

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-2.45%) lost 133.52 points and closed the week at 5,326.39 points. The blue-chip index DS30 (-2.33%) lost 45.49 points and stood at 1,902.98 points. The shariah based index DSES (-2.85%) lost 36.20 points and stood at 1,233.22 points. DSEX posted negative YTD return of -1.10% and DS30 & DSES posted positive YTD return of +1.18%, and +0.03% respectively.

Total Turnover During The Week (DSE): BDT 16.7 billion (USD 201.3 million)
Average Daily Turnover Value (ADTV): BDT 3.3 billion ($\Delta\%$ Week: -36.9%)

Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a negative movement of -0.48% in the first session. Then the market closed in negative territory in the second session (-1.13%) and continued to be negative in third (-1.00%) and fourth (-1.07%) sessions respectively. The market turned positive in the fifth session (+1.23%) of the week.

Sectoral Performance:

- The financial sectors showed negative performance this week. General Insurance posted the highest loss of 4.96% followed by NBFIs (-2.00%), Banks (-1.66%), Life Insurance (-1.39%), and Mutual Funds (-1.25%).
- The non-financial sectors registered negative performance this week. Power posted the highest loss of 5.55% followed by Telecommunication (-4.93%), Engineering (-2.23%), Pharmaceuticals (-1.54%) and Food & Allied (-0.04%).

Macroeconomic arena:

- The World Bank (WB) forecast a conservative 7.3% growth of Bangladesh's economy for the current fiscal year (FY) 2018-19. The GDP (gross domestic product) growth rate is 0.83% points lower than the government's provisional estimation of 8.13%. WB lead economist said that Bangladesh economy has been doing well over the years. Its potential is much higher than the current performance.
- The country's loan classification rules, which were tightened in 2012 to comply with global standards, are set to be relaxed by the central bank as it engineers to bring down the large amount of default loans. As per the rules, loans overdue for three, six and nine months are now classified as sub-standard, doubtful and bad respectively. But now, the timeline has been pushed by three months for each category, meaning non-payment for six months would lead to the loan being classified sub-standard.
- Bangladesh's trade deficit eased by 8.42% or USD 0.98 billion in July-February of the current 2018-2019 fiscal year compared with that in the same period of last fiscal year due mainly to a drop-in import payment growth. Trade deficit stood at USD 10.7 billion in July-February of FY19, down from USD 11.68 billion in the same period of FY18. In FY18, export growth was lenient against sharp growth in import.
- Banks are now offering double-digit interest rates for deposits in a desperate attempt to prop up their liquidity base amid high default loans and heavy bank borrowing by the government. The majority of the banks are forced to take deposits at 10% or more to tackle their liquidity crunch.

Stock Market arena:

- Arçelik, a leading Turkish home appliance maker, has closed on its acquisition of the Retail Holdings Bhold BV, the company that controls 57% of Singer Bangladesh Limited, for USD 75 million, according to an announcement by the Turkish company.
- BRAC Bank Limited and the Ace Alliance Power Limited (AAPL) celebrated the signing of an Interest Rate Swap (IRS) deal, under which the bank provided hedging for AAPL's exposure in LIBOR against their borrowing of USD 68.60 million for 10.3 years.
- The number of 4G customers of leading mobile operator Grameenphone (GP) crossed 10 million mark within 14 months of introducing the service, said a press release. GP crossed the threshold of 5 million 4G customers in November 2018 and the later 5 million joined within only five months.
- Esquire Knit Composite has made its debut trading on Tuesday on both the bourses under 'N' category, Esquire Knit Composite will be 54th listed company in textile sector. Under the book building method, the company raised BDT 1.50 billion issuing 34.89 million ordinary shares. The company's basic earnings per share (EPS) was BDT 3.44 and the net asset value (NAV) per share (with revaluation) BDT 49.27 at the end of June 30, 2018.

