

*Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.*

### **New bank rates to take effect on August 09**

- The new bank interest rates of deposit and lending- 6.0% and 9.0% respectively-will be effective from August 09. Finance Minister also said that the yield rate of savings tools would be reviewed next Wednesday. The minister said the new rates were due to be effective from today (Thursday) as declared by the Prime Minister. Finance Minister said that half the banks have already implemented the new rates. The remaining will make it effective on August 09. He also said the lending rate must be 9.0% except consumer loans and credit card loans which will enjoy flexibility. The minister said the current yield rate of savings tools is much higher than the market rate.

<http://today.thefinancialexpress.com.bd/public/first-page/new-bank-rates-to-take-effect-on-august-09-1533231636>

### **Global brands band together against Accord wind-down**

- More than 180 global apparel brands have warned that any premature shutdown of the Accord might lead them to reconsider Bangladesh as their sourcing destination. The brands currently sourcing apparel products from here have already signed the 2018 Transition Accord. More than 220 brands are signatories to the existing Accord on Fire and Building Safety in Bangladesh.

- As per the Accord statement on July 27, The premature shutdown of the Accord, leaving workers in unsafe circumstances, would jeopardise the brands' ability to source from a safe industry. This [shutdown] may make them reconsider sourcing decisions and review the reputational risk of Bangladesh as a sourcing country. It also suggested that the Accord need to continue its operations in Bangladesh until the RCC is deemed ready.

<http://today.thefinancialexpress.com.bd/public/first-page/global-brands-band-together-against-accord-wind-down-1533318600>

### **MFS providers look wide apart over impact**

- The country's top mobile financial service (MFS) providers have sparred over the possible impact of the new MFS regulations. Some have termed the new regulations timely and effective, but others have alleged that there will be largely a status quo in the mobile financial service arena. On July 30, the Bangladesh Bank issued a new set of regulations to regulate the MFS business.

- Managing director and CEO of Dutch Bangla Bank Limited said that the new regulations won't bring any essential change in the market. The bank owns the popular Rocket service in the MFS market. About the new regulations, he pointed out that mobile operators were even barred from forming subsidiary or partnership with banks for providing any MFS. He added that without mobile operators, it will be hard to bring large-scale investment in the MFS arena. bKash CEO argued that the latest regulations would help 'bring more players, more competition and more products' in the MFS market. MFS providers are now prohibited from lending from their own funds.

<http://today.thefinancialexpress.com.bd/public/first-page/mfs-providers-look-wide-apart-over-impact-1533318369>

### **Taxmen can now conduct enquiry for prosecution**

- Taxmen will be able to conduct enquiry and investigation for prosecution purpose on tax-related offences from the current fiscal year (FY), 2018-19, officials said. The government, through a new provision in the Finance Act 2018, has empowered the tax authority to conduct enquiry and investigation prior to filing criminal cases against individuals and firms for tax-related offences.

- According to the provision, the deputy commissioner of taxes (DCTs) may make further enquiry and investigation, in addition to the enquiry already completed, for prosecution of an offence under the income tax law and the Money Laundering Prevention Act (MLPA) 2012. The offences include concealment of income, furnishing false audit report and statement, and unauthorised employment of foreigners.

- Besides, non-compliance of certain obligations including tax deduction at source, submission of tax returns, and furnishing information as per the requirement of tax offices under the income tax law are among the offences. Other predicated offences related to tax under MLPA are also included in the provision.

- The National Board of Revenue (NBR) officials said tax officials were only empowered to summon taxpayers, both individual and corporate, and ask them to provide required information. They usually collected information from various sources, including banks and internal audit, to conduct investigation. On the basis of the collected information, the taxmen launched prosecution-related steps. With the new provision, the DCTs now have the authority to conduct full-

fledged enquiry and investigation.

<http://today.thefinancialexpress.com.bd/first-page/taxmen-can-now-conduct-enquiry-for-prosecution-1533400975>  
<http://www.newagebd.net/article/47689/income-tax-officials-allowed-to-conduct-extensive-enquiry-for-prosecution>

### **Bangladesh withdraws port restrictions on goods from Tripura**

• Bangladesh has withdrawn port restrictions on 27 goods from the northeastern Indian state of Tripura, say sources in the Department of Industry and Commerce. The goods include: raw rubber, broomsticks, bamboo products, CNG spare parts, stone boulders, and paan. The withdrawal of port restrictions for raw rubber was welcomed by the Tripura Chamber of Commerce and Industry. According to its President a huge quantity of raw rubber is produced in Tripura. The export of this item to Bangladesh will greatly benefit the state. At the time, the state government and Tripura business chamber urged Bangladesh's delegation to withdraw port restrictions on goods from Tripura.

<https://www.dhakatribune.com/business/2018/08/04/bangladesh-withdraws-port-restrictions-on-goods-from-tripura>

### **Government earnings from Dhaka Stock Exchange (DSE) fall 11% in July**

• The government's revenue earnings from the Dhaka bourse fell 11% year-on-year in July this year on the back of falling trade volume and value. Market insiders said the bearish market trend coupled with sluggish trading activities affected the government's revenue earnings from the prime bourse. The government bagged revenues of BDT 225 million in July this year which was BDT 252 million in July 2017, registering a decline of 11%, according to statistics from the Dhaka Stock Exchange.

