

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-0.51%) lost 29.67 points and closed the week at 5,813.80 points. The blue-chip index DS30 (-1.47%) lost 32.36 points and stood at 2,171.82 points while the shariah based index DSES (-1.61%) closed in red and stood at 1,343.65 points. DSEX, DS30, and DSES all posted negative YTD return of -6.90%, -4.88%, and -3.38% respectively.

Total Turnover During The Week (DSE) : BDT 25.1 billion (USD 301.4 million)
Average Daily Turnover Value (ADTV): BDT 5.0 billion (Δ% Week: -2.7%)

Market P/E: 17.87
Market P/B: 2.34

Daily Index Movement during the Week:

The market performed five sessions during the week. Market started with a negative movement of 0.52% and continued to be negative in the second (-0.12%) and the third session (-0.50%). Market turned around in the fourth session (+0.43%) and ended with a positive movement of 0.20% in the fifth session.

Sectoral Performance:

- All the financial sectors ended in negative except Banks (+0.86%) and Mutual Funds (+0.26%). Life Insurance posted the highest loss of 4.31% followed by NBFIs (-3.40%) and General Insurance (-1.53%).
- The large cap non-financial posted positive performance except Telecommunication (-4.57%) and Pharmaceuticals (-0.11%). Power posted the highest gain of 2.47% followed by Engineering (+2.20%) and Food & Allied (+0.04%) which closed flat in green.

Macroeconomic arena:

- The government has wound down this fiscal year's budget by 7.25% to BDT 3.71 trillion after a large shortfall in internal revenue collection and lower execution of development work. In June last, Finance Minister placed a BDT 4.002 trillion budget for fiscal year 2017-18. Net inflow of foreign direct investment in the country declined by 7.72% last year, with officials attributing the drop-off to geo-political tension, the central bank has said. Statistics available with Bangladesh Bank showed that net inflow of FDI stood at \$2.15 billion in 2017, down from \$2.33 billion a year ago.
- Bangladesh, along with Pakistan, has the lowest level of mobile internet penetration in the Asia Pacific region, according to a report of GSMA, the global trade body of mobile operators. Only 21% of the population of both Bangladesh and Pakistan have mobile internet connection -- the lowest among regional peers. Even countries like Nepal and Myanmar, both of which have lower GDP per capita than Bangladesh, have higher mobile internet penetration: 28% and 35% respectively.
- A sharp rise in current account deficit is aggravating the country's 'twin deficit' phenomenon that surfaced after many years. An economy is said to have a twin deficit, if it has a current account deficit along with a fiscal deficit. Traditional macro-economists predict that persistent double deficit in a country leads to currency devaluation or depreciation that can be severe and sudden. Economists view that Bangladesh's fiscal deficit may not be a matter of big trouble, as the government agencies cannot spend their allocated budgets. But they view that current account balance may be a matter of concern for the country, as its deficit is widening every month. Another leading economist said the money market crisis along with the twin deficit has created a new dimension in the economy. He said it has happened due to two reasons - high yield of the national saving certificates and aggressive lending by some banks crossing advance-deposit ratio.

Stock Market arena:

- Grameenphone, which holds the exclusive rights to use 1,600 kilometres of fibre optic cable of Bangladesh Railway under a lease deal, would get 63 per cent of the proceeds if unused portion of the cable network is leased to any third party.
- Linde Bangladesh Ltd, a member of Linde Group's Gases Division, yesterday inaugurated an air separation unit in Rupganj. The company invested BDT 1.20 billion for the unit. An air separation plant separates atmospheric air into its primary components, typically nitrogen and oxygen, and sometimes also argon and other rare inert gases. The Rupganj plant will produce about 100 tonnes of liquefied gases per day.

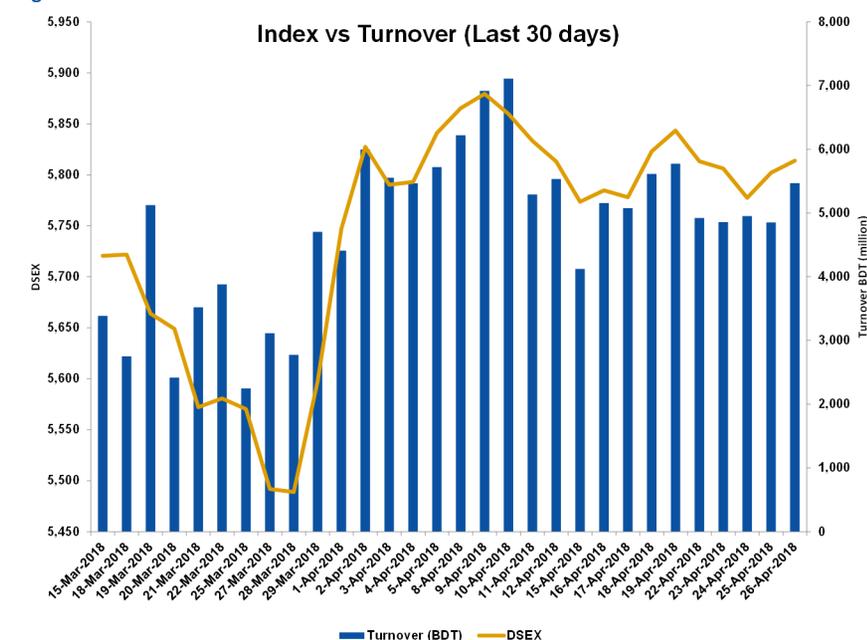
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,813.80	5,843.47	-29.67	6,244.52	-0.51%	-6.90%
DS30	2,171.82	2,204.17	-32.36	2,283.23	-1.47%	-4.88%
DSES	1,343.65	1,365.59	-21.94	1,390.67	-1.61%	-3.38%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	20,208,469.1	20,244,807.1	-0.2%
	Mn USD	243,094.8	243,531.9	
Turnover	Mn BDT	25,055.8	25,745.9	-2.7%
	Mn USD	301.4	309.7	
Average Daily Turnover	Mn BDT	5,011.2	5,149.2	-2.7%
	Mn USD	60.3	61.9	
Volume	Mn Shares	647.3	694.0	-6.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

