

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 set to issue circular on single-digit loan rate

- The central bank is set to issue a circular on single-digit interest rate on industrial loans after getting approval from its board of directors, officials said. A draft of the circular is expected to be placed in a meeting of the Bangladesh Bank (BB) board of directors today. On December 12, the BB-formed committee submitted its report to the governor with recommendation that only industrial manufacturing sectors will be eligible for availing single-digit lending rate.
- The interest rates of large industrial (manufacturing) loans along with cottage, micro, small and medium industrial (manufacturing) credits will be lowered to single-digit from the existing level, according to its recommendations. Besides, large industrial (manufacturing) loans will include credit provided to the ready-made garment (RMG), textile, ship-building and ship-breaking, agro-based industry, and similar other sectors.
- The committee also recommended the government to ensure depositing its funds with private commercial banks (PCBs) along with public sector ones through current and SND (special notice deposit) accounts. The government decided to allow the state entities to deposit 50% of their funds with the PCBs, up from the earlier ceiling of 25%, to minimize the cost of funds in banking sector.

<https://today.thefinancialexpress.com.bd/first-page/bb-set-to-issue-circular-on-single-digit-loan-rate-1577123671>
<http://www.newagebd.net/article/94455/bb-board-today-to-decide-on-committee-suggestion>
<https://www.dhakatribune.com/business/banks/2019/12/23/bb-moves-to-cap-interest-rate-on-industrial-loans>

Telenor clarifies: it was an invitation to President, not a legal notice

- Clarifying the issue over a reported 'legal notice to the President', Telenor Group has said it was not a legal notice but an invitation letter to him for dialogue, reports UNB. According to the treaty process, she said, such letters should be sent to Heads of State. Telenor made Bilateral Investment Treaty with the Government of Bangladesh and the Government of Singapore.
- Director of Group Communication Asia, Telenor Group said in a statement that it's Telenor Group's position that they believe the disputed audit should be solved through dialogue, and that an amicable and transparent solution should be reached between the authorities of Bangladesh and Grameenphone. The process itself is governed by the treaty, and includes a period of six months for discussions after initial invitation letter, before any further steps towards international arbitration can be taken, the statement added.

<https://today.thefinancialexpress.com.bd/last-page/it-was-an-invitation-to-president-not-a-legal-notice-1577124097>
<https://www.thedailystar.net/backpage/news/invitation-not-legal-notice-1844317>
<https://www.dhakatribune.com/business/2019/12/23/telenor-it-was-invitation-to-president-not-legal-notice>

LR Global asked to refrain from conducting transactions

- The trustee has asked the LR Global Bangladesh to refrain from conducting transactions in the portfolios of DBH 1st Mutual Fund and Green Delta Mutual Fund. Bangladesh General Insurance Company (BGIC) delivered the instruction to LR Global Bangladesh, asset manager of those two mutual funds, on Monday to avoid any kind of mismatches of funds. The trustee made the instruction as the Bangladesh Securities and Exchange Commission (BSEC) on Sunday approved the proposal of changing the asset manager, LR Global, of DBH 1st Mutual Fund and Green Delta Mutual Fund. The securities regulator also appointed IDLC Asset Management Company as new asset manager to these two mutual funds replacing LR Global Bangladesh. a senior official of the BGIC said the BGIC will make similar request to the related banks by December 26 to avoid any kind of mismatches under the portfolios of DBH 1st Mutual Fund and Green Delta Mutual Fund.

<https://today.thefinancialexpress.com.bd/stock-corporate/lg-global-asked-to-refrain-from-conducting-transactions-1577123003>
<http://www.newagebd.net/article/94464/trustee-bars-lr-global-from-making-transaction-in-2-mfs>

Foreign fund inflow dips

- Reduced flow of external resources poses a threat to achieving around 20% growth estimated for the current fiscal year, as disbursement of foreign funds during the first six months of 2019 caused a negative growth. The amount of foreign aids was USD 3.31 billion in January-June against USD 3.34 billion in the same period of the previous year, according to the latest data of the Economic Relations Division (ERD). Of the total, JICA disbursed USD 1.19 billion, World Bank USD 1.97 billion, Asian Development Bank USD 1.21 billion and Russia USD 877 million.

- The government in the current budget estimated BDT 753.90 billion to be sourced from the head of foreign borrowing, up by 19.63% from the original target of last fiscal year. In 2018-19 FY, target on the head of external borrowing was set at BDT 605.85 billion to finance part of budget deficit. However, the target had to be revised downward to 538.83 billion in the last fiscal year.
- Officials concerned at the ERD have said the poor implementation capacity stands as major roadblock to getting desired foreign funding from both the bilateral and multilateral lenders. Excessive conditions attached to the foreign loans also remain a persistent hindrance to receiving expected loans, particularly from multilateral lending agencies like the WB, and bilateral development partners like China and India, they have added.

<https://www.dhakatribune.com/business/2019/12/23/foreign-fund-inflow-dips>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$60.52	-0.00	-0.00%
Crude Oil (Brent)*	\$66.44	+0.05	+0.08%
Gold Spot*	\$1,489.07	+3.28	+0.22%
DSEX	4,394.44	-36.52	-0.82%
Dow Jones Industrial Average	28,551.53	+96.44	+0.34%
FTSE 100	7,623.59	+41.11	+0.54%
Nikkei 225	23,808.55	-12.56	-0.05%
BSE SENSEX	41,684.51	+41.85	+0.10%

Exchange Rates

USD 1 = BDT 84.90*
GBP 1 = BDT 109.91*
EUR 1 = BDT 94.14*
INR 1 = BDT 1.19*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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