

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-1.96%) lost 111.47 points and closed the week at 5,587.22 points. The blue-chip index DS30 (-2.57%) lost 54.78 points and stood at 2,073.54 points while the shariah based index DSES (-0.89%) closed in red and stood at 1,306.89 points. DSEX, DS30, and DSES all posted negative YTD return of -10.53%, -9.18%, and -6.02% respectively.

Total Turnover During The Week (DSE) : BDT 26.1 billion (USD 314.9 million)

Average Daily Turnover Value (ADTV): BDT 5.2 billion (Δ% Week: -1.9%)

Market P/E: 17.35x

Market P/B: 2.27x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market remained negative during all the five sessions by respectively -0.08%, -0.19%, -0.72%, -0.27% and -0.71%.

Sectoral Performance:

- All the financial sectors ended in negative. Banks posted the highest loss of 5.05% followed by Life Insurance (-2.89%), NBFIs (-2.41%), General Insurance (-1.32%), and Mutual Funds (-0.12%).

- Food & Allied and Pharmaceuticals experienced the highest loss of 1.10% followed by Telecommunication (-0.04%) except Engineering (+2.75%), Power (+2.62%).

Macroeconomic arena:

- Country's forex reserve came down to USD 31.92 billion on the day from USD 33.23 billion on the day before, according to the central bank's latest data following a regular bi-monthly payment to Asian Clearing Union (ACU) and the central bank's direct selling of USD to the commercial banks. Bangladesh paid USD 1.39 billion to the ACU against imports during the March-April period of the current calendar year.

- The data shows that the number of active MFS accounts has dropped by 10.47 million or more than 34% during August-March period of the current fiscal. Industry insiders pointed at the BB restriction on the number of accounts that can be opened with a single national ID card. BB, in a circular issued in January 2017, directed the MFS providers not to open more than one account with a single NID card.

- International Fund for Agricultural Development (IFAD) report The country was ahead of its closest neighbor India in the inward remittance growth during the same period, according to a report released by IFAD on Monday.

- The government is going to increase electricity tariff soon as the cost of raw materials has gone up, said Finance Minister. He said that he is certain that the tariff of electricity will rise. The minister, however, added that the hikes would be gradual to make those bearable. He also hinted that if the power tariff will continue rising in future because the prices of raw materials have risen.

Stock Market arena:

- The net foreign investment in the Dhaka bourse turned negative in April, after a month's break, as the foreign fund managers followed a 'go-slow' strategy. The overseas investors collected shares worth BDT 5.03 billion but sold shares worth BDT 5.28 billion last month, resulting in their net position negative by BDT 247 million. In March, the foreign investors' net position was BDT 1.57 billion, as they purchased shares worth BDT 4.56 billion and sold shares worth BDT 2.99 billion.

- Among the seven listed cement companies, one witnessed loss while the earnings per share (EPS) of five others declined moderately for January-March quarter of 2018 compared to same period of the previous year. The earnings of the listed cement companies declined during the quarter despite the sales volume increased by 12% due to multiple reasons included increased prices of raw materials.

- The Dhaka Stock Exchange (DSE) has rescheduled its trading time during the holy month of Ramadan, without reducing trading hours like previous year. The trading on the DSE will take place from 10:00am to 2:00pm without any break during the Ramadan, instead of the regular trading period from 10:30am to 2:30pm.

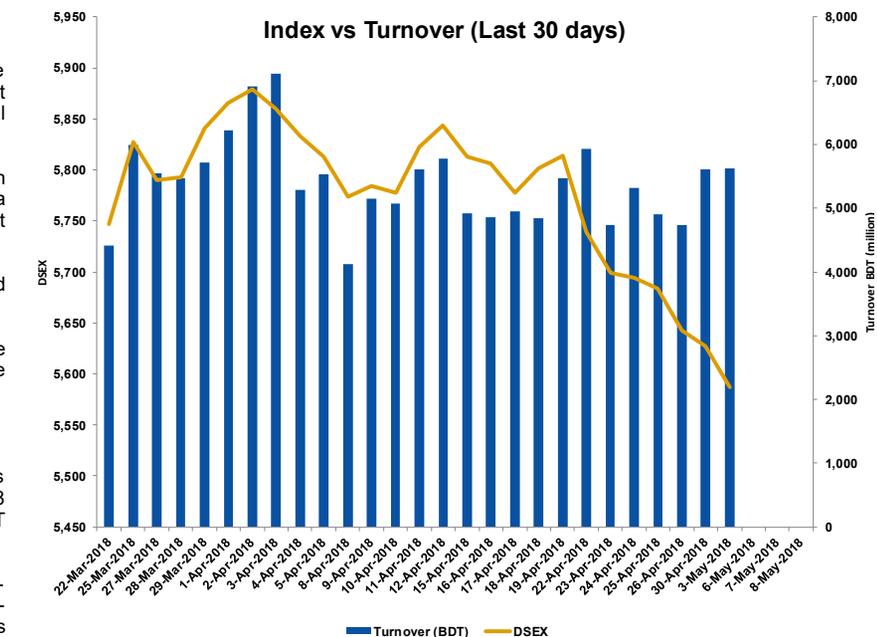
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,587.22	5,698.69	-111.47	6,244.52	-1.96%	-10.53%
DS30	2,073.54	2,128.32	-54.78	2,283.23	-2.57%	-9.18%
DSES	1,306.89	1,318.68	-11.80	1,390.67	-0.89%	-6.02%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,832,447.3	7,989,711.7	148.2%
	Mn USD	238,571.5	96,111.1	
Turnover	Mn BDT	26,177.8	10,669.4	145.4%
	Mn USD	314.9	128.3	
Average Daily Turnover	Mn BDT	5,235.6	5,334.7	-1.9%
	Mn USD	63.0	64.2	
Volume	Mn Shares	723.1	284.4	154.2%

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
SEML Lecture Equity Management Fund	9.00	6.90	30.4%	450.0	162.87	NM	0.8x
Shepherd Industries Limited	31	26.00	17.7%	3,800.7	445.01	29.7x	1.8x
SEML IBBL Shariah Fund	7.70	6.60	16.7%	770.0	28.34	NM	0.7x
Western Marine Shipyard Limited	33.20	28.50	16.5%	5,466.7	1,044.85	17.2x	1.5x
Sinobangla Industries	51.90	45.10	15.1%	1,037.8	193.30	32.6x	2.6x
IT Consultants Limited	34.10	30.20	12.9%	3,548.2	48.67	34.1x	2.7x
BBS Cables Limited	81.80	73.10	11.9%	11,288.4	668.49	27.3x	4.9x
Pacific Denims Limited	18.20	16.40	11.0%	2,313.7	110.30	17.2x	1.2x
United Power Generation & Distribution Company Ltd	220.00	200.10	9.9%	87,832.6	836.50	21.0x	8.2x
H.R. Textile	44.20	40.30	9.7%	1,118.3	352.43	30.8x	3.1x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
BIFC	7.40	8.90	-16.9%	745.0	1.86	NM	0.5x
Prime Bank	18.40	21.70	-15.2%	20,834.0	15.23	9.5x	0.9x
Dulamia Cotton	38.10	44.70	-14.8%	287.9	2.31	NM	NM
Uttara Bank	24.10	28.00	-13.9%	9,641.9	62.32	6.2x	0.7x
BD Finance	16.90	19.30	-12.4%	2,339.9	32.95	14.1x	1.2x
Central Insurance	20.60	23.00	-10.4%	969.9	.78	12.6x	1.0x
Al-Arafah Islami Bank	21.70	24.19	-10.3%	22,655.3	153.77	7.4x	1.1x
Rupali Bank	49.60	55.10	-10.0%	15,060.7	77.95	NM	1.7x
Social Islami Bank	16.90	18.60	-9.1%	12,480.6	15.98	5.4x	0.9x
Popular Life Insurance	95.70	105.20	-9.0%	5,783.0	39.66	NM	9.6x

