

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.

Bangladesh export earnings soar by 20% in July

- Bangladesh's export earnings in July, the first month of the current financial year 2018-19, grew by 19.88% to USD 3.58 billion from USD 2.98 billion in the same period of the financial year 2017-18. Defying the negative growth in the month of June in last financial year, the country's export earnings in the month of July achieved a strong growth riding on the good performance of readymade garment sector. Experts and exporters find the export earnings growth in the first month of the current fiscal encouraging but say it is not possible to assess the export trend based only on one month data.
- Eid festival-related issues may have been reflected in the export earnings growth of the month of July as a good quantity of export products of the month of June were shipped in July considering the Eid-ul-Fitr holidays, they posit. The EPB data shows that the earnings from RMG product export in July of FY19 grew by 21.72% to USD 3.01 billion from USD 2.48 billion in the same period of FY18. 'Export earnings growth in the first month of the current fiscal is positive and optimistic but it will not help understand the trend of export earnings with only one month's data,' Policy Research Institute of Bangladesh executive director said.
- He said that export earnings in June witnessed a negative growth as a lesser number of consignments were shipped in the month due to long Eid-ul-Fitr holidays. A good quantity of finished products were shipped in July. He again said that readymade garment sector was always doing well but the performance of non-RMG sectors including leather sector was disappointing. According to the EPB data, earnings from knitwear export in the first month of FY 19 grew by 20.88% to USD 1.52 billion compared to that of USD 1.26 billion in the same month of last fiscal.

<http://www.newagebd.net/article/48446/bangladesh-export-earnings-soar-by-20pc-in-july>

RMG exports to US grow 4.81% in first half

- Bangladesh's apparel exports to the United States grew by 4.81% during the first half of 2018 compared to that of last year. The country fetched USD 2.70 billion from apparel exports to the US market during January to June period of 2018 against USD 2.57 billion earnings of the corresponding period of last year, according to data from Office of Textiles and Apparel (OTEXA) affiliated with the US Department of Commerce. During the period, Bangladesh shipped 1.0 billion square meter of apparel which was 964 million in first quarter of last calendar year.
- The US imported a total of USD 2.83 billion of goods from Bangladesh during January to June 2018 period, it showed. Export earnings from non-apparel items, including shrimp and plastic products, stood at USD 132.72 million during the January to June period registering a 2.91% growth, according to data. After the Rana Plaza building collapse in 2013, Bangladesh's apparel exports to US declined in 2014 and stood at USD 4.83 billion which was USD 4.95 billion in 2013. In 2015, exports grew to USD 5.40 billion but continued declining trends in next two consecutive years.
- In 2017, the country earned USD 5.06 billion from garment exports to US, according to OTEXA data. A recent study conducted by the US Fashion Industry Association (USFIA), however, revealed that US-based apparel companies this year again considered Bangladesh as their fifth sourcing destination as the country offered most competitive price. On the other hand, Chinese apparel exports witnessed a negative growth of 2.0% to USD 11.27 billion in the first half of this year.

<http://today.thefinancialexpress.com.bd/last-page/rmg-exports-to-us-grow-481pc-in-first-half-1534355782>

Bangladesh Bank allows forex clearing account in Chinese yuan

- Bangladesh Bank on Tuesday announced that it would allow banks to open foreign currency clearing account with the central bank in Chinese yuan (renminbi). To this end, the central bank's foreign exchange policy department issued a circular on the day keeping other provisions of the Guidelines for Foreign Exchange Transactions-2018 unchanged. Officials of central bank said that the central bank's approval in this regard would help bilateral trade between Bangladesh and China. Exporters and importers would be able to get rid of the costs that arise due to exchange of currency from Chinese yuan to the USD and then to Bangladeshi currency BDT while conducting bilateral trade, they said.
- Opening letters of credit in the Chinese currency against import might help contain the growing pressure over the USD on the back of sharp increase in import payments, they said. The growing pressure over the dollar and the subsequent increase in the currency's exchange rate were also amplifying risk of inflation, the BB officials said. Due to huge import pressure, the interbank dollar exchange rate increased to BDT 83.75 on Monday from BDT 78 in January, 2016. The country's import payments increased by 25.23% to USD 54.463 billion in last financial year of 2017-2018

against USD 43.491 billion in FY17.

