

## Weekly Market Update

### Capital Market Overview

The market closed positive this week. The benchmark index DSEX (+1.17%) gained 61.32 points and closed the week at 5,305.95 points. The blue-chip index DS30 (+0.69%) gained 12.85 points and stood at 1,868.97 points. The shariah based index DSES (+1.61%) gained 19.44 points and stood at 1,208.55 points. DSEX, DS30 and DSES all posted negative YTD return of -15.03%, -18.14%, and -11.73% respectively.

**Total Turnover During The Week (DSE) :** BDT 26.3 billion (USD 316.3 million)

**Average Daily Turnover Value (ADTV):** BDT 6.6 billion (Δ% Week: +18.9%)

**Market P/E:** 16.71x

**Market P/B:** 2.13x

### Daily Index Movement during the Week:

The market performed four sessions during this week. Market opened this week with a positive movement of +0.22% in the first session and continued to be positive in the second session, third session and the last session by +0.02%, +0.79% and 0.13%, respectively.

### Sectoral Performance:

- All the financial sectors showed mixed performance this week. General Insurance posted the highest gain by 2.03% followed by Banks (+0.91%) and NBFIs (+0.57%). Life Insurance experienced the highest loss by 0.78% followed by Mutual Funds (-0.02%).

- Non-financial sectors showed mixed performance this week. Pharmaceuticals posted the highest gain by 3.32% followed by Food and Allied (+1.56%). Power experienced the highest loss by 2.92% followed by Telecommunication (-1.00%) and Engineering (-0.02%).

### Macroeconomic arena:

- July to September, FY 2018 the Deposit collection through the agent banking increased by 28% to BDT 25.8 billion from BDT 20.1 billion in the previous quarter. The number of agent banking accounts across the country also increased in this quarter by 14.15% as it amounted to 2,028,864 from 1,777,400 in the previous quarter.

- The inflow of remittances rose by 6.55% to USD 1.24 billion in October of FY 2019 compared to USD 1.16 billion in the same month last year. The country received remittances worth USD 5.19 billion from July to October of the current fiscal year, which is 12.17% higher than the amount received in the same period of the last fiscal year.

- The government revised its auction calendar keeping an option for borrowing BDT 20.0 billion more for financing budget deficit ahead of the December general elections. Under the revised calendar, the net borrowing from the banking system is set to reach BDT 30.42 billion by the end of this month, compared with BDT 10.42 billion earlier.

- The government has extended the tenure of paying 15% tax on the income of the mutual fund's management by five years more ending in FY 2023. Previously in FY 2013, the government fixed 15% tax on the income, which is generated from the management of mutual funds, for five years.

### Stock Market arena:

- United Commercial Bank (UCB) has decided to form a subsidiary company, aiming to provide mobile financial services (MFS) with initial authorised and paid-up capital of the subsidiary company will be BDT 5.0 billion and BDT 500 million respectively. UCB will hold at least 51% shares of the subsidiary company and the rest amount of shares may be offered to national/international reputed MFS/DFS providers.

- Grameenphone is likely to face a set of fresh regulations in operating its business in the country as the entity would be declared significant market power (SMP), as the only telecom operator having more than 40% market share. According to the new regulation, Bangladesh Telecommunication Regulatory Commission can impose up to 3.0 billion in administrative fine on mobile telecom operators.

- Mutual Trust Bank (MTB) launched debit and credit cards alongside QR code payment, e-wallet and digital card services for the first time in Bangladesh, joining hands with UnionPay International. The virtual services allow payments through mobile phones, taking away the need for physically carrying cards.

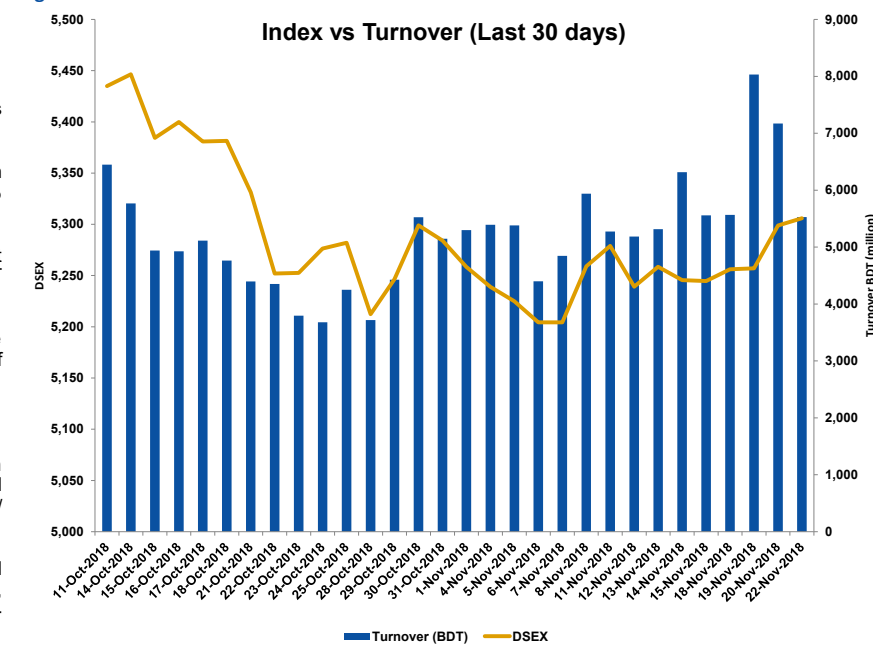
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,305.95	5,244.63	61.32	6,244.52	1.17%	-15.03%
DS30	1,868.97	1,856.12	12.85	2,283.23	0.69%	-18.14%
DSES	1,227.55	1,208.11	19.44	1,390.67	1.61%	-11.73%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	15,289,367.3	19,064,204.5	-19.8%
	Mn USD	183,921.2	229,330.0	
Turnover	Mn BDT	26,294.0	27,647.9	-4.9%
	Mn USD	316.3	332.6	
Average Daily Turnover	Mn BDT	6,573.5	5,529.6	18.9%
	Mn USD	79.1	66.5	
Volume	Mn Shares	608.8	656.0	-7.2%

