

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.

Unsettled import payments reach all-time high

- The central bank has warned seven banks as unsettled import payments reached an all-time high of USD 39 billion until August 31 this year. The country's overall import outstanding shot up by more than 64% or USD 15.46 billion to USD 39.58 billion as on August 2018 from USD 24.12 billion the year before. Of the total, the government opened letters of credit (LCs) for importing equipment including capital machinery for the implementation of mega projects worth USD 14.54 billion, which would be settled by overseas loans and grant. The remaining USD 25.05 billion import payment obligations will be met by cash US dollar.

<http://today.thefinancialexpress.com.bd/public/first-page/unsettled-import-payments-reach-all-time-high-1538156953>

'Default loan below 10% safe for banks'

- The Finance Minister suggested that the moment the overall default loan increases to a particular level, for example 10%, the people concerned have to look after it. It is safe if default loan is kept below 10%, he added. The amount of non-performing loans (NPL) in banking sector jumped by BDT 150.37 billion and reached BDT 893.40 billion at the end of this June from last December. At the same period the share of the classified loans became 10.41% of the total outstanding loans. NPL of the six state-owned commercial banks (SOCBs) alone rose to BDT 428.52 billion in June from BDT 373.26 billion in December.

<http://today.thefinancialexpress.com.bd/public/first-page/default-loan-below-10pc-safe-for-banks-1538070878>

Asian Development Bank (ADB) approves loan of USD 500 million to upgrade primary education

- The Asian Development Bank (ADB) has decided to give a loan of USD 500 million to upgrade the primary education sector of Bangladesh. The loan will be used to provide quality education to all children from pre-primary level to grade five. ADB's Country Director in Bangladesh said that the bank has given highest priority to develop Bangladesh's skilled manpower. He cited a 2015 national student assessment, which showed that 35% of students at grade-3 had yet to achieve the grade-level competencies for Bangla. The situation is even worse in mathematics where 61% of students failed to achieve to achieve the grade-level competencies.

- Moreover, many school-age children are still out of school (about 2.5 million). This is more prevalent in poor families and in disadvantaged locations such as city slums. Despite a series of investments, Bangladesh's primary education system has not been able to keep pace with the rapid increase in student enrolment. ADB's results-based lending programme supports the government's initiatives—in coordination with other development partners—to tackle the challenges and lift the overall performance of primary education.

<https://thefinancialexpress.com.bd/economy/bangladesh/adb-approves-loan-of-500m-to-upgrade-primary-education-1538054136>

Four private banks to issue BDT 21 billion worth of bonds

- Four listed banks will raise an aggregate amount of BDT 21 billion by issuing bonds to strengthen their Tier-II capital base. The Bangladesh Securities and Exchange Commission (BSEC) on Thursday approved the banks' proposals for issuing bonds each having a tenure of seven years. The fully redeemable bond will be non-convertible, non-listed and unsecured with floating rate.

- Islami Bank Bangladesh Limited (IBBL) will issue a Mudaraba bond worth BDT 7.0 billion. The fully redeemable bond will be non-convertible, non-listed and unsecured with floating rate. Social Islami Bank Limited (SIBL) will raise a fund worth BDT 5.0 billion through Mudaraba redeemable non-convertible subordinated bond. Duthch-Bangla Bank Limited (DBBL) will issue floating rate non-convertible subordinated bond worth BDT 5.0 billion. One Bank Limited will issue subordinated floating rate bond worth BDT 4.0 billion.

<http://today.thefinancialexpress.com.bd/public/first-page/four-pvt-banks-to-issue-BDT-21b-worth-of-bonds-1538070928>
<https://www.thedailystar.net/business/news/four-banks-raise-BDT-2100cr-1639795>

Green investment increases by 8.9% in April-June quarter

- Investments in green initiatives have increased by 8.90% at the end of April to June quarter of 2018 compared to the previous January to March period. According to Bangladesh Bank (BB), the total amount invested as green finance increased to BDT 26,237.75 million in April to June 2018 quarter from BDT 24,092.40 million in January to March quarter, reports BSS. As per the quarterly report from April to June, BB is trying to play a significant role by monitoring

the whole scenario and by taking appropriate policy initiatives.

- The banks and financial institutions (FIs) have also adopted green practices in their day to day business and long-term operations. 31 banks out of 57 and 10 FIs out of 33 have exposure in green finance in the reported quarter. The central bank issued a policy guideline for green banking in February, 2011. Under the guideline, all operating banks and FIs have introduced environment-friendly banking activities in the country.

<https://thefinancialexpress.com.bd/economy/bangladesh/green-investment-increases-by-89pc-in-april-june-quarter-1538146570>

Ministry seeks USD 1.0 billion sovereign guarantee

- Industries ministry has sought USD 1.0 billion sovereign guarantee to facilitate a loan deal for the proposed Ghorashal -Palash Urea Fertiliser Plant project. A proposal has recently been sent to finance ministry in favour of Bangladesh Chemical Industries Corporation (BCIC). Earlier, Economic relations division proposed the World Bank (WB) and Japan government to finance the project. The WB declined to fund the project and Japan did not reply. Later, an expression of interest (EoI) was sought through an international tender.

