

Capital Market Overview

The market closed in green this week. The benchmark index DSEX (+0.05%) gained 2.56 points and closed the week at 5,133.26 points. The blue-chip index DS30 (+0.36%) gained 6.61 points and stood at 1,836.19 points. The shariah based index DSES (-0.21%) lost 2.41 points and stood at 1,173.73 points. DSEX, DS30 and DSES all posted negative YTD return of -4.69%, -2.37% and -4.79% respectively.

Total Turnover During The Week (DSE): BDT 20.0 billion (USD 240.4 million)
Average Daily Turnover Value (ADTV): BDT 4.0 billion ($\Delta\%$ Week: +22.1%)

Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a negative movement of 1.89% in the first session and continued to be negative in the second sessions by -1.34%. Market corrected itself in the third session by +2.25% and stayed flat in the fourth session by -0.01%. Market ended with a positive movement of 1.10%.

Sectoral Performance:

- The financial sectors showed mixed performance during this week. Mutual funds experienced the highest gain of +14.08% followed by NBFIs (+1.28%) and Banks (+0.83%). Life Insurance posted the highest loss of 1.31% followed by General Insurance (-0.95%).
- The non-financial sectors posted mixed performance during this week. Power experience the highest gain of 1.96% followed by Food & Allied (+1.37%) and Pharmaceuticals (+0.78%). Telecommunication posted the highest loss of 1.40% followed by Engineering (-1.06%).

Macroeconomic arena:

- The daily average transaction through mobile financial service (MFS) increased by 16.9% or BDT 1.97 billion in May this year due to increased money flow before Eid-ul-Fitr, one of the biggest religious festivals of the Muslims. The daily average transaction through MFS increased to BDT 13.62 billion in May from BDT 11.17 billion in the previous month. The number of active MFS accounts also rose by 10.5% to 32.1 million in May from 29.1 million in the previous month.
- The manufacturers of pharmaceutical products and suppliers of petroleum products have to pay VAT at 2.4% and 2.0% respectively following introduction of a VAT-inclusive calculation method. The retail prices of these two types of products at the consumers' level will be VAT inclusive as per the method explained in a guideline. The government kept these two special rates of VAT, 2.0% and 2.4%, unchanged for the products in the new VAT law. In the new law, there are four rates of VAT - 5.0, 7.5, 10 and 15% - for all the products, except these two.
- Private sector credit growth hit 6-year low in June this year amid rising liquidity crisis in the country's banking sector due to soaring non-performing loans and poor deposit growth. The private sector credit growth slumped to 11.29% in June, well below the BB target to reach 16.5% credit growth by the month. The growth rate in June was the lowest since June, 2013 when it was 11.04%. The public sector credit growth, however, soared to 19.15% in June.
- The government borrowing from the banking system more than doubled in the outgoing fiscal year (FY) to partly finance its budget deficit. Its borrowing from the banking system rose to BDT 264.46 billion as on June 30 last from BDT 117.31 billion in the same period of the previous fiscal year. Decreasing trend in sales of national savings certificates in the month of May has also contributed to push up the bank borrowing of the government.

Stock Market arena:

- The central bank has asked some 20 banks to boost their investments in stocks to help revamp the country's ailing capital market. A BB official said it is a "moral persuasion" not directive but the central bank will closely monitor the overall development. The banks have the scope for investing more in listed securities in line with the existing rules and regulations.
- The telecom regulator will not give any kind of approval to Grameenphone and Robi to roll out new package or service or import network equipment as it looks to pile pressure on the operators to clear their dues. And if the operators have already imported any equipment the customs authority will have to take permission from the telecom regulator before releasing them.
- A consortium of three local and foreign companies signed deals with the government entities here on Wednesday to implement the country's biggest 584 megawatt (MW) combined cycle power plant. Unique Hotel and Resorts Ltd has 64.98% stake in the power plant project, while the GE has 30% and Strategic Finance has 4.95% stakes.

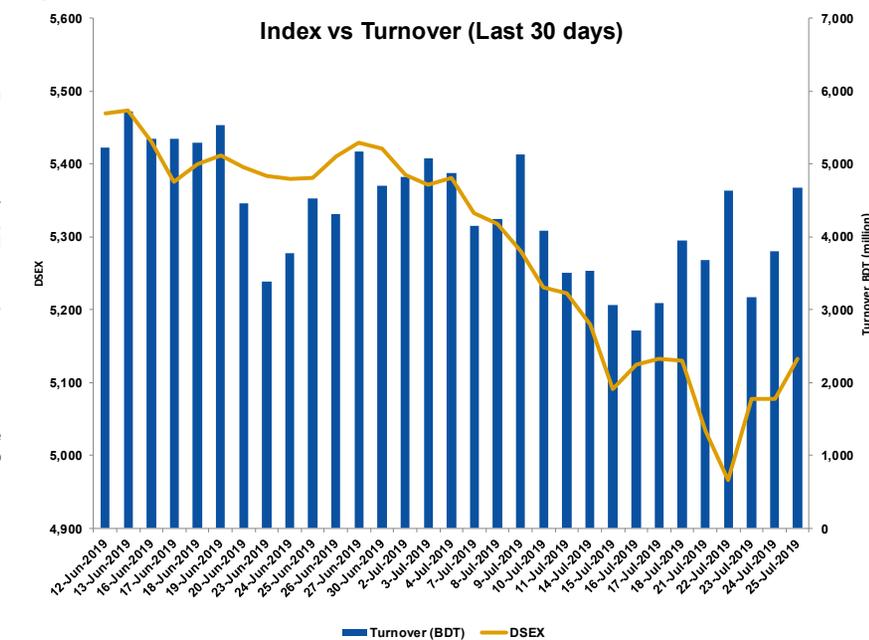
Table 1: Index

Index	Closing	Opening	Δ (Pts)	27-Dec-2018	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	5,133.26	5,130.70	2.56	5,385.64	0.05%	-4.69%
DS30	1,836.19	1,829.58	6.61	1,880.78	0.36%	-2.37%
DSES	1,173.73	1,176.14	-2.41	1,232.82	-0.21%	-4.79%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	18,934,809.0	19,098,831.2	-0.9%
	Mn USD	227,773.5	229,746.6	
Turnover	Mn BDT	19,984.2	16,367.7	22.1%
	Mn USD	240.4	196.9	
Average Daily Turnover	Mn BDT	3,996.8	3,273.5	22.1%
	Mn USD	48.1	39.4	
Volume	Mn Shares	792.8	601.4	31.8%

