

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-0.61%) lost 33.56 points and closed the week at 5,467.05 points. The blue-chip index DS30 (-0.98%) lost 18.88 points and stood at 1,901.00 points. The shariah based index DSES (-1.25%) closed in red and stood at 1,255.51 points. DSEX, DS30 and DSES all posted negative YTD return of -12.45%, -16.74%, and -9.72% respectively.

Total Turnover During The Week (DSE) : BDT 38.8 billion (USD 467.2 million)

Average Daily Turnover Value (ADTV): BDT 7.8 billion (Δ% Week: -13.8%)

Market P/E: 17.00x

Market P/B: 2.19x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market opened this week with a negative movement of 0.66% in the first session and continued to be negative in the second session by 0.37%. In the third session market turned positive by 0.53% and remained positive in the fourth session by 0.59%. Then the market turned negative again by 0.69 % in the last session.

Sectoral Performance:

- All the financial sectors showed mixed performance this week. Life Insurance posted the highest gain of 14.82% followed by General Insurance (+0.30%). Mutual Funds experienced the highest loss of 5.34% followed by NBFIs (-0.66%) and Banks (-0.45%).
- All the non-financial sectors showed negative performance this week except Food & Allied (+1.08%). Telecommunication experienced the highest loss of 3.62% followed by Pharmaceuticals (-1.78%), Engineering (-1.60%) and Power (-1.45%).

Macroeconomic arena:

- The country's economy expanded at a rate of 7.86% in the last fiscal year (FY) 2017-18, propelled by its industrial and agriculture sectors. The final Gross Domestic Product (GDP) growth was 0.21% points higher than the government's previous estimation 7.65%. However, the country's per capita income dropped by USD 1.0 to USD 1,751 in the FY 18.
- Foreign exchange reserve increased 4.41 times in the last 10 years from fiscal 2008-09 to 2017-18 due to the steady rise of garment exports and inflow of remittances. Foreign exchange reserves stood at USD 32.94 billion in fiscal 2017-18, which was USD 7.47 billion in fiscal 2008-09.
- Bangladesh's overall imports grew by nearly 16% in July due to a whopping 274% rise in fuel oil import. The actual import rose to USD 4.69 billion in July, the first month of the FY 2018-19 from USD 4.05 billion in the same period of the FY 18. Import of petroleum products soared to USD 492.96 million in July of the FY 19 from USD 131.71 million in the same period of the previous fiscal.
- Bangladesh has moved three notches up to the 136th place among 189 countries in the Global Human Development Index (HDI) 2017, according to the Human Development Report (HDR) of the United Nations Development Programme. Bangladesh had also moved up by three spots and ranked 139th in the HDI 2015 due to the remarkable progress it made in many socio-economic areas, including life expectancy and per capita income.

Stock Market arena:

- Foreign investment in the capital market of Bangladesh continued to fall for the fifth month in a row in August with a net investment of negative 327 million earlier in July. According to the Dhaka Stock Exchange (DSE), foreign investors sold shares worth BDT 1.82 billion against purchases of BDT 1.76 billion in August, amounting to net investment of negative BDT 57.5 million in the month.
- The securities regulator has extended the tenure of the existing closed-end mutual funds (MFs) for another term of ten years. In this regard, the Bangladesh Securities and Exchange Commission (BSEC) has issued a directive scrapping its previous directive regarding conversion or liquidation of closed-end MFs on completion of tenure of ten years. According to the BSEC directive, the existing closed-end MFs which are unwilling to extend tenure will be allowed to be converted or liquidated as per the rules.
- Intech Limited a listed IT company in DSE, has signed an 'Exclusive Commercial Agreement' with Indian Hyderabad-based IT service provider Minfy Technologies Private Ltd to provide Amazon web services in Bangladesh. It has also signed a 'Detailed Commercial Agreement' with Raniel Systems Inc., Somerset, USA.

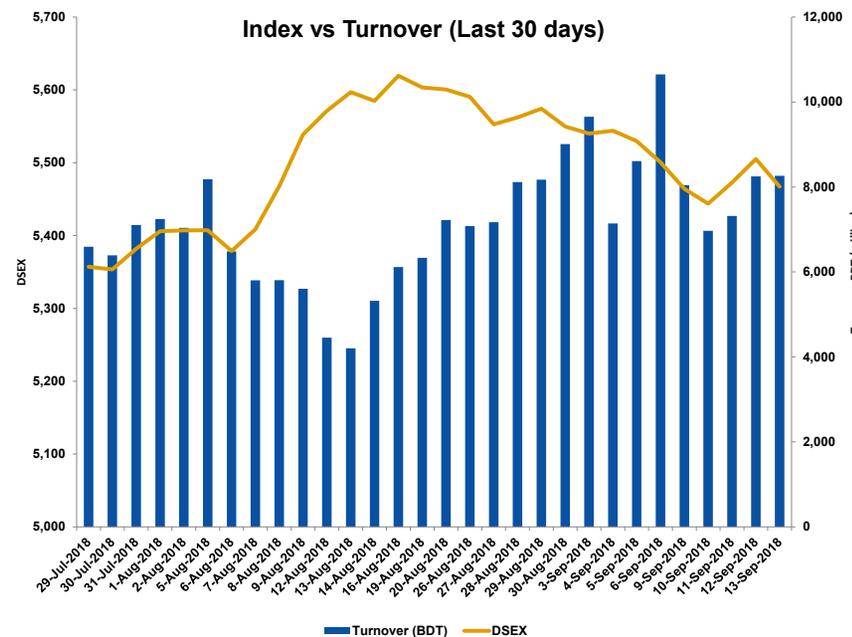
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,467.05	5,500.62	-33.56	6,244.52	-0.61%	-12.45%
DS30	1,901.00	1,919.88	-18.88	2,283.23	-0.98%	-16.74%
DSES	1,255.51	1,271.37	-15.86	1,390.67	-1.25%	-9.72%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,532,901.2	19,739,916.2	-1.0%
	Mn USD	234,968.1	237,458.4	
Turnover	Mn BDT	38,838.6	45,063.1	-13.8%
	Mn USD	467.2	542.1	
Average Daily Turnover	Mn BDT	7,767.7	9,012.6	-13.8%
	Mn USD	93.4	108.4	
Volume	Mn Shares	889.8	1,008.3	-11.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
M.L. Dyeing Limited	22.80	10.00	128.0%	3,657.3	277.48	16.5x	1.0x
Pragati Life Insurance	129	94.80	36.5%	1,727.4	144.58	NM	12.9x
In Tech Online Ltd.	66.80	51.00	31.0%	1,884.9	828.97	67.7x	6.6x
National Life Ins	276.20	222.30	24.2%	29,973.8	751.12	NM	27.6x
Fine Foods Ltd	35.50	29.00	22.4%	481.6	301.04	55.8x	3.4x
Imam Button	24.10	19.90	21.1%	185.6	2.65	NM	2.9x
Global Insurance Ltd.	15.80	13.20	19.7%	581.1	71.40	32.0x	1.4x
Janata Insurance	15.40	13.10	17.6%	620.2	12.10	74.1x	1.3x
Khulna Printing & Packaging Limited	25.10	21.40	17.3%	1,833.3	61.89	NM	1.5x
Safko Spinnings	21.10	18.10	16.6%	614.2	151.94	55.3x	1.2x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Shaympur Sugar	20.00	24.00	-16.7%	100.0	.86	NM	NM
Global Heavy Chemicals Limited	41.80	47.90	-12.7%	3,009.6	72.42	38.7x	1.1x
PHP First Mutual Fund	4.90	5.57	-12.0%	1,390.7	2.35	NM	0.5x
First Janata Bank Mutual Fund	5.00	5.66	-11.7%	1,460.0	2.40	NM	0.5x
EBL First MF	7.30	8.24	-11.4%	1,067.4	.49	NM	0.7x
IFIC Bank 1st Mutual Fund	4.40	4.95	-11.2%	806.0	10.46	NM	0.4x
Oimex Electrode Limited	47.90	53.90	-11.1%	2,418.0	335.42	37.4x	4.6x
Meghna Condensed Milk	17.60	19.80	-11.1%	281.6	2.40	NM	NM
Apex Foods	169.80	190.50	-10.9%	968.3	27.85	108.6x	2.4x
Trust Bank 1st Mutual Fund	4.80	5.37	-10.6%	1,474.7	12.14	NM	0.4x

