

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.

Forex reserves hit 450% growth in a decade

- Bangladesh's foreign currency reserve has registered more than 450% growth in the last ten years, thanks to steady economic growth and resilience of major external sectors, analysts said.
- According to Bangladesh Bank (BB) data, as of September, foreign exchange reserves stood at USD 31.95 billion, up by 450.86%, from USD 5.8 billion in December 2008.
- The country's foreign reserves rose sharply mainly due to steady economic growth, including robust export earnings as well as healthy remittance inflows in the last several years, trade analysts and economists said.

<https://www.dhakatribune.com/business/2018/11/25/forex-reserves-hit-450-growth-in-a-decade>

Government to seek USD 1.0 billion funds from Asian Development Bank (ADB), China

- The government will seek nearly USD 1.0 billion funds from the Asian Development Bank (ADB) and China to upgrade Faridpur-Barisal-Kuakata highways into four-lane.
- The Roads and Highways Department (RHD) also planned to prepare two separate project proposals.
- The first one will be prepared for upgrading the 125km-long road from Faridpur to Barisal into four-lane where the ADB has offered to finance. The second one will be framed for building the 112km-long Barisal to Kuakata road into a four-lane highway where China is interested to finance.

<http://today.thefinancialexpress.com.bd/last-page/govt-to-seek-10b-funds-from-adb-china-1543082260>

Banks' surplus liquidity falls ahead of national polls

- The excess liquidity in banks dropped by nearly 15% or BDT 140.0 billion in September mainly due to higher growth of currency outside banking system before the national elections.
- Officials said the selling of the USD by the central bank has also helped dragging down the amount of surplus cash in the country's banking system.
- The excess liquidity came down to around BDT 800.0 billion in September from BDT 940.0 billion, recorded three months before, according to the officials. The figure was nearly BDT 922.0 billion in September 2017.
- On the other hand, the currency outside the banking system rose by more than 11% or BDT 156.9 billion to BDT 1,533.95 billion in August from BDT 1,377.0 billion a month ago, according to the central bank statistics. Such type of currency was BDT 1,478.2 billion in August 2017.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-surplus-liquidity-falls-ahead-of-natl-polls-1543030557>

No liquidity crisis in banking sector: governor

- The banking sector has enough liquidity now, which is a matter of great comfort for the financial sector, Bangladesh Bank Governor.
- Now the banks need to concentrate more on establishing a better corporate culture, which is a continuous process, he said.
- The relaxation of the cash reserve requirement by Bangladesh Bank in April pumped up BDT 206.0 billion in the banking system in June, according to data from the banking watchdog.

- Banks were sitting on an additional liquidity of BDT 975.0 billion at the end of June, up from BDT 769.0 billion in March.
- He said the bank has kept its default loan rate at 5 percent, which is satisfactory compared with the industry average of above 10.4 percent. But the bank's credit growth is higher than those of deposits, which should be balanced, he suggested.

<https://www.thedailystar.net/business/news/no-liquidity-crisis-banking-sector-governor-1664686>

Bad loans jump fourfold in 9 years

- Defaulted loans rose by almost fourfold until the penultimate year of the successive tenure of the Awami League-led government amidst series of loan scams with masterminds behind those getting scot-free mainly for inaction of the Anti-Corruption Commission.
- Economists and bankers noted that the incumbent government starting its previous tenure in 2009 failed not only to check the loan scams in the state-owned banks but also to contain the wilful loan defaulters because of alleged political reasons that led the defaulted loans to soar.
- According to Bangladesh Bank data, the defaulted loans soared to BDT 803.07 billion in 2017, the penultimate year of the successive second tenure of the government, from of BDT 224.82 billion in 2009, when the AL-led government assumed office.
- The defaulted loan grew by about 176.5% between 2009 and 2016 amidst detection of loan scams of Bismillah Group, Hallmark Group and BASIC Bank by the Bangladesh Bank and moratorium period, a particular duration in the loan tenure when the borrower is not required to pay instalments, at least twice during the same period.

<http://www.newagebd.net/article/56796/bad-loans-jump-fourfold-in-9-years>

Lower insurance coverage poses major risk for economy

- The insurance gap in Bangladesh relative to its GDP is the highest in the world, which poses a major economic risk for the country in case of a catastrophe, warns a global report of Lloyd's.
- Affordability, lack of understanding and lack of trust in insurance companies are the major reasons preventing greater penetration of insurance services in the country, said the latest global underinsurance report, which came out recently.
- The Lloyd's report has termed Bangladesh the 'most underinsured country,' which has the largest insurance gap at 2.1% of the country's Gross Domestic Product (GDP).
- In absolute terms, however, Bangladesh has an insurance gap of USD 5.5 billion, which is the sixth highest in the world after China, India, Indonesia, Turkey and Mexico.
- The country also has an insurance penetration of only 0.2 per cent, which is the lowest among all countries included in the ranking.

