

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.16%) lost 64.66 points and closed the week at 5,505.50 points. The blue-chip index DS30 (-1.22%) lost 24.31 points and stood at 1,968.68 points. The shariah based index DSES (-0.23%) lost 2.97 points and stood at 1,281.46 points. DSEX, DS30 and DSES all posted positive YTD return of +2.23%, +4.67%, and +3.95% respectively.

Total Turnover During The Week (DSE): BDT 10.9 billion (USD 131.3 million)
Average Daily Turnover Value (ADTV): BDT 2.7 billion (Δ Week: -36.5%)

Daily Index Movement during the Week:

The market performed four sessions during this week. Market opened this week with a negative movement of 1.04% in the first session. Then the market closed in positive territory in the second session (+0.33%). The market turned negative in the third session (-0.50%) and again turned positive in the fourth session (+0.05%).

Sectoral Performance:

- The financial sectors showed negative performance this week except General Insurance (+0.50%). Banks posted the highest loss of 2.77% followed by Life Insurance (-2.04%), NBFIs (-1.55%), and Mutual Funds (-1.42%).
- The non-financial sectors registered mixed performance this week. Telecommunication posted the highest gain of 2.72% followed by Power (+1.11%). Food & Allied posted the highest loss of 3.01% followed by Pharmaceuticals (-1.63%) and Engineering (-0.83%).

Macroeconomic arena:

- Finance Minister A H M Mustafa Kamal foresees a double-digit gross domestic product (GDP) growth for the country in the next four years. He said the GDP growth in this fiscal year (FY), 2018-19, will be 8.13%, while the per capita income to reach USD 1,909.
- The country's fast-growing economy may be disrupted in the medium to long run, due mainly to a rising sea, researchers warn. The researchers said that the country's gross domestic product growth loss due to the climate change ranges from 1.49% to 3.02% in the medium run depending on the scenarios of sea level rise.
- The Asian Development Bank (ADB) is expected to make available financial assistance with USD 4.20 billion over a period of next three years for developing Bangladesh's infrastructure and alleviating poverty.
- Fiscal 2019-20's budget is set to cross the landmark of BDT 5.0 trillion as the Awami League-led government, fresh from being elected to a third term, looks to scale up implementation of the mega projects announced in previous terms. The upcoming national budget, due to be placed in the parliament on June 13, will likely be about BDT 5.2 trillion, up 12.50% year-on-year, according to the finance ministry's preliminary projections, which were made in December last year.

Stock Market arena:

- The global association of GSM mobile operators 'GSMA' has recognised Grameenphone as one of the first telecom operators in South Asia and the first operator in Bangladesh to introduce the NB-IoT network, which puts Bangladesh and Grameenphone on the world IoT map. Narrow Band Internet of Things (NB-IoT) is a cutting-edge communications technology that facilitates the connection of millions of everyday appliances, like waste bins and power meters, all over the country. NB-IoT is far more energy efficient and uses a fraction of the bandwidth compared to regular 4G communication which means, meters installed in pipes or drains, or parking sensors placed in the basement of car parks, are easily connected with the network.
- Turkey based home appliance manufacturing group Arcelik to acquire controlling stake of 57% of Singer Bangladesh from Netherlands based Retail Holdings group for USD 75 million or around BDT 144 a share. The transaction is anticipated to close in April, said a press release from Retail Holdings on Friday. The remaining 43% of the shares of Singer Bangladesh, a major retailer of home appliance, is publicly owned. According to a Singer Bangladesh notice published on Friday, Ardutch will acquire 56.9% or 4,37,07,183 shares of Singer from Retail Holdings.
- Bangladesh Infrastructure Finance Fund Limited (BIFFL) has planned to mobilize capital amounting to BDT 26 billion through issuing bond and floating IPO in the capital market in short and long terms. The New Line Clothings has held its initial public offering (IPO) lottery draw on Sunday to allocate 30 million ordinary shares among successful applicants.

