) is set to receive the fund from its Chinese strategic partner, which is a consortium of two stock exchanges, within a week against the DSE's shares sold to the partner. The Bangladesh Securities and Exchange Commission (BSEC) approved the proposal made by the Chinese consortium for being a strategic partner of Bangladesh's premier bourse on May 3 last.

- As per the BSEC approval, the DSE has sold its 25% stake or more than 450.94 million shares to the Chinese consortium comprising Shenzhen Stock Exchange and Shanghai Stock Exchange. The Bangladesh Bank already approved the Non-Resident Investors BDT Account in which the fund from the Chinese consortium will be received.

- The exchange's 25% stake would also be transferred to the BO (beneficiary owner) account of the strategic partner while receiving the fund. The Chinese consortium offered BDT 22 for each of the 25% shares. But the price declined a little bit following the dividend offered by the DSE. After transfer of the shares, 250 TREC (Trading Right Entitlement Certificate) holders of the DSE will receive around BDT 9.46 billion from the consortium. The fund will be distributed equally to the TREC holders as each of them sold 25% of their shareholdings.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-gets-fund-from-chinese-strategic-partner-in-a-week-1535383959>

<http://www.newagebd.net/article/49244/bb-okays-nita-for-chinese-group-to-send-BDT-947cr-to-bangladesh>

<https://www.dhakatribune.com/business/stock/2018/08/28/strategic-investor-for-dse-at-the-end-stage-formalities>

### **Number of Grameenphone subscribers crosses 70 million mark**

- The number of active mobile phone subscribers increased by 1.6 million in July this year with the subscriber base of Grameenphone crossing 70-million mark. The number of internet users also increased by 0.90 million in July, the Bangladesh Telecommunication Regulatory Commission data showed.

- The growth in subscriber bases of the mobile phone operators was lenient in the previous three months as all four operators — GP, Robi, Banglalink and Teletalk — managed to add only 0.66 million subscribers in the April-June period. On the eve of 4G launch on February

18, in the January-March quarter of the year 2018, the mobile phone operators managed to attain 5.17 million new subscribers. The number of active subscribers of four mobile phone entities increased to 152.5 million at the end of July from 150.9 million in June, 2018.

- Of the mobile phone operators, the number of active subscribers of Grameenphone, which held 45.91% of the market share of the country's telecommunication industry, increased to 7,00,23,000 at the end of July this year from 6,91,70,000 a month ago. Robi with its 45.3 million subscribers managed to become the second largest mobile phone operator with 29.72% market share of the country's telecom industry. The operator added 0.6 million new subscribers in July.

<http://www.newagebd.net/article/49152/no-of-gp-subscribers-crosses-7-cr-mark>

### **Bangladesh Securities and Exchange Commission (BSEC) takes tough action against companies with unusual share prices**

- Bangladesh Securities and Exchange Commission (BSEC) is taking tough action to stop the unusual rise of small-cap companies shares especially the companies that are not in full-fledged production. In protecting investors' rights and curbing price manipulation, the regulator has suspended trade at the bourses and launched investigation against these companies.

- In the last six months, share prices of some companies showed continuous rise but these companies are not performing well and being traded under the A, B and Z category, Small cap shares have been seen to rise sharply in the last couple of months. Stock market stakeholders say a syndicate is controlling the shares of small capital companies. General investors are being affected while the syndicate is making great profits. The commission decided on the punitive measures after the watchdog detected anomalies in the trading of the companies' shares. The committee, headed by BSEC Deputy Director Shamsur Rahman, was asked to submit its report within 30 working days. The committee will investigate the reasons behind the unusual increase in the price of shares of these companies, and will look into possible insider trading, price manipulation, and securities violations

<https://www.dhakatribune.com/business/stock/2018/08/27/bsec-takes-tough-action-against-companies-with-unusual-share-prices>

### **Silva Pharma IPO lottery draw Thursday**

- The initial public offering (IPO) lottery draw of Silva Pharmaceuticals would be held on Thursday (August 30), officials said. After the lottery draw, results will be published on the websites of Dhaka and Chittagong stock exchanges, the issue managers and the company.

- The Silva Pharma raised capital worth BDT 300 million by issuing 30 million ordinary shares at an offer price of BDT 10 each under the fixed price method. The IPO subscription of the company was opened on July 29. It continued until August 05, according to the Dhaka Stock Exchange (DSE). The company's IPO was oversubscribed more than 25 times as the company received about BDT 7.73 billion against the IPO issue of BDT 300 million.

- The pharmaceutical company will purchase machinery, construct building, repay bank loans and bear the IPO expenses with the fund to be raised from the public. The company

reported net asset value (NAV) of BDT 16.48 per share, (without revaluation)), weighted average EPS worth BDT 1.03 as per the financial statement for the year ended on June 30, 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/silva-pharma-ipo-lottery-draw-thursday-1535300548>

### **Bangladesh Telecommunication Regulatory Commission (BTRC) approves 013 prefix for GP, 014 for BL**

- Bangladesh Telecommunication Regulatory Commission has approved two new number prefixes — 013 and 014 — respectively for mobile phone operators Grameenphone and Banglalink. The approval was given at a meeting held at the commission office in the capital on last Sunday following endorsement from prime minister's ICT affairs adviser.

