

Weekly Market Update

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+2.14%) gained 124.44 points and closed the week at 5,950.01 points. The blue-chip index DS30 (+1.97%) gained 39.52 points and stood at 2,049.00 points. The shariah based index DSES (+0.90%) gained 11.81 points and stood at 1,321.61 points. DSEX, DS30 and DSES all posted positive YTD return of +10.48%, +8.94%, and +7.20% respectively.

Total Turnover During The Week (DSE) : BDT 48.2 billion (USD 579.8 million)
Average Daily Turnover Value (ADTV): BDT 9.6 billion ($\Delta\%$ Week: +8.6%)

Market P/E: 18.53x
Market P/B: 2.35x

Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a positive movement of 1.06% in the first session. Then the market turned negative in the second session by 0.48%. In the third session the market rebounded by 0.11%. Then market continued to be negative in the fourth and fifth session by 1.02% and 0.42%.

Sectoral Performance:

- Financial sectors showed positive performance this week except Life Insurance (-3.86%). Banks posted highest gain by 5.86% followed by General Insurance (+4.94%), Mutual Funds (+2.92%) and NBFIs (+0.81%).
- The non-financial sectors mixed performance this week. Telecommunication posted highest gain by 5.68% followed by Power (+2.40%). Engineering recorded the highest loss of 1.78% followed by Food & Allied (-0.88) and Pharmaceuticals (-0.02%).

Macroeconomic arena:

- The country's largest private economic zone, Sirajganj Economic Zone Ltd (SEZL), may open for entrepreneurs within this year. The zone is expected to create employment opportunities for 0.5 million people and bring in over USD 2 billion in investments. Its architectural layout designates space for 400 industries.
- China will provide a grant of RMB 500 million or approximately USD 72.57 million to Bangladesh under an agreement on economic and technical cooperation. The grant shall be utilized for welfare projects such as disaster management and bridge construction.
- According to the Bangladesh Bureau of Statistics (BBS), the general point to point inflation rate was 5.37% in November, 2018, 5.40% in October and 5.43% in September. The point to point food inflation slightly declined to 5.28% in December last which was 5.29% in November. The point to point non-food inflation rate also declined slightly to 5.45% in December from 5.49% in November. The average year-to-year rate of inflation from January 2018 to December 2018 declined to 5.55%, which was 5.70% from January 2017 to December 2017.
- The disbursement of BDT 9.0 billion has finally been completed under the capital market refinancing scheme initiated after 2010-11 stock market debacle to reduce sufferings of 'affected' investors. 35 merchant banks and brokerage firms have received the fund worth BDT 9.0 billion against the portfolios of 36,481 affected investors. Of other borrowers, BRAC EPL received above BDT 567.60 million.

Stock Market arena:

- IDLC Finance has now decided to increase the issue size of its non-convertible zero-coupon bond to BDT 7.55 billion from BDT 5.0 billion. The denomination of the bonds is BDT 1.0 million each with tenure up to five years. IDLC Finance will issue the bond only through private placement.
- Nine listed companies were downgraded to "Z" category in 2018 because of their poor performance, which inflicted losses on the retail investors who are holding their shares. The companies are Emerald Oil Industries, Tung Hai Knitting & Dyeing, Fareast Finance & Investment, AB Bank, Eastern Cables, Padma Islami Life Insurance, Evince Textiles, Northern Jute Manufacturing Company, and GBB Power.
- Pearl Paper and Board Mills, a unit of BGD-Magura Group, has planned to raise BDT 400 million from the capital market using the fixed price method. The company has decided to float 40 million ordinary shares at an offer price of BDT 10 each for raising the said amount for business expansion.

January 24, 2019 (Week: January 20, 2019 - January 24, 2019)

Dhaka Stock Exchange

DSEX gained 2.14% in the week

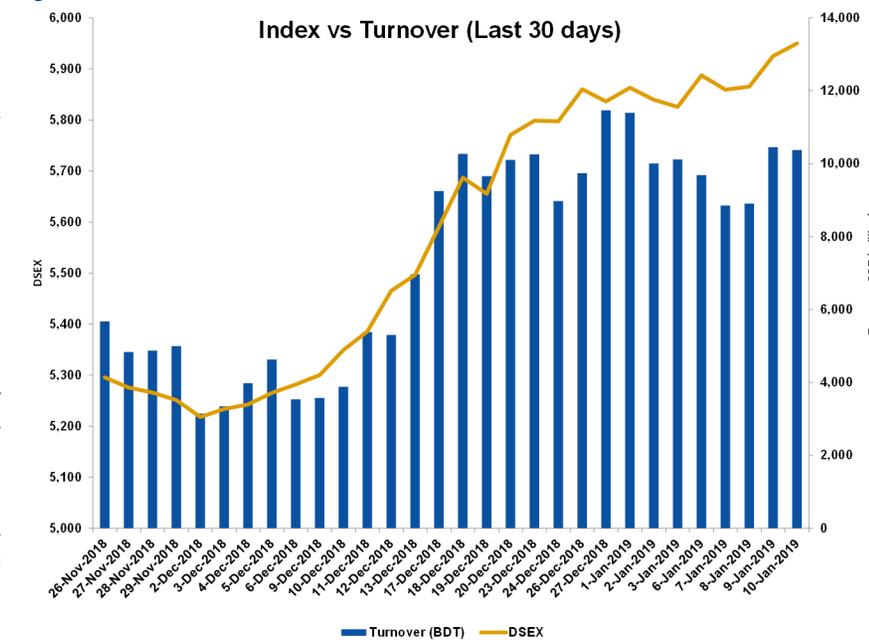
Table 1: Index

Index	Closing	Opening	Δ (Pts)	31-Dec-2016	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,950.01	5,825.57	124.44	5,385.64	2.14%	10.48%
DS30	2,049.00	2,009.49	39.52	1,880.78	1.97%	8.94%
DSES	1,321.61	1,309.80	11.81	1,232.82	0.90%	7.20%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	20,872,775.3	20,656,500.8	1.0%
	Mn USD	251,086.0	248,484.3	
Turnover	Mn BDT	48,200.6	52,716.8	-8.6%
	Mn USD	579.8	634.1	
Average Daily Turnover	Mn BDT	9,640.1	10,543.4	-8.6%
	Mn USD	116.0	126.8	
Volume	Mn Shares	1,483.8	1,344.1	10.4%

Figure 1: DSEX & Turnover in last four weeks



Associate:

Md. Rafiqul Islam

mrafiqulislam@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Sonar Bangla Ins	39.20	27.00	45.2%	1,480.8	632.23	26.9x	2.6x
Meghna Pet Industries	21	16.60	25.9%	250.8	4.94	NM	NM
Beach Hatchery Ltd.	17.20	13.90	23.7%	712.1	20.90	NM	1.5x
Far East Knitting & Dyeing Industries Limited	19.00	15.60	21.8%	3,527.8	426.71	10.1x	1.3x
Meghna Condensed Milk	28.90	23.80	21.4%	462.4	7.77	NM	NM
IFIC Bank	16.10	13.40	20.1%	21,553.7	829.10	13.6x	1.0x
United Insurance	69.90	58.20	20.1%	2,935.8	132.25	24.4x	2.4x
Sonargaon Textiles	42.90	35.80	19.8%	1,135.4	29.81	NM	1.5x
Agrani Ins Co. Ltd.	38.10	32.10	18.7%	1,097.5	502.86	21.7x	2.3x
The Premier Bank	17.10	14.50	17.9%	13,681.4	1,866.00	8.5x	1.2x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Northern Jute	1,126.90	1,388.90	-18.9%	2,413.8	36.72	263.8x	14.9x
SEML IBBL Shariah Fund	7.40	8.60	-14.0%	740.0	2.36	NM	0.7x
Sonali Aansh	657.80	762.10	-13.7%	1,784.0	152.41	399.1x	2.9x
JMI Syringes & Medical Devices Ltd	401.70	463.00	-13.2%	4,418.7	646.01	59.2x	6.2x
S. S. Steel Limited	44.80	50.10	-10.6%	10,976.0	502.84	41.4x	2.8x
Al-Haj Textile	97.80	108.50	-9.9%	2,180.8	242.73	68.1x	8.2x
Quasem Industries Limited	47.90	52.70	-9.1%	2,818.8	116.89	34.3x	1.5x
Chittagong Vegetable	204.20	223.60	-8.7%	5,155.0	272.82	NM	10.8x
Progressive Life Ins	70.80	77.40	-8.5%	910.9	2.96	NM	7.1x
Savar Refractories	139.80	151.90	-8.0%	194.7	7.63	NM	22.3x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
The Premier Bank	17.10	14.50	17.9%	13,681.4	1,866.00	8.5x	1.2x
United Power Generation & Distribution Company Ltd	371.60	346.20	7.3%	178,028.7	1,609.59	42.6x	15.4x
United Finance Limited	31.40	27.50	14.2%	5,875.4	981.47	18.8x	1.9x
Dhaka Bank	18.60	18.40	1.1%	15,114.0	875.79	9.7x	1.0x
Square Pharmaceuticals	265.00	264.00	0.4%	209,087.2	832.15	19.7x	4.4x
IFIC Bank	16.10	13.40	20.1%	21,553.7	829.10	13.6x	1.0x
BBS Cables Limited	109.60	108.00	1.5%	17,393.5	670.61	42.1x	6.9x
City Bank	34.50	32.30	6.8%	33,395.6	668.19	8.2x	1.3x
JMI Syringes & Medical Devices Ltd	401.70	463.00	-13.2%	4,418.7	646.01	59.2x	6.2x
Sonar Bangla Ins	39.20	27.00	45.2%	1,480.8	632.23	26.9x	2.6x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
United Finance Limited	31.40	38.53%	5,875.4	18.8x
Berger Paints	1,403.30	36.04%	65,082.1	32.2x
Pragati Insurance	36.40	28.26%	2,231.3	16.9x
Pioneer Insurance	38.60	26.56%	2,701.3	21.4x
Prime Islami Life Ins	69.10	25.87%	2,108.9	NM
The Premier Bank	17.10	25.25%	13,681.4	8.5x
Jamuna Bank	21.70	20.34%	16,258.2	9.1x
Summit Power	42.60	18.66%	45,491.6	10.4x
Singer Bangladesh	231.30	18.31%	17,739.4	32.5x
Mutual Trust Bank	35.70	14.75%	20,469.1	14.0x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1663.44	1571.31	1848.21	5.86%	-10.00%
NBFIs	2450.11	2430.51	2714.85	0.81%	-9.75%
Mutual Funds	726.32	705.74	788.81	2.92%	-7.92%
General Insurance	2043.97	1947.72	1592.30	4.94%	28.37%
Life Insurance	2342.18	2436.10	1834.85	-3.86%	27.65%
Telecommunication	5524.50	5227.62	6494.31	5.68%	-14.93%
Pharmaceuticals	2799.40	2799.95	2821.05	-0.02%	-0.77%
Fuel & Power	1993.36	1946.67	1527.27	2.40%	30.52%
Cement	1764.81	1757.63	2280.58	0.41%	-22.62%
Services & Real Estate	1086.76	1083.42	1224.11	0.31%	-11.22%
Engineering	3275.86	3335.31	3166.83	-1.78%	3.44%
Food & Allied	15171.94	15307.01	15304.34	-0.88%	-0.87%
IT	1650.63	1650.72	1484.41	-0.01%	11.20%
Textiles	1555.89	1527.42	1222.72	1.86%	27.25%
Paper & Printing	9491.98	9500.87	1013.11	-0.09%	836.92%
Tannery	2597.68	2607.44	2642.41	-0.37%	-1.69%
Jute	20016.42	23788.74	8867.22	-15.86%	125.74%
Ceramics	626.69	634.96	597.46	-1.30%	4.89%
Miscellaneous	2057.15	2045.95	1725.62	0.55%	19.21%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	1,922.7	981.1	95.97%	20.06%	10.7x	1.2x
NBFIs	1,020.1	914.7	11.52%	10.64%	23.5x	2.4x
Mutual Funds	81.6	39.3	107.34%	0.85%	NM	0.6x
General Insurance	878.9	981.2	-10.42%	9.17%	18.6x	1.4x
Life Insurance	370.4	511.8	-27.63%	3.86%	NM	9.7x
Telecommunication	208.7	129.8	60.82%	2.18%	24.3x	17.9x
Pharmaceuticals	891.7	1,136.2	-21.52%	9.30%	21.1x	3.4x
Fuel & Power	693.0	1,078.4	-35.74%	7.23%	16.8x	2.6x
Cement	85.7	92.0	-6.86%	0.89%	19.8x	3.2x
Services & Real Estate	146.7	181.2	-19.06%	1.53%	27.5x	0.9x
Engineering	961.8	1,410.4	-31.80%	10.04%	24.6x	2.2x
Food & Allied	375.5	600.8	-37.51%	3.92%	30.8x	10.7x
IT	245.4	335.1	-26.79%	2.56%	31.9x	3.3x
Textiles	1,094.6	1,278.0	-14.35%	11.42%	23.9x	1.3x
Paper & Printing	29.4	49.8	-40.88%	0.31%	NM	5.1x
Tannery	163.0	136.9	19.04%	1.70%	19.9x	3.2x
Jute	38.2	84.4	-54.72%	0.40%	NM	8.5x
Ceramics	67.3	91.1	-26.16%	0.70%	30.2x	2.3x
Miscellaneous	308.6	406.2	-24.02%	3.22%	29.5x	1.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	13.70	-38.01%	10,386.4	6.9x
Lafarge Surma Cement	45.90	-34.33%	53,307.0	23.9x
United Airways (BD) Ltd.	3.10	-33.30%	2,567.1	13.2x
City Bank	34.50	-28.32%	33,395.6	8.2x
Aftab Automobiles	46.90	-26.95%	4,489.9	11.4x
ACI Limited	338.00	-23.92%	16,862.7	15.8x
Islami Bank	28.10	-23.22%	45,240.7	10.1x
RAK Ceramics Limited	42.60	-21.77%	16,574.1	18.1x
Square Textile	48.60	-20.27%	9,586.4	23.3x
Eastern Bank	41.10	-19.57%	30,331.8	11.2x

Important News: Business & Economy

Fall in remittance from Italy likely this year

- Remittance inflow may see a significant fall this calendar year for taxing expats' cash transfer by Italy, a major source of remittance earnings for Bangladesh.
- Bangladeshi migrants send home USD 550-670 million every fiscal year from the European country.
- The country bagged USD 662 million from Italy, the ninth-largest amount of such money among 30 nations in fiscal year (FY) 2017-18.
- The Italian government introduced a 1.5% tax on the hard-earned remittance back home by expatriates which took effect on January 01, 2019.
- Bangladesh received USD 374.11 million during the July-December period in the ongoing fiscal.

