

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.

BOP posts USD 975 million deficit in seven months

- The country's overall balance of payments (BOP) registered a USD 975-million deficit during the July-January period of fiscal year (FY) 2018-19. The amount is USD 59 million less than the USD 1,034-million deficit in the July-January period of FY 2017-18, according to the central bank data. The rise in the country's secondary income and a decline in the volume of trade deficit helped keep the country's overall deficit in the balance of payments at a lower level during the period.
- The country's trade deficit fell to USD 9,684 million during the first seven months of FY '19, compared to USD 10,077 million in the same period of the last fiscal. Higher growth in the merchandise exports than that of imports helped narrow down the country's overall trade deficit during the July-January period of FY '19.
- The country's aggregate exports grew by 12.81% to USD 23.80 billion during the July-January period of FY '19, compared to nearly USD 21.10 billion in the corresponding period of last fiscal. On the other hand, the country's overall imports posted a 7.41% growth to reach USD 33.48 billion in the first seven months of the current fiscal as against USD 31.17 billion in the same period of the last fiscal, according to the Bangladesh Bank (BB) data.

<http://today.thefinancialexpress.com.bd/last-page/bop-posts-975m-deficit-in-seven-months-1552327133>

NPLs at six state-owned banks account for 52% of sector total

- Six state-owned banks accounted for 52% of the banking sector's total default loans of BDT 939.11 billion, at the end of December 2018, according to the latest Bangladesh Bank data. The total amount of these six banks' non-performing loans (NPLs) stood at BDT 486.95 billion, which was BDT 373.26 billion in December, 2017. Default loans of all six banks amounted to 29.96% of their total outstanding loans, with Janata Bank having the highest amount of default loans worth BDT 172.24 billion (35.72% of total outstanding loans), followed by Sonali Bank at BDT 120.61 billion (30.06% of its total outstanding loans).
- Agrani Bank's default loans stood at BDT 57.50 billion (16.65% of its total outstanding loans), Bangladesh Development Bank's default loans stood at BDT 8.86 billion (56.54% of its outstanding loans), Basic Bank's at BDT 86.31 billion (57.55% of total outstanding loans), and Rupali Bank's at BDT 41.40 billion (17.95% of total outstanding loans). According to economists and senior bankers, the culture of impunity enjoyed by loan defaulters, political interference in approving loans, and lack of experience among bankers in dealing with pressing issues, have weakened the already battered banking sector.
- lead economist of World Bank in Bangladesh said in the last decade, the country did not encounter any disaster that could have prevented businessmen from repaying their loans. The economic growth rate has increased and there has been economic stability in the country, but the number of willful defaulters has increased, he added. He said that the banks cannot avoid blame and responsibility for the soaring default loans, as they are approving loans without "due diligence" or "considering the repayment capacity of borrowers."

<https://www.dhakatribune.com/business/2019/03/11/npls-at-six-state-owned-banks-account-for-52-of-sector-total>

Mastercard to bKash fund transfer now possible

- The country's largest mobile financial service provider bKash yesterday launched a new service enabling customers to transfer funds instantly from Mastercard-branded debit, credit and prepaid cards issued by banks to bKash wallets round-the-clock. Mastercard, bKash and Southeast Bank jointly introduced the service at a Dhaka hotel. The bank's Mastercard payment gateway solution is connected to the bKash app to enable the transfer.
- The transfer limit is BDT 15,000 per day, the same as bKash cash-in limits. To move funds, customers need to click an "add money" option on the bKash app, select "card to bKash" option and incorporate the bKash account number and the card details. A one-time password will be sent to the registered mobile number, entering which the transfer can be completed.
- Very soon it will also be possible to transfer funds from bKash wallets to bank cards, said Kamal Hossain, managing director of Southeast Bank. This service will make wallet loading remarkably easier and convenient for Mastercard users and bKash customers, said official of both entities. This is a significant step towards the journey for a cashless society, said Kamal Quadir, CEO of bKash.

