

Weekly Market Update

Capital Market Overview

The market closed Positive this week. The benchmark index DSEX (+1.43%) gained 76.54 points and closed the week at 5,441.76 points. The blue-chip index DS30 (+1.20%) gained 23.59 points and stood at 1,981.80 points while the shariah based index DSES (+2.04%) closed in green and stood at 1,263.46 points. DSEX, and DS30, and DSES all posted negative YTD return of -12.86%, -13.20% and -9.15% respectively.

Total Turnover During The Week (DSE) : BDT 26.6 billion (USD 319.7 million)
Average Daily Turnover Value (ADTV): BDT 6.6 billion (Δ% Week: +51.5%)

Market P/E: 17.00x
Market P/B: 2.20x

Daily Index Movement during the Week:

The market performed four sessions during the week. Market started with a negative movement of 0.45%, then turned up positive in the second session (+0.07%) and remained positive for the last two sessions by 0.75% & 1.06% respectively.

Sectoral Performance:

- The financial sectors showed mixed performance during the week. NBFIs posted the highest gain of 4.07% followed by General Insurance (+0.11%) and Mutual Funds (+0.04%). Life Insurance experienced the highest loss of 1.67% followed by Banks (-0.03%) which closed flat in red.

- All the non-financial sectors performed positively through out the week except Food & Allied (-0.54%). Telecommunication posted the highest gain of 7.66% followed by Engineering (+4.24%), Power (+3.13%) and Pharmaceuticals (+1.01%).

Macroeconomic arena:

- Bangladesh Association of Banks (BAB) has decided to bring down the interest rates on both lending and deposit to 9.0% and 6.0% respectively from July 01.

- The revenue authorities have estimated BDT 25 billion losses in corporate tax collection in the upcoming fiscal year (FY) provided the budgetary proposal made in this connection comes into force from July.

- The inflow of remittances has risen ahead of Eid festival. The country received nearly USD 900 million in remittances in the first half of the current month as overseas Bangladeshis sent higher volume of money back home ahead of the Eid-ul-Fitr festival

- The proposed 'Overseas Equity Investment Guidelines 2018' are set to be ready for receiving approval from the government shortly. According to the proposed guidelines, the highest ceiling on investment has been set at 20% of export earnings or up to 25% of their net annual income from exports.

Stock Market arena:

- The public subscription of VFS Thread Dyeing Limited will open on June 24 and continue till July 02. The company will raise a fund worth BDT 220 million through the initial public offering (IPO) under fixed price method

- The Bangladesh Securities and Exchange Commission has requested the government to extend by one year more the deadline for quota facility in initial public offerings for the investors who were affected by the 2010-11 market crash year.

- BBS Cables Limited has signed an agreement with Bangladesh Rural Electrification Board (BREB) to supply conductors. The company earlier received a 'Notification of Award (NOA)' for supplying the conductors under 'Rural Electrification Programme in Sylhet Division and Infrastructure Development of BREB Headquarters' with a contract price of over BDT 154.11 million