			Δ%	Mcap		P/E	P/B
	Close	Open		(mn BDT)	Vol (mn BDT)		
United Commercial Bank Limited	20.60	17.80	15.7%	21,715.1	276.82	8.3x	0.9x
Navana CNG Limited	68	59.20	14.9%	4,659.9	150.45	22.4x	2.0x
Samata Leather	64.30	56.20	14.4%	663.6	10.91	NM	4.4x
Sonargaon Textiles	21.30	18.90	12.7%	563.7	9.44	NM	0.8x
Rahima Food	169.90	151.50	12.1%	3,398.0	74.10	NM	74.5x
Bangladesh Steel Re-Rolling Mills Limited	107.30	95.80	12.0%	22,506.7	233.66	29.8x	2.2x
Kay and Que	188.00	168.60	11.5%	921.7	24.42	3760.0x	NM
S. Alam Cold Rolled Steels	34.60	31.10	11.3%	3,403.6	55.91	28.2x	2.3x
United Power Generation & Distribution Company Ltd	198.00	178.60	10.9%	79,049.4	1,054.91	18.9x	7.4x
Queen South Textiles Mills Limited	36.10	33.00	9.4%	3,615.4	317.72	24.8x	2.2x

Table 4: Top Ten Losers

			Δ%	Mcap		P/E	P/B
	Close	Open		(mn BDT)	Vol (mn BDT)		
First Finance Limited	8.00	9.40	-14.9%	976.3	4.19	19.5x	0.6x
Tallu Spinning	8.50	9.80	-13.3%	759.4	10.42	NM	0.6x
Usmania Glass	138.50	155.50	-10.9%	2,192.2	414.05	NM	9.3x
The Premier Bank	12.50	14.00	-10.7%	10,001.0	115.23	6.2x	0.9x
Khulna Printing & Packaging Limited	10.50	11.60	-9.5%	766.9	6.08	NM	0.6x
Renwick Jajneswar	630.20	694.60	-9.3%	1,260.4	64.14	204.3x	NM
Central Insurance	21.30	23.20	-8.2%	1,002.9	.32	13.0x	1.0x
Delta Life Insurance	108.80	118.20	-8.0%	13,464.0	141.97	NM	10.9x
Popular Life Insurance	105.20	114.10	-7.8%	6,357.1	85.28	NM	10.5x
Miracle Ind.	37.60	40.70	-7.6%	1,179.0	64.16	32.2x	0.9x

Table 5: Top Ten Most Traded Shares

			Δ%	Mcap		P/E	P/B
	Close	Open		(mn BDT)	Vol (mn BDT)		
Beximco Limited	30.80	32.00	-3.8%	25,705.4	1,451.80	25.0x	0.5x
Grameenphone Ltd.	473.30	496.10	-4.6%	639,097.0	1,114.04	28.4x	24.8x
United Power Generation & Distribution Company Ltd	198.00	178.60	10.9%	79,049.4	1,054.91	18.9x	7.4x
BRAC Bank	87.60	87.90	-0.3%	93,645.5	994.99	24.1x	4.9x
Al-Arafah Islami Bank	26.00	27.40	-5.1%	25,852.0	856.19	8.5x	1.3x
Keya Cosmetics	10.20	10.00	2.0%	10,221.5	519.42	6.1x	0.8x
Square Pharmaceuticals	310.80	315.00	-1.3%	229,181.2	447.67	21.5x	4.9x
Usmania Glass	138.50	155.50	-10.9%	2,192.2	414.05	NM	9.3x
Alif Industries Limited	106.40	107.10	-0.7%	4,000.3	402.15	30.5x	8.7x
Aamra Network Limited	98.90	100.70	-1.8%	5,245.8	329.58	42.9x	5.9x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Marico Bangladesh Limited	1,289.80	16.61%	40,628.7	28.2x
Beximco Limited	30.80	14.07%	25,705.4	25.0x
Fareast Islami Life Ins	77.10	7.83%	5,762.7	NM
Summit Power	37.80	5.29%	40,365.8	9.2x
S. Alam Cold Rolled Steels	34.60	3.59%	3,403.6	28.2x
Square Pharmaceuticals	310.80	2.98%	229,181.2	21.5x
Beximco Pharmaceuticals	106.60	2.70%	43,232.3	19.4x
Berger Paints	2,093.50	1.48%	48,546.0	24.0x
BATBC	3,440.80	1.15%	206,448.0	27.2x
Delta Life Insurance	108.80	1.12%	13,464.0	NM

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1579.14	1565.70	1848.21	0.86%	-14.56%
NBFIs	2237.18	2315.91	2714.85	-3.40%	-17.59%
Mutual Funds	792.43	790.40	788.81	0.26%	0.46%
General Insurance	1448.96	1471.51	1592.30	-1.53%	-9.00%
Life Insurance	1875.10	1959.48	1834.85	-4.31%	2.19%
Telecommunication	6511.32	6823.38	6494.31	-4.57%	0.26%
Pharmaceuticals	2910.48	2913.67	2821.05	-0.11%	3.17%
Fuel & Power	1532.65	1495.66	1527.27	2.47%	0.35%
Cement	2074.51	2134.76	2280.58	-2.82%	-9.04%
Services & Real Estate	1110.19	1131.44	1224.11	-1.88%	-9.31%
Engineering	2945.37	2882.04	3166.83	2.20%	-6.99%
Food & Allied	15229.17	15223.15	15304.34	0.04%	-0.49%
IT	1402.90	1413.37	1484.41	-0.74%	-5.49%
Textiles	1139.66	1142.18	1222.72	-0.22%	-6.79%
Paper & Printing	1012.36	1077.18	1013.11	-6.02%	-0.07%
Tannery	2496.79	2498.34	2642.41	-0.06%	-5.51%
Jute	8703.71	8978.45	8867.22	-3.06%	-1.84%
Ceramics	557.99	569.77	597.46	-2.07%	-6.61%
Miscellaneous	1775.17	1809.98	1725.62	-1.92%	2.87%

