

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.

Dhaka Stock Exchange (DSE) launches new index and electronic info disclosure system

- The Dhaka Stock Exchange on Monday launched the electronic information disclosure and dissemination process for listed companies to ensure accuracy and transparency. The system will be introduced first on the DSE SME platform and later it will be incorporated in the main board of the bourse. One of the DSE directors who represents the DSE strategic partner, and the DSE management made commitment that the whole information disclosure process on the market would be digitalized soon. The system aims to standardize the information disclosure process, to make it more efficient, accurate, inclusive and far-reach to all the parties involved.
- The bourse also launched a new index considering fundamentals, liquidity and total market capitalization of 40 listed companies. The DSE formally launched the new index, CNI-DSE Select Index (CDSET), a composition of 40 large capitalized companies, at its annual general meeting, DSE officials said. The CDSET has been designed and developed by Shenzhen Securities Information Company, a subsidiary company of Shenzhen Stock Exchange, and the DSE. The index will be opened for all from January 1 on the homepage of DSE web site. The primary consideration of CNI-DSE Select Index is the fundamental financial eligibility.
- The 40 companies include 11 companies from the bank sector (weight 32.59BDT), 11 from the energy sector (weight 18.14BDT), six from pharmaceuticals (weight 22.46BDT), three from engineering, 2 each from food, cement, miscellaneous, non-bank financial institution and one from telecommunication. The top 10 companies of the new index are Square Pharmaceuticals, Grameenphone, BRAC Bank, Renata, Beximco Pharmaceuticals, Pubali Bank, Lafargeholcim Bangladesh, Olympic Industries, Eastern Bank and National Bank, weighting 52.86BDT of the index.

<http://www.newagebd.net/article/95097/dse-launches-electronic-info-disclosure-system>

<https://www.dhakatribune.com/business/stock/2019/12/30/dse-launches-new-index-to-attract-foreign-investment>

<https://today.thefinancialexpress.com.bd/first-page/dse-launches-new-index-with-quality-large-cap-cos-1577728709>

<https://www.thedailystar.net/business/news/dse-flags-large-cap-index-1847482>

Cut in lending rates to 9.0% from Apr 01

- Top managements of the country's banks, particularly the private commercial banks (PCBs), have agreed to bring down their interest rates on all loans, except on credit cards, at 9.0BDT from the existing level from April 01, 2020, instead of tomorrow (January 01). The meeting also decided that the interest rate on deposits will be brought down to maximum 6.0BDT instead of the existing level from April 01. The government had decided to allow the state entities to deposit 50BDT of their funds with the PCBs, up from the previous ceiling of 25BDT, to minimize the cost of funds in banking sector.
- Single-digit interest rates will be applied on all loans, except on credit cards, from April 01, 2020, the Finance Minister told reporters after the meeting. We'll ensure depositing 50BDT of our low-cost funds with the PCBs on the basis of their paid-up capitals.

<https://today.thefinancialexpress.com.bd/first-page/cut-in-lending-rates-to-90pc-from-apr-01-1577728589>

<https://www.thedailystar.net/frontpage/news/all-loans-9pc-interest-apr-1-1847620>

<https://www.dhakatribune.com/business/2019/12/30/lending-rate-maximum-9-deposit-6>

<http://www.newagebd.net/article/95168/single-digit-lending-rate-put-on-hold-again>

Asset managers crying out for funds

- As many as 39BDT of the asset management companies (AMCs) are failing to attract funds from investors thanks to thinning confidence on fund managers and the stock market. There are 44 AMCs in Bangladesh, of which 17 could not form or sustain mutual funds. Some of them have been showcasing this lackluster performance since their inception five to nine years back.
- The bad performance of some asset managers made it hard for newcomers to get funds. Another reason why investors do not want to pour their money is because some of the AMCs gave returns on units (stock dividend) and deprived unitholders of cash dividend. As most of the mutual fund units are trading at prices well below their face value, the returns on each unit was low, which ultimately brought down profits for unitholders, a Former Chairman of the Economics Department at the University of Dhaka said.

<https://www.thedailystar.net/business/news/asset-managers-crying-out-funds-1847476>

2019 worst year for stocks after 2010 crash

- Stock investors have suffered the worst year in 2019 since the market crash in 2010-11 with the key index of Dhaka bourse losing 16.73BDT in the outgoing year. Market experts said that continued bleeding of the country's financial sector with rising bad loans, poor governance in the capital market and the government's apathy towards the market resulted in erosion of investors' confidence. DSEX, the key index of Dhaka Stock Exchange, plunged by 16.73BDT, or 896.25 points, over the year of 2019 to close at 4,452.93 points on Monday, the last trading day of the year.
- After the December 30 general election in 2018, the market gained more than 700 points within three weeks in January this year, but lost the stream and never turned back. The market lost around 1,500 points in last 11 months' rout that eroded almost BDT 800 billion in market capitalization. The capital market also witnessed a 13-per cent fall in the previous year. Observing the overall market scenario in last two years, investors felt a pinch of the market crashes occurred in 1996 and 2010.
- Former Bangladesh Bank deputy governor blamed volatile banking sector, approving poor initial public offerings with huge placement shares and poor regulatory measures for the plunge. He said the market's turnaround would depend on positive export trend, relief of pressure on exchange rate, rise of foreign direct investment and credit flow to private sector.
- Market experts said bleak financial sector, deceptive budget measures for listed companies, continued foreign sales and a tussle between Grameenphone and Bangladesh Telecommunication Regulatory Commission over an audit claim were taking heavy tolls on the investors' confidence, leaving no option for investors but to leave the market. The financial sector led the plunge in 2019 amid increased non-performing loans, poor governance and dearth of liquidity. The foreign investors withdrew funds worth BDT 9.70 billion in last nine months, adding woes to the market.