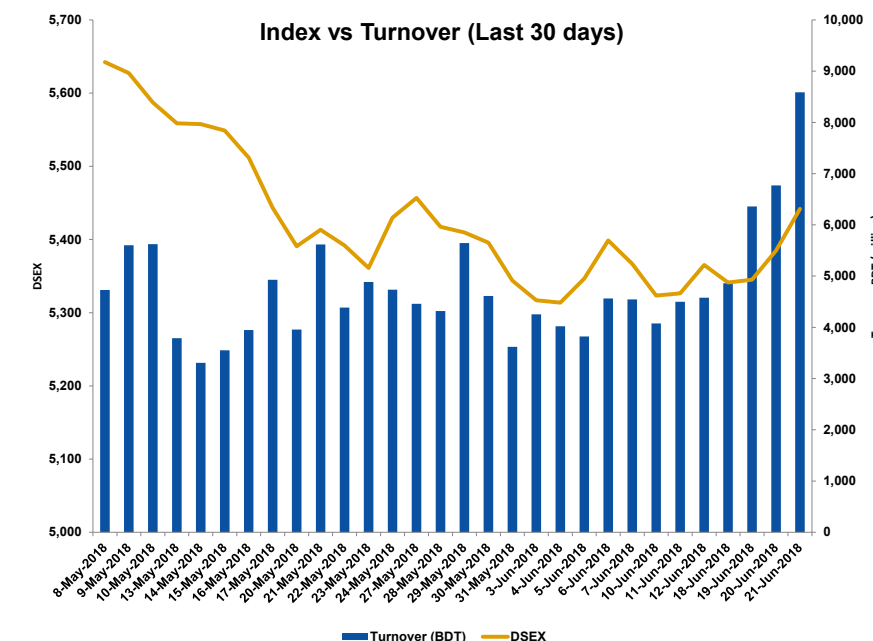
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2017	Δ% Week	Δ%YTD
DSEX	5,441.76	5,365.22	76.54	6,244.52	1.43%	-12.86%
DS30	1,981.80	1,958.21	23.59	2,283.23	1.20%	-13.20%
DSES	1,263.46	1,238.19	25.27	1,390.67	2.04%	-9.15%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	15,315,245.5	11,345,059.3	35.0%
	Mn USD	184,232.5	136,473.7	
Turnover	Mn BDT	26,574.1	13,156.0	102.0%
	Mn USD	319.7	158.3	
Average Daily Turnover	Mn BDT	6,643.5	4,385.3	51.5%
	Mn USD	79.9	52.8	
Volume	Mn Shares	486.8	235.0	107.2%

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
BD Autocars	257.90	180.40	43.0%	996.1	171.96	279.6x	92.9x
Monno Ceramic	274	195.30	40.3%	6,886.6	532.17	2616.4x	3.0x
Standard Ceramic	156.80	116.30	34.8%	1,013.0	32.37	NM	12.4x
Atlas Bangladesh	167.80	133.00	26.2%	5,053.4	154.99	NM	1.1x
Libra Infusions Limited	1,027.10	818.60	25.5%	1,285.5	172.60	211.3x	0.7x
Monno Jute Staffers	3,452.10	2,842.60	21.4%	1,588.0	50.49	6964.8x	74.6x
Bangladesh Lamps	227.40	191.50	18.7%	2,130.9	248.38	54.1x	3.0x
Anwar Galvanizing	89.80	76.40	17.5%	1,303.9	405.46	86.6x	10.5x
Alif Industries Limited	113.40	97.30	16.5%	4,263.5	1,368.64	32.5x	9.3x
Zahintex Industries Ltd	14.30	12.30	16.3%	1,170.1	23.62	21.6x	0.7x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Meghna Condensed Milk	22.70	27.40	-17.2%	363.2	6.22	NM	NM
Zeal Bangla Sugar Mills	47.30	56.40	-16.1%	283.8	2.30	NM	NM
Meghna Pet Industries	20.80	23.90	-13.0%	249.6	3.39	NM	NM
Samata Leather	51.30	58.20	-11.9%	529.4	4.95	NM	3.5x
Sonargaon Textiles	16.60	18.50	-10.3%	439.4	5.85	NM	0.6x
Savar Refractories	147.60	163.40	-9.7%	205.6	.78	NM	23.6x
Popular Life Insurance	94.10	104.10	-9.6%	5,686.3	64.09	NM	9.4x
Janata Insurance	13.70	15.00	-8.7%	525.4	.35	62.8x	1.1x
Berger Paints	1,351.00	1,465.80	-7.8%	62,656.5	242.21	31.0x	10.6x
Beach Hatchery Ltd.	12.80	13.80	-7.2%	529.9	3.93	NM	1.1x

