

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.

Apparel pushes up exports to US

- The overall value of Bangladesh's exports to the US increased 5.83% year-on-year to USD 3.63 billion in the first seven months this year propelled by higher apparel shipments, US Census Bureau data shows. Export of apparel items grew 5.61% to USD 3.21 billion while Bangladesh moved to the third position from sixth with respect to garment export to the US, according to data from the US Office of Textile and Apparel (OTEXA).

- Of Bangladesh's total export value, garment items account for over 90%. According to the President of BGMEA, The inspection and remediation of the factories as per recommendations of the Accord and Alliance brightened the country's image a lot, for which customers of the western world are satisfied with Bangladeshi goods, he said. Both the Accord and Alliance have already completed over 90% remediation of the factories in the garment sector, mainly fixing electrical, fire and structural loopholes. He also said that some of the US retailers who had left Bangladesh a few years ago for countries like Myanmar and those in Africa were coming back with hands full of work orders.

<https://www.thedailystar.net/business/news/apparel-pushes-exports-us-1631353>

August inflation slightly eases to 5.48%

- The general point to point inflation rate in August last slightly eased to 5.48% point from the previous month due to the slight decrease in food inflation. The general point to point inflation rate slightly eased to 5.48% point in August, Planning Minister said. The general point to point inflation rate in July was 5.51% point down from 5.54% point in June. The general point to point inflation rate in May was 5.57% point down from 5.63% point in April. The inflation rate in March was 5.68% point while it was 5.72% point in February. The general point to point inflation rate in January was 5.88% point.

<http://today.thefinancialexpress.com.bd/public/first-page/aug-inflation-slightly-eases-to-548pc-1536256082>

USD 2.0 billion fund soon to finance power, energy projects

- The government is planning to create a sovereign fund amounting to USD 2.0 billion by this year to finance infrastructure development in the power and energy sector. Principal Coordinator for Sustainable Development Goals (SDGs) Affairs of Prime Minister's Office (PMO) disclosed this while speaking at a seminar in the city on Friday. Speaking on the challenges to be encountered while mobilising an estimated USD 60 billion for producing 40 gigawatts (GW) of power by 2030, he said the government is contemplating all possible options for the required power-mix and fund-mix for it. Ministry of Power, Energy and Mineral Resources organised the seminar as part of its three-daylong Power and Energy Week 2018.

- Managing Director of Boston Consulting Group (BCG) Ferdinand Varga moderated the function, where a number of local and overseas investors were present. Mentioning various initiatives of the government to achieve the targets in the sector, Mr. Azad said the government projected the power-mix with 35 % power coming from gas and coal each, and formulated policy accordingly. Calling upon the multilateral donor agencies and development partners to pour their investment into the power and energy sector, he said the sector never failed in paying dues to the private sector, which contributes 45 % of the country's total power generation. The chairman of Summit, which has invested USD 1.5 billion in the sector, termed ensuring efficiency as one of the major challenges for the nation in the area in the coming years.

<http://today.thefinancialexpress.com.bd/first-page/20b-fund-soon-to-finance-power-energy-projects-1536341986?date=08-09-2018>

Investment guru thinks Bangladesh RMG export to US may rise

- Bangladesh readymade garment sector may see boost to its exports to the US market as the US president Donald Trump warned on Friday he was ready to slap tariffs on virtually all Chinese imports into the United States, according to a global investment expert. Trump threatened duties on another USD 267 billion of Chinese goods on top of USD 200 billion in imports primed for levies in coming days, reports Reuters. If the US president goes with his plan, Chinese apparel exports will also face tariffs in US market, where Bangladesh is one of the leading players. An article on portfolio strategy posted on Seeking Alpha, a US-based crowd-sourced content service provider for financial markets, on August 14 highlighted that Bangladesh and Vietnam would be beneficial most if US imposes any tariff on apparel imports from China. China exports apparel products worth around USD 11.40 billion to US in a year while Bangladesh exports around USD 5.5 billion and Vietnam around USD 11.50 billion.

<http://www.newagebd.net/article/50160/investment-guru-thinks-bangladesh-rmg-export-to-us-may-rise>

Sonali Bank seeks guarantee from government against BDT 60 billion

- Sonali Bank has sought guarantee worth BDT 60 billion from the government to urgently meet its huge capital shortage. It also wants commission on a BDT 942 billion letter of credit (LC) opened for importing equipment and services for Rooppur Nuclear Power Plant (RNPP). The available data showed that Sonali Bank Ltd (SBL) had a capital shortage of BDT 67.55 billion until March 2018. It was BDT 53.97 billion at the end of December 2017. On August 30, SBL Managing Director wrote to finance ministry with a plea of help. The SBL sought the issuance of government's guarantee worth BDT 60 billion in its favour to address its capital shortfall. It needs the injection of fresh funds immediately.