- Apart from the benefits for business to business trade, the government to government payments would also be benefited due to the new facility of opening foreign currency clearing account in Chinese yuan, they added. Before the renminbi inclusion, the authorised dealers of banks were allowed to open foreign currency clearing account with the central bank in currencies of five countries — US dollar, pound sterling, euro, Japanese yen and Canadian dollar.

<http://www.newagebd.net/article/48452/bangladesh-bank-allows-forex-clearing-account-in-chinese-yuan>

Banks go rural for inclusive growth

- The country's commercial banks have made their presence significantly in the mostly unbanked rural areas in recent times. The urban-focused banks are going rural to help the government foster financial inclusion by bringing the people under coverage. The banking authorities are fast making their presence. This has been possible mainly due to efforts by the central bank. According to the Bangladesh Bank (BB), both privately-run and state-owned banks have opened a total of 9,981 branches across the country till May 2018.

- 5,633 were opened in rural areas and 4,348 in urban regions. Some 2,349 state-owned commercial banks (SoCBs), 1,297 specialised banks (SBs), 1,987 private commercial banks (PCBs) opened branches in rural areas. The total number of branches was 8,685 as of December 2013. Of them, 4,962 were in rural areas and 3,723 in urban areas, revealed the BB data. The central bank is trying to provide banking services to rural areas and increase financial inclusion for the sake of poverty alleviation.

- The central bank earlier introduced the guideline for bringing unbanked people under the banking network. As per the policy, 50% of the bank branches opened in a calendar year must be in rural areas. The authorities have put the banking sector on a sound footing. This has been possible because of the efforts made by the BB. Rural banks have traditionally supported local economic development by supplying funds to local businesses.

<http://today.thefinancialexpress.com.bd/first-page/banks-go-rural-for-inclusive-growth-1534355542>

Government facilitates BDT 3.87 billion monthly prize for telcom companies as users pay more

- Bangladesh government has created a scope for three leading mobile operators to earn additional combined monthly revenue of around BDT 3.87 billion by introducing unified minimum rate of BDT 0.45 per minute, leaving the subscribers to feel the pinch of increased call rate. Four mobile phone operators, following a directive from the Bangladesh Telecommunication Regulatory Commission (BTRC) on Monday, implemented the new tariff rate, ranging from BDT 0.45 to BDT 2 per minute, on Tuesday, scrapping the provision of separate floor price for on-net and off-net of BDT 0.25 and BDT 0.60 respectively.

- While many of the subscribers are complaining that the cost of their calls increased in last two days mainly because of the hiking of floor price to BDT 0.45 from BDT 0.25, a BTRC estimate shows that mobile operators Grameenphone, Banglalink and Robi will make a windfall revenue increase while state-run Teletalk will incur losses. The BTRC estimate placed before the government shows that compound monthly revenue of three mobile phone operators — GP, Robi and Banglalink — will increase by BDT 3.87 billion to BDT 12.06 billion from BDT 8.19 billion because of the introduction of uniform minimum call rate.

- Considering the change in floor price and monthly average on-net, off-net and termination of voice call minutes, the leading mobile phone operator GP's monthly revenue will increase by 54.93% or BDT 2.19 billion, according to the estimation. GP's monthly revenue will increase to BDT 6.17 billion from BDT 3.98 billion. Banglalink and Robi's monthly revenue will increase by 44.45% and 35.07% respectively. Banglalink's monthly revenue will increase by BDT 0.97 billion to 3.16 billion from BDT 2.19 billion. Besides, Robi's revenue will increase by BDT 0.71 billion in a month to 2.74 billion from BDT 2.03 billion.

<http://www.newagebd.net/article/48505/govt-facilitates-BDT-387cr-monthly-prize-for-telcos-as-users-pay-more>

Formation of companies to facilitate stock trading getting delayed

- The formation of a proposed company for facilitating trades in the stock market is taking much time than expected due to delay in getting necessary approval from the Bangladesh Securities and Exchange Commission (BSEC). The Dhaka and Chittagong stock exchanges in May last announced to form the company, Central Counterparty Bangladesh Limited (CCBL), immediately after completion of the relevant formalities. But after three months, the exchanges were now saying that they could not yet form the CCBL as the approval on the draft of the memorandum and articles of association of the proposed company is being delayed.

