

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-0.06%) lost 3.37 points and closed the week at 5,358.91 points. The blue-chip index DS30 (-1.02%) lost 19.68 points and stood at 1,906.78 points while the shariah based index DSES (+0.48%) closed in green and stood at 1,267.38 points. DSEX, DS30, and DSES all posted negative YTD return of -14.18%, -16.49%, and -8.87% respectively.

Total Turnover During The Week (DSE) : BDT 48.5 billion (USD 583.5 million)

Average Daily Turnover Value (ADTV): BDT 9.7 billion ($\Delta\%$ Week: +26.9%)

Market P/E: 16.98x

Market P/B: 2.20x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market showed positive performance by 0.07% in the first session. Market remained opened in negative in the second session by -0.46% and rebounded in the third session by 0.56%. Market continued to be positive in the fourth session by 0.15% however, in the last session, market closed in negative by 0.38%.

Sectoral Performance:

• All the financial sectors showed mixed performance this week. General Insurance posted highest gain by 1.71% followed by NBFIs (+1.00) and Mutual Funds (+0.73%). Life Insurance recorded the highest loss of 2.31% followed by Banks (-2.00%).

• Non-financial sectors showed mixed performance this week. Power experienced highest gain by 2.12% followed by Engineering (+1.86%) and Telecommunication (+1.11%). Food & Allied registered the highest loss of 2.94% followed by Pharmaceuticals (-0.51%).

Macroeconomic arena:

• Private sector credit growth continued its downward course in May after many banks sincerely adopted a 'go slow' policy in disbursing fresh loans. In May, private sector credit growth stood at 17.60%, down from 17.65% registered a month earlier. The growth would come down further in the coming months as banks would disburse loans cautiously ahead of the national election, which is scheduled for the year-end.

• The number of Bangladeshi workers going abroad with jobs dropped by about 25% in the first half (H1) of the current calendar year (2018) compared to that in the corresponding period of the previous year. The number dropped this year, as the demand for foreign workers has declined significantly in the Kingdom of Saudi Arabia (KSA), the largest job market for Bangladeshis last year.

• The government has decided to reduce the minimum investment ceiling for projects to be implemented under the public private partnership (PPP) on a government to government (G to G) basis. Bangladesh has signed memorandum of understanding (MoU) with Japan and Singapore for implementing PPP projects under G to G basis.

• SME loan disbursement by banks and non-bank financial institutions declined by 10.34% or BDT 4.20 billion in the first three months (January-March) of the year 2018 compared with that in the same period of the previous year. Banks and NBFIs disbursed BDT 36.4.20 billion in loans to the SME sector in the first quarter of the year 2018, while the figure was BDT 406.21 billion in the same quarter last year.

Stock Market arena:

• Most of the mutual funds have been trading at lower than their face value for several years now as poor performance and mismanagement by fund managers spoiled investors' willingness. Out of 37 close-end funds on the premier bourse, 31 are trading below their face value.

• SK Trims & Industries will make its shares trading debut on July 15, 2018 (Sunday) on the stock exchanges under "N" category. SK Trims will be the 13th listed company under the miscellaneous sector.

• The securities regulator has allowed Runner Automobiles to determine the cut-off price required to go public under book building method. Runner Automobiles will utilize the IPO fund for research and development works, purchasing machineries, repaying bank loans and bearing the IPO expense. IDLC Investments is working as the issue manager.

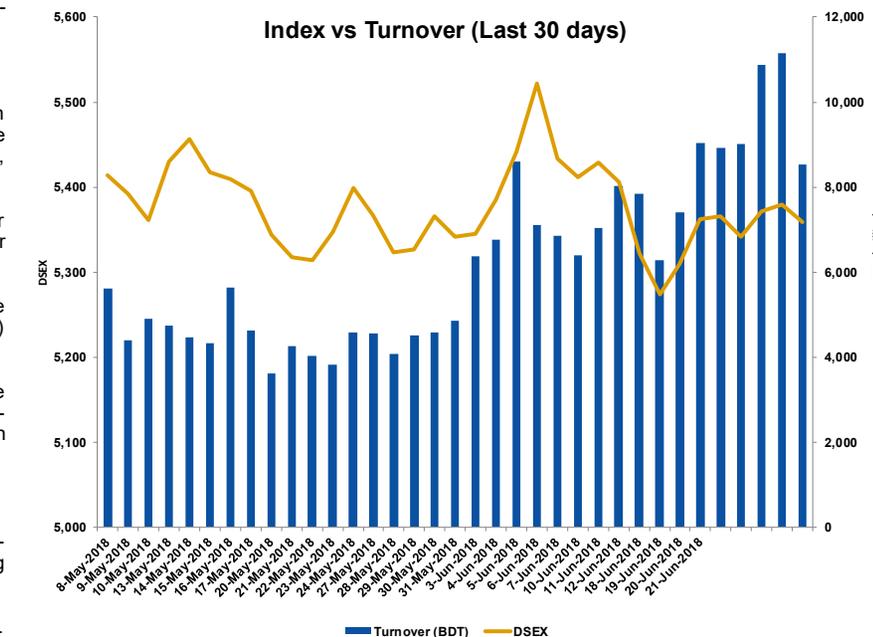
Table 1: Index

| Index | Closing | Opening | Δ (Pts) | 31-Dec-2016 | $\Delta\%$ Week | $\Delta\%$ YTD |
|-------|----------|----------|----------------|-------------|-----------------|----------------|
| DSEX | 5,358.91 | 5,362.28 | -3.37 | 6,244.52 | -0.06% | -14.18% |
| DS30 | 1,906.78 | 1,926.46 | -19.68 | 2,283.23 | -1.02% | -16.49% |
| DSES | 1,267.38 | 1,261.32 | 6.06 | 1,390.67 | 0.48% | -8.87% |

Table 2: Market Statistics

| | | This Week | Last Week | %Change |
|------------------------|-----------|--------------|--------------|---------|
| Mcap | Mn BDT | 19,294,220.2 | 15,323,733.7 | 25.9% |
| | Mn USD | 232,097.0 | 184,334.6 | |
| Turnover | Mn BDT | 48,502.3 | 30,567.0 | 58.7% |
| | Mn USD | 583.5 | 367.7 | |
| Average Daily Turnover | Mn BDT | 9,700.5 | 7,641.8 | 26.9% |
| | Mn USD | 116.7 | 91.9 | |
| Volume | Mn Shares | 1,238.7 | 671.3 | 84.5% |

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

| | Mcap | | | | | | |
|-----------------------------------|--------|--------|-------|----------|--------------|--------|-------|
| | Close | Open | Δ% | (mn BDT) | Vol (mn BDT) | P/E | P/B |
| The Peninsula Chittagong Limited | 33.30 | 23.70 | 40.5% | 3,951.6 | 648.39 | 62.8x | 1.5x |
| Legacy Footwear | 152 | 109.60 | 39.0% | 1,732.2 | 862.13 | 150.9x | 9.0x |
| Anwar Galvanizing | 111.90 | 88.00 | 27.2% | 1,624.8 | 720.11 | 108.0x | 13.1x |
| Dragon Sweater & Spinning Ltd. | 34.60 | 28.10 | 23.1% | 7,626.4 | 581.81 | 52.4x | 2.8x |
| Confidence Cement | 187.50 | 153.30 | 22.3% | 10,123.5 | 528.80 | 20.3x | 3.7x |
| H.R. Textile | 63.90 | 52.80 | 21.0% | 1,616.7 | 470.73 | 44.5x | 4.5x |
| Saiham Textile | 23.90 | 20.10 | 18.9% | 2,164.4 | 380.89 | 23.4x | 1.3x |
| Sinobangla Industries | 74.30 | 62.70 | 18.5% | 1,485.7 | 696.97 | 46.7x | 3.8x |
| Bengal Windsor Thermoplastics Ltd | 38.70 | 33.10 | 16.9% | 3,540.1 | 133.62 | 23.0x | 2.1x |
| KDS Accessories Limited | 83.80 | 71.70 | 16.9% | 5,033.0 | 596.01 | 40.1x | 3.9x |

