

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (-0.08%) lost 4.46 points and closed the week at 5,745.83 points. The blue-chip index DS30 (+0.15%) gained 3.10 points and stood at 2,002.18 points. The shariah based index DSES (+0.11%) gained 1.46 points and stood at 1,312.91 points. DSEX, DS30 and DSES all posted positive YTD return of +6.69%, +6.45%, and +6.50% respectively.

Total Turnover During The Week (DSE) : BDT 29.1 billion (USD 350.5 million)
Average Daily Turnover Value (ADTV): BDT 7.3 billion ($\Delta\%$ Week: -10.7%)

Daily Index Movement during the Week:

The market performed four sessions during this week. Market opened this week with a positive movement of 0.44% in the first session. Then the market continued to be negative in second session by 0.89%. In the third session, the market rebounded by 0.20%. Finally in the last session, market closed in the positive territory by 0.17% as well.

Sectoral Performance:

- Financial sectors showed negative performance this week except Banks (+0.41%). General Insurance recorded the highest loss 5.18% followed by Life Insurance (-0.36%), Mutual Funds (-0.33%) and, NBFIs (-0.23%).
- The non-financial sectors registered mixed performance this week. Power recorded highest gain of 2.70% followed by Engineering (+0.10%) and Pharmaceuticals (+0.09%). Food & Allied on the other hand, posted highest loss of (-0.56%) followed by Telecommunication (-0.51%)

Macroeconomic arena:

- Coordinated efforts are on to raise BDT 8.78 trillion from the bond market for achieving 8.0% plus economic growth by 2021. The fund will be required to bridge the resource gap for achieving the 8.0% plus growth within the timeframe to become a middle-income country.
- The local statistical agency has said it will adopt a new base year for calculating the Gross Domestic Product (GDP) effective from July 2020 and it is expected to raise the size of the economy by at least 10%. Bangladesh last did it in 2013 by replacing the FY 1995-96 as the base year and on the last occasion the economy had expanded by around 12%.
- The central bank has decided in principle to approve three more private commercial banks (PCBs), attaching a condition of BDT 5.0-billion set as paid-up capital instead of the existing BDT 4.0 billion. The three approved PCBs are Bengal Commercial Bank Limited, Peoples Bank Limited and Citizen Bank Limited.
- Global rating agency Moody's has said that the revised loan write-off policy of Bangladesh Bank would not be able to reduce non-performing loans significantly due to the weaknesses in corporate governance and lengthy legal processes. Moody's said, they do not expect any significant increase in amounts written off following the announced changes though.

Stock Market arena:

- Grameenphone was slapped with four restrictions by the telecom regulator as part of the penalties for becoming a Significant Market Power (SMP). The Bangladesh Telecommunication Regulatory Commission (BTRC) asked the operator to immediately implement the restrictions, which include a ban on signing any exclusive deals with goods and service providers.
- Beximco Pharmaceuticals Limited announced the signing of a definitive agreement with Sandoz Inc., a division of Novartis, to acquire a portfolio of eight Abbreviated New Drug Applications (ANDAs) in the US for an undisclosed amount in cash
- Bangladesh Securities and Exchange Commission (BSEC) has approved the initial public offering (IPO) prospectus of Sea Pearl Beach Resort and Spa Ltd (owners of Hotel Royal Tulip Sea Pearl Beach Resort in Cox's Bazar), aimed at raising BDT 150 million.
- Shasha Denims Ltd. has now decided to acquire 80% of stakes in EOS Textile Mills for USD 12 million (about BDT 1014 million), reversing its earlier decision to acquire 40% of stakes. Earlier, the company announced that it would acquire 40% of stakes of EOS Textiles Mills for about BDT 480 million.

