

MT Biz

MONTHLY BUSINESS REVIEW
VOLUME: 08 ISSUE: 07
AUGUST 2017

Made in Bangladesh

INDUSTRY REVIEW: RMG
Bangladesh, the 2nd Largest Garments Exporter

MTB RETAIL
BANKING
pleasure in life

MTB HOME LOAN

pleasure of owning your home



Planning to own/renovate/build a home?

MTB Home Loan offers a wide range of home loan solutions that can be customized to cater to your specific needs.

A dedicated and experienced team is ready to receive your call.


Home/Home Equity Loan
@ 9.00%


Takeover Loan
@ 8.75%

*Conditions Apply



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

☎ **16219** or 09604016219



Contents

Article of the month	02
National News	
The Central Bank	06
Business & Economy	08
MTB News & Events	12
Industry Appointments	16
Dashboard	18
International News	
Economic Forecast	21
Wells Fargo Monthly Outlook	23
Financial Glossary	24



Developed & Published by
MTB Group R&D

Please send feedback to:
rnd@mutualtrustbank.com

All rights reserved @ 2017

Design & Printing:
Preview

Disclaimer:

MTBiz is printed for non-commercial & selected individual-level distribution in order to sharing information among stakeholders only. MTB takes no responsibility for any individual investment decision based on the information at MTBiz. This review is for information purpose only and the comments and forecasts are intended to be of general nature and are current as of the date of publication. Information is obtained from secondary sources which are assumed to be reliable but their accuracy cannot be guaranteed. The name of the other companies, products and services are the properties of their respective owners and are protected by copyright, trademark and other intellectual property laws.



WE SUPPORT

INDUSTRY REVIEW: RMG

Bangladesh, the 2nd Largest Garments Exporter



SHARE IN GLOBAL GARMENTS MARKET AND NATIONAL GDP



EXPORT - GARMENTS

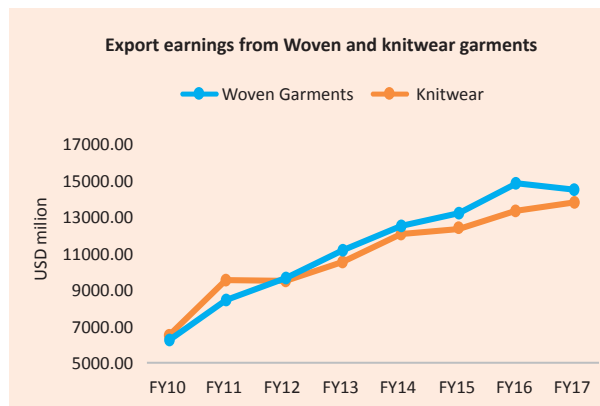
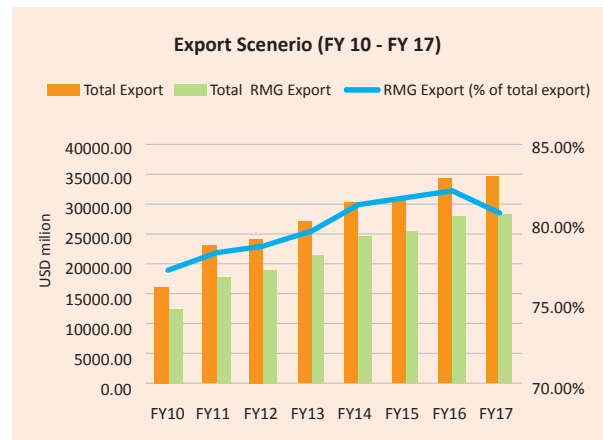


Having a significant impact on country's total export as well as on employment, RMG contributed significantly to the national GDP creating about 4 million employment opportunities, powered by young workers, where most of who are women.

Emerging as one the leading exporter of RMG globally after China and possessing 5% share in the USD 450-billion global garments market, Bangladesh recorded RMG exports worth USD 28 billion in fiscal year (FY) 2016, with

an average year-on-year growth of 13% between FY10 and FY17, According to Export Promotion Bureau (EPB).

RMG industry has impacted the Gross Domestic Product (GDP) of Bangladesh positively by 12.36% of share, engrossing 80.7% of the total export earnings in the FY17 becoming the biggest strategic sector of the country.



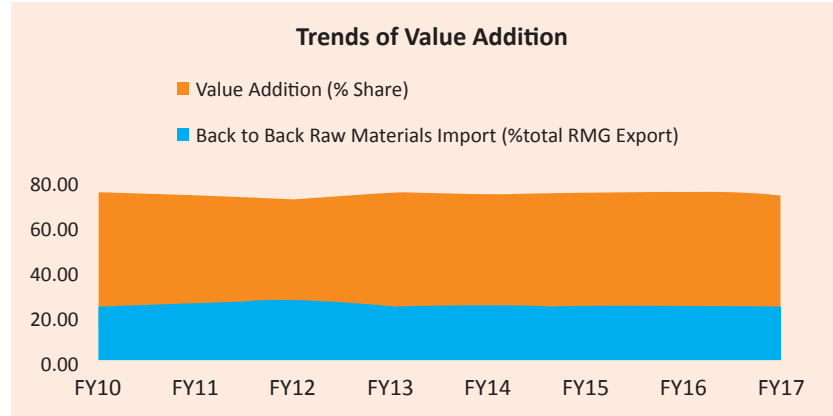
Export earnings from woven garments stood at USD 3607.31 million during the last quarter of FY17, which is 7.3% lower than previous quarter as well as 4.4% and 16.7% lower than the same

quarter of previous fiscal year and export target for the quarter respectively. Export earnings from knitwear garments stood at USD 3603.7 million during the 4th quarter of FY17, which is 8.2% higher than the previous quarter. On the other hand, it is 2.10% and 4.84% lower than the same quarter of previous fiscal year and the export target for the quarter respectively.

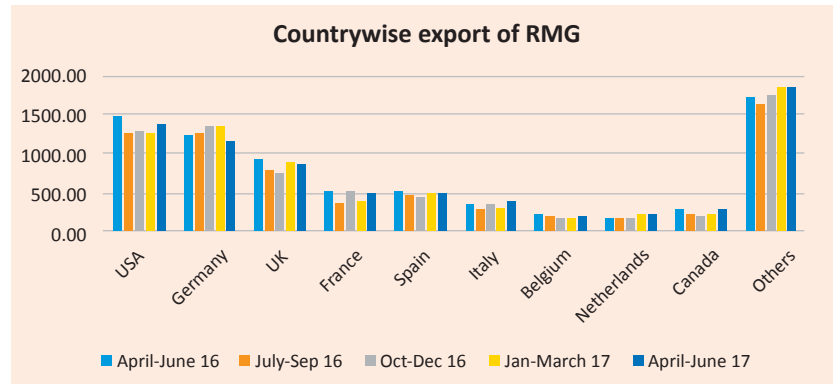
IMPORT - RAW MATERIALS



In FY17, import price of raw materials stood at USD 7014.2 million through back-to-back L/C, which is 24.93% of total RMG export value. Thus, the gross value addition from this sector stood at 75.07%, which is 0.28 percentage points lower than FY16. The yearly data on RMG export and back-to-back raw materials import shows that the average value addition from FY10 to FY17 through export of RMG is almost 75%.



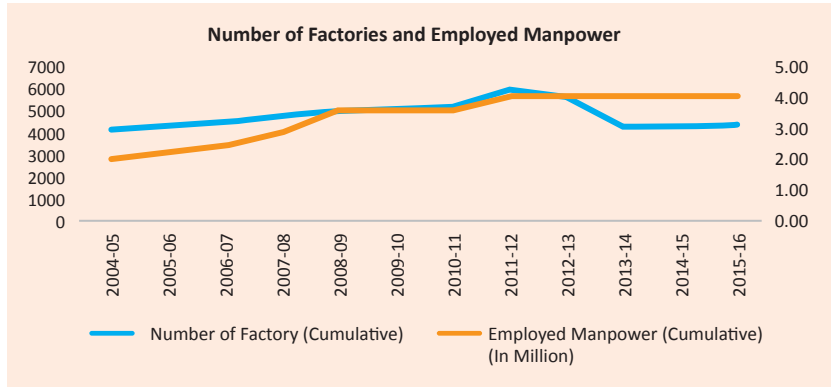
BUYERS OF RMG



The major importer countries of Bangladeshi RMGs are USA, Germany, UK, France, Spain, Italy, Belgium, Netherlands and Canada. During April-June of FY17, total export to these nine countries stood at USD 6042.0 million, of which 90.4% or USD 5460.45 million is from the RMG (woven 46.6% and knitwear 43.8%) export. During the quarter under report, RMG export to these nine countries increased by 1.8% compared to the previous quarter and 4.8% lower than the corresponding quarter of previous fiscal year.