Figure 1: DSEX & Turnover in last four weeks



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**Table 3: Top Ten Gainers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Kattali Textile Limited	32.50	23.55	38.0%	3,181.8	479.82	29.8x	1.9x
Monno Jute Staffers	1,595	1,252.04	27.4%	3,302.5	.76	14484.6x	88.3x
Indo-Bangla Pharmaceuticals Limited	37.80	30.55	23.8%	3,866.9	408.46	65.5x	3.1x
Al-Haj Textile	98.50	80.50	22.4%	1,996.7	183.61	62.4x	8.1x
National Tea	746.70	616.90	21.0%	4,928.2	314.89	62.1x	5.2x
VFS Thread Dyeing Limited	57.10	47.55	20.1%	5,320.9	272.43	37.7x	3.4x
Reckitt Benckiser	2,104.90	1,800.00	16.9%	9,945.7	74.03	33.6x	43.0x
Ambee Pharma	675.20	581.10	16.2%	1,620.5	121.05	223.6x	27.2x
Asia Pacific Gen Ins	21.00	18.80	11.7%	889.4	14.10	14.0x	1.4x
BIFC	5.20	4.70	10.6%	523.5	.38	NM	0.3x

**Table 4: Top Ten Losers**

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Jute Spinners	100.90	137.80	-26.8%	171.5	2.12	NM	NM
Savar Refractories	93.60	114.60	-18.3%	130.4	4.47	NM	14.9x
BBS Cables Limited	94.50	114.00	-17.1%	14,997.2	321.68	36.3x	6.0x
Khulna Power Company Limited	77.70	91.50	-15.1%	28,071.8	1,074.88	15.3x	3.2x
Alif Manufacturing Company Ltd.	8.70	10.10	-13.9%	2,093.9	35.91	9.9x	0.7x
Simtex Industries Limited	33.10	37.80	-12.4%	2,509.1	25.75	16.6x	2.1x
R.N. Spinning Mills Limited	7.80	8.90	-12.4%	3,061.8	21.31	10.2x	0.5x
Imam Button	25.40	28.90	-12.1%	195.6	4.82	NM	3.1x
Information Services Network Ltd.	34.20	38.80	-11.9%	388.4	12.41	NM	2.4x
Shaympur Sugar	29.80	33.80	-11.8%	149.0	.60	NM	NM

**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	305.70	323.70	-5.6%	146,456.9	1,214.56	35.1x	12.7x
Khulna Power Company Limited	77.70	91.50	-15.1%	28,071.8	1,074.88	15.3x	3.2x
In Tech Online Ltd.	65.50	67.10	-2.4%	2,051.5	770.86	73.6x	6.5x
Saiham Textile	58.00	53.30	8.8%	5,252.6	662.97	56.9x	3.1x
Square Pharmaceuticals	278.20	263.10	5.7%	205,142.2	589.74	19.3x	4.4x
BRAC Bank	71.40	69.40	2.9%	76,576.5	587.82	19.7x	4.0x
Shepherd Industries Limited	42.30	43.80	-3.4%	5,779.3	587.46	45.2x	2.5x
Saiham Cotton Mills Limited	25.10	24.70	1.6%	3,734.3	544.50	23.6x	1.4x
SK Trims & Industries Limited	50.60	46.90	7.9%	3,542.0	518.60	66.8x	4.4x
Wata Chemicals Limited	465.80	502.20	-7.2%	5,523.5	504.06	154.1x	8.4x

**Table 8: Most Appreciated YTD in BRAC EPL Universe**

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,274.20	23.53%	59,094.7	29.2x
Mutual Trust Bank	35.90	15.39%	20,583.7	14.1x
Singer Bangladesh	219.30	12.17%	16,819.1	30.8x
Summit Power	38.30	6.69%	40,899.7	9.4x
Marico Bangladesh Limited	1,175.00	6.23%	37,012.5	25.7x
Delta Life Insurance	109.60	1.86%	13,563.0	NM
Padma Oil Co.	236.20	-1.17%	23,202.6	11.4x
BATBC	3,344.90	-1.67%	200,694.0	26.5x
Atlas Bangladesh	128.20	-2.44%	3,860.8	NM
Eastern Housing	48.00	-2.44%	4,480.6	20.6x

