

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.

Manpower export may fall further in coming years

- The country's manpower export may experience further fall in the coming years due to poor demand for less-skilled workers in major markets, experts and sector insiders have predicted, calling for urgent measures to develop skilled manpower.
- They suggested formulating a long-term policy with restructuring the education and training systems that would facilitate improving the workers' skills to a standard suitable for the job destinations. They also recommended taking measures to diversify job markets.
- The wage earners sent home USD 15.53 billion in 2018. They contribute around 13% to the country's gross domestic product (GDP), according to an estimate.
- The demand for less- skilled workers is gradually falling in the global market while Middle East (ME) countries, the key market for Bangladeshi workers, reduced hiring foreign workers in the recent times, they said.
- Overseas employments from Bangladesh fell more than 27% in last year compared to that of the previous year.
- Sector insiders said the fall was due to dependence on a single market, mainly Saudi Arabia. The outflow of workers from Bangladesh to Saudi Arabia dropped by more than 53% to 257,317 in 2018 as compared to 551,308 in 2017, the BMET data showed. The oil-rich country banned 12 categories of jobs for foreign workers in early 2018, substantially shrinking the job opportunities there. Manpower recruitment by other ME countries also dropped substantially because of slow development works.

<http://today.thefinancialexpress.com.bd/public/trade-market/manpower-export-may-fall-further-in-coming-years-1547133824>
<https://www.thedailystar.net/business/news/migrant-workers-jobs-stake-1686691>

59.59% rise in fuel oil import takes expenses to USD 22 billion

- Bangladesh's import expenses crossed USD 22 billion in the first five months of the current fiscal year (FY), 2018-19, following a 59.59% increase in fuel oil import, officials said.
- The actual import in terms of settlement of letters of credit (LCs) grew by 9.12% to USD 22.47 billion during the July-November period of FY '19 from USD 20.59 billion in the same period of the previous fiscal, according to the central bank's latest statistics.
- But opening of LCs, generally known as import orders, dropped by nearly 31% to USD 24.68 billion during the period under review from USD 35.75 billion in the same period of FY '18.
- According to a senior official of the Bangladesh Bank (BB), the import orders fell significantly in the five months of this fiscal mainly due to the national polls. He said most of the businessmen had maintained a 'go-slow' policy for setting up fresh LCs ahead of the polls to avoid possible risks.

<http://today.thefinancialexpress.com.bd/public/first-page/5959pc-rise-in-fuel-oil-import-takes-expenses-to-22b-1547140936>

Export of plastic goods marks 21% rise in first half of the current fiscal year (FY)

- The country's export of plastic goods marked a 21% rise in the first half of the current fiscal year (FY) over the corresponding period of last fiscal.
- The plastic sector fetched USD 56.54 million during the July-November period of FY 2018-19 compared to the first half of 2017-18 FY 46.63 million USD .
- The target export from the sector was 100 million USD for the 2018-19 fiscal year. In 2017-18 FY, the country exported 98.48 million USD , according to available data of Export Promotion Bureau (EPB).
- The sector insiders attributed such a significant export growth to higher demand for Bangladeshi plastic products in the global market.

<http://today.thefinancialexpress.com.bd/public/trade-market/export-of-plastic-goods-marks-21pc-rise-in-h1-of-current->

[fy-1547221260](#)

Savings tools buying to come under government scanners

- The government is set to create a database of buyers of government-sponsored savings instruments.
- The objective behind the creation of database is to see whether the savings opportunity is abused by exceeding the investment limit or making 'benami' (fictitious) investments.
- From February next, the savers will require national identity cards, bank accounts, mobile numbers and tax-identification numbers while purchasing the national savings certificates and bonds.
- And those who have already invested in the savings certificates and bonds will need to submit the same to draw profits or encash matured ones.
- People familiar with the issue at the Directorate of National Savings and the Ministry of Finance said this will help the government scan who are actually investing in the instruments and detect as to whether they are violating the thresholds or not.
- The national tax authority will have access to the database of savers which will help them identify tax evaders.