Table 4: Top Ten Losers

| | Mcap | | | | | | |
|-------------------------------------|--------|----------|--------|----------|--------------|--------|--------|
| | Close | Open | Δ% | (mn BDT) | Vol (mn BDT) | P/E | P/B |
| BD Autocars | 340.40 | 456.10 | -25.4% | 1,314.8 | 304.83 | 369.1x | 122.6x |
| Libra Infusions Limited | 947.10 | 1,177.80 | -19.6% | 1,185.4 | 169.61 | 194.9x | 0.6x |
| AMCL (Pran) | 230.90 | 285.40 | -19.1% | 1,847.2 | 189.26 | 33.6x | 3.5x |
| Bashundhara Paper Mills Limited | 153.20 | 181.60 | -15.6% | 26,624.8 | 2,144.14 | 409.6x | 15.3x |
| Padma Islami Life Insurance Limited | 26.90 | 30.80 | -12.7% | 1,045.9 | 44.02 | NM | 2.7x |
| Wata Chemicals Limited | 299.10 | 340.90 | -12.3% | 2,728.3 | 109.99 | 76.1x | 4.3x |
| Rupali Life Insurance Co. Ltd. | 40.80 | 46.50 | -12.3% | 1,131.8 | 83.19 | NM | 4.1x |
| Aziz Pipes | 232.30 | 263.50 | -11.8% | 1,183.0 | 368.90 | 427.9x | NM |
| Renwick Jajneswar | 685.90 | 775.40 | -11.5% | 1,371.8 | 41.56 | 222.3x | NM |
| Standard Insurance | 21.40 | 24.00 | -10.8% | 842.3 | 8.21 | 26.4x | 1.4x |
| JMI Syringes & Medical Devices Ltd | 211.10 | 234.70 | -10.1% | 2,322.1 | 162.86 | 31.1x | 3.3x |

Table 5: Top Ten Most Traded Shares

| | Mcap | | | | | | |
|--|--------|--------|--------|-----------|--------------|---------|-------|
| | Close | Open | Δ% | (mn BDT) | Vol (mn BDT) | P/E | P/B |
| Bashundhara Paper Mills Limited | 153.20 | 181.60 | -15.6% | 26,624.8 | 2,144.14 | 409.6x | 15.3x |
| BBS Cables Limited | 90.30 | 78.60 | 14.9% | 12,461.4 | 1,595.25 | 30.1x | 5.4x |
| Ratanpur Steel Re-Rolling Mills Limited | 66.90 | 65.40 | 2.3% | 6,769.5 | 1,525.60 | 9.6x | 2.2x |
| United Power Generation & Distribution Company Ltd | 327.00 | 306.30 | 6.8% | 130,551.2 | 1,393.47 | 31.3x | 12.2x |
| Singer Bangladesh | 207.50 | 182.50 | 13.7% | 15,914.1 | 937.08 | 29.1x | 8.9x |
| Pacific Denims Limited | 22.30 | 19.90 | 12.1% | 2,834.9 | 922.90 | 21.1x | 1.5x |
| Beximco Limited | 26.70 | 26.10 | 2.3% | 22,283.5 | 912.97 | 21.7x | 0.4x |
| Legacy Footwear | 152.30 | 109.60 | 39.0% | 1,732.2 | 862.13 | 150.9x | 9.0x |
| Paramount Textile Limited | 55.40 | 50.80 | 9.1% | 7,149.2 | 804.65 | 31.8x | 3.7x |
| Monno Ceramic | 341.10 | 301.10 | 13.3% | 8,569.9 | 731.89 | 3256.0x | 3.8x |

Table 8: Most Appreciated YTD in BRAC EPL Universe

| Top 10 Most Appreciated Stocks | Close | Δ% YTD | Mcap (mn BDT) | P/E |
|--------------------------------|----------|--------|---------------|--------|
| Berger Paints | 1,314.60 | 27.45% | 60,968.4 | 30.2x |
| Summit Power | 38.80 | 8.08% | 41,433.6 | 9.5x |
| Singer Bangladesh | 207.50 | 6.14% | 15,914.1 | 29.1x |
| Atlas Bangladesh | 137.80 | 4.87% | 4,149.9 | NM |
| Marico Bangladesh Limited | 1,152.20 | 4.17% | 36,294.3 | 25.2x |
| Mutual Trust Bank | 31.90 | 2.54% | 18,290.3 | 12.5x |
| Beximco Limited | 26.70 | -1.11% | 22,283.5 | 21.7x |
| S. Alam Cold Rolled Steels | 33.00 | -1.20% | 3,246.2 | 26.9x |
| Eastern Housing | 48.00 | -2.44% | 4,480.6 | 20.6x |
| DESCO | 44.00 | -3.08% | 17,493.1 | 100.0x |

Table 6: Sector Indices

| | Week Close | Week Open | Year Open | %Δ Week | %Δ YTD |
|------------------------|------------|-----------|-----------|---------|----------|
| Banks | 1328.00 | 1355.14 | 1848.21 | -2.00% | -28.15% |
| NBFIs | 2212.97 | 2191.03 | 2714.85 | 1.00% | -18.49% |
| Mutual Funds | 759.41 | 753.91 | 788.81 | 0.73% | -3.73% |
| General Insurance | 1389.45 | 1366.10 | 1592.30 | 1.71% | -12.74% |
| Life Insurance | 1689.63 | 1729.55 | 1834.85 | -2.31% | -7.91% |
| Telecommunication | 5377.46 | 5318.28 | 6494.31 | 1.11% | -17.20% |
| Pharmaceuticals | 2692.03 | 2705.87 | 2821.05 | -0.51% | -4.57% |
| Fuel & Power | 1738.50 | 1702.49 | 1527.27 | 2.12% | 13.83% |
| Cement | 1970.31 | 1898.11 | 2280.58 | 3.80% | -13.60% |
| Services & Real Estate | 1102.64 | 1051.20 | 1224.11 | 4.89% | -9.92% |
| Engineering | 3009.69 | 2954.82 | 3166.83 | 1.86% | -4.96% |
| Food & Allied | 14211.28 | 14641.30 | 15304.34 | -2.94% | -7.14% |
| IT | 1388.31 | 1391.83 | 1484.41 | -0.25% | -6.47% |
| Textiles | 1295.74 | 1258.63 | 1222.72 | 2.95% | 5.97% |
| Paper & Printing | 15007.78 | 17543.60 | 1013.11 | -14.45% | 1381.36% |
| Tannery | 2602.95 | 2566.62 | 2642.41 | 1.42% | -1.49% |
| Jute | 7624.77 | 8012.05 | 8867.22 | -4.83% | -14.01% |
| Ceramics | 671.56 | 658.71 | 597.46 | 1.95% | 12.40% |
| Miscellaneous | 1982.93 | 1976.15 | 1725.62 | 0.34% | 14.91% |