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Beximco Limited	29.20	30.90	-5.5%	24,370.0	1,372.77	23.7x	0.5x
Western Marine Shipyard Limited	33.20	28.50	16.5%	5,466.7	1,044.85	17.2x	1.5x
United Power Generation & Distribution Company Ltd	220.00	200.10	9.9%	87,832.6	836.50	21.0x	8.2x
BBS Cables Limited	81.80	73.10	11.9%	11,288.4	668.49	27.3x	4.9x
Square Pharmaceuticals	302.20	304.30	-0.7%	222,839.6	620.49	20.9x	4.8x
BRAC Bank	78.60	85.10	-7.6%	84,024.4	614.60	21.6x	4.4x
Navana CNG Limited	74.70	74.60	0.1%	5,119.1	551.94	24.7x	2.2x
Dragon Sweater & Spinning Ltd.	21.60	20.80	3.8%	2,856.6	507.85	19.6x	1.6x
Bangladesh Steel Re-Rolling Mills Limited	112.00	105.90	5.8%	23,492.5	501.47	31.1x	2.3x
Doreen Power Generations and Systems Limited	110.90	106.40	4.2%	11,711.0	484.01	93.7x	3.8x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Beximco Limited	29.20	8.15%	24,370.0	23.7x
Marico Bangladesh Limited	1,191.80	7.75%	37,541.7	26.1x
Summit Power	37.30	3.90%	39,831.8	9.1x
S. Alam Cold Rolled Steels	34.70	3.89%	3,413.5	28.3x
Fareast Islami Life Ins	73.30	2.52%	5,478.6	NM
Square Pharmaceuticals	302.20	0.13%	222,839.6	20.9x
BATBC	3,401.00	-0.02%	204,060.0	26.9x
Beximco Pharmaceuticals	103.40	-0.39%	41,934.5	18.8x
Eastern Housing	48.90	-0.61%	4,564.6	21.0x
Berger Paints	2,050.00	-0.63%	47,537.3	23.5x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1444.09	1520.89	1848.21	-5.05%	-21.87%
NBFIs	2144.62	2197.61	2714.85	-2.41%	-21.00%
Mutual Funds	785.35	786.26	788.81	-0.12%	-0.44%
General Insurance	1438.83	1458.05	1592.30	-1.32%	-9.64%
Life Insurance	1824.26	1878.53	1834.85	-2.89%	-0.58%
Telecommunication	6384.90	6387.56	6494.31	-0.04%	-1.68%
Pharmaceuticals	2823.66	2855.11	2821.05	-1.10%	0.09%
Fuel & Power	1551.23	1511.61	1527.27	2.62%	1.57%
Cement	1989.50	1995.39	2280.58	-0.30%	-12.76%
Services & Real Estate	1116.09	1104.46	1224.11	1.05%	-8.82%
Engineering	2977.86	2898.21	3166.83	2.75%	-5.97%
Food & Allied	14943.77	15110.00	15304.34	-1.10%	-2.36%
IT	1442.83	1400.52	1484.41	3.02%	-2.80%
Textiles	1161.75	1151.66	1222.72	0.88%	-4.99%
Paper & Printing	941.80	976.09	1013.11	-3.51%	-7.04%
Tannery	2470.42	2484.55	2642.41	-0.57%	-6.51%
Jute	8245.53	8659.09	8867.22	-4.78%	-7.01%
Ceramics	539.55	549.91	597.46	-1.88%	-9.69%
Miscellaneous	1730.41	1767.86	1725.62	-2.12%	0.28%

Table 7: Sector Trading Matrix

	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
	Banks	553.1	302.1	83.10%	11.41%	9.2x
NBFIs	127.8	144.7	-11.73%	2.64%	20.1x	2.1x
Mutual Funds	95.0	17.1	455.32%	1.96%	NM	0.7x
General Insurance	30.9	12.6	145.46%	0.64%	13.1x	1.0x
Life Insurance	114.9	84.5	35.95%	2.37%	NM	8.0x
Telecommunication	97.2	47.7	103.65%	2.00%	28.1x	20.7x
Pharmaceuticals	459.6	297.3	54.59%	9.48%	21.3x	3.5x
Fuel & Power	442.1	142.4	210.55%	9.12%	13.0x	2.0x
Cement	72.1	40.6	77.44%	1.49%	22.4x	3.7x
Services & Real Estate	92.9	37.2	149.56%	1.92%	28.0x	0.9x
Engineering	1,012.7	424.9	138.32%	20.89%	23.6x	2.2x
Food & Allied	150.1	60.8	146.74%	3.10%	30.7x	10.8x
IT	138.0	31.4	339.63%	2.85%	27.9x	3.0x
Textiles	808.4	337.7	139.42%	16.68%	20.7x	1.1x
Paper & Printing	1.9	0.6	231.86%	0.04%	NM	1.0x
Tannery	75.2	20.4	267.58%	1.55%	18.9x	3.0x
Jute	28.6	11.8	141.52%	0.59%	NM	3.5x
Ceramics	72.4	38.9	86.11%	1.49%	26.0x	2.0x
Miscellaneous	474.9	214.2	121.76%	9.80%	24.3x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	13.10	-40.72%	9,931.5	6.6x
Lankabangla Finance	27.50	-38.15%	9,408.3	11.8x
City Bank	33.30	-34.11%	30,699.0	7.6x
Eastern Bank	34.20	-33.07%	25,239.6	9.3x
Islami Bank	24.50	-33.06%	39,444.8	8.8x
Uttara Bank	24.10	-31.73%	9,641.9	6.2x
Bank Asia Ltd.	16.30	-29.44%	16,088.3	9.8x
Dhaka Bank	16.10	-26.82%	11,629.0	7.5x
Prime Bank	18.40	-26.13%	20,834.0	9.5x
Rupali Bank	49.60	-25.08%	15,060.7	NM

Important News: Business & Economy

Rising trend of inward remittance continues in April.

- The upward trend of inward remittances continued in April following stable exchange of local currency against the USD. The remittance inflow was estimated at USD 1.33 billion in April 2018, up by USD 27.41 million from that of the previous month. In March 2018, the amount stood at USD 1.30 billion. It was USD 1.09 billion in April 2017. A senior official of the Bangladesh Bank (BB) said that they expect that the inflow of remittance may rise further in the coming months ahead of the Holy Ramadan.

- He also said the central bank has already strengthened its monitoring to keep the exchange of Bangladesh BDT (BDT) against the greenback stable. The inflow of overall remittance jumped by 17.51% or USD 1.80 billion to USD 12.09 billion during the July-April period of the ongoing fiscal year (FY) 2017-18 from USD 10.29 billion in the same period of the previous fiscal, the BB data showed.

<https://thefinancialexpress.com.bd/economy/bangladesh/rising-trend-of-inward-remittance-continues-in-april-1525352330>
<http://www.newagebd.net/article/40356/remittance-maintains-upward-trend-for-7-months>

Liquidity crisis brings cheer to state banks

- The ongoing liquidity crisis, which has become a bane for private banks and non-bank financial institutions, is turning out to be a boon for state lenders, which are flush with funds. Janata Bank could not provide liquidity support to the market during the crisis period as the bank already has a high loan-deposit ratio of 67.5%, said a senior executive of the bank. The bank declined borrowing proposals of BDT 27.00 billion made by 40 banks and financial institutions in February and March, according to a bank source. Its total deposits stood at BDT 627.00 billion as of December.

- Though the lowering of cash reserve ratio to 5.5% from 6.5% on April 3 has eased some liquidity stress, the scarcity of funds will continue in the long run, said managing director of Pubali Bank. The BB move poured in an additional BDT 100.00 billion to the banking system. As of January, the banking sector's total excess liquidity stood at BDT 777.00 billion, 43% of which were with the state banks.

<https://www.thedailystar.net/business/liquidity-crisis-brings-cheer-state-banks-1572208>

Asian Development Bank (ADB) to continue support for Bangladesh, says its chief

- Asian Development Bank (ADB) President has said the Bank will continue its support for Bangladesh for its future economic development. Also lauding Bangladesh's ongoing economic growth, the ADB head said the country's success story could be 'good example' for some other Asian countries. He again added that Bangladesh's economy has been growing at an average rate of 7.0% over the years. And the progress that Bangladesh has made in its economic front can be a good example for some other Asian countries.

- Mr president also said that the ongoing and future lending arrangements for Bangladesh would be discussed during his meeting with finance minister which is scheduled for next Sunday. The ADB has so far provided Bangladesh with a total of USD 20 billion in loans, grants, and technical assistance.