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Khulna Power Company Limited	130.90	122.10	7.2%	47,292.2	4,042.39	25.8x	5.3x
Active Fine Chemicals Limited	42.80	46.40	-7.8%	8,557.7	2,277.03	15.5x	2.9x
IFAD Autos Limited	133.90	135.10	-0.9%	30,603.6	1,555.75	29.2x	4.9x
BBS Cables Limited	131.70	133.30	-1.2%	18,174.6	1,215.75	44.0x	7.9x
Shasha Denim Limited	78.00	71.80	8.6%	9,325.3	978.07	15.8x	2.3x
Aman Feed Limited	78.40	74.90	4.7%	9,106.9	940.91	19.0x	3.2x
National Housing Fin. and Inv. Ltd.	68.00	67.20	1.2%	7,234.7	908.78	29.7x	4.4x
Singer Bangladesh	227.80	222.90	2.2%	17,471.0	886.27	32.0x	9.8x
United Power Generation & Distribution Company Ltd	304.90	306.00	-0.4%	146,073.6	869.74	35.0x	12.7x
Saiham Textile	35.90	36.40	-1.4%	3,251.2	836.71	35.2x	1.9x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Mutual Trust Bank	38.50	23.75%	22,074.5	15.1x
Berger Paints	1,203.30	16.66%	55,806.5	27.6x
Singer Bangladesh	227.80	16.52%	17,471.0	32.0x
Summit Power	41.10	14.48%	43,889.8	10.0x
S. Alam Cold Rolled Steels	35.00	4.79%	3,443.0	28.5x
Eastern Housing	51.10	3.86%	4,769.9	21.9x
Delta Life Insurance	108.20	0.56%	13,389.8	NM
Fareast Islami Life Ins	71.30	-0.28%	5,329.2	NM
Marico Bangladesh Limited	1,100.70	-0.49%	34,672.1	24.1x
Delta Brac Housing	134.60	-1.03%	16,401.3	20.9x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1390.29	1396.63	1848.21	-0.45%	-24.78%
NBFIs	2210.30	2225.07	2714.85	-0.66%	-18.58%
Mutual Funds	671.81	709.67	788.81	-5.34%	-14.83%
General Insurance	1408.68	1404.41	1592.30	0.30%	-11.53%
Life Insurance	2445.92	2130.25	1834.85	14.82%	33.30%
Telecommunication	4951.56	5137.47	6494.31	-3.62%	-23.76%
Pharmaceuticals	2591.26	2638.28	2821.05	-1.78%	-8.15%
Fuel & Power	1897.88	1925.77	1527.27	-1.45%	24.27%
Cement	1925.63	1907.83	2280.58	0.93%	-15.56%
Services & Real Estate	1105.55	1146.68	1224.11	-3.59%	-9.69%
Engineering	3254.49	3307.44	3166.83	-1.60%	2.77%
Food & Allied	14180.47	14029.46	15304.34	1.08%	-7.34%
IT	1566.15	1592.87	1484.41	-1.68%	5.51%
Textiles	1418.77	1377.50	1222.72	3.00%	16.03%
Paper & Printing	12269.76	12699.40	1013.11	-3.38%	1111.10%
Tannery	2696.65	2715.10	2642.41	-0.68%	2.05%
Jute	7015.90	7528.06	8867.22	-6.80%	-20.88%
Ceramics	621.17	629.95	597.46	-1.39%	3.97%
Miscellaneous	1899.40	1924.04	1725.62	-1.28%	10.07%

Table 7: Sector Trading Matrix

	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
	Banks	324.1	451.7	-28.26%	4.21%	8.9x
NBFIs	404.3	506.9	-20.24%	5.25%	20.8x	2.1x
Mutual Funds	29.6	36.1	-17.95%	0.39%	NM	0.5x
General Insurance	101.1	45.5	122.46%	1.31%	12.8x	1.0x
Life Insurance	311.9	46.3	572.90%	4.05%	NM	10.1x
Telecommunication	100.3	137.6	-27.11%	1.30%	21.8x	16.0x
Pharmaceuticals	848.2	485.0	74.87%	11.02%	19.5x	3.2x
Fuel & Power	1,206.8	1,093.7	10.34%	15.68%	16.1x	2.5x
Cement	161.2	209.0	-22.86%	2.10%	21.7x	3.6x
Services & Real Estate	246.4	390.6	-36.93%	3.20%	27.7x	0.9x
Engineering	1,381.6	1,003.0	37.74%	17.95%	25.8x	2.4x
Food & Allied	313.1	153.9	103.44%	4.07%	28.8x	10.2x
IT	248.3	153.3	61.94%	3.23%	30.2x	3.3x
Textiles	1,337.8	704.9	89.78%	17.38%	22.5x	1.3x
Paper & Printing	54.2	75.2	-27.92%	0.70%	NM	6.6x
Tannery	139.2	51.1	172.60%	1.81%	20.6x	3.3x
Jute	14.2	23.0	-38.30%	0.18%	NM	3.0x
Ceramics	89.2	37.7	136.38%	1.16%	30.0x	2.3x
Miscellaneous	384.3	332.6	15.55%	4.99%	26.3x	1.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	12.70	-42.53%	9,628.3	6.4x
Lankabangla Finance	26.70	-39.95%	9,134.6	11.5x
United Airways (BD) Ltd.	3.40	-39.29%	2,336.8	12.0x
EXIM Bank	11.00	-36.05%	15,534.8	5.3x
Prime Bank	16.10	-35.36%	18,229.8	8.3x
Islami Bank	23.80	-34.97%	38,317.8	8.6x
City Bank	31.70	-34.14%	30,685.2	7.6x
Eastern Bank	34.70	-32.09%	25,608.6	9.4x
Uttara Bank	24.60	-30.31%	9,842.0	6.4x
IFIC Bank	11.20	-30.31%	15,842.6	10.0x

Important News: Business & Economy

Loan restructuring goes awry as borrowers violate terms

- The special loan restructuring facility offered to some businesses on the grounds of political instability in 2014 have yielded little results in keeping them out of the "default-cycle". The central bank and some banks offered a section of borrowers with rescheduling through the guideline on loan restructuring facility, issued in 2015. But the borrowers concerned have failed to deposit the instalments as required under the guideline. The banks, mostly state lenders, should have gone for foreclosures as per the guideline. In the meantime, the big businesses, who have failed to make use of the special facility, are now lobbying for yet another opportunity for repaying the loan over a longer period.