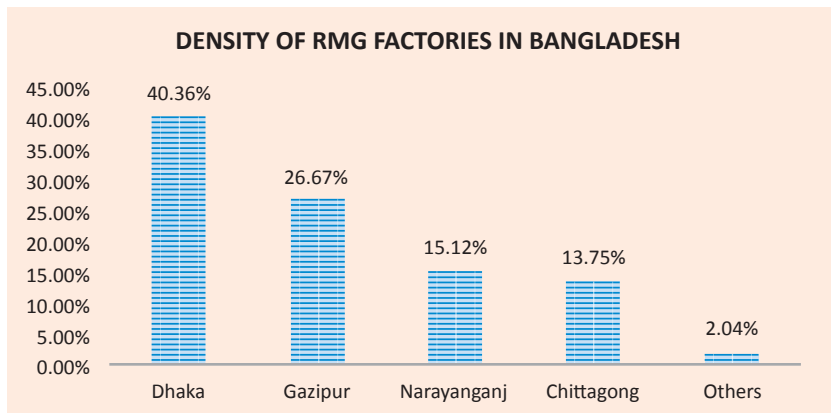
EMPLOYMENT



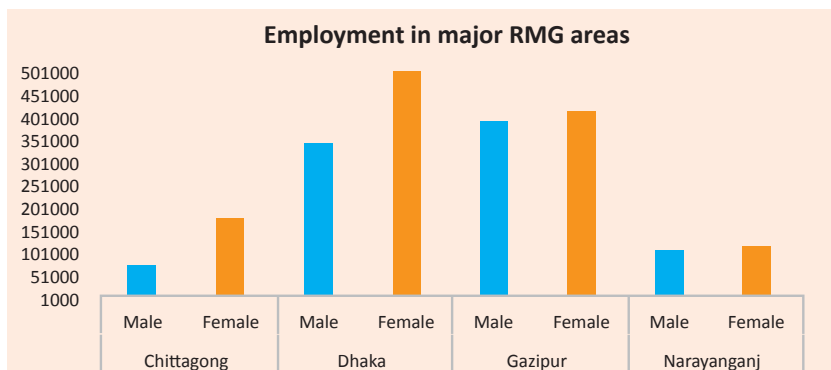
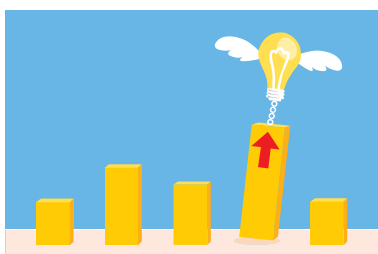
According to Bangladesh Garment Manufacturers and Exporters Association (BGMEA), about 4 million of total manpower is working in 4328 garments factories in Bangladesh, of which 85% is women. Employment in RMG sector increased from 2 million to 4 million between FY05 and FY12 and remained unchanged until FY16, where the number of factories declined from 5876 to 4382 in FY16 compared to FY12.



Dhaka (40.36%), Gazipur (26.67%), Narayanjanj (15.12%) and Chittagong (13.75%) are the major RMG areas while other districts of the country have only 2.04% RMG factories what implies that there are still larger portion of the country have remained unexplored where development of infrastructure



and channels of communications have a vital role to play. In line with 7th five year plan, huge development of infrastructure will open up a large window for RMG where supply of power and energy would be crucial. These expansions of RMG across the country can drag down the rate of unemployment by hitting hard the poverty line and taking even a larger pie of GDP of the country.



GROWTH TARGET (FY17-18)



Bangladesh government has set its export target at USD 41 billion, with a growth target of 7.87%, riding on apparel products, for the FY2017-18. Of the amount, USD 37.50 billion is expected to come from the manufacturing sector, including the RMG sector, while USD 3.50 billion will come from the service sector, including computer services. Considering the global economic outlook, policy changes in import and export destinations, fluctuating exchange rate, stakeholders' feedback and supply-side capacity, government has set the target for FY18. The government has plans to earn USD 30.16 billion from the RMG sector with an 8.12% growth.

GREEN INDUSTRIAL APPROACH

The major industrial sector of the country is increasingly adopting the green industrial approach. The apparel sector is currently championing green industrialization in conformity with the changes in the recent global manufacturing business.

RMG INDUSTRIES UNDER CENTRAL WELFARE FUND

The government has decided to bring all RMG and exporting industries under the Labour Ministry's central fund from which a worker or their children will get BDT 3 lakh from it in case of grave injuries or death at their workplace. Also, in case of any injury or death outside the workplace, a worker or their heirs will get BDT 2 lakh from the fund, which was solely created to provide financial support to the families of the workers. Making the announcement, Prime Minister H.E. Sheikh Hasina recently said that the Commerce Ministry has already been given instructions to bring all garment exporters under that central fund, according to Bangladesh Sangbad Sangstha (BSS).

DIGITAL RMG FACTORY MAPPING



A major initiative to map all apparel factories in Bangladesh was launched. The project called 'Digital RMG Factory Mapping in Bangladesh' (DRFM-B) is



the first ever of its kind to attempt to digitally map the entire garment sector in Bangladesh and marks a transformative industry shift toward more transparency. This locally owned and managed project will collect credible, comprehensive and accurate data on factories across Bangladesh and disclose it in a publicly available, online map. The map will provide a detailed industry-wide database of factories, including names, locations, numbers of workers, product type, export country, certifications, brand customers, etc. Verification will be crowd sourced from the public to ensure that information remains up-to-date and accurate.

The digital mapping project will be implemented by BRAC University's Centre for Entrepreneurship Development, coordinated by BRAC USA, with Bangladesh Garment Manufacturers and Exporters Association (BGMEA) as strategic partner, along with lead funding from C&A Foundation. DRFM-B will be guided by a multi-stakeholder Project Advisory Committee, including representatives of workers, NGOs, employers, and industry associations.

NATIONAL NEWS

Bangladesh banking asset to GDP is 67.2 per cent



Bangladesh banking sector's overall asset to GDP (Gross Domestic Product) ratio stood at 67.2 per cent at the end of 2016. The ratio was 65.2 per cent at the end of September, 2016. Total asset of the overall banking sector stood at BDT 11.6 trillion at the end of 2016 which was BDT 10.2 trillion at the end of 2015. Quarterly Financial Stability Assessment Report prepared by the central bank unveiled the picture. The amount of loans and advances stood at BDT 7.13 trillion at the end of December 2016 which was BDT 6.00 trillion at the end of December 2015.

BB updates SME terms



Bangladesh Bank (BB) has updated its definition of micro, cottage, small and medium enterprises in line with the National Industrial Policy 2016 and set a limit to the amount of credit they can avail. Moreover, banks must set aside for SMEs 20 percent of the loans they give out in 2017 and raise it to 25 percent by 2021. Of that for SMEs, at least 50 percent has to be kept for cottage, micro and small enterprises, said a circular. BB's January 2016 circular had called for a minimum 30 percent SME lending to manufacturing sector, 15 percent for service sector and a maximum 55 percent for trading. Now the instruction is to increase lending to manufacturing SMEs to at least 40 percent by 2021, service SMEs to at least 25 percent and trading SMEs a maximum 35 percent. At least 10 percent of the lending will have to go to women SME entrepreneurs. This rate will have to be raised to 15 percent by 2021. Bankers have welcomed the new regulations. Selim RF Hussain, Managing Director of BRAC Bank, said the changes are positive and aligned with the government's broader industrial policy, reflecting the transformational changes that have taken place in the economy in the last seven-eight years.

Cottage industry to get BDT 1.0 million single loan



A single client of the country's cottage industry is eligible to get maximum BDT 1.0 million loans from the bank, according to a latest instruction of the central bank. Cottage industry means an industrial unit which has movable fixed asset of below BDT 1.0 million without land and factory building and maximum number of manpower is 15 including family members. However, if an industrial unit is considered a cottage industry under one criterion, it may be considered as micro industry in another criterion. In such a case, the unit will be treated as a micro industry.

BB takes initiative to make DIBOR vibrant



Bangladesh Bank has taken an initiative to make vibrant the Dhaka Interbank Offered Rate (DIBOR) to fix a uniform interbank interest rate for short-term loan within this year. Like London Interbank Offered Rate, which is popularly known as LIBOR, a benchmark rate that some of the world's leading banks charge each other for short-term loans, the BB wants to activate the DIBOR. The BB hopes that once the DIBOR is established full-fledged, the country's commercial banks and businesspeople will be able to use the rate as a benchmark to set the interest rate for short-term loans. The central bank issued a letter to Managing Directors and Chief Executive Officers of 15 commercial banks including 12 primary dealers and asked Bangladesh Foreign Exchange Dealers Association, an organisation of the country's scheduled banks to draw up a code of conduct over the DIBOR after which the BFEDA has recently placed a draft proposal in this regard.

BB eases forex regulations for companies in EPZs



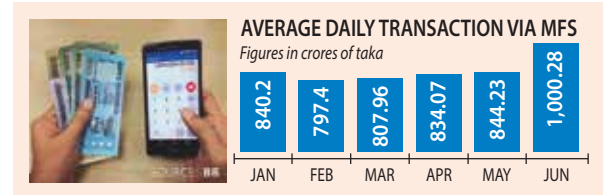
Bangladesh Bank (BB) has relaxed foreign exchange regulations for the companies in Export Processing Zones (EPZs) to

bring uniformity in regulations between enterprises of EPZs and Economic Zones (EZs). Equity from foreign shareholders and authorised loan received in foreign currency from external sources may be credited in Foreign Currency (FC) accounts of 'Type A' and 'Type B' enterprises of EPZs. 'Type C' enterprises of EPZs may obtain foreign exchange from Authorised Dealers (ADs) to settle obligations for importing capital machinery by the conversion of equivalent equity and authorised loan received in local currency. Similarly, 'Type B' enterprises may convert their local equity or authorised loan received in local currency into foreign exchange to settle obligations for importing capital machinery if equity or authorised foreign loan received from abroad falls short to meet such obligations. According to the Bangladesh Export Processing Zone Authority (BEPZA), 100 per cent foreign owned including Bangladesh nationals ordinarily resident abroad are Type-A company. Joint venture between foreign and Bangladesh entrepreneurs resident in Bangladesh are Type-B company and 100 per cent Bangladesh entrepreneurs resident in Bangladesh are Type-C company.

BB raises NRBs' home loan debt-equity ratio to 75:25

The non-resident Bangladeshis (NRBs) can obtain housing finance facility at a maximum debt-equity ratio of 75:25 instead of the existing debt-equity ratio of 50:50. Bangladesh Bank (BB) recently issued a circular in this connection. Bankers at a roundtable urged the government to allow a debt-equity ratio of 80:20 for home loan to the NRBs, so that they show more interest to invest in home building in the country. BB raises NRBs' home loan debt-equity ratio to 75:25. They said it would also help to boost inward remittance. On December 06, 2015, BB issued a circular on facilitating the NRBs to purchase apartment or land through taking loans in Bangladesh currency. The circular, issued by its Foreign Exchange Policy Department, said Authorised Dealers (ADs) may extend mortgage loans in Taka to the NRBs working abroad for housing purpose of in Bangladesh.

