

*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.*

### **Economy to expand 7.5% this fiscal, projects Asian Development Bank**

- The Asian Development Bank (ADB) has said Bangladesh's economy is expected to advance by 7.5% during the current fiscal year, powered by private consumption. The forecast is slightly lower than the government target of 7.8 %. Private consumption is likely to remain buoyant as remittances continue to recover. Growth in public investment is expected to ease but remain another key growth driver, and private investment may step up slightly as the central bank reaches out to small enterprises and agriculture.
- Exports are expected to expand at a steady pace despite somewhat slower growth in Bangladesh's main trade partners. Agriculture growth in fiscal year (FY) 2018-19 is expected to be at 2.9 %, taking into account the high base set in FY2018. Industrial growth is projected to be at 11.5 % as private consumption remains strong and exports expand. Expansion in services, at 6.2 %, will mirror trends in agriculture and industry. Inflation is projected at 6.3 % in FY2019, unchanged from the ADO 2018 projection, with higher global fuel prices, currency depreciation, and upward adjustments to natural gas and electricity prices.
- Bangladesh economy is in a good shape and its growth momentum is likely to continue, it has recorded over 7.0 % GDP growth for the last three consecutive years, reaching close to 8.0 % now. It is possible getting to 8.0 % growth but, it definitely needs to continue with the same kind of policies and same kind of environment. Again, the ease of doing business needs to be really supported much more, so you can attract higher foreign direct investment (FDI) and higher private investment.

<http://today.thefinancialexpress.com.bd/first-page/economy-to-expand-75%-this-fiscal-projects-adb-1537984674>  
<http://www.newagebd.net/article/51614/adb-projects-75%-gdp-growth-in-fy19>

### **Banks' profit rises 20%**

- Banks' net profit soared 19.55 % in the first six months of the year, compared to the same period a year ago, propelled by impressive performance by a few private lenders. Between the months of January and June, the banks raked in profits of BDT 22.06 billion. During the period, they logged in operating profit of BDT 113.58 billion, from which BDT 39.29 billion was deducted as tax and BDT 52.23 billion as provisioning against bad loans. In truth, only a few banks managed to bag handsome amounts of profit, which has flattered the entire sector's performance in the first half of 2018.
- It is not possible to register net profit growth if default loans are on the rise. As of June, the banking sector's total default loans stood at BDT 893.40 billion, up 20.23 % from six months earlier. Banks that were able to restrain their non-performing loans registered good net profits, said managing director of Pubali Bank. Pubali's net profit more than doubled to BDT 2.03 billion in the first six months of this year.
- Among the private banks, Brac Bank recorded the highest net profit of BDT 6.43 billion, followed by Standard Chartered at BDT 4.99 billion, Sonali at BDT 3.27 billion and Islami at BDT 3.12 billion. Brac Bank Managing Director however, disputed the figure put out by the central bank about his bank's net profit in the first half of the year. Among the private lenders, Bank Asia put up a strong showing in the first six months of the year: its net profit shot up 75.71 % year-on-year to BDT 1.23 billion. The six state-run banks, however, collectively registered a net loss of BDT 12.34 billion in the first half, against BDT 10.47 billion a year earlier.

<https://www.thedailystar.net/business/news/banks-profit-rises-20%-1639363>

### **Government seeks funds from World Bank**

- Bangladesh has sent a proposal to the World Bank (WB) seeking finances for its USD 5.15-billion Ganges Barrage project, said Finance Minister. He said he has given the World Bank the Ganges Barrage project much earlier. The Ganges Barrage scheme is a top priority project under the government's 100-year Delta Plan 2100, which was approved by the National Economic Council on September 4. The barrage project is one of the 80 top priority schemes to be implemented by 2031 at an estimated cost of about USD 37 billion under the Plan. Finance Minister said the WB will surely participate in the Plan as it is Bangladesh's largest donor.
- The good use of the WB's financial support is reflecting in Bangladesh's growth numbers. In the last fiscal year, Bangladesh used about USD 3 billion. WB Vice President said the WB would help the country with knowledge and resources to strengthen its resilience to natural disasters. Bangladesh government has provided tremendous support to the Rohingya refugees and the global community is recognising it, he added.

<https://www.thedailystar.net/business/news/govt-seeks-funds-wb-1639345>

### **Dhaka, Delhi agree to ink economic partnership deal**

- Bangladesh and India on Wednesday reached consensus over signing a Comprehensive Economic Partnership Agreement (CEPA) in an attempt to boost bilateral trade and investment. This comprehensive economic partnership will benefit people of both countries and the deal will be signed after taking all the issues of Bangladesh into consideration, visiting Indian commerce minister said. CEPA is a bilateral comprehensive agreement on trade in goods and services and investment. Under a standard CEPA, two countries also agree to negotiate competition, intellectual property (IP) rights and dispute settlement mechanism.
- The commerce minister of Bangladesh told that India had agreed to back Bangladesh in the WTO forum over the TRIPs issue. He said a business delegation led by him will have a meeting with Indian business leaders next month to discuss business and trade cooperation between the two countries. CEPA is likely to deepen the bilateral economic relations in the long-run and there is a potential to enhance export to India.

