

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.

Rise in issuance of T-bonds, bills pushes up yield curves

- The increase in issuance of T-bonds and T-bills propelled their yield curves upward in last fiscal year (FY), 2018-19, according to the Bangladesh Bank (BB) statistics. Yield curve has direct relationship with issuance of treasury securities at a given time. It also helps increase the yield rates of such securities in the market. In FY 19, the government had borrowed more through issuance of treasury bills and bonds over the previous FY. The net issuance of T-bonds was BDT 198.64 billion in 2018-19, up by 300% over the previous FY, according to the central bank. On the other hand, the net worth of T-bills issued in FY 19 was BDT 177.31 billion, nearly 900% higher than that of FY 18.
- The cut-off yield of 2-year bond rose by over 51% to 7.55% (annualized), of five-year bond by 33% to 8.10%, of 10-year bond by 13% to 8.44%, of 15-year bond by 10% to 8.9%, and of 20-year bond by 4.35% to 9.29%, according to the BB statistics. The statistics also showed that the cut-off yield of 91-day T-bills rose by 57% to 7.19% (annualized), 182-day bills by 61% to 7.35%, and 364-day bills by 48% to 7.39%.
- In the meantime, bankers opined that the upward trend of T-bills and T-bonds is a good news for them, as many find it a good opportunity for investing their money. They also said many hold these for selling in future. There are many financial market players, including the life insurance firms, which have to invest in the instruments.

<https://today.thefinancialexpress.com.bd/last-page/rise-in-issuance-of-t-bonds-bills-pushes-up-yield-curves-157418553>

High Court's status quo on asset manager of two Mutual Funds

- The High Court (HC) has directed all parties concerned to maintain status quo regarding the asset manager of Green Delta Mutual Fund and DBH 1st Mutual Fund until January 8, 2020. LR Global Bangladesh is the asset manager of the two mutual funds, whose investors recently sought to change their asset manager. The HC ruling came after the LR Global recently filed an appeal for the temporary injunction on the decision of the unit holders.
- At the end of October, over two-thirds of the unit holders of the two mutual funds appealed to the trustee of the funds, Bangladesh General Insurance Company (BGIC), to change their asset manager. They also urged BGIC to appoint IDLC Asset Management as their new fund manager. The unit holders who applied for changing the asset manager own 72.50% units of DBH 1st MF and 70.12% units of Green Delta MF.

<https://today.thefinancialexpress.com.bd/last-page/hcs-status-quo-on-asset-manager-of-two-mfs-1574185723>

Bangladesh Bank cuts interest rates on Export Development Fund (EDF) loans to boost exports

- The central bank has slashed interest rates on loans under the Export Development Fund (EDF) scheme by 1.0 percentage point to facilitate exporters. As per the revised policy, exporters will now get such loans from the commercial banks at six-month US Dollar (USD) London Inter-bank Offered Rate (LIBOR) plus 1.50% instead of six-month USD LIBOR plus 2.50%. The new interest rates on EDF loans will be applicable until June 30, 2020 from November 19, according to a notification issued by the Bangladesh Bank (BB) on Tuesday.
- The BB's latest move came against the backdrop of falling trend in export earnings in recent months. The country's export earnings dropped by nearly 7.0% to USD 12.72 billion during the July-October period of fiscal year (FY) 2019-20 from USD 13.65 billion in the same period a year earlier, according to Export Promotion Bureau (EPB) data.

<https://today.thefinancialexpress.com.bd/last-page/bb-cuts-interest-rates-on-edf-loans-to-boost-exports-1574185685>
<https://www.thedailystar.net/business/news/bb-cuts-interest-rate-export-dev-fund-1829446>
<http://www.newagebd.net/article/91107/bb-cuts-edf-loan-interest-rate-on-exporters-demand>
<https://www.dhakatribune.com/business/2019/11/19/bb-cuts-interest-on-exporters-borrowing-from-edf>

Housing sector gets a shot in the arm: Home loans ceiling raised to BDT 200 million

- The central bank yesterday increased the ceiling for home loans by 66.66% to help the expanding middle class buy properties and build houses amid the price hike of construction materials. As a result, a single client will be able to avail a maximum of BDT 200 million in home loans compared to BDT 120 million previously, according a central bank notice sent out to all lenders. The Bangladesh Bank, however, kept unchanged the debt-equity ratio at 70:30, meaning clients will be allowed to receive up to 70% of the total construction cost of homes from commercial banks.
- This will not only help the real estate sector but also the 250 backward linkage industries, said the First Vice-President of the REHAB. The increase in the credit ceiling would give a fillip to the sector, which has been recovering

from a slowdown, he said.

- The property price corrections in the past few years have lured in many prospective home buyers and the market is invigorated again. As of June 2018, total outstanding home loans from banks and financial institutions were BDT 815.2 billion, according to data from the BB. In fiscal 2002-03, total outstanding loans were BDT 75.27 billion, indicating that financing to housing grew 11 times in 15 years.

<https://www.thedailystar.net/business/news/housing-sector-gets-shot-the-arm-1829440>

<http://www.newagebd.net/article/91109/home-loan-ceiling-hiked-to-BDT-2-crore>

<https://www.dhakatribune.com/business/banks/2019/11/19/bb-raises-house-finance-credit-limit-to-BDT2-0cr>

<https://today.thefinancialexpress.com.bd/last-page/central-bank-ups-home-loan-limit-to-BDT-20-million-1574185805>

Standard Bank to issue perpetual bond worth BDT 5.0 billion

- Standard Bank will raise a capital worth BDT 5.0 billion through issuance of perpetual bond as additional tier-I capital. The company's board of director has taken the decision of raising capital through the bond, according to a disclosure. The company will raise the capital to strengthen its capital base along with supporting the business growth subject to approval from the concerned regulators.

<https://today.thefinancialexpress.com.bd/stock-corporate/standard-bank-to-issue-perpetual-bond-worth-BDT-50-billion-1574181902>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.32	+0.11	+0.20%
Crude Oil (Brent)*	\$60.97	+0.06	+0.10%
Gold Spot*	\$1,474.10	+1.64	+0.11%
DSEX	4,722.37	+0.35	+0.01%
Dow Jones Industrial Average	27,934.02	-102.20	-0.36%
FTSE 100	7,323.80	+16.10	+0.22%
Nikkei 225	23,119.59	-173.06	-0.74%
BSE SENSEX	40,670.91	+201.21	+0.50%

Exchange Rates

USD 1 = BDT 84.70*

GBP 1 = BDT 109.35*

EUR 1 = BDT 93.81*

INR 1 = BDT 1.18*

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

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