

Remittance on upward curve: Remittance inflow has continued its upward trend for the eighth consecutive month, registering 17 percent year-on-year growth in May thanks to the depreciation of the taka against the US dollar.

Expatriates sent home USD1.48 billion as remittance in April whereas it was USD1.26 billion in the same month last year. This is 11.38 percent higher than the USD1.33 billion which came in the previous month, according to Bangladesh Bank data released yesterday. Remittance inflow usually tends to increase ahead of Eid-ul-Fitr, said a senior BB executive. <https://www.thedailystar.net/business/remittance-upward-curve-1586062>

Default loans soar 19.23%: Some BDT 14,286 crore of loans defaulted in the first three months of the year, punching banks further into a corner in their uphill fight against non-performing loans. At the end of March, the total default loans in the banking sector stood at BDT 88,589 crore, up from BDT 74,303 crore at the end of December 2017. Of the total default loans, the six state banks alone accounted for BDT 43,685 crore, the private banks BDT 37,289 crore, the two specialized banks BDT 5,426 crore and nine foreign banks BDT 2,188 crore. The 40 private banks though saw their default loans escalate the most in the first quarter of 2018 from the previous quarter: 26.85 percent. <https://www.thedailystar.net/business/default-loans-soar-1923%-1586059>

Foreign funds in stock plunge on strong dollar: Net foreign investment in the premier bourse witnessed a drastic fall last month due to fears centring political uncertainty in the upcoming national election and the massive depreciation of the local currency against the US dollar. Net foreign investment hit BDT 283 crore in the negative in May, when foreign investors purchased shares worth BDT 341 crore and sold that worth BDT 624 crore, according to data of the Dhaka Stock Exchange. <https://www.thedailystar.net/business/foreign-funds-stock-plunge-strong-dollar-1586065>

BB may relax foreign loan cap for private sector: The central bank mulls over relaxing the existing interest cap on private sector foreign loans to help businesses enjoy uninterrupted external borrowing, said a top Bangladesh Bank official yesterday. At present, businesses are not allowed to take foreign loans at interest rate higher than 5 percent including the London Interbank Offered rate (LIBOR). Libor has been on the rise since February 7, reaching 2.31 percent, the highest since 2008, which is making it difficult for local businesses to maintain the interest rate cap. <https://www.thedailystar.net/business/bb-may-relax-foreign-loan-cap-private-sector-1586053>

CPD sees fracture in overall macroeconomic stability: The Centre for Policy Dialogue (CPD) has observed a fracture in Bangladesh's overall macroeconomic stability, raising concerns for the country's development in the coming days. The independent think-tank stated that the country's economy over the years has experienced decent growth, but the growth has not resulted in appropriate increases in income, employment generation, and eradication of inequality. The CPD made the observations at a press briefing titled "State of the Bangladesh Economy in FY2017-18 (Third Reading)" at the BRAC Centre Inn auditorium in Dhaka on Sunday. <https://www.dhakatribune.com/business/economy/2018/06/03/cpd-sees-fracture-in-overall-macroeconomic-stability>

Budget Implementation: Poor show exposes dearth of capacity: The budget implementation rate has been falling consistently for the last seven fiscal years, exposing poor capacity of government agencies and the widening gap between planning and execution. The rate fell to 78 percent in FY 2016-17 from 80 percent in the previous year. It was 97 percent in FY 2010-11, according to the finance ministry data. In the current fiscal year, one-fourth of the BDT 400,266-crore budget could be implemented in July-December period. A number of economists have voiced concern over this declining trend. Even Finance Minister AMA Muhith recently termed it a "very bad signal for the capacity of the government". <https://www.thedailystar.net/frontpage/high-ambition-low-capacity-1585945>

Index Summary

	3/06/18	31/05/18	Point Change	% Change
DSEX	5,316.97	5,343.88	(26.91)	-0.50%
DS30	1,965.46	1,975.00	(9.54)	-0.48%
DSES	1,228.18	1,238.31	(10.13)	-0.82%

Market Activities

	3/06/18	31/05/18	% Change
Mkt. Turnover (BDT mn)	4,254.99	3,618.86	17.58%
Mkt. Turnover (USD mn)	52.80	44.91	17.58%
Total No of Trade	106,593	94,367	12.96%
Trade Volume (mn)	94.74	85.93	10.26%

Market Valuation

	3/06/18	31/05/18	% Change
Mkt. Capitalization (BDT bn)	3,775.34	3,799.60	-0.64%
Mkt. Capitalization (USD bn)	46.85	47.15	-0.64%
Trailing Market P/E*	16.37	16.50	-0.76%
Annualized Market P/E**	17.83	17.97	-0.76%
Market P/BV	2.05	2.06	-0.76%
Dividend Yield	3.66%	3.63%	0.76%

BR says no to duty waiver for 3,600MW power plant: The proposed 3,600MW LNG-based power plant at Moheskhal in Cox's Bazar will have to pay customs duty and taxes for importing capital machineries, NBR informed the Power Division recently. State-owned Bangladesh Power Development Board (BPDB) and US energy giant General Electric (GE) will implement the proposed power project in joint venture. The tax authorities came up with the response after the Power Division sought opinion of NBR whether the existing statutory regulatory orders (SROs) will allow the mega power plant to enjoy the tax benefits.

