

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.

Asian Infrastructure Investment Bank (AIIB) seeks to finance two transport sector projects

- The Asian Infrastructure Investment Bank (AIIB) has shown interest in financing two projects in the country's transport sector for improving regional connectivity as well as boosting trade and business. Of the projects, Sylhet-Tamabil road upgrading project is on the priority list, as three missions of AIIB have analysed its feasibility, said sources concerned. Financing in Shambhuganj bridge construction project in Mymensingh city will be confirmed after conducting a feasibility study. The sources also said a technical mission of AIIB indicated to finance the USUSD 300-million Sylhet-Tamabil four-lane project after holding a meeting with the Roads and Highways Department (RHD) officials last week.
- The team also visited the 58-kilometre road, which is going to be connected with Indian hilly border of Shillong. Negotiation for signing the loan deal will start after receiving report from AIIB, they added. RHD initially planned to construct the entire 286-km Dhaka-Sylhet-Tamabil highway at a time. But it has to separate the 226-km Dhaka-Sylhet four-lane highway construction work after a Chinese company expressed interest for it. Now, with AIIB's interest, funding crisis for upgrading the entire corridor is likely to be solved.

<http://today.thefinancialexpress.com.bd/last-page/aiib-seeks-to-finance-two-transport-sector-projects-1530035245>

Asian Development Bank (ADB) approves USD 500 million loan for 800mw Khulna plant

- The Asian Development Bank (ADB) will provide Bangladesh with USUSD 500 million in loan to help build a state-of-the-art 800 megawatt (MW) power plant in Khulna. Part of the loan will also be spent for linking it up with natural gas and power transmission facilities. One of the ADB Energy Specialists said that by providing additional electricity to about 300,000 consumers, the plant will stimulate business expansion and create new jobs. In fiscal year 2017, the peak hour demand was estimated at 10,400mw. But the power generation capacity was just 9,479 mw.
- The net peak hour demand is expected to exceed 13,300mw by 2020 and 19,900mw by 2025, while the existing power generation facilities will gradually retire and need replacement. The ADB-financed project design will ensure that the Rupsha plant uses the latest combined cycle technology, which offers the highest efficiency to convert gas to electricity.

<http://today.thefinancialexpress.com.bd/first-page/adb-approves-500m-loan-for-800mw-khulna-plant-1530035043>
<https://www.thedailystar.net/business/banking/adb-gives-500m-800mw-plant-1595806>

stop sending SMS to collect deposit, Bangladesh Bank (BB) asks NBFIs

- The central bank has directed the non-banking financial institutions (NBFIs) to refrain from sending short message service (SMS) through mobile phone, offering high interest rate, to collect deposit. The NBFIs have already published their respective interest rates on both lending and deposit on websites, the central banker added. So there is no need to send SMS (to people), offering high interest rates to collect deposit. The instruction came five days after advising the NBFIs to fix interest rate on deposit at a reasonable level for ensuring stability in the country's financial sector.
- On June 21, the central bank asked the NBFIs to fix interest rate at a reasonable level. Currently, the NBFIs are allowed to collect deposit from individuals and organisations. On June 20, Bangladesh Association of Banks (BAB) Chairman at a meeting said many insurance and leasing companies offer more than 12% interest on deposit. Currently, 34 NBFIs are running their business in the country.

<http://today.thefinancialexpress.com.bd/first-page/stop-sending-sms-to-collect-deposit-bb-asks-nbfis-1530035000>
<https://www.thedailystar.net/business/banking/nbfis-warned-over-attracting-depositors-messages-1595821>
<http://www.newagebd.net/article/44555/bb-asks-nbfis-not-to-send-sms-offering-high-interest-on-deposit>

Government backtracks on taking Saudi loan

- Bangladesh has scrapped its decision on taking USUSD 1.0 billion financial support from Saudi Arabia for building over 550 model mosques. On Tuesday, the government's economic council revised the 560-model mosque project. The ECNEC endorsed the project in Dhaka along with 13 other schemes at a cost of BDT 161.47 billion. The Islamic Foundation of the Ministry of Religious Affairs took up the project at BDT 90.62 billion in April last year. The ECNEC approved some other projects including the procurement of rolling stocks for the Bangladesh Railway at BDT 36.02 billion. The construction of Gopalganj zone highways at BDT 4.89 billion, upgrading the Mymensingh region highway at BDT 5.68 billion, and building of four-lane flyover on Dhaka-Sylhet Highway project at BDT 3.53 billion are among the projects that got seal of approval from the top economic policymaking body..