Figure 1: DSEX & Turnover in last four weeks



Associate:
Md. Rafiqul Islam
mrafiqulislam@bracepl.com

Associate:
Md. Mahirul Quddus
mmahirul.quddus@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
SEML FBLSL Growth Fund	44.40	27.80	59.7%	3,238.7	4.67	NM	4.4x
SEML IBBL Shariah Fund	16	10.20	58.8%	1,620.0	9.65	NM	1.6x
Phoenix Finance 1st Mutual Fund	10.30	6.60	56.1%	618.0	134.47	NM	0.9x
First Finance Limited	5.10	4.00	27.5%	592.7	1.85	NM	0.7x
ICB AMCL First Agrani Bank Mutual Fund	9.70	7.70	26.0%	952.1	154.22	NM	1.0x
Prime Bank 1st ICB AMCL Mutual Fund	8.00	6.40	25.0%	800.0	58.50	NM	0.7x
ICB Employees Provident MF 1 Scheme 1	6.90	5.60	23.2%	517.5	39.29	NM	0.6x
SEML Lecture Equity Management Fund	12.50	10.20	22.5%	625.0	157.80	NM	1.2x
ICB AMCL 2nd MF	8.90	7.50	18.7%	445.0	49.29	NM	0.6x
NCCBL Mutual Fund - 1	8.30	7.00	18.6%	900.6	11.61	NM	0.7x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Meghna Pet Industries	9.30	11.30	-17.7%	111.6	.50	NM	NM
BIFC	2.50	2.90	-13.8%	251.7	1.09	NM	NM
Heidelberg Cement	203.30	229.80	-11.5%	11,487.2	20.71	16.4x	2.4x
Pragati Life Insurance	110.40	124.70	-11.5%	1,694.8	37.33	NM	11.0x
Desh Garments	154.90	173.70	-10.8%	1,030.1	6.33	36.5x	8.2x
Meghna Condensed Milk	14.90	16.60	-10.2%	238.4	.92	NM	NM
BD Autocars	190.20	211.10	-9.9%	822.8	64.92	117.9x	49.6x
Zeal Bangla Sugar Mills	31.90	35.30	-9.6%	191.4	.42	NM	NM
Gemini Sea Food	220.30	243.20	-9.4%	940.5	20.60	NM	20.6x
Stylecraft Limited	504.30	553.00	-8.8%	2,546.2	50.15	58.5x	8.1x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Fortune Shoes Limited	40.00	39.90	0.3%	4,997.4	820.31	20.5x	3.0x
United Power Generation & Distribution Company Ltd	395.10	376.70	4.9%	189,287.3	693.98	25.5x	13.3x
Square Pharmaceuticals	250.00	254.80	-1.9%	197,252.1	518.79	16.2x	3.2x
Bangladesh Shipping Corporation	53.90	49.50	8.9%	8,221.6	419.61	53.1x	0.5x
National Life Insurance Company Ltd.	258.50	262.20	-1.4%	28,052.9	412.05	NM	25.9x
Beacon Pharmaceuticals Limited	22.60	21.60	4.6%	5,220.6	383.04	29.8x	1.8x
Sinobangla Industries	75.20	68.20	10.3%	1,503.7	363.72	42.5x	3.4x
Sea Pearl Beach Resort & Spa Limited	35.90	36.20	-0.8%	3,590.0	327.95	NM	3.4x
Monno Ceramic	141.80	142.20	-0.3%	4,631.4	299.65	21.6x	2.0x
Federal Insurance	15.40	15.70	-1.9%	1,041.9	297.84	24.8x	1.4x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Pragati Insurance	37.20	42.67%	2,440.0	11.7x
Marico Bangladesh Limited	1,653.70	37.79%	52,091.6	27.5x
Power Grid Co. of Bangladesh Ltd.	58.00	20.83%	26,733.0	8.3x
Singer Bangladesh	203.20	19.42%	20,259.6	22.4x
Pioneer Insurance	34.10	17.18%	2,386.3	8.4x
Dutch-Bangla Bank	67.20	16.34%	33,600.0	11.0x
Eastern Bank	37.30	13.97%	30,280.1	9.7x
Eastern Housing	52.10	11.80%	4,863.3	14.7x
IFIC Bank	10.00	11.01%	16,198.7	8.9x
BATBC	1,298.10	9.96%	233,658.0	25.1x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1431.70	1419.98	1848.21	0.83%	-22.54%
NBFIs	1835.38	1812.22	2714.85	1.28%	-32.39%
Mutual Funds	869.19	761.89	788.81	14.08%	10.19%
General Insurance	1905.65	1923.94	1592.30	-0.95%	19.68%
Life Insurance	2249.89	2279.86	1834.85	-1.31%	22.62%
Telecommunication	4548.53	4613.10	6494.31	-1.40%	-29.96%
Pharmaceuticals	2720.64	2699.65	2821.05	0.78%	-3.56%
Fuel & Power	1922.17	1885.21	1527.27	1.96%	25.86%
Cement	1368.09	1384.58	2280.58	-1.19%	-40.01%
Services & Real Estate	996.14	1009.14	1224.11	-1.29%	-18.62%
Engineering	2868.91	2899.68	3166.83	-1.06%	-9.41%
Food & Allied	16174.32	15956.40	15304.34	1.37%	5.68%
IT	1722.96	1735.15	1484.41	-0.70%	16.07%
Textiles	1297.70	1323.81	1222.72	-1.97%	6.13%
Paper & Printing	6919.35	7172.36	1013.11	-3.53%	582.98%
Tannery	2445.56	2433.16	2642.41	0.51%	-7.45%
Jute	15134.14	15481.44	8867.22	-2.24%	70.68%
Ceramics	448.00	445.97	597.46	0.46%	-25.02%
Miscellaneous	1964.50	1952.31	1725.62	0.62%	13.84%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	249.3	211.8	17.72%	6.57%	9.4x	0.8x
NBFIs	94.5	92.3	2.45%	2.49%	69.5x	1.8x
Mutual Funds	441.9	206.8	113.70%	11.65%	NM	0.7x
General Insurance	455.5	503.5	-9.55%	12.00%	14.3x	1.2x
Life Insurance	134.6	127.4	5.58%	3.55%	NM	9.3x
Telecommunication	89.2	101.6	-12.13%	2.35%	12.0x	9.4x
Pharmaceuticals	476.3	340.5	39.89%	12.55%	19.0x	2.5x
Fuel & Power	334.1	221.0	51.14%	8.80%	12.7x	2.2x
Cement	33.0	27.0	22.34%	0.87%	27.2x	2.5x
Services & Real Estate	103.9	94.5	9.92%	2.74%	NM	0.8x
Engineering	337.0	329.2	2.36%	8.88%	14.6x	1.7x
Food & Allied	104.8	92.8	13.03%	2.76%	28.1x	9.5x
IT	58.0	43.7	32.69%	1.53%	21.5x	2.7x
Textiles	325.0	307.5	5.68%	8.56%	17.4x	1.0x
Paper & Printing	14.0	12.6	10.59%	0.37%	21.8x	1.8x
Tannery	200.0	216.1	-7.43%	5.27%	20.4x	2.7x
Jute	8.6	6.2	37.38%	0.23%	NM	6.9x
Ceramics	74.6	65.9	13.21%	1.97%	17.3x	1.7x
Miscellaneous	260.3	189.4	37.44%	6.86%	25.9x	1.1x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
International Leasing	6.80	-47.88%	1,508.3	3.7x
United Airways (BD) Ltd.	1.60	-44.83%	1,325.0	NM
Heidelberg Cement	203.30	-39.26%	11,487.2	16.4x
IFAD Autos Limited	70.70	-34.78%	17,532.9	12.5x
Aftab Automobiles	32.20	-29.85%	3,082.6	16.1x
ACI Limited	250.00	-23.36%	12,472.3	NM
Lankabangla Finance	17.70	-22.71%	9,083.3	9.5x
AB Bank	9.40	-21.67%	7,126.4	NM
RAK Ceramics Limited	31.50	-19.23%	12,255.5	14.2x
Beximco Limited	19.30	-17.87%	16,913.0	11.9x