- A total of BDT 150 billion in classified loans belonging to 10 top businesses were restructured on the grounds of political instability in 2015. Although the loans were restructured in 2015, the first payments of the three-month instalments began in December 2016. A CEO of a state-owned bank told this correspondent that they had received such lower instalments after receiving regulatory instruction. Even the banks did not take any actions like foreclosures in line with the provisions of the restructuring guideline. According to the BB, a total of 20 groups applied for the restructure and 10 groups got the approval for combined loans of BDT 150 billion.

<http://thefinancialexpress.com.bd/economy/bangladesh/loan-restructuring-goes-awry-as-borrowers-violate-terms-1536983831>

Bangladesh Bank (BB) fears inflationary pressure from pricey global commodities

- The rate of 'expected inflation' is predicted to rise this fiscal year driven by higher global commodity prices and exchange rate movement. The Bangladesh Bank, which prepares 'expected inflation,' data show the average inflation will reach between 6.0 and 7.0% in the fiscal year, 2018-19. This shows an increase, compared with the government estimates of 5.6% for the fiscal year 2019. Expected inflation means investors' and public expectations of the current or future inflation. People familiar with the matter at the central bank said that the inter-bank BDT-dollar exchange rate advanced by nearly 4.0% over the past one year ending in August.

- They also said the exchange rate may depreciate further ahead as both export receipts and remittance inflow remained lower than expectations. On the other hand, global commodity prices have increased this year, supported by both demand and supply factors, according to a document published by the BB. However, the World Bank forecast the energy prices would soar by 19% this year, led by oil and natural gas. This is due to strong oil demand and production cut in the OPEC and non-OPEC producers, rising geopolitical concerns have bolstered oil prices. And non-energy commodity prices are projected to increase by 3.6% and agricultural prices by 2.3% largely due to the supply shock in the United States.

<http://thefinancialexpress.com.bd/economy/bangladesh/bb-fears-inflationary-pressure-from-pricey-global-commodities-1536896445>

Daily transactions through mobile banking now BDT 9.94 billion: Finance Minister

- Mobile-phone banking generates some BDT 9.94 billion transactions on an average a day

as such banking method is getting popular day by day in the country, reports UNB. He said the total number of mobile-phone banking customers is 64 million and of them, 36 million are doing transactions actively through the banking method. He also added that Bangladesh received commitments of USD 14,612.18 million foreign assistance from different countries and donor agencies in 2017-18 fiscal year. Of the amount, USD 14,231.45 million was loan while USD 380.73 million donation.

<http://today.thefinancialexpress.com.bd/public/last-page/daily-transactions-thru-mobile-banking-now-tk-994b-muhith-1536860900>
<https://www.dhakatribune.com/business/2018/09/13/finance-minister-daily-mobile-banking-transactions-near-tk1-000-cr-in-bangladesh>

Bangladesh's per capita income to reach USD 16,000 by 2041: Principal Coordinator (SDG Affairs) of the Prime Minister's Office

- Principal Coordinator (SDG Affairs) of the Prime Minister's Office said that Bangladesh's per capita income will reach USD 16,000 by 2041 when the country will be a developed one. He said that the government has created a land bank of 100,000 acres for establishing economic zones across the country, especially in the south belt where 35,000 acres of land have been acquired and handed over to Bangladesh Economic Zones Authority (Beza).

<http://thefinancialexpress.com.bd/economy/bangladesh/bds-per-capita-income-to-reach-16000-by-2041-azad-1536845518>

Energy prices to go up soon, says Prime Minister's energy adviser

- Prime Minister's energy adviser Saturday said that gas prices might go up soon after the announcement of a new tariff structure by the energy regulator. He said that the government wants the prices to be adjusted upward in phases so that it remains affordable and rational. Currently around 280-290 million cubic feet per day (mmcf) of LNG is being consumed by clients, which was around 100 mmcf initially.

<http://today.thefinancialexpress.com.bd/first-page/energy-prices-to-go-up-soon-says-lawfig-1537030231>

Apparel benefitting from US-China trade war

- Bangladesh's garment sector is turning into a beneficiary of the US-China trade war as American retailers are placing more work orders, but other sectors, such as jute and leather goods, are yet to see an uptick in fortunes. Though China is by far the world's biggest exporter of manufactured goods, some factory owners over the past decade began moving production to other developing countries such as Bangladesh, Cambodia and Vietnam, said a recent report of The Financial Times. This was in search of cheaper wages and a hedge against the political and economic risks that come from reliance on one country.

- Factory owners and US buyers say the trade war will intensify this shift. The observation proved true as local garment manufacturers acknowledged receiving more work orders from the US. Bangladesh has also been benefitting in the purchase of cotton as prices decreased 10% after China imposed high duty on the import of the natural fibre from the US. China imports USD 1 billion worth of the white fibre from the US in a year. The value of

last year's global garment business also indicates a declining trend for China. Although China remained the largest apparel supplier globally, its share shrank to 34.9% from 36%.

<https://www.thedailystar.net/business/news/apparel-benefitting-us-china-trade-war-1634368>

Country moves three notches up in Global Human Development Index (HDI)

• Bangladesh has moved three notches up to the 136th place among 189 countries in the Global Human Development Index (HDI) 2017, according to the Human Development Report (HDR) of the United Nations Development Programme, reports UNB. Bangladesh had also moved up by three spots and ranked 139th in the HDI 2015 due to the remarkable progress it made in many socio-economic areas, including life expectancy and per capita income. India also climbed up by one spot to the 130th position among the countries in the latest 'Human Development Indices and Indicators' released on September 14.

• Over the years, the HDI has served as a comparative tool of excellence, and as a reliable platform for vigorous public debates on national priorities. Within South Asia, India's HDI value is above the average of 0.638 for the region, with Bangladesh and Pakistan, countries with similar population size, being ranked 136 and 150 respectively.

<http://today.thefinancialexpress.com.bd/public/first-page/country-moves-three-notches-up-in-hdi-1536946136>

Trade deficit rises 12% in July

• Trade deficit jumped 12.14% in July in continuation of the trend seen throughout last fiscal year on the back of higher import payments against slow exports. The gap stood at USD 1.17 billion in the first month of the current fiscal year, up from USD 1.04 billion in July last year, according to the latest data from the central bank. The country's trade deficit hit USD 18.25 billion in fiscal 2017-18, the highest in its history. Bankers and experts called for diversifying export basket and exploring new markets in a bid to contain the rising trade deficit.

• Imports stood at USD 4.7 billion in July, up 17.44% year-on-year. At the same time, exports rose 19.32% to USD 3.52 billion. A former finance adviser to the caretaker government, said that the government should take measures to boost export earnings in order to ease the tight situation in the balance of payments. Export earnings in July rose but it was not up to the mark, given the large trade gap in the recent times, he said. He again added that exports should be diversified as the country is largely reliant on garments.

<https://www.thedailystar.net/business/news/trade-deficit-rises-12pc-july-1634752>

Banks allowed to appoint additional auditors outside Bangladesh Bank (BB) panel for export subsidy issues

• Bangladesh Bank on Sunday announced that it would allow banks to appoint auditors not registered with the central bank for quick completion of auditing of the export-subsidy issues of apparel and other sectors. The BB issued a circular in this regard stating that the banks would be allowed to appoint auditors from the BB-approved auditors' panel like the previous years for issues involving cash subsidy or incentives for the year 2018-2019. The banks, however, will be allowed to appoint additional auditors outside the panel for quick

disposal of the issues based on rational. In such cases, the banks will have to submit application to the BB.

