

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-0.03%) lost 1.45 points and closed the week at 5,365.22 points. The blue-chip index DS30 (-1.00%) lost 19.87 points and stood at 1,958.21 points while the shariah based index DSES (+0.01%) closed in green and stood at 1,238.19 points. DSEX, and DS30, and DSES all posted negative YTD return of -14.08%, -14.23% and -10.96% respectively.

Total Turnover During The Week (DSE) : BDT 8.6 billion (USD 103.2 million)

Average Daily Turnover Value (ADTV): BDT 2.9 billion (Δ% Week: -32.6%)

Market P/E: 16.58x

Market P/B: 2.15x

Daily Index Movement during the Week:

The market performed three sessions during the week. Market started with a negative movement of -0.81%, then turned up positive in the second session (+0.06%) and remained positive for in the last session (+0.73%)

Sectoral Performance:

- All the financial sectors showed positive performance this week except Banks (-0.71%). NBFIs posted the highest gain of 5.09% followed by life insurance (+4.95%), General Insurance (+0.29%) and Mutual Funds (+0.23%).

- All the nonfinancial sector sectors performed positively this week except Telecommunication (-4.79%). Power posted the highest gain of 2.18% followed by Food & Allied (+1.97%), Pharmaceuticals (+0.41%) and Engineering (+0.38%).

Macroeconomic arena:

- Country's overall imports grew up by over 15%, mainly due to higher imports of food grains and fuel oils. The settlement of letters of credit (LCs) rose to nearly USD 43 billion during the July-April period in the FY 2017-18 from USD 37.37 billion in the same period in the FY 17.

- The outflow of foreign direct investment (FDI) from Bangladesh to other countries surged by more than three times in a year. The country's outbound FDI reached USD 170 million in 2017, according to the Word Investment Report (WIR) 2018 statistics.

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- The government has extended 20% cash incentive to pharmaceutical raw material manufacturers as it earnestly looks to boost overseas shipments which will become effective from July last year Bangladesh bank allowed Foreign commercial banks (FCBs) operating in Bangladesh to remit the shares of expenses at their head offices without the central bank's prior approval.

Stock Market arena:

- Bangladesh Steel Re-Rolling Mills Ltd. (BSRM) has incorporated a subsidiary company, 'BSRM (Hong Kong) Limited', in Hong Kong as per decision of the company's board of directors. It will be engaged in trading of steel products, procurements, and inspection of raw materials/spare parts etc. for the BSRM Group

- Most of the listed textile companies have reported increased earnings for the January-March quarter (Q3) of 2018 as compared to the same period of previous year

- National Board of Revenue has offered British American Tobacco Bangladesh tax relief worth more than BDT 20.00 billion in the proposed budget for the fiscal year 2018-19 through scrapping a special order with retrospective effect.

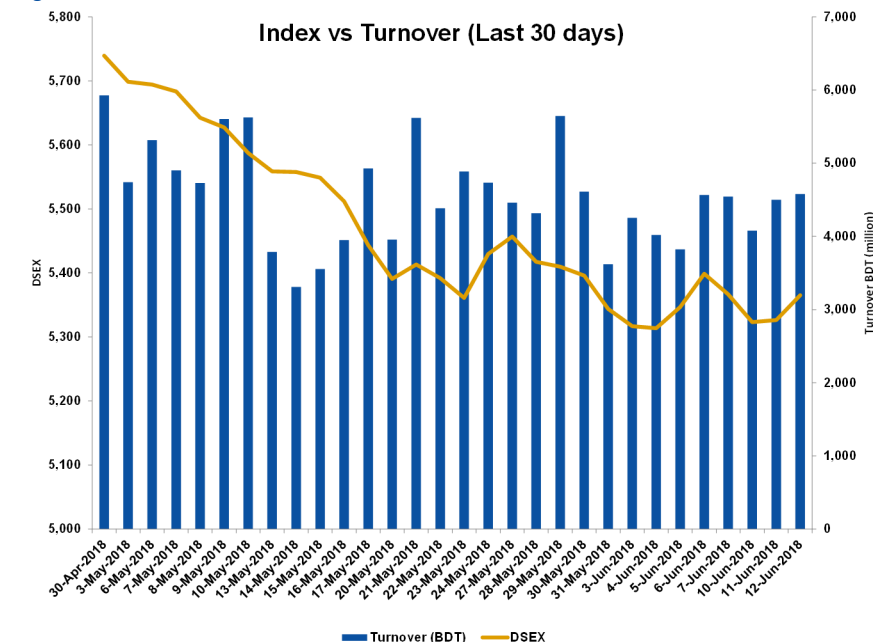
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,365.22	5,366.67	-1.45	6,244.52	-0.03%	-14.08%
DS30	1,958.21	1,978.08	-19.87	2,283.23	-1.00%	-14.23%
DSES	1,238.19	1,238.04	0.14	1,390.67	0.01%	-10.96%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	7,546,051.5	18,955,390.1	-60.2%
	Mn USD	90,774.1	228,021.1	
Turnover	Mn BDT	8,577.4	21,206.9	-59.6%
	Mn USD	103.2	255.1	
Average Daily Turnover	Mn BDT	2,859.1	4,241.4	-32.6%
	Mn USD	34.4	51.0	
Volume	Mn Shares	160.7	446.8	-64.0%