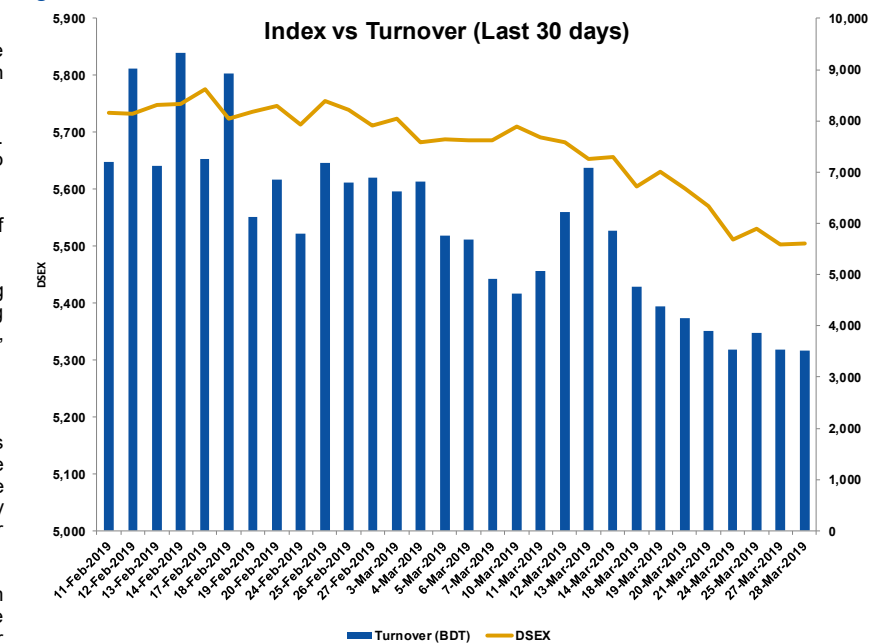
Table 1: Index

Index	Closing	Opening	Δ (Pts)	27-Dec-2018	Δ % Week	Δ %YTD
DSEX	5,505.50	5,570.15	-64.66	5,385.64	-1.16%	2.23%
DS30	1,968.68	1,993.00	-24.31	1,880.78	-1.22%	4.67%
DSES	1,281.46	1,284.44	-2.97	1,232.82	-0.23%	3.95%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	12,378,130.8	16,669,698.9	-25.7%
	Mn USD	148,900.9	200,525.7	
Turnover	Mn BDT	10,916.9	17,201.7	-36.5%
	Mn USD	131.3	206.9	
Average Daily Turnover	Mn BDT	2,729.2	4,300.4	-36.5%
	Mn USD	32.8	51.7	
Volume	Mn Shares	203.8	326.9	-37.7%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Savar Refractories	97.80	85.40	14.5%	136.2	3.42	NM	15.6x
Agrani Ins Co. Ltd.	35	30.30	14.2%	996.6	69.44	19.7x	2.1x
JMI Syringes & Medical Devices Ltd	368.80	327.00	12.8%	4,056.8	361.99	54.4x	5.7x
Monno Ceramic	355.80	317.10	12.2%	11,621.0	613.40	4415.2x	4.9x
Imam Button	21.00	19.40	8.2%	161.7	.75	NM	2.5x
Kay and Que	234.10	216.50	8.1%	1,147.7	88.83	4682.0x	NM
Sonargaon Textiles	37.30	34.60	7.8%	987.2	12.69	NM	1.3x
Golden Harvest Agro Industries Ltd.	36.00	33.50	7.5%	4,316.8	24.18	23.0x	2.2x
Alltex Ind. Ltd.	12.00	11.20	7.1%	671.6	6.58	NM	0.4x
ICB Employees Provident MF 1 Scheme 1	6.00	5.60	7.1%	450.0	2.25	NM	0.5x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Singer Bangladesh	192.10	268.90	-28.6%	19,152.9	743.24	35.1x	9.5x
Marico Bangladesh Limited	1,430.00	1,655.10	-13.6%	45,045.0	108.95	31.3x	34.1x
Popular Life Insurance	88.20	99.50	-11.4%	5,329.8	7.80	NM	8.8x
Rupali Life Insurance Co. Ltd.	90.30	101.50	-11.0%	2,605.0	53.70	NM	9.0x
Vanguard AML Rupali Bank Balanced Fund	6.90	7.70	-10.4%	1,095.3	.25	NM	0.7x
Trust Bank	28.80	31.60	-8.9%	16,040.6	9.88	8.0x	1.4x
Global Heavy Chemicals Limited	39.00	42.70	-8.7%	2,808.0	15.09	36.1x	1.0x
Reckitt Benckiser	3,299.40	3,596.50	-8.3%	15,589.7	135.85	52.7x	67.5x
Renwick Jajneswar	1,493.50	1,627.60	-8.2%	2,987.0	71.16	484.1x	NM
United Insurance	50.10	54.30	-7.7%	2,104.1	21.91	17.5x	1.7x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
United Power Generation & Distribution Company Ltd	403.10	397.40	1.4%	193,120.0	870.44	46.3x	16.7x
BATBC	4,483.10	4,658.10	-3.8%	268,986.0	852.29	35.5x	14.2x
Singer Bangladesh	192.10	268.90	-28.6%	19,152.9	743.24	35.1x	9.5x
Monno Ceramic	355.80	317.10	12.2%	11,621.0	613.40	4415.2x	4.9x
Grameenphone Ltd.	407.40	397.30	2.5%	550,112.2	577.25	24.4x	21.4x
BRAC Bank	77.30	81.70	-5.4%	82,904.3	467.70	21.3x	4.3x
JMI Syringes & Medical Devices Ltd	368.80	327.00	12.8%	4,056.8	361.99	54.4x	5.7x
Dutch-Bangla Bank	213.00	205.90	3.4%	42,600.0	313.34	24.2x	2.5x
Bangladesh Submarine Cable Company Limited	153.30	143.70	6.7%	25,280.0	293.17	79.4x	4.8x
Square Pharmaceuticals	268.10	269.90	-0.7%	211,533.2	285.05	19.9x	4.5x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,799.90	74.49%	83,475.5	41.3x
Dutch-Bangla Bank	213.00	39.12%	42,600.0	24.2x
BATBC	4,483.10	31.79%	268,986.0	35.5x
Marico Bangladesh Limited	1,430.00	29.28%	45,045.0	31.3x
Singer Bangladesh	192.10	27.74%	19,152.9	35.1x
Atlas Bangladesh	140.70	17.79%	4,661.0	NM
Summit Power	41.10	14.48%	43,889.8	10.0x
Power Grid Co. of Bangladesh Ltd.	58.20	11.49%	26,825.1	13.4x
Delta Brac Housing	136.20	10.16%	18,255.8	23.2x
Green Delta Insurance	61.10	9.46%	5,423.3	19.4x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1464.15	1505.84	1848.21	-2.77%	-20.78%
NBFIs	2071.92	2104.56	2714.85	-1.55%	-23.68%
Mutual Funds	653.96	663.36	788.81	-1.42%	-17.09%
General Insurance	1753.35	1744.61	1592.30	0.50%	10.11%
Life Insurance	1973.17	2014.32	1834.85	-2.04%	7.54%
Telecommunication	5724.90	5573.46	6494.31	2.72%	-11.85%
Pharmaceuticals	2828.67	2875.46	2821.05	-1.63%	0.27%
Fuel & Power	2011.24	1989.13	1527.27	1.11%	31.69%
Cement	1652.42	1696.05	2280.58	-2.57%	-27.54%
Services & Real Estate	999.85	1002.22	1224.11	-0.24%	-18.32%
Engineering	3012.25	3037.48	3166.83	-0.83%	-4.88%
Food & Allied	18288.75	18855.78	15304.34	-3.01%	19.50%
IT	1799.20	1805.38	1484.41	-0.34%	21.21%
Textiles	1382.72	1382.81	1222.72	-0.01%	13.09%
Paper & Printing	7840.21	7893.59	1013.11	-0.68%	673.88%
Tannery	2575.08	2609.56	2642.41	-1.32%	-2.55%
Jute	20115.77	20179.08	8867.22	-0.31%	126.86%
Ceramics	620.13	598.21	597.46	3.66%	3.79%
Miscellaneous	2309.86	2428.82	1725.62	-4.90%	33.86%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	464.1	707.0	-34.36%	13.04%	9.4x	1.1x
NBFIs	100.1	153.8	-34.91%	2.81%	19.9x	2.0x
Mutual Funds	11.7	11.1	5.43%	0.33%	NM	0.5x
General Insurance	155.9	197.0	-20.86%	4.38%	15.9x	1.2x
Life Insurance	34.5	57.0	-39.53%	0.97%	NM	8.2x
Telecommunication	217.6	139.1	56.40%	6.11%	25.2x	18.6x
Pharmaceuticals	440.0	562.8	-21.81%	12.36%	21.3x	3.4x
Fuel & Power	465.1	439.2	5.91%	13.07%	17.0x	2.6x
Cement	51.7	73.0	-29.14%	1.45%	18.6x	3.0x
Services & Real Estate	36.2	41.4	-12.44%	1.02%	25.3x	0.8x
Engineering	534.4	544.5	-1.87%	15.01%	22.9x	2.1x
Food & Allied	291.7	328.5	-11.21%	8.20%	37.1x	12.9x
IT	57.0	70.4	-18.96%	1.60%	29.4x	3.0x
Textiles	282.6	339.7	-16.80%	7.94%	21.3x	1.2x
Paper & Printing	11.6	12.6	-8.10%	0.33%	NM	4.2x
Tannery	125.5	179.7	-30.18%	3.53%	20.3x	3.2x
Jute	21.0	23.7	-11.20%	0.59%	NM	8.5x
Ceramics	161.2	128.2	25.74%	4.53%	30.1x	2.3x
Miscellaneous	96.8	157.8	-38.66%	2.72%	33.3x	1.5x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	11.20	-49.32%	8,491.1	5.6x
United Airways (BD) Ltd.	2.50	-46.21%	2,070.2	10.7x
City Bank	26.50	-44.94%	25,651.7	6.3x
Lafarge Surma Cement	41.70	-40.34%	48,429.3	21.8x
International Leasing	11.80	-40.20%	2,492.7	19.8x
Aftab Automobiles	40.90	-36.29%	3,915.5	9.9x
EXIM Bank	11.10	-35.47%	15,676.0	5.3x
RAK Ceramics Limited	35.20	-35.36%	13,695.0	15.0x
IFIC Bank	11.30	-33.46%	15,127.7	9.6x
ACI Limited	304.60	-31.44%	15,196.2	14.3x

Important News: Business & Economy

Double-digit growth in four years: Finance Minister

- Finance Minister A H M Mustafa Kamal foresees a double-digit gross domestic product (GDP) growth for the country in the next four years. He said the GDP growth in this fiscal year (FY), 2018-19, will be 8.13%, while the per capita income to reach USD 1,909.