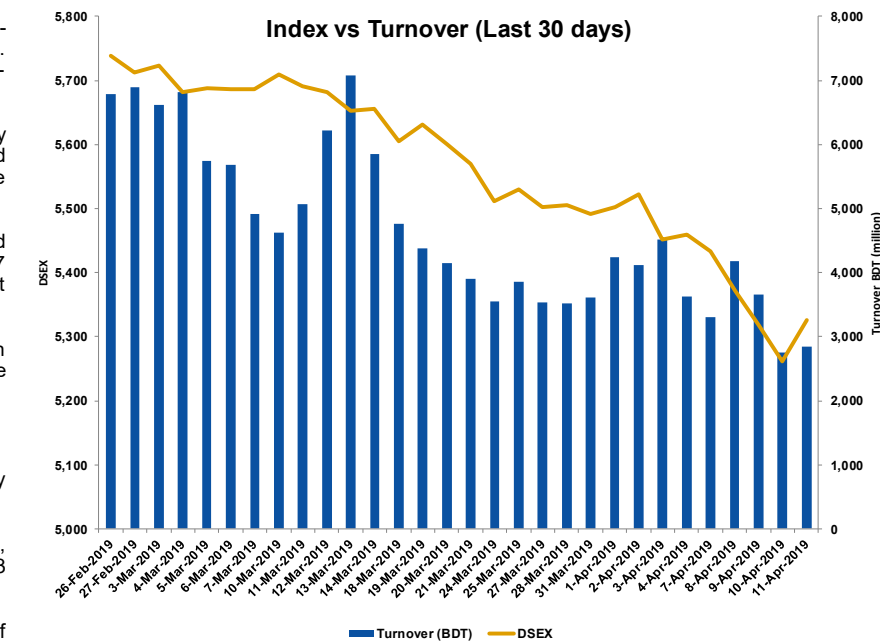
Table 1: Index

Index	Closing	Opening	Δ (Pts)	27-Dec-2018	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,326.39	5,459.91	-133.52	5,385.64	-2.45%	-1.10%
DS30	1,902.98	1,948.47	-45.49	1,880.78	-2.33%	1.18%
DSES	1,233.22	1,269.42	-36.20	1,232.82	-2.85%	0.03%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,969,766.1	28,843,327.2	-30.8%
	Mn USD	240,223.3	346,966.5	
Turnover	Mn BDT	16,734.9	26,529.9	-36.9%
	Mn USD	201.3	319.1	
Average Daily Turnover	Mn BDT	3,347.0	5,306.0	-36.9%
	Mn USD	40.3	63.8	
Volume	Mn Shares	350.9	521.5	-32.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Meghna Condensed Milk	23.90	20.30	17.7%	382.4	5.47	NM	NM
Meghna Pet Industries	13	11.60	15.5%	160.8	1.22	NM	NM
Samata Leather	76.00	67.10	13.3%	784.3	27.89	NM	5.3x
Eastern Cables	332.90	295.00	12.8%	7,989.6	445.77	NM	10.9x
Emerald Oil Industries Ltd.	17.80	16.60	7.2%	1,062.9	8.21	NM	1.1x
Information Services Network Ltd.	30.50	28.90	5.5%	346.4	6.11	40.3x	2.5x
Alltex Ind. Ltd.	13.50	12.80	5.5%	755.6	13.17	NM	0.7x
Standard Insurance	35.80	34.20	4.7%	1,409.1	26.84	18.8x	2.3x
Kay and Que	254.00	243.20	4.4%	1,245.2	123.18	270.7x	3.3x
Green Delta Insurance	62.80	60.20	4.3%	5,574.1	6.89	16.4x	0.8x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Dutch-Bangla Bank	81.00	209.20	-61.3%	40,500.0	146.97	13.2x	0.7x
Heidelberg Cement	287.20	362.40	-20.8%	16,227.8	123.12	25.0x	3.4x
R.N. Spinning Mills Limited	6.10	7.40	-17.6%	2,394.5	38.85	13.5x	0.4x
Takaful Insurance	26.50	32.00	-17.2%	1,064.7	13.13	16.4x	1.6x
National Housing Fin. and Inv. Ltd.	37.40	44.20	-15.4%	4,377.0	29.91	18.0x	2.2x
United Insurance	55.40	64.50	-14.1%	2,465.2	37.61	22.8x	1.9x
C & A Textiles Limited	2.90	3.30	-12.1%	694.0	6.48	3.8x	0.2x
Genex Infosys Limited	35.70	40.60	-12.1%	2,913.1	72.07	26.0x	2.5x
United Power Generation & Distribution Company Ltd	339.50	385.40	-11.9%	162,650.0	1,006.83	26.8x	11.4x
Al-Haj Textile	86.30	97.60	-11.6%	1,924.4	87.90	NM	7.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
United Power Generation & Distribution Company Ltd	339.50	385.40	-11.9%	162,650.0	1,006.83	26.8x	11.4x
BATBC	1,532.60	1,521.83	0.7%	275,868.0	990.01	28.6x	11.3x
Grameenphone Ltd.	367.70	387.90	-5.2%	496,505.3	706.20	14.1x	11.7x
Fortune Shoes Limited	37.10	35.70	3.9%	4,635.1	668.95	19.0x	2.7x
Monno Ceramic	334.10	347.70	-3.9%	10,912.3	613.30	50.8x	4.7x
Bangladesh Submarine Cable Company Limited	160.80	159.90	0.6%	26,516.8	495.18	88.5x	4.4x
Esquire Knit Composite Limited	42.90	45.90	-6.5%	5,787.0	483.00	16.8x	0.0x
Eastern Cables	332.90	295.00	12.8%	7,989.6	445.77	NM	10.9x
Reckitt Benckiser	3,268.80	3,373.10	-3.1%	15,445.1	302.58	42.9x	59.8x
Square Pharmaceuticals	262.40	267.50	-1.9%	207,035.8	284.57	17.2x	3.4x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Dutch-Bangla Bank	81.00	40.24%	40,500.0	13.2x
Berger Paints	1,812.70	34.86%	84,069.2	44.3x
BATBC	1,532.60	29.82%	275,868.0	28.6x
Rupali Bank	42.90	19.83%	16,152.6	31.1x
Marico Bangladesh Limited	1,407.80	17.30%	44,345.7	23.4x
Power Grid Co. of Bangladesh Ltd.	55.30	15.21%	25,488.5	9.1x
Eastern Bank	40.20	11.67%	29,667.6	14.2x
Delta Brac Housing	131.10	11.45%	17,572.3	18.4x
The Premier Bank	12.80	9.40%	10,241.0	5.1x
Atlas Bangladesh	132.60	8.78%	4,392.7	NM

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1426.49	1450.51	1848.21	-1.66%	-22.82%
NBFIs	2000.93	2041.82	2714.85	-2.00%	-26.30%
Mutual Funds	642.24	650.35	788.81	-1.25%	-18.58%
General Insurance	1715.15	1804.61	1592.30	-4.96%	7.72%
Life Insurance	1933.26	1960.44	1834.85	-1.39%	5.36%
Telecommunication	5203.84	5473.75	6494.31	-4.93%	-19.87%
Pharmaceuticals	2774.18	2817.56	2821.05	-1.54%	-1.66%
Fuel & Power	1853.15	1962.14	1527.27	-5.55%	21.34%
Cement	1571.46	1663.65	2280.58	-5.54%	-31.09%
Services & Real Estate	968.74	997.14	1224.11	-2.85%	-20.86%
Engineering	2895.84	2961.83	3166.83	-2.23%	-8.56%
Food & Allied	18481.23	18488.83	15304.34	-0.04%	20.76%
IT	1647.23	1724.71	1484.41	-4.49%	10.97%
Textiles	1376.75	1372.40	1222.72	0.32%	12.60%
Paper & Printing	7192.28	7598.29	1013.11	-5.34%	609.92%
Tannery	2605.64	2628.01	2642.41	-0.85%	-1.39%
Jute	18945.04	19560.87	8867.22	-3.15%	113.65%
Ceramics	585.14	604.33	597.46	-3.17%	-2.06%
Miscellaneous	2302.06	2357.32	1725.62	-2.34%	33.40%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	267.1	415.9	-35.77%	8.38%	9.9x	0.9x
NBFIs	114.9	126.2	-8.96%	3.61%	75.2x	1.8x
Mutual Funds	16.5	13.8	19.27%	0.52%	NM	0.5x
General Insurance	139.7	294.4	-52.54%	4.39%	13.0x	1.1x
Life Insurance	34.2	29.5	15.93%	1.07%	NM	8.0x
Telecommunication	240.3	284.9	-15.67%	7.54%	14.7x	10.8x
Pharmaceuticals	369.3	404.7	-8.76%	11.59%	19.5x	2.6x
Fuel & Power	390.4	644.7	-39.44%	12.25%	13.0x	2.2x
Cement	54.9	81.8	-32.89%	1.72%	35.8x	2.9x
Services & Real Estate	29.0	46.9	-38.11%	0.91%	NM	0.8x
Engineering	450.5	471.1	-4.37%	14.14%	15.1x	1.9x
Food & Allied	256.3	299.5	-14.43%	8.04%	31.3x	10.8x
IT	48.3	65.0	-25.74%	1.52%	20.8x	2.6x
Textiles	340.0	293.2	15.97%	10.67%	17.9x	1.1x
Paper & Printing	9.0	11.3	-20.81%	0.28%	23.6x	1.9x
Tannery	187.4	146.7	27.81%	5.88%	17.4x	2.9x
Jute	11.8	11.3	4.38%	0.37%	NM	8.6x
Ceramics	127.7	166.6	-23.34%	4.01%	22.2x	2.2x
Miscellaneous	99.0	92.9	6.57%	3.11%	30.4x	1.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
International Leasing	10.10	-26.28%	2,133.6	5.2x
IFAD Autos Limited	83.60	-22.88%	20,732.0	13.1x
Aftab Automobiles	36.40	-20.70%	3,484.7	18.3x
City Bank	24.30	-19.54%	23,522.1	7.8x
RAK Ceramics Limited	32.90	-15.64%	12,800.2	14.9x
Heidelberg Cement	287.20	-14.19%	16,227.8	25.0x
Square Textile	42.00	-10.83%	8,284.6	16.9x
Southeast Bank	14.00	-10.26%	14,762.9	12.1x
Delta Life Insurance	98.90	-9.93%	12,238.9	NM
IDLC Finance Ltd.	62.80	-9.90%	23,678.8	10.3x