Important News: Business & Economy

Private sector credit growth hits 6-year low

- Private sector credit growth hit 6-year low in June this year amid rising liquidity crisis in the country's banking sector due to soaring non-performing loans and poor deposit growth. As per the latest Bangladesh Bank data, the private sector credit growth slumped to 11.29% in June, well below the BB target to reach 16.5% credit growth by the month. The growth rate in June was the lowest since June, 2013 when it was 11.04%.
- The public sector credit growth, however, soared to 19.15% in June, against the BB monetary policy target of 10.9. BB officials said that the banks squeezed loan disbursement to private sector as they were failing to recover defaulted loans and collecting deposit. They said that the government's heavy borrowing from banking sector in June, the last month of the previous financial year 2018-2019, to complete its annual development programme also affected loan disbursement to private sector.
- Experts expressed their concern regarding the slow private sector credit growth as it might affect the country's economic growth. Bankers and BB officials said that the liquidity crisis in the country's banking sector also worsened as depositors heavily bought national savings certificates because of higher interest rate.

<http://www.newagebd.net/article/79542/private-sector-credit-growth-hits-6-yr-low>

Government borrowing from banks more than doubled last fiscal

- The government borrowing from the banking system more than doubled in the outgoing fiscal year (FY) to partly finance its budget deficit, officials said on Wednesday. Its borrowing from the banking system rose to BDT 264.46 billion as on June 30 last from BDT 117.31 billion in the same period of the previous fiscal, according to the Bangladesh Bank (BB)'s confidential report. The bank borrowing of the government, however, was lower than both original and revised targets for FY 2018-19, they added. Earlier, the government slashed its bank borrowing target to BDT 308.95 billion for the FY '19 from the original target at BDT 420.29 billion, according to the budget documents.
- Higher revenue shortfall has forced the government to borrow more from the banking system to meet the budget deficit particularly for implementation of mega projects, they explained. The National Board of Revenue (NBR) had faced BDT 0.66 trillion shortfall against its revised target for the outgoing fiscal year, according to the provisional figures. Faster execution of the Annual Development Programme (ADP) during the May-June period of the FY '19 also pushed up the government's bank borrowing, the official explained.
- Besides, decreasing trend in sales of national savings certificates in the month of May has also contributed to push up the bank borrowing of the government, according to the official. Net sales of national savings instruments fell by 1.33% to BDT 32.58 billion in May 2019 from over BDT 33 billion in the same month of 2018, the official figures showed.

<http://today.thefinancialexpress.com.bd/first-page/govt-borrowing-from-banks-more-than-doubled-last-fiscal-1563990976>

Government to buy gas from international oil companies (IOCs) at Asian rate

- The government will buy gas from international oil companies (IOCs) at the Asian market

rate from now, in a departure from its previous stance to purchase it at only fixed rates. The purchase price from onshore IOCs will be about USD 6.5 per thousand cubic feet and from offshore IOCs about USD 7.25. But this is an indicative price. The actual price will be what is prevailing in the Asian market when we go out to purchase, the finance minister told reporters after the meeting at the secretariat. Under the existing model, the government purchases gas at USD 2.9 per cubic feet from onshore IOCs. There is no rate for offshore IOCs, but in the PSC model used in 2014 the price for offshore IOCs was: USD 5 for shallow water and USD 6.5 for deep sea, according to energy ministry officials.

- Because of the shortcomings in the existing model, the government found no IOCs interested in offshore when it placed tenders, according to the minister. We will soon float tenders to award offshore blocks, he added.

<https://www.thedailystar.net/business/news/govt-buy-gas-iocs-asian-rate-1776580>

No VAT on pharma, petroleum products at consumers' end

- The manufacturers of pharmaceutical products and suppliers of petroleum products have to pay VAT at 2.4% and 2.0% respectively following introduction of a VAT-inclusive calculation method by the National Board of Revenue (NBR). The retail prices of these two types of products at the consumers' level will be VAT inclusive as per the method explained in a guideline. The government kept these two special rates of VAT, 2.0% and 2.4%, unchanged for the products in the new VAT law. In the new law, there are four rates of VAT - 5.0, 7.5, 10 and 15% - for all the products, except these two.
- Officials said the new process of VAT calculation would not leave any impact on prices of petroleum and pharmaceutical products. Pharmaceutical companies and suppliers of the petroleum products will pay the VAT at marketing and trading stages, not at the consumers' end.
- However, there is VAT at a rate of 15% on import and production stage of petroleum products such as diesel, kerosene, octane, petrol and furnace oil. Also, there is VAT at a rate of 15% at the production stage of pharmaceuticals products.

<http://today.thefinancialexpress.com.bd/trade-market/no-vat-on-pharma-petroleum-products-at-consumers-end-1563902530>
<http://www.newagebd.net/article/79426/vat-on-pharma-items-included-in-retail-prices-nbr-says>

Bangladesh Bank asks banks to target bond market as source of fund

- The central bank has asked non-bank financial institutions (NBFIs) to create alternative sources of fund through boosting the bond market in Bangladesh. The central bank also warned the NBFIs against returning any cheque unpaid for retaining clients' confidence as the lenders sought policy support to improve their liquidity position, according to meeting sources. The regulator's warning came few days after announcement of liquidation of People's Leasing and Financial Services Limited (PLFSL).
- Excepting few, most of the banks felt shy of dealing with NBFIs to avoid possible risks, according to insiders in the banking sector. Some NBFIs were facing extra pressure on liquidity following banks' shyness to do transactions with them, they explained. Now the situation started improving gradually, according to the market operators.

• A senior BB official said the BB, the Ministry of Finance (MoF), National Board of Revenue (NBR) and Bangladesh Securities Exchange Commission (BSEC) already started making concerted efforts to develop the bond market. Besides, a move was already taken to withdraw tax on zero coupon bonds, the central banker added.

<http://today.thefinancialexpress.com.bd/trade-market/bb-asks-banks-to-target-bond-market-as-source-of-fund-1563902503>

<http://www.newagebd.net/article/79428/nbfis-seek-bb-support-to-stop-banks-deposit-withdrawal-spree>

<https://www.dhakatribune.com/business/banks/2019/07/23/bb-asks-nbfis-not-to-dishonor-depositors-cheques>

High Court questions legality of Bangladesh Bank circular

• The High Court (HC) on Tuesday issued a rule questioning the legality of a Bangladesh Bank (BB) circular, which offered special privileges for loan defaulters. The court asked the BB and the Finance Ministry to explain within 10 days as to why the circular should not be declared illegal. On May 16, the BB issued the circular allowing defaulting borrowers to reschedule loans by paying a 2.0% down payment for a maximum period of 10 years. The defaulters were also given the scope to avail a 'one time exit' facility by clearing all dues within 360 days after getting the approval by the banks concerned.

• Earlier on July 8, the Appellate Division had sent the petition to the bench for disposal in two months. On that day the Division had also halted for two more months the HC order that had restricted the loan defaulters from enjoying the privileges. However, the apex court, in its order, barred these defaulters from getting fresh loans from any bank during the period.