Table 7: Sector Trading Matrix

	Daily average		% Change	% of Total Turnover	PE	PB
	this Week	last week				
Banks	878.6	798.8	9.98%	19.14%	10.1x	1.2x
NBFIs	156.5	160.0	-2.15%	3.41%	21.0x	2.2x
Mutual Funds	58.5	87.7	-33.28%	1.27%	NM	0.7x
General Insurance	29.9	36.5	-18.09%	0.65%	13.2x	1.0x
Life Insurance	149.4	287.5	-48.02%	3.25%	NM	8.2x
Telecommunication	226.0	61.3	268.83%	4.92%	28.6x	21.1x
Pharmaceuticals	523.3	512.9	2.02%	11.40%	21.9x	3.6x
Fuel & Power	532.3	340.6	56.28%	11.59%	12.9x	2.0x
Cement	67.9	164.5	-58.73%	1.48%	23.3x	3.8x
Services & Real Estate	81.5	109.0	-25.25%	1.78%	27.8x	0.9x
Engineering	487.9	473.7	3.01%	10.63%	23.3x	2.2x
Food & Allied	220.3	253.8	-13.21%	4.80%	31.3x	11.1x
IT	99.8	78.0	27.99%	2.17%	27.1x	2.9x
Textiles	451.3	480.2	-6.02%	9.83%	20.3x	1.1x
Paper & Printing	6.0	4.5	34.42%	0.13%	NM	1.1x
Tannery	55.8	46.6	19.65%	1.22%	19.1x	3.0x
Jute	57.2	106.9	-46.53%	1.25%	NM	3.7x
Ceramics	72.2	96.0	-24.82%	1.57%	26.9x	2.1x
Miscellaneous	436.8	629.4	-30.60%	9.51%	25.0x	1.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Lankabangla Finance	30.20	-32.08%	10,332.0	13.0x
Islami Bank	26.10	-28.69%	42,020.8	9.4x
City Bank	37.00	-26.79%	34,110.0	8.4x
AB Bank	16.30	-26.24%	12,357.5	8.2x
Dhaka Bank	16.70	-24.09%	12,062.3	7.8x
Eastern Bank	39.60	-22.50%	29,224.8	10.8x
Prime Bank	22.00	-19.71%	22,645.7	10.3x
United Finance Limited	18.20	-19.71%	3,405.5	10.9x
United Airways (BD) Ltd.	4.50	-19.64%	3,092.8	15.9x
Uttara Bank	28.50	-19.26%	11,402.3	7.4x

Important News: Business & Economy

Foreign Direct Investment (FDI) flow drops by 7.7% last year

- Net inflow of foreign direct investment in the country declined by 7.72 per cent last year, with officials attributing the drop-off to geo-political tension, the central bank has said. Statistics available with Bangladesh Bank showed that net inflow of FDI stood at \$2.15 billion in 2017, down from \$2.33 billion a year ago. The seventh Five-Year Plan (7FYP) of the country, however, projected to attract \$5.87 billion in the current fiscal year (FY18). It appears that actual FDI is much lower than the projected in the medium-term development plan document.

- A senior official of the central bank, however, termed the drop in FDI a reflection of global tension. Provisional estimates of the United Nations Conference on Trade and Development (UNCTAD) showed that the global inflow of FDI plunged by 16 per cent in the past year. According to the UN agency's Global Investment Trends Monitor, released early this year, estimated that the global inflow of FDI dropped to \$1.52 trillion in 2017, which was \$1.81 trillion in 2016.

<http://today.thefinancialexpress.com.bd/first-page/fdi-flow-drops-by-77pc-last-year-1524680389>

Seven-day Bangladesh Bank bills' yield below 1.0%

- The weighted average yield on seven-day Bangladesh Bank Bills fell to below 1.0 per cent while no bids for 14-Day BB bills were received on Wednesday. The yield on seven-Day BB Bills came down to 0.85 per cent on the day from 1.32 per cent of the previous day, according to Bangladesh Bank officials.

- Ten bids amounting to Tk 37.95 billion were offered for seven-Day BB bills auction on Wednesday. Of which, two bids amounting to Tk 10 billion were received. On the other hand, 11 bids amounting to Tk 29.21 billion were offered for 14-Day BB bills auction on the same day. But no bid was accepted.

- The central banker also said the BB was still discouraging the banks to invest their excess funds in the bills. Besides, the central bank has unofficially suspended the auction of 30-Day BB Bills since April 01 to help mitigate the liquidity crunch in the banking system.

<http://today.thefinancialexpress.com.bd/last-page/seven-day-bb-bills-yield-below-10pc-1524681096>

Foreign loans getting costlier: Bangladesh Institute of Bank Management (BIBM)

- Increasing LIBOR rate and the appreciation of the greenback against the taka are putting pressure on Bangladeshi businesses that borrowed from foreign sources to meet their needs, according to a report of the Bangladesh Institute of Bank Management. If these pressures cause the exchange rate to depreciate further the private sector debt will become costlier to service, said the report that will be unveiled today.

- Most of the borrowers are importers, meaning they have no source of foreign currency

earnings to absorb the pressure. Between 2013 and 2017, the private sector's commercial borrowing from external sources almost trebled, according to data from the Bangladesh Bank. Last year, the private sector borrowed \$11.34 billion from abroad, in contrast to \$4 billion in 2013.

- The interest rate on foreign loans is tagged with the London interbank offered rate (LIBOR), the global standard interest rate. Typically, the interest rates are LIBOR plus 3-4%. The three-month LIBOR rate, which mostly remained below 1% for the best part of last decade, hit a nine-year high of 2.32%, meaning the local borrowers will have to pay about 2% points more. Moreover, the appreciation of the dollar -- from Tk 78 to Tk 85 in the last one year -- has also created an additional pressure on borrowers.