Table 7: Sector Trading Matrix

| | Daily average this Week | Daily average last week | % Change | % of Total Turnover | PE | PB |
|------------------------|-------------------------|-------------------------|----------|---------------------|-------|-------|
| | Banks | 454.3 | 96.8 | 369.20% | 4.82% | 8.5x |
| NBFIs | 272.8 | 43.9 | 520.83% | 2.89% | 20.8x | 2.1x |
| Mutual Funds | 51.0 | 10.3 | 395.42% | 0.54% | NM | 0.6x |
| General Insurance | 56.6 | 8.7 | 551.18% | 0.60% | 12.7x | 1.0x |
| Life Insurance | 53.4 | 18.6 | 187.06% | 0.57% | NM | 7.4x |
| Telecommunication | 70.0 | 14.0 | 399.12% | 0.74% | 23.7x | 17.4x |
| Pharmaceuticals | 722.8 | 176.8 | 308.89% | 7.66% | 20.3x | 3.4x |
| Fuel & Power | 778.5 | 188.4 | 313.24% | 8.25% | 14.7x | 2.3x |
| Cement | 164.0 | 15.3 | 971.14% | 1.74% | 22.2x | 3.6x |
| Services & Real Estate | 267.5 | 31.6 | 747.51% | 2.84% | 27.6x | 0.9x |
| Engineering | 2,180.5 | 489.4 | 345.56% | 23.12% | 23.8x | 2.3x |
| Food & Allied | 415.0 | 129.7 | 220.02% | 4.40% | 29.2x | 10.3x |
| IT | 217.0 | 58.0 | 273.86% | 2.30% | 26.8x | 2.9x |
| Textiles | 1,941.7 | 463.6 | 318.81% | 20.58% | 23.1x | 1.3x |
| Paper & Printing | 446.6 | 148.0 | 201.67% | 4.73% | NM | 8.1x |
| Tannery | 338.3 | 81.8 | 313.85% | 3.59% | 19.9x | 3.2x |
| Jute | 27.4 | 10.0 | 173.03% | 0.29% | NM | 3.2x |
| Ceramics | 214.5 | 70.3 | 205.20% | 2.27% | 32.4x | 2.5x |
| Miscellaneous | 760.7 | 188.9 | 302.78% | 8.06% | 27.9x | 1.3x |

Table 9: Least Appreciated YTD in BRAC EPL Universe

| Top 10 Least Appreciated Stocks | Close | Δ% YTD | Mcap (mn BDT) | P/E |
|---------------------------------|-------|---------|---------------|-------|
| AB Bank | 12.00 | -45.70% | 9,097.6 | 6.0x |
| Lankabangla Finance | 27.10 | -39.05% | 9,271.4 | 11.7x |
| Islami Bank | 22.70 | -37.98% | 36,546.8 | 8.2x |
| Prime Bank | 15.50 | -37.77% | 17,550.4 | 8.0x |
| Eastern Bank | 32.00 | -37.38% | 23,616.0 | 8.7x |
| City Bank | 30.20 | -37.26% | 29,233.2 | 7.2x |
| Dhaka Bank | 12.90 | -34.03% | 10,482.3 | 6.8x |
| United Airways (BD) Ltd. | 3.70 | -33.93% | 2,543.0 | 13.1x |
| Uttara Bank | 23.60 | -33.14% | 9,441.9 | 6.1x |
| EXIM Bank | 11.60 | -32.56% | 16,382.1 | 5.6x |

Important News: Business & Economy

Execution of decision by all banks to take time: Finance Minister

• Finance Minister admitted that lowering of the lending rate to single-digit by all banks would take time. He also said that the target is difficult. Probably (while setting the target) he told them to do it as fast as possible. But, it is not possible for all the banks to do it (reduce the rate) so quickly. On June 20, the BAB, the organisation of owners of the country's private commercial banks (PCBs), announced that they will bring down their loan interest rate to single-digit from July 01. However, only a few of the banks could lower the interest rate as of July 11.

• When his attention was drawn to the withdrawal of deposits by the state-owned commercial banks (SoCBs) from the PCBs, the minister said that it is a matter of their own business. Recently the government has decided that the SoCBs and the state-owned enterprises (SoEs) will deposit funds with the PCBs at 6.0% interest rate to help the latter cut the loan interest rate to single-digit. According to the officials concerned, the decision to lower the lending rate to single-digit was taken following a directive coming from Prime Minister. The interest rate is being lowered to facilitate industrial expansion, create new entrepreneurs, generate more employment, and boost export-import activities in the country.

<http://today.thefinancialexpress.com.bd/first-page/execution-of-decision-by-all-banks-to-take-time-muhih-1531331138>

<https://www.thedailystar.net/business/banking/lowering-lending-rate-overnight-difficult-muhih-1603921>

<http://www.newagebd.net/article/45786/muhih-defends-bankers-delay-in-lowering-lending-rate>

Bangladesh leading global push to get transitional benefits

• Bangladesh is leading a global push for getting the LDC-related benefits for the nations that are set to graduate to a developing country status in the coming years. The country is set to co-host an international event on "Supporting Smooth Transition of the LDCs towards a Sustainable Graduation" during the 'High Level Political Forum' that is now taking place in New York. The event, which is expected to bring representatives from all 47 least developed countries (LDCs) from around the world, is expected to focus on challenges faced by the LDCs during and after their graduation phase.

• Bangladesh government will jointly host the event with the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP). Bangladesh, at the current pace, is expected to graduate from the LDC status by 2024. Currently, the country enjoys a 12% preference margin for its apparel industry under the European Union's Everything but Arms (EBA) Initiative, which gives it a substantial price advantage. It has been noted that as Bangladesh is expected to graduate concurrently from both the UN and the World Bank (WB) classifications, options for concessional financing will also dry up.

<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-leading-global-push-to-get-transitional-benefits-1531282899>

ICB's investment capacity raised

• The central bank will not consider the Investment Corporation of Bangladesh (ICB) as a single party borrower of banks in a bid to increase the financial institution's capacity to

invest in the capital market. The move comes in line with the six-point recommendation made by Finance Minister on June 18 to give a boost to the capital market. But the Bangladesh Bank did not implement the other five suggestions in the interest of the banking sector, a BB official told The Daily Star yesterday. The minister sent a letter to the central bank governor asking him to redefine the banks' capital market exposure and increase the investment capability of the ICB, both longstanding demands of stakeholders.

• In response to the instructions, BB Governor wrote a letter to the minister in the last week of June to inform him that the central bank will refrain from considering the ICB as a single party borrower of banks for the time being. In September last year, the central bank asked banks to follow the single borrower exposure limit while lending to the ICB. Any bank will be allowed to disburse loans up to a maximum of 15% of its paid-up capital to a single borrower in line with the Bank Company Act 1991. But a number of banks invested huge amounts of funds in the ICB violating the act, which compelled the central bank to instruct banks to adjust their investment by June this year.

• The BB official said that a haphazard situation would be created in the banking sector if the central bank implemented the five other points. When determining the capital market exposure, banks can leave out their subsidiaries' investment in the stock market, as per Finance Minister's instruction to the BB governor. The minister also asked for excluding non-listed securities and non-listed strategic investment in exposure calculation and considering the cost price rather than the market price of securities in calculations. He also allowed banks to only include the portion of the loans given to subsidiaries that was used for share purchase as capital market exposure.

<https://www.thedailystar.net/business/icbs-investment-capacity-raised-1603924>

USD 7.4 billion deals inked to produce 6,000MW

• Bangladesh yesterday took another leap towards addressing its energy shortage, signing two separate agreements involving USD 7.4 billion to generate 6,000 megawatts of electricity largely from liquefied natural gas. One of the deals involves the local Summit Group, Japan's Mitsubishi Corporation and the US's General Electric Company, and the other Bangladesh Power Development Board and GE Switzerland. Summit, Mitsubishi and GE signed a preliminary agreement at an event held in the capital's Sonargaon hotel to invest USD 3 billion to establish five power plants, two LNG terminals and one oil terminal.

• As per state minister for power, energy and mineral resources, this is one of the biggest investments in the private sector in Bangladesh. Managing director of Summit Power International said that Summit will hold the majority stakes in the project. In the day's other deal, BPDB and GE Switzerland will establish a 3,600MW LNG-based combined cycle power plant in Moheshkhali, Cox's Bazar at an estimated cost of USD 4.4 billion. The BPDB will hold 51% stakes, GE Switzerland 30% and the remaining 19% still up for grabs.

• The four 600MW combined cycle power plants under Summit's deal will be powered by GE's flagship 9HA gas turbines. The 9HA-class gas turbines entered the Guinness World Records last year for efficiency based on the amount of electricity generated from natural gas at the power plant in Bouchain, France, where it was first put into commercial operation in June last year. The project also includes two units of onshore LNG terminal with a total capacity of 380,000 cubic metres, and an oil terminal with a 100,000-tonne capacity -- all to be located in Matarbari, Cox's Bazar.