<http://today.thefinancialexpress.com.bd/public/first-page/savings-tools-buying-to-come-under-govt-scanners-1547226985>

No more rise in non-performing loans (NPLs) 'from now on'

- The Finance Minister said non-performing loan (NPL) will not grow by even a single penny from today, rather it will reduce.
- He, however, said he would not go for action against the "big shots" and "powerful persons" who are the main drivers of economy.
- About his stance on the NPL holders, he said, the powerful persons account for 82% of the economy and it is not possible to combat NPLs without taking action against these persons.

<http://today.thefinancialexpress.com.bd/public/first-page/no-more-rise-in-npls-from-now-on-1547141201>
<http://www.newagebd.net/article/61463/no-new-defaulted-loans-from-today-mustafa-kamal>
<https://www.dhakatribune.com/business/banks/2019/01/10/mustafa-kamal-no-more-npls-from-today>

Private commercial banks (PCBs) to map out strategy for cutting soured loans

- Private commercial banks (PCBs) will devise strategies for curbing the volume of non-performing loans (NPLs) in the banking system.
- Chairman of the Association of Bankers has been assigned to make a 'working paper' in this connection in the next 10 days.
- The initiative to devise a work plan to help bring down the troubled loans in the banking system came against the backdrop of the recent meeting of the BAB with Finance Minister.
- The BAB assured the minister of not allowing the soured loans to go up further. Besides, the BAB would work on how to reduce the NPL rate in the banking system, the BAB Chairman told reporters after the meeting on Thursday. Meanwhile, the volume of NPLs climbed by nearly 34% or BDT 250.67 billion to BDT 993.70 billion as of September 30 from BDT 743.03 billion on December 31, 2017, according to banking sources.

<http://today.thefinancialexpress.com.bd/first-page/pcbs-to-map-out-strategy-for-cutting-soured-loans-1547311000>
<http://www.newagebd.net/article/61622/bab-abb-hold-jt-meeting-on-reducing-defaulted-loan>

Pharmas should adopt innovation through alliance with academia

- The pharmaceutical industry in Bangladesh has done remarkably well, growing at more than 15% a year, with sales of approximately USD 2.4 billion in 2017. The growth rate in India, Pakistan and China are 15 percent, 11% and 9.5% respectively. The country's need of drugs is almost entirely met by those produced domestically. To some extent, this contributed to the fact that per capita spending on healthcare services in Bangladesh is the lowest among the South East Asian countries.
- In a recent World Bank publication, it was reported that per capita spending on healthcare services is USD 88 for

Bangladesh, USD 129 for Pakistan, USD 137 for Nepal, USD 167 for Afghanistan, USD 267 for India, USD 281 for Bhutan, and USD 369 for Sri Lanka. Obviously, the share of pharmaceuticals in the overall healthcare spending in Bangladesh is very small because locally produced drugs are much cheaper than the imported ones and the pharmaceuticals industry in Bangladesh deserves some credit. Some may argue that the lower healthcare spending may also indicate relatively lower access to healthcare services in Bangladesh compared to other Asian countries, but it is widely reported that Bangladesh performs much better in health outcomes, such as, longevity, maternal mortality rate, infant mortality rate, vaccination rates, compared to those countries with the exception of Sri Lanka.

- Companies that tend to go for premium, which is an added amount to the face value of the share, tend to be solid ones.
- Big entrepreneurs don't get the money when they need, so most of them lose their enthusiasm to get listed.
- For instance, United Power Generation had to wait two years to raise capital after its road show, arranged to gauge a company's demand among stock market investors. Bashundhara Paper Mills and Aman Cotton needed more than two years to get money from the market after they had held their road shows; Acme Laboratories waited almost two years, while Aamra Networks hung around for one and a half years.
- As of now, Runner Automobiles, STS Holdings, Dhaka Regency Hotel, Delta Hospital, Index Agro, Popular Pharmaceuticals and Esquire Knit have been waiting for more than two years to go for listing, according to data from the Bangladesh Securities and Exchange Commission.