<http://www.newagebd.net/article/95096/2019-worst-year-for-stocks-after-10-crash>

Telecom sector passes bumpy year

- The country's telecom sector witnessed a bumpy year in 2019, marred by noisy arguments between the regulator and operators - Grameenphone and Robi - over audit claims of around BDT 130 billion. It, however, showed some positive signs as there were initiatives to formulate 5G guidelines, provide Nationwide Telecommunication Transmission Network (NTTN) operator license and develop International Mobile Equipment Identity (IMEI) number database, among others. The four telecom operators obtained around 7.0 million voice and same amount of data subscribers in the first 10 months of this year though they lost half a million data subscribers in November alone.
- The audit claim of the Bangladesh Telecommunication Regulatory Commission (BTRC) has affected the whole industry, including the equipment suppliers and backward linkage industry, forcing network expansion to become stagnant as well as affecting the investment efforts. Furthermore, since the TowerCo operators are yet to be operational, the mobile network operators could not expand the network during this period. Secretary general of the Association of Mobile Telecom Operators of Bangladesh (AMTOB) said that the industry was jolted with the announcement of the national budget, which imposed additional levies on voice and data services, and raised the minimum corporate tax by more than 2.5 times for the MNOs those are yet to reach the profit-making mark.

<https://today.thefinancialexpress.com.bd/trade-market/telecom-sector-passes-bumpy-year-1577731874>

Rupali Bank to raise BDT 10 billion through bond issue

- The board of directors of Rupali Bank Ltd has decided to raise fund against issuance of coupon bearing non-convertible perpetual bond worth BDT 10 billion through private placement. The state-run bank will issue the bond for raising fund as part of the additional Tier-I revised regulatory capital framework for bank in line with Basel-III, according to an official disclosure on Monday. The purpose of the proposed bond is to strengthen the capital base of the bank.

<https://today.thefinancialexpress.com.bd/stock-corporate/rupali-bank-to-raise-BDT-10b-through-bond-issue-1577731310>

Goods export to India through Benapole port doubles

- Goods export to India through Benapole land port doubled year-on-year to BDT 70 billion this year, thanks to infrastructure upgrades. Export volume also rose, by 80BDT year-on-year, to 0.65 million tonnes during the period.
- The products shipped to India mainly include apparel items, leftover garments, rice powder, raw fish, mahogany wood, mosquito net materials, jute, jute thread, jute bags, plastic bottles, ceramics, and food items. Export of shirts, t-shirts, jeans and trousers for different luxury brands, including Zara, FHM and Raymond, has also started through the port recently. Earlier those were sent through air shipment. Benapole Import Export Association Vice President said that 80BDT of the land trade with India was through Benapole port.

<https://today.thefinancialexpress.com.bd/country/goods-export-to-india-through-benapole-port-doubles-1577717980>

Bangladesh Energy Regulatory Commission (BERC) to get free rein to raise energy prices

- The cabinet yesterday approved the draft of Bangladesh Energy Regulatory Commission (amendment) Act, 2019, with a provision to change energy prices more than once a year. Under the existing law, the BERC can change energy prices only once a year.

<https://www.thedailystar.net/backpage/news/berc-get-free-rein-raise-power-gas-prices-1847440>

Bangladesh Telecommunication Regulatory Commission (BTRC) shuts mobile networks along borders with India

- Bangladesh Telecommunication Regulatory Commission (BTRC) has ordered a shutdown of mobile networks along the borders with India citing security reasons, an order estimated to affect around 10 million users. The four operators closed around 2,000 base transceiver stations, an official of an operator told the news agency requesting anonymity. This will create problems for around 10 million users in the border areas, the official said. In the order to Grameenphone, Teletalk, Robi and Banglalink, the BTRC said network coverage in the border areas will have to be suspended until further notice for the sake of the country's security in the current circumstances.

<https://today.thefinancialexpress.com.bd/last-page/btrc-shuts-mobile-networks-along-borders-with-india-1577729252>

Bangladesh Telecommunication Regulatory Commission (BTRC) for 65% cuts in international call rate

- The telecom regulator is set to recommend slash in international incoming voice call rate by 65.71BDT to USD 0.006 a minute in the face of fast shrinking earnings from the segment in recent years.

- Legal voice calls have currently gone down to about twenty million minutes a day, which was some 100 million minutes a few years back. In fiscal 2014-15, the government's earning from such calls was BDT 20.76 billion, which declined to BDT 13.87 billion, BDT 9.68 billion, BDT 9 billion and lastly to a few billion in the successive years respectively, according to BTRC officials.

<https://www.thedailystar.net/business/news/btrc-65pc-cuts-intl-call-rate-1847479>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$61.63	-0.05	-0.08%
Crude Oil (Brent)*	\$68.44	+0.28	+0.41%
Gold Spot*	\$1,521.469	+6.53	+0.43%
DSEX	4,452.93	+18.99	+0.43%
Dow Jones Industrial Average	28,462.14	-183.12	-0.64%
FTSE 100	7,587.05	-57.85	-0.76%
Nikkei 225	23,656.62	-181.10	-0.76%
BSE SENSEX	41,642.14	+84.14	+0.20%

Exchange Rates

USD 1 = BDT 84.78*

GBP 1 = BDT 111.30*

EUR 1 = BDT 94.96*

INR 1 = BDT 1.19*

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

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