

*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.*

### **Bangladesh Bank relaxes rules for intra-firm forex loans**

- The central bank has relaxed regulations for local industries in export processing and economic zones to get short term foreign currency loans from their sister concerns.
- Under the relaxed provision, "C" category industries located at export processing zones (EPZs) and economic zones (EZs) are allowed to secure such loans from their subsidiaries or associates operating in the same EPZs and EZs.
- Such short term foreign currency loans can be utilised for bonafide business transactions, including import payments, according to a notification issued by the Bangladesh Bank.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-relaxes-rules-for-intra-firm-forex-loans-1539885296>

### **Banks' liquidity sees sharp rise**

- After enduring a serious cash crunch since the middle of 2017, the banking sector has started to witness a sharp rise in excess liquidity.
- The excess liquidity went up 27 % in the second quarter this year in comparison to the previous quarter thanks to the relaxing of the cash reserve requirement (CRR). Banks were sitting on an additional liquidity of BDT 975.00 billion at the end of June, up from BDT 769.00 billion in March, according to Bangladesh Bank's latest data.
- On April 4, the central bank reduced the CRR by one % point to 5.5 % to ease the liquidity condition. The regulatory requirement was revised down at a time when the banking sector was experiencing a liquidity mismatch in January-March quarter of 2017-18, said Bangladesh Bank in its quarterly report for April-June.

<https://www.thedailystar.net/business/news/banks-liquidity-sees-sharp-rise-1649767>

### **Loan write-offs balloon in Q2**

- Loans written off by banks soared in the second quarter of 2018 as efforts to clean up balance sheets petered out.
- Between the months of April and June, the amount of loans written off by lenders stood at BDT 6.15 billion, an increase of 4.36 times from three months earlier.
- The amount took the tally of written-off loans since January 2003, when the policy was introduced, to BDT 488.90 billion, according to data from the central bank.
- Some 14 banks wrote off their bad loans in the second quarter, with the highest figure registered by Dutch-Bangla Bank Ltd (DBBL). DBBL removed bad loans amounting to BDT 1.72 billion from its balance sheet during the period, followed by Eastern Bank at BDT 1.11 billion, Prime Bank at BDT 1.02 billion and IFIC Bank at BDT 890 million.
- Some banks scrambled to write off their bad loans in the second quarter to keep their default loans artificially low, said a Bangladesh Bank official. But the move will not bring any positive impact to the banking sector as there is next to no possibility of recovering such category of loans, he said.

<https://www.thedailystar.net/business/news/loan-write-offs-balloon-q2-1649776>

### **'Poverty rate to come down to 10% in next five years'**

- Finance Minister has said that the poverty rate of Bangladesh would come down to 10% if current government can get the mandate to govern the country for next five years.
- The minister informed that Bangladesh's poverty rate was 58 % in 1991, it came down to 24.3 % now, reports BSS.

<https://thefinancialexpress.com.bd/economy/bangladesh/poverty-rate-to-come-down-to-10%-in-next-five-years-1539960151>

<http://www.newagebd.net/article/53594/poverty-rate-to-come-down-to-10%-in-next-5yrs-muhith>

### **Denim, drug ingredients, footwear to get priority**

- The government has finalised the draft export policy for the next three years through 2021, attaching highest priority to denim, active pharmaceutical ingredients (API) and footwear.

- The main objective of the policy is to make the trade regime time-befitting, taking the recent global trade situation into consideration. Developing trade relations with the fast-growing Asian giants has also been a focus.
- The prioritised and special development sectors get a string of government policy support, including tax waiver, incentives, bonded warehouse facility and duty-free import of equipment and machinery. The proposed changes have been synchronised with the measures to achieve USD 60 billion exports income by 2021.

<http://today.thefinancialexpress.com.bd/first-page/denim-drug-ingredients-footwear-to-get-priority-1540053089>

### **Micro-retailing 2nd-biggest sector**

- With an estimated USD 18.42 billion in sales, micro-merchants constitute the second-biggest market in Bangladesh after the ready-made garment (RMG), according to a study conducted by the United Nations Capital Development Fund.
- Almost 50,000 new micro-merchants enter the retail sector each year with a median income of BDT 90,000 a month. They are all involved in the fast-moving consumer goods (FMCG) trading at the retail market.
- There are 2.0 million people are involved in the sector in some way - as business owners, employees or labourers. The mostly-sold item is cigarette. The other items are edible oil, rice, packet biscuit, flour, pulse, chips, betel leaf and eggs.
- The report estimated that micro-merchant credit market could be approximately USD 778 million. The average business loan was USD 1,116 and the average personal loan size was USD 872.