<https://www.thedailystar.net/business/foreign-loans-getting-costlier-bibm-1567978>

Uniform tariff value for both manufacturers, traders

- The National Board of Revenue (NBR) has fixed a uniform tariff value for both traders and manufacturers of Liquefied Petroleum Gas (LPG). Under the new tariff value, traders will, from now on, require to pay the amount of VAT similar to that of manufacturers. The VAT wing of the revenue board on April 9 set the tariff value at Tk 3 per kilogram of LP gas reducing the VAT incidence to 0.45 per cent from current 4 per cent advance trade VAT. The tariff value will be applicable only on bulk LP gas above 45kg which is mainly used for industrial purposes, officials said.

<http://today.thefinancialexpress.com.bd/first-page/uniform-tariff-value-for-both-manufacturers-traders-1524680542>

<http://www.newagebd.net/article/39853/nbr-reduces-vat-on-bulk-lpg-trading>

Revenue shortfall forces government to wind down budget

- The government has wound down this fiscal year's budget by 7.25% to BDT 3.71 trillion after a large shortfall in internal revenue collection and lower execution of development work. In June last, Finance Minister placed a BDT 4.002 trillion budget for fiscal year 2017-18, which he himself termed 'ambitious'.

- A senior finance official said the poor implementation of Annual Development Programme (ADP) and a large amount of revenue shortfall against its target were the main reasons why the authorities slashed the budget size. In the revised budget, the target for the National Board of Revenue (NBR) has been reduced to BDT 2.25 trillion from the original target of BDT 2.48 trillion, finance officials said. The government estimated BDT 200 billion losses in tax revenue collection this year due to deferment of the new VAT, revenue board officials said.

- Although savings certificates are considered to be one of the costlier borrowing options, the government's target from it has ballooned to BDT 440 billion from the original target BDT 301 billion. The net investment in savings tools was recorded at BDT 331.19 billion in the July-February period of the fiscal 2017-18, surpassing the annual target, according to official statistics. The financing target from external sources, in the form of grant, loan disbursement and amortization, has been revised downward to BDT 458 billion from BDT

519 billion.

<http://today.thefinancialexpress.com.bd/first-page/revenue-shortfall-forces-govt-to-wind-down-budget-1524592749>

BDT demand in money market dips

• The demand for Bangladesh Taka (BDT) in the money market fell drastically mainly due to the recent slash of the cash reserve requirement (CRR) by 1.0% by the central bank. Both the weighted average inter-bank call money rate and weighted average yield on Bangladesh Bank (BB) Bills dropped significantly in the recent days in lockstep with the revised CRR, according to market operators. The weighted average inter-bank call money rate came down to 3.76% on Monday from 4.53% as on April 12 while volume of transaction also fell to BDT 46.66 billion from BDT 78.36 billion, according to the central bank's statistics.

• On the other hand, the weighted average yield (WAY) on 07-Day BB Bills fell to 1.32% on Tuesday from 2.98% as on April 12 while the WAY on 14-Day BB Bills dropped to 1.28% from 2.98%. Besides, the central bank suspended the auction of 30-Day BB Bills since April 01 without official announcement to help mitigate the liquidity crunch in the banking system.

<http://today.thefinancialexpress.com.bd/first-page/bdt-demand-in-money-market-dips-1524593365>

Trade-based money laundering on the rise

• Trade-based money laundering is a growing concern for the banking industry amid rapid expansion of foreign trade, according to a recent survey by the Bangladesh Institute of Bank Management. Bangladesh's external trade stood at about \$80 billion in 2016-17 and it has been growing thanks to the steady economic growth over the past decade, it said. Among the trade-based money laundering techniques, over- and under-invoicing of goods and services and misdeclaration of goods are commonly used in Bangladesh, the survey on trade services operations of banks found.

• The value of the total imported goods was BDT 10.40 billion but the importer paid only BDT 34.7 million through the banking channel; the rest of the money was laundered through unofficial channels. A lack of proper price assessment is responsible for money laundering through foreign trade activities, said a supernumerary professor of BIBM.

<https://www.thedailystar.net/business/trade-based-money-laundering-the-rise-1567393>
<http://www.newagebd.net/article/39786/majority-of-money-laundering-occur-thru-banking-channel-seminar>

Card use finally spreading

• Bangladeshi consumers are slowly but surely warming up to the idea of using cards, especially debit cards, to make payments, with the total number of cards in circulation expanding 15.45% last year. About 1.7 million debit, credit and pre-paid cards were issued last year to take the total to 12.7 million, according to data from the central bank. Among the various plastic card products, debit card was the most popular: at the end of 2017, a

total of 11.6 million debit cards were in circulation, in contrast to 7.69 million two years earlier. However, the number of credit cards declined 4% year-on-year to 0.91 million in 2017.

• One of the reasons for the spike is the various incentives being offered by banks to encourage the use of cards with a view to promoting a cashless society. Private banks issued 94.58% of the cards, followed by foreign banks at 3.79% and state banks at 1.6%. Of the total transactions, 86% was for withdrawal of money from cash machines. The total number of ATM booths at the end of last year was 9,522. Of the total card transactions, 89% took place through debit cards and 9% through credit cards.

<https://www.thedailystar.net/business/card-use-finally-spreading-1567390>

Import of Internet of Things (IoT) devices needs prior approval

• The telecom regulator has made it mandatory for businesses to get enlisted and take prior approval to import Internet of Things (IoT) devices. A fee of BDT 25,000 will be charged for enlistment, the Bangladesh Telecommunication Regulatory Commission said in a directive. However, importers will be exempted from such fee and approval if they bring in devices with only 2-watt power output capacity. They, however, will have to pay BDT 5,000 as the application fee and BDT 500 as the processing fee.

• Internet of Things is the concept of connecting any device with an on and off switch to the internet (and/or to each other). IoT devices include everything starting from cellphones, coffee makers, water, and waste management tools, lamps, agriculture, wearable devices, car parking and lighting to airplane engines.

<https://www.thedailystar.net/business/import-iot-devices-needs-prior-approval-1567369>
<http://www.newagebd.net/article/39783/btrc-issues-directives-on-iot-device-import>

Import rises 12% in March on food grains, machinery

• The country's overall import grew by more than 12% or USD 453.97 million in March, mainly due to higher import of food grains and capital machinery. The settlement of letters of credit (LCs), generally known as actual import, in terms of value, rose to USD 4.20 billion in March 2018, from USD 3.74 billion in the same period of the previous calendar year. The actual import was USD 4.02 billion in February 2018, according to the central bank's statistics.

