

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.

USD price in kerb market goes up

- Exchange rate of cash USD against the local currency in the banking channel and also in the open market, known as kerb market, has increased by around BDT 1.0 in a week.
- The US currency rate reached BDT 86.70 on Tuesday, as the demand for the greenback has gone up lately. It was BDT 85.70-85.80 last week.
- Cash USD was quoted at rates ranging between BDT 84.50 and BDT 86.80 each by some banks on the day.
- The demand-supply mismatch of the USD in the market is the main cause behind the rising trend of cash dollar rates.
- Cash dollar is mainly used for medical treatment, education and business purposes.
- Currently, there is a gap of nearly BDT 4.0 between the exchange rate of cash dollar and telegraphic transfer (TT) clean rate for remitters.
- Sources, however, said the rate of cash USD normally increases in the market when illegal transactions like smuggling and under-invoicing go up.

<http://today.thefinancialexpress.com.bd/first-page/us-price-in-kerb-market-goes-up-1540312564>

Bangladesh brand value rises, ranked 38th in globe

- Bangladesh has been ranked 38th most valuable nation brand in 2018 as it jumped by six steps from 44th position in 2017, according to a global report on the most valuable nation brands.
- London-based Brand Finance in its latest report published on October 10 said that brand value of Bangladesh as a nation increased by 24% to USD257 billion in 2018 from that of USD 208.0 billion in 2017.
- The country's brand rating was also upgraded to A- in the year from that of A- in previous year.

<http://www.newagebd.net/article/53980/bangladesh-brand-value-rises-ranked-38th-in-globe>

India, Bangladesh to sign connectivity deals after high-level talks from today

- Greater trade and people's movement will top the agenda of Bangladesh-India secretary-level talks scheduled from today (Oct 24) to Oct 26 in New Delhi, according to a report by The Financial Express of India.
- Transportation of goods to and from India's North Eastern region (NER) via Chattogram and Mongla Ports in Bangladesh will be topping the agenda of discussions between the two sides.
- Official sources have confirmed that Dhaka has informed New Delhi that facilities at Chattogram and Mongla ports have the capacity to handle extra loads and in return, New Delhi is expected to allow use of Kolkata and Haldia ports for transportation of Bangladeshi goods including garments and textiles garments to South Asian countries.

<http://today.thefinancialexpress.com.bd/trade-market/india-bangladesh-to-sign-connectivity-deals-after-high-level-talks-from-today-1540309137>

<https://www.thedailystar.net/business/news/indo-bangla-port-use-deals-the-offing-1650934>

Executive Committee of the National Economic Council (ECNEC) endorses 21 projects

- The government has again adopted an aggressive stance to approve projects, as it endorsed a record number of development schemes on Tuesday.
- At a meeting, the Executive Committee of the National Economic Council (ECNEC) approved 21 development projects involving BDT 197.8 billion, including the land acquisition project for the expansion of Dhaka-Sylhet highway.
- Of the total cost for the 21 projects, BDT 173.2 billion will come from internal sources, BDT 2.3 billion from the implementing agencies' own fund and the remaining BDT 22.3 billion from external sources as project assistance.

<http://today.thefinancialexpress.com.bd/last-page/ecnec-endorses-21-projects-1540312760>

Domestic fridge, AC makers given a fillip

- The revenue authority has waived value-added tax and supplementary duty on the import of raw materials to make compressors of refrigerator and air conditioners with a view to facilitating local manufacturing.
- The VAT exemptions on production of compressors, refrigerators and AC have been awarded until June 30, 2021, according to two notifications issued by the National Board of Revenue on Sunday. The revenue authority took the decision more than one year after it had waived VAT and SD on import of raw materials and components of refrigerator and air conditioners on July 1, 2017.
- The benefit, where compressors of both the appliances were not included at that time, was set to expire on June 30, 2019. Now, domestic manufacturers of refrigerators, AC and compressors will get two years more to import components of these appliances without paying VAT and SD.

<https://www.thedailystar.net/business/news/domestic-fridge-ac-makers-given-fillip-1650955>
<http://www.newagebd.net/article/53979/compressor-makers-get-vat-sd-waiver-for-raw-material-imports>

Nagad' postal Mobile Financial Services (MFS) upsets private operators

- The recent introduction of a digital financial service scheme by Bangladesh Post Office (BPO) has raised concerns among relevant parties and industry insiders.
- The Bangladesh Post Office early this week introduced its own digital financial service called 'Nagad' on a test basis to reach out to the unbanked population of the country.
- But the new service, with its increased transactions limit, may create uneven competition in the market while increasing the scope for money laundering and terrorist financing.
- Under the planned scheme, a customer of Nagad will be able to cash in or cash out BDT 50,000 in a single transaction and maximum BDT 250,000 via 10 transactions per day.
- This comes at odd with other mobile financial service providers in the market, who, as per the mobile financial services (MFS) regulations, can cash in a maximum of BDT 15,000 via two transactions and cash out a maximum of BDT 10,000 via same number of transactions a day.
- The reason behind this discrimination, however, is that all other MFS operators, which are regulated by Bangladesh Bank, is bound by the transaction limit set by the central bank.
- But according to BPO officials, Nagad, being a product of Bangladesh Post Office, will be regulated under the "Bangladesh Postal Act Amendment 2010" and will not come under the purview of these MFS regulations.

