

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.

Written-off loans reach BDT 480.53 billion

- The amount of loans written off by banks increased six times year-on-year to BDT 14.1 billion in the first quarter of 2018 as the lenders used a central bank policy to clean up their books. This took the total written-off loans figure to BDT 480.53 billion since January 2003 when the policy was introduced. BDT 247.6 million was written off in the January-March quarter last year, according to Bangladesh Bank data.
- Of the six banks that used the facility to clean up their balance sheets, Premier Bank topped the chart as it removed bad debts worth BDT 640 million from its book. Eastern Bank wrote off BDT 552 million. State-owned banks wrote off BDT 226.18 billion and private banks BDT 238.18 billion in the quarter. Two state-run specialised banks—Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank—wrote off BDT 5.55 billion and foreign commercial banks BDT 10.55 billion. Between January 2003 and March 2018, BDT 480.53 billion were written off. Of the amount, 78% remained outstanding, meaning banks' efforts to recover the bad loans haven't paid off.

<https://www.thedailystar.net/news/business/written-loans-reach-BDT-48053cr-1622860>

Call rate rise unlikely ahead of Eid-ul-Azha

- The inter-bank call money rate is unlikely to rise ahead of the Eid-ul-Azha, as the overall excess liquidity with the banks increased by over 22% or BDT 171 billion in this June. The call money rate has been showing an upward trend since August 12, mainly due to higher withdrawal of cash money from the banks ahead of the Eid, according to the market operators. The trend may continue until August 20, the last working day before the Eid vacation, they explained, while ruling out any possible significant increase in the call rate.
- The call money rate ranged between 0.70% and 5.0% on Tuesday against the previous range between 0.25% and 5.0% on Sunday. The weighted average rate (WAR) on call money rose to 3.29% on August 14 from 2.17% two days ago, according to the Bangladesh Bank's (BB) latest statistics. The volume of overall transactions in the market reached BDT 103.07 billion on August 14 from BDT 84.89 billion on August 12. The call money rate witnessed an upward trend on Thursday. They added that most of the deals were settled at rates varying between 4.0% and 5.0% on the day.
- The call money rate is unlikely to cross maximum 5.0% ahead of the upcoming Eid, they predicted. The market insiders said most of the banks took necessary measures by holding adequate liquidity to avoid any possible pressure on the money market ahead of the Eid. Some banks are now holding excess liquidity that may be used to meet the growing demand for cash before the Eid, they added. The weighted average yield (WAY) on 07-Day BB Bills came down to 0.03% on August 13 from 0.05% on August 08, the BB data showed.

<http://today.thefinancialexpress.com.bd/public/first-page/call-rate-rise-unlikely-ahead-of-eid-ul-azha-1534442181>

Government cuts source tax to 0.6% for all exporters

- The government has decided to reduce both source tax and corporate tax for all exporters to support them to stay competitive in the international market. The source tax will be 0.6% for exporters of all sectors, including those of readymade garments (RMG), leather, jute and frozen foods. Besides, the corporate tax rate will be 12% for apparel exporters. However, the rate will be 10% for apparel factories having green building certification.
- In the budget for the current fiscal year (FY), 2018-19, the source tax for exporters was increased to 1.0% from 0.7%. Corporate tax rate for apparel exporters was also adjusted upward to 15%, and it was 12% for apparel exporters having green building certification. The reduced tax rates will come into force with retrospective effect from July 01, 2018.
- In FY 2017-18, the country's export income recorded a moderate growth of 5.81% to USD 36.66 billion, according to the Export Promotion Bureau (EPB) data. Apparel, jute and leather sectors together fetched about USD 32.71 billion in last FY. Of the sectors, RMG export earning posted an 8.76% growth to USD 30.61 billion. Export of leather footwear grew by 5.33% in last FY compared to that of the previous year. However, total export earning from leather and leather products fell by 12.03%.

