

Weekly Market Update

Capital Market Overview

The market closed positive this week. The benchmark index DSEX (+1.41%) gained 75.39 points and closed the week at 5,418.28 points. The blue-chip index DS30 (+0.72%) gained 13.53 points and stood at 1,898.36 points. The shariah based index DSES (+1.68%) closed in green and stood at 1,250.72 points. DSEX, DS30 and DSES all posted negative YTD return of -13.23%, -16.86%, and -10.06% respectively.

Total Turnover During The Week (DSE) : BDT 28.8 billion (USD 346.3 million)

Average Daily Turnover Value (ADTV): BDT 5.8 billion (Δ% Week: +1.0%)

Market P/E: 17.05x

Market P/B: 2.19x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market opened this week with a positive movement of 0.49% in the first session and continued to be positive in the second session, third session and fourth session respectively by 0.02%, 0.21% and 0.78%. Then the market closed negative by 0.89% in the last session.

Sectoral Performance:

- All the financial sectors showed mixed performance this week. Banks posted the highest gain of 2.59% followed by NBFIs (+1.36%) and Mutual Funds (+0.81%). Life Insurance experienced highest loss of 9.74% followed by General Insurance (-1.35%).

- Non-financial sectors showed mixed performance this week. Power posted the highest gain by 3.93% followed by Engineering (+1.44%). Food and Allied experienced the highest loss of 1.66% followed by Telecommunication (-0.80%) and Pharmaceuticals (-0.20%).

Macroeconomic arena:

- Bangladesh Investment Development Authority (BIDA) issued green signal to Hi-Tech International Group (HTIG) of Saudi Arabia plans to set up an oil refinery plant in Chittagong with an investment worth USD 6.0 billion very soon. The refinery will create employment opportunity for 3050 people.

- The government's oil import bill is set to jump 36% this fiscal year due to the appreciation of the dollar and an increase in global oil prices. In fiscal 2018-19, 75 lakh tonnes of oil is set to be imported for USD 4.85 billion. With the exchange rate hit BDT 83.75 in July, the expense will be around BDT 40,600 crore compared to last year's BDT 29,873 crore.

- The dollar started to strengthen in last few days amid increase in import payment. The inter-bank exchange rate of the USD against the BDT has started to rise in last two days reaching at BDT 83.80 for a USD on Tuesday, after remaining static for three months at BDT 83.75. BDT was one of the regional currencies that lost least value in last two months with the Indian currency rupee slumping more than 10%.

Stock Market arena:

- S Alam Group has now set its sights on the insurance sector after taking over a number of banks and financial institutions in the past few years. The group has recently bought nearly 45% stakes in Padma Islami Life Insurance Company at an estimated cost of BDT 450 million as a part of the plan to increase its influence on the insurance sector.

- Sluggish trading activities coupled with low share sales by sponsor-directors affected the government's revenue earnings from the prime bourse in the first quarter of the FY2018-19. The government bagged revenue worth about BDT 582 million in July-September quarter of the current FY which was BDT 831 million in the same quarter a year ago, experiencing a decline of 30%.

- Eastern Bank Limited (EBL) and Summit Group have fixed an interest rate SWAP derivative deal worth USD 71.25 million for two power plant projects. The deal will provide Summit with protection against adverse upward price movement of USD 3 Months LIBOR.

- Net foreign fund in stocks turned positive last month after remaining negative over the period of last five months as overseas investors were putting fresh funds to take advantage of purchasing shares at low prices. Foreign investors may continue to invest in stocks in the coming months in anticipation of steady economic growth coupled with discounted rate of many fundamental stocks.

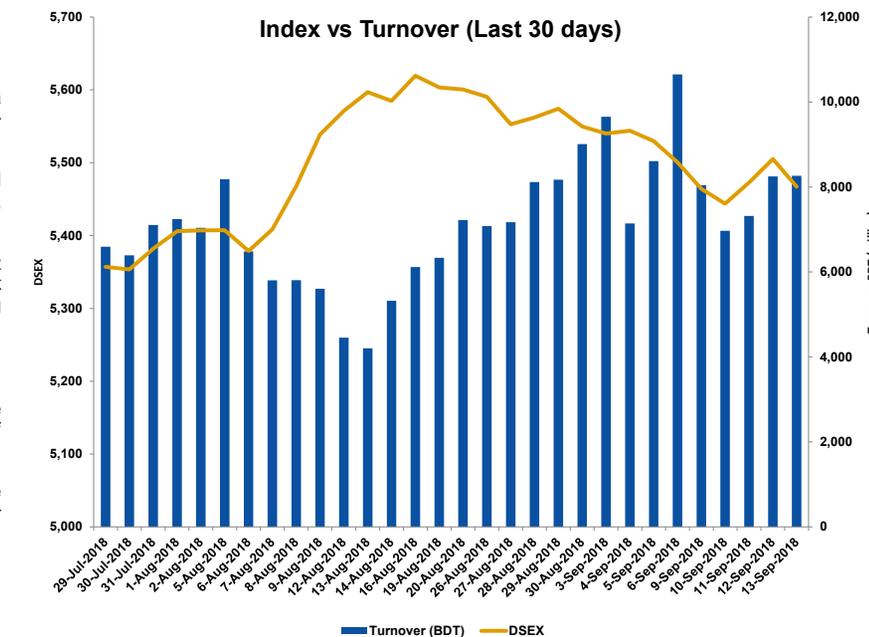
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,418.28	5,342.89	75.39	6,244.52	1.41%	-13.23%
DS30	1,898.36	1,884.83	13.53	2,283.23	0.72%	-16.86%
DSES	1,250.72	1,230.02	20.70	1,390.67	1.68%	-10.06%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,413,350.9	19,340,335.9	0.4%
	Mn USD	233,530.0	232,651.7	
Turnover	Mn BDT	28,790.4	28,497.9	1.0%
	Mn USD	346.3	342.8	
Average Daily Turnover	Mn BDT	5,758.1	5,699.6	1.0%
	Mn USD	69.3	68.6	
Volume	Mn Shares	644.5	639.5	0.8%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Dulamia Cotton	33.60	23.20	44.8%	253.9	4.36	NM	NM
Jute Spinners	100	70.30	42.7%	170.5	2.80	NM	NM
Asia Pacific Gen Ins	23.90	17.50	36.6%	1,012.2	132.99	15.9x	1.6x
Savar Refractories	109.20	83.50	30.8%	152.1	1.93	NM	17.4x
BD Finance	18.10	14.10	28.4%	2,756.6	198.25	16.6x	1.3x
Northern Jute	412.10	323.50	27.4%	882.7	54.46	96.5x	5.4x
Meghna Condensed Milk	24.30	19.20	26.6%	388.8	9.17	NM	NM
VFS Thread Dyeing Limited	36.70	29.10	26.1%	3,109.0	547.57	22.0x	2.1x
Rahim Textile	512.30	410.30	24.9%	4,005.1	87.37	89.1x	16.4x
Sonali Aansh	301.30	242.80	24.1%	817.1	29.56	182.8x	1.3x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
National Life Ins	195.90	243.60	-19.6%	21,259.5	310.66	NM	19.6x
Western Marine Shipyard Limited	21.30	25.70	-17.1%	6,375.2	159.25	20.1x	1.3x
Pioneer Insurance	29.70	34.30	-13.4%	2,078.4	80.25	16.5x	1.0x
Bangladesh Submarine Cable Company Limited	75.40	85.40	-11.7%	12,433.9	61.17	39.1x	2.4x
Nitol Insurance	29.90	33.80	-11.5%	1,202.2	4.37	13.9x	1.5x
BD Autocars	394.20	436.00	-9.6%	1,522.6	35.35	427.4x	142.0x
Marico Bangladesh Limited	1,141.20	1,238.00	-7.8%	35,947.8	1.94	25.0x	27.2x
Prime Finance	9.60	10.40	-7.7%	2,620.0	3.33	NM	0.9x
Fareast Finance & Investment Limited	5.70	6.10	-6.6%	935.2	3.72	9.1x	0.5x
Mercantile Insurance	23.60	25.20	-6.3%	1,017.1	17.84	16.8x	1.5x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Khulna Power Company Limited	127.70	110.00	16.1%	46,136.1	2,351.67	25.2x	5.2x
United Power Generation & Distribution Company Ltd	346.40	322.60	7.4%	165,955.7	2,132.35	39.8x	14.4x
IFAD Autos Limited	130.30	131.00	-0.5%	29,780.8	1,594.17	28.4x	4.8x
Active Fine Chemicals Limited	43.90	41.20	6.6%	8,777.7	962.67	15.9x	3.0x
BBS Cables Limited	127.60	122.50	4.2%	17,608.8	780.35	42.6x	7.7x
Monno Ceramic	375.00	335.10	11.9%	9,421.7	610.24	3579.5x	4.1x
In Tech Online Ltd.	59.40	63.30	-6.2%	1,676.1	593.49	60.2x	5.9x
SK Trims & Industries Limited	36.10	31.10	16.1%	1,444.0	591.50	27.2x	2.8x
VFS Thread Dyeing Limited	36.70	29.10	26.1%	3,109.0	547.57	22.0x	2.1x
Dragon Sweater & Spinning Ltd.	33.10	28.70	15.3%	8,755.0	547.52	60.1x	2.8x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Mutual Trust Bank	38.60	24.07%	22,131.8	15.1x
Singer Bangladesh	233.90	19.64%	17,938.8	32.8x
Berger Paints	1,225.70	18.83%	56,845.4	28.1x
Summit Power	41.50	15.60%	44,316.9	10.1x
Marico Bangladesh Limited	1,141.20	3.17%	35,947.8	25.0x
Eastern Housing	50.10	1.83%	4,676.6	21.5x
Delta Brac Housing	133.70	-1.69%	16,291.6	20.7x
Padma Oil Co.	234.00	-2.09%	22,986.5	11.3x
BATBC	3,313.20	-2.60%	198,792.0	26.2x
Pioneer Insurance	29.70	-2.62%	2,078.4	16.5x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1403.09	1367.66	1848.21	2.59%	-24.08%
NBFIs	2140.54	2111.92	2714.85	1.36%	-21.15%
Mutual Funds	656.36	651.10	788.81	0.81%	-16.79%
General Insurance	1462.08	1482.10	1592.30	-1.35%	-8.18%
Life Insurance	2033.06	2252.55	1834.85	-9.74%	10.80%
Telecommunication	5031.48	5072.07	6494.31	-0.80%	-22.52%
Pharmaceuticals	2594.24	2599.35	2821.05	-0.20%	-8.04%
Fuel & Power	1960.07	1885.97	1527.27	3.93%	28.34%
Cement	1894.50	1864.14	2280.58	1.63%	-16.93%
Services & Real Estate	1100.77	1070.16	1224.11	2.86%	-10.08%
Engineering	3142.49	3097.83	3166.83	1.44%	-0.77%
Food & Allied	14054.48	14292.13	15304.34	-1.66%	-8.17%
IT	1508.74	1475.57	1484.41	2.25%	1.64%
Textiles	1403.07	1323.79	1222.72	5.99%	14.75%
Paper & Printing	12112.31	11506.25	1013.11	5.27%	1095.56%
Tannery	2651.36	2621.13	2642.41	1.15%	0.34%
Jute	8463.00	6655.64	8867.22	27.16%	-4.56%
Ceramics	634.66	607.64	597.46	4.45%	6.23%
Miscellaneous	1885.00	1894.89	1725.62	-0.52%	9.24%