**Table 6: Sector Indices**

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1381.63	1369.17	1848.21	0.91%	-25.25%
NBFIs	2071.39	2059.59	2714.85	0.57%	-23.70%
Mutual Funds	628.48	628.59	788.81	-0.02%	-20.32%
General Insurance	1379.85	1352.44	1592.30	2.03%	-13.34%
Life Insurance	1919.22	1934.32	1834.85	-0.78%	4.60%
Telecommunication	5037.51	5088.60	6494.31	-1.00%	-22.43%
Pharmaceuticals	2691.43	2604.85	2821.05	3.32%	-4.59%
Fuel & Power	1790.67	1844.49	1527.27	-2.92%	17.25%
Cement	1645.99	1647.56	2280.58	-0.10%	-27.83%
Services & Real Estate	1033.27	1036.87	1224.11	-0.35%	-15.59%
Engineering	2875.94	2876.54	3166.83	-0.02%	-9.19%
Food & Allied	14390.69	14169.19	15304.34	1.56%	-5.97%
IT	1464.13	1408.55	1484.41	3.95%	-1.37%
Textiles	1517.35	1480.06	1222.72	2.52%	24.10%
Paper & Printing	10325.86	10260.23	1013.11	0.64%	919.23%
Tannery	2630.85	2557.76	2642.41	2.86%	-0.44%
Jute	14112.25	14730.68	8867.22	-4.20%	59.15%
Ceramics	612.47	600.99	597.46	1.91%	2.51%
Miscellaneous	1882.82	1828.78	1725.62	2.95%	9.11%

**Table 7: Sector Trading Matrix**

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
Banks	434.4	266.0	63.31%	6.79%	8.9x	1.0x
NBFIs	220.4	172.6	27.66%	3.45%	19.8x	2.0x
Mutual Funds	10.5	11.8	-10.88%	0.16%	NM	0.5x
General Insurance	56.4	37.5	50.32%	0.88%	12.5x	1.0x
Life Insurance	108.0	103.2	4.63%	1.69%	NM	8.0x
Telecommunication	95.9	56.2	70.78%	1.50%	22.2x	16.3x
Pharmaceuticals	1,091.7	773.5	41.13%	17.07%	20.2x	3.3x
Fuel & Power	853.8	876.8	-2.63%	13.35%	15.1x	2.3x
Cement	94.5	62.5	51.29%	1.48%	18.5x	3.0x
Services & Real Estate	146.0	142.6	2.32%	2.28%	26.1x	0.9x
Engineering	580.5	634.4	-8.49%	9.08%	22.3x	2.1x
Food & Allied	321.2	174.4	84.23%	5.02%	29.2x	10.2x
IT	296.7	217.8	36.24%	4.64%	28.3x	2.9x
Textiles	1,396.0	1,090.1	28.06%	21.83%	23.3x	1.3x
Paper & Printing	48.5	41.7	16.45%	0.76%	NM	5.6x
Tannery	134.1	98.0	36.85%	2.10%	20.1x	3.2x
Jute	53.9	51.3	5.06%	0.84%	NM	6.0x
Ceramics	115.0	146.9	-21.72%	1.80%	29.5x	2.3x
Miscellaneous	337.9	417.9	-19.15%	5.28%	27.0x	1.2x

**Table 9: Least Appreciated YTD in BRAC EPL Universe**

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	11.90	-46.15%	9,021.8	6.0x
United Airways (BD) Ltd.	2.60	-44.06%	2,153.1	11.1x
EXIM Bank	10.10	-41.28%	14,263.7	4.9x
Lafarge Surma Cement	42.00	-39.91%	48,777.7	21.9x
IFIC Bank	10.40	-38.76%	13,922.9	8.8x
Islami Bank	23.60	-35.52%	37,995.8	8.5x
City Bank	31.40	-34.76%	30,394.8	7.5x
Eastern Bank	34.10	-33.27%	25,165.8	9.3x
Rupali Bank	36.00	-32.57%	13,554.6	NM
Prime Bank	17.10	-31.35%	19,362.0	8.8x

## Important News: Business & Economy

### Deposits with agent banking increase by 28%

- Deposit collection through the agent banking increased by 28% or BDT 5.5 billion in July to September quarter compared to the previous quarter of April to June in 2018.
- According to the quarterly data of July to September, 2018 of Bangladesh Bank (BB), deposit collection through the agent banking was BDT 25.8 billion, which was BDT 20.1 billion in the April-June period.
- In the July to September quarter, the number of agent banking accounts across the country also increased by 14.15% or 251000 compared to the previous quarter.
- The number of accounts with agents increased to 2,028,864 from 1,777,400 in the July-September period of 2018, reports BSS.
- In the July-September period, the number of agents increased to 3,902 from 3,588 in the April to June quarter and the number of bank agent outlets also increased to 5,791 from 5,351 in the same quarter.
- During the July-September period, official data show, Bangladeshi expatriates sent BDT 446.4 million through the agent banking channel, which was BDT 351.4 million in the April to June quarter.
- Islami Bank Bangladesh Limited (IBBL) Deputy Managing Director said agent banking is moving fast across the country since the banks are providing all sorts of efforts to bring the grassroots people under the banking services.