• Earlier, on September 10 this year, the government announced cash incentives in favour of exporters of 35 products for the current fiscal year of 2018-19, adding nine new items to the product list. In the FY 2017-18, exporters enjoyed the benefit for 26 products.

<http://www.newagebd.net/article/50758/banks-allowed-to-appoint-additional-auditors-outside-bb-panel-for-export-subsidy-issues>

Government mulls more benefits to RMG exporters after wage hike: Commerce minister

• Commerce minister said that the government was mulling over more benefits for the country's readymade garment sector so that the sector could remain competitive in the global market as the worker wages increased by 51% but the prices of apparel products remained unchanged in the international markets for a couple of years.

<http://thefinancialexpress.com.bd/economy/bangladesh/bds-per-capita-income-to-reach-16000-by-2041-azad-1536845518>

Mobile Number Portability (MNP) service fee hiked to BDT 50

• The government has facilitated charging a customer BDT 50, up BDT 20 on the initially planned tariff, by mobile number portability service provider Infozillion Teletech BD against its service. Infozillion Teletech will get the opportunity of charging higher as the government recently withdrew the specification of BDT 30 as mobile number portability fee for the customers under the amended MNP licensing guidelines. The posts, telecommunications and information technology ministry, following proposal from the Bangladesh Telecommunication Regulatory Commission, approved the charge.

• Withdrawal of the specification of charge from the guidelines has allowed the BTRC to set higher MNP charge. The MNP operator would get the fees from the mobile phone operators for the porting facility. The decision of the telecom regulator came months after the Telecom Regulatory Authority of India slashed charge against mobile number porting service to Rs 4 (equivalent to BDT 4.65) per successful porting from Rs 19 (equivalent to BDT 22.09). In India, the porting charge is being paid by the mobile phone operator, which receives a customer from another operator.

<http://www.newagebd.net/article/50755/mnp-service-fee-hiked-to-BDT-50>

Imports witness 16% growth in July

• A whopping 274% rise in fuel oil import enhanced country's overall imports growth by nearly 16% or USD 640.40 million in July. The settlement of letters of credit (LCs), generally known as actual import, in terms of value, rose to USD 4.69 billion in July, the first month of the FY 2018-19 from USD 4.05 billion in the same period of the FY 18. The overall imports increased significantly during the period under review due to higher imports of petroleum products, one of the Bangladesh Bank officials said.

• Import of petroleum products soared by 274.27% to USD 492.96 million in July of the FY

19 from USD 131.71 million in the same period of the previous fiscal. The upward trend of petroleum products import may continue in the coming months to meet the extra demand for the items for oil-based power plants, he added.

<http://today.thefinancialexpress.com.bd/first-page/imports-witness-16pc-growth-in-july-1537206208>

Secondary trading of t-bills, bonds drop 62% in January-August

• Secondary trading of treasury bills and treasury bonds dropped sharply in the first eight months of the current calendar year, according to the latest statistics of the central bank. It showed that value of the secondary transactions of t-bills and t-bonds dropped to BDT 84.01 billion in January-August period of 2018. The value was BDT 219.39 billion in the same period of the past year. Thus secondary trading of t-bills and t-bonds dropped by 62% during the period under review. The transaction was lowest in the month of June this year when t-bills and bonds worth BDT 1.16 billion were traded in the secondary market. T-bills are short term fixed government securities while t-bonds are long-term securities. Government uses the securities to borrow from the financial market.

<http://thefinancialexpress.com.bd/economy/bangladesh/secondary-trading-of-t-bills-bonds-drop-62pc-in-jan-aug-1537011361>

High return keeps national savings certificates (NSC) sales above BDT 50.00 billion in July

• Government's borrowing from the sales of national savings certificates remained buoyant in the first month of the fiscal year 2018-2019 in line with the trend of the last fiscal year as the rate of return from the instruments remained high. As per the data of the Directorate of National Savings, government's borrowing from the NSCs stood at BDT 50.35 billion in July of the FY19. Government's net borrowing from the savings certificates was BDT 465.30 billion in the fiscal year 2017-2018 against its initial target that was revised upward to BDT 440.00 billion crore. The net sale of NSCs was BDT 50.53 billion in July of the last fiscal year.

• Government after the budget approval has already announced that it will not cut interest rate of NSCs before the national election likely to be held by the end of December this year. Besides the announcement from the government, high interest rates of NSCs compared with fixed deposit rates of banks was another reason behind the high sales of the saving tools, officials of central bank said. Investors were in an apprehension that the deposit rates of the banks might decline further in the coming days as banks were in a move to cut deposit rate to 6% to implement a decision of the government high-ups, they said.

<http://www.newagebd.net/article/50844/high-return-keeps-nsc-sales-above-BDT-5000cr-in-july>

International Finance Corporation (IFC), ready to lend USD 1 billion a year

• The International Finance Corporation (IFC), a member of the World Bank Group, is ready to lend Bangladesh USD 1 billion a year to meet its long-term financing needs. He said that the IFC's long-term funding for the last fiscal year that ended on June 30 was USD 426 million, the lowest in several years. He added that the way Bangladesh Bank fixed interest rates of foreign funds was also faulty. The central bank follows an unwritten policy, which

has set the maximum interest rate on the IFC loans at 6% taking into account the London interbank offered rate (LIBOR). Presently, the Bangladesh Bank (BB) has capped the interest rate at LIBOR+3% but it cannot be more than 6%.

• The LIBOR could go up to 4% on the back of growing demand. How then Bangladeshi borrowers would follow the BB's 6% fixed rate, he asked. He also added that Bangladesh needs a guideline for approval of foreign loans and its interest rate. The country manager of the IFC, said the IFC aims to address key development gaps by focusing on building sustainable infrastructure, expanding financial access to improve logistics and value-added manufacturing while seeking opportunities to promote smart solutions.

<https://www.thedailystar.net/business/news/ifc-ready-lend-1b-year-1635436>

RMG export to India soars to USD 101 billion in July-August

• Country's earnings from readymade garment exports to India increased by 138.54% in July-August of the current financial year (2018-19) compared with that in the same period of last fiscal year. RMG exports fetched USD 101 million in July-August of FY19 against USD 42 million in the same period of FY18. Country's exports to the US and Germany achieved a minimal growth in the first two months of FY19, while the exports to most of the European countries witnessed a negative growth. Exporters said that the shipment to the EU market was heavily hampered in the month of August due to the Eid-ul-Azha holidays and the earnings from the zone witnessed a negative growth in the month.

• The EPB data, however, showed that export to India in July-August of FY19 increased by 127.08% to USD 244.65 million from USD 107.73 million in the same period of FY19. Exporters also said that export earnings from India witnessed a remarkable growth as Western and Indian clothing brands set up a significant number of stores in India and raised procurement from Bangladesh. Export earnings from the US, the largest export destination for Bangladesh, in the first two months of the FY19 grew to USD 1.17 billion from USD 1.09 billion in the period of FY18 with a 6.69-per cent growth.

