

*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.*

### **Remittance inflow rises by 11.9% in July-October**

- Remittance inflow in the first four months of the current fiscal year rose by 11.9% year-on-year, topping USD 5 billion, because of rise in value of the dollar against the taka.
- Expatriate Bangladeshis sent home USD 5.1 billion in July-October in the current FY2018-2019 against USD 4.55 billion during the same period of last FY2017-2018, according to Bangladesh Bank data released on Thursday.
- BB officials said that expatriate Bangladeshis were encouraged to send home money as they were getting good return because of rising value of the dollar against the taka.
- Besides, the economic situation of Middle Eastern countries, from where Bangladesh receives majority of remittance, has improved in recent months because of rising prices of fuel oils.

<http://www.newagebd.net/article/54971/remittance-inflow-rises-by-119pc-in-july-oct>

### **Government moves to raise export earnings from IT industry to USD 5.0 billion by 2021**

- Speaker of the Jatiya Saangsad said the government has taken steps to raise export earnings from the IT industry to USD 5.0 billion by 2021 by producing and utilising skilled manpower.
- The government is establishing Hi-Tech IT Parks across the country, including Pirganj, aiming at increasing income from the IT sector and creating employment opportunity of youths in the sector, she added.
- According to her, Local and foreign investors will come forward to invest at the IT Park in Pirganj after completion of its construction works to create new employment opportunities for the young generations.

<http://today.thefinancialexpress.com.bd/public/trade-market/govt-moves-to-raise-export-earnings-from-it-industry-to-50b-by-2021-1541093439>

### **Private credit growth inches lower in September**

- Private sector credit growth fell slightly in September due to lower demand for loans ahead of the national elections.
- Most of the banks are maintaining a 'go-slow' policy for loan disbursement as they will need to comply with the central bank's revised advance-deposit ratio (ADR) rules to be effective by March 2019.
- The growth in credit flow to the private sector came down to 14.67% in September 2018 on a year-on-year basis from 14.95% a month ago, according to the central bank's latest statistics.
- The private sector credit growth was 15.87% in July 2018.
- This growth was more than 2.0% points lower than the Bangladesh Bank (BB)'s target of 16.8% for the first half (H1) of the current fiscal year.
- The total outstanding loans with the private sector rose to BDT 9,187.45 billion in September 2018 from BDT 8,012.25 billion a year ago. It was BDT 9,101.66 billion in August 2018.

<http://today.thefinancialexpress.com.bd/public/first-page/pvt-credit-growth-inches-lower-in-sept-1541095128>  
<https://www.thedailystar.net/business/news/private-credit-growth-hits-33-month-low-1655083>  
<https://www.dhakatribune.com/business/2018/11/01/private-sector-credit-growth-dips>

### **Garment company to invest USD 15 million in Ishwardi Export Processing Zone (EPZ)**

- Sterling Classicwears Limited, a Bangladeshi company, will invest USD 15 million to set up a garment manufacturing industry in Ishwardi Export Processing Zone (EPZ).
- This local venture will employ 3677 people and produce 15 million pieces of garments items.
- The Bangladesh Export Processing Zones Authority and the Sterling Classicwears Limited signed an agreement in this regard at BEPZA Complex in Dhaka on Thursday.

<http://today.thefinancialexpress.com.bd/public/trade-market/garment-co-to-invest-15m-in-ishwardi-epz-1541093523>  
<http://www.newagebd.net/article/54759/local-rmg-co-to-invest-15m-in-ishwardi-epz>

### **External debt servicing doubles in first quarter (Q1)**

- Foreign debt servicing has almost doubled in the first quarter (Q1) of the current fiscal year (FY), 2018-19.
- The government's borrowing of short-term hard loans has increased over the years.
- Economic Relations Division (ERD) officials said the government repaid USD 614.37 million interest and principal of outstanding loans during the July-September period of the current fiscal.
- In the corresponding period of FY '18, the debt servicing was USD 333.44 million against the medium- and long-term outstanding external loans.
- The government has been borrowing a hefty buyers' credit from China, some hard-term export credit agency (ECA) loan and non-concessional medium- and short-term loans over the years.
- Concessional lenders World Bank (WB) and Asian Development Bank (ADB) and Japan International Cooperation Agency (JICA) also increased interest rates and cut the loans' maturity.