<http://today.thefinancialexpress.com.bd/first-page/hc-questions-legality-of-bb-circular-1563903989>

Bangladesh slips one notch to sixth position: Study

• Bangladesh has slipped one point to the sixth position as a sourcing destination for US-based apparel and fashion companies in 2019 despite the fact that the majority of buyers surveyed have expressed interest to increase their sourcing from the country, according to a latest survey. Ongoing trade uncertainty coupled with a 20% hike in sourcing cost from Bangladesh, Vietnam and India, the main alternative destinations to China, are being pointed out as the biggest concerns by the US fashion industry executives.

• Bangladesh is the sixth top sourcing destination with 60% usage among respondents, said the '2019 Fashion Industry Benchmarking Study.' In 2018 and 2016, Bangladesh remained the fifth sourcing destination while seventh in 2017, the report revealed. China remained the top destination (100% of respondents), Vietnam (86%) and India (86%) are top three most-utilized sourcing destinations, followed by Indonesia (71%), Cambodia (63%), Bangladesh (63%) and the Philippines (57%).

<http://today.thefinancialexpress.com.bd/last-page/bd-slips-one-notch-to-sixth-position-study-1563904489>

<http://www.newagebd.net/article/79433/80pc-of-us-brands-retailers-want-to-expand-sourcing-from-bangladesh>

Bangladesh Bank fixes e-wallet transaction ceiling

• Bangladesh Bank (BB) has fixed the ceiling of e-wallet transactions under payment service provider except Mobile Financial Service (MFS). For personal e-wallet account, the maximum deposited money will be Taka 400,000, according to a BB circular issued on Tuesday. In the account, the person can deposit maximum Taka 100,000 daily and maximum Taka 400,000 monthly. E-wallet account holder can transfer Taka 100,000 daily and Taka 400,000 monthly to bank account or person to person account. But, the maximum transaction ceiling will not be applicable for the other transactions - person to business, business to person or business to business - under personal account and non-personal account.

<http://today.thefinancialexpress.com.bd/last-page/bb-fixes-e-wallet-transaction-ceiling-1563904771>

<http://www.newagebd.net/article/79430/transaction-limit-thru-psps-e-wallet-hiked>

<https://www.dhakatribune.com/business/regulations/2019/07/23/e-wallet-transaction-limit-doubles>

Local firm to set up USD 200 million plant to make electric vehicle

• Local automobile company Bangladesh Auto Industries Ltd (BAIL) is all set to make electric vehicles from next year with an initial investment of USD 200 million. The facilities, civil work and utility connection of the proposed plant on a 100-acre of land at the Mirsarai economic zone in Chattogram will be completed by December this year, the managing director of BAIL said. He also added that they will install the manufacturing equipment by March next year and the manufacturing will begin in June.

• BAIL will manufacture two-wheelers, three-wheelers, sedan, hatchback and sport utility vehicle (SUV) and has plans to produce pick-ups, mini-trucks and multipurpose vehicles. Of the planned USD 200 million investment, 80% will be sourced locally, while the rest will enter the country as a foreign direct investment. The total investment for the project will reach USD 1 billion within the next five years, he again said. Leading local telecom service provider Mango Teleservices Ltd holds a majority share in BAIL established in November 2017.

• The managing director of BAIL said that foreign partners from the US, China, India and Italy will provide technical and expert support for the facility. The plant will manufacture almost 60% of the component of the vehicles, including lithium battery, motor, controller, software platform, chassis and body. Internationally acclaimed designers have designed the initial EV models for BAIL. The company will sell an SUV at BDT 2.5 million, sedan at BDT 12 million to BDT 15 million, hatchback at BDT 8 million or even less. The price of the motor cycles will be BDT 50,000 to BDT 0.15 million.

<https://www.thedailystar.net/business/news/local-firm-set-200m-plant-make-electric-vehicle-1776208>

PLFS liquidator seeks asset list

• The liquidator of People's Leasing and Financial Services (PLFS) on Monday asked the existing management to provide him with affidavit information on the company's assets and liabilities by July 27. It means the management has three working days as July 26 and 27 comprise a weekend. The High Court gave Bangladesh Bank the go-ahead on July 14 to appoint a liquidator for the non-bank financial institution (NBFI). A deputy general manager of the central bank's financial institutions department, was then appointed as the liquidator.

- On June 27, the finance ministry first instructed the central bank to shutter the NBFIs, a first for Bangladesh's financial sector, for its failure to improve its conditions. Previously two banks, the Bank of Credit and Commerce International alongside Oriental, were restructured, but not liquidated, for being on their last legs. Liquidation of the PLFS means closing its operations permanently and the BB, with the court's permission, will take steps to settle liabilities by selling off its assets.

- Some 15 banks and NBFIs have BDT 8.50 billion stuck in the PLFS. There are another 6,000 accounts of individuals in the company. Investors who have 68% stakes in the PLFS are in uncertainty over whether and how they will get back their money, amounting to nearly BDT 2.00 billion based on the present market value.

<https://www.thedailystar.net/business/news/plfs-liquidator-seeks-asset-list-1776193>

Volume of non-performing loans (NPLs) in state-owned banks (SoBs) shrinks in Q2: Finance Minister

- The volume of non-performing loans (NPLs) in the state-owned banks (SoBs) declined in the second quarter of the calendar year 2019, finance minister said quoting provisional figures. According to the minister, the volume of NPL in Sonali Bank came down to 25.5% in April-June compared to 29.35% in March. In Janata Bank, the NPL declined to 35% in June from 43.97% in March while in Agrani Bank the NPL went down to 14.5% in June against 16.65% in March. The NPL in Rupali Bank fell to 17% in June from 18.15% in March and in Bangladesh Krishi Bank, the NPL declined to 17% in June compared to 18.46% in March.

- The minister said the interest rate of bank loans will be brought down to a single-digit in line with declaration made by the Prime Minister. He said in Bangladesh the interest rate is not calculated in simple method rather in compound method. Due to compounding calculation the rate goes up, he said. The minister said the interest should be calculated in simple method.

<http://today.thefinancialexpress.com.bd/first-page/volume-of-npl-in-sobs-shrinks-in-q2-1563816681>

<https://www.thedailystar.net/business/banking/news/npl-state-banks-didnt-rise-kamal-1775569>

<https://www.dhakatribune.com/business/banks/2019/07/22/mustafa-kamal-reiterates-single-digit-lending-rate>

<http://www.newagebd.net/article/79378/sobs-bad-loan-falling-said-mustafa-kamal>

Bangladesh Bank (BB) asks banks to monitor BDT 1.0 billion classified loan A/Cs

- The Bangladesh Bank (BB) has asked the scheduled banks to reduce their volume of classified loans through strengthening monitoring of such loan accounts amounting to BDT 1.0 billion and above. Under the latest measure, all the banks will have to form special monitoring cell, headed by the deputy managing director (DMD) concerned, to monitor the loan accounts amounting to BDT 1.0 billion and above, according to a notification, issued by the BB on Monday.