• However the upward trend in import might continue in the coming months also ahead of the holy Ramadan. Usually, a large quantity of essential commodities is imported to meet the additional demand of consumers during the month of Ramadan. The import of capital machinery may increase further in the coming months following implementation of different infrastructure projects, including Padma Bridge. Import of capital machinery or industrial equipment used for production rose to USD 354.25 million in March 2018 as against USD 243.53 million in the same month of 2017.

<http://today.thefinancialexpress.com.bd/last-page/import-rises-12pc-in-march-on-food-grains-machinery-1524507124>

Bangladesh remittance dropped in 2017 though global payments hit record: World Bank report

- Remittance inflow to Bangladesh dropped slightly to USD 13.47 billion in 2017 from USD 13.54 billion a year ago although global remittance payments hit record in 2017, according to a World Bank report released on Monday. Remittance inflow to South Asia also grew moderately in the year, said the report titled Migration and Remittances, Recent Developments and Outlook. Global remittances are expected to increase by about four% this year.

- Bangladesh, like previous year, remained the ninth highest remittance receiving country in 2017 while India retained the top position with USD 69 billion remittance inflow in the year, it said. Bangladesh was also the fifth largest source of international migrants in the year. It, however, said Bangladesh remittance has showed a promising uptick in recent times driven by strong inflows from its main source countries—Saudi Arabia, UAE, USA, Kuwait and Malaysia. Bangladesh, on the other hand, has emerged as a new hotspot of international migrants owing to an influx of nearly a million Rohingya refugees, the report said.

<http://www.newagebd.net/article/39703/bangladesh-remittance-dropped-in-2017-though-global-payments-hit-record-wb-report>
<https://www.dhakatribune.com/business/economy/2018/04/23/world-bank-bangladeshis-abroad-remit-13-5bn-2017/>

Mobile Number Portability: Service delayed by 3 more months

- Mobile phone subscribers will have to wait around three more months to be able to switch operators every 40 days while retaining their existing numbers as the technical aspects and responsibilities have just been finalized. Now operators will work on importing some infrastructure and software, said the secretary general of the Association of Mobile Telecom Operators of Bangladesh (AMTOB).

- Mobile number portability, as it is known, gives mobile phone users choice and boosts competition in the market. Singapore pioneered the service in 1997. Now over 72 countries have it. Neighboring India and Pakistan introduced it a few years ago. Infozillion BD Teletech Consortium, a joint venture of a local and foreign firm, got the license on November 30 last year and was scheduled to offer the service for BDT 30 in coordination with the operators by May 31.

<https://www.thedailystar.net/business/telecom/service-delayed-3-more-months-1567018>

Mutual funds pique investors in March

- The closed-end mutual fund units saw their turnover double last month upon expectation of better dividends for the year ending on June. In March, closed-end mutual funds' turnover stood at BDT 1.64 billion in contrast to BDT 748.4 million a month earlier, according to data from the Dhaka Stock Exchange. However, total turnover in the DSE declined 10.73% during the period. All mutual funds listed on the DSE are trading on huge discount except Prime Finance First Mutual Fund, according to an analysis of Brac EPL.

- DSEX, the benchmark general index of the DSE, soared 22.82% to 6,244.52 points in

2017 from a year earlier. Earnings of the mutual fund sector are soaring but their unit prices have remained almost the same, so the price-earnings ratio declined to 8.12 in March from 8.20 in February. SEML Lecture Equity Management Fund dominated the mutual fund turnover chart last month with its transaction of 16.6 million shares worth BDT 125.0 million. It was followed by First Bangladesh Fixed Income Fund, AB Bank 1st Mutual Fund, EBL First Mutual Fund, Popular Life First Mutual Fund and Grameen One: Scheme Two.

- SEML Lecture Equity Management Fund was the month's best performer among all mutual funds with its gains of 9.09%, followed by Popular Life First Mutual Fund, Grameen One: Scheme Two, Vanguard AML Rupali Bank Balanced Fund and IFIC 1st Mutual Fund. DSEX shed 4.65% to 5,597.44 points in March.

<https://www.thedailystar.net/business/mutual-funds-pique-investors-march-1566331>

Bangladesh still popular for low-cost apparel

- Bangladesh is still a lucrative destination for sourcing low-cost garment items, coming second to only China, according to the Global Sourcing Survey-2018 by the Asia Inspection, which provides inspection services to global brands. As per the survey report, outside of China, India and Bangladesh are increasingly given preferences for textile sourcing due to being lower-cost destinations. Of the total respondents, 16% said Bangladesh is their destination of choice for sourcing textile and garment products.

- China though remains in the lead: it is a regular sourcing destination for nearly 88% of the respondents and half of the businesses expect to buy even more from there in 2018. Thanks to the rebound of economic situation in Europe and the US, the retailers and brands are placing work orders in bulk in Bangladesh. At the same time, Bangladesh's reputation has also improved due to inspection and remediation of the garment factories by the Accord and Alliance. Some 36% respondents said they will source food items from Bangladesh, while 15% will buy electrical and electronics products from here, the survey said.

<https://www.thedailystar.net/business/bangladesh-still-popular-low-cost-apparel-1566334>

Bangladesh lowest internet using country in Asia Pacific: study

- Bangladesh, along with Pakistan, has the lowest level of mobile internet penetration in the Asia Pacific region, according to a report of GSMA, the global trade body of mobile operators. Only 21% of the population of both Bangladesh and Pakistan have mobile internet connection -- the lowest among regional peers. In 2017, one in five Bangladeshis subscribed to mobile internet services despite 3G networks covering in excess of 90% of the population. Even countries like Nepal and Myanmar, both of which have lower GDP per capita than Bangladesh, have higher mobile internet penetration: 28% and 35% respectively.

