

Weekly Market Update

Capital Market Overview

The market closed negative this week. The benchmark index DSEX (-0.40%) lost 21.48 points and closed the week at 5,337.42 points. The blue-chip index DS30 (-0.12%) lost 2.31 points and stood at 1,904.47 points while the shariah based index DSES (+0.45%) closed in green and stood at 1,390.67 points. DSEX, DS30, and DSES all posted negative YTD return of -14.53%, -16.59%, and -8.45% respectively.

Total Turnover During The Week (DSE) : BDT 43.9 billion (USD 528.2 million)

Average Daily Turnover Value (ADTV): BDT 8.8 billion (Δ% Week: -9.5%)

Market P/E: 16.99x

Market P/B: 2.20x

Daily Index Movement during the Week:

The market performed five sessions during the week. Market showed negative performance by -0.41% in the first session. Market then turned in positive in the second session by +0.06% and then again turned negative in the third session by 0.27%. Market rebounded back to positive in the fourth session by 0.16% and remained positive till the last session by 0.06%.

Sectoral Performance:

• All the financial sectors showed negative performance this week except Life Insurance (+0.47%). Bank posted the highest loss of 2.81% followed by General Insurance (-2.78%), Mutual Funds (-2.20%) and NBFIs (-1.75%).

• Non-financial sectors showed mixed performance this week. Engineering experienced highest gain by 3.66% followed by Telecommunication (+3.25%) and Pharmaceuticals (+0.67%). Food & Allied registered the highest loss of 0.87% followed by Power (-0.01%).

Macroeconomic arena:

According to the economists, Bangladesh's current account deficit is set to cross the USD 10 billion mark for the first time in history as the country's capacity to export continues to lag behind its appetite for imports. Between the months of July and April of fiscal 2017-18, the current account deficit stood at USD 9.37 billion in contrast to USD 2.21 billion in the negative a year earlier, according to the central bank's balance of payments data. The deficit to GDP ratio is expected to be about 3.50% to 4% at the end of last fiscal year

Mobile phone operators would not be allowed to import handsets under the new conditions which has been issued by Bangladesh Telecommunication Regulatory Commission, instead they will have to import handsets through BTRC-enlisted vendors subject to prior approval from the commission. There will be no provision of SIM lock for these handsets and USB modems

The central bank governor has said the growing mismatch in export-import growth could trigger 'additional shocks' in the troubled banking system. He hinted that the mismatch could create scope for money laundering, thus damaging financial institutions and the economy as a whole.

Government's borrowing from the banking sector increased sharply by BDT 139,460 million in June, the last month of just concluded fiscal year of 2017-2018, because of hasty expenditure by the government to attain annual development program implementation target set for the fiscal year

Stock Market arena:

Modern Dyeing & Screen Printing and Rahima Food Corporation have been delisted from the Dhaka Stock Exchange for remaining closed for more than three years.

The IPO subscription of Indo-Bangla Pharmaceuticals Limited will start on July 22 and end on July 26 as a stay order in this regard has been rescinded. There is no bar to conduct the IPO (initial public offering) subscription as the High Court (HC) has withdrawn its stay order.

Grameenphone's net profit rose 36.3% year-on-year to BDT 1,0.80 billion in the April-June period, the highest in a single quarter in the operator's history, helped by an unused portion of tax provisioning as well as growth in voice and data revenue.

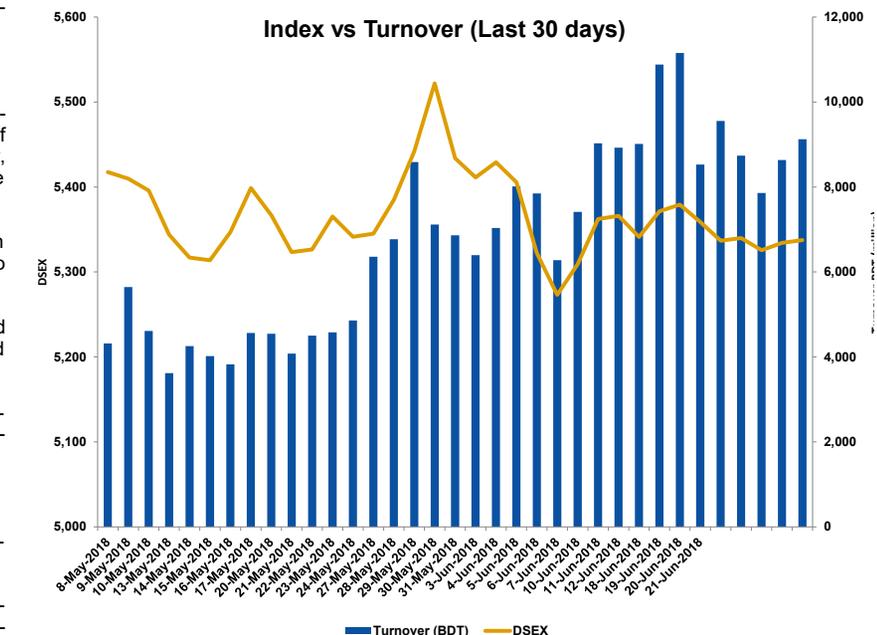
Table 1: Index

Index	Closing	Opening	Δ(Pts)	31-Dec-2016	Δ% Week	Δ%YTD
DSEX	5,337.42	5,358.91	-21.48	6,244.52	-0.40%	-14.53%
DS30	1,904.47	1,906.78	-2.31	2,283.23	-0.12%	-16.59%
DSES	1,273.09	1,267.38	5.71	1,390.67	0.45%	-8.45%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	19,308,481.4	19,294,220.2	0.1%
	Mn USD	232,268.5	232,097.0	
Turnover	Mn BDT	43,909.1	48,502.3	-9.5%
	Mn USD	528.2	583.5	
Average Daily Turnover	Mn BDT	8,781.8	9,700.5	-9.5%
	Mn USD	105.6	116.7	
Volume	Mn Shares	913.7	1,238.7	-26.2%

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
SK Trims & Industries Limited	34.60	10.00	246.0%	1,384.0	861.62	26.1x	2.7x
KDS Accessories Limited	117	83.80	39.9%	7,039.0	1,256.52	56.0x	5.4x
Ambee Pharma	757.60	553.30	36.9%	1,818.2	176.11	250.9x	30.5x
Legacy Footwear	205.90	152.30	35.2%	2,341.9	879.35	204.0x	12.2x
Apex Tannery	207.50	153.50	35.2%	3,162.3	433.63	70.2x	4.6x
Aramit	574.00	438.50	30.9%	3,444.0	373.59	70.6x	3.8x
IT Consultants Limited	51.40	39.80	29.1%	5,348.3	567.78	51.4x	4.0x
Renwick Jajneswar	864.80	685.90	26.1%	1,729.6	65.39	280.3x	NM
The Ibn Sina	310.60	252.40	23.1%	8,860.4	458.20	37.7x	8.2x
Stylecraft Limited	2,988.30	2,444.90	22.2%	2,958.4	149.58	102.5x	10.6x

Table 4: Top Ten Losers

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
Asia Pacific Gen Ins	18.80	21.70	-13.4%	796.2	.11	12.5x	1.2x
Dacca Dyeing	6.20	7.00	-11.4%	540.4	5.61	NM	0.3x
BD Autocars	303.60	340.40	-10.8%	1,172.7	366.60	329.2x	109.3x
Premier Leasing	10.00	11.10	-9.9%	1,266.4	10.57	8.5x	0.8x
Bay Leasing	18.30	20.30	-9.9%	2,515.4	3.38	24.8x	1.0x
IDLC Finance Ltd.	57.70	64.00	-9.8%	21,755.8	92.67	12.2x	2.1x
Prime Textile	38.00	42.00	-9.5%	1,451.6	239.39	36.5x	0.9x
Bashundhara Paper Mills Limited	139.10	153.20	-9.2%	24,174.4	1,020.00	371.9x	13.9x
RAK Ceramics Limited	42.90	47.00	-8.7%	16,690.8	83.78	18.2x	3.3x
Mercantile Bank	15.10	16.50	-8.5%	12,305.3	113.44	5.5x	0.7x