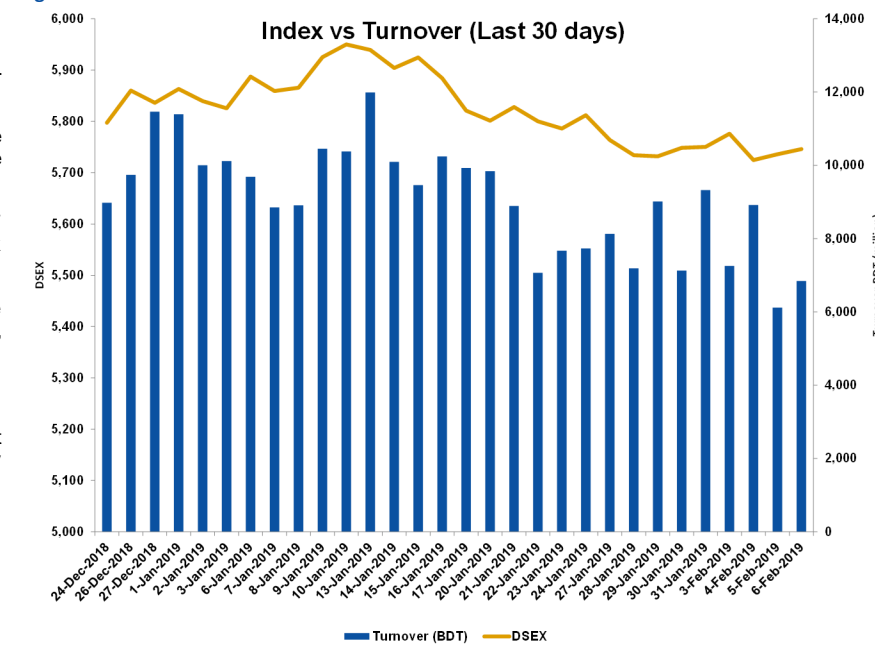
Table 1: Index

Index	Closing	Opening	Δ (Pts)	27-Dec-2018	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,745.83	5,750.29	-4.46	5,385.64	0.08%	6.69%
DS30	2,002.18	1,999.08	3.10	1,880.78	0.15%	6.45%
DSES	1,312.91	1,311.45	1.46	1,232.82	0.11%	6.50%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	16,597,731.0	20,829,585.8	-20.3%
	Mn USD	199,659.9	250,566.4	
Turnover	Mn BDT	29,134.2	40,783.1	-28.6%
	Mn USD	350.5	490.6	
Average Daily Turnover	Mn BDT	7,283.6	8,156.6	-10.7%
	Mn USD	87.6	98.1	
Volume	Mn Shares	652.9	974.3	-33.0%

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
Mercantile Insurance	33.30	26.80	24.3%	1,435.1	280.61	23.7x	2.1x
Bangladesh Submarine Cable Company Limited	168	150.80	11.5%	27,737.1	1,721.05	87.2x	5.2x
Monno Ceramic	363.00	332.20	9.3%	11,856.2	851.58	4504.5x	5.0x
Shaympur Sugar	33.30	30.60	8.8%	166.5	1.08	NM	NM
Rangpur Foundry	155.90	145.60	7.1%	1,559.0	81.01	43.4x	6.6x
Eastern Insurance	55.90	52.30	6.9%	2,409.9	182.45	16.6x	1.9x
United Power Generation & Distribution Company Ltd	419.10	393.10	6.6%	200,785.4	1,949.44	48.1x	17.4x
Dutch-Bangla Bank	163.30	153.60	6.3%	32,660.0	255.63	18.5x	1.9x
Meghna Petroleum	231.10	217.50	6.3%	25,008.7	251.75	11.4x	2.8x
S. Alam Cold Rolled Steels	32.00	30.20	6.0%	3,147.9	214.64	26.1x	2.1x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Savar Refractories	92.10	112.60	-18.2%	128.3	8.30	NM	14.7x
Provati Insurance	35.00	41.70	-16.1%	1,039.6	159.89	20.5x	2.2x
Asia Insurance	32.30	37.60	-14.1%	1,520.4	120.13	19.8x	2.1x
Agrani Ins Co. Ltd.	36.80	42.70	-13.8%	1,060.0	157.79	21.0x	2.3x
BD Autocars	251.90	291.60	-13.6%	1,089.7	172.27	305.9x	70.9x
Samata Leather	50.10	57.20	-12.4%	517.0	17.41	NM	3.4x
Global Insurance Ltd.	21.30	24.20	-12.0%	783.4	117.00	43.2x	1.9x
Janata Insurance	17.80	20.20	-11.9%	716.8	29.16	85.6x	1.5x
Phoenix Insurance	30.80	34.50	-10.7%	1,242.5	24.40	12.6x	0.9x
Bangladesh National Insurance Company Limited	24.70	27.50	-10.2%	1,093.0	91.57	16.7x	1.5x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
United Power Generation & Distribution Company Ltd	419.10	393.10	6.6%	200,785.4	1,949.44	48.1x	17.4x
Bangladesh Submarine Cable Company Limited	168.20	150.80	11.5%	27,737.1	1,721.05	87.2x	5.2x
Fortune Shoes Limited	36.80	39.40	-6.6%	4,597.6	1,177.30	24.6x	2.8x
Square Pharmaceuticals	269.90	264.00	2.2%	212,953.4	896.58	20.0x	4.5x
Monno Ceramic	363.00	332.20	9.3%	11,856.2	851.58	4504.5x	5.0x
Alif Industries Limited	79.30	75.70	4.8%	3,279.6	664.31	25.0x	6.6x
The Peninsula Chittagong Limited	29.10	28.00	3.9%	3,453.2	487.54	54.9x	1.3x
Grameenphone Ltd.	385.70	389.90	-1.1%	520,810.7	477.59	23.1x	20.2x
Legacy Footwear	196.60	202.10	-2.7%	2,571.5	474.79	224.1x	12.3x
Monno Jute Staffers	2,128.60	2,063.50	3.2%	4,406.2	444.48	19325.4x	117.8x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,818.00	76.25%	84,315.0	41.7x