- The majority of subscribers in Bangladesh primarily use their phones for basic voice and SMS services. As a result of this low level of engagement, the country also generates one of the lowest subscriber average revenue per user (ARPU) levels in the world at USD 2.9. This is considerably below the averages for Asia Pacific and the world of USD 10.4 and USD 14.6 respectively, limiting the ability of operators to engender the required transition to mobile broadband technologies. In particular, the country scores below average on

infrastructure and affordability enablers relative to its regional peers.

- At the end of 2017, just over 71% of connections were 2G, with 3G comprising the remainder. The number of mobile internet subscribers in Bangladesh is forecast to reach 73 million by the end of 2025, representing 41% of the population. However, approximately 106 million people will remain without access to the mobile internet, factoring in population growth. However, went on to state that the mobile industry in Bangladesh has scaled rapidly over the last decade to become the fifth largest mobile market in Asia Pacific, with 85 million unique subscribers in 2017, which is half the population.

<https://www.thedailystar.net/business/bangladesh-lowest-internet-using-country-asia-pacific-study-1566004>

Economy faces 'twin deficit'

- A sharp rise in current account deficit is aggravating the country's 'twin deficit' phenomenon that surfaced after many years. An economy is said to have a twin deficit, if it has a current account deficit along with a fiscal deficit. The country has both fiscal or budget deficit and current account deficit amounting to over USUSD 6.3 billion, more than 300% higher in a year. The government has a deficit target of 5.0% of the gross domestic product (GDP) to meet the budget funding.

- Traditional macro-economists predict that persistent double deficit in a country leads to currency devaluation or depreciation that can be severe and sudden. The nominal exchange rate, after keeping an upward trend over the past one year, is now standing at BDT 83 in inter-bank BDT-USD exchange (average) rate. This exchange rate was BDT 79.85 on April 18, 2017, according to the central bank statistics.

- Economists view that Bangladesh's fiscal deficit may not be a matter of big trouble, as the government agencies cannot spend their allocated budgets. But they view that current account balance may be a matter of concern for the country, as its deficit is widening every month. They said such big deficit in the current account balance may even hit the foreign exchange reserve significantly. On the other hand, another leading economist said the money market crisis along with the twin deficit has created a new dimension in the economy. He said it has happened due to two reasons - high yield of the national saving certificates and aggressive lending by some banks crossing advance-deposit ratio.

<http://today.thefinancialexpress.com.bd/first-page/economy-faces-twin-deficit-1524246058?date=21-04-2018>

Foreign Direct Investment (FDI) drops by 8.42% in 2017

- Net inflows of foreign direct investment in the country declined by 8.42% to USD 2.15 billion in 2017 from USD 2.33 billion a year ago, according to the final calculation of the Bangladesh Bank released on Thursday. Equity investment, which is considered as fresh investment directly from abroad, declined by more than 69% to USD 538.90 million in the year from USD 911.38 million in 2016, the report showed. Reinvested earnings and intra-company loans, however, increased to USD 1.28 billion and USD 333.24 million respectively in 2017, which were USD 1.22 billion and USD 205.95 million a year ago.

- According to the central bank latest report, Bangladesh received the highest net FDI of USD 657.32 million in the last quarter (October-December) of the year. The net FDI inflow in previous three quarters was USD 507.15 million, USD 491.25 million, USD 495.84 million respectively. The highest USD 312.98 million FDI came in from the United Kingdom, followed by USD 202.73 million from Singapore and USD 194.21 million from Norway. Bangladesh slipped down one notch to 177 in the Ease of Doing Business Index-2017 from 176 in 2016, which might give a negative signal to foreign investors. According to a government estimate, the country needs to attract an average annual FDI of USD 6.7 billion to graduate to the upper middle-income status by 2021.

<http://www.newagebd.net/article/39378/fdi-drops-by-842pc-in-2017>

Import tax on raw materials to go down to boost exports: National Board of Revenue (NBR)

- The government will reduce high tax rate on import of raw materials to boost local production. The facilities will be provided on import of raw materials for products which the local producers are able to produce. It will be ensured in the upcoming national budget. The Chittagong Chamber of Commerce & Industry boss suggested that the tax rate on publicly traded companies be reduced from 25% to 20% and that of private limited companies be reduced from 35% to 25%. The expenditure on the CSR (corporate social responsibility) should be shown in the profit and loss account and be given 10% rebate on the CSR.

<http://today.thefinancialexpress.com.bd/last-page/import-tax-on-raw-materials-to-go-down-to-boost-exports-nbr-1524329369>

USD 2.5 billion investment round the corner

- Super Petrochemical Pvt Ltd (SPPL), a concern of BDT Group, and SK Group of South Korea plan to invest USD 2.5 billion jointly to establish a petrochemical complex and an LPG terminal in Moheshkhali. Under the joint venture, a full-fledged petrochemical, chemical storage facilities and liquefied petroleum gas (LPG) terminal will be set up in the island. The Beza would hand over the letter of land allocation to Super Petrochemical today so that it can start construction work as soon as possible, according to the executive chairman of the authority.

- SPPL is the largest producer of petroleum and petrochemical products in the private sector in Bangladesh. It produces and supplies fuel oil to state-run Bangladesh Petroleum Corporation. The company caters for 60% of local demand for octane. Besides, it produces petrochemical products such as toluene and xylene used in making paints, inks and adhesive. The project—which will produce a lot of raw materials for plastic goods—will also encourage many small and medium enterprises to invest in the plastic sector, he said. Local investors will be able to use raw materials to set up LPG-based or dual fuel power plants, he said.

<https://www.thedailystar.net/business/25b-investment-round-the-corner-1565998>

Important News: Capital Market

Grameen Phone to get 63% of proceeds from BR's fibre lease to 3rd party

• Mobile phone operator Grameenphone, which holds the exclusive rights to use 1,600 kilometres of fibre optic cable of Bangladesh Railway under a lease deal, would get 63 per cent of the proceeds if unused portion of the cable network is leased to any third party. As per the approval of the commission, 10 per cent of the lease proceeds would be kept for meeting up regulatory and licensing- related costs. Of the rest amount, GP would get 70 per cent (or 63 per cent of the total proceeds) while BR would retain remaining 30 per cent.