Table 7: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
Banks	280.7	253.7	10.63%	5.01%	9.0x	1.0x
NBFIs	290.5	251.0	15.70%	5.19%	20.1x	2.1x
Mutual Funds	15.6	30.1	-48.22%	0.28%	NM	0.5x
General Insurance	186.1	199.2	-6.58%	3.32%	13.3x	1.0x
Life Insurance	114.8	204.9	-43.97%	2.05%	NM	8.4x
Telecommunication	82.4	65.3	26.09%	1.47%	22.1x	16.3x
Pharmaceuticals	490.5	495.4	-0.99%	8.76%	19.6x	3.2x
Fuel & Power	1,063.9	1,076.9	-1.21%	18.99%	16.6x	2.6x
Cement	97.3	85.1	14.35%	1.74%	21.3x	3.5x
Services & Real Estate	120.9	98.3	22.99%	2.16%	27.6x	0.9x
Engineering	952.0	1,031.8	-7.74%	17.00%	24.9x	2.3x
Food & Allied	166.3	193.2	-13.92%	2.97%	28.5x	10.1x
IT	163.7	183.1	-10.58%	2.92%	29.1x	3.1x
Textiles	970.8	838.5	15.79%	17.33%	22.3x	1.2x
Paper & Printing	83.3	36.2	130.43%	1.49%	NM	6.5x
Tannery	81.6	70.6	15.53%	1.46%	20.3x	3.2x
Jute	17.4	12.6	37.47%	0.31%	NM	3.6x
Ceramics	138.0	86.1	60.23%	2.46%	30.6x	2.4x
Miscellaneous	285.3	273.8	4.19%	5.09%	26.1x	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	12.40	-43.89%	9,400.8	6.2x
Lankabangla Finance	26.70	-39.95%	9,134.6	11.5x
United Airways (BD) Ltd.	3.40	-39.29%	2,336.8	12.0x
Prime Bank	16.00	-35.77%	18,116.5	8.3x
EXIM Bank	11.30	-34.30%	15,958.4	5.4x
Islami Bank	24.30	-33.61%	39,122.8	8.7x
Eastern Bank	34.30	-32.88%	25,313.4	9.3x
City Bank	32.60	-32.27%	31,556.4	7.8x
IFIC Bank	11.10	-30.93%	15,701.1	9.9x
IDLC Finance Ltd.	60.00	-29.66%	22,623.0	12.7x

Important News: Business & Economy

Bangladesh may become 26th biggest economy in 2030: HSBC

- Bangladesh, which currently occupies the 42nd position among global economies, in terms of size, is likely to improve its ranking, becoming the 26th largest in 2030. A long-term projection of the HSBC Global Research, unveiled recently, showed the possible economic development of the country. Bangladesh is set to replace Austria in 2030. According to HSBC projection, Bangladesh will outshine the Philippines, the United Arab Emirates, Malaysia, Pakistan, Austria, Nigeria, Ireland, Israel, Colombia, Hong Kong, Taiwan, South Africa, Denmark, Singapore and Finland.

- HSBC's long-term growth model projections for real GDP growth also showed that Bangladesh is on top of the table in this regard. The country is projected to grow above 7.0% annually through 2030. As per the projection, Bangladesh is the only country to maintain 7.0-plus growth rate annually up to 2030 and even beyond. India is projected to maintain 6.0-plus growth rate but not 7.0 during the period under review. While set to make a remarkable progress on the economic front, the country is also one of the top five countries projected to be the most vulnerable to environmental disaster and climate change.

<http://today.thefinancialexpress.com.bd/last-page/bd-may-become-26th-biggest-economy-in-2030-hsbc-1538588838>

<https://www.thedailystar.net/business/news/bangladesh-be-26th-largest-economy-1642432>

Rise in local demand, product diversification have propelled economic growth: Finance Minister

- Finance Minister said on that effective rise in domestic demand and diversification of products helped boost Bangladesh's economic growth over the years. He also stressed the need for further acceleration in creating such demand in the coming days to reach the target of a poverty-free Bangladesh. The finance minister said one-third of the country's total population was poor when he took charge of the ministry in 2009, and now the number has declined to less than 25%. However, despite steady economic growth, around 35 million people are still under the poverty line, he added. In order to reduce the number of poor, the country needs to bring some of them into such a level, where they can add to the domestic demand.

<http://today.thefinancialexpress.com.bd/trade-market/rise-in-local-demand-product-diversification-have-propelled-economic-growth-muhith-1538585190>

Banks' capital base weakens further

- The banking sector's capital base weakened further in the second quarter this year on the back of deteriorating asset quality of banks, as per the Bangladesh Bank's latest data. As of June, banks' capital adequacy ratio (CAR), which determines the adequacy of banks' capital keeping in their risk exposures, stood at 10% , down from 10.11% a quarter earlier. Banks are required to keep at least 11.817% CAR including capital conservation buffer as per roadmap set by the central bank to implement Basel III. But the banking sector fell short of maintaining the regulatory requirement.

- The World Bank too expressed concern about the state of the banking sector. In a further indication of the progressively precarious state of the banking sector, ten banks, including seven state-owned ones, ended up with a capital shortfall of BDT 251.43 billion at the end

of June. Since 2009 the government has injected BDT 145.05 billion into state banks but they are yet to show any sign of strengthening their capital base. Of the ten banks, BKB had the highest amount of capital shortfall of BDT 80.10 billion, followed by Sonali at BDT 66.02 billion, BASIC at BDT 31.06 billion and Janata at BDT 21.95 billion.