Singer Bangladesh	242.90	24.25%	18,629.1	34.1x
Summit Power	42.70	18.94%	45,598.4	10.4x
Atlas Bangladesh	141.00	18.04%	4,670.9	NM
Pioneer Insurance	35.50	16.39%	2,484.3	19.7x
Marico Bangladesh Limited	1,281.50	15.86%	40,367.3	28.0x
Prime Islami Life Ins	63.30	15.30%	1,931.9	NM
Pragati Insurance	32.10	13.10%	1,967.7	14.9x
Power Grid Co. of Bangladesh Ltd.	58.70	12.45%	27,055.6	13.6x
The Premier Bank	15.30	12.07%	12,241.2	7.6x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1520.01	1513.75	1848.21	0.41%	-17.76%
NBFIs	2185.50	2190.60	2714.85	-0.23%	-19.50%
Mutual Funds	681.04	683.32	788.81	-0.33%	-13.66%
General Insurance	1963.07	2070.42	1592.30	-5.18%	23.29%
Life Insurance	2151.10	2158.85	1834.85	-0.36%	17.24%
Telecommunication	5457.81	5485.69	6494.31	-0.51%	-15.96%
Pharmaceuticals	2838.74	2836.07	2821.05	0.09%	0.63%
Fuel & Power	2103.03	2047.72	1527.27	2.70%	37.70%
Cement	1668.40	1697.57	2280.58	-1.72%	-26.84%
Services & Real Estate	1063.74	1061.74	1224.11	0.19%	-13.10%
Engineering	3245.06	3241.77	3166.83	0.10%	2.47%
Food & Allied	15661.39	15749.44	15304.34	-0.56%	2.33%
IT	1947.83	1998.26	1484.41	-2.52%	31.22%
Textiles	1533.48	1574.26	1222.72	-2.59%	25.42%
Paper & Printing	8842.91	8714.89	1013.11	1.47%	772.85%
Tannery	2651.19	2709.17	2642.41	-2.14%	0.33%
Jute	18912.41	20095.88	8867.22	-5.89%	113.28%
Ceramics	692.04	663.14	597.46	4.36%	15.83%
Miscellaneous	2385.47	2444.20	1725.62	-2.40%	38.24%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	462.0	1,220.7	-62.15%	6.58%	9.8x	1.1x
NBFIs	205.8	697.5	-70.49%	2.93%	20.9x	2.1x
Mutual Funds	25.9	49.8	-48.04%	0.37%	NM	0.6x
General Insurance	605.0	1,554.7	-61.09%	8.62%	17.8x	1.4x
Life Insurance	136.0	222.3	-38.83%	1.94%	NM	8.9x
Telecommunication	549.7	410.7	33.85%	7.83%	24.0x	17.7x
Pharmaceuticals	664.4	865.2	-23.21%	9.46%	21.4x	3.4x
Fuel & Power	865.7	1,085.2	-20.22%	12.33%	17.8x	2.8x
Cement	53.4	67.1	-20.38%	0.76%	18.8x	3.1x
Services & Real Estate	185.6	340.8	-45.55%	2.64%	26.9x	0.9x
Engineering	856.9	1,099.7	-22.07%	12.21%	24.7x	2.2x
Food & Allied	158.7	297.2	-46.58%	2.26%	31.8x	11.1x
IT	179.3	257.8	-30.44%	2.55%	31.8x	3.2x
Textiles	1,124.5	1,162.4	-3.26%	16.02%	23.6x	1.3x
Paper & Printing	27.7	37.3	-25.72%	0.39%	NM	4.8x
Tannery	422.1	168.7	150.24%	6.01%	20.9x	3.3x
Jute	18.7	31.9	-41.43%	0.27%	NM	8.0x
Ceramics	231.6	126.7	82.81%	3.30%	33.6x	2.6x
Miscellaneous	247.5	411.6	-39.87%	3.53%	34.3x	1.5x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	12.00	-45.70%	9,097.6	6.0x
United Airways (BD) Ltd.	2.70	-41.91%	2,235.9	11.5x
Lafarge Surma Cement	41.00	-41.34%	47,616.3	21.4x
City Bank	30.20	-37.26%	29,233.2	7.2x
ACI Limited	302.40	-31.93%	15,086.5	14.2x
International Leasing	13.60	-31.08%	2,873.0	22.8x
Islami Bank	25.50	-30.33%	41,054.8	9.2x
EXIM Bank	12.20	-29.07%	17,229.5	5.9x
Aftab Automobiles	46.00	-28.35%	4,403.7	11.2x
Prime Bank	18.10	-27.34%	20,494.3	9.4x