• Of the total earnings in July this year, BDT 187 million came from the TREC (trading right entitlement certificate) holders' commission, popularly known as brokerage commission. And BDT 38 million from the share sales by sponsor-directors and placement holders, the DSE data shows. The DSE, on behalf of the government, collects the tax as TREC holders' commission at a rate of 0.05% and from sponsor-directors' and placement holders' shares sales at a rate of 5.0%. The DSE then deposits the amount to the public exchequer.

• The daily turnover, another important gauge, came down to BDT 8.48 billion on average in July 2018, down 10.75% over the previous year's July. DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), also lost about 103 points or 2.0% in July this year.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/govt-earnings-from-dse-fall-11pc-in-july-1533234463>

### **Most MNCs register increased EPS in H1**

• The earnings of most of the multinational companies (MNCs) listed with the country's capital market increased during the first half (H1) of this year as compared to the same period of previous year. According to the un-audited financial statements for January-June 2018, the consolidated earnings per share (EPS) of seven companies, out of 11, increased during the period under review.

• The EPS of LafargeHolcim, BATBC, Singer Bangladesh, Bata Shoe, Grameenphone (GP), Marico Bangladesh and Linde Bangladesh increased in the H1. Market operators said that the MNCs earn more as the companies are well-managed and have reputation of their product quality. The consolidated EPS of Heidelberg Cement declined to BDT 9.55 for January-June 2018 as against BDT 12.71 for January-June 2017. The EPS of Reckitt Benckiser also fell to BDT 19.37 for January-June, 2018 as against BDT 25.65 for January-June, 2017.

• Among the top MNCs in terms of dividend declarations, Reckitt Benckiser disbursed highest 790% cash dividend for the period ended on December 31, 2017. BATBC and Marico Bangladesh disbursed 600% cash dividends each, followed by Glaxo SmithKline 550% cash dividend in 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/most-mncs-register-increased-eps-in-h1-1533395362>

### **Aman Cotton Fibrous makes trading debut tomorrow**

• Aman Cotton Fibrous Ltd makes its share trading debut on stock exchanges tomorrow (Monday) under "N" category, officials said. The company floated a total of 20.83 million ordinary shares and raised a fund worth BDT 800 million from the capital market under the book-building method.

• Of the total 20.83 million shares, 12.50 million were issued to the eligible investors at the cut-off price of BDT 40 each, which was set by the eligible investors through electronic bidding in November last year. Remaining 8.33 million shares were issued to the general public, including affected small investors and non-resident Bangladeshis, at 10% discount on the cut-off price, meaning they received each share at BDT 36.

- Total subscription received from resident Bangladeshis, affected small investors and non-resident Bangladeshis is BDT 3.49 billion against the public issue of BDT 300 million, which is oversubscribed by 11.64 times. Aman Cotton will use the IPO fund to buy machinery, repay bank loans and meet the IPO expenses. The net asset value (NAV) per share including revaluation surplus (considering Pre-IPO paid up shares) would be BDT 41.56 as on 31 March 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/aman-cotton-fibrous-makes-trading-debut-tomorrow-1533395380>

### IPO subscription of two companies this month

- The public subscription of Indo-Bangla Pharmaceuticals Ltd and Kattali Textile Ltd will open on August 09 and August 28 respectively, officials said. The initial public offering (IPO) subscription of Indo-Bangla Pharmaceuticals is set to open on August 09 which will be continued till August 16 for resident and non-resident Bangladeshis.

- The NBL filed the writ petition as four directors of the company were 'loan defaulters' as the guarantors of loans disbursed by the bank. The HC withdrew its stay order later on as the Indo-Bangla Pharmaceuticals and NBL reached a solution regarding the loan issue. The Bangladesh Securities and Exchange Commission (BSEC) approved the company's IPO proposal on October 3, 2017. As per the BSEC approval, Indo-Bangla will raise a fund worth BDT 200 million by issuing 20 million ordinary shares at an offer price of BDT 10 each under the fixed price method.

- The company will utilise 29.29% of the IPO proceeds for construction and other civil works, 62.36% for purchasing machineries and 8.35% for bearing IPO expenses, according to the IPO prospectus. The company's pre-IPO paid-up capital is BDT 730 million and authorised capital is BDT 1.0 billion.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-two-companies-this-month-1533396636>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$68.49	-0.47	-0.68%
Crude Oil (Brent)*	\$73.21	-0.24	-0.33%
Gold Spot*	\$1,214.90	+7.07	+0.59%
DSEX	5399.79	+51.59	+0.96%
Dow Jones Industrial Average	25,462.58	+136.42	+0.54%
FTSE 100	7,659.10	+83.17	+1.10%
Nikkei 225	22,525.18	+12.65	+0.06%

### Exchange Rates

**USD 1 = BDT 84.21\***  
**GBP 1 = BDT 109.48\***  
**EUR 1 = BDT 97.41\***  
**INR 1 = BDT 1.23\***

\*Currencies and Commodities are taken from Bloomberg.

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Deputy Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Md. Sakib Chowdhury	Research Analyst	<a href="mailto:sakib.chowdhury@bracepl.com">sakib.chowdhury@bracepl.com</a>	01709 641 247
S. M. Samiuzzaman	Research Analyst	<a href="mailto:sm.samiuzzaman@bracepl.com">sm.samiuzzaman@bracepl.com</a>	01708 805 224
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Ahmed Zaki Khan	Research Associate	<a href="mailto:zaki.khan@bracepl.com">zaki.khan@bracepl.com</a>	01708 805 211
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229

#### International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-------------------------------------	--	---------------