<http://www.daily-sun.com/post/313479/2018/06/04/NBR-says-no-to-duty-waiver-for-3600MW-power-plant->

High import payment indicates increase in capital flight: A phenomenal growth in import payment in the outgoing 2018 financial year raised suspicion about an increased capital flight from the country in the period. Fast rising import became a major concern for the country's growing imbalance in the external sector as it put huge pressure on trade balance, current account balance and overall balance of payment, experts and economists said. Foreign exchange reserves also bear the burden of excessive import payment. Trade mispricing and capital flight are historically found to be more extensive during the election years, they said.

<http://www.newagebd.net/article/42801/high-import-payment-indicates-increase-in-capital-flight>

Aman Cotton's IPO subscription begins Sunday: The public subscription of Aman Cotton Fibrous has started today (Sunday) which will raise a capital worth BDT 800 million through book-building method. The initial public offering (IPO) subscription of the company will remain open till June 30. The company earlier received the approval of Bangladesh Securities and Exchange Commission (BSEC) to float 20.83 million ordinary shares for raising its capital. Best Electronics Eid Offer Of the total shares, 12.50 million will be issued to eligible investors at the cut-off price of BDT 40 each, which was set by the eligible investors through an electronic bidding in November last year.

<https://thefinancialexpress.com.bd/stock/aman-cottons-ipo-subscription-begins-sunday-1528006844>

Shasha Denims to acquire BDT 480m stake of EOS Textiles: Shasha Denims Limited (SDL) will acquire 40 % stake of EOS Textiles Mills Limited. The shares are valued at approximately BDT 480 million. Best Electronics Eid Offer "The process of acquisition of EOS Textiles Mills is almost done," Aslam Ahmed Khan, company secretary of the Shasha Denims told the FE on Thursday. Mr Khan said out of BDT 480 million, BDT 300 million will come from initial public offering (IPO) fund, as approved by shareholders in the 20th annual general meeting (AGM) held in November last year.

<https://thefinancialexpress.com.bd/stock/shasha-denims-to-acquire-BDT-480m-stake-of-eos-textiles-1527913535>

Country's NFA rises 3.51% in March: The latest statistics of the Bangladesh Bank (BB) shows that the country's Net Foreign Assets (NFA) registered a 3.51 % growth in March. The NFA used to expand at double-digit rates even two years back. According to economists, the fall in the NFA growth is mainly due to the high demand for the US dollars in the money market to meet import payments. Best Electronics Eid Offer Bangladesh's import has been increasing fast, and it was recorded around 26 % in terms of opening up of letters of credit (LCs).

<https://thefinancialexpress.com.bd/economy/countrys-nfa-rises-351%-in-march-1527653733>

Short-term private foreign debt rising sharply: Short-term private commercial borrowing from the external sources has been rising at a faster rate for the last five years. Such borrowing stood at BDT 1.87 billion in 2013, which was 46.71 % of the total borrowing, according to central bank statistics. As for long-term borrowing, the data showed, it reached BDT 2.13 billion, which was 53.29 % of the total borrowing. Best Electronics Eid Offer Four years later in 2017, short-term borrowing increased by almost eight times and stood at BDT 8.45 billion. The ratio also rose to 74.50 % of the total borrowing worth BDT 11.34 billion.

<https://thefinancialexpress.com.bd/trade/short-term-private-foreign-debt-rising-sharply-1528009177>

Interest on savings certificates likely to remain unchanged in FY19: The interest rate of the various savings certificates is likely to remain unchanged in the upcoming budget for financial year 2018-19 (FY19). "The government has no decision to reduce the interest rate on savings certificates in the next budget. We are bringing the certificate owners under a data base since they can't cross the limit in case of purchasing savings certificates," Finance Secretary Mohammad Muslim Chowdhury said. The government's borrowing through savings certificates is increasing every year. People are buying more savings certificates because of low deposit rates in banks, reports BSS. The number of various saving certificates holders in the country is around 20 million.

<https://thefinancialexpress.com.bd/national/interest-on-savings-certificates-likely-to-remain-unchanged-in-fy19-1528027095>

There will be separate notification with financial reporting and disclosure: The Bangladesh Securities and Exchange Commission (BSEC) has decided to issue a separate notification on the basis of the opinion poll conducted on the proposed Corporate Governance Code, the financial reporting and disclosure section of the listed company.

<http://bonikbarta.net/bangla/news/2018-06-04/159975>

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<http://lankabd.com/>

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