<http://www.newagebd.net/article/50845/rmq-export-to-india-soars-to-101m-in-jul-aug>

10 firms to invest USD 220 million in two years

• Ten local and foreign companies will invest about USD 220 million in Bangabandhu Hi-Tech City at Gazipur's Kaliakoir within a year, leading to the creation of 5,000 jobs in the coming years. Bangladesh Hi-Tech Park Authority (BHTPA) will next week hand over 28 acres of land to the firms. The 355-acre city already has a local firm, DataSoft Limited, which set up a plant and started manufacturing and exporting its self-designed artificial intelligence products to Saudi Arabia. The 10 companies are planning to develop software and associated services and manufacture hardware establishing business process outsourcing centres there, said the managing director of BHTPA.

• The companies have been selected based on their investment plan and current business reputation. Mobile operator Robi, one of the 10 companies, is planning to develop their own data centre, create a separate service development team and set up an IT team there. The authority has already signed agreements with the companies, renting out the land for 40 years at an annual rate of USD 2 per square metre. Companies which are able to develop or manufacture products and services for export will get extra tax benefits.

<https://www.thedailystar.net/business/news/10-firms-invest-220m-two-years-1635832>

All acts to be superseded by corporate governance code

- Listed banks and insurance companies must follow the Bangladesh Securities and Exchange Commission's (BSEC) corporate governance code, even if it contradicts the bank companies and insurance acts, said the stock market regulator yesterday. A participant pointed out that as per the bank companies act, a bank has to have two independent directors if it has fewer than 20 directors. This contradicts the code, which stipulates that at least one-fifth of directors in a company's board shall be independent ones.
- Executive director of the BSEC, while giving a presentation, clarified that as per the code, if the total number of directors divided by five results in a fraction, the next integer has to be considered as the required number of independent directors. The code has already been sent to Bangladesh Bank and the Insurance Development and Regulatory Authority so that it does not create any confusion, he added. Managing director of Central Depository Bangladesh Limited, said the BSEC issued the code exercising section 2cc of the securities and exchange ordinance, for which it supersedes all acts. That is why listed banks and insurers have to follow the code, he said.
- The BSEC issued a corporate governance guideline in 2006 and reissued it with some changes under the name "corporate governance code" on August 8, 2018. Listed companies have to follow the code which contains some directives on selecting independent director, directors' report to shareholders, formation of board, audit and remuneration committees, and maintaining websites. Principal coordinator for sustainable development goals affairs at the Prime Minister's Office, said the code would help the capital market's potential to bloom.

<https://www.thedailystar.net/business/news/all-acts-be-superseded-corporate-governance-code-1635418>

<https://www.dhakatribune.com/business/stock/2018/09/17/bsec-chairman-proper-implementation-of-cgc-will-boost-stock-market-growth>

Record export of ceramics

- The country's ceramic ware exports set a new record in fiscal year (FY) 2017-18, thanks to the growing global demand for local products. Domestic producers will benefit further this fiscal in the wake of increased US tariffs against Chinese products, including ceramics, according to experts. According to official data, local exporters shipped ceramics worth USD 52 million in FY '18, a 33% rise over FY '17. They exported ceramics worth above USD 11 million in the July-August period of the current FY-more than 80% of its target, according to the Export Promotion Bureau. Around 50% of ceramics is exported to the US. Bangladeshi ceramic products are also transported to Canada, the European Union (EU) and other countries.
- A diversified product base with competitive prices helped the sector boost ceramic ware exports, according to the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA). Paragon Ceramic Industries Ltd chief executive officer (global marketing) said that local products have a great demand in the US and the EU. To boost exports, the government has recently declared to provide 10% incentives for the exporters, he added.

<http://today.thefinancialexpress.com.bd/trade-market/record-export-of-ceramics-1537204175>

Bangladesh mobile industry fifth largest in Asia Pacific

- The mobile industry in Bangladesh has become the fifth largest in the Asia Pacific, with 85 million unique subscribers and 145 million connections as of 2017. The telecommunications has boomed over the last decade, revealed a global report on the sector recently. By helping to promote digital inclusion and support essential service delivery, mobile industry contributes largely to Bangladesh's economy, said a senior manager, spectrum and policy, GSMA South Asia. In 2015, the mobile ecosystem generated 6.2% of GDP [gross domestic product], amounting to around USD 13 billion of economic value added according to study report styled 'Spectrum Pricing in Developing Countries'.
- Bangladesh has an opportunity to drive more rapid adoption of next-generation network services than would otherwise be the case. Average reserve prices in spectrum auctions are more than five times higher in developing countries than in developed, the study showed. In some developing markets, operators have often paid similar prices for spectrum as those in developed countries, even though consumer incomes and expected mobile service profits are substantially lower, it also mentioned. According to the new spectrum pricing report, these prices were almost three times the Asia Pacific average final price over the period 2000-2017, when adjusted for GDP per capita in Bangladesh.

<http://thefinancialexpress.com.bd/trade/bd-mobile-industry-fifth-largest-in-asia-pacific-1537287451>

Final estimates put GDP growth at 7.86% in FY '18

- The country's economy expanded at a rate of 7.86% in the last fiscal year (FY) 2017-18, propelled by its industrial and agriculture sectors, the final data of Bangladesh Bureau of Statistics (BBS) showed. The final Gross Domestic Product (GDP) growth was 0.21% points higher than 7.65%, the government's previous estimation, unveiled in May. However, the country's per capita income dropped by USD 1.0 to USD 1,751 in the FY 18 in the final estimation, according to BBS. In May, the BBS estimated the provisional per capita Gross National Income (GNI) at USD 1,752.
- The country's GDP growth at constant price broke all its previous records, as the rate has been on a steep rise after Bangladesh entered the "7.0% growth club" two years ago in FY 2015-16. According to BBS final data, the country's total GDP size at current prices rose to BDT 22.50 trillion (\$ 274.11 billion) in the FY '18. In the FY '17, the total GDP size was BDT 19.76 trillion (\$ 249.72 billion). The Gross National Income (GNI) also increased to BDT 23.53 trillion (\$ 286.612 billion) in the current FY from that of BDT 20.607 trillion (\$ 260.45 billion) in the previous FY.

<http://today.thefinancialexpress.com.bd/first-page/final-estimates-put-gdp-growth-at-786pc-in-fy-18-1537292749>

<https://www.thedailystar.net/business/news/gdp-growth-reaches-786pc-final-count-1635835>
<http://www.newagebd.net/article/50918/govt-shows-gdp-grew-by-record-786pc-in-fy18-experts-doubt>

Rising middleclass brings cheers for supermarkets

- The rise of the middleclass and their growing purchasing power are driving the growth of the supermarket business in Bangladesh. According to the market players, the sector is

likely to witness further growth riding on rapid urbanisation and higher per capita income. The market size of the country's supermarket is roughly BDT 25.00 billion and the growth has been almost 15% per year for the last couple of years, said the business director of Shwapno, the market leader. According to a recent review report by IDLC Finance, there are 121 supermarket outlets in the country. Of them, Shwapno has 76 outlets in Dhaka, Chattogram, Cumilla, Gazipur and Sylhet.

- Bangladesh's consistent economic growth of over 7% for the last three fiscal years and the rising middle and affluent class who are estimated to be around 20 million will drive the growth of the supermarket in the years to come. Per capita income rose to USD 1,751 in the last fiscal year. Bangladesh is the 42nd largest economy in the world in nominal terms and 31st largest by purchasing power parity. Now many consumers prefer super shops to traditional marketplaces because of their convenience and quality of products, the general secretary of the Bangladesh Supermarket Owners Association said.

