

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Norway wants to invest more in Bangladesh

- Norway is considering making more investment in Bangladesh in the future. Bangladesh exports several products, including readymade garments (RMG), to Norway, the Commerce Minister said and expressed the hope that the export volume will grow further in the coming days. Some 13 companies, including Grameenphone, of Norway have been operating in Bangladesh, the minister said, adding that Norway is thinking of investing further in Bangladesh. In the last fiscal year, Bangladesh exported goods worth USD 96.85 million to Norway and imported goods totalling USUSD 63.70 million from that country.

<http://today.thefinancialexpress.com.bd/trade-market/norway-wants-to-invest-more-in-bangladesh-1542134020>

Trade deficit widens at a slower rate

- Trade deficit widened slightly in the first quarter of the fiscal year as imports of major goods, including capital machinery, slowed down ahead of the national election next month. The country's trade gap increased only 5.53% year-on-year to USD 3.85 billion between the months of July and September, according to data from the central bank. Handsome growth of export earnings also helped to hold back the rising trade deficit -- a worrying trend witnessed by the country throughout last fiscal year. The country's trade deficit hit USD 18.25 billion in fiscal 2017-18, the highest in its history.

- Export earnings stood at USD 9.74 billion in the first quarter of fiscal 2018-19, up 14% from a year earlier. At the same time, imports rose 11.48% to USD 13.60 billion. Many businesses have recently adopted a 'wait and see' approach to set up new industrial units or expand their existing ones in light of the national election in December, said a former finance adviser to a caretaker government. They are now closely observing the political developments and law and order before committing to any fresh investment decision, he said.

- The ongoing uncertainty has left the businesses shaky, which ultimately brought down the import of capital machinery, he added. The import of capital machinery came down to USD 1.24 billion in the first three months of fiscal 2018-19 in contrast to USD 1.28 billion a year earlier, according to data from the Bangladesh Bank. The lower import of capital machinery indicates that the country's investment scenario is going through a cooling-off period.

- The lower trade gap was obviously good but the slowdown in import is a matter of concern for the economy, said the chairman of the Association of Bankers, Bangladesh, a platform of private banks' managing directors. Before the national polls, investment usually nosedives because of a lack of confidence among the business community anticipating deterioration of the law and order situation. The situation is also prevailing this time. But there is a hope after exports and remittances increased sharply in the first quarter, he added.

<https://www.thedailystar.net/business/news/trade-deficit-widens-slower-rate-1660258>

Bangladesh likely to get USD 250 million this fiscal

- The government has recently completed negotiations with the World Bank (WB) over USUSD 750 million budgetary support credit to narrow its fiscal deficit. Within this fiscal year (FY) 2018-19, the government is likely to get USD 250 million worth of funds from the total USD 750 million development support credit (DSC) that the government has sought from the global lender. The remaining USD 500 million credit is expected to be disbursed within next two fiscal years depending on fulfilment of the conditions set by the WB.

- Economic Relations Division (ERD) officials are hopeful of signing the credit deal within a couple of months. The DSC from the global lender this time will mainly be spent on creation of job opportunities in Bangladesh as many people still remain unemployed in the country, the official added.

<http://today.thefinancialexpress.com.bd/first-page/bd-likely-to-get-250m-this-fiscal-1542129626>

Bangladesh Bank (BB) has been made weaker, its director says

- The central bank's role as the custodian of the production and distribution of money and credit in the economy has been eroded over time by the finance ministry, said a director of the Bangladesh Bank yesterday. According to a director of the BB, it has become an extension of the ministry of finance. The finance ministry often forwards proposals for loan scheduling or for rescheduling for the fourth or fifth time. He also said that Sometimes, the central bank governor or the central bank board is undone either directly by the ministry of finance or the head of the government.

• Subsequently, the financial health of banks has become “horrendously bad”. Bangladesh's all indicators are wonderful except the financial health. Financial health is really, really very bad, the former director of BB added. A former president of AmCham went on to call for soul-searching to fix the situation.

<https://www.thedailystar.net/business/news/bb-has-been-made-weaker-its-director-says-1660273>
<http://www.newagebd.net/article/55958/govt-interventions-behind-large-loans-rescheduling>

Rules to clip GP wings

• Grameenphone's indomitable crusade for more market share is likely to be ground to a halt as the government is set to activate a regulation that will clip monopolistic tendencies. Called the Significant Market Power (SMP), the regulation imposes restrictions on an operator once it corners 40% of the subscribers, revenues and spectrum. As of September, Grameenphone has 45.83% market share, while its revenue share in fiscal 2017-18 was 51.77 percent, according to the telecom regulator.