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
Popular Life Insurance	104.10	85.00	22.5%	6,290.6	157.72	NM	10.4x
Libra Infusions Limited	819	678.50	20.6%	1,024.6	147.13	168.4x	0.5x
Pharma Aids	586.30	487.40	20.3%	1,829.3	452.78	61.9x	13.8x
Aramit	410.00	345.80	18.6%	2,460.0	161.03	50.4x	2.7x
JMI Syringes & Medical Devices Ltd	212.90	181.20	17.5%	2,341.9	206.15	31.4x	3.3x
Monno Ceramic	195.30	166.30	17.4%	4,906.8	443.32	1864.2x	2.2x
Ambee Pharma	568.90	497.50	14.4%	1,365.4	94.39	188.4x	22.9x
Eastern Cables	192.10	169.30	13.5%	4,610.4	11.77	161.4x	6.3x
Samata Leather	58.20	51.50	13.0%	600.6	4.20	NM	3.9x
Kohinoor Chemicals	436.80	388.90	12.3%	6,122.0	56.95	41.7x	11.0x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Berger Paints	1,465.80	2,748.30	-46.7%	67,980.7	171.54	33.6x	11.5x
Aman Feed Limited	52.20	55.90	-6.6%	6,063.6	57.34	12.6x	2.1x
SEML Lecture Equity Management Fund	9.20	9.80	-6.1%	460.0	16.23	NM	0.8x
Legacy Footwear	88.00	93.40	-5.8%	1,000.9	276.58	87.2x	5.2x
Dragon Sweater & Spinning Ltd.	18.20	19.30	-5.7%	4,011.6	42.58	27.6x	1.5x
Aamra Network Limited	79.10	83.80	-5.6%	4,195.6	113.46	34.3x	4.7x
BD Welding	17.80	18.80	-5.3%	764.0	3.80	NM	1.4x
Grameenphone Ltd.	374.60	395.30	-5.2%	505,822.4	368.73	22.5x	19.7x
ICB Employees Provident MF 1 Scheme 1	6.50	6.80	-4.4%	487.5	3.66	NM	0.5x
Standard Insurance	30.50	31.80	-4.1%	1,200.5	16.23	37.6x	2.0x