<http://today.thefinancialexpress.com.bd/trade-market/fall-in-remittance-from-italy-likely-this-year-1547827315>

Export earnings from jute, jute goods fall 26% in H1

- Export earnings from jute and jute goods declined by 26% in the first half of the current fiscal year (July-December 2018) compared to the corresponding period of last fiscal year (FY).
- Lower demand for jute and jute products in the global market was mainly responsible for the sluggish trend.
- The country exported jute and jute products worth USD 421 million in July-December period of the FY'19 which was USD 574 million in the first half of the last FY, according to the latest figures of Export Promotion Bureau (EPB).
- Country's jute mills were struggling hard to get quality jute this year according to the secretary general of Bangladesh Jute Mills Association (BJMA).

<http://today.thefinancialexpress.com.bd/trade-market/export-earnings-from-jute-jute-goods-fall-26pc-in-h1-1547911398>

Financial sector woes to weigh on GDP growth

- The troubled financial sector will pose a big challenge to the government's goal of achieving higher economic growth in future.
- According to a member of the General Economics Division of the planning commission the performance of the financial sector is deteriorating and a reform is needed. He added, interest rate, which plays a key role in stimulating investment, was still not determined by the market.
- Former governor of Bangladesh Bank, said the economy remained stable amid the global financial crisis riding on the developmental role of the central bank in the last one decade.

<https://www.thedailystar.net/business/news/financial-sector-woes-weigh-gdp-growth-1690042>

Per capita debt crosses USD 200

- Bangladesh's per capital external debt now stands at USD 204.85 thanks to the large loans the government has taken from China and Russia for some transformational projects.
- In fiscal 2016-17 the per capita debt was USD 177.12, according to the Economic Relations Division.
- In the last five years, especially in the last two years, huge foreign aid commitment was received, which led to the spike in outstanding debt and per capita debt.

<https://www.thedailystar.net/business/news/capita-debt-crosses-200-1689145>

Enacting deposit protection law drags on for years

- The enactment of deposit protection law is getting delayed as the government is yet to take any concrete step in this connection.
- Deposit insurance is a system established by the government to protect depositors against the loss of their deposits in the event of failure of a bank to meet its obligations.
- Currently such a deposit insurance system has been in operation since 2013 but it has limited coverage, even it has excluded many financial institutions including the non-bank financial institutions (NBFIs).
- Currently, if any bank goes bust or fails to meet liabilities, then depositors will get back BDT 100,000 regardless of how large the size of deposits with bank is.

<http://today.thefinancialexpress.com.bd/first-page/enacting-deposit-protection-law-drags-on-for-years-1547832774>

Private credit growth edges down in December

- Private sector credit growth dropped significantly in December mainly due to the lower demand for loans, due mainly to the elections.
- It is expected that the growth in credit flow to the private sector to pick up slightly in March as preparation for complying with the central bank's revised advance-deposit ratio (ADR) rules by some banks are underway.
- The sector's credit growth came down to 13.20% in December 2018 on a year-on-year basis from 14.01% a month ago, according to the Bangladesh Bank (BB)'s latest statistics.
- The credit growth to the private sector may rebound after March when banks comply with the central bank's revised ADR rules, said the chairman of the Association of Bankers, Bangladesh (ABB).

<http://today.thefinancialexpress.com.bd/first-page/private-credit-growth-edges-down-in-dec-1547746765>

<https://www.thedailystar.net/business/banking/news/credit-growth-hits-39-month-low-1689157>

Bangladesh Bank's (BB) new policy aims to curb default loan

- Bangladesh Bank has introduced a new guideline to put a lid on rising default loans.
- The new guideline will help reduce the risk of default loans in the banking sector once it is implemented," said The Governor of Bangladesh Bank.
- The guideline on credit risk management was released at a time when non-performing loans in the banking sector continued to rise.

<http://today.thefinancialexpress.com.bd/last-page/bbs-new-policy-aims-to-curb-default-loan-1547747134>

<https://www.thedailystar.net/business/banking/news/bb-moves-curb-bad-loans-1689160>

<http://www.newagebd.net/article/62090/new-bb-guidelines-on-rating-borrowers-to-contain-npls>

Bangladesh Telecommunication Regulatory Commission (BTRC) to adopt new IP addressing system

- Bangladesh Telecommunication Regulatory Commission has initiated a move to adopt latest version of IP (internet protocol) addressing system that would allow the regulatory body along with other government agencies to monitor internet users more accurately.
- Scarcity of IP addresses under the existing version of IP addressing system along with the gradual adaptation of new version of IP addressing system to end the IP address scarcity were among other reasons for the government's move to implement the news IP addressing system.
- To implement the new version of IP addressing system, the telecom regulator has already formed a study group headed by its director general Brigadier General.
- The telecom regulator has already asked all the MNOs and ISPs to submit by January 28, 2019 individual roadmap in implementing IPv6.

<http://www.newagebd.net/article/62178/btrc-to-adopt-new-ip-addressing-system>

National Board of Revenue (NBR) gets down to work on tax rate

rationalization

- The National Board of Revenue (NBR) has initiated the process of rationalising the tax rates after being directed by finance minister.
- The existing tax rates for corporate and individual taxpayers will be reviewed, looking at the possible impact on the revenue in case taxes are raised or lowered next year.
- A committee will submit its report with a detailed analysis to the tax-collecting authority within a month. The body will also examine the necessity for rationalised and balanced tax rates for the expansion of tax net, suggest the formation of smart tax administration for improving country's investment scenario and work on revising the existing tax rates in line with international best practices.
- Until November, tax revenue collection fell short of its target by 21.60% as three of the NBR wings experienced deficit. The NBR posted 7.15% growth in tax collection in the July-November period compared with the same period a year ago.

<http://today.thefinancialexpress.com.bd/first-page/nbr-gets-down-to-work-on-tax-rate-rationalisation-1547914954>

<http://www.newagebd.net/article/62305/fin-min-wants-nbr-proposal-on-corporate-tax-rate-rationalisation>

The business process outsourcing (BPO) showing great promise

- The business process outsourcing (BPO) sector grew 20% year-on-year to about USD 300 million last year riding on a few government services.
- The National Board of Revenue has opened up its back office to the private sector.
- Although the private sector is running the popular government calling services 999 and 333, there are other call-based services that have not been offered to it yet,
- The BPOs' expertise might reduce the banks' costs. Notably in 2018, the BPO industry earned about USD 300 million.
- By 2021, the sector is expected to employ 100,000.

<https://www.thedailystar.net/business/news/bpo-showing-great-promise-1690048>

VAT cut for internet backward linkages

- The National Board of Revenue (NBR) has reduced value-added tax (VAT) on backward linkages of internet service providers to 5% from 15%.
- The development followed a letter from the ICT ministry in November last year which sought the slashing of the VAT rate on backward linkage service providing entities to reduce the cost of internet usage for more than 90 million internet users.
- The NBR reduced VAT on internet use to 5% from July 1 in the face of appeals from service providers to withdraw the indirect tax that ultimately falls on consumers.
- In absence of the zero rate of VAT for all along the supply chain, mobile phone operators

and others would be unable to claim rebates on VAT they pay for purchase of bandwidth from these service providers.

<https://www.thedailystar.net/business/news/vat-cut-internet-backward-linkages-1689130>

<http://www.newagebd.net/article/62093/vat-on-internet-infrastructure-cos-services-cut-to-5pc>

India keen on closer trade ties with neighbours

- India is keenly promoting the trade potential of its northeastern states because it would not only give an economic boost to the region but also enable closer engagement with Bangladesh, Myanmar and Bhutan.
- Minister of State in the Indian Prime Minister's Office said it is important to reinforce the growth and trade potential of India's northeastern regions which were close to the borders.
- Prime Minister's personal intervention has seen tremendous activities in business and trade sectors in the northeastern region of India as well as a greater interest in trade with the neighbouring countries.

