

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.

### **Q1 NPLs jump by 19% to BDT 885.9 billion**

- The volume of classified loans in the banking system jumped by more than 19% or BDT 142.86 billion in the first quarter (Q1) of 2018 despite the central bank's close monitoring. The amount of non-performing loans (NPLs) rose to BDT 885.89 billion during the January-March period of this calendar year from BDT 743.03 billion in the preceding quarter, according to the central bank's latest data. The share of NPLs also rose to 10.78% of the total outstanding loans in the Q1 of 2018 from 9.31% in the previous quarter.

- On the other hand, the amount of classified loans swelled up by nearly 21% or BDT 151.80 billion in the Q1 of 2018 compared to the same period of the previous year. The amount of NPLs was BDT 734.09 billion as on March 31, 2017. According to the official of the Bangladesh Bank (BB), the amount of classified loans normally rises during the Q1 and the Q3 of each calendar year. They expect that the amount of NPLs will decline in the second quarter (Q2) of the current calendar year. The classified loans cover substandard, doubtful and bad/loss of total outstanding credits, which stood at BDT 8,221.37 billion as on March 31 last.

<http://today.thefinancialexpress.com.bd/first-page/q1-npls-jump-by-19pc-to-BDT-88589b-1528048291>  
<https://www.thedailystar.net/business/default-loans-soar-1923pc-1586059>

### **Remittance inflow rises 11% in May**

- The flow of overall inward remittance jumped by more than 11% in May over that of the previous month ahead of the Eid-ul-Fitr festival. The remittance inflow was estimated at USD 1.48 billion in May 2018, up by USD 151.52 million from that of the previous month. In April, the amount stood at USD 1.33 billion. It was USD 1.27 billion in May 2017. According to a Bangladesh Bank official, the flow of inward remittance increased significantly in the month of May ahead of the Eid festival. He also said that the upward trend of inward remittance flow may continue until the end of this month.

- The inflow of overall remittance grew by more than 17% or USD 2.02 billion to USD 13.57 billion during the July-May period of the current fiscal year (FY), 2017-18. The amount was USD 11.55 billion in the same period of the previous fiscal, according to the central bank's statistics. All the private commercial banks (PCBs) received nearly USD 1.10 billion as remittance in May 2018. Besides, the state-owned commercial banks (SoCBs) received USD 359.60 million, the foreign commercial banks (FCBs) received USD 13.41 million, and the specialized banks received USD 12.27 million last month.

<http://today.thefinancialexpress.com.bd/last-page/remittance-inflow-rises-11pc-in-may-1528048848>  
<https://www.thedailystar.net/business/remittance-upward-curve-1586062>  
<http://www.newagebd.net/article/42807/monthly-remittance-hits-4-year-high-in-may-as-eid-nears>

### **Power sector likely to get BDT 262.3 billion in next budget**

- The country's power and energy sector is likely to get over BDT 262.263 billion (BDT 26,226.37 crore) in the next national annual budget, reports BSS. According to Power, Energy and Mineral Resources Ministry, an allocation of BDT 228.926 billion (BDT 22,892.60 crore) has been proposed for the power division and 13.337 billion (BDT 3,333.77 crore) for the energy and mineral resources division for FY19.

<http://today.thefinancialexpress.com.bd/trade-market/power-sector-likely-to-get-BDT-26226b-in-next-budget-1528044822>

### **Bangladesh Bank (BB) may relax foreign loan cap for private sector**

- The central bank mulls over relaxing the existing interest cap on private sector foreign loans to help businesses enjoy uninterrupted external borrowing. At present, businesses are not allowed to take foreign loans at interest rate higher than 5% including the London Interbank Offered rate (LIBOR). Libor has been on the rise since February 7, reaching 2.31%, the highest since 2008, which is making it difficult for local businesses to maintain the interest rate cap. Following requests from businesses and bankers, BB Deputy Governor said that the central bank has decided to look into the matter. The 5% all-inclusive cap on foreign lending may have also contributed to the decline in disbursement of foreign loans in recent times, he added.