<https://www.thedailystar.net/business/74b-deals-inked-produce-6000mw-1603933>
<http://www.newagebd.net/article/45766/summit-ge-mitsubishi-unveil-3b-energy-investment-in-bangladesh>

Government to import 250MW more electricity from India

of the Cabinet Division at a briefing said that the import cost of per kilowatt electricity from one of the leading Indian independent power producers would be BDT 4.69 in short term between August 2018 and December 2019. The import cost of the same amount of electricity would be BDT 6.17 until 2033 from 2020 in the long term, he added. According to Power Development Board officials, electricity imports from India are expected to hit 7,500MW by 2020, which accounts for nearly 42% of the country's electricity consumption.

- He also said that the cabinet committee also approved procurement of 20 lakh electronic passports from Germany and equipments from the same country to prepare 28 lakh e-passports locally. He said that BDT 33.38 billion would be spent for introduction of e-passports under government-to-government deal with Germany. On June 5, the executive committee on the national economic council approved the e-passports project to phase out the present machine-readable passports introduced in 2009.

<http://www.newagebd.net/article/45746/govt-to-import-250mw-more-electricity-from-india>

Bangladesh Telecommunication Regulatory Commission (BTRC) moves to punish 3 telcos for not sending subscribers PM's Eid greetings

- Bangladesh Telecommunication Regulatory Commission has moved to take punitive measures against three mobile phone operators — Grameenphone, Robi and Banglalink — for their failure in disseminating to their subscribers a voice SMS containing prime minister Sheikh Hasina's Eid greetings. BTRC officials told New Age that the telecom regulator asked all mobile operators to disseminate the PM's voice greetings to their subscribers through their respective networks on the eve of Eid-ul-Fitr, one of the biggest religious festivals of the Muslims that was observed in the country on June 16 this year.

- They said that state-run mobile phone Teletalk sent the voice SMS (short message) to its subscribers, but GP, Robi and Banglalink failed to do so. The three mobile companies, however, said that it was logistically impossible for them to send well over 0.10 billion voice messages to their clients in around eight hours on the Eid day as they had received the directive to send out the 44-second voice message to all customers 'the night before Eid this year, after the close of business'. Acting BTRC chairman said that the commission would take punitive measures against the mobile phone operators as they refrained from implementing regulatory order violating rules.

- Mobile phone operators are supposed to disseminate any government information at free of cost under their licencing conditions. The telecom regulator on July 8 formed an investigation committee to look into the matter.

<http://www.newagebd.net/article/45787/btrc-moves-to-punish-3-telcos-for-not-sending-subscribers-pms-eid-greetings>

Trade gap soars to USD 17 billion, current account deficit USD 9 billion in 11 months

- Country's trade deficit soared by 84% to USD 17.2 billion in the July-May period of the just concluded fiscal year (2017-2018) as import payments surged past USD 50 billion in the 11 months. Current account balance also reached negative USD 9.3 billion in the first 11 months of FY18, according to the latest Bangladesh Bank data. The gap in trade balance and current account balance was USD 9.3 billion and USD 2.2 billion respectively in the same period of the previous fiscal year (2016-2017), the data showed.

- Overall balance also remained in the negative zone with USD 970 million in the period of FY18, which was USD 2.6 billion in the same period of FY17. Terming the situation a matter of concern for both external and internal sectors of the economy, economists and experts stressed prompt and required steps to address the causes of the situation. They said that continuation of ascending deficit in trade balance and current account balance would affect the macroeconomic stability and put pressure on foreign exchange reserve.

- They also suspected that money laundering might have taken place through import payments. According to the central bank data, import payments grew by 25.52% to USD 50.5 billion in July-May of FY18 against USD 40.2 billion in the same period of FY17. On the other hand, export earnings grew only by 7.79% to USD 33.3 billion in the period of last fiscal year compared with that of USD 30.9 billion in the same months of the previous fiscal year. The deficit in current account balance may cross USD 10.5 billion in FY18 if the annual export earnings are considered.

<http://www.newagebd.net/article/45692/trade-gap-soars-to-17b-current-account-deficit-9b-in-11-months>

SME loans dip by 10% in Q1 as liquidity crisis bites

- SME loan disbursement by banks and non-bank financial institutions declined by 10.34% or BDT 4.20 billion in the first three months (January-March) of the year 2018 compared with that in the same period of the previous year. As per a recently released central bank report, banks and NBFIs disbursed BDT 36,4.20 billion in loans to the SME sector in the first quarter of the year 2018, while the figure was BDT 406.21 billion in the same quarter last year. Bangladesh Bank officials said that banks and NBFIs might have reduced lending fund to the SME sector mainly because of liquidity crisis that surfaced from January this year.

- Beside, adjustment of advance-deposit ratio following the imposition of new ratio by the central bank in January this year might be another reason for the reduced lending by the banks to the SME sector, they said. They, however, said that the figure might increase gradually depending on the liquidity situation at the banks. The BB on January 30 reduced the advance (loan)-deposit ratio for conventional banks to 83.5% from 85% and IDR (income-deposit ratio) for Islamic banks to 89% from 90% and the entities are supposed to adjust the ratio by March, 2019.

- Association of Bankers, Bangladesh chairman said that the SME loan disbursement situation might improve gradually depending on the overall liquidity situation at banks. Although SME loan disbursement to the service and manufacturing sectors increased in January-March, loans to entrepreneurs associated with the trade sector fell sharply by 34.03% or BDT 904.6 billion.

<http://www.newagebd.net/article/45695/sme-loans-dip-by-10pc-in-q1-as-liquidity-crisis-bites>

Bangladesh Bank (BB) faces tough task to lower inflation after spike

- The central bank may face a challenge to bring down the average annual inflation to 5.6% in the current fiscal year (FY) after it exceeded the target in the last fiscal. The average annual inflation exceeded the government target of 5.5% in FY 2017-18 mainly due to higher prices of food grains, according to Bangladesh Bank (BB) officials. Now the BB and other concerned authorities would face a tough task to lower the inflation, they opined. The inflation rose to 5.78% in FY '18 on the annual average basis from 5.44% a year before, according to the latest data of the Bangladesh Bureau of Statistics (BBS).
- The figure was 5.92% in FY '16. Food inflation stood at 7.13% in FY '18 as compared to 6.02% in the previous fiscal. On the other hand, non-food inflation came down to 3.74% from 4.61%. Another BB official said that prices of food grains, particularly rice, increased significantly in FY '18 following flashfloods and incessant rain in different parts of the country. A BB board of directors meeting will be held in the central bank on Sunday mainly to discuss issues concerning the next monetary policy statement (MPS).
- BB might make clear its policy measures for curbing the inflationary pressure on the economy in the upcoming MPS. On Monday, the BB started preparations for formulating its next MPS. The BB is giving top priority to curbing the rising trend of inflation and helping the productive sectors achieve maximum economic growth.

<http://today.thefinancialexpress.com.bd/first-page/bb-faces-tough-task-to-lower-inflation-after-spike-1531245133>

Current account deficit threatens macro stability

- A sizeable current account deficit along with changing global and domestic liquidity conditions has made the management of macro-financial stability challenging. Identifying the challenge, the central bank has stressed "continued careful calibration" of the management of macro-financial stability. According to latest Bangladesh Bank Quarterly (BBQ) for January-March 2018, managing macro-financial stability in the face of a sizeable current account deficit, changing global and domestic liquidity conditions would require continued careful calibration
- However, moderation of inflationary pressures needs to be closely monitored to ensure inflation expectations remain well-anchored, according to the BB Quarterly. It also mentioned that despite a large deficit, current account balance witnessed some improvements in Q3 of FY18, aided by a decline in trade deficit and strong remittance inflows. However, the overall balance remained negative and widened during the third quarter (Q3) of the just-concluded fiscal year (FY) of 2017-18. Bangladesh's overall balance of payments (BoP) slid to a deficit of USD 1.04 billion during the July-April period of the fiscal, which was a surplus of USD 2.30 billion in the same period of FY 17.
- On the other hand, the country's current-account deficit reached USD 8.51 billion in the first ten months of FY 18 against USD 1.80 billion in the same period of the FY 17, the BB latest data showed. The higher trade deficit pushed up the current-account deficit during the period under review despite an uptrend in inward remittances. It also said the lending, deposit, and call money rates showed some upward pressures due to shifting excess liquidity conditions as strong credit growth continued to outpace deposit growth.