- The special monitoring cell will have to submit 'quarterly statement of classified loans amounting BDT 1.0 billion and above' to the board concerned, mentioning progress of

recovering such loans. The central bank also included a prescribed format of the quarterly statement with the notification. Both the management and the board of a bank will be responsible for recovering such loans through due implementation of the notification, according to the BB official.

- The volume of non-performing loans (NPLs) soared by more than 18% to BDT 1,108.73 billion in the first quarter (January-March) of the current calendar year from BDT 939.11 billion in the previous quarter, the BB data showed.

<http://today.thefinancialexpress.com.bd/last-page/bb-asks-banks-to-monitor-BDT-10b-classified-loan-acs-1563817226>

<https://www.thedailystar.net/business/banking/news/form-cells-monitor-large-default-loans-1775551>

<http://www.newagebd.net/article/79330/banks-asked-to-form-cell-to-recover-BDT-100cr-plus-defaulted-loan>

<https://www.dhakatribune.com/business/banks/2019/07/22/bb-asks-banks-to-form-special-cell-to-monitor-top-defaulters>

Exporters get a boost

- Exporters will now be able to issue the certificate of origin to enjoy the generalized system of preferences (GSP) facility in the European Union, instead of relying on the Export Promotion Bureau (EPB) for the document. This will save time and cut cost for exporters, said Commerce Minister, according to a statement. This will allow exporters to enjoy the GSP benefit quickly after sending a shipment. The minister said exporters would be able to issue the certificate because of the introduction of the registered exporter system (the Rex system).

- He handed over the Rex number to 10 exporters at the programme. About 6,000 exporters will receive the Rex number gradually, the statement said. The transition period from the current system of origin certification to the Rex system started for Bangladesh on January 1 this year and will last until December 31 this year, according to the European Commission website. Exporters will have to apply to become registered exporters by filling in an application form and by returning it to the EPB.

- According to the commerce ministry statement, the new system was introduced in line with the rules of the World Trade Organization. Local exporters have long been demanding the introduction of the Rex system. Under the new system, exporters will bear all the responsibilities for the exports, while the EPB will supervise it.

<https://www.thedailystar.net/business/export/news/exporters-get-boost-1775566>

Lower lending rate to single digits

- The central bank has once again instructed banks to lower their lending rate to single digits as per instruction of the government and as committed by the sponsors of the lenders. Banks should follow the directive on maintaining a 9% lending rate and 6% deposit rate in line with the promises made by the Bangladesh Association of Banks (BAB), a platform of the sponsors of private banks, last year, the central bank said at a meeting yesterday. Banks have a responsibility to implement the agreed rate as the BAB has given its word to the government to do so, the chairman of the Association of Bankers said.

- In 2017, banks cut down the interest rate on lending to single digits, helping the

government keep up the growth momentum of the economy. They can do it again, but all stakeholders should respond to this end, said also the managing director of Dhaka Bank. The spokesperson and an executive director of the central bank, said the BB was now monitoring whether banks follow the 6-9% interest rates.

- The chairman of the Association of Bankers said that the central bank had also asked to lower the default loans and follow banking norms for the betterment of the financial sector. Default loans may decline in the second quarter this year. A majority of banks have informed the central bank that their non-performing loans have decreased significantly during the period. Currently, lending rates range between 12% and 15% and deposit rates hover around 10%.

<http://www.newagebd.net/article/79249/banks-tell-bb-single-digit-rates-not-possible-now>
<https://www.thedailystar.net/business/banking/news/lower-lending-rate-single-digits-1775068>

Bank Asia's agent banking deposits cross BDT 10.00 billion

- Bank Asia's deposits in agent banking have recently crossed the BDT 10.00 billion mark, further consolidating the bank's position in the sector. Bangladesh Bank has so far given agent banking licences to 21 banks but 19 has so far rolled out their service. Of them, Dutch-Bangla Bank and Bank Asia are leading the pack with a combined market share of 78%. Introduced in 2016, agent banking allows the underserved population to take limited scale banking and financial services by way of authorised agents.

- Usually, the owners of the village stores conduct banking transactions -- such as cash deposits and withdrawals, loans and remittance disbursement -- on behalf of a bank. As of March, total deposits through agent banking stood at BDT 37.34 billion, according to data from the BB. In 2018, BDT 31.12 billion was received by way of agent banking, up from BDT 13.99 billion a year earlier.

- The volume of NPLs climbed by more than 18% to BDT 1,108.73 billion in the first quarter (Q1) of the year from BDT 939.11 billion in the previous quarter, the BB data showed. The banks and NBFIs have been empowered to write off a loan amounting to BDT 0.20 million instead of BDT 50,000 earlier on without filing lawsuit for recovery.

<https://www.thedailystar.net/business/banking/news/bank-asias-agent-banking-deposits-cross-BDT-1000cr-1775056>

Bangladesh becomes top destination for scrapped ships

- Bangladesh has become the top destination for scrapped ships in the world with bringing the highest number of such vessels in the first half of the current year, according to a global coalition. During the period, a total of 374 ships were broken in the world and some 156 of them were dismantled in Bangladesh causing irreversible damage to both human health and the environment, according to the data released by NGO Shipbreaking Platform (NSP).

- The number of ship breaking during January to June of 2019 grew by 67.74% from 93 vessels dismantled in Bangladesh in 2018, the data showed. India imported a total of 116 scrapped ships during the first half of 2019, down from 172 in the January-June period of 2018, according to the data. Turkey dismantled 47 ships, followed by Pakistan 16, European Union 11 and China 6.

- Terming the current shipbreaking practices in Bangladesh 'dirty and dangerous', the Platform said poor enforcement of national and international environmental and labor laws causes irreparable damage to the environment, workers and local communities. The group in a statement has also blamed a lack of implementation of safety measures by the authorities and workers' inability to get appropriate protective equipment for major causes behind the accidents. The president of Bangladesh Ship Breakers Association ruled out the allegation of employers' negligence.

<http://today.thefinancialexpress.com.bd/trade-market/bd-becomes-top-destination-for-scrapped-ships-1563724810>

<http://www.newagebd.net/article/79141/bangladesh-scraps-record-156-ships-in-6-months-despite-concerns>

Non-life insurers can give maximum 15% commission

- The insurance regulator has asked the non-life insurance companies to strictly enforce maximum 15% agent commission on their business procurement from next month (August). The Insurance Development and Regulatory Authority (IDRA) has issued a circular regarding the matter in the first week of this month to stop uneven competition in one of the key financial sectors. It is alleged that many insurance firms offer even 80% agent commission for increasing their business volume. A portion of the commission goes to the parties concerned, and the remaining goes to the bank employees or agents.

- In 2012, the IDRA also issued a circular, setting 15% as maximum commission ceiling, but the decree has been largely violated by many firms. However, this time the insurance regulator has asked the non-life insurance firms to stipulate three bank accounts they maintain to procure business and disburse commission as part of monitoring implementation of the order. Besides, the non-life firms will have to submit monthly statements of their transactions to the IDRA. The insurance industry insiders think that this time the regulator's move may come into effect, as all the relevant parties are working to this end.

