

Weekly Market Update

Capital Market Overview

The market closed flat in red this week. The benchmark index DSEX (-0.57%) lost 32.64 points and closed the week at 5,655.82 points. The blue-chip index DS30 (+1.68%) gained 33.34 points and stood at 2,023.66 points. The shariah based index DSES (-0.78%) lost 10.21 points and stood at 1,292.83 points. DSEX, DS30 and DSES all posted positive YTD return of +5.02%, +7.60%, and +4.87% respectively.

Total Turnover During The Week (DSE): BDT 24.2 billion (USD 291.3 million)
Average Daily Turnover Value (ADTV): BDT 4.8 billion (Δ% Week: -18.7%)

Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of 0.42% in the first session. Then the market closed in negative territory in the second session (-0.34%), third session (-0.15%), and in the fourth session (-0.51%) as well. Market turned positive (+0.05%) in the fifth session.

Sectoral Performance:

- The financial sectors showed mixed performance this week. Banks posted the highest gain of 0.33% followed by NBFIs (+0.18%). General Insurance recorded the highest loss of 5.88% followed by Life Insurance (-2.80%) and Mutual Funds (-0.41%).
- The non-financial sectors registered positive performance this week except for Engineering (-3.10%). Food & Allied recorded the highest gain of 20.89% followed by Pharmaceuticals (+2.19%), Power (+0.34%). Telecommunication remained flat at 0.00%.

Macroeconomic arena:

- A Philippine bank has filed a lawsuit accusing Bangladesh's central bank of defamation, hitting back at what it says are baseless claims of its complicity in the world's biggest cyber heist. Bangladesh has assigned a lawyer to look into all legal issues including a defamation suit filed by the Manila-based Rizal Commercial Banking Corporation (RCBC) against the country's central bank.
- Tax revenue collection shortfall became even bigger in January last and stood at around BDT 333.03 billion until January of the current fiscal year (FY), 2018-19. The National Board of Revenue (NBR) collected revenue worth about BDT 1.17 trillion in July-January period of the FY against its target of BDT 1.51 trillion for the period. Until December, the revenue shortfall was BDT 280 billion that worsened in January.
- The country's overall balance of payments (BOP) registered a USD 975-million deficit during the July-January period of fiscal year (FY) 2018-19. The amount is USD 59 million less than the USD 1,034-million deficit in the July-January period of FY 2017-18. The rise in the country's secondary income and a decline in the volume of trade deficit helped keep the country's overall deficit in the balance of payments at a lower level during the period.
- The exchange rate of the Bangladesh Taka (BDT) depreciated further against the US dollar (USD) mainly due to higher demand for the greenback in the market for settling import bills. The local currency faced such depreciation, although the Bangladesh Bank (BB) sold USD 44 million to the commercial banks in the last week to keep the forex market stable.

Stock Market arena:

- Titas Gas Transmission and Distribution Company Ltd proposed raising gas tariffs for household users by 80% while up to 211% for consumers of different sectors including power, industry, and motor vehicles. As per the Titas latest proposal, the power plants will pay BDT 9.74 per unit of gas instead of the existing rate of BDT 3.16 with a rise of 208% while fertiliser factories will pay BDT 8.44 per unit instead of BDT 2.71 per with the rise of 211%.
- Frustration is creeping into the mind of stakeholders of Dhaka Stock Exchange over the role of bourse's strategic partner, a joint venture of two Chinese bourses, as they have found no visible initiative of market development from the partner after six months of its joining DSE. The Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange on September 4 last year joined DSE as its strategic shareholder by purchasing 25% shares of the Bangladesh's premier bourse for BDT 9.47 billion.
- Sonali Bank logged the highest net profit in seven years thanks to its deposits with different banks and massive drives to recover funds from loan defaulters. The state-owned financial institution's net profit rose 41.60% year-on-year to BDT 10 billion in 2018. Of the total profit, more than 40% came from the investment in short-term deposits with different banks.

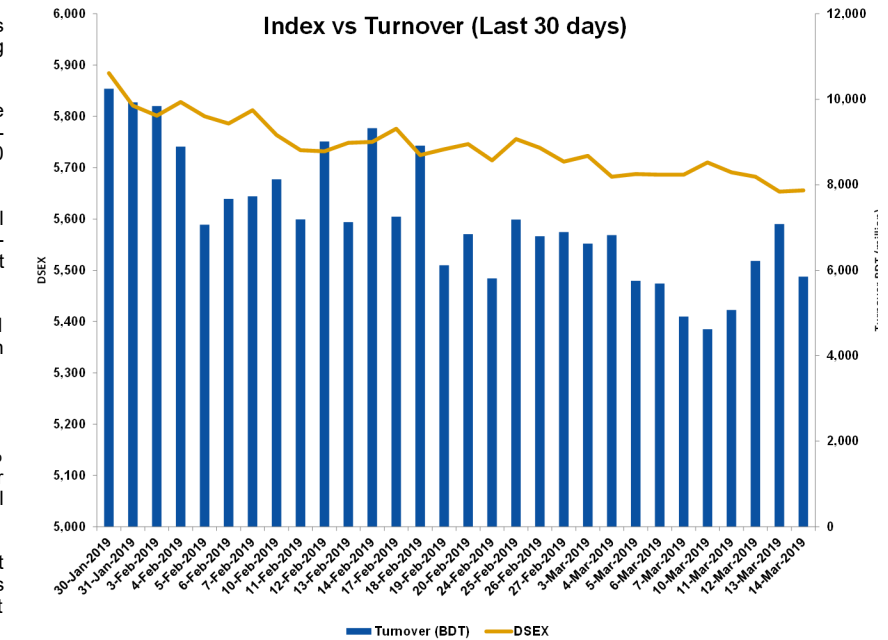
Table 1: Index

| Index | Closing | Opening | Δ(Pts) | 27-Dec-2018 | Δ% Week | Δ%YTD |
|-------|----------|----------|--------|-------------|---------|-------|
| DSEX | 5,655.82 | 5,688.46 | -32.64 | 5,385.64 | -0.57% | 5.02% |
| DS30 | 2,023.66 | 1,990.32 | 33.34 | 1,880.78 | 1.68% | 7.60% |
| DSES | 1,292.83 | 1,303.04 | -10.21 | 1,232.82 | -0.78% | 4.87% |

Table 2: Market Statistics

| | | This Week | Last Week | %Change |
|------------------------|-----------|--------------|--------------|---------|
| Mcap | Mn BDT | 16,713,099.1 | 20,684,330.2 | -19.2% |
| | Mn USD | 201,047.7 | 248,819.1 | |
| Turnover | Mn BDT | 24,219.7 | 29,799.3 | -18.7% |
| | Mn USD | 291.3 | 358.5 | |
| Average Daily Turnover | Mn BDT | 4,843.9 | 5,959.9 | -18.7% |
| | Mn USD | 58.3 | 71.7 | |
| Volume | Mn Shares | 471.5 | 625.7 | -24.6% |

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

| Company Name | Close | Open | Δ% | Mcap (mn BDT) | Vol (mn BDT) | P/E | P/B |
|---------------------------|----------|----------|-------|---------------|--------------|---------|-------|
| BATBC | 4,776.70 | 3,750.60 | 27.4% | 286,602.0 | 1,826.49 | 37.8x | 15.2x |
| Reckitt Benckiser | 3,246 | 2,642.90 | 22.8% | 15,338.3 | 295.27 | 51.8x | 66.4x |
| Marico Bangladesh Limited | 1,526.50 | 1,294.80 | 17.9% | 48,084.8 | 217.44 | 33.4x | 36.4x |
| Glaxo Smithkline | 1,566.90 | 1,336.60 | 17.2% | 18,875.6 | 39.63 | 29.3x | 7.3x |
| Meghna Condensed Milk | 18.50 | 15.80 | 17.1% | 296.0 | 1.61 | NM | NM |
| Beach Hatchery Ltd. | 22.20 | 19.20 | 15.6% | 919.1 | 64.31 | NM | 1.9x |
| Berger Paints | 2,087.50 | 1,864.50 | 12.0% | 96,813.8 | 292.66 | 47.9x | 16.3x |
| Bata Shoe | 1,265.30 | 1,133.60 | 11.6% | 17,309.3 | 230.53 | 16.6x | 4.9x |
| Kay and Que | 219.10 | 199.20 | 10.0% | 1,074.1 | 88.09 | 4382.0x | NM |
| Dutch-Bangla Bank | 218.10 | 199.60 | 9.3% | 43,620.0 | 1,447.62 | 24.7x | 2.6x |