<http://today.thefinancialexpress.com.bd/first-page/current-account-deficit-threatens-macro-stability-1531156803>

Bangladesh Bank (BB) for 'growth supportive' MPS

- The central bank has started preparations to formulate its next monetary policy, giving top priority to curb the rising trend of inflation and help the productive sectors achieve maximum economic growth. The meeting reviewed the country's overall economic situation and suggested that the next MPS for the first half (H1) of the current fiscal year should be 'growth-supportive', with keeping inflation at reasonable level. The MPS is likely to be announced in the last week of this month, a BB senior official hinted.
- The meeting also emphasised on ensuring the quality of credit through strengthening monitoring and supervision by both the BB and the commercial banks. The BB's latest move came against the backdrop of rising trend in the inflationary pressure on the economy in the just-concluded fiscal year (FY) 2017-18, following higher prices of food grains. The inflation rose to 5.78% in the FY 18 on annual average basis from 5.44% a year before, according to the Bangladesh Bureau of Statistics (BBS) data. Food inflation stood at 7.13% in the FY 18 as compared to 6.02% in the previous fiscal.
- The government had set the inflation target at 5.6% for the FY 19. In the next MPS, the central bank will put emphasis on boosting SMEs and agriculture loans along with micro-credit to create employment opportunities across the country, according to the BB officer. The latest situation of capital market along with both foreign exchange and money markets will be considered in the next MPS, they added.

<http://today.thefinancialexpress.com.bd/last-page/bb-for-growth-supportive-mps-1531157554>

Banks get battered

- The heavyweight banking sector lost BDT 197.40 million or 26.60% of its market capitalisation since the turn of the year in what can be viewed as a worrying development for the Dhaka Stock Exchange. On January 1, the 30 listed banks' market capitalisation stood at BDT 742.10 million; yesterday, it was BDT 544.70 million. This steep fall in the share prices of banks -- which account for about one-eighth of DSE's capitalisation, the highest -- has also dragged the benchmark index down 14.59% to 5,341 points in the last six months.
- Bank is the most trustworthy sector to investors, who felt letdown by the ballooning bad loans and a cut in dividend announcements. In 2017, banks' default loans surged 19.51% to BDT 743.03 million, as the Bangladesh Bank's efforts to rein in bad loans went in vain. Of the 30 listed banks, 13 had announced lower dividends last year than a year earlier. And AB Bank even failed to offer any dividend and has subsequently become a junk stock. Since January this year, market capitalisation of most sectors declined but the financial sector was hit particularly hard: non-bank financial institutions too shed 21.10%.
- During the period, telecommunication lost 16.97%, pharmaceuticals 4.10%, engineering 6.55%, cement 15.12%, textile 1.89% and life insurance 6.30%. Conversely, miscellaneous and fuel and power saw gains of 11.07% and 10.09% in market capitalisation respectively. The banking sector lost the most among the major sectors yesterday too, declining 1.35%. It was followed by financial institutions at 0.84%, life insurance at 0.58% and fuel and power at 0.54%.

<https://www.thedailystar.net/business/banking/banks-get-battered-1602712>

Government cuts minimum investment limit to attract small projects

- The government has decided to reduce the minimum investment ceiling for projects to be implemented under the public private partnership (PPP) on a government to government (G to G) basis. Under the existing policy, the lowest investment under such arrangement has to be USD250 million. The board of governors of the PPP Authority at a recent meeting decided to lower the ceiling to USD 150 million to raise the number of such projects. In this connection, the PPP Authority has been asked to take necessary steps to amend the relevant clause of the PPP policy.
- According to another PPP official, Bangladesh has so far signed memorandum of understanding (MoU) with Japan and Singapore for implementing PPP projects under G to G basis. Later, a list of projects was forwarded to Japan for implementing those under G to G basis in the light of PPP concept. From the list, Japan is now reviewing eight projects which are: the construction of new inland container depot (ICD) near Dhirasram, multimodal hub at Kamalapur, multimodal hub at Dhaka airport station of Bangladesh railway, and the outer ring road.
- Meanwhile, after signing the MoU, Singapore has also outlined possible investment areas including port, tourism, infrastructure, and ICT. Now the PPP Authority has requested the ministries and departments concerned to forward projects in those arena, which can be implemented under Singapore's funding on G to G basis. Countries such as the United Kingdom, Turkey, South Korea, Egypt, and the Kingdom of Saudi Arabia have responded with positively to the concept.

<http://today.thefinancialexpress.com.bd/first-page/govt-cuts-minimum-investment-limit-to-attract-small-projects-1531156948>

Second unit of N-power plant gets licence

- The Bangladesh Atomic Energy Commission (BAEC) received the design and licence for the construction of second unit of Rooppur Nuclear Power Plant (RNPP). Bangladesh Atomic Energy Regulatory Authority (BAERA) chairman formally handed over the licence for the 1,200-megawatt (MW) unit to BAEC chairman at a function on Sunday. With the implementation of the RNPP project at Ishwardi in Pabna, Bangladesh would be the 32nd or 33rd nuclear power plant-owning country, he said.
- The minister also said that the project is being implemented under the monitoring of International Atomic Energy Agency (AEA), Russian nuclear regulator and Indian nuclear regulator. Russia will provide 90 per cent of the upfront cost of the project, he added.

<http://today.thefinancialexpress.com.bd/trade-market/second-unit-of-n-power-plant-gets-licence-1531158572>

Mobile VAS providers should have licences

- A good number of foreign mobile value-added services companies that repatriate a significant amount of funds from Bangladesh will face regulatory bar as the telecom regulator is set to introduce licensing for the business. Bangladesh Telecommunication Regulatory Commission (BTRC) has finalised a guideline to bring the valued-added service providers under its regulatory framework. The telecom ministry has also given its approval.

Once licensing is put in place, no foreign entities will be allowed to run business without establishing joint ventures in Bangladesh. In the joint venture, foreign companies will be allowed to hold a maximum 70 percent stake.

- The acting chairman of the regulator said that the BTRC has taken the initiative to provide licences to VAS-providers as there are irregularities in the market. The size of the country's telecom-related VAS market is more than BDT 1.00 billion and it is growing significantly. At the moment, about 100 entities, including 15 foreign ones, offer VAS such as welcome tunes, music and health tips through mobile operators.

<https://www.thedailystar.net/business/telecom/mobile-vas-providers-should-have-licences-1602721>

Banks' management in dilemma over lending rate cut implementation

- Management at most of the banks in Bangladesh are in dilemma about how to implement the bank owners' decision to cut lending rate to single digit (9%) keeping the deposit rate at 6% as they fear the hurriedly taken move would put the financial health of the embattled banks at further disarray. As per the announcement made by the bank owners, 9% lending rate for the productive sector was supposed to be implemented from July 1 but banks are yet to implement the rate as they are busy calculating its impact.
- Experts said that although there was no debate that the single digit lending rate, which could be achieved in the natural course, would help boost the country's economy, forceful implementation of such rate would hardly bring any positive results instead it might weaken financial health of the banks especially of the new ones. They also said that the banks directors (about 700 individuals in 57 banks) who took one-seventh of loans that these banks disbursed (BDT 8.92 trillion) at the end of May this year, have no legal rights to impose such decision on the banks' management.
- Huge amount of classified loans in the banking sector, which increased to BDT 885.89 billion at the end of March 2018 and a major cost of fund for the banks, would be another barrier to reducing lending rate, they added. According to the central bank data, 15 banks borrowed term deposits for different periods from their clients with the interest rate ranging from 8% to 11% rate.