Table 5: Top Ten Most Traded Shares

	Mcap						
	Close	Open	Δ%	(mn BDT)	Vol (mn BDT)	P/E	P/B
BBS Cables Limited	101.90	90.30	12.8%	14,062.2	1,659.35	34.0x	6.1x
KDS Accessories Limited	117.20	83.80	39.9%	7,039.0	1,256.52	56.0x	5.4x
United Power Generation & Distribution Company Ltd	317.80	327.00	-2.8%	126,878.2	1,062.90	30.4x	11.8x
Bashundhara Paper Mills Limited	139.10	153.20	-9.2%	24,174.4	1,020.00	371.9x	13.9x
Khulna Power Company Limited	72.60	68.00	6.8%	26,229.3	1,016.77	14.3x	2.9x
Monno Ceramic	370.30	341.10	8.6%	9,303.6	998.49	3534.7x	4.1x
The Peninsula Chittagong Limited	32.50	33.30	-2.4%	3,856.7	960.09	61.3x	1.5x
Legacy Footwear	205.90	152.30	35.2%	2,341.9	879.35	204.0x	12.2x
Singer Bangladesh	209.90	207.50	1.2%	16,098.2	874.72	29.5x	9.0x
SK Trims & Industries Limited	34.60	10.00	246.0%	1,384.0	861.62	26.1x	2.7x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Berger Paints	1,289.00	24.96%	59,781.1	29.6x
Summit Power	41.00	14.21%	43,783.0	10.0x
Atlas Bangladesh	144.90	10.27%	4,363.7	NM
Singer Bangladesh	209.90	7.37%	16,098.2	29.5x
Marico Bangladesh Limited	1,175.90	6.31%	37,040.9	25.7x
Apex Footwear Limited	341.40	3.90%	3,840.8	46.8x
Mutual Trust Bank	31.50	1.25%	18,060.9	12.3x
Agni System Limited	21.60	-1.37%	1,492.6	22.2x
Delta Brac Housing	133.70	-1.69%	16,291.6	20.7x
Linde Bangladesh Limited	1,245.50	-3.05%	18,954.4	21.5x

Table 6: Sector Indices

	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1290.75	1328.00	1848.21	-2.81%	-30.16%
NBFIs	2174.19	2212.97	2714.85	-1.75%	-19.92%
Mutual Funds	742.69	759.41	788.81	-2.20%	-5.85%
General Insurance	1350.88	1389.45	1592.30	-2.78%	-15.16%
Life Insurance	1697.51	1689.63	1834.85	0.47%	-7.49%
Telecommunication	5552.04	5377.46	6494.31	3.25%	-14.51%
Pharmaceuticals	2710.03	2692.03	2821.05	0.67%	-3.94%
Fuel & Power	1738.33	1738.50	1527.27	-0.01%	13.82%
Cement	1909.65	1970.31	2280.58	-3.08%	-16.26%
Services & Real Estate	1087.63	1102.64	1224.11	-1.36%	-11.15%
Engineering	3119.98	3009.69	3166.83	3.66%	-1.48%
Food & Allied	14088.07	14211.28	15304.34	-0.87%	-7.95%
IT	1561.22	1388.31	1484.41	12.45%	5.17%
Textiles	1314.95	1295.74	1222.72	1.48%	7.54%
Paper & Printing	13767.43	15007.78	1013.11	-8.26%	1258.93%
Tannery	2735.31	2602.95	2642.41	5.09%	3.52%
Jute	7682.41	7624.77	8867.22	0.76%	-13.36%
Ceramics	660.74	671.56	597.46	-1.61%	10.59%
Miscellaneous	2014.05	1982.93	1725.62	1.57%	16.71%

Table 7: Sector Trading Matrix

	Daily average this Week	Daily average last week	% Change	% of Total Turnover	PE	PB
	Banks	393.5	454.3	-13.37%	4.55%	8.3x
NBFIs	178.0	272.8	-34.74%	2.06%	20.4x	2.1x
Mutual Funds	32.6	51.0	-36.10%	0.38%	NM	0.6x
General Insurance	32.8	56.6	-42.09%	0.38%	12.3x	0.9x
Life Insurance	65.1	53.4	21.86%	0.75%	NM	7.4x
Telecommunication	163.5	70.0	133.68%	1.89%	24.4x	18.0x
Pharmaceuticals	734.1	722.8	1.57%	8.49%	20.4x	3.4x
Fuel & Power	964.5	778.5	23.88%	11.15%	14.7x	2.3x
Cement	154.8	164.0	-5.57%	1.79%	21.5x	3.5x
Services & Real Estate	286.6	267.5	7.12%	3.31%	27.3x	0.9x
Engineering	1,993.8	2,180.5	-8.56%	23.06%	24.7x	2.3x
Food & Allied	343.6	415.0	-17.20%	3.97%	28.6x	10.1x
IT	271.1	217.0	24.91%	3.14%	30.2x	3.2x
Textiles	1,301.6	1,941.7	-32.96%	15.05%	23.4x	1.3x
Paper & Printing	221.6	446.6	-50.38%	2.56%	NM	7.4x
Tannery	334.2	338.3	-1.23%	3.86%	20.9x	3.3x
Jute	36.8	27.4	34.53%	0.43%	NM	3.3x
Ceramics	235.0	214.5	9.54%	2.72%	31.9x	2.5x
Miscellaneous	903.1	760.7	18.71%	10.44%	27.9x	1.4x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
AB Bank	11.80	-46.61%	8,945.9	5.9x
Lankabangla Finance	25.50	-42.65%	8,724.1	11.0x
Prime Bank	14.80	-40.58%	16,757.8	7.7x
City Bank	29.00	-39.75%	28,071.6	6.9x
Islami Bank	22.10	-39.62%	35,580.8	7.9x
Eastern Bank	31.50	-38.36%	23,247.0	8.6x
EXIM Bank	11.00	-36.05%	15,534.8	5.3x
Dhaka Bank	12.60	-35.57%	10,238.5	6.6x
International Leasing	13.10	-33.61%	2,767.3	22.0x
Uttara Bank	23.50	-33.43%	9,401.9	6.1x

Important News: Business & Economy

CBC suggests change in ownership in foreign companies

- The Customs Bond Commissionerate (CBC) is for imposition of restriction on issuance of bond licence to the factories having cent% ownership of foreign nationals. The CBC has submitted a proposal to this effect to the National Board of Revenue (NBR) to check abuse of the duty-free facility. It has also suggested that 51% local ownership in the foreign companies be made mandatory for getting bond licence. The CBC suggested incorporation of an undertaking from the foreign investors into their wealth statements to ensure realisation of all the dues in case of tax evasion.
- The commissionerate also suggested scrapping of the provision of allowing bond licence to the industries located in the residential and commercial areas. The CBC has recently detected a number of loopholes in the existing laws that may cause revenue loss through the abuse of duty-free facility. The findings include lack of required conditions for foreign investors, allowing companies for availing bond facility that are located in rented space, factories procuring used capital machinery from local sources, and absence of provision for the foreign investors to show asset and liability for getting bond licence, officials said.
- The CBC proposals said the foreign investors are always encouraged to invest in Bangladesh. However, bonded warehouse facility is a special benefit for allowing duty-free import of raw materials. The commissionerate proposed the measures considering the risk of revenue loss. The CBC issues bonded warehouse licence, commonly known as bond licence, mainly to the cent% export-oriented industries, offering duty-free benefit for import of their raw materials under certain conditions. The conditions include the manufacturers must export the finished goods produced using the raw materials, and they would not sell the raw materials in the local market.