<http://today.thefinancialexpress.com.bd/public/first-page/external-debt-servicing-doubles-in-q1-1541095089>

### **National savings tools sales cross half of annual target in three months**

- Sales of national savings certificates increased further in July-September of the fiscal year of 2018-2019 compared with that in the same period of the previous fiscal year due mainly to higher returns from NSCs than bank deposits.
- As per the latest Directorate of National Savings report, the net sales of NSCs increased by 5.65 per cent, or BDT 7.18 billion, to BDT 134.12 billion in July-September of FY19 against BDT 129.64 billion in the same period of FY18.
- In September this year, the net sales of NSCs increased by 18.79 per cent, or BDT 6.89 billion, to BDT 43.55 billion against BDT 36.66 billion in the same month last year.
- The sales of NSCs have already crossed half of the government target (BDT 261.97 billion) for the current 2018-19 fiscal year.
- The government after the budget approval has announced that it would not cut interest rates on NSCs before the national elections likely to be held by the end of December this year. Besides the announcement from the government, high interest rates on NSCs compared with fixed deposit rates of banks were another reason for the high sales of the saving tools. Also the implementation of the single-digit deposit and lending rates would affect the savers and they preferred making investments on the NSCs rather than keeping money in the banks.

<http://www.newagebd.net/article/54750/natl-savings-tools-sales-cross-half-of-annual-target-in-three-months>

### **Bangladesh's burgeoning pharmaceutical sector: Ruling local market, stock business, and expanding abroad**

- According to the Bangladesh Association of Pharmaceutical Industries (BAPI), there has been an upward trend in the domestic market for pharmaceutical products over the past few years, and market size now stands at around BDT200 billion
- Bangladesh is the only least developed country around the globe that meets up to 97% of its demand for pharmaceutical products, with a market size of nearly BDT200 billion, through local companies, policymakers and industry insiders have said.
- In addition, Bangladeshi pharmaceutical products are being exported to 199 countries, and generated over USD 100 million in the last fiscal year.
- Due to healthy earnings per share (EPS) and dividends, pharmaceutical stocks continue to attract both long-term and institutional investors.

<https://www.dhakatribune.com/business/stock/2018/11/03/bangladesh-s-burgeoning-pharmaceutical-sector-ruling-local-market-stock-business-and-expanding-abroad>

### **House Building Finance Corporation pushes for banking license**

- State-run house building financier urged the government to convert it into a bank so that the corporation can contribute more while averting fund crisis.
- The transformation is required for the development of the housing finance sector, said the head of the corporation.

<http://today.thefinancialexpress.com.bd/public/last-page/house-finance-corp-n-pushes-for-banking-licence-1541095586>

### **Government body to simplify export procedures**

- The government has formed an inter-ministerial body to lower the number of documents required for exports as part of easing doing business in line with the standards set by the World Bank.
- The move comes a day after Bangladesh ranked 176th among 190 nations in the World Bank's Ease of Doing Business Index-2019, which drew widespread criticism.
- In the ranking, Bangladesh was behind all South Asian nations, including war-ravaged Afghanistan.
- The committee has been tasked with lowering the number of required documents to seven from the current 11 in case of exports.
- The committee will examine whether the bill of lading and site draft can be merged as one document, minimizing commercial invoice and purchase order packing list in one document, and consolidating letter of credit, bill of exchange, and insurance certificate into one document.
- The committee will also work on fixing modalities and preparing a policy to simplify using documents in electronic and digital format. They will also take necessary measures to clearly mention the number of required documents in the export policy or manual.

