

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.

Loan restructuring goes awry as borrowers violate terms

- The special loan restructuring facility offered to some businesses on the grounds of political instability in 2014 have yielded little results in keeping them out of the "default-cycle". The central bank and some banks offered a section of borrowers with rescheduling through the guideline on loan restructuring facility, issued in 2015. But the borrowers concerned have failed to deposit the instalments as required under the guideline. The banks, mostly state lenders, should have gone for foreclosures as per the guideline. In the meantime, the big businesses, who have failed to make use of the special facility, are now lobbying for yet another opportunity for repaying the loan over a longer period.
- A total of BDT 150 billion in classified loans belonging to 10 top businesses were restructured on the grounds of political instability in 2015. Although the loans were restructured in 2015, the first payments of the three-month instalments began in December 2016. A CEO of a state-owned bank told this correspondent that they had received such lower instalments after receiving regulatory instruction. Even the banks did not take any actions like foreclosures in line with the provisions of the restructuring guideline. According to the BB, a total of 20 groups applied for the restructure and 10 groups got the approval for combined loans of BDT 150 billion.

<http://thefinancialexpress.com.bd/economy/bangladesh/loan-restructuring-goes-awry-as-borrowers-violate-terms-1536983831>

Bangladesh Bank (BB) fears inflationary pressure from pricey global commodities

- The rate of 'expected inflation' is predicted to rise this fiscal year driven by higher global commodity prices and exchange rate movement. The Bangladesh Bank, which prepares 'expected inflation,' data show the average inflation will reach between 6.0 and 7.0% in the fiscal year, 2018-19. This shows an increase, compared with the government estimates of 5.6% for the fiscal year 2019. Expected inflation means investors' and public expectations of the current or future inflation. People familiar with the matter at the central bank said that the inter-bank BDT-dollar exchange rate advanced by nearly 4.0% over the past one year ending in August.
- They also said the exchange rate may depreciate further ahead as both export receipts and remittance inflow remained lower than expectations. On the other hand, global commodity prices have increased this year, supported by both demand and supply factors, according to a document published by the BB. However, the World Bank forecast the energy prices would soar by 19% this year, led by oil and natural gas. This is due to strong oil demand and production cut in the OPEC and non-OPEC producers, rising geopolitical concerns have bolstered oil prices. And non-energy commodity prices are projected to increase by 3.6% and agricultural prices by 2.3% largely due to the supply shock in the United States.

<http://thefinancialexpress.com.bd/economy/bangladesh/bb-fears-inflationary-pressure-from-pricey-global-commodities-1536896445>

Daily transactions through mobile banking now BDT 9.94 billion: Finance Minister

- Mobile-phone banking generates some BDT 9.94 billion transactions on an average a day as such banking method is getting popular day by day in the country, reports UNB. He said the total number of mobile-phone banking customers is 64 million and of them, 36 million are doing transactions actively through the banking method. He also added that Bangladesh received commitments of USD 14,612.18 million foreign assistance from different countries and donor agencies in 2017-18 fiscal year. Of the amount, USD 14,231.45 million was loan while USD 380.73 million donation.

<http://today.thefinancialexpress.com.bd/public/last-page/daily-transactions-thru-mobile-banking-now-tk-994b-muhith-1536860900>

<https://www.dhakatribune.com/business/2018/09/13/finance-minister-daily-mobile-banking-transactions-near-tk1-000-cr-in-bangladesh>

Bangladesh's per capita income to reach USD 16,000 by 2041: Principal Coordinator (SDG Affairs) of the Prime Minister's Office

- Principal Coordinator (SDG Affairs) of the Prime Minister's Office said that Bangladesh's per capita income will reach USD 16,000 by 2041 when the country will be a developed one. He said that the government has created a land bank of 100,000 acres for establishing economic zones across the country, especially in the south belt where 35,000 acres of land have been acquired and handed over to Bangladesh Economic Zones Authority (Beza).

<http://thefinancialexpress.com.bd/economy/bangladesh/bds-per-capita-income-to-reach-16000-by-2041-azad->

[1536845518](#)

Energy prices to go up soon, says Prime Minister's energy adviser

• Prime Minister's energy adviser Saturday said that gas prices might go up soon after the announcement of a new tariff structure by the energy regulator. He said that the government wants the prices to be adjusted upward in phases so that it remains affordable and rational. Currently around 280-290 million cubic feet per day (mmcf) of LNG is being consumed by clients, which was around 100 mmcf initially.

<http://today.thefinancialexpress.com.bd/first-page/energy-prices-to-go-up-soon-says-tawfiq-1537030231>

Apparel benefitting from US-China trade war

• Bangladesh's garment sector is turning into a beneficiary of the US-China trade war as American retailers are placing more work orders, but other sectors, such as jute and leather goods, are yet to see an uptick in fortunes. Though China is by far the world's biggest exporter of manufactured goods, some factory owners over the past decade began moving production to other developing countries such as Bangladesh, Cambodia and Vietnam, said a recent report of The Financial Times. This was in search of cheaper wages and a hedge against the political and economic risks that come from reliance on one country.

• Factory owners and US buyers say the trade war will intensify this shift. The observation proved true as local garment manufacturers acknowledged receiving more work orders from the US. Bangladesh has also been benefitting in the purchase of cotton as prices decreased 10% after China imposed high duty on the import of the natural fibre from the US. China imports USD 1 billion worth of the white fibre from the US in a year. The value of last year's global garment business also indicates a declining trend for China. Although China remained the largest apparel supplier globally, its share shrank to 34.9% from 36%.