<http://today.thefinancialexpress.com.bd/public/first-page/micro-retailing-2nd-biggest-sector-1539971743>

### **Government approves record number of projects in a calendar year**

- The government has endorsed 329 projects in last nine and a half months at a total cost of BDT 3.61 trillion, which is the record highest in a calendar year in terms of number and volume of allocations.
- The total cost of the projects is more than double of BDT 1.73 trillion outlay of the current Annual Development Programme (ADP). Officials and analysts said timely financing of these approved projects remains uncertain, as BDT 3.61 trillion funds will be required within a span of three to four years of the project execution cycle.
- The government endorsed 185 development projects at an aggregate cost of BDT 2.44 trillion in the last five months (June-October). During January-May period of the current calendar year, the government also had approved 144 projects at total cost of BDT 1.17 trillion.

<http://today.thefinancialexpress.com.bd/public/first-page/govt-approves-record-number-of-projects-in-a-calender-year-1539971647>

### **Government to spend over USD 37 billion by 2030 under 'Delta Plan'**

- The government plans to spend 37.5 billion USD by 2030 under the 'Delta Plan 2100' on various projects to ensure food and water security, eliminate poverty and stop river erosion, reports UNB.
- A Senior Secretary of the government said that If the plan can be implemented, it can eliminate poverty by 2027 from the country and will help to achieve higher middle-income country status by 2030 and developed country status by 2041.
- Delta Plan gives priority to six areas -- coastal, varendra (Barind) and drought-prone zone, haor and flood-prone zone, Chittagong Hill Tracts, riverine and urban areas.

<http://today.thefinancialexpress.com.bd/public/trade-market/govt-to-spend-over-37b-by-2030-under-delta-plan-1539883752>

### **Korean automakers eye Bangladesh market**

- Korean automobile manufacturers are looking to increase their market share in Bangladesh after sales of their cars rose 20 % on an average in the last three years.
- The share of Korean automakers in the Bangladesh market reached 6% in 2017, showed an analysis of data from Bangladesh Road Transport Authority (BRTA) and local agents. A total of 1,350 units of cars were sold in Bangladesh in 2017, up from 1,160 units in 2016 and 1,010 units in 2015, data from the local agents of Korean car retailers showed.

- Last year, the BRTA registered 21,959 cars, which were 20,304 units in 2016 and 21,062 units in 2015.
- There is a huge demand for cars riding on the section becoming increasingly affluent in the country while car sales are forecast to amount to as much as USD 2.5 billion a year, according to Bangladesh Investment Development Authority. Boston Consulting Group, an American multinational management consulting firm, says two million Bangladeshis join the ranks of the middle and affluent class every year.

<https://www.thedailystar.net/business/news/korean-automakers-eye-bangladesh-market-1649761>

### **Number of BO accounts unchanged**

- The number of BO (Beneficiary Owner's) accounts remained almost static in last ten months due to reduced IPO (initial public offering) quota for general investors.
- According to information of Central Depository Bangladesh Limited (CDBL), the number of active BO accounts stood at above 2.71 million on October 18, 2018. The number of active BO accounts was above 2.72 million on December 31, 2017. As a result, the number of accounts declined 0.73 % or 0.02 million during January, 2018 to October 18, 2018.
- The number of accounts was above 2.78 million as of May 29, 2018. Later, the active accounts declined marginally and finally stood at above 2.71 million as of October 18 last.

<http://today.thefinancialexpress.com.bd/stock-corporate/number-of-bo-accounts-unchanged-1540049221>

### **Premier Bank will be a SME-driven bank by 2020**

- Premier Bank Ltd has taken a move to transform its whole banking activities into a new shape.
- The advisor of the bank said that over the last two years the metamorphosis is visible in the performance parameters. He said a total of 14 parameters were identified to gauge the actual health of the bank after his joining here in mid-May of 2017. According to him, three major functions can run a bank smoothly with sustainable growth. The functions are business relationship function, support function and risk, control & compliance function. Apart from RMG and foreign remittance, financial inclusion and investment in SME sector are now the desperate craving for ensuring development, he said.
- "Premier Bank will become a SME-driven bank by 2020. It is planning to distribute 60% loans of the total loan portfolio as SME loans. The bank has launched 'tracking business module' to ensure the strict monitoring of the SME loan disbursement and recovery.

<http://today.thefinancialexpress.com.bd/stock-corporate/premier-bank-will-be-a-sme-driven-bank-by-2020-1540049294>

### **Bank Asia to issue BDT 5.0 billion bond**

- The board of directors of Bank Asia Limited has approved issuing seven years floating rate non-convertible subordinated bond with an issue price of BDT 5.0 billion through private placement to raise regulatory capital (Tier 2) of the company as per Basel III norms, subject to the approval of the Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC).