<http://today.thefinancialexpress.com.bd/last-page/double-digit-growth-in-four-years-kamal-1553537461?date=26-03-2019>

Climate change to eat up 3.0% of GDP by 2030

- The country's fast-growing economy may be disrupted in the medium to long run, due mainly to a rising sea, researchers warn. Bangladesh is one of the most exposed and vulnerable countries to climate-related risks, according to Global Climate Risk Index-2018.
- The researchers said that the country's gross domestic product growth loss due to the climate change ranges from 1.49% to 3.02% in the medium run depending on the scenarios of sea level rise. The researchers forecast by using econometric tools up to 2050, medium run is assumed to be extended up to 2030 while the long run up to 2050.
- In the long run, the GDP growth loss on the same ground is huge, especially 3.02% by 2050 in case of higher sea level rise scenario. They estimated the loss in public investment may range from 1.52 to 2.54% depending on the scenarios of the sea level rise in the medium run.

<http://today.thefinancialexpress.com.bd/public/first-page/climate-change-to-eat-up-30pc-of-gdp-by-2030-1553275622>

USD 4.2 billion ADB assistance likely during 2020-22

- The Asian Development Bank (ADB) is expected to make available financial assistance with USD 4.20 billion over a period of next three years for developing Bangladesh's infrastructure and alleviating poverty.
- A team from the Manila-based lender is likely to visit Bangladesh early next month to hold discussions with the relevant government agencies for finalising its country operations plan, said an official of the Economic Relations Division (ERD). ADB will prepare a Country Operations Business Plan (COBP) 2020-2022 for Bangladesh, under which the organisation will operate its upcoming lending programmes.
- Out of the USD 1.4 billion assistance, the ADB has proposed to provide loan amounting to USD 550-USD 600 million from its soft window - concessional OCR loan (COL), and the rest USD 800-USD 850 million from its hard-term window - ordinary capital resources.

<http://today.thefinancialexpress.com.bd/public/first-page/42b-adb-assistance-likely-during-2020-22-1553275894>

New budget to cross BDT 5000.0 billion

- Fiscal 2019-20's budget is set to cross the landmark of BDT 5.0 trillion as the Awami League-led government, fresh from being elected to a third term, looks to scale up

implementation of the mega projects announced in previous terms. The upcoming national budget, due to be placed in the parliament on June 13, will likely be about BDT 5.2 trillion, up 12.50% year-on-year, according to the finance ministry's preliminary projections, which were made in December last year.

- The government's target is to complete the construction of some of the mega projects like the Padma bridge and metro rail in the revised timeframe, said a finance ministry official. The total outlay for the annual development programme will be BDT 11980 billion in fiscal 2019-20, up 20% year-on-year.

- According to preliminary estimates, the revenue collection target for next fiscal year will likely be BDT 3780 billion, of which the National Board of Revenue will shoulder BDT 3250 billion. Meeting this target is largely dependent on the implementation of the VAT law from next fiscal year, said NBR officials. The finance minister has already hinted that the VAT law will take effect from next fiscal year, with the highest slab brought down to 10% from 15% to appease the business community.

<https://www.thedailystar.net/business/news/new-budget-cross-BDT-5-lakh-crore-1719598>

Energy Transition Index: Bangladesh 90th among 115 nations

- Bangladesh has ranked 90th on the global Energy Transition Index (ETI), which has benchmarked 115 countries on how well they are able to balance energy security and access with environmental sustainability and affordability. Last year, Bangladesh ranked the same position but that time 114 countries were included in the index. According to the report, Sri Lanka has come first among the South Asian countries, ranking 60th, while India secured 76th position. Pakistan has ranked 97th and Nepal 93rd.
 - Praising Bangladesh's effort on electrification, the report said, Bangladesh made fast progress towards universal electrification due to strong political commitment, a stable policy regime, use of grid expansion and decentralized generation sources, and a supportive environment for investment in infrastructure. While Bangladesh has scored low in terms of transition readiness, it ranks considerably higher when it comes to system performance.
 - The state minister for power, energy and mineral resources said that the country was still lagging behind reaching the baseload power, the amount of power available to meet fundamental demands by consumers. The government has undertaken different projects like Rooppur Nuclear Power Plant, Matarbari Coal Power Plant and Payra Thermal Power Plant and hopes that Bangladesh will reach a sustainable position by 2024, he said.
- <https://www.thedailystar.net/backpage/news/energy-transition-index-bangladesh-90th-among-115-nations-1721380>

Bangladesh falls 25 notches in Economic Complexity Index (ECI) in a decade

- Bangladesh has backtracked 25 positions in the global Economic Complexity Index (ECI) in a decade, which reflects its poor progress in economic diversification in terms of exports. The country was ranked 123rd among 129 states in the ECI 2017, whereas it was 98th in the ECI 2008. The latest report of the ECI was published this month.

- The ECI measures knowledge intensity of an economy by considering the knowledge intensity of the products it exports. The ECI has been validated as a relevant economic measure by showing its ability to predict future economic growth and to explain international variations in income inequality.

- An Executive Director of Economic Research Group (ERG) said that Bangladesh made shipment of products worth USD 39.4 billion. But, only one product - ready-made garment (RMG) - comprises more than 82% of its income. He said the index might consider diversification of export basket. But the backward linkages of the country's RMG sector are not reflected in the index.
- Centre for Policy Dialogue (CPD) Research Director said the country's key export-earning sector - RMG - is also not so diversified. The country should set a target to make at least 10 non-RMG sectors able to fetch one billion dollar each in the next ten years, he said.

<http://today.thefinancialexpress.com.bd/last-page/bd-falls-25-notches-in-eci-in-a-decade-1553449021>

Government to bail out 'honest' defaulters, says the Finance Minister

- The government has mapped an 'exit' plan for 'honest' bank loan defaulters, Finance Minister AHM Mustafa Kamal disclosed Monday. The loan defaulters will have to give 2.0% down payment against their total loan. Then, they have to repay at simple, 7.0% rate on a quarterly basis. The banks will give them 12 years' time repay to the loan, finance minister said. The bailout programme will be made effective in early May.
- The amount of non-performing loans reached a staggering BDT 939.11 billion up to December last year, up from BDT 743.03 billion a year ago, the central bank data showed. Such loans now make up 10.30% of the banking sector's total loans, up from 9.31% in 2017.

<http://today.thefinancialexpress.com.bd/first-page/govt-to-bail-out-honest-defaulters-says-kamal-1553536777?date=26-03-2019>

Government faces difficulties in finalizing conditions

- The government faces difficulty in finalizing a bailout package for restructuring defaulted loan as some of the proposed terms and conditions of the package are yet to be settled because of diverse opinions. Officials said that stakeholders gave different opinions on some terms of the draft bailout package placed by the financial institutions division at a meeting at the economic relations division on Monday.
- The opportunity to allow loan rescheduling by payment of one% of the outstanding loan or up to only BDT 10 million was one of them. There was no consensus on the moratorium period and identification process of eligible applicants for the benefits.
- Answering whether the proposed bailout package was finalised, the finance minister answered in negative. He hoped that the proposed bailout package would be finalised by the next month and would be made effective from May.