<https://www.thedailystar.net/business/news/banks-capital-base-weakens-further-1642429>

Dollar crawls up vs BDT after staying put for 3 months

- The inter-bank exchange rate of the USD against the BDT has started to inch up in last two days after remaining static for three months at BDT 83.75. The dollar started to strengthen in last few days amid increase in import payment. As per the central bank data, inter-bank exchange rate of a USD rose to BDT 83.80 on Tuesday from BDT 83.78 on Monday after staying static at BDT 83.75 since July 8. The rate of the BDT against the dollar in open market, however, was around BDT 84-BDT 85 on Wednesday.

- BDT was one of the regional currencies that lost least value in last two months with the Indian currency rupee slumping more than 10%. Amid the significant demand for dollar for more than a year from importers, the central bank has continued injecting the currency in the local market with a view to support the BDT. On the other hand, widening of current account deficit and trade deficit riding on huge import payments prompted the central bank to inject dollar in local market.

- The country's trade deficit doubled in last fiscal year (2017-2018) compared with that of USD 9.47 billion in the previous fiscal year, hitting a record USD 18.25 billion. The current account deficit also hit a record USD 9.78 billion in FY18 as import payments rose and the foreign direct investment decreased. Although the bankers were pressing the central bank to inject more dollars in the market to facilitate import payments, the economists were suggesting that the central bank should allow the depreciation of local currency with a view to discourage import.

<http://www.newagebd.net/article/52237/dollar-crawls-up-vs-BDT-after-staying-put-for-3-months>

Saudi corporation to set up oil refinery plant in Chattogram with USD 6.0 billion investment

- Hi-Tech International Group (HTIG) of Saudi Arabia plans to set up an oil refinery plant in Chittagong with an investment worth USD 6.0 billion very soon. The project has already obtained green signal from the Bangladesh Investment Development Authority (BIDA). According to the proposal approved by BIDA, the refinery will produce 2632500 MT of Octane, 661500MT of LPG, 5413000 MT of HSD, 17555000 MT of Bitumin and 62160000 MT of Kerosene annually. The project will be co-financed by UAE-based Rashid Al Hadi Trading company.

- The Refinery will be set up at Khankhanbad area under Bashkhali upazila in Chittagong which will create employment opportunity for 3050 people. Cosmopolitan Oil Refinery Management Limited (CPORML) is the local partner for this 100% FDI-based project. The plant will import crude oil from Saudi Arabia. The entire final product will be exported to neighbouring counties. the production capacity of the proposed refinery will be more than three times of the state-run Bangladesh Eastern Refinery Limited (BERL), the lone refinery plant in the country.

<http://today.thefinancialexpress.com.bd/trade-market/saudi-co-to-set-up-oil-refinery-plant-in-ctq-with-60b-investment-1538585165>

Bangladesh Petroleum Corporation to propose oil price hike

- The Bangladesh Petroleum Corporation (BPC) is set to send a proposal to power, energy and mineral resources ministry for a substantial hike in the prices of petroleum products. It aims to avoid losses in oil trading due to the sky-rocketing oil prices in the international market. In February 2018, the BPC sought a 31% rise in the price of per-litre furnace oil to BDT 55. It also sought an 11% rise in diesel and kerosene prices to BDT 72 per litre. This time, it is unlikely to suggest any specific hike, putting the responsibility on the authorities concerned.

- The state-run BPC is currently incurring a loss of around BDT 270 million daily, according to the official. The loss is nearly BDT 17 per litre for trading in diesel and BDT 15 for furnace oil, considering the global oil prices on October 02. The BPC's annual loss in oil trade would be roughly BDT 97 billion if the current oil prices in the international market remain unchanged. After bagging hefty profits over the past three years since late 2014, the BPC started counting losses since November 2017 for rising prices globally. Oil prices soared due to cuts in production by some major exporters coupled with international political turmoil-especially in the oil-rich Middle East.

<http://today.thefinancialexpress.com.bd/first-page/bpc-to-propose-oil-price-hike-1538588511>

Reforms underway for green industries

- The government has undertaken widespread reforms towards greening of the existing and future industries in Bangladesh, including the leather and readymade garment industry, along with prioritising a low-carbon economy, Industries Minister said. The government has set up 100 eco-friendly special economic zones with government sponsored green industrial standards for ETP (effluent treatment plant) and water treatment plants, he said. The government is also pursuing a green financing and green banking policy to finance low-carbon and resource-efficient small and medium enterprises and the supply value chains of our RMG industry.

<https://www.thedailystar.net/business/news/reforms-underway-green-industries-1642423>
<https://www.dhakatribune.com/business/2018/10/03/5th-green-industry-conference-in-bangkok>

Image aboard, government officials' attitude challenges to Foreign Direct Investment

- Both local and foreign investors said that Bangladesh's image abroad and attitude of government officials towards investors were the biggest challenges for attracting foreign direct investment to the country. The investors also said that the government should make the OSS initiative effective fast to serve potential investors in an expedited, simplified and easier manner to achieve the country's FDI goals.

- Foreign Investors' Chamber of Commerce and Industry president said that Bangladesh was one of the lowest FDI recipient country compared with its competitors like Vietnam, Thailand and Malaysia despite its remarkable achievement in GDP growth and many

human development indices. Lack of improvement in ease of doing business is one of the barriers, he said. But, image as a nation abroad as FDI destination and attitude of implementation-level government officials [towards the investors] are the biggest challenges, he added.

- Grameenphone chief executive officer said that Bangladesh as investment opportunity could be termed as 'the glass is far behind to be considered half full'. Weak governance, corruption, regulatory instability, unpredictable taxation policy, over regulation, and weak infrastructure are not new problems, he said, adding that the country was trying to improve the situation but not doing fast to make a difference. Development of democratic institutions is a very critical criterion the foreign investors now look for.

<http://www.newagebd.net/article/52236/image-aboard-govt-officials-attitude-challenges-to-fdi>

Remittance inflow rises 32% in September

- The expatriate Bangladeshis have sent home over USD1.13 billion in September, an increase of about 32% from the same period a year earlier. In the first three months (July-September) of the current fiscal year, expatriates remitted over USD3.86 billion, which is 13.73% higher than the remittance sent in the corresponding period of the previous fiscal year, according to latest data released by the Bangladesh Bank.

- A rise in global oil prices, the stronger dollar against BDT and the central bank's steps to encourage expatriates to remit funds through legal channels are the reasons for the higher remittance inflow. The remittance growth has also boosted foreign currency reserves that were USD32.12 billion on Tuesday.

<http://today.thefinancialexpress.com.bd/trade-market/remittance-inflow-rises-32%-in-sept-1538501432>

<https://www.thedailystar.net/business/news/remittance-jumps-31%-1641757>
<http://www.newagebd.net/article/52167/q1-remittance-rises-1375%>

Bangladesh Bank concerned over upward non-food inflation, inflation expectations

- Rising non-food inflation and expectations for upward inflation may become the challenges for Bangladesh Bank to contain the overall inflationary pressure in the coming days. The central bank hinted at this without explicitly mentioning any concern in this regard. Looking ahead, a good harvest of food production may offset some inflation risks from the pass-through effects of global oil and commodity prices. However, rising non-food inflation and inflation expectations may constrain any significant improvement in the inflation momentum.

- The annual average headline inflation edged down to 5.78% in the last quarter of the past fiscal year (FY18), mainly 'due to moderating food inflation' after rising gradually since the last quarter of FY17. The decomposition of headline inflation shows that of the 5.78% inflation in June 2018, almost three-fourths of the increase (4.30 %) came from food inflation and the rest (1.48 %) from non-food inflation. Household's inflation expectations are mainly influenced by the movements in prices of food items, reflecting their consumption basket.

<https://thefinancialexpress.com.bd/economy/bangladesh/bb-concerned-over-upward-non->

[food-inflation-inflation-expectations-1538468202](#)

Domestic demand to drive economy: World Bank

- Aided by domestic demand, the World Bank (WB) has said Bangladesh economy will expand at a rate of 7.0% during the current fiscal year. The projection is lower than the official target of 7.8% set for the current fiscal. The bank said Bangladesh's economy remains among the fastest-growing economies in the developing world. It would grow at an even faster pace if it implemented economic reforms.

- Increased public spending on infrastructure, along with robust private investments, exports and remittance inflows will support growth, without ignoring downsides like adverse weather conditions, regulatory unpredictability and a problematic banking sector. To realise its goal of achieving upper-middle income status, Bangladesh must make sure its economic fundamentals are sound with ensuring necessary structural reforms. Policy and institutional reforms are the best defense against the downside risks.