Important News: Business & Economy

World Bank forecasts 7.3% growth

• The World Bank (WB) forecast on Thursday a conservative 7.3% growth of Bangladesh's economy for the current fiscal year (FY) 2018-19. The GDP (gross domestic product) growth rate is 0.83% points lower than the government's provisional estimation of 8.13%, it forecast. WB lead economist said that Bangladesh economy has been doing well over the years. Its potential is much higher than the current performance. According to the WB report, Bangladesh is the fifth fastest-growing economy in the world.

• The WB said Bangladesh's growth outlook remains strong and stable. Meanwhile, the WB opposed the government's move on the latest bailout package for bank loan defaulters, saying this could encourage good borrowers to be new defaulters.

<http://today.thefinancialexpress.com.bd/public/first-page/wb-forecasts-73pc-growth-1554399878>

Bangladesh's slip in ranking 'hits investment growth'

• Bangladesh has not only failed to improve its position in the 'ease of doing business' index, it has rather slipped by 111 notches in the past 13 years. Bangladesh ranked 176th in the 2019 version of the 'Ease of Doing Business' index of the World Bank (WB) and International Finance Corporation. The country scored 65th in 2006-the first year of assessing such status of world economies.

• Bangladesh is positioned in the "below average" class in the report as it has ranked 176th among 190 economies. Businessmen and analysts have expressed sheer unhappiness over the country's plunging performance in creating better environment for the businesses.

<https://thefinancialexpress.com.bd/economy/bangladesh/bds-slip-in-ranking-hits-investment-growth-1554521487>

Bangladesh trade policy review ends at World Trade Organization (WTO)

• The fifth review of Bangladesh trade policy concluded at the World Trade Organization (WTO) in Geneva on Friday with a call to further liberalize the country's tariff regime.

• Members participated in the two-day review meeting also urged Bangladesh to strictly implement multilateral rules of intellectual property rights (IPRs) gradually.

• They also wanted to know about the preparation and strategies of the country to address different challenges likely to be emerged after the graduation from the Least Developed Country (LDC) status by 2024.

<http://today.thefinancialexpress.com.bd/first-page/bd-trade-policy-review-ends-at-wto-1554569624>

Defaulters to get another lifeline

• The country's loan classification rules, which were tightened in 2012 to comply with global standards, are set to be relaxed by the central bank as it engineers to bring down the large

amount of default loans.

• In 2012, the central bank had reduced a three-month time frame for treating the three types of classified loans – sub-standard, doubtful and bad – to shine out the banking sector in line with the global norms.

• As per the rules, loans overdue for three, six and nine months are now classified as sub-standard, doubtful and bad respectively. But now, the timeline has been pushed by three months for each category, meaning non-payment for six months would lead to the loan being classified sub-standard.

• The loan would turn doubtful after non-payment for nine months and bad after 12 months.

• The willful defaulters are compelling the central bank to revise the policy, according to former deputy governor of Bangladesh Bank

•The central bank has already prepared a draft guideline on the issue and its senior management team discussed the matter last week at a meeting.

<https://www.thedailystar.net/business/news/defaulters-get-another-lifeline-1726072>

Paying with Mobile Financial Services (MFS) at retails gaining traction

• Payments through the mobile financial service platform have trebled in the last one year, in a development that will bring cheer to the central bank as it strives to move towards a cashless society.

• In February, total MFS merchant payment stood at BDT 4,298 million, in contrast to BDT 1154.3 million a year earlier, according to data from the central bank.

• At present, people are using MFS to pay for goods at both brick-and-mortar and e-commerce shops and also for rides, tuition fees and utility bills. Even salary disbursement and government payments are made through the platform. To further increase the platform's popularity MFS operators are currently providing cashbacks and discounts for making payments through them, a move that also accounts for the spike in transactions, said industry insiders.

• Currently, about 100,000 merchants are connected with the platform, of which 80,000 accounts are registered with bKash alone.

<https://www.thedailystar.net/business/news/paying-mfs-retails-gaining-traction-1726069>

Thrust on cut in approval time for IPO proposals

• Discussants at a seminar on Saturday stressed the need for reducing the time of approving IPO (initial public offering) proposals to help well-performing companies fulfil their target of raising capital. They also focused on other impediments, discouraging many companies from going public. According to them, unwillingness of ensuring transparency and accountability, easy process of getting bank loans, trend in tax evasion, lack of corporate governance and hassle in the annual general meeting are the factors behind reluctance of many companies to go public.