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
United Power Generation & Distribution Company Ltd	247.20	226.50	9.1%	98,691.9	671.07	23.6x	9.2x
Pharma Aids	586.30	487.40	20.3%	1,829.3	452.78	61.9x	13.8x
Monno Ceramic	195.30	166.30	17.4%	4,906.8	443.32	1864.2x	2.2x
Square Pharmaceuticals	285.80	283.90	0.7%	210,746.4	381.33	19.8x	4.5x
Grameenphone Ltd.	374.60	395.30	-5.2%	505,822.4	368.73	22.5x	19.7x
Alif Industries Limited	97.30	97.70	-0.4%	3,658.2	343.20	27.9x	8.0x
Beximco Limited	26.70	26.90	-0.7%	22,283.5	300.58	21.7x	0.4x
Khulna Power Company Limited	69.00	64.70	6.6%	24,928.6	296.22	13.6x	2.8x
Legacy Footwear	88.00	93.40	-5.8%	1,000.9	276.58	87.2x	5.2x
Queen South Textiles Mills Limited	51.60	49.00	5.3%	5,167.7	248.36	35.4x	3.2x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ%		Mcap (mn BDT)	P/E
		YTD			
Berger Paints	1,465.80	42.10%		67,980.7	33.6x
Marico Bangladesh Limited	1,159.40	4.82%		36,521.1	25.4x
BATBC	3,478.90	2.27%		208,734.0	27.5x
Atlas Bangladesh	133.00	1.22%		4,005.4	NM
Fareast Islami Life Ins	71.10	-0.56%		5,314.2	NM
Summit Power	35.60	-0.84%		38,016.4	8.7x
Delta Brac Housing	134.70	-0.96%		16,413.4	20.9x
Beximco Limited	26.70	-1.11%		22,283.5	21.7x
Linde Bangladesh Limited	1,250.30	-2.68%		19,027.4	21.6x
Mutual Trust Bank	30.10	-3.25%		17,258.2	11.8x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1418.57	1428.64	1848.21	-0.71%	-23.25%
NBFIs	2189.95	2083.88	2714.85	5.09%	-19.33%
Mutual Funds	764.94	763.22	788.81	0.23%	-3.03%
General Insurance	1399.52	1395.44	1592.30	0.29%	-12.11%
Life Insurance	1781.77	1697.75	1834.85	4.95%	-2.89%
Telecommunication	5191.04	5452.41	6494.31	-4.79%	-20.07%
Pharmaceuticals	2708.59	2697.60	2821.05	0.41%	-3.99%
Fuel & Power	1576.98	1543.36	1527.27	2.18%	3.25%
Cement	1858.37	1864.26	2280.58	-0.32%	-18.51%
Services & Real Estate	1038.91	1045.98	1224.11	-0.68%	-15.13%
Engineering	2800.07	2789.50	3166.83	0.38%	-11.58%
Food & Allied	15025.53	14735.28	15304.34	1.97%	-1.82%
IT	1269.75	1292.16	1484.41	-1.73%	-14.46%
Textiles	1147.23	1145.92	1222.72	0.11%	-6.17%
Paper & Printing	939.07	893.24	1013.11	5.13%	-7.31%
Tannery	2472.22	2465.08	2642.41	0.29%	-6.44%
Jute	8070.88	8268.43	8867.22	-2.39%	-8.98%
Ceramics	558.53	541.04	597.46	3.23%	-6.52%
Miscellaneous	2070.64	1993.89	1725.62	3.85%	19.99%

Table 7: Sector Trading Matrix

	Daily average		% Change	% of Total Turnover	PE	PB
	this Week	last week				
Banks	254.4	286.1	-11.06%	6.70%	9.1x	1.0x
NBFIs	91.6	97.3	-5.76%	2.41%	20.6x	2.1x
Mutual Funds	22.8	29.8	-23.38%	0.60%	NM	0.6x
General Insurance	20.6	27.2	-24.07%	0.54%	12.8x	1.0x
Life Insurance	119.1	64.5	84.78%	3.14%	NM	7.8x
Telecommunication	130.7	103.3	26.51%	3.44%	22.8x	16.8x
Pharmaceuticals	580.7	400.7	44.92%	15.29%	20.4x	3.4x
Fuel & Power	475.1	387.3	22.69%	12.51%	13.2x	2.1x
Cement	34.1	32.2	5.67%	0.90%	20.9x	3.4x
Services & Real Estate	32.7	62.2	-47.37%	0.86%	26.0x	0.9x
Engineering	580.1	647.5	-10.41%	15.27%	22.2x	2.1x
Food & Allied	113.0	124.7	-9.34%	2.98%	30.9x	10.9x
IT	59.8	77.8	-23.13%	1.58%	24.5x	2.6x
Textiles	573.7	727.8	-21.18%	15.10%	20.5x	1.1x
Paper & Printing	1.9	1.0	83.62%	0.05%	NM	1.0x
Tannery	128.2	129.4	-0.96%	3.37%	18.9x	3.0x
Jute	38.5	54.8	-29.81%	1.01%	NM	3.4x
Ceramics	155.4	141.8	9.58%	4.09%	26.9x	2.1x
Miscellaneous	386.0	470.8	-18.01%	10.16%	29.1x	1.4x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ%		Mcap (mn BDT)	P/E
		YTD			
AB Bank	12.40	-43.89%		9,400.8	6.2x
Lankabangla Finance	26.00	-41.53%		8,895.1	11.2x
Islami Bank	24.00	-34.43%		38,639.8	8.6x
EXIM Bank	11.70	-31.98%		16,523.3	5.6x
Uttara Bank	24.30	-31.16%		9,722.0	6.3x
City Bank	33.20	-31.02%		32,137.2	7.9x
Eastern Bank	35.40	-30.72%		26,125.2	9.6x
Prime Bank	17.30	-30.55%		19,588.5	9.0x
Prime Finance	8.60	-29.51%		2,347.1	NM
United Airways (BD) Ltd.	4.00	-28.57%		2,749.2	14.2x