Daily transactions reach BDT 1,000cr



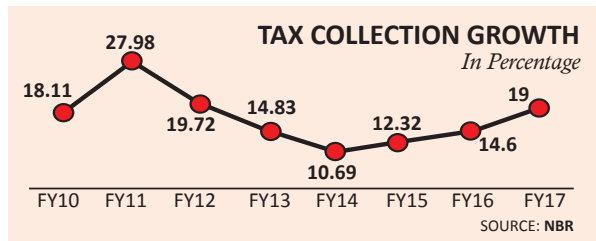
Mobile transactions reached BDT 30,008 crore for the first time in June, according to Bangladesh Bank. During Eid celebrations in June, transactions through mobile reached BDT 1,000.28 crore a day on an average, up by 18.48 percent from the previous month. Mobile financial service providers say people are becoming more comfortable with electronic transactions. Different incentives like cash back and discounts are offered before Eid, which boost the volume of such transactions then, they said. At the end of June, the number of active accounts grew by 27.76 percent from May to reach 2.74 crore, the highest level so far. Meanwhile, the total number of accounts, both active and inactive, reached 5.37 crore. Up to 20 percent cash back was offered by bKash on shopping at select outlets on the occasion of Ramadan and Eid. In June, salary disbursement through mobile wallets also grew 58.73 percent to BDT 666.10 crore. Currently, 17 mobile financial service licence holders are in operation and two operators -- bKash and Rocket -- dominate 99 percent of the market share.

BB lowers private sector credit target

Bangladesh Bank (BB) reduced the private sector credit growth target to 16.3% in its monetary policy statement (MPS) for the July to December (H1) period of fiscal year 2017-18. The target was 16.5% in the second half of the last fiscal year, which ended on June 30. After discussing with stakeholders and economists, BB Governor Fazle Kabir announced the monetary policy at the central bank's headquarter on July 26, 2017. He said the bank was targeting 12.1% credit growth in the public sector and an overall domestic credit growth ceiling of 15.8%. The credit growth has only been lowered for the public sector, not the private sector. The Exporters Association of Bangladesh (EAB) president, Abdus Salam Murshedy, was critical of the central bank policy. Fazle Kabir said the policy will help the Bangladesh economy to achieve 7.4% GDP growth at the end of the current fiscal year, while limiting the inflation rate to 5.5% as per the government target in the budget for this fiscal year. The inflation rate at the end of last FY stood at 5.4% against the pre-set target of 5.8%.

NATIONAL NEWS

Revenue growth hits 5-year high



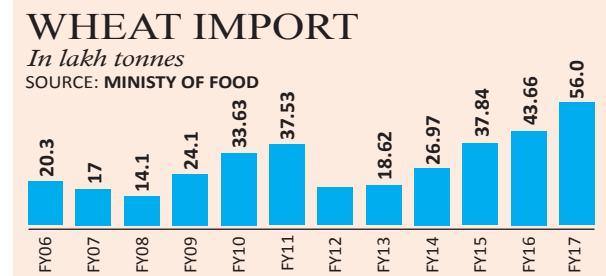
Revenue collection increased 19 percent—a five-year-high—to BDT 185,003 crore in the last fiscal year compared to the previous year thanks to higher imports and VAT collection. In 2016-17, collection from import duties rose 20 percent year-on-year to BDT 53,330 crore while VAT receipts from local businesses soared 19 percent year-on-year to BDT 66,891 crore. Income tax collection also rose 17 percent year-on-year to BDT 63,781 crore in 2016-17, according to provisional data released by the National Board of Revenue (NBR). The growth in revenue collection enabled the NBR to touch the revised target from the initial goal of BDT 203,152 crore set at the beginning of the last fiscal year. The revenue collection target for the current fiscal year has been set at BDT 248,190 crore, which is 34 percent higher than last fiscal year's preliminary figures.

Bank Asia, UNDP team up for social safety net payments



Bank Asia has recently teamed up with the United Nations Development Programme (UNDP) to provide the village population with easier access to social safety net payments. This new partnership aims at bringing financial safety payments and financial services at a doorstep, including providing financial literacy. The initial pilot phase of this project will run for a period of one year and cover one district, according to the statement. During this period, a research study will be conducted to tailor a mobile application for digital financial services developed by Bank Asia specifically for this target group. The pilot district will be selected by Bank Asia and UNDP, during the research phase, the bank said.

Wheat imports may go up further



Bangladesh's wheat imports and consumption are likely to go up further this fiscal year, driven by resilient domestic demand and lower international prices. Imports are expected to hit 60 lakh tonnes at the end of the current fiscal year, posting a 5.44 percent gain year-on-year, said the US Department of Agriculture recently. The USDA revised upward Bangladesh's wheat consumption forecast to 73 lakh tonnes for the current fiscal year, up three lakh tonnes from its March forecast on increased consumption as an alternative to rice in flood affected areas. Price of coarse rice, which is consumed mostly by poor and lower middle-income people, dropped marginally from a record high of BDT 47.30 per kilogram in June. Retail prices of coarse rice were BDT 42-45 per kilogram yesterday thanks to increased imports after reduction of import duty by the government to 10 percent from previous 28 percent. Bangladesh's wheat import hit a new high at 56.90 lakh tonnes in fiscal 2016-17, up 30 percent year-on-year, due to low prices, a shift in consumers' diet preference and flourishing bakery market. Bangladesh sources a majority of the wheat from Russia and Ukraine followed by Canada, Argentina, Australia and the USA, according to market operators.

Bangladesh to produce 4.2m tonnes fishes in 2016-17

Fish production in Bangladesh is estimated to increase to 4.04 million tonnes in 2015-16 fiscal year from 3.88 million tonnes in 2014-15 fiscal. Fisheries and Livestock Minister Muhammed Sayedul Hoque said this adding the country will be self-sufficient in fish through enhancing production up to 4.2 million tones within the next year. He was addressing a press briefing in the city marking the beginning of National Fisheries Week-2017. The fisheries minister said in 2008-09 the country produced only 2.70 million tonnes fishes and the production was significantly increased to 3.88 million tonnes in 2015-16 fiscal year due to various development programmes taken by the government. Citing a Food and Agriculture Organization (FAO) estimate, the minister said the country will need almost 4.2 million tonnes fish in a year to meet its annual demand with daily per capita requirement of 60 grams.

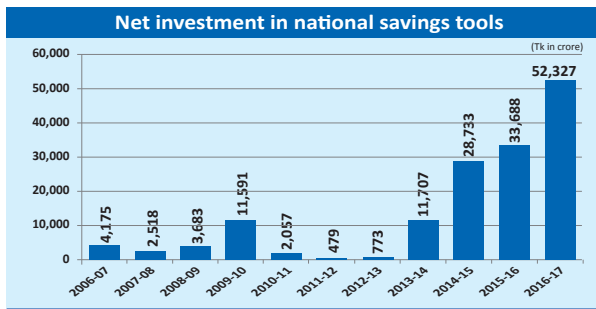
NATIONAL NEWS

ADB lends USD 526m for infrastructure dev projects under PPP



The Asian Development Bank (ADB) approved a USD 526 million loan to facilitate execution of infrastructure development projects in Bangladesh under the Public-Private Partnership (PPP) initiatives, the Bank said. The Board of the ADB in its meeting in Manila endorsed the multi-tranche financing facility (MFF) which will also help improve renewable energy in Bangladesh, a statement from the ADB Headquarters said. The ADB fund consists of a USD 500 million market-based loan to finance medium and large-scale PPP infrastructure projects, and a USD 26 million concessional loan to finance small and medium-sized renewable energy and energy efficiency facilities, primarily in rural areas of the country. Both the loans are under the Third Public-Private Infrastructure Development Facility (PPIDF 3). The fund will mainly be used for enactment of the PPP Act and institutional support to the PPP Authority. It is also designed to promote commercial financing for PPP projects to reduce pressure on direct financing from the budget to meet the growth target.

Investment in nat'l savings tools hits record BDT 52,327cr in FY17



The yearly net investment in the national savings certificates and bonds hit a fresh record of BDT 52,327 crore in the recently concluded fiscal year 2016-17 as there was a huge rush for the tools due to low interest rates for bank deposit products. The previous highest yearly net investment in the saving tools was BDT 33,688.60 crore posted in FY16. Directorate of National Savings and Bangladesh Bank officials said people had been maintaining a huge investment in the last few months as the government earlier hinted at lowering the rate on the tools with a view to reducing the interest rate gap between the NSCs and other rates of deposit products offered by the banks. The net investment also crossed BDT 50,000 crore for the first time in the country's history in the last fiscal year.

ADB: Bangladesh growth beats forecasts



Asian Development Bank says agriculture growth in Bangladesh in FY2017 was higher than anticipated. According to the report, agriculture growth in Bangladesh

in FY2017 was higher than anticipated. Services growth also outperformed expectations, supported by agriculture growth and solid performances in wholesale and retail trade, real estate, hotels and restaurants, and transport. Preliminary government economic growth estimates in Bangladesh for the last fiscal beat the forecasts of Asian Development Outlook (ADO) 2017, according to an Asian Development Bank (ADB) report. In the ADO 2017, published in April this year, ADB said Bangladesh economy will grow to 6.9% in the fiscal 2016-17 but Bangladesh's gross domestic product (GDP) growth reached 7.24% in FY2017, beating all the previous records. In a supplement to its ADO 2017 report released recently, ADB upgraded its growth outlook in the region from 5.7% to 5.9% in 2017 and from 5.7% to 5.8% for 2018. The smaller uptick in the 2018 rate reflects a cautious view on the sustainability of this export push. According to the report, agriculture growth in Bangladesh in FY2017 was higher than anticipated. Services growth also outperformed expectations, supported by agriculture growth and solid performances in wholesale and retail trade, real estate, hotels and restaurants, and transport. Inflation forecasts for South Asia are cut to 4.2% from 5.2% in 2017 and to 4.7% from 5.4% in 2018, prompted by lower increases in Bangladesh, Bhutan, India, and Nepal.

Offshore banking units credit exceeded USD 6bn in 2016

Individuals or institutions can take short-term foreign loans through offshore units of commercial banks. Bangladesh's private sector borrowing from foreign banks through the country's private commercial banks' offshore units jumped to USD 6.26bn in 2016 rising 31% from USD 4.7bn in 2015, said a report released by the Bangladesh Institute of Bank Management (BIBM). According to the report, the country's foreign borrowing totaled USD 1.58bn in 2012, which increased to USD 2.03bn in 2013 and USD 3.78bn in 2014. A six-member team led by BIBM Research Director Shah Md Ahsan Habib presented the report titled "Prospects and Challenges of Short-term Foreign Currency Financing of Bank" at a workshop organized at the BIBM premises.

