

## Economy

### ***ADP execution slightly rises in July-Aug***

Implementation of the annual development programme inched up to 4.48 per cent in two months (July-August) of the current fiscal year 2019-2020 against 3.49 per cent in the same period of the FY 2018-2019. The government's ADP implementation agencies including ministries and divisions could spend Tk 9,626 crore in July-August of FY20, up Tk 3,308 crore on the same period of FY19, according to the Implementation Monitoring and Evaluation Division of the planning ministry. A total of 58 ADP implementing agencies executed 5.19 per cent of ADP in July-August of the FY 2017-2018. The total allocation for the ADP for FY20 is Tk 2,15,114 crore including Tk 12,393 crore to be spent from the own fund of state-owned enterprises. Of the total outlay, Tk 1,30,921 crore or 60.86 per cent will come from the government fund while Tk 71,800 crore or 33.38 per cent will come from foreign sources. According to the IMED data, Election Commission Secretariat executed the highest — 22.03 per cent of the allocation for it from the government fund followed by Rural Development and Cooperatives Division with 16.26 per cent implementation in the period. Power Division and science and technology ministry spent 13.80 per cent and 13.08 per cent respectively of their allocations from the government fund in July-August, the data showed.

**For more:** <http://www.newagebd.net/article/84859/adp-execution-slightly-rises-in-july-aug>

## Economy

### ***Forecast-based financing reduces loss***

Early financing and actions based on anticipation of disasters can reduce human sufferings and losses, speakers at a dialogue on forecast-based financing (FbF) said yesterday. The FbF is an innovative mechanism whereby early actions at community and government level are pre-planned based on credible forecasts, and are funded and implemented before a climate shock, according to World Food Programme (WFP). These actions minimise losses and damages caused by climate hazards, and reduce the need for humanitarian assistance in their aftermath. "The FbF is a very innovative approach to tackling disasters," said Tauhidur Rahman, treasurer of Bangladesh Red Crescent Society (BDRCS) at the "1st National Dialogue Platform on FbF" at the Spectra Convention Centre in Dhaka. The BDRCS, the German Red Cross, CARE Bangladesh, Start Fund Bangladesh, and the WFP jointly organised the event. The German Red Cross initiated the first FbF pilot projects in 2013. Today, 16 Red Cross and Red Crescent societies across the world are involved, working successfully in countries such as Bangladesh and Peru, according to a publication of the International Federation of Red Cross and Red Crescent Societies circulated at the dialogue.

**For more:** <https://www.thedailystar.net/business/news/forecast-based-financing-reduces-loss-1801564>

### **Banks & NBFIs**

#### **Bangladesh Bank raises banks' ADR**

Bangladesh Bank on Tuesday increased the mandatory advance deposit ratio by 1-1.5 percentage points for banks, giving them relief ahead of the deadline for implementing downsized ADR amid liquidity shortage. The central bank raised the ADR ratio for conventional banks to 85 per cent from 83.5 per cent, which means that they can now lend 85 per cent of their advance including deposit. The limit on investment deposit ratio for the Islamic Shariah-based banks was also increased by 1 percentage points to 90 per cent, a BB circular issued on Tuesday said, adding that the new limit would come into force immediately. A number of banks, which were struggling to maintain ADR at 83.5 per cent, will have to maintain it at the newly set limit and by the deadline. The change in stance of the central bank came in the apprehension that the banking sector might face volatility ahead of the cut-off date for the execution of ADR adjustment, September 30 this year.

**For more:** <http://www.newagebd.net/article/84856/bangladesh-bank-raises-banks-adr>

### **Capital Market**

#### **Gamblers at it again. Their victim this time: National Tubes**

Word on the street was that National Tubes has been commissioned to establish pipe lines all over Bangladesh -- a coup for any pipe manufacturer. But the problem is, the state-run pipe manufacturer has been in the losses since fiscal 2016-17 and its sales and production have been steadily declining since fiscal 2013-14. So the off-the-record news going around of it getting a work order of this magnitude is bound to raise the alarm. But it didn't for many unknowing retail investors, who rushed to pick up stocks of National Tubes -- sending its price soaring at a time when the overall market was sinking. Between August 20 and September 17, when the DSEX, the benchmark index of the Dhaka Stock Exchange, slid 5.88 percent, the pipe manufacturer's stock rose 52 percent to Tk 174.4 -- and on most days there was no seller. Another rumour floating around then was that the National Board of Revenue has refunded about Tk 19 crore that National Tubes had paid as advanced income tax. The refunded sum would be used to raise production capacity.

**For more:** <https://www.thedailystar.net/business/news/gamblers-it-again-their-victim-time-national-tubes-1801570>

### **Capital Market**

#### **Stocks see sharp fall**

Just a day after a stakeholders' meeting to find out a way to arrest the ongoing slump, Dhaka stocks fell sharply yesterday -- a development that could cause further worry for investors. The DSEX, the benchmark index of Dhaka Stock Exchange, fell 30.74 points or 0.61 percent to close at a 33-month low of 4,928.98. However, the index had risen 26 points in the previous three days. On Monday, the finance minister headed the meeting with the stakeholders as the market lost over 300 points in a month. Market insiders said the investors went for massive sell-offs even after the finance minister assured that good stocks will be brought in and good governance will be established in the market to revive confidence. The minister also declared that a special committee will be formed to implement the goals. The minister had correctly found out the main reasons behind the fall in investors' confidence, said a merchant banker.