- The CCBL is expected to provide clearing and settlement services for trades in securities, options and derivative contracts with a capability of bigger scale risk management. The Dhaka Stock Exchange (DSE) and Chittagong Stock

Exchange (CSE) agreed on shareholding portions of the proposed company to be held by stakeholders on May 16, 2018. CSE Managing Director said that both the stock exchanges are now doing the relevant works of forming the proposed CCBL.

<http://today.thefinancialexpress.com.bd/stock-corporate/formation-of-co-to-facilitate-stock-trading-getting-delayed-1534350508>

Ten companies raise BDT 4.67 billion through IPOs in eight months this year

- Ten companies raised an aggregate amount of BDT 4.67 billion through initial public offerings (IPOs) in the first eight months of this calendar year. Market operators said that the fund raising through the IPOs is going to surge this year, after hitting a ten-year low in 2017, as some 21 companies already applied for raising BDT 13.07 billion through the IPOs. In 2017, six companies and a mutual fund raised only BDT 2.19 billion through IPOs, according to statistics from the Dhaka Stock Exchange (DSE). The IPO is the first sale of a stock of a private company to the public.
- According to officials of the securities regulator, 21 more companies submitted applications to the Bangladesh Securities and Exchange Commission (BSEC) for raising funds both through the fixed price and book-building method. The companies include textile, power, real estate, ceramic, engineering, automobile, pharmaceuticals, IT and insurance sectors. Of the firms, 11 companies submitted their applications to collect more than BDT 10.66 billion under the book building method. STS Holding sought to raise BDT 750 million, Shamsual Alamin Real Estate BDT 800 million, Esquire Knit Composite BDT 1.50 billion, Runner Automobiles BDT 1.0 billion, ADN Telecom BDT 570 million, Popular Pharmaceuticals BDT 700 million.
- Delta Hospital BDT 500 million, Index Agro BDT 500 million, Energypac Power Generation BDT 1.50 billion, Star Ceramics BDT 600 million and Baraka Patenga Power BDT 2.25 billion. Of the companies, BSEC allowed Esquire Knit Composite, Runner Automobile and ADN Telecom to explore IPO cut-off price - a requirement for going public under the book building method. And rest 10 companies would raise BDT 2.40 billion under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/ten-cos-raise-BDT-467b-through-ipos-in-eight-months-this-year-1534350677>

Bangladesh Securities & Exchange Commission (BSEC) fines 7 Doreen Power officials for insider trading

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday decided to fine seven officials of Doreen Power Generations and some investors for manipulating share prices through insider trading. Insider trading is the buying or selling of a security by someone who has access to price sensitive information about the security that has not been made public. Doreen's chief financial officer, independent director, company secretary, general manager, and senior general manager, will be fined BDT 0.1 million each. During a meeting, the BSEC also settled on fining a stock broker, Dynamic Securities Consultants, BDT 2 lakh for having a deficit in consolidated customer accounts.
- The meeting decided to issue warnings on seven persons and entities for violating securities ordinance in trading. The commission also decided to warn United Airways for failing to submit several quarterly reports on time.

<https://www.thedailystar.net/news/business/bsec-fines-7-doreen-power-officials-insider-trading-1621390>

Dhaka Stock Exchange (DSE) to seek Bangladesh Securities & Exchange Commission (BSEC) fines guideline on companies' PSI