<https://www.thedailystar.net/business/news/india-keen-closer-trade-ties-neighbours-1690036>

Motorbike market to race faster in 2019

- The motorcycle market is set to be around 0.6 million units by the end of 2019 thanks to price cuts, increasing purchasing capacity and thrust for faster mobility.
- The executive director of ACI Motors said about 480,000 units of bikes were sold in 2018, posting 24% year-on-year growth. Overall, the market is expected to be close to 600,000 units by the end of 2019
- The market began to expand fast from fiscal 2016-17, when the government slashed the supplementary duty by 25% age points to 20% on the import of the two-wheeler's components to encourage domestic manufacturing.
- It is expected that the annual market size would grow to 1 million units within three to four years

<http://today.thefinancialexpress.com.bd/stock-corporate/walton-holds-ipo-road-show-1547660999>

Largest private economic zone to be ready this year

- The country's largest private economic zone, Sirajganj Economic Zone Ltd (SEZL), may open for entrepreneurs within this year.
- The zone is expected to create employment opportunities for 0.5 million people and bring in over USD 2 billion in investments. Its architectural layout designates space for 400 industries.
- The SEZL spent BDT 3.5 billion to acquire 1,035.93 acres of land, which was now being

readied and levelled with sand.

- The zone's development cost, minus the power and steam plants and the CETP, is projected to be about BDT 28 billion. It is being borne by a consortium of nine companies and two businesspersons.

<https://www.thedailystar.net/business/economy/news/largest-private-economic-zone-be-ready-year-1690039>

Bangladesh (BD) expats suffer for inadequate remittance points abroad

- Bangladeshi overseas workers have been suffering a serious setback when remitting their hard-earned money due to inadequate number of agent points in their destination countries.
- The migrants have difficulty in sending their hard-earned remittance back home because of inadequate remittance agents or collection points of the Bangladeshi commercial banks in those countries.
- It takes at least three days to receive cash by the beneficiaries of the expatriates due to weekly holidays on Fridays and Saturdays here.
- An estimated 10 million Bangladeshi workers are employed abroad and they remit USD15 billion, on an average, a year to help boost the foreign currency reserve.

<http://today.thefinancialexpress.com.bd/last-page/bd-expats-suffer-for-inadequate-remittance-points-abroad-1548006981>

Household debt makes up half of non-banks' total portfolio

- Non-banking players' household debt, including mortgage loans, accounts for half of the total loan portfolio, which somehow makes the sector vulnerable to shocks.
- The non-bank depository corporations (NBDCs), known as non-banking financial institutions, Ansar-VDP Unnayan Bank, and Karma Sangsthan Bank, provided the loans between 2014 and 2017, according to the Bangladesh Bank (BB)'s latest study report.
- The study revealed the banking sector has been the major source of household debt, accounting for around 70% of such loans. The remaining 30% has been provided by the NBDCs.
- After some initial rise, household debt as a%age of (nominal) GDP has remained almost stable since 2015 and stood at 7.6% in 2017. The ratio was lower than that of India (11%) and Sri Lanka (7.9%) and much lower than the countries.

<http://today.thefinancialexpress.com.bd/first-page/household-debt-makes-up-half-of-non-banks-total-portfolio-1548006599>

Bangladesh Bank (BB) to lodge case in US this month: Kamal (Finance Minister)

- The central bank will file a lawsuit with a New York (NY) court within this month to recover the money, stolen a couple years bank from the country's reserve held with the Federal Reserve Bank of New York (NY Fed).

- Currently, USD 66.0 million or more than 60% of the USD101 million money, stolen in one of the largest cyber heists of the world, still remains out of recovery.

- The two lawyers will take the decision as to who will be the defendant and who will be the plaintiff in the case.

<http://today.thefinancialexpress.com.bd/first-page/bb-to-lodge-case-in-us-this-month-kamal-1548006805>
<https://www.dhakatribune.com/business/2019/01/20/finance-minister-bangladesh-bank-to-file-case-with-ny-court-by-this-month>

Government cuts tax, duty on ATM, CCTV parts

- The government has offered tax and duty benefits on import of various parts for producing and assembling ATM machine and CCTV camera in the Hi-tech Park at Kaliakoir in Gazipur.

- Customs Duties (CD) on import of parts have been reduced to 1.0% and 10% from the existing variable rates of up to 25%.

- Import of ATM machine and CCTV camera parts has been exempted from payment of Value Added Tax (VAT), Regulatory Duty (RD) and Supplementary Duty (SD).

- ATM machine, laptop and mobile phone will be produced in the Hi-Tech Park.

<http://today.thefinancialexpress.com.bd/first-page/govt-cuts-tax-duty-on-atm-cctv-parts-1548006652>
<https://www.thedailystar.net/business/news/duty-cuts-atm-cctv-camera-assembly-1690414>
<http://www.newagebd.net/article/62430/duty-benefits-for-atm-cctv-camera-making>

Banks blame influential quarter for rising bad loans

- Habitual and influential defaulters are the main barriers to bringing down delinquent loans in the state-owned commercial banks, according to the assessment of the lenders.

- In the first 11 months of 2018, classified loans in the six state-run banks -- Sonali, Janata, Agrani, Rupali, Bangladesh Development and BASIC -- escalated by BDT 112.97 billion to BDT 486.23 billion.

- Sonali Bank said that 52.33% of its outstanding default loans of BDT 128.11 billion were stuck with the top 100 defaulters. The majority of the defaulters are habitual and they have been continuing to show unwillingness to return the depositors' money.

- Some defaulters fled the country, forcing the lender to face difficulties in recovering classified loans.

<https://www.thedailystar.net/business/banking/news/banks-blame-influential-quarter-rising-bad-loans-1690438>

Farm loan disbursement drops by 4.87% in July-December

- Farmers' loan receipt from banks dropped by 4.87% or BDT 5.24 billion in the first half of

the fiscal year of 2018-2019 compared with that in the same period of the previous fiscal year.

- State-run, private and foreign banks disbursed BDT 102.31 billion in farm loans in July-December of FY19 against BDT 107.55 billion they had disbursed in the same period of FY18.

- In the first half of FY18, the banks had managed to disburse 52.72% of the target for the entire fiscal year but their loan disbursement in the first half of FY19 dropped to 46.93% of the annual target.

- Banks were going through a cash crisis as they had to comply with the advance deposit ratio set by the central bank last year with the March, 2019 deadline, which made the banks cautious in disbursing farm loans.

<http://www.newagebd.net/article/62428/farm-loan-disbursement-drops-by-487%-in-jul-dec>

Adani Wilmar to invest USD 400 million in Mirsarai Economic Zone

- Adani Wilmar Limited, a joint venture of India and Singapore-based two companies, is set to invest USD 400 million in Bangabandhu Sheikh Mujib Industrial City in Chattogram region to establish agro-based factories.

- Bangabandhu Sheikh Mujib Industrial City will manufacture import-substitute food items in 11 industrial units on 100 acres of land and create 3,550 employments.

- They are now investing for 100 acres of land, though they wanted only 50 acres at the initial stage.

- The multinational business conglomerate will establish factory, administration building, warehouse, logistic yard Effluent Treatment Plant (ETP), road, drainage system, other utilities and necessary infrastructures here.