<http://today.thefinancialexpress.com.bd/last-page/govt-backtracks-on-taking-saudi-loan-1530035306>

Banks to cut lending rates in phases

- Banks are sticking to their directors' decision to bring down the lending rates to 9% from July 1 amid growing dilemma over how to execute the plan for a large number of loan products. The Bangladesh Association of Banks (BAB), a forum of directors of the private banks, last week issued a directive asking all of its member banks to reduce the interest rate to 9% from 12-15% now without specifying any loan product. It also asked banks to bring down the deposit rate to 6%.
- But banks are unsure when its cost of funds will come down to 6% from 8% to 10% now, which, according to bankers, is a prerequisite for cutting the lending rates. Yet, bankers are taking preparations in line with the BAB's instruction on the lending rate. The banking sector has been going through a difficult period for a long time because of liquidity crisis, poor governance and loan scams in recent years. The BAB has taken advantage of the situation and successfully lobbied with the government to win some concessions, which include a one-percentage point cut in cash reserve ratio and an increase in the share of private banks in the deposits of the state-owned entities.
- The central bank has made funds cheaper for all banks by reducing its repo rate by 75 basis. In the budget for the next fiscal year, the finance minister has proposed a 2.5% cut in corporate tax for banks, non-bank financial institutions and insurance companies. Chairman of the ABB, said the interest rate cut will depend on the boards of respective banks and bankers will execute the decision only.

<https://www.thedailystar.net/business/banking/banks-cut-lending-rates-phases-1595836>

JS set to pass Finance Bill today

- The finance bill of proposed budget for the fiscal year, 2018-19, is expected to be passed today (Wednesday), two days ahead of the schedule. The budget will be passed the next day. He said the tax-free ceiling will also not be changed now and in the future. He also said that the bank directors take loan from other banks where the conflict of interest still prevails.

<http://today.thefinancialexpress.com.bd/first-page/js-set-to-pass-finance-bill-today-1530034958>
<http://www.newagebd.net/article/44531/fy-19-budget-to-be-passed-today>

Bangladesh Securities and Exchange Commission (BSEC) approves IPO of Kattali Textile

- The securities regulator has approved the IPO (initial public offering) proposal of Kattali Textile which will raise a capital worth BDT 340 million. The Bangladesh Securities and Exchange Commission (BSEC) Tuesday approved the IPO proposal at a meeting held at BSEC office. Under the fixed price method, Kattali Textile will offload 34 million ordinary shares at an offer price of BDT 10 each. The company's IPO fund will be utilised to construct building for factory and employees' dormitory, purchase machinery for extended unit, install electric transformer and generator, repay bank loan and bear IPO expenses.
- As per the financial statement for the year ended on June 30, 2017, the company's net asst value (NAV), without revaluation, is BDT 20.48 per share. And the earnings per share (EPS) is BDT 1.98. NRB Equity Management is working as issue manager of Kattali Textile. Kattali Textile is a production unit of Asian Group established in 2002 with the aim to cater to world-class buyers and as such the facility complies with all the latest requirements of structural, environmental, social and ethical standards, according to company's website.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-ipo-of-kattali-textile-1530031156>
<http://www.newagebd.net/article/44559/bsec-okays-BDT-34-cr-kattali-textile-ipo>

Subscription of ML Dyeing to open July 8

- IPO subscription of ML Dyeing Ltd will begin on July 8 which will raise a fund worth BDT 200 million from the capital market. The company's initial public offering (IPO) subscription will be continued till July 19. The securities regulator - Bangladesh Securities and Exchange Commission (BSEC), approved the company's IPO proposal on May 14. Using the fixed price method, ML Dyeing will float 20 million ordinary shares at an offer price of BDT10 each. The market lot is 500 shares and an investor needs BDT 5,000 to apply for per lot of the company's IPO.
- According to the financial statement that ended on June 30, 2017, the net asset value (NAV) per share of the company stood at BDT 23.17 and earnings per share (EPS) was BDT 1.58. The fund raised through the IPO will be used for purchasing machinery and to bear the expenses of the IPO process. NBL Capital and Equity Management Limited, and Ruplali Investment are jointly working as issue manager for the company's IPO. ML Dyeing will be the 51st listed company in the textile sector after completing all formalities. ML Dyeing is located at Bhaluka in Mymensing and produces Hanks Dyeing, Acrylic Yarn, Cotton Yarn, Cone Dyeing and Piece Dyeing for the export-oriented garment industry.

<http://today.thefinancialexpress.com.bd/stock-corporate/subscription-of-ml-dyeing-to-open-july-8-1530031214>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$70.86	+0.33	+0.47%
Crude Oil (Brent)*	\$76.59	+0.28	+0.37%
Gold Spot*	\$1,256.10	-2.94	-0.23%
DSEX	5411.28	-22.51	-0.41%
Dow Jones Industrial Average	24,283.11	+30.31	+0.12%
FTSE 100	7,537.92	+28.08	+0.37%
Nikkei 225	22,251.36	-90.64	-0.41%

Exchange Rates

USD 1 = BDT 83.78*

GBP 1 = BDT 110.81*

EUR 1 = BDT 97.66*

INR 1 = BDT 1.22*

**Currencies and Commodities are taken from Bloomberg.*

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