

*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.*

### **Overseas jobs plunge 26%**

- The country's overseas employment declined by about 26% during the last four months of the year as hiring by Saudi Arabia more than halved. During the January-April period of 2018, some 273,304 Bangladeshi workers went abroad with jobs. This compares with 368,458 during the same period of 2017, according to figures available with the state-run Bureau of Manpower, Employment and Training (BMET). The demand for foreign workers decreased significantly in Saudi Arabia, the largest job market for Bangladeshi workers. Manpower recruiters said, Saudi employers are not willing to recruit Bangladeshi workers except women at this moment. The number of Bangladeshi workers going to Saudi Arabia dropped by more than 50% in the last four months, according to the BMET data.

<http://today.thefinancialexpress.com.bd/public/first-page/overseas-jobs-plunge-26pc-1527183698>

### **Exports get raw deal from both big, small SAARC nations**

- Exports from Bangladesh to SAARC countries are being subjected to various types of non-tariff and para-tariff barriers, according to a study carried out by the Bangladesh Tariff Commission (BTC) recently. The study has found that both big and small members of the South Asian grouping are subjecting exports from Bangladesh to non-tariff and para-tariff barriers. The putting up of all types of barriers has led to a very slow growth of Bangladesh's exports to other members of the South Asian Association of Regional Cooperation (SAARC).

- Major exports to Afghanistan include pharmaceuticals, jute goods and electric accumulator. Bangladesh's major exports to Bhutan include vegetables, fruit, nut, and foods preparations, pharmaceuticals, plastics, electrical and electronic equipment. Those do also face various NTBs. Export to India, the largest trading partner of Bangladesh in South Asia, has not been rising due to various NTBs and PTBs. Apart from newly introduced goods and services tax (GST), Bangladesh's exports are subjected to 'integrated tax' ranging between 0.25% and 28%, depending on the products, the study mentioned.

<http://today.thefinancialexpress.com.bd/first-page/exports-get-raw-deal-from-both-big-small-saarc-nations-1527353266>

### **Secondary treasury bills, bonds market witnesses volatility**

- Country's secondary market of treasury bills and bonds is lately gripped by a sharp volatility, according to the central bank data. The less-than-expected borrowing by the government from the banking system has been identified as the main reason behind such fluctuations in the secondary market. The secondary bond market was introduced in 2011 by the central bank. In April last, the monthly turnover of the secondary market was just BDT 6.5 billion, down from around BDT 27.8 billion in March, 2018. Turnover covers both buy and sales. In February 2018, the turnover was BDT 5.0 billion.

<http://today.thefinancialexpress.com.bd/public/first-page/secondary-treasury-bills-bonds-market-witnesses-volatility-1527269854>

### **Subsidy burden to be heavier**

- Subsidy expenditure is set to increase 16.36 % to BDT 320 billion in the incoming fiscal year as three new areas -- gas, fuel and home loan for government staff -- are likely to be added to the list. For the first time the government is planning to subsidize gas price as it is importing liquefied natural gas at a rate much higher than that of the locally produced gas. The subsidy for gas price in fiscal 2018-19 is likely to be BDT 25 billion to BDT 30 billion. The cost of production for per unit of gas would be BDT 14.64 when LNG and local gas are blended, but the retail price might be set at about BDT 13. The average retail price of gas supplied by Petrobangla from domestic sources is BDT 7.39 per cubic meter. The first consignment of imported LNG has arrived and will be added to the national grid in a couple of weeks' time. As soon as it is blended with local gas, the gas price will increase but still it will be lower than the purchasing cost of LNG, said energy ministry officials.

<https://www.thedailystar.net/business/subsidy-burden-be-heavier-1582150>

**Bangladesh House Building Finance Corporation (BHBFC) to double loan ceiling for existing borrowers**

• The state-run Bangladesh House Building Finance Corporation (BHBFC) is set to double the loan ceiling for existing borrowers from July. The decision in this regard will be finalised at the board meeting of BHBFC next week. The move was taken to facilitate the construction of incomplete houses or extension work, if any, by the existing loan recipients. The proposed increase in the loan ceiling would take effect from July this year. The home loan recipients in Dhaka and Chattogram cities will be entitled to receive the additional loan. BHBFC had raised the lending ceiling from BDT 5.0 million to BDT 10 million, both for Dhaka and Chattogram cities, in early 2017. The rate of interest on such additional loans will be 9.5% for the existing borrowers as against 12% earlier.