<http://today.thefinancialexpress.com.bd/trade-market/adani-wilmar-to-invest-400m-in-mirsarai-economic-zone-1548001386>

China to provide USD 72.5 million grant for welfare projects

- China will provide a grant of RMB 500 million or approximately USD 72.57 million to Bangladesh under an agreement on economic and technical cooperation.

- The grant shall be utilised for welfare projects such as disaster management and bridge construction.

- China would continue its support in developing Bangladesh's economy. They would jointly push forward construction of three more "friendship bridges" in Bangladesh, bringing the total to 11.

- Ongoing ones include construction of China-Bangladesh Friendship Exhibition Center at Purbachal, a burn unit at Chattogram Medical College, rescue equipment for fire service and flood management.

<https://www.thedailystar.net/business/news/china-provide-725m-grant-welfare-projects->

[1690402](#)

Coal import from India comes to a sudden halt

- Coal import from India's Meghalaya state to Bangladesh has stopped following an order of the Supreme Court in the neighbouring country. The coal import was supposed to continue till January 31 but came to a halt suddenly on January 15.
- The SC of India on Tuesday banned the transportation of coal in the state until the next hearing on February 19.
- Following a case filed by the Indian National Green Tribunal stating that the coal mines in Meghalaya are not maintaining rules, the SC, in 2014, ordered to stop mining in the state. Since then, coal import from Meghalaya has become irregular.
- Many coal-laden trucks bound for Bangladesh have been stranded on the Indian side. The value of the stranded coal was about BDT 1 billion.

<https://www.thedailystar.net/business/news/coal-import-india-comes-sudden-halt-1690396>

Bangladesh (BD) Foreign Direct Investment (FDI) flow up despite global decline in 2018

- The flow of foreign direct investment (FDI) into the country recorded substantial rise in 2018 with China becoming the top contributor. The development came in contrast to the decline in global inflow of FDI last year.
- Net inflow of FDI into the country, according to the Bangladesh Bank data, was USD2.26 billion during the January-September period of 2018. The figure represented a 51.62 % increase in FDI inflow over that of corresponding period of 2017. A total of USD1.49 billion FDI flowed into the country during the first nine months of 2017.
- China became the top source of FDI in Bangladesh as net inflow of FDI from the second largest economy of the world reached USD812.15 billion in the first nine months of 2018 due to big Chinese investment in the power sector.

<http://today.thefinancialexpress.com.bd/first-page/bd-fdi-flow-up-despite-global-decline-in-2018-1548093196>

Bangladesh Bank (BB) steps up monitoring as farm loan disbursement falls by 5.0%

- The central bank has strengthened monitoring and supervision as the first half (H1) of this fiscal year (FY) has witnessed a fall in the disbursement of agriculture loans by nearly 5.0 %.
- The Bangladesh Bank (BB) is set to meet with senior officials of 30 local and foreign private banks today (Tuesday) to know about their 'action plan' for the second half (H2) of FY 2018-19.
- The agriculture loan disbursement came down to BDT 102.31 billion in the July-December period of FY '19 from BDT 107.56 billion in the same period of the previous fiscal.

- All the banks have achieved nearly 47 % of their annual agricultural loan disbursement target for FY '19. The target has been fixed at BDT 218 billion. The central bank has asked the eight state-owned banks to continue their efforts to achieve the target by the end of this fiscal.

<http://today.thefinancialexpress.com.bd/trade-market/bb-steps-up-monitoring-as-farm-loan-disbursement-falls-by-50%-1548091918>
<http://www.newagebd.net/article/62482/loan-disbursement-to-smes-drops-6%-in-9-months>

Bangladesh Telecommunication Regulatory Commission (BTRC) to launch mobile phone handset database

- The telecom regulator is launching a database of information on mobile phone handsets to prevent theft and illegal import.
- It will be possible to recover stolen mobile phones once the database is launched.
- The other details of the services such as how the users will be able to know whether their handsets are on the database will be revealed during the launch.
- Any SIM other than the one specified with the handset will no longer work on it.
- There are an estimated 30 million illegal handsets in Bangladesh.

<http://today.thefinancialexpress.com.bd/last-page/btrc-to-launch-mobile-phone-handset-database-1548093654>
<https://www.thedailystar.net/business/news/imei-database-opens-today-1691068>
<http://www.newagebd.net/article/62481/imei-database-to-be-inaugurated-today>

Chittogram customs to introduce Pre-Arrival Processing System (PAPS) for expediting trade flow

- Chittagong Customs House will introduce Pre-Arrival Processing System (PAPS) to expedite the flow of trade as well as check smuggling of contraband goods into the country through the Chittagong Port.
- The PAPS will come into effect on July 1, 2019. And the present system in which the Import General Manifest (IGM) and Bill of Entry (BE) are to be submitted will cease to exist from the day one of the upcoming financial year (2019-20).
- The importers will require to submit their IGMs as soon as a vessel with import consignments leaves the port of departure.
- They have already taken up a project involving BDT 24 billion for the implementation of customs modernisation scheme. Under the project, they are going to install fixed scanner machines at all 12 gates of the Chittagong Port by June 2020

<http://today.thefinancialexpress.com.bd/trade-market/ctg-customs-to-introduce-paps-for-expediting-trade-flow-1548092293>

National Board of Revenue (NBR) issues guideline for customs houses

- The National Board of Revenue (NBR), for the first time, has issued a guideline on auction

and destruction of confiscated goods by the customs houses.

- Unreleased or smuggled goods will be auctioned and demolished by the customs houses in accordance with the NBR's prescribed guideline. The NBR Customs Wing issued a gazette notification in this connection on January 10 last.
- The new guideline has incorporated disposal procedures of all types of goods, including perishable goods, import-prohibited goods, unreleased imported goods, and confiscated and seized goods following allegation of smuggling.
- People can participate in the auction from anywhere through the e-auction process. E-auction must be conducted through e-auction software on Bangladesh Customs website.

<http://today.thefinancialexpress.com.bd/first-page/nbr-issues-guideline-for-customs-houses-1548093331>
<http://www.newagebd.net/article/62480/nbr-frames-integrated-disposal-procedures>

Mobile phone assembly picks up momentum

- Local handset plants churned out 2.3 million units in 2018, with the government's policy that compelled importers to set up plants in the country looking to bear fruit.
- So far five plants have started rolling, while a good number of local and international brands are in the process of setting up new factories, thanks to the duty structure designed to discourage imports.
- The assembly line rolled very slowly initially, but it picked up pace later on, so much that Walton fully stopped importing handsets.
- Some defaulters fled the country, forcing the lender to face difficulties in recovering classified loans. They are now fully dependent on their factory's production

<https://www.thedailystar.net/business/news/mobile-phone-assembly-picks-momentum-1691104>

BDT 18.93 billion projects await nod

- Eight projects are likely to be placed in today's Ecne meeting, in what can be viewed as a return to normal order following the flurry of project approvals in the three months to the 11th general elections.
- The projects that are set to get the green light in the meeting, the first under the new government, involve a total of BDT 18.93 billion.
- The most notable one among the projects is the construction of a four-lane road to reduce traffic jam and accidents on the roads to Chattogram and Sylhet from the capital. The 5.4 kilometre-long four-lane will be from Jatrabari (Mayor Hanif Flyover) to Demra (Sultana Kamal Bridge), with 8.44 km-long service lane on both sides of the road.
- At least 82 projects, involving BDT 887.82 billion, have been approved in October.

