

Weekly Market Update

Capital Market Overview

The market closed positive this week. The benchmark index DSEX (-0.28%) lost 14.49 points and closed the week at 5,244.63 points. The blue-chip index DS30 (-0.16%) closed in red and lost 2.98 points and stood at 1,856.12 points. The shariah based index DSES (-0.19%) also closed in red and stood at 1,208.11 points. DSEX, DS30 and DSES all posted negative YTD return of -16.01%, -18.71%, and -13.13% respectively.

Total Turnover During The Week (DSE) : BDT 27.6 billion (USD 332.6 million)

Average Daily Turnover Value (ADTV) : BDT 5.5 billion (Δ% Week: +6.5%)

Market P/E: 16.62x

Market P/B: 2.12x

Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of +0.38% in the first session and turned negative in the second session by -0.76%. In the third session the market rebounded by +0.37%. In the fourth session market turned negative again by -0.25% and remained negative in the last session by -0.02%.

Sectoral Performance:

• All the financial sectors showed mixed performance this week. Mutual Funds posted the highest gain by 0.16% followed by Banks (+0.13%). Life Insurance experienced the highest loss by 3.01% followed by NBFIs (-1.73%) and General Insurance (-0.72%).

• Non-financial sectors showed mixed performance this week. Power posted the highest gain by 3.68% followed by Food and Allied (+0.59%) and Pharmaceuticals (+0.49%). Telecommunication experienced the highest loss by 2.40% followed by Engineering (-0.76%).

Macroeconomic arena:

• The central bank has strengthened its foreign currency support to the commercial banks to settle their import payment obligations particularly for fuel-oils. Bangladesh Bank (BB) sold USD 95.0 million directly to the commercial banks. USD 45.0 million was sold to three banks, while the remaining USD 50.0 million was provided to four state-owned commercial banks.

• Trade deficit widened slightly in the first quarter of the fiscal year as imports of major goods, including capital machinery, slowed down ahead of the national election next month. The country's trade gap increased only 5.53% year-on-year to USD 3.85 billion between the months of July and September, according to data from the central bank.

• The government has recently completed negotiations with the World Bank (WB) over US\$ 750 million budgetary support credit to narrow its fiscal deficit. Within this fiscal year (FY) 2018-19, the government is likely to get USD 250 million worth of funds from the total USD 750 million development support credit (DSC) that the government has sought from the global lender. The remaining USD 500 million credit is expected to be disbursed within next two fiscal years depending on fulfilment of the conditions set by the WB.

• The central bank issued show-cause notices to 10 more banks on Monday for allegedly providing misleading information about the foreign exchange rate, particularly for importers. The show-cause notices were based on the findings of the investigation conducted in the port city recently. The central bank probe team found that the banks reported the BC (Bill for Collection) selling rate at BDT 83.85 to the central bank, although they sold the greenback to the importers at the rates ranging from BDT 84.00 to BDT 85.50.

Stock Market arena:

• Delta Brac Housing Finance Corporation (DBH) has crossed the milestone of disbursing home loans of BDT 100.0 billion, which is the highest among all lenders in Bangladesh. According to the managing director of DBH, the home loans together with clients' own equity contribution of equivalent amount helped DBH bring investment of more than BDT 200.0 billion in the housing and real estate sector.

• The government is set to activate a regulation called the Significant Market Power (SMP) which will impose restrictions on an operator once it corners 40% of the subscribers, revenues and spectrum. Grameenphone's indomitable crusade for more market share is likely to be ground since it has a market share of 45.83% for last few years. Robi, the country's second largest operator, might get a leg-up if Grameenphone is declared a SMP.

• The board of directors of United Power Generation & Distribution Company has decided to acquire 99% stake of United Energy, a sister concern of the United Group. United Power will acquire the said amount of stake at face value. Currently, it is operating two power plants -- 53 MW at Ashuganj and 28 MW at Sylhet respectively, said the disclosure.

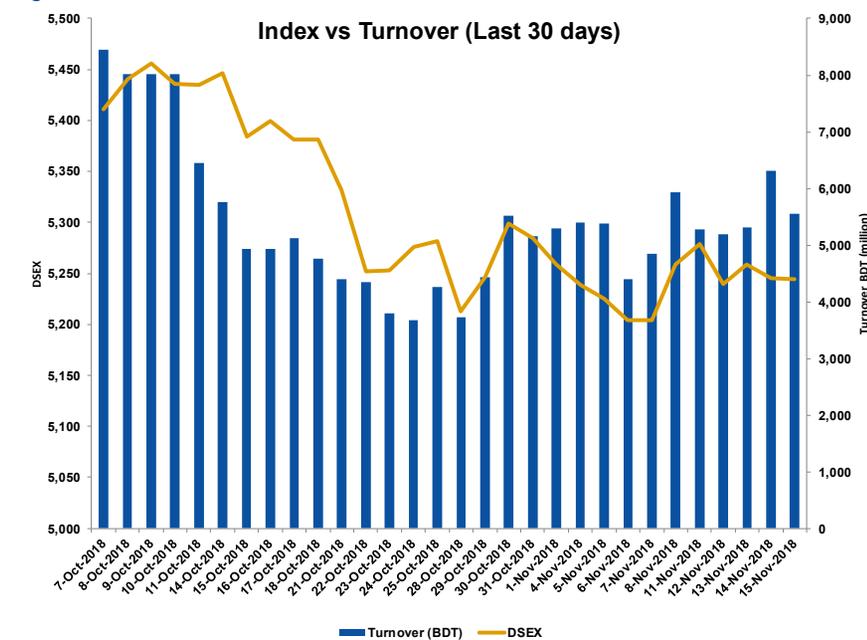
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,244.63	5,259.11	-14.49	6,244.52	-0.28%	-16.01%
DS30	1,856.12	1,859.10	-2.98	2,283.23	-0.16%	-18.71%
DSES	1,208.11	1,210.46	-2.35	1,390.67	-0.19%	-13.13%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,064,204.5	19,023,710.6	0.2%
	Mn USD	229,330.0	228,842.9	
Turnover	Mn BDT	27,647.9	25,957.5	6.5%
	Mn USD	332.6	312.3	
Average Daily Turnover	Mn BDT	5,529.6	5,191.5	6.5%
	Mn USD	66.5	62.5	
Volume	Mn Shares	656.0	670.4	-2.1%