<http://today.thefinancialexpress.com.bd/first-page/domestic-demand-to-drive-economy-wb-1538503178>

<https://www.thedailystar.net/business/news/economy-resilient-1641784>

<http://www.newagebd.net/article/52163/economists-question-quality-inclusiveness-of-gdp-growth>

National Board of Revenue asks Non-government Organisations, private firms to use new income tax return form

- The income tax wing has asked NGOs, firms and private organisations to submit their tax returns for fiscal year (FY) 2018-19 in the new form, which was introduced in 2016. The wing under the National Board of Revenue (NBR) recently issued an instruction for all tax offices across the country after it found many taxpayers are submitting returns in the old forms. The nongovernment organisations, firms and private entities will have to submit their tax returns in new return form IT-11CHA 2016. However, the organisations will not have to submit return in the new forms if they have already submitted their respective tax returns in the old forms.

- In 2016, the NBR amended the Income tax Rule-1984 to introduce three new tax return forms for individuals, corporate taxpayers and NGOs, firms and private entities. Initially, it will accept tax returns in both old and new forms, but gradually it will be phased out. There are some faults in the old tax return forms, which have been addressed in the new versions. The deadline for submission of individuals' tax returns started from July 1, 2018 and will end on November 30 next. In case of submitting tax return in the new form, taxpayers will have to use the NBR's scheduled one.

<http://today.thefinancialexpress.com.bd/first-page/nbr-asks-ngos-pvt-firms-to-use-new-income-tax-return-form-1538503556>

Tax waiver on Liquefied Natural Gas import to cause BDT 110 billion revenue loss

- The National Board of Revenue (NBR) has estimated a total of BDT 110 billion loss in revenue collection after the government waived import taxes on Liquefied Natural Gas (LNG). The gas sector is one of the largest revenue contributors to the national exchequer that may face a blow following withdrawal of Customs Duty (CD) and Supplementary Duty

(SD) along with reduction of Advance Income Tax (AIT).

- NBR has issued a Statutory Regulatory Order (SRO) waiving 5.0% CD on import of LNG. The order came into force with retrospective effect from September 18, 2018. In April 2018, NBR's Income Tax Wing reduced AIT on import of LNG to 2.0% from 5.0%. Withdrawal of 93.24% SD is also underway. The import taxes have been cut in a bid to keep the prices of natural gas 'rational' in the local market.

<http://today.thefinancialexpress.com.bd/last-page/tax-waiver-on-lng-import-to-cause-bdt-110b-revenue-loss-1538503221>

Solar firm secures USD 1.66 million from global investors

- A local solar energy firm, SOLshare, has secured USD1.66 million from three global investors as it seeks to widen people's access to clean energy. The three investors are: Singapore-based IIX Growth Fund, Silicon Valley-based Innogy New Ventures LLC, and Portuguese utility firm EDP. The funds will be used to increase access to clean energy for more than 19,000 rural households and 14,000 micro-entrepreneurs, and address climate change by avoiding more than 2,200 tonnes of carbon emissions by 2021.

- SOLshare is making affordable clean energy and offers the world's first peer-to-peer solar electricity trading platform for off-grid households in Bangladesh. The platform interconnects users with and without solar home systems (SHS) to a smart direct-current grid, while empowering communities to be solar entrepreneurs by selling their excess energy.

<https://www.thedailystar.net/business/news/solar-firm-secures-166m-global-investors-1641760>

Change Bangladesh Bank's approach, develop secondary market: Experts

- Channeling of green financing in Bangladesh remains largely inadequate, as the central bank's approach in this regard is hardly bearing any result. At the same time, development of a secondary market is urgently needed to ensure long-term financing sources for green initiatives. It is the high time that Bangladesh Bank (BB) shifts its focus from a supply-driven approach to a demand-driven approach when it comes to green financing. In fact, the current classification of indirect green finance should also be abolished.

- The banks and financial institutions should be provided with more clear instructions on how to monitor working capital loans, channelled for operating, is actually used. National Board of Revenue (NBR) can also offer tax incentives for green products to encourage investment in the relevant schemes. Currently the government is offering only 2.0% tax rebate for eco-friendly garment units and no factory will go for green schemes for such a tax rebate.

<http://today.thefinancialexpress.com.bd/first-page/change-bbs-approach-develop-secondary-market-experts-1538503456>

KL in talks with Bangladesh, other countries on hiring workers

- The Malaysian government is discussing with several countries to sign memorandum of understanding (MoU) on the entry of foreign workers to the Southeast Asian country. Previous agreements (signed) with Bangladesh, Indonesia, Nepal and India have already

expired except that with Sri Lanka. The independent committee that coordinates the overall policies and management of foreign workers, would begin its work in the second week of this month (October). The committee would travel around the country to gain insights on the hiring of foreign workers. This independent committee will make recommendations to the government after gaining views on foreign workers so that a holistic decision can be reached

<http://today.thefinancialexpress.com.bd/trade-market/kl-in-talks-with-bangladesh-other-countries-on-hiring-workers-1538415447>

International Monetary Fund worried about bad loans, governance in State-owned Commercial Banks

- The visiting International Monetary Fund officials expressed concern over the growing non-performing loans in the state-owned commercial banks in absence of good governance. Bad loans in five state-owned banks including the scam-hit ones soared by 22 % in the first six months of the current year due to poor recovery.

- Bad loans in Sonali, Agrani, Janata, Rupali and BASIC stood at BDT 449.04 billion as of June 30, 2018, rising from BDT 366.26 billion as of December 31, 2017. Sonali Bank which suffered a loss of over BDT 36.00 billion to little known Hallmark Group due to scam in 2013 is carrying the highest amount of bad loans — BDT 131.74 billion — as of June, 2018. Janata has the second highest — BDT 97.02 billion — bad loans following BDT 12.00 billion loan scam by Bismillah Group in 2012 and recent disclosure of loan scams by AnonTex and Crescent Group. Once profitable, BASIC Bank has defaulted loans worth BDT 84.43 billion following extension of BDT 60.00 billion fictitious loans by the previous board of directors led by politically appointed chairman.

<http://www.newagebd.net/article/52116/imf-worried-about-bad-loans-governance-in-scb>

Mobile Number Portability hits a snag

- A huge number of customers could not change operators on the inaugural day of the mobile number portability (MNP) service largely for a number of operators' reluctance to let their existing users go. About 1,000 users, however, were successful. The MNP is a service that empowers customers to switch to any operator keeping their existing mobile phone number. It helps improve service quality.

- Banglalink said more than 500 customers attempted to join its network from other operators, but the success rate is around 30 % from Robi and zero from Grameenphone. Since this was the first day, it believes there might have been some technical issues. However, it appreciates and thanks the customers who have decided to join the Banglalink family, said the senior director for corporate and regulatory affairs of the operator. Robi and Banglalink complained to the telecom regulator about the rejection issue. But the head of external communications of Grameenphone said that the MNP is an automated service, so there is no scope for non-cooperation.

- With the MNP, Bangladesh became the 72nd country in the world to make the service available. For the service, the government has fixed a fee of BDT 50, excluding 15 % value-added tax, and the service will be available within 72 hours. To do so within 24 hours, another BDT 100 has to be paid. In both cases, customers will require a visit to the customer care centres of recipient operators. Customers will also have to pay BDT 100 as SIM replacement tax. However, operators are giving subsidies to attract customers.

<https://www.thedailystar.net/business/news/mnp-hits-snag-1641505>

Five more sectors may get incentives under public-private partnership

- Projects under five more sectors are likely to be made eligible for government incentives under the public-private partnership (PPP). The finance minister has recently asked the authority concerned to take necessary steps in response to a proposal put forward by the PPP Authority (PPPA) under the Prime Minister's Office (PMO) in this regard. According to the finance minister, this is a good proposal and What need to be done should be done with regard to the proposal.

- The new sectors including, urban development, utilities, multi-modal transport hub, logistics and health, may get incentives like existing 14 other sectors. The new sectors including, urban development, utilities, multi-modal transport hub, logistics and health, may get incentives like existing 14 other sectors. Tax exemption would be valid on capital gains derived from transfer of share capital of the companies, royalty, technical know-how and technical-assistance fees for foreign technicians.

<http://today.thefinancialexpress.com.bd/first-page/five-more-sectors-may-get-incentives-under-ppp-1538416918>

Separate unit to manage Multinational Companies tax

- The national revenue authorities have decided to open a dedicated unit to handle tax files of the multinational companies (MNCs) operating in Bangladesh. The International Tax Unit (ITU) at the National Board of Revenue (NBR) has been proposed to administer hassle-free services to the multinationals. All the foreign companies, including small and medium enterprises (SMEs), will be brought under the unit. The decision to form the ITU has been made following a recommendation made by Tax Working Group.