<http://today.thefinancialexpress.com.bd/trade-market/non-life-insurers-can-give-maximum-15pc-commission-1563553720?date=20-07-2019>

Bangladesh Industrial Finance Company Limited's (BIFC) financial indicators suffer setback: Auditor

- The auditor has given 'qualified' opinion on the financial statement of the Bangladesh Industrial Finance Company Limited (BIFC), saying the company's financial indicators have suffered a serious setback. According to basis of the auditor's qualified opinion, the BIFC had continuous shortfalls in provision during the years from 2015 to 2018. In 2018, the company made a provision of BDT 578.44 million against the required amount of BDT 801.73 million. As a result, the provision shortfall stood at over BDT 223.29 million.

- The auditor observed that the company's total equity becomes negative because of net loss incurred during the last three years and investment made in shares as of 31 December 2018. The auditor also said a huge amount of loans and leases are classified as 'bad and loss' and there was only 1.30% recovery in 2018, although legal processes are underway to recover the amount. The auditor also could not confirm actual liability position of some loan balances worth BDT 2.32 billion as the company was unable to provide them with 14 loan statements from different banks. Mentioning the net loss incurred for last three years, the

auditor cast significant doubt over the company's ability to continue as a going concern.

<http://today.thefinancialexpress.com.bd/stock-corporate/bifcs-financial-indicators-suffer-setback-auditor-1563639712>

Bangladesh Bank (BB) bent on 9-6% interest rates

- The central bank is adamant about having 9% and 6% interest rates respectively for lending and deposits in the banking sector, slapping the 46 errant banks with warning letters recently. The higher rates are not acceptable given the commitment made by the sponsors of private banks in August last year, the Bangladesh Bank said in the letter on July 8 to 46 banks whose interest rates are well above the specified rates.
- In August last year, the managing directors and chairmen of all banks reached a consensus at a meeting with the then finance minister to set 9% and 6% interest rates respectively for lending and deposits. As per the decision, the BB had instructed all banks in December last year to implement the new rates. But many did not follow the instruction. Now, the central bank has decided to crack its whip on the banks. The issue will be discussed again today at the quarterly meeting of all banks' managing directors at the central bank headquarters.
- But economists and bankers said the BB's demand will deteriorate the sector's financial health. This time the liquidity crunch in the banking sector is more intense than last year, said the executive director of Policy Research Institute. As of April, the excess liquidity in the banking sector stood at BDT 667.60 billion, down 12.60% from December last year and 8.23% a year earlier, according to data from the central bank. Depositors will shy away from banks if they get returns as low as six%, he said. Instead, many will park their funds with the capital market or the real estate and some may even turn to money laundering.
- Already, savers are opting for government savings tools because of their higher yield in comparison to banks' deposit products, he said. The interest rate of the national savings instrument ranges from 11.04% to 11.76% while banks offer a maximum of 7-8.50%. In June, the interest rates on both lending and deposit of 31 banks exceeded the 9-6% bounds, according to data from the central bank. Some 12 banks failed to offer the 9% interest rate on lending, while four banks' offered more than 6% interest for deposits.

<https://www.thedailystar.net/business/news/bb-bent-9-6pc-interest-rates-1774681>

Pharma exports soar 26%

- Bangladesh's medicine exports soared 25.60% year-on-year to USD 130 million last fiscal year thanks to continuous improvement of product quality and government support. The sector has built up skilled manpower and improved quality and at the same time more effort is being put to win the global market, said the managing director of ACME Laboratories. For this reason, the export volume is increasing. The export figure though is insignificant. But the sector has a good potential in the global market, he added.
- Local players dominate Bangladesh's pharmaceutical industry. Square Pharmaceuticals is the major player with 18.8% share, followed by Incepta at 10.2%, Beximco 8.5%, Opsonin 5.6%, Renata 5.1% and Eskayef 4.5%, according to the Bangladesh Association of Pharmaceuticals Industries (BAPA). According to BAPA, Bangladesh exports pharma products to 144 countries and caters to 97% of the domestic market. Bangladesh mainly exports medicine to Africa and Asia, with some even going to the US and Europe, said the

vice-chairman of the Export Promotion Bureau.

- Local consumption of medicine is increasing in line with the rise in population and growing awareness on treatment, the vice-chairman of the Export Promotion Bureau said. Currently, Bangladesh has the ability to produce advanced medicines such as bio-similar drugs, vaccines and oncology products as well as medical devices, said the managing director of Beacon Pharmaceuticals. They do export oncology products to Sri Lanka, Nepal, Myanmar, Singapore, Malaysia and African countries. But volume is still low -- they should to grab the regulated market to increase the volume, he added. According to his estimates the market size of the sector is about BDT 220 billion.

<https://www.thedailystar.net/business/news/pharma-exports-soar-26pc-1774678>

Transaction through Mobile Financial Service (MFS) rises by 16.9% in May

- The daily average transaction through mobile financial service (MFS) increased by 16.9% or BDT 1.97 billion in May this year due to increased money flow before Eid-ul-Fitr, one of the biggest religious festivals of the Muslims. This year Eid-ul-Fitr was celebrated on June 4. According to Bangladesh Bank data, the daily average transaction through MFS increased to BDT 13.62 billion in May from BDT 11.17 billion in the previous month. The number of active MFS accounts also rose by 10.5% to 32.1 million in May from 29.1 million in the previous month.
- Officials of the MFS operators said that many readymade garment factories had distributed festival allowances along with salaries to their workers through MFS before Eid-ul-Fitr, increasing the average transaction. The number of daily average transaction through MFS accounts grew by 5.9% or 0.42 million, taking the total number of transaction to 7.46 million in May from 70.45 in April. The BB data showed that salary disbursement through MFS increased by 55.3% to BDT 12.44 billion in May from BDT 8 billion a month ago.
- Expatriates' remittance sending through the mobile financial service in May rose to BDT 267.1 million, 74.9% higher than the BDT 152.7 million remitted through MFS in April. The government's payments through MFS surged by 53.9% to BDT 3.23 billion in May from BDT 2.1 billion a month ago. Cash-in and cash-out — the two most popular services of MFS — grew by 18.6% and 15.3% respectively in May this year.

<http://www.newagebd.net/article/78991/transaction-thru-mfs-rises-by-169pc-in-may>

Ready Market Garments (RMG) exports witness double-digit growth in non-traditional markets

- Export of Bangladesh made apparel items registered double digit growth in the non-traditional markets, excepting Brazil and Turkey, in the just concluded fiscal year, data revealed. High duty and absence of continuous efforts have been blamed for failure to grab the Brazil market - largest among the South American markets, industry people said. According to them, Australia, Brazil, Chile, China, India, Japan, Korea, Mexico, Russia, South Africa and Turkey are the 11 prospective markets beyond the three traditional export destinations of USA, European Union and Canada. A high-powered Bangladesh delegation, comprising representatives from the government and businesses, will visit Brazil next month mainly to tap the export potentials in the common market of South American trade block of Brazil, Argentina, Uruguay and Paraguay, commerce ministry officials said.
- RMG (readymade garment), including knit and woven, exports to the non-traditional

markets grew by 21.77% to USD 5.68 billion in the FY of 2018-19, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA) data. The export growth to the 11 prospective markets, except Brazil and Turkey, ranges from 13% to 79% during the fiscal year, it showed. The export of Bangladeshi made garment grew by 1.34% to USD 160 million to Brazil while it declined in Turkey market by more than 27% to USD 189.86 million in the last fiscal. About 17% of the country's total USD 34.13 billion RMG exports shipped to the non-traditional markets, said the BGMEA president.