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
Kattali Textile Limited	25.90	10.00	159.0%	2,305.1	404.57	21.6x	1.5x
Sonali Aansh	431	310.90	38.6%	1,168.9	188.54	261.5x	1.9x
Stylecraft Limited	1,199.80	865.70	38.6%	6,057.8	19.63	209.9x	18.9x
Libra Infusions Limited	1,265.00	964.30	31.2%	1,583.3	227.00	260.3x	0.8x
Wata Chemicals Limited	502.20	412.80	21.7%	4,580.9	416.26	127.8x	7.2x
Central Pharmaceuticals Limited	16.90	14.10	19.9%	1,928.2	81.96	17.7x	1.1x
United Power Generation & Distribution Company Ltd	323.70	271.90	19.1%	155,080.5	1,372.18	37.1x	13.4x
Jute Spinners	137.80	116.00	18.8%	234.3	19.24	NM	NM
Monno Jute Staffers	5,634.20	4,747.90	18.7%	2,591.7	166.32	11367.2x	121.7x
Orion Infusion	60.80	51.30	18.5%	1,237.9	231.36	39.7x	5.0x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Tosrifia Industries Limited	20.90	26.10	-19.9%	1,320.2	75.85	15.8x	0.8x
Salvo Chemical Industry Limited	15.60	18.10	-13.8%	966.1	74.92	20.7x	1.4x
Intraco Refueling Station Limited	31.30	36.30	-13.8%	2,347.5	308.47	NM	2.5x
KDS Accessories Limited	53.80	61.60	-12.7%	3,392.8	141.59	27.0x	2.6x
Asia Pacific Gen Ins	18.80	21.50	-12.6%	796.2	13.84	12.5x	1.2x
Shinepukur Ceramics	13.30	15.10	-11.9%	1,954.6	20.76	235.7x	0.5x
Olympic Accessories Limited	12.10	13.60	-11.0%	2,051.3	14.96	11.5x	0.9x
VFS Thread Dyeing Limited	52.30	58.70	-10.9%	4,430.6	159.88	31.4x	3.0x
Deshbandhu Polymer Limited	14.30	16.00	-10.6%	877.5	24.03	43.1x	1.3x
Daffodil Computers Ltd.	30.40	33.90	-10.3%	1,517.3	38.02	14.0x	2.4x

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	323.70	271.90	19.1%	155,080.5	1,372.18	37.1x	13.4x
Khulna Power Company Limited	91.50	98.40	-7.0%	33,057.6	1,366.84	18.0x	3.7x
SK Trims & Industries Limited	46.90	43.00	9.1%	3,283.0	1,117.24	61.9x	4.0x
IFAD Autos Limited	105.30	103.20	2.0%	26,113.4	745.95	24.9x	4.0x
Saiham Cotton Mills Limited	24.70	22.30	10.8%	3,674.7	728.28	23.2x	1.4x
In Tech Online Ltd.	67.10	62.50	7.4%	1,893.4	691.35	68.0x	6.6x
Shepherd Industries Limited	43.80	39.90	9.8%	5,984.2	686.59	46.8x	2.6x
Monno Ceramic	380.80	371.90	2.4%	9,567.4	641.15	3634.9x	4.2x
BBS Cables Limited	114.00	122.80	-7.2%	15,732.0	546.56	38.1x	6.8x
The Peninsula Chittagong Limited	33.90	32.50	4.3%	4,022.8	480.65	64.0x	1.6x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,219.40	18.22%	56,553.2	28.0x
Mutual Trust Bank	36.00	15.71%	20,641.1	14.1x
Singer Bangladesh	217.10	11.05%	16,650.4	30.5x
Summit Power	38.80	8.08%	41,433.6	9.5x
Marico Bangladesh Limited	1,171.80	5.94%	36,911.7	25.6x
Delta Life Insurance	111.70	3.81%	13,822.9	NM
Padma Oil Co.	236.40	-1.09%	23,222.2	11.4x
Delta Brac Housing	132.70	-2.43%	16,169.7	20.6x
BATBC	3,306.70	-2.79%	198,402.0	26.2x
Power Grid Co. of Bangladesh Ltd.	50.60	-3.07%	23,322.2	11.7x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1369.17	1367.34	1848.21	0.13%	-25.92%
NBFIs	2059.59	2095.76	2714.85	-1.73%	-24.14%
Mutual Funds	628.59	627.61	788.81	0.16%	-20.31%
General Insurance	1352.44	1362.18	1592.30	-0.72%	-15.06%
Life Insurance	1934.32	1994.34	1834.85	-3.01%	5.42%
Telecommunication	5088.60	5213.81	6494.31	-2.40%	-21.65%
Pharmaceuticals	2604.85	2592.24	2821.05	0.49%	-7.66%
Fuel & Power	1844.49	1778.97	1527.27	3.68%	20.77%
Cement	1647.56	1649.15	2280.58	-0.10%	-27.76%
Services & Real Estate	1036.87	1055.65	1224.11	-1.78%	-15.30%
Engineering	2876.54	2898.58	3166.83	-0.76%	-9.17%
Food & Allied	14169.19	14086.74	15304.34	0.59%	-7.42%
IT	1408.55	1402.48	1484.41	0.43%	-5.11%
Textiles	1480.06	1469.20	1222.72	0.74%	21.05%
Paper & Printing	10260.23	10566.83	1013.11	-2.90%	912.75%
Tannery	2557.76	2525.45	2642.41	1.28%	-3.20%
Jute	14730.68	12840.12	8867.22	14.72%	66.13%
Ceramics	600.99	607.04	597.46	-1.00%	0.59%
Miscellaneous	1828.78	1837.48	1725.62	-0.47%	5.98%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
Banks	266.0	261.8	1.61%	4.95%	8.8x	1.0x
NBFIs	172.6	224.5	-23.09%	3.21%	19.7x	2.0x
Mutual Funds	11.8	13.2	-10.13%	0.22%	NM	0.5x
General Insurance	37.5	58.3	-35.61%	0.70%	12.3x	0.9x
Life Insurance	103.2	121.0	-14.70%	1.92%	NM	8.0x
Telecommunication	56.2	46.2	21.52%	1.04%	22.4x	16.5x
Pharmaceuticals	773.5	629.5	22.88%	14.39%	19.6x	3.2x
Fuel & Power	876.8	711.8	23.19%	16.31%	15.6x	2.4x
Cement	62.5	63.3	-1.30%	1.16%	18.5x	3.0x
Services & Real Estate	142.6	148.4	-3.87%	2.65%	26.2x	0.9x
Engineering	634.4	566.6	11.97%	11.80%	22.3x	2.1x
Food & Allied	174.4	116.9	49.17%	3.24%	28.8x	10.1x
IT	217.8	222.4	-2.09%	4.05%	27.2x	2.9x
Textiles	1,090.1	1,258.2	-13.36%	20.28%	22.7x	1.3x
Paper & Printing	41.7	65.0	-35.87%	0.78%	NM	5.5x
Tannery	98.0	66.0	48.48%	1.82%	19.5x	3.1x
Jute	51.3	19.5	163.33%	0.95%	NM	6.3x
Ceramics	146.9	100.6	45.98%	2.73%	29.0x	2.3x
Miscellaneous	417.9	353.3	18.30%	7.78%	26.2x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	11.60	-47.51%	8,794.3	5.8x
United Airways (BD) Ltd.	2.70	-41.91%	2,235.9	11.5x
EXIM Bank	10.00	-41.86%	14,122.5	4.8x
Lafarge Surma Cement	42.60	-39.06%	49,474.5	22.2x
IFIC Bank	10.40	-38.76%	13,922.9	8.8x
City Bank	30.40	-36.84%	29,426.8	7.2x
Islami Bank	23.70	-35.25%	38,156.8	8.5x
Rupali Bank	35.00	-34.44%	13,178.1	NM
Eastern Bank	34.00	-33.46%	25,092.0	9.2x
International Leasing	13.40	-32.09%	2,830.7	22.5x

