

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.

'No changes' to yield rates of savings tools before next election

- Finance Minister yesterday ruled out the possibility of reducing the yield rates of state-run savings instruments before the upcoming national elections. He also said that they have assigned a committee to assess the overall situation of the savings schemes and make their reports as to whether the rates of return can be rationalized.
- The committee has also been instructed to make its recommendations about whether the number of existing savings tools can be reduced. The committee has been given two months' time to submit its report to the ministry. The finance ministry in consultation with the IRD will carry out the assessment. The minister said savings instruments are not only the investment tools but they also play a key role in respect of social safety net programmes. He also said that the state-run DNS is working on automation of savings tools, which is to be completed by January next.
- About the source of fund to be invested in savings tools, the finance minister said to check if the government has taken some steps so that beyond certain amounts all the transactions can take place through cheques issued by banks. Meanwhile, officials of the DNS told the FE that the rates of return are currently higher on the savings instruments than that of bank deposits.

<http://today.thefinancialexpress.com.bd/first-page/no-changes-to-yield-rates-of-savings-tools-before-next-election-1533664214>

Country in the grip of 'twin deficits'

- Fiscal deficits in developing economies including Bangladesh have direct impact on the current account imbalance, reflecting the 'twin-deficits'. This new relationship was found in the latest study conducted by the International Monetary Fund (IMF) on 114 developing economies, including Bangladesh.
- Twin deficits phenomena returned to Bangladesh in the fiscal year, 2016-17, (FY'17) after five years and further widened in FY'18. The country last experienced the twin deficits in FY'12. Economists familiar with the development told the Financial Express that the current deficit has been worsening since the mega projects were taken up, which in turn had been boosting the imports.
- In the meantime, the 'twin deficits' situation is expected to worsen further, as the central bank projects the current deficit may exceed USD 10 billion or equivalent to over 3.5% of the GDP this fiscal year. The Bangladesh Bank (BB), in its latest Monetary Policy Statement, said the current account is widening due to higher trade deficit despite a rebound in the receipt of remittances. The fiscal deficit is projected at nearly 5.0% this fiscal year to June 30 next.

<http://today.thefinancialexpress.com.bd/first-page/country-in-the-grip-of-twin-deficits-1533664018>

July inflation drops to 15-month-low

- The point-to-point inflation rate declined to 5.51% in July, which is the lowest in 15 months, official data showed. According to the Bangladesh Bureau of Statistics (BBS) data, unveiled on Tuesday, the inflation rate was at the lowest level in last month after April 2017. In April last year, the point-to-point inflation was 5.47%, the BBS data showed. The inflation rate, recorded during the last 15 months (from May 2017 to June 2018), did not drop below the rate of this July.
- According to BBS, the point-to-point inflation was recorded at 5.57% in July 2017. The BBS data showed that the food inflation rate in July 2018 was recorded at 6.18% compared to 5.98% in the previous month. For the non-food items, the inflation rate dropped to 4.49% in last month from 4.48% in June. In the urban areas, the inflation rate was higher than that in the rural areas, the BBS data showed.

<http://today.thefinancialexpress.com.bd/first-page/july-inflation-drops-to-15-month-low-1533664329>

Government set to fix goods export target at USD 39 billion

- The government is set to fix the country's goods export earnings target at USD 39 billion for fiscal year 2018-19, officials said. It is 6.36% higher than the USD 36.66 billion earnings target in the just-concluded FY 2017-18, they added. The government is going to fix the total export earnings target at USD 43.6 billion including USD 4.6 billion from services.
- Taking the global economic scenario into consideration, the government is going to set goods and services export targets at USD 39 billion and USD 4.6 billion respectively for the current fiscal year. Earlier, the state-owned Export

Promotion Bureau (EPB) had proposed setting the country's goods and service export target at USD 44.50 billion for FY 2018-19. The EPB proposal included a USD 40.0 billion goods export target and USD 4.50 billion from the services sector.

- The government is likely to set the export earnings target from readymade garments at USD 32.69 billion for FY 19, the ministry official said. The target is 6.78% higher than earnings of USD 30.61 billion in FY'18. The export earnings target from knitwear and woven might be set at USD 16.15 billion and USD 16.54 billion, according to the EPB revised proposal.

<http://today.thefinancialexpress.com.bd/last-page/govt-set-to-fix-goods-export-target-at-39b-1533664578>

SL investors show interest to invest in energy sector

- Sri Lankan investors have shown their interest to invest in the energy sector as the island nation is looking to tap into Bangladesh's growing demand for new energy resources. Simultaneously, the South Asian nation is also interested to invest in Bangladesh's financial arena, said officials from Bangladesh Investment Development Authority (BIDA).
- Recent figures suggest that 45 Sri Lankan firms have invested approximately USD 300 million in Bangladesh, most of which has come in the apparel sector. Financial sector is an area where Sri Lanka already has some visible presence through entities like Commercial Bank of Ceylon. In the energy arena, on the other hand, notable Sri Lankan entities include LAUGFS which is a major player in the local LPG market.

<http://today.thefinancialexpress.com.bd/trade-market/sl-investors-show-interest-to-invest-in-energy-sector-1533666650>

Most companies see earnings rise in H1

- The earnings of most of the general insurance companies listed with the country's stock exchanges increased during the first half (H1) of this year as compared to the same period of previous year. According to the un-audited financial statements for January-June 2018, earnings per share (EPS) of 23 companies, out of 35, increased and of 12 companies declined during the period under review.

<http://today.thefinancialexpress.com.bd/stock-corporate/most-cos-see-earnings-rise-in-h1-1533654201>

IIDFC, ICB Capital Management ink deal to issue bond

- The IIDFC recently signed an agreement with ICB Capital Management Limited to issue BDT 2.0 billion coupon bearing non-convertible fully redeemable subordinated bond. Managing Director of IIDFC and Chief Executive Officer of ICB Capital Management Limited signed the agreement on behalf of their respective sides in the capital.

<http://today.thefinancialexpress.com.bd/trade-market/iidfc-icb-capital-management-ink-deal-to-issue-bond-1533666718>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$69.09	+0.08	+0.12%
Crude Oil (Brent)*	\$74.03	+0.28	+0.38%
Gold Spot*	\$1,209.74	+2.10	+0.17%
DSEX	5353.42	-3.61	-0.07%
Dow Jones Industrial Average	25,502.18	+39.60	+0.16%
FTSE 100	7,663.78	+4.68	+0.06%
Nikkei 225	22,628.07	+120.75	+0.54%

Exchange Rates

USD 1 = BDT 84.21*
 GBP 1 = BDT 108.99*
 EUR 1 = BDT 97.33*
 INR 1 = BDT 1.22*

*Currencies and Commodities are taken from Bloomberg.

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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	mrafiqulislam@bracepl.com	01708 805 229

International Trade and Sales

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