- It is alleged that many of the taxmen hardly have the expertise to handle the tax-related issues of the MNCs. Arbitrary disallowance of expenses often causes a rise in the effective rates of corporate tax. The ITU will be helpful in avoiding cases of arbitrary disallowances of expenses by tax officials. It will also support a more business-friendly environment for foreign SMEs to flourish.

<http://today.thefinancialexpress.com.bd/last-page/separate-unit-to-manage-mnc-tax-1538417642>

<https://www.thedailystar.net/business/news/nbr-plans-dedicated-unit-multinationals-1641490>

<http://www.newagebd.net/article/52117/nbr-to-set-up-tax-unit-for-foreign-cos>

Home textile exporters in a tight corner

- At a time when home textiles, especially terry towels, promise both enhanced earnings and diversity to Bangladesh's export basket, many mills are shutting down unable to compete at international markets. At least 10 small and medium factories have shuttered in the past two years while another three to five are struggling to survive, according to data from the Bangladesh Terry Towel & Linen Manufacturers & Exporters Association.

- Mark Terry's factory was closed six months ago as it was in trouble due to pressure from international buyers to reduce the price. The buyers had the upper hand as they had

competitive prices of Pakistan as a second option. A production unit of Alltex Group faced the same fate in November last year failing to keep up with international competition.

- At least 70,000 workers lost their jobs due to the closure of those factories. The sector was just starting to grow, bolstered with some BDT 20.00 billion in investments. In fiscal 2017-18, export of Bangladesh's home textiles, including terry towels, bedsheets, linen, curtains and pillow covers, grew 9.95 % year-on-year to reach USD 878.68 million. The sector's growth started to witness a decline from January 2014, when the European Union (EU) allowed zero-duty benefit to Pakistan under its GSP Plus scheme, on export of home textiles and some other products.

<https://www.thedailystar.net/business/news/home-textile-exporters-tight-corner-1641502>

28% banks not ready to thwart large-scale cyber attacks

- Some 28% of the banks operating in the country are not prepared to thwart possible large-scale cyber attacks. On the other hand, 34% of the banks are partially prepared and remaining 38% are fully prepared to handle such possible digital security threats, a research paper conducted by the Bangladesh Institute of Bank Management (BIBM) revealed.

- The IT security threat in Bangladesh is gradually increasing in tandem with the global trend. Delays in adopting a sound cyber security hygiene could result in a USD 3.0 trillion loss in economic value by 2020. Reputational impact can reach to USD 180 million. The financial service sector is the second highest sector (24%) to have witnessed cyber attack following technology, media and telecommunication sector across the globe. Around 93% of cyber attacks aim to financial gain across the globe.

- The banks in Bangladesh are now facing increased number of security threats and cyber attacks than earlier. In the last year, 68% of the banks have experienced at least one attack, most commonly in the form of malware, subsequently followed by Spam and Phishing attacks. Of these, 24 % have had their network intruded in some way of at a significant cost to the business. Besides financial losses, the hacking instances leave a negative impact on the morale of workforce and organisations' reputation in every case.

<http://today.thefinancialexpress.com.bd/first-page/28pc-banks-not-ready-to-thwart-large-scale-cyber-attacks-1538329418>

<https://www.thedailystar.net/business/news/28pc-banks-not-ready-fight-cyber-attacks-1641061>

<http://www.newagebd.net/article/51981/62pc-of-banks-vulnerable-to-cyber-attack-bibm-study>

Access to financial products widens: International Monetary Fund study

- People's access to financial products went up significantly in Bangladesh in the five years to 2017, indicating the country's march towards financial inclusion, according to a new survey of the International Monetary Fund. The Financial Access Survey (FAS) showed the branches of commercial banks per 100,000 adults rose to 8.58 last year from 8.02 in 2013.

- Deposit accounts with commercial banks per 1,000 adults went up from 599.47 in 2013 to 770.81 last year. Mobile money agent outlets per 100,000 adults jumped nearly four times to 666.76 from 186.56 during the period. The FAS collects annual data on indicators tracking access to and use of financial products, such as deposit accounts, loans and

insurance policies.

<https://www.thedailystar.net/business/news/access-financial-products-widens-imf-study-1641055>

Telecom companies spend BDT 1.04 billion on digital marketing

- The top three mobile operators spent BDT 1.04 billion last fiscal year for reaching their target audience through digital platforms, with Facebook being the most popular medium. This is the first time that the Bangladesh Telecommunication Regulatory Commission has collected data on the telecom service providers' spending on their digital campaigns. It was assumed to be much higher said acting chairman of BTRC, adding that the Bangladesh Bank would be consulted to verify the authenticity of the data.

- Globally, digital marketing is progressively taking up the lion's share of companies' advertising budget. Locally, companies like Uber, Pathao and other e-commerce and digital service companies are riding on digital media; they never run a campaign on traditional media. Start-ups also embrace the digital platforms as they are cost-efficient and effective. Fast-moving consumer goods companies too are running ads on the platforms currently.

<https://www.thedailystar.net/business/telecom/news/telcos-spend-BDT-104cr-digital-marketing-1641115>

Banks' board meetings should discuss scheduled issues only: Bangladesh Bank (BB)

- Bangladesh Bank yesterday asked banks' directors not to take decisions in the board meetings on topics not included in the agenda of the day. If unscheduled issues are discussed in the meetings, directors don't get the opportunity to know beforehand about the topics. As a result, they cannot give their opinions by assessing various aspects of the issues, a BB notice says.

- Management of banks analyse issues in details before placing them in the board meeting. But there is no such scope for examining unscheduled topics. So, there is a possibility that the interest of depositors and banks will be hindered if unplanned issues are discussed in the board meeting.

- Board members, however, will be allowed to talk about unscheduled issues if they are considered highly important. The details of the discussion, however, will have to be added to the minutes of the board meetings. Banks have been asked to comply with the order immediately in line with the Bank Companies Act 1991.

<https://www.thedailystar.net/business/banking/news/banks-board-meetings-should-discuss-scheduled-issues-only-bb-1640920>

<http://www.newagebd.net/article/51982/banks-asked-not-to-raise-issues-beyond-agenda-at-board-meeting>

Indian investors raise taxation concerns

- Major Indian investors in Bangladesh have raised a set of concerns over taxation-related matters, including taxes on the repatriated profit. Country heads of the Indian companies made their respective recommendations to the Principal Coordinator (SDG affairs) of the Prime Minister's Office (PMO).

- Indian deputy high commissioner recently put forward the proposals of the CEOs to the National Board of Revenue (NBR) and also to the office of the principal coordinator (SDG affairs). Top officials of Bayer CorpScience Limited, Gulf Oil Bangladesh Limited, Arvind Limited and Jet Airways raised their concerns over different tax-related issues and their operational problems. NBR officials said they are examining the proposals of the Indian investors to resolve the issues.

<http://today.thefinancialexpress.com.bd/trade-market/indian-investors-raise-taxation-concerns-1538328708>

Carbon tax may yield BDT 43.00 billion a year: Policy Research Institute

- Carbon tax would facilitate reduction in emission of environment-polluting greenhouse gas and allow the state to earn revenue, according to the Policy Research Institute (PRI) of Bangladesh. levying 10% carbon tax on the current prices of octane, petrol and diesel would enable the government to earn BDT 43.00 billion in revenue in the first year alone, PRI added. The receipts will rise to BDT 48.00 billion in the first year if the tax is slapped on fuel oil and kerosene. At the same time, 1.1 million tonnes of carbon dioxide (CO₂) emission will be reduced.

- The amount of tax receipts will increase to BDT 152.83 billion by 2031 and BDT 244.24 billion by 2041. Some 67.92 million tonnes of CO₂ emission could be reduced by then through the tax. The prices of goods and services that use gasoline and diesel intensively will rise and output and employment will fall for imposition of the tax but the revenue from the carbon tax can be used for investment in clean fuel, clean technology and infrastructure projects and in the process offset the output loss, said the vice-chairman of the PRI.

<https://www.thedailystar.net/business/news/carbon-tax-may-yield-BDT-4300cr-year-pri-1641112>

<http://www.newagebd.net/article/51983/experts-suggest-carbon-tax-on-fuel-oils>

<http://today.thefinancialexpress.com.bd/first-page/pri-pleads-for-carbon-tax-to-cut-emissions-1538329594>

<https://www.dhakatribune.com/business/2018/09/30/carbon-tax-a-major-way-in-reducing-carbon-emission>

Unsettled import payments reach all-time high

- The central bank has warned seven banks as unsettled import payments reached an all-time high of USD 39 billion until August 31 this year. The country's overall import outstanding shot up by more than 64% or USD 15.46 billion to USD 39.58 billion as on August 2018 from USD 24.12 billion the year before. Of the total, the government opened letters of credit (LCs) for importing equipment including capital machinery for the implementation of mega projects worth USD 14.54 billion, which would be settled by overseas loans and grant. The remaining USD 25.05 billion import payment obligations will be met by cash US dollar.