- Under the BTRC approval, the operators have been allowed to give connections under new prefixes as well as the existing number prefixes. The operators, however, would start issuing connections under the prefixes after getting approval letters from the commission, said BTRC officials. The number series of the country's mobile phone operators starts with '01' prefix as per National Number Plan. Each number series allows an operator to sell 100 million connections with an 11-digit number. At present, customers of the leading mobile phone operator GP has been using 017, Banglalink customers 019 and Teletalk customers were using 015 as per approval from the telecom regulator.

<http://www.newagebd.net/article/49066/btrc-approves-013-prefix-for-gp-014-for-bl>

### **Baraka Shikalbaha Power enters deal with Bangladesh Power Development (BPDB)**

- The Baraka Shikalbaha Power Limited (BSPL) has signed a power purchase agreement with the state-owned Bangladesh Power Development Board (BPDB), according to a disclosure made by the Baraka Power Limited. The agreement will help implement the HFO (Heavy Fuel Oil)-fired independent power producer (IPP) plant. The agreement was signed on August 19 last. The company also signed an implementation agreement (IA) with the government of Bangladesh (GOB) represented by the Ministry of Power, Energy and Mineral Resources.

- Baraka Shikalbaha Power Limited is a 51%-owned subsidiary of Baraka Patenga Power Limited formed to implement the 105MW power plant project at Shikalbaha in Chattogram. As per agreements, the IPP plant will be implemented on a Build, Own, Operate (BOO) basis and the term is 15 years from the Commercial Operation Date (COD). Apart from 51% shares in BSPL of Baraka Patenga Power Limited, Baraka Power Limited has a 20% stake in the BSPL.

<http://today.thefinancialexpress.com.bd/stock-corporate/baraka-shikalbaha-power-enters-deal-with-bpdb-1535211663>

### **Kattali Textile IPO subscription opens on August 28**

- The initial public offering (IPO) subscription period of Kattali Textile will start on August 28, according to DSE website. Applicants will be able to apply for the IPO subscription until September 13. The company will raise capital worth BDT 340 million (3400 million) by

offloading 34 million shares at an offer price of BDT 10 each. The Bangladesh Securities and Exchange Commission (BSEC) approved the company's IPO proposal on June 26.

- The company will go public under the fixed price method. A market lot comprises 500 shares and an investor needs BDT 5,000 per lot to apply for the IPO. The required amount of foreign currency per lot for NRBs (non-resident Bangladeshis) and foreign applicants is USD 60.25 or GBP 46.08 or EUR 51.96, according to the Dhaka Stock Exchange (DSE).
- The proceeds from the IPO subscriptions of Kattali Textile will be utilised to construct its factory building and employees' dormitory, purchase machinery for an extended unit, install electric transformers and generators, repay bank loans and bear IPO expenses. As per the financial statement for the year ended on June 30, 2017, the company's net asset value (NAV), without revaluation, is BDT 20.48 per share. The earning per share (EPS) is BDT 1.98. The NRB Equity Management is acting as the issue manager for the company's IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/kattali-textile-ipo-subscription-opens-on-aug-28-1535211649>

### **Fin min advises Bangladesh Securities & Exchange Commission (BSEC) to extend tenure of MFs by 10 years**

- The finance ministry has recommended that the Bangladesh Securities and Exchange Commission should extend the tenure of around 30 closed-end mutual funds by another term of 10 years amid hectic lobbying by trustees of some of the funds. The ministry in a letter to the commission last week made the recommendation after BSEC chairman M Khairul Hossain had sought the ministry's advice on the fate of 36 mutual funds, which would be wound up or be made open-end funds between 2018 and 2028. The ministry advised the commission to extend the tenure of 30 mutual funds which are scheduled to be wound up or be made open-end funds by 2023.
- Commission officials said that any extension of the mutual funds' tenure would be contrary to the trust deed and would create legal complexity as the Supreme Court, following legal challenges by investors, earlier struck down a move to extend tenure of a mutual fund. Seeking advice, demi official letter to finance minister on June 18, addressed that the total size of 36 mutual funds was BDT 53.02 billion and the mutual funds helped stabilise the capital market as they invested around 60% of their funds in the capital market.
- Suggesting the minister to advise the commission for tenure extension, the note said if the tenure of the mutual funds is extended, they could play a positive role during any volatility at the market. Finance minister approved the note and advised the commission to extend tenure of the mutual funds which would be wound up by 2023. BSEC officials said that trustees of some of the mutual funds were lobbying the government hard for extension of the tenure. Investors of the funds were facing losses. Most of the mutual funds are being traded below their face value while investors do not get expected returns, they said.

<http://www.newagebd.net/article/49402/fin-min-advises-bsec-to-extend-tenure-of-mfs-by-10-years>