<https://thefinancialexpress.com.bd/economy/bangladesh/lower-ins-coverage-poses-major-risk-for-economy-1543032131>

Women's overseas jobs drop 18% in 10 months

- Women's overseas jobs have declined by more than 18% in the past 10 months of this calendar year, according to official statistics.
- Some 81,000 women went abroad with jobs during the January-October period of the year, the Bureau of Manpower Employment and Training (BMET) data said.
- The number of overseas jobs for female workers was 100,136 in the corresponding period last year.

- Sector insiders said, because of the strict selection process for Saudi-bound migrants the number of outgoing job-seekers dropped during the period.

<http://today.thefinancialexpress.com.bd/last-page/womens-overseas-jobs-drop-18pc-in-10-months-1543082950>

Dhaka likely to get USD 2.0 billion in additional fund under International Development Association (IDA)-18

- Bangladesh is likely to get nearly USD 2.0 billion additional assistance from the World Bank (WB), as the latter has decided to divert unutilised funds from other member states to the country.
- The WB held its International Development Association (IDA)-18 aid package mid-term review meeting in Livingstone, Zambia last week. There, it decided to divert the funds under package to disburse more aid to the countries having higher demand for it. Bangladesh had requested for more funds.
- Under IDA-18 package, Bangladesh has already received confirmation from WB to get almost all its earmarked USD 4.4 billion portfolio, allocated by the global lender for three years up to financial year (FY) 2019-20.
- Since some war-torn countries, like -- Syria and Yemen, have been failing to spend their earmarked portfolio, the global lender has decided to divert the unused assistance to the countries like Bangladesh, which needs such assistance in greater volume, said the additional secretary of Economic Relations Division (ERD).

<http://today.thefinancialexpress.com.bd/public/last-page/dhaka-likely-to-get-20b-in-addl-fund-under-ida-18-1542994438>

Leather industry heading to export USD 5.0 billion a year by 2021

- The country's leather industry is heading towards the goal of earning USD 5.0 billion a year through exports by 2021.
- The latest machinery, components and accessories have been displayed at the show with the aim to exhibit the overall development of the leather industry in the country.
- According to the director of ASK Trade & Exhibitions Pvt Ltd, the leather industry is striding towards the goal to export 5.0 billion USD by the year 2021, owing to seamless development and the cooperation from the government.

<http://today.thefinancialexpress.com.bd/public/trade-market/leather-industry-heading-to-export-50b-a-year-by-2021-1542905013>

<https://www.thedailystar.net/business/news/exploit-finished-leather-treble-export-earnings-1664701>

Power Development Board (PDB) wind power costs 70% higher than private producers

- The Power Development Board (PDB) is spending BDT 420.0 million for a 2-megawatt wind power project, for which the per-unit production cost is BDT 16.
- On the other hand, an Indian company called Siddhanth Wind Energy Private Ltd was recently approved to build a 30-megawatt private wind power project in Sonagaji, Feni— for which the per-unit production cost is BDT 9.49.
- This shows that for every unit, government producers are spending BDT 6.51 more than private producers.
- According to the Former Director General of Power Cell BD, the wind turbines of the Netherlands are the best. One megawatt turbine costs BDT 80.0 million-BDT 85.0 million. Combined with other costs, the price of the whole project should not exceed more than BDT 100.0 million.

<https://www.dhakatribune.com/business/2018/11/25/pdb-wind-power-costs-70-higher-than-private-producers>

Power Division warns of scrapping S Alam Gr's coal power plant

- The Power Division under the ministry of power, energy and mineral resources (MPEMR) has warned S Alam Group of annulling contracts over the delay in financial closing of 1,224 megawatts (MW) coal-fired power plant project.

- The Power Division gave a December 31 deadline for the group to complete financial closing of its thermal power plant project. If it fails to complete the financial closure within the given deadline, the contracts with the group would be terminated automatically.

<http://today.thefinancialexpress.com.bd/last-page/power-div-warns-of-scraping-s-alam-grs-coal-power-plant-1543082377>

Mos5 Tel gets Bangladesh Telecommunication Regulatory Commission (BTRC) nod for trial run of SM-Fi

- Mos5 Tel, a Bangladeshi international gateway operator, has got regulatory approval for conducting trial run of satellite-powered smart mobile Wi-Fi technology (SM-Fi) in the Dhaka city and its adjacent areas.
- The trial run of the technology would help better understand the possibility of providing such internet service to customers.
- Mos5 Tel informed the commission that there was possibility of providing high-speed internet service to customers at lower prices by using such technology.
- As per the company's proposal, connectivity would be established at Jahangirnagar University, IEB Bhaban at Ramna, University of Dhaka, and Dhanomondi area during the trial run period.
- The entity would use satellite service from Intelsat 33E for creating the test satellite backbone network.

