

*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.*

### **World Bank (WB) mission in town to discuss USD 750 million budgetary credit line**

- The World Bank (WB) has decided to provide USD 750 million in budgetary support after fielding a mission in Dhaka to discuss the potential lending. The bank's team is mainly working on the newly-developed indicators, to be fulfilled by the government for getting the policy credit. Then it will sit for negotiations in October this year. The proposed USD 750 million funds will be disbursed in three equal tranches in three years up to the fiscal year (FY), 2020-2021.
- The budgetary support titled "Development policy credit" will mainly be utilised in areas which will foster jobs in Bangladesh. Meanwhile, the government has recently sought budgetary support from the WB for facilitating job creation instead of its previous stance on policy and structural reform activities. Following the government's request, the Washington-based lender has prepared some new policy matrix focusing on more employment generation instead of its earlier 'policy reform matrix'.

<http://today.thefinancialexpress.com.bd/last-page/wb-mission-in-town-to-discuss-750m-budgetary-credit-line-1532541569>

### **Bangladesh Bank (BB) raises farm loan targets for banks**

- The central bank has raised the farm loan disbursement target by 6.86% to BDT 218.00 billion for the current fiscal year compared to a year ago. A deputy governor of the Bangladesh Bank said that the farm loan target has been increased considering the rising demand for agriculture and rural credit. Banks will have to disburse a minimum 10% of their agriculture loan to the fisheries sector, the new inclusion in the agriculture credit policy.
- Some new sectors were also brought under the agriculture loan. They include the floating agriculture system, the integrated farming system, rearing of turkey birds and fish farming through the pen system. The lending target for state banks has been set at BDT 98.75 billion and for the private and foreign commercial banks at BDT 119.25 billion. Banks disbursed BDT 213.93 billion last fiscal year, which was about 105% of the target.
- They disbursed agricultural and rural credit among 3.96 million borrowers. Of them, the number of women borrowers was 1.58 million, receiving BDT 63.09 billion, according to the central bank data. Small and marginal farmers borrowed about BDT 150.92 billion in 2017-18. Besides, BDT 304.7 million was disbursed among 8,339 farmers in char, haor and less developed areas. The central bank imposes penalty on banks if they fail to achieve the disbursement target.

<https://www.thedailystar.net/business/bb-raises-farm-loan-targets-banks-1611112>  
<http://www.newagebd.net/article/46909/bb-sets-farm-loan-target-at-BDT-21800cr-for-fy19>

### **Banks exceed ADR on higher than targeted private credit flow**

- Higher than targeted private sector credit growth compared to deposits is believed to be the key reason for exceeding the advances-deposits ratio (ADR) by private banks. Increased investment in fixed income securities -- national savings tools -- is another reason for the recent overshoot of the ADR. Deputy managing director of BRAC Bank Ltd, presented the paper on 'prevailing money market situation and the way forward' at the Institute of Chartered Accountants of Bangladesh (ICAB).
- He also added that the private sector credit growth was 19% at a time when the deposit growth was just 10%. He again said that BDT 100 billion annual investments in the savings certificates account for 5.0% of advances-deposits ratio for the entire banking system. He continued saying that the current account deficit is putting pressure on the local currency liquidity as well as foreign exchange rates.
- Citing higher non-performing loans (NPLs), he said the NPLs have posed a threat to banks' solvency at a time when many are struggling to meet the BASEL-III requirements. He, however, suggested the strengthening of governance and compliances in the banking industry with "zero tolerance" to regulatory compliances by banks.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-exceed-adr-on-higher-than-targeted-private-credit-flow-1532231882>

### **Cable industry flourishes**

- Bangladesh's cable market is growing at 15-20% a year thanks to the expansion of power gridlines as the government looks to provide electricity for all by 2021. According to managing director of Eastern Cables, in 2017, the cable manufacturing industry was worth about BDT 60.00 billion, up from BDT 20.00 billion 10 years ago. He added

that the demand for cables is increasing due to the expansion of power grid lines across the country in the last four years.