Table 4: Top Ten Losers

| Company Name | Close | Open | Δ% | Mcap (mn BDT) | Vol (mn BDT) | P/E | P/B |
|---|-------|-------|--------|---------------|--------------|-------|------|
| Bangladesh National Insurance Company Limited | 18.60 | 22.60 | -17.7% | 823.1 | 60.85 | 12.6x | 1.2x |
| Prime Insurance | 15.60 | 18.90 | -17.5% | 637.7 | 21.24 | 8.6x | 1.0x |
| Indo-Bangla Pharmaceuticals Limited | 25.10 | 30.20 | -16.9% | 2,567.7 | 125.28 | 43.5x | 2.1x |
| Federal Insurance | 10.40 | 12.40 | -16.1% | 670.1 | 25.19 | 21.4x | 1.0x |
| Safko Spinnings | 20.30 | 24.10 | -15.8% | 608.6 | 171.77 | 54.8x | 1.2x |
| Asia Insurance | 26.90 | 31.80 | -15.4% | 1,266.2 | 85.55 | 16.5x | 1.7x |
| Simtex Industries Limited | 28.70 | 33.90 | -15.3% | 2,175.6 | 162.55 | 14.4x | 1.8x |
| Janata Insurance | 13.80 | 16.30 | -15.3% | 555.7 | 19.24 | 66.4x | 1.2x |
| Global Insurance Ltd. | 16.00 | 18.50 | -13.5% | 588.5 | 31.80 | 32.4x | 1.4x |
| Alif Industries Limited | 72.20 | 82.80 | -12.8% | 2,986.0 | 421.12 | 22.7x | 6.0x |

Table 5: Top Ten Most Traded Shares

| Company Name | Close | Open | Δ% | Mcap (mn BDT) | Vol (mn BDT) | P/E | P/B |
|--|----------|----------|-------|---------------|--------------|---------|-------|
| BATBC | 4,776.70 | 3,750.60 | 27.4% | 286,602.0 | 1,826.49 | 37.8x | 15.2x |
| United Power Generation & Distribution Company Ltd | 405.40 | 388.20 | 4.4% | 194,221.9 | 1,506.49 | 46.5x | 16.8x |
| Dutch-Bangla Bank | 218.10 | 199.60 | 9.3% | 43,620.0 | 1,447.62 | 24.7x | 2.6x |
| Monno Ceramic | 353.90 | 388.90 | -9.0% | 11,559.0 | 1,287.71 | 4391.6x | 4.9x |
| BRAC Bank | 88.50 | 82.40 | 7.4% | 94,916.3 | 900.53 | 24.4x | 4.9x |
| Singer Bangladesh | 277.00 | 264.50 | 4.7% | 21,244.4 | 847.73 | 38.9x | 11.9x |
| Bangladesh Submarine Cable Company Limited | 152.30 | 163.10 | -6.6% | 25,115.1 | 577.46 | 78.9x | 4.8x |
| Fortune Shoes Limited | 33.80 | 36.20 | -6.6% | 4,222.8 | 545.88 | 22.6x | 2.6x |
| Square Pharmaceuticals | 267.60 | 267.70 | 0.0% | 211,138.7 | 496.76 | 19.8x | 4.5x |
| National Polymer | 88.70 | 93.00 | -4.6% | 2,653.1 | 486.15 | 39.7x | 2.8x |

Table 8: Most Appreciated YTD in BRAC EPL Universe

| Top 10 Most Appreciated Stocks | Close | Δ% YTD | Mcap (mn BDT) | P/E |
|--------------------------------|----------|---------|---------------|-------|
| Berger Paints | 2,087.50 | 102.38% | 96,813.8 | 47.9x |
| Dutch-Bangla Bank | 218.10 | 42.46% | 43,620.0 | 24.7x |
| Singer Bangladesh | 277.00 | 41.69% | 21,244.4 | 38.9x |
| BATBC | 4,776.70 | 40.43% | 286,602.0 | 37.8x |
| Marico Bangladesh Limited | 1,526.50 | 38.01% | 48,084.8 | 33.4x |
| Delta Brac Housing | 150.70 | 21.89% | 20,199.4 | 25.7x |
| Summit Power | 41.70 | 16.16% | 44,530.5 | 10.2x |
| Green Delta Insurance | 64.60 | 15.73% | 5,733.9 | 20.6x |
| The Premier Bank | 15.30 | 12.07% | 12,241.2 | 7.6x |
| Mutual Trust Bank | 34.80 | 11.86% | 19,953.0 | 13.6x |

Table 6: Sector Indices

| Sector Name | Week Close | Week Open | Year Open | %Δ Week | %Δ YTD |
|------------------------|------------|-----------|-----------|---------|---------|
| Banks | 1554.25 | 1549.19 | 1848.21 | 0.33% | -15.91% |
| NBFIs | 2156.99 | 2153.17 | 2714.85 | 0.18% | -20.55% |
| Mutual Funds | 671.01 | 673.80 | 788.81 | -0.41% | -14.93% |
| General Insurance | 1823.87 | 1937.79 | 1592.30 | -5.88% | 14.54% |
| Life Insurance | 2058.26 | 2117.62 | 1834.85 | -2.80% | 12.18% |
| Telecommunication | 5450.53 | 5450.79 | 6494.31 | 0.00% | -16.07% |
| Pharmaceuticals | 2865.33 | 2803.88 | 2821.05 | 2.19% | 1.57% |
| Fuel & Power | 2028.04 | 2021.19 | 1527.27 | 0.34% | 32.79% |
| Cement | 1728.98 | 1675.96 | 2280.58 | 3.16% | -24.19% |
| Services & Real Estate | 1010.78 | 1044.30 | 1224.11 | -3.21% | -17.43% |
| Engineering | 3069.11 | 3167.19 | 3166.83 | -3.10% | -3.09% |
| Food & Allied | 19263.75 | 15934.97 | 15304.34 | 20.89% | 25.87% |
| IT | 1817.96 | 1920.05 | 1484.41 | -5.32% | 22.47% |
| Textiles | 1403.36 | 1481.21 | 1222.72 | -5.26% | 14.77% |
| Paper & Printing | 8259.51 | 8622.70 | 1013.11 | -4.21% | 715.26% |
| Tannery | 2730.03 | 2604.92 | 2642.41 | 4.80% | 3.32% |
| Jute | 18456.44 | 19063.69 | 8867.22 | -3.19% | 108.14% |
| Ceramics | 629.72 | 658.05 | 597.46 | -4.31% | 5.40% |
| Miscellaneous | 2550.32 | 2399.12 | 1725.62 | 6.30% | 47.79% |

Table 7: Sector Trading Matrix

| Sector Name | Daily average this Week | Daily average last week | % Change | % of Total Turnover | P/E | P/B |
|------------------------|-------------------------|-------------------------|----------|---------------------|-------|-------|
| Banks | 936.0 | 761.3 | 22.95% | 16.60% | 10.0x | 1.1x |
| NBFIs | 215.6 | 172.6 | 24.90% | 3.82% | 20.7x | 2.1x |
| Mutual Funds | 23.3 | 18.0 | 29.93% | 0.41% | NM | 0.5x |
| General Insurance | 328.2 | 388.4 | -15.48% | 5.82% | 16.6x | 1.3x |
| Life Insurance | 52.8 | 72.1 | -26.75% | 0.94% | NM | 8.6x |
| Telecommunication | 183.1 | 291.4 | -37.15% | 3.25% | 24.0x | 17.7x |
| Pharmaceuticals | 469.9 | 437.0 | 7.53% | 8.33% | 21.6x | 3.5x |
| Fuel & Power | 575.4 | 624.4 | -7.85% | 10.20% | 17.2x | 2.7x |
| Cement | 103.7 | 49.7 | 108.68% | 1.84% | 19.5x | 3.2x |
| Services & Real Estate | 72.1 | 82.5 | -12.56% | 1.28% | 25.5x | 0.8x |
| Engineering | 728.8 | 916.0 | -20.44% | 12.92% | 23.3x | 2.1x |
| Food & Allied | 484.7 | 125.4 | 286.64% | 8.60% | 39.1x | 13.6x |
| IT | 171.3 | 154.3 | 11.05% | 3.04% | 29.7x | 3.0x |
| Textiles | 567.7 | 698.7 | -18.76% | 10.07% | 21.6x | 1.2x |
| Paper & Printing | 17.8 | 16.5 | 7.58% | 0.32% | NM | 4.5x |
| Tannery | 209.1 | 248.6 | -15.90% | 3.71% | 21.5x | 3.4x |
| Jute | 17.1 | 15.5 | 10.40% | 0.30% | NM | 7.8x |
| Ceramics | 270.3 | 491.5 | -45.01% | 4.79% | 30.5x | 2.3x |
| Miscellaneous | 212.2 | 195.9 | 8.35% | 3.76% | 36.7x | 1.6x |

Table 9: Least Appreciated YTD in BRAC EPL Universe

| Top 10 Least Appreciated Stocks | Close | Δ% YTD | Mcap (mn BDT) | P/E |
|---------------------------------|--------|---------|---------------|-------|
| United Airways (BD) Ltd. | 2.50 | -46.21% | 2,070.2 | 10.7x |
| AB Bank | 12.00 | -45.70% | 9,097.6 | 6.0x |
| City Bank | 29.10 | -39.54% | 28,168.4 | 6.9x |
| International Leasing | 12.30 | -37.67% | 2,598.3 | 20.6x |
| Lafarge Surma Cement | 45.70 | -34.62% | 53,074.8 | 23.8x |
| Aftab Automobiles | 42.40 | -33.96% | 4,059.1 | 10.3x |
| EXIM Bank | 11.50 | -33.14% | 16,240.9 | 5.5x |
| RAK Ceramics Limited | 36.50 | -32.97% | 14,200.8 | 15.5x |
| ACI Limited | 305.50 | -31.23% | 15,241.1 | 14.3x |
| Islami Bank | 25.50 | -30.33% | 41,054.8 | 9.2x |

Important News: Business & Economy

Bangladesh poised to emerge as 30th largest economy: Multilateral Investment Guarantee Agency (MIGA)

• MIGA, the political risk insurance arm of the World Bank Group, was created in 1988 to promote foreign direct investment in emerging economies. Bangladesh is poised to emerge as the world's 30th largest economy over the next few years with a trillion-dollar GDP, a top official of Multilateral Investment Guarantee Agency (MIGA) said on Wednesday, reports UNB. In order to ensure sustained economic development, it is essential that the country is seen as a safe harbour for foreign investment, particularly in sectors that are critical towards this growth: energy, infrastructure, manufacturing and agriculture, said the vice-president and chief operating officer of MIGA, in a statement.