<http://www.newagebd.net/article/68404/govt-faces-difficulties-in-finalising-conditions>

Private banks sweating out over deposits

- Private banks saw a decline in deposit growth in December last year despite offering higher interest rates, highlighting the ongoing liquidity crisis in the banking system. In December, the average deposit growth of private banks stood at 11.59%, in contrast to

12.58% in December 2017 and 12.73% in June last year, according to data from Bangladesh Bank.

- The decline in deposit growth pushed the average loan-deposit ratio of private banks beyond the ceiling set by the central bank. In September, the advance-deposit ratio (ADR) of private banks had come down to the ceiling of 85% from 85.56% in June. In December, it crossed the limit reaching 85.96%.
- However, the banking sector's deposit growth rose in December, thanks to an increase of funds held by the state-owned banks. Though overall deposits grew in December, the gap between the lending and deposit rates is still higher and it is tightening money circulation in the banking system, said the managing director of NRB Bank.

<https://www.thedailystar.net/business/news/private-banks-sweating-out-over-deposits-1720033>

No deposit, lending through Financial Institutions' business development centers

- Bangladesh Bank (BB) asked on Sunday financial institutions (FIs) to avoid all financial transactions involving taking deposit and giving loan or lease through the business development centers, according to a central bank circular issued on Sunday. Business development centers of FIs cannot perform any financial transactions regarding deposit or credit or lease. But, the center can conduct many activities, including customer services, consultation, complaint receiving and settlement and human resources development, which are not directly related to financing business, the circular said.

<http://today.thefinancialexpress.com.bd/first-page/no-deposit-lending-thru-fis-biz-dev-centres-1553448925>
<http://www.newagebd.net/article/68312/nbfi-booths-barred-from-handling-deposit-loan>

Banks on loan write-off spree

- Loans written off by banks surged 20% last year as efforts to rein in default loans did not pay off. In 2018 loans amounting to BDT 32.07 billion were written-off, up 19.93% from a year earlier -- thanks to rising default loans. This has raised the lenders' cost of funds, which, in turn, has left good borrowers footing higher interest rates for their loans.
- Of the banks that took the facility to clean up their balance sheets, Prime Bank topped the chart, writing off BDT 3.94 billion. It was followed by Eastern Bank (BDT 3.63 billion) and Pubali Bank (BDT 3.01 billion). With the latest round, a total of BDT 528.84 billion has been written-off since the facility was introduced in January 2003 by the central bank to show lower amounts of default loans on banks' balance sheets. Of the amount, 76% has remained outstanding to date, meaning banks' efforts to recover the loans did not yield much. As of December last year, state-owned banks have written off BDT 231.86 billion and private banks BDT 280.42 billion.

<https://www.thedailystar.net/business/news/banks-loan-write-sprees-1718563>

Banks' capital base shrinking fast

- The banking sector's capital base eroded alarmingly last year on the back of an increase

in default loans. As of December last year, banks' capital adequacy ratio (CAR), which determines the adequacy of banks' capital in keeping with their risk exposures, stood at 10.50%, down from 10.83% a year earlier, according to data from the central bank. Banks were required to keep at least 11.82% CAR in December last year as per the roadmap set by the central bank for implementing Basel III this year, according to a Bangladesh Bank official. From the first quarter of this year, their CAR must be 12.50% or else they will face trouble in conducting business with foreign banks, experts said.

- At the end of 2018, the total amount of non-performing loans stood at BDT 939.11 billion, up from BDT 743.03 billion a year earlier. In a further indication of the progressively precarious state of the banking sector, ten banks, including six state-owned ones, ended up with a capital shortfall of BDT 266.90 billion last year. The banks are: Sonali, BASIC, Janata, Agrani, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, ICB Islamic Bank, National Bank of Pakistan, and AB Bank.

<https://www.thedailystar.net/business/news/banks-capital-base-shrinking-fast-1719595>

Banks hit SMEs with double digit lending rates

- Most of the banks' SME loan interest rates have spiked by 1-2%. In an effort to let large businesses off the hook, banks are now increasing their grip on small businesses, decreasing lending rates for the former and increasing it for the latter. While 21 banks in the country have managed to bring their interest rates down to single digits on long term loans, most of the banks' small and medium enterprise (SME) loan interest rates have spiked by 1-2%. According to Bangladesh Bank statistics, the concerned banks have decreased lending rates to single digits, but still charge 11 to 18% interest on SME loans.

<https://www.dhakatribune.com/business/2019/03/23/banks-hit-smes-with-double-digit-lending-rates>

Deposits in school banking accounts exceed BDT 15.00 billion

- Students' deposits in their bank accounts crossed BDT 15.00 billion at the end of December 2018, according to a Bangladesh Bank. The growth rate of deposits in the accounts, opened with just BDT 10 deposit, had slowed down to 10.81% in the year 2018 against 33.52% growth a year ago. With BDT 1.47 billion deposits in last year, the total deposits in such accounts reached BDT 15.10 billion with 1.82 million school banking accounts with 56 scheduled banks as of December 31, 2018.

- In 2017, deposits grew by BDT 3.42 billion to BDT 13.62 billion with 14,53,936 school banking accounts. According to the report, the school banking service has gained more popularity in the cities than in the rural areas as 1.14 million school banking accounts were opened in the cities against 0.67 million accounts in the rural areas. The banking is also more popular among the male students than their female peers as 1.06 million school banking accounts were opened by male students against 0.75 million by female students.

- At the end of December last year, BDT 12.68 billion, representing 83.98% of the total school banking deposits, was deposited in 1.22 million accounts, 67.51% of the total school banking accounts, with the private commercial banks. On the other hand, BDT 1.97 billion was deposited in 0.45 million accounts with state-owned commercial banks.

<http://www.newagebd.net/article/68544/deposits-in-school-banking-accounts-exceed-BDT-1500cr>

900,000 mobile subscribers added in February

- The number of mobile subscribers increased by 894,000 in February as all four mobile operators managed to add customers. As per the Bangladesh Telecommunication Regulatory Commission data, the number of total mobile phone subscribers increased to 158.4 million at the end of February from 157.5 million in January this year. Leading mobile phone operator Grameenphone attained highest 402,000 subscribers, taking its subscriber-base to 73.5 million from 73.1 million.

- Growth of broadband internet subscribers has been remaining almost halted for almost once year. During the entire 2018, broadband service providers and PSTN operator could bring in only 391,000 customers under their service after the addition of 1.52 million in the year 2017. As per the latest available data, 1,478 entities are operating ISP business across the country as of Sunday while the figure was 499 in 2017. Internet service providers, however, differed with the BTRC statistics adding that it might be the new definition of broadband where connections with 5 megabits per second or above speed was named as broadband internet.

<http://www.newagebd.net/article/68293/9-lakh-mobile-subscribers-added-in-february>

5G rollout by 2021

- Customers' appetite for data is expanding every year, compelling mobile operators to increase their capacity and invest huge amounts of money in it, said experts and representatives from mobile operators and vendors.

- On an average, local data users are consuming 1.2 gigabytes of data in a month and by 2022 it will cross 11 gigabytes, said the country manager of Ericsson Bangladesh, a telecom equipment vendor.