<http://today.thefinancialexpress.com.bd/first-page/cbc-suggests-change-in-ownership-in-foreign-cos-1531936490>

<http://www.newagebd.net/article/46347/nbr-wing-against-bond-licence-for-new-factories>

Bangladesh Telecommunication Regulatory Commission (BTRC) sets conditions for co-branding of handsets by telcos

- Bangladesh Telecommunication Regulatory Commission has issued a set of conditions for co-branding of handset and USB modem by the mobile phone operators. Under the conditions, mobile phone operators would not be allowed to import handsets, instead they will have to import handsets through BTRC-enlisted vendors subject to prior approval from the commission, said a BTRC directive issued recently. There will be no provision of SIM lock for these handsets and USB modems. Mobile phone operators have also been barred from showing name or logo or package name of the operator before turning on or off.
- Operators will have to get prior permission from the telecom regulator for each handset model if they want to market handsets with installed applications and the customers must have access or permission to remove or uninstall the applications if they want to. The operators must not market handsets with applications that require charges for update. Insertion of any logo or sticker with name of mobile phone operator in the front of the handsets will not be allowed. Along with brand name, model name and number of the handsets, logo or name of the operator, however, can be inserted in the back of handsets and such information must remain limited to one-fourth of the set's total area in the back.
- The name or logo of mobile phone operator, however, must not be more visible than the

brand name, model name and number of handsets. Operators, however, would be allowed to use their logo in case of co-branded USB modem. The BTRC directive also said that 3G handsets must be capable of supporting 1920-1980 Megahertz band or 2110-2170 MHz band and 880-915 MHz or 925-960 MHz band. On the other hand, 4G handsets must be capable of supporting 1920-1980 Megahertz band or 2110-2170 MHz band, 1710-1785 MHz band or 1805-1880 MHz band and 880-915 MHz band or 925-960 MHz band. Besides, the handsets must be capable of supporting other existing GSM interfaces, BTRC said.

<http://www.newagebd.net/article/46348/btrc-sets-conditions-for-co-branding-of-handsets-by-telcos>

Government to probe reported gold scam in Bangladesh Bank vault

- Finance Minister said that the allegation of irregularities in gold preserved in the central bank vault will be investigated further. He added that The matter will be looked into. He said there was a clerical mistake in keeping tally of gold. He again said that the whole system will be reviewed, if needed, other agencies will be engaged to review the matter. The minister also pledged to take stern action if anyone found guilty. The word 'forty' in Bangla looks similar to 'eighty' in English, thus creating misunderstanding, he noted.
- He claimed the quality of gold could vary if assessed applying different methods. The two organisations-the central bank and the NBR-may have used different methods in this case. The entire system, security, the gold quality assessment method and those who worked there would be scrutinised, he mentioned.

<http://thefinancialexpress.com.bd/trade/govt-to-probe-reported-gold-scam-in-bangladesg-bank-vault-1531900964>

<http://today.thefinancialexpress.com.bd/first-page/no-bb-vault-gold-mismatch-govt-1531936614>

<http://www.newagebd.net/article/46327/state-minister-mannan-blames-improper-communication>

Bangladesh Bank (BB) denies report on keeping spurious yellow metal in vault

- Bangladesh Bank has denied claims that the gold kept by the customs at the central bank's vault was adulterated, reports bdnews24.com. The central bank made the assertion on Tuesday afternoon after a national daily published a report citing an inspection by the Customs Intelligence and Investigation Directorate (CIID). Bangladesh Bank Executive Director said that The purity of the gold kept by the customs detectives was 40%, but it was recorded 80% due to the similarity between the number 4 in Bangla and 8 in English.
- A registered goldsmith from Shokh Jewellers made the mistake, he claimed. He also added that the mistake Bangladesh Bank did was merely an error in recording the purity of gold. The CIID found the anomalies while inspecting randomly sampled gold from 963kg deposit in the central bank's vault from January to April last year. CIID kept gold coins and rings weighing 3.3kg in the vault on August 23, 2015, but during the inspection it found adulteration in the gold, which caused the state a loss of over BDT 11.1 million, according to the report. The state suffered another loss of over BDT 19 million by showing 22 carat gold as that of 18 carat, the report claims. The CIID inspection report was sent to the central bank via the National Board of Revenue.

<http://today.thefinancialexpress.com.bd/print/bb-denies-report-on-keeping-spurious-yellow-metal-in-vault-1531850357>

Former governor of Bangladesh Bank stresses sustaining financial stability

- Bangladesh Bank (BB) former governor has suggested continuing to remain focused on the hard-earned financial stability for sustaining the macroeconomic transformation of Bangladesh. He further said Bangladesh's story of macroeconomic transformation is still unfolding and yet to be told. He asserted that it was indeed heartening to see how an economy of only eight billion USD s in 1972 transformed itself into the world's 43rd largest economy of around 280 billion USD s within such a short span of time.
- More interestingly, all the three sectors -- industry, services and agriculture -- demonstrated consistently stable upward trends leading to more than doubling of per capita income during the last decade, he added. Simultaneously, the country not only witnessed a huge reduction in the poverty (including extreme poverty) rate over these years but also a significant improvement in other social development indicators embracing health, education and nutrition. All this led to stunning increase in the life expectancy hitting more than 72 years, one of the highest in South Asia, he added.
- This spectacular paradigm shift towards more inclusive and broader socio-economic transformation has been possible due to well-articulated and smart development policies of the government complemented by the Financial Inclusion strategy of the central bank, he observed. These objectives include 1) high growth, yet inclusive, 2) respectful of heritage, yet tech-savvy, and 3) self-dependent, yet collaborative with non-state actors. At the same time the economy of Bangladesh has been witnessing an addition of two million medium and advanced consumers (MAC) annually with per capita income of more than five thousand USD s. These are brand --focused, tech-savvy new kinds of consumers with high-end market demand. There will be as many as 33 cities (currently 10) with at least three hundred thousand MAC population by 2025 creating a new consumer base, he opined.
- The investors must keep an eye on this strategic market development as well as the opportunities, he suggested. These macro-economic transformations are also facing many challenges including the need for creating 1.6 million new jobs annually, depleting natural resources like coal and gas, dependence on a single export item like garments, rapid unplanned urbanisation putting heavy pressure on needed infrastructure and city governance, he said. These challenges have been further compounded by the threat of an emerging financial instability.

<http://today.thefinancialexpress.com.bd/trade-market/dr-atiur-stresses-sustaining-financial-stability-1531852253>

Xiaomi enters Bangladesh

- Chinese smartphone maker Xiaomi yesterday officially announced its entrance to Bangladesh with a view to establishing a plant within the next couple of years. The vice-president of the global technology company said that Bangladesh is one of the biggest strategic markets for us and we are targeting it as it has huge potential as well. Xiaomi launched two mid-range smartphones at the event. It will start selling the two smartphones through daraz.com from July 26 and it will take a few more weeks to reach physical stores.

- He also shared plans to start the process of bringing in other digital products such as smart televisions and bicycles within a few months. Xiaomi also intends to start an e-commerce venture in Bangladesh, he added. He said that Xiaomi wanted to establish a position in the Bangladesh market first and in the meantime prepare to open the plant and the e-commerce platform. The vice president also said that only about 20% of the people in Bangladesh use smartphones while Xiaomi has 4% of the market share and wants to increase the numbers which will also help take the country's digitalisation process forward.

<https://www.thedailystar.net/business/xiaomi-enters-bangladesh-1607209>

Garment unions reject proposals

- Trade union and rights organisations rejected on Tuesday the proposals made by garment factory owners and the workers' representative. A bargaining agent of the workers demanded BDT 16,000 as the minimum monthly wage for each at the entry-level. BSGSF general secretary said that the BSGSF and other rights groups have long been demanding "realistic" wages of BDT 16,000 based on the cost of living. Citing a research study conducted by Oxfam, he said the wage for the garment workers is the lowest in Bangladesh compared to top seven garment exporting countries.
- He again said that Currently the minimum wage in Bangladesh is USD67 which should be USD252. But it is a matter of great regret that workers' representative has proposed BDT 12,020 and owners' representative proposed BDT 6,360. All the workers became frustrated over the proposals, he said. So we, BSGSF, reject the proposals and call for BDT 16,000 as the minimum monthly wage. Owners and a worker representative on Monday proposed BDT 6,360 and BDT 12,020 respectively as the minimum monthly wage for an entry-level apparel worker.