• MIGA is currently exploring the possibility of building an energy efficient fertiliser plant in Narsingdi, which will produce urea from natural gas. This will help boost domestic urea production and improve agricultural production, enhance food security, and reduce environmental pollution.

<http://today.thefinancialexpress.com.bd/last-page/bd-poised-to-emerge-as-30th-largest-economy-miga-1552500840>

China to invest more than USD 50 billion in next 10 years in Bangladesh

• China is expected to invest more than USD 50 billion in the next 10 to 15 years in Bangladesh's thrust sectors like energy and power, transport and communications etc. Commerce Minister disclosed this in a Bangladesh-China Business Connections event, arranged by HSBC recently in the city. Li Guangjun, Chinese economic and commercial counsellor in Bangladesh, said that he is confident that the bilateral economic cooperation between Bangladesh and China will be explored in a more extensive way in the future.

<http://today.thefinancialexpress.com.bd/stock-corporate/china-to-invest-more-than-50b-in-next-10-yrs-in-bangladesh-1552498482>
<https://www.thedailystar.net/business/news/china-may-invest-50b-15yrs-1714723>

Construction of Sonadia sea port hits snag

• A fast-track project of the government -- establishment of the country's third deep-sea port proposed at Cox's Bazar's Sonadia -- has plunged into uncertainty. The existing two ports in Chattogram and Mongla are being upgraded, while construction of two deep-sea ports in Payra and Matarbari is underway. On completion of these, the fifth port would be built at Sonadia, if need be, said Finance Minister AHM Mustafa Kamal yesterday.

• Replying to a query regarding completion of Payra Port, the minister said a huge volume of construction was going on there which would take five to seven years to complete. On the Matarbari port in Cox's Bazar, he said the government was constructing the port such a way that bigger ships from around the world could easily use it.

<https://www.thedailystar.net/backpage/news/construction-sonadia-sea-port-hits-snag-1714927>

Non-Performing Loans (NPL) drag down banks' capital

• The capital base of banks weakened slightly last year, due mainly to the increased non-performing loans (NPLs), officials said. The overall capital-to-risk weighted-asset ratio (CRAR) of all the banks operating in Bangladesh came down to 10.50% on December 31, 2018 from 10.83% on the same day the year before, according to the latest statistics of the Bangladesh Bank (BB). Besides, the banks failed to achieve required CRAR at 11.875% by the end of 2018 in line with the Basel-III framework.

• The rising trend in regulatory capital coupled with higher NPLs pulled down the overall CRAR, BB officials said. The total regulatory capital increased by 8.46% or nearly BDT 80 billion to BDT 1,025.61 billion in the final quarter of 2018 from BDT 945.61 billion a year before. On the other hand, the volume of classified loans in the country's banking system jumped by over 26% to BDT 939.11 billion as on December 31 in 2018 from BDT 743.03 billion a year ago.

• Ten banks, six owned by government, suffered a total capital shortfall worth over BDT 266.90 billion in 2018 as growing classified loans wiped out their profits. The 10 banks-four state-owned commercial banks (SoCBs), three private commercial banks (PCBs), two specialised banks (SBs) and a foreign commercial bank (FCB)--were put on the list of capital shortfall, according to the BB officials. Nine banks suffered a total capital shortfall of over BDT 194.67 billion in 2017 on the same ground. The nine banks-four SoCBs, three PCBs and two SBs-were put on the list of capital-deficient ones.

<http://today.thefinancialexpress.com.bd/first-page/npls-drag-down-banks-capital-1552500713>

<http://www.newagebd.net/article/67291/ten-banks-face-BDT-26678cr-capital-shortfall>

<https://www.thedailystar.net/business/news/banking-sector-govts-weak-point-kamal-1714858>

Special audit in banks, Financial Institutions to start soon: Finance Minister

• The finance minister spoke of running a special audit in every bank and financial institution very soon and also said that they have started working in this regards. He, however, asked the bankers not to be worried. Audits are not meant to send anybody to jail. This is an attempt to assess the situation.

• Finance Minister projected the country's economy to grow at a rate over 8.0% this fiscal year (FY 2018-19).

<http://today.thefinancialexpress.com.bd/first-page/spl-audit-in-banks-fis-to-start-soon-kamal-1552500416>

<https://www.dhakatribune.com/business/2019/03/13/finance-minister-no-place-for-dishonest-employees-in-state-owned-banks>

Gas price move faces uproar

• The proposal to double the gas price because of liquefied natural gas (LNG) imports is being met with fierce resistance as the increase stands to hit the economy, make

businesses uncompetitive and fuel inflation. Experts, consumer rights activists, industrialists, trade bodies and left-leaning politicians have opposed the proposal. There is no legal scope to increase the gas price at the moment as the BERC cannot raise the price twice in a single fiscal year as per its laws, said the energy adviser of the Consumer Association of Bangladesh. The most recent gas hike came in October last year. Some, however, have come forward in defence of the state-run companies considering the reality of fast depleting gas reserves amid growing demand and no new discoveries.

- The proposal was to raise gas tariff for household consumers by 80 percent, and up to 211 percent for consumers of different sectors including power, industry, and motor vehicles.

- The Bangladesh Energy Regulatory Commission (BERC) will take 'logical' decision following the public hearing for raising gas tariff hike, BERC Chairman said on Wednesday. The commission is hearing from all the stakeholders concerned, which will help it to take proper decision, he said.

- The High Court will deliver its order on March 31 on a writ petition filed challenging the government's move to hike gas prices, reports UNB.

<https://www.thedailystar.net/business/news/gas-price-move-faces-uproar-1714867>

<http://today.thefinancialexpress.com.bd/last-page/berc-to-take-logical-decision-after-hearing-1552500888>

<http://today.thefinancialexpress.com.bd/last-page/hc-order-on-move-to-hike-gas-prices-on-march-31-1552500971>

<https://www.dhakatribune.com/business/2019/03/13/proposed-gas-price-hike-to-hit-businesses-dampen-investment>

Asian carmakers eye bigger share of Bangladesh market

- According to Bangladesh Road Transport Authority (BRTA), around 9,224 vehicles were sold in 2012 whereas it was 18,227 units in 2018, meaning there has been 98 percent growth in the past six years. In 2017, car sales amounted to around BDT 50.0 billion and the industry achieved 8 percent growth a year on an average since 2012, according to industry insiders. Around 63 automobiles, including sport utility vehicles (SUVs), are now sold every day in Bangladesh while it was 29 in 2012 when the market started thriving, as per the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida).

- The figures seem tempting enough to awaken Subaru Bangladesh into launching four models of the Japanese brand -- Forester, BRZ, Impreza, XV -- today after a five-year gap. Moreover, the Society of Indian Automobile Manufacturers (SIAM) says it was trying to motivate the Bangladesh government into formulating an automobile manufacturing policy and bring changes to an existing automobile import policy. On the other hand, Korean automobile manufacturers Hyundai, Kia and SsangYong Motor are also looking to increase their market share in Bangladesh after sales of their cars rose 20 percent on an average in the last four years, said industry insiders. The share of Korean automakers in the Bangladesh market reached 6 percent in 2017 and it continued to grow in 2018, showed an analysis of data from the BRTA and local agents.

- High-end cars are neither lagging behind. Their sales grew about 17 percent annually in the last three years thanks to Bangladesh's growing affluent class. Some 5,555 luxury cars were sold in 2018 while it was 4,425 in 2017. The number was not more than 300 before 2014, according to the BRTA.

<https://www.thedailystar.net/business/news/asian-carmakers-eye-bigger-share-bangladesh-market-1714756>

Total tenure of existing closed-end Mutual Funds won't be more than 20 years

- The stock market regulator has issued a directive scrapping its previous directive regarding conversion or liquidation of closed-end mutual funds 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 20 years. The asset managers may extend or go for redemption or conversion of the closed-end mutual funds to the open-ended ones, according to the BSEC directive.