- Telecom and ICT Minister said the government is expecting to roll out 5G services on December 16, 2021. Bangladesh Telecommunication Regulatory started taking preparation for 5G and are already meeting with mobile operators about their requirements for it.

<https://www.thedailystar.net/business/news/5g-rollout-2021-1718560>

Bangladesh Telecommunication Regulatory Commission (BTRC) moves again to issue guidelines on ISP business

- Bangladesh Telecommunication Regulatory Commission has sent to the posts and telecommunications ministry draft guidelines on regulating and licensing of internet service providers after more than a year of putting the guidelines on hold.

- Since 2014, the telecom regulator took a number of attempts for formulating guidelines on ISP business. In 2017, when the commission was at the final stage of formulating guidelines on ISP business, the telecom ministry had instructed BTRC to refrain from framing the guidelines at that moment. A strong opposition from ISPs forced the government to hold the formulation of the guidelines.

- To avoid any opposition from the ISPs, the commission held a number of meetings with leaders of Internet Service Providers Association of Bangladesh and Cyber Café Owners

Association of Bangladesh. BTRC officials said that the commission had already addressed most of the concerns raised by ISPAB and CCOAB at separate meetings held in January this year.

<http://www.newagebd.net/article/68118/btrc-moves-again-to-issue-guidelines-on-isp-business>

Bangladesh Telecommunication Regulatory Commission (BTRC) may declare SMP in mobile tower sector

- Bangladesh Telecommunication Regulatory Commission has initiated a move to declare significant market power (SMP) in the tower sharing business sector. The initiative has been taken as part of the commission's move to implement significant market power regulations 2018 in the tower sharing sector, an official of the commission told New Age on Thursday.
- BSEC, as part of its move to implement the SMP regulations in the mobile telecom sector, has already declared Grameenphone as significant market power. The official said that the commission would now initially identify the criteria based on which the SMP operator would be declared from the mobile phone tower companies.
- Besides setting the criteria for determining SMP in tower sharing companies, a committee formed to deal with the SMP-related issues would also determine the business segments which could come under restrictions for the SMP operator. The commission would make its final decision in this regard based on the report to be submitted by the committee.
- In the tower business, four mobile phone operators along with tower sharing companies have more than 30,000 mobile phone towers installed across the country. In November last year, the government handed over tower sharing licences to four entities to ensure effective and maximum utilisation of resources. Edotco Bangladesh, Summit Towers Limited, Kirtonkhola Tower Bangladesh and AB Hightech Consortium were given the tower company licences.

<http://www.newagebd.net/article/68451/btrc-may-declare-smp-in-mobile-tower-sector>

19 firms to invest BDT 6.50 billion in pharmaceuticals industry

- The pharmaceuticals industry is gearing up to expand as 19 companies have got the go-ahead in the last one year to set up facilities at a combined investment of around BDT 6.55 billion. The entry of these new companies will boost competition as there are already more than 200 manufacturers in operations to grab shares in the local market worth around BDT 250.0 billion.
- Most of the 19 companies have completed setting up their facilities and they will start operations within the next one and a half years, said the director general of the Directorate General of Drug Administration (DGDA). Of around 200 pharmaceuticals companies, the top 10 hold nearly 70% of the market share.
- Presently, the industry meets 98% of the local demand and exports to more than 150 countries. However, some complicated patented drugs, particularly in oncology, need to be imported.

<https://www.thedailystar.net/business/news/19-firms-invest-BDT-650cr-pharma-1721332>

LNG boosts daily gas supply to 3,200 million cubic feet (mmcf)

- The country's overall natural gas supply crossed the 3,200 million cubic feet mark a day (mmcf), boosted by the imports of liquefied natural gas (LNG). The lone operational floating, storage, re-gasification unit (FSRU) is currently re-gasifying around 511 mmcfd equivalent of LNG, which is the highest quantity of LNG re-gasification from Exceleerate Energy's vessel at Matarbari in the Bay of Bengal.
- According to state-run Petrobangla, the total natural gas output was 3,204 mmcf per day, as of Thursday. Of the total output, local gas production companies produced around 1,035 mmcf or 31.8% of the total daily output, international oil companies (IOCs) produced around 1657 or 50.8% and the remaining 511 mmcf are re-gasified LNG. Gas-guzzling clients of Chattogram are the major consumers of re-gasified LNG.
- Of the total re-gasified LNG, the Karnaphuli Gas Distribution Company Ltd (KGDCL), dedicated to supplying natural gas to the Chattogram region, has been taking around 320 mmcf a day, or 70% of the total quantity. Some 150 mmcf per day equivalent of re-gasified LNG is being supplied to Titas franchise areas and the remaining 41 mmcfd to the Pashchimanchal Gas Company Ltd (PGCL).
- The country's overall natural gas supply improved substantially with the start of full capacity re-gasification in the floating LNG terminal. However, technical issues and rough seas during Bangladesh's southwestern monsoon over June-August, kept it stranded off the south coast of Chittagong for more than three months.

<http://today.thefinancialexpress.com.bd/first-page/lng-boosts-daily-gas-supply-to-3200-mmcf-1553359320>

India to support Mongla port upgrades

- The government has taken up a massive development programme for the struggling Mongla port with Indian financial support. The move aims at making the port attractive to both domestic and regional users, officials said on Wednesday. The Mongla port upgrades work is scheduled to be completed by fiscal year (FY) 2022-2023.
 - The state-owned Mongla Port Authority (MPA) has undertaken the BDT 60.14 billion port upgrading project that will improve facilities in the nation's second seaport. According to the port authority, the Indian government will provide loans worth about BDT 44.59 billion while the rest will be borne by the Bangladesh government from its own coffers.
 - A Shipping Ministry official said they have a plan to create the Mongla port as one of the regional sea transportation hubs to boost foreign trade. India, Nepal and Bhutan have already proposed using it, he added. The government is building the Padma Bridge. With the prospect of upgrading train and road transport facilities between Dhaka and Mongla, setting up the Khanjahan Ali Airport and building a special economic zone there, the port's potentials will rise further within a few years, the official noted.
- <http://today.thefinancialexpress.com.bd/first-page/india-to-support-mongla-port-upgrades-1553706804>

No tax benefit for industries relocated in Economic Zones

- Economic Zones (EZs) investors will not enjoy reduced tax rates on their income if they relocate factories or install old machinery, the revenue board said. In an order, the National Board of Revenue (NBR) said investors will have to keep details of transactions between two units inside and outside of the zones to avail tax exemptions from their new

investments. Also, tax benefit will not be valid for the establishment of a new unit in zones if any investor shuts down the factory located outside the zones.

- According to incentive scheme for the zones, new investors will enjoy full income tax exemption for the first three years of operations, 80% for the fourth year, 70% for the fifth year, 60% for the sixth year, 50% for the seventh year, 40% for the eighth year, 30% for the ninth year and 20% for 10th year.
- Meanwhile, registration fee gradually goes up for companies having a higher amount of authorized capital. Insiders said there were some initial concerns that the proposed reform might result in the loss of government revenue coming from such fees.