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Alif Industries Limited	113.40	97.30	16.5%	4,263.5	1,368.64	32.5x	9.3x
Khulna Power Company Limited	72.70	69.00	5.4%	26,265.4	1,112.02	14.3x	3.0x
Grameenphone Ltd.	403.40	374.60	7.7%	544,711.0	1,098.25	24.2x	21.2x
United Power Generation & Distribution Company Ltd	262.80	247.20	6.3%	104,920.1	880.05	25.1x	9.8x
Pharma Aids	650.10	586.30	10.9%	2,028.3	619.75	68.6x	15.3x
Paramount Textile Limited	51.40	44.70	15.0%	6,633.0	619.18	29.5x	3.4x
Western Marine Shipyards Limited	32.20	29.20	10.3%	5,302.1	596.45	16.7x	1.5x
Beximco Limited	26.80	26.70	0.4%	22,367.0	537.58	21.8x	0.4x
Monno Ceramic	274.10	195.30	40.3%	6,886.6	532.17	2616.4x	3.0x
Usmania Glass	168.20	144.80	16.2%	2,662.3	458.07	NM	11.2x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ%		Mcap (mn BDT)	P/E
		YTD			
Berger Paints	1,351.00	30.97%		62,656.5	31.0x
Atlas Bangladesh	167.80	27.70%		5,053.4	NM
Summit Power	37.40	4.18%		39,938.6	9.1x
Marico Bangladesh Limited	1,147.80	3.77%		36,155.7	25.1x
BATBC	3,492.30	2.67%		209,538.0	27.6x
Apex Footwear Limited	326.30	-0.70%		3,670.9	44.7x
Beximco Limited	26.80	-0.74%		22,367.0	21.8x
Delta Brac Housing	133.70	-1.69%		16,291.6	20.7x
Mutual Trust Bank	30.30	-2.61%		17,372.9	11.9x
Linde Bangladesh Limited	1,240.60	-3.43%		18,879.8	21.4x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1418.21	1418.57	1848.21	-0.03%	-23.27%
NBFIs	2279.10	2189.95	2714.85	4.07%	-16.05%
Mutual Funds	765.21	764.94	788.81	0.04%	-2.99%
General Insurance	1401.03	1399.52	1592.30	0.11%	-12.01%
Life Insurance	1752.04	1781.77	1834.85	-1.67%	-4.51%
Telecommunication	5588.80	5191.04	6494.31	7.66%	-13.94%
Pharmaceuticals	2735.88	2708.59	2821.05	1.01%	-3.02%
Fuel & Power	1626.37	1576.98	1527.27	3.13%	6.49%
Cement	1922.49	1858.37	2280.58	3.45%	-15.70%
Services & Real Estate	1068.27	1038.91	1224.11	2.83%	-12.73%
Engineering	2918.92	2800.07	3166.83	4.24%	-7.83%
Food & Allied	14944.11	15025.53	15304.34	-0.54%	-2.35%
IT	1322.39	1269.75	1484.41	4.15%	-10.91%
Textiles	1183.82	1147.23	1222.72	3.19%	-3.18%
Paper & Printing	996.25	939.07	1013.11	6.09%	-1.66%
Tannery	2500.73	2472.22	2642.41	1.15%	-5.36%
Jute	7926.63	8070.88	8867.22	-1.79%	-10.61%
Ceramics	613.49	558.53	597.46	9.84%	2.68%
Miscellaneous	1990.64	2070.64	1725.62	-3.86%	15.36%

Table 7: Sector Trading Matrix

	Daily average		% Change	% of Total Turnover	PE	PB
	this Week	last week				
Banks	325.3	254.4	27.87%	5.48%	9.1x	1.0x
NBFIs	220.5	91.6	140.64%	3.71%	21.4x	2.2x
Mutual Funds	26.4	22.8	15.75%	0.44%	NM	0.6x
General Insurance	36.4	20.6	76.60%	0.61%	12.8x	1.0x
Life Insurance	82.4	119.1	-30.84%	1.39%	NM	7.7x
Telecommunication	284.9	130.7	117.93%	4.80%	24.6x	18.1x
Pharmaceuticals	672.8	580.7	15.85%	11.32%	20.6x	3.4x
Fuel & Power	743.6	475.1	56.49%	12.52%	13.6x	2.1x
Cement	84.3	34.1	147.27%	1.42%	21.6x	3.6x
Services & Real Estate	69.4	32.7	112.02%	1.17%	26.8x	0.9x
Engineering	1,197.5	580.1	106.43%	20.16%	23.1x	2.2x
Food & Allied	177.9	113.0	57.44%	3.00%	30.7x	10.8x
IT	103.7	59.8	73.39%	1.75%	25.5x	2.8x
Textiles	1,018.5	573.7	77.53%	17.14%	21.1x	1.1x
Paper & Printing	2.8	1.9	50.62%	0.05%	NM	1.1x
Tannery	171.4	128.2	33.70%	2.88%	19.1x	3.1x
Jute	40.1	38.5	4.21%	0.67%	NM	3.4x
Ceramics	162.1	155.4	4.30%	2.73%	29.6x	2.3x
Miscellaneous	520.9	386.0	34.95%	8.77%	28.0x	1.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ%		Mcap (mn BDT)	P/E
		YTD			
AB Bank	12.20	-44.80%		9,249.2	6.1x
Lankabangla Finance	26.20	-41.08%		8,963.5	11.3x
Islamic Bank	23.50	-35.79%		37,834.8	8.4x
Eastern Bank	34.60	-32.29%		25,534.8	9.4x
EXIM Bank	11.80	-31.40%		16,664.6	5.7x
City Bank	33.20	-31.02%		32,137.2	7.9x
Prime Finance	8.50	-30.33%		2,319.8	NM
Prime Bank	17.40	-30.15%		19,701.7	9.0x
Uttara Bank	24.90	-29.46%		9,962.0	6.5x
United Airways (BD) Ltd.	4.00	-28.57%		2,749.2	14.2x