<https://www.thedailystar.net/business/news/BDT-1893cr-projects-await-nod-1691065>

Inflation slightly eases to 5.35% in December

- According to the Bangladesh Bureau of Statistics (BBS), the general point to point inflation rate was 5.37% in November, 2018, 5.40% in October and 5.43% in September.
- According to the data of the Bangladesh Bureau of Statistics (BBS), the point to point food inflation slightly declined to 5.28% in December last which was 5.29% in November. The point to point non-food inflation rate also declined slightly to 5.45% in December from 5.49% in November.
- The national wage index rate witnessed a 6.18% growth in December with 159.88 points against 6.26% growth in November with 159.28 points.
- The average year-to-year rate of inflation from January 2018 to December 2018 declined to 5.55%, which was 5.70% from January 2017 to December 2017.

<https://www.dhakatribune.com/business/2019/01/22/inflation-slightly-eases-to-5-35-in-december>

Bangladesh to become 3rd fastest growing economy in world in 2019

- Bangladesh will be the third fastest growing economy in the world in terms of achieving high Gross Domestic Product (GDP) in 2019, according to a United Nations report.
- The report titled World Economic Situation and Prospects put Bangladesh only behind South Sudan and India. Bangladesh will expand at 7.4% this year, while India at 7.6%, and South Sudan to grow at a staggering rate of 8%, it said.
- Economic growth is expected to be supported by private consumption and, in some cases, investment demand, even as monetary policy stances tighten in some economies. Despite the increase observed for inflation figures throughout 2018 due to the depreciation of domestic currencies and higher oil prices, inflation is expected to accelerate only moderately or to remain stable in most economies in the near term.
- Focusing on global economy, the report of the UN said urgent and concrete policy action is needed to reduce risks to the global economy and secure the foundations for stable and sustainable economic growth.

<https://www.dhakatribune.com/business/2019/01/22/bangladesh-to-become-3rd-fastest-growing-economy-in-world-in-2019>

Banks' CSR spend sees sudden rise

- Private banks' spending on corporate social responsibility (CSR) schemes for disaster management purposes witnessed a whopping 162 % year-on-year rise last year.
- The expenditure aimed at distributing blankets and warm clothes for winter-stricken people hit BDT 4.80 billion in 2017-18, up from BDT 1.83 billion in 2016-17, according to Bangladesh Bank data.
- Islami Bank Bangladesh, the largest private lender in the country, spent the highest—BDT 647.7 million—for disaster management in the first half of last year while Exim Bank became second with BDT 256.0 billion.

- Banks can spend 30 % of their profit for education, 20 % for health and 10 % for climate risk. The expenditure will be participatory, not mandatory, according to the Bangladesh bank guideline.

<https://www.thedailystar.net/business/news/banks-csr-spend-sees-sudden-rise-1691374>
<http://today.thefinancialexpress.com.bd/first-page/bpdb-chinese-co-to-build-150mw-plant-1548178215>

China company to build 150MW plant in Syedpur

- China-based Dongfang Electric Corporation (DEC) is going to construct a 150-megawatt power plant at Syedpur at a cost of BDT 10.01 billion.
- Mina Masud Uzzaman, secretary to Power Development Board (PDB), and Luo Zhigang, president of DEC, one of the world's largest power generating equipment manufacturers and international project contractors, signed an agreement in this regard at the Power Division yesterday.
- The corporation will act as a contractor to build the plant by June 2019.
- The location of the power plant was decided as part of measures to bring a regional balance in power generation.

<https://www.thedailystar.net/business/news/china-company-build-150mw-plant-syedpur-1691365>

July-October raw material imports rise 12%

- Import of industrial raw materials increased by nearly 12 % during the July-October period in 2018 compared to the corresponding period of the previous year.
- The rise in import was because of the fast growth in local investments.
- Economists attributed the increase in investment to political and economic stability that prompted the business community to invest more in the country.
- Raw material import showed positive growth, meaning that the existing companies were not facing problems with their business.
- The opening of the LCs, generally known as import orders for raw materials increased by 11.72 % compared to the same period in 2017. On the other hand, the opening of LCs for capital machinery imports went down to USD1599.18 million during the same period in 2018 from 2017's USD1942.30 million.

<http://today.thefinancialexpress.com.bd/last-page/jul-oct-raw-material-imports-rise-12%-1548178853>

Production target depresses apparel workers

- Additional working hours and pressures for hitting production targets are causing workers of the USD30.6 billion readymade garments (RMG) industry to suffer from several ailments, including illnesses and depression.

- Meanwhile, workers claimed that extra working hours is another burden for them, which leaves them in terrible physical and mental condition afterwards.

- After the recent unrest, the factory management increased workload due to losses in production

- Over the years, workers have realized that increased workload and extra working hours are set by factory owners in the name of early shipment or as buyers' demands

<https://www.dhakatribune.com/business/2019/01/22/production-target-depresses-apparel-workers>

Triple-cropping soars 83.0% in 17 years

- Triple-cropped land which means lands where farmers cultivate three times a year, have almost doubled in the country in the last 17 years, signifying a vibrant agricultural production scenario.
- Entry of the private sector in developing and selling various hybrid seeds has largely contributed to the rise in share of such lands.
- Farmers used triple-cropping practice on 1.818 million hectares of land in financial year (FY) 2016-17, up from 0.993 million hectares in FY 1999-2000, registering a hike of 83 %, according to the Bangladesh Bureau of Statistics (BBS) survey.
- Single-farming areas declined to 2.2 million hectares from 4.0 million hectares.
- The private sector's share in seed business was less than 6.0 % in 2000, but the figure has now reached over 22 %.

<http://today.thefinancialexpress.com.bd/trade-market/triple-cropping-soars-83%-in-17-years-1548175367>

Bangladesh Telecommunication Regulatory Commission (BTRC) launches NAID to curb illegal import of mobile phone handsets

- The long awaited NOC Automation and IMEI Database (NAID) for mobile phones was inaugurated on Tuesday in a bid to tackle the rampant illegal shipments of handsets in the country.
- The users will now be able to check just by sending an SMS whether their handsets were legally imported.
- While the share of illegally imported handsets stood at around 20 % just a year ago, it has increased to 30 % by the year 2018.
- M Every year, around 2.5 million grey market handsets worth over BDT 30 billion enter the country. It is also estimated that the government is losing BDT 1.2 billion in revenue because of the illegally imported handsets.

<http://today.thefinancialexpress.com.bd/trade-market/btrc-launches-naid-to-curb-illegal-import-of-mobile-phone-handsets-1548175418>

Import duty on motherboard raw materials to be 1.0%

- The government would issue statutory regulatory order soon by slashing to one % the duty on import of raw materials for motherboard manufacturing.
- Up to 90 % taxes were applicable on the import of a number of ingredients required for manufacturing of motherboard in the country. Due to the huge taxation, importing motherboards was cheaper rather than manufacturing those, which discouraged the production of motherboard in the country.
- The cut of duty would help the country's laptop, desktop, tab and smartphone manufacturers as well as pave the country's way for becoming a manufacturing hub of digital devices.

<http://www.newagebd.net/article/62597/import-duty-on-motherboard-raw-materials-to-be-1%>

Philippines wants to import more medicines from Bangladesh

- The Philippines has expressed its interest to import more medicines from Bangladesh.
- The Southeast Asian country also expressed its willingness to invest in some sectors, including agro processing and leather sectors.
- Bangladesh earns only USD 7.0 million through exporting medicines to the Philippines, but it has a potential to export more according to the secretariat office of the minister.
- In the financial year 2017-2018, Bangladesh exported goods worth over USD 47.04 million to the Philippines and the imports from that country stood at USD 8.07 million.