Important News: Business & Economy

Budget proposes 2.50% cut in corporate tax

• The government has proposed to cut the corporate tax rates by 2.50% for publicly and non-publicly traded banks, insurance companies and financial institutions (FIs). Placing the national budget for fiscal year (FY) 2018-19, Finance Minister proposed to reduce the rate to 37.50% from existing 40% for publicly traded banks, insurance companies and financial institutions. Besides, the corporate tax rates for publicly and non-publicly traded companies, listed and non-listed mobile operators, and the dividend income remained unchanged. Mutual Trust Bank Managing Director appreciated the proposal to reduce the corporate tax for publicly and non-publicly traded banks, saying that it would leave a good impact on the banks' profitability.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/budget-proposes-250pc-cut-in-corporate-tax-1528396685>

Profits of banks, NBFIs may increase due to cut in corporate tax rate

• Stakeholders in the banking, insurance and financial institutions (FIs) sectors have expressed satisfaction over the budget proposal to cut the corporate tax rates. They expected that the tax-cut measure in the budget proposed for the fiscal year 2018-19 would help increase the profitability of the companies. It would also allow the banks and the non-bank financial institutions (NBFIs) to offer loans to their clients at lower rates, not in all cases though. The impact will, however, depend on some other factors like the trend of capital market and, the amount and status of loans disbursed by the financial institutions.

• They further viewed that more insurance companies would be encouraged to go public due to the difference in corporate tax between the publicly and non-publicly traded companies. Mutual Trust Bank Managing Director in an instant reaction on the budget appreciated the tax-cut proposal. On Thursday last, the budget proposed to cut the corporate tax rates by 2.50% for publicly and non-publicly traded banks, insurance companies and financial institutions (FIs) for the FY 2018-19. The banks, insurance and financial institutions approved in 2013 will also be entitled to the tax cut facility at a rate of 2.50%.

<http://today.thefinancialexpress.com.bd/stock-corporate/profits-of-banks-nbfis-may-increase-due-to-cut-in-corporate-tax-rate-1528560098>

Corporate tax cut to help reduce lending rates

• Finance Minister defended his proposal to cut corporate tax rates for banks and financial institutions, saying that the move is intended to help bring down the lending rates to single digit. He said that the government had thought about the reduction much earlier, as the corporate tax rates remained high in Bangladesh compared to those in many other countries. The finance minister also focused on the high gross domestic product (GDP) growth rate in the country despite low

investment and tax-GDP ratio. He also said that the GDP growth rate has been increasing, as Bangladesh could utilise its investments "efficiently".

<http://today.thefinancialexpress.com.bd/public/first-page/corporate-tax-cut-to-help-reduce-lending-rates-1528480431>

Economists term the budget 'expansionary'

• Prominent economists of the country have termed the latest budget 'expansionary as usual'. It has been formulated keeping in mind the upcoming national election, according to their opinions. They have also expressed grave concern over the capacity of the government to implement such a huge-sized budget. Distinguished Fellow of the Centre for Policy Dialogue (CPD) said that this budget has largely maintained the status quo. It's an expansionary budget like its recent predecessors. A former Finance Adviser said that this budget is ambitious both in terms of revenue and expenditure target.