<http://www.newagebd.net/article/45535/banks-mgmt-in-dilemma-over-lending-rate-cut-implementation>

AC sales up amid rising mercury

- Sales of air-conditioners are growing steadily in Bangladesh riding on the demand from the expanding middle class and modern offices and factories as consumers are seeking to escape hotter summers. Data from the International Energy Agency, an inter-governmental organisation based in Paris, showed sales of air-conditioners rose about 50% in Bangladesh during 2014-2016. Six lakh units of ACs were sold in 2017, way higher than half a lakh pieces retailed a decade ago. The market size stood at BDT 35.00 billion last year.
- Marketing manager of Transcom Digital said that people who were accustomed to using ACs at their workplaces alone in the past are now installing them at homes. Operative

director of Walton, a local manufacturer, said that the annual demand for ACs rose 20% to 25% each year in the last five years. To cash in on the growing demand, local companies such as Walton, Transcom Digital, Rangs, Pran-RFL, and Singer Bangladesh have set up factories to assemble ACs and other home appliances.

<https://www.thedailystar.net/business/ac-sales-amid-rising-mercury-1602145>

H1 outbound jobs nosedive by 25%

- The number of Bangladeshi workers going abroad with jobs dropped by about 25% in the first half (H1) of the current calendar year (2018) compared to that in the corresponding period of the previous year, official statistics has revealed. During the January-June period of 2018, a total of 392,250 local workers went to different countries across the world with jobs. In H1 of 2017, the total number of the country's outbound workers was 520,490, according to the Bureau of Manpower Employment and Training (BMET) data.

- The number dropped this year, as the demand for foreign workers has declined significantly in the Kingdom of Saudi Arabia (KSA), the largest job market for Bangladeshis last year. It has created a negative impact on the country's overseas job scenario. More than 550,000 Bangladeshis went to the Arab country with jobs in 2017, as per the BMET data. But KSA hired only 144,568 workers from the country in the first six months of the current calendar year. Saudi Arabia has recently banned 12 categories of jobs for the foreign workers. It has curbed the recruitment of Bangladeshi workers there, affecting the country's overall foreign employment.

- However, unlike KSA, other Middle-East job markets remained stable for the Bangladeshi workers, according to the BMET. In the first six months of the current year, Qatar recruited 40,182 workers from Bangladesh, Oman 37,565 workers, and Kuwait 19,416 workers. Meanwhile, the leaders of the Bangladesh Association of International Recruiting Agencies (BAIRA) and the officials of the ministry concerned said such a declining trend in sending workers to KSA will not affect the target of overseas jobs this year. The Ministry of Expatriates' Welfare and Overseas Employment has fixed a goal of sending a total of 1.2 million workers abroad in 2018.

<http://today.thefinancialexpress.com.bd/public/first-page/h1-outbound-jobs-nosedive-by-25pc-1530898720>

Private sector credit growth above Bangladesh Bank (BB) target

- Private sector credit growth fell in May, for the third consecutive month, but remained well above the central bank projected limit against lower growth in deposit. According to a latest Bangladesh Bank statement released last week, year-on-year private sector credit growth stood at 17.60% in May. The growth rate, however, is still more than the central bank's target of 16.8% for the second half of the fiscal year 2017-18. The credit growth rate was 17.93% in March and 17.65% in April. The rate was 18.36% in January and 18.49% in February.

- As the private sector credit growth was higher compared with BB's projected 16.3% for the first half of the 2017-18 fiscal, the central bank set an enhanced growth target for the second half. In the ongoing fiscal, the credit growth was above BB estimation in each month so far, while the growth was below 17% for only one month — 16.94% in July 2017. On the other hand, the total domestic credit growth was 15.15% in May while domestic credit

posted 11.02% growth during July-June of the fiscal year 2017-2018.

- The domestic credit growth, however, was below the central bank-projected 15.8% for fiscal year 2017-2018 mainly due to 21.20% negative growth in government borrowing from banks. Broad money, representing overall deposits, in the banking sector posted a 10.2% year-on-year growth in May this year while the growth was 6.12% during July-May of the FY18, according to central bank data. In the banking system, broad money growth was 10.88% in the fiscal year 2017-2018, it shows.

<https://www.thedailystar.net/business/tax-and-customs/private-credit-growth-continues-fly-low-1601704>

Private credit growth continues to fly low

- Private sector credit growth continued its downward course in May after many banks sincerely adopted a 'go slow' policy in disbursing fresh loans. In May, private sector credit growth stood at 17.60%, down from 17.65% registered a month earlier but still higher than the central bank's target of 16.30% set for the second half of fiscal year 2017-18. The growth would come down further in the coming months as banks would disburse loans cautiously ahead of the national election, which is scheduled for the year-end.

- The credit growth is likely to be stagnant in the near future because of the decision taken by banks to bring down the lending rate to a single digit, the chairman of the Association of Bankers added. The managing director of Dhaka Bank said that banks are now observing the trend of their deposit mobilisation. They may take the decision to disburse loan considering their liquidity position. Managing director of Pubali Bank said that banks are tightening credit activities to bring down their loan-deposit ratio as per the central bank's directive.

<https://www.thedailystar.net/business/tax-and-customs/private-credit-growth-continues-fly-low-1601704>

Rights groups again demand BDT 16,000 as minimum wage

- The global and local rights groups have again pressed for fixing BDT 16,000 as the minimum monthly wage for the country's readymade garment (RMG) sector workers. The workers' representative to the Minimum Wage Board for RMG sector is likely to propose the said amount in its second meeting, to be held today (Sunday). Their proposals also include reducing the number of grades in the wage structure to five from the existing seven. Besides, the global rights group in a recent letter to top 25 brands that source garment products from Bangladesh urged them to continue sourcing from here after the proposed wage hike.

- They also asked for increasing the prices of their sourced garment items to implement the wage hike in practice. The Wage Board in its first meeting on March 19 asked both the representatives of workers and owners to submit their proposals on the minimum monthly wage for the sector's workers. When asked, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President said that they are yet to decide whether they will place their proposal in the meeting on Sunday or will do it later. Majority of the federations pressed for proposing BDT 16,000 as the minimum wage, while a few of them recommended BDT 17,000 and BDT 18,000, they added.

<http://today.thefinancialexpress.com.bd/last-page/rights-groups-again-demand-BDT-16000-as-minimum-wage-1530982465>
<http://www.newagebd.net/article/45451/rmg-workers-rep-to-propose-BDT-16000-as-minimum-wage>

Foreign aid in pipeline: USD 44 billion

- Unused foreign aid has reached a new high of USD 44.51 billion despite a record disbursement of development assistance in the last fiscal year, data from the Economic Relations Division showed. The ERD officials said the amount of the unused foreign aid piled up thanks to the commitment of a huge amount of funds as well as slow pace of implementation of projects affected by faulty design, lengthy approval process and complexity in land acquisition. According to the ERD data, the foreign aid in the pipeline was USD 35.75 billion on June 30, 2017 and rose 24.50% to USD 44.51 billion a year later.
- The ministries and divisions could utilise a record amount of foreign aid of USD 6.1 billion in the just concluded fiscal year. The government has targeted to disburse USD 7.5 billion in 2018-19. According to the ERD data, the government utilised USD 3 billion to USD 3.6 billion in foreign aid per year in the four years from 2012-13 to 2016-17. Aid utilisation almost doubled in the last fiscal year from USD 3.56 billion in 2016-17. Russia committed USD 11.38 billion for the Rooppur nuclear power plant project.