<https://thefinancialexpress.com.bd/economy/bangladesh/deposits-with-agent-banking-increase-by-28pc-1542715662>

### Remittance goes up 6.55% to USD 1.24 billion in October

- The inflow of remittances rose by 6.55% to USD 1.24 billion in October of the current fiscal year FY19 compared to USD 1.16 billion bagged in the same month last year.
- According to data by the Bangladesh Bank (BB), the country received remittances worth USD 5.19 billion from July to October of the current fiscal year, which is 12.17% higher than the amount received in the same period of the last fiscal year.
- According to BB data, the country received remittances worth USD 14.98 billion in FY18, which was 17.31% more than the amount received in FY17.
- Remittance is a major source of foreign currency for Bangladesh and its drop since FY16 became a matter of concern for the government. In FY17, remittance inflow was the lowest, USD 12.77 billion, in six years.
- A BB general manager said that the recovery of remittance is of great relief to the government at a time when the financial sector was facing an acute shortage in the foreign exchange reserve.
- According to BB spokesperson, remittance has been steadily increasing again, since it has become difficult to bring money into the country illegally.

<https://www.dhakatribune.com/business/2018/11/20/remittance-goes-up-6-55-to-1-24b-in-october>

### Private Banks brought under Right to Information (RTI) Act

- Private commercial banks have come under the Right to Information Act-2009 as the government declared the banks as authorities under the law.
- According to the act, banks will have to appoint a designated officer at every unit within 60 days for providing information following application of people.
- Banks will also have to preserve information and publish in an appropriate manner.

<http://www.newagebd.net/article/56686/pvt-banks-brought-under-rti-act>

### Bangladesh Telecommunication Regulatory Commission (BTRC) set to apply Significant Market Power (SMP) rules to curb monopoly

- Grameenphone's (GP) dominance as the overwhelming market leader is set to come under increased regulatory scrutiny, as BTRC has finally come up with Significant Market Power (SMP) Regulations for the country's telecom sector.
- The new regulations will be aimed at thwarting any act of monopoly or oligopoly in the country's telecom market, said the officials concerned.
- As per the new regulations, any mobile operator will be considered as a SMP operator, if it has a market share of 40% or more.
- GP, with a market share of 45.3% as per BTRC data, is on course to be designated as a SMP operator.
- Special tariff and tax system will be applicable for that mobile operator with a view to enhance the capabilities of other entities in the market to establish a level-playing field.

<http://today.thefinancialexpress.com.bd/public/trade-market/btrc-set-to-apply-smp-rules-to-curb-monopoly-1542732219>

### Merchant banks allowed provisioning facility

- The securities regulator has allowed the merchant banks to avail provisioning facility like financial institutions (FIs) and mutual funds (MFs).
- The facility has been offered in case of provisioning against the losses incurred from the investments made in MFs.
- The FIs and MFs had earlier been allowed to avail provisioning facility against the losses incurred through investments made in MFs.
- According to Bangladesh Securities and Exchange Commission's (BSEC) decision, the amount of a merchant bank's provisioning will be equivalent to the amount derived by subtracting 85% of the net asset value (NAV) of the units of closed-end MFs at current

market price from the purchase price of the units.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/merchant-banks-allowed-provisioning-facility-1542731025>  
<https://www.thedailystar.net/business/news/regulator-relaxes-rules-provision-merchant-banks-1663516>

### Government to borrow BDT 20 billion more from banks

- The government revised its auction calendar on Monday keeping an option for borrowing BDT 20 billion more for financing budget deficit ahead of the December general elections.
- Under the revised calendar, the net borrowing from the banking system is set to reach BDT 30.42 billion by the end of this month, compared with BDT 10.42 billion earlier.
- The government may borrow the additional amount of money from the market by the end of November through issuing bonds, the officials said.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-borrow-BDT-20b-more-from-banks-1542649699>

### Government extends tenure

- The government has extended the tenure of paying 15% tax on the income of the mutual fund's management by five years more.
- On December 5, 2013 15% tax was fixed on the income, which is generated from the management of mutual funds, for five years.
- A gazette notification published on November 13, 2018 said the tenure of paying 15% by Asset Management Companies (AMCs) has been extended for another five years.
- The managing director of AIMS of Bangladesh said before 2013 there was no tax on the income that comes from the management of mutual funds.

<http://today.thefinancialexpress.com.bd/stock-corporate/govt-extends-tenure-1542647437>  
<https://www.thedailystar.net/business/news/tax-waiver-amcs-extended-5yrs-1663030>  
<http://www.newagebd.net/article/56573/tax-benefit-for-amcs-extended-for-5-years>

### Total collection at tax fair hits BDT 24.68 billion

- The week-long income tax-fairs concluded on Monday with collection of BDT 24.68 billion tax, which is up by 11.35% compared to that of the previous year's fairs.
- The President of Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) said they expect that the next government would focus on improving the business environment for Japanese investors to tap the potential.
- Citing a survey conducted by Japan External Trade Organisation (JETRO) in 2017, the JBCCI president said 70% of Japanese companies showed interest for expansion of business in next one year and around 60% in next two to three years.
- About 270 Japanese companies are now in Bangladesh. The number of companies is

increasing very steadily even though Holey Artisan incident in 2016.