<http://today.thefinancialexpress.com.bd/trade-market/rmg-exports-witness-double-digit-growth-in-non-traditional-markets-1563471200?date=19-07-2019>

10 ridesharing companies get license

• Bangladesh Road Transport Authority (BRTA) has so far issued license to 10 ridesharing companies after they started registering app services on July 01 this year. The registration began 18 months after the guidelines were formulated for ridesharing services in the country. The companies who got enlistment certificates included Pickme Limited, Pathao, Obhai, Chaldal, Computer Systems, Akash Technology, Ezzyr Technologies Limited, Segesta Limited, Shohoz Limited and Uber Bangladesh Limited.

• According to BRTA, Probahon Limited and Buddy Limited also applied for certificates, but they were yet to get approval. Earlier, some other companies like Golden Reign Limited, Rider Rideshare Enterprise Inc Limited and Akij Online Limited applied for certificates, but not on-line. The companies who would fail to show 100 vehicles on their fleet would not get certificates even after getting approval, said Wasim Uddin, an official of BRTA involved with the licensing process.

<http://today.thefinancialexpress.com.bd/last-page/10-ridesharing-cos-get-licence-1563641346>

Cheap labor edge won't last long: Planning Commission

• With Bangladesh heading towards achieving the middle-income country status, local enterprises must find alternative path to stay competitive in the global market, the Planning Commission said. In the unfolding industrial universe of the future, Bangladesh firms will face stark reality that competitive advantage founded on low labor cost cannot be guaranteed for all time, a draft of the second Perspective Plan of Bangladesh (2021-2041), prepared by the Commission noted. The report also said local companies will have to focus on innovation to maintain competitive edge instead of relying on traditional advantages that have paid off so far.

• Bangladesh is scheduled to graduate to the developing country status by 2024 from the club of poorer countries. The country has also set a target to attain high income country (HIC) status by 2041. The draft said the East Asian economies like Korea and Taiwan, which crossed the high-income threshold, acquired characteristics including the macro-economic stability, high shares of trade in GDP, heavy investment in people, and strong competition among firms. Bangladesh has already some of these characteristics, and will have to focus on acquiring the rest, especially on investment in people and skill development, it said.

<http://today.thefinancialexpress.com.bd/first-page/cheap-labour-edge-wont-last-long-1563558507?date=20-07-2019>

Government to set up firm to fund startups

• The government is set to form a specialized firm to fund and nurture startups and ICT entrepreneurs under the Innovation Design and Entrepreneur Academy of the ICT division with the view to encouraging innovative ventures in Bangladesh. All the preparatory work and formalities have been completed a few months back, the state minister of the ICT division. The proposal will be placed in the next cabinet meeting. The government has targeted to set the wheels rolling for about 1,000 startups.

• To be called Startup Bangladesh Company Limited, the firm's paid-up capital would be BDT 5.00 billion. Its initial target would be to provide BDT 1.0 million each as seed money to about 200 local startups. Typically, banks are not comfortable with investing in digital service companies as they have no fixed assets and carry higher chances of not turning out to be economically viable ventures, said officials of the proposed company.

<https://www.thedailystar.net/business/news/govt-set-firm-fund-startups-1774672>

Eighteen steps to develop bond market recommended

• A finance ministry committee has made 18-point recommendations to develop the country's bond market, including rationalization of taxation and process simplification. The committee was formed with representation from the finance ministry, Bangladesh Bank, NBR, BSEC, IDRA, Dhaka Stock Exchange, Federation of Bangladesh Chambers of Commerce and Industry and Association of Bankers.

• The recommendations include imposition of a lump sum stamp duty instead of existing rates on paper-based bonds and exemption of duty for dematerialized bonds and other securities, collection of advance income tax on final stage of income from investment in bonds, providing tax benefits, which is now applicable only on zero coupon bond, to all kinds of bond and all types of investors and imposition of transaction fee as a reasonable lump sum amount on trade of bonds instead of rates on volume of transactions made – now in vogue for shares. The committee also recommended excluding the capital market exposure calculation for banks in case of investment in bonds and simplifying the bond approval process by avoiding delay caused by dual scrutiny by the BSEC and the central bank.

<http://www.newagebd.net/article/79142/eighteen-steps-to-develop-bond-market-recommended>

Important News: Capital Market

Unique Meghnaghat Power Ltd (UMPL) to implement 584MW combined cycle power plant

• A consortium of three local and foreign companies signed deals with the government entities here on Wednesday to implement the country's biggest 584 megawatt (MW) combined cycle power plant at Meghnaghat of Narayanganj. The consortium, named Unique Meghnaghat Power Ltd (UMPL), will build the power plant within 36 months. The plant will run either on locally produced natural gas or by re-gasified liquefied natural gas (RLNG) to generate electricity. The U MPL, the consortium of Unique Hotel & Resorts Ltd., Strategic Finance Ltd. and US company GE Capital Global Energy Investment BV, inked

the deals at a function at Bidyut Bhaban in the city. Some USD 520 million will be required to implement the power plant project, which is expected to provide electricity by July 2022.

- Unique Hotel and Resorts Ltd has 64.98% stake in the power plant project, while the GE has 30% and Strategic Finance has 4.95% stakes. State-run Bangladesh Power Development Board (BPDB) will purchase electricity from the power plant at a levelized tariff rate-around US cents 3.69 per unit (1 kilowatt-hour) or BDT 2.95 per unit, if it is run by locally produced gas. The tariff would be US cents 6.80 per unit (1 kilowatt-hour) or BDT 5.44 per unit, if it is run by RLNG.

<http://today.thefinancialexpress.com.bd/trade-market/umpl-to-implement-584mw-combined-cycle-power-plant-1563989900>
<https://www.thedailystar.net/business/news/unique-meghnaghat-build-584mw-plant-1776601>

Bangladesh Securities and Exchange Commission (BSEC) asks Dhaka Stock Exchange (DSE) to take steps for Coppertech listing

- The securities regulator has asked the premier bourse to take steps for the listing of Coppertech Industries as per the section 5(4) of the listing regulations. The Bangladesh Securities and Exchange Commission (BSEC) also asked the Dhaka Stock Exchange (DSE) to inform them (regulator) within 10 working days about what steps have been taken for the listing of the company. Contacted, a senior DSE official expressed the hope that the procedure for listing of Coppertech Industries would be completed within 10 working days. Earlier, the approval for the listing proposal was delayed, as the company got mired in some 'controversies' over its financial statement.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-asks-dse-to-take-steps-for-coppertech-listing-1563989339>
<http://www.newagebd.net/article/79545/bsec-asks-dse-to-list-controversial-coppertech-within-10-days>

Bangladesh Bank (BB) prods banks to raise exposure to share market

- The central bank has asked some 20 banks to boost their investments in stocks to help revamp the country's ailing capital market. The banks have the scope for investing more in listed securities in line with the existing rules and regulations, officials said. The central bank's latest step came after the free fall in the share markets for a prolonged period. A BB official said it is a "moral persuasion" not directive but the central bank will closely monitor the overall development.