<http://today.thefinancialexpress.com.bd/last-page/thrust-on-cut-in-approval-time-for-ipo-proposals-1554569736>

South Bangla Agriculture and Commerce (SBAC) Bank to raise BDT 2.0 billion from stock market

- South Bangla Agriculture and Commerce (SBAC) Bank, has taken an initiative to raise BDT 2.0 billion from the capital market as part of fulfilling the regulatory requirement. The fourth-generation private commercial bank will go public under the fixed price method subject to approval of the regulators.
- To raise the said amount of capital, the bank will offload 200 million ordinary shares at an offer price of BDT 10 each.
- The bank will submit the IPO proposal with the financial statement for the period ended on June 30, 2019.

<http://today.thefinancialexpress.com.bd/stock-corporate/sbac-bank-to-raise-BDT-20-billion-from-stock-market-1554566437>

Exports exceed target, fetch USD 30.9 billion in nine months

- Earnings from the country's merchandise exports in the first nine months of the current fiscal year (FY), 2018-19, increased to USD 30.90 billion, registering a modest growth of about 13% over the same period of the previous fiscal. The country fetched USD 27.45 billion during the July-March period of FY 2017-18. The export performance exceeded the nine-month target by 7.20% this fiscal year.
- Earnings from the export of readymade garments (RMG) during the July-March period of the current FY grew by 13.65% to USD 25.95 billion from USD 22.83 billion in the corresponding period of last fiscal. The earnings also surpassed the nine-month target by 7.40%.

<http://today.thefinancialexpress.com.bd/first-page/exports-exceed-target-fetch-309b-in-nine-months-1554659285>

Brexit won't impact trade between Bangladesh and UK

- Visiting British Minister of State for the Foreign and Commonwealth Office Mark Field has said business between Bangladesh and the United Kingdom (UK) will be as usual in the post-Brexit era. He has also assured the government that the UK would continue to back Bangladesh in resolving the Rohingya crisis.

<http://today.thefinancialexpress.com.bd/last-page/brexit-wont-impact-trade-between-bd-and-uk-1554659636>

Edible oil import to rise: USDA

- Soybean and palm oil imports are likely to increase by 10% to 265.0 million tonnes in the year ending in June, buoyed by rising consumption, the US Department of Agriculture (USDA) said.

- It also forecasted that edible oil imports might grow 6% year-on-year to 280.0 million tonnes in the next marketing year of 2019-20, beginning in July. Bangladesh spent BDT 144,480 million in fiscal 2017-18, up 22% year-on-year from BDT 118, 380 million, according to Bangladesh Bank.

- Continuing population increase, changing consumer behavior to dine out, increasing urbanization and an increase in bakery and processed food production drives the consumption of both soybean and palm oil in Bangladesh.

- Consumption is also predicted to go up next year with the demand for soybean oil rising at a faster pace.

<https://www.thedailystar.net/business/news/edible-oil-import-rise-usda-1726066>

Several banks discontinue export bill discounting

- Several banks have stopped purchasing export bills through their offshore banking units, depriving a section of exporters from export bill discounting facility and thus disrupting export financing.

- Officials of banks said that they had stopped purchasing export bills following a recent Bangladesh Bank circular titled 'Policy for Offshore Banking Operation of the Banks in Bangladesh'. Effective from April 25 this year, the BB circular issued on February 25 does not allow banks to provide discounting facility to exporters against their export bills.

- Export bill discounting facility allows exporters to get fund before the encashment of export proceeds in foreign currency from their foreign counterpart.

- BB sources said that exporters had been deprived of getting export bill discounting facility against around USD 700 million of export proceeds since the issuance of the circular.

<http://www.newagebd.net/article/69425/several-banks-discontinue-export-bill-discounting>

Bangladesh trade deficit falls by 8.4% in July-February period

- Bangladesh's trade deficit eased by 8.42% or USD 0.98 billion in July-February of the current 2018-2019 fiscal year compared with that in the same period of last fiscal year due mainly to a drop-in import payment growth.

- According to the latest Bangladesh Bank data, trade deficit stood at USD 10.7 billion in July-February of FY19, down from USD 11.68 billion in the same period of FY18. In FY18, export growth was lenient against sharp growth in import.

- However, the situation turned around in the first eight months of FY19 amid strong growth in export and subdued import growth, resulting in ease in trade deficit. In July-February of FY19, import growth was 5.64% and export growth 12.44%.

- According to the former interim government advisor, the present state of trade deficit is comfortable for a developing country like Bangladesh as the country has enough foreign exchange reserves to meet import payments for more than five months. He, however, expressed concern over the negative growth in import of capital machinery in the period after the previous year's fall, saying that the trend suggested stagnancy in private sector

investment.

<http://www.newagebd.net/article/69535/bangladesh-trade-deficit-falls-by-84pc-in-july-feb>
<https://www.thedailystar.net/business/news/trade-deficit-narrows-1727209>

Bangladesh's Economy to expand at 7.3% this fiscal: Economic and Social Commission for Asia and the Pacific (ESCAP)

- The United Nations has said Bangladesh's real GDP (Gross Domestic Product) growth is expected to reach 7.3% this fiscal year. The forecast came in the latest report of the Bangkok-based Economic and Social Commission for Asia and the Pacific (ESCAP) released Thursday. This is nearly 1.0%point lower than the government's estimates of 8.13% for the fiscal year 2018-19. But this is exactly the same as the World Bank's projection of 7.3%.
- The UN agency, however, said the rate of inflation is projected to increase slightly this year. The inflation rate may reach 6.1% at the end of fiscal year, up by 0.5%point from the government's projection of 5.6% for the fiscal year 2018-19. The report said higher global oil prices and rising food prices propel the inflation in Bangladesh.

<http://thefinancialexpress.com.bd/economy/economy-to-expand-at-73pc-this-fiscal-escap-1554607602>

Gas price hike to cast negative impact on industry, employment

- Leaders of a trade body on Monday (8th April, 2019) expressed concern over the possible impact of gas price hike, urging the government to frame a long-term pricing policy for the primary energies like gas and oil. The price hike of gas is more likely to cast a negative impact on industrialization, investment and employment generation, said the newly elected BCI office bearers of Bangladesh Chamber of Industries (BCI). BCI President said that all the industrial units, especially the small and medium enterprises, will be in danger if the gas price is increased irrationally.