<http://today.thefinancialexpress.com.bd/public/first-page/economists-term-the-budget-expansionary-1528399562>

Budgetary deficit to soar by 12%

• The overall budget deficit is set to widen by nearly 12% in Fiscal Year (FY) 2018-19 as the government's expenditures will exceed revenue income. The deficit is estimated at BDT 1.25 trillion for the next fiscal, up from BDT 1.12 trillion of the original budget estimates of the outgoing fiscal. The government revised downward its budget deficit to BDT 1.120 trillion from BDT 1.123 trillion for FY'18. However, the proposed deficit in% of gross domestic product (GDP) came down to 4.9% from 5.0% earlier. The government is set to receive BDT 540.67 billion from the overseas sources. The government is set to borrow BDT 500.16 billion from overseas sources.

<http://today.thefinancialexpress.com.bd/public/last-page/budgetary-deficit-to-soar-by-12pc-1528395651>

No directions on addressing banking sector problems in proposed budget: Business Initiative Leading Development (BUILD)

• Business Initiative Leading Development (BUILD), a private think-tank said announcement on reduction of the highest layer of VAT rate will bring positive results to facilitate the growth of Bangladesh economy. The BUILD was also unhappy as income tax limit was not extended in the proposed budget. The BUILD hailed the budget as it has reduced corporate tax rate from 40% to 37.5% for publicly trade Banks, FI and insurance companies, and 40% from 42.5% for non-publicly traded Banks, FI and Insurance companies. There is no specific mention of specific policies for addressing the crisis faced by banks and FIs. In the Budget it is mentioned that there will be a Central Database for Large Credits (CDLC)

banks for monitoring the large funds but the budget speech did not mention the regulatory authority of the CDLC.

<http://today.thefinancialexpress.com.bd/trade-market/no-directions-on-addressing-banking-sector-problems-in-proposed-budget-build-1528561150>

Foreign Investors' Chamber of Commerce and Industry (FICCI) finds budget 'highly challenging'

- The Foreign Investors' Chamber of Commerce and Industry (FICCI) has termed the proposed national budget for the next fiscal year (FY), 2018-2019, 'highly challenging'. In a post-budget reaction on Friday, the chamber said the size of the BDT 4.64 trillion budget is 25% larger than that of the revised budget for the last FY. The chamber body expressed its concern over the use of (government's) revenue to meet the deficit of the state-owned enterprises (SoEs) and the public sector commercial banks. The FICCI opined that the gross domestic product (GDP) growth target of 7.8% in the proposed budget is achievable, if the GDP-investment ratio could be increased up to the desired level. The FICCI opined that the proposed enhancement of the rate of VAT (value added tax) on super shops to five% will encourage inflation and discourage the growth of such businesses.

<http://today.thefinancialexpress.com.bd/public/first-page/ficci-finds-budget-highly-challenging-1528480707>

Actual budget size shrinks

- The rate of budget implementation in the country has been shrinking gradually over the years, according to government data. This implies that there is an increasing gap between the original budget size and the eventual figure of it. It revises the fiscal blueprint sometime in January by reducing the size on an average of BDT 120 billion. The actual implementation becomes much lower than the revised one. Between fiscal year 2010 and fiscal year 2018, the average rate of implementation was just 82%, an analysis of the data shows. But in the last couple of fiscal years-FY-2016 and FY 2017-the actual budget implementation rate fell significantly. The rate was 80% in fiscal year 2016 and below 80% in FY 2017. Economists said that the budget implementation capacity is not growing progressively keeping pace with the increased sizes of the budgets.

<http://today.thefinancialexpress.com.bd/public/last-page/actual-budget-size-shrinks-1528395849>

T-bills' interest rates up ahead of Eid

- The interest rates on the treasury bills (T-bills) increased significantly, as the banks showed unwillingness to invest their funds in the government securities ahead of the Eid. The cut-off yield, generally known as interest rate, on 91-day T-bills jumped to 4.14% on Sunday from 1.20% of the previous auction, held on

June 03. On May 13, the cut-off yield was 1.00%, according to the market operators. Besides, the cut-off yield on 182-day T-bills rose to 4.19% on the day from 4.00% of the previous auction. As per Bangladesh Bank (BB) officials, the interest rates on the T-bills will increase further, if the government borrows the total targeted amount of the auctions from the banks. He also said around 50% of the targeted borrowing amount was passed to the BB for curbing the upward trend of interest rates.