<http://today.thefinancialexpress.com.bd/first-page/total-collection-at-tax-fair-hits-BDT-2468b-1542649590>  
<https://www.dhakatribune.com/business/2018/11/19/week-long-tax-fair-concludes-tax-returns-submission-up-45-33-income-growth-11-35>

### Japanese investment in Bangladesh increasing steadily: Japan-Bangladesh Chamber of Commerce and Industry (JBCCI)

- Investment by Japanese companies in Bangladesh has been increasing steadily at a rate of 16-17% for last few years with the majority of investors showing growing interest for expansion of business.
- The President of Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) said they expect that the next government would focus on improving the business environment for Japanese investors to tap the potential.
- Citing a survey conducted by Japan External Trade Organisation (JETRO) in 2017, the JBCCI president said 70% of Japanese companies showed interest for expansion of business in next one year and around 60% in next two to three years.

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<http://today.thefinancialexpress.com.bd/last-page/japanese-investment-in-bd-increasing-steadily-jbcci-1542562961>  
<https://www.thedailystar.net/business/news/cheap-labour-continues-draw-japanese-investment-1662526>

### Services export sees 55.52% growth in first quarter (Q1)

- The export earnings from the country's service sector stood at USD 1.40 billion, marking a robust 55.52% growth during the first quarter (Q1) of the current fiscal year (FY) over the corresponding period of the last FY.
- The sector fetched USD 906.3 million in July-September period of FY 2017-18, according to Export Promotion Bureau (EPB) data released on Sunday.
- Out of the total USD 1.40 billion earnings, USD 1.38 billion came from export of services like manufacturing services on physical inputs, maintenance and repair services, transportation, travel, telecommunication and information services, and government goods and services.

<http://today.thefinancialexpress.com.bd/trade-market/services-export-sees-5552pc-growth-in-q1-1542558538>  
<https://www.thedailystar.net/business/news/services-exports-rise-over-50pc-1662502>

### Sharp fall in consumer loans

- Consumer borrowing growth has seen a sharp fall in June thanks to the tightening of the belts by the lenders when a cash crunch hit the sector in January this year.

- Consumer loan outstanding slid by 12.41% in six months to BDT 607.0 billion in June this year.
- However, the outstanding grew 24.48% in the previous six months to BDT 693.0 billion in December last year.
- The interest for consumer loan has seen a rise by 1%-1.5% points since the second quarter of the year because of the cash crisis, said head of retail banking at the City Bank. The crisis has pushed banks to invest less in consumer loans, causing a slowdown in the growth, he added.

<https://www.thedailystar.net/business/news/sharp-fall-consumer-loans-1662523>

### Higher return fuels sales of savings tools

- Sales of savings instruments continued its uptrend in the first quarter of the fiscal year thanks to their higher yield in comparison to banks' deposit products.
- Between the months of July and September, net sales of the government savings tools stood at BDT 134.1 billion, up 5.65% from a year earlier, according to data from the Directorate of National Savings.
- As a result, many of the lenders' deposit bases are eroding, said the chairman of the Association of Bankers, Bangladesh, a platform of private banks' managing directors.
- Some banks are now offering interest rates as high as 7% to 9% on their several fixed deposit products -- going against the decision taken by the sponsors of private banks to keep the interest rate on deposits at 6%, he said.
- The interest rate of the national savings instrument ranges from 11.04% to 11.76%.

<https://www.thedailystar.net/business/news/higher-return-fuels-sales-savings-tools-1662517>

### Bangladesh Telecommunication Regulatory Commission (BTRC) issues telcos' Quality of Service (QoS) regulations

- Bangladesh Telecommunication Regulatory Commission (BTRC) has finally published a set of Quality of Service (QoS) regulations for the country's telecom service providers.
- Under the new regulations, the mobile operators will have to keep their call drop rate at less than 2.0%. Besides, their average call set up success rate will have to be minimum 97%.
- The average call setup time of cellular and fixed telephony services will have to be less than 7.0 seconds.
- As per the regulations, the broadband service providers will have to maintain a minimum download speed of 5.0 Megabits per second (Mbps), while maintaining a minimum upload speed of 1.0 Mbps.
- The download speed of 4G services will have to be minimum 7.0 Mbps, while the speed will have to be minimum 2.0 Mbps for 3G services.

<http://today.thefinancialexpress.com.bd/first-page/btrc-issues-telcos-qos-regulations-1542562684>

<http://www.newagebd.net/article/56434/telcos-could-face-up-to-BDT-100cr-fine-for-service-quality-slips>