<http://today.thefinancialexpress.com.bd/last-page/garment-unions-reject-proposals-1531850795>

<https://www.thedailystar.net/business/rmg-workers-reject-minimum-wage-proposals-1607200>

Paper industry on the upswing

- The country's paper industry has been on a positive growth trajectory as the demand for paper rising on both the local and international markets. Only a few years back, imported paper met a large portion of domestic demand, but now the market share and the capacity of local manufacturers has grown significantly. The number of paper mills has now increased to over 80 from around 50 five years ago, while 15 or 20 more units are set to go into operation soon. The industry, which is churning out around 1.5 million tonnes of paper a year, has generated 1.0 million direct and indirect employments.
- Recently, many factories in China and some European countries faced closure due to higher production cost and environmental concerns, which opened up opportunities for a country like Bangladesh. Bangladesh can take this advantage and grab a share of the global market, cashing in on the closure of around half of the mills in China and Europe, said Managing Director (MD) of Asia Paper Mills Limited. There is a huge demand for almost all types of paper, including packaging paper, art paper, newsprint and writing paper, in the country against the backdrop of rapid industrial growth.

<http://today.thefinancialexpress.com.bd/trade-market/paper-industry-on-the-upswing-1531852185>

Current account deficit set to cross record USD 10 billion

• Bangladesh's current account deficit is set to cross the USD 10 billion mark for the first time in history as the country's capacity to export continues to lag behind its appetite for imports. Between the months of July and April of fiscal 2017-18, the current account deficit stood at USD 9.37 billion in contrast to USD 2.21 billion in the negative a year earlier, according to the central bank's balance of payments data. Executive director of the Policy Research Institute of Bangladesh said that the current account deficit has surely crossed the USD 10 billion mark in the recently concluded fiscal year.

• The deficit to GDP ratio will be about 3.50% to 4% at the end of last fiscal year. Historically, the ratio hovered between 1% and 1.50% in a fiscal year. A deficit of USD 10 billion means the country has already borrowed the same amount from foreign sources. If the trend continues Bangladesh will become an indebted country within the next five years. The country has now capability of settling import payments of maximum five months in contrast to eight months a year ago.

<https://www.thedailystar.net/business/economy/current-account-deficit-set-cross-record-10b-1606693>

Ready-Made Garments (RMG) owners, workers submit proposals on minimum wage

• Owners and a worker representative have proposed BDT 6,360 and BDT 12,020 respectively as the minimum monthly wages for entry-level apparel workers. Rights groups rejected both the proposals and stuck to their previous demand for BDT 16,000 as minimum wages. The owners' proposed hike was only 20%. In contrast, the workers' representative proposed a 127% rise. resident of the Bangladesh Garment Manufacturers and Exporters Association said that they proposed BDT 6,360 mainly taking the cost of living into consideration.

• The minimum monthly wage proposed by him for an entry level garment worker included a basic pay of BDT 3,600 and house rent of BDT 1,440 -- or 40% of the basic. The other allowances are BDT 300 as medical, BDT 240 as transportation and BDT 780 as food. The proposal recommended 18.92%, 18.77%, 18.45% and 17.31% spike in the grades of six, five, four and three respectively. The owners, however, didn't propose any hike in the grades one and two. The main task of the board is to fix minimum monthly wages while those of the other grades will rise accordingly once the minimum pay is fixed, the BGMEA president said.

• She also suggested a basic pay of BDT 7,050 and BDT 2,820 as house rent. The other allowances are BDT 1,000 as medical, BDT 500 as transport and BDT 650 as food. She proposed BDT 12,930 for grade six, BDT 13,910 for grade five, BDT 14,960 for grade four and BDT 16,150 for grade three workers respectively. A 10% annual increment, two festival allowances and one month's gross salary as festival allowance and 20% of the basic payment as Boishakh allowance were included in the proposal of the workers' representative. The board, however, didn't fix any date for the next meeting.

<http://today.thefinancialexpress.com.bd/first-page/rmg-owners-workers-submit-proposals-on-minimum-wage-1531763510>

<https://www.thedailystar.net/business/owners-propose-BDT-6360-workers-want-BDT-12020-1606633>

Develop infrastructure to achieve SDGs: Federation of Bangladesh Chambers of Commerce & Industries (FBCCI)

• Business leaders have urged the authorities concerned to take more steps to develop infrastructure, including seaports and rail network, to achieve the Sustainable Development Goals (SDGs) by 2030, reports BSS. Taking part in the discussion, the business leaders expressed their interest to work with the Planning Ministry for developing infrastructure to facilitate trade and industrial activities. They also stressed the need for steps to ease traffic congestions in the capital, which is hampering business activities.

<http://today.thefinancialexpress.com.bd/trade-market/develop-infrastructure-to-achieve-sdgs-fbcci-1531762256>

Government's revenue from capital market falls 7.61% in FY'18

• The government's revenue earnings from the capital market declined 7.61% or BDT 312.70 million in the just concluded fiscal year (FY 2017-18) compared to the previous FY. The earnings declined mainly due to reduced turnover value registered by both the stock exchanges. The government bagged revenue worth more than BDT 3.79 billion from the Dhaka and Chittagong stock exchanges, and Central Depository Bangladesh Limited (CDBL) in FY 2017-18.

• According to Dhaka Stock Exchange (DSE) official, the revenue from the capital market would rise a little more as the exchange is yet to submit its own corporate tax. The revenues come from brokerage commission charge on share transactions, sales and transfer of shares by sponsor-directors, and dividend income. It also comes from maintenance fee of BO (beneficiary owner's) accounts and corporate tax paid by stock exchanges and the depository organisation-CDBL. The greater amount of revenue comes from brokerage commission charged on transaction of shares by general investors.

• According to DSE officials, the government's revenue declined marginally in FY 2017-18 as the turnover value declined during the period. The daily average turnover was BDT 6.46 billion on the premier bourse in the outgoing fiscal year, down 14.43% over the previous FY. Of total revenue realised in the FY 2017-18, BDT 2.37 billion came from the DSE, BDT 553.7 million from the Chittagong Stock Exchange (CSE) and BDT 870 million from the CDBL.

<http://today.thefinancialexpress.com.bd/stock-corporate/govts-revenue-from-capital-market-falls-761pc-in-fy18-1531762913>

Secondary trading slips by 62% in FY '18

• Secondary trading of treasury bills and treasury bonds has dropped sharply during the last fiscal year, reflecting the lower demand for the government securities. Latest statistics with the central bank showed that the total value of secondary trading of T-bills and T-bonds stood at BDT 153.30 billion during FY18, down from BDT 400.51 billion a year earlier. Bangladesh Bank statistics also showed that the total value of secondary trading of bills and bonds was BDT 675.31 billion in FY16.

• This means the secondary trading of the government securities has been declining for the last two years mainly due to the negative issuance of the government securities. Primary

issuance of T-bills and T-bonds stood at BDT 706.12 billion in FY17, which was BDT 861.18 billion in FY16. Central bank statistics showed that primary issuance of T-bills and T-bonds stood at BDT 227.0 billion in the first four months (July-October) of FY18.

- The central bank said that OTC trading dropped to BDT 325.28 billion in FY17 from BDT 675.13 billion in FY16. On the other hand, there was almost no TWS trading in FY16, which stood at BDT 75.29 billion in FY17. Currently, 21 banks are performing as primary dealers and can participate directly in the primary auctions.

<https://thefinancialexpress.com.bd/economy/bangladesh/secondary-trading-slips-by-62pc-in-fy-18-1531628982>

Jan-Jun mobile subscriber growth slows

- The growth of active mobile phone subscribers slowed in the first half (January-June) of this year compared with that in the same period of last year. As per the Bangladesh Telecommunication Regulatory Commission data, the number of active mobile phone subscribers grew by 5.83 million to 150.9 million at the end of June, 2018 from 145.1 million at the end of December, 2017. On the other hand, the number of active mobile phone users increased by 9.59 million to 136.0 million at the end of June last year from 126.4 million at the end of December, 2016.