<http://today.thefinancialexpress.com.bd/last-page/no-tax-benefit-for-industries-relocated-in-economic-zones-1553537340?date=26-03-2019>

Bangladesh Economic Zone Authority (BEZA) receives 500 acres of land for Japanese Economic Zone

- The Bangladesh Economic Zones Authority (BEZA) has received 500 acres of land in Araihaazar upazila from the Narayanganj district administration to set up an economic zone exclusively for the Japanese investors.
- A world-renowned company like Sumitomo Corporation of Japan is engaged in developing the land in the Japanese Economic Zone (JEZ), BEZA Executive Chairman said. He expressed the hope that industries will start operating in the JEZ by 2021. According to the BEZA, the JEZ, being developed under the government to government (G2G) scheme, will be expanded to 1000 acres in phases.

<http://today.thefinancialexpress.com.bd/trade-market/beza-receives-500-acres-of-land-for-japanese-ez-1553443846>

IDCOL, IDLC to raise BDT 5.025 billion for Sirajganj Economic Zone

- The Idcol and IDLC Finance will raise BDT 5.025 billion as loan for the development of the first phase of Sirajganj Economic Zone (SEZ). It will be implemented by a consortium of 11 business conglomerates, the Infrastructure Development Company Limited (Idcol) said in a statement yesterday.

<https://www.thedailystar.net/business/news/idcol-idlc-raise-BDT-5025cr-sirajganj-economic-zone-1718521>

Sales of commercial vehicles pick up on economic boom

- Sales of commercial vehicles rose 10.65% year-on-year to 25,980 units in 2018 fueled by rising economic activities amid stable political situation, according to data from Bangladesh Road Transport Authority (BRTA).
- Sales of truck led the growth of the commercial vehicle segment in the broader automobile industry: 12,663 trucks were sold last year, up 22.31% from 10,363 in 2017. Sales of covered vans were up 10.68% year-on-year to 5,729 units and that of tractors rose 28% to 3,553 units. Bus sales were, however, down 26.72% to 2,755 units and cargo van sales dropped 9.41% to 1,280 units.

- The market size of the commercial vehicle segment was about BDT 42.0 billion in 2017 from about BDT 20.0 billion a decade ago. It is expected to reach BDT 50.0 billion in 2018, said the chairman of Nitol Tata, distributor of Indian auto giant Tata. The market grew 15% to 20% every year in the last one decade, which also saw a shift in market leadership in the segment. In the 90's, the segment was dominated by imports from Japan. Now it is controlled by Indian commercial vehicle manufacturers thanks to their comparatively lower price and fuel efficiency, market players said.

<https://www.thedailystar.net/business/news/sales-pick-economic-boom-1720030>

Government to procure six more ships from China

- The government will procure six more ships from China to gear up the activities of Bangladesh Shipping Corporation (BSC). The ships will be purchased from China National Machinery Import and Export Corporation (CMC) at an estimated cost of BDT 21 billion.
- Of them, two will be mother vessel tankers. Each of the tankers will have a carrying capacity between 0.10 million tonnes and 0.12 million tonnes while two diesel tankers will have a carrying capacity of around 80,000 tonnes each. The rest two bulk carriers to be used in carrying coals will have a capacity of 50,000 to 60,000 tonnes each.

<http://today.thefinancialexpress.com.bd/public/last-page/govt-to-procure-six-more-ships-from-china-1553276072>

Apparel exporters to get up to 12% cash incentives

- Bangladesh Bank on Thursday said that the cumulative cash incentives, up to 12%, against apparel exports would not be reduced in this fiscal year. An exporter gets up to three types of cash incentives, out of four, against apparel exports, but as per an earlier directive, they got maximum 10% in cumulative cash incentives. BB in a circular issued on Thursday clarified that the provision of capping the cumulative cash incentives at 10% in an earlier directive issued in 2016 had been scrapped.

<http://www.newagebd.net/article/68025/apparel-exporters-to-get-up-to-12pc-cash-incentives>

Small cap companies to get registration fee waiver

- The government is planning to waive registration fees for companies having an authorised capital of BDT 1.0 million or less. The move is aimed at easing the process of forming a new company, especially one with a small capital, the authorities said.
- Commerce ministry officials have already given the green signal to such a proposal coming from the Registrar of Joint Stock Companies (RJSC). Schedule two of the Companies Act 1994 requires a minimum registration fee of BDT 700 for a company having an authorised capital of BDT 20,000 or less.
- Meanwhile, registration fee gradually goes up for companies having a higher amount of authorised capital. Insiders said there were some initial concerns that the proposed reform might result in the loss of government revenue coming from such fees.

<http://today.thefinancialexpress.com.bd/public/first-page/small-cap-companies-to-get-reg->

[fee-waiver-1553275757](#)

Important News: Capital Market

GSM puts Bangladesh on world IoT map

- The global association of GSM mobile operators 'GSMA' has recognised Grameenphone as one of the first telecom operators in South Asia and the first operator in Bangladesh to introduce the NB-IoT network, which puts Bangladesh and Grameenphone on the world IoT map.
- Narrow Band Internet of Things (NB-IoT) is a cutting-edge communications technology that facilitates the connection of millions of everyday appliances, like waste bins and power meters, all over the country. NB-IoT is far more energy efficient and uses a fraction of the bandwidth compared to regular 4G communication which means, meters installed in pipes or drains, or parking sensors placed in the basement of car parks, are easily connected with the network.
- NB-IoT is expected to enable rapid adoption of IoT applications in the country, such as smart electricity/gas/water metering, safety monitoring, city parking, city lighting, connected vehicles and various industrial automation solutions, the release said.
- According to a report, published by GSMA on 21st February 2019, Bangladesh is now among only 45 NB-IoT enabled markets in the world. In South Asia, Bangladesh and Sri Lanka are the only two countries that have a NB-IoT network, said the release.
- Grameenphone deputy CEO and CMO said that Grameenphone has always been in the forefront of bringing in advanced technology. They are very proud to be one of the very few telecom operators in Asia to bring in NB-IoT.

<http://www.newagebd.net/article/68385/gsm-puts-bangladesh-on-world-iot-map>

Over 9 million bills paid through GPAY in 2018

- Grameenphone's digital wallet platform GPAY registered over nine million bill payments in 2018, transacting approximately BDT 10.50 billion. Aligning with 28 nationwide utility concerns, GPAY has served close to 10 million households, the mobile phone operator said in a statement yesterday. GPAY wallets can be refilled from MobiCash retail outlets, GPAY partner bank accounts and Grameenphone centres.

<https://www.thedailystar.net/business/news/over-9m-bills-paid-thru-gpay-2018-1719562>

Singer Bangladesh's majority stakes change hands

- Turkey based home appliance manufacturing group Arcelik to acquire controlling stake of 57% of Singer Bangladesh from Netherlands based Retail Holdings group for USD 75 million or around BDT 144 a share. The transaction is anticipated to close in April, said a press release from Retail Holdings on Friday. The remaining 43% of the shares of Singer Bangladesh, a major retailer of home appliance, is publicly owned. According to a Singer Bangladesh notice published on Friday, Ardutch will acquire 56.9% or 4,37,07,183 shares

of Singer from Retail Holdings.

- Founded in 1955 as a subsidiary of Koç Holding, Turkey's largest industrial conglomerate and a member of the Fortune 500, Arçelik is a leading player in the home appliance industry with 21 manufacturing facilities in eight countries. It is the third largest home appliance company in Europe.

