

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 moves to regulate banks' non-listed investment

- The Bangladesh Bank yesterday issued a guideline to regulate banks' investment in non-listed securities with a view to keeping their risks at a tolerable level. Non-listed securities include non-listed equity share, non-convertible bond, debenture, open-ended mutual fund, and non-convertible cumulative preference share. The move from the central bank came after it separated banks' investment in the non-listed securities from their exposure to the stock market. In case of non-listed equity share, banks' investment must be less than 5% of their paid-up capital, share premium, statutory reserve, and retained earnings. The investment of a bank must be lower than 10% of the non-listed company's paid-up capital too. The price of shares of non-listed companies, including premium should not be higher than 110% of its net asset value.
- In case of investment in preference shares, it should be non-convertible cumulative and would be included in the banks' single borrower exposure limit. The tenure of preference shares should not be higher than five years and its interest or cash dividend should be fixed. If the interest or dividend remains unpaid in one year, then 25% of principal and interest should be maintained as provision. The provision should be extra 25% if it remains unpaid in the second year as well. If it lingers to the third year, then 100% provisioning must be maintained.
- In case of investment in non-listed mutual funds or open-ended mutual funds, banks' investment must not be higher than 5% of banks' paid-up capital, share premium, statutory reserve and retained earnings. At the same time, the investment should not be higher than 15% of funds' total size. Banks must submit quarterly statements on their investment in the non-listed securities to the central bank, as per the guideline.

<https://www.thedailystar.net/business/news/bb-moves-regulate-banks-non-listed-investment-1749484>
<http://www.newagebd.net/article/73610/bb-limits-banks-investments-in-non-listed-cos>

Remittance inflow increases ahead of Eid

- The country received USD 1.35 billion in remittances in the first 24 days of the current month as Bangladeshi expatriates sent home a higher amount of money ahead of Eid-ul-Fitr. The inflow of remittances amounted to USD 1350.57 million from May 1 to May 24, according to the Bangladesh Bank latest data.
- In the July-April period of the current fiscal year, Bangladeshi expatriates sent USD 13.30 billion, which was 10% higher than the same period of the previous fiscal year, according to BB data. Bangladesh received USD 14.98 billion in remittances in the fiscal year of 2017-18. That was 17.33% higher than the previous (2016-17) fiscal year. Now the foreign exchange reserves (reserve) of Bangladesh Bank in satisfactory condition owing to the increasing trend of remittance. On Thursday, the reserve stood at USD 31.33 billion. The inflow of remittance has increased due to various steps taken by the central bank to stop hundi and high interest of dollar in the local market.
- Remittance inflow is increasing through mobile financial services ahead of Eid-ul-Fitr, the country's largest religious festival. In the first 15 days of Ramadan, expatriates have sent in remittance worth more than BDT 100 million through bKash, according to bKash.

<https://www.dhakatribune.com/business/2019/05/26/remittance-inflow-increases-ahead-of-eid>

Footwear retailers eye BDT 30 billion sales this Eid

- Footwear manufacturers and retailers are looking to rake in BDT 30 billion in sales this Eid-ul-Fitr as sandals and shoes are high on the shopping lists of customers from all walks of life. Renowned brands such as Apex, Jennys, Bata, Bay, Zeils and Leatherex as well as imported footwear, especially non-branded Chinese products have been found to be high in demand for their lower prices and pretty look. A third of the total annual sales of all branded and non-branded footwear is sold ahead of Eid-ul-Fitr. Local sales fetched BDT 100 billion to BDT 120 billion in 2018, according to the managing director of Jennys Shoes Ltd. The sector has been growing at an average of 12% for the last one decade, drawing in new investors, both local and foreign.

<https://www.thedailystar.net/business/news/footwear-retailers-eye-BDT-3000cr-sales-eid-1749502>

Active SIMs cross 160 million

- Bangladesh's mobile industry hit a new milestone in April, crossing the 160 million mark in total active connections, according to a report of the telecom regulator published yesterday. At the end of April the total number of active mobile connections stood at 160.6 million, after 0.81 million new connections were added during the course of the month. Of

the total active connections, 74.5 million are with Grameenphone, making it the undisputed market leader despite its various run-ins with Bangladesh Telecommunication Regulatory Commission in recent months. Robi, which merged with Airtel in November 2016, has 47.6 million active SIMs and Banglalink 34.6 million. State-owned Teletalk has 3.4 million active SIMs.

- In a sobering development, the latest 10 million new subscribers took longer to come by than the previous two: 13 months as opposed to six months before. Furthermore, industry insiders said the total number of unique users might not even cross 100 million. A survey by South Asia-based think-tank LirneAsia last year found that 30% of the mobile users in Bangladesh were using two SIMs and 2% more than three SIMs at a time.