<http://today.thefinancialexpress.com.bd/last-page/t-bills-interest-rates-up-ahead-of-eid-1528653473>

Finance Minister under fire over loan scandals in banking sector

- Opposition leaders and some lawmakers from the ruling party came down hard on Finance Minister over the loan scandals and mismanagement that plagued the banking sector amid discussions on budget in the national parliament. Most of the lawmakers criticised the finance minister on Sunday during a discussion session on the supplementary budget. A lawmaker of the ruling Awami League, said the banking sector may collapse if they are not brought under a proper system of rules. He urged the minister to take necessary action against loan scams and money laundering. One of the Independent MPs remarked that the people are afraid of depositing money in banks.

<http://today.thefinancialexpress.com.bd/last-page/muith-under-fire-over-loan-scandals-in-banking-sector-1528653512>

Bangladesh Bank (BB) allows FCBs to remit shares of head office expenses

- Foreign commercial banks (FCBs) operating in Bangladesh are allowed to remit the shares of expenses at their head offices without the central bank's prior approval. According to Bangladesh Bank officials, the FCBs will be able to remit such expenses complying with the Income Tax Ordinance 1984 and other conditions. To this end, the BB issued a circular on Sunday and asked all authorised dealer banks to follow the latest instructions. According to the circular, branch operations of foreign banks need to share expenses of their head offices against benefits accrued to operations in Bangladesh.

- It also said that these expenses of head offices are incurred on account of the general management, administration and strategy of the whole company, including its foreign branches. It further said that the gross remittable amount (before deduction of tax at source) will not exceed the limit allowed in the country's income tax regulations. As per the circular, the remittance is subject to compliance with tax regulations like deduction and payment of applicable source tax and VAT. Nine FCBs are currently in operation here.

<http://today.thefinancialexpress.com.bd/last-page/bb-allows-fcbs-to-remit-shares-of-head-office-expenses-1528653976>
<http://www.newagebd.net/article/43389/foreign-bank-branches-can-remit-head->

[office-expenses-overseas-bb](#)**Consumers hit by higher VAT**

• VAT accounts for 37.32% of the total revenue collection target of BDT 29.62 trillion in fiscal 2018-19. The burden of value-added tax is set to get heavier from next fiscal year as the revenue authority looks high and low to find ways to collect the major share of its ambitious target from the indirect tax. To attain the lofty target, the NBR has increased the VAT and supplementary duty rates on 56 goods and services, meaning consumers will have to pay higher prices. Until recently, branded clothes lovers had to count 4% VAT. From next fiscal year, they will have to pay 5%. Garments buyers from non-branded and imported clothing stores will also face the same rate. Similarly, consumers will also have to bear the burden of increased prices for hike in SD rates on 17 items, including energy drinks, cosmetics, toiletries, bathtub, jacuzzi, by up to 10% points.

<https://www.thedailystar.net/business/consumers-hit-higher-vat-1589467>

Cash incentive for export of pharma raw materials

• The government has extended 20% cash incentive to pharmaceutical raw material manufacturers as it earnestly looks to boost overseas shipments. The incentive will become effective from July last year, according to a notice from the central bank yesterday. Exporters who manufacture the active pharmaceutical ingredient at their own factories will qualify for the incentive. They will have to apply within 60 days to enjoy the benefit. Those produced in factories housed in export processing zones and economic zones will not come under the purview of the facility. The central bank will take punitive measures against banks that allow the businesspeople to enjoy the cash incentive by violating the rules. The amount of the cash incentive, which is provided to the unscrupulous persons, would be deducted from the errant banks' current account maintained with the central bank, the notice said.