Important News: Business & Economy

Move to raise BDT 8.78 trillion from bond market to propel economic growth

- Coordinated efforts are on to raise BDT 8.78 trillion from the bond market for achieving 8.0% plus economic growth by 2021. To this end, a tripartite committee has already been formed to boost the country's nascent bond market, particularly the corporate one.
- The fund will be required to bridge the resource gap for achieving the 8.0% plus growth within the timeframe to become a middle-income country.
- The size of nominal gross domestic product (GDP) is estimated to reach BDT 32.78 trillion by the end of fiscal year (FY) 2020-21 while the resource gap will hit BDT 8.78 trillion, according to the central bank. The Bangladesh Bank (BB) has calculated the resource gap taking into consideration the credit flow by banks, investment and fund flow from the capital market.
- The banks are still a dominant financial system asset in Bangladesh, contributing more than 62% of asset in 2018, while the capital market has contributed 16.50%.

<http://today.thefinancialexpress.com.bd/last-page/move-to-raise-BDT-878t-from-bond-mkt-to-propel-economic-growth-1550599699>

FY'16 to be new GDP base year

- The local statistical agency has said it will adopt a new base year for calculating the Gross Domestic Product (GDP) effective from July 2020 and it is expected to raise the size of the economy by at least 10%.
- Under the rebasing procedure, the fiscal year 2015-16 (FY '16) will be the new base year replacing the existing FY '06. Bangladesh last did it in 2013 by replacing the FY 1995-96 as the base year. On the last occasion the economy had expanded by around 12%.
- Executive director of Economic Research Group (ERG) said updating the baseline will give a more precise figure of the inflation rate as it could deliver latest status of rice's share in the consumer goods basket
- Economist and chairman of the state-run Agrani Bank Ltd, said, It is a step in the right direction, as the closer the base year is to the current year, the better the results are.

<http://today.thefinancialexpress.com.bd/first-page/fy-16-to-be-new-gdp-base-year-1550599120>

Bangladesh Investment Development Authority (BIDA's) 15 services go online from February 24

- Bangladesh Investment Development Authority (BIDA) will make 15 services available online from February 24 to ease the process of getting permissions for opening business in the country.
- The services are visa recommendation (new), visa recommendation (amendment), visa on arrival, visa on arrival (amendment), work permit (new), work permit (amendment), work permit (cancellation), work permit (extension), office permission (new), office permission (extension), office permission (cancellation), office permission (amendment), project

registration (new), remittance services (new) and payment gateway.

<http://www.newagebd.net/article/65329/bidas-15-services-go-online-from-feb-24>

Japanese investors want Bangladeshi companies to better governance

- Japanese investors emphasized improving of corporate governance in Bangladeshi companies for attracting joint venture from Japan.
- At a seminar on the role of corporate governance in investment decision making, they also said that Japanese firms were now showing huge interest to invest in Bangladesh but they felt lack of corporate governance in Bangladeshi firms for choosing local partner.
- The number of Japanese companies operating in the country increased 10 times to 269 in 10 years and the number is increasing every year.

<http://www.newagebd.net/article/65325/japanese-investors-want-bangladeshi-cos-to-better-governance>

Two banks back off from opening branches in Kingdom of Saudi Arabia

- Country's two commercial banks, Janata Bank and Standard Bank Ltd (SBL) have backtracked on their decision to open their branches in Kingdom of Saudi Arabia (KSA).
- The authorities of the two banks said although they decided to set up their branches in Saudi Arabia earlier, they are not interested to open branches at this movement.
- The authorities of state-owned Sonali Bank have showed interest to open a branch in the Arab country.
- The authority of Social Islami Bank Limited (SIBL) is also working to open its branches in Makkah/Jeddah in line with the condition/policy of the Islamic state.

<http://today.thefinancialexpress.com.bd/trade-market/two-banks-back-off-from-opening-branches-in-ksa-1550600957>

Moody's doubts efficacy of Bangladesh Bank's revised write-off policy

- Global rating agency Moody's has said that the revised loan write-off policy of Bangladesh Bank would not be able to reduce non-performing loans significantly due to the weaknesses in corporate governance and lengthy legal processes.
- Bangladesh Bank on February 6 relaxed the loan write-off policy allowing banks to write off a loan worth below BDT 0.2 million without filing lawsuit. In the previous policy, the limit was BDT 50,000. The revised policy also allows banks to write off bad loans after three years of the loans becoming classified without any possibility of recovery in near future.
- 'We do not expect any significant increase in amounts written off following the announced changes. The system-level NPL ratio will remain elevated because the formation of NPLs are likely to persist as a result of the weaknesses in corporate governance and difficult and lengthy legal processes, which are the main drivers behind the weak asset quality of Bangladeshi banks,' Moody's said.

- 'The banks are also likely to keep bad loans on the balance sheet given that the extended period of loan recovery reflects weaknesses of the legal system rather than the inability of borrowers to repay,' Moody's said

<http://www.newagebd.net/article/65240/moodys-doubts-efficacy-of-bbs-revised-write-off-policy>

Standard Chartered Bank projects 7.2% growth for Bangladesh

- Bangladesh economy is likely to grow at a rate of 7.2% during the ongoing and the next fiscal years (FY), according to projections of the Standard Chartered (StanChart).
- The StanChart's growth projection for Bangladesh is notably lower than the government's growth target for this fiscal. According to the government's projection, the country's economy will grow at a rate of 7.8% during FY 2018-19.
- StanChart officials pointed at the present volatile global trade scenario for the reason of projecting lower growth.

<http://today.thefinancialexpress.com.bd/last-page/stanchart-projects-72pc-growth-for-bangladesh-1550513475>
<https://www.thedailystar.net/business/banking/news/more-troubles-ahead-taka-1704109>
<http://www.newagebd.net/article/65239/dollar-exceeds-BDT-84-despite-injection-of-15b-in-8-months>

Finance Minister defends approval of new banks

- Finance Minister said that he was not worried about the number of banks provided they follow rules and regulations.
- According to his statement The number of banks is not a big matter -- what matters is whether they run following rules and regulations and can provide proper services to customers.

<http://today.thefinancialexpress.com.bd/first-page/kamal-defends-approval-of-new-banks-1550512819>
<https://www.dhakatribune.com/business/banks/2019/02/18/mustafa-kamal-not-worried-about-increasing-number-of-banks>

Bangladesh Bank approves three more private banks

- The central bank has decided in principle to approve three more private commercial banks (PCBs), attaching a condition of BDT 5.0-billion set as paid-up capital instead of the existing BDT 4.0 billion. The three approved PCBs are Bengal Commercial Bank Limited, Peoples Bank Limited and Citizen Bank Limited.
- BB executive director said that the board has re-fixed the amount of paid-up capital, considering the size of economy as well as GDP (gross domestic product).
- BB officials said the proposed chairmen are Jashim Uddin for Bengal Commercial Bank, MA Kashem for Peoples Bank and Jahanara Huq for Citizen Bank. The department concerned of the BB will issue the Lols after receiving regulations of the board meeting.