<http://today.thefinancialexpress.com.bd/first-page/dhaka-delhi-agree-to-ink-economic-partnership-deal-1537984404>  
<https://www.thedailystar.net/business/news/major-trade-deal-india-the-way-1639369>  
<http://www.newagebd.net/article/51612/bangladesh-india-eye-comprehensive-economic-partnership-deal>

### **BD Venture launches crowdfunding platform**

- BD Venture formally launched a crowdfunding platform on Wednesday for the entrepreneurs seeking funds to materialise their innovative ideas. Crowdfunding is the practice of funding a project or venture by raising small amounts of funds from a large number of people, typically via the Internet. Entrepreneurs will have to develop a project profile, which typically includes a title, video, description of planned use of funds, funding goal, campaign duration and reward descriptions, to get the funds. New entrepreneurs will be benefited by using this Internet-based crowdfunding platform.

<http://today.thefinancialexpress.com.bd/trade-market/bd-venture-launches-crowdfunding-platform-1537983976>  
<https://www.thedailystar.net/business/news/bd-venture-help-raise-funds-online-1639351>

### **Mobile Number Portability (MNP) service for cell phone users from October 1**

- The mobile number portability (MNP) service will be available for the country's cell phone customers from the early hours of October 1, said officials of Bangladesh Telecommunication Regulatory Commission. BTRC on Tuesday issued a directive to all the parties concerned including MNP operator Infozillion Teletech BD, telecom network operators, international gateway operators and interconnecting exchanges asking them to complete all preparations to launch the service on October 1.
- BTRC's acting chairman said that there was no possibility to miss the October 1 deadline to launch the MNP service. The launch of MNP has been differed twice because of the noncooperation of the mobile phone operators. Officials said all the mobile phone operators, public switched telephone network (PSTN) operators and other operators had already been connected with the platform of Infozillion.
- Before finalising the launching date, the telecom regulator revised upward the porting charge at BDT 50 from BDT 30 and reduced per port transaction charge, that would be applicable on mobile phone operators, at BDT 100 from BDT 150.

<http://www.newagebd.net/article/51613/mnp-service-for-cell-phone-users-from-october-1>

### **Sponsors of Padma Islami Life Insurance to sell ownership**

- The sponsors of Padma Islami Life Insurance listed on both Dhaka and Chittagong stock exchanges yesterday announced to sell their entire holdings in the company. The insurer informed that the board of directors of the company has decided to sell 17.4 million shares held by five sponsor shareholders, 11 sponsor directors, one director and one shareholder (the inheritor of one sponsor) subject to the approval of competent authorities. The shares account for 44.78 % of the total paid-up capital of the company, established in 2000.
- As the company is facing liquidity crisis, it cannot meet policyholders' demand now. So, the board has decided to sell off the shares. The company purchased land in many places in the country, but it cannot sell them now. Last year the insurer failed to give any dividend to its shareholders. As a result, it is now considered a junk stock.

<https://www.thedailystar.net/business/news/sponsors-padma-islami-life-ins-sell-ownership-1639357>

### **Sponsors of Padma Islami Life Insurance to sell ownership**

- Online ride-hailing and ticketing platform Shohoz yesterday announced it has raised USD 15 million from Golden Gate Ventures of Singapore to expand its business. However, both Shohoz and Golden Gate Ventures declined to give the

number of shares the investor will receive in exchange of the fund. Founding partner of Golden Gate Ventures said the Singaporean company has received a minority stake in Shohoz through the investment and will sit in the board of the company.

<https://www.thedailystar.net/business/news/singapore-firm-invests-15m-shohoz-1639360>

<https://www.dhakatribune.com/business/stock/2018/09/26/golden-gate-ventures-invests-15m-in-shohoz>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$72.45	+0.88	+1.23%
Crude Oil (Brent)*	\$82.24	+0.90	+1.11%
Gold Spot*	\$1,197.54	+3.10	+0.26%
DSEX	5390.85	+3.96	+0.07%
Dow Jones Industrial Average	26,385.28	-106.93	-0.40%
FTSE 100	7,511.49	+3.93	+0.05%
Nikkei 225	24,024.56	-9.23	-0.04%

**Exchange Rates**

**USD 1 = BDT 83.95\***

**GBP 1 = BDT 110.38\***

**EUR 1 = BDT 98.62\***

**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	<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
----------------------	-------------------------------------	--	---------------