<http://today.thefinancialexpress.com.bd/stock-corporate/total-tenure-of-existing-closed-end-mfs-wont-be-more-than-20-yrs-1552498595>

January tax revenue shortfall widens

- Tax revenue collection shortfall became even bigger in January last and stood at around BDT 333.03 billion until January of the current fiscal year (FY), 2018-19. A notable gap in VAT and customs duty mobilisation is largely responsible for the rise in tax revenue shortfall.

- The National Board of Revenue (NBR) collected revenue worth about BDT 1.17 trillion in July-January period of the FY against its target of BDT 1.51 trillion for the period. Until December, the revenue shortfall was BDT 280 billion that worsened in January.

- Meanwhile, tax revenue collection grew by 7.09% in July-January period of FY 19 compared to that of the corresponding period last year, according to an unofficial provisional data of NBR. Experts and economists opined that there would be a significant shortfall in aggregate revenue collection in the current FY following the sluggish growth.

- Former NBR chairman said the large shortfall in revenue collection proves that there is 'internal hemorrhage' in the economy. He noted that macro-economic inconsistencies followed by huge expenditures in the election year resulted in high bank borrowing of the government due to the shortfall in tax revenue collection.

<http://today.thefinancialexpress.com.bd/first-page/jan-tax-revenue-shortfall-widens-1552412941>

<http://www.newagebd.net/article/67203/tax-collection-BDT-33303cr-short-of-target-in-july-jan>

Rizal Commercial Banking Corp (RCBC) files defamation suit against Bangladesh Bank over cyber heist

- A Philippine bank has filed a lawsuit accusing Bangladesh's central bank of defamation, hitting back at what it says are baseless claims of its complicity in the world's biggest cyber heist. In February 2016, criminals used fraudulent orders on the SWIFT payments system to steal USD 81 million from the Bangladesh central bank's account at the Federal Reserve Bank of New York.

- The money was sent to accounts at Manila-based Rizal Commercial Banking Corp (RCBC) and then vanished into the casino industry in the Philippines. While RCBC said its reputation had come under a sustained "vicious and public attack" by Bangladesh Bank. It is seeking at least 100 million pesos (USD 1.9 million) in damages.

- it said in a statement that Bangladesh Bank has embarked on a massive ploy and scheme to extort money from plaintiff RCBC by resorting to public defamation, harassment and threats geared towards destroying RCBC's good name, reputation, and image.

- Bangladesh Bank filed a lawsuit in the US District Court in Manhattan earlier this year, accusing RCBC of involvement in a massive conspiracy to steal its money. A hunt for the culprits has made little progress and Bangladesh Bank has managed to get back roughly USD 15 million, mostly from a Manila gaming junket operator.

<http://today.thefinancialexpress.com.bd/first-page/rcbc-files-defamation-suit-against-bb-over-cyber-heist-1552412652>

<https://www.dhakatribune.com/business/banks/2019/03/12/philippines-rcbc-sues-bangladesh-bank-over-heist-claim>

<http://www.newagebd.net/article/67180/philippine-bank-sues-bb>

Bangladesh assigns lawyer to deal with case in Manila

- Bangladesh has assigned a lawyer to look into all legal issues including a defamation suit filed by the Manila-based Rizal Commercial Banking Corporation (RCBC) recently against the country's central bank. One of the members of the Bangladesh delegation told they have been informed about the suit, but their lawyer will look into the matter.

- A five-member Bangladesh delegation is now staying in Manila, the capital of Philippines, to gear up the legal process through discussion with the authorities concerned for recovering the stolen fund. Bangladesh earlier hired a law firm in Manila to facilitate the ongoing legal process in the country.

<http://today.thefinancialexpress.com.bd/first-page/bd-assigns-lawyer-to-deal-with-case-in-manila-1552412731>

<https://www.dhakatribune.com/business/2019/03/12/reserve-heist-bb-delegation-now-in-manila-to-settle-reserve-heist>

Bangladesh Textile Mills Association (BTMA) opposes Titas gas price hike plea

- The Bangladesh Textile Mills Association (BTMA) has strongly opposed the proposal of

the Titas Gas Transmission and Distribution Company to raise service charge and gas price. In a position paper, they opposed all proposals to raise gas tariff and service charge unless Titas delivers its promised standard of services and uninterrupted gas supply.

- More than 400 textile mills, including spinning, produce about 1300 megawatt of electricity through captive power generators. Erratic gas supply, low pressure and higher bills for service in the past five years have led to a substantial rise in yarn and fabric production costs.

- The BTMA demanded damages from Titas for textile mills as the sector incurred huge losses for the latter's failure to ensure smooth supply system since 2015.

<http://today.thefinancialexpress.com.bd/last-page/btma-opposes-titas-gas-price-hike-plea-1552413202>

<http://www.newagebd.net/article/67202/businesses-oppose-gas-price-hike-proposal>

Executive Committee of National Economic Council (ECNEC) okays BDT 7.22 billion Nakshipalli project to enhance facilities

- The Executive Committee of National Economic Council (ECNEC) approved a project titled 'Sheikh Hasina Nakshipalli, Jamalpur (1st phase)' involving BDT 7.22 billion, aiming to enhance facilities for Nakshi entrepreneurs, handloom and handicraft workers.

- The Planning minister said Bangladesh Handloom Board under the Textile and Jute Ministry will implement the project on 300 acres of land in Jamalpur by December 2021.

<http://today.thefinancialexpress.com.bd/last-page/ecnec-okays-BDT-722b-nakshipalli-project-to-enhance-facilities-1552413314>

Government, traders draw up price stability plan by month-end

- The government will sit with the stakeholders at the end of this month to devise strategies for keeping supplies and prices of essential items stable in the country during upcoming Ramadan.

- To this end, the commerce ministry will sit with over 45 trade associations and stakeholders on March 27 to devise a plan ahead of Ramadan so that prices of key essential items remain stable during the holy month of fasting. The meeting will review the prices of essential items in the city kitchen markets.

- A senior commerce ministry official said they have taken initiatives to keep the prices of essential items stable throughout the year. We will sit at the end of this month to analyse the price-and-supply situation of the commodities

<http://today.thefinancialexpress.com.bd/last-page/govt-traders-draw-up-price-stability-plan-by-month-end-1552413440>

Japan keen to invest in gasoline engine car manufacturing industry

- Japan has shown its interest to invest in the gasoline engine car manufacturing industry in

Bangladesh. Japanese ambassador called on industries minister and expressed his interest.

- Industries minister welcomed it and said Bangladesh consumers have confidence on the Japanese branded cars, including Toyota. Moreover, the Ambassador said there were huge opportunities to accelerate economic relations between the two friendly nations, Bangladesh and Japan.

<http://www.newagebd.net/article/67209/japan-keen-to-invest-in-gasoline-engine-car-manufacturing-industry>

BOP posts USD 975 million deficit in seven months

- The country's overall balance of payments (BOP) registered a USD 975-million deficit during the July-January period of fiscal year (FY) 2018-19. The amount is USD 59 million less than the USD 1,034-million deficit in the July-January period of FY 2017-18, according to the central bank data. The rise in the country's secondary income and a decline in the volume of trade deficit helped keep the country's overall deficit in the balance of payments at a lower level during the period.

- The country's trade deficit fell to USD 9,684 million during the first seven months of FY '19, compared to USD 10,077 million in the same period of the last fiscal. Higher growth in the merchandise exports than that of imports helped narrow down the country's overall trade deficit during the July-January period of FY '19.
- The country's aggregate exports grew by 12.81% to USD 23.80 billion during the July-January period of FY '19, compared to nearly USD 21.10 billion in the corresponding period of last fiscal. On the other hand, the country's overall imports posted a 7.41% growth to reach USD 33.48 billion in the first seven months of the current fiscal as against USD 31.17 billion in the same period of the last fiscal, according to the Bangladesh Bank (BB) data.

<http://today.thefinancialexpress.com.bd/last-page/bop-posts-975m-deficit-in-seven-months-1552327133>

NPLs at six state-owned banks account for 52% of sector total

- Six state-owned banks accounted for 52% of the banking sector's total default loans of BDT 939.11 billion, at the end of December 2018, according to the latest Bangladesh Bank data. The total amount of these six banks' non-performing loans (NPLs) stood at BDT 486.95 billion, which was BDT 373.26 billion in December, 2017. Default loans of all six banks amounted to 29.96% of their total outstanding loans, with Janata Bank having the highest amount of default loans worth BDT 172.24 billion (35.72% of total outstanding loans), followed by Sonali Bank at BDT 120.61 billion (30.06% of its total outstanding loans).

- Agrani Bank's default loans stood at BDT 57.50 billion (16.65% of its total outstanding loans), Bangladesh Development Bank's default loans stood at BDT 8.86 billion (56.54% of its outstanding loans), Basic Bank's at BDT 86.31 billion (57.55% of total outstanding loans), and Rupali Bank's at BDT 41.40 billion (17.95% of total outstanding loans). According to economists and senior bankers, the culture of impunity enjoyed by loan defaulters, political interference in approving loans, and lack of experience among bankers in dealing with pressing issues, have weakened the already battered banking sector.

- lead economist of World Bank in Bangladesh said in the last decade, the country did not encounter any disaster that could have prevented businessmen from repaying their loans. The economic growth rate has increased and there has been economic stability in the country, but the number of willful defaulters has increased, he added. He said that the banks cannot avoid blame and responsibility for the soaring default loans, as they are approving loans without "due diligence" or "considering the repayment capacity of borrowers."