<https://www.thedailystar.net/business/bb-may-relax-foreign-loan-cap-private-sector-1586053>

### **Dhaka Stock Exchange (DSE) sees BDT 2.83 billion net foreign fund withdrawal in May**

- The net withdrawal of foreign funds invested in shares listed with the Dhaka Stock Exchange (DSE) hit BDT 2.83 billion (283 crore) in May last. The foreign investors were in a selling mood throughout the month. They sold shares worth BDT 6.24 billion (624 crore) against the purchase worth BDT 3.41 billion in the month, according to the DSE statistics. The net withdrawal of foreign funds in May might be the highest in a single-month in recent years. The net foreign investment in April also was negative. The overseas investors collected shares worth BDT 5.03 billion in the month but sold shares worth BDT 5.28 billion, DSE data shows. The net fund withdrawal stood at BDT 247 million. Chief Executive Officer (CEO) of MTB Capital said that the foreign investors continued to withdraw part of their fund due to the rising appreciation of USD against BDT.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-sees-BDT-283b-net-foreign-fund-withdrawal-in-may-1528044325>

<https://www.thedailystar.net/business/foreign-funds-stock-plunge-strong-dollar-1586065>

<http://www.newagebd.net/article/42783/foreign-investors-running-for-exit-from-stock-market>

### **DSEX slumps to 17-month low on selling spree**

- The prime index of the major bourse fell to 17 months low on Sunday as stocks continued their losing streak for fifth straight sessions. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by nearly 27 points or 0.50% to 5,316 points, finishing the day at 17-month low. The market started on a positive note and the core index gained nearly 20 points within first half of the session, but rest of the session went down steadily. The prime index shed more than 140 points in last five straight sessions, leading the benchmark index to close at its lowest after January 10, 2017. DSEX was 5,277 points on January 10, 2017. Ongoing pessimism coupled with upcoming national budget kept investors mostly inactive, taking the market in the red zone further.

<http://today.thefinancialexpress.com.bd/stock-corporate/dsex-slumps-to-17-month-low-on-selling-sprees-1528044111>

<http://www.newagebd.net/article/42786/stocks-sink-to-17-month-low>

### **Bangladesh Securities & Exchange Commission (BSEC) approves new rules**

- The securities regulator on Sunday approved the Bangladesh Securities and Exchange Commission (Substantial Share Acquisition, Takeover and Control) Rules 2018. On receipt of public opinion, the regulator also gave its final approval to the draft of 'Corporate Governance Code' the same day. According to a official of the BSEC, Corporate Governance Code has two more conditions for listed companies. It is mandatory for a listed company to maintain a website and appoint a nomination and remuneration committee. The managing director and chief executive officer (CEO) of a listed company will not be allowed to hold same posts in other companies. The company will require necessary approval of its board of directors in case of terminating the top executives. The CEO and chief financial officer will have to certify the financial statements.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-new-rules-1528044144>

### **IPO subscription of Aman Cotton opens**

- The public subscription of Aman Cotton Fibrous Limited opened on Sunday and will continue till June 10. The company will raise a capital worth BDT 800 million through the book-building method of initial public offering (IPO). The IPO fund will be used to buy machinery, repay bank loans and meet the IPO expenses. The net asset value per share of the company was BDT 35.63 as of June 2016 and the weighted average earnings per share (EPS) was BDT 3.49, according to the IPO prospectus. ICB Capital Management is the issue manager of the IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-aman-cotton-opens-1528044358>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$65.82	+0.01	+0.02%
Crude Oil (Brent)*	\$76.59	-0.20	-0.26%
Gold Spot*	\$1,293.41	+0.01	+0.00%
DSEX	5316.97	-26.91	-0.50%
Dow Jones Industrial Average	24,635.21	+219.37	+0.90%
FTSE 100	7,701.77	+23.57	+0.31%
Nikkei 225	22,457.01	+285.66	+1.29%

**Exchange Rates**

USD 1 = BDT 84.04\*  
GBP 1 = BDT 112.40\*  
EUR 1 = BDT 98.28\*  
INR 1 = BDT 1.26\*

*\*Currencies and Commodities are taken from Bloomberg.*

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