

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.

Lower lending rate to single digits

- The central bank has once again instructed banks to lower their lending rate to single digits as per instruction of the government and as committed by the sponsors of the lenders. Banks should follow the directive on maintaining a 9% lending rate and 6% deposit rate in line with the promises made by the Bangladesh Association of Banks (BAB), a platform of the sponsors of private banks, last year, the central bank said at a meeting yesterday. Banks have a responsibility to implement the agreed rate as the BAB has given its word to the government to do so, the chairman of the Association of Bankers said.
- In 2017, banks cut down the interest rate on lending to single digits, helping the government keep up the growth momentum of the economy. They can do it again, but all stakeholders should respond to this end, said also the managing director of Dhaka Bank. The spokesperson and an executive director of the central bank, said the BB was now monitoring whether banks follow the 6-9% interest rates.
- The chairman of the Association of Bankers said that the central bank had also asked to lower the default loans and follow banking norms for the betterment of the financial sector. Default loans may decline in the second quarter this year. A majority of banks have informed the central bank that their non-performing loans have decreased significantly during the period. Currently, lending rates range between 12% and 15% and deposit rates hover around 10%.

<http://www.newagebd.net/article/79249/banks-tell-bb-single-digit-rates-not-possible-now>
<https://www.thedailystar.net/business/banking/news/lower-lending-rate-single-digits-1775068>

Bank Asia's agent banking deposits cross BDT 10.00 billion

- Bank Asia's deposits in agent banking have recently crossed the BDT 10.00 billion mark, further consolidating the bank's position in the sector. Bangladesh Bank has so far given agent banking licences to 21 banks but 19 has so far rolled out their service. Of them, Dutch-Bangla Bank and Bank Asia are leading the pack with a combined market share of 78%. Introduced in 2016, agent banking allows the underserved population to take limited scale banking and financial services by way of authorised agents.
- Usually, the owners of the village stores conduct banking transactions -- such as cash deposits and withdrawals, loans and remittance disbursement -- on behalf of a bank. As of March, total deposits through agent banking stood at BDT 37.34 billion, according to data from the BB. In 2018, BDT 31.12 billion was received by way of agent banking, up from BDT 13.99 billion a year earlier.
- The volume of NPLs climbed by more than 18% to BDT 1,108.73 billion in the first quarter (Q1) of the year from BDT 939.11 billion in the previous quarter, the BB data showed. The banks and NBFIs have been empowered to write off a loan amounting to BDT 0.20 million instead of BDT 50,000 earlier on without filing lawsuit for recovery.

<https://www.thedailystar.net/business/banking/news/bank-asias-agent-banking-deposits-cross-BDT-1000cr-1775056>

Bangladesh becomes top destination for scrapped ships

- Bangladesh has become the top destination for scrapped ships in the world with bringing the highest number of such vessels in the first half of the current year, according to a global coalition. During the period, a total of 374 ships were broken in the world and some 156 of them were dismantled in Bangladesh causing irreversible damage to both human health and the environment, according to the data released by NGO Shipbreaking Platform (NSP).
- The number of ship breaking during January to June of 2019 grew by 67.74% from 93 vessels dismantled in Bangladesh in 2018, the data showed. India imported a total of 116 scrapped ships during the first half of 2019, down from 172 in the January-June period of 2018, according to the data. Turkey dismantled 47 ships, followed by Pakistan 16, European Union 11 and China 6.
- Terming the current shipbreaking practices in Bangladesh 'dirty and dangerous', the Platform said poor enforcement of national and international environmental and labor laws causes irreparable damage to the environment, workers and local communities. The group in a statement has also blamed a lack of implementation of safety measures by the authorities and workers' inability to get appropriate protective equipment for major causes behind the accidents. The president of Bangladesh Ship Breakers Association ruled out the allegation of employers' negligence.

<http://today.thefinancialexpress.com.bd/trade-market/bd-becomes-top-destination-for-scrapped-ships-1563724810>
<http://www.newagebd.net/article/79141/bangladesh-scraps-record-156-ships-in-6-months-despite-concerns>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.07	+0.44	+0.79%
Crude Oil (Brent)*	\$63.32	+0.85	+1.36%
Gold Spot*	\$1,427.04	+1.67	+0.12%
DSEX	5033.75	-96.95	-1.89%
Dow Jones Industrial Average	27,154.20	-68.77	-0.25%
FTSE 100	7,508.70	+15.61	+0.21%
Nikkei 225	21,402.17	-64.82	-0.30%

Exchange Rates

USD 1 = BDT 84.50*

GBP 1 = BDT 105.66*

EUR 1 = BDT 94.79*

INR 1 = BDT 1.22*

**Currencies are taken from XE Currency Converter 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
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
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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