

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.

Significant drop in private sector credit growth in February

- The private-sector credit growth dropped significantly in February as some banks, particularly private ones, faced liquidity pressure due mainly to unavailability of deposits, bankers said. Credit growth fell to 12.54% this February on a year-on-year basis from 13.20% a month ago, showed the central bank's latest statistics released on Thursday.
- This growth was 3.96% points lower than the Bangladesh Bank (BB)'s target of 16.50% for second half (H2) of the current fiscal year.
- Scarcity of funds to give loans with, shortage of greenbacks to meet import payments and disbursement of large amounts of loans for the mega infrastructure projects are responsible for the dwindling credit growth, analysts said.
- According to a senior executive of a leading private commercial bank, individual deposits are being diverted to government schemes due mainly to higher interest rates on public savings instruments than deposit rates offered by the banks. He said that the current trend in the private-sector credit growth may continue in the coming months until liquidity situation improves, the private banker cited.

<https://www.thedailystar.net/business/news/private-credit-growth-hits-53-month-low-1724239>
<http://today.thefinancialexpress.com.bd/first-page/significant-drop-in-pvt-sector-credit-growth-in-feb-1554227767>

Finance Minister for BDT 10 billion paid-up capital for new bank

- Finance Minister AHM Mustafa Kamal said on Tuesday the paid-up capital for any new commercial bank should be BDT 10 billion so that the consumers are not affected even after any possible shocks to their deposits.
- The Finance Minister also said the government would overhaul the capital market for a vibrant economy. He said many good companies have not entered the capital market, adding that they should be enlisted for making it vibrant.

<http://today.thefinancialexpress.com.bd/first-page/kamal-for-BDT-10b-paid-up-capital-for-new-bank-1554227720>

Padma bank plans to sell default loans to asset management companies specialized in loan recovery, according to its Managing Director.

- State-run Padma Bank has taken up a set of plans to make a turnaround from its current sorry state, starting off with the rebranding of its name this year to restore depositors' confidence and brighten its image.
- Setting a target to reduce the amount of default loan by 40% this year and urging loan recovery a top priority, the Managing Director of the bank said that the bank plans to sell bad loans amounting to BDT 10 billion to asset management companies which specialize in loan recovery and it has already sought approval from Bangladesh Bank.

<https://www.thedailystar.net/business/news/loan-recovery-top-priority-1724227>

Telcos to be fined for misuse of SIMs with faulty registration

- Bangladesh Telecommunication Regulatory Commission has warned mobile phone operators of penalty for any misuse of SIM cards having faulty registration.
- The telecom regulator came up with the warning on Monday for the prevention of misuse of SIM cards, which are registered inappropriately without biometric verification, for extortion and giving threats. The responsibility for proper verification of SIM cards and prevention of sales of pre-activated SIM cards lies with the mobile phone operators, it said.
- Misuse of each SIM card will result in BDT 5,000 in fine for the mobile phone operators. Mobile phone operators would be fined BDT 5,000 for termination of illegal VoIP call from each SIM card.

<http://www.newagebd.net/article/69028/telcos-to-be-fined-for-misuse-of-sims-with-faulty-registration>

Bourses demand corporate tax cuts

- The Dhaka and Chattogram stock exchanges yesterday demanded a cut in the corporate tax rate for the listed companies to attract non-listed firms to the market. They also demanded doubling of the gap in the corporate tax rate between listed and non-listed companies.

- Currently, the corporate tax rate for the listed companies is 25% and for the non-listed companies it is 35%, meaning firms that went public enjoy a 10-% point advantage. Now, the Dhaka Stock Exchange (DSE) says the gap should be widened to 20% points.

<https://www.thedailystar.net/business/news/bourses-demand-corporate-tax-cuts-1724209>

United Commercial Bank (UCB) and Incentive Remit launch real-time remittance service

- United Commercial Bank Limited (UCB) in collaboration with Incentive Remit (M) and FELDA Mobile, Malaysia launched the Real-time International Remittance Service through its digital payment system Upay.
- FELDA Mobile Sdn Bhd is a Joint Venture Company of Malaysia Government entity FELDA (Federal Land Development Authority). The service will enable Bangladeshi Migrant Workers of Malaysia to send money to their family members directly through Upay wallet.

<http://today.thefinancialexpress.com.bd/stock-corporate/ucb-incentive-remit-launch-real-time-remittance-service-1554222846>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$62.79	+0.21	+0.34%
Crude Oil (Brent)*	\$69.73	+0.36	+0.52%
Gold Spot*	\$1,292.59	+0.13	+0.01%
DSEX	5,522.17	+19.09	+0.35%
Dow Jones Industrial Average	26,179.13	-79.29	-0.30%
FTSE 100	7,391.12	+73.74	+1.01%
Nikkei 225	21,698.97	+193.66	+0.90%

Exchange Rates

USD 1 = BDT 84.19*

GBP 1 = BDT 110.62*

EUR 1 = BDT 94.48*

INR 1 = BDT 1.23*

*Currencies and Commodities are taken from xe.com

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Deputy Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Md. Sakib Chowdhury	Research Analyst	sakib.chowdhury@bracepl.com	01709 641 247
S. M. Samiuzzaman	Research Analyst	sm.samiuzzaman@bracepl.com	01708 805 224
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805 211
Md. Rafiqul Islam	Research Associate	mrafiquislam@bracepl.com	01708 805 229
Md. Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
----------------------	-------------------------------------	--	---------------

BRAC EPL Research www.bracepl.com

121/B Gulshan Avenue
Gulshan-2, Dhaka
Phone: +880 2 881 9421-5
Fax: +880 2 881 9426
E-Mail: research@bracepl.com