- BTRC officials said that the mobile phone operators might have slowed down their efforts to attain new subscribers after the launch of 4G service on February 19, 2018. The BTRC has also disallowed registration of more than a SIM within three hours against a national identity card that also played a role in slowing the growth of mobile phone subscribers in the first half of this year. Of the mobile phone operators, Grameenphone attained highest — 3.84 million — new subscribers with its subscriber base increasing to 69.1 million at the end of June this year from 65.3 million at the end of December, 2017. GP had added 3.63 million users in the first half of 2017.

- The number of active subscribers of Robi grew by 1.82 million to 44.7 million at the end of June, 2018 from 42.9 million six month ago. The combined growth of subscribers of Robi and Airtel that was merged with Robi in 2016 was 5.74 million in January-June of last year. The number of Banglalink's active subscribers grew by 0.90 million to 33.8 million at the end of June this year from 32.4 million at the end of December last year. The subscriber base of the operator had increased by 0.60 million in January-June of 2017. The number of internet subscribers grew by 0.73 million in the January-June period of 2018 to 87.8 million at the end June this year from 80.5 million at the end of December, 2017.

<http://www.newagebd.net/article/46123/jan-jun-mobile-subscriber-growth-slows>

PKB gets Bangladesh Bank (BB) scheduled bank nod

- The Bangladesh Bank (BB) has approved conversion of the state-run Probashi Kallyan Bank (PKB), a specialised financial institution, into a scheduled bank to expand its business further. According to the decision, the central bank's department concerned will issue a notification, mentioning PKB as a scheduled bank, after completing all the formalities.

- Besides, PKB had received BDT 200 million from MoF to replenish its paid-up capital to BDT 4.0 billion. PKB general manager said that PKB will also expand its business to finance projects in different productive sectors, including agriculture and small and medium enterprises (SME).

- PKB started its operation in April 2011 with a capital of BDT 1.0 billion to provide collateral-free loans to overseas jobseekers as well as to give loans for rehabilitation of expatriate workers on their return home to engage them in various income-generating activities. Currently, PKB is running its business with 63 branches across the country.

<http://today.thefinancialexpress.com.bd/first-page/pkb-gets-bb-scheduled-bank-nod-1531677520>

Too many offers baffle mobile users

- The telecom regulator has stepped in to protect customers by way of stopping mobile phone operators from confusing subscribers with hundreds of voice and data offers. In some cases, customers cannot opt out from a package they would like to discontinue. Customers are also charged through automatic renewals without taking their consent. This prompted the Bangladesh Telecommunication Regulatory Commission (BTRC) to begin evaluating the issue and take stern action.

- Top three operators have a combined 400 offers and packages deemed too many for customers to choose the best one. Market leader Grameenphone is offering 102 data and voice packages to its 68.6 million active users, according to the BTRC. The merged entity of Robi and Airtel offers 258 packages to 45.0 million subscribers. However, Robi said the number of the package numbers of the merged entity stands at 139 at the moment. The second largest operator said there are some offers, which are not marketed by Robi and subscribers do not buy them. But these products might be in the regulator's findings, it said.

- Banglalink has 76 data and voice offers and state-owned Teletalk is offering 42 packages. However, operators said that the number of offers shouldn't be limited as it might deprive customers of choosing the best one. If the gap between on-net (same network) and off-net (different network) charges is removed, the packages will be simplified and their number will go down, they added. As of May, there are 150.7 million active mobile connections in Bangladesh. Of them, 81.1 million have internet connections, according to the BTRC.

<https://www.thedailystar.net/business/telecom/too-many-offers-baffle-mobile-users-1606105>

Mobile Number Portability (MNP) likely to cost mobile companies BDT 150-170 for each customer

- Bangladesh Telecommunication Regulatory Commission has endorsed an Infozillion BD-Teletech Consortium proposal to charge mobile phone operators along with taking fees from customers for mobile network portability service. The MNP service will allow subscribers to change their mobile network (operator) by keeping their existing numbers. Under the BTRC proposal, a mobile phone operator will have to pay BDT 150-170 as charge to Infozillion for receiving each MNP customer from other operators.

- The charge, however, would be finalised after getting approval from the telecom ministry. On the other hand, the charge to be paid by each customer for changing operator under the MNP service will remain unchanged at BDT 30. He said that under the licencing conditions the mobile operators were supposed to provide the MNP service to their customers but they refrained from implementing the service and so separate licence was awarded to an MNP operator (Infozillion BD-Teletech Consortium). The MNP operator needed to charge mobile operators BDT 150-170 against each MNP client to make its business 'viable'.

<http://www.newagebd.net/article/46122/mnp-likely-to-cost-mobile-cos-BDT-150-170-for-each-customer>

Export-import gap may cause addl shocks: Bangladesh Bank (BB) chief

• The central bank governor has said the growing mismatch in export-import growth could trigger 'additional shocks' in the troubled banking system. He hinted that the mismatch could create scope for money laundering, thus damaging financial institutions and the economy as a whole. To avert such dire consequences, Bangladesh Bank [BB] chief urged both public and private commercial banks to be cautious about the matter. He also said that import grew by 25% over the past six months against around 6.0% export growth. He said the situation could create "additional shocks or risks", which could remain for long. BB deputy governor said that it is now positioned as the 82nd riskiest country.

<http://today.thefinancialexpress.com.bd/first-page/export-import-gap-may-cause-addl-shocks-bb-chief-1531588140>

Current account deficit crosses USD 9.0 billion in 11 months

• The country's current account deficit crossed USD 9.0 billion in the first eleven months of the fiscal year just gone by. Bangladesh Bank data showed that the current account deficit reached USD 9.37 billion in July-May period of Fiscal Year (FY) 2018, which was USD 2.21 billion in the same period of the FY'17. The widening current account deficit put the external balance of payments with the rest of the world under substantial pressure. Economists have been cautioning against the potential risks of widening deficit in the last few months.

• Executive director of the Policy Research Institute of Bangladesh (PRI), said the current account deficit is likely to swell to USD 10 billion by the end of FY'18. The amount is equivalent to almost 3.75% of the country's gross domestic product (GDP). Managing macro-financial stability becomes "more challenging" in the face of a sizeable current account deficit, according to the BB report. According to Bangladesh Bank Quarterly, about 60% of current account balance deficit was financed by capital and financial account surplus.

• Central bank statistics also showed that in July-May period of FY'18, financial account balance recorded a surplus of USD 8.03 billion, which is almost double over the same period of FY17. Overall balance of payments (BoP) posted a deficit of USD 0.97 billion, which was a surplus of USD 2.68 billion in the first 11 months of FY17. Merchandise trade gap stood at USD 17.22 billion, up from USD 9.36 billion in the same period of FY17. Service trade gap also crossed USD 4.0 billion during the period.

<http://today.thefinancialexpress.com.bd/public/first-page/current-account-deficit-crosses-90b-in-11-months-1531417866>

Government's bank borrowing surges in June

• Government's borrowing from the banking sector increased sharply by BDT 13,946 crore in June, the last month of just concluded fiscal year of 2017-2018, because of hasty expenditure by the government to attain annual development programme implementation target set for the fiscal year. As per the central bank data, the government's net borrowing

from the banking sector increased to BDT 90,642 crore at the end of June, while the figure was BDT 76,696.70 crore a month ago. The net borrowing from the banking sector had declined to BDT 76,696.70 crore in the first 11 months of FY18 from BDT 89,716.5 crore at the end of the previous fiscal year.

• In the first 10 months of FY18, the government's spending for the implementation of ADP was slow and that's why government refrained from borrowing from the banking sector, instead it paid back banks loans. In the first 10-11 months in the fiscal year, earnings of National Board of Revenue and proceeds from national savings certificates' sales were well above the government's requirement to fulfil the need for money. The government's ADP spending jumped sharply in last couple of months, so did the fund requirement and that's why government's borrowing increased sharply in June.

