

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 (BB) asks banks to keep spread within 4.0%

- The central bank has asked the commercial banks to keep their intermediation spread between the lending and average deposit rates within 4.0%. The Bangladesh Bank (BB) expressed concern over the recent trend of 'illogical' rise in lending rates. As BB circular, in recent times, interest rates on different types of credit are being increased irrationally, which is a matter of concern. To keep interest rates on credit for different sectors excepting credit cards and consumer loans at rational levels, banks are advised to keep the intermediation spread within 4.0%. It asked the banks to keep the intermediation spread within the "lower single digit" at 5.0%. The BB's latest instruction has come in the wake of a slight rise in the intermediation spread of the banks to 4.40% in March from 4.37% in February. The weighted average interest on lending rose to 9.70% in March compared to 9.55% in February.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-bank-asks-banks-to-keep-spread-within-40pc-1527738610>

Private sector credit growth remains above Bangladesh Bank (BB) target

- Private sector credit growth declined for the second consecutive month in April but remained well above the central bank projected limit, thus nullifying banks owners' claim of liquidity crisis. Year-on-year private sector credit growth stood at 17.65% in April this year. The growth rate, however, is yet to come down within the central bank's target of 16.8% for the second half of the fiscal year 2017-18. The credit growth rate was 17.93% in March. The central bank after its failure to keep private credit growth within its projected 16.3% during the first half of the 2017-18 fiscal set an enhanced growth target for the second half. A former advisor to the caretaker government said that it is central bank's inconsistent policy that was keeping private sector credit growth above its target.

<http://www.newagebd.net/article/42622/pvt-sector-credit-growth-remains-above-bb-target>

Japan intends to confirm over USD 1.83 billion in aid next week

- Japan is likely to confirm a USD 1.83 billion in aid for Bangladesh next week. The money from the country's largest bilateral development partner is meant to bankroll six development projects. According to Finance ministry officials, the Japan International Cooperation agency (JICA) is expected to sign a deal on Yen 200.37 billion (USD 1.83 billion) official development assistance. The agreement signing is scheduled for June 14. Under the proposed 39th ODA package, Japan will provide some Yen 2.65 billion loan for the Matarbari port development project. he Yen 37.22 billion will be for Dhaka MRT line-06 construction (phase-III) project, and Yen 7.36 billion for Dhaka MRT line-05 feasibility study project. Besides, it will lend Yen 7.93 billion for the Matarbari ultra-super critical coal-fired power plant (phase-IV) project, Yen 6.73 billion for the Jamuna railway bridge project and Yen 6.56 billion for the health service strengthening project.

<http://today.thefinancialexpress.com.bd/last-page/japan-intends-to-confirm-over-183b-in-aid-next-week-1527959411>

Dissatisfied bank clients closed 1.7 million accounts in 2017

- The number of customers dissatisfied with banking services has been on the rise as 1.7 million dissatisfied customers closed their accounts in Bangladesh in the year 2017. In 2017, 12.5% of around 130 million bank accounts were closed only because of the customers' dissatisfaction over the banks' services. Not a single bank out of the 56 scheduled banks managed to escape from such account closure by the customers. The figure of account closure by the customers following dissatisfaction was 8.6% in the year 2014. The figure gradually increased to 9.42 in 2015 and 11.64% in 2016, thus suggesting the need for banks service quality improvement. Fifty six% of the banks did not keep any record of the accounts closed due to dissatisfaction over service quality.

<http://www.newagebd.net/article/42555/dissatisfied-bank-clients-closed-1652-lakh-accounts-in-2017>

Government likely to issue three-year floating rate bond

- The government is considering issuing a three-year floating rate treasury bond (FRTB). The Ministry of Finance (MoF) has already approved the manual of FRTB. A circular has also been issued in this regard, paving the way for issuing such a debt instrument in the country. As per Bangladesh Bank official, Bangladesh Government Treasury Bonds (BGTBs) having maturity periods of 2/5/10/15 and 20 years are available for investment. The nature of FRTB is different from current treasury bonds and so the government should issue three/four-year maturity FRTB to differentiate it from existing ones.

