

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 Bank (BB) denies report on keeping spurious yellow metal in vault

- Bangladesh Bank has denied claims that the gold kept by the customs at the central bank's vault was adulterated, reports bdnews24.com. The central bank made the assertion on Tuesday afternoon after a national daily published a report citing an inspection by the Customs Intelligence and Investigation Directorate (CIID). Bangladesh Bank Executive Director said that The purity of the gold kept by the customs detectives was 40%, but it was recorded 80% due to the similarity between the number 4 in Bangla and 8 in English.

- A registered goldsmith from Shokh Jewellers made the mistake, he claimed. He also added that the mistake Bangladesh Bank did was merely an error in recording the purity of gold. The CIID found the anomalies while inspecting randomly sampled gold from 963kg deposit in the central bank's vault from January to April last year. CIID kept gold coins and rings weighing 3.3kg in the vault on August 23, 2015, but during the inspection it found adulteration in the gold, which caused the state a loss of over BDT 11.1 million, according to the report. The state suffered another loss of over BDT 19 million by showing 22 carat gold as that of 18 carat, the report claims. The CIID inspection report was sent to the central bank via the National Board of Revenue.

<http://today.thefinancialexpress.com.bd/print/bb-denies-report-on-keeping-spurious-yellow-metal-in-vault-1531850357>

Former governor of Bangladesh Bank stresses sustaining financial stability

- Bangladesh Bank (BB) former governor has suggested continuing to remain focused on the hard-earned financial stability for sustaining the macroeconomic transformation of Bangladesh. He further said Bangladesh's story of macroeconomic transformation is still unfolding and yet to be told. He asserted that it was indeed heartening to see how an economy of only eight billion USD s in 1972 transformed itself into the world's 43rd largest economy of around 280 billion USD s within such a short span of time.

- More interestingly, all the three sectors -- industry, services and agriculture -- demonstrated consistently stable upward trends leading to more than doubling of per capita income during the last decade, he added. Simultaneously, the country not only witnessed a huge reduction in the poverty (including extreme poverty) rate over these years but also a significant improvement in other social development indicators embracing health, education and nutrition. All this led to stunning increase in the life expectancy hitting more than 72 years, one of the highest in South Asia, he added.

- This spectacular paradigm shift towards more inclusive and broader socio-economic transformation has been possible due to well-articulated and smart development policies of the government complemented by the Financial Inclusion strategy of the central bank, he observed. These objectives include 1) high growth, yet inclusive, 2) respectful of heritage, yet tech-savvy, and 3) self-dependent, yet collaborative with non-state actors. At the same time the economy of Bangladesh has been witnessing an addition of two million medium and advanced consumers (MAC) annually with per capita income of more than five thousand USD s. These are brand --focused, tech-savvy new kinds of consumers with high-end market demand. There will be as many as 33 cities (currently 10) with at least three hundred thousand MAC population by 2025 creating a new consumer base, he opined.

- The investors must keep an eye on this strategic market development as well as the opportunities, he suggested. These macro-economic transformations are also facing many challenges including the need for creating 1.6 million new jobs annually, depleting natural resources like coal and gas, dependence on a single export item like garments, rapid unplanned urbanisation putting heavy pressure on needed infrastructure and city governance, he said. These challenges have been further compounded by the threat of an emerging financial instability.

<http://today.thefinancialexpress.com.bd/trade-market/dr-atiur-stresses-sustaining-financial-stability-1531852253>

Xiaomi enters Bangladesh

- Chinese smartphone maker Xiaomi yesterday officially announced its entrance to Bangladesh with a view to establishing a plant within the next couple of years. The vice-president of the global technology company said that Bangladesh is one of the biggest strategic markets for us and we are targeting it as it has huge potential as well. Xiaomi launched two mid-range smartphones at the event. It will start selling the two smartphones through daraz.com from July 26 and it will take a few more weeks to reach physical stores.

- He also shared plans to start the process of bringing in other digital products such as smart televisions and bicycles within a few months. Xiaomi also intends to start an e-commerce venture in Bangladesh, he added. He said that Xiaomi wanted to establish a position in the Bangladesh market first and in the meantime prepare to open the plant and the e-commerce platform. The vice president also said that only about 20% of the people in Bangladesh use smartphones

while Xiaomi has 4% of the market share and wants to increase the numbers which will also help take the country's digitalisation process forward.

<https://www.thedailystar.net/business/xiaomi-enters-bangladesh-1607209>

Garment unions reject proposals

- Trade union and rights organisations rejected on Tuesday the proposals made by garment factory owners and the workers' representative. A bargaining agent of the workers demanded BDT 16,000 as the minimum monthly wage for each at the entry-level. BSGSF general secretary said that the BSGSF and other rights groups have long been demanding "realistic" wages of BDT 16,000 based on the cost of living. Citing a research study conducted by Oxfam, he said the wage for the garment workers is the lowest in Bangladesh compared to top seven garment exporting countries.

- He again said that Currently the minimum wage in Bangladesh is USD67 which should be USD252. But it is a matter of great regret that workers' representative has proposed BDT 12,020 and owners' representative proposed BDT 6,360. All the workers became frustrated over the proposals, he said. So we, BSGSF, reject the proposals and call for BDT 16,000 as the minimum monthly wage. Owners and a worker representative on Monday proposed BDT 6,360 and BDT 12,020 respectively as the minimum monthly wage for an entry-level apparel worker.