Important News: Business & Economy

Macro News:

Bangladesh Association of Banks (BAB) decides to lower lending, deposit rates

- Bangladesh Association of Banks (BAB) has decided to bring down the interest rates on both lending and deposit to 9.0% and 6.0% respectively from July 01
- The decision was taken at an emergency meeting, held at its office in Dhaka on Wednesday, with its chairman Nazrul Islam Mazumder in the chair. Finance Minister AMA Muhith also instructed the public banks on the day not to increase deposit rate and keep the lending rate within single digit.
- "We've decided to lend at 9.0% and will not take deposits at rates more than 6.0% from July 1," Mr. Mazumder told the Financial Express after the meeting.
- The BAB chief noted that the business activities cannot be viable paying interest rate ranging between 12% and 14%.

<http://today.thefinancialexpress.com.bd/first-page/bab-decides-to-lower-lending-deposit-rates-1529513135>

Annual Development Programme (ADP) execution rate lower

- The government spent almost 63% of the Annual Development Programme (ADP) allocations in the 11 months to May of fiscal year (FY) 2017-18.
- Planning Commission officials said the rate of the development budget spending is two percentage points lower than that of the corresponding period in FY 2016-17.
- The project implementing agencies will have to spend the remaining 37% of the BDT 1.57-trillion ADP outlay of FY '18, they added.
- According to the Implementation, Monitoring and Evaluation Division (IMED), ministries and agencies spent BDT 989.78 billion during the period of the outgoing fiscal. This was 62.81% of the total ADP outlay. In the corresponding period of FY '17, the implementation rate was 64.72% with a total expenditure of BDT 772.04 billion.

<http://today.thefinancialexpress.com.bd/first-page/adp-execution-rate-lower-1529513244>

Subsidy outlay to spiral 80%

- Subsidy expenditure is set to increase 80.26% to BDT 378.0 billion in fiscal 2018-19 as the government looks to bankroll lower gas and fuel prices keeping an eye on the national election due to be held at the end of this year.

- The government is planning to subsidise gas price for the first time next fiscal year as it is importing liquefied natural gas at a rate much higher than that of the locally produced gas.

- The first consignment of imported LNG has arrived and will be added to the national grid in a couple of weeks' time. As soon as it is blended with local gas, the price will shoot up.

- The per unit cost of imported LNG is BDT 25.17; after adding tax and regasification charges the total cost comes to BDT 33.44, according to Petrobangla.

- The cost of production for per unit of gas would be BDT 14.64 when LNG and local gas are blended. The average retail price of gas supplied by Petrobangla from domestic sources is BDT 7.39 per cubic meter.

- The finance ministry has kept aside BDT 55.0 billion for subsidizing gas price, up from BDT 25.0 billion in the outgoing year, said finance ministry officials.

<https://www.thedailystar.net/business/subsidy-outlay-spiral-80pc-1592995>

Government's puzzling policy on tobacco

- The government's move to withdraw the export duty on tobacco contradicts its own plan to discourage cultivation and consumption of the health-hazardous item.

- The initiative has not only created worries about a spike in cultivation of tobacco in the land-scarce nation but has drawn criticism from some economists and anti-tobacco campaigners. The concerns were raised after Finance Minister AMA Muhith proposed waiving 25% export duty on tobacco products for fiscal year 2018-19.