<https://thefinancialexpress.com.bd/economy/bangladesh/adb-to-continue-support-for-bd-says-its-chief-1525406515>

Asian Development Bank (ADB) pushed to raise lending rates for middle-income Asia

- Members of the Asian Development Bank urged the lender to charge higher lending rates for middle-income countries and to start working with these countries more as partners and less as mere aid recipients. Countries said the ADB should embrace more private financing, implement projects more quickly and work more with other institutions as the global financial landscape changes.

- China's rise has drawn attention because its new programmes could become serious rivals to the ADB, some economists say. There are also concerns that trade friction between the United States and China will affect how international lenders work with China. Most members of the ADB said it should use more private sector money and court institutional investors to lower the burden on its own finances.

<http://www.newagebd.net/article/40492/adb-pushed-to-raise-lending-rates-for-middle-income-asia>
<https://www.thedailystar.net/business/countries-push-ADB-raise-lending-rates-middle-income-asia-1572193>

Bangladesh Bank eases sale process for foreigners to attract Foreign Direct Investment (FDI)

- The central bank has simplified and rationalized the sale process of foreigners' equity investment in both public and private entities to attract more foreign direct investment (FDI) in Bangladesh. Under the rationalization and simplification of sale process, buyers and sellers will have to sign a memorandum of understanding (MoU) prior to seeking approval from the Bangladesh Bank (BB) for transferring fund.

- Under the new procedures, the central bank will accept the fair value of the shares as repatriable abroad /or for re-investment in Bangladesh determined on the date of MoU for share sale-purchase agreement based on the latest audited financial statements of the target company. The fair value of the shares will be determined by weighted average calculation maintaining all the three valuation approaches or any of the suitable approaches depending on the nature of the company, having justified ground. The valuation approaches are net asset value approach, market value approach and discounted cash flow approach.

<http://today.thefinancialexpress.com.bd/last-page/bb-eases-sale-process-for-foreigners-to-attract-fdi-1525630973>

Bangladesh-China Joint Venture to build coal-fired power plant

- State-run Bangladesh Power Development Board (BPDB) and China Huadian Hongkong Company Ltd (CHDHK) Sunday inked a deal to form a joint venture (JV) company to build a 1,320 megawatt (MW) coal-fired power plant at Moheshkhali in Cox's Bazar. Both the companies would have similar stakes in the power plant to be built on 200 acres of land.

<http://today.thefinancialexpress.com.bd/last-page/bd-china-jv-to-build-coal-fired-power-plant-1525630920>

<https://www.thedailystar.net/business/deal-signed-chinese-firm-1320mw-plant-1572652>

Bangladesh foreign exchange reserves rise to USD 33.11 billion

• Bangladesh's foreign exchange reserves rose to USD33.11 billion at the end of April, USD709 million higher than one month earlier. The central bank on Sunday also said the reserves were up nearly 2% from one year earlier, reports Reuters. They are sufficient to cover about 10 months' worth of imports for the country of 160 million people, according to the central bank. Steady garment exports and remittances from Bangladeshis working overseas - the key drivers of the country's economy - have helped foreign exchange reserves grow steadily in recent years.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-foreign-exchange-reserves-rise-to-3311b-1525688695>

Foreign Direct Investment (FDI) from USA drops by 23.5% in 2017

• Net inflow of Foreign Direct Investment (FDI) from the United States of America (USA) to Bangladesh dropped by 23.50% in 2017. Latest statistics, released by Bangladesh Bank, showed that net inflow of FDI from the US declined to USD166.66 million in the past year, which was USD217.74 million in 2016. Disinvestment, repayments of loans and losses of the current multinational entities have been deducted from the gross inflow of FDI to calculate the net FDI. Gross inflow of FDI from the US also declined by around 26% to USD181.49 million in the past year from USD244.76 million in the year before. Gas and petroleum sector received USD95.23 million -- half of the US FDI in 2017

<https://thefinancialexpress.com.bd/economy/bangladesh/fdi-from-usa-drops-by-235pc-in-2017-1525592743>

Active mobile financial services (MFS) accounts slump 34% in August-March 'due to Bangladesh Bank restraint'

• The number of active mobile money accounts has declined drastically in the country in the recent months following the central bank's new regulations on mobile financial services (MFS). According to the latest data of Bangladesh Bank (BB), there are a total of 20.26 million active mobile account users in Bangladesh by the end of this March. This is a drastic decline from last August, when there were 30.73 million active mobile money accounts in the country. The data shows that the number of active MFS accounts has dropped by 10.47 million or more than 34% during August-March period of the current fiscal.

• Industry insiders pointed at the BB restriction on the number of accounts that can be opened with a single national ID card. BB, in a circular issued in January 2017, directed the MFS providers not to open more than one account with a single NID card. The decision is often seen as an attempt by the central bank to restrict the use of MFS platforms for digital 'hundi' against the backdrop of declining remittance inflow last year. Following the BB direction, they have moved to close thousands of accounts, as there cannot be more than one account against one NID, bKash officials said.

• The BB circular also brought down the daily ceiling of mobile cash-in to BDT 15,000 from BDT 25,000, and the maximum cash-out limit to BDT 10,000 from BDT 25,000. Besides, the monthly maximum cash-in limit was slashed to BDT 100,000 from BDT 150,000, while the monthly maximum cash-out limit to BDT 50,000 from BDT 150,000. In November, BB again put a limit on the total amount that can be kept deposited with an account, fixing it at

BDT 300,000. Industry insiders, however, observed that such restrictions on transaction ceiling were creating 'negative impacts' on some particular segments of mobile money users.

• Nevertheless, BB statistics show that the declining number of mobile money accounts is apparently having little impact on the overall flow of MFS transactions in the country. According to the central bank figure, a total of 514,365,948 MFS transactions have taken place in Bangladesh during the first three months of 2018 (Jan-March), the total worth of which is around BDT 901.8 billion. The latest statistics also show that the number of registered MFS clients has increased from 58.8 million to 60.15 million during the Jan-March period of 2018.

<http://today.thefinancialexpress.com.bd/last-page/active-mfs-accounts-slump-34pc-in-aug-mar-due-to-bb-restraint-1525715742>

Next Annual Development Programme (ADP) size to reach BDT 1.73 trillion

• The government is set to approve BDT 1.73 trillion Annual Development Programme (ADP) for the next fiscal Thursday, with the transport sector receiving the highest funds. ADP outlay for the next financial year 2018-19 is 9.77% or BDT 154.06 billion higher than that of the revised allocation for the current fiscal year of FY2018. Commission officials said they had drafted a BDT 1.73 trillion worth of development budget for the next FY2019, where BDT 1.13 trillion will come from the government's internal resources.

• The remaining BDT 600 billion will come from the external sources as the project aid. In the current fiscal, the government has revised the ADP in the third quarter, trimming the allocation to BDT 1.48 trillion from that of the original outlay of BDT 1.56 trillion due to the poor performance of the government executing agencies in project implementation. The government until April of the current fiscal spent 48% of the BDT 1.48 trillion revised ADP.

• A Commission official said the transport sector would get the highest BDT 454.49 billion funds, or 24.29% of the total outlay, in the proposed development budget for the next fiscal. The second-highest allocation to be offered for the power sector. This sector is likely to get BDT 229.30 billion, 13.25% of the total allocation. The infrastructure planning, water supply and housing sector may receive the third highest BDT 178.90 billion (10.34%), the rural development and rural institutions sector the fourth highest BDT 166.90 billion (9.65%) and the education and religion sector the fifth largest BDT 166.20 billion (9.61%) funds of the proposed ADP for the next fiscal.

<http://today.thefinancialexpress.com.bd/first-page/next-adp-size-to-reach-BDT-173t-1525714579>

<https://www.thedailystar.net/business/transport-power-take-centre-stage-budget-1573117>

Bangladesh Bank (BB) asks state-owned commercial banks (SoCBs) to submit action plans

• The central bank has asked the five state-owned commercial banks (SoCBs) to submit their action plans as early as possible to improve financial health through reducing the volume of classified loans. Recovery of classified loans through strengthening recovery drives along with the mechanism to improve capital shortfall by the end of this calendar year will be included in the plan. The state-owned banks have also been advised to use all type of options -recapitalize fund, issuing bonds, own profits and reducing amount of the risk weighted assets - to meet their capital shortfalls.