<http://today.thefinancialexpress.com.bd/trade-market/gas-price-hike-to-cast-negative-impact-on-industry-employment-1554743772>

Banks, NBFIs given extended facility to get JICA-assisted fund

- Bangladesh Bank on Monday extended refinancing facility for banks and non-bank financial institutions from the Japan International Cooperation Agency-assisted foreign direct investment promotion project.
- BB's foreign exchange investment department, also the FDIPP-implementation unit, issued a circular on the day with a view to enhancing fund disbursement from the JICA-assisted BDT 5,370 million fund. As per the policy change, a participating bank or NBFIs would be allowed to seek refinancing loans up to BDT 300 million that the entity has already issued to one of its client.

<http://www.newagebd.net/article/69534/banks-nbfis-given-extended-facility-to-get-jica-assisted-fund>

Non-food inflation hits consumers hard

- Non-food inflation hit the consumers hard in March this year compared to the same period in the previous year, according to the latest data released on Tuesday. On a point-to-point basis, the rate of non-food inflation rose to 5.29% this March, up from 3.52% a year back. Overall inflation in the urban areas also rose to 5.86% in March this year from 5.76% in March last year. However, general inflation eased slightly to 5.55% this March from 5.68% in March last year. The government set target to keep inflation within 5.6% in the current fiscal year.

- A release on the consumer price index said the cost of textile items, health services and transport also rose this March, raising the rate of inflation. On a point-to-point basis, overall national wages increased to 6.56% in March this year from 6.38% in March last year.

<http://today.thefinancialexpress.com.bd/first-page/non-food-inflation-hits-consumers-hard-1554831929>

<http://www.newagebd.net/article/69578/inflation-climbs-for-3rd-month>
<https://www.thedailystar.net/business/news/inflation-creeps-march-1727665>

International Monetary Fund (IMF) projects 7.3% growth for Bangladesh

- The International Monetary Fund (IMF) projected that the economy of Bangladesh would grow by 7.30% in 2019. The IMF also projected that the Gross Domestic Product (GDP) of Bangladesh would face slower growth of 7.0% both in 2020 and 2021. The latest outlook of the IMF also projected that the global economy would grow by 3.3% in the current year, which was 3.6% in the past year.
- It added that the average inflation rate would be 5.40% in the current year.

<http://today.thefinancialexpress.com.bd/first-page/imf-projects-73pc-growth-for-bd-1554831997>

<http://www.newagebd.net/article/69604/imf-too-projects-lower-growth-of-73pc-for-fy19>

Bangladesh remains 9th highest remittance receiver: World Bank

- Bangladesh remained the ninth highest remittance receiving country in 2018 with the total inflow rising to USD 15.5 billion from USD 13.47 billion of 2017, according to a World Bank report released on Tuesday.
- The report said that regionally remittances to South Asia increased by 12.3%, with remittances to both India and Bangladesh rising by double digits. The report said that regionally remittances to South Asia increased by 12.3%, with remittances to both India and Bangladesh rising by double digits. The report, however, projected that remittance flow to the region will slow down in 2019 to 4.3% due to a moderation of growth in high-income economies and slower migration to the Gulf Cooperation Council countries.
- Nationalization policies in the GCC countries, particularly in Saudi Arabia, also saw shrinking employment opportunities for South Asian migrants, the report said.

<http://www.newagebd.net/article/69606/bangladesh-remains-9th-highest-remittance-receiver-wb>

SME loan drops for 1st time in 2018

- Loan disbursement by banks and non-bank financial institutions to small and medium enterprises declined in 2018 for the first time since the introduction of the SME loan policy in 2010 amid a severe liquidity crisis in the country's banking sector.
- According to Bangladesh Bank data, loan disbursement to SMEs by banks and NBFIs fell by 1.42% or BDT 23,010 million in last year compared with that a year ago. In 2018, SMEs received BDT 1,595,100.9 million against their receipt of BDT 1,618,110 million in the year of 2017.
- According to the Association of Bankers Bangladesh chairman, it is mainly because of the ongoing liquidity crisis in the country's banking sector that has slowed down loan disbursement in every sector. Besides, banks were giving preference to the priority projects considering the liquidity crisis and high rate of non-performing loans in the SME sector.

<http://www.newagebd.net/article/69602/sme-loan-drops-for-1st-time-in-18>

National Board of Revenue (NBR) now hints at VAT Package

- The proposed new VAT law may have a 'Package VAT'-like system as the National Board of Revenue (NBR) has shifted from its position to scrap the provision. The VAT law is set to take effect from July 01, 2019. Small and medium businesses in Dhaka and Chattogram cities having annual value addition up to BDT 1,86,667 or annual sales up to BDT 0.7 million currently enjoy package VAT benefits. They pay only BDT 28,000 annually for doing business.
- The NBR will also incorporate some measures in the budget to reduce the mismatch between TIN (taxpayer identification number) holders and tax return filers. Currently, the number of TIN holders is close to 4.0 million and that of return filers 1.6 to 1.8 million.

<http://today.thefinancialexpress.com.bd/first-page/nbr-now-hints-at-vat-package-1554831825>
<https://www.thedailystar.net/business/news/nbr-mulls-package-vat-tax-1727488>

The Executive Committee of the National Economic Council (Ecne) approves project to upgrade Akhaura-Sylhet railway

- The government Tuesday approved a project to convert the Akhaura-Sylhet railway section into a dual-gauge one from metre-gauge, reports UNB. The project with an estimated cost of BDT 161.04 billion was approved by The Executive Committee of the National Economic Council (Ecne). Briefing reporters after the meeting, Planning Minister said the meeting okayed seven projects involving total estimated cost of BDT 181.91 billion. Briefing reporters after the meeting, Planning Minister MA Mannan said the meeting okayed seven projects involving total estimated cost of BDT 181.91 billion. Under the project, the existing 225-kilometre metre gauge railway track under the Akhaura-Sylhet section will be converted into a 239.14-kilometre dual gauge track.
- Talking about the Annual Development Programme (ADP), the Planning Minister said the ADP implementation rate during the July-March period of the current fiscal year was 47.24% with an expenditure of BDT 834.32 billion. The rate was 45.65% with an expenditure of BDT 719.40 billion during the corresponding period of the last financial year,

he said.