### Accelerated investment prerequisite for higher growth: International Chamber of Commerce-Bangladesh (ICCB)

- Bangladesh will emerge as the biggest driving force in the global Gross Domestic Product (GDP) in 2030 as predicted by HSBC Global Report "The World in 2030".
- The country is going to become the 26th largest economy in the world from the current 42nd position followed by the Philippines, Pakistan, Vietnam and Malaysia, the report added, according to the editorial of the current News Bulletin (July-September 2018) of International Chamber of Commerce-Bangladesh (ICCB).
- The brand value of Bangladesh is also rising as the country has ranked 39th in a global brand value index 2018 reflecting its socioeconomic vivacity. Bangladesh has a brand value of USD 257.0 billion, up 24% from last year, according to the London-based Brand Finance 'Nation Brands 2018' report.
- Bangladesh economy has kept up an impressive annual average growth rate of more than 6.0% over the last ten years and has been having increased GDP over the last couple of years. In FY18, its GDP growth rate was 7.86%.
- It is believed that the country could have easily achieved 8% plus growth by controlling the project implementation time, which would automatically minimize the project cost.
- But the private sector investment did not increase proportionately. For about a decade private investment to GDP ratio has been stuck at 21% to 23%. But according to country's growth ambitions the ratio has to be about 35% of GDP.
- Experts claimed that in the absence of an appropriate investment environment, caused by insufficient infrastructure, port congestion and poor transportation facilities, desired investment is not flowing into the country. FDI is only moving forward because of the reinvestment of current investments.
- It is estimated that Bangladesh needs investment of more than USD 600.0 billion for its infrastructure, against which the country can manage around USD 400.0 billion. In order to meet the shortfall, the country has to explore alternative sources of funding.
- In order to meet the criteria applied by the UN for graduation to developing country status and attain Sustainable Development Goals (SDGs) and achieve higher GDP, Bangladesh needs huge investment in different sectors like infrastructural development, especially in the power and energy sector, modern and effective air and sea ports, highways etc. as well as ensure timely and cost effective implementation of Mega Projects.

<https://thefinancialexpress.com.bd/economy/bangladesh/accelerated-investment-prerequisite-for-higher-growth-iccb-1542196814>

### Regulatory barriers affect economic growth

- Business Initiative Leading Development (BUILD), a leading private think tank has placed

a recommendation for forming a high-powered committee of relevant stakeholders for understanding and addressing the constraints of the Tannery Industrial Estate of Dhaka (TIED) operating in Savar.

- The paper highlighted procedural, understanding and policy related gaps which need to be bridged to increase finished and crust leather export which declined 24% and 92% respectively in FY2017-18.
- An independent third party audit for monitoring current operation of Central Effluent Treatment Plant is a must viewed by the stakeholders of leather sector. Adopting measures for solid wastes management, making Common Chrome Recovery Unit (CCRU) operational, measures for reducing water and chemical used by tanneries and standardizing the water and chemical use parameters in the environmental regulations are some other recommendations, presented by BUILD.

<http://today.thefinancialexpress.com.bd/public/trade-market/regulatory-barriers-affect-economic-growth-1542469011>

### **China top foreign direct investment (FDI) source in fiscal year '18**

- China became the top source of foreign direct investment (FDI) for Bangladesh last fiscal year (FY).
- The net inflow of FDI from the world's second-largest economy reached USD 506.1 million in fiscal year 2017-18.
- The amount was around one-fifth of the total foreign capital flow into Bangladesh during the FY 2017-18.
- Bangladesh received net FDI worth USD 2,580.4 million in the past fiscal year, posting a growth of 5.12% over the previous fiscal year.
- A large chunk of the Chinese FDI came to the power sector, which received a record USD 407.3 million in the last quarter of the last fiscal year.

This means the Chinese FDI in Bangladesh was six times the figure received during FY17 when the net flow amounted to USD 68.6 million.

The stock of Chinese FDI also stood at USD 1,193.2 million by the end of FY18 while the gross inflow was USD 534.6 million.

The United Kingdom became the second-largest source of FDI with USD 372.7 million during the past fiscal year, followed by Hong Kong (USD 190.7 million), the United States of America (USD 170.6 million), and Singapore (USD 158.5 million).

In FY18, the net FDI from India to Bangladesh stood at USD 125.3 million, registering a 31.30% growth over the previous year.

<http://today.thefinancialexpress.com.bd/public/first-page/china-top-fdi-source-in-fy-18-1542473544>

### **Economy is in shipshape: Metropolitan Chamber of Commerce and Industry (MCCI)**

- The economy is progressing well despite the presence of some risk factors like marginal growth in remittance, slower exports and a lower rate of investment, according to a report of the Metropolitan Chamber of Commerce and Industry (MCCI).
- Inflation between the months of July and September was under control, the exchange rate remained stable and the foreign exchange reserves rose to a comfortable level, said the first-quarter report.
- During the period, agriculture, manufacturing and services sectors performed well, but continuous government support of various types will be needed to sustain their growth.
- Infrastructure deficits and gas and power supply problems are now undermining the performance of all productive sectors of the economy.

<https://www.thedailystar.net/business/news/economy-shipshape-mcci-1661266>

### **Trade suffers as India allows limited time for cargo movement**

- An inordinate delay in allowing the Bhutanese goods-laden trucks to enter Bangladesh through Indian land port Changrabandha is badly hampering Bangladesh's import trade with Bhutan.
- The Indian land port authorities have set a limited time frame for Bhutanese cargoes to enter Burimari in Bangladesh through Changrabandha, which causes the delay, according to them.
- As a result, many imported items get damaged, causing financial losses to both importers and exporters.