- There are more than 70 cable manufacturers in the market but the market leader is BRB with a 41% share, followed by Eastern at 15%, BBS at 13%, Paradise, Partex and Bizli at 6.5% each, and SQ at 5.3%. The other players account for 22.2% of the market. The cable manufacturers are dependent on raw material imports from Chile, China, India, Oman, Malaysia, South Korea and Singapore.
- MD of Eastern Cable said that their market survey found that the sector witnessed an average growth of 15% in the last 15 years. The demand for cable is not only for the gridlines, it also has a big market in the housing and industrial sectors, he continued. The local players would have thrived more had they gotten the big contracts of the Bangladesh Power Development Board and Rural Electrification Board; those go to Chinese vendors thanks to their lower offers.

<https://www.thedailystar.net/business/cable-industry-flourishes-1611229>

### **KPPL to resume production in two months**

- Khulna Printing & Packaging Limited (KPPL) is set to resume its production within two months, according to a disclosure posted on the DSE website. Earlier on Monday, the company said in another disclosure that the board of directors has decided to re-open the factory and start its production, commercial operation, etc. immediately riding on supports of the regulatory authority. The KPPL said that they have initiated procurement of raw materials and other materials for production purpose.
- After arriving of all production related materials from foreign countries, they will be able to start production of our company, it said. It is estimated that to start production two months' time period will be required. The KPPL has recommended no dividend for the year ended on June 30, 2017. The company reported a loss of BDT 0.59 per share for January-March, 2018 against a loss of BDT 0.17 per share for the same period of the previous year.
- The company's share price closed at BDT 20.20 each on Wednesday with a rise of 9.78% or BDT 1.8 on the DSE. KPPL, a 'Z' category company, was listed with the stock exchanges in 2014. The board of directors of the company at its meeting on January 02 last year decided to stop production temporarily.

<http://today.thefinancialexpress.com.bd/stock-corporate/kppl-to-resume-production-in-two-months-1532543532>

### **Inks BDT 936 million deal with BREB**

- Meanwhile, BBS Cables informed the DSE that it has inked an agreement with Bangladesh Rural Electrification Board (BREB) under "Distribution Network Expansion for 100% Rural Electrification" projects for supply of conductor, insulated 600V for a total amount of above BDT 936.06 million. The goods will have to be delivered within four months from the date of signing of the contract on July 24 this year. Bangladesh Building Systems Limited holds 16.67% stake in the BBS Cables Limited, which will eventually have a prospective on the profitability of the company after completion of the job, said the disclosure.

<http://today.thefinancialexpress.com.bd/stock-corporate/inks-BDT-936m-deal-with-breb-1532543665>

### **One Bank's Q2 earnings fall 86%**

- The earnings per share (EPS) of One Bank significantly declined for April-June (Q2), 2018 compared to same period of the previous year. The bank's net operating cash flow per share (NOCFPS), however, rose for the same period. According to un-audited financial statement for Q2, the consolidated EPS of the company declined 86% to BDT 0.09 for the second quarter of 2018 compared to same period of the previous year. The company's consolidated EPS was BDT 0.64 for April-June, 2017.
- The bank's consolidated EPS was BDT 0.40 for January-June, 2018 as against BDT 1.81 for January-June, 2017. The bank reported its consolidated NOCFPS of BDT 12.83 for January-June, 2018 as against BDT 7.22 for January-June, 2017. The consolidated NAV (net asset value) per share was BDT 17.51 as on June 30, 2018 and BDT 18.55 as on December 31, 2017.

<http://today.thefinancialexpress.com.bd/stock-corporate/one-banks-q2-earnings-fall-86pc-1532543738>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$69.38	+0.08	+0.12%
Crude Oil (Brent)*	\$74.44	+0.52	+0.69%
Gold Spot*	\$1,231.08	-0.55	-0.04%
DSEX	5319.44	-15.94	-0.30%
Dow Jones Industrial Average	25,414.10	+172.16	+0.68%
FTSE 100	7,658.26	-50.79	-0.66%
Nikkei 225	22,582.31	-31.94	-0.14%

**Exchange Rates**

USD 1 = BDT 84.23\*  
GBP 1 = BDT 111.19\*  
EUR 1 = BDT 98.82\*  
INR 1 = BDT 1.23\*

*\*Currencies and Commodities are taken from Bloomberg.*

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