NATIONAL NEWS

Country's economy to be 30th largest in five yrs, in PPP terms



Bangladesh's gross domestic product (GDP) now stands at USD 686.59 billion in terms of purchasing power parity (PPP), making it the 32nd largest economy in the world in 2017. Bangladesh's GDP, in terms of PPP, is expected to cross USD 1,000 billion, making the country the 30th largest economy of the world in 2022. The Review of Economic Situation in Bangladesh for April-June 2017 (Q4 of FY17), prepared by the Metropolitan Chamber of Commerce and Industry (MCCI), included the estimate. The leading chamber mentioned the size of the Bangladesh's GDP on the basis of the World Economic Outlook of the IMF (International Monetary Fund), released in April, 2017. However, in nominal terms, the size of the GDP will turn Bangladesh into the 38th largest economy in 2022. The GDP of the country is now the 45th largest. The MCCI said remittance inflow in the last financial year up to June 30 was the lowest in six years, declining by 14.48 per cent to USUSD12.769 billion from USUSD14.931 billion in the previous fiscal year. However, the weighted average interest rate on deposits decreased to 4.93 per cent in May 2017 from 4.97 per cent in April this year.

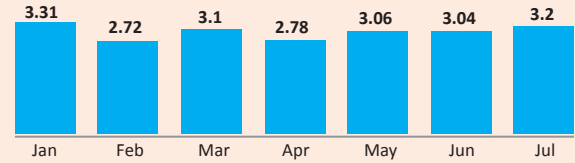
Inflation inches down to 5.57pc

Inflation declined for the first time in eight months in July thanks to a fall in prices of both food and non-food items. Last month, the consumer price index fell 0.37 percentage points to 5.57 percent from a month earlier, according to figures released recently by the Bangladesh Bureau of Statistics. Planning Minister AHM Mustafa Kamal disclosed the inflation figures after the meeting of the Executive Committee of the National Economic Council in his ministry. The fall in inflation came as a surprise for a number of economists. The prices of many products, including soybean and sugar, have gone down internationally, but the rice prices have gone up, Kamal said. In Bangladesh, rice, a staple food item, plays an important role in determining inflation. The prices of all other varieties of the staple went up between 12.62 percent and 17.39 percent in the last one year. In May 2016, coarse rice price was BDT 26.5 a kg, which rose to BDT 47.30 in June. The price came down to BDT 43.50 a kg in July, according to the Food and Agriculture Organisation of the United Nations.

Exports bounce back in July

EXPORT TRENDS

in billions of \$
SOURCE: EPB



Export earnings in July soared 26.54 percent to USD 3.2 billion, marking a strong rebound after lacklustre performance in the fiscal year that concluded in June. July's receipts, however, narrowly missed the monthly target of USD 3.23 billion, according to data from the Export Promotion Bureau. The surge in exports was led by garment, whose shipments soared 17.08 percent year-on-year to USD 2.47 billion in July. Still, the sector's export earnings fell short of the monthly target by 5 percent. Siddiqui Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association, though is not too sanguine about July's performance. The near-term export outlook of the garment sector, which typically contributes 82 percent to Bangladesh's total export earnings, is not too rosy for the nervy global economic situation, he said. Besides, Bangladesh has been losing its edge to competitors for longer lead-time due to inefficient Chittagong port operations, he said. Bangladesh's apparel exports to the European Union grew only 3.49 percent to USD 17.75 billion in fiscal 2016-17. In case of the US, the country's single largest export destination, it declined 7.47 percent to USD 5.2 billion.

Earnings from land ports witness 20.44pc rise in FY17

Revenue earnings from the country's land ports maintained a steady rise in fiscal year 2016-17 (FY17) as these ports earned BDT 100 crore, up by BDT 17 crore or 20.44 per cent from BDT 83 crore of the fiscal year 2015-16. Revenue earnings from the land ports have been maintaining an increasing trend because of the development of infrastructure. Exporters and importers are getting timely services from the ports, said chairman of Bangladesh Land Port Authority (BLPA) Tapan Kumar Chakrabarty. He said the land ports handled one crore tonnes of export and import goods in FY18. According to BLPA, 88 per cent of the total revenue came from three land ports-Benapole, Burimari and Bhomra. Like previous fiscal years, Benapole port earned the highest BDT 44 crore revenue in FY17, Burimari earned BDT 27 crore while Bhomra BDT 17 crore.

NATIONAL NEWS

BPO moves to tie up with global payment tech giants



Bangladesh Post Office (BPO) has decided to integrate its Postal Cash Card with Visa and MasterCard to modernise its services to compete in a changing world aimed at enhancing the revenue earnings.

The state-run agency has also decided to tie up itself with e-commerce giants Amazon and Alibaba.com to give its e-commerce service a big boost. According to an official document, a process is underway to integrate the Postal Cash Card with the Visa and MasterCard mainly for collecting remittances from Bangladeshi expatriates living in different countries. Technological aspects have already been finalised with the authorities of the payment technology and the system will be introduced by December next. Currently, 8,500 posts offices, including in all upazila headquarters, district towns and divisional cities, and important sub-post offices have this service. On the other hand, the government has introduced e-commerce service in 20 post offices in Dhaka metropolitan area on December 29, 2016 under a pilot project.

HSBC launches trade transaction tracker app



An innovative new mobile banking app puts exporters and importers in Bangladesh at the leading edge of digital capabilities in tracking international trade transactions, according to the world's leading trade bank, the Hongkong and Shanghai Banking Corporation Limited (HSBC). The HSBCnet Trade Transaction Tracker is a smartphone application for Apple iPhone and Android smartphones that provides HSBC customers with a real-time view of their documentary credits, collections and payments across markets and countries worldwide. Bangladesh is HSBC's first market in the Asia Pacific to get the new technology. It was unveiled at a launch ceremony attended by customers, representatives and officials from trade industry institutions and senior HSBC executives.

Bangladeshi consumers very optimistic: Mastercard survey



Bangladesh is the third most optimistic market in the Asia Pacific thanks to consumers' positive outlook on stockmarket, jobs and income, according to the

Mastercard Index of Consumer Confidence released recently. In the first half of 2017, the country's score in the index rose 6.6 points to 89.4 compared to the second half of 2016. The index is calculated on a scale of 0 to 100, with zero being the most pessimistic, 100 the most optimistic and between 40 and 60 being neutral. With the increase, Bangladesh moved further into the 'very optimistic' territory, with improvement in all five components that made up the index. Cambodia leads the region as the most optimistic market with 93.1 points. Vietnam (90.8), the Philippines (88.8) and China (88.2) rounded off the top five. This is the most comprehensive and longest running survey of its kind in the region. Between April and June, 9,153 respondents, aged 18 to 64 in 18 Asia Pacific markets, were asked to give a six-month outlook on the economy, employment prospects, the local stockmarket, their regular income prospects and their quality of life. Bangladesh saw the biggest jump in the stockmarket sub-index, as its point rose to 74.9 in the first half of 2017 from 59.9 in the second half of 2016.

Govt signs deal to buy solar power from Intraco

The 30MW solar power plant in the northern district of Rangpur by Intraco Solar Power will start supplying power to the national grid within the next 13 months. The government will buy per unit of power BDT 12.8 (USD 0.16) for 20 years after the plant goes in operation. Recently the Power Development Board or PDB inked two agreements for implementing the project and to purchase power with Intraco. Intraco Group Managing Director Riyad Ali, PDB Secretary PDB secretary Mina Masud Uzzaman and Power Division Joint Secretary Sheikh Faezul Amin signed the deals. State Minister for Power Nasrul Hamid, Power Division Secretary Ahmad Kaikus and PDB Chairman Khaled Mahmood attended the signing ceremony at the Power Division offices in Dhaka. The power plant at Gangachara, 17km off from the Rangpur city, will go in operation by 13 months, said officials. Land acquisition and appointment of consultants have been completed while the process to appoint a contractor is on.

18TH MTB ANNUAL GENERAL MEETING (AGM 2017) HELD



The 18th Annual General Meeting (AGM) of Mutual Trust Bank Limited (MTB) was held on Tuesday, July 25, 2017 at Army Golf Club, Dhaka Cantonment, Dhaka 1206.

MTB Chairman M. A. Rouf, JP, presided over the AGM. MTB Vice Chairman, Md. Hedayetullah, MTB Directors, Syed Manzur Elahi, Rashed A. Chowdhury, Dr. Arif Dowla, Md. Abdul Malek, Md. Wakiluddin, Anjan Chowdhury, Q. A. F. M. Serajul Islam, Independent Director, Anwarul Amin, Managing Director & CEO, Anis A. Khan, Additional Managing Director & COO, Md. Hashem Chowdhury, Deputy Managing Directors and a large number of shareholders attended the meeting. The shareholders approved 15% stock dividend for the year 2016.

MTB SIGNS AGREEMENT WITH GUARDIAN LIFE INSURANCE LIMITED



MTB has signed an agreement with Guardian Life Insurance Limited (Guardian Life) at a simple ceremony held at MTB Centre, 26 Gulshan Avenue, Dhaka 1212 on Tuesday, July 25, 2017.

MTB credit card holders, via this agreement, will enjoy triple benefit insurance facility, provided by Guardian Life. Triple benefit insurance facility includes coverage up to BDT 4 million in case of natural or accidental death or permanent total disability. MTB offers this complimentary service for Visa Signature and MasterCard World credit cardholders.

M M Monirul Alam, Managing Director & CEO, Guardian Life Insurance Limited and Anis A. Khan, Managing Director & CEO, MTB signed the agreement on behalf of their respective organizations. Tapan Chowdhury, Chief Patron, David Griffiths, Director, M. Shazzadul Karim, Chief Operating Officer, Md. Mazharul Islam Rana, Head of Group Business, Guardian Life Insurance Limited and Md. Hashem Chowdhury, Additional Managing Director & Chief Operating Officer, Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, Tarek Reaz Khan, Head of SME & Retail Banking, MTB along with other senior officials from both the organizations were also present at the occasion.