<https://www.dhakatribune.com/business/2019/03/11/npls-at-six-state-owned-banks-account-for-52-of-sector-total>

Mastercard to bKash fund transfer now possible

- The country's largest mobile financial service provider bKash yesterday launched a new service enabling customers to transfer funds instantly from Mastercard-branded debit, credit and prepaid cards issued by banks to bKash wallets round-the-clock. Mastercard, bKash and Southeast Bank jointly introduced the service at a Dhaka hotel. The bank's Mastercard payment gateway solution is connected to the bKash app to enable the transfer.

- The transfer limit is BDT 15,000 per day, the same as bKash cash-in limits. To move funds, customers need to click an "add money" option on the bKash app, select "card to bKash" option and incorporate the bKash account number and the card details. A one-time password will be sent to the registered mobile number, entering which the transfer can be completed.

- Very soon it will also be possible to transfer funds from bKash wallets to bank cards, said Kamal Hossain, managing director of Southeast Bank. This service will make wallet loading remarkably easier and convenient for Mastercard users and bKash customers, said official of both entities. This is a significant step towards the journey for a cashless society, said Kamal Quadir, CEO of bKash.

<https://www.thedailystar.net/business/news/mastercard-bkash-fund-transfer-now-possible-1713826>

<https://www.dhakatribune.com/business/2019/03/11/bkash-launches-add-money-service-with-mastercard>

Next budget to be pro-growth: Finance Minister

- Finance Minister A H M Mustafa Kamal said on Sunday the budget for the next fiscal year (FY) would be pro-growth and pro-development. He also said employment generation would get priority in the budget, and steps would be taken to provide job to at least one person of each family.

- The minister said the new budget will also focus on safety-net issue. The new VAT act will be effective from next July. But, implementation of the act across the country will take time, the minister opined.

<http://today.thefinancialexpress.com.bd/first-page/next-budget-to-be-pro-growth-kamal-1552239889>

Taka deflates further against USD

- The exchange rate of the Bangladesh Taka (BDT) depreciated further against the US dollar (USD) on Sunday, mainly due to higher demand for the greenback in the market for settling import bills. The US dollar was quoted at BDT 84.20 each in the inter-bank forex market on the day against BDT 83.15 of the previous working day, market operators said.
- The local currency faced such depreciation, although the Bangladesh Bank (BB) sold USD 44 million to the commercial banks in the last week to keep the forex market stable. A total of USD1.71 billion has been sold since July 01 of the current fiscal year (FY), 2018-19, to the commercial banks as part of BB's ongoing support, according to latest official figures.
- The demand for the US dollar is gradually increasing, mainly due to higher import payment pressure, particularly of capital machinery for power plants, intermediate goods, petroleum products, fertilisers and liquefied natural gas (LNG). Managing Director and Chief Executive Officer of Pubali Bank Limited said that such depreciating mode of the local currency will help increase the inflow of foreign exchange in Bangladesh. He also expects that the inflow of foreign exchange will increase significantly ahead of the holy Ramadan.

<http://today.thefinancialexpress.com.bd/first-page/taka-deflates-further-against-us-1552239929>

<https://www.dhakatribune.com/business/2019/03/10/experts-fear-more-pressure-on-usd-in-the-coming-days>

Bangladesh may lose 2% GDP by 2050 for climate change: Environment, Forest and Climate Change Minister

- Bangladesh may incur a loss of its 2% GDP by 2050 if the international community fails to take effective measures to cope with climate change impacts. Environment, Forest and Climate Change Minister gave the information on Sunday in the parliament. The minister said the government has been implementing various programmes across the country to cope with the adverse impacts of climate change.
- Citing the study findings of the World Bank and the Asian Development Bank (ADB), the environment minister said the country suffered a loss of USD 1.67 billion, which was equivalent to 6 to 8% of its GDP, in 2007 due to a devastating cyclone induced by global climate change. He said a countrywide flood caused a loss to 4.8% of the country's GDP in 1998.

<http://thefinancialexpress.com.bd/national/bd-may-lose-2pc-gdp-by-2050-for-climate-change-1552222525>

Macroeconomic indicators satisfactory in Q1: Finance minister

- The country's macro-economic indicators; including export earning, remittance and foreign exchange reserve; were satisfactory in the first quarter (July-September) of the current fiscal (2018-19), according to the finance minister. Highlighting some key macroeconomic indicators during the first quarter of the current fiscal, the Finance Minister said the revenue collection under the National Board Revenue (NBR) rose by 12.9%, while the overall public expenditure increased by 10.38%, the ADP implementation rate was 7.88% during first quarter of current fiscal which was 10.2% in the last fiscal.

- The minister said the export earnings rose to USD 9.98 billion in first quarter of current fiscal, which was USD 8.1 billion during the same period of the previous year. The minister said the import expenditure increased by 11.48% to USD 14.69 billion, while it was 28.39% in last fiscal. The rate of remittance increased by 13.73% during the first quarter of this fiscal while it was 4.48% during the same period of last fiscal.

- The minister also said the overall inflation increased to 5.68% in September 2018 from 5.55% in September 2017, while the rate of general point-to-point inflation came down to 5.43% in September 2018 from 6.12% in September 2017.

<https://thefinancialexpress.com.bd/economy/macroeconomic-indicators-satisfactory-in-q1-finance-minister-1552229286>

Bangladesh exports to US grew 6.42% in 2018

- Bangladesh exports to the US registered a 6.42% rise to USD5.60 billion in 2018, riding mainly on apparel items to the single largest export destination, according to Otexa data. Apparel products alone fetched USD 5.40 billion of total merchandise export. Non-apparel products managed to earn only USD 206.25 million during the period. In 2017, Bangladesh RMG exports to the US market saw a 4.51% negative growth to USD5.03 billion, which was USD 5.30 billion in 2016.

- Industry insiders and trade analysts attribute the positive growth in export earnings to the ongoing trade war between the US and China, and improvement in safety standards at apparel factories. Safety inspection by Alliance, a platform of North American buyers to improve workplace safety made significant progress throughout 2018, bringing satisfaction among western buyers that resulted in more work orders, BGMEA vice president said.

<https://www.dhakatribune.com/business/2019/03/10/bangladesh-exports-to-us-grew-6-42-in-2018>

<http://www.newagebd.net/article/67041/exports-to-us-soar-by-18pc-in-july-feb-on-us-china-trade-war>

Solar energy reduces rural poverty

- Solar home system (SHS) is helping reduce poverty in remote areas of Bangladesh through income-generating activities, industry people said yesterday. The number of SHS installation reached 6.8 million in 2018, which provides electricity in the remote areas through off-grid power services.
- According to a World Bank study, SHS can have immediate impacts: it enables households to have light after nightfall, makes study easier in the evenings and allows people to watch TV which inspire them to take part in different activities. Furthermore, it can lower the levels of household air pollution through reduced use of kerosene and may even generate extra income by renting charger for mobile phones.
- SHS prices have fallen within the reach of low-income people in rural areas in the last three/four years due to the availability of products and government subsidy, said Zohurul Islam, an executive of Rahimafrooz, a Bangladeshi solar panel maker. He said people can install a 120-watt SHS at their homes at a cost of BDT 20,000 to BDT 35,000. Even the customers can clear the payment through monthly instalment, Islam said.

<https://www.thedailystar.net/business/news/solar-energy-reduces-rural-poverty-1713181>

Government mulls USD 2 billion power bonds

• The government plans to raise USD2 billion through issuing bonds to bankroll investment in the power and energy sector, state minister for power, energy and mineral resources said yesterday. As Bangladesh plans to raise its GDP growth to 10% in 2041, the energy ministry plans to see an investment of USD71 billion in the sector and produce 60,000 MW of electricity, according to the minister.

<https://www.thedailystar.net/business/news/govt-mulls-2b-power-bonds-1713187>

Budget deficit grows in Q2 as revenue income tumbles

• The budget deficit widened to over BDT 162 billion during the second quarter (Q2) to December of the fiscal year, as increasing government spending overshot revenue earnings.

• The shortfall was nearly BDT 14 billion-or a 1,000% rise-during the same period a year earlier. The revenue authorities mobilized some BDT 556 billion in the second quarter against a total expenditure of BDT 720 billion, prompting the government to meet the gap by borrowing from local and external sources.

• The share of banking and non-banking sources was almost the same during the second quarter. The net bank borrowing during October-December was BDT 79.98 billion while that of non-bank was BDT 78.75 billion. Revenue income faced a bump, as receipts were BDT 557 billion during the Q2, down from BDT 603 billion in Q1.

• The revenue mobilization remained slower than expected in the areas of 'taxes on income and profit,' 'other revenues,' 'sales of goods and services'. Some economists remained concerned over the growing debt burden, especially from the domestic sources, saying such a deficit may create crowding out risks for private borrowers.