<https://www.thedailystar.net/business/news/singer-bangladeshs-majority-stakes-change-hands-1719589>

<http://www.newagebd.net/article/68175/turkish-arcelik-group-buys-singer-bangladeshs-controlling-stake-for-75m>

Sonali Bank: once bitten, twice shy

- Sonali Bank has emerged as an anomaly in the banking sector, logging in almost half the loan-deposit ratio than other banks last year, at a time when most were gasping to contain their ratio to within the authorised limit. At the end of 2018, Sonali's loan-deposit ratio stood at 42.43%, whereas the ratio was beyond 85% for most other banks.
- When all the banks were fighting for deposits by offering high interest rates, Sonali sat still. The bank offered interest rate of 6 to 7% on deposits throughout last year, when most of the private banks were giving upwards of 10% rate. Subsequently, its deposit growth in 2018 was 2.78%, down from 3.17% a year earlier. Its loan growth was 9.65% last year, down from 10% in the previous year.

<https://www.thedailystar.net/business/news/sonali-bank-once-bitten-twice-shy-1721317>

Wata Chemicals to enhance production capacity

- The board of directors of Wata Chemicals has approved for BMRE (Balancing, Modernization, Rehabilitation and Expansion) of 18,000 MT per annum capacity of sulphuric acid plant unit-1, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday. The board has also decided to set-up of new aluminium sulphate (ALUM) Plant Unit-2 for 12,000 MT per annum. The board has also decided to set-up Linear Alkyl Benzene Sulphonic Acid/Sodium Lauryl Ether Sulphate (SLES) plant for 7,200 MT per annum at its factory in Narayanganj, said the disclosure.

<http://today.thefinancialexpress.com.bd/stock-corporate/wata-chemicals-to-enhance-production-capacity-1553703127>

Ring Shine Textiles' IPO bid draws flak

- The stockmarket regulator's decision to allow Ring Shine Textiles to raise BDT 1.5 billion has come under fire from analysts, who termed it an ill-thought-out step given the performance of such companies thus far. It would be the highest amount raised by a textile company. The paid-up capital of Ring Shine Textiles after raising the funds from the market would be BDT 4.35 billion, which is the second highest in the sector.
- So far, seven textiles companies with more than BDT 2.0 billion in paid-up capital got listed and all are trading at face value or lower than that. The companies are Alif Manufacturing, C&A Textiles, Familytex, Far East Knitting, Generation Next, Maksons Spinning, and RN Spinning Mills.

<https://www.thedailystar.net/business/news/ring-shine-textiles-ipo-bid-draws-flak-1721314>

Summit's Floating Storage Re-Gasification Unit (FSRU) to start operation from April 20

- The country's second liquefied natural gas (LNG) terminal, owned by Summit Group, is scheduled to initiate its commercial operation next month, mounting further the fiscal burden on the state-run Petrobangla over import of the fuel. After commissioning, Petrobangla would have to pay around USD 217,000 (BDT 18.22 million) per day to Summit no matter whether the state entity re-gasifies LNG from the floating storage re-gasification unit (FSRU) or not, as per the 'take or pay' deal, said a senior official.
- On top of the payment, Petrobangla would have to pay the price for importing LNG from global suppliers for re-gasification in the terminal, the senior official said. Petrobangla would re-gasify up to 500 million cubic feet per day (mmcf) equivalent LNG through the Summit's FSRU, as per the agreement to use the terminal.

<http://today.thefinancialexpress.com.bd/first-page/summits-fsr-to-start-operation-from-april-20-1553536903?date=26-03-2019>

First floating rate T-bond hits market

- The government has floated a three-year treasury bond based on the interest rate determined by the market -- a first for the country -- with a view to diversifying the securities market. The existing government securities have fixed interest rates, so the new debt instrument -- Floating Rate Treasury Bond (FRTB) -- will encourage individuals to go to the secondary bond market as there will be a good possibility to enjoy a hefty return given the country's socioeconomic development.
- As per the chairman of the Association of Bankers, this is a good initiative. The FRTB, which is worth BDT 5.0 billion, was issued by the central bank on Monday in the primary bond market. Three banks -- Sonali, NRB and South Bangla Agriculture and Commerce -- purchased BDT 1.12 billion of the bond, while the remaining amount was mopped up by the central bank itself.
- The interest rate on the bond was set at 6.50% through an auction, which is higher than the existing 6.44% interest rate for five-year treasury bonds. Before this, there were five government treasury bonds in the market with maturities ranging from two years to 20 years but with fixed interest rates.
- For instance, the interest rate on the five-year treasury bond is now 6.44% and those who invested in the instrument will get the same return upon its maturity. But those who invest in the FRTB can get more or less than 6.50% as the yield is floating. The interest rate of the instrument will change every three months.

<https://www.thedailystar.net/business/news/first-floating-rate-t-bond-hits-market-1720789>

Prime Minister opens digital financial service Nagad

- Prime minister inaugurated Bangladesh Post Office's digital financial service titled Nagad to meet the growing demand of mobile banking among people. The Bangladesh Post Office

has introduced Nagad to reach the digital financial services to common people, particularly those deprived of the banking services.

- The Nagad service is the new version of the previously introduced Postal Cash Card and Electronic Money Transfer System. The new service is an extended digital financial service and it will be able to provide faster services through various digital channels and digital systems like digital apps, mobile phones, ATM, POS Terminals, NFC-enabled devices, electronically enabled cards, biometric devices and tablets.

<http://www.newagebd.net/article/68445/pm-opens-digital-financial-service-nagad>
<https://www.thedailystar.net/business/news/mfs-market-heat-pm-opens-nagad-1720801>

Bangladesh Securities and Exchange Commission (BSEC) wants permanent waiver from tax, VAT

- Bangladesh Securities and Exchange Commission has sought permanent exemption from paying value-added tax and income tax imposed on its earnings saying that the commission is not a financial institution rather a statutory capital market regulating body. BSEC chairman has recently sent a letter to finance minister, requesting his interference in the issue.
- The BSEC chairman in his letter said the commission is a statutory capital market regulatory body that was established under BSEC law 1993. It is not founded to make profits. As the commission is not a financial institution, NBR could not impose VAT and income tax on the regulator's earnings.
- The revenue board, however, in 2014 imposed 25% income tax on its any earnings other than capital gains but suspended it in 2015, he said. The earnings of BSEC have been outside the purview of all kinds of VAT and taxes from July, 2017 to June, 2022, he said. The commission deposited BDT 4.61 billion in income to the government exchequer from the financial year of 2009-10 to the financial year of 2017-18, BSEC chairman added.
- The BSEC chairman said that the revenue board might not aware of the fact that the market regulator had been depositing the earnings to the government treasury without any legal bindings. He also mentioned the names of a number of securities commissions in the world which do not pay any tax.

