

*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.*

### **Unique Meghnaghat Power Ltd (UMPL) to implement 584MW combined cycle power plant**

- A consortium of three local and foreign companies signed deals with the government entities here on Wednesday to implement the country's biggest 584 megawatt (MW) combined cycle power plant at Meghnaghat of Narayanganj. The consortium, named Unique Meghnaghat Power Ltd (UMPL), will build the power plant within 36 months. The plant will run either on locally produced natural gas or by re-gasified liquefied natural gas (RLNG) to generate electricity. The UMPL, the consortium of Unique Hotel & Resorts Ltd., Strategic Finance Ltd. and US company GE Capital Global Energy Investment BV, inked the deals at a function at Bidyut Bhaban in the city. Some USD 520 million will be required to implement the power plant project, which is expected to provide electricity by July 2022.
- Unique Hotel and Resorts Ltd has 64.98% stake in the power plant project, while the GE has 30% and Strategic Finance has 4.95% stakes. State-run Bangladesh Power Development Board (BPDB) will purchase electricity from the power plant at a levelized tariff rate-around US cents 3.69 per unit (1 kilowatt-hour) or BDT 2.95 per unit, if it is run by locally produced gas. The tariff would be US cents 6.80 per unit (1 kilowatt-hour) or BDT 5.44 per unit, if it is run by RLNG.

<http://today.thefinancialexpress.com.bd/trade-market/umpl-to-implement-584mw-combined-cycle-power-plant-1563989900>  
<https://www.thedailystar.net/business/news/unique-meghnaghat-build-584mw-plant-1776601>

### **Private sector credit growth hits 6-year low**

- Private sector credit growth hit 6-year low in June this year amid rising liquidity crisis in the country's banking sector due to soaring non-performing loans and poor deposit growth. As per the latest Bangladesh Bank data, the private sector credit growth slumped to 11.29% in June, well below the BB target to reach 16.5% credit growth by the month. The growth rate in June was the lowest since June, 2013 when it was 11.04%.
- The public sector credit growth, however, soared to 19.15% in June, against the BB monetary policy target of 10.9. BB officials said that the banks squeezed loan disbursement to private sector as they were failing to recover defaulted loans and collecting deposit. They said that the government's heavy borrowing from banking sector in June, the last month of the previous financial year 2018-2019, to complete its annual development programme also affected loan disbursement to private sector.
- Experts expressed their concern regarding the slow private sector credit growth as it might affect the country's economic growth. Bankers and BB officials said that the liquidity crisis in the country's banking sector also worsened as depositors heavily bought national savings certificates because of higher interest rate.

<http://www.newagebd.net/article/79542/private-sector-credit-growth-hits-6-yr-low>

### **Government borrowing from banks more than doubled last fiscal**

- The government borrowing from the banking system more than doubled in the outgoing fiscal year (FY) to partly finance its budget deficit, officials said on Wednesday. Its borrowing from the banking system rose to BDT 264.46 billion as on June 30 last from BDT 117.31 billion in the same period of the previous fiscal, according to the Bangladesh Bank (BB)'s confidential report. The bank borrowing of the government, however, was lower than both original and revised targets for FY 2018-19, they added. Earlier, the government slashed its bank borrowing target to BDT 308.95 billion for the FY '19 from the original target at BDT 420.29 billion, according to the budget documents.
- Higher revenue shortfall has forced the government to borrow more from the banking system to meet the budget deficit particularly for implementation of mega projects, they explained. The National Board of Revenue (NBR) had faced BDT 0.66 trillion shortfall against its revised target for the outgoing fiscal year, according to the provisional figures. Faster execution of the Annual Development Programme (ADP) during the May-June period of the FY '19 also pushed up the government's bank borrowing, the official explained.
- Besides, decreasing trend in sales of national savings certificates in the month of May has also contributed to push up the bank borrowing of the government, according to the official. Net sales of national savings instruments fell by 1.33% to BDT 32.58 billion in May 2019 from over BDT 33 billion in the same month of 2018, the official figures showed.

<http://today.thefinancialexpress.com.bd/first-page/govt-borrowing-from-banks-more-than-doubled-last-fiscal-1563990976>

### Bangladesh Securities and Exchange Commission (BSEC) asks Dhaka Stock Exchange (DSE) to take steps for Coppertech listing

• The securities regulator has asked the premier bourse to take steps for the listing of Coppertech Industries as per the section 5(4) of the listing regulations. The Bangladesh Securities and Exchange Commission (BSEC) also asked the Dhaka Stock Exchange (DSE) to inform them (regulator) within 10 working days about what steps have been taken for the listing of the company. Contacted, a senior DSE official expressed the hope that the procedure for listing of Coppertech Industries would be completed within 10 working days. Earlier, the approval for the listing proposal was delayed, as the company got mired in some 'controversies' over its financial statement.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-asks-dse-to-take-steps-for-coppertech-listing-1563989339>

<http://www.newagebd.net/article/79545/bsec-asks-dse-to-list-controversial-coppertech-within-10-days>

### Government to buy gas from international oil companies (IOCs) at Asian rate

• The government will buy gas from international oil companies (IOCs) at the Asian market rate from now, in a departure from its previous stance to purchase it at only fixed rates. The purchase price from onshore IOCs will be about USD 6.5 per thousand cubic feet and from offshore IOCs about USD 7.25. But this is an indicative price. The actual price will be what is prevailing in the Asian market when we go out to purchase, the finance minister told reporters after the meeting at the secretariat. Under the existing model, the government purchases gas at USD 2.9 per cubic feet from onshore IOCs. There is no rate for offshore IOCs, but in the PSC model used in 2014 the price for offshore IOCs was: USD 5 for shallow water and USD 6.5 for deep sea, according to energy ministry officials.

• Because of the shortcomings in the existing model, the government found no IOCs interested in offshore when it placed tenders, according to the minister. We will soon float tenders to award offshore blocks, he added.

<https://www.thedailystar.net/business/news/govt-buy-gas-iocs-asian-rate-1776580>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.04	+0.16	+0.29%
Crude Oil (Brent)*	\$63.30	+0.12	+0.19%
Gold Spot*	\$1,422.02	-3.84	-0.27%
DSEX	5077.29	-0.46	-0.01%
Dow Jones Industrial Average	27,269.97	-79.22	-0.29%
FTSE 100	7,501.46	-55.40	-0.73%
Nikkei 225	21,781.85	+72.28	+0.33%

### Exchange Rates

USD 1 = BDT 84.55\*

GBP 1 = BDT 105.49\*

EUR 1 = BDT 94.15\*

INR 1 = BDT 1.23\*

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

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Deputy Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Md. Sakib Chowdhury	Research Analyst	<a href="mailto:sakib.chowdhury@bracepl.com">sakib.chowdhury@bracepl.com</a>	01709 641 247
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Ahmed Zaki Khan	Research Associate	<a href="mailto:zaki.khan@bracepl.com">zaki.khan@bracepl.com</a>	01708 805 211
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiquislam@bracepl.com">mrafiquislam@bracepl.com</a>	01708 805 229
Md. Mahirul Quddus	Research Associate	<a href="mailto:mmahirul.quddus@bracepl.com">mmahirul.quddus@bracepl.com</a>	01709 636 546

#### International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-------------------------------------	--	---------------

#### BRAC EPL Research [www.bracepl.com](http://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](mailto:research@bracepl.com)