<https://www.thedailystar.net/business/cash-incentive-export-pharma-raw-materials-1589440>

<http://www.newagebd.net/article/43391/bb-issues-instruction-over-cash-incentives-for-pharma-ingredient-export>

Western Marine, Indian co to jointly bid for IWAI projects

• Western Marine Shipyard has struck a deal with an Indian company to form a consortium. Western Marine signed a memorandum of understanding (MoU) with The Shalimar Works (1980) Limited (SWL) of Kolkata on June 06, 2018. Under the agreement, the two companies would jointly bid for shipbuilding projects by forming a consortium for preparing and submitting of the bid (s) in respect of tender(s) floated by IWAI (Inland Waterways Authority of India) for various project (s). Western Marine has also informed that the capital contribution and the profit and/or losses arising from there would be shared between the Western Marine and Shalimar Works at the ratio of 74:26 respectively.

<http://today.thefinancialexpress.com.bd/stock-corporate/western-marine-indian-co-to-jointly-bid-for-iwai-projects-1528648622>

Imports up 15% in ten months

• Overall imports grew by over 15% in the first 10 months of this fiscal year (FY), mainly due to higher import of food grains and fuel oils. The settlement of letters of credit (LCs), in terms of value, rose to nearly USD 43 billion during the July-April period in the FY 2017-18 from USD 37.37 billion in the same period in the FY 17. According to Bangladesh Bank officials, the overall imports increased significantly during the period under review due to higher imports of petroleum products and food grains, particularly rice. He also said the ongoing holy Ramadan and the upcoming Eid-ul-Fitr festival have contributed to the rise in overall import.

<http://today.thefinancialexpress.com.bd/last-page/imports-up-15pc-in-ten-months-1528739678>

Bangladesh's outbound investment more than triples

• The outflow of foreign direct investment (FDI) from Bangladesh to other countries surged by more than three times in a year. The outward flow means Bangladeshi business entities or Bangladesh-based multinational companies are investing in other countries across the world. The country's outbound FDI reached USD 170 million in 2017, according to the World Investment Report (WIR) 2018 statistics. The amount was USD 41 million a year ago. Bangladesh was the fifth-highest recipient of FDI in the LDC group.

<https://www.thefinancialexpress.com.bd/economy/bangladesh/bds-outbound-investment-more-than-triples-1528604491>

Bangladesh needs long-term funding

• Bangladesh needs to ensure an adequate supply of long-term funding to benefit from China's 'Belt and Road' projects. For this, Bangladesh should strengthen its financial as well as capital market, said sub-cluster head of Citibank N.A. for Bangladesh and Sri Lanka. In the future, he would expect to see further development and strengthening of the financial market in Bangladesh. A recent report by Tokyo-based Nomura said Bangladesh is set to receive USD 38 billion investment through the BRI. A recent report by Tokyo-based Nomura said Bangladesh is set to receive USD 38 billion investment through the BRI.

<http://today.thefinancialexpress.com.bd/trade-market/bd-needs-long-term-funding-1528740906>

Parliament passes supplementary budget

• Parliament passed on Tuesday the supplementary budget of BDT 153.39 billion

for fiscal 2017-18 to meet the increased expenditures under different ministries and divisions. The Power Division got the highest allocation of BDT 39.26 billion.

<http://today.thefinancialexpress.com.bd/first-page/parliament-passes-supplementary-budget-1528739271>

Prices of low-segment cigarettes of foreign and local brands to be same

- Multinational companies are likely to be able to sell cigarettes in the country at prices equivalent to those manufactured by local companies from the next fiscal year (FY). In the proposed budget for FY 2018-19, the government has removed the discrimination in the price slabs for sale of both local and international brand cigarettes. In the outgoing fiscal, the government fixed BDT 35 as the price for low-segment international brands and BDT 27 for the same category of local brands. In the outgoing fiscal, the government fixed BDT 35 as the price for low-segment international brands and BDT 27 for the same category of local brands.

- In the outgoing fiscal, the government fixed BDT 35 as the price for low-segment international brands and BDT 27 for the same category of local brands. The withdrawal of the provision has been given a retrospective effect, providing for exemption of tax that already fell due. Now, the international cigarette company BATB will not have to pay around BDT 18 billion in Value Added Tax (VAT) arrears.