- An official of the bank confirmed that they have sought guarantee from the government most recently. He explained that the government assures its guarantee and the central bank then raises the capital status as per the Basel guideline. The official said that a total of BDT 50 billion in commission comes usually through charging 0.40% against the LC opening for the RNPP project. If the government provides the actual commission instead of block allocation as per rules, he said, the bank could get some BDT 50 billion from the project.

<http://today.thefinancialexpress.com.bd/public/first-page/sonali-bank-seeks-guarantee-from-govt-against-BDT-60b-1536256040>

Amazon, Walmart to enter Bangladesh in two years

- American e-commerce giant Amazon and retail heavyweight Walmart will start operations in Bangladesh within a couple of years as the global companies are increasingly making foray into the market. Walmart already has a very big office in Dhaka and is planning to start business while Amazon is in talks with the government, said vice-president of the e-Commerce Association of Bangladesh (e-Cab). With the launch of their operations, the market ecosystem will change and the local players will feel the heat, he said. Chinese e-commerce giant Alibaba is already operating in Bangladesh through Daraz, said Jami, also the coordinator of the government's e-commerce project Eakshop.

- The size of the local e-commerce market size is about BDT 10 billion and about 100 ventures account for BDT 7.00 billion in annual sales. Currently, the market is catering 30,000 orders a day and it is more than doubling every year. The market has been growing at more than 100% every year and has enormous opportunity to grow further. Local ventures said that the government needs to clear its position on whether only two or three foreign players will dominate the market and grab all the businesses after two years or there will be some local ventures alongside the foreign entities.

<https://www.thedailystar.net/business/news/global-e-commerce-giants-amazon-walmart-start-operations-bangladesh-2-years-1631011>

Call to make energy prices affordable, rational

- Providing electricity and gas at "affordable" and "rational" prices is the major challenge for the country as it seeks to keep the industries competitive, said speakers at a seminar on Saturday. They stressed the need for devising an efficient pricing mechanism and ensuring proper energy mix to reduce the dependence on expensive liquid fuel. They also suggested use of less-expensive coal to make energy prices affordable. The Ministry of Power, Energy and Mineral Resources (MPEMR) organised the seminar on 'Energy Pricing' at Bashundhara International Convention Centre in the city. The seminar was part of a three-day programme to observe Power and Energy Week 2018.

- Executive Director of the Policy Research Institute of Bangladesh (PRI) placed the importance on deregulating the energy sector to ensure the private sector's engagement in electricity distribution and allow them to sell electricity directly to consumers. It would be win-win for both the government and the consumers, he said.

<http://today.thefinancialexpress.com.bd/first-page/call-to-make-energy-prices-affordable-rational-1536424455>

City Bank to invest BDT 1.30 billion in share capital

- The board of directors of City Bank has decided to invest BDT 1.30 billion in share capital against an offer by City Brokerage, a subsidiary of the bank. The bank will invest the amount in equivalent 130 million shares of BDT 10 each. The investment issue is subject to obtaining approval from the regulatory bodies-Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC) -and comply with the rules and regulations. The City Bank was listed on the Dhaka bourse in 1986. Each share of the bank closed at BDT 34.70 on Thursday, registering an increase of 4.20% over the previous day.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/city-bank-to-invest-BDT-130-billion-in-share-capital-1536257736>

Bangladesh Securities and Exchange Commission (BSEC) gets three options to seal fate of closed-end MFs