<http://today.thefinancialexpress.com.bd/first-page/budget-deficit-grows-in-q2-as-revenue-income-tumbles-1552066312>

Exports jump 10% in February

• Export earnings jumped 10.12% year-on-year to USD 3.39 billion in February thanks to higher shipments of garment items. The figure is also 7.13% higher than the monthly target of USD 3.15 billion, according to data from the Export Promotion Bureau (EPB).

• In the first eight months of 2018-19, garment export rose 14.17% to USD 23.12 billion, of which USD 11.50 billion came from knitwear and USD 11.63 billion from woven garment. Export receipts during the period also increased 12.98% year-on-year to USD 27.56 billion, which is also 7.81% higher than the target of USD 25.56 billion.

• President of the Bangladesh Garment Manufacturers and Exporters Association said the export earnings may not increase at the same rate in the next two months. At the end of the current fiscal year, the garment export may post an average growth of 12%.

<https://www.thedailystar.net/business/news/exports-jump-10pc-feb-1711939>

<http://www.newagebd.net/article/66774/export-earnings-increase-by-13pc-in-july-feb>

<http://today.thefinancialexpress.com.bd/public/trade-market/export-earnings-rise-13pc-in-july-feb-riding-on-rmg-1551979739>

Trade deficit dips 4% in 7 months, but Jan drop slows

• The country's trade deficit dropped by 4.06% in the first seven months of the current fiscal year 2018-19 compared with that in the same period of the previous year but the drop in the deficit slowed down in January.

• According to Bangladesh Bank data, trade deficit — gap between imports payments and export receipts — stood at USD 9.68 billion in July-January of FY19, down by USD 393 million from USD 10.08 billion in the same period of FY18. Trade deficit reduction rate, however, slowed down in January, amid rising import payments.

• Before January, trade deficit in July-December was eased by 11.22% amid slowdown in import payment growth and strong export earnings. BB officials said that trade deficit increased by USD 2.02 billion in January alone as payment for imports rose after the national elections on December 30.

• In July-January, import and export grew by 7.41% and 12.81% respectively which was 5.73% and 14.01% respectively in July-December of the current fiscal year. BB officials said that the trade deficit might increase in the coming months if the ongoing trend continued.

<http://www.newagebd.net/article/66924/trade-deficit-dips-4pc-in-7-months-but-jan-drop-slows>

Bangladesh's domestic demand to expand at slower pace

• The Washington-based IIF said Bangladesh's broad-based domestic demand expansion would continue in the current fiscal year (FY), 2018-19, and also in the next FY, 2019-20, albeit at a slower pace.

• The global institution in its latest report on some frontier economies, including Bangladesh, said private consumption, buoyed by robust remittance inflow, and infrastructure-driven investment should remain the primary drivers of growth for this FY and the next. Besides, garment manufacturing continues to drive exports.

• But it noted that the budget and current account deficits remained the main structural challenges for the economy. They have forecasted a smaller balance of payments (BoP) deficit this year and in FY 2020, while international reserves (excluding gold) are expected to cover less than four months' import of goods and services.

<http://today.thefinancialexpress.com.bd/public/first-page/bds-domestic-demand-to-expand-at-slower-pace-1551981231>

National Board of Revenue (NBR) set to ease tax refund over excess

payment

- Marginal taxpayers are set to get a maximum refund of BDT 25,000 directly from the taxmen in case they pay in excess of the payable amount. The move came after a National Board of Revenue (NBR) committee recently recommended that taxmen ease the process of tax refund and issue cheque containing the amount of refund.
- Tax officials have decided to resolve the complexities of cash refund to the small taxpayers and give them back extra payment within 15 days of their application. Currently, getting refund voucher from the taxmen is a time-consuming process and it involves harassment.
- The board's income tax wing will settle the issue with the Controller General of Accountants (CAG) on accounts and audit process of tax refund. Officials said that the NBR committee had recommended simplifying the procedures so that taxpayers could get back their taxes paid in excess of the payable amount.
- With the widened base of withholding tax, many of the taxpayers do pay taxes at source higher than that of their payable ones. Depositors with banks, irrespective of housewives or senior citizens, have to pay 10% to 15% tax at source on their profit gain.

<http://today.thefinancialexpress.com.bd/public/first-page/nbr-set-to-ease-tax-refund-over-excess-payment-1552149395>

<http://www.newagebd.net/article/66931/nbr-to-make-tax-refund-up-to-BDT-25000-easier>

Bangladesh 39th among 50 economies in Emerging Markets Logistics Index

- A weak regulatory framework and poor corruption prevention measures are undermining Bangladesh's potential as a big logistics market, says a new global report. At the same time, factors such as political uncertainty, long-standing risks of natural disasters and a struggling domestic banking system are casting a shadow over the long-term growth prospects of the country.
- Such cautionary observations have been made in the latest round of 'Agility Emerging Markets Logistics Index' that got out last week. Bangladesh has been ranked the 39th among 50 emerging economies (EMs), which were part of this logistics index this year.
- Only two other Asian nations including Cambodia and Myanmar have been placed behind Bangladesh in the ranking topped by India and China.
- A deeper look at the index, however, revealed Bangladesh has been undone mostly by 'Business Fundamentals' sub-index which deals with issues like regulatory environment, credit and debt dynamics as well as domestic stability and market accessibility.

<http://today.thefinancialexpress.com.bd/public/first-page/bd-39th-among-50-economies-in-em-logistics-index-1552149620>

Government in a fix over revised budget

- The finance division is facing a difficult situation in fixing the size of the revised budget as many ministries and divisions are demanding additional funds amid shortfall in revenue

collection. The division has prepared a draft of the revised budget for the current fiscal year, leaving out the additional amount the ministries and divisions are demanding from the government coffers.

- According to the draft outlay, the budget size may be reduced to BDT 4500 billion, down 3.13% from the original budget of BDT 4645.73 billion. The amount of the budget cut will depend on the revised annual development programme (ADP), said a financial ministry official.
- The ministry has sent a resource allocation proposal to the planning ministry, which was working on the revised ADP. If the revised ADP size is set in line with the resource allocation, the budget size will be cut by about 3%. The ADP may revise down to BDT 1650 billion from the original BDT 1730 billion.
- The finance ministry may not be able to allocate funds as per the demand of the ministries and division, as it would have to keep the budget deficit within the standard practice of 5%. The government has set a revenue collection growth of 29% compared to that last fiscal year although it has been hovering around 16 to 20% for the last few years.

<https://www.thedailystar.net/business/news/govt-fix-over-revised-budget-1712923>

Savings tools sales cross FY target in 7 months as Jan amount hits record

- Net sales of the state-sponsored saving certificates hit a new monthly high of BDT 60.03 billion in January with the total sales in seven months superseding the fiscal year's target. With the rising sales of national savings tools, the government's interest payment for the tools is also rising, surpassing its target.
- According to a Bangladesh Bank update, the sales of national saving certificates in January bettered previous high of BDT 54 billion recorded in June, 2017. The update also shows that the sales receipts in July-January of the current fiscal year 2018-19 stood at BDT 309.96 billion against the target of BDT 261.97 billion for the year ending in June.
- The high sales of saving certificates in January have been attributed to the hints of bringing about changes in saving certificates' interest rates, creation of a database for preventing misuse and making Taxpayers' Identification Number mandatory for purchases of the tools in future.
- The government launched savings certificates online database named 'National Saving Certificates Online Management System' in early February to check violation of limit of savings certificates and identify the investors.

<http://www.newagebd.net/article/66929/savings-tools-sales-cross-fy-target-in-7-months-as-jan-amount-hits-record>

Consumers pay 70% higher for anti-competitive local market

- Former head of the International Trade and Regional Cooperation Section at Commonwealth Secretariat said Bangladeshi consumers paid 70% higher than international prices to buy goods in the domestic market and the lower income groups were the worst hit by the anti-competitive practice.

- The middle and affluent consumer class in Bangladesh is on the rise. It has been estimated that Bangladeshi consumers pay 70% higher than the international prices for buying consumers goods in the domestic market with resultant excessive cost estimated at more than USD 14 billion.
- The income share received by the bottom 40% of the population fell from more than 17% to 13% and the share of bottom 5% of population got squeezed to just 0.23% from 1% in last 25 years, according to the • Former head.
- He added that if prices of daily necessities fell by 10% along with a rise of monthly government transfer to poor households by BDT 500, more than 16.5 million people from around 4 million households would be lifted out of poverty.

<http://www.newagebd.net/article/66925/consumers-pay-70pc-higher-for-anti-competitive-local-market>

Efforts on to make arbitration law ‘business-friendly’

- The flow of remittances rose by nearly 10% in the first eight months of the current fiscal year, despite significant falloff in February year-on-year. senior secretary of the Legislative and Parliamentary Affairs Division of the Ministry of Law and Parliamentary Affairs said they are working to update the existing arbitration act.
- He added his ministry was working with the Bangladesh International Arbitration Centre (BIAC) to make necessary amendments to the arbitration act. But they need the green light from the chief justice to bring changes to the Code of Civil Procedures
- The current arbitration act was formulated back in 2001, but there are reasons why it is still not well accepted. It does have some shortcomings.