<http://today.thefinancialexpress.com.bd/public/first-page/unsettled-import-payments-reach-all-time-high-1538156953>

'Default loan below 10% safe for banks'

- The Finance Minister suggested that the moment the overall default loan increases to a

particular level, for example 10%, the people concerned have to look after it. It is safe if default loan is kept below 10%, he added. The amount of non-performing loans (NPL) in banking sector jumped by BDT 150.37 billion and reached BDT 893.40 billion at the end of this June from last December. At the same period the share of the classified loans became 10.41% of the total outstanding loans. NPL of the six state-owned commercial banks (SOCBs) alone rose to BDT 428.52 billion in June from BDT 373.26 billion in December.

<http://today.thefinancialexpress.com.bd/public/first-page/default-loan-below-10pc-safe-for-banks-1538070878>

Asian Development Bank (ADB) approves loan of USD 500 million to upgrade primary education

- The Asian Development Bank (ADB) has decided to give a loan of USD 500 million to upgrade the primary education sector of Bangladesh. The loan will be used to provide quality education to all children from pre-primary level to grade five. ADB's Country Director in Bangladesh said that the bank has given highest priority to develop Bangladesh's skilled manpower. He cited a 2015 national student assessment, which showed that 35% of students at grade-3 had yet to achieve the grade-level competencies for Bangla. The situation is even worse in mathematics where 61% of students failed to achieve to achieve the grade-level competencies.

- Moreover, many school-age children are still out of school (about 2.5 million). This is more prevalent in poor families and in disadvantaged locations such as city slums. Despite a series of investments, Bangladesh's primary education system has not been able to keep pace with the rapid increase in student enrolment. ADB's results-based lending programme supports the government's initiatives—in coordination with other development partners—to tackle the challenges and lift the overall performance of primary education.

<https://thefinancialexpress.com.bd/economy/bangladesh/adb-approves-loan-of-500m-to-upgrade-primary-education-1538054136>

Four private banks to issue BDT 21 billion worth of bonds

- Four listed banks will raise an aggregate amount of BDT 21 billion by issuing bonds to strengthen their Tier-II capital base. The Bangladesh Securities and Exchange Commission (BSEC) on Thursday approved the banks' proposals for issuing bonds each having a tenure of seven years. The fully redeemable bond will be non-convertible, non-listed and unsecured with floating rate.

- Islami Bank Bangladesh Limited (IBBL) will issue a Mudaraba bond worth BDT 7.0 billion. The fully redeemable bond will be non-convertible, non-listed and unsecured with floating rate. Social Islami Bank Limited (SIBL) will raise a fund worth BDT 5.0 billion through Mudaraba redeemable non-convertible subordinated bond. Duthch-Bangla Bank Limited (DBBL) will issue floating rate non-convertible subordinated bond worth BDT 5.0 billion. One Bank Limited will issue subordinated floating rate bond worth BDT 4.0 billion.

<http://today.thefinancialexpress.com.bd/public/first-page/four-pvt-banks-to-issue-BDT-21b-worth-of-bonds-1538070928>

<https://www.thedailystar.net/business/news/four-banks-raise-BDT-2100cr-1639795>

Green investment increases by 8.9%in April-June quarter

- Investments in green initiatives have increased by 8.90% at the end of April to June quarter of 2018 compared to the previous January to March period. According to Bangladesh Bank (BB), the total amount invested as green finance increased to BDT 26,237.75 million in April to June 2018 quarter from BDT 24,092.40 million in January to March quarter, reports BSS. As per the quarterly report from April to June, BB is trying to play a significant role by monitoring the whole scenario and by taking appropriate policy initiatives.

- The banks and financial institutions (FIs) have also adopted green practices in their day to day business and long-term operations. 31 banks out of 57 and 10 FIs out of 33 have exposure in green finance in the reported quarter. The central bank issued a policy guideline for green banking in February, 2011. Under the guideline, all operating banks and FIs have introduced environment-friendly banking activities in the country.

<https://thefinancialexpress.com.bd/economy/bangladesh/green-investment-increases-by-89pc-in-april-june-quarter-1538146570>

Ministry seeks USD 1.0 billion sovereign guarantee

- Industries ministry has sought USD 1.0 billion sovereign guarantee to facilitate a loan deal for the proposed Ghorashal-Palash Urea Fertiliser Plant project. A proposal has recently been sent to finance ministry in favour of Bangladesh Chemical Industries Corporation (BCIC). Earlier, Economic relations division proposed the World Bank (WB) and Japan government to finance the project. The WB declined to fund the project and Japan did not reply. Later, an expression of interest (EoI) was sought through an international tender.

<http://today.thefinancialexpress.com.bd/trade-market/ministry-seeks-10b-sovereign-guarantee-1538237782>

Family debt lowest in 14 years: Global study

- The country's household debt as% of gross domestic product (GDP) has been shrinking over the years from its peak in 2005. The household debt means the purchase of residential property and cars. The household debt, which was 5.1% of the GDP in 2005, fell to 4.1 in 2010. It further decelerated to 3.5% in 2015. The% dipped to 3.3% in 2018, lowest in 14 years, according to data prepared by the Institute of International Finance (IIF), a Washington-based organisation.

- This falling trend signifies that people's involvement with the financial sector is decreasing even though Bangladesh's economy is expanding. Usually household debt grows in line with economic expansion and it is believed that the falling trend is an exception. On the other hand, people in the banking sector view that the country's financial market is presently urban-based and that's why the debt is falling.

<http://today.thefinancialexpress.com.bd/first-page/family-debt-lowest-in-14-years-global-study-1538239091>

Oil import bill to soar this year

- The government's oil import bill is set to jump 36% this fiscal year thanks to the appreciation of the dollar and an increase in global oil prices -- a development that can lead to a hike in oil prices in the local market. In fiscal 2018-19, 75 lakh tonnes of oil is set to be imported for USD 4.85 billion, according to Bangladesh Petroleum Corporation (BPC). The

exchange rate hit BDT 83.75 in July, meaning BDT 40,600 crore will have to be spent.

- Last fiscal year, BPC spent USD 3.67 billion for importing 67 lakh tonnes of petroleum products. The average letter of credit rate against the import was BDT 81.30 per dollar and the total cost stood at BDT 29,873 crore. At the same time, the price of crude oil increased USD 38.34 per barrel to USD 81.51 this year and that of diesel by USD 38.25 per barrel to USD 88.56, according to BPC. BPC is incurring losses of BDT 20.97 crore per day due to the hike of oil price in the global market as well as dollar price in the local market.

<https://www.thedailystar.net/business/news/oil-import-bill-soar-year-1639870>

Call money rate remains high even after Eid rush

- Call money rate has been above 4% for more than a month as depositors are tending more to national savings certificates diverting funds from the banks, leaving liquidity situation in banks under stress. The weighted average rate in the call money market was 5.04% on August 20 this year, the last day before the beginning of public holidays on the eve of Eid-ul-Azha, according to data from Bangladesh Bank (BB).

- The BB data also show that the weighted average rate in the call money market was 1.5% on August 1 after hovering around 1% to 3% for couple of months. Bankers before the Eid vacations had cited the increased fund withdrawal by the depositors to meet Eid expenditure as the main reason for the increase in call money rate.

<http://www.newagebd.net/article/51783/call-money-rate-remains-high-even-after-eid-rush>

Mobile Number Portability (MNP) service rolls out from midnight

- Long-awaited mobile number portability service is set to roll out at 12:00am on Monday as per a decision of Bangladesh Telecommunication Regulatory Commission. A subscriber must obtain a new SIM card of desired mobile operator to enjoy the MNP service under which the subscriber will be able to change operator keeping his or her existing mobile number unchanged.

- Officials of Infozillion Teletech BD Limited, the MNP service provider, said that as per the BTRC directive a customer would require visiting the customer care centre of the mobile operator to which network he or she wanted to switch for collecting new SIM card. The operator will issue a SIM card to the customer but his/her mobile number will remain unchanged, they said.

- The subscriber will have to provide related information and documents including NID number and picture to collect new SIM card. A subscriber will have to pay BDT 50 for switching operator. Value-added tax at the rate of 15% on the fee and BDT 100 as SIM replacement tax will also be applicable for availing the service. Subscribers will have to pay additional BDT 100 to the MNP operator for getting the service within 24 hours.