<https://www.thedailystar.net/business/news/apparel-benefitting-us-china-trade-war-1634368>

Country moves three notches up in Global Human Development Index (HDI)

• Bangladesh has moved three notches up to the 136th place among 189 countries in the Global Human Development Index (HDI) 2017, according to the Human Development Report (HDR) of the United Nations Development Programme, reports UNB. Bangladesh had also moved up by three spots and ranked 139th in the HDI 2015 due to the remarkable progress it made in many socio-economic areas, including life expectancy and per capita income. India also climbed up by one spot to the 130th position among the countries in the latest 'Human Development Indices and Indicators' released on September 14.

• Over the years, the HDI has served as a comparative tool of excellence, and as a reliable platform for vigorous public debates on national priorities. Within South Asia, India's HDI value is above the average of 0.638 for the region, with Bangladesh and Pakistan, countries with similar population size, being ranked 136 and 150 respectively.

<http://today.thefinancialexpress.com.bd/public/first-page/country-moves-three-notches-up-in-hdi-1536946136>

Foreign investment in capital market continues to fall for fifth month

• Earlier in July, foreign investors sold shares worth BDT 444.74 crore against purchases of BDT 412.04 crore, amounting to net investment of negative BDT 32.7 crore. Foreign investment in the capital market of Bangladesh continued to fall for the fifth month in a row in August. Analysts said the depreciation of the BDT coupled with political uncertainty ahead of the 11th general election had shaken the confidence of investors, leading to the decline. According to the Dhaka Stock Exchange (DSE), foreign investors sold shares worth BDT 181.76 crore against purchases of BDT 176.01 crore in August, amounting to net investment of negative BDT 5.75 crore in the month.

• Earlier in July, foreign investors sold shares worth BDT 444.74 crore against purchases of BDT 412.04 crore, amounting to net investment of negative BDT 32.7 crore. Net foreign investment was also negative in April, May and June. In April, net foreign investment amounted to negative BDT 29.69 crore, while the figure was negative BDT 282.32 crore in May, and negative 206.68 crore in June. Dhaka Stock Exchange Brokers Association (DBA) President said that the depreciation of the BDT against the USD had dampened the mood of foreign investors, as it decreased their profitability.

<https://www.dhakatribune.com/business/stock/2018/09/16/foreign-investment-in-capital-market-continues-to-fall-for-fifth-month>

Islamic banks' investment jumps by 17% in FY18

• Total investment by the country's Islamic banking industry stood at BDT 2.16 trillion at the end of the past fiscal year

(FY18). Bangladesh Bank statistics also showed that the investment by the Islamic banks increased by 17% in FY18 over the previous fiscal (FY17). Total investment by the Islamic banks was BDT 1.85 trillion at the end of FY17. The growth rate of the investment, loan in conventional sense, was 18.28% in FY17. Islamic banking industry includes eight full-fledged Islamic banks (with 1134 branches), 19 Islamic banking branches of the conventional banks and Islamic banking windows of conventional banks in the country. Central bank statistics also showed that among the total investment of Islamic banks, 95.19% were made by eight full-fledged Islamic banks. Islami Bank Bangladesh Ltd attained the highest share in investments which was 35% at the end of the past fiscal year.

<http://thefinancialexpress.com.bd/economy/bangladesh/islamic-banks-investment-jumps-by-17pc-in-fy18-1537010718>

Eligible Investors (EIs) discover share price at BDT 75

- The cut-off price of the shares of Runner Automobiles has been fixed at BDT 75 each as discovered by eligible investors (EIs) through bidding under the book building method. The EIs will get the shares at BDT 75 each and general investors at 10% discount (Tk 67 each). The EIs will be allowed to purchase 60% of the shares while the general investors will be able to apply for remaining 40% shares. According to IDLC Investments, issue manager of Runner Automobiles, a total of 592 EIs bet for the shares. Runner Automobiles will raise a capital worth BDT 1.0 billion. Of the amount, BDT 625 million will come from EIs and remaining BDT 375 million from the general investors.

- The company will utilise the IPO fund for research and development works, purchasing machinery, repaying bank loans and bearing the IPO expense. According to financial statements for the year ended on June 30, 2017, the company's net asset value (NAV) per share is BDT 55.70, with revaluation reserve. And, the value is BDT 41.94 without revaluation reserve. The weighted average of the EPS (earnings per share) is BDT 3.31. Runner Automobiles is a motorcycle manufacturer in Bangladesh. It produces 12 different types of motorcycles ranging between 80cc and 150cc.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/eis-discover-share-price-at-tk-75-1536854516>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$69.95	-0.42	-0.60%
Crude Oil (Brent)*	\$79.39	-0.35	-0.44%
Gold Spot*	\$1,204.73	-1.51	-0.13%
DSEX	5529.82	-14.12	-0.25%
Dow Jones Industrial Average	25,998.92	+27.86	+0.11%
FTSE 100	7,313.36	+39.82	+0.55%
Nikkei 225	22,820.21	+215.60	+0.95%

Exchange Rates

USD 1 = BDT 83.72*
 GBP 1 = BDT 109.19*
 EUR 1 = BDT 97.40*
 INR 1 = BDT 1.16*

*Currencies and Commodities are taken from Bloomberg.

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