- A high-level meeting has proposed three options for Bangladesh Securities and Exchange Commission (BSEC) to settle the fate of closed-end mutual funds (MFs) as their respective tenures will expire in the near future. The securities regulator has been suggested to pick any one of the recommendations for settling the issue, said an official, who attended the meeting at the Ministry of Finance on Thursday last. The options suggested at the meeting were liquidation of closed-end MFs as per rules, conversion of the funds into open-end ones and extension of tenure once for ten years. Chaired by Finance Minister, the meeting was attended by BSEC Chairman. Senior officials of the ministry, securities regulator, stock exchanges and Investment Corporation of Bangladesh (ICB) were also present the meeting.
- Presently, there are 37 closed-end mutual funds listed with the stock exchanges. Earlier on June 29 in 2015, the securities regulator had set deadlines for conversion or liquidation of the closed-end MFs, which earlier crossed 10 years, managed by the Investment Corporation of Bangladesh (ICB) and AIMS of Bangladesh in accordance with a decision taken by three-fourths of the unit-holders. Later, a writ petition was filed with the High Court (HC) challenging the BSEC's directive. Finally, the BSEC directive regarding conversion or liquidation of closed-end MFs remained valid as the Appellate Division of the Supreme Court upheld the directive.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-gets-three-options-to-seal-fate-of-closed-end-mfs-1536420901>

VFS Thread makes trade debut today

- VFS Thread Dyeing makes its share trading debut today (Sunday) on both the bourses under 'N' category. DSE trading code for the company is "VFSTDL" and DSE company code is 17478, according to an official disclosure. VFS Thread Dyeing, which received initial public offering (IPO) approval from the Bangladesh Securities and Exchange Commission (BSEC) on April 03, raised a fund worth BDT 220 million from the capital market.
- The company raised the amount by floating 22 million ordinary shares at an offer price of BDT 10 each under the fixed price method. The company's public subscription was held on June 24 to July 02 last. The company will utilise the IPO fund to purchase plant and machinery, repay bank loans and bear the IPO expenses. As per the un-audited financial statement in nine months for the period of July 2017-March, 2018, the company's net profit after tax was BDT 94.05 million, pre-IPO EPS was BDT 1.50 and post-IPO EPS was BDT 1.11.

<http://today.thefinancialexpress.com.bd/stock-corporate/vfs-thread-makes-trade-debut-today-1536420981>

Runner Automobiles' IPO bidding to begin today

- The bidding for discovering cut-off price for Runner Automobiles IPO shares under the book-building method will begin on today (September 10). The bidding by the eligible institutional investors through the uniform and integrated electronic subscription system of the stock exchanges will be continued till September 13. Runner Automobiles, which held road show in October 2016, will raise a capital worth BDT 1.0 billion from the capital market using the book-building method. According to the financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 55.70, with revaluation reserve. The value is BDT 41.94 without revaluation reserve.
- IDLC Investments is working as the issue manager of the IPO. Incorporated in 2000, the Runner Automobiles is a motorcycle manufacturer in Bangladesh. Currently, the company manufactures 12 different types of motorcycles ranging between 80 CC and 150 CC. Recently, the government has allowed the Runner Automobiles to import raw materials and components to make motorcycles of over 165cc to 500cc, widening export opportunities for the local company. The ministry of commerce gave its consent to import parts and raw materials on August 30 last. Under a move to diversify the export basket, Runner has set a target of exporting 165cc to 500cc motorcycles to Bhutan, Myanmar, and north-eastern states of India, Africa and the Middle East.

[Recently, the government has allowed the Runner Automobiles to import raw materials and components to make motorcycles of over 165cc to 500cc, widening export opportunities for the local company.](#)

Lilly's Elanco unit expects IPO to raise up to USD 1.45 billion

- Eli Lilly & Co's Elanco Animal Health unit on Thursday said it expects its initial public offering of 62.9 million shares to raise up to USD 1.45 billion. In July, Lilly said it would take Elanco public, marking the end of a nine-month review that weighed options for the unit. Zoetis' IPO here raised USD 2.2 billion and the company currently has a market capitalization of USD 43 billion. For the six months ended June 30, Elanco's net income was USD 9.9 million and the company brought in revenue of USD 1.5 billion.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/lillys-elanco-unit-expects-ipo-to-raise-up-to-145b-1536257815>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$67.75	-0.10	-0.03%
Crude Oil (Brent)*	\$76.83	+0.33	+0.43%
Gold Spot*	\$1,196.92	-3.06	-0.26%
DSEX	5562.24	+9.43	+0.17%
Dow Jones Industrial Average	25,916.54	-79.33	-0.31%
FTSE 100	7,277.70	-41.26	-0.56%
Nikkei 225	22,307.06	-180.88	-0.80%

Exchange Rates

USD 1 = BDT 83.71*
GBP 1 = BDT 108.16*
EUR 1 = BDT 96.71*
INR 1 = BDT 1.17*

**Currencies and Commodities are taken from Bloomberg.*

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BRAC EPL Stock Brokerage Limited

Research

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

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
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