

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.

Grameenphone agrees to pay BDT 2.0 billion in parts

- Grameenphone (GP) has agreed to pay Bangladesh Telecommunication Regulatory Commission (BTRC) BDT 2.0 billion in two installments from its claim for BDT 125.79 billion in dues. As proposed, GP will pay BDT 2.0 billion to BTRC in two installments on condition that BTRC will remove restrictions imposed on the operator, the Barrister in the court for GP added.
- Opposing him, the Attorney General who stood for BTRC, proposed that GP should deposit at least 50% of the claimed money. Only then a discussion could take place for the payment of the remaining money, he argued. He prayed to the SC to stay the High Court (HC) order that granted an injunction on BTRC's claim. After hearing the parties, a six-member bench of the appellate division headed by the chief justice fixed November 18 for an order on the matter.

<http://today.thefinancialexpress.com.bd/public/last-page/gp-agrees-to-pay-BDT-20b-in-parts-1573752315>
<https://www.dhakatribune.com/business/2019/11/14/gp-intends-to-pay-BDT200cr-to-btrc>

Deposits dominate agent banking

- Rural clients of agent banking are missing out on its benefits as loan disbursement amounted to less than 5% of the deposits collected as of September this year, highlighting lenders' preference for deposit only. Banks attracted BDT 61.69 billion in deposits as of September, up from BDT 25.77 billion in the same period a year earlier, according to Bangladesh Bank data. However, only BDT 3.06 billion was lent, although it is a twofold rise compared to the BDT 1.50 billion given out a year ago. Bankers apprehend that this imbalance created by banks would adversely affect the rural economy in the long run. Though the jump in lending is stunning, the trend is not good in context to the deposits mobilized, said a central bank official.
- Nineteen banks have so far commenced agent banking services, but only eight gave out loans. With a view to taking banking services to the underserved parts of the country, the BB issued the agent banking guideline in 2013. But the licensees did not start full-fledged operations until 2016. Agent banking offers limited banking and financial services by way of village stores.
- The central bank data, however, showed that solely Bank Asia stood out in the incongruity created by banks. The private commercial bank alone provided BDT 2.32 billion in loans, meaning 76% of the total distributed by banks.

<https://www.thedailystar.net/business/news/deposits-dominate-agent-banking-1828099>

50% circuit breaker imposed on first two days stocks trading

- The stock market regulator on Thursday asked two bourses to put 50% circuit breaker on share prices of newly listed companies for the opening two days to prevent their abnormal price movement. The new circuit breaker regulations would be effective immediately, said an office order of the Bangladesh Securities and Exchange Commission, issued on the day.
- According to the BSEC order, on the first trading session, a 50% circuit breaker will be imposed on the issue price of the debutant company's shares. On the second trading session, the circuit breaker of 50% will be imposed on the reference price or first day's closing price or on the adjusted open price. Circuit breaker regulation will be as usual, or 10% from the third trading session, adds the order.

<https://www.dhakatribune.com/business/2019/11/14/50-circuit-breaker-imposed-on-first-two-days-stocks-trading>

Bangladesh Bank asks state banks to ramp up recovery

- The central bank has asked four state-owned commercial banks, or SoCBs, to gear up the recovery drive, keeping in mind top 20 defaulters. The instruction was given at a meeting to review the memorandums of understanding of the four banks - Sonali, Janata, Agrani and Rupali.
- During the first half of the current calendar year, the total amount of NPLs with four leading SoCBs rose to BDT 437.40 billion from BDT 391.77 billion on December 31 last, the BB data showed. The BB advised the SoCBs to use all type of options -bond issuance, own profits and reduction of risk weighted assets-to meet their capital shortfalls. The overall capital shortfall of the four SoCBs stood at BDT 28.25 billion as on June 30 this calendar year. It was BDT 120.19 billion six months before.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-asks-state-banks-to-ramp-up-recovery-1573751739>