MTB SUPPORTS HAPPY HOMES PROJECT OF ACTIONAID



MTB and ActionAid International Bangladesh (ActionAid) has recently signed a Memorandum of Understanding (MoU). According to the MoU, MTB will bear educational expenses of Happy Homes project undertaken by ActionAid. Right to education is a strategic priority of ActionAid in this project, while education has always been a dominant part of MTB's CSR activities.

Farah Kabir, Executive Director, ActionAid and Anis A. Khan, Managing Director & CEO, MTB signed the MoU on behalf of their respective organizations. Khan

handed over a dummy cheque for BDT 600,000 at a simple ceremony held at MTB Centre, 26 Gulshan Avenue, Dhaka 1212 on Thursday, July 20, 2017.

Happy Homes is an initiative by ActionAid Bangladesh that ensures the safety and security of girl children formerly living on the streets. There are 112 girl children residing in the hostel of Happy Homes as of date. Girls receive education, have access to safe and rich childhoods and can pursue their dreams here.

MTB AMD & COO VISITS BANKS AND EXCHANGE HOUSES IN KSA



ARAB NATIONAL BANK

Md. Hashem Chowdhury, AMD & COO, MTB met Anwar A. Almurshed, Deputy General Manager, Retail Banking Group, Arab National Bank at Riyadh 11564, KSA on June 14, 2017.

ALAMOUDI EXCHANGE COMPANY

R Sukumaran, International Business Consultant-Asia, Shamim Chaudhury, Manager, Alamoudi Exchange Co. and Md. Hashem Chowdhury, AMD & COO, MTB are seen in the picture taken at Jeddah 21411, KSA on June 15, 2017.



MTB Additional Managing Director & COO, Md. Hashem Chowdhury, on his visit to The Kingdom of Saudi Arabia (KSA), met a number of executives of leading banks and exchange houses. While meeting the executives, Mr. Chowdhury exchanged his views on foreign remittance and roles of the banks and exchange houses. He mentioned the cutting edge banking products and services, MTB offers both at home and abroad. He also visited Bank Aljazira, Bank Albilad (Enjaz) and Banque Saudi Fransi.



MTB OBU FINANCES ENVOY TEXTILES



MTB has recently extended a long term financing facility of USD 8.0 million from its Off-shore Banking Unit (OBU) to Envoy Textiles Ltd. (Envoy).

MTB OBU finance is expected to serve the need for a long term source of financing in foreign currency for Envoy. The closing ceremony was held at Envoy Group's Corporate Head Office, Envoy Tower, Panthapath, Dhaka 1205 on Sunday, July 23, 2017.

Kutubuddin Ahmed, Chairman, Tanvir Ahmed, Director, Envoy Group, Tushar Tripathi, Chief Executive Officer, Saiful Islam, Chief Financial Officer, Envoy Textiles Ltd. and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, MTB along with other senior officials from both the organizations were present at the ceremony.

SUCCESSFUL COMPLETION OF PROFESSIONAL CERTIFICATE COURSE



Syed Towhid Hossain, SAVP, Banking Operations Division and Abul Bashir, FAVP, Legal Department, MTB successfully passed the Professional Mediator Training Certificate Course at Thailand Arbitration Center (THAC), Bangkok, Thailand during July 23 to July 29, 2017.

MTB SIGNS AGREEMENT WITH NEC MONEY TRANSFER LIMITED



MTB has signed an agreement with NEC Money Transfer Limited (NEC) on Sunday, June 11, 2017 at MTB Centre, 26 Gulshan Avenue, Dhaka 1212.

Under this agreement, the beneficiaries will receive foreign remittance on their respective mobile wallets or in the form of cash from MTB branches, through MTB's Remittance Disbursement Service.

Ikram Farazy, Managing Director & CEO, NEC and Anis A. Khan, Managing Director & CEO, MTB signed the agreement on behalf of their respective organizations. Md. Monir H Farazy, Director, Shamim Ahamed, Country Manager, Md. Hashem Chowdhury, Additional Managing Director & Chief Operating Officer, Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, MTB and other senior officials from both the organizations were present at the occasion.

MTB SIGNS AGREEMENT WITH COMPREHENSIVE HOLDINGS LIMITED



MTB has signed an agreement with Comprehensive Holdings Limited at MTB Centre, 26 Gulshan Avenue, Dhaka 1212 on July 30, Sunday, 2017.

Under this agreement, the customers of Comprehensive Holdings Limited will enjoy special offers for MTB Home Loan.

Shakill Siddique, Chairman, Comprehensive Holdings Limited and Syed Rafiqul Haq, Deputy



Managing Director & Chief Business Officer, MTB signed the agreement on behalf of their respective organizations. Senior officials of both the organizations were present at the signing ceremony.

NATIONAL NEWS

NRB Bank re-elects Chairman



Mohammed Mahtabur Rahman Nasir has recently been re-elected as the Chairman of NRB Bank. Nasir is also the Chairman of Al Haramain Perfumes Group of Companies. He is also the Chairman of Al Haramain Tea Co Ltd and Al Haramain Hospital Pvt Ltd, the trustee of the University of Asia Pacific and Beani Bazar Cancer Hospital. He is the founder President of Bangladesh Business Council in Dubai and also the sponsor of Sheikh Khalifa Bin Zayed Bangladesh Islamia (Pvt) School in Abu Dhabi, UAE.

Govt appoints CQK Mustaq as FRC Chairman



The government recently appointed retired senior secretary CQK Mustaq Ahmed as Chairman of the Financial Reporting Council (FRC), a body to ensure accountability and improve performance of professional accountants of the country.

Mustaq has been appointed as the Chairman of the FRC for four years from the date of his joining or until he becomes 65 years in age. Mustaq retired as Senior Secretary of the Home Ministry in 2015. He also served as Agriculture Ministry Senior Secretary and Bridges Division Secretary.

LankaBangla Finance appoints new DMD



Firoz Ahmed Khan has been appointed as the new Deputy Managing Director of LankaBangla Finance Limited. Prior to his current position in LankaBangla Finance, Khan worked as the Head of Retail Banking at BRAC Bank Limited where he was

instrumental to transform the bank and win “The Asian Banker Excellence in Retail Financial Services Awards” for the Best Retail Bank in Bangladesh in 2011. First eCommerce payment gateway in Bangladesh in 2010 and first ever “Planet Card” to support green banking were some of his initiatives. He started his banking career with the ANZ Grindlays Bank as Finance Manager in 2000. In his 16 years diverse professional career, he was also the Head of Finance in Consumer Banking Division of Standard Chartered Bank from March 2005 to June 2008. He is the co-founder of “Financial Forum Bangladesh” and “Finova Technologies Ltd.”

NCC Bank elects new Chairman



The Board of Directors of NCC Bank Ltd has elected Nurun Newaz Salim as Chairman of the bank. Prior to the new appointment, Nurun Newaz was the Director of the bank. He is the Chairman of Electro Mart Ltd and Trade International Marketing Ltd. Salim is also the Senior Vice President of Chittagong Chamber of Commerce and Industries and was the chairman of Central Insurance Co Ltd.

UCB gets new MD



A. E. Abdul Muhaimen has been appointed as the Managing Director of United Commercial Bank Limited (UCB). Prior to that, he was the Additional Managing Director of UCB. Mr. Muhaimen is a senior banking professional with

30 years of experience with MNC & Regional Banks in Asia, Australia, Middle East & Bangladesh holding C-Level jobs in key business and support roles. Muhaimen started his career with ANZ Grindlays Bank as Management Trainee in 1986. He worked with ANZ Grindlays and Standard Chartered Bank. His last position in Standard Chartered was regional Head SME & Mortgages for Middle East and South Asia.

Afzal made AMD of UCB



Eminent banker Ahsan Afzal has joined as Additional Managing Director, United Commercial Bank Limited recently. He is a senior banking professional, having more than 20 years of experience in banking and finance in

Bangladesh. Afzal started his banking career with ANZ Grindlays Bank as Management Trainee in 1995. He worked briefly with IDLC Finance as a Probationary Officer, prior to that, the same year. He served ANZ Grindlays Bank for about 6 years and joined Standard Chartered Bank (SCB) in 2001. He held various senior positions in SCB and left the bank while he was a General Manager in Consumer Banking. Later, he joined AB Bank in 2011 as Deputy Managing Director and successfully rendered services of overall business responsibility for liability, SME, consumer, branch and ATM distribution.