• The revenue sharing ratio for BR's dark fibre, leased to Grameenphone in 1997 with exclusive rights, was set considering the payment GP made and its effort to maintain the fibre, the BTRC official said. Grameenphone has got the exclusive rights over the BR's 1,600 kilometres dark fiber after winning an international tender. The government in 2016 took an initiative to open the fibre optic cable to other mobile phone operators with a view to ensuring its maximum use.

<http://www.newagebd.net/article/39855/gp-to-get-63pc-of-proceeds-from-brs-fibre-lease-to-3rd-party>

Linde opens Tk 1.20 billion air separation unit

• Linde Bangladesh Ltd, a member of Linde Group's Gases Division, yesterday inaugurated an air separation unit in Rupganj. The company invested Tk 1.20 billion for the unit. An air separation plant separates atmospheric air into its primary components, typically nitrogen and oxygen, and sometimes also argon and other rare inert gases. The Rupganj plant will produce about 100 tonnes of liquefied gases per day, making it the largest liquid-producing merchant air separation unit in Bangladesh, according to a statement of the company.

• The plant will more than double Linde Bangladesh's current production capacity, strengthening Linde's position as the leading gases player in Bangladesh. A state-of-the-art cylinder filling site at Rupganj has also been built to provide a range of cylinder products to customers across all market segments.

<https://www.thedailystar.net/business/linde-opens-tk-120cr-air-separation-unit-1567951>

Mercantile Bank, iPay sign deal

• Mercantile Bank Limited has recently signed an agreement with iPay Systems Limited. Under this agreement, iPay customers will be able to make payment for different utility services through MYCash channel - Mobile Banking Service of Mercantile Bank Limited without any charge. The iPay is the first online payment platform with an E-wallet in Bangladesh which provides real cashless experience, operating under the license from Bangladesh Bank as payment service provider.

<http://today.thefinancialexpress.com.bd/stock-corporate/mercantile-bank-ipay-sign-deal-1524672820>

Beximco Pharma begins exporting third product to the US market

• Beximco Pharma has begun the export of their third product Methocarbamol (500mg and 700mg) to the US market on Tuesday. The first consignment was delivered on April 21, 2018 and this is the third product from Beximco Pharma in the world's largest pharma market after the successful launch of Carvedilol and Sotalol in August 2016 and November 2017, respectively. Beximco Pharma remains the only Bangladeshi pharmaceutical company to export medicine to the US market following its manufacturing site approval by the US Food and Drug Administration in June 2015.

<https://www.dhakatribune.com/business/2018/04/24/beximco-pharma-begins-exporting-third-product-us-market/>

To show profits, National Bank Limited (NBL) seeks relief from keeping BDT 11.50 billion provision

• National Bank Limited, in an unusual move, has requested Bangladesh Bank to exempt it from keeping BDT 11.50 billion provision in its financial statement for 2017 against BDT 34.16 billion classified loans to show hefty profits for the year, said BB officials. The NBL in a letter to the central bank past week made the request saying that loans of its 22 clients worth BDT 34.17 billion were 'temporarily irrecoverable'.

• The BB officials said that it was unusual for any bank to seek exemption from keeping provision of such a huge amount. They said according to the bank's recent statement it made an operating profits (before tax and provisioning) of BDT 12.16 billion for the year ended on December 31, 2017. So, if the bank has to keep provisioning of BDT 11.50 billion and pay relevant taxes, its net profit might turn to negative or losses for the year, commented another official.

<http://www.newagebd.net/article/39701/to-show-profits-nbl-seeks-relief-from-keeping-BDT-1150cr-provision>

Modern Steel to submit IPO proposal soon

• Modern Steel Mills Limited will submit the IPO (initial public offering) proposal to the securities regulator soon as the company has already completed the road show. The company is set to raise a capital worth BDT 2.0 billion from the capital market through IPO for business expansion and meeting IPO expenses. ICB Capital Management is working as issue manager of the Modern Steels Mills. At the road show, the company said that 97% of the IPO proceeds will be utilised for business expansion. The company has reported diluted earnings per share (EPS) of BDT 2.70 for July-December, 2017. The company's EPS (diluted) was BDT 2.27 for the year ended on June 30, 2017 and BDT 2.26 for the year ended on June 30, 2016.

<http://today.thefinancialexpress.com.bd/stock-corporate/modern-steel-to-submit-ipo-proposal-soon-1524505082>

Grameenphone (GP), GlaxoSmithKline (GSK) Q1 earnings slide

- Some 12 more listed companies, including the largest-market cap company Grameenphone (GP), disclosed un-audited financial reports for the January-March quarter of 2018 on Sunday. Of them, the earnings per share (EPS) of seven companies, including GP and GlaxoSmithKline Bangladesh, declined while five companies' earnings increased in the quarter compared to the same quarter of the previous year. Grameenphone's net profit fell slightly by 2.50% year-on-year to BDT 6.39 billion in the January-March quarter of 2018.
- GP's earnings per share (EPS) declined to BDT 4.74 in January-March quarter from BDT 4.86 in the same period a year ago. The net operating cash flow per share (NOCFPS) was BDT 11.60 for January-March 2018 as against BDT 12.04 for January-March 2017. The net asset value (NAV) per share was BDT 32.73 as on March 31, 2018 and BDT. 29.72 as on March 31, 2017. Following the news, the GP's share price fell 2.42% or BDT 12 each to close at BDT 484.10 on Sunday.
- However, Grameenphone Ltd. reported revenue of BDT 31.2 billion for the first quarter of 2018, a 2.0% growth from the same period last year. Data revenue grew by 23.9% along with voice revenue growth of 3.9%. CEO of Grameenphone Ltd. Said that the quarter also marked healthy topline and subscriber growth amidst the ongoing competitive environment. They launched a couple of relevant market offers both in voice and data that is showing positive results in revenue generating base and its corresponding usage.
- Meanwhile, GlaxoSmithKline (GSK) Bangladesh's earnings per share fell 21.62% year-on-year to BDT 11.49 for January-March, 2018. In January-March period of 2017, its EPS was BDT 14.66. The world's leading research-based pharmaceutical and healthcare company's share price also declined by 0.83% to close at BDT 1,456.70 each at DSE.