- The BB's latest instructions came against the backdrop of rising trend of the overall non-performing loans (NPLs) in the banking sector, particularly the SoCBs in December in the last calendar year. The total amount of NPLs with six SoCBs rose to BDT 373.26 billion as on December 31, 2017 from BDT 310.26 billion a year before. It was BDT 385.17 billion in the third quarter of 2017. The SoCBs have also been asked to meet their capital shortfall immediately using all type of options in this connection.

- The overall capital shortfall of the four SoCBs out of six rose to BDT 88.53 billion as on December 31 last year from BDT 76.26 billion three months before. Higher default loans are the main reason behind the rise in provisioning requirements, which ultimately pushed up their capital shortfall. The SoCBs have already been asked to strictly abide by the existing core risk-management guidelines for improving their efficiency.

<http://today.thefinancialexpress.com.bd/first-page/bb-asks-socbs-to-submit-action-plans-1525714660>

<https://www.thedailystar.net/business/bb-asks-state-lenders-hand-action-plan-1573096>

Economic and Social Commission for Asia and the Pacific (ESCAP) projects 7.4% growth in this fiscal

- The Economic and Social Commission for Asia and the Pacific (UNESCAP) of the United Nations projected that Bangladesh economy would grow by 7.40% in the current fiscal year. The UN organisation made the projection in its annual flagship publication 'Economic and Social Survey of Asia and the Pacific 2018' released on Monday in Bangkok. It also projected that inflation would come down to 5.9% at the end of FY18 and may likely to be lower further to 5.5% in FY19.

- The growth of the country's Gross Domestic Product (GDP) will remain static in the next fiscal year, according to the projection. The ESCAP's projections largely match with the country's national statistical agency's provisional estimate. The Bangladesh Bureau of Statistics (BBS) estimated that the GDP of the country would post 7.65% growth in FY18. The report, however, cautioned on the country's banking sector. It also pointed out that in the wake of upcoming national elections in several countries including Bangladesh, effective fiscal management is even more important.

- The report also pointed out that due to robust domestic demand and improved global economic prospects, developing economies in the region are projected to grow by 5.5% in both 2018 and 2019. United Nations Under-Secretary-General and ESCAP Executive Secretary said that rapid technological advancements, while promising immense opportunities are also posing considerable challenges in terms of job polarization and income and wealth inequalities.

<http://today.thefinancialexpress.com.bd/first-page/escap-projects-74pc-growth-in-this-fiscal-1525714971>

April inflation rate inches down

- The point-to-point inflation rate in April of the current fiscal year (FY) slipped to 5.63%, compared with 5.68% recorded in March last, the government has said. The rate was recorded at 5.47% in April of FY2017, according to the Bangladesh Bureau of Statistics (BBS) data. The inflation rate was declining gradually and it would remain within the budgetary target and the limit envisaged in the 7th Five Year Plan, the Planning Minister

said.

- Inflation on the monthly-basis increased by 0.08% as the Consumer Price Index (CPI) rose to 248.85 in April from 248.65 in March. According to the national statistical agency, the point-to-point inflation rate in both food and non-food items also dropped last month. The food inflation was recorded at 7.03% in April, down from 7.09% in March. The noon-food inflation also fell to 3.49% last month, compared with 3.51% in March.

- The inflation in both urban and rural areas in Bangladesh also dropped in the month of April. The inflation in rural areas decreased to 5.59% in April, compared with 5.63 the month before. In the urban areas, the inflation rate inched down to 5.70% in April from 5.76% in March. However, the average inflation rate in the 12 months to April edged up by 0.45% points to 5.83%, the government said. The inflation rate between May 2016 and April 2017 was recorded at 5.38%.

<http://today.thefinancialexpress.com.bd/first-page/april-inflation-rate-inches-down-1525801919>

<http://www.newagebd.net/article/40734/inflation-inches-down-to-563pc-in-april>

Bangladesh economy to overtake Taiwan by 2030

- Bangladesh is a "minor" power among the 25 selected nations in the Asia-Pacific region and ranked 18th in an index that measures the overall influence of the countries. The Australian think-tank Lowy Institute's index measures power across 25 countries and territories in the Asia-Pacific region. Bangladesh posts the strongest performance in the future trends measure of the Asia Power Index, notching the 9th place with a score of 5.2 while the lowest ranking occurs in the economic relationship measure -- in the 23rd place.

- The index-report has projected that the country's real Gross Domestic Product (GDP) will grow by 141% between 2016 and 2030, overtaking Taiwan in economic size. It has also pointed out that the country has the third-largest diaspora in the region after China and India, with an outward migrant population of 3.9 million.

<http://today.thefinancialexpress.com.bd/last-page/bdesh-economy-to-overtake-taiwan-by-2030-1525802464>

Bangladesh earns USD 13.5 billion remittance in 2017, says IFAD report

- Bangladesh has fallen behind its three other South Asian neighbours -- Pakistan, Nepal and Sri Lanka -- in growth of remittance inflow in the last one decade, reports UNB. However, the country was ahead of its closest neighbour India in the inward remittance growth during the same period, according to a report released by International Fund for Agricultural Development (IFAD) on Monday.

- The IFAD report said, Bangladesh earned remittance worth US USD 13.5 billion, equivalent to 6.1% of its gross domestic product (GDP), last year. Over the past one decade, the country posted a steady remittance growth rate of 4.2%, much lower than Pakistan (10.8), Nepal (9.8) and Sri Lanka (9.4) but higher than India (3.3%). In Bangladesh, 65% of the total value of remittances goes to rural areas, the report said pointing out that rural remittances are particularly important in Asia and the Pacific because remittances 'count' more in small towns and villages where living expenses are lower, and typically the cost of sending remittances to rural areas is higher than to corridors linking high-volume urban markets.

• India (USD 69 billion), China (USD 64 billion) and the Philippines (USD 33 billion) are the three largest remittance-receiving countries in the world; Pakistan (USD 20 billion) and Vietnam (USD 14 billion) are also in the top 10.

<http://today.thefinancialexpress.com.bd/trade-market/bd-earns-135b-remittance-in-2017-says-ifad-report-1525795673>

Bangladesh Bank (BB) lists major risks facing economy, suggests 'prudent management'

• The central bank has recommended keeping close watch on higher credit growth, yawning current account deficit and inflationary risks for the sake of macroeconomic stability. Strong credit growth, wider current account deficits, and inflationary risks, however, warrant continued prudent management of macro-financial stability, the central bank mentioned in its latest Bangladesh Bank Quarterly (BBQ) for October-December 2017. Bangladesh's balance of payments (BOP) slid to a deficit of USD 978 million during the July-February period of the FY 18. It maintained a surplus of USD 2.45 billion in the same period of FY 17.

• The central bank said the growth momentum in economic activities remained robust in the second quarter (Q2) of the current fiscal year (FY) 2017-18, aided by strong growth of private sector credit and exports, a 'surge in remittance inflows' and higher import demand for investment. Among the money market indicators, reserve money grew by 13.3% during the period under review, largely in line with the programmed path for the first-half of FY18. Growth in private sector credit continued its trend and reached 18.1% in December 2017. The large part of credit, combinedly, went to the industry, trade, and commerce sectors.

• The BBQ also said despite strong private sector credit, broad money (M2) growth decelerated to 10.7% in the Q2 of FY18, driven by the negative growth of government's credit from the banking system and declining net foreign assets in the banking system. Banking sector performance indicators, such as asset quality, capital to risk-weighted-asset ratio (CRAR), and profitability, witnessed some improvements in the Q2 of FY18, it added. Despite robust remittance inflows, strong import growth (23.6% in the Q2 of FY 18) -- fuelled by capital machinery and food imports -- against a 7.7% growth in exports resulted in a wider current account deficit during the period under review. However, the market turnover declined by 28.3% during the quarter, the BBQ added.

