

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.

Execution of decision by all banks to take time: Finance Minister

- Finance Minister admitted that lowering of the lending rate to single-digit by all banks would take time. He also said that the target is difficult. Probably (while setting the target) he told them to do it as fast as possible. But, it is not possible for all the banks to do it (reduce the rate) so quickly. On June 20, the BAB, the organisation of owners of the country's private commercial banks (PCBs), announced that they will bring down their loan interest rate to single-digit from July 01. However, only a few of the banks could lower the interest rate as of July 11.

- When his attention was drawn to the withdrawal of deposits by the state-owned commercial banks (SoCBs) from the PCBs, the minister said that it is a matter of their own business. Recently the government has decided that the SoCBs and the state-owned enterprises (SoEs) will deposit funds with the PCBs at 6.0% interest rate to help the latter cut the loan interest rate to single-digit. According to the officials concerned, the decision to lower the lending rate to single-digit was taken following a directive coming from Prime Minister. The interest rate is being lowered to facilitate industrial expansion, create new entrepreneurs, generate more employment, and boost export-import activities in the country.

<http://today.thefinancialexpress.com.bd/first-page/execution-of-decision-by-all-banks-to-take-time-muhith-1531331138>
<https://www.thedailystar.net/business/banking/lowering-lending-rate-overnight-difficult-muhith-1603921>
<http://www.newagebd.net/article/45786/muhith-defends-bankers-delay-in-lowering-lending-rate>

Bangladesh leading global push to get transitional benefits

- Bangladesh is leading a global push for getting the LDC-related benefits for the nations that are set to graduate to a developing country status in the coming years. The country is set to co-host an international event on "Supporting Smooth Transition of the LDCs towards a Sustainable Graduation" during the 'High Level Political Forum' that is now taking place in New York. The event, which is expected to bring representatives from all 47 least developed countries (LDCs) from around the world, is expected to focus on challenges faced by the LDCs during and after their graduation phase.

- Bangladesh government will jointly host the event with the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP). Bangladesh, at the current pace, is expected to graduate from the LDC status by 2024. Currently, the country enjoys a 12% preference margin for its apparel industry under the European Union's Everything but Arms (EBA) Initiative, which gives it a substantial price advantage. It has been noted that as Bangladesh is expected to graduate concurrently from both the UN and the World Bank (WB) classifications, options for concessional financing will also dry up.

<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-leading-global-push-to-get-transitional-benefits-1531282899>

ICB's investment capacity raised

- The central bank will not consider the Investment Corporation of Bangladesh (ICB) as a single party borrower of banks in a bid to increase the financial institution's capacity to invest in the capital market. The move comes in line with the six-point recommendation made by Finance Minister on June 18 to give a boost to the capital market. But the Bangladesh Bank did not implement the other five suggestions in the interest of the banking sector, a BB official told The Daily Star yesterday. The minister sent a letter to the central bank governor asking him to redefine the banks' capital market exposure and increase the investment capability of the ICB, both longstanding demands of stakeholders.

- In response to the instructions, BB Governor wrote a letter to the minister in the last week of June to inform him that the central bank will refrain from considering the ICB as a single party borrower of banks for the time being. In September last year, the central bank asked banks to follow the single borrower exposure limit while lending to the ICB. Any bank will be allowed to disburse loans up to a maximum of 15% of its paid-up capital to a single borrower in line with the Bank Company Act 1991. But a number of banks invested huge amounts of funds in the ICB violating the act, which compelled the central bank to instruct banks to adjust their investment by June this year.

- The BB official said that a haphazard situation would be created in the banking sector if the central bank implemented the five other points. When determining the capital market exposure, banks can leave out their subsidiaries' investment in the stock market, as per Finance Minister's instruction to the BB governor. The minister also asked for excluding non-listed securities and non-listed strategic investment in exposure calculation and considering the cost price rather than the market price of securities in calculations. He also allowed banks to only include the portion of the loans given to subsidiaries that was used for share purchase as capital market exposure.

<https://www.thedailystar.net/business/icbs-investment-capacity-raised-1603924>

USD 7.4 billion deals inked to produce 6,000MW

- Bangladesh yesterday took another leap towards addressing its energy shortage, signing two separate agreements involving USD 7.4 billion to generate 6,000 megawatts of electricity largely from liquefied natural gas. One of the deals involves the local Summit Group, Japan's Mitsubishi Corporation and the US's General Electric Company, and the other Bangladesh Power Development Board and GE Switzerland. Summit, Mitsubishi and GE signed a preliminary agreement at an event held in the capital's Sonargaon hotel to invest USD 3 billion to establish five power plants, two LNG terminals and one oil terminal.
- As per state minister for power, energy and mineral resources, this is one of the biggest investments in the private sector in Bangladesh. Managing director of Summit Power International said that Summit will hold the majority stakes in the project. In the day's other deal, BPDB and GE Switzerland will establish a 3,600MW LNG-based combined cycle power plant in Moheshkhali, Cox's Bazar at an estimated cost of USD 4.4 billion. The BPDB will hold 51% stakes, GE Switzerland 30% and the remaining 19% still up for grabs.
- The four 600MW combined cycle power plants under Summit's deal will be powered by GE's flagship 9HA gas turbines. The 9HA-class gas turbines entered the Guinness World Records last year for efficiency based on the amount of electricity generated from natural gas at the power plant in Bouchain, France, where it was first put into commercial operation in June last year. The project also includes two units of onshore LNG terminal with a total capacity of 380,000 cubic metres, and an oil terminal with a 100,000-tonne capacity -- all to be located in Matarbari, Cox's Bazar.