<https://www.thedailystar.net/business/news/rising-middleclass-brings-cheers-supermarkets-1635838>

Importers get BDT 171.00 billion in duty benefits in FY16: World Bank

- The government gave BDT 171.00 billion in duty concessions to importers in financial year 2015-2016 through providing various exemptions and duty waiver on imports, according to a World Bank estimate. Total estimated revenue foregone on customs duty in FY 2016 was about 1% of the country's gross domestic product and 11.7% of taxes collected by the National Board of Revenue, it said. The size of the country's GDP was USD 221 billion in the year when NBR collected BDT 1.56 trillion in revenue, including customs duty, income tax and value-added tax.

- Earlier in mid-2017, finance minister requested the WB to carry out a study on tax benefits, known as tax expenditure, given to taxpayers, industries, businesses, and its impact on society and economy in the country. The highest revenue foregone was for imports under the statutory rate of 10% followed closely by the imports under the 5% and 0% category and these four together contribute 56% of the revenue foregone, according to the study.

<http://www.newagebd.net/article/50924/importers-get-tk-17100cr-in-duty-benefits-in-fy16-wb>

Forex reserves up 441% in the last 10 years

- Foreign exchange reserve increased 4.41 times in the last 10 years from fiscal 2008-09 to 2017-18, riding on the steady rise of garment exports and inflow of remittances. According to Bangladesh Bank (BB) data, foreign exchange reserves stood at USD 32.94 billion in fiscal 2017-18, which was USD 7.47 billion in fiscal 2008-09. Increasing remittances sent by expatriates abroad and rising export incomes have boosted Bangladesh's reserves, Bangladesh Bank Chief Spokesperson said. According to BB's major monthly economic indicators for August, the gross foreign exchange reserve of BB stood at USD 32.93 billion and the current foreign exchange reserve is equivalent to an import liability of 6.41 months.

- The BB data also shows that the growth of the foreign exchange reserve was upward from fiscal 2008-09 onwards. But in 2017-18, the growth dropped slightly due to a declining trend in remittances. The reserve was USD 33.49 billion in fiscal 2016-17, USD 30.17 billion in 2015-16, USD 25.03 billion in 2014-15, USD 21.56 billion in 2013-14, USD 15.32 billion

in 2012-13, 10.36 billion in 2011-12, USD 10.91 billion in 2010-11 and 10.75 billion in 2009-10. Over the last 10 years, remittance flow into the country has increased 3.56 times, which can be viewed as a milestone on the path to upgrading Bangladesh to a developed country.

- Bangladeshi expatriates sent USD 131.86 billion between fiscal 2008-09 and 2017-18. This was USD 94.82 billion higher than the sum total of incoming remittances over the 10 years previous to that. Non-Resident Bangladeshis (NRBs) sent around USD 37.04 billion from fiscal 1998-99 to fiscal 2007-08. In fiscal 2017-18, export earnings were at USD 40.94 billion against a target of USD 41 billion. The growth in goods exported was 6.36%, while the service sector grew 7.43%. Overall export growth was 6.47%.

<https://www.dhakatribune.com/business/2018/09/20/forex-reserves-up-441-in-the-last-10-years>

World Bank (WB) for cutting barriers to increased trade with South Asia

- Bangladesh can viably raise more than double its trade volume in South Asia if man-made trade barriers are reduced. The country is currently having around USD 7.6 billion worth of annual trade with its neighbours, which is 9.0% of the total global trade in 2015, it showed. That volume can reach USD 18.9 billion through reduction of trade barriers, says the report styled 'A Glass Half Full: The Promise of Regional Trade in South Asia'. In case of Bangladesh, nearly 46% of its imports from South Asia fall under sensitive lists, according to the WB lead economist.

<http://today.thefinancialexpress.com.bd/last-page/wb-for-cutting-barriers-to-increased-trade-with-south-asia-1537378962>

<https://www.thedailystar.net/business/news/south-asia-can-treble-regional-trade-1636342>

<http://www.newagebd.net/article/51009/intra-south-asia-trade-to-triple-to-67b-if-tariff-barriers-lifted-wb>

<https://www.dhakatribune.com/business/2018/09/19/world-bank-bangladesh-can-be-economic-powerhouse>

Japan jt venture to invest USD 59.19 million in Mirsarai Economic Zone (EZ)

- Mcdonald Steel Building Product Ltd and Nippon Koei of Japan will make a joint venture investment worth USD 59.19 million in the country's Mirsarai Economic Zone (EZ). They will build large manufacturing and import substitute industries on 100 acres of land of the zone. Bangladesh Economic Zones Authority (BEZA) will sign a land lease agreement with the joint venture company on Sunday. The investors will start its development work in the zone in December 2018, BEZA sources said. They said the companies will implement the project within 730 days and pay annual rent to BEZA.

- It will use more than 50% of local raw materials for the manufacturing units. They will construct factories, administrative building, warehouse, logistic yard, effluent treatment plant, waste treatment plant, road, drainage, utilities, dormitory, training centre and health service in the zone. It will build environment management plan with certified technology. A total of 2500 human resources will be recruited in the factory, he said. Some 20% of the manufactured products will be exported to other countries. Mcdonald Steel Building Products Limited is producing pre-fabricated structural steel in Bangladesh. It imports and uses the best quality products from Japan, Luxembourg, China and India.

<http://today.thefinancialexpress.com.bd/last-page/japan-jt-venture-to-invest-5919m-in-mirsarai-ez-1537379159>

Asian Development Bank (ADB) approves additional USD 110 million for urban health services

- The Asian Development Bank (ADB) has approved an additional loan of USD 110 million for an urban health services project in Bangladesh. The ADB Board of Directors has given an approval to the additional financing for the government-led Urban Primary Health Care Services Delivery Project (UPHCSDP). The project aims to help improve access to urban primary healthcare services in Bangladesh through public-private partnership (PPP). The additional financing will cover the cost of a five-year extension to assist the government to strengthen local health systems and continue to expand the PPP system of contracting to service providers.
- The Bangladesh government will contribute USD 30 million toward the cost of the additional financing, while the United Nations Population Fund will provide USD 1.5 million in-kind technical support. The project completion date is March 2023, said the ADB release.

<http://today.thefinancialexpress.com.bd/last-page/adb-approves-addl-110m-for-urban-health-services-1537379263>

More licences soon for international call routing

- The government has taken an initiative to award more licences for international voice call routing business just before the 11th general election and is scheduled to issue a public notice today. The Bangladesh Telecommunication Regulatory Commission (BTRC) will receive applications up to October 10. All resident and non-resident Bangladeshis can file applications through firms registered with the Registrar of Joint Stock Companies and Firms. The industry has already been facing challenges as there are way too many licences in context to the total call volume and the new move would make the sector even more crowded.
- Currently there are 25 active licences running the International Gateway (IGW) business. Four licences have already been cancelled for improperly sharing revenues, a violation of the rules. Some six companies with about BDT 10.00 billion in dues—involving licence fees and revenue sharing with the telecom regulator—have gone traceless after transferring shares to some unidentified people. An officials of Bangladesh Tele-communication Regulatory Commission (BTRC) yesterday said the government asked them to launch the licencing procedure as an influential group has shown interest in this business.
- A commissioner of the BTRC's legal and licencing division said that there are already an adequate number of licences in the market and awarding of new licences might shrink business opportunities for existing players. The BTRC will not fix the number of licences that will finally exist as only the government could do so, he said. He also added that the government will have to think about the future of the business.