<http://today.thefinancialexpress.com.bd/public/first-page/govt-body-to-simplify-export-procedures-1541179857>

### **Petrobangla revises Bangladesh's gas demand upward by 8.39%**

- Petrobangla has revised upward the country's natural gas demand projection by 8.39% to 1.346 trillion cubic feet (Tcf) in the current fiscal year (FY), 2018-19, riding on LNG import.
- The previous projection of natural gas demand for FY 2019 was around 1.24 Tcf. Petrobangla unveiled the gas demand projection in its latest annual report, published last week, said a senior official of the state-run organisation.
- According to Petrobangla, natural gas demand will be the highest to the tune of around 657 billion cubic feet (Bcf) in power sector. It will be followed by industry sector 253 Bcf, captive power plants 152 Bcf, household 133 Bcf, fertiliser 98 Bcf, CNG filling stations 41 Bcf, commercial sector 9.0 Bcf, and tea estate sector 2.0 Bcf.
- The country consumed around 970 Bcf of natural gas in FY 2018.
- As of October 29, Bangladesh's overall natural gas supply is hovering around 3.03 Bcf per day.
- Of the total gas supply, the IOCs are supplying around 1.65 Bcf of gas, which is 50.7% of the supply.
- Besides, the local gas producing companies are supplying 1.05 Bcf of gas, which is 32.3 per cent, and the remaining 327 mmcf is being supplied as re-gasified LNG, Petrobangla statistics reveals.

<http://today.thefinancialexpress.com.bd/public/last-page/petrobangla-revises-bd-gas-demand-upward-by-839pc-1541095481>

### **Chinese labor market beckons Bangladeshi workers**

- China has the potential to be a destination for Bangladesh to export labor, thanks to its rising wages, shrinking workforce and ever expanding production capacity in the world's second-largest economy.
- Chinese authority has also been seeking foreign workforce easing existing strict foreign workers' recruitment policy.
- The decision was made as the commission found that checking quality of services provided by the telecom operators including access network service providers in extensive volume would be difficult for the regulator to check with its existing manpower.

- According to the embassy official in Beijing, timely bilateral negotiations at the highest level between the two friendly nations can pave the way for opening up new avenue for Bangladesh's manpower exports.
- A number of large Chinese manufacturing firms recently made inquiries with the embassy whether it can help them to import unskilled or semiskilled manpower in China.

<http://today.thefinancialexpress.com.bd/public/last-page/chinese-labour-market-beckons-bd-workers-1541180735>

### **Clothing exports to US grow by 5.84% in nine months**

- The country fetched USD .16 billion from shipping apparels to the US market between January and September period of 2018 against USD 3.93 billion in the same period of the last year, according to data from the Office of Textiles and Apparel (OTEXA), a wing of the US Department of Commerce.
- During the period, Bangladesh shipped 1.50 billion square metres of apparels, which were 1.43 billion during the first nine months of 2017.
- The US imported textiles and apparel worth USD 4.34 billion from Bangladesh during January to September period, the data showed.
- On the other hand, Chinese apparel exports witnessed a negative growth of 0.05% to USD 20.40 billion during the same period.
- Meanwhile, the garment exports of Vietnam grew by 6.10% to USD 9.23 billion and Cambodia witnessed 13.09% rise to USD 1.82 billion during the same period.
- India's apparel exports to the US stood at USD 3.01 billion marking a 3.84% growth during the period.
- Experts and exporters said both orders and investment might be shifting from China to other Asian destinations such as Bangladesh and Vietnam.

<http://today.thefinancialexpress.com.bd/last-page/clothing-exports-to-us-grow-by-584pc-in-nine-months-1541264378>  
<https://www.thedailystar.net/business/news/apparel-exports-us-rise-6pc-1655959>  
<http://www.newagebd.net/article/54973/apparel-exports-to-us-rises-by-584pc-in-nine-months>

### **Bangladesh may get 'competitive' edge: Bangladesh Bank assessment**

- The ongoing US-China trade tension may create a short-term "competitive advantage" for Bangladesh in both import and export sectors, according to an assessment of the Bangladesh Bank.
- But it will depend on how Bangladesh addresses the issues such as infrastructural changes, competition from other countries, financing readiness, skilled labour shortage, and depreciation of the Chinese currency, the report added.
- About 7.0% of the country's total current exports are found identical to those of China that faced US tariff.
- Also, the report said some 33% of the country's total import items are identical to Chinese exports under US Tariff, which is 37% in the case of similar products.
- The Trump administration has so far imposed tariff upto 10% on the Chinese products, which may be increased to as high as 25% by January 2019.