Important News: Business & Economy

Bangladesh Bank (BB) sells USD 95.0 million to banks in two days

- The central bank has strengthened its foreign currency support to the commercial banks to settle their import payment obligations particularly for fuel-oils.
- As part of the move, Bangladesh Bank (BB) sold USD 95.0 million directly to the commercial banks in last two days to meet the growing demand for the greenback in the market.
- On Wednesday, USD 45.0 million was sold to three banks, while the remaining USD 50.0 million was provided to four state-owned commercial banks.
- Import of petroleum products rose by 78.62% to USD 1.1 billion in the first three months of the present fiscal year (FY), 2018-19, from USD 597.8 million in the same period of the previous fiscal.
- The rising trend in fuel-oil import may continue in the coming months following diversified use of the gasoline products, particularly for power generation.
- On the other hand, the exchange rate of Bangladesh taka (BDT) depreciated slightly against the USD (USD) on Tuesday, despite the central bank's foreign currency support to the commercial banks. The local currency depreciated by three poisha in the inter-bank foreign exchange market on the day, mainly due to higher demand for the greenback.
- The USD was quoted at BDT 83.88 each in the inter-bank foreign exchange market on Tuesday against BDT 83.85 of the previous working day. It remained unchanged at BDT 83.88 on Wednesday.

<http://today.thefinancialexpress.com.bd/first-page/bb-sells-95m-to-banks-in-two-days-1542218187>

Foreign direct investment (FDI) picking up, but slowly

- Foreign direct investment in Bangladesh rose only 5.11% in fiscal 2017-18 from a year earlier -- the progress being slow because of inadequate infrastructure and poor ranking in the World Bank's Ease of Doing Business index.
- Bangladesh ranked 176 out of 190 countries in the World Bank's Ease of Doing Business index this year, the lowest ranking for a South Asian nation.
- Last fiscal year, net FDI stood at USD 2.58 billion in contrast to USD 2.45 billion a year earlier, according to the central bank.
- The country's FDI to GDP ratio has been hovering below 1% for long but its peers like Vietnam, China, India and Cambodia have more than 2%.
- Bangladesh is yet to become an investment destination for foreigners due to its poor governance, unavailability of energy supply, infrastructure deficits, corruption, political uncertainty and concerns over security. The power sector saw the highest inflows in fiscal 2017-18 of USD 589.0 million, followed by textile at USD 459.0 million and banking at USD 321.0 million.

<https://www.thedailystar.net/business/news/fdi-picking-slowly-1660810>

Banglalink's revenue falls

- Banglalink's revenue has decreased 5.8% year-on-year to BDT 11.0 billion in the July-September quarter, reads a report of the operator's parent company Veon.
- However, the third largest mobile operator remains satisfied, saying they were witnessing a return of business in the last couple of months following the purchase of 10.6 MHz spectrum in February.
- Once a spirited operator, Banglalink was progressively becoming a bit-part player, with its revenues declining for the seventh consecutive quarter to reach BDT 10.7 billion in the first quarter of this year.
- Though turning around with their new spectrum, the operator was yet to fully recover as the revenue declined 8.3% year-on-year to BDT 32.7 billion in the first nine months of this year, reads the financial statement.
- Banglalink said they were happy with their bounce-back performance as the result of July-September quarter demonstrates movement in a positive direction with an overall revenue growth of 1.9% compared to the immediate past quarter.
- The customer base grew 2.8% year-on-year to 32.3 million this quarter, supported by improved distribution and network availability, notwithstanding the intense pricing pressure in the market, they said.
- However the pricing pressure caused a drop in average revenue per user by 9% year-on-year this quarter to BDT 110.

<https://www.thedailystar.net/business/news/banglalinks-revenue-falls-1660807>

More investment needed for higher growth: International Chamber of Commerce-Bangladesh (ICCB)

- International Chamber of Commerce-Bangladesh said that accelerated investment was a prerequisite for higher growth in the country.
- Bangladesh has to explore alternative sources of funding to meet the shortfall of fund for investment, the chamber said.
- It is estimated that Bangladesh needs investment of more than USD 600 billion for infrastructure development while the country can manage around USD 400 billion, according to the editorial of the ICCB News Bulletin (July-September).
- The private sector investment is a precondition for attracting foreign direct investment as the foreign investors would also like to see increased commitment of the private sector, improved infrastructure facilities as well as better facilities and proactive government agencies.
- Referring to the latest ranking of the country in the Ease of Doing Business Index of World Bank, ICCB said that it was the utmost importance for the country to take all-out efforts to

improve the index to attract foreign direct investment (FDI) as well as private sector investment.