Trading of Treasury bond by December likely

- The securities regulator and the central bank are set to launch Treasury bond trading on the Dhaka Stock Exchange, or DSE, shortly to help make the secondary debt market vibrant. The officials said the regulator would seek tax exemption from bond proceeds to encourage investors' participation in the transaction of the treasury bonds. To activate the transactions of the treasury bonds, the central bank's Market Infrastructure (MI) Module will have to be linked with the DSE.
- Presently, a total of 221 treasury bonds are listed with the prime bourse. The market capitalization of Treasury bonds listed on the stock exchange is around BDT 549.38 billion, accounting for around 17% of the DSE's total cap.

<https://today.thefinancialexpress.com.bd/last-page/trading-of-treasury-bond-by-dec-likely-1573921712>

Listed textile, RMG companies in a tight spot

- Stock market data depicts a sorry picture of the textile and garment companies, depriving thousands of investors of expected dividends from the sector that accounted for 84% of Bangladesh's exports last fiscal year. The net profits of 36 listed companies for 2011-2018 period nosedived to BDT 3.41 billion in 2018 from over BDT 12.52 billion eight years ago. Entrepreneurs blamed higher cost of production, over capacity, competition, exchange rate and lower prices from international buyers for the situation.
- Data showed of the 36 listed textile and garment companies nine incurred losses last year. But all of them except one had logged profits in 2011. After 2011 another 19 textile companies have been listed on the DSE to take the tally to 55. A research director of the Centre for Policy Dialogue, said the listed companies' data seem doubtful due to poor financial reporting, so it may not represent the whole sector.
- Overall, the sector is suffering from lower profits, said the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The cost of production of apparel items increased 30% between 2014 and 2018. Furthermore, the minimum wage of garment workers has increased 51% since December last year, she said. Between fiscal years 2015-16 and 2018-19, the industry's value addition has gone down 1.61% though apparel exports have increased from USD 28.10 billion to USD 34.13 billion during the period.

<https://www.thedailystar.net/business/news/listed-textile-rmg-companies-tight-spot-1828108>

Bangladesh Bank steps up forex support to banks

- The central bank has scaled up its foreign currency support to the commercial banks to help settle their import payment obligations, particularly for oil, officials said. The Bangladesh Bank, or BB, sold USD73 million to the banks during the last three days to help them meet the growing demand for the greenback. On Thursday, some USD 48 million was sold to three state-owned commercial banks (SoCBs), while USD 5.0 million and USD 20 million were provided to a state bank on Wednesday and Tuesday respectively, according to the officials.
- We've extended our foreign currency support to the public banks for import payment bills against petroleum products and liquefied natural gas (LNG), a senior BB official told the FE on Friday. The central bank has also provided the foreign currency support to a state lender to clear an installment of Rooppur nuclear power plant loans, the central banker noted.
- The central bank has so far sold USD 240 million to the banks, particularly state lenders, during the current fiscal as the demand for the greenback soared. During the last fiscal, the BB sold USD 2.34 billion to the banks on the same ground, according to official data. Talking to the FE, a senior treasury official of a leading private bank said the local currency has been maintaining a depreciating trend against the US dollar in recent months mainly due to higher demand for the greenback in the market.

<http://today.thefinancialexpress.com.bd/public/first-page/bb-steps-up-forex-support-to-banks-1573839489>

Renata to merge with subsidiary

- Renata Limited, a listed pharmaceutical company, is going to merge with its subsidiary Renata Oncology Limited subject to approval from the creditors, shareholders and sanction of the High Court Division of the Supreme Court and other legal/regulatory authorities. The board of directors of the drug maker approved the draft scheme of the amalgamation, with the exchange of 0.02 shares of Renata Limited for each share of Renata Oncology based on net asset value per share as on June 30, 2019.