<http://today.thefinancialexpress.com.bd/first-page/bd-may-get-competitive-edge-bb-assessment-1541263973>

### **Poor return raises concern for insurers**

- The insurance sector's returns on investment in fixed assets such as land, buildings, floors and flats have been minimal, raising concerns among the regulator on insurers' capacity to settle claims.
- In the first quarter of the year, life insurance companies invested BDT 24.70 billion, or 8.48% of their total fund, in fixed assets and the return was only BDT 100 million, which is 0.40% of the investment.
- Thirty-two life insurance companies invested BDT 139.49 billion in government securities, from which the return was 2.62 percent, or BDT 3.65 billion, in the first quarter of the current year, according to the Insurance Development and Regulatory Authority (IDRA).
- Life insurance companies have a total BDT 291.18 billion of life fund remained invested in different sectors.

- The highest portion of the insurance fund— about 48 percent—was invested in government securities as insurers are mandated to invest at least 30% of their fund in the instrument.
- Moreover, investment in government securities is more secure and companies can withdraw funds anytime, she said. Life insurance companies have invested BDT 90.28 billion in fixed deposits, which was 31% of the total fund as of March this year. The return from the investment was almost 2% in the January-March quarter, according to the IDRA.
- The development has left the regulator concerned as it is hurting policyholders' interest and eroding the capacity of insurers to meet claims. The regulator has asked insurance companies to invest policyholders' money wisely and boost the return on investment (ROI).

<https://www.thedailystar.net/business/news/poor-return-raises-concern-insurers-1655968>

### **Job cut fear grips Grameenphone (GP) employees**

- More than 600 permanent employees of Grameenphone might lose their jobs as the leading mobile phone operator is moving towards managing its network through a third party.
- Grameenphone Employees Union (GPEU) demanded immediate scrapping of the plan, running in the form of a "Common Delivery Centre" (CDC) project, and placed a 12-point demand for enhanced job security.
- Last month, the operator advertised a request seeking quotations to outsource the network management operations.
- GP's parent company Telenor implemented similar projects in its ventures in Malaysia and Myanmar and jobs of a huge number of employees in those countries were terminated. If GP can implement the CDC project in Bangladesh, only a handful of people will be required in the operator's technology team and more than 600 people will lose their jobs.
- GP, however, said in an increasingly complex business environment, it needs to sharpen operational focus and embrace new operating models from time to time to extract the full benefit of new technologies. The operator said it would continue to train its employees to prepare them for a digitally transformed industry and workplace.

<https://www.thedailystar.net/business/news/job-cut-fear-grips-gp-employees-1655953>

### **Community Bank Bangladesh of police becomes 59th scheduled bank**

- Bangladesh Bank has listed as scheduled bank the newly-approved Community Bank Bangladesh Ltd of Bangladesh Police Kalyan Trust amid criticisms that the sector was already overcrowded with the presence of so many banks.
- The acknowledgement came from the central bank in a notification on Thursday, three days after its board of directors decided to award the banking licence to the Police Kalyan Trust.
- With the notification the number of scheduled bank stood at 59.
- On the same day, the BB in another notification also allowed the Community Bank Bangladesh Ltd to be remained out of purview of a provision of the bank company act that imposed restriction on transfer of share within the directors and share holding by a director not exceeded more than 10 per cent.
- Community Bank became the third scheduled banks to be run by agencies linked with the country's law and armed forces.

<http://www.newagebd.net/article/54975/community-bank-bangladesh-of-police-becomes-59th-scheduled-bank>

### **Most listed banks' profits tumble in third quarter (Q3)**

- As many as 60% of the banks listed on the stock exchanges have seen their profits tumble in the third quarter of the year because of higher provisioning requirement against default loans, lower interest rates and slow credit growth.
- Of the 30 banks listed, 18 saw their earnings per share (EPS)—an indicator of profitability—plummet between the months of July and September. EPS informs how much money shareholders would receive for each share of stock they own if the company distributed all of its net income for the period.
- Bad performance, bad management and bad governance led the profits to tumble, according to a former Bangladesh Bank governor.
- All the banks are saddled with large amounts of bad loans, so they have to keep provisioning against them.