<https://www.thedailystar.net/business/news/mastercard-bkash-fund-transfer-now-possible-1713826>

<https://www.dhakatribune.com/business/2019/03/11/bkash-launches-add-money-service-with-mastercard>

Stakeholders getting twitchy over Dhaka Stock Exchange (DSE) strategic investor's role in market development

- Frustration is creeping into the mind of stakeholders of Dhaka Stock Exchange over the role of bourse's strategic partner, a joint venture of two Chinese bourses, as they have found no visible initiative of market development from the partner after six months of its joining DSE. The Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange on September 4 last year joined DSE as its strategic shareholder by purchasing 25% shares of the Bangladesh's premier bourse for BDT 9.47 billion.
- DSE officials said that the consortium was yet to make any contribution to the market development or policy development in six months. As per DSE officials, they [the consortium] have some development plans but many of them are hard to implement in Bangladesh context and those will take long time to execute. DSE board members and officials had earlier hoped that the consortium would bring huge investments. But they haven't found any specific move from the consortium to bring investments to Bangladesh.
- The Chinese consortium offered technical assistance worth over USD 37 million to DSE in training and consulting services that are yet to begin. One of the DSE directors said that the consortium had placed a development scheme before the DSE board and the board would discuss the matter with the group. The consortium mostly emphasizes IT infrastructure development, which is time consuming, he said.

<http://www.newagebd.net/article/67124/stakeholders-getting-twitchy-over-dse-strategic-investors-role-in-market-dev>

Meghna Cement to issue preference shares

- The board of directors of Meghna Cement Mills has decided to issue fully redeemable non-convertible preference shares to its existing sponsor directors/directors. Earlier on August 13, 2018, the company decided for issuance of fully redeemable preference shares of BDT 1.0 billion (100 million shares) only to raise its capital through private placement, subject to the approval of the shareholders and by the regulatory authorities.
- The company on Monday said the board has further decided to issue 25,097,542 shares (out of earlier decided 100 million shares) fully redeemable non-convertible and non-listed preference shares of BDT 10 each to its existing sponsor directors/directors (excluding independent directors). The company said the preference shares will be issued in compliance with regulatory directive as to maintain 30% of the equity of this company held by its board of directors/ sponsors.

<http://today.thefinancialexpress.com.bd/stock-corporate/meghna-cement-to-issue-preference-shares-1552321458>
<https://www.thedailystar.net/business/news/meghna-cement-issue-preference-shares-1713853>

BD Thai seeks time for using proceeds of rights share

- BD Thai has applied to the stock market regulator seeking time extension for implementation of rights issue proceeds until June 30 this year. The company sought the time extension based on decision taken and approved in its extraordinary general meeting and annual general meeting.

<https://www.thedailystar.net/business/news/bd-thai-seeks-time-using-proceeds-rights-share-1713856>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$57.09	+0.30	+0.53%
Crude Oil (Brent)*	\$66.85	+0.27	+0.41%
Gold Spot*	\$1,296.72	+3.37	+0.26%
DSEX	5690.82	-19.24	-0.34%
Dow Jones Industrial Average	25,650.88	+200.64	+0.79%
FTSE 100	7,130.62	+26.31	+0.37%
Nikkei 225	21,521.61	+396.52	+1.88%

Exchange Rates

USD 1 = BDT 83.81*

GBP 1 = BDT 110.78*

EUR 1 = BDT 94.41*

INR 1 = BDT 1.20*

**Currencies 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	ayaz.mahmud@bracepl.com	01708 805 221
Md. Sakib Chowdhury	Research Analyst	sakib.chowdhury@bracepl.com	01709 641 247
S. M. Samiuzzaman	Research Analyst	sm.samiuzzaman@bracepl.com	01708 805 224
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	mrafiqulislam@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
----------------------	-------------------------------------	--	---------------