<http://today.thefinancialexpress.com.bd/stock-corporate/gp-gsk-q1-earnings-slide-1524413064>

<https://www.thedailystar.net/business/gps-first-quarter-profit-down-248pc-1566325>

<https://www.dhakatribune.com/business/2018/04/22/grameenphone-ltd-reported-revenue-BDT31-2-bn/>

52,700 new BO accounts in 3 and half months

- The number of beneficiary owners' accounts increased by 52,700 in last three and a half months this year. As on April 15, 2018, the number of BO accounts stood at 27,80,161, which was 27,27,400 as on December 31, 2017. Of the new entries, the number of BO accounts owned by female investors was 13,425. An abnormal rise in the share prices of newly listed companies in the first few days after their debut on the stock exchanges lured people to open BO accounts for gaining quick profits from the market, market operators said.
- Individual investors operate 17,56,148 BO accounts, investors jointly operate 10,11,886 BO accounts and 12,127 accounts are operated by different companies including institutional investors, the CDBL data showed. Of the accounts (excluding the company-owned BO accounts), 26,05,117 BO accounts are owned by Bangladeshi investors and 1,62,917 accounts owned by non-resident Bangladeshi investors, the data showed.

- Market operators said investors usually open new BO accounts or revive their suspended BO accounts when they find the primary (initial public offering) market vibrant and the secondary market bullish. The IPO market was dull in the year 2017 with six companies raising only BDT 2.19 billion while this year the primary market looked bullish. Six companies are waiting to be listed with the market soon while two companies have already got listed this year. Of the two companies, the share prices of Advent Pharmaceuticals and Queen South Textiles Mills soared by 384% and 274% respectively on their debut following the footsteps of the debutant companies in the year 2017.

<http://www.newagebd.net/article/39456/52700-new-bo-accounts-in-3-and-half-months>

Grameenphone Q1 profit drops after six quarters

- Quarterly net profit of the country's leading mobile operator Grameenphone dropped after six quarters in January-March in 2018. The company's profit in Q1 of this year inched down 2.48% compared with the same period of 2017 due to additional operating expenses for spectrum charges and licence fees for 4G services and depreciation and amortisation costs, according to the company's financial statement released on Thursday. In the un-audited financial statements, GP showed that its profit after tax declined to BDT 6.39 billion in January-March from BDT 6.56 billion in the same period of last year. GP's net profit grew by 17.85% to BDT 6.56 billion in the first quarter of 2017 over the same period of the previous year.
- Net profit of the company also grew in the previous six quarters, year-on-year basis, mainly due to a healthy growth in data service. According to the statement, earnings per share of the entity also declined to BDT 4.74 during January-March 2018 from BDT 4.86 in the same period of 2017. The gross revenue of GP, however, increased to BDT 31.24 billion in the quarter with a 2.02% growth from BDT 30.62 billion of the same period of last year. GP spent BDT 2.49 billion as revenue sharing, spectrum charges and licence fees in the quarter against BDT 2.38 billion in the same quarter of last year.
- Its operating expenses in the head of depreciation and amortisation also increased to BDT 6.22 billion in January-March this year against BDT 5.64 billion for the same period of last year causing decline in net profit, the statement showed. The operator also had to pay 10% of disputed BDT 3.79 billion claimed by the Large Taxpayers Unit of the National Board of Revenue for filing appeal against the claim. It hoped that it would win the case and recover the payment.

<http://www.newagebd.net/article/39587/grameenphone-q1-profit-drops-after-six-quarters>

Grameenphone staff seek raise

- Grameenphone employees yesterday placed a seven-point demand, including ones for salary hike and an immediate stop to "illegal" job terminations. Despite leaps in yearly revenue growth, the market leader among mobile operators has stopped providing different benefits, said the general secretary of Grameenphone Employees Union (GPEU). The GPEU also urged the general secretary of Grameenphone Peoples Council, an organisation of its employees, who was terminated from his job on April 16 over a sexual harassment allegation of 2016. Terming it a conspiracy, the union said the issue was resolved two years back. Grameenphone issued a statement refuting the claims, saying

they practised “zero tolerance” for cases of sexual harassment.

<https://www.thedailystar.net/business/gp-staff-see-raise-1565989>

<http://www.newagebd.net/article/39586/employees-union-accuses-gp-of-denying-rights>

Titas Gas Q3 EPS erodes substantially

- The earnings per share (EPS) of Titas Gas Transmission & Distribution Company Limited declined substantially in the January-March quarter of 2018 from the same period of previous year. According to the company's quarterly disclosure, the EPS declined 95% in the third quarter (Q3) from the same quarter of 2017. As per the un-audited quarterly statement, the company's EPS stood at BDT 0.66 in the Q3 as against BDT. 1.45 in the Q3 of 2017. According to information of Dhaka Stock Exchange (DSE), the government holds 75% shares of Titas Gas Transmission & Distribution Company while institutions 13.41% and general shareholders 9.45% shares.

<http://today.thefinancialexpress.com.bd/stock-corporate/titas-gas-q3-eps-erodes-substantially-1524327825>

Modern Steel holds IPO road show today

- Modern Steel Mills Limited holds the IPO (initial public offering) road show today (Sunday) for the eligible institutional investors. The company will hold the road show as part of going public under the book building method. The steels maker is set to raise BDT 2.0 billion from the capital market through IPO for repaying the bank loans, purchasing machinery and meeting IPO expenses. Under the book building method, eligible investors will be allowed to purchase 50% shares of the company at cut-off price, while mutual funds will purchase 10% of shares at the same price. General public and non-resident Bangladeshis (NRBs) will get 30% and 10% shares respectively at 10% discount from the cut-off price, according to the revised public issue rules.

<http://today.thefinancialexpress.com.bd/stock-corporate/modern-steel-holds-ipo-road-show-today-1524327696>