• The operator has been maintaining the same market share for the last few years now. The regulation, which has been in the works since 2011, has already been approved by the government and will be issued by this week, said acting chairman of the Bangladesh Telecommunication Regulatory Commission. The new regulation, which will be the first of its kind in South Asia, states if an operator is found to wage anti-market activities the BTRC can step in to break the monopoly or oligopoly through it. Any competitor can also lodge complaint against the SMP and the regulator will have to look into it.

• Officials of the telecom regulator said if Grameenphone is declared a SMP operator its tariff and package approval process might be different. The service quality parameters will also be different for non-SMP and SMP operators, said a BTRC official. However, all the restrictions will be implicated after getting the government's nod. Robi, the country's second largest operator, might get a leg-up if Grameenphone is declared a SMP. The operator welcomes the move, calling it a demand of the market.

<https://www.thedailystar.net/business/news/rules-clip-gp-wings-1660276>

Revenue from stock market rises slightly

• The government's earnings from stock market operations edged up only 2.96% to BDT 3.95 billion last fiscal year because of lower turnover. The amount came as fees from the beneficiary owner's (BO) accounts, value-added tax and tax on transactions. Of the amount, the Dhaka Stock Exchange submitted BDT 2.80 billion, which is 3.94% lower than the previous year. However, the income from the Chittagong Stock Exchange soared about 132% to BDT 573.6 million in 2017-18. The Bangladesh Securities and Exchange Commission (BSEC) contributed BDT 575.3 million, down 14.57% from a year earlier.

• The BSEC collects the money from the Central Depository Bangladesh Ltd (CDBL) as maintenance fee for BO account, while the two stock exchanges collect money by charging tax and VAT on transaction of securities. BSEC Chairman handed over the cheque yesterday to Finance Minister at his secretariat office. The capital market is improving day by day and the amount of the money given to the government exchequer is on the rise, the BSEC Chairman said. The forthcoming election has not had any impact on the stock market, he added.

<https://www.thedailystar.net/business/news/revenue-stock-market-rises-slightly-1660255>

Stock broker faces Bangladesh Securities & Exchange Commission (BSEC) heat for market manipulation

• Commerce Bank Securities and Investment, a stock broker, looks set to face punishment from the stock market regulator for its alleged role in manipulation of seven companies' share prices. The companies are: Monno Jute Stafflers, Monno Ceramic, Legacy Footwear, BD Autocars, Queen South Textile, Alif Industries and Eastern Lubricants. The stock broker enabled the manipulative transactions of its clients and created artificial demand, according to the report of the enquiry committee of Bangladesh Securities and Exchange Commission (BSEC).

• The panel was formed on June 21 after abnormal price hikes of some shares. Commerce Bank Securities and Investment also did not notify the suspicious transactions to the commission. It also extended credit facilities to clients to buy shares of Queen South Textile and Alif Industries beyond the permissible limit in violation of the margin rules. On the basis of their findings, top officials of the brokerage house were asked to come to a hearing on Monday. A top official of the BSEC said they were not satisfied after hearing Commerce Bank's side of the story. So, the commission may take action against them, he added.

• Commerce Bank Securities had a dominant and influential role in the trading of Monno Jute Stafflers shares that caused the price to rise abnormally, according to the enquiry report. The chief executive of Commerce Bank Securities, said the customers purchased the shares through their beneficiary owner's account abiding by rules and regulations.

<https://www.thedailystar.net/business/news/stock-broker-faces-bsec-heat-market-manipulation-1660252>

Dhaka Bank, IFC sign deal on USD 50 million syndicated loan

• Dhaka Bank Limited and International Finance Corporation (IFC) recently signed a USD 50 million syndicated working capital solutions facility agreement. The IFC, private sector investment arm of the World Bank, arranged the facility for the bank with syndication of Bank Muscat, ICICI Bank, The National Bank of Ras Al Khaimah, Axis Bank and Union National Bank, according to a statement. This is the first-ever syndicated loan in Bangladesh arranged by IFC with the global commercial banks. This fund will be utilised for financing trade transactions of Dhaka Bank through its Offshore Banking Unit.

<http://today.thefinancialexpress.com.bd/trade-market/dhaka-bank-ifc-sign-deal-on-50m-syndicated-loan-1542131867>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.65	-0.04	-0.07%
Crude Oil (Brent)*	\$65.57	+0.10	+0.15%
Gold Spot*	\$1,204.03	+1.80	+0.15%
DSEX	5258.59	+19.53	+0.37%
Dow Jones Industrial Average	25,286.49	-100.69	-0.40%
FTSE 100	7,053.76	+0.68	+0.01%
Nikkei 225	21,880.96	+70.44	+0.32%

Exchange Rates

USD 1 = BDT 83.64*

GBP 1 = BDT 108.76*

EUR 1 = BDT 94.51*

INR 1 = BDT 1.16*

*Currencies and Commodities are taken from Bloomberg.

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