<http://today.thefinancialexpress.com.bd/first-page/bb-lists-major-risks-facing-economy-suggests-prudent-management-1525801822>

Banks can give securities custodian services directly: Bangladesh Bank (BB)

• The Bangladesh Bank has allowed banks to provide securities custodian services directly without forming any subsidiary company. The central bank's decision will come into effect from July 22, said a circular of BB on Tuesday. BB said that all the private commercial banks had been exempted from the provision of 7(3) of Bank Company Act, 1991 for providing the securities custodian services directly. According to the provision, no bank can provide the services of stock-broker, stock dealer, merchant banker and portfolio manager directly. Earlier in 2013, the central bank extended the deadline of the requirement of subsidiary company to give the service of custodian services by five years.

<http://www.newagebd.net/article/40735/banks-can-give-securities-custodian-services->

[directly-bb](#)

Large loans make up 57.27% of banks' total lending

• Large loans account for around 57.27% of the total lending by banks, mainly concentrated in Dhaka and Chattogram. Foreign commercial banks (FCBs) have 73.09% of their total outstanding credit in large industries followed by private commercial banks (PCBs) with 64.75%, specialised banks (SBs) 47.57% and state-owned commercial banks (SoCBs) 40.36%. About 85.74% of the total outstanding credit of all banks in 2017 remained concentrated in Dhaka and Chattogram divisions.

• Public sector credit showed a negative growth of 9.3% in December 2017, far below the 'programmed ceiling' of 3.6% rise. The challenges observed in credit operations last year included higher growth rate of industrial loan, decrease in rural credit, rise in non-performing loan (NPL) volume, improper loan rescheduling and restructuring, excessive trend of converting non-funded facility into funded facility, lack of monitoring and dearth of accurate financial and industrial data.

<http://today.thefinancialexpress.com.bd/last-page/large-loans-make-up-5727pc-of-banks-total-lending-1525802406>

<https://www.thedailystar.net/business/banks-fond-big-borrowers-1573648>

<http://www.newagebd.net/article/40732/banks-preference-for-large-loans-hindering-inclusive-economy>

<https://www.dhakatribune.com/business/2018/05/08/bibm-study-85-bank-loans-2017-disbursed-dhaka-chittagong/>

United Nations report finds banking sector plagued by scams, weak monitoring

• The banking sector in Bangladesh has been plagued by financial scams, non-performing loans and weak monitoring problems, which might cause a macroeconomic risk in the near term though Bangladesh is expecting faster growth, says a UN report. In Bangladesh, the report says, robust growth has been supported by domestic demand, especially large infrastructure projects and new initiatives in the energy sector. Remittance flows have also started to increase with the increase in global oil prices, according to the Economic and Social Survey of Asia and the Pacific 2018.

• About two thirds of the regional economies, accounting for more than 80% of the region's GDP, achieved faster economic growth in 2017 than in the previous year. The recent recovery in global manufacturing, investment and trade is providing a tailwind to the already steady expansion of economic output in the Asia-Pacific region. In addition to robust consumption, investment expenditures and trade volumes, which showed lukewarm growth in recent years, showed signs of recovery in 2017.

<http://www.newagebd.net/article/40713/un-report-finds-banking-sector-plagued-by-scams-weak-monitoring>

<https://www.thedailystar.net/business/banking-sector-plagued-scams-un-1573636>

Four state-owned banks (SoBs) and ICB to buy shares of Farmers Bank

• Four state-owned banks (SoBs) and the Investment Corporation of Bangladesh (ICB) are buying shares of Farmers Bank in a desperate effort to save the troubled bank hit by loan scams. Bangladesh Bank cleared the way for the ICB and the four government banks --

Sonali, Janata, Agrani and Rupali -- relieving them of barriers under the Banking Companies Act. A central bank official said the four state-owned banks and the ICB will buy Farmers Bank shares for BDT 7.15 billion.

- The four banks will pay BDT 1.65 billion each and the ICB will account for BDT 550 million of the fund. The money will be used to pay depositors of the troubled bank. Its authorized capital is BDT 15 billion and paid-up capital BDT 4.01 billion. The bank is trying to increase its paid-up capital to BDT 15 billion.

<http://today.thefinancialexpress.com.bd/last-page/four-sobs-icb-to-buy-shares-of-farmers-bank-1525802816>
<https://www.thedailystar.net/business/rules-relaxed-save-farmers-bank-1573645>
<http://www.newagebd.net/article/40731/bb-eases-rules-allowing-4-sobs-to-inject-BDT-660cr-to-farmers-bank>

Finance Minister hints at corporate tax cut, power tariff rise

- The price of electricity is likely to increase further in the days ahead due to the increase in the price of relevant raw materials, Finance Minister has said. He also added that electricity price would also go up near future because of increasing price raw materials for electricity production. The Finance Minister also reiterated that the government was planning to reduce the corporate tax rate in the next budget.
- Focusing on the banking sector, a former BB governor said that the sector is in need of urgent reform. He also observed that the governance issue of banks needs to be fixed for improvement of the sector while the central bank needs to play a strong role in this regard. President of the country's apex trade body FBCCI called for reducing the bank interest rate on lending to a single digit.

<http://today.thefinancialexpress.com.bd/first-page/muhith-hints-at-corporate-tax-cut-power-tariff-rise-1525801774>

Forex reserve falls below USD 32 billion

- Country's foreign exchange reserve (forex) fell below USD 32 billion again on Wednesday, following a regular bi-monthly payment to Asian Clearing Union (ACU) and the central bank's direct selling of USD to the commercial banks. The forex reserve came down to USD 31.92 billion on the day from USD 33.23 billion on the day before, according to the central bank's latest data. Bangladesh paid USD 1.39 billion to the ACU against imports during the March-April period of the current calendar year. Earlier the forex reserve dropped below USD 32 billion around two months ago mainly due to higher import payments.
- The reserve was recorded at USD 31.93 billion on March 08, following the ACU payment for the January-February period of this year, and on the day before it was USD 33.49 billion. As per the official of Bangladesh Bank (BB), lower rice imports from India have brought down the overall import payments under the ACU arrangement during the period under review. The USD was quoted at BDT 83.10 each in the inter-bank forex market on Wednesday - the rate remained unchanged from the previous working day.
- The central bank resumed providing the forex backup in the recent months through selling the US currency to the banks directly to keep the exchange market stable. Nearly USD 2.0 billion had been sold to the commercial banks since July 01 of the current fiscal year. The

central bank might continue with such support to the banks in line with the market demand, BB officials hinted.

<http://today.thefinancialexpress.com.bd/last-page/forex-reserve-falls-below-us-32b-1525888661>

International Monetary Fund (IMF) projects 7.0% growth in FY '18

- Bangladesh economy is set to grow by 7.0% in the current fiscal year (FY), according to the latest projection of the International Monetary Fund (IMF). Fund's regional economic outlook for Asia and the Pacific, released on Wednesday, also showed Bangladesh would be the second fastest emerging market and developing economy in the region after India. Indian economy is projected to grow by 7.40% in the current year. They report also mentioned that in Bangladesh, growth should slow slightly to 7.0% in FY2018, while inflation should drop toward target as the effects of food price shocks wane.

- It also mentioned that growth was above 7.0% in Bangladesh in the past year which was mainly driven by consumption. The report also said Asia is embracing the digital revolution. India (USD 69 billion), China (USD 64 billion) and the Philippines (USD 33 billion) are the three largest remittance-receiving countries in the world; Pakistan (USD 20 billion) and Vietnam (USD 14 billion) are also in the top 10. The report also added that while mobile payments are expanding sharply in such economies as Bangladesh, India, and the Philippines, on average Asia is lagging sub-Saharan Africa.

<http://today.thefinancialexpress.com.bd/last-page/imf-projects-70pc-growth-in-fy-18-1525888619>

No change in yield rates of savings tools for now

- Finance Minister ruled out the possibility of revising the yield rates of the government saving certificates since the bank deposit rates are now almost equivalent to those. He also said that they don't need to revise it (yield rate of saving tools). They will settle it in a meeting. The minister also added that the government has a policy to fix the yield rates of savings tools at rates slightly higher than the bank deposit rates. The decision was taken so since the savings tools were floated for resource mobilisation.
- Finance Minister had been under pressure from experts and banks for revising the yield rates of savings tools vis-a-vis those of deposit rates because of the large difference between the two. But due to aggressive deposit hunting by banks, the interest rates of deposits have gone up considerably and those are now close to the rates offered by the savings tools. While presenting the salient features of the national budget for the upcoming fiscal year briefly, Finance Minister also mentioned that the budget size will be something around BDT 4.6 trillion and priorities will be given to human resources development.
- The minister said this year the corporate tax rate will see a change. The minister said the extent of hullabaloo raised over the outflow of money, is not justified since the outflow of fund actually does not take place to that level. Finance Minister again said that tobacco taxation will be very different this year.