<http://today.thefinancialexpress.com.bd/trade-market/philippines-wants-to-import-more-medicines-from-bd-1548265443>

Industrial default loans soar 39.5%

- Banks' default loans in the industrial sector soared 39.50% to BDT 436.20 billion as of September 2018, as industrialists continue to dodge the Bangladesh Bank (BB) for undue favour.
- The amount of default loans was up from BDT 312.70 billion during the same period of previous fiscal year.
- According to central bank data on industrial default loans, the state-owned commercial banks accounted for 44.91%, private commercial banks 42.46%, foreign banks 1.67%, non-banking financial institutions 8.76% and specialized banks had 2.20%, at the end of September 2018.
- During the July-September period of the current 2018-19 fiscal year, the total amount of industrial loan disbursement was BDT 944 billion.

<https://www.dhakatribune.com/business/2019/01/23/industrial-default-loans-soar-39-5>

USD 100 billion garment export possible by 2024

- Bangladesh will be able to export USD 100 billion worth of garment items by 2024 as the international apparel retailers are placing an increasing number of work orders.
- By 2021, when Bangladesh will also celebrate its 50th anniversary, we will be able to export garment items worth USD 50 billion.
- Last fiscal year, garment shipments fetched USD 30.61 billion.
- Bangladesh is in the second position in garment exports globally after China.

<https://www.thedailystar.net/business/news/100b-garment-export-possible-2024-1692091>

Financial services ease hassles

- Four commercial banks and a leading mobile financial service provider are taking part in this year's Dhaka International Trade Fair to serve the visitors of the annual showcase.
- Namely, two state-run banks Sonali and Janata, two private banks Islami Bank Bangladesh and Dutch-Bangla Bank Ltd (DBBL) and bKash participated.
- Corporate clients and others deposit BDT 1.0 million as value-added tax on an average every day through the branch of Sonali Bank at the fair
- Janata Bank receives around BDT 5.0 million in deposits on an average every day during the month-long expo. The amount rises on Fridays and Saturdays.
- Dutch Bangla bank's daily cash deposit collection hovers between BDT 7.0 million to BDT 10 million during the trade show.
- bKash, the largest mobile financial service provider in Bangladesh, is offering cash back to customers where they can enjoy 50 % cash back on the prices of entry ticket brought through the app or the USSD channel *247# of bKash or through DITF's online portal.

<https://www.thedailystar.net/business/news/financial-services-ease-hassles-1692085>

Government plans to develop new coalmines by state-run companies

- The government is planning to develop new coalmines on its own, breaking the decade-old stalemate over the issue.
- The coalmines will not be leased out to any foreign or local private sector company or their joint venture (JV) for exploration. Rather the government itself will develop the coalmines employing the services of the relevant state-run entities.
- Currently, the country has five coalmines, but coal extraction is limited to only one coalmine at Barapukuria in Dinajpur, utilising the underground coalmining method.
- The country currently has only three coal-fired power plants having the total generation capacity of only 524 MW, against the total installed capacity of 17,685 MW.
- Bangladesh has around 2.0 billion tonnes of coal reserves in five coalmines across the

country, which is equivalent to 70 TCF of gas. Of the total coal reserves, Barapukuria coalmine has 390 million metric tonnes (mmt) of coal, Phulbari has 572 mmt coal, Khalaspir has 143 mmt, Dighipara has 400 mmt, and Jamalganj has 1,053 mmt of coal in different depths under ground level.

<http://today.thefinancialexpress.com.bd/first-page/govt-plans-to-develop-new-coalmines-by-state-run-companies-1548266068>

National Board of Revenue (NBR) tax receipt falls BDT 69.76 billion short of target in July-December

- Slow implementation of the annual development programme has taken a heavy toll on income tax collection by National Board of Revenue in the first half (July-December) of the current fiscal year (2018-19).
- Slow disbursement of allocation under the ADP put a negative impact on income tax collection from the sector in July-December, causing a shortfall of BDT 69.76 billion in the overall income tax collection.
- Tax officials managed to collect BDT 284.56 billion in income tax in July-December of FY19 against the target of BDT 354.32 billion set for the period.

<http://www.newagebd.net/article/62693/nbr-tax-receipt-falls-BDT-6976cr-short-of-target-in-jul-dec>

Cabinet body approves 590MW power plant in Chattogram

- The Cabinet Committee on Public Purchase on Wednesday approved a total of six proposals, including one to set up a 590 MW power plant in Chattogram under the private sector.
- A proposal of the Power Division was approved to allow a consortium of three companies -- one Bangladeshi and two from China -- to establish the 590 MW Combined Cycle Power Plant in Anwara of Chattogram.
- State-owned Bangladesh Power Development Board (PDB) will purchase electricity from the plant for over 22 years at a levelised tariff of US Cent 3.6867 per unit (kilowatt hour) which is equivalent to BDT 2.9493 when it will be running with natural gas.
- But the tariff will be charged at US Cent 6.8043, equivalent to BDT 5.4435, per unit when it will be running using imported RLNG.

<http://today.thefinancialexpress.com.bd/last-page/cabinet-body-approves-590mw-power-plant-in-chattogram-1548266756>

<https://www.thedailystar.net/business/news/govt-build-590mw-plant-anwara-1692079>

Electronic waste disposal rules on the cards

- The government is framing rules to ensure proper management of electronic waste (e-waste) such as handsets, computers and electrical items, which tend to be dumped haphazardly, posing risks to the environment and public health.
- The growth rate of e-waste generation is about 20 % per year.

- The amount of e-waste rose to 0.4 million tonnes in 2018 from 0.13 million tonnes in 2010. The volume is projected to be 4.62 million tonnes by 2035.

- Manufacturers and assemblers of the devices will have to collect e-waste either for reuse or destruction during production of electrical and electronic goods and ensure delivery of the e-wastes to the registered repairers, dismantlers and recyclers.

<https://www.thedailystar.net/business/news/electronic-waste-disposal-rules-the-cards-1692100>

BDT 9.0 billion disbursed under capital market refinancing scheme

- The disbursement of BDT 9.0 billion has finally been completed under the capital market refinancing scheme initiated after 2010-11 stock market debacle to reduce sufferings of 'affected' investors.
- In August 2013, the state-run Investment Corporation of Bangladesh (ICB) received BDT 3.0 billion as the first installment of the refinancing scheme from the central bank. Later, the rest of the fund worth BDT 6.0 billion was disbursed through two installments.
- 35 merchant banks and brokerage firms have received the fund worth BDT 9.0 billion against the portfolios of 36,481 affected investors.
- Of other borrowers, BRAC EPL received above BDT 567.60 million, ICB above BDT 566.70 million, NBL Securities above BDT 265.40 million, Janata Capital and Investment above BDT 407.80 million, and Fareast Stocks & Bonds above BDT 187 million.
- BSEC identified some 954,000 investors, who are eligible for the loan facility, in line with the guidelines set for the capital market refinancing scheme.

<http://today.thefinancialexpress.com.bd/stock-corporate/BDT-90b-disbursed-under-capital-market-refinancing-scheme-1548265060>

Locally assembled electric cars to hit streets soon

- Nitol Motors is set to come with a locally-assembled electric vehicle by next year, in yet another big stride for Bangladesh's fledgling automotive industry. An electric vehicle uses chemical energy stored in rechargeable battery packs instead of fossil fuel to propel it.
- Globally, electric car market share is on the rise: at the end of 2018 it stood at 4.6 %, almost double from what it was in 2017.
- Nitol's model, which will be called Suvare, will be the size and feel of regular cars and will cost about BDT 1.2 million. The maximum speed of the car will be 150 kilometres (km) per hour.