<http://today.thefinancialexpress.com.bd/last-page/ecne-approves-project-to-upgrade-akhaura-sylhet-railway-1554832463>

Chittagong Stock Exchange (CSE) revises blue-chip index

- Chittagong Stock Exchange (CSE) has revised its CSE30 index based on the performance of listed companies. The revised CSE30 index will come into effect from April 21 this year. The port city bourse revises its index twice in a year. A company having 21.50% market cap compared to total market capitalization of the CSE and 30.12% of free-float market capitalization is included in the CSE30 index.
- The new companies which have been included in CSE30 index are: Bangladesh National Insurance Company, Bangladesh Steel Re-Rolling Mills, SAIF Powertec, Doreen Power Generations and Systems, Summit Power, One Bank, Al-Arafah Islami Bank, Export Import Bank of BD, Jamuna Bank, and Delta Life Insurance Company,
- On the other hand, BEXIMCO Pharmaceuticals, Orion Pharma, Heidelberg Cement Bangladesh, Aftab Automobiles, Singer Bangladesh, Khulna Power Company, Shahjibazar Power Company, United Commercial Bank, Uttara Bank, and BRAC Bank have been excluded from the previous list.

<http://today.thefinancialexpress.com.bd/stock-corporate/cse-revises-blue-chip-index-1554827698>

Bangladesh second fastest growing economy: International Monetary Fund (IMF)

- Bangladesh is among the three fastest growing economies in the world, according to the International Monetary Fund (IMF) - in yet another thumping endorsement of the country's extraordinary growth momentum. The economy will grow at 7.3% this year, which will be second highest in the world, as per the IMF report 'World Economic Outlook, April 2019: Growth Slowdown, Precarious Recovery'.
- Neighboring India will also grow at the same pace as Bangladesh but Rwanda will grow the fastest at 7.8%. The three countries would be the only ones in the world to log in more than 7% growth this year.
- The Asian Development Bank tipped Bangladesh to log in the fastest economic growth in the Asia-Pacific region in fiscal 2019-20. This fiscal year, the economy will grow at 8%. The two multilateral lenders' projections for this fiscal year, however, are lower than the prediction of the government: 8.13%.
- Inflation will be 5.4% this year, which was 5.6% last year. Current account deficit was rising in the last two consecutive years. The negative balance was 2.1% of GDP in 2017 and 2.8% in 2018. In 2019, the negative balance will narrow to 1.9% of the GDP.

<https://www.thedailystar.net/business/news/bangladesh-second-fastest-growing-economy-imf-1728289>

World Trade Organization (WTO) praises BD's trade policy

- Members of the World Trade Organization (WTO) praised the country's trade policy that contributed to the nation's progress in different sectors over the last few years. The appreciation came during the fifth trade policy review (TPR) meeting on Bangladesh in Geneva.
- WTO lauded Bangladesh's achievements in reducing the rate of poverty, increasing the per capita income and volume of export and import, maintaining the favourable investment environment and registering the high growth rate.
- Commerce Minister also informed the WTO Director General that Bangladesh has already modified its trade policy to get success in the global trade as well as to cope with the challenges to come in the way of the country's transformation from the least developed country status to becoming a developing country.

<http://today.thefinancialexpress.com.bd/trade-market/wto-praises-bds-trade-policy-1554910504>

<http://www.newagebd.net/article/69688/intl-trading-partners-want-long-term-policy-on-trade-investment-tipu>

Swap getting popular in local financial market

- Interest rate swap is gradually becoming popular in the country's financial market, as many firms are showing interest on such type of derivative to avoid interest rate volatility.
- Bankers said in recent period, two big swap deals have been signed, one by the Eastern Bank Limited and other by the BRAC Bank Limited, amounting to USD 140 million. The Eastern Bank inked an interest rate swap deal with the Summit Group, the first-of-its-kind agreement for a local bank, in October 2018.
- The deal struck up pertains to the interest payment on USD 71.25 million loans taken by the two Summit Group concerns-Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited-in December 2016. On the other hand, the BRAC Bank signed a swap deal with the Ace Alliance Power Limited (AAPL) in March.
- The BRAC Bank provided hedging for the AAPL's exposure to the London Inter-Bank Offered Rate (LIBOR) against its borrowing of USD 68.60 million for 10.3 years. BRAC said its deal is the highest-tenor interest rate derivative for any private commercial bank in the country.

<http://today.thefinancialexpress.com.bd/first-page/swap-getting-popular-in-local-financial-market-1554918758>

Banks plagued by liquidity crunch

- Banks are now offering double-digit interest rates for deposits in a desperate attempt to prop up their liquidity base amid high default loans and heavy bank borrowing by the government. The majority of the banks are forced to take deposits at 10% or more to tackle their liquidity crunch said chairman of the Association of Bankers, Bangladesh.
- A large amount of funds in the form of non-performing loans is now stuck with defaulters --

hiking the banks' cost of funds. At the end of 2018 the total amount of non-performing loans in the banking system stood at BDT 939.11 billion, up 26.38% from a year earlier.

- As of January, the excess liquidity in banks stood at BDT 676.42 billion, down 11.45% from a month earlier and 13% year-on-year, according to data from the central bank.

<https://www.thedailystar.net/business/news/banks-plagued-liquidity-crunch-1728283>

Pay 15% VAT to claim rebate, says NBR chief

- The National Board of Revenue (NBR) chairman has said a 15% VAT (Value Added Tax) would be applicable to businesses that claim VAT rebate. Multiple VAT rates lower than 15% would also be imposed on other products and services, he added.
- The chairman further added that the VAT and Supplementary Duty (SD) Act 2012 will take effect soon. The businesses should come out of informal transactions to use electronic cash registers for better record keeping of their sales he urged.
- BROA secretary general proposed that VAT rate for eateries (AC/non-AC) having BDT 30-million annual sales be fixed at 3.0%, down from existing 7.5%. He also proposed a 6.0-per cent VAT on restaurants with the yearly sales of BDT 60 million and 10% on those having sales more than BDT 60 million.
- But in the new VAT law, the NBR proposed a 3.0% VAT on the eateries having the annual sales of BDT 8.0 million. It slapped a 15% VAT on customers of the restaurants having more than BDT 8.0 million sales.