<http://today.thefinancialexpress.com.bd/last-page/no-change-in-yield-rates-of-savings-tools-for-now-1525888300>

Power tariff to be hiked soon: Finance Minister

- The government is going to increase electricity tariff soon as the cost of raw materials has gone up, said Finance Minister. He said that he is certain that the tariff of electricity will rise. The minister, however, added that the hikes would be gradual to make those bearable. He also hinted that if the power tariff will continue rising in future because the prices of raw materials have risen. Finance minister also described the existing power situation well and said investments have already been made to set up power plants to generate 30,000 megawatts of electricity by 2024. He also said that the size of the next budget would be fixed in a week and it might be BDT 4.60 trillion.

<https://www.thedailystar.net/business/electricity-price-tariff-be-increased-soon-says-ama-muhith-1574188>

Important News: Capital Market

Net foreign fund at Dhaka Stock Exchange (DSE) sinks in April

- The net foreign investment in the Dhaka bourse turned negative in April, after a month's break, as the foreign fund managers followed a 'go-slow' strategy. The overseas investors collected shares worth BDT 5.03 billion but sold shares worth BDT 5.28 billion last month, resulting in their net position negative by BDT 247 million, according to statistics available with the Dhaka Stock Exchange (DSE).

- In March, the foreign investors' net position was BDT 1.57 billion, as they purchased shares worth BDT 4.56 billion and sold shares worth BDT 2.99 billion, the DSE data shows. Meanwhile, the overseas investors' net position was also negative BDT 947 million in February, as they brought shares worth BDT 3.93 billion and sold shares worth BDT 4.88 billion, according to the DSE statistics.

- A stockbroker who deals with foreign investors, preferring anonymity said that the foreign investors followed a 'go-slow' strategy in April and slow in making the purchase while some booked profit. Managing director of Investment Promotion Services said that foreign investors were optimistic and willing to invest in the market as the market situation was improving after solving the liquidity problems. However, he said, the foreign investors were not the market drivers as their investment makes up less than 2.0% of DSE's total market cap.

- In 2017, the overseas investors bought shares worth BDT 65.76 billion while they offloaded stocks worth BDT 48.71 billion to take their net investment to BDT 17.05 billion, the DSE data shows. In 2016, the net foreign investment was BDT 13.41 billion, as the foreign investors collected shares worth BDT 50.57 billion and sold shares worth BDT 37.16 billion.

<http://today.thefinancialexpress.com.bd/stock-corporate/net-foreign-fund-at-dse-sinks-in-april-1525371850?date=05-05-2018>

<http://www.newagebd.net/article/40435/net-foreign-investment-at-dse-turns-negative-in-april>

Listed cement companies see moderate fall in Jan-Mar quarter earnings

- The earnings of listed cement companies declined moderately for January-March quarter of 2018 as compared to the same period of previous year as profit margins squeezed due

to multiple reasons included increased prices of raw materials. Manufacturers said the price of cement has not increased as compared to increased manufacturing cost. That's why the earnings of the listed cement companies declined during the quarter despite the sales volume increased by 12%, they added.

- Of the seven listed companies, one witnessed loss while the earnings per share (EPS) of five others declined moderately for the period compared to same period of the previous year. Only one company reported increased EPS for the January-March quarter. Chief executive officer of MI Cement, said increased prices of raw materials have mainly squeezed the profit margins of the cement companies. He also said that the price of one ton of clinkers rose to USD 53 from USD 40 while the transport cost rose 66%, leaving an adverse impact on the profit margins.

- He also added that the depreciation of local currency against USD is also a reason behind the decline in last quarter earnings. He mentioned that the earnings of cement companies would increase in the next quarter as the manufacturers increased the cement price by some extent. Confidence Cement Officials said that for deviation in comparison to the same period of previous year, continuous increase of raw material price without rational increase in the finished goods price is attributable to the financial performance, and increase in payment against imports, interest and advance income tax paid, is attributable to the cash flow position.

<http://today.thefinancialexpress.com.bd/stock-corporate/listed-cement-cos-see-moderate-fall-in-jan-mar-quarter-earnings-1525534800>

Prime Bank changing business model

- Prime Bank is bringing major changes to its business model for wholesale, retail and SME banking in order to diversify its operations by 2021. Under the plan, the second generation bank will raise its investment in retail and small and medium enterprises (SMEs) to 40-45% in the next four years from 20% now. Prime Bank MD said that they will double their loan disbursement in retail and SMEs as part of the bank's roadmap for 2021. Last year, SME and retail loans accounted for 9.29% and 10.90% respectively of the bank's total disbursed loans.

- He also added that will disburse loans to the dealers, distributors and suppliers of the corporate groups under our SME programme. The corporate groups will benefit from the supply chain financing initiative as their distributors will get necessary financing to run businesses, he said. The bank also plans to strengthen its corporate and commercial banking wings to cater large and mid-level businesses. The bank has recently launched a relationship model for corporate banking and appointed a relationship manager for every corporate group following in the footsteps of global banking models.

- He said Prime Bank is now enjoying an excellent financial health as it has not faced any liquidity crunch in recent months like most of its peers. Now the bank's major challenge is to get rid of the inherited non-performing loan (NPL), which has created a burden for the lender.

<https://www.thedailystar.net/business/prime-bank-changing-business-model-1572199>

Olympic Industries boosts production capacity

- Olympic Industries -- the country's oldest consumer goods manufacturing company - has

enhanced its capacity of cartoon, noodles and bakery manufacturing lines to the growing demand for its products. Commercial operation of the company's cartoon manufacturing line completed with corrugation and printing with an estimated annual capacity of 66 million cartoons and the commercial production started from Tuesday at the company's Kutubpur factory.

- Commercial operation of the company's noodles manufacturing line with an estimated annual capacity of 9,000 metric tons also started from Tuesday at the company's Kutubpur factory. Commercial operation of an additional tunnel oven to increase the company's annual bakery capacity by 1,800 metric tonnes started from Tuesday at the company's Madanpur factory. The company has also informed that it also plans to enter into a third-party manufacturing agreement with Lucerne Cocoa & Chocolate Products, to have its Chocolate products manufactured by Lucerne.
- The agreement will be for an initial period of two years, commencing from June 2018 for an estimated monthly production of 20 metric tons.

<http://today.thefinancialexpress.com.bd/stock-corporate/olympic-industries-boosts-production-capacity-1525371757?date=05-05-2018>

IBN Sina completes sale of IBBL stake

- IBN Sina Trust, one of the corporate sponsors of Islami Bank Bangladesh Limited (IBBL), has completed sale of its entire holdings in the company. Earlier on April 26, the trust expressed its intention to offload the entire holdings in the IBBL. On May 3, the IBBL made a disclosure on completion of selling out the entire holdings by the trust. As per the declaration, the trust sold above 36.07 million shares of the IBBL at prevailing market price through the stock exchanges. According to information of Dhaka Stock Exchange (DSE), the sponsor-directors hold 46.70% shares while institutions 9.16%, foreigners 26.37% and general shareholders 17.77% as on March 31, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/ibn-sina-completes-sale-of-ibbl-stake-1525533401>

Investment in City Bank's subsidiary

- As against the offer of City Brokerage Ltd, a subsidiary of the City Bank Limited, the board of directors of the company has decided to invest in share capital for an amount of BDT 300 million (equivalent shares of 30 million @ BDT. 10 each) of the subsidiary, subject to obtaining approval from the regulatory bodies and compliances with the rules and regulations.