- It also said that development of planned special economic zones and establishment of one-stop service for investors would hopefully attract higher FDI and private investments.

<http://www.newagebd.net/article/56069/more-investment-needed-for-higher-growth-iccb>

Norway wants to invest more in Bangladesh

- Norway is considering making more investment in Bangladesh in the future. Bangladesh exports several products, including readymade garments (RMG), to Norway, the Commerce Minister said and expressed the hope that the export volume will grow further in the coming days. Some 13 companies, including Grameenphone, of Norway have been operating in Bangladesh, the minister said, adding that Norway is thinking of investing further in Bangladesh. In the last fiscal year, Bangladesh exported goods worth USD 96.85 million to Norway and imported goods totalling US\$ 63.70 million from that country.

<http://today.thefinancialexpress.com.bd/trade-market/norway-wants-to-invest-more-in-bangladesh-1542134020>

Trade deficit widens at a slower rate

- Trade deficit widened slightly in the first quarter of the fiscal year as imports of major goods, including capital machinery, slowed down ahead of the national election next month. The country's trade gap increased only 5.53% year-on-year to USD 3.85 billion between the months of July and September, according to data from the central bank. Handsome growth of export earnings also helped to hold back the rising trade deficit -- a worrying trend witnessed by the country throughout last fiscal year. The country's trade deficit hit USD 18.25 billion in fiscal 2017-18, the highest in its history.
- Export earnings stood at USD 9.74 billion in the first quarter of fiscal 2018-19, up 14% from a year earlier. At the same time, imports rose 11.48% to USD 13.60 billion. Many businesses have recently adopted a 'wait and see' approach to set up new industrial units or expand their existing ones in light of the national election in December, said a former finance adviser to a caretaker government. They are now closely observing the political developments and law and order before committing to any fresh investment decision, he said.
- The ongoing uncertainty has left the businesses shaky, which ultimately brought down the import of capital machinery, he added. The import of capital machinery came down to USD 1.24 billion in the first three months of fiscal 2018-19 in contrast to USD 1.28 billion a year earlier, according to data from the Bangladesh Bank. The lower import of capital machinery indicates that the country's investment scenario is going through a cooling-off period.
- The lower trade gap was obviously good but the slowdown in import is a matter of concern for the economy, said the chairman of the Association of Bankers, Bangladesh, a platform of private banks' managing directors. Before the national polls, investment usually nosedives because of a lack of confidence among the business community anticipating deterioration of the law and order situation. The situation is also prevailing this time. But there is a hope after exports and remittances increased sharply in the first quarter, he added.

<https://www.thedailystar.net/business/news/trade-deficit-widens-slower-rate-1660258>

Bangladesh likely to get USD 250 million this fiscal

- The government has recently completed negotiations with the World Bank (WB) over US\$ 750 million budgetary support credit to narrow its fiscal deficit. Within this fiscal year (FY) 2018-19, the government is likely to get USD 250 million worth of funds from the total USD 750 million development support credit (DSC) that the government has sought from the global lender. The remaining USD 500 million credit is expected to be disbursed within next two fiscal years depending on fulfilment of the conditions set by the WB.
- Economic Relations Division (ERD) officials are hopeful of signing the credit deal within a couple of months. The DSC from the global lender this time will mainly be spent on creation of job opportunities in Bangladesh as many people still remain unemployed in the country, the official added.

<http://today.thefinancialexpress.com.bd/first-page/bd-likely-to-get-250m-this-fiscal-1542129626>

Bangladesh Bank (BB) has been made weaker, its director says

- The central bank's role as the custodian of the production and distribution of money and credit in the economy has been eroded over time by the finance ministry, said a director of the Bangladesh Bank yesterday. According to a director of the BB, it has become an extension of the ministry of finance. The finance ministry often forwards proposals for loan scheduling or for rescheduling for the fourth or fifth time. He also said that Sometimes, the central bank governor or the central bank board is undone either directly by the ministry of finance or the head of the government.
- Subsequently, the financial health of banks has become "horrendously bad". Bangladesh's all indicators are wonderful except the financial health. Financial health is really, really very bad, the former director of BB added. A former president of AmCham went on to call for soul-searching to fix the situation.

<https://www.thedailystar.net/business/news/bb-has-been-made-weaker-its-director-says-1660273>
<http://www.newagebd.net/article/55958/govt-interventions-behind-large-loans-rescheduling>

10 more banks get Bangladesh Bank (BB) notice on misleading forex rate info

- The central bank issued show-cause notices to 10 more banks on Monday for allegedly providing misleading information about the foreign exchange rate, particularly for importers.
- The chief executive officers (CEOs) and managing directors (MDs) of the banks have been asked to reply to the show-cause notices by November 15.
- The BB issued the show-cause notices based on the findings of its investigation conducted in the port city recently, the central banker explained.
- The central bank probe team found that the banks reported the BC (Bill for Collection) selling rate at BDT 83.85 to the central bank, although they sold the greenback to the

importers at the rates ranging from BDT 84.00 to BDT 85.50.

- The banks include two foreign commercial banks, five fourth-generation banks, one state-owned commercial bank (SoCB), one third-generation bank and another first-generation bank.
- Earlier on October 28 last, the central bank issued show-cause notices to nine banks on the same grounds.
- The central bank has been providing its foreign exchange support continuously through selling US dollars to the banks for settlement of import bills. As part of the move, a total of USD 500 million has been sold to the commercial banks since July 01 in the current fiscal year.

<http://today.thefinancialexpress.com.bd/last-page/10-more-banks-get-bb-notice-on-misleading-forex-rate-info-1542044669>

Overseas employment shrinks due to poor Middle East (ME) demand

- The country's overseas employment continued to decline in the recent months due to lower demand for workers in the Middle East (ME) countries, according to official statistics.
- The sector insiders and experts said it would be hardly possible to achieve the target set by the government for the current calendar year as the outflow of workers was much lower in the recent months.
- A total of 614,585 Bangladeshis found jobs abroad during the period from January to October this year as compared to 834,773 registered in the corresponding period of 2017, Bureau of Manpower Employment and Training (BMET) figures showed.
- The recruitment by the ME countries, including Kingdom of Saudi Arabia (KSA), Oman and Qatar, has dropped significantly in the first 10 months of the ongoing year due to sluggish development works there.
- Besides, some Arab countries have taken a move to create job opportunities for their own people, according to officials and workers. So the job prospect has been squeezed there, they said, adding that many of the workers are forced to come back home after losing their jobs.