<http://today.thefinancialexpress.com.bd/trade-market/pay-15pc-vat-to-claim-rebate-says-nbr-chief-1554910580>

<https://www.thedailystar.net/business/news/no-vat-registration-no-business-1728280>

<http://www.newagebd.net/article/69682/no-business-without-vat-reg-nbr>

Bangladesh eyes duty benefits from eastern Europe

- Bangladesh is going to sign a trade agreement with the Czech Republic mainly to enjoy duty benefits on exports of goods to countries of the Commonwealth of Independent States (CIS). With the signing, Bangladesh will enter a customs union of all the CIS countries, said the Commerce Minister. As a result, Bangladesh will enjoy the facility of paying lesser duties in some major countries, especially on garment item shipments, the minister said.
- Bangladesh is working to diversify both its export basket and destinations in attempts to promote sustainable business after the graduation by 2024, the final implementation of which would come by 2027.

<https://www.thedailystar.net/business/news/bangladesh-eyes-duty-benefits-eastern-europe-1728268>

Businesses sidestep BDT 10 billion in consumption tax during FY '18

- The amount of VAT evasion has almost doubled in a year as the tax collector has intensified audits according to the officials. The VAT Audit, Intelligence and Investigation Directorate detected BDT 10.71 billion in evasion of such taxes during fiscal year 2017-18,

up from BDT 5.67 billion a year ago.

- During the last 15 months, the wing unearthed VAT evasion worth BDT 20 billion and realized BDT 1.65 billion from businesses.

- Commissioner of the Directorate said the highest evasion took place in the manufacturing sector, followed by banks, insurers and financial institutions. The directorate realized BDT 574 million in VAT during the first seven months of the current fiscal year against BDT 449 million and BDT 99 million in FY 2017-18 and FY 2016-17 respectively.

- In FY 2017-18, the wing audited and inspected 287 businesses out of its selected 570 enterprises, including banks, insurance firms, manufacturing units, service providers, clubs and trading houses.

<http://today.thefinancialexpress.com.bd/first-page/businesses-sidestep-BDT-10b-in-consumption-tax-during-fy-18-1554918412>

Roads and Highways Department (RHD) unlikely to get World Bank funding this year

- A slow progress in preparing the technical project on the start of the bus-based mass transit system in city's southern part has delayed getting the project's assistance from the World Bank by a year.

- They said a time gap between the start of Bus Rapid Transit (BRT) lines North and South will also widen due to the reason. BRT North is now at an implementation stage while BRT South is at a preparatory stage.

- Sources said the project preparation work of BRT South was supposed to be completed by October as agreed by the Ministry of Road Transport and Bridges (MoRTB) and its agency Roads and Highways Department (RHD) with the WB's mission who visited Bangladesh in September last.

- Experts apprehend that the delay may also increase public sufferings on Airport corridor as it gets highest traffic from almost all corners of the country. Currently, BRT North construction work has caused immense sufferings to the people.

<http://today.thefinancialexpress.com.bd/trade-market/rhd-unlikely-to-get-wb-funding-this-year-1554910479>

Bahrain-based Investcorp to invest in Bangladesh

- Bahrain-based multinational financial institution Investcorp has expressed its interest to invest in Bangladesh's different sectors like infrastructure, consumer goods and technology.

- Executive Chairman of the Investcorp said the company is now expanding its footprints in Asian countries, following its successful investment in North America, Europe and Middle Eastern countries.

- The company makes an investment worth approximately USD 7.0 billion per year.

<http://today.thefinancialexpress.com.bd/trade-market/bahrain-based-investcorp-to-invest-in->

[bangladesh-1554910532](https://www.thedailystar.net/business/news/bahraains-investcorp-keen-bangladesh-1728286)

<https://www.thedailystar.net/business/news/bahraains-investcorp-keen-bangladesh-1728286>

Complex regulatory regime may hinder 5G: Banglalink CEO

- Bangladesh's current complex telecom regulatory regime, which has already prevented the sector from achieving its full potential, is not conducive for efficient functioning of 5G service, said the top executive of Banglalink.

- The government is aiming to roll out the latest generation of cellular mobile communications by 2021 and has already carried out test runs in July last year, becoming the sixth country in the world do so.

- It will be almost impossible to deliver 5G service in a cost-efficient way with the current telecom regulatory regime said the CEO. There are so many telecom licences and regulations in Bangladesh that can't be found anywhere in the world.

- Like in many other countries, mobile operators in Bangladesh also want to offer free voice calls if users buy high volume of data. But the telecom regulator is not allowing that to happen.

<https://www.thedailystar.net/business/news/complex-regulatory-regime-may-hinder-5g-banglalink-ceo-1728298>

GE project to enhance Bangladesh's power generation capacity

- GE (NYSE: GE) has announced the launch order for its new GT26 HE (high efficiency) gas turbine upgrade with Uniper for the utility's Enfield Power Station in greater London.

- Once completed, the project will provide a much-needed increase in power generation capacity for Bangladesh by adding more than 200 megawatts (MW) of power to the national grid.

<http://today.thefinancialexpress.com.bd/stock-corporate/ge-project-to-enhance-bds-power-generation-capacity-1554916700>

Important News: Capital Market

BRAC Bank, Ace Alliance enter into Interest Rate Swap agreement

- BRAC Bank Limited and the Ace Alliance Power Limited (AAPL) celebrated the signing of an Interest Rate Swap (IRS) deal, under which the bank provided hedging for AAPL's exposure in LIBOR against their borrowing of USD 68.60 million for 10.3 years, says a statement.

- In current global market scenario with increased volatility in interest rates, AAPL found it imperative to hedge against losses arising from floating rate loan. BRAC Bank Ltd. was able to provide the most effective derivative solution — Interest Rate Swap — to hedge the LIBOR into a fixed rate.

<http://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-ace-alliance-enter-into-irs-agreement-1554485817>

Arçelik acquires majority stake in Singer Bangladesh

- Arçelik, a leading Turkish home appliance maker, has closed on its acquisition of the Retail Holdings Bhold BV, the company that controls 57% of Singer Bangladesh Limited, for USD 75 million, according to an announcement by the Turkish company.
- Following the close of the transaction, Arçelik's wholly-owned subsidiary Ardutch owns the Retail Holdings Bhold, says a statement.
- Founded in 1955, Arçelik has operations in the durable consumer goods industry with production, marketing and after-sales services.