<https://www.thedailystar.net/business/news/ipo-lose-lustre-high-cost-lengthy-process-1686697>

Number of mobile internet users falls in November-December

- The number of mobile internet users declined for the second consecutive month in December, 2018.
- At the end of December, the number of mobile phone-based internet connections declined by 0.47 million to 85.6 million from 86.0 million in November. The figure was 86.7 million at the end of October.
- Mobile phone-based internet connections constitute nearly 94% of the country's internet user base.
- Officials of mobile phone operators said the government's tight scrutiny of the social media along with blocking of a number of web sites before the December 30 national elections might be one of the key reasons for the fall in the number of active mobile internet users in last two months.

<http://www.newagebd.net/article/61530/number-of-mobile-internet-users-falls-in-nov-dec>

Only 7.43% mobile subscribers use 4G service

- Only 7.43% of the country's mobile phone subscribers are using the fourth generation (4G) mobile phone service even after ten months of the launch of the high-speed service.
- Three mobile phone operators — Grameenphone, Robi and Banglalink — launched the service in February 19 last year after receiving licences from Bangladesh Telecommunication Regulatory Commission on the same day. State-run Teletalk, however, launched the service in December, 2018 despite receiving the licence along with the three private sector mobile operators in February last year.
- As per the BTRC's latest statistics, the number of 4G subscribers reached 11.7 million at the end of December, 2018, while the number of active mobile phone users in the country stood at 157.0 million.
- Mobile phone operators blamed high prices of 4G-enabled devices as the reason for the slow growth in the 4G penetration.
- But mobile handset importers said that lack of 4G-enabled products depending on the capacity of the mobile phone subscribers was another reason for the slow growth in 4G penetration.

<http://www.newagebd.net/article/61623/only-743pc-mobile-subscribers-use-4g-service>

Bangladesh Securities and Exchange Commission (BSEC) laying auto-flagging to block directors' anonymous share sales

- The Bangladesh Securities and Exchange Commission (BSEC) is laying auto-flagging system at Central Depository Bangladesh Limited (CDBL) to block sales of shares by sponsors/directors of the listed companies without any disclosure.

- The sponsors/directors were often found selling shares without any declaration to public, and without prior regulatory approval as they fell short of mandatory minimum shareholding of 2% individually and 30% jointly.
- The regulator has recently formed a committee headed by its executive director to work with the issue. Chief technology officers of CDBL and stock exchanges are also on the committee.
- BSEC made the decision after Dhaka Stock Exchange urged the commission to bar secret share sales by sponsors/directors of the listed companies.

<http://www.newagebd.net/article/61621/bsec-laying-auto-flagging-to-block-directors-anonymous-share-sales>

Mutual Funds (MFs) post 16% portfolio loss in 2018

- Listed mutual funds performed poorly in the just concluded year (2018) as the sector registered a portfolio loss of 16.4% in the year, whereas the market dropped by 13.75 per cent.
- The total net asset value of closed-end mutual funds was BDT 57.19 billion in December, 2018, which was BDT 68.40 billion in December, 2017, according to a market research.
- Among the fund managers, Vanguard posted highest drop in portfolio returns in the year losing 17.7 per cent, followed by VIPB 17.7 per cent, ICB AMC 17.7 per cent, LR Global 12.8 per cent, RACE 11.5 per cent, ATC 11.0% and AIMS 8.1% in the year of 2018, it showed.
- The market was largely bearish in 2018, plummeting by 13.75 per cent. The bear run eroded share prices of most of the companies. As mutual funds invest mostly in the capital market, the asset managers barely could make profits from the market in last year, market operators said.