<http://today.thefinancialexpress.com.bd/trade-market/overseas-employment-shrinks-due-to-poor-me-demand-1542041575>

Regulator asks MFIs to get its nod for procuring fixed assets

- The regulator has asked the Micro Finance Institutions (MFIs) to obtain its prior permission for procuring fixed assets through spending money from their accumulated surplus. The Microcredit Regulatory Authority (MRA) imposed the restriction against the backdrop of alleged violation of a spending limit from the surplus fund by many of the MFIs. The regulator issued a circular in this regard recently, asking the MFIs to strictly follow the directives.
- Currently, the MFIs can use maximum 35 per cent from their accumulated surplus for purchasing the assets. A good number of MFIs have been purchasing fixed assets by

breaching existing rules of the regulator. From now on, the MFIs will have to obtain permission from the MRA, in addition to approval by their respective board of directors, to purchase permanent assets.

- As of July 01 this year, some 705 MFIs have been registered with the MRA and 128 are operating on a temporary basis as on May 27 this year. Credit disbursement by the registered MFIs stood at Tk 787.67 billion at the end of June 2016, with a growth of 24 per cent over the previous year. The number of microcredit clients stood at 27.58 million in 2016, according to the latest annual report of the MRA.

<http://today.thefinancialexpress.com.bd/trade-market/regulator-asks-mfis-to-get-its-nod-for-procuring-fixed-assets-1542041518>

Q1 trade deficit stands at USD 4.0 billion

- Trade deficit reached nearly USD 4.0 billion in the first quarter (Q1) of the current fiscal year due mainly to higher import payments than lower export receipts.
- The gap in the country's trade with the rest of the world rose to USD 3.85 billion in the July-September period of fiscal year (FY) 2018-19. It was USD 3.65 billion in the same period last year.
- The deficit registered 5.53% growth during the period under review

<http://today.thefinancialexpress.com.bd/first-page/q1-trade-deficit-stands-at-40b-1541957633>
<http://www.newagebd.net/article/55765/rising-exports-check-q1-trade-deficit-growth-at-55pc>

Japan's Honda opens motorcycle plant

- Japan automobile giant Honda yesterday inaugurated its motorcycles manufacturing plant in Bangladesh, in what can be viewed as a watershed moment for the country's industrial capabilities.
- The plant, which was set up for BDT 2.30 billion on 25 acres of land in the Abdul Monem Economic Zone (AMEZ) in Munshiganj, will help save foreign currency and make motor bikes more affordable.
- The plant will have an initial annual production capacity of 100,000 units a year. By 2021, the production capacity will expand to 200,000 units a year, according to BHL, which has been marketing Honda brand bikes in Bangladesh for the last several decades.

<https://www.thedailystar.net/business/economy/news/japans-honda-opens-motorcycle-plant-1659286>
<http://www.newagebd.net/article/55770/honda-starts-its-manufacturing-in-bangladesh>

Asian Clearing Union (ACU) payment cuts forex reserve to USD 31 billion

- Bangladesh has made a routine payment of USD 1.13 billion to the Asian Clearing Union (ACU) against imports during the September-October period of this calendar year, officials said.
- After the payment, the foreign exchange (forex) reserve fell to USD 31.06 billion on

Sunday from USD 32.17 billion on the previous working day, according to the central bank's latest statistics.

- The amount of ACU payment came to USD 1.13 billion during the period under review from USD 1.15 billion earlier mainly due to lower imports from the ACU member countries particularly from India.

<http://today.thefinancialexpress.com.bd/trade-market/acu-payment-cuts-forex-reserve-to-31b-1541958906>

July-October remittance up by 12.17%

- Expatriate Bangladeshis sent USD 5,108 million remittances during the first four months of the current fiscal 2018-19 (FY19), which is 12.17% higher than that of the previous fiscal.

- The country received USD 4,553.79 million remittances during July to October in the fiscal year 2017-18 (FY18).

- The flow of remittances into the country shows upward trend in the current fiscal 2018-19 as BB has taken measures to streamline the legal channel for encouraging Non Resident Bangladeshis (NRBs) to send money to the country.

- According to the BB data, the country received USD 1,239.11 million in October, USD 1,139.66 million in September, USD 1,411.05 million in August and USD 1,318.18 million in July, 2018.

<https://thefinancialexpress.com.bd/economy/bangladesh/july-oct-remittance-up-by-1217pc-1541760866>

Bangladesh an investment hotspot, says Japan International Cooperation Agency (JICA) representative

- Japan International Cooperation Agency (JICA) chief representative for Bangladesh said Japanese entrepreneurs see Bangladesh as the most attractive investment hub.

- There are a lot of SMEs (small and medium enterprises) scattered throughout Bangladesh where Japan can come forward with their all-out support said the chief of JICA Bangladesh.

- He also added that Bangladesh secured unexpected growth in its gross domestic product (GDP) over a decade, which is very encouraging for the people of Bangladesh.

- According to Chittagong Chamber of Commerce and Industry (CCCI) president, a very strong economy Japan has built through the SME sector which is a model for the growth of Bangladesh SME sector as well.

<http://today.thefinancialexpress.com.bd/public/trade-market/bd-an-investment-hotspot-says-jica-rep-1541785020>

<https://www.thedailystar.net/business/banking/news/smes-still-under-utilised-1658203>

July-September first quarter (Q1): Agent banking accounts increased 14.15%

- Agent banking is gaining popularity in the country, as the number of such banking

accounts has increased 14.15% to 2,028,864 in the first quarter of the current fiscal year.

- As of September 30, the number of agent banking accounts stood at 2,028,864, up from 1,777,400 registered at the end of June, increasing a staggering 251,465 accounts in July-September period.

- Agent banking is getting popular since its operation nearly two years back. The model has been widening significantly almost every quarter for an initiative of banks to bring in an alternative to branch-based banking, bankers said.

- Agents provide services such as cash deposits, withdrawals, remittance disbursement, small value loan disbursement and recovery of loans, and cash payments under the government's social safety net programmes.

- As of September 30, a total of 18 banks are providing agent banking services. The number of agents is 3,902 and outlets 5,791.