- Under the exiting provisions, the market value of total investment of a banking company in the capital market on a consolidated basis cannot exceed 50% of the sum of its consolidated paid-up capital, balance in share-premium account, statutory reserves and retained earnings as stated in the latest audited financial statements. The banks, however, are now allowed to invest the maximum 25% of their total capital in the share market on "solo basis" in line with the Banking Companies (Amended) Act 2013. According to the Banking Companies Act 1991 (Amended 2013), total capital constitutes four components: paid-up capital, balance in share premium account, statutory reserves, and retained earnings-as stated in the latest audited financial statements. While calculating total investment in bourses, different components such as corporate bonds, mutual fund units and other securities need to be taken into account.

<http://today.thefinancialexpress.com.bd/first-page/bb-prods-banks-to-raise-exposure-to-share-mkt-1563903934>
<http://www.newagebd.net/article/79429/bangladesh-bank-advises-19-banks-to-support-stock-market>

Bangladesh Securities and Exchange Commission (BSEC) okays draft prospectus of two mutual funds

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved draft prospectus of IDLC Asset Management Shariah Fund and Edge AMC Growth Fund. The BSEC approved the draft prospectus of IDLC Asset Management Shariah Fund (An open-end). The initial size of the fund will be BDT 500 million. The sponsor will contribute BDT 50 million, while remaining BDT 450 million will be collected through sales of units. The face value of the units will be BDT 10 each. IDLC Asset Management Limited is the sponsor of the unit fund. Investment Corporation of Bangladesh (ICB) is trusty and Brac Bank Limited is asset custodian of the unit fund.

- The BSEC also approved the draft prospectus of Edge AMC Growth Fund (An open-end). The initial size of the fund will be BDT 100 million. The sponsor will contribute BDT 10 million, while remaining BDT 90 million will be collected through sales of units. The face value of the units will be BDT 10 each.

<https://www.dhakatribune.com/business/stock/2019/07/23/bsec-okays-draft-prospectus-of-two-mutual-funds>

No approval for GP, Robi to roll out packages

- The telecom regulator will not give any kind of approval to Grameenphone and Robi to roll out new package or service or import network equipment as it looks to pile pressure on the operators to clear their dues, according to a letter issued yesterday. Grameenphone has BDT 125.8 billion pending and Robi BDT 8.67 billion as per an audit of the Bangladesh Telecommunication Regulatory Commission (BTRC). But the two operators, which are coincidentally the top two players in the market, have turned a deaf ear to the commission's repeated claims. So to crank up the pressure, the BTRC on July 4 slashed Grameenphone's bandwidth by 30% and Robi's by 15% for non-payment of the dues -- enough to slow down their internet speed and raise the call drop frequency. But the block on bandwidth was lifted on July 17 considering the inconvenience it was causing to subscribers.

- Now the commission has come up with a new manner to penalize the two operators. As per yesterday's letter to the two operators, all the no-objection certificates (NOC) taken from the regulator thus far have become invalid. They cannot open any letters of credit or import any equipment and software against the documents. And if the operators have already imported any equipment the customs authority will have to take permission from the telecom regulator before releasing them.

- Grameenphone in a statement yesterday said they have received the letter and is it is now under their assessment. However, we are concerned over the BTRC decision to withhold NOCs. We still believe that the best way to resolve our differences is through dialogue and arbitration, it added. The chief corporate and regulatory officer at Robi, said stopping the issuance of NOC as a replacement for the reduction of bandwidth will only increase the sufferings for the customers. Stopping NOC will lead to seizure on ongoing investment. As a result, network expansion, and all other planned activities to improve the quality of service

will also come to a halt.

<https://www.thedailystar.net/business/telecom/news/no-approval-gp-robi-roll-out-packages-1775563>

<http://www.newagebd.net/article/79329/btrc-halts-noc-issuance-to-gp-robi-over-unpaid-audit-claims>

Dhaka Stock Exchange (DSE) approves Coppertech listing

• The country's premier bourse has approved the proposal for listing of the much-talked-about Coppertech Industries, subject to the regulatory 'waiver' of a rule regarding the timeframe for the listing of a company. The DSE has also urged the securities regulator to exempt the company from the section 5(3) of the listing regulations, as the stipulated timeframe for its listing has already expired. According to the section 5(3) of the listing regulations, the stock exchange shall complete the listing procedures within a maximum period of 30 working days from the date of closure of subscription list. Accordingly, the deadline for listing of Coppertech Industries expired on June 23 last. The approval for the listing proposal was delayed, as the company got mired in some 'controversies' over its financial statement.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-approves-coppertech-listing-1563811669>

<http://www.newagebd.net/article/79332/dse-board-decides-to-list-coppertech-ignoring-its-anomalies>

<https://www.dhakatribune.com/business/stock/2019/07/22/dse-gives-go-ahead-for-coppertech-listing>

DSE management likely to send back Coppertech listing issue to board

• The Dhaka Stock Exchange management is likely to send back the issue related to listing decision over Coppertech Industries as rules do not permit it to approve listing of the company after 75 days of closure of its IPO subscription. On July 11, the DSE board passed the listing decision to the management and directed the management to take decision in line with the rules and regulations. The bourse's management at a meeting on July 18 decided in principle to refer the listing decision to the board again, DSE officials said.

• According to the securities rules, listing of a company must be completed within 75 days of its initial public offering subscription. The share subscription of Coppertech closed on April 9 and the scheduled time for listing of Coppertech with the DSE expired on June 23 amid controversy over fabrication of the company's financial statements. The bourse sought more time from the Bangladesh Securities and Exchange Commission for making a decision on the company's listing, but the regulator is yet to respond to the request. DSE officials said the management could not make any listing decision as no regulation allowed it to do so. If the DSE approves listing of Coppertech now, it would be a serious violation of the securities rules, they said.

<http://www.newagebd.net/article/79144/dse-mgmt-likely-to-send-back-coppertech-listing-issue-to-board>

Bank Asia's agent banking deposits cross BDT 10.00 billion

• Bank Asia's deposits in agent banking have recently crossed the BDT 10.00 billion mark, further consolidating the bank's position in the sector. Bangladesh Bank has so far given agent banking licences to 21 banks but 19 has so far rolled out their service. Of them, Dutch-Bangla Bank and Bank Asia are leading the pack with a combined market share of 78%. Introduced in 2016, agent banking allows the underserved population to take limited scale banking and financial services by way of authorised agents.

• Usually, the owners of the village stores conduct banking transactions -- such as cash deposits and withdrawals, loans and remittance disbursement -- on behalf of a bank. As of March, total deposits through agent banking stood at BDT 37.34 billion, according to data from the BB. In 2018, BDT 31.12 billion was received by way of agent banking, up from BDT 13.99 billion a year earlier.

• The volume of NPLs climbed by more than 18% to BDT 1,108.73 billion in the first quarter (Q1) of the year from BDT 939.11 billion in the previous quarter, the BB data showed. The banks and NBFIs have been empowered to write off a loan amounting to BDT 0.20 million instead of BDT 50,000 earlier on without filing lawsuit for recovery.

<https://www.thedailystar.net/business/banking/news/bank-asias-agent-banking-deposits-cross-BDT-1000cr-1775056>