<https://www.thedailystar.net/business/news/more-licences-soon-intl-call-routing-1636336>
<http://www.newagebd.net/article/51011/govt-moves-to-award-more-igw-licences-in-crowded-market>

Import duty on raw materials for metal package cut

- National Board of Revenue has cut duty on import of raw materials for manufacturing of metal packages, like can and container, and tin-coated household products. Customs wing of NBR on Tuesday issued a statutory regulatory order lowering the customs duty to 10% from existing 25% and withdrawing 3% regulatory duty on import of flat-rolled products of iron. Previously, total tax on import of the items was 60.73%, including 25% CD, 3% RD, 15% value-added tax, 5% advance income tax and 5% advance trade VAT.
- The associations and companies are the main importers of the raw materials which are used to produce metal packages like can, container and tubes for food processing, beverage and milk products and pharmaceuticals companies. In addition, the products are also used to manufacture metal almirah, file cabinet, trunk, utensils, jug, drum, stove and other home appliances.

<http://www.newagebd.net/article/51010/import-duty-on-raw-materials-for-metal-package-cut>

Important News: Capital Market

Foreign investment in capital market continues to fall for fifth month

- Earlier in July, foreign investors sold shares worth BDT 4.45 billion against purchases of BDT 4.12 billion, amounting to net investment of negative BDT 327 million. Foreign investment in the capital market of Bangladesh continued to fall for the fifth month in a row in August. Analysts said the depreciation of the BDT coupled with political uncertainty ahead of the 11th general election had shaken the confidence of investors, leading to the decline. According to the Dhaka Stock Exchange (DSE), foreign investors sold shares worth BDT 1.82 billion against purchases of BDT 1.76 billion in August, amounting to net investment of negative BDT 57.5 million in the month.
- Net foreign investment was also negative in April, May and June. In April, net foreign investment amounted to negative BDT 297 million, while the figure was negative BDT 2.82 billion in May, and negative 2.07 billion in June. Dhaka Stock Exchange Brokers Association (DBA) President said that the depreciation of the BDT against the USD had dampened the mood of foreign investors, as it decreased their profitability.

<https://www.dhakatribune.com/business/stock/2018/09/16/foreign-investment-in-capital-market-continues-to-fall-for-fifth-month>

Islamic banks' investment jumps by 17% in FY18

- Total investment by the country's Islamic banking industry stood at BDT 2.16 trillion at the end of the past fiscal year (FY18). Bangladesh Bank statistics also showed that the investment by the Islamic banks increased by 17% in FY18 over the previous fiscal (FY17). Total investment by the Islamic banks was BDT 1.85 trillion at the end of FY17. The growth rate of the investment, loan in conventional sense, was 18.28% in FY17. Islamic banking industry includes eight full-fledged Islamic banks (with 1134 branches), 19 Islamic banking branches of the conventional banks and Islamic banking windows of conventional banks in the country. Central bank statistics also showed that among the total investment of Islamic banks, 95.19% were made by eight full-fledged Islamic banks. Islami Bank Bangladesh Ltd attained the highest share in investments which was 35% at the end of the past fiscal year.

<http://thefinancialexpress.com.bd/economy/bangladesh/islamic-banks-investment-jumps-by-17pc-in-fy18-1537010718>

Eligible Investors (EIs) discover share price at BDT 75

• The cut-off price of the shares of Runner Automobiles has been fixed at BDT 75 each as discovered by eligible investors (EIs) through bidding under the book building method. The EIs will get the shares at BDT 75 each and general investors at 10% discount (Tk 67 each). The EIs will be allowed to purchase 60% of the shares while the general investors will be able to apply for remaining 40% shares. According to IDLC Investments, issue manager of Runner Automobiles, a total of 592 EIs bet for the shares. Runner Automobiles will raise a capital worth BDT 1.0 billion. Of the amount, BDT 625 million will come from EIs and remaining BDT 375 million from the general investors.

• The company will utilise the IPO fund for research and development works, purchasing machinery, repaying bank loans and bearing the IPO expense. According to financial statements for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 55.70, with revaluation reserve. And, the value is BDT 41.94 without revaluation reserve. The weighted average of the EPS (earnings per share) is BDT 3.31. Runner Automobiles is a motorcycle manufacturer in Bangladesh. It produces 12 different types of motorcycles ranging between 80cc and 150cc.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/eis-discover-share-price-at-tk-75-1536854516>

Bangladesh Securities & Exchange Commission (BSEC) allows extension of MFs' tenure despite legal challenge

• The Bangladesh Securities and Exchange Commission on Sunday allowed extension of tenure of all the existing closed-end mutual funds by up to 10 years despite legal complexities hanging over such extension. The BSEC meeting decided that the 10-year tenure of the existing closed-end mutual funds could be extended by up to another 10-year term on condition that the total duration of any of the fund would not exceed 20 years from its inception, said a BSEC press release. It also said that the mutual funds that were not interested to extend their tenure could be abolished or converted into open-end mutual funds by their existing 10-year tenure as per securities rules.

• The BSEC decision came after the finance ministry had advised the commission to extend the tenure of the mutual funds by 10 years. The ministry had advised the commission to extend the tenure of around 30 mutual funds, which were scheduled to be abolished or be made open-end funds by 2023. The commission decision of tenure extension, however, will be applicable for all 37 mutual funds, said officials.

<http://www.newagebd.net/article/50756/bsec-allows-extension-of-mfs-tenure-despite-legal-challenge>

Robi set to transfer 20% stake to edotco at USD 120 million

• Mobile operator Robi is set to offload its 20% stake valued at USD 120 million to edotco Bangladesh, a Malaysia-based telecommunications infrastructure services company. Bangladesh's second largest mobile phone operator has taken the latest initiative to facilitate edotco Bangladesh Co. Ltd. (edotco BD) for complying with the rules to be eligible for the license of tower company which will operate mobile towers across the country. Bangladesh Bank official said that The fund has already been deposited with Robi's

account from Axiata Group Malaysia through a foreign commercial bank.

• The fund is treated as foreign direct investment (FDI) that has helped increase the inflow of foreign exchange in the local market, the central banker explained. Malaysia-based edotco Group holds 80% shares of edotco BD while Robi, which is also a subsidiary of Axiata Group, holds rest of 20% shares. edotco is now working with local business group Getco to form a partnership as part of taking preparation for applying to the telecom regulator for the mobile tower company license.

<http://today.thefinancialexpress.com.bd/first-page/robi-set-to-transfer-20pc-stake-to-edotco-at-120m-1537119300>

ML Dyeing makes debut today

• ML Dyeing Limited makes its share trading debut on stock exchanges under "N" category today (Monday). The Dhaka Stock Exchange (DSE) trading code for the company is "MLDYEING" and DSE company code is 17479. ML Dyeing will be the 52nd listed company in the textile sector on the prime bourse. The textile sector accounted for about 3.90% of the DSE's total market capitalisation. Using the fixed price method, ML Dyeing offloaded 20 million ordinary shares at an offer price of BDT 10 each.