**For more:** <https://www.thedailystar.net/business/news/stocks-see-sharp-fall-1801561>

## Fuel & Power

### **Saudi assures Bangladesh oil supply not to face disruption despite drone attacks**

Crude oil supply to Bangladesh from Saudi Arabia will not be affected despite a disruption in oil production in the kingdom following drone attacks on an oilfield and a processing facility on Saturday, Bangladesh Petroleum Corporation officials said. BPC officials on Tuesday said that they had already had communications with Saudi Aramco, the country's state-owned oil company, and the company confirmed the BPC about supplying the allocated crude oil scheduled for September. There are no scheduled shipments of the product in next two month, they said. They said that some 1 lakh tonnes of Arab crude oil are scheduled to be loaded for shipment on September 27. According to the BPC, Bangladesh imports around 7 lakh tonnes or half of the total demand (12-13 lakh tonnes) for crude oil from Aramco. The remaining crude oil is imported from the United Arab Emirates' Abu Dhabi National Oil Company (ADNOC). Bangladesh's current annual demand for petroleum products including diesel, octane, furnace oil and aviation fuel is 58 lakh tonnes.

**For more:** <http://www.newagebd.net/article/84857/saudi-assures-bangladesh-oil-supply-not-to-face-disruption-despite-drone-attacks>

## Engineering & Construction

### **Merger between BSRML and BSRM Steel Mills in the offing**

Bangladesh Steel Re-Rolling Mills Ltd (BSRML) is set to merge with BSRM Steel Mills Ltd under the provision of section 228 and 229 of the Companies Act 1994. The merger and acquisition is subject to the consent of shareholders and approval from the High Court division of Supreme Court, said an official disclosure on Tuesday. Bangladesh Steel Re-Rolling Mills (a listed entity) is currently holding around 44.97 per cent stake in the (non-listed) BSRM Steel Mills Ltd. The board has decided to acquire 100 per cent stake of BSRM Steel Mills by Bangladesh Steel Re-Rolling Mills paving the way for merger of BSRM Steel Mills with Bangladesh Steel Re-Rolling Mills by issuing shares against rest of the stakes (around 55.03 per cent) of BSRM Steel Mills after completion of all legal and regulatory formalities. The Bangladesh Steel Re-Rolling Mills has also appointed a valuer (listed with BSEC) to determine the purchase consideration and shares to be issued by Bangladesh Steel Re-Rolling Mills to the 55.03 per cent stakeholders of BSRM Steel Mills.

**For more:** <http://today.thefinancialexpress.com.bd/stock-corporate/merger-between-bsrml-and-bsrm-steel-mills-in-the-offing-1568737527>

## IT

### **Digital tech can facilitate access to trade finance in Asia-Pacific region**

Financial technologies, such as blockchain and artificial intelligence, can enhance the efficiency and availability of trade finance, especially for small and medium-sized enterprises (SMEs) in the Asia and Pacific region, according to a report of ADB and ESCAP. Asian Development Bank (ADB) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) launched 'The Asia-Pacific Trade Facilitation Report 2019' in New Delhi, India on Tuesday, reports BSS. The report highlighted the need to address the largely unmet demand for trade finance globally, estimated at US\$ 1.5 trillion, of which 40 per cent is from the region, said an ADB release. SMEs are the most affected as they tend to have higher rejection rates for trade finance applications, compared with larger firms, it said, adding that SMEs account for 45 per cent of rejected trade finance transactions as their applications tend to incur relatively high costs for banks to comply with anti-money laundering and know-your-customer requirements.

**For more:** <http://today.thefinancialexpress.com.bd/trade-market/digital-tech-can-facilitate-access-to-trade-finance-in-asia-pacific-region-1568741721>

**RMG****Social auditors protect brands, not RMG workers: report**

Global social audit firms in the readymade garment sector have been protecting the profit and reputation of brands but failed to protect workers' safety and improving their working condition, according to a global report. Clean Clothes Campaign, a global workers' rights group, on Tuesday published the report titled 'Fig Leaf for Fashion: How social auditing protects brands and fails workers' and it held social auditing industry responsible for number of fatal accidents in Bangladesh's apparel sector. The report exposed that multi-billion social auditing industry was operating as corporate social responsibility tool to protect brand reputation and profits while aggravating risks to garment workers. In the report, CCC offered an extensive analysis of the corporate controlled audit industry, connecting the dots between the most well-known business-driven social compliance initiatives, such as Social Accountability International, WRAP, the FLA and amfori BSCI and the largest corporate-controlled auditing firms, including Bureau Veritas, TÜV Rheinland, UL, RINA and ELEVATE as well as the brand interests that they serve. Evidence presented throughout the report showed how the social audit industry had failed spectacularly in its claimed mission of protecting workers' safety and improving working conditions, the CCC said.