- Dhaka Stock Exchange mulls over seeking a guideline on disclosure of companies' price sensitive information from Bangladesh Securities and Exchange Commission as DSE has detected loopholes regarding the issue in the Dhaka Stock Exchange (Listing) Regulations 2015. DSE board of directors will submit its proposals in this regard to the BSEC after Eid holidays to combat the manipulation of shares. Any information and decision that the issuers of securities are obliged to disclose according to Securities and Exchange Commission Rules 1995 and have potentiality to have their impacts on share prices are called price sensitive information (PSI).
- The DSE is planning to propose a guideline as it has detected ambiguity in the listing regulations that the companies misuse for illicit gain. DSE is not going to seek an amendment to the listing regulations as it was formed just three years back, rather it would ask the BSEC for a new guideline regarding the PSI that would give solutions to the problems the DSE is facing, he said. There is a general trend that whenever the bourse asks any company whether it has any unpublished PSI behind irrational increase in the company's share prices, it denies any possibility of undisclosed PSI behind the price hike.
- However, it has been observed that a number of companies made crucial decisions and disclosed their PSIs just a week after they had denied. Some companies said that it was not logical to ask about any unpublished PSI as the companies were obliged by law to disclose PSI within 30 minutes of the decision. Therefore, the DSE will request to

widen the disclosure requirements. It may propose to make it mandatory for companies to inform it about any informal decision that the board agreed to do in principle. According to the DSE listing regulation, any listed company must disclose its price sensitive information within 30 minutes of the decision on such information to the exchange and the commission.

<http://www.newagebd.net/article/48508/dse-to-seek-bsec-guideline-on-cos-psi>

Telenor unhappy over Bangladesh Telecommunication Regulatory Commission (BTRC) snub

- Norwegian multinational telecommunications entity Telenor Group has expressed its dissatisfaction to the Bangladesh Telecommunication Regulatory Commission for not being one of the four companies picked by the telecom regulator for tower sharing company licences. BD Tower Business Co Consortium, in which Telenor Norway and Peak Tower Holding Co Pte Ltd, two sister concerns of Telenor Group, are partners, applied for the tower sharing business licence in Bangladesh but a BTRC evaluation committee put the consortium on seventh out of eight applicants.
- The consortium also includes Transcend Infrastructure Holdings Pte Ltd, a subsidiary of American Tower Corporation, and Grameen Byabosa Bikash, a sister concern of Grameen Bank. Telenor Group on August 10 sent a letter, issued by its EVP to acting BTRC chairman seeking information on why the application of the consortium was not successful in obtaining tower sharing company licence. Although the Bangladesh's telecom regulator is yet to make the names of the successful applicants public officially, the commission has already forwarded the names to the posts and telecommunications ministry for approval.
- Telenor issued the letter following a media report that the BTRC at a special commission meeting held on August 5 endorsed a report of the 15-member committee formed to evaluate the applications for awarding tower sharing business licences. In the letter, Telenor requested for a debriefing opportunity with the relevant members of the evaluation committee or BTRC officials to learn the reasoning behind the scores that were given to their application.

<http://www.newagebd.net/article/48449/telenor-unhappy-over-btrc-snub>

Bangladesh Securities & Exchange Commission (BSEC) allows ADN Telecom to discover IPO price

- The Bangladesh Securities and Exchange Commission on Tuesday allowed ADN Telecom Limited to discover cut-off price of its shares under the book building method for raising BDT 0.57 billion from the capital market through an initial public offering. The commission gave the approval at a meeting presided over by its chairman. With the participation of institutional investors, the selling price of the company's share would be set through the bidding process. ADN Telecom will use the IPO proceeds in infrastructure development, installing data centre, paying bank loans and meeting the IPO expenses. As per the entity's audited financial statements for the year ended on June 30, 2017, the company's net asset value per share and weighted average earnings per share were BDT 16.13 and BDT 2.52 respectively. ICB Capital management Limited is the issue manager of the company's IPO.

<http://www.newagebd.net/article/48450/bsec-allows-adn-telecom-to-discover-ipo-price>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$65.08	+0.07	+0.11%
Crude Oil (Brent)*	\$71.02	+0.26	+0.37%
Gold Spot*	\$1,172.09	-2.76	-0.23%
DSEX	5408.46	29.73	0.55%
Dow Jones Industrial Average	25,162.41	-137.51	-0.54%
FTSE 100	7,497.87	-113.77	-1.49%
Nikkei 225	22,159.11	-45.11	-0.20%

Exchange Rates

USD 1 = BDT 83.81*

GBP 1 = BDT 106.59*

EUR 1 = BDT 95.38*

INR 1 = BDT 1.19*

**Currencies and Commodities are taken from Bloomberg.*

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