• The company's nine months profit after tax was BDT 167.58 million and basic earnings per share (EPS) of BDT 1.19 that ended on March 31, 2018 as against profit after tax of BDT 167.80 million and basic EPS of BDT 1.20 for the same period of the previous year. The post-IPO EPS would be BDT 1.04 for nine months period ended on 31 March 2018. The fund raised through the IPO will be used for purchasing machinery (89.15%) and bearing the expenses of the IPO process (10.85%), according to the IPO prospectus. The company's post-IPO paid-up capital is BDT 1.60 billion and authorised capital is BDT 2.10 billion.

<http://today.thefinancialexpress.com.bd/stock-corporate/ml-dyeing-makes-debut-today-1537111795>

Intech to provide Amazon web services in Bangladesh

• Intech Limited, an IT company, has signed an 'Exclusive Commercial Agreement' with Indian Minfy Technologies Private Ltd to provide Amazon web services in Bangladesh. The Intech will provide Amazon web services on exclusive basis with collaboration and support of Minfy Technologies, said an official disclosure posted on the Dhaka Stock Exchange (DSE) on Sunday. Intech Ltd is a listed company in the DSE and Minfy Technologies is Hyderabad-based IT service provider. The Intech also said it has signed a 'detailed commercial agreement' with Raniel Systems Inc., Somerset, USA, for working together for pursuing different financially rewarding businesses in, specially, IT/IT enabled services, computer software/hardware, internet of things (IOT), managed services, ERP, Intelligent Energy management, strategic consulting and co-innovation, vertical applications etc.

• The company's paid-up capital is BDT 282.17 million and authorised capital is BDT 300 million, while the total number of securities is 28.21 million, according to DSE data. The sponsor-directors own only 4.77% stake in the company while the institutional investors own 36.87% and the general public 58.36% as on August 30, 2018, the DSE data shows.

<http://today.thefinancialexpress.com.bd/stock-corporate/intech-to-provide-amazon-web->

[services-in-bangladesh-1537111751](http://www.bsec.gov.bd/news/2018/09/16/bsec-extends-tenure-for-ten-more-years)

Bangladesh Securities and Exchange Commission (BSEC) extends tenure for ten more years

• The securities regulator has extended the tenure of the existing closed-end mutual funds (MFs) for another term of ten years. In this regard, the Bangladesh Securities and Exchange Commission (BSEC) has issued a directive scrapping its previous directive regarding conversion or liquidation of closed-end MFs on completion of tenure of ten years. According to BSEC directive, total tenure, including another term of ten years, of the existing closed-end MFs will not be more than twenty years. According to the BSEC directive, the existing closed-end MFs which are unwilling to extend tenure will be allowed to be converted or liquidated as per the rules.

• However, a former chairman of the securities regulator has differed with the decision of extending the tenure of closed-end MFs, as the decision is not applicable to the characteristic of such funds. He said that unit-holders could have been benefited if they would get back money as per the NAV (Net Asset Value) following the liquidation of closed-end MFs. The decision of extending the tenure of closed-end MFs is not right at all as market prices of most of the mutual funds are now being traded below face value and NAV, he added.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-extends-tenure-for-ten-more-years-1537200794>
<https://www.thedailystar.net/business/news/mutual-funds-get-nod-time-extension-1635421>
<https://www.dhakatribune.com/business/stock/2018/09/16/bsec-extends-mutual-funds-by-10-years>

Bashundhara Paper launches new product

• Bashundhara Paper Mills Ltd has started commercial operation of 'Xtreme Mosquito Coil' as a new product of the Bashundhara Paper Mills. The plant having a daily production capacity of 1.0 million pieces of coil has set a yearly production target of 36 million (3.60 crore) boxes of coil. As per DSE disclosure, total yearly sales revenue of the company is expected to grow up by more than BDT 1.0 billion approximately. Bashundhara Paper Mills, a concern of the country's leading business conglomerate, Bashundhara Group, raised a capital worth BDT 2.0 billion by offloading more than 26 million ordinary shares under the book-building method.

<http://today.thefinancialexpress.com.bd/stock-corporate/bashundhara-paper-launches-new-product-1537200879>

Suspension of trading of 3 companies extended by 15 days

• The Bangladesh Securities and Exchange Commission has extended the suspension period of trading of the shares of three companies — Monno Jute Staffers, BD Autocars and Legacy Footwear — by 15 days. The order from the commission said that the commission was in the opinion that it was necessary in the interest of trade and in the public interest to extend the suspension period of trading of shares of the three listed companies and directed the Dhaka and Chittagong stock exchanges to extend the suspension period by 15 days with an effect from September 18.

• Earlier, on August 16, the market regulator suspended trading of the shares of Monno Jute Staffers, BD Autocars and Legacy Footwear for 30 days following a spate of criticisms over lack of action from the market regulator in reigning in the unusual price hike of the companies. On the same day, it also sent five other companies — Monno Ceramic Industries, Key&Que, Aziz Pipes, Stylecraft and Dragon Sweater and Spinning — to the spot market for the unusual and astronomical hike in the prices of their shares. However, the shares of Dragon Sweater were put back on the public market from the spot market on September 6.

<http://www.newagebd.net/article/50848/suspension-of-trading-of-3-cos-extended-by-15-days>

Securities law violations on the rise

• According to the Bangladesh Securities and Exchange Commission (BSEC), a total of 96 companies were fined and warned for non-compliance in the first eight months of this year. Investor confidence is being hit by a rise in securities law violations by listed firms, brokerage houses and individuals, market experts have warned. This compares to 77 companies fined and warned by the securities regulator in the January to August period last year. These violations influence stock prices and benefit vested quarters. BSEC sources said most violations are related to price sensitive information (PSI).

• However, other cases have involved the buying and selling of shares by sponsor directors without declarations, or the failure to submit and publish financial statements on time. On various occasions throughout the year, BSEC asked all directors, managing directors and company secretaries of companies accused of violations to explain the allegations in hearings held at BSEC. In August this year, the regulator also fined and warned eight companies for non-compliance with securities laws. The companies are: AB and Company Ltd, Alliance Securities and Management Ltd, Delta Spinners Ltd, International Leasing Securities Ltd, Padma Islami Life Insurance Ltd, Saad Securities Ltd, Unique Share Management Ltd and Western Marine Shipyard Ltd.

<https://www.dhakatribune.com/business/stock/2018/09/18/securities-law-violations-on-the-rise>

Bangladesh House Building Finance Corporation (BHBFC) set to bring down lending rate to 9.0%

• The Bangladesh House Building Finance Corporation (BHBFC) is set to lower its lending rate to 9.0% with effect from July this year. The state-run corporation is going to issue a circular today (Thursday) to this end. The BHBFC has been providing loan at a rate of 10% for Dhaka and Chattogram metropolitan areas and 9.5% for other areas since July 2017. And before that, it was 12%. However, the rate of interest on loans for rural areas will remain unchanged at 8.5%.

• Both the existing borrowers and fresh loan seekers can enjoy the new interest rate. But to avail themselves of new interest rate, existing borrowers will have to produce up-to-date papers regarding payment of loan installments. BHBFC has set a BDT 6.0 billion loan disbursement target for fiscal year 2018-19, which is 2.0 billion higher than that of the previous fiscal year. The amount of loan disbursed outside Dhaka and Chattogram metropolitan areas was nearly 62% of total house building loans as of April.

<http://today.thefinancialexpress.com.bd/trade-market/bhbfc-set-to-bring-down-lending-rate-to-90pc-1537375686>