<http://today.thefinancialexpress.com.bd/first-page/govt-cuts-source-tax-to-06pc-for-all-exporters-1534609990>

<https://www.thedailystar.net/news/business/tax-cuts-cheer-apparel-exporters-1622866>

<http://www.newagebd.net/article/48753/bangladesh-set-to-cut-rmg-export-tax-by-40pc-corporate-tax-by-20pc>

Legal barrier keeps foreign insurers from going public

- A policy barrier stands in the way of American life insurer MetLife being listed with the local stock exchanges. Since the lone foreign insurance company is not registered in Bangladesh, it cannot collect fund from local people by divesting shares, according to the local insurance law. The Insurance Development and Regulatory Authority (IDRA) recently informed the Ministry of Finance (MoF) about the policy barrier, which keeps foreign insurance companies out of Bangladesh's stock market. The IDRA updated the ministry since the government has long been trying to bring multinational companies into the stock markets for the supply of good issues to investors.
- In mid-July, the Ministry of Finance asked the IDRA to provide updated information about whether any multinational insurance company could be listed with the bourses. Officials said according to the Insurance Act 2010, a locally-registered insurance company must have BDT 300 million in paid-up capital. Of the total amount, 60% should be owned by sponsor directors while the rest be collected from the general public. In line with the insurance law, the locally registered insurance companies collect 40% of their paid-up capitals by listing them with the bourses.
- However, the law says that the insurance companies registered abroad must have BDT 300 million in paid-up capital, but the money has to be collected from outside Bangladesh. The IDRA said that the act did not keep option for collecting money from the general public by the insurance companies registered abroad. Therefore, there is no scope for MetLife to be listed in the stock market, it noted. In 2017, MetLife received over BDT 5.76 billion in premium, official statistics show.

<http://today.thefinancialexpress.com.bd/public/last-page/legal-barrier-keeps-foreign-insurers-from-going-public-1534527090>

Refrigerator sales pace up ahead of Eid

- Sales of refrigerators in city markets have marked a significant rise ahead of Eid-ul-Azha. The demand for the home appliance usually goes up during the time of this religious festival every year for the preservation of meat of sacrificial animals, they said. Besides, various brands try to lure customers with offer of gifts and discounts on fridges to boost their sales. Sources said around 35% of the total annual sales of refrigerators takes place ahead of Eid-ul-Azha across the country.
- During visits to several shopping malls in the city, including Bashundhara City and Bangabandhu Stadium market, this correspondent found most of the fridge showrooms packed with customers. Traders have also increased stock levels to meet the growing demand. Branch manager of Butterfly Marketing Limited at the stadium market, said sales of both refrigerators and freezer (commonly known as deep fridge) have seen a significant growth in recent times. He added that their refrigerators with a capacity of 250 litre to 300 litre are the most-sold items.
- The price of a 250-litre freezer starts from BDT 30,000. A salesman of Esquire Electronics limited, the distributor of Japanese Sharp refrigerators, said they offer equated monthly installment (EMI) facility at zero% interest rate for up to 18 months and free home delivery to attract customers. Customers mostly opt for 160-litre and 210-litre freezers, whose prices are BDT 25,000 and BDT 30,900 respectively. According to his estimate, around one-third of total annual sales takes place ahead of Eid-ul-Azha.

<http://today.thefinancialexpress.com.bd/public/trade-market/refrigerator-sales-pace-up-ahead-of-eid-1534436412>

edotco receives approval for tower sharing licence

- edotco Bangladesh ("edotco BD"), an integrated telecommunications infrastructure services company in Bangladesh, has been selected by the Bangladesh Telecommunication Regulatory Commission (BTRC) to obtain a conditional tower sharing incense. Upon completion of the conditions, this license will allow edotco to build and manage telecommunications towers for multiple mobile network operators in the country, said a statement. edotco BD, has been at the forefront of the country's tower infrastructure landscape since 2013, providing end-to-end solutions in the tower services sector from tower leasing, co-locations, build-to-suit, energy management, transmission and operations and maintenance.
- The company recently announced Getco, a prominent Bangladesh-based conglomerate as a 30% shareholder and strategic partner. Through its subsidiary Greencon Tower Company Limited, Getco will partner with edotco to provide next-generation infrastructure to meet the country's growing connectivity needs.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/edotco-receives-approval-for-tower-sharing-licence-1534522510>

Pricy mobile call rate decision must be scrapped

- Political leaders and mobile phone customers on Saturday urged the government to cancel its uniform floor rate decision that has made the mobile users pay more for phone calls. The uniform floor rate of BDT 0.45 per minute came into effect from 12:01am on August 14 following a Bangladesh Telecommunication Regulatory Commission order.