<https://www.thedailystar.net/business/news/renata-merge-subsiary-1827397>

Poor turnover continues to hit tax collection hard

- The government's revenue earnings from the Dhaka bourse tumbled 28% month-on-month in October this year as trading volume was on the decline. The government bagged revenue worth about BDT 112 million in October of 2019 which was BDT 157 million a month ago, according to data from the DSE.
- The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05% and 5.0% respectively and deposits the amount to the government exchequer. Of the total earnings, BDT 70 million came from the TREC holders' commission, popularly known as brokerage commission, while BDT 42 million from the share sales by sponsor-directors and placement holders, the DSE data shows.
- The government earnings from the DSE also fell 29% in four months (July-October) of the current fiscal year compared to the same period of the previous fiscal. The government bagged revenue worth about BDT 547 million in July-October period of the current fiscal year which was BDT 771 million in the same period in the previous fiscal, the DSE data shows. The daily average turnover for the July-September period of the current fiscal year came down to BDT 4.30 billion, which was BDT 7.40 billion in the same quarter in the previous fiscal.
- The DSE paid tax worth BDT 2.72 billion in FY 2011-12, BDT 1.27 billion in FY 2012-13, BDT 1.54 billion in FY 2013-14, BDT 1.74 billion in FY 2014-15, BDT 1.58 billion in FY 2015-16, BDT 2.46 billion in FY 2016-17, BDT 2.33 billion in FY 2017-18 and BDT 2.51 billion in FY 2018-2019 on TREC holders' commission and share sales by sponsor-directors and placement holders. However, the DSE paid tax worth BDT 4.47 billion in the FY 2010-11, the highest in its history, when the market witnessed a wild trend before crashing.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/poor-turnover-continues-to-hit-tax-collection-hard-1573838475>
<https://www.dhakatribune.com/business/stock/2019/11/14/govt-s-tax-receipts-from-dse-fall-28-in-october>

Bangladesh, World Bank Group to collaborate in doing business reforms

- Bangladesh and the World Bank Group have agreed to extend collaboration in a number of areas, including on doing business reforms, development of investment policies, enhancement of promotional activities and skills development to face the 4th industrial revolution. Both the sides also agreed to develop institutional capacity of Bangladesh Investment Development Authority (BIDA), introduction of risk-based management and implementation of one-stop service.

<https://today.thefinancialexpress.com.bd/trade-market/bd-wb-group-to-collaborate-in-doing-business-reforms-1573916527>

Online foreign card transactions face roadblock

- International credit cardholders will face trouble in settling online transactions abroad as they will have to take prior approval from banks for every cross-boundary payment. The central bank asked commercial banks on November 14 to take online transaction authorization form (OTAF) from clients for every foreign payment in order to tackle illegitimate online transaction. This has forced the Bangladesh Association of Software and Information Services (BASIS), the national trade body for software and IT-enabled service industry, to sit with the central bank today to withdraw the notice. The Association of Bankers, Bangladesh (ABB), the forum of private commercial banks, will also take preparations to sit with the central bank on this matter as this is highly tough for clients to submit OTAF for every transaction, said its Chairman.
- Bangladesh has around 1.5 million international cards, which are very low compared to the size of population and number of banks.

<https://www.thedailystar.net/business/news/online-foreign-card-transactions-face-roadblock-1828102>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$57.72	+0.95	+1.67%
Crude Oil (Brent)*	\$63.30	+1.02	+1.64%
Gold Spot*	\$1,468.20	-3.20	-0.22%
DSEX	4,710.37	-26.80	-0.57%
Dow Jones Industrial Average	28,004.89	+222.93	+0.80%
FTSE 100	7,302.94	+10.18	+0.14%
Nikkei 225	23,303.32	+161.77	+0.70%
BSE SENSEX	40,356.69	+70.21	+0.17%

Exchange Rates**USD 1 = BDT 84.81*****GBP 1 = BDT 109.44*****EUR 1 = BDT 93.75*****INR 1 = BDT 1.18***

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

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