- But the proposed banks will have to apply again to the board for seeking final approval after fulfilling the Lols conditions.

- Currently, there are 58 banks in Bangladesh. Of them, 40 are local private banks, nine foreign banks and nine state-owned banks. After completing the licensing process, the number of banks will stand at 62.

<http://today.thefinancialexpress.com.bd/first-page/bb-approves-three-more-private-banks-1550425849>
<https://www.dhakatribune.com/business/2019/02/17/bangladesh-bank-approves-three-new-banks>
<https://www.thedailystar.net/business/banking/news/3-new-banks-get-nod-amid-outcry-1703755>

New rules define working areas of investigators

- The Ministry of Finance (MoF) has issued the long-awaited rules of the Money Laundering Prevention Act 2012 by defining working areas of the investigators. Six government entities empowered to probe corruption have got the authority to submit charge sheets to a court upon completion of their respective investigations.
- According to MoF and customs officials, the government agencies were earlier not sure about their authority to submit charge sheets in the absence of such rules. Some wings, including customs, were facing difficulties upon completion of money-laundering investigations.
- In the rules, the MoF made clear which entities of the government will investigate what types of corruption, mentioned in the money laundering act. They will have to apprise the Bangladesh Financial Intelligence Unit (BFIU) in a MoF-prescribed format on their areas of investigation and relevant cases.
- The government has issued the rules seven years after passing the Money Laundering Prevention Act and three years after its amendment.

<http://today.thefinancialexpress.com.bd/first-page/new-rules-define-working-areas-of-investigators-1550425917>

Development budget to be revised upwards

- In a departure from previous years, the development budget for the current fiscal year is likely to be revised upwards -- by about 11% -- to meet the government's ambitious plans.
- The planning ministry has drafted a revised Annual Development Programme (ADP) allocation of BDT 2.00 trillion. The original ADP allocation for fiscal 2018-19 is BDT 1.80 trillion.
- Some 35 ministries and divisions have demanded BDT 360.00 billion of additional allocation from the government's own fund. The road transport and highways division demanded the highest amount at BDT 57.97 billion despite being one of the poor performers.
- The other ministries that demanded higher allocation include: the local government

division (BDT 40.69 billion), the power division (BDT 38.19 billion), the water resources ministry (BDT 26.24 billion), the election commission secretariat (BDT 24.56 billion), the housing and public works ministry (BDT 22.96 billion), and the prime minister's office (BDT 22.46 billion).

<https://www.thedailystar.net/business/news/development-budget-be-revised-upwards-1703749>

Government mulls bond facility for all export sectors

- Businesses should refrain from doctoring trade invoices to help keep the foreign exchange rate at a justifiable level. The government will formulate an 'exit policy' shortly for sick industries while considering allowing bonded warehouse facility for all export-oriented sectors as offered to the readymade garment (RMG) sector.
- Private industry and investment advisor to the Prime Minister said Exchange rate is a big problem for the garment sector. To address the problem, we have to stop under or over invoicing. And we can do it as it is our issue. If businesses want, the under and over trade-invoice practice can be stopped he urged.
- Favoring bonded warehouse facility for all exporters, the PM's advisor said the government is considering formulating an exit policy so that entrepreneurs who are unable to run their businesses can quit.

<http://today.thefinancialexpress.com.bd/last-page/govt-mulls-bond-facility-for-all-export-sectors-1550426933>

Gas companies to seek tariff hike afresh

- The state-run gas companies will place fresh proposals to the energy regulator, seeking tariff hike for almost all sorts of gas users, as the country's LNG import is expected to double by April next.
- Officials did not mention the extent of the hike that Petrobangla and its subsidiary gas marketing and distribution companies will seek, but said it will be almost similar to those of the previous proposals.
- BERC in its verdict on October 16, 2018, turned down the previous proposals of Petrobangla and its subsidiary companies, keeping the natural gas tariff unchanged, as the volume of LNG import was less than expected.
- The state-run Petrobangla and its subsidiary gas companies sought a hike in natural gas tariff, calculating import of LNG to the tune of 1,000 million cubic feet per day (mmcf), according to the BERC Chairman. But re-gasified LNG (RLNG) supply was hovering around 300 mmcf during October.
- Currently the volume of RLNG supply from the country's maiden LNG import terminal - a FSRU (floating, storage, re-gasification unit) - has increased to around 500 mmcf. LNG import is expected to double from April, as the country's second FSRU is expected to be commissioned in early April.