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

Pay your
DPDC BILL

through **MTBinternet**
banking

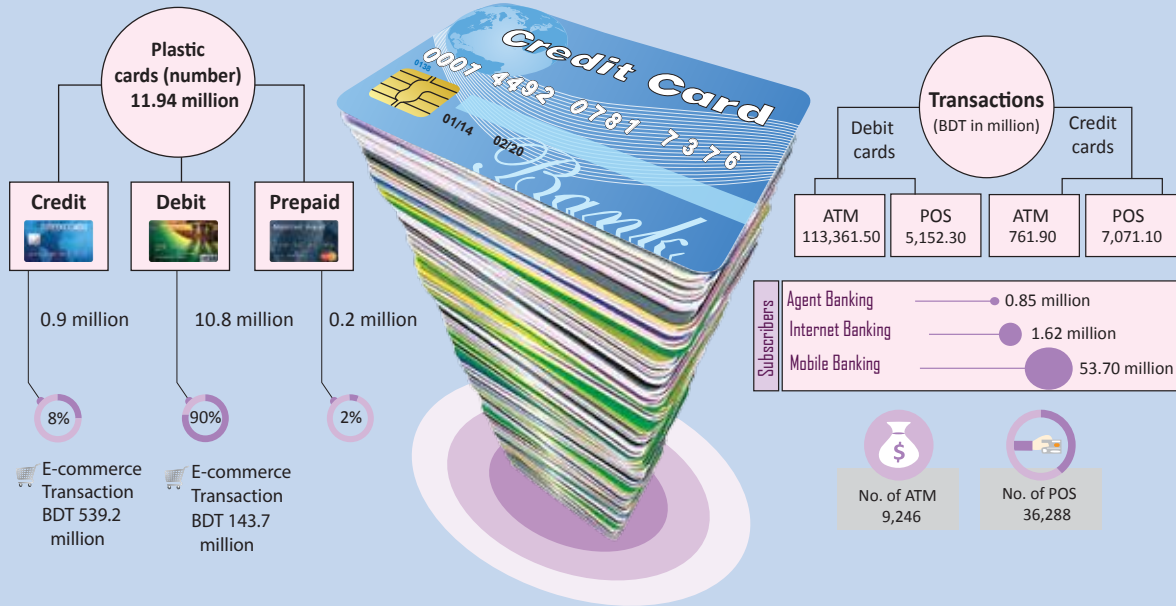


www.mutualtrustbank.com

©16219

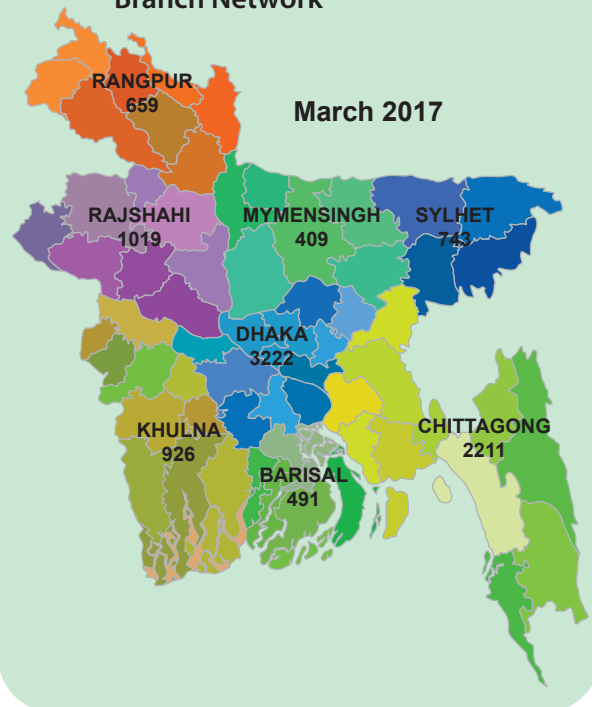


Digital Payments

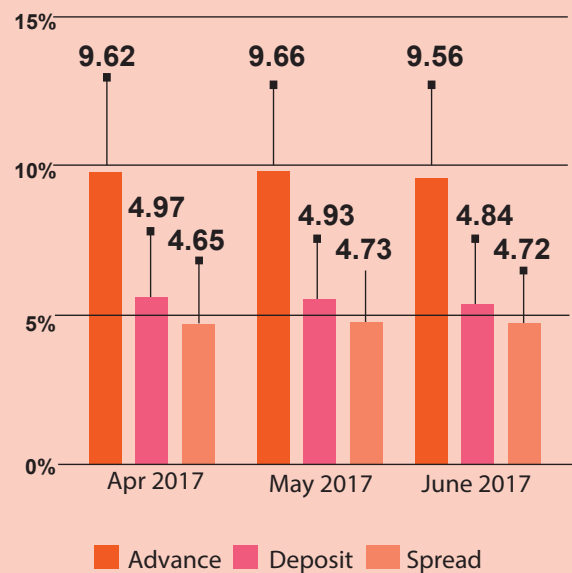


Source: Bangladesh Bank, June 2017; BTRC, June 2017

Scheduled Banks Branch Network



Industry Rates Deposit - Advance - Spread



Source: Bangladesh Bank

Global



Rice
USD 444.68 / metric ton
June 2017



Palm Oil
USD 621.18 metric ton
June 2017



Sugar
USD 613.49 / metric ton
June 2017

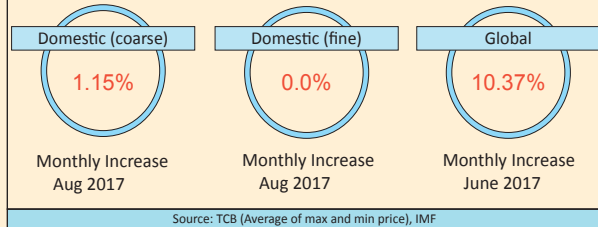


Soybean Oil
USD 704.83 / metric ton
June 2017

Weekly Rice BDT/KG

Year 2017	Aug 19	Aug 20	Aug 21	Aug 22	Aug 23	Aug 24	Aug 25
Rate (Avg.)	44.00	44.00	44.00	44.00	44.00	44.00	44.00

Monthly Price Change (%)



Import L/C (in million) Bangladesh



Source: Bangladesh Bank

Domestic



Rice (fine)
BDT 55.40 per kg
Aug 2017



Palm Oil
BDT 71.00 per kg
Aug 2017



Sugar
BDT 58.80 per kg
Aug 2017



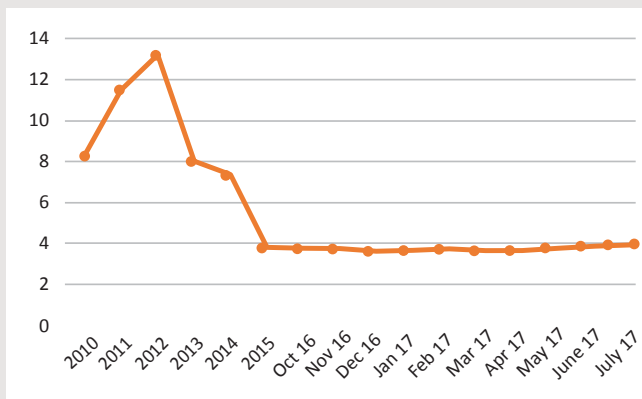
Rice (coarse)
BDT 43.90 per kg
Aug 2017



Soybean Oil
BDT 85.00 per kg
Aug 2017

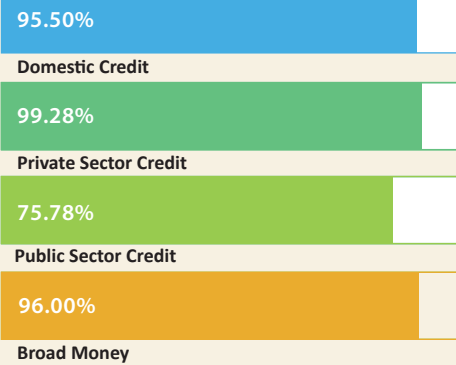
Source: TCB (Average of max and min price)

Call Money Market W. Avg Interest Rate (%)



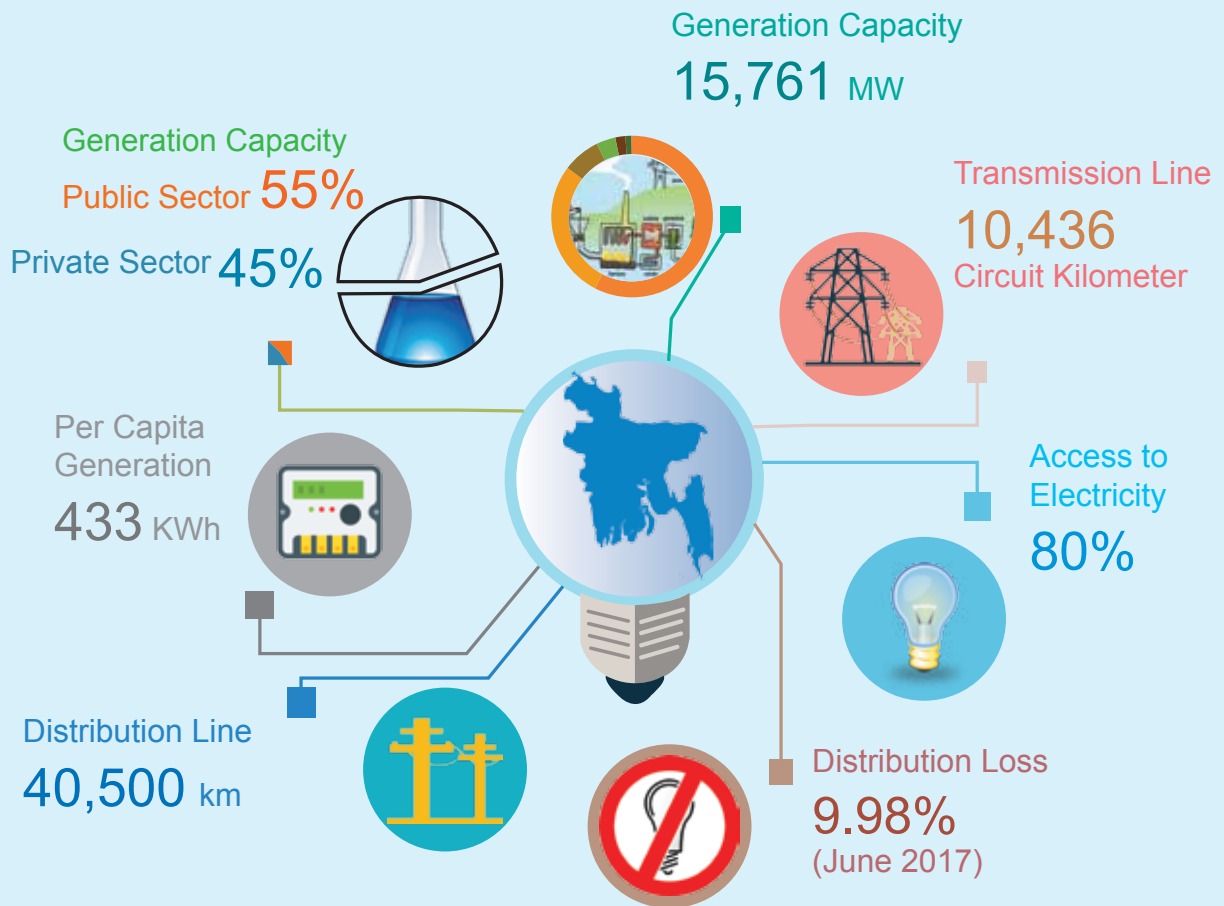
Source: Bangladesh Bank

Monetary Policy

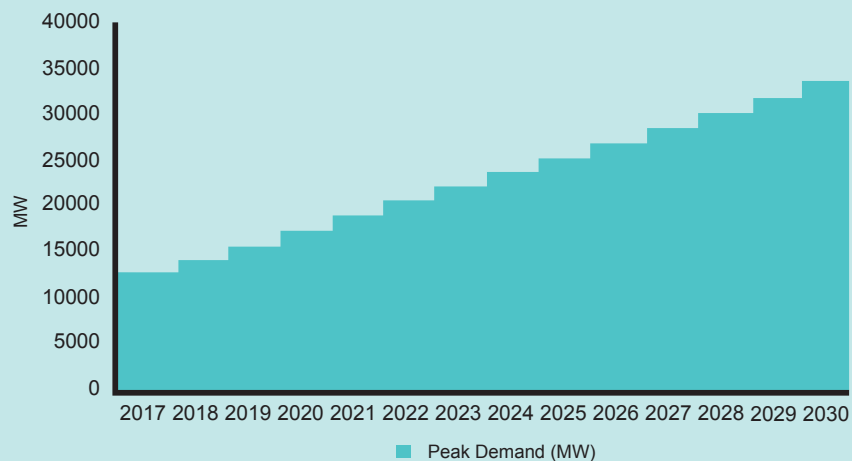


* Figures projected for June 2017 & achieved up to June 2017

POWER SECTOR OF BANGLADESH AT A GLANCE (August 2017)