- At the same, there is a proposal to hike the supplementary duty on low and medium segment cigarettes and the prices of hand-made tobacco stick, locally known as bidi, from next fiscal year.

- The government slapped 10% duty on tobacco export from 2010-11 and the rate has been increased to 25% at the beginning of the current fiscal year.

<https://www.thedailystar.net/business/govts-puzzling-policy-tobacco-1592965>

Digital service providers demand tax holiday

- Seven digital service related trade bodies yesterday termed the proposed budget unfriendly towards the sector and demanded full withdrawal of VAT along with the

other taxes and surcharges from internet usage.

- Currently, there is a 21.75% tax on customers for internet usage. “To become a digital society this tax burden needs to be withdrawn.”
- The government is earning about BDT 1,100 crore from value-added tax on internet usage. If the amount is forfeited for two years it will yield the government about BDT 5,000 crore every year, he added.
- According to the president of the Bangladesh Association of Software and Information Services (BASIS), services like online commerce and ride-hailing should be tax-free for a while to create a digital society.
- On the budget day, the NBR issued a statutory regulatory order listing 10 conditions for assemblers, failing which a 15% VAT would be imposed on the handsets assembled.

<https://www.thedailystar.net/business/digital-service-providers-demand-tax-holiday-1593007>

National Board of Revenue (NBR) estimates revenue loss at BDT 25 billion

- The revenue authorities have estimated BDT 25 billion losses in corporate tax collection in the upcoming fiscal year (FY) provided the budgetary proposal made in this connection comes into force from July.
- The finance minister, in his budget speech on June 07, proposed reducing corporate tax rate for all banks, financial institutions and insurance companies by 2.5 percentage points.
- The Large Taxpayers' Unit (LTU) under the income tax wing of the National Board of Revenue (NBR) estimated the aggregate losses due to the reduction in corporate tax rates.
- However, the private think- tank Centre for Policy Dialogue (CPD), in its post-budget press conference, estimated that the proposed tax cut is likely to result in an annual revenue loss of BDT 10 billion to the government.

<http://today.thefinancialexpress.com.bd/first-page/nbr-estimates-revenue-loss-at-BDT-25-billion-1529425721>

Falling subsidy spending hits output of major staples

- The expenditure on agricultural subsidy has declined over the past five years, resulting in the low output of major staples, experts said.
- The Ministry of Agriculture (MoA) stopped spending more than BDT 85 billion on

farm subsidy from fiscal year (FY) 2013-14 to 2017-18, according to official statistics.

- The MoA showed austerity this fiscal year too when 2.0 million farmers in 38 districts across the country incurred severe losses caused by floods.
- The ministry might save BDT 24 billion out of BDT 90 billion allocated for fiscal year 2017-18, officials said.
- Expenditure has declined in the past five years, thanks to the low prices of fertilisers in the global market, a senior MoA official told the FE.

<http://today.thefinancialexpress.com.bd/trade-market/falling-subsidy-spending-hits-output-of-major-staples-1529424983>

Bangladesh Telecommunication Regulatory Commission (BTRC) to set up integrated system for live monitoring of mobile companies' data

- The Bangladesh Telecommunication Regulatory Commission will set up an integrated telecom monitoring system in its office for getting live data to measure the quality of service and calculate revenue-related data of mobile phone companies.
- The integrated monitoring system will be called Telecom Monitoring System, which will be comprised of two separate segments, BTRC officials told New Age last week.
- The monitoring station installed at the BTRC will be a monitoring and data management system that will be treated as a telecom monitoring center.

<http://www.newagebd.net/article/43967/btrc-to-set-up-integrated-system-for-live-monitoring-of-mobile-cos-data>

Minimum wage board for RMG workers at a crawl

- Minimum wage board formed for reviewing wages of readymade garment workers is going slow in making recommendations for minimum rates of wages as the board held only one meeting in four and a half months since its formation.
- Workers' representative on the board has blamed owners for the delay as the board sets the date for a meeting as per the owners' wish.
- The government on January 14 formed minimum wage board to review the wages for the readymade garment workers through the appointment of owners' and workers' representatives of the apparel sector and issued gazette notification on January 31.