<http://today.thefinancialexpress.com.bd/first-page/efforts-on-to-make-arbitration-law-business-friendly-1552066367>

USD 165 million World Bank grant for Rohingya

- The World Bank (WB) has approved a USD 165-million grant to help Bangladesh provide basic services and build disaster and social resilience for the Rohingya. The persecuted Muslim refugees have fled violence in Myanmar and sought shelter in Teknaf and Ukhiya of Cox's Bazar.
- The 'Emergency Multi-Sector Rohingya Crisis Response Project' would help Bangladesh cope with the world's fastest-growing exodus, said WB. The Rohingya outnumber the local community more than threefold in the two areas of Cox's Bazar.
- The project would help build and rehabilitate basic infrastructure, improve community resilience and help prevent gender-based violence. It includes building a water supply system comprising community standpoints, rainwater harvesting and piped water supply systems as well as improved sanitation.

<http://today.thefinancialexpress.com.bd/public/first-page/165m-wb-grant-for-rohingya-1552149509>

Banks get six months more to lower ADR

- Banks have got another six months to lower their advance-deposit ratio, a move that is expected to tame the current volatility in the money market. In a circular issued, the central bank extended the deadline to September 30 this year to adjust the ratio. This is the third extension since January 2018.
- Bankers welcomed the move, saying it would give some breathing space to banks to adjust the ratio without hunting deposits at higher cost. Banks will also get funds to disburse fresh loans, they said.
- This is a time-befitting decision as only four to five banks, out of 59, have been able to follow the central bank instruction on the ADR, according to the managing director of Southeast Bank.
- On January 30 last year, the central bank had set the June 2018 deadline to lower the ADR to 83.5% from 85% for conventional banks and to 89% from 90% for Shariah-based banks as part of efforts to control aggressive lending practices.

<https://www.thedailystar.net/business/banking/news/banks-get-six-months-more-lower-adr-1711978>

<http://www.newagebd.net/article/66776/banks-given-six-more-months-to-adjust-adr>

<https://www.dhakatribune.com/business/2019/03/07/bangladesh-bank-again-extends-deadline-to-adjust-adr-ratio>

Energy sector warrants priority attention: World Bank

- The World Bank (WB) conducts a mid-term review of the implementation progress of its ongoing Country Partnership Framework (CPF) with Bangladesh. The Bangladesh framework for 2016-20 focuses on three issues-growth and competitiveness, social inclusion, and climate and environmental management.
- The WB officials will seek views of the government officials on what the multilateral lender needs to accomplish during the remaining period. Officials said there is a proposal is for an extension of the current framework until 2021.
- The current framework focuses on removing constraints to growth and competitiveness by addressing the infrastructure bottlenecks. The International Finance Corporation (IFC) of the World Bank is contributing to the implementation of the framework by focusing on building sustainable infrastructure, expanding financial access and inclusion, and improving transport/logistics while seeking the opportunities for promoting climate-smart solutions.
- The framework document said Bangladesh has sustained impressive growth rates over the last decade, fuelled by a young population, jobs in manufacturing, increased agricultural productivity, and remittances from overseas workers.

<http://today.thefinancialexpress.com.bd/first-page/energy-sector-warrants-priority-attention-wb-1552066528>

Japanese power firm to expand in Bangladesh

- Japan's Mitsubishi Hitachi Power Systems (MHPS) plans to expand its footprint in Bangladesh in a bid to grab more market shares. As part of the move, the thermal power generation company, which has operations in America, Europe and Asia, has opened its full-fledged office in Dhaka.
- The chief of the Asia-Pacific region of the MHPS, said the company has already set up five mega gas turbine plants in Bangladesh, with a total power generation capacity of 2,000 megawatts. Presently, Bangladesh's power generation capacity stands at around 20,000MW and the government has set a target to increase it to 24,000MW by 2021 and to 40,000MW by 2030.
- Growing industrialization and urbanization has made Bangladesh one of the power-hungry countries in the world, drawing attention of many global companies. In 1966, the company installed a steam turbine for Karnaphuli Paper Mill, which is still operating. The MHPS provided the country's first gas turbine in 1987 for the old Haripur gas turbine.

<https://www.thedailystar.net/business/news/japanese-power-firm-expand-bangladesh-1712917>

Mobile, Internet Use: Women far behind men

- Some 58% of adult women in Bangladesh own mobile phones while only 13% use the internet, a new study found, exposing the wide gender gap in the digital sphere. In Bangladesh, 86% of men use mobile phones and 30% are connected to the internet, according to the GSMA's 2019 Mobile Gender Gap Report released recently.
- Its survey covered 18 countries, with six countries each from Asia, Africa and South America. The findings are sourced primarily from the 2018 GSMA Intelligence Consumer Survey, which has more than 20,000 respondents from the markets.
- Bangladesh is found to have the second widest mobile ownership gender gap among the countries covered, with 33% of women less likely to own a mobile phone than men. Pakistan has the widest gap at 37%, the study showed.
- Telecom and ICT Minister said the core reason for women lagging behind in internet use and mobile phone ownership was rooted in the social structure.

<https://www.thedailystar.net/business/telecom/news/mobile-internet-use-women-far-behind-men-1711996>

International Finance Corporation (IFC) for aggressive marketing to raise global share

- The International Finance Corporation (IFC) said that attaining the leather export target of USD 5.0 billion by 2021 would not be possible for Bangladesh. In an export roadmap, the IFC, based on natural growth and historical trend, predicted that export of leather, leather goods and footwear would reach half the target set by the government over the next two years.
- The recent trend in export growth indicates that the target of USD 5.0 billion by 2021 will

be very difficult, stated by the World Bank's private lending arm. The IFC roadmap, prepared for a period until 2025, said Bangladesh has a share of only 0.5% in the world leather trade.

- It outlined the strategy for enhancing leather sector exports and set a vision of ranking Bangladesh amongst the top 10 leather export countries in the world by 2025 from the present minuscule share.
- Bangladesh needs to transform production and export of tannery raw materials to high end and compliant leather, attract massive domestic investment, and enhance capacity of private sector manufacturers, the IFC said.

<http://today.thefinancialexpress.com.bd/public/last-page/ifc-for-aggressive-marketing-to-raise-global-share-1551982038>

Norway's government fund raises stakes in Bangladesh stock market

- Norway's sovereign wealth fund (SWF), the world's biggest fund, and raised stakes in the Bangladesh's capital market for the third consecutive year in 2018, despite the market remaining bearish in the year due to the December 30 national polls-centric political uncertainties.
- The government pension fund of Norway increased its ownership in nine companies, kept unchanged its holdings in three and lowered in five firms in 2018 compared with that in the previous year, according to a web site post of Norges Bank Investment Management Company which manages SWF.
- It offloaded its stakes in three companies to invest in three new firms. SWF has been increasing its stake in the Bangladesh stock market every year since its start of investment in the country in 2015 with around USD 19 million.

<http://www.newagebd.net/article/66833/norways-govt-fund-raises-stakes-in-bangladesh-stock-market>

Investors active to hit the jackpot

- Around 220,766 new BO accounts were opened in the past seven months as investors were more confident in pouring funds into the primary market rather than the secondary one. Market analysts welcomed the new BO (beneficiary owner's) account holders and suggested them to be cautious while investing in the market.
- The total number of BO accounts stands at 2,837,721 as on Thursday which was 2,616,945 in August 01, 2018, according to the CDBL, which preserves electronic data of all individual and institutional investors. Of the total number of BO accounts right now, male investors own 2,071,164 accounts while female investors 753,592 and company 12,965 as of March 8, 2019.
- There are currently 1,782,361 individual accounts, 1,042,395 joint accounts and 12,965 company accounts. Despite the secondary market witnessed volatility, the primary market was bullish during the period under review.
- Some eight companies raised funds through issuing IPO shares during the period under

review and all companies' IPO oversubscribed many times. The merchant banker noted that all the IPOs were oversubscribed manifolds, as investors rushed for primary shares, expecting good returns from the investment.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/investors-active-to-hit-the-jackpot-1552147741>

Titas Gas proposes gas tariff hike up to 211%

- Titas Gas Transmission and Distribution Company Ltd proposed raising gas tariffs for household users by 80% while up to 211% for consumers of different sectors including power, industry, and motor vehicles.
- Placing the proposal at the public hearing, Titas Gas managing director said they have to move the proposal to offset the loss which it will be incurred due to distribution of imported LNG to its consumers.
- As per the Titas latest proposal, the power plants will pay BDT 9.74 per unit of gas instead of the existing rate of BDT 3.16 with a rise of 208% while fertiliser factories will pay BDT 8.44 per unit instead of BDT 2.71 per with the rise of 211%.
- Titas Gas proposed to increase gas tariffs by 96% to BDT 18.88 per unit from BDT 9.62 for captive power while it is proposed to hike 132% gas tariff for industries to BDT 18.04 per unit against the existing rate of BDT 7.76 per unit.