**For more:** <http://www.newagebd.net/article/84858/social-auditors-protect-brands-not-rmg-workers-report>

**Aviation****PM hints at buying two more Boeing aircraft**

Hinting at purchasing two more Boeing aircraft for Bangladesh Biman, Prime Minister Sheikh Hasina on Tuesday asked the authorities of the national flag carrier to work with honesty and sincerity to ensure the quality of passenger services. "Apart from the existing aircraft, three Dash Bombardier planes will be added to the Biman fleet. We have also got news that Boeing is interested to sell its two aircraft soon, the order of which was canceled by somebody else... we'll take this opportunity," she said. The prime minister was addressing as the chief guest the induction ceremony of Biman's 4th Dreamliner, 'Rajhangsa', at the VVIP Terminal of Hazrat Shahjalal International Airport (HSIA) here this afternoon. In this connection, Sheikh Hasina said the country's foreign currency reserve remains at a good position and there will be no problem to purchase two new Boeing aircraft. State Minister for Civil Aviation and Tourism Mahbub Ali, Civil Aviation and Tourism Secretary Mohibul Haque, Chairman of Board of Directors of Biman Air Marshal (Retd) Muhammad Enamul Bari also spoke at the induction ceremony. Managing Director and CEO of Biman Md Mokabbir Hossain delivered the welcome address. Ministers, advisers, parliament members, dignitaries and high civil and military officials were present at the function. US Ambassador to Bangladesh Earl R. Miller was also present at the ceremony.

**For more:** <http://m.theindependentbd.com/post/215746>

## Others

### **Handicraft exports post 12pc growth**

There has been robust year-on-year growth in handicrafts exports thanks to the low production cost, availability of raw materials, low production cost, access to loans and entry into new markets, according to industry insiders. According to the Export Promotion Bureau (EPB), export earnings from handicrafts fetched USD 3.36 million in the July–August period of FY2019–20, registering a 12 per cent growth from the USD 3 million earned during the same period in FY2018–19. Ashrafur Rahman Faruque, the president of the Bangladesh Handicrafts Manufacturers' and Exporters' Association (BHMEA), told The Independent that the investment was nearly zero in the sector because all products are homemade and locally manufactured. He said the handicrafts industry did not require big capital-intensive machines and massive funds. This industry only requires skilled human resources, he added. Explaining three aspects of export growth, Faruque said value-addition to handicraft products, a skilled labour force and government support have helped boost the export growth of this sector.

**For more:** <http://m.theindependentbd.com/post/215841>

## Others

### **Furniture makers demand bonded warehouse facility**

The furniture sector could be one of the major export earners for Bangladesh if the government extends bonded warehouse facility to manufacturers, industry people said yesterday. Bangladesh earned \$74.89 million from furniture exports in fiscal 2018-19, which is 18.53 percent higher than that in the previous year. "The furniture industry could be our next readymade garment sector as it has good potential," said Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry. "The sector can help Bangladesh diversify its export basket," he said, while addressing the opening ceremony of the 16th National Furniture Fair at the International Convention City Bashundhara in Dhaka. The Bangladesh Furniture Shilpa Malik Samity (BFSMS), a platform of factory owners, organised the five-day event, where 31 companies are showcasing their products from 10am to 8pm. Rahman, also the president of the BFSMS, said the furniture sector does not get bonded warehouse benefit to import raw materials needed for the industry as it is not 100 percent export-oriented.

**For more:** <https://www.thedailystar.net/business/news/furniture-makers-demand-bonded-warehouse-facility-1801573>

## International Business

### **European parliament approves Lagarde as next ECB chief**

The European Parliament approved on Tuesday outgoing IMF chief Christine Lagarde as the next boss of the European Central Bank, which last week announced massive stimulus for the sluggish eurozone despite divisions among its governors. Lagarde, who was absent for the vote, won backing from 394 MEPs, with 206 voting against and 49 abstaining in a secret ballot. Some criticised her not turning up. The parliament's green light is just a recommendation. The final decision on her appointment is up to EU leaders in a mid-October summit. She is expected to easily clinch that confirmation as the leaders put her forward for the ECB post back in July. Lagarde, a former French economy minister and head of the International Monetary Fund for the past eight years, is expected to largely follow the course set by departing ECB president Mario Draghi. Draghi was hailed seven years ago for saving the eurozone from debilitating crisis by vowing "the ECB is ready to do whatever it takes".

**For more:** <http://today.thefinancialexpress.com.bd/trade-market/european-parliament-approves-lagarde-as-next-ecb-chief-1568742450>

#### Disclaimer

Unless otherwise stated, all information contained in this document (the "Publication") shall not be reproduced, in whole or in part, without the prior & specific written permission/consent of **Shanta Securities Limited**.

**Shanta Securities Limited** makes its best effort to ensure that the content in the Publication is accurate and up to date at all times. Shanta Securities Limited makes no warranty, representation or undertaking whether expressed or implied, nor does it assume any legal liability, whether direct or indirect, or responsibility for the accuracy, completeness, or usefulness of any information that contain in the Publication. It is not the intention of the publication to be used or deemed as recommendation, option or advice for any action(s) that may take place in future.