<https://www.thedailystar.net/business/foreign-aid-pipeline-44b-1601689>

Important News: Capital Market

SK Trims to make debut July 15

- SK Trims & Industries will make its shares trading debut on July 15 (Sunday) on the stock exchanges under "N" category. DSE trading code for SK Trims & Industries is "SKTRIMS" and company code is 99,642 while the CSE scrip Id is 32,023 and scrip code is "SKTRIMS". SK Trims will be the 13th listed company under the miscellaneous sector. The miscellaneous sector accounted for 3.50% of the Dhaka Stock Exchange's total market capitalisation.
- SK Trims, which received IPO approval from the Bangladesh Securities and Exchange Commission (BSEC) on February 20, floated 30 million ordinary shares at an issue price of BDT 10 each. The garments accessories and packaging company raised a fund worth BDT 300 million from the capital market through initial public offering (IPO) under the fixed price method. The IPO subscription of the company was opened on May 14 and closed on May 22 for the resident and non-resident Bangladeshis. The company will use the IPO fund for acquisition of machinery and equipment, construction of building and other civil works and bear the IPO expenses, according to the IPO prospectus.
- As per the entity's audited financial statements for the year ended on June 30, 2017, the company's net asset value per share and weighted average earnings per share were BDT 12.79 and BDT 1.31 respectively. The company's pre-IPO paid-up capital is BDT 400 million and authorised capital is BDT 1.0 billion. SK Trims & Industries, which started its commercial operation in 2014, engaged in manufacturing all kinds of sewing thread, elastic, poly, carton, photo card, back board, bar code etc for export-oriented garments industry. Imperial Capital Limited and BMSL Investment Limited are jointly working as

issue manager of the company's IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/sk-trims-to-make-debut-july-15-1531325427>
<http://www.newagebd.net/article/45788/stocks-finish-flat-despite-quickfire-start-amid-sk-trims-debut-hype>

The City Bank going to launch non-convertible subordinated bond to raise BDT 7.0 billion

- Meanwhile, the regulator also approved the proposal of issuing subordinated bond worth BDT 7.0 billion by The City Bank. The tenure of the non-convertible floating rate subordinate bond will be seven years. Different financial institutions and high net worth individuals will be allowed to purchase the units of the bond, which is fully redeemable within seven years.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-allows-runner-automobiles-to-explore-cut-off-price-for-ipo-1531241480>

Bangladesh Securities & Exchange Commission (BSEC) allows Runner Automobiles to explore cut-off price for IPO

- The securities regulator has allowed Runner Automobiles to determine the cut-off price required to go public under book building method. The approval came at a meeting at Bangladesh Securities and Exchange Commission (BSEC) on Tuesday. The company will float IPO (initial public offering) under the book building method to raise a capital worth BDT 1.0 billion. Under the book building method, institutional investors purchase shares of a company at a cut-off price determined through electronic bidding. And general investors get the shares at 10% discount of the cut-off price.
- Runner Automobiles will utilise the IPO fund for research and development works, purchasing machineries, repaying bank loans and bearing the IPO expense. According to financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 55.70, with revaluation reserve. The value is BDT 41.94 without revaluation reserve. And the weighted average of the EPS (earnings per share) is BDT 3.31. Runner Automobiles is a motorcycle manufacturer in Bangladesh. The company manufactures 12 different types of motorcycles ranging between 80 CC and 150 CC. it has 15% market share in the country's auto industry. The company also assembles three-wheelers and four-wheelers.
- IDLC Investments is working as the issue manager. At Tuesday's meeting, the BSEC also revised minimum shareholding provision for sponsor/promoter group while issuing private placement of shares. As per exiting provision, sponsor/promoter group is required to hold minimum 30% shares of the company for at least three years. In the revised condition, the regulator has included directors in the sponsor/promoter group to facilitate 30% shareholding condition.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-allows-runner-automobiles-to-explore-cut-off-price-for-ipo-1531241480>
<http://www.newagebd.net/article/45701/runner-auto-gets-bsec-nod-to-discover-ipo-cut-off-price>

VAML to launch BDT 100 million open-end mutual fund

• Vanguard Asset Management Limited (VAML) has initiated a process of adding a new open-ended mutual fund named 'Vanguard AML Growth Fund' to its existing portfolio. In this regard, A 'Trust Deed' signing ceremony was held at the head office of the Investment Corporation of Bangladesh (ICB) on Monday, according to a statement. VAML is the sponsor and asset manager of the 'Vanguard AML Growth Fund' while ICB will act as the trustee and custodian of the fund. The initial target of this fund will be BDT 100 million and the sponsor will provide BDT 10 million, which is 10% of the initial fund size.

• As an open-end mutual fund, the size of the fund will be increased from time to time by the AMC on requisition from the investors with due approval of the trustee and notification to the BSEC. Vanguard AML Growth Fund is an open-ended fund to be launched with an aim to long-term capital appreciation, money market return from a portfolio of predominantly equity, equity-related instruments and fixed income instruments and/or securities for increasing the value of unit-holders (investors) wealth.

<http://today.thefinancialexpress.com.bd/stock-corporate/vaml-to-launch-BDT-100m-open-end-mutual-fund-1531241452>

11 listed firms remain traceless

• Eleven companies listed on the Dhaka Stock Exchange have made off with at least BDT 421.9 million of investors' money, in what can be described as a stunning instance of swindling. Neither the capital market regulator nor the DSE has taken any step to trace the companies and retrieve the money. The companies are Amam Sea Food, Bangladesh Electricity Meter (BEMCO), Chic Tex, German Bangla J V Food, M Hossain Garments, Metalex Corporation, Pharmaco International, Rangamati Food Products, Raspit Data Management, Raspit Inc Bd and Saleh Carpet.

• Listed on the over-the-counter market of the DSE for years, the companies are now untraceable. As per the face value of the stocks gathered from the DSE, general investors lost BDT 421.9 million. But DSE documents indicate none purchased the shares at face value: all paid at least five times more, so the total losses would be about BDT 2.00 billion.

<https://www.thedailystar.net/business/11-listed-firms-remain-traceless-1603312>

Process on to make Bangladesh Petroleum Corporation (BPC) a public company

• State minister for power, energy and mineral resources on Tuesday said that his ministry is working on drawing the Bangladesh Petroleum Corporation (BPC) into the capital market. At the forum, he called upon the firms of the Southeast Asian nation to invest in the power and energy sector of Bangladesh. He also added that the biggest company in Bangladesh is BPC and its turnover has crossed USD 6.0 billion. Describing the nine-year-long "challenging" journey of power and energy sector, he said that the country's power generation capacity has risen to over 17,000 megawatts (MW) from 3,000 MW since 2009 and thanked to freeing up the industry. For establishing more plants, the ministry has already acquired 7,000 acres of land at Moheshkhali in Cox's Bazar to build the energy hub there, he also added.

<http://today.thefinancialexpress.com.bd/first-page/process-on-to-make-bpc-a-public-co-1531244980>

Esquire Knit's share bidding starts

• The bidding for shares of Esquire Knit Composite Limited (EKCL) by the eligible investors started on Monday for discovering the cut-off price. Esquire Knit Composite, a unit of Esquire Group, will raise a capital worth BDT 1.50 billion from the capital market under the book building method for its business expansion. The bidding of shares of the company through the uniform and integrated electronic subscription system of the stock exchanges will be continued till July 12.

• The offer period for eligible investors (EIs) will start at 10:30am on July 15 and continue till 10:30pm on July 16, according to a disclosure posted on the Dhaka Stock Exchange (DSE) on Monday. The EIs shall submit their valuation report along with workings and calculations to the exchange through electronic subscription system from 10:31am on July 16 to 10:30am on July 18. According to the disclosure, the EIs, who will not participate in the bidding during the bidding period, will not be able to participate in the offer period.

