

*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.*

### **Government redefines hard term external loans**

- The government has decided to consider foreign loans as hard-term ones if the grant element is less than 25%, down from the 35% it currently takes into account, in a reflection of the country's growing economic power. The revision, which saw a cut of the upper ceiling by 10 %points, came at the behest of World Bank and other development and bilateral lenders, according to Finance Minister and a government document. The minister said that Bangladesh used to look at the grant element before taking any concessional loan and it was 35%.
- The cabinet committee approved the revision put forward by Economic Relations Division on behalf of the standing committee on non-concessional loans. As Bangladesh has graduated from a lower income country category, various multilateral and bilateral lenders have raised the interest rate for loans given to the country, according to the proposal of the standing committee. As a result, the loans are becoming non-concessional and permissions are needed from the standing committee. This may create the uncertainty that flow of foreign loans might slow down.
- In fiscal 2017-18, public debt in Bangladesh stood at USD 91 billion, which is about 34% of the GDP, according to International Monetary Fund. External debt stood at USD 40 billion in the fiscal year and is predominantly owed to multilateral and bilateral creditors, which account for 62% and 23% respectively of the outstanding debt.

<https://www.thedailystar.net/business/banking/news/govt-redefines-hard-term-external-loans-1808632>

### **Remitters start getting incentive: Finance Minister**

- Finance minister said on Wednesday the payment of incentives to remitters has already started, indicating a massive escalation in remittance earnings this year. He said the provision of providing a 2.0-per cent incentive was kept in the budget but it took some time to develop a required system to make it effective. The minister further said that those who have sent remittance since July are eligible to get incentives.
- The minister said every remittance transaction amounting to below USD 1,500 will be entitled to incentive instantly without question. In case of a remittance transaction amounting to more than USD 1,500 each, the remitter will have to submit proper documents to get incentives, he added. The trend shows that remittance earnings this fiscal may reach USD 20 billion, he hoped.

<http://today.thefinancialexpress.com.bd/first-page/remitters-start-getting-incentive-minister-1570038964>

### **Foreign investors at Dhaka Stock Exchange (DSE) withdraw funds for record seventh month**

- The foreign investors at Dhaka Stock Exchange withdrew record BDT 6.8 billion in last seven months (March-September) from the country's premier bourse due mainly to lack of confidence of investors in the market, widespread anomalies at the market and instability at the country's financial sector. The amount withdrawn in last seven months broke the previous record of withdrawal in 2009 when the foreigners had pulled BDT 4.4 billion out of the market in six consecutive months (January-June). In 2010, the overseas investors withdrew BDT 6.77 billion from the market, the highest pull-out in a year.
- Market experts said that lack of confidence of investors in the market resulted in the continued share sales by the local and foreign investors. They said that the practices of falsifying financial documents by the listed companies, widespread wrongdoings, asymmetric regulatory approach and approval of weak initial public offerings were blamed for the decline in the investors' confidence level. The investors, especially the foreign ones, mainly depend of the financial disclosures of the listed entities to make investment decisions, said market experts, adding that if they found that the statements were fabricated, they shied away from the market.
- Besides, the unpredictable rules and decisions by the regulatory bodies also irked the foreigners. The Grameenphone's tussle with the Bangladesh Telecommunication and Regulatory Commission over audit claim made them nervous. The volatility in the financial sector also reduced investment capacity of the institutional investors that played a key role in the continued plunge in the stock prices. Market operators said that the government failed to bring down the banks' non-performing loans and such loans were rising, which made the country's financial sector volatile.

<http://www.newagebd.net/article/86419/foreign-investors-at-dse-withdraw-funds-for-record-seventh-month>

<https://www.dhakatribune.com/business/stock/2019/10/02/capital-market-foreign-investment-continues-to-fall-for-7-months>

<http://today.thefinancialexpress.com.bd/stock-corporate/foreign-fund-in-stocks-sinks-1570033481>

### **Bangladesh Securities and Exchange Commission (BSEC) now clarifies cash bonus issue**

- The securities regulator has clarified its earlier notification regarding the recommendation and distribution of cash dividend. Being compliant with securities rules, listed companies will be able to recommend and distribute cash dividend from the earnings retained in the year of declaring dividend despite having accumulated losses.

<http://today.thefinancialexpress.com.bd/first-page/bsec-now-clarifies-cash-bonus-issue-1570039051>

<http://www.newagebd.net/article/86422/cos-can-declare-cash-dividend-despite-having-accumulated-negative-earnings-bsec>

### Plans underway to develop country's southwest region

- The government has planned to develop the southwestern region of the country, providing the scope of land and seaport connectivity and market support for facilitating regional trade. As part of the plan, sources said, two projects have been undertaken to ensure connectivity with Benapole and Bhomra land ports and Mongla seaport with financial support of the World Bank.

- In a letter to Economic Relations Division (ERD), the WB has also assured the government of providing USD 1.1 billion for the projects under its broader programme titled Western Economic Corridor and Regional Enhancement (WeCARE) programme. The cost of overall WeCARE programme is around USD 2.7 billion and the WB is considering financing as estimated USD 1.1 billion.

- Roads and Highways Department (RHD) and Local Government Engineering Department have taken up the projects- Hatikamrul-Bonpara-Jhenidah-Jashore road development and Navaron-SaBDThira-Bhomra road improvement project and East-west Corridor linked road upgrading project. Under the projects, sources said, 260-kilometre of the national highway from Hatikamrul-Bonpara-Jhenidah-Jashore and Navaron-SaBDThira-Bhomra, and local markets, agro logistics and rural roads connecting to the corridor will be developed.

<http://today.thefinancialexpress.com.bd/trade-market/plans-underway-to-develop-countrys-southwest-region-1570027552>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.15	+0.53	+0.99%
Crude Oil (Brent)*	\$59.30	+0.41	+0.70%
Gold Spot*	\$1,477.93	-1.21	-0.08%
DSEX	4,949.40	+1.76	+0.04%
Dow Jones Industrial Average	26,573.04	-343.79	-1.28%
FTSE 100	7,360.32	-47.89	-0.65%
Nikkei 225	21,742.70	-142.54	-0.65%
BSE SENSEX	38,305.41	-361.92	-0.94%

### Exchange Rates

USD 1 = BDT 84.25\*

GBP 1 = BDT 103.52\*

EUR 1 = BDT 92.13\*

INR 1 = BDT 1.19\*

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

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