<http://www.newagebd.net/article/43965/minimum-wage-board-for-rmg-workers-at->

[a-crawl](#)

National Board of Revenue (NBR) forms taskforce to check compliance of tax deduction at source by government agencies

- The National Board of Revenue has formed a taskforce to check whether or not the government offices and autonomous bodies are complying with the relevant law in deducting tax at source and depositing the money to the government exchequer.
- Currently, about 0.25 million public and private entities, known as the withholding authorities, are responsible for deducting the tax.
- There are 58 sectors including salary, supply of goods and execution of contracts, interest on securities, bank deposits, fees for professionals, different services and commissions, dividends, payment to non-residents, export earnings, from which TDS entities deduct tax at source.
- The NBR has formed the taskforce under the article 117A of the Income Tax Ordinance-1984 which empowers the revenue board to enter the premises of a tax deducting authority to examine, monitor or verify books of accounts and relevant records to check whether it is deducting and depositing the tax properly.

<http://www.newagebd.net/article/43966/nbr-forms-taskforce-to-check-compliance-of-tax-deduction-at-source-by-govt-agencies>

Remittances rise ahead of Eid festival

- The country received nearly USD 900 million in remittances in the first half of the current month as overseas Bangladeshis sent higher volume of money back home ahead of the Eid-ul-Fitr festival, officials said.
- The inflow of remittances amounted to USD 886.9 million from June 01 to June 15, according to the central bank's latest statistics released on Monday.
- The flow was USD 902.0 million from May 01 to May 18.
- The Bangladesh Taka (BDT) depreciated by BDT 3.10 to BDT 83.7 on Monday in the inter-bank foreign exchange market from BDT 80.6 on July 02, 2017, the first working day of the FY'18.

<http://today.thefinancialexpress.com.bd/first-page/remittances-rise-ahead-of-eid-festival-1529340980>

Draft guidelines for overseas equity investment ready

- The proposed 'Overseas Equity Investment Guidelines 2018' are set to be ready for receiving approval from the government shortly, officials said.

- According to the proposed guidelines, the highest ceiling on investment has been set at 20% of export earnings or up to 25% of their net annual income from exports.

- Parent company and overseas subsidiary company have to submit audited financial statements including important documents to the National Board of Revenue (NBR) and the Bangladesh Bank (BB) to ensure monitoring on overseas investment regularly, the guidelines said.

- As per one provision included in the guidelines, the report on business environment will have to be submitted to the BB and the Ministry of Foreign Affairs aiming to bargain with foreign governments and explore the possibility of fresh investment and trade facilities and brighten the image of the country as well.

<http://today.thefinancialexpress.com.bd/first-page/draft-guidelines-for-overseas-equity-investment-ready-1529340763>

Single license for telcos' 2G, 3G and 4G services likely

- The Bangladesh Telecommunication Regulatory Commission has initiated a move to introduce a single-licence system for the mobile operators to offer 2G, 3G and 4G services with a view to reducing filing hassles.

- Currently, the mobile phone operators have to take separate licences for offering the services. The BTRC's move to merge the licences into one came following pleas made by the operators.

- In line with the move, the telecom regulator at its latest commission meeting formed a committee led by its legal and licensing department director general AKM Shahiduzzaman to scrutinise the issue.

- As per a BTRC statistics, each of the five mobile phone operators are maintaining seven or eight licences for offering 2G, 3G and 4G services.

- Of the licenses, one is for operating as a mobile phone entity, two for running 2G services, two for 3G services and two for 4G services.

<http://www.newagebd.net/article/43892/single-licence-for-telcos-2g-3g-and-4g-services-likely>

300 green RMG factories under construction: Commerce Minister

- Commerce Minister Tofail Ahmed said on Monday that nearly 300 green RMG factories are under construction apart from the existing 67 such factories in the country, reports BSS.

- A total of 67 readymade garment (RMG) factories have so far been certified as 'green factories' by the United States Green Building Council (USGBC).
- As per a compliance report (January 2017-December 2017) of the Factory and Organization Inspection Directorate, the number of 'A Grade' RMG factories is 436 and the 'B Grade' is 228, he said.