• The EIs, who will participate in the bidding period above the face value, will be able to participate in the offer period irrespective of cut-off price. The export-oriented knit garments factory held a road show in April 2017 as part of its plan for the initial public offering (IPO). As per the book-building method, the institutional investors will get 60% shares at the cut-off price which will be set by the EIs through electronic bidding. Prime Finance Capital Management is the issue manager of the Esquire Knit IPO. Currently, the company's paid-up capital is BDT 1.0 billion and authorised capital is BDT 2.0 billion. The company's weighted average earnings per share (EPS) was BDT 2.52 and net asset value (NAV) per share (with revaluation reserve) BDT 45.83 at the end of June 30, 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/esquire-knits-share-bidding-starts-1531153742>

International Leasing now in "A" category

• International Leasing & Financial Services will be placed in "A" category from existing "B" category with effect from today (Monday). The company was placed in "A" category due to its reporting of disbursing 12% stock dividend for the year ended on December 31, 2017, according to a disclosure posted on the Dhaka Stock Exchange on Sunday. The company has informed that it has credited the bonus shares for the year ended on December 31, 2017 to the respective shareholders' BO accounts on July 05.

• The stockbrokers and merchant bankers have been requested to abstain from providing loan facilities to purchase any securities of the company between 1st and 30th trading day after the categorisation as per securities regulator's directive in this regard, the disclosure said. Each share of the company, which was listed with the main bourse in 2007, closed at BDT 14.90 on Sunday, advancing 2.76% over the previous session. The company's paid-up capital is BDT 2.11 billion and authorised capital is BDT 3.0 billion while the total number of securities is 211.24 million. The sponsor-directors own 41.54% stake in the company while institutional investors own 34.29%, foreign 0.15% and the general public 24.02% as on May 31, 2018, the DSE data shows.

<http://today.thefinancialexpress.com.bd/stock-corporate/international-leasing-now-in-a-category-1531065665>

Dhaka Stock Exchange (DSE) for relaxing terms of banks' TICM report

- Dhaka Stock Exchange (DSE) has recommended the central bank to exempt the banks from showing the short term loans to their brokerage subsidiaries in their Total Investment in Capital Market (TICM) report. The banks have to show the loans, that facilitates foreign portfolio investment, in the TICM report and submit it to the Bangladesh Bank (BB) every month. The premier bourse put forward the recommendation in response to a recent central bank letter, seeking opinion in this regard.

- Earlier, Eastern Bank Limited (EBL) requested the central bank to exempt the 'overnight' exposure to wholly-owned brokerage subsidiary from the reporting under TICM. The EBL made the plea to facilitate foreign portfolio investments in the country's capital market. In cases of conducting transactions through foreign portfolios, the brokers have to take loans from their parent companies usually for 24 hours. For taking delivery of shares, the brokers have to pay the amount against the bought shares from own source to the custodians such as Standard Chartered Bank (SCB), HSBC, Citi N.A.

- They get back the fund from custodians after delivery of the shares. Similarly, the brokers are required to take delivery of shares from custodians by paying own fund. The brokers get back their fund after settlement of such shares and they take loans for around 24 hours from parent companies to conduct the transactions in foreign portfolios. And such type of loans is included in calculation of TICM by the banks and financial institutions. The EBL has sought the facility for its wholly-owned subsidiary, EBL Securities Limited.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-for-relaxing-terms-of-banks-ticm-report-1530978996>

Mutual funds trading below face value

- Most of the mutual funds have been trading at lower than their face value for several years now as poor performance and mismanagement by fund managers spoiled investors' appetite. Of the 37 close-end funds on the premier bourse, 31 are trading below their face value, according to data from the Dhaka Stock Exchange. Even more, funds are trading on the price that is 34.3% lower than their net asset value (NAV), according to IDLC Investments. A professor of Dhaka University's accounting and information department said that this sector is full of vagueness and mismanagement, so investors have lost their confidence in it.

- The information that many of the mutual fund managers publish is not reliable as it is not audited, he added. The performance of many mutual funds is not lucrative also as the NAV at market price of the most of these funds is lower than the NAV at cost price. The NAV at market price may be lower for a while following a bearish market, but the deviation should be very minimum as the fund is supposed to be managed by skilled people. Of the 37 funds, NAV of 22 at market price is lower than the NAV at cost price, according to data from AIMS of Bangladesh Ltd.

<https://www.thedailystar.net/business/banking/mutual-funds-trading-below-face-value-1601701>

Pubali Bank sees moderate growth

- Pubali Bank Ltd remains cautious about complying with the rules and regulations of the country's banking sector. As per the managing director and CEO of Pubali Bank, despite numerous challenges in the banking sector, the bank managed to yield impressive results

in 2017 with our all-out collective efforts. According to the bank's latest annual report, the company's consolidated EPS marginally rose in January-March, 2018 against the same period of the previous year. The consolidated EPS was BDT. 0.73 for January-March, 2018 as against BDT. 0.71 for January-March, 2017.

- The bank earned revenue above BDT 24.41 billion in 2013, above BDT 25.62 billion in 2014, above BDT 25.63 billion in 2015, above BDT 24.40 billion in 2016 and above BDT 27.31 billion in 2017. The bank disbursed 5.0% stock and 5.0% cash dividend in 2013, 10% cash dividend in 2014, 12% cash dividend in 2015, 5.0% cash and 8.0% stock dividend in 2016 and 5.0% stock and 5.0% cash dividend in 2017. The bank has displayed a moderate growth in financials in last five years embracing competent human resources and prudent business plans.

<http://today.thefinancialexpress.com.bd/stock-corporate/pubali-bank-sees-moderate-growth-1530979108>

IPO subscription of ML Dyeing begins today

- The IPO subscription of ML Dyeing Limited will open today (Sunday) which will raise a fund worth BDT 200 million under the fixed price method. The initial public offering (IPO) subscription will be continued till July 19. The securities regulator, Bangladesh Securities and Exchange Commission (BSEC), approved the IPO proposal on May 14. The company will float 20 million ordinary shares at an offer price of BDT 10 each. The market lot is 500 shares and an investor needs BDT 5,000 to apply for one lot.

- The required amount (per lot) in foreign currency for NRBs and foreign applicants is USD 60.28 or GBP 45.24 or EUR 51.50, according to Dhaka Stock Exchange (DSE). According to the financial statement for the year ended on June 30, 2017, the net asset value (NAV) per share of the company stood at BDT 23.17 and earnings per share (EPS) BDT 1.58. The IPO proceeds would be used to purchase machinery and bear the expenses of the IPO process. NBL Capital and Equity Management Limited and Ruplali Investment are jointly working as the issue manager for the IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-ml-dyeing-begins-today-1530979218>

Esquire Knit's IPO bidding begins Monday

- The bidding for discovering the cut-off price of Esquire Knit Composite's IPO shares by eligible investors is set to begin Monday (July 9). The bidding of the company's shares will be continued round-the-clock until 5.00pm on July 12. Esquire Knit Composite, a business unit of Esquire Group, will raise a capital worth BDT 1.50 billion under the book building method for its business expansion. The Bangladesh Securities and Exchange Commission (BSEC) allowed the company to conduct bidding its shares to discover IPO price of its shares on January 23.

- The export-oriented knit garments factory held a road show for institutional investors in April 2017 as part of its plan for the initial public offering (IPO). Book building is a process through which an issuer attempts to determine the price to offer for its shares based on demand from institutional investors. According to the Dhaka Stock Exchange, the institutional investors, who will not participate in the bidding during the bidding period, will not be able to participate in the offer period. Esquire Knit will use the IPO proceed for

buying machinery, constructing building and civil construction, and to meet the IPO expenses.

- Prime Finance Capital Management is the issue manager of the Esquire Knit IPO. Currently, the company's paid-up capital is BDT 1.0 billion and authorised capital is BDT 2.0 billion. Esquire Knit's revenue stood at BDT 4.45 billion for the year that ended on June 30, 2017. Its net profit was BDT 312 million. The company's weighted earnings per share of the company was BDT 2.52 and net asset value (NAV) per share (with revaluation reserve) BDT 45.83 at the end of June 30, 2017.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/esquire-knits-ipo-bidding-begins-monday-1530894669>