BPDB'S DEMAND FORECAST (2017-2030)



Source:
Bangladesh Power Development Board (BPDB)
Power Cell

INTERNATIONAL NEWS

Cautious optimism for Asia's Outlook ADO 2017

Growth outlook

With export demand stronger than expected in the first quarter of 2017, the region's gross domestic product (GDP) is forecast to expand somewhat faster than forecast in April in Asian Development Outlook 2017 (ADO 2017). Developing Asia is now expected to grow by 5.9% in 2017, or 0.2 percentage points higher than the rate previously envisaged. The smaller upgrade in the 2018 growth forecast—5.7% in ADO 2017 to 5.8%—reflects a cautious view on the pace of the turnaround in external demand. Excluding the newly industrialized economies of the Republic of Korea (ROK), Singapore, Taipei, China, and Hong Kong, China, growth projections for the region are revised up to 6.4% for 2017 and to 6.3% for 2018. Projections are upgraded for Central and East Asia but unchanged for the other three sub regions (Table 1). The combined growth forecast for the major industrial economies—the United States, the euro area, and Japan—is retained from ADO 2017.

HIGHLIGHTS

- Unanticipated external demand has improved growth prospects for developing Asia, prompting this Supplement to upgrade the growth forecast for the region from 5.7% to 5.9% this year and from 5.7% to 5.8% in 2018. Excluding Asia's high-income newly industrialized economies, growth should hit 6.4% this year and 6.3% in 2018.
- The resulting boost to net exports all but suspends growth moderation in the People's Republic of China, which is now expected to expand by 6.7% in 2017 and 6.4% in 2018, while lifting the pace of growth this year in the Republic of Korea and Taipei, China. This Supplement raises East Asia's growth projections from 5.8% to 6.0% for 2017 and from 5.6% to 5.7% for 2018.
- India is expected to achieve April forecasts of 7.4% growth in 2017 and 7.6% in 2018, primarily from strong consumption. Growth projections for South Asia are likewise maintained as prospects remain robust.
- High first quarter growth in Malaysia, the Philippines, and Singapore keeps Southeast Asia on track to meet forecasts of 4.8% growth this year and 5.0% in 2018. Central Asia is recovering more strongly than expected, prompting upgraded forecasts in this Supplement. The Pacific will likely realize earlier projections.
- Ample supply has held world oil prices low despite rising demand, while favorable weather has kept food prices stable. This Supplement forecasts inflation in 2017 at 2.6%, revised down by 0.4 percentage points, and at 3.0% next year.

Asian Development outlook supplement

East Asia

East Asia's growth forecasts are revised up from 5.8% to 6.0% for 2017 and from 5.6% to 5.7% for 2018 on upward revisions for the People's Republic of China (PRC), the ROK, and Taipei, China. Economic growth in the PRC has so far turned out to be stronger than expected in 2017, with official figures showing GDP growth in the first half at 6.9% (year on year). Nevertheless, given the stronger-than-expected growth outturn in the first half of 2017, the PRC growth forecast is revised up to 6.7% for 2017 and 6.4% for 2018. In the ROK, the economy expanded by 2.9% in the first quarter of 2017, outpacing the 2.4% posted in the fourth quarter of 2016. Taipei, China grew by 2.6% in the first quarter of 2017, underpinned by steady domestic consumption growth and a pickup in exports on higher external demand for electronic components. The GDP growth forecast for 2017 is thus revised up to

Table 1: Gross domestic product growth (%)

	2016	2017		2018	
		ADO 2017	ADOS	ADO 2017	ADOS
Developing Asia	5.8	5.7	5.9	5.7	5.8
Developing Asia excluding the NIEs	6.3	6.3	6.4	6.2	6.3
Central Asia	2.1	3.1	3.2	3.5	3.8
Kazakhstan	1.0	2.4	2.6	2.2	2.9
East Asia	6.0	5.8	6.0	5.6	5.7
China, Peoples' Rep. of	6.7	6.5	6.7	6.2	6.4
Hong Kong, China	1.9	2.0	2.0	2.1	2.1
Korea, Rep. of	2.8	2.5	2.7	2.7	2.7
Taipei, China	1.5	1.8	2.0	2.2	2.2
South Asia	6.7	7.0	7.0	7.2	7.2
India	7.1	7.4	7.4	7.6	7.6
Southeast Asia	4.7	4.8	4.8	5.0	5.0
Indonesia	5.0	5.1	5.1	5.3	5.3
Malaysia	4.2	4.4	4.7	4.6	4.6
Philippines	6.9	6.4	6.5	6.6	6.7
Singapore	2.0	2.2	2.4	2.3	2.5
Thailand	3.2	3.5	3.5	3.6	3.6
Vietnam	6.2	6.5	6.5	6.7	6.7
The Pacific	2.6	2.9	2.9	3.3	3.3

ADO = Asian Development Outlook, ADOS = ADO Supplement, NIEs = newly industrialized economies (Republic of Korea, Singapore, Taipei, China, and Hong Kong, China).

2.0% from 1.8% in ADO 2017. The forecast for 2018 is unchanged at 2.2%. Hong Kong, China grew by 4.3% in the first quarter of 2017 on continued momentum from the previous year. The growth forecast is maintained at 2.0% for 2017 and 2.1% for 2018, as in ADO 2017.

South Asia

The economic outlook for South Asia remains robust, with growth on track to meet ADO 2017 projections of 7.0% for 2017 and 7.2% for 2018. In Bangladesh and Pakistan, preliminary government growth estimates for FY2017 (ended 30 June 2017) beat ADO 2017 forecasts. Agriculture growth in Bangladesh in FY2017 was higher than anticipated. Services growth also outperformed expectations, supported by agriculture growth and solid performances in wholesale and retail trade, real estate, hotels and restaurants, and transport. Robust growth in industry and services lifted growth prospects for Nepal in FY2017 (ended 15 July 2017). In India, economic growth slowed to 7.1% in FY2016 (ended 31 March 2017) from 8.0% in FY2015. Growth forecasts are maintained at 7.4% for FY2017 and 7.6% for FY2018.

Southeast Asia

In Southeast Asia, the growth outlook remains at 4.8% for 2017 and 5.0% for 2018 despite revisions for four of its economies. High growth in Malaysia, the Philippines, and Singapore is dampened somewhat by disappointing growth in Brunei Darussalam. The Indonesian economy grew by 5.0% in the first quarter of 2017, with growth driven by solid export performance and robust private consumption. Growth in fixed investment edged up to 4.8% in the first quarter of 2017 from 4.7% in the same period of last year. These developments support growth projections in ADO 2017 at 5.1% for 2017 and 5.3% for 2018. Malaysia's economy beat expectations in the first quarter of 2017 as it grew by 5.6%, the highest rate in 2 years, supported by sharp expansion in domestic demand.

The growth forecast for 2018 is unchanged. The Philippine GDP grew by 6.4% in the first quarter of 2017, its moderation from 6.9% in the same period in 2016 partly reflecting a base effect from election spending last year. Growth forecasts are upgraded from 6.4% to 6.5% for 2017 and from 6.6% to 6.7% for 2018. Singapore's economy grew by 2.5% in the first half of 2017. Thailand's economy grew by a moderate 3.3% in the first quarter of 2017. Growth forecasts are maintained at 3.5% for 2017 and 3.6% for 2018 as economic developments are on track to meet projections in ADO 2017. An unexpected decline in mining and quarrying output dragged Vietnam GDP growth lower to 5.1% in the first quarter of 2017 from 5.5% in the same quarter of 2016. Industry and construction expanded by only 4.2%, well below 7.2% growth in the same period of last year.

Central Asia

The outlook for Central Asia in 2017 has improved with unexpected recovery in some countries driven by both domestic and external factors. Georgia also exceeded expectations in the first quarter of 2017, with construction being the biggest single contributor to growth as infrastructure spending kicked in. Stronger domestic demand contributed to recovery in Armenia and Kazakhstan, which is improving the outlook for both economies in 2018 as well. Growth in the sub region as a whole is expected to reach 3.2% in 2017 and 3.8% in 2018, higher than the 3.1% and 3.5% forecast in ADO 2017.

Kazakhstan, Central Asia's largest economy, enjoyed an unexpected economic upswing in the first quarter of 2017, with GDP growing by 3.6%. Economic indicators have continued to improve at least through May 2017, with industry having risen by 7.8% on increased mining production, which rose by 9.2%. GDP growth is now expected to reach 2.6% in 2017, up from the 2.4% forecast in ADO 2017. The growth forecast for 2018 is substantially upgraded from 2.2% to 2.9%.

The Pacific

As expected in ADO 2017, growth in the Pacific is projected to accelerate to 2.9% in 2017 from 2.6% last year. This acceleration is driven mainly by gradual recovery in Papua New Guinea, the subregion's largest economy, where mining and agriculture output are rebounding from last year's poor performances. Growth is also picking up in Fiji and Vanuatu as these economies continue to rebuild and recover from recent disasters. That said, growth is on a slowing track in half of the 14 Pacific economies. Although Samoa outperformed forecasts in FY2017 (ended 30 June 2017) with stronger agriculture and nonfood manufacturing, GDP growth still slowed because of reduced fiscal stimulus and the dissipation of a base effect from last year's spike in fishery output. In Timor-Leste, the implementation of public investment projects is being delayed by this month's elections and the formation of a new government.