<http://today.thefinancialexpress.com.bd/trade-market/300-green-rmg-factories-under-construction-tofail-1529337458>

Transfer fee cut to add USD 20 billion more to remittance flow

- As many as 200 million migrants sent USD 481 billion in 2017 to remittance-reliant countries of which USD 466 billion went to developing countries, according to IFAD.
- According to IFAD estimates, USD 6.5 trillion in remittances will be sent to developing countries between 2015 and 2030, involving over 1.0 billion senders and receivers. Close to half of the remittances will go to the rural areas where poverty and hunger are acutely affecting the livelihood of teeming millions.
- While the cost of sending money has been reduced by half over the last five years, it still represents, on average, 7.13% of the amount sent.
- According to IFAD analysis, families spend about 75% of their remittances on basic needs such as food, housing, education and health. The remaining 25%, over USD 100 billion, can be invested in financial and tangible assets such as savings or small business development that help families build their future.

<http://today.thefinancialexpress.com.bd/last-page/transfer-fee-cut-to-add-20b-more-to-remittance-flow-1528998172?date=15-06-2018>

<https://www.dhakatribune.com/business/regulations/2018/06/13/nbr-no-vat-on-remittances>

<http://www.newagebd.net/article/43695/no-vat-income-tax-on-nrbs-remittance-nbr>

State banks sit with most default loans

- Eight state-run banks accounted for more than half of the BDT 885.9 billion default loans in the banking sector at the end of the first quarter of 2018 as their unbridled indiscipline continues to weigh down the entire industry.
- At the end of March, the default loans of Agrani, Rupali, Sonali, Janata, BASIC, Bangladesh Krishi, Rajshahi Krishi Unnayan and Bangladesh Development Bank stood at BDT 491.1 billion, up 14.88% from the previous quarter, according to data from the Bangladesh Bank.
- A large amount of the loans were sanctioned by the state-run banks even when

they knew that they would become classified, said Khondkar Ibrahim Khaled, a former Bangladesh Bank deputy governor.

- Between 2009 and 2013, BDT 45.0 billion was swindled out of BASIC Bank -- and Bacchu's fingerprints were all over. Yet, he was not made accused in any of the 56 cases filed by the Anti-Corruption Commission over the loan scams.

<https://www.thedailystar.net/business/state-banks-sit-most-default-loans-1591456>

Credit from Japan to get costlier

- Japan has raised the interest rate on loans given to Bangladesh -- following in the footsteps of the World Bank -- by 30 basis points to 1% effective from next fiscal year thanks to the rise of the country's per capita income.
- The existing loans will not be subjected to higher interest rate. For instance, last year Japan extended 38 loan packages to Bangladesh at a flat interest rate of 0.7% and the interest rate on them will remain the same.
- The two countries yesterday signed 39 loan packages worth USD 1.83 billion (about BDT 153.3 billion) for six projects, and the new interest rate will be applicable to them.
- Until the fiscal year of 2016-17, the rate of interest on Japanese loans was 0.01% with a repayment period of 40 years, including 10 years' grace period, said an official of the Economic Relations Division.
- To continue to get loans at concessionary terms from the International Development Association (IDA), the arm of the World Bank Group that hands out loans and grants to the world's poorest developing countries, Bangladesh's GNI per capita has to be less than USD 1,165.

<https://www.thedailystar.net/business/credit-japan-get-costlier-1591453>

<http://www.newagebd.net/article/43739/bangladesh-japan-sign-BDT-15326cr-loan-deals-for-6-projects>

All garment workers paid

- All the garment factories, irrespective of their affiliation with the BGMEA and BKMEA, have paid workers' salaries and festival bonuses as of yesterday, dispelling apprehension that some might not be able to do so ahead of Eid-ul-Fitr, according to factory owners.
- Most of the 4.4 million garment workers employed in the nearly 5,500 BGMEA and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)-member factories are scheduled to return to their village homes to celebrate Eid with their near and dear ones.

Important News: Capital Market

Time extension for quota in IPOs for crash-affected investors sought again

- The Bangladesh Securities and Exchange Commission has requested the government to extend by one year more the deadline for quota facility in initial public offerings for the investors who were affected by the 2010-11 market crash.
- The commission recently sent a request letter to the finance division of the finance ministry for extending the deadline for the 20-per cent IPO quota facility till June 30, 2019, a BSEC official said.
- The quota facility has increased affected investors' chance of winning IPO shares and making some quick profits as the IPO shares are usually traded at higher prices at the secondary market.
- Finance minister AMA Muhith on March 4, 2012 announced a special package for the capital market investors including the 20-per cent quota facility in IPOs for the year 2012-2013 for small-scale investors who suffered losses because of the 2010-11 stock plunges.
- Under the package, 50% of interest on the past year's margin loans was also waived.