<http://today.thefinancialexpress.com.bd/last-page/garment-unions-reject-proposals-1531850795>

<https://www.thedailystar.net/business/rmg-workers-reject-minimum-wage-proposals-1607200>

Bangladesh Securities & Exchange Commission (BSEC) approves two bonds of BDT 25 billion, one IPO of BDT 250 million

- Investment Corporation of Bangladesh (ICB) will issue subordinated bond to raise a capital worth BDT 20 billion for strengthening its market-supportive role, among others. BSEC also approved an IPO (initial public offering) proposal of S.S. Steel, which will raise a capital worth BDT 250 million under the fixed price method. The tenure of the ICB's non-convertible and fixed rate bond will be seven years. The bond will be fully redeemable, unsecured and unlisted.

- The bond units will be issued to different banks, insurance companies, financial institutions, corporate entities and high net worth individuals through private placement. The fund will be invested in primary and secondary market as part of its market-maker role. The ICB will also invest the fund as sponsor of NRB Mutual Fund and NRB Industrial Fund along with investing in infrastructure and 'thrust' sectors of the government, and PPP projects. ICB Capital management and Alfa Capital Management are working as trustee and lead arranger respectively.

- As per the BSEC approval, S.S. Steel will issue 25 million ordinary shares at an offer price of BDT 10 each under fixed price method. The company's IPO fund worth BDT 250 million will be utilised to purchase machineries, construct building and bear the IPO expenses. As per the financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 12, without revaluation, and BDT 15.35, with revaluation. The company reported its earnings per share (EPS) of BDT 1.20 and weighted average of EPS of BDT 0.82. Citizen Securities and Investment is working as issue manager of S.S. Steel.

- Al-Arafa Islami Bank will also raise a capital worth BDT 5.0 billion through issuing non-convertible floating rate subordinated bond. The tenure of the fully redeemable bond will be seven years. The company will raise the capital to fulfill the condition of Tier-II capital base. At Tuesday's meeting, the securities regulator also approved the prospectus of EDGE Bangladesh Mutual Fund (MF), an open-end MF. The initial size of the fund will be BDT 100 million and the fund's sponsor will contribute BDT 10 million, while remaining BDT 90 million will be collected from public. The securities regulator also fined Saad Securities of BDT 0.5 million for breaching securities rules through disbursing margin loans against 'Z' category shares.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-two-bonds-of-BDT-25b-one-ipo-of-BDT-250m-1531844262>

IPO subscription begins July 22 as High Court rescinds stay order

- The IPO subscription of Indo-Bangla Pharmaceuticals Limited will start on July 22 and end on July 26 as a stay order in this regard has been rescinded. There is no bar to conduct the IPO (initial public offering) subscription as the High Court (HC) has withdrawn its stay order, the issue manager said. Earlier, the HC issued a stay order on the company's IPO subscription following a writ petition filed by National Bank Limited (NBL). The writ petition was filed as four directors of Indo-Bangla Pharmaceuticals were 'loan defaulters' as guarantors of loans disbursed by the NBL.

- Before the writ petition, the NBL had also filed a case with Barishal Artha Rin Adalat against Indo-Bangla Pharmaceuticals Works, previous name of Indo-Bangla Pharmaceuticals, over the non-payment of a loan worth more than BDT 141.50 million. Managing director of AFC Capital, the issue manager of the IPO said that the HC has withdrawn its stay order as the Indo-Bangla Pharmaceuticals and NBL have reached a consensus about the financial

matter. He also said that the securities regulator has set the IPO subscription schedule following the court's decision. The BSEC approved the company's IPO proposal on October 3, 2017 to raise a fund worth BDT 200 million by issuing 20 million ordinary shares at an offer price BDT 10 each under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-begins-july-22-as-hc-rescinds-stay-order-1531844210>

<http://www.newagebd.net/article/46267/bsec-allows-icb-aibl-to-raise-BDT-2500cr-floating-bonds>

<http://www.newagebd.net/article/46271/bsec-okays-BDT-25cr-ipo-of-ss-steel>

Paper industry on the upswing

- The country's paper industry has been on a positive growth trajectory as the demand for paper rising on both the local and international markets. Only a few years back, imported paper met a large portion of domestic demand, but now the market share and the capacity of local manufacturers has grown significantly. The number of paper mills has now increased to over 80 from around 50 five years ago, while 15 or 20 more units are set to go into operation soon. The industry, which is churning out around 1.5 million tonnes of paper a year, has generated 1.0 million direct and indirect employments.

- Recently, many factories in China and some European countries faced closure due to higher production cost and environmental concerns, which opened up opportunities for a country like Bangladesh. Bangladesh can take this advantage and grab a share of the global market, cashing in on the closure of around half of the mills in China and Europe, said Managing Director (MD) of Asia Paper Mills Limited. There is a huge demand for almost all types of paper, including packaging paper, art paper, newsprint and writing paper, in the country against the backdrop of rapid industrial growth.

<http://today.thefinancialexpress.com.bd/trade-market/paper-industry-on-the-upswing-1531852185>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$68.10	+0.04	+0.06%
Crude Oil (Brent)*	\$72.19	+0.35	+0.49%
Gold Spot*	\$1,241.36	+0.43	+0.03%
DSEX	5339.91	+3.16	+0.06%
Dow Jones Industrial Average	25,064.36	+44.95	+0.18%
FTSE 100	7,600.45	-61.42	-0.80%
Nikkei 225	22,782.17	+184.82	+0.82%

Exchange Rates

USD 1 = BDT 84.10*

GBP 1 = BDT 110.26*

EUR 1 = BDT 98.01*

INR 1 = BDT 1.23*

*Currencies and Commodities are taken from Bloomberg.

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