

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.

August private sector credit growth falls

- Private credit growth decelerated further in August as some banks had to prepare for complying with the central bank's revised advance-deposit ratio rules. Lower import growth also pushed down the private sector credit growth last month, bankers said. They, however, expected the credit growth to pick up slightly in September as the central bank had backtracked from its previous decision on slashing the ADR to facilitate the bankers to invest more needed to give the current fiscal's growth a boost.
- The sector's credit growth came down to 10.68% in August 2019 on a year-on-year basis from 11.26% a month earlier, according to the Bangladesh Bank's latest statistics. This growth was 2.52 percentage points lower than the central bank's target of 13.20% for the first half (1H) of fiscal year 2020.
- On September 17, the central bank announced that the ADR would remain unchanged at 85% for all conventional banks and at 90% for the Shariah-based Islamic banks. The central bank had earlier re-fixed the ADR at 83.50% and 89% for the conventional banks and the Islamic banks respectively. These rates were scheduled to come into effect from September 30. In terms of settlement of letters of credit, the country's import shrank by over 2.0% to USD 4.57 billion in July of FY' 20, which was USD 4.69 billion during the same period the year before, the central bank data showed.

<http://today.thefinancialexpress.com.bd/first-page/aug-private-sector-credit-growth-falls-1569865971>

Bangladesh's export to grow 8% this year: Hongkong and Shanghai Banking Corporation Limited (HSBC)

- Bangladesh's exports will grow by 8% in 2019 and 7% next year, according to an analysis by the Hongkong and Shanghai Banking Corporation Limited (HSBC). The projection is some way off the 10.55% clocked in fiscal 2018-19. The HSBC's macroeconomic team forecasts only 0.9% export volume growth in 2019 after healthy annual export growth of 6.6% for the region in 2018. This deceleration would see export growth in the Asia-Pacific region fall below the forecast for the worldwide average of 1.7%.
- The chief trade economist of the HSBC He said the region's strength lies generally in favorable demographic conditions and ability to boost productivity via application of currently available technology and improvements in regional innovation processes. For Bangladesh, the outlook for exports remains bright even amid the global trade tensions, he said. Around 94% of Bangladeshi businesses reported a positive outlook on global trade, with China, India and Japan cited as the top three markets where they are looking to expand their business over the next three to five years.

<https://www.thedailystar.net/business/news/bangladeshs-export-grow-8pc-year-1807726>

2% extra GDP annually from public investments in infrastructure, education: Finance Minister

- Finance Minister said on Monday that the country would start getting the benefit of huge public investments in infrastructure and education from next year, aiding gross domestic product (GDP) to grow by an additional 2% annually. Of the projected two percentage, Padma Bridge would generate 1% alone, he said. The finance minister said the country's GDP growth in the current financial year will be 8.3%. Surely, the GDP growth will be double-digit by the next five years, he said.

<http://www.dhakatribune.com/business/2019/09/30/kamal-2-extra-gdp-annually-from-public-investments-in-infrastructure-education>

Fundraising through IPO remains sluggish

- Fundraising through initial public offerings (IPOs) remained sluggish as only seven companies raised BDT 4.95 billion, including premium, through IPOs in January-September period of this year. The nine-month figure is down 1.20% year on year, according to the Dhaka Stock Exchange (DSE) data. Market insiders attributed the sluggish IPO trend to the revision of the public issue rules, the regulator's conservative policy in approving IPOs and the volatile equity market. Although investors are showing interest in the primary market, the regulator goes slow in approving IPOs considering the market situation, said an analyst.
- This year, two companies used book-building method while five other companies fixed-price method to launch IPOs in the capital market. The two companies that used book-building method are Square Knit Composite (BDT 1500 million) and Runner Automobiles (BDT 1000 million). Five other companies are New Line Clothings (BDT 300 million),

Silco Pharmaceuticals (BDT 300 million), Coppertech Industries (BDT 200 million), Sea Pearl Beach Resorts (BDT 150 million) and Ring Shine Textiles (BDT 1500 million).

• On July 16 this year, the stock market regulator approved the revised Public Issue Rules, raising the general investors' IPO quota (excluding non-resident Bangladeshis) to 50% from 40% under the fixed-price IPO method. Under the book building method, eligible investors' quota has also been brought down to 50% from 60% and the general investors' quota (excluding NRBs) raised to 40% from 30%. This will increase the general investors' participation in upcoming IPOs, said a leading broker.

<http://today.thefinancialexpress.com.bd/stock-corporate/fundraising-thru-ipo-remains-sluggish-1569860996>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.55	+0.48	+0.89%
Crude Oil (Brent)*	\$60.78	-1.13	-1.83%
Gold Spot*	\$1,467.47	-5.02	-0.34%
DSEX	4,947.64	-28.10	-0.56%
Dow Jones Industrial Average	26,916.83	+96.58	+0.36%
FTSE 100	7,408.21	-18.00	-0.24%
Nikkei 225	21,916.74	+160.90	+0.74%
BSE SENSEX	38,813.48	+146.15	+0.38%

Exchange Rates

USD 1 = BDT 84.68*

GBP 1 = BDT 104.02*

EUR 1 = BDT 92.20*

INR 1 = BDT 1.20*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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