<https://today.thefinancialexpress.com.bd/stock-corporate/arcelik-acquires-majority-stake-in-singer-bd-1554486022>

Esquire Knit to make trading debut April 9

- The Esquire Knit Composite Limited will make its share trading debut on the bourses on April 9 (Tuesday) under 'N' category. The DSE trading code for Esquire Knit is "ESQUIRENIT" and company code is 17481. The scrip ID is 12069 and scrip code is "ESQUIRENIT". The Esquire Knit raised a total capital of BDT 1.50 billion through issuing 34.89 million ordinary shares under the book-building method. Book building is a process through which an issuer attempts to determine the price to offer for its shares based on demand from institutional investors.
- The cut-off price of Esquire Knit share was fixed at BDT 45 each on July 14 last year by the institutional investors through electronic bidding. The remaining 40% or 14.06 million shares issued to the general investors, including affected small investors and non-resident Bangladeshis. The IPO proceeds will be used to procure garment machinery for a new project (28.76%), for building and civil construction (66.95%) and to meet the IPO expenses (4.29%). Prime Finance Capital Management is the issue manager of the Esquire Knit IPO.
- The company's pre-IPO paid-up capital is BDT 1.0 billion and authorised capital is BDT 2.0 billion. Located at Sonargaon in Narayanganj, Esquire Knit is 100% export-oriented company which started commercial operation in 2001. The company produces different types of knit garments through its six units -- knitting, fabric, printing, embroidery, industrial laundry and garments and sells the same to foreign buyers.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/esquire-knit-to-make-trading-debut-apr-9-1554394958>

Dhaka Stock Exchange (DSE) sets up online complaint cell

- The Dhaka Stock Exchange (DSE) has set up an online complaint cell to allow investors to file complaints with ease and get result. Now stock investors can complain against stock brokers and listed companies through the cell along with the manual system.

•The online complaint cell will allow investors to attach files to back up their claims. The bourse plans big about the complaint cell: it will regularly analyze the number of complaints it receives and the number of complaints it addresses.

<https://www.thedailystar.net/business/news/dse-sets-online-complaint-cell-1726471>

Petrobangla gets BDT 10 billion in subsidies

- State-run Petrobangla has received subsidies worth BDT 10 billion from the government to foot LNG import bills, its first since purchase started. The amount of subsidy is, however, around one-third of Petrobangla's requirement for the payment against import of liquefied natural gas, the corporation's director for finance mentioned. Despite the subsidies, Petrobangla was running deficit by around BDT 30 billion until March 2019, he said. Petrobangla has been purchasing piped gas from different upstream gas production companies at an average rate of about BDT 6.50 per cubic meter, while each unit of LNG costs around BDT 38 per unit, he said.
- Currently it has been re-gasifying around 510 million cubic feet per day (mmcf) equivalent of LNG through the maiden operational FSRU, known as Excellence. Petrobangla's LNG import is expected to go up soon as the country's second FSRU owned by local Summit Group is expected to be commissioned by April this year. Like Excellence, Summit's FSRU has the similar capacity to re-gasify around 500 mmcf of LNG.

<http://today.thefinancialexpress.com.bd/first-page/petrobangla-gets-BDT-10b-in-subsidies-1554658945>

Grameenphone gets 10 million 4G clients

- The number of 4G customers of leading mobile operator Grameenphone (GP) crossed 10 million mark within 14 months of introducing the service, said a press release. GP crossed the threshold of 5 million 4G customers in November 2018 and the later 5 million joined within only five months,' it said.
- 4G growth, which was primarily in the urban areas, found its way to the semi-urban and rural landscape as faster internet began shaping the lifestyle of the people of Bangladesh, said the release.
- Currently, over 37 million customers use the internet on the GP network, said the release.

<http://www.newagebd.net/article/69538/gp-gets-1cr-4g-clients>

Esquire Knit makes debut today

- Esquire Knit Composite will make its debut trading today (Tuesday) on both the bourses under 'N' category, said a disclosure of the Dhaka Stock Exchange (DSE). Esquire Knit Composite will be 54th listed company in textile sector which accounts for around 5.0% of total market cap on the premier bourse. Under the book building method, the company raised BDT 1.50 billion issuing 34.89 million ordinary shares.
- The company's basic earnings per share (EPS) was BDT 3.44 and the net asset value (NAV) per share (with revaluation) BDT 49.27 at the end of June 30, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/esquire-knit-makes-debut-today-1554743059>

eGeneration to provide Microsoft Solutions to Robi

- eGeneration Limited, Licensing Solutions Partner (LSP) of Microsoft Bangladesh, has recently signed an agreement with Robi Axiata Limited to provide Microsoft solutions.
- Managing Director, eGeneration Ltd. said: Global big companies have been implementing this kind of project like Robi's. But, eGeneration has transformed the trend by building capabilities in disruptive technologies and providing global standard services.

<http://today.thefinancialexpress.com.bd/stock-corporate/egeneration-to-provide-microsoft-solutions-to-robi-1554916650>

Trust Bank inks deal with Teletalk

- Trust Bank Limited has signed an agreement with Teletalk Bangladesh Limited recently at Teletalk corporate office, Gulshan, said a statement.
- Under this agreement Teletalk Bangladesh Limited will act as a facilitator of USSD (Unstructured Supplementary Service Data) network to its subscribers for Trust Bank Mobile Financial Services 't-cash' through access code *201#.

<http://today.thefinancialexpress.com.bd/stock-corporate/trust-bank-inks-deal-with-teletalk-1554916744>

THS Kingsway Fund purchases above 0.13 million shares of British American Tobacco Bangladesh Company (BATBC)

- One of the high net worth clients of the Pictet, a leading investment bank in Europe, has purchased above 0.13 million shares of British American Tobacco Bangladesh Company (BATBC) at prevailing market price. PICTET LUX A/C THS KFFC (THS Kingsway Fund) earlier expressed its intention to purchase the said amount of shares at prevailing market price dated on April 4 last.

<http://today.thefinancialexpress.com.bd/stock-corporate/thkingsway-fund-purchases-above-013m-shares-of-bat-1554655320>