<http://today.thefinancialexpress.com.bd/public/last-page/trade-suffers-as-india-allows-limited-time-for-cargo-movement-1542473986>

### **Bangladesh youth jobless rate rises by 6.4% points: International Labour Organisation (ILO)**

- The rate of youth unemployment in Bangladesh remained one of 'the most worsening' situation among the countries in the Asia-Pacific region.
- The country's overall unemployment rate rose by 1.0% point in 2017, according to International Labour Organisation (ILO).
- Bangladesh's youth unemployment rate increased by 6.4% points in 2017 since the year 2010, the Asia-Pacific Employment and Social Outlook 2018 of the ILO revealed.
- Besides, Bangladesh remained one of the top positions in respect of employed people working long hours per week.

<http://today.thefinancialexpress.com.bd/public/last-page/bd-youth-jobless-rate-rises-by-64-pts-ilo-1542473822>

### **Bangladesh Institute of Bank Management (BIBM) proposes BDT 2.0 billion credit guarantee scheme for small and medium enterprises (SMEs)**

- The Bangladesh Institute of Bank Management (BIBM) yesterday proposed the government launch a BDT 2.0 billion credit guarantee scheme to encourage banks to lend more to small and medium enterprises.
- The BIBM came up with the idea after studying such schemes in different countries. There are over 2,000 such schemes in over 100 countries around the world aimed at giving a boost to the SME sector.
- Credit guarantee schemes will help banks share the risk of loan default for a specific type or market of customers and help enterprises get loans, said the deputy governor of Bangladesh Bank.
- He said most of the financial institutions show little interest in offering credit due to a perception of high risk and lack of sufficient collateral. The credit guarantee scheme will minimise the risks for financial institutions, he added.
- SMEs in Bangladesh have to pay 14-18% as interest, which is much higher than the 10-12% interest for other businesses. According to the proposed model, the guarantee will cover 50% of the total loan. The loan limit will be BDT 0.3 million to BDT 2.0 million.

<https://www.thedailystar.net/business/banking/news/bibm-proposes-BDT-200cr-credit-guarantee-scheme-smes-1661245>

### Agent banking expands fast

- Agent banking, which takes banking services to the unbanked people, is going from strength to strength, with both deposit collection and loan disbursement on the rise.
- Lenders earlier kept their core focus on collecting deposits from clients through the new banking wing but they have recently given the same importance to loan disbursement.
- As of September, loan disbursement through the agent banking channel was BDT 1.5 billion, up 9.80% from a quarter earlier. At the same time, deposit collection went up 28% to BDT 25.8 billion, according to data from the central bank.
- According to the managing director of Bank Asia, there remains huge scope for widening agent banking as lenders are yet to extend their traditional banking service to the large numbers of unbanked people.
- Banks have so far set up 5,791 agent banking outlets in the rural areas, whereas the countryside requires nearly 25,000 shops to bring the unbanked people under the formal financial umbrella, he said.

<https://www.thedailystar.net/business/banking/news/agent-banking-expands-fast-1661287>

### Modern retail growing at 15% a year

- Modern retail, which replaces traditional grocery shops, has been growing at 15% a year since 2014 in Bangladesh riding on changing consumer behaviour, said a top official of Nielson, a leading global market researcher.
- In 2018 the total turnover is estimated to be BDT 21.8 billion, up from BDT 13.4 billion in

2014.

- Population growth, increased urbanisation and rising income, particularly the growing middleclass population in the country, have been driving the growth of consumerism in Bangladesh, which is expected to be the 26th largest economy in the world by 2030.

<https://www.thedailystar.net/business/news/modern-retail-growing-15pc-year-1662061>

### Footwear export fetched USD 438.0 million last fiscal year

- Bangladesh bagged USD 438.0 million in export earnings from the footwear sector alone in the last fiscal year and has become the sixth largest footwear and leather goods exporter in the world.
- Every year, the South Asian nation manufactures 330 million square feet of finished leather and sends abroad around 230 square feet of the product.
- Bangladesh exports leather and leather goods to countries such as China, Italy, the USA, the UK, Germany, Sweden, Taiwan and Japan.
- Executive chairman of Bangladesh Investment Development Authority suggested to raise competitiveness, attention should be given to compliance and quality of the leather products along with maintaining low prices. He also suggested adoption of modern technologies to stay competitive in the global market.

<https://www.thedailystar.net/business/news/footwear-export-fetched-438m-last-fiscal-year-1662064>

### Little change in auditor's assessment of Grameenphone (GP) dues

- Government-appointed auditor Toha Khan Zaman & Co has lowered the government's claim on leading mobile phone operator Grameenphone by only BDT 51.6 million, leaving the previous audit claim almost unchanged at BDT 115.2 billion.
- The audit firm came up with the figure following GP's explanation over the audit findings to Bangladesh Telecommunication Regulatory Commission (BTRC).
- As per the initial audit report, GP's combined dues to BTRC and National Board of Revenue was BDT 115.3 billion.
- In the latest report, BTRC's claim on GP declined to BDT 74.39 billion from the previous claim of BDT 74.44 billion.
- The NBR's claim on GP remained unchanged at BDT 40.9 billion, BTRC officials said.