<http://www.newagebd.net/article/48754/pricy-mobile-call-rate-decision-must-be-scrapped>

IFAD Autos to purchase land for expansion

- IFAD Autos, an automobile dealer, has decided to purchase more 90 decimal of land adjacent to its factory at Dhamrai for future expansion of the company's business. The total cost of the land is BDT 11.35 million, including all land development cost, registration fees and other expenses, and the amount shall be paid from the own fund, said a disclosure posted on the Dhaka Stock Exchange (DSE) website on Thursday. Within three months, the engineering sector company announced to purchase a total of 724 decimal of land at a cost of BDT 65.50 million.

- Earlier on July 8 last, the company declared to purchase 190 decimal of land at a cost of BDT 2.47 million. On June 7 last, it announced to buy 444.25 decimal of land at a cost of BDT 2.94 million, including all registration fees. The engineering sector company, which was listed on the DSE in 2015, floated 21.25 million ordinary shares at an offer price of BDT 30 each, including BDT 20 as premium, and raised a fund of BDT 637.50 million. The company's earnings per share (EPS) stood at BDT 5.40 for July 2017-March 2018 against BDT 3.61 for July 2016-March 2017.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/ifad-autos-to-purchase-land-for-expansion-1534437912>

Regulator suspends trading of three stocks

- The capital market regulator has suspended trading of stocks of Monno Jute Stafflers, Bangladesh Autocars and Legacy Footwear with effect from today for 30 workdays due to their abnormal price hike. Price of Monno Jute's share jumped 5.7 times to Tk 4,639 in six months while Legacy Footwear rose four times to Tk 272 and Bangladesh Autocars three times to Tk 457 in only four months. On Thursday, the Bangladesh Securities and Exchange Commission (BSEC) gave the order in line with the Securities and Exchange Ordinance, 1969.

- The regulator also formed a two-member committee and asked it to find in 30 workdays the reasons behind the abnormal price hike of Bangladesh Autocars and Legacy Footwear. Another investigation was conducted for Monno Jute's rise and the regulator would disclose the report soon. However, the authorities of all the three companies denied having any price sensitive information which could have fuelled the prices. The stockmarket watchdog also decided to send five companies—Monno Ceramic Industries, Kay & Que (Bangladesh), Aziz Pipes, Stylecraft, and Dragon Sweater—to "spot trading" due to their abnormal price hike.

- In spot trading, an investor is allowed to purchase shares of a company only when his account has cash money. No one is allowed to purchase shares against sales of shares or loan. Monno Ceramic's price doubled to Tk 387 while Kay & Que soared 66 percent to Tk 233, Aziz Pipes 89 percent to Tk 269, Stylecraft 126 percent to Tk 2,995 and Dragon Sweater 177 percent to Tk 50.

<https://www.thedailystar.net/news/business/regulator-suspends-trading-three-stocks-1622857>

Most Mutual Funds declare lower dividends

- Majority of the mutual funds (MFs) declared lower dividends for their unit holders for the fiscal year 2017-18 due to the bearish trend in the secondary market. The trustee committees of 32 MFs, out of 37, have so far declared dividends. Of them, 17 announced lower dividends for the FY 2017-18 compared to the previous FY while eight higher, six similar and one zero dividend.

- Stock analysts blamed lack of professionalism and integrity in managing the funds for the sorry state of the mutual fund sector. The performance of many mutual funds was not lucrative also as the net asset value (NAV) at market price of most of these funds was lower than the NAV at cost price, said an analyst. Of the 37 closed-end funds on the premier bourse, 31 were trading below their face values at present, according to data from the Dhaka Stock Exchange (DSE).

<http://today.thefinancialexpress.com.bd/stock-corporate/most-mfs-declare-lower-dividends-1534602692>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$65.91	+0.45	+0.69%
Crude Oil (Brent)*	\$71.83	+0.40	+0.56%
Gold Spot*	\$1,184.25	+10.09	+0.86%
DSEX	5467.74	+59.29	+1.10%
Dow Jones Industrial Average	25,669.32	+110.59	+0.43%
FTSE 100	7,558.59	+2.21	+0.03%
Nikkei 225	22,270.38	+78.34	+0.35%

Exchange Rates

USD 1 = BDT 83.81*

GBP 1 = BDT 106.59*

EUR 1 = BDT 95.38*

INR 1 = BDT 1.19*

**Currencies and Commodities are taken from Bloomberg.*

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