<https://www.dhakatribune.com/business/2018/11/09/jul-sep-q1-agent-banking-accounts-increased-14-15>

Government borrowing from savings tools up 5.0% in first quarter (Q1)

- The government's net borrowing from state-owned savings instruments increased by more than 5.0% in the first quarter of the ongoing fiscal year compared to that of the previous fiscal.

- The net sales of savings tools in the last three months had already exceeded more than 50% of the target set by the government for the current fiscal year.

- Net sales of savings tools were BDT 134.12 billion in the July-September period of fiscal year (FY) 2018-19, according to the data available with Department of National Savings (DNS).

- The current fiscal year's target for net borrowing from savings instruments was set at BDT 261.97 billion, the data showed.

<http://today.thefinancialexpress.com.bd/public/last-page/govt-borrowing-from-savings-tools-up-50pc-in-q1-1541699950>

Malaysia hiring cost set at BDT 40,000

- The cost of migration for Malaysia-bound Bangladeshi workers has been set at about BDT 40,000 each, four times less than earlier.

- Under the online system of 'Sistem Pengambilan Pekerja Asing (SPPA) of the G-to-G plus deal, the government fixed the migration cost for a worker at BDT 160,000.

- In the proposed migration system, the employers will bear Malaysian Ringgit (RM) 5,525 (BDT 110,000) to hire each worker.

<http://today.thefinancialexpress.com.bd/public/first-page/malaysia-hiring-cost-set-at-BDT-40000-1541699408>

Internet penetration slows in 4G era

- The growth of internet in the first nine months of the year has been the lowest in three years despite the roll out of the faster 4G mobile data service in February.
- Between the months of January and September, 10.7 million active internet connections were added, down 15.08% from a year earlier, according to a report of the Bangladesh Telecommunication Regulatory Commission published on Thursday. With the new additions, the total number of active internet connections at the end of September was 91.2 million. Of them, 93.63% are using mobile internet and 6.29% fixed broadband.

<https://www.thedailystar.net/business/telecom/news/internet-penetration-slows-4g-era-1658194>

Three contracts with Russia by December next year

- The government is eyeing three contracts with Russia regarding Rooppur Nuclear Power Plant (NPP) lifecycle services by December 2019 to smoothly implement the project.
- They are nuclear fuel supply contract, service contract for operation technical support, maintenance and repair, and contract for spent nuclear fuel management.
- Top officials of Bangladesh and Russia agreed to sign the 'nuclear fuel supply deal' by December 2018 and 'service contract for operation technical support, maintenance and repair' by first quarter of 2019.
- The 'contract for spent nuclear fuel management' will be inked by the end of December 2019.

<https://www.thedailystar.net/business/global-business/news/russia-clashes-western-oil-buyers-over-new-deals-1658752>

One-third life insurance claims unsettled: Insurance Development and Regulatory Authority (IDRA)

- Some 33% life insurance claims in Bangladesh remain unsettled thanks to weak financial health and lack of governance, and in the process erode people's trust in insurers.
- Of the total insurance claims of BDT 27.60 billion of the 32 life insurance companies as of March, 67% were settled, according to an evaluation report of the Insurance Development and Regulatory Authority (IDRA). The remaining claims of BDT 9.14 billion have remained unsettled.
- Some 11 companies were blamed for the low settlement rate: BAIRA Life, Golden, Homeland, Meghna, MetLife, Progressive, Rupali, Padma Islami, Sunlife, Sunflower and Fareast Islami Life Insurance.
- American MetLife, which dominates the insurance sector with a 39.27% market share, has the highest rate of unsettled claims: 46%. As of March, the company has unsettled claims amounting to BDT 31.06 billion.
- A huge amount of unsettled claims pushed owners of Padma Islami Life Insurance to sell their shares to S Alam Group, which recently bought 45% stake into the company. Its claim

settlement rate was 82%, with BDT 0.28 billion in unsettled claims.

<http://today.thefinancialexpress.com.bd/public/first-page/external-debt-servicing-doubles-in-q1-1541095089>

Most of mutual funds suffer profit fall in FY18

- Profits of most of the closed-end mutual funds declined in the financial year of 2018 compared with that in the previous financial year due to a bearish trend at the market.
- Out of the 30 mutual funds, earnings per unit of 21 mutual funds declined while EPU of nine mutual funds advanced in the year of 2018.
- Experts said the capital market was mostly bearish in the second half (January-June) of FY 2017-18 that affected the mutual funds' profits.

<http://www.newagebd.net/article/55554/most-of-mutual-funds-suffer-profit-fall-in-fy18>

Important News: Capital Market

ADN Telecom's cut-off price fixed at BDT 30

- The cut-off price of ADN Telecom's shares has been fixed at BDT 30 each, as discovered by institutional investors through electronic bidding under the book-building method.
- ADN Telecom, the IT and telecommunication service provider, will raise capital worth BDT 570 million under the book building method.
- The eligible investors proposed prices between BDT 15 and BDT 45 during the period. Then the cut-off price was set at BDT 30 each, according to the Dhaka Stock Exchange (DSE) website.
- The offer period for eligible investors will start at 10:30am on November 11 and continue until 10:30am on November 12 (round the clock).
- The company will utilise the IPO (initial public offering) fund to develop infrastructure, establish a data centre, repay bank loans and bear the IPO expenses.
- As per the financial statement for the year ended on June 30 last year, the net asset value (NAV) per share was BDT 16.13. The basic EPS (earnings per share) and adjusted EPS were BDT 2.52 and BDT 2.36 respectively. The weighted average EPS stood at BDT 1.81.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/adn-telecoms-cut-off-price-fixed-at-BDT-30-1541698726>
<https://www.thedailystar.net/business/news/cut-price-adn-set-BDT-30-1658188>
<https://www.dhakatribune.com/business/stock/2018/11/09/adn-telecom-ipo-cut-off-price-fixed-at-BDT-30>

Bangladesh Fund to attract investors

- The fund manager of the country's largest ever open-end fund-- Bangladesh Fund-- has

continued its efforts to make the fund lucrative to ensure attractive dividend.