The delays are expected to suppress public expenditure somewhat and thus hold back economic expansion this year. Growth in the subregion is seen to accelerate further in 2018 to 3.3%, as projected in ADO 2017, on continued recovery in agriculture and mining output in Papua New Guinea. Stronger tourism prospects are also expected to boost economic growth, particularly in Fiji and Palau.

INTERNATIONAL NEWS



U.S. Overview

Sunshine Today, Clouds Developing

Real economic growth continues but the financial background of monetary and economic policy remains unresolved. Credit clouds are developing but whether they will just blow over remains to be seen.

For the past three months, employment gains have averaged 180,000 while industrial production growth in the first half of 2017 was 2.5 percent. These provide positive signals for sunshine today. Wells Fargo outlook is for GDP and real final sales growth in the second half of 2017 at 2.5 percent, with solid contributions from the consumer, business and government sectors.

As for inflation, Wells Fargo anticipates that the PCE deflator, the Fed's benchmark, will remain near 1.5 percent, comfortably below the FOMC's 2 percent target. However, labor costs, as measured by the ECI, will drift upward.

Given the growth and inflation outlook, Wells Fargo expects the FOMC to announce the start of balance sheet reductions in September and raise the federal funds rate in December. A more cautious inflation outlook/FOMC policy will allow the trade weighted dollar to continue to decline as foreign central banks begin the process of pulling back on their accommodation. The Bank of Canada (BoC) has already raised its benchmark rate and the European Central Bank (ECB) is continuing to taper.

So where are the clouds? First, the FOMC's reduction in the balance sheet is taking place in the context of a higher funds rate path and increased Treasury deficit financing. Second, consumer/business credit quality and availability is falling.

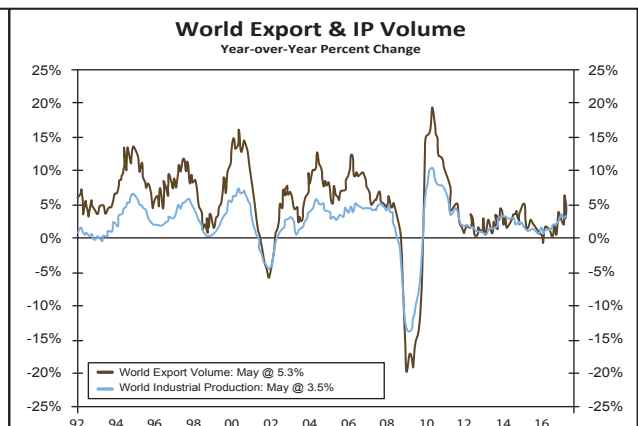
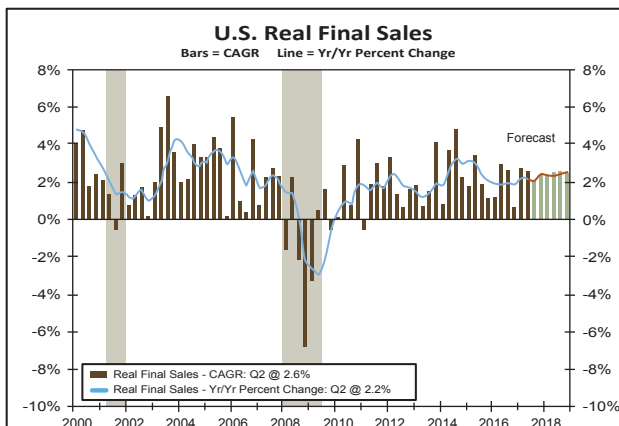
International Overview

Global Growth Shows Signs of Strengthening

Recent data indicate that growth in the global economy picked up in the first half of 2017, and global trade volumes have also accelerated. The recent strengthening in global economic growth reflects, at least in part, supportive policy stances in many countries. Not only did Chinese authorities adopt an expansionary policy stance when growth appeared to be slowing last year, but monetary policy has been accommodative in many other major economies as well.

With growth picking up in many economies, central banks in those countries are starting to transition to less accommodative policy stances. The Bank of Canada recently hiked rates for the first time in seven years, and Wells Fargo look for the European Central Bank to further reduce its monthly pace of bond purchases in the next month or two. In Wells Fargo view, the Bank of England (BoE) will hike rates next spring.

The trade-weighted value of the U.S. dollar rose to a 13-year high late last year due to market euphoria that U.S. fiscal policy would become more expansionary. However, the greenback has been following a downtrend in 2017 as markets have re-assessed expectations for U.S. fiscal policy. Looking forward, Wells Fargo forecast that the U.S. dollar will continue to follow a downtrend as market expectations transition from monetary policy divergence (i.e., rates in the United States rising relative to rates abroad) to monetary policy convergence (i.e., other central banks adopting less accommodative policy stances.)



Source: U.S. Department of Commerce, IHS Global Insight and Wells Fargo Securities

Together we'll go far



G L O S S A R Y

Parity: A term used to describe an option contracts total premium when that premium is the same amount as its intrinsic value. For example, when an options theoretical value is equal to its intrinsic value, it is said to be worth parity. When an option is trading for only its intrinsic value, it is said to be trading at parity. Parity may be measured against the stocks last sale, bid, or offer. The term is also used loosely to describe two currencies that are trading at one-for-one. For example, the euro has sometimes traded at parity with the US dollar when one euro equals one dollar.

Fixed income securities: A fixed-income security is an investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity. Unlike a variable-income security, where payments change based on some underlying measure such as short-term interest rates, the payments of a fixed-income security are known in advance.

Blue Chip: A blue chip is a nationally recognized, well-established and financially sounds company. Blue chips generally sell high-quality, widely accepted products and services. Blue chip companies are known to weather downturns and operate profitably in the face of adverse economic conditions, which help to contribute to their long record of stable and reliable growth.

Futures contract: A standardized, transferable, exchange-traded contract that requires delivery of a commodity, bond, currency, or stock index, at a specified price, on a specified future date. Unlike options, futures convey an obligation to buy. The risk to the holder is unlimited, and because the payoff pattern is symmetrical, the risk to the seller is unlimited as well. Dollars lost and gained by each party on a futures contract are equal and opposite. In other words, futures trading are a zero-sum game. Futures contracts are forward contracts, meaning they represent a pledge to make a certain transaction at a future date.

Dutch auction: Dutch auction, also known as descending price auction, uses a bidding process to find an optimal market price for the stock, the highest price at which an issuing company can sell all the available shares. An alternative to the traditional negotiated pricing process used by underwriters to set IPO prices, it was most recently employed by Google and is used for US Treasury auctions. Named after the famous auctions of Dutch tulip bulbs in the 17th century, it is based on a pricing system devised by Nobel prize winning economist William Vickrey.

Paid in Capital: Paid-in capital is the amount of capital "paid in" by investors during common or preferred stock issuances, including the par value of the shares themselves. Paid-in capital represents the funds raised by the business from equity, and not from ongoing operations.





এমটিবি নিউ
আধাপাকা বাড়ির স্বপ্ন সৃষ্টি

বাড়ি থেকে বাড়তি আয়

নিজের জমিতে আধাপাকা বাড়ি
বানানোর জন্য ঋণ সুবিধা

- ঋণের পরিমাণ: আকর্ষণীয় সুদে সর্বনিম্ন ৩ লাখ থেকে সর্বোচ্চ ৪০ লাখ টাকা পর্যন্ত
- ঋণের সময়সীমা: সর্বনিম্ন ২ বছর থেকে সর্বোচ্চ ১৫ বছর

*শর্ত প্রযোজ্য

এমটিবি নিউ নিজের জমি থাকলেই আধাপাকা বাড়ি তৈরি, বাড়ির সংস্কার ও বর্ধনের জন্য এই ঋণ সুবিধা।
নিজের বাড়ি তৈরির পাশাপাশি এখন ঋণ দেখতে পারেন বাড়ি থেকে বাড়তি আয়েরও।

☎ ১৬২১৯ অথবা ০৯৬০৪০ ১৬২১৯ | www.mutualtrustbank.com | www.facebook.com/Mutual.Trust.Bank



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us



MTB AUTO LOAN

pleasure of car ownership

MTB RETAIL
BANKING
pleasure in life

With MTB Auto Loan, you can now drive the car of your dreams.

Features:

- Loan amounts from BDT 3,00,000 to BDT 40,00,000
- Flexible EMIs (12–60 months)
- No hidden charges
- Attractive interest rate
- Easy documentation
- Quick processing
- Early settlement option

● Experience:

- Salaried executive: Minimum 2 years
- Business/Self-employed personnel: Minimum 2 years

● Monthly income:

- Salaried executive: Minimum BDT 30,000
- Business/Self-employed personnel: Minimum BDT 40,000

Eligibility:

- Age: Minimum 21 years
Maximum 60 years



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

☎ **16219** or **09604016219**

www.mutualtrustbank.com

FlexiPay

কিনুন একবারে, টাকা দিন একটু একটু করে

এমটিবি ক্রেডিট কার্ড-এর মাধ্যমে পছন্দের জিনিসপত্র কিনে সর্বোচ্চ
২৪টি মাসিক কিস্তিতে মূল্য পরিশোধ করুন ০% ইন্টারেস্টে



ইলেকট্রনিক্স

বর্তমানে নিম্নোক্ত মার্চেন্ট আউটলেটসমূহে এই সুবিধা পাওয়া যাচ্ছে:



MTB 24/7 Contact Centre ☎ 16219 or 09604016219

111
MTB BRANCHES

242
MTB 24/7 ATM



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

27 MTB
পয়েন্ট
ব্যংকিং
হাতের ধাপে সব সময়

3100
MTB POS

MTB
SECURITIES
you can grow with us

MTB EXCHANGE
UK LIMITED
you can remit with us

MTB
CAPITAL LTD.
You can invest with us