

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.

Banks' management in dilemma over lending rate cut implementation

- Management at most of the banks in Bangladesh are in dilemma about how to implement the bank owners' decision to cut lending rate to single digit (9%) keeping the deposit rate at 6% as they fear the hurriedly taken move would put the financial health of the embattled banks at further disarray. As per the announcement made by the bank owners, 9% lending rate for the productive sector was supposed to be implemented from July 1 but banks are yet to implement the rate as they are busy calculating its impact.
- Experts said that although there was no debate that the single digit lending rate, which could be achieved in the natural course, would help boost the country's economy, forceful implementation of such rate would hardly bring any positive results instead it might weaken financial health of the banks especially of the new ones. They also said that the banks directors (about 700 individuals in 57 banks) who took one-seventh of loans that these banks disbursed (BDT 8.92 trillion) at the end of May this year, have no legal rights to impose such decision on the banks' management.
- Huge amount of classified loans in the banking sector, which increased to BDT 885.89 billion at the end of March 2018 and a major cost of fund for the banks, would be another barrier to reducing lending rate, they added. According to the central bank data, 15 banks borrowed term deposits for different periods from their clients with the interest rate ranging from 8% to 11% rate.

<http://www.newagebd.net/article/45535/banks-mgmt-in-dilemma-over-lending-rate-cut-implementation>

AC sales up amid rising mercury

- Sales of air-conditioners are growing steadily in Bangladesh riding on the demand from the expanding middle class and modern offices and factories as consumers are seeking to escape hotter summers. Data from the International Energy Agency, an inter-governmental organisation based in Paris, showed sales of air-conditioners rose about 50% in Bangladesh during 2014-2016. Six lakh units of ACs were sold in 2017, way higher than half a lakh pieces retailed a decade ago. The market size stood at BDT 35.00 billion last year.
- Marketing manager of Transcom Digital said that people who were accustomed to using ACs at their workplaces alone in the past are now installing them at homes. Operative director of Walton, a local manufacturer, said that the annual demand for ACs rose 20% to 25% each year in the last five years. To cash in on the growing demand, local companies such as Walton, Transcom Digital, Rangs, Pran-RFL, and Singer Bangladesh have set up factories to assemble ACs and other home appliances.

<https://www.thedailystar.net/business/ac-sales-amid-rising-mercury-1602145>

International Leasing now in "A" category

- International Leasing & Financial Services will be placed in "A" category from existing "B" category with effect from today (Monday). The company was placed in "A" category due to its reporting of disbursing 12% stock dividend for the year ended on December 31, 2017, according to a disclosure posted on the Dhaka Stock Exchange on Sunday. The company has informed that it has credited the bonus shares for the year ended on December 31, 2017 to the respective shareholders' BO accounts on July 05.
- The stockbrokers and merchant bankers have been requested to abstain from providing loan facilities to purchase any securities of the company between 1st and 30th trading day after the categorisation as per securities regulator's directive in this regard, the disclosure said. Each share of the company, which was listed with the main bourse in 2007, closed at BDT 14.90 on Sunday, advancing 2.76% over the previous session. The company's paid-up capital is BDT 2.11 billion and authorised capital is BDT 3.0 billion while the total number of securities is 211.24 million. The sponsor-directors own 41.54% stake in the company while institutional investors own 34.29%, foreign 0.15% and the general public 24.02% as on May 31, 2018, the DSE data shows.

<http://today.thefinancialexpress.com.bd/stock-corporate/international-leasing-now-in-a-category-1531065665>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$74.10	+0.30	+0.41%
Crude Oil (Brent)*	\$77.50	+0.39	+0.51%
Gold Spot*	\$1,258.97	+3.49	+0.28%
DSEX	5366.02	+3.74	+0.07%
Dow Jones Industrial Average	24,456.48	+99.74	+0.41%
FTSE 100	7,617.70	+14.48	+0.19%
Nikkei 225	22,063.74	+275.60	+1.26%

Exchange Rates

USD 1 = BDT 83.64*
GBP 1 = BDT 111.25*
EUR 1 = BDT 98.24*
INR 1 = BDT 1.21*

**Currencies and Commodities are taken from Bloomberg.*

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