<https://www.thedailystar.net/business/74b-deals-inked-produce-6000mw-1603933>

<http://www.newagebd.net/article/45766/summit-ge-mitsubishi-unveil-3b-energy-investment-in-bangladesh>

Government to import 250MW more electricity from India

of the Cabinet Division at a briefing said that the import cost of per kilowatt electricity from one of the leading Indian independent power producers would be BDT 4.69 in short term between August 2018 and December 2019. The import cost of the same amount of electricity would be BDT 6.17 until 2033 from 2020 in the long term, he added. According to Power Development Board officials, electricity imports from India are expected to hit 7,500MW by 2020, which accounts for nearly 42% of the country's electricity consumption.

- He also said that the cabinet committee also approved procurement of 20 lakh electronic passports from Germany and equipments from the same country to prepare 28 lakh e-passports locally. He said that BDT 33.38 billion would be spent for introduction of e-passports under government-to- government deal with Germany. On June 5, the executive committee on the national economic council approved the e-passports project to phase out the present machine-readable passports introduced in 2009.

<http://www.newagebd.net/article/45746/govt-to-import-250mw-more-electricity-from-india>

Bangladesh Telecommunication Regulatory Commission (BTRC) moves to punish 3 telcos for not sending subscribers PM's Eid greetings

- Bangladesh Telecommunication Regulatory Commission has moved to take punitive measures against three mobile phone operators — Grameenphone, Robi and Banglalink — for their failure in disseminating to their subscribers a voice SMS containing prime minister Sheikh Hasina's Eid greetings. BTRC officials told New Age that the telecom regulator asked all mobile operators to disseminate the PM's voice greetings to their subscribers through their respective networks on the eve of Eid-ul-Fitr, one of the biggest religious festivals of the Muslims that was observed in the country on June 16 this year.
- They said that state-run mobile phone Teletalk sent the voice SMS (short message) to its subscribers, but GP, Robi and Banglalink failed to do so. The three mobile companies, however, said that it was logistically impossible for them to send well over 0.10 billion voice messages to their clients in around eight hours on the Eid day as they had received the directive to send out the 44-second voice message to all customers 'the night before Eid this year, after the close of business'. Acting BTRC chairman said that the commission would take punitive measures against the mobile phone operators as they refrained from implementing regulatory order violating rules.
- Mobile phone operators are supposed to disseminate any government information at free of cost under their licencing conditions. The telecom regulator on July 8 formed an investigation committee to look into the matter.

<http://www.newagebd.net/article/45787/btrc-moves-to-punish-3-telcos-for-not-sending-subscribers-pms-eid-greetings>

SK Trims to make debut July 15

- SK Trims & Industries will make its shares trading debut on July 15 (Sunday) on the stock exchanges under "N"

category. DSE trading code for SK Trims & Industries is "SKTRIMS" and company code is 99,642 while the CSE scrip Id is 32,023 and scrip code is "SKTRIMS". SK Trims will be the 13th listed company under the miscellaneous sector. The miscellaneous sector accounted for 3.50% of the Dhaka Stock Exchange's total market capitalisation.

- SK Trims, which received IPO approval from the Bangladesh Securities and Exchange Commission (BSEC) on February 20, floated 30 million ordinary shares at an issue price of BDT 10 each. The garments accessories and packaging company raised a fund worth BDT 300 million from the capital market through initial public offering (IPO) under the fixed price method. The IPO subscription of the company was opened on May 14 and closed on May 22 for the resident and non-resident Bangladeshis. The company will use the IPO fund for acquisition of machinery and equipment, construction of building and other civil works and bear the IPO expenses, according to the IPO prospectus.

- As per the entity's audited financial statements for the year ended on June 30, 2017, the company's net asset value per share and weighted average earnings per share were BDT 12.79 and BDT 1.31 respectively. The company's pre-IPO paid-up capital is BDT 400 million and authorised capital is BDT 1.0 billion. SK Trims & Industries, which started its commercial operation in 2014, engaged in manufacturing all kinds of sewing thread, elastic, poly, carton, photo card, back board, bar code etc for export-oriented garments industry. Imperial Capital Limited and BMSL Investment Limited are jointly working as issue manager of the company's IPO.

<http://today.thefinancialexpress.com.bd/stock-corporate/sk-trims-to-make-debut-july-15-1531325427>
<http://www.newagebd.net/article/45788/stocks-finish-flat-despite-quickfire-start-amid-sk-trims-debut-hype>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$70.80	+0.42	+0.60%
Crude Oil (Brent)*	\$74.72	+1.32	+1.80%
Gold Spot*	\$1,243.76	+1.80	+0.14%
DSEX	5379.24	+7.94	+0.15%
Dow Jones Industrial Average	24,700.45	-219.21	-0.88%
FTSE 100	7,591.96	-100.08	-1.30%
Nikkei 225	22,196.82	+264.61	+1.21%

Exchange Rates

USD 1 = BDT 83.49*
 GBP 1 = BDT 110.21*
 EUR 1 = BDT 97.49*
 INR 1 = BDT 1.22*

*Currencies and Commodities are taken from Bloomberg.

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