<http://today.thefinancialexpress.com.bd/first-page/nagad-postal-mfs-upsets-pvt-operators-1540312432>

Investment Corporation of Bangladesh (ICB), Dhaka Stock Exchange (DSE) shareholders to invest fresh funds soon

- The state-run Investment Corporation of Bangladesh (ICB) and the Dhaka Stock Exchange (DSE) shareholders are set to invest their much-talked-about fresh funds in the capital market very soon.
- Bangladesh Securities and Exchange Commission (BSEC) arranged the urgent meeting to prop up the stock market that experienced sharp fall in the last few sessions.
- As per the BSEC approval, ICB is set to complete the process of raising funds amounting to BDT 20.0 billion through issuing subordinate bonds.
- ICB will have to invest BDT 15.0 billion in listed securities of the capital market in accordance with the BSEC directive.

<http://today.thefinancialexpress.com.bd/first-page/icb-dse-shareholders-to-invest-fresh-funds-soon-1540312609>
<https://www.dhakatribune.com/business/stock/2018/10/23/stakeholder-s-emergency-meeting-held-to-prop-up-share-market>

Bangladesh Securities and Exchange Commission (BSEC) exempts United Energy from the compliance

- The securities regulator has allowed United Energy Limited to transfer its substantial amount of shares, held at two listed companies, in favour of another company floated under same ownership.

- To facilitate the transfer of the shares, the Bangladesh Securities and Exchange Commission (BSEC) waived the United Energy Limited from the compliance with the rules regarding acquisition of substantial number of shares.
- United Energy Limited holds above 127.5 million and 359.3 million shares at Khulna Power and United Power Generation and Distribution Company respectively.
- As per the BSEC approval, the said amounts of shares held by United Energy Limited will be transferred in favour of their another company namely Mymensingh Power Limited.
- The initial size of the fund will be BDT 100.0 million. Of BDT 100.0 million, BDT 90.0 million will be collected through sales of units while the sponsor will contribute remaining BDT 10.0 million.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-exempts-united-energy-from-the-compliance-1540310430>

Grameenphone profit rises 26% in January-September

- Net profit of Grameenphone rose 26.6% to BDT 26.1 billion in the first nine months of the year, compared to the same period a year ago, on the back of higher growth of data and voice revenues.
- The figure was slightly lower than the full-year profit of BDT 27.4 billion in 2017 but higher than the profit recorded in any other previous years.
- The leading mobile phone operator logged BDT 8.9 billion in profit in the third quarter, up 27.72% from BDT 6.96 billion in the same period a year ago.
- Earnings per share for January-September were BDT 19.32. It was BDT 15.88 during the same period a year ago.
- The EPS was BDT 6.58 in the third quarter against BDT 5.16 in the same period in the previous year.
- The operator ended the third quarter with 71.4 million active subscribers, registering an 11.8% year-on-year growth. With 36.3 million data subscribers, 50.9% of the total subscribers on the GP network are using internet services.

<https://www.thedailystar.net/business/telecom/news/gp-profit-rises-26%-jan-sep-1650928>
<http://www.newagebd.net/article/53984/gp-profit-soars-2763%-in-q3-on-data-vat-cut-unifrom-call-rate>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$66.61	+0.18	+0.27%
Crude Oil (Brent)*	\$76.76	+0.32	+0.42%
Gold Spot*	\$1,232.57	+2.27	+0.18%
DSEX	5252.67	+0.72	+0.01%
Dow Jones Industrial Average	25,191.43	-125.98	-0.50%
FTSE 100	6,955.21	-87.59	-1.24%
Nikkei 225	21,983.72	-27.06	-0.12%

Exchange Rates

USD 1 = BDT 85.20*
 GBP 1 = BDT 110.66*
 EUR 1 = BDT 97.74*
 INR 1 = BDT 1.16*

*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	ayaz.mahmud@bracepl.com	01708 805 221
Md. Sakib Chowdhury	Research Analyst	sakib.chowdhury@bracepl.com	01709 641 247
S. M. Samiuzzaman	Research Analyst	sm.samiuzzaman@bracepl.com	01708 805 224
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805 211
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
----------------------	-------------------------------------	--	---------------