• As per the planning ministry data, the government's ADP implementation was 52.42%, or BDT 82,603 crore, in the first 10 months of FY18. ADP implementation, however, at the end of FY18 increased to 93.1% of the government's revised target of BDT 1,57,591 crore for the fiscal year. In the fiscal budget for FY19, the government initially planned to collect BDT 28,203 crore from the banking system, which was later revised at BDT 19,917 crore as it managed to meet deficit financing from other sources including sales of NSCs.

<http://www.newagebd.net/article/45946/govts-bank-borrowing-surges-in-june>

Lingerie export hits billion-dollar mark

• Lingerie has now become one of the major export items of the readymade garment (RMG) basket, with the earnings from its export exceeding the billion-dollar mark. Exporters have set their sights on this value-added product to maximise their earnings amid growing demand for it. In fiscal year (FY) 2017-18, the export earnings from lingerie items -- women's innerwear and nightwear -- stood at USD 1.15 billion, up 7.84% from the previous fiscal year. The figure for FY 2016-17 was USD 1.07 billion, according to the Export Promotion Bureau (EPB) data.

• The total export volume in the RMG sector was USD 30.66 billion in the just concluded fiscal year. Presently, trousers are the top garment item that fetched the highest amount of foreign currency, followed by T-shirt, jackets, sweater and shirts. These five items accounted for nearly 75% of the total export earnings from the RMG sector, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Local manufacturers are now making fresh investments in this segment as they try to grab a bigger share of the global market.

<http://today.thefinancialexpress.com.bd/trade-market/lingerie-export-hits-billion-dollar-mark-1531583909>

Chinese co to invest USD 2.3 billion in steel plant

• Chinese steel giant Kunming Iron and Steel Holding Company (KISC) is all set to invest USD 2.3 billion in a steel manufacturing project in Mirersarai. This will be the largest investment in manufacturing sector in the country. KISC will make the investment through its subsidiary company Chinese Yunnan Yongle Overseas Investment Co Limited. The company aims to produce 2.0-million-tonnes integrated iron and steel production annually. A consortium of 17 private players named Star Infrastructure Development Consortium Limited is acting as the local partner of Kunming.

• Seventeen reputed companies including Nitol group, Unique Group and BSRM, have joined hands to form the consortium. Kunming completed its feasibility study for site selection last month. They were given two options-Mirersarai or Maheshkhali to establish the plant. BEZA will give 1,000 acres of land for the project at a rate of BDT 4.8 million per acre. The project will create jobs for 30,000 people.

<http://today.thefinancialexpress.com.bd/first-page/chinese-co-to-invest-23b-in-steel-plant-1531588099>

FY '18 foreign aid flow up by 66%

• The flow of foreign aid into Bangladesh surged by a whopping 66% to a record USUSD 6.12 billion during the last fiscal year (FY). During FY 2016-17, foreign development partners disbursed USD 3.67 billion in concessional medium- and long-term assistance. According to the Economic Relations Division (ERD)'s provisional data, the government received USD 5.78 billion worth of concessional loan and USD 340.05 million in grant during the period between July 2017 and June 2018.

• The commitment of foreign assistance during the last fiscal stood at USUSD 14.61 billion,

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the ERD data showed. Some big credit deals including a USD 4.5 billion loan package agreement with India, a contract with China for USD 2.7 billion in loan for the Padma bridge railway link project, and a USD 1.83 billion package from Japan contributed to the rise in commitment of aid. During the same period of FY2017, the commitment was USD 17.96 billion as the government signed a large USD 11.38 billion loan deal with Russia for the Rooppur nuclear power plant project.

• An ERD joint secretary said that the foreign aid that flowed into the country in the last fiscal was the highest. Since the commitment of the external aid is rising year-on-year, the foreign aid inflow to Bangladesh would also be increasing resulting in more investments for developing infrastructure. The amount of foreign aid inflow was almost close to the revised target of USD 6.40 billion during FY 2018.

<http://today.thefinancialexpress.com.bd/public/first-page/fy-18-foreign-aid-flow-up-by-66pc-1531417768>

State banks' loss-making branches shrink

• State-run banks saw a significant decline in the number of loss-making branches last year as Bangladesh Bank's plan to reinvigorate the institutions is at long last bearing fruit. At the end of December last year, the total number of loss-making branches of Sonali, Janata, Agrani, Rupali and BASIC banks stood at 335, down from 474 a year earlier, according to data from the BB. Save for Janata, all state banks have managed to reduce the number of loss-making branches last year by way of expanding their business activities, said Agrani's managing director and chief executive officer.

• Earlier, branches outside of Dhaka would try to make profit through deposit collection. But last year, those were allowed to lend, which enabled them to log in profits, he said. Sonali, Bangladesh's largest bank, cut down its loss-making branches by 52 last year to 181. Its loan-deposit ratio crept up to 35.78% last year from 33.22% a year earlier. During the course of 2017, Agrani's loss-making branches shrunk to 43 from 78. Its loan-deposit ratio

rose to 54% last year from 48%. Rupali brought down the number of loss-making branches to 33 from 87, with its loan-deposit ratio crawling up 1.52% to 62% last year. Scam-hit BASIC Bank too cut down its loss-making branches in 2017 to 21 from 28.

<https://www.thedailystar.net/business/banking/state-banks-loss-making-branches-shrink-1605472>

Farmers Bank fails to pay import bills

• Farmers Bank is now under pressure to settle its overdue payments for import, with a number of foreign missions dangling the threat of blacklisting the troubled lender if it does not pay back immediately. At present, the bank has overdue payments amounting to BDT 109 crore to foreign and local businesses. The scam-hit bank had depleted its capacity to make import payment because of a liquidity crisis, which prompted the central bank in January last year to forbid it from opening any letters of credit. But, the instruction was audaciously ignored.

• On July 12, the bank wrote to the Bangladesh Bank requesting it to allow the settlement of overdue payment to foreign and local exporters, even if it means creating forced loans or realising the fund from importers. Earlier this year, four state-owned banks and the Investment Corporation of Bangladesh, acting on the government's instruction, injected BDT 7.15 billion in fresh equity into Farmers Bank to rescue it from the liquidity crisis.

<https://www.thedailystar.net/business/banking/farmers-bank-fails-pay-import-bills-1605478>

Dhaka Stock Exchange (DSE) delists out-of-operation Rahima Food, Modern Dying

• Modern Dyeing & Screen Printing and Rahima Food Corporation have been delisted from the Dhaka Stock Exchange for remaining closed for more than three years. The decision came at a board meeting of the country's premier bourse yesterday and will come into effect today. According to the Listing Regulations-2015, any listed security may be delisted if it has stopped commercial operations, productions or explorations for three consecutive years. Of the duo, Rahima Food Corporation is also listed on the Chittagong Stock Exchange (CSE).

• Managing director of the port city bourse said that as it is still listed on the CSE, trading through the CSE will continue. He also said that CSE was investigating some companies, including Rahima Food Corporation, and if the probe team gives the go-ahead then these companies would be delisted. Managing director of the DSE, said that if the delisted companies apply for trading in the over-the-counter market, the premier bourse will look into it. Modern Dyeing & Screen Printing was listed on the DSE in 1988. It hasBDT 13.6 million as paid-up capital. Its share price soared 8.25% toBDT 326.90 yesterday. Rahima Food Corporation was listed on the bourse in 1997. It hasBDT 200 million as paid-up capital and its share price declined 2.3% toBDT 174.30 on the day.

<https://www.thedailystar.net/business/economy/dse-delists-two-firms-1607629>

<http://www.newagebd.net/article/46350/dse-delists-out-of-operation-rahima-food-modern-dying>

Heidelberg Cement to amalgamate with Meghna Energy

•The board of directors of Heidelberg Cement Bangladesh has approved a draft scheme of amalgamation of the Meghna Energy with the Heidelberg Cement. According to the official

disclosure, the amalgamation is subject to sanction by the Supreme Court of Bangladesh and approval of the same by the members of the company and Meghna Energy. Meghna Energy is a private company incorporated in Bangladesh and engaged in generating and supplying electricity as a small power plant. The company operates as a subsidiary of Heidelberg Cement.