<http://today.thefinancialexpress.com.bd/trade-market/gas-cos-to-seek-tariff-hike-afresh-1550424244>

Nitol Niloy gets final licence today

- Nitol Niloy Group is all set to receive the final licence from Bangladesh Economic Zones Authority (Beza) today to establish Kishoreganj Economic Zone.
- The Bangladeshi business entity will set up a pickup assembly plant at a cost of BDT 3.00 billion inside the 84-acre land. Local assembling of pickups would help to cut the present market price of each truck by BDT 100,000.
- The group would upgrade the plant in phases to go for manufacturing of pickups and heavy trucks in future.
- Nitol Motors is the largest distributor of Tata Motors in South Asia and the most dominant player in Bangladesh's commercial vehicle market having over 40% of the market share.

<https://www.thedailystar.net/business/news/nitol-niloy-gets-final-licence-today-1703740>

National Board of Revenue (NBR) picks legal expert for new VAT law

- The National Board of Revenue (NBR) has appointed a temporary legal expert for drafting the new VAT and income tax law in Bangla.
- A legal analyst and drafter, will work as a consultant to expedite the process of implementing the new laws. The board will pay BDT 1.3 million in four installments to the consultant.
- The tax-collecting authority said, the revenue officials and the consultant will resolve confusions, if any, or objections through mutual understanding in the process of drafting the laws.
- The board has already started the process of replacing the existing tax laws with the new versions.

<http://today.thefinancialexpress.com.bd/trade-market/nbr-picks-legal-expert-for-new-vat-law-1550161945>

Projects suffer as World Bank money dries up

- The World Bank's portfolio for Bangladesh under its current aid package has almost been finished, which has resulted in the delay of implementing some proposed development projects.
- Under the three-year IDA-18 package, only some USD30 million fund has remained in hand of the Bank for the disbursement to Bangladesh. The tenure of IDA-18 package will end by June 2020.
- In the meantime, the global lender has confirmed nearly USD4.3 billion worth assistance for the country in the last one and a half years.

<http://today.thefinancialexpress.com.bd/first-page/projects-suffer-as-wb-money-dries-up-1550166735>

Tax waiver fails to boost MNP (Mobile Number Portability) appetite

- Withdrawal of SIM replacement tax on mobile number portability service has failed to put the desired impact on boosting customers' appetite for the service as the number of operator-change cases through this service dropped by 6.18% or 1,810 in January.
- The number of successful porting of mobile phone subscribers dropped to 27,448 in January this year from 29,258 in December last year.
- The number of requests from subscribers for the service also dropped by 17.12% or 9,684 to 46,868 in January this year from 56,552 a month ago.
- Since MNP service was launched on the first day of October, 2018, only one organization has been able to enjoy the MNP facility so far according to Robi corporate and regulatory affairs head.

<http://www.newagebd.net/article/64843/tax-waiver-fails-to-boost-mnp-appetite>
<https://www.thedailystar.net/business/telecom/news/mnp-users-face-troubles-1702372>

Backward linkage lag inhibits export of pharma products

- Local pharmaceutical industry is failing to fortify its position in the global arena, though it dominates the domestic medicine market.
- While 97% of the local market demand is now met by the domestic drug makers, exports of pharmaceuticals overseas reached a paltry USD 100 million last fiscal. In spite of enjoying various policy support including cash incentives on exports, overseas sales of pharmaceuticals remain minuscule compared with many other major export items.
- This growth may sound healthy, but it comprised only 0.3% of the total exports of the country during FY 2017-18. Stringent overseas regulatory requirements, lack of adequate testing facilities at home and weak backward linkage are among the reasons why exports remain sluggish.

<http://today.thefinancialexpress.com.bd/first-page/backward-linkage-lag-inhibits-export-of-pharma-products-1550253086>

Move underway to promote rural microenterprises involving USD 190 million

- The government has taken a move to promote microenterprises across the country involving USD 190 million. Financial Institutions Division (FID) under the finance ministry has decided to implement a project titled 'Rural Enterprises Transformation Project-(RETP)' through Palli Karma-Sahayak Foundation (PKSF) within next six years.
- The government has decided to launch RETP for transforming cluster-based microenterprises of rural areas into sustainable growth-led rural enterprises. This will help eradicate poverty through creating self and wage employment in a sustainable manner.
- The project will be taken up in line with the goals and objectives of national plans and strategies, including the 7th five-year plan and national strategy for accelerated poverty reduction 2009-11 that will help in achieving Sustainable Development Goal (SDG)-2.

<http://today.thefinancialexpress.com.bd/trade-market/move-underway-to-promote-rural->

microenterprises-involving-190m-1550247691

BIDA for reform of 'fiscal depreciation' provision in tax law

- The Bangladesh Investment Development Authority (BIDA) has recently suggested updating of the fiscal depreciation, as mentioned in the third schedule of the income tax ordinance.
 - The revenue board should follow revaluation method for determining the value of property, plant and equipment, which will reflect economic reality, the state-investment promotion agency said.
 - The BIDA told that the current "fiscal depreciation" system is largely based on historical cost and discourages investment.
 - The BIDA has also proposed the taxmen to incorporate fiscal depreciation into the existing tax laws for the property used for rental income.
- <http://today.thefinancialexpress.com.bd/first-page/bida-for-reform-of-fiscal-depreciation-provision-in-tax-law-1550338660>

ADP spending highest in six years

- Development spending in the first seven months of the fiscal year has been the highest in six years, as the government's efforts to improve implementation is slowly bearing fruit.
- Between July last year and January this year, the ministries and divisions spent BDT 622.8 billion, which is 34.43% of the total annual development programme outlay. The amount is an increase of 13.82% year-on-year.
- However, for full utilisation of the allocation, the ministries and divisions will have to spend 65% of the allocation in the next five months -- a near-impossible task, said a senior official of the planning ministry.