<https://www.thedailystar.net/business/news/sonalis-operating-profits-rocket-1683622>

IDLC Finance to arrange BDT 2,775 million for Kishoregonj Economic Zone Ltd. (KEZ)

- An agreement was signed between Kishoregonj Economic Zone Ltd. (KEZ) and IDLC Finance Limited (Participatory Financial Institution-PFI) for financing in Kishoregonj Economic Zone Ltd. under Investment Promotion Financing Facility-II (IPFF-II) of World Bank.
- IDLC Finance will act as Lead arranger and Agent of this financing project. Under this agreement, IDLC Finance will arrange BDT 2775 million for 20 year terms which will be used for infrastructure construction of the zone.
- This financing will contribute grossly for the socio-economic development of the area of Kishoregonj and Bangladesh as well as part of the government agenda to establish 100 economic zones to create 10 million job.

<http://today.thefinancialexpress.com.bd/public/trade-market/idlc-finance-to-arrange-BDT-2775m-for-kez-1547221407>

United Power Generation witnesses steady growth

- United Power Generation & Distribution Company (UPGDC) posted a steady growth in dividend disbursement in last few years. During the period, the company's earnings per share (EPS) also rose moderately.
- The UPGDC, formerly known as Malancha Holdings began operation for ensuring uninterrupted, quality power supply to the industries housed within the country's Export Processing Zones (EPZs).
- Presently the company is involved in power generation, distribution, steam generation and supply up to their customer's doorsteps.
- The UPGDC reported its EPS of BDT 5.89 and BDT 8.3 for the calendar years 2013 and 2014. The EPS was BDT 15.57 (18 months) till June 30, 2016. Later, the company reported its EPS of BDT 10.46 and BDT 11.51 for the fiscal year (FY) 2016-17 and FY 2017-18 respectively.
- The company disbursed 35% cash dividend in 2013 and 30% cash and 10% stock dividend in 2014. It disbursed 125% cash dividend for 18 months for the period ended on June 30, 2016. The amount of dividend was 90% cash and 10% stock for the FY 2016-17. Finally, the UPGDC disbursed 90% cash and 20% stock dividend for the year 2017-18.

Net profit increased 10.09% in 2017-18 compared to previous FY. The company reported net profit of BDT 4.17 billion for the FY 2016-17 and BDT 4.59 billion for the FY 2017-18.

During the last operation year, the company generated a total of 941.03 million kWh of electricity at an average capacity utilisation of 75 per cent, according to chairman of the UPGDC.

<http://today.thefinancialexpress.com.bd/stock-corporate/united-power-generation-witnesses-steady-growth-1547308939>

Islamic banks' excess liquidity shrivels

- Shariah-based banks saw a sharp fall in excess liquidity in the third quarter of last year because of aggressive investment to the point of violating the ceiling set by the central bank.
- Between the months of July and September the excess liquidity of the Islamic banking industry shrank 19.54% to BDT 52.02 billion from the previous three months, according to data from the Bangladesh Bank.
- The loan-deposit ratio surged to 97% during the quarter, which is way above the authorised limit of 90 percent.
- Of the eight full-fledged Islamic banks five had lent breaching the ceiling. The eight banks are Islami Bank Bangladesh, Exim, First Security, Al-Arafah, ICB Islamic, Social Islami, Shahjalal Islami and Union bank.
- Except for Islami Bank Bangladesh, Al-Arafah and ICB Islamic, all lent above and beyond their loan-deposit ratio ceiling.

<https://www.thedailystar.net/business/news/islamic-banks-excess-liquidity-shrivels-1686013>

Runner Automobile initial public offering (IPO) opens January 31

- The initial public offering (IPO) of Runner Automobiles will open for subscription on January 31, seeking to raise BDT 1.0 billion from the capital market under the book-building method. The last date for subscription is February 10.
- Runner Automobiles, the flagship company of Runner Group, will allot a total of more than 13.93 million ordinary shares.
- The cut-off price of the shares of Runner Automobiles has been fixed at BDT 75 each as discovered by eligible investors (EIs) through bidding under the book-building method.
- Of 13.93 million shares, more than 8.33 million shares (60 per cent) will be issued to the eligible institutional investors at the cut-off price of BDT 75 each.
- The remaining 5.60 million shares (40 per cent) will be issued to general investors through IPO at BDT 67 each, after a 10% discount on the cut-off price.
- According to financial statements of the motorcycle maker for the year ending on June 30, 2017, the company's net asset value (NAV with revaluation) per share stood at BDT 55.70. The NAV without revaluation was BDT 41.94. The weighted average of the EPS (earnings per share) is BDT 3.31.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/runner-automobile-ipo-opens-jan-31-1547224140>