<http://www.newagebd.net/article/56682/little-change-in-auditors-assessment-of-gp-dues>

### Bangladesh Securities and Exchange Commission (BSEC) decides to probe irregularities by eligible investors (EIs)

- Securities regulator has decided to look into the alleged irregularities indulged in by the eligible investors (EIs) in determining companies' share prices under the book building method (BBM).

• Bangladesh Securities and Exchange Commission (BSEC) has already started collecting information on the role of the EIs while determining the cut-off price of a company's shares under the method, said officials.

### Important News: Capital Market

- The securities regulator said it will revise the IPO quota, scrapping those of the EIs, who are responsible for determining unjustified share prices under the BBM.
- The regulatory moves came following criticism over fixing share prices of some companies by the EIs unjustifiably.

<http://today.thefinancialexpress.com.bd/first-page/bsec-decides-to-probe-irregularities-by-eis-1542649455>

### UCB to form subsidiary to provide mobile financial services (MFS)

- The board of directors of United Commercial Bank (UCB) has decided to form a subsidiary company, aiming to provide mobile financial services (MFS).
- The formation of subsidiary company is subject to completion of all regulatory formalities from Bangladesh Bank (BB) and the Bangladesh Securities and Exchange Commission (BSEC).
- Initial authorised and paid-up capital of the subsidiary company will be BDT 5.0 billion and BDT 500 million respectively which shall be increased from time to time as per investment requirement of the regulatory authority.
- According to the disclosure, UCB will hold at least 51% shares of the subsidiary company and the rest 49% shares may be offered to national/international reputed MFS/DFS providers as per MFS guidelines of Bangladesh Bank.

<http://today.thefinancialexpress.com.bd/stock-corporate/ucb-to-form-subsiary-to-provide-mfs-1542647470>  
<https://www.thedailystar.net/business/news/ucb-form-subsiary-1663027>

### GP likely to face additional obligations as significant market power (SMP)

- Leading mobile phone operator Grameenphone is likely to face a set of fresh regulations in operating its business in the country as the entity would be declared significant market power (SMP) under newly enacted BTRC regulations, sources said.
- Bangladesh Telecommunication Regulatory Commission (Significant Market Power) Regulations, 2018, which was published in a gazette notification on November 14, allows BTRC to declare the mobile phone operator SMP as it holds market share above 40% in the country's mobile phone service market.
- The regulations allow the telecom regulator to impose up to BDT 3.0 billion in administrative fine on mobile phone operators along with other telecom operators under sections 63 and 64 of the Telecommunication Act, 2001 for breaching the clause of the regulations.

<http://www.newagebd.net/article/56569/gp-likely-to-face-additional-obligations-as-smp>

### MTB launches UnionPay payment services

- Mutual Trust Bank (MTB) yesterday joined hands with UnionPay International to jointly launch debit and credit cards alongside QR code payment, e-wallet and digital card services for the first time in Bangladesh.
- The virtual services allow payments through mobile phones, taking away the need for physically carrying cards. MTB signed the relevant agreements with UnionPay International in Shanghai, China in March.
- MTB says it initially plans to run a pilot programme, issuing only UnionPay debit cards on a limited scale, and will go for full-fledged promotions from December.

<https://www.thedailystar.net/business/news/mtb-launches-unionpay-payment-services-1663045>

### Most cement companies post rise in July-September EPS

- The earnings of most of the listed cement companies rose in July-September quarter 2018 compared to the same quarter in the previous year.
- Of the seven cement companies listed with Dhaka Stock Exchange (DSE), four made healthy earnings per share (EPS) compared to that in the same period last year. Two reported negative earnings while one remained unchanged.
- According to the un-audited financial statements for the July-September quarter, 2018, the EPS of Premier Cement, Meghna Cement, Heidelberg Cement and Confidence Cement rose up to 149%.
- Lafarge-Holcim Bangladesh posted negative earnings per share in the July-September quarter of 2018 while loss incurred by Aramit Cement increased in July-September, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/most-cement-cos-post-rise-in-july-sept-eps-1542557664>

### Investment Corporation of Bangladesh (ICB) raises BDT 7.5 billion from subordinated bonds

- The Investment Corporation of Bangladesh (ICB) has so far raised BDT 7.5 billion from the issuance of subordinated bonds floated as part of its market supportive measures.
- The state-run corporation is expected to raise BDT 20.0 billion by offering the subordinated bonds. Of the total amount, BDT 15.0 billion will be invested in the listed securities.
- On July 17, the Bangladesh Securities and Exchange Commission (BSEC) approved the ICB's proposal for raising a fund of BDT 20.0 billion through issuing non-convertible fixed rate subordinated bond.
- The securities regulator also set a condition that BDT 15.0 billion has to be invested in the listed securities to boost the country's capital market.



- Accordingly, the ICB has already started making investment in the capital market after it received a fund of BDT 7.5 billion from three institutions by offering the subordinated bonds.
- Of the amount, BDT 7.0 billion came from Agrani Bank, BDT 400.0 million from the DSE and BDT 100.0 million from Dhaka Bank.
- Of the remaining funds, BDT 5.0 billion will come from Janata Bank, BDT 5.0 billion from Sonali Bank, and BDT 1.50 billion from Rupali Bank, according to the ICB managing director.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/icb-raises-BDT-75b-from-subordinated-bonds-1542382663>