<https://www.thedailystar.net/business/news/adp-spending-highest-six-years-1703233>

Post-LDC challenge lies in incentivizing exports

- Bangladesh in all likelihood would face challenges in relation to its export trade, once it shakes off its least developed country (LDC) status. The existing incentive regime will no more remain valid as soon as it goes out of the list of LDCs.
- The country will be able to benefit from its existing policy of incentivizing exports until 2023 as an LDC. Once it graduates from this grouping in 2024, the importing nations may raise questions about its eligibility to enjoy the benefits meant for the LDCs.
- The current policy on subsidies then could be incompatible with the World Trade Organization (WTO) Agreement on Agriculture and the Agreement on Subsidies and Countervailing Measures.
- The existing Export Development Fund (EDF) may also come into question after its graduation from the LDC status. In the post-LDC era Bangladesh will need to comply with the agreements, which would require a revision of government support for various sectors.

<http://today.thefinancialexpress.com.bd/first-page/post-ldc-challenge-lies-in-incentivising-exports-1550338924>

Bangladesh slips 6 notches to 140th

- Bangladesh slipped six spots to 140th among 169 countries in a ranking of the world's most connected nations brought out by global logistics company DHL.
- The Global Connectedness Index 2018, the fifth since it was first released in 2011, was measured by four pillars: international flows of trade, capital, information and people. It ranked Bangladesh lower than its peer countries.
- Bangladesh's overall ranking fell from the 2015 edition although it improved its position in trade, capital and information pillars.

<https://www.thedailystar.net/business/news/bangladesh-slips-6-notches-140th-1702363>

Important News: Capital Market

Bangladesh Securities and Exchange Commission (BSEC) approves Royal Tulip IPO

- Bangladesh Securities and Exchange Commission (BSEC) has approved the initial public offering (IPO) prospectus of Sea Pearl Beach Resort and Spa Ltd (owners of Hotel Royal Tulip Sea Pearl Beach Resort in Cox's Bazar), aimed at raising BDT 150 million.
- As per the BSEC approval—under the fixed price method—Sea Pearl Beach Resort will offload 15 million ordinary shares for BDT 10 each.
- According to the financial statement ended on June 30, 2018, the company's net asset value (NAV) per share stood at BDT 10.48, while the weighted average of earnings per share (EPS) was BDT 0.41.
- Banco Finance and Investment Limited and Prime Bank Investment Limited will act as the issue manager for the IPO process.

<https://www.dhakatribune.com/business/stock/2019/02/20/bsec-approves-royal-tulip-ipo>

Beximco Pharma to acquire eight Abbreviated New Drug Applications (ANDAs) from Sandoz Inc

- Beximco Pharmaceuticals Limited announced the signing of a definitive agreement with Sandoz Inc., a division of Novartis, to acquire a portfolio of eight Abbreviated New Drug Applications (ANDAs) in the US for an undisclosed amount in cash.
- Beximco Pharma's current US portfolio comprises six US Food and Drug Administration (FDA) approved products. Four of these products are currently being exported to the US and two products are awaiting regulatory approval. Following this transaction, Beximco Pharma's US portfolio will consist of 14 approved ANDAs.
- In August 2016, Beximco Pharma became the first Bangladeshi pharmaceutical company to export medicine to the US market following its manufacturing site approval by the US

FDA in June 2015.

<http://today.thefinancialexpress.com.bd/stock-corporate/beximco-pharma-to-acquire-eight-andas-from-sandoz-inc-1550591376>
<https://www.dhakatribune.com/business/2019/02/20/beximco-to-acquire-eight-drug-applications-of-sandoz>

Appollo Ispat's shock loss in July-December

- Appollo Ispat's earnings per share nosedived in the first half of its financial year -- a surprising turn given the corrugated iron sheet maker's forecast of a jump in operating revenue for the period.
- Its earnings per share for the July-December period stood at BDT 0.23 in the negative, down BDT 0.10 in the positive a year earlier.
- Earlier in March last year, the company had said its revenue will increase by BDT 5.40 billion annually due to higher production thanks to a new plant. A stock market analyst said, this looks like cheating with stock investors as the company posted loss although it gave investors forecasts of higher revenue.

<https://www.thedailystar.net/business/news/appollo-ispats-shock-loss-july-december-1704697>

GP handed out SMP restrictions

- Grameenphone was slapped with four restrictions by the telecom regulator as part of the penalties for becoming a Significant Market Power (SMP).
- The Bangladesh Telecommunication Regulatory Commission (BTRC) asked the operator to immediately implement the restrictions, which include a ban on signing any exclusive deals with goods and service providers. Currently, the vendors are allowed to extend offers to only Grameenphone customers, shutting out other operators from negotiating such deals.
- The acceptable call drop for Grameenphone has been set at no more than 2% . According to a market drive report run by the regulator in November 6 to 8, Grameenphone's call drop rate was found to be 3.38% , which is higher than its competitors.
- The BTRC has asked Grameenphone not to conduct any nationwide ad campaign on the back of its dominance.
- In the fourth point, the telecom watchdog has made it easier for a user to leave Grameenphone under the mobile number portability facility. Currently, if a subscriber wants to switch to a network they will have to stay with the new carrier at least for 90 days. But such subscribers can quit the Grameenphone network after 30 days.