• As per the un-audited April-June results 2017, the company's consolidated earnings per

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share (EPS) stood atBDT 4.21 as againstBDT 6.40 for April-June 2017. In six months for January-June 2018, the company's consolidated EPS wasBDT 9.55 for January-June 2018 as againstBDT 12.71 for January-June 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/heidelberg-cement-to-amalgamate-with-meghna-energy-1531932288>

Berger Paints posts 13% sales growth

• Berger Fosroc Ltd, a joint-venture company of Berger Paints Bangladesh and UK-based construction chemical manufacturer Fosroc International with equal stakes, is set to start commercial operation soon. TheUSD 6.30 million joint-venture company has a plan to double the investment in next four years. The new entity aims to provide a "superior constructive solution" for durables and sustainable quality of infrastructure projects as the consumers expect quality residences in line with the economic development.

• The products include industrial adhesives, admixtures, grinding aids and joint sealants while the services will encompass concrete repairs, industrial flooring, grouting and anchoring, surface treatment and waterproofing. The local demand for the products has been increasing rapidly over the last five years, but was being met with imports due to absence of local production, said Managing Director of Berger Paints Bangladesh. By bringing the products into the market, Berger Paints will become pioneers in this sector, she said that, adding that the new venture would create 150 direct and 3,000 indirect jobs.

• Berger is a global manufacturer of paints and its Bangladesh wing has an annual turnover of around USD240 million, registering a sales growth of 13% growth for the year ended on March 31, 2018. The company's consolidated sales stood atBDT 16.53 billion for the year ended on March 31, 2018 which wasBDT 14.64 billion in the previous year, according to its latest annual report. However, the company's net profit fell toBDT 1.78 billion, registering a decline of 6.80% over the previous year'sBDT 1.91 billion.

<http://today.thefinancialexpress.com.bd/stock-corporate/berger-paints-posts-13pc-sales-growth-1531932210>

IPO lottery draw of VFS Thread today

• The initial public offering (IPO) lottery draw of VFS Thread Dyeing Ltd will be held today (Thursday). After the lottery draw, result will be published on the websites of Dhaka and Chittagong Stock Exchanges, issue manager and the company. VFS Thread Dyeing raised a fund worthBDT 220 million through the IPO under fixed price method. The public subscription of the company was held between June 24 and July 02 through electronic subscription system. The company's IPO was oversubscribed by more than 45 times as the

company received aboutBDT 10 billion against public issue ofBDT 220 million.

• The securities regulator, Bangladesh Securities and Exchange Commission (BSEC), approved the IPO proposal on April 03 to issue 22 million ordinary shares at an offer price ofBDT 10 each. The proceeds will be utilised to purchase plant and machinery, repay bank loans and bear the IPO expenses. According to financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share stood atBDT 19.90 (without revaluation) and the weighted average earnings per share (EPS) wasBDT 2.02.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-lottery-draw-of-vfs-thread-today-1531932261>

Bangladesh Securities & Exchange Commission (BSEC) approves two bonds of BDT 25 billion, one IPO of BDT 250 million

• Investment Corporation of Bangladesh (ICB) will issue subordinated bond to raise a capital worth BDT 20 billion for strengthening its market-supportive role, among others. BSEC also approved an IPO (initial public offering) proposal of S.S. Steel, which will raise a capital worth BDT 250 million under the fixed price method. The tenure of the ICB's non-convertible and fixed rate bond will be seven years. The bond will be fully redeemable, unsecured and unlisted.

• The bond units will be issued to different banks, insurance companies, financial institutions, corporate entities and high net worth individuals through private placement. The fund will be invested in primary and secondary market as part of its market-maker role. The ICB will also invest the fund as sponsor of NRB Mutual Fund and NRB Industrial Fund along with investing in infrastructure and 'thrust' sectors of the government, and PPP projects. ICB Capital management and Alfa Capital Management are working as trustee and lead arranger respectively.

• As per the BSEC approval, S.S. Steel will issue 25 million ordinary shares at an offer price of BDT 10 each under fixed price method. The company's IPO fund worth BDT 250 million will be utilised to purchase machineries, construct building and bear the IPO expenses. As per the financial statement for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 12, without revaluation, and BDT 15.35, with revaluation. The company reported its earnings per share (EPS) of BDT 1.20 and weighted average of EPS of BDT 0.82. Citizen Securities and Investment is working as issue manager of S.S. Steel.

• Al-Arafa Islami Bank will also raise a capital worth BDT 5.0 billion through issuing non-convertible floating rate subordinated bond. The tenure of the fully redeemable bond will be seven years. The company will raise the capital to fulfill the condition of Tier-II capital base. At Tuesday's meeting, the securities regulator also approved the prospectus of EDGE Bangladesh Mutual Fund (MF), an open-end MF. The initial size of the fund will be BDT 100 million and the fund's sponsor will contribute BDT 10 million, while remaining BDT 90 million will be collected from public. The securities regulator also fined Saad Securities of BDT 0.5 million for breaching securities rules through disbursing margin loans against 'Z' category shares.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-two-bonds-of-BDT-25b-one-ipo-of-BDT-250m-1531844262>

IPO subscription begins July 22 as High Court rescinds stay order

- The IPO subscription of Indo-Bangla Pharmaceuticals Limited will start on July 22 and end on July 26 as a stay order in this regard has been rescinded. There is no bar to conduct the IPO (initial public offering) subscription as the High Court (HC) has withdrawn its stay order, the issue manager said. Earlier, the HC issued a stay order on the company's IPO subscription following a writ petition filed by National Bank Limited (NBL). The writ petition was filed as four directors of Indo-Bangla Pharmaceuticals were 'loan defaulters' as guarantors of loans disbursed by the NBL.

- Before the writ petition, the NBL had also filed a case with Barishal Artha Rin Adalat against Indo-Bangla Pharmaceuticals Works, previous name of Indo-Bangla Pharmaceuticals, over the non-payment of a loan worth more than BDT 141.50 million. Managing director of AFC Capital, the issue manager of the IPO said that the HC has withdrawn its stay order as the Indo-Bangla Pharmaceuticals and NBL have reached a consensus about the financial matter. He also said that the securities regulator has set the IPO subscription schedule following the court's decision. The BSEC approved the company's IPO proposal on October 3, 2017 to raise a fund worth BDT 200 million by issuing 20 million ordinary shares at an offer price BDT 10 each under the fixed price method.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-begins-july-22-as-hc-rescinds-stay-order-1531844210>

<http://www.newagebd.net/article/46267/bsec-allows-icb-aibl-to-raise-BDT-2500cr-floating-bonds>

<http://www.newagebd.net/article/46271/bsec-okays-BDT-25cr-ipo-of-ss-steel>

Summit Gazipur 1 Power adds 149MW to national grid

- Summit Group, the country's largest independent power producer, has started supplying 149 megawatts of electricity to the national grid from its heavy fuel oil-fired Summit Gazipur 1 Power Ltd. With addition of this new power plant, the total generation capacity of Summit now stands at 1,941 megawatts.

<https://www.thedailystar.net/business/summit-gazipur-1-power-adds-149mw-national-grid-1606663>

GP profit rises 36% in Apr-Jun

- Grameenphone's net profit rose 36.3% year-on-year to BDT 1,0.80 billion in the April-June period, the highest in a single quarter in the operator's history, helped by an unused portion of tax provisioning as well as growth in voice and data revenue. It had made BDT 6.40 billion in net profit in the first quarter of 2018. The operator added BDT 2.90 billion to its actual net profit in the second quarter. GP had set aside the amount as part of its tax provisioning. It, however, did not need to use the sum, said a top executive of the operator.