<http://www.newagebd.net/article/51895/mnp-service-rolls-out-from-midnight>
<https://www.thedailystar.net/business/news/switch-any-operator-1640593>

Plan to extend power transmission lines to 36,870 km by 2041

- The government has planned to extend the power transmission lines to 36,870 km across the country by 2041 when the country will produce 60,000 MW of electricity. Of the total grid

transmission lines, 16,655 km will be of 132 kV while 9,717 km of 230 kV, 1,740 km of 400 kV and 796 km of 765 kV, according to officials at the Power Division. The total length of transmission lines at present is 11,123 km covering all over Bangladesh. Of them, 132 kV transmission lines cover a stretch of 7,082 km while 230 kV lines 3,343 km and 400 kV lines covers 698 km.

• Until now, there is no 765 kV line anywhere in the country. But still many areas of the country, especially rural ones, have to face frequent power outages because of weakness in transmission and distribution systems. country's power generation capacity crossed the landmark of 20,000 MW recently while highest power generation was recorded at 11,623 MW on September 19.

<http://today.thefinancialexpress.com.bd/public/trade-market/plan-to-extend-power-transmission-lines-to-36870-km-by-2041-1538152819>

Ten companies to get 400 acres of land in Mirsarai, Feni Economic Zones

• Prime Minister's Office (PMO) has permitted Bangladesh Economic Zones Authority (BEZA) to allocate 400 acres of land to 10 investors. The investors will invest a total of around USD 1,981 million to set up some 11 industrial units on the allocated land in Mirsarai and Feni economic zones (EZs), said a press statement of BEZA. The investors will take lease of their respective land by making a lump sum payment to BEZA.

• The companies are: Rural Power Company Limited, Energypac Power Generation Company, Summit Alliance Logistics Park Limited (SALPL), Maheen Dizayn Etiket, Arefin Enterprise, Sanzi Textile Mills Limited, Healthcare Pharmaceuticals Limited, Eonmetall International Limited, Bangladesh Edible Oil Limited (BEOL) and Berger Paints (BD) Limited. The companies will invest for power generation, container manufacturing, container depot, textile, pharmaceuticals, steel rack, edible oil, foods and paints. Some 16,906 employment will be generated in the EZs by the investors.

<http://today.thefinancialexpress.com.bd/public/last-page/ten-cos-to-get-400-acres-of-land-in-mirsarai-feni-ezs-1538071487>

Huawei wants to help Bangladesh deploy 5G

• Chinese multinational networking, telecommunications equipment and services company Huawei wants to play a vital role in deploying 5G in Bangladesh. In order to take forward the technological advancement of the country, Huawei has taken several steps on the implementation of 5G, said Chief Executive Officer of Huawei Technologies (Bangladesh) Limited.

• Headquartered in Shenzhen, Guangdong, Huawei Technologies Co. is the largest telecommunications equipment manufacturer in the world and it played pioneering role in deploying 3G and 4G in Bangladesh. 5G is the fifth generation of cellular mobile communications. It succeeds the 4G, 3G and 2G systems. The 5G performance targets include high data rate, reduced latency, energy saving, cost reduction, higher system capacity and massive device connectivity. Huawei has been in business in Bangladesh for the past 20 years starting from 1998 with 85% of its local staffs Bangladeshi nationals.

<http://today.thefinancialexpress.com.bd/public/trade-market/huawei-wants-to-help-bangladesh-deploy-5g-1538069856>

Victory for ICB as Bangladesh Bank (BB) relaxes rules for its bond

• Banks' investment in a BDT 2,000 crore bond floated by the Investment Corporation of Bangladesh will not be counted as their capital market exposure, paving the way for the state-owned firm to form the fund at the earliest. The development comes after the Bangladesh Bank on Wednesday gave the nod to the ICB, which will invest most of the amount in the capital market.

• The chairman of the ICB expects that ICB can form the fund within 15 days which got the approval for the instrument from the Bangladesh Securities and Exchange Commission (BSEC) on July 18. The ICB has been in a tight corner over the past few months as its liquidity is not solid enough. To address the situation, the ICB board had planned to issue a bond.

• The bond, whose tenure would be seven years including a two-year grace period, will be fully redeemable and subordinated. A subordinated bond is a debt that ranks after other debts if a company falls into liquidation or bankruptcy. The interest rate will be 9% and in case of late redemption an extra 2% interest would be paid. The bond is non-convertible and non-listed. The per unit value of the bond is BDT 1 crore, which will be sold by way of private placement to individuals (at a minimum subscription of one unit) and institutions (at a minimum subscription of five units).

• Banks, financial institutions and institutional investors can invest in the bond. To facilitate financial institutions' investment in the bond, the ICB has urged the central bank to ease the restrictions on single party exposure and capital market exposure. The single party exposure rule means a bank cannot lend or deposit more than 15% of its total paid-up capital to an institution alone, while the capital market exposure rule necessitates that banks do not invest more than 25% of their capital in the stock market.

<https://www.thedailystar.net/business/news/victory-icb-bb-relaxes-rules-its-bond-1639843>

S Alam now sets sights on insurers

• After taking over a number of banks and financial institutions in the past few years, Chattogram-based S Alam Group has now set its sights on the insurance sector. As part of the plan to increase its influence on the insurance sector, the group has recently bought nearly 45% stakes in Padma Islami Life Insurance Company at an estimated cost of BDT 450 million.

• S Alam Group Chairman will hold 2.52% shares in his own name in Padma Islami Life Insurance, his wife 2.71% and his son 4.75%. The remaining 35% of the shares will be bought under the name of five companies -- Unitex Petroleum, Unitex LP Gas, Pavilion International, Affinity Assets and Crest Holdings -- with affiliation with S Alam Group. In the last one month, each share of Padma Islami Life traded between BDT 24 and BDT 26. The company was downgraded last year to the 'Z' category after it declared no dividend.

<https://www.thedailystar.net/business/news/s-alam-now-sets-sights-insurers-1642435>

Dhaka Stock Exchange seeks permission to open brokerage branches outside Dhaka

• The DSE (Dhaka Stock Exchange) Brokerage Association (DBA) sought permission from the securities regulator to open brokerage house branches across the country to cater to

more investors. After the stock market crash in 2010, the Bangladesh Securities and Exchange Commission (BSEC) put a bar on opening brokerage house branches beyond the capital.

- The association said the capital market would develop and grow by covering new market areas and the inclusion of potential investors outside the capital city. The move will be fruitful after the Chinese strategic partner consortium of the Shenzhen Stock Exchange and Shanghai Stock Exchange teamed up with the DSE. It also said that the capital market has experienced a bearish trend most of the time due to money market regulatory constraints as we depend on institutions and money markets to supply fund flows into the capital market.
- To overcome such an unwanted situation, the network that includes branches, customer service points, and digital marketing points may be enhanced in the municipal areas of divisional headquarters [outside Dhaka] to enable us to create new investors and fund flows into the capital market. DSE Brokerage Association president said that Brokerage houses, especially bank subsidiaries want to open branches outside the capital city to increase their clients.

<https://www.dhakatribune.com/business/stock/2018/10/03/dse-seeks-permission-to-open-brokerage-branches-outside-dhaka>

Social Islami Bank Limited signs deal with Rural Electrification Board

- Social Islami Bank Limited (SIBL) signed a corporate deal with Bangladesh Rural Electrification Board (REB) for collecting electricity bills of REB through SIBL agent banking outlets at the office of REB recently, according to a statement.

Important News: Capital Market

<http://today.thefinancialexpress.com.bd/stock-corporate/sibl-signs-deal-with-reb-1538500780>

Government's tax revenue from Dhaka Stock Exchange slumps 30% in first quarter

- The government's revenue earnings from the Dhaka bourse fell 30% in the first quarter (Q1) of the current fiscal year (FY) compared to the same quarter a year ago as trading volume was on the decline. Sluggish trading activities coupled with low share sales by sponsor-directors affected the government's revenue earnings from the prime bourse in the Q1 of the FY2018-19. The government bagged revenue worth about BDT 582 million in July-September quarter of the current FY which was BDT 831 million in the same quarter a year ago, according to statistics from the Dhaka Stock Exchange (DSE).
- Of the total earnings in Q1 of the current fiscal year, BDT 450 million came from the TREC holders' commission, popularly known as brokerage commission while BDT 132 million came from the share sales by sponsor-directors and placement holders, the DSE data shows. However, month-on-month, the government earnings from DSE rose 51% in September as the total revenue collection stood at BDT 215 million in September which was BDT 142 million in August 2018, the DSE data shows.