<https://www.thedailystar.net/business/telecom/news/gp-handed-out-smp-restrictions-1704100>
<http://www.newagebd.net/article/65238/btrc-slaps-conditions-on-gp-as-smp>

Call drop rate highest in GP: Bangladesh Telecom Regulatory Commission (BTRC) survey

- Top mobile telephony firm Grameenphone has the highest call drop rate and call set up time among the country's telecom operators.
- The call drop rate and call set up time of GP were 3.38% and 10.14 seconds respectively, revealed the survey conducted by the Bangladesh Telecommunication Regulatory Commission. The survey was carried out from November 06 through December 08, 2018.
- On the other hand, call drop rates of Banglalink, Robi and Teletalk were 0.58% , 1.35% , 1.58% respectively, the survey found. The standard ceiling of call drop rate is up to 2% .

<https://www.dhakatribune.com/business/2019/02/18/gp-fails-to-comply-btrc-s-call-drop-benchmark>
<http://today.thefinancialexpress.com.bd/last-page/call-drop-rate-highest-in-gp-btrc-survey-1550513715>

Shasha Denims to acquire 80% stakes in EOS Textile

- Shasha Denims Ltd. has now decided to acquire 80% of stakes in EOS Textile Mills for USD 12 million (about BDT 1014 million), reversing its earlier decision to acquire 40% of stakes.
- EOS Textiles Mills, a 100% export-oriented textile company, was established by Italian investors at the Dhaka Export Processing Zone in Savar on June 8, 1998.
- Shasha Denims has already paid BDT 300 million from the initial public offering (IPO) fund. The remaining amount will be paid from its cash flow after receiving approval from Bangladesh Bank.
- Earlier, the company announced that it would acquire 40% of stakes of EOS Textiles Mills for about BDT 480 million. Shasha Denims, a sister concern of Shasha Group, one of the leading denim producers in Bangladesh, raised BDT 1.75 billion through IPO in 2014 for a major expansion and improve the quality of denim fabrics by installing modern machinery with the IPO funds

<http://today.thefinancialexpress.com.bd/stock-corporate/shasha-denims-to-acquire-80pc-stakes-in-eos-textile-1550421495>

MBL businesses to grow more, two new subsidiaries in the offing

- Mercantile Bank Ltd (MBL) during the last three years witnessed a solid growth in all parameters of businesses due to concerted efforts, performed by a team of committed and dedicated professionals.
- MBL is now in the process of establishing 2 new subsidiary companies: MBL Asset Management Limited (including venture capital) and MBL MyCash Limited.

<http://today.thefinancialexpress.com.bd/stock-corporate/mbl-businesses-to-grow-more-two-new-subsidiaries-in-the-offing-1550421294>

Guardian Life posts 300% growth in two straight years

- Guardian Life Insurance Limited, the fastest growing life insurance company in

Bangladesh, saw over 300% growth rate in the last two consecutive years -- 2016 and 2017. The country's leading life insurer was also the highest premium earner in 2016 among fourth generation life insurance companies in Bangladesh.

- The management expenses of the company are also the lowest among all life insurance companies in the country.
- Established in 2013, the Guardian Life Insurance started its business activities on January 01, 2014 and achieved a good responsible position in the insurance sector within four years of its journey. The company is looking to grow further in the coming years.
- The company has the largest group insurance portfolio in the country. The company's paid-up capital is BDT 182 million and authorised capital is BDT 2.0 billion. The sponsors of the Guardian Life Insurance are renowned and very trusted business houses in Bangladesh -- Apex, Brac and Square Group.

<http://today.thefinancialexpress.com.bd/trade-market/guardian-life-posts-300pc-growth-in-two-straight-years-1550424389>

Sponsors' bonus shares to face 3-year lock-in

- Dhaka Stock Exchange has decided to propose that Bangladesh Securities and Exchange Commission increase the lock-in period on the trading of placement shares to three years from the current one year.
- The country's premier bourse also decided to put forward a proposal to bring the trading by sponsors of bonus shares declared by a company in three years of its initial public offering under the purview of the three-year lock-in system.
- DSE officials said the bourse made the decisions to protect the interest of general shareholders. DSE thinks that sponsor-directors' bonus shares should also be kept under lock-in for three years

<http://www.newagebd.net/article/64943/sponsors-bonus-shares-to-face-3-yr-lock-in>

IPO subscription of New Line Clothings begins tomorrow

- The subscription of initial public offering (IPO) of New Line Clothings will begin. Through the IPO, the company will raise a fund worth BDT 300 million (30 crore) from the capital market under the fixed price method.
- The public subscription will continue until February 28.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-new-line-clothings-begins-tomorrow-1550337865>

Extended plant of GPH Ispat goes into production by June

- The extended plant of GPH Ispat is going into production with electric ark furnace quantum method (EAFQM) by June this year which will turn it into a reputed brand.

<http://today.thefinancialexpress.com.bd/stock-corporate/extended-plant-of-gph-ispac-goes-into-production-by-june-1550338030>