17 companies end up in 'Z' category in two years

- A total of 17 listed companies were downgraded to 'Z' category, meant for worst-performing enterprises, in the last two years.
- They were downgraded from the best- and medium-performing categories for not recommending dividends or not being in operation for more than six months or for non-compliance regarding the annual general meeting (AGM).
- Of them, eight companies were sent to the 'Z' category in 2017 and nine others in 2018.
- The companies which were sent to 'Z' category in 2018 are Emerald Oil Industries, Tung Hai Knitting & Dyeing, Fareast Finance & Investment, AB Bank, Eastern Cables, Padma Islami Life Insurance, Evinco Textiles, Northern Jute Manufacturing Company and GBB Power.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/17-companies-end-up-in-z-category-in-two-years-1547136496>

IPOs lose lustre for high cost, lengthy process

- Companies are losing interest in coming to the stock market because of the lengthy process stretching up to two years and the high costs to get listed.
- In the last eight years, 23 companies held road shows to go public with premium but 10 got the approval and even

then all but one had to wait for up to two years.

- Companies that tend to go for premium, which is an added amount to the face value of the share, tend to be solid ones.
- Big entrepreneurs don't get the money when they need, so most of them lose their enthusiasm to get listed.
- For instance, United Power Generation had to wait two years to raise capital after its road show, arranged to gauge a company's demand among stock market investors. Bashundhara Paper Mills and Aman Cotton needed more than two years to get money from the market after they had held their road shows; Acme Laboratories waited almost two years, while Aamra Networks hung around for one and a half years.
- As of now, Runner Automobiles, STS Holdings, Dhaka Regency Hotel, Delta Hospital, Index Agro, Popular Pharmaceuticals and Esquire Knit have been waiting for more than two years to go for listing, according to data from the Bangladesh Securities and Exchange Commission.

<https://www.thedailystar.net/business/news/ipo-lose-lustre-high-cost-lengthy-process-1686697>

Exports prove a boon for paper mills

- Increasing export of paper and tissue has created a window for local mills to utilise their huge unused capacity and bring home foreign currency.
- Bangladesh's 110 paper mills, with a capacity of producing more than 1.5 million tonnes of paper and paper products annually, can use less than half of their capacity as domestic demand hovers around 0.9-1.0 million tonnes.
- Under the circumstances, the opportunity for export, which opened nearly a decade ago and gradually expanded, has become a boon for the capital-intensive paper industry.
- According to deputy managing director of Bashundhara Group, the paper industry has overcapacity as a whole and it will be able to utilise more capacity if it can increase export. As a result of overcapacity, a portion of the mills are on the brink of closure, he said.
- Export of paper and paper products soared 63% to USD 16.24 million in 2018 from that a year ago, according to data compiled by the Bangladesh Paper Mills Association (BPMA).
- Export Promotion Bureau (EPB) data showed that the total shipment of paper and tissue rose 54% year-on-year to USD 8.37 million in the July-December period of the current 2018-19 from that a year ago.

<https://www.thedailystar.net/business/news/exports-prove-boon-paper-mills-1686010>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$51.59	-1.00	-1.90%
Crude Oil (Brent)*	\$60.48	-0.48	-1.95%
Gold Spot*	\$1,290.25	+2.84	+0.28%
DSEX	5797.30	-1.29	-0.22%
Dow Jones Industrial Average	23,995.95	-5.97	-0.02%
FTSE 100	6,918.18	-24.69	-0.36%
Nikkei 225	20,359.70	+195.90	+0.97%

Exchange Rates

USD 1 = BDT 83.64*
GBP 1 = BDT 106.96*
EUR 1 = BDT 96.73*
INR 1 = BDT 1.19*

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