<http://today.thefinancialexpress.com.bd/public/last-page/govt-likely-to-issue-three-yr-floating-rate-bond-1527876596>

IPOs don't tempt big companies

• Lengthy process, legal bindings to publish all information and inconvenience of holding annual general meetings put off big groups from getting listed despite the privilege of 10% lower corporate tax. So much that the capital market last year witnessed the lowest initial public offerings and also the smallest amount of funds raised since 2009. Managing director of Square Pharmaceuticals and former president of the Bangladesh Association of Publicly Listed Companies said that big companies should come to the capital market to enhance their reputation and ensure good governance. Many companies don't want to do that level of scrutiny. But this accountability is good for any company. He urged the government to increase the corporate tax incentive.

<https://www.thedailystar.net/business/ipos-dont-tempt-big-companies-1585531>

Shasha Denims to acquire BDT 480 million stake of EOS Textiles

• Shasha Denims Limited (SDL) will acquire 40% stake of EOS Textiles Mills Limited. The shares are valued at approximately BDT 480 million. Company secretary of the Shasha Denims said that the process of acquisition of EOS Textiles Mills is almost done. He also said that out of BDT 480 million, BDT 300 million will come from initial public offering (IPO) fund, as approved by shareholders in the 20th annual general meeting (AGM) held in November last year. Remaining BDT 180 million will come from company's cash flow to acquire 40% shares of EOS Textiles Mills. EOS Textiles Mills is a 100% export-oriented textile company established on 8th June, 1998 by Italian investors.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/shasha-denims-to-acquire-BDT-480m-stake-of-eos-textiles-1527869178>

Shurwid faces no bar to reduce paid-up capital

• Shurwid Industries Limited would have no restriction to reduce its paid-up capital subject to the court's permission and compliance with the companies act, according to legal experts and officials. Officials at the securities regulator said that the company could reduce its paid-up capital after ensuring the interests of the general shareholders. On May 24 last, the shareholders of Shurwid Industries, a 'Z' category company, got shareholders' approval when the latter endorsed a resolution to reduce the company's paid-up capital. The company will reduce paid-up capital to lessen its accumulated loss and enhance its capacity so that it could recommend dividends. Supreme Court lawyer Barrister said that a company could reduce its paid-up capital if its objectives match with the conditions of the section 59 of the companies act, 1994. With reference to the section, he also added that Shurwid Industries has no bar to reduce paid-up capital in order to reduce accumulated losses.

<http://today.thefinancialexpress.com.bd/stock-corporate/shurwid-faces-no-bar-to-reduce-paid-up-capital-1527955993>

Alif Industries' share price jumps 24% in 03 days without PSI

• The share price of Alif Industries Limited (AIL) continued to soar without any price sensitive information (PSI). The company's share price jumped more than 24% or BDT 20.40 each in only three trading days to close at BDT 105.40 in the Dhaka bourse on Thursday. The share price was BDT 85 each on May 28. Alif Industries was also the day's most traded stock in the Dhaka bourse, with 1.73 million shares worth BDT 180 million changing hands. Following the recent abnormal price hike, the Chittagong Stock Exchange (CSE) served show-cause notice on the company. However, the company informed the CSE Thursday that there was no undisclosed price sensitive information for recent unusual price hike of its shares.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/alif-industries-share-price-jumps-24pc-in-03-days-without-psi-1527791507>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$65.81	-1.23	-1.83%
Crude Oil (Brent)*	\$76.79	-0.77	-0.77%
Gold Spot*	\$1,293.40	-5.11	-0.39%
DSEX	5343.87	-51.87	-0.96%
Dow Jones Industrial Average	24,635.21	+219.37	+0.90%
FTSE 100	7,701.77	+23.57	+0.31%
Nikkei 225	22,171.35	-30.47	-0.14%

Exchange Rates

USD 1 = BDT 84.04*

GBP 1 = BDT 112.16*

EUR 1 = BDT 97.98*

INR 1 = BDT 1.25*

**Currencies and Commodities are taken from Bloomberg.*

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