<http://today.thefinancialexpress.com.bd/stock-corporate/govts-tax-revenue-from-dse-slumps>

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Eastern Bank Limited, Summit Group fix USD 71.25 million interest rate SWAP deal

- Eastern Bank Limited (EBL) and Summit Group have fixed an interest rate SWAP derivative deal worth USD 71.25 million for two power plant projects. They are: Barisal Power Limited and Summit Narayanganj Power Unit II Limited. Interest rate SWAP works as insurance to protect the buyer from adverse price movement. Interest rate SWAP enables corporate entities to arrest cost of long-term financing cost against market volatility.
- These two power plants of Summit Group were financed by External Commercial Borrowing, with USD 3 Months LIBOR rate. Since USD 3 Months LIBOR is floating in nature and is exposed to market risk, EBL has structured an interest rate SWAP transaction to hedge the market risk. The deal will help Summit protection against adverse upward price movement of USD 3 Months LIBOR, which might adversely increase the cost of financing of the project.

<http://today.thefinancialexpress.com.bd/stock-corporate/eb-l-summit-group-fix-7125m-interest-rate-swap-deal-1538414723>

<https://www.thedailystar.net/business/news/eb-l-summit-strike-interest-rate-swap-deal-1641493>

GE wins order to develop 600 Mega Watt power plant at Meghnaghat

- GE Power announced on Monday that local Unique Group selected the company to develop a 600-megawatt (MW) natural gas-based combined cycle power plant at Meghnaghat near the capital. Unique Meghnaghat Power Limited (UMPL) will be executing the project. The power plant will produce power equivalent to the electricity needed to supply to about 700,000 homes in the region.
- Unique Group is among the most diversified business entities in Bangladesh, having successful ventures in hospitality, real estate, manpower management and infrastructure sectors. The order value is approximately USD 350 million as per the contract. GE will be developing the project on a turnkey basis which includes one 9HA.01 gas turbine, one heat recovery steam generator (HRSG), one steam turbine generator, condensers and associated systems. The power plant is expected to go into commercial operation by 2021.

<http://today.thefinancialexpress.com.bd/trade-market/ge-wins-order-to-develop-600mw-power-plant-at-meghnaghat-1538415493>

Net foreign fund in stocks rebounds after five months

- Net foreign fund in stocks turned positive last month after remaining negative over the period of last five months as overseas investors were putting fresh funds to take advantage of 'lucrative' price level. The overseas investors bought shares worth BDT 2.47 billion and sold stocks of BDT 2.12 billion, to take their net investment to BDT 0.35 billion in September. In August, the overseas investors collected shares worth BDT 1.76 billion, but sold shares worth BDT 1.82 billion, resulting in their net position negative by BDT 57 million.
- In nine months from January to September, the foreign investors bought shares worth BDT 36.41 billion and sold stocks worth BDT 39.10 billion, taking their net position negative

BDT 2.69 billion. Market insiders said the overseas investors started to make fresh investments in September, taking the opportunity of purchasing shares at low prices. Foreign investors may continue to invest in stocks in the coming months in anticipation of steady economic growth coupled with discounted rate of many fundamental stocks. Banks shares were the top choice of foreign investors, who also seemed interested in power and energy, non-banking financial institutions, telecom, pharmaceuticals, multinational companies and IT companies.

<http://today.thefinancialexpress.com.bd/stock-corporate/net-foreign-fund-in-stocks-rebounds-after-five-months-1538414809>

<https://www.thedailystar.net/business/news/foreign-funds-rise-stocks-1641496>

<http://www.newagebd.net/article/52121/net-foreign-investment-at-dse-rises-after-5-months>

Plant opens in Savar to make pharma equipment

- Swiss Biohygienic Equipment (SBE), a joint venture among Bioengineering Switzerland, AMS Technology Germany and Incepta Pharmaceuticals Bangladesh, yesterday opened a plant in Savar to produce hygienic process systems for the pharmaceuticals sector. The 33,000-square feet electro polishing plant will manufacture instruments that are needed to produce pharmaceuticals, said managing director of SBE. Currently, local medicine makers bring in pharmaceuticals manufacturing instruments from several countries, including China, Japan and Germany.

<https://www.thedailystar.net/business/news/plant-opens-savar-make-pharma-equipment-1640572>

Olympic industries to import cap machinery

- The board of directors of Olympic Industries has decided to import capital machinery worth BDT 136.87 million for enhancing the production capacity. The company will import a wafer manufacturing line, complete with ancillary machinery, from Franz Haas Waffelmaschinen GmbH, Austria, at an estimated cost of BDT 125.45 million. The company will also import a toffee manufacturing line, complete with ancillary and packing machinery, from India, at an estimated cost of BDT 11.42 million to be funded from the company's own sources and bank financing. The line will be installed at the company's Madanpur factory premises and will have an estimated annual capacity of 1,800 metric tonnes after installation.

<http://today.thefinancialexpress.com.bd/stock-corporate/olympic-industries-to-import-cap-machinery-1538324567>

Unique Hotel joins consortium to invest in 600MW power plant

- A consortium, led by Unique Hotel & Resorts, will set up a 600 megawatt power plant to be based on gas or regasified liquefied natural gas (RLNG) at Meghnaghat of Narayanganj. The board of directors of Unique Hotel has decided to pay BDT 2.72 billion as equity in advance to Unique Meghnaghat Power Plant. The Unique Hotel will pay the amount for advance payment of 10% of contract value for engineering, procurement and construction (EPC) works to GE Global Parts & Products GmbH as per the commitment agreement for implementation of the power plant.

<http://today.thefinancialexpress.com.bd/stock-corporate/unique-hotel-joins-consortium-to-invest-in-600mw-power-plant-1538324600>

Number of Beneficiary Owners accounts rises by 77,809 in August-September

- The number of beneficiary owners' accounts increased by 77,809 in last two months (August-September) this year amid vibrancy at the primary (initial public offering) market. As of September 28, the number of BO accounts stood at 26,94,754 while the figure was 26,16,945 as of July 31 this year. Investors usually open new BO accounts or revive their suspended ones when they find the IPO market vibrant and the secondary market bullish.

- The number of IPOs in the current year drew investors to the market. So far this year, 14 companies including two mutual funds raised BDT 681 crore through issuing IPOs while only seven companies raised BDT 219.25 crore from the capital market in 2017, hitting a decade low. An abnormal surge in the share prices of newly listed companies in the first few days after their debut on the stock exchanges lured people to open BO accounts.

<http://www.newagebd.net/article/51785/no-of-bo-accounts-rises-by-77809-in-aug-sept>

Esquire Knit IPO gets nod

- The stock market regulator yesterday approved the initial public offering of Esquire Knit Composite for raising BDT 150 crore. Eligible institutional investors who set the price of a share under the book building method have fixed the price of an Esquire share at BDT 45 for themselves and at BDT 40 for general investors (public).

<https://www.thedailystar.net/business/news/esquire-knit-ipo-gets-nod-1639798>

Confidence Cement, Chinese co ink deal to procure machinery

- Confidence Cement Dhaka Limited (CCDL), an associate of Confidence Cement Limited (CCL), recently signed a contract with China National Heavy Machinery Corporation (CHMC) to procure machines for its cement mill. Under the contract, the supply and delivery of necessary machines/equipment along with accessories, related auxiliaries and technical assistance will be ensured for the CCDL's 280 TPH capacity cement mill.

- The CCL, an 'A' category company, was listed with the stock exchanges in 1995. The company's sponsor-directors hold 29.87% shares, institutes 32.39% and general shareholders 37.74% as of August 31, 2018. The share price of the CCL closed at BDT 213.70 each on Thursday with a marginal rise of 0.28% or BDT 0.60.

<http://today.thefinancialexpress.com.bd/stock-corporate/confidence-cement-chinese-co-ink-deal-to-procure-machinery-1538234905>

Bangladesh Autocars to issue rights shares, seeks BDT 100 as premium

- The board of directors of Bangladesh Autocars Limited has decided to issue rights shares. The rights issue is an offer for new shares by a company to its existing shareholders proportionately to the shares they already own and usually at a discount to market price. The board decided to offer one rights share for existing one share with a premium of BDT 100 per share subject to the approval of shareholders in the annual general meeting (AGM) and Bangladesh Securities and Exchange Commission (BSEC). Meanwhile, the company's share trading suspended since August 19 as per order of the BSEC due to 'abnormal' price hike of its shares.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bangladesh-autocars-to-issue-rights-shares-seeks-BDT-100-as-premium-1538066651>
<https://www.thedailystar.net/business/news/bd-autocars-recommends-dividend-1639804>