- ICB Asset Management Company Limited (AMCL), the fund manager of the Bangladesh Fund, has sought the support of finance ministry to increase the size of the fund.
- After the 2010-11 stock market debacle, the state-run Investment Corporation of Bangladesh (ICB) floated the Bangladesh Fund with an objective of stabilizing the capital market along with declaring attractive dividend to the unit holders.
- According to the managing director of ICB AMCL, the purchase of the units of the Bangladesh Fund is yet to be up to the mark as investors prefer ICB's other mutual funds having better dividend pay outs. He also added that, the dividend payout of Bangladesh Fund will be satisfactory if the size of the fund is increased gradually. He also blamed wrong doings executed by fund managers behind investors' poor interest to overall mutual fund industry.
- The initial size of Bangladesh Fund was fixed BDT 50.0 billion and the size of the fund stood at only BDT 17.8 billion as of June 30, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/bangladesh-fund-to-attract-investors-1542212617>

Bangladesh Securities and Exchange Commission (BSEC) works out four-point formula

- Securities regulator has prepared a four-point formula for boosting institutional investments in bourses.
- The formula includes addition of certain provisions to the Bank Companies Act to help increase contribution of major institutional investors like banks to the capital market, creation of scope for investment of pension, life and other funds in securities and fiscal incentives for investment of provident funds in the capital market.
- The commission suggested offering tax and other kinds of incentives to encourage investment of private sector provident funds in the bourses.
- Officials said the capital market watchdog proposed offering incentives to individuals to encourage them to invest in mutual funds through systematic investment plan, which ultimately will be transformed into institutional investments.

<http://today.thefinancialexpress.com.bd/first-page/bsec-works-out-four-pt-formula-1542217970>

United Power to acquire 99% stake of United Energy

- The board of directors of United Power Generation & Distribution Company has decided to acquire 99% stake of United Energy, a sister concern of the United Group.
- United Power will acquire the said amount of stake at face value.
- United Energy is also a power generation company established under the private sector power generation policy of Bangladesh. It is operating two power plants -- 53 MW at Ashuganj and 28 MW at Sylhet respectively, said the disclosure.

- United Energy also has equity (92.41%) investment in the United Ashuganj Energy (UAEL), a company having generation capacity of 195 MW power (Gas Based) located at Ashuganj in Brahmanbaria. United Ashuganj Energy is a PPP (Public Private Partnership) project having a fixed term of 15 years from 2015.

<http://today.thefinancialexpress.com.bd/stock-corporate/united-power-to-acquire-99pc-stake-of-united-energy-1542212568>

Delta Brac Housing Finance Corporation's (DBH) home loan portfolio crosses BDT 100.0 billion

- Delta Brac Housing Finance Corporation (DBH) has crossed the milestone of disbursing home loans of BDT 100.0 billion, which is the highest among all lenders in Bangladesh.
- According to the managing director of DBH, this portfolio is the highest among all banks and non-bank financial institutions in the country. He also added that the home loans together with clients' own equity contribution of equivalent amount helped DBH bring investment of more than BDT 200.0 billion in the housing and real estate sector.
- DBH, which is an international joint venture financial institution, has emerged as the largest and only specialized housing finance institution in the private sector. The company is the market leader, both in terms of annual home loan disbursements and housing loan portfolio.

<https://www.thedailystar.net/business/news/dbhs-home-loan-portfolio-crosses-BDT-10000cr-1660792v>

Rules to clip GP wings

- Grameenphone's indomitable crusade for more market share is likely to be ground to a halt as the government is set to activate a regulation that will clip monopolistic tendencies. Called the Significant Market Power (SMP), the regulation imposes restrictions on an operator once it corners 40% of the subscribers, revenues and spectrum. As of September, Grameenphone has 45.83% market share, while its revenue share in fiscal 2017-18 was 51.77 percent, according to the telecom regulator.
- The operator has been maintaining the same market share for the last few years now. The regulation, which has been in the works since 2011, has already been approved by the government and will be issued by this week, said acting chairman of the Bangladesh Telecommunication Regulatory Commission. The new regulation, which will be the first of its kind in South Asia, states if an operator is found to wage anti-market activities the BTRC can step in to break the monopoly or oligopoly through it. Any competitor can also lodge complaint against the SMP and the regulator will have to look into it.
- Officials of the telecom regulator said if Grameenphone is declared a SMP operator its tariff and package approval process might be different. The service quality parameters will also be different for non-SMP and SMP operators, said a BTRC official. However, all the restrictions will be implicated after getting the government's nod. Robi, the country's second largest operator, might get a leg-up if Grameenphone is declared a SMP. The operator welcomes the move, calling it a demand of the market.

<https://www.thedailystar.net/business/news/rules-clip-gp-wings-1660276>

Revenue from stock market rises slightly

- The government's earnings from stock market operations edged up only 2.96% to BDT 3.95 billion last fiscal year because of lower turnover. The amount came as fees from the beneficiary owner's (BO) accounts, value-added tax and tax on transactions. Of the amount, the Dhaka Stock Exchange submitted BDT 2.80 billion, which is 3.94% lower than the previous year. However, the income from the Chittagong Stock Exchange soared about 132% to BDT 573.6 million in 2017-18. The Bangladesh Securities and Exchange Commission (BSEC) contributed BDT 575.3 million, down 14.57% from a year earlier.

- The BSEC collects the money from the Central Depository Bangladesh Ltd (CDBL) as maintenance fee for BO account, while the two stock exchanges collect money by charging tax and VAT on transaction of securities. BSEC Chairman handed over the cheque yesterday to Finance Minister at his secretariat office. The capital market is improving day by day and the amount of the money given to the government exchequer is on the rise, the BSEC Chairman said. The forthcoming election has not had any impact on the stock market, he added.

<https://www.thedailystar.net/business/news/revenue-stock-market-rises-slightly-1660255>

Stock broker faces Bangladesh Securities & Exchange Commission (BSEC) heat for market manipulation

- Commerce Bank Securities and Investment, a stock broker, looks set to face punishment from the stock market regulator for its alleged role in manipulation of seven companies' share prices. The companies are: Monno Jute Staffers, Monno Ceramic, Legacy Footwear, BD Autocars, Queen South Textile, Alif Industries and Eastern Lubricants. The stock broker enabled the manipulative transactions of its clients and created artificial demand, according to the report of the enquiry committee of Bangladesh Securities and Exchange Commission (BSEC).