<http://today.thefinancialexpress.com.bd/stock-corporate/bank-asia-to-issue-BDT-50b-bond-1540050190>  
<https://www.thedailystar.net/business/news/bank-asia-issue-BDT-500cr-bond-1648945>

### **Berger to set up factory in Sheikh Mujib Shilpa Nagar**

- Berger Paints Bangladesh will set up its third factory on 30 acres of land at Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram at a cost of about BDT 2.5 billion.
- The UK-based paint manufacturer signed a land lease agreement with Bangladesh Economic Zones Authority (BEZA).
- The facility will create employment for 400 people at the beginning.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/berger-to-set-up-factory-in-sheikh-mujib-shilpa-nagar-1539878304>

### **NBR devises ways for tax waiver on capital gains**

- Stock brokers of the Dhaka Stock Exchange will have to invest the money they will get from the share sell-off to the Chinese consortium through a separate beneficiary account (BO) to get discount on capital gains tax, said finance ministry officials.
- The National Board of Revenue will issue a notification soon making it mandatory for the money to be invested in securities for three years. The money and profits from the securities cannot be withdrawn from the BO account during this period. If they do so, they will enjoy the benefit of 5% capital gains tax instead of 15%.
- The NBR has prepared the package following appeals from stock brokers for waiver on capital gains tax on the proceeds from sell-off of 25% stakes, or 450.9 million shares, of the Dhaka bourse to the Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange.
- The DSE gets BDT 9.62 billion from the Chinese consortium. Of the amount, BDT 150 million has been deducted as stamp duty, meaning that brokers will get BDT 9.47 billion.

<https://www.thedailystar.net/business/news/nbr-devises-ways-tax-waiver-capital-gains-1649779>

#### **GP sells more than 0.1 million connections with 013 prefix in 4 days**

- Just four days since the launch of the new Grameenphone "013" number series, more than 100,000 customers have already opted for the connection.
- The operator launched the new number series on October 14, of this year as it had exhausted almost all of its original "017" series numbers.
- This is another testament of peoples' trust in Grameenphone's superior network when the industry is going through intense competition, said the Deputy CEO and CMO of Grameenphone.

<https://www.dhakatribune.com/business/2018/10/21/grameenphone-s-013-series-an-instant-hit-with-customers> <http://www.newagebd.net/article/53519/gp-sells-more-than-1-lakh-connections-with-013-prefix-in-4-days>

#### **Fund raising thru IPOs rises by 129% in January-October**

- Fund raising through issuing initial public offerings by companies increased by 128.84 % or BDT 2.82 billion in 10 months (January-October) of this year compared with that in the same period of the previous year.
- Experts, however, said that listing of large companies with the country's capital market still remained elusive.
- In the 10 months of 2018, 11 companies collected BDT 5.01 billion through IPOs while seven companies had raised BDT 2.19 billion in the same period of the previous year. The annual figure in 2017 was also BDT 2.19 billion.

<http://www.newagebd.net/article/53592/fund-raising-thru-ipos-rises-by-129%-in-jan-oct>

#### **Mir Akhter Hossain to raise BDT 1.25 billion**

- Construction and engineering company Mir Akhter Hossain Ltd organised a roadshow on Wednesday to go public under the book building method and raise capital worth BDT 1.25 billion.
- Of the proceeds, BDT 490 million will be used to buy equipment, BDT 120 million to build a building adjacent to its main building, BDT 100 million for two plants, BDT 105 million to build a warehouse and workshop, BDT 400 million to repay bank loans and others for IPO expenses. IDLC Investments will be working as the issue manager.

<https://www.thedailystar.net/business/news/mir-akhter-hossain-raise-BDT-125cr-1648939>

#### **Aman Textile holds IPO road show**

- Aman Textile, a concern of Aman group, plans to go public by using the book building method to raise BDT 2.0 billion for its business expansion.
- The company held its IPO (initial public offering) road show on Thursday at a city hotel
- Of the IPO fund, BDT 936.5 million will be used for procuring machinery, BDT 326.6 million for building construction, BDT 666.6 million for repayment of loans and 70.3 million for IPO expenses.
- Its net profit was BDT 348.9 million, earnings per share (EPS) BDT 4.34 and the net asset value per share BDT 36.64 for the FY2017-18.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/aman-tex-holds-ipo-road-show-1539878092>  
<https://www.thedailystar.net/business/news/aman-tex-plans-go-public-1648936>  
<https://www.dhakatribune.com/business/stock/2018/10/18/road-show-aman-tex-to-collect-BDT200-crore-from-capital-market>

**World Stock and Commodities\***

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$69.12	+0.47	+0.68%
Crude Oil (Brent)*	\$79.78	+0.49	+0.62%
Gold Spot*	\$1,226.48	+0.67	+0.05%
DSEX	5381.52	+0.73	0.01%
Dow Jones Industrial Average	25,444.34	+64.89	+0.26%
FTSE 100	7,049.80	+22.81	+0.32%
Nikkei 225	22,532.08	-126.08	-0.56%

**Exchange Rates**

USD 1 = BDT 85.11\*  
GBP 1 = BDT 111.29\*  
EUR 1 = BDT 97.99\*  
INR 1 = BDT 1.16\*

*\*Currencies and Commodities are taken from Bloomberg.*

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