<http://today.thefinancialexpress.com.bd/stock-corporate/investment-in-city-banks-subsiary-1525533452>

No loan to buy AB Bank stocks

- The stock brokers and merchant bankers are requested to abstain from providing loan facilities to purchase securities of AB Bank Limited with effect from today (Sunday) as per a BSEC directive. The bank will be placed in "Z" category from existing "A" category with effect from today (Sunday) as the company has recommended no dividend for the year ended on 31 December 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/no-loan-to-buy-ab-bank-stocks-1525533436>
<http://www.newagebd.net/article/40357/stocks-slip-as-banks-whipped-over-ab-bank-downgrade>

BRAC Bank's Q1 post-tax profit grows by 9.0%

- BRAC Bank's profit after tax during the first quarter (Q1) of 2018 increased by 12% to BDT 1,247 million on the solo basis against BDT 1,118 million in the corresponding period of last year. During the January-March period of the current calendar year the consolidated profit after tax was recorded at BDT 1,383 million, up by 9.0% compared to BDT 1,267 million in the first three months of 2017.
- During the first three months of the current calendar year, the bank's Earnings Per Share (EPS) on the solo basis were registered at BDT 1.45 against BDT 1.13 in the corresponding period of 2017. The consolidated EPS also rose to BDT 1.48 from BDT 1.34. At the end of March, 2018 the net asset value (NAV) of the bank on the solo basis was BDT 31.90, up from BDT 26.41 in the first three months of 2017. Similarly the consolidated NAV rose to BDT 32.64 in the first quarter (Q1) of 2018 from BDT 27.41 in the corresponding period of 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/brac-banks-q1-post-tax-profit-grows-by-90pc-1525371725?date=05-05-2018>

Government's earning from Dhaka Stock Exchange (DSE) doubles in April

- The government bagged tax worth about BDT 220 million in April as against BDT 104 million in March 2018, registering an increase of nearly 112%, according to statistics from the Dhaka Stock Exchange (DSE). Market operators said the government earnings from the Dhaka bourse rose substantially during the month compared to March on the back of increased trading volume coupled with significant share transactions by sponsor-directors and placement holders.
- Of the total earnings in April, BDT 115 million came from TREC holders' commission and BDT 104 million came from share sales by sponsor-directors and placement holders, the DSE data shows. The DSE, on behalf of the government, collects tax as TREC holders' commission and sponsor-directors and placement holders' shares sales at the rate of 0.05% and 5.0% respectively and deposits the amount to the national exchequer.

<http://today.thefinancialexpress.com.bd/stock-corporate/govts-earning-from-dse-doubles-in-april-1525628256>

Government tax collection from DSE doubles in April

- The government's tax collection from the Dhaka Stock Exchange doubled in April compared with that in the previous month due to a rise in turnover on the bourse. The National Board of Revenue in April received BDT 220.2 million that included BDT 114.9 million as tax on turnover and BDT 105.3 million as tax on sponsor-directors' capital gain from share sales.
- In March, the government's tax receipt from the bourse was BDT 103.5 million — BDT 67.1 million as turnover tax and BDT 36.7 million as tax on sponsor-directors' capital gain from share sales. Turnover on the bourse increased in April amid the rise in share prices in

the bourse. The key index, DSEX, gained 141 points in the month. The average daily turnover on the DSE soared by 63% to BDT 5.47 billion in April with 21 trading sessions compared with that of BDT 3.35 million in March with 20 trading sessions. The tax on sponsor-directors' capital gain shot up in April due to a significant amount of share transactions by directors of some of the companies in block market.

- Under the Income Tax Ordinance 1984, the DSE collects 0.05% tax on turnover from brokerage houses which collect the tax from investors on their daily transactions and 5% tax on capital gains made by sponsor-directors and placement-shareholders.

<http://www.newagebd.net/article/40587/govt-tax-collection-from-dse-doubles-in-april>

ACI upsets investors

- ACI, a blue-chip stock, has been disappointing investors with its sliding earnings in the first three quarters of the financial year. The company, however, reported revenue of BDT 16.27 billion for the three quarters, up nearly 19% year-on-year. In fact, the third quarter revenue also rose nearly 17%. Earnings per share of ACI slumped about 72% year-on-year to BDT 0.96 only in the third quarter (January to March).

- A top executive of ACI said their sales turnover remains healthy, but high borrowing and import costs due to a rise in lending and exchange rates and massive duty reduction of rice have impacted the EPS of the company. Executive Director (finance and planning) of ACI said that Sales growth of ACI is quite healthy but the EPS has declined due to high borrowing and import costs.

- China decided to shut down thousands of its polluting factories and ACI sourced products from many of them. So, those products' prices have soared almost 22%. Another shock on the EPS came from the food products. Quarterly report of ACI shows loss in the food subsidiaries increased 165% year-on-year to BDT 17.99. This year, EPS was hurt by the new subsidiaries also.

- Quarterly report of ACI shows its supermarket chain Shwapno's losses are shrinking: it declined 7.14% year-on-year to BDT 880.3 million. ACI announced 115% cash and 10% stock dividends in 2017, which is the same as in the previous year. Its net profit after tax for the financial year that ended on June 2017 was BDT 1.24 billion.

<https://www.thedailystar.net/business/aci-upsets-investors-1572649>

Dhaka Stock Exchange (DSE) refuses to perk up despite Bangladesh Bank (BB) move

- The daily average turnover of the premier bourse, an important indicator of its vitality, dropped 24.95% in April to BDT 5.47 billion from a year earlier even after the central bank took a host of measures to ease the flow of money into the stock market. Recently, the Bangladesh Merchant Bankers Association along with DSE Brokers Association identified liquidity crunch in the financial sector as one of the reasons behind the lower turnover in the market. Subsequently, the two associations and directors of some banks last month requested the Bangladesh Bank to loosen the noose, which the central bank obliged to.

- Furthermore, fear of political uncertainty in the coming months and lower dividend declarations by the heavyweight banking sector are making investors stall. The main problem with the stock market is the lack of investor confidence, said managing director of

a merchant bank requesting anonymity. The BB has lowered the cash reserve ratio by 1% point to 5.5% and made funds cheaper for all banks by reducing the repo rate by 75 basis points to 6% . Both the initiatives become effective from April 15. The banking regulator extended the deadline for banks to lower their advance-deposit ratio (ADR) to March 31 next year from June 30 this year.

- In a separate move, the central bank on April 17 allowed state enterprises to deposit 50% of their funds with private banks, up from the previous ceiling of 25% . President of the DSE Brokers Association said that dividend declaration by listed companies this year is not at the expected level, so turnover has been affected.

<https://www.thedailystar.net/business/dse-refuses-perk-despite-bb-move-1573093>

Premier Cement sees marginal fall in earnings

- Premier Cement Mills reported its consolidated earnings per share (EPS) of BDT. 2.04 for January-March 2018 as against BDT. 2.05 for January-March 2017. The company's consolidated EPS was BDT. 2.56 for July 2017-March 2018 as against BDT. 3.93 for July 2016-March 2017. The company has also reported its consolidated net operating cash flow per share (NOCFPS) of BDT. 2.23 for July 2017-March 2018 as against BDT. 7.78 for July 2016-March 2017.

- The consolidated net asset value (NAV) per share was BDT. 41.27 as on March 31, 2018 and BDT. 40.71 as on June 30, 2017. The company's share trading Monday closed at BDT 80.10 each with a marginal loss of 1.0% or BDT 0.8 per share. According to DSE information, the company's sponsor-directors hold 55.13% shares, whereas institutions hold 17.07% shares, foreign shareholders 0.01% shares and public shareholders 27.79% shares as of March 31, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/premier-cement-sees-marginal-fall-in-earnings-1525709237>

Aman Cotton's IPO subscription to begin June 3

- Public subscription of Aman Cotton Fibrous is set to begin on June 03 for raising BDT 800 million from the capital market under the book-building method. The public subscription of Aman Cotton will continue till June 10. Aman Cotton, which already received Bangladesh Securities and Exchange Commission's approval, will float 20.83 million ordinary shares to raise the amount. Of the total 20.83 million shares, 12.50 million will be issued to eligible investors at the cut-off price of BDT 40 each which was set by the eligible investors through the electronic bidding in November last year.