- The panel was formed on June 21 after abnormal price hikes of some shares. Commerce Bank Securities and Investment also did not notify the suspicious transactions to the commission. It also extended credit facilities to clients to buy shares of Queen South Textile and Alif Industries beyond the permissible limit in violation of the margin rules. On the basis of their findings, top officials of the brokerage house were asked to come to a hearing on Monday. A top official of the BSEC said they were not satisfied after hearing Commerce Bank's side of the story. So, the commission may take action against them, he added.

- Commerce Bank Securities had a dominant and influential role in the trading of Monno Jute Staffers shares that caused the price to rise abnormally, according to the enquiry report. The chief executive of Commerce Bank Securities, said the customers purchased the shares through their beneficiary owner's account abiding by rules and regulations.

<https://www.thedailystar.net/business/news/stock-broker-faces-bsec-heat-market-manipulation-1660252>

Dhaka Bank, IFC sign deal on USD 50 million syndicated loan

- Dhaka Bank Limited and International Finance Corporation (IFC) recently signed a USD 50 million syndicated working capital solutions facility agreement. The IFC, private sector investment arm of the World Bank, arranged the facility for the bank with syndication of

Bank Muscat, ICICI Bank, The National Bank of Ras Al Khaimah, Axis Bank and Union National Bank, according to a statement. This is the first-ever syndicated loan in Bangladesh arranged by IFC with the global commercial banks. This fund will be utilised for financing trade transactions of Dhaka Bank through its Offshore Banking Unit.

<http://today.thefinancialexpress.com.bd/trade-market/dhaka-bank-ifc-sign-deal-on-50m-syndicated-loan-1542131867>

Bangladesh Securities & Exchange Commission (BSEC) at its wit's end over manipulation

- The chairman of the stock market regulator yesterday expressed deep frustration on the book-building method as it has failed to get fair prices for the recently listed companies.

- Institutional investors quote a higher price in the bidding through a collusive discussion, said the chairman of the Bangladesh Securities and Exchange Commission (BSEC).

- But, market analysts said the issue managers advise the institutional investors to bid high, so that they get a good profit in the first few days of trading. When the institutional investors sell their shares, the price tumbles, they added.

- The BSEC introduced the system, which is followed internationally, to dig out a good price following requests from issue managers.

<https://www.thedailystar.net/business/news/bsec-its-wits-end-over-manipulation-1659814>
<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-taking-steps-to-stop-misuse-in-book-building-system-1542040650>
<http://www.newagebd.net/article/55879/bsec-grills-commerce-bank-securities-top-brass-over-share-price-rigging>
<https://www.dhakatribune.com/business/stock/2018/11/12/bsec-chairman-market-will-see-no-impact-due-to-upcoming-election>

BURO teams up with bKash

- bKash Limited, a subsidiary of BRAC Bank, signed an agreement with BURO Bangladesh recently, allowing the microfinance institution to leverage bKash for loan disbursement and repayment service for its customers.

- The deal will help around 1.7 million households of BURO Bangladesh make their installment payments for savings scheme of the organisation through bKash.

<http://today.thefinancialexpress.com.bd/trade-market/buro-teams-up-with-bkash-1541959010>

Kattali Textile to make debut today

- Kattali Textile Ltd will commence its share trading debut today (Monday) on Dhaka and Chittagong Stock Exchanges under "N" category.

- Kattali Textile will be the 53th listed company under textile sector in the DSE. The textile sector accounted for about 4.0% market capitalisation of the prime bourse.

- The DSE trading code for Kattali Textile is "KTL" and DSE company code is 17480 while

the CSE scrip code is "KTL" and scrip ID is 12068.

- Kattali Textile, which received the IPO approval from the Bangladesh Securities and Exchange Commission (BSEC) on June 26, raised a fund worth BDT 340 million from the capital market under the fixed price method.

- The proceeds from the IPO subscriptions of Kattali Textile will be utilised for constructing its factory building and employees' dormitory, purchase machinery for an extended unit, install electric transformers and generators, repay bank loans and bear the IPO expenses.

- The company's net asset value (NAV) per share was BDT 20.48 (without revaluation) as on June 30, 2017 while the earning per share was BDT 1.94.

<http://today.thefinancialexpress.com.bd/stock-corporate/kattali-textile-to-make-debut-today-1541953051>

Shurwid Industries to expand factory building

- Shurwid Industries will invest BDT 40 million to expand its factory building along with setting up a solar panel with metering facilities.

- Chairman of Shurwid Industries said that the factory building would be expanded vertically.

- According to him, after setting up the solar panel, surplus electricity will be added to national grid and the company will be financially benefited at this.

- Shurwid Industries, presently a 'Z' category company, was listed on the stock exchanges in 2014.

- The company's share price closed at BDT 29 each on Sunday with a loss of 4.62% or BDT 1.40 on the Dhaka Stock Exchange (DSE).

<http://today.thefinancialexpress.com.bd/stock-corporate/shurwid-industries-to-expand-factory-building-1541953086>

Not all brokers jumping at tax waiver

- Some 21% of the stockbrokers do not want to invest the amount they got from the Chinese consortium in the stock market, preferring instead to pay the 15% capital gains tax.

- The 250 stock brokers of the Dhaka Stock Exchange got BDT 9.6 billion by selling 25% stake, or 450.9 million shares, to the consortium of the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

- Of the amount, BDT 150.0 million has been deducted as stamp duty, leaving BDT 9.5 billion for the stock brokers.

- At present, the tax on the profits made from the sell-off of an asset like stocks, bond and so on is 15%.

- If the stock brokers plough back the amount they received from the Chinese consortium into the stock market and lock it down for at least three years, the capital gains tax for them

would be 5%.

- So far, 186 of the stock brokers have received their amounts from the stake sell-off and 39 do not want to lock down their windfall in the stock market.

- This means, almost BDT 1.4 billion of the proceeds from the stake sell-off will not come back to the market.

<https://www.thedailystar.net/business/news/not-all-brokers-jumping-tax-waiver-1658764>

Bangladesh Submarine Cable Company Ltd downgraded to B category

- Dhaka Stock Exchange yesterday downgraded Bangladesh Submarine Cable Company Ltd to "B" category as the company has approved 5% dividend last year.

- To remain in "A" category, every company has to declare at least 10% dividend every year.

- Stock brokers and merchant bankers have also been requested to abstain from providing loan facilities for the purchase of the company's share in the first 30 trading days after the change of categorisation, with effect from November 11.

<https://www.thedailystar.net/business/news/bsccl-downgraded-b-category-1658191>