- Revenue rose to BDT 32.58 billion in the quarter riding on huge data and moderate voice revenue growth, up 0.50% from the same quarter a year ago. The remaining from the tax provision helped increase the operator's earnings per share to BDT 8 for April-June, up from BDT 4.74 in the first quarter. GP said that the first half of 2018 was challenging because of adverse effects from bad weather and ongoing intense competition. GP CEO also said that the operator crossed the 2.0 million milestone for 4G subscribers in the quarter.

<https://www.thedailystar.net/business/telecom/gp-profit-rises-36pc-apr-jun-1606627>
<http://www.newagebd.net/article/46195/gp-posts-40pc-profit-growth-in-q2>

Government extends IPO quota facility for one more year

- The government has extended the IPO quota facility for one more year to June 30 next year for the small investors, who were affected by the capital market debacles in 2010-11. A joint secretary of the Financial Institutions Division said that the Bangladesh Securities and Exchange Commission (BSEC) had proposed for the extension of the facility until June 30, 2019.

- It has so far been extended for six times since the inception and the latest one expired on June 30, 2018. The small investors are enjoying 20T quota in the initial public offerings (IPOs) since introduction of the facility in March, 2012. Generally, the IPO shares are traded comparatively at higher prices on the secondary market than their issue prices due to unusual attraction of a section of investors to that scrip in first few trading sessions.

- The quota facility allows the affected investors to make some profit. The government formed the BDT 9.0-billion fund in July 2013 to prop up the capital market, and mitigate the sufferings of investors, affected during the 2010-11 stock market debacle. Later, ICB was appointed as the fund manager. The central bank disbursed BDT 9.0 billion by three installments against the fund.

<http://today.thefinancialexpress.com.bd/stock-corporate/govt-extends-ipo-quota-facility-for-one-more-yr-1531673125>

EBL to invest BDT 2.93 billion to open branches in India

- The board of director of Eastern Bank Limited has decided to open its wing in India, which would require around BDT 2.93 billion in investment for the bank, according to an EBL statement published on the Dhaka Stock Exchange web site on Sunday. EBL said that its board decided and accorded approval of USD 25 million required as regulatory capital and allocated additional USD 10 million on need basis for establishing full-fledged branches in India.

- Besides the approval, EBL also authorised its management to apply to Bangladesh Bank for obtaining necessary permission in this regard and also to liaise with PWC Private Limited (India) for obtaining necessary permission from the Reserve Bank of India. The investment would be made after getting approval from all the parties concerned in both the countries. EBL's branches in India would help bilateral trade between the two countries and help EBL enhance its profitability. Earlier, in June, 2017, EBL had informed the DSE that its board decided to appoint PricewaterhouseCoopers, Kolkata for ground support of getting the required approval for licence from the Reserve Bank of India to open and set up EBL branches at Kolkata, West Bengal and at Guwahati, Assam in India.

<http://www.newagebd.net/article/46125/eb1-to-invest-BDT-293cr-to-open-branches-in-india>

GP subscribers face service disruption

- Mobile phone operator Grameenphone's customers have been facing disruptions in accessing a few services since Saturday night. A huge number of voice and data users of the market leader could not activate services using three of its most used mobile applications -- My GP App, Flexi Plan and Web Channel. Customers also complained through Facebook and other social media platforms that those who used USSD (unstructured supplementary service data) could not activate or deactivate different packages from around 11pm.

- As of May, Grameenphone had about 68.7 million active customers, half of whom use internet services. Almost all of those availing internet are now using the three applications to choose services and learning about updates. Deputy chief executive officer of Grameenphone, acknowledged the problem through a video message yesterday morning. He apologised to customers for the inconvenience. He, however, added that the customers of other data and voice services were not facing any problems.

<https://www.thedailystar.net/business/gp-subscribers-face-service-disruption-1606084>

Bangladesh Securities & Exchange Commission (BSEC) to replace OTC with ATB

- The Bangladesh Securities and Exchange Commission is going to replace over-the-counter market with alternative trading board where the shares of companies delisted from the stock exchanges' main board and any public limited companies of any size would be traded. The BSEC has recently framed the ATB rules and published the rules for public opinions. BSEC officials said that any equity, corporate bond, derivatives and open-end mutual fund would be traded on the ATB platform.

- They said that the companies at the ATB would enjoy various facilities including relaxed rules and penalties. This would be a trusted platform where any company could sell its ownership to another company or individual. There would not be any minimum or maximum paid-up capital requirement and the companies would not require declaring dividend and quarterly earnings disclosure. Besides, any new products including sukuk could be traded on the platform. The issuer will apply to the stock exchange rather than the BSEC for trading the shares of the company on the ATB. The exchange would accept or reject the application within 30 working days of receipt of such application.

- The exchange would discontinue the ATB facilities for any securities with the request of the issuer company concerned. According to the proposed ATB rules, buying or sales of securities at the ATB must be conducted by or through a stock-dealer or stockbroker of a stock exchange. The stock dealer or stockbroker would place order in the system and settle the contract following the applicable settlement procedure, the rules said.

<http://www.newagebd.net/article/45948/bsec-to-replace-otc-with-atb>

Monno Ceramic to double production capacity

- Monno Ceramic Industries, a flagship company of Monno Group, is set to modernise its factory for doubling the production capacity. As part of the modernisation, the company is importing 100% brand new Biscuit Firing Roller Kiln from Modena Technology Ltd, 100 brand new Glost Firing Tunnel Kiln from Riedhammer GmbH Germany. Director Finance of the company said that the brand new machinery has already been made shipment and will arrive shortly

- He also added that the company has invested about BDT 760 million for the factory modernization. After installation of the new line completely, the production capacity of the company will be doubled from the existing capacity. He noted that the production from the new machinery will hit the market in the end of the July-September quarter. Currently, the country's leading ceramic manufacturer's production capacity for Porcelain would be around 1.5 million pieces and Bone China 500,000 pieces per month. The company's turnover will increase substantially after increasing the production capacity as it would be able to meet a substantial demand for both export and domestic markets.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/monno-ceramic-to-double-production-capacity-1531412094>

SK Trims & Industries makes trading debut today

- SK Trims & Industries makes its shares trading debut today (Sunday) on the bourses under "N" category. DSE trading code for SK Trims & Industries is "SKTRIMS" and company code is 99,642 while the CSE scrip Id is 32,023 and scrip code is "SKTRIMS". The company, which received IPO approval from the Bangladesh Securities and Exchange Commission (BSEC) on February 20, floated 30 million ordinary shares at an issue price of BDT 10 each. The garments accessories and packaging company raised a fund worth BDT 300 million from the capital market through initial public offering (IPO) under the fixed price method.

- The company will use the IPO fund for acquisition of machinery and equipment, construction of building and other civil works and bear the IPO expenses, according to the IPO prospectus. For January-March, 2018, the company's net profit after tax was BDT 16.06 million, pre-IPO earnings per shares (EPS) was BDT 0.40 and post-IPO EPS was BDT 0.23. In the nine months period from July, 2017 to March, 2018, the company's net profit stood at BDT 43.11 million, pre-IPO earnings per share (EPS) was BDT 1.08 and post-IPO EPS was BDT 0.62.

- The net asset value (NAV) per share was BDT 13.86 as of March 31, 2018. The company's pre-IPO paid-up capital is BDT 400 million and authorised capital is BDT 1.0 billion. SK Trims & Industries, which started its commercial operation in 2014, is engaged in manufacturing all kinds of sewing thread, elastic, poly, carton, photo card, back board, bar code etc for export-oriented garments industry. Imperial Capital Limited and BMSL Investment Limited are jointly working as issue manager of the company's IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/sk-trims-industries-makes-trading-debut-today-1531585473>

BDT 45 fixed as Esquire Knit's cut-off price

- The cut-off price of Esquire Knit Composite share has been fixed at BDT 45 each, as discovered by institutional investors through bidding under a book-building method. Esquire Knit Composite, a business unit of Esquire Group, will raise a capital worth BDT 1.50 billion under the book building method for its business expansion. The proceeds will be used for buying machinery, constructing building and civil works, and to meet the IPO expenses. The bidding for discovering the cut-off price of Esquire Knit's shares by eligible institutional investors was held between July 9 and July 12.