<http://today.thefinancialexpress.com.bd/first-page/titas-gas-proposes-gas-tariff-hike-up-to-211pc-1552413011>

<http://www.newagebd.net/article/67186/80pc-for-households-132pc-for-industry-proposed>

Bangladesh Securities and Exchange Commission (BSEC) approves BDT 150 million IPO of Ring Shine Textiles

- The securities regulator has approved the initial public offering (IPO) proposal of Ring Shine Textiles to raise a capital worth BDT 150 million from the capital market. As per the BSEC approval - under the fixed price method - Ring Shine Textiles will float 15 million ordinary shares at an offer price of BDT 10 each.
- According to the financial statement ended on June 30, 2018, the company's net asset value (NAV) per share (without revaluation) was BDT 23.17 and the weighted average earnings per share (EPS) stood at BDT 1.86.
- After completing all the procedures, Ring Shine Textiles will be the 54th listed company in the 'Textile' sector in the Dhaka Stock Exchange. AFC Capital Limited and CAPM Advisory Limited will jointly act as the issue manager for the IPO process.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-BDT-150m-ipo-of-ring-shine-textiles-1552408463>

<https://www.dhakatribune.com/business/2019/03/12/bsec-approves-ring-shine-textiles-s-BDT150cr-ipo>

Stakeholders getting twitchy over Dhaka Stock Exchange (DSE) strategic investor's role in market development

- Frustration is creeping into the mind of stakeholders of Dhaka Stock Exchange over the role of bourse's strategic partner, a joint venture of two Chinese bourses, as they have found no visible initiative of market development from the partner after six months of its

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joining DSE. The Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange on September 4 last year joined DSE as its strategic shareholder by purchasing 25% shares of the Bangladesh's premier bourse for BDT 9.47 billion.

- DSE officials said that the consortium was yet to make any contribution to the market development or policy development in six months. As per DSE officials, they [the consortium] have some development plans but many of them are hard to implement in Bangladesh context and those will take long time to execute. DSE board members and officials had earlier hoped that the consortium would bring huge investments. But they haven't found any specific move from the consortium to bring investments to Bangladesh.
- The Chinese consortium offered technical assistance worth over USD 37 million to DSE in training and consulting services that are yet to begin. One of the DSE directors said that the consortium had placed a development scheme before the DSE board and the board would discuss the matter with the group. The consortium mostly emphasizes IT infrastructure development, which is time consuming, he said.

<http://www.newagebd.net/article/67124/stakeholders-getting-twitchy-over-dse-strategic-investors-role-in-market-dev>

Meghna Cement to issue preference shares

- The board of directors of Meghna Cement Mills has decided to issue fully redeemable non-convertible preference shares to its existing sponsor directors/directors. Earlier on August 13, 2018, the company decided for issuance of fully redeemable preference shares of BDT 1.0 billion (100 million shares) only to raise its capital through private placement, subject to the approval of the shareholders and by the regulatory authorities.
- The company on Monday said the board has further decided to issue 25,097,542 shares (out of earlier decided 100 million shares) fully redeemable non-convertible and non-listed preference shares of BDT 10 each to its existing sponsor directors/directors (excluding independent directors). The company said the preference shares will be issued in compliance with regulatory directive as to maintain 30% of the equity of this company held by its board of directors/sponsors.

<http://today.thefinancialexpress.com.bd/stock-corporate/meghna-cement-to-issue-preference-shares-1552321458>

<https://www.thedailystar.net/business/news/meghna-cement-issue-preference-shares-1713853>

BD Thai seeks time for using proceeds of rights share

- BD Thai has applied to the stock market regulator seeking time extension for implementation of rights issue proceeds until June 30 this year. The company sought the

time extension based on decision taken and approved in its extraordinary general meeting and annual general meeting.

<https://www.thedailystar.net/business/news/bd-thai-seeks-time-using-proceeds-rights-share-1713856>

Tax receipts from DSE slump 29% in February

- The government revenue earnings from the Dhaka Stock Exchange (DSE) dipped 29% month-on-month in February in lockstep with falling turnover. The government collected revenue worth BDT 232 million in February which was BDT 326 million in January, 2019, according to statistics from the prime bourse of the country.
- Market analysts said bearish market trend, lower shares sale by sponsor-directors coupled with reduced trading sessions affected the government earnings from the main bourse in February. The investors mostly followed "go-slow" strategy throughout the month amid persistent liquidity shortage which diluted the government earnings as earnings are related to turnover, said a leading broker. A DSE official said the government earnings fell in February on the back of falling turnover value and lower trading session.
- The government earnings from the DSE in eight months (July to February) of the current fiscal year also fell 6.17% to BDT 1626 million which was BDT 1733 million in the corresponding period of the previous fiscal, the DSE data shows. The government earned the amount on TREC (trading right entitlement certificate) holders' commission and share sales by sponsor-directors and placement holders. The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05% and 5.0% respectively and deposits the amount to the government exchequer.

<http://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-slump-29pc-in-february-1552234636>

Grameenphone Employees Union (GPEU) gets registered after 7 years of legal battle

- Grameenphone Employees Union (GPEU) has received registration certificate from the labour department after seven years of legal battle. The certificate was handed over to the leaders of the union by the labour department director Shibnath Roy on March 7, a press release of the union said.
- On July 23, 2012, the GP employees formed a union in fear of job cut, resulting in termination of 160 employees including 7 central committee members of the proposed union immediately after submission of the proposal to the labour department for registration. Rejected by the labor department initially, long legal battle helped securing registration of the union, the GPEU press release said.

<http://www.newagebd.net/article/67011/gpeu-gets-registered-after-7yrs-of-legal-battle>

SK Trims to invest BDT 35 million in two companies

- The board of directors of SK Trims & Industries has decided to invest total BDT 35 million in two companies, said an official disclosure on Sunday. As per the board decision, the

company will invest BDT 25 million (2,500,000 shares) or 2.0% shares in W&W Company (Pharmaceuticals Packaging Manufacturing Unit situated in Gazipur). The SK Trims will also invest BDT 10 million (1,000,000 shares) or 1.43% shares in BEKA Garments & Textiles (situated in Narayanganj). The board has also confirmed that investment of BDT 10 million in Dominage Steel Building Systems has been completed.

- SK Trims, which raised a capital worth BDT 300 million through IPO, made trading debut on July 15, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/sk-trims-to-invest-BDT-35m-in-two-cos-1552234663>

Sonali's profit hits 7-year high

- Sonali Bank logged the highest net profit in seven years thanks to its deposits with different banks and massive drives to recover funds from loan defaulters. The state-owned financial institution's net profit rose 41.60% year-on-year to BDT 10 billion in 2018. Of the total profit, more than 40% came from the investment in short-term deposits with different banks.
- The liquidity crunch in private banks throughout 2017 opened up the opportunity for cash-rich Sonali to make some profits from the money market. The bank had an investment of more than BDT 530 billion in the market as of December.
- Some other state banks—which had been suffering from fund crisis because of loan scams—also borrowed money from Sonali. Sonali is the biggest source of fund now as it sat on a deposit base of BDT 1086.29 billion last year, according to the bank statement.
- The advance-deposit ratio (ADR) of the bank was 42.69% last year, far below compared to the regulatory ceiling of 85%. Last year, the loan growth of Sonali was about 9% whereas the average private sector credit growth was more than 14% throughout the year.

<https://www.thedailystar.net/business/news/sonalis-profit-hits-7-year-high-1712926>

Exim, IFIC Bank stop mobile banking

- The Export Import Bank of Bangladesh (Exim Bank) and IFIC Bank have closed their mobile banking services due to poor customer service, following an instruction from Bangladesh Bank. According to Bangladesh Bank data from January this year, Exim Bank Ltd and IFIC Bank Ltd have closed all their MFS (Mobile Financial Services) accounts.
- Bangladesh Bank Executive Director said they closed the two services because they could not perform as expected. The services were called "Exim Cash" and "IFIC Mobile Banking".
- After the closure of the two services, the number of MFS providers in the country now stands at 16. Both Exim and IFIC had very small numbers of subscribers, and the closure of the services had almost no impact.
- According to the central bank's latest data, the number of active MFS accounts in the country has decreased by 10.3% to 33.49 million in January from a month earlier. In January, the number of mobile banking agents stood at 898,996, as compared to 886,473 in the previous month.

<https://www.dhakatribune.com/business/2019/03/07/exim-ific-bank-stop-mobile-banking>

BBS Cables posts steady revenue growth in 5 years

- BBS Cables witnessed a steady growth in revenue earning, net profit and earnings per share in last five consecutive years through 'effective cost management. For the year ended on June 30, 2018, the company has attained the highest revenue growth to BDT 6,588 million, registering an increase of more than 87% over the previous year.
- The company's net profit after tax also jumped 169% to BDT 1114 million in FY 2018, from BDT 413 million in the previous year. The company's total asset has increased nearly 16% year-on-year in the FY 2017-18 due to addition of new fixed assets, according to company's latest annual report.
- This increase was driven by sales volume growth, smart pricing, increase market shares, effective cost management and productivity initiatives across the company said the managing director of the company, in its latest annual report.
- Recently, the company has enhanced its production capacity 37% by installing new machinery which was purchased through initial public offering fund. The company started commercial operation from the new machinery on January 12, 2019.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bbs-cables-posts-steady-revenue-growth-in-5-yrs-1552147957>