- Some banks are averse to providing loans ahead of the national election fearing political tension, which has slowed down credit growth.

<https://www.thedailystar.net/business/news/most-listed-banks-profits-tumble-q3-1655971>  
<http://www.newagebd.net/article/54855/most-of-listed-banks-report-profit-fall-in-jan-sept>  
<https://www.dhakatribune.com/business/stock/2018/11/01/banks-earnings-per-share-saw-fall-in-q3>

### **Most non-bank financial institutions (NBFIs) post fall in nine-month earnings per share (EPS)**

- The earnings of most of the non-bank financial institutions (NBFIs) fell in the nine months to September last compared to that of the corresponding period of last year.
- According to the un-audited financial statements for the January-September period, 2018, the consolidated earnings per share (EPS) of 17 NBFIs out of 23 declined, according to statistics from the Dhaka Stock Exchange (DSE).
- Market insiders said lack of new investments, thanks to a liquidity shortage, cast a gloom over the NBFIs during the period.
- The huge amounts of provisioning due to non-performing loans and losses from capital market investments, he said, ate into the profits of the NBFIs.
- The capital market was a major source of income for the financial institutions. But almost all the NBFIs incurred losses from stock investments due to the market fall.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/most-nbfis-post-fall-in-nine-month-eps-1541090637>

### **AB Bank signs deal with NAGAD**

- AB Bank Limited signed an agreement with Third Wave Technologies Limited (NAGAD) recently, according to a statement.
- Under this agreement, AB Bank through its cash management service will facilitate the collections through NAGAD's nationwide distributors.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/ab-bank-signs-deal-with-nagad-1541091080>

### **BRAC Bank posts 4.28% growth in Jan-Sept profit**

- BRAC Bank Limited posted a Year on Year growth of 4.28% in profit after tax in the nine months to September 30 last, the bank said in statement on Thursday.
- The bank reported a profit after tax (PAT) of BDT 3,916 million during the January-September period on a solo basis compared to BDT 3,755 million during the corresponding period of 2017.
- The bank's solo Earnings Per Share (EPS) during the January-September period improved to BDT 3.65 from BDT 3.51 during the same period of 2017.
- The solo net asset value (NAV) per share of the bank at the end of September 30, 2018 rose to BDT 28.07 from BDT 22.90 in the same period of 2017.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/brac-bank-posts-428pc-growth-in-jan-sept-profit-1541090833>  
<https://www.thedailystar.net/business/news/brac-banks-profit-goes-428pc-1655038>

### **KDS Accessories posts 31% revenue growth**

- KDS Accessories, a Chittagong-based leading garment accessories producer, maintained a steady sales and profit growth since listing on the bourses.
- The garment accessories maker posted a 31% year-on-year revenue growth for the Fiscal Year (FY) 2017-2018.
- The company' total revenue stood at BDT 2.1 billion for the year ended on June 30, 2018 which was BDT 1.6 billion in the previous year, according to the company's latest annual report.
- During the period, the company's net profit stood at BDT 133.0 million which was BDT 126.0 million in the previous year, registering an increase of 5.56% review under the period.

- The board of directors and shareholders of the company approved 10% cash and 5% stock dividend for the year ended on June 30, 2018 at the annual general meeting (AGM) held on October 25.

<http://today.thefinancialexpress.com.bd/stock-corporate/kds-accessories-posts-31pc-revenue-growth-1541258100>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$63.14	-0.55	-0.86%
Crude Oil (Brent)*	\$72.83	-0.06	-0.08%
Gold Spot*	\$1,232.89	-0.54	-0.04%
DSEX	5258.48	-25.65	-0.49%
Dow Jones Industrial Average	25,270.83	-109.91	-0.43%
FTSE 100	7,094.12	-20.54	-0.29%
Nikkei 225	22,243.66	+556.01	+2.56%

**Exchange Rates**

USD 1 = BDT 83.85\*  
GBP 1 = BDT 108.75\*  
EUR 1 = BDT 95.49\*  
INR 1 = BDT 1.16\*

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

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