<http://www.newagebd.net/article/68452/bsec-wants-permanent-waiver-from-tax-vat>

Dhaka Stock Exchange (DSE) top brokers for cancellation of initial public offering quota

- The top brokers of DSE and merchant bankers have demanded of the regulator to introduce T+0 share trading cycle settlement aiming to bring dynamism in trading activities that currently remained dull. They also urged the Bangladesh Securities and Exchange Commission (BSEC) to formulate a guideline regarding much-talked about the 'placement shares'. They demanded cancellation of existing initial public offering (IPO) quota.
- Share trading settlement period is T+0 means buyers make payment and sellers have to transfer ownership of stocks in the same day. Currently, share trading settlement period is two days (T+2), meaning, buyers make payment and sellers have to transfer ownership of stocks within two days after the trade taking place. They also demanded to introduce share-

netting facility as they believe this trading system will help reverse the slumping turnover. Netting is used in share trading, where an investor can change his position on a single day.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-top-brokers-for-cancellation-of-initial-public-offering-quota-1553535169?date=26-03-2019>

Bangladesh Infrastructure Finance Fund Limited (BIFFL) to go public to raise BDT 10 billion

• Bangladesh Infrastructure Finance Fund Limited (BIFFL) has planned to mobilize capital amounting to BDT 26 billion through issuing bond and floating IPO in the capital market in short and long terms. In the first phase of mobilizing funds, the application for a non-convertible fully redeemable subordinated bond worth BDT 4.0 billion is now waiting for approval from Bangladesh Securities and Exchange Commission and Bangladesh Bank. The state-owned non-bank financial institution will hopefully get approval of BDT 4.0 billion bonds by June this year, according to BSEC sources.

• The financial institution wants to float two more bonds worth BDT 4.0 billion each in foreign currency in 2020 and 2021, according to BIFFL. The company plans to collect BDT 10 billion through floating initial public offering (IPO) by next year.

<http://today.thefinancialexpress.com.bd/stock-corporate/biffil-to-go-public-to-raise-BDT-10-billion-1553535137?date=26-03-2019>

Dhaka Stock Exchange (DSE) weighs resuming share-netting system

• Bourses are contemplating resuming share-netting facility after 17 years as they believe this trading system will help reverse the slumping turnover. Netting is used in share trading, where an investor can change his position on a single day. This accelerates the speed of fund while boosting commission earning by the stock brokers. The netting system was operational until 2002 after its launch in 1996. The bourses failed to continue the system as many stock brokers, stock dealers had fund crisis and other complexities during the period.

• The DSE management chief suggests that the 'short-selling' mechanism should also be introduced in this connection. Short-selling is the sale of a security that the seller has borrowed. A short seller makes profits if a security's price declines and loses when the price goes up. The DSE had issued a regulation on short-selling sometime in 2006 but it did not implement due to lack of adequate incentives for the parties concerned. The bourse is now working on a new short-selling regulation.

<http://today.thefinancialexpress.com.bd/first-page/dse-weighs-resuming-share-netting-system-1553448646>

Dhaka Stock Exchange (DSE) loses BDT 88.56 billion in two months

• The Dhaka Stock Exchange saw BDT 88.56 billion - or 2.10% - wiped off its market capitalization in the last two months as institutional investors bided their time on the sidelines while general investors went for panic sell-off. The DSEX, the benchmark index of the premier bourse, declined 58.07 points, or 1.04%, yesterday to finish the day at 5,512 -- the lowest since January 2. Turnover, another important indicator of the market, also dropped 9.37% to BDT 3.54 billion, a three-month low.

• Market insiders say the liquidity pressure in banks compelled institutional investors to take a wait-and-see approach despite the central bank's extension of deadline to bring down the loan-deposit ratio to 83.5% by six months. The weighted average interest rate on deposits crept up from 5.26% in December last year to 5.34% in January, according to data from the Bangladesh Bank. Data for the last two months are not available yet but bankers of some private banks say the interest rate is on the rise.

<https://www.thedailystar.net/business/news/dse-loses-BDT-8856cr-two-months-1720042>

Bangladesh Securities & Exchange Commission (BSEC) rejects Infinity Technology's IPO

• The stock market regulator has rejected the proposal for initial public offering (IPO) of Infinity Technology International, as the company sought permission to issue bonus shares before getting go-ahead for the IPO, which is a breach of law. On April 12 last year, Infinity applied for issuance of 30 million shares worth BDT 300 million and sought approval on February 6 this year to raise BDT 90 million in capital by issuing bonus shares to existing shareholders.

<https://www.thedailystar.net/business/news/bsec-rejects-infinity-technologys-ipo-1720021>

Regulators resolve to revamp bond market

• A number of regulatory bodies Thursday decided to make coordinated efforts for revamping the country's moribund bond market and help it meet the long-term financing need of the economy.

• A coordinated effort has already been initiated to raise BDT 8.78 trillion from the bond market for achieving 8.0% plus economic growth by 2021, according to the officials. To this end, two committees have been formed.

• Officials said the country needs substantial amount of long-term funds for investment to help the country achieve economic growth at the rate of 8.0% and above. Both bond market and banks need to be major sources of funds for an economy that aspires to achieve an 8.0% plus growth by the end of the fiscal year (FY) 2020-21, they added.

• The regulators have agreed to extend their support to the efforts for developing the bond market. Currently, only one corporate bond-Islami Bank Bangladesh Limited (IBBL) Mudarba Perpetual Bond-is now traded on the country's prime bourse, the Dhaka Stock Exchange (DSE).

<http://today.thefinancialexpress.com.bd/public/first-page/regulators-resolve-to-revamp-bond-market-1553190183>

Bangladesh Securities and Exchange Commission (BSEC) formulating rules for trading derivatives, sukuk

• Bangladesh Securities and Exchange Commission is formulating rules for derivatives and sukuk to facilitate trading of the products in the country's capital market. BSEC officials said that the regulator took the move to versatile the market and to draw more investment to the market.

- Sukuk are structured in a way to generate returns to investors. They are issued and traded in compliance with the principles of Shariah, which prohibit 'riba' or interest.
- When someone invests in sukuk, his money is put into the assets of a project or investment in order to generate profit. The sukuk holders will receive a certificate from the issuer as evidence of ownership, and are entitled to receive periodic profit payments on the principal amount invested. Upon maturity, the sukuk holder will get back the principal amount of investment.
- The underlying asset can be financial (interest rate, currency), equity (index, single stock), and commodity (rice, jute, tea).

<http://www.newagebd.net/article/68116/bsec-formulating-rules-for-trading-derivatives-sukuk>

New Line Clothing's IPO lottery draw today

- The New Line Clothings will hold its initial public offering (IPO) lottery draw today (Sunday) to allocate 30 million ordinary shares among successful applicants. The company received applications for the initial public offering (IPO) from February 18 and March 03 to raise a fund worth BDT 300 million (30 crore) from the capital market under the fixed price method. The IPO was oversubscribed by nearly 28 times as the company received more than BDT 8.32 billion against IPO issue of BDT 300 million, according to Chittagong Stock Exchange (CSE).
- The securities regulator -- Bangladesh Securities and Exchange Commission (BSEC) -- approved the company's IPO proposal on November 27, 2018. The company offloaded 30 million ordinary shares at an offer price of BDT 10 each. The company will use the IPO fund for acquisition of plant & machinery (39.23%), extension of factory building (25.44%), partial loan repayment (30%) and meeting IPO expenses (5.31%), according to the IPO prospectus.
- As per the entity's audited financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share and weighted average earnings per share (EPS) were BDT 20.51 (without revaluation) and BDT 1.85 respectively.

<http://today.thefinancialexpress.com.bd/stock-corporate/new-line-clothings-ipo-lottery-draw-today-1553353899>