- The vehicles will be assembled at a plant spanning 10 acres in Pabna. The plant, which will cost BDT 3.50 billion, will have the capacity to assemble 20,000 units per year. Initially, about 5,000 units of only one model will be assembled.

- With half an hour's charge Suvare can run 200 km, according to Ahmad. The battery capacity will be 25 kilowatt per hour and it will cost only BDT 170 to fully charge it each time

as per present power tariff.

<https://www.thedailystar.net/business/news/locally-assembled-electric-cars-hit-streets-soon-1692118>

Important News: Capital Market

Stockbrokers seek liquidation rules for delisted firms

- Dhaka Stock Exchange Brokers Association has requested market regulator Bangladesh Securities and Exchange Commission to set liquidator with the task of liquidating a delisted company, paying back its loans and buying back its public shares.
- DBA mentioned that India's market regulator, Securities and Exchange Board of India, has regulations to liquidate delisted companies and keep the companies' sponsors away from the capital market for a specific period of time.
- Former BSEC chairman said if BSEC could not bring in liquidation law immediately, it should find out other options to force the companies' sponsors to buy back shares at least at face value before delisting.

<http://www.newagebd.net/article/62307/stockbrokers-seek-liquidation-rules-for-delisted-firms>

Foreign exchange market going through volatility

- The foreign exchange market has been going through volatility owing of the extending demand-supply gap of US dollars. To stabilize the foreign exchange market, Bangladesh Bank has continued to sell dollars to banks.
- The inter-bank exchange rate of the USD stood at BDT83.95, up from BDT78.88 two years earlier, increasing almost by BDT6.
- To stabilize the foreign exchange market, the central bank has sold USD 1.22 billion to banks this fiscal year, as of January 14, 2019.
- The devaluation of the local currency puts pressure on the liquidity market as the settlement of letters of credit will require more money.

<https://www.dhakatribune.com/business/2019/01/19/foreign-exchange-market-going-through-volatility>

IDLC to raise bond issue size to BDT 7.55 billion

- IDLC Finance has now decided to increase the issue size of its non-convertible zero coupon bond to BDT 7.55 billion from BDT 5.0 billion.
- Earlier on November 25, the board of directors of the non-bank financial institution decided to issue the zero coupon bonds of BDT 5.0 billion in face value.
- The denomination of the bonds is BDT 1.0 million each with tenure up to five years.
- The IDLC Finance will issue the bond only through private placement.

<http://today.thefinancialexpress.com.bd/stock-corporate/idlc-to-raise-bond-issue-size-to-BDT-755b-1547745237>

Nine shares downgraded to 'Z' category

- Nine listed companies were downgraded to "Z" category in 2018 because of their poor performance, which inflicted losses on the retail investors who are holding their shares.
- The companies are Emerald Oil Industries, Tung Hai Knitting & Dyeing, Fareast Finance & Investment, AB Bank, Eastern Cables, Padma Islami Life Insurance, Evince Textiles, Northern Jute Manufacturing Company, and GBB Power.
- They were downgraded for failing to recommend dividends, remaining out of operation for more than six months, or failing to hold annual general meetings (AGMs).

<https://www.thedailystar.net/business/news/nine-shares-downgraded-z-category-1689127>

Agrani seeks BDT 20 billion in sovereign guarantee

- Agrani Bank has sought sovereign guarantee worth BDT 20 billion to maintain its required risk-based capital adequacy.
- According to the managing director, banks need to maintain an additional capital conservation buffer to comply with the Basel-III Guidelines,
- The risk-based capital of banks found to be much lower than required.

<http://today.thefinancialexpress.com.bd/first-page/agrani-seeks-BDT-20b-in-sovereign-guarantee-1547832838>

MI Cement looks to expand production capacity

- The board of directors of MI Cement Factory Ltd., which produces Crown brand cement, has decided to expand its production capacity.
- The company will set up its 6th cement unit at Muktagachha in Munshiganj at a cost of BDT 6.0 billion.
- The new production line with a capacity of 8,400 tonnes per day is expected to go into commercial operation by 2021.
- After completion of the new unit, the total production capacity of the company would increase by 76% to 19,400 tonnes per day from 11,000 tonnes.

<http://today.thefinancialexpress.com.bd/stock-corporate/mi-cement-looks-to-expand-production-capacity-1547828803>

AMCL (Pran) sees steady growth

- Agricultural Marketing Company Ltd. (Pran) posted a steady growth in revenue earnings in last five fiscal years (FYs).
- The revenue was above BDT 1.88 billion in 2014-15, above BDT 2.09 billion in 2015-16, above BDT 2.38 billion in 2016-17 and above BDT 2.53 billion in 2017-18.

- According to directors' report, the company ensured optimisation of equipment usage to maximise actual production to keep consumers' faith 'intact'.
- The dividend disbursed by the AMCL (Pran) remained static during last five FYs. The company's board of directors declared recommended 32% cash dividend for the year ended on June 30, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/amcl-pran-sees-steady-growth-1547912838>

Lub-ref brings in fuel efficient, green techs

- Lub-ref (Bangladesh) Ltd., manufacturer of BNO lubricants, has introduced two new technologies related to engine and transfer oil aiming to increase fuel efficiency, enhance engine lifetime and improve performance.
- The two technologies, called 'Naphthenic-based Transformer Oil' and 'Nano Technology in lubricants' have been developed in cooperation with two European companies.
- The rapid industrial development in coming days, the country will need more advanced and power efficient engine oil.
- Lub-ref MD said BNO as a Bangladeshi brand is providing world class lubricants to the country's industrial, power and automobile sector.

<http://today.thefinancialexpress.com.bd/trade-market/lub-ref-brings-in-fuel-efficient-green-techs-1548001411>
<https://www.thedailystar.net/business/news/lub-rref-brings-nanotech-lube-1690387>
<https://www.dhakatribune.com/business/2019/01/20/lub-rref-bangladesh-launches-eco-friendly-lubricants>

Pearl Paper plans to raise BDT 400 million from stock market

- Pearl Paper and Board Mills, a unit of BGD-Magura Group, has planned to raise BDT 400 million from the capital market using the fixed price method.
- The company has decided to float 40 million ordinary shares at an offer price of BDT 10 each for raising the said amount for business expansion.
- The initial public offering (IPO) proceeds will be used for purchasing machinery, repay partial bank loans and bearing the IPO expenses.
- Magura Group has also planned to bring other concern in the capital market in near future.

<http://today.thefinancialexpress.com.bd/stock-corporate/pearl-paper-plans-to-raise-BDT-400m-from-stock-mkt-1548090160>

Four fined BDT 51.0 million stock manipulation

- The Bangladesh Securities and Exchange Commission (BSEC) yesterday decided to fine four investors and their associates BDT 51.0 million for manipulating shares of Bangladesh Autocars and Legacy Footwear.

- The accused are: Abdul Kayum and his associates; Moinul Haque Khan and his associates; Mahfuz Alam; and Md Azimul Islam and his associates. And in so doing, they violated two sections of the Bangladesh Securities and Exchange Commission ordinance, 1969, according to the statement.

- Between May and August last year, the price of each share of Legacy Footwear rose four times to BDT 272 and Bangladesh Autocars three times to BDT 456, which prompted the regulator to suspend their trading.

- Also at yesterday's meeting, which was chaired by BSEC Chairman Khairul Hossain, it was decided that Bangladesh Autocars and Legacy Footwear will now be traded at the main market instead of the spot market.

<https://www.thedailystar.net/business/news/four-fined-BDT-51cr-stock-manipulation-1691368>