<http://today.thefinancialexpress.com.bd/public/trade-market/bhbfc-to-double-loan-ceiling-for-existing-borrowers-1527267110>

**Agrani Bank's net profit jumps 197%**

• Agrani Bank Ltd achieved a net profit of BDT 6.76 billion in 2017 with a growth rate of 197%. At the end of 2017, Return on Equity (ROE) stood at 17% from a negative ROE of 19% of the previous year. ROE increased by 35.65% in 2017. Total assets of the Bank as on December 2017 stood at BDT 673.92 billion compared to BDT 623.58 billion of 2016 registering a growth by BDT 5,035 or 8.07%. Loans and advances of the bank stood at BDT 319.12 billion at the end of 2017, a growth of 20.03% over BDT 265.87 billion of 2016. The AGM was also informed that the deposits grew up to BDT 530.35 billion in 2017 from BDT 494.05 billion of 2016 showing a progress of BDT 363 billion or 7.35% rise.

<http://today.thefinancialexpress.com.bd/trade-market/agrani-banks-net-profit-jumps-197pc-1527349918>

**No headway still in sell-off of Rupali stake in Pakistan's Summit Bank**

• There is still no headway in withdrawing the state-run Rupali Bank's stake in Pakistan's Summit Bank. Different complexities have hindered the process despite taking a move three years ago to that end. The board of directors of Rupali Bank had formed a high-powered four-member committee to withdraw the shares and realise all other dues. But later the committee had been recast on two or three occasions due to some of the members' promotion, pre-retirement leave (PRL), etc. The Rupali Bank has long been seeking instructions from the finance ministry for taking the next course of action in this connection. In the absence of any instructions the committee could hold no meeting yet. Afrani Bank officials blamed the lukewarm response of the regulatory authorities of that country for that despite repeated attempts.

<http://today.thefinancialexpress.com.bd/stock-corporate/no-headway-still-in-sell-off-of-rupali-stake-in-pakistans-summit-bank-1527350417>

**Renata to establish subsidiary company in United Kingdom**

• Renata Limited (formerly Pfizer Limited) has decided to establish a subsidiary company in United Kingdom after fulfilling necessary regulatory requirements to export products to the European countries. The name of the subsidiary will be 'Renata (UK) Limited' as the company's board of directors approved a proposal in this regard. The company also received registration for two products in the UK. The sales of Hydrocortisone 10 mg and 20 mg tablets started in February in the UK market. The government of Bangladesh also approved acquisition of two abbreviated new drug applications (ANDAs) by Renata. The company made a net profit of BDT 2.62 billion in the year ended on June 30, 2017, registering an increase of 19%, from BDT 2.21 billion in the previous year.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/renata-to-establish-subsiary-company-in-united-kingdom-1527271238>

**Sonali Bank to inject BDT 1.65 billion as equity into Farmers Bank**

• The state-run Sonali Bank has decided to inject BDT 1.65 billion as equity into scam-hit Farmers Bank Ltd. soon. The board of directors of the state-run bank at its 577th meeting has given its seal of approval to the investment of the fund, tagging some conditions. The conditions were set in line with the decision taken earlier by the government to meet liquidity crisis of the privately-owned Farmers Bank. In the light of the decision taken earlier by the government, Sonali, Janata, Agrani and Rupali banks will provide BDT 1.65 billion as equity each to the Farmers Bank while the Investment Corporation of Bangladesh will inject BDT 550 million into the private commercial bank.

<http://today.thefinancialexpress.com.bd/public/trade-market/sonali-to-inject-BDT-165b-as-equity-into-farmers-bank-1527267161>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$67.88	-2.83	-4.00%
Crude Oil (Brent)*	\$76.44	-2.35	-2.98%
Gold Spot*	\$1,302.25	-2.38	-0.18%
DSEX	5429.69	+68.60	+1.28%
Dow Jones Industrial Average	24,753.09	-58.67	-0.24%
FTSE 100	7,730.28	+13.54	+0.18%
Nikkei 225	22,450.79	+13.78	+0.06%

**Exchange Rates**

USD 1 = BDT 83.43\*  
GBP 1 = BDT 111.03\*  
EUR 1 = BDT 97.20\*  
INR 1 = BDT 1.23\*

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

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Deputy Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Md. Sakib Chowdhury	Research Analyst	<a href="mailto:sakib.chowdhury@bracepl.com">sakib.chowdhury@bracepl.com</a>	01709 641 247
S. M. Samiuzzaman	Research Analyst	<a href="mailto:sm.samiuzzaman@bracepl.com">sm.samiuzzaman@bracepl.com</a>	01708 805 224
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Ahmed Zaki Khan	Research Associate	<a href="mailto:zaki.khan@bracepl.com">zaki.khan@bracepl.com</a>	01708 805 211
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229

#### International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-------------------------------------	--	---------------