<http://www.newagebd.net/article/56863/mos5-tel-gets-btrc-nod-for-trial-run-of-sm-fi>

Spectrum of 12 out of 14 PSTN cos cancelled

- Bangladesh Telecommunication Regulatory Commission has so far cancelled allocated spectrum of 12 out of 14 public-switched telephone network operators amid non-operative state and non-payment of dues by the companies to the commission.
- Of the total PSTN operators, only two entities — Ranks Telecom and Bangladesh Telecommunication Company Limited — have spectrum to operate PSTN service, BTRC sources said.

<http://www.newagebd.net/article/56957/spectrum-of-12-out-of-14-pstn-cos-cancelled>

Bangladesh Securities and Exchange Commission (BSEC) to probe price hike of four companies

- The securities regulator has formed a committee to probe the recent unusual price movement and the volume of shares of four companies.
- The companies that posted unusual share price hike are Northern Jute Manufacturing Company, Information Services Network, Fine Foods, and Stylecraft.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-to-probe-price-hike-of-four-cos-1542902929>

Benefits yet to reach investors

- Frequent gambling, shaky confidence, lower turnover and lack of well-performing companies and new products continue to dog the stock exchanges five years past their demutualisation.
- On November 22, 2013, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) were demutualised, a process that transformed the bourses from non-profit cooperatives into for-profit companies owned by shareholders.
- The main goal of the demutualisation was to reduce the impact on the stock brokers, who were the bourses' owners then, in the exchanges' activities with the view to checking gambling tendencies.

- The process also separated the bourses' ownership from the management, which was expected to bring back confidence in the market after the crash of 2011.
- The other aim of demutualisation was to make the bourses profitable, so that they worked hard to bring new products to the market and try to gather more investment.
- But, the stock exchanges are still suffering for want of new products, leaving the DSE to mostly depend on interest income of its fixed deposits. For instance, in fiscal 2016-17 the DSE's total revenue stood at BDT 2.08 billion, of which BDT 904.8 million, or 48 percent, came from interest income.
- The only positive development was that the DSE succeeded in getting an international strategic partner, a consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange.
- The former chairman of the University of Dhaka's economics department said that, the stock exchanges have not taken any big steps against the gamblers yet, so the confidence of investors remains low. This is the main failure of the bourses

<https://www.thedailystar.net/business/news/benefits-yet-reach-investors-1664695>

Most pharma companies post higher earnings per share (EPS) for first quarter (Q1)

- Most of the listed pharmaceuticals companies saw a rise in the earnings for July-September period this year, thanks to higher expense on healthcare.
- Of the 15 pharmaceuticals companies listed with Dhaka Stock Exchange (DSE), 11 companies posted healthy earnings per share (EPS), compared to the same period of the last year, while three companies' earnings have declined and one reported negative earnings.
- According to un-audited financial statements for the July-September quarter, 2018, the EPS of Advent Pharma, Central Pharmaceuticals, Silva Pharma, Beacon Pharma, The IBN Sina, Renata, Beximco Pharma, JMI Syringes, Pharma Aids, Ambee Pharma and Square Pharmaceuticals soared up to 154 per cent.
- Industry insiders said population, purchasing power and life expectancy are increasing in the country. These are all positive factors for the pharmaceutical sector's growth.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/most-pharma-cos-post-higher-eps-for-q1-1542987939>

Two listed companies caught doctoring records

- Two listed companies -- Peoples Leasing and Financial Services and Bangladesh Submarine Cables -- have hid classified loans in their financial reports in a bid to avoid keeping mandatory provisioning against the amount.
- Peoples Leasing has provisioning shortfall of BDT 1.51 billion against classified loans and BDT 1.50 million against margin loans, both of which were shown as unclassified in the financial report for the year that ended on December 31, 2017.
- The non-bank financial institute has also deferred its interest expense of BDT 1.57 billion and hid it under 'other assets'. But this expenditure cannot be deferred to other assets as per the International Accounting Standards.
- On the other hand, the auditor of the Bangladesh Submarine Cables, a state-owned company, gave the qualified opinion that the company's due of BDT 995.30 million from Bangladesh Telecommunication Company Limited (BTCL) appears doubtful of being recovery in full.
- But provision was made for BDT 92.00 million only in the financial report for the year that ended on June 30, 2018.

<https://www.thedailystar.net/business/news/two-listed-companies-caught-doctoring-records-1664149>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$50.42	-4.21	-7.71%
Crude Oil (Brent)*	\$58.80	-3.80	-6.07%
Gold Spot*	\$1,223.20	-4.80	-0.39%
DSEX	5305.95	7.11	0.13%
Dow Jones Industrial Average	24,285.95	-178.74	-0.73%
FTSE 100	6,952.86	-7.46	-0.11%
Nikkei 225	21,646.55	+139.01	+0.65%

Exchange Rates

USD 1 = BDT 83.88*

GBP 1 = BDT 107.48*

EUR 1 = BDT 95.10*

INR 1 = BDT 1.19*

**Currencies and Commodities are taken from Bloomberg.*

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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

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
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