<http://today.thefinancialexpress.com.bd/stock-corporate/prices-of-low-segment-cigarettes-of-foreign-and-local-brands-to-be-same-1528736141>

Important News: Capital Market

Government gives BATB tax relief of BDT 20.0 billion

- National Board of Revenue has offered British American Tobacco Bangladesh tax relief worth more than BDT 20.00 billion in the proposed budget through scrapping a special order with retrospective effect. NBR on Friday issued a special order scrapping the previous one issued on July 1, 2017, which had imposed additional taxes on low quality international-brand cigarettes. The revenue board had then set the price of the cigarette at BDT 35 per 10 sticks produced and sold by multinational companies and imposed supplementary duty at the rate of 55%.

- The price of same quality cigarettes produced and sold by local companies was set at BDT 27 per 10 sticks and imposed 52% SD to protect local manufacturers. As per the Friday order, price and supplementary duty for the local tobacco products will also be applicable for the low quality international-brand cigarettes retrospective effect from June 1, 2017. A number of NBR officials expressed disappointment over scrapping of the provision with retrospective effect as the measure would facilitate tax relief worth BDT 20.00 billion to the BATB.

<http://www.newagebd.net/article/43311/govt-gives-batb-tax-relief-of-BDT-2000cr>

LafargeHolcim brings new plastering cement

- LafargeHolcim Bangladesh has recently launched new specialised cement for plastering. Chief executive officer of LafargeHolcim said that plastered surface will be more durable, less prone to cracks thus requiring less repair and maintenance. He also added that the new cement will help customers to save time and cost substantially and is expected to create a big impact in overall construction management process. According to Rajesh, the company invested USUSD 500 million in Bangladesh over the years and plans for even more.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/lafargeholcim-brings-new-plastering-cement-1528476379>

BSRM incorporates subsidiary in Hong Kong

- Bangladesh Steel Re-Rolling Mills Ltd. (BSRM) has incorporated a subsidiary company, 'BSRM (Hong Kong) Limited', in Hong Kong as per decision of the company's board of directors. It will be engaged in trading of steel products, procurements, and inspection of raw materials/spare parts etc. for the BSRM Group.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsrm-incorporates-subsiary-in-hk-1528560214>

Bangladesh Securities & Exchange Commission (BSEC) okays BDT 300 million IPO of Silva Pharma

- Bangladesh Securities and Exchange Commission on Monday approved a BDT 300 million initial public offering of Silva Pharmaceuticals under the fixed price method. The pharmaceuticals company will float 30 million shares at an issue price of BDT 10 each. The pharmaceutical company will use its IPO proceeds in purchasing machinery, constructing building, repaying bank loan and meeting up IPO expenses. As per the entity's audited financial statement for the year ended on June 30, 2017, the company's net asset value per share and weighted average earnings per share are BDT 16.48 and BDT 1.03 respectively. Imperial Capital Limited, Prime Finance Capital Management Limited and SBL Capital Management Limited are the issue manager of the company's IPO.

<http://www.newagebd.net/article/43497/bsec-okays-BDT-300cr-ipo-of-silva-pharma>

BBS Cables gets BDT 154 million BREB contract

- BBS Cables Limited has received a 'Notification of Award (NOA)' from Bangladesh Rural Electrification Board (BREB) for supply of conductor under 'Rural Electrification Programme in Sylhet Division and Infrastructure Development of BREB Headquarters' with a contract price of over BDT 154.11 million. The contract will be signed within 28 days from the date of receiving the NOA. The goods will have to be delivered within four months from the date of contract signing, the letter of intimation will be submitted after signing of the contract.

<http://today.thefinancialexpress.com.bd/stock-corporate/bbs-cables-gets-BDT-154m-breb-contract-1528648651>

Most textile cos report better earnings in Q3

- Most of the listed textile companies have reported increased earnings for the January-March quarter (Q3) of 2018 as compared to the same period of previous year. According to un-audited financial statements, the earnings per share (EPS) of Square Textile was BDT. 0.61 in the Q3 of 2018 as against BDT. 0.39 of the corresponding quarter last year. Alif Industries reported EPS of BDT. 0.86 in the Q3, 2018 as against BDT. 0.54 in the Q3 of 2017. The EPS of Hamid Fabrics was BDT. 0.52 for January-March 2018 as against BDT. 0.18 for January-March 2017. Apex Spinning & Knitting Mills reported its EPS of BDT. 0.88 for January-March 2018 against BDT. 0.76 for January-March 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/most-textile-cos-report-better-earnings-in-q3-1528560230>