<https://www.thedailystar.net/business/news/active-sims-cross-16cr-1749493>

Local assembly to meet 30% of handset demand this year

- As much as 95% of the handsets sold in Bangladesh by the South Korean electronics giant Samsung are assembled in its plant in Narsingdi, in a major endorsement of the country's fast-improving assembling capabilities. The plant, which was set up with expertise from Samsung, was born out of the government's discriminatory tax structure towards handset imports. The total tax on imported handsets is 32% in contrast to about 17% on locally assembled ones. For handsets manufactured in Bangladesh, the tax is just 5%.

- This tax structure prompted seven parties to seek out licenses from the Bangladesh Telecommunication Regulatory Commission for local assembling of devices. Of them, five have got their assembly lines rolling and in the first quarter of this year supplied 12.63% of the total demand for 7.6 million units of handsets. Last year they churned out 2.61 million units, and by the end of the year they will account for one-fourth the supply, according to the joint secretary general of the Bangladesh Mobile Phone Importers Association (BMPIA). Samsung, Symphony, Transsion, Walton, and Al Amin Brothers have local assembly plants.

<https://www.thedailystar.net/business/news/local-assembly-meet-30pc-handset-demand-year-1749505>

New Line Clothings makes debut today

- Trading of the shares of New Line Clothings Ltd will commence on the bourses today (Monday) under 'N' category, officials said. The Dhaka Stock Exchange (DSE) trading code for the company is "NEWLINE" and DSE company code is 17482. New Line Clothings raised a fund worth BDT 300 million from the public by floating 30 million ordinary shares using the fixed price method at an offer price of BDT 10 each. Established in 2000, the principal activities of the company is to manufacture various kinds of woven garments for both ladies and gents including trousers, shirts, children wear, gents wear, female wear, jackets, sportswear, denim garments and marketing.

- As per the entity's un-audited financial statements, profit after tax was BDT 58.73 million and basic earnings per share (EPS) of BDT 1.47 for the nine months (July 2018- March 2019) against profit after tax of BDT 55.59 million and basic EPS of BDT 1.39 for the same period of the previous year. However, post-IPO EPS would be BDT 0.84 for nine months period that ended on 31 March 2019. Pre-IPO net asset value (NAV) per share would be BDT 34.93 as on 31 March 2019 and the same would be BDT 24.23, considering post-IPO paid up shares. The company's post-IPO paid-up capital is BDT 699 million and authorized capital is BDT 1.0 billion.

<http://today.thefinancialexpress.com.bd/stock-corporate/new-line-clothings-makes-debut-today-1558893034>

Government to allocate BDT 100 billion as subsidy for LNG imports in next budget

- The government is likely to allocate BDT 100 billion in the budget for the next fiscal year (2019-20) for subsidizing the imports of liquefied natural gas. Officials said LNG became the new item of the subsidy basket under the budget. Against the shortage of local gas output, state-owned Petrobangla and local private group Summit are importing LNG, which is being supplied as gas to the end customers at the government-set price. Finance ministry officials said that the government had released BDT 25 billion as subsidy against the LNG imports in the outgoing fiscal year (2018-19).

<http://www.newagebd.net/article/73611/govt-to-allocate-BDT-1000cr-as-subsidy-for-lng-imports-in-next-budget>

Shoppers go digital to beat Eid traffic

- The growing demand from rural parts of the country and unbearable traffic in the capital have turned out to be a boon for e-commerce sites ahead of Eid-ul-Fitr, with many recording 30% higher orders than last Eid. The improvements in the delivery system and accessibility of internet across the country have also worked in the e-tailers' favour.

- Currently, there are 1,000 e-commerce entrepreneurs in Bangladesh, while another 1,000 run their business via Facebook. The country's total e-commerce market size is about BDT 15-20 billion a year, and it is growing at 50%, according to the e-Commerce Association of Bangladesh. At present, there are 93.1 million active internet connections

in the country, according to the Bangladesh Telecommunication Regulatory Commission.

<https://www.thedailystar.net/business/news/shoppers-go-digital-beat-eid-traffic-1749034>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$58.41	-0.22	-0.38%
Crude Oil (Brent)*	\$68.73	+0.04	+0.06%
Gold Spot*	\$1,287.15	+2.22	+0.17%
DSEX	5253.33	+2.73	+0.05%
Dow Jones Industrial Average	25,585.69	+95.22	+0.37%
FTSE 100	7,277.73	+46.69	+0.65%
Nikkei 225	21,176.08	+58.86	+0.28%

Exchange Rates

USD 1 = BDT 84.25*

GBP 1 = BDT 107.29*

EUR 1 = BDT 94.49*

INR 1 = BDT 1.21*

**Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.*

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