<http://www.newagebd.net/article/43895/time-extension-for-quota-in-ipos-for-crash-affected-investors-sought-again>

Investors can apply for loan until September

- The supervisory committee of the capital market refinancing scheme has extended the loan application deadline by three months to September this year.
- According to Mohammad Saifur Rahman, an executive director of Bangladesh Securities and Exchange Commission (BSEC), the affected investors can now apply for the loan facility till September this year.
- Following the setback, Bangladesh Bank provided BDT 9.0 billion to Investment Corporation of Bangladesh (ICB) in three equal instalments. Out of the BDT 9.0 billion, BDT 40 million is yet to be disbursed against the portfolios of affected investors, according to the BSEC executive director.
- As per the recent decision, investors who have not applied for the loan so far will get the priority.

<http://today.thefinancialexpress.com.bd/stock-corporate/investors-can-apply-for-loan-until-september-1528994622?date=15-06-2018>

BBS Cables inks BDT 154 million deal with Bangladesh Rural Electrification Board (BREB)

- BBS Cables Limited has signed an agreement with Bangladesh Rural Electrification Board (BREB) to supply conductors. The company earlier received a 'Notification of Award (NOA)' for supplying the conductors under 'Rural Electrification Programme in Sylhet Division and Infrastructure Development of BREB Headquarters' with a contract price of over BDT 154.11 million. The goods will have to be delivered within four months from the date of signing the contract. — DSE Online

<http://today.thefinancialexpress.com.bd/stock-corporate/bbs-cables-inks-BDT-154m-deal-with-breb-1529333443>

IPO subscription of VFS Thread to open June 24

- The public subscription of VFS Thread Dyeing Limited will open on June 24 and continue till July 02, officials said.
- The company will raise a fund worth BDT 220 million through the initial public offering (IPO) under fixed price method.
- The securities regulator, Bangladesh Securities and Exchange Commission (BSEC), approved the IPO proposal on April 03 to issue 22 million ordinary shares at an offer price of BDT 10 each.
- 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) and the weighted average earnings per share (EPS) was BDT 2.02.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-vfs-thread-to-open-june-24-1529333422>

Federation of Bangladesh Chambers of Commerce (FBCCI) hails Islami Bank Bangladesh Limited (IBBL)'s move to bring down interest rate to single digit

- The Federation of Bangladesh Chambers of Commerce and Industry has hailed Islami Bank Bangladesh Limited for its move to bring down interest rate to single digit from July 1, the first day of fiscal year 2018-19.
- 'We, the business community, thank IBBL for its decision to bring down the interest rate to single digit . . . it will encourage and intensify the country's existing development trend,' said the apex trade body in a statement on Tuesday.
- This move of IBBL will boost the confidence of businesspeople and encourage them to work for creating more jobs in the country, said the FBCCI.
- Recently, Prime Minister Sheikh Hasina asked the owners of banks to bring

Important News: Capital Market

Mutual Trust Bank Limited (MTB) closes USD 20.0 million loan deal with Norfund

- Mutual Trust Bank Limited (MTB) recently closed a term loan deal of US\$ 20 million with the Norwegian Investment Fund for Developing Countries (Norfund) at a ceremony at the Norfund headquarters in Oslo, Norway.
- Officials present at the function included Kristin Clemet (Ms.), Chair, Board of Directors, Peter Molthe, Senior Advisor, Erik Sandersen, Executive Vice President, Marianne Halvorsen, Senior Investment Manager, Financial Institutions, Norfund, Anis A. Khan, Managing Director & CEO of MTB, and Md. Ehethesham Rahman, Vice President & Head of Structured Finance Unit of MTB.
- Mr. Anis A. Khan thanked Norfund for considering MTB as their financial partner and, in turn, contributing significantly to the overall socio-economic development of the country. He emphasized on the consistent hard work of the due diligence teams of both MTB and Norfund for providing innovative financial solutions with a view to meeting its corporate and SME customers' evolving needs.

<http://today.thefinancialexpress.com.bd/stock-corporate/mtb-closes-20m-loan-deal-with-norfund-1529421931>