- Remaining 8.33 million shares will be sold to general shareholders, including non-resident Bangladeshis, at 10% discount on cut-off price of BDT 40, meaning the general investors will get each share of the company at BDT 36 each. Aman Cotton will use the IPO (initial public offering) fund as part of its efforts to buy machinery, repay bank loans and meet the IPO expenses. The net asset value of the company was BDT 35.63 as of June 2016 and weighted average earnings per share (EPS) was BDT 3.49. ICB Capital Management is the issue manager of the IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/aman-cottons-ipo-subscription-to-begin-june-3-1525708899>

Dhaka Stock Exchange (DSE) reschedules trading hours in Ramadan

• The Dhaka Stock Exchange (DSE) has rescheduled its trading time during the holy month of Ramadan, without reducing trading hours like previous year. The trading on the DSE will take place from 10:00am to 2:00pm without any break during the Ramadan, instead of the regular trading period from 10:30am to 2:30pm. As per the decision, DSE office will remain open from 9:00am to 3:30pm during the Ramadan, instead of the regular time of 9:30am to 5:30pm. The trading and office hours will get back to normal time after the Eid-ul-Fitr vacation. The port city's bourse -- Chittagong Stock Exchange (CSE) -- will also follow the DSE trading and office time.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-reschedules-trading-hours-in-ramadan-1525803247>
<https://www.dhakatribune.com/business/2018/05/08/share-trading-10am-2pm-ramadan/>

LafargeHolcim launches new product today

• LafargeHolcim launches new 'specialised' cement branded as 'Plastercrete' today (Wednesday) for plastering works in overall constructions. CEO of LafargeHolcim Bangladesh, said the Plastercrete would ensure a smoother surface finish that would ease applications and masonry works. He also added that by using this product, plastered surface will be more durable, less prone to cracks thus requiring less repair and maintenance. He said the new cement will help customers to save time and cost sustainability and is expected to create a big impact in overall construction management process.

• The company's sponsor-directors hold 64.68% shares, while institutions 14.82%, foreign shareholders 1.15% and public shareholders 19.35%. Producing 4.2 million tonnes of world class cement annually, LafargeHolcim enjoys the confidence of the customers. Producing 4.2 million tonnes of world class cement annually, LafargeHolcim enjoys the confidence of the customers.

<http://today.thefinancialexpress.com.bd/stock-corporate/lafargeholcim-launches-new-product-today-1525803276>
<https://www.thedailystar.net/business/lafargeholcim-brings-new-plastering-cement-1573621>

BRAC Bank witnesses steady growth in last five years

• BRAC Bank displayed a steady growth in earnings and dividend payout in last five years riding mainly on managerial efficiency, the bank's top executive said, eyeing to make the company number one in the country's banking sector. The ROA improved from 0.78% in 2013 to 1.95% 2017, according to the company's financial statement. The company's consolidated ROA, including the subsidiaries, was 1.77% in 2017, 1.55% in 2016, 1.02% in 2015, 0.93% in 2014 and 0.17% in 2013.

• Managing director and CEO of BRAC Bank said that he knows ROA of other banks is far below than the BRAC Bank. He also said that many banks even do not public their ROA. He said the bank witnessed a moderate growth of earnings in 2017 based on 'strong' performance culture introduced by the management. The company's consolidated earnings per share (EPS) gradually rose from BDT 2.51 in 2013 to BDT 6.07 in 2017. He said the amount of the bank's default loans gradually declined because of accountability of its officials.

• The amount of the bank's loan and advances was above BDT 202.55 billion in 2017 and the volume of non-performing loans (NPLs) to total loans and advances was 3.56% for the year. The ratio of the NPLs improved over the years from 6.49% in 2013. The company's operating income rose 32% to above BDT 9.05 billion in 2017. The amount was above BDT 8.01 billion in 2016, above BDT 6.83 billion in 2015, above BDT 6.14 billion in 2014 and above BDT 5.65 billion in 2013.

• The company's consolidated net profit also gradually rose during a period from 2013 to 2017. In 2017, the company's net profit stood at above BDT 5.49 billion, which was 35% higher than the net profit of 2016. In 2016, the company's net profit was above BDT 4.07 billion, which was almost double the net profit incurred in 2015. The company's net profit after tax was above BDT 1.33 billion in 2013, above BDT 2.03 billion in 2014 and above BDT 2.34 billion in 2015. Foreign investors own a significant stake in the bank compared to general investors. According to DSE information, foreign investors hold 40.81% shares against only 6.36% held by general shareholders as on March 31, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-witnesses-steady-growth-in-last-five-years-1525803216>

Summit's Gazipur plant starts supplying power to national grid

• The second unit of Summit power plant in Gazipur has started supplying electricity to the national grid commercially from Wednesday. The 300-megawatt (MW) furnace-oil fired power plant is owned by the consortium of Summit Corporation Ltd and Summit Power Ltd having the stakes of 80% and 20% respectively. The '100 hour Reliability run test' as well as 'dependable capacity test' were completed Wednesday. The power purchase agreement and implementation deal were signed with the government for a period of 15 years on December 10, 2017.

• This is, however, the only furnace oil-fired power plant under the fast-track project that came online within the stipulated timeframe of nine months. In August last, the government issued the letter of intent to the sponsor of this power plant along with several other firms to implement the projects within nine months under fast-track. Summit Gazipur II Power is located in Kodda, Gazipur -- about 30 kilometres (kms) north of Dhaka city. The power plant is supplying power at 230 kilo volt (KV) to Tongi and Kaliakoir grid sub-stations.

• Summit's total power generation reached 1,800 MW with the initiation of supply from its Gazipur power plant, consolidating its position as the leading private sector electricity producer.

<http://today.thefinancialexpress.com.bd/last-page/summits-gazipur-plant-starts-supplying-power-to-natl-grid-1525888532>

Telecom companies asked to set BDT 5 limit by June 1

• Bangladesh Telecommunication Regulatory Commission has set a fresh deadline of June 1 for mobile phone operators to limit customers' internet pay per use within BDT 5. The telecom regulator came up with the fresh instruction to the mobile phone companies on Monday as they continued to violate BTRC's earlier directive in this regard. One of the leading mobile operators was earning more than BDT 12.00 billion every year in the absence of such limit. Meanwhile, a BTRC conducted survey showed that 99% of the mobile phone subscribers support the regulatory move to limit pay per use data.

- Operators, however, would be allowed to resume internet connection of the customer under the pay per use tariff after getting any visible consent from them. In case of a data package user, mobile operator will have to take consent from the customer for the using pay per use data above BDT 5 once the data package ends. Even if any customer agrees to continue with pay per use internet tariff rate, he or she, however, must not be charged above BDT 200 within a month under the tariff rate. In February this year, the commission issued a directive in this regard asking mobile phone operators to implement the instruction within March 1, 2018.

<http://www.newagebd.net/article/40819/telcos-asked-to-set-BDT-5-limit-by-june-1>

Singer witnesses record turnover in 2017

- Singer Bangladesh Ltd hopes the demand of consumer durables will be accelerated in the coming days in the country as the government has taken a serious move to ensure access of electricity for all by 2021. Singer, country's largest home appliances and consumer electronic item selling company is also optimistic that Bangladesh's elevation from least developed country to developing country will have positive impact to raise the market size of consumer durables.

- According to the company's latest annual report, Singer recorded the highest BDT 11.1 billion turnover in 2017, registering an increase of 23% compared to the previous year, thanks to stable trading conditions, additional marketing initiatives and presence of new products. As per 2017 annual report, Singer Group as well as the company achieved its highest ever turnover of BDT 11.1 billion in the backdrop of macroeconomic stability and political calmness. The company's profit after tax increased by 37% to BDT 746 million, with consolidated earnings per share (EPS) stood at BDT 9.79 in 2017, from BDT 7.12 in 2016.

- Operating profit increased by 27% to BDT 1.20 billion, from the previous year's operating profit of BDT 935 million, with higher operating margins at 10.7% , the annual report shows. The company's consolidated net asset value (NAV) per share stood at BDT 28.17 in 2017 as against BDT 25.39 in 2016. The net operating cash flow per share (NOCFPS) was BDT 5.17 as against minus BDT 7.69 (restated). Based on the performance of the company, the board of directors has recommended 100% cash dividend for the year 2017, which is 42.8% higher than the last year.

<http://today.thefinancialexpress.com.bd/stock-corporate/singer-witnesses-record-turnover-in-2017-1525891412>