<http://today.thefinancialexpress.com.bd/trade-market/ministry-seeks-10b-sovereign-guarantee-1538237782>

Family debt lowest in 14 years: Global study

- The country's household debt as% of gross domestic product (GDP) has been shrinking over the years from its peak in 2005. The household debt means the purchase of residential property and cars. The household debt, which was 5.1% of the GDP in 2005, fell to 4.1 in 2010. It further decelerated to 3.5% in 2015. The% dipped to 3.3% in 2018, lowest in 14 years, according to data prepared by the Institute of International Finance (IIF), a Washington-based organisation.

- This falling trend signifies that people's involvement with the financial sector is decreasing even though Bangladesh's economy is expanding. Usually household debt grows in line with economic expansion and it is believed that the falling trend is an exception. On the other hand, people in the banking sector view that the country's financial market is presently urban-based and that's why the debt is falling.

<http://today.thefinancialexpress.com.bd/first-page/family-debt-lowest-in-14-years-global-study-1538239091>

Oil import bill to soar this year

- The government's oil import bill is set to jump 36% this fiscal year thanks to the appreciation of the dollar and an increase in global oil prices -- a development that can lead to a hike in oil prices in the local market. In fiscal 2018-19, 75 lakh tonnes of oil is set to be imported for USD 4.85 billion, according to Bangladesh Petroleum Corporation (BPC). The exchange rate hit BDT 83.75 in July, meaning BDT 40,600 crore will have to be spent.

- Last fiscal year, BPC spent USD 3.67 billion for importing 67 lakh tonnes of petroleum products. The average letter of credit rate against the import was BDT 81.30 per dollar and the total cost stood at BDT 29,873 crore. At the same time, the price of crude oil increased USD 38.34 per barrel to USD 81.51 this year and that of diesel by USD 38.25 per barrel to USD 88.56, according to BPC. BPC is incurring losses of BDT 20.97 crore per day due to the hike of oil price in the global market as well as dollar price in the local market.

<https://www.thedailystar.net/business/news/oil-import-bill-soar-year-1639870>

Plant opens in Savar to make pharma equipment

- Swiss Biohygienic Equipment (SBE), a joint venture among Bioengineering Switzerland, AMS Technology Germany and Incepta Pharmaceuticals Bangladesh, yesterday opened a plant in Savar to produce hygienic process systems for the pharmaceuticals sector. The 33,000-square foot electro polishing plant will manufacture instruments that are needed to produce pharmaceuticals, said managing director of SBE. Currently, local medicine makers bring in pharmaceuticals manufacturing instruments from several countries, including China, Japan and Germany.

<https://www.thedailystar.net/business/news/plant-opens-savar-make-pharma-equipment-1640572>

No of Beneficiary Owners accounts rises by 77,809 in August-September

- The number of beneficiary owners' accounts increased by 77,809 in last two months (August-September) this year amid vibrancy at the primary (initial public offering) market. As of September 28, the number of BO accounts stood at 26,94,754 while the figure was 26,16,945 as of July 31 this year. Investors usually open new BO accounts or revive their suspended ones when they find the IPO market vibrant and the secondary market bullish.

- The number of IPOs in the current year drew investors to the market. So far this year, 14 companies including two mutual funds raised BDT 681 crore through issuing IPOs while only seven companies raised BDT 219.25 crore from the capital market in 2017, hitting a decade low. An abnormal surge in the share prices of newly listed companies in the first few days after their debut on the stock exchanges lured people to open BO accounts.

<http://www.newagebd.net/article/51785/no-of-bo-accounts-rises-by-77809-in-aug-sept>

Call money rate remains high even after Eid rush

- Call money rate has been above 4% for more than a month as depositors are tending more to national savings certificates diverting funds from the banks, leaving liquidity situation in banks under stress. The weighted average rate in the call money market was 5.04% on August 20 this year, the last day before the beginning of public holidays on the eve of Eid-ul-Azha, according to data from Bangladesh Bank (BB).
- The BB data also show that the weighted average rate in the call money market was 1.5% on August 1 after hovering around 1% to 3% for couple of months. Bankers before the Eid vacations had cited the increased fund withdrawal by the depositors to meet Eid expenditure as the main reason for the increase in call money rate.

<http://www.newagebd.net/article/51783/call-money-rate-remains-high-even-after-eid-rush>

Mobile Number Portability (MNP) service rolls out from midnight

- Long-awaited mobile number portability service is set to roll out at 12:00am on Monday as per a decision of Bangladesh Telecommunication Regulatory Commission. A subscriber must obtain a new SIM card of desired mobile operator to enjoy the MNP service under which the subscriber will be able to change operator keeping his or her existing mobile number unchanged.
- Officials of Infozillion Teletech BD Limited, the MNP service provider, said that as per the BTRC directive a customer would require visiting the customer care centre of the mobile operator to which network he or she wanted to switch for collecting new SIM card. The operator will issue a SIM card to the customer but his/her mobile number will remain unchanged, they said.
- The subscriber will have to provide related information and documents including NID number and picture to collect new SIM card. A subscriber will have to pay BDT 50 for switching operator. Value-added tax at the rate of 15% on the fee and BDT 100 as SIM replacement tax will also be applicable for availing the service. Subscribers will have to pay additional BDT 100 to the MNP operator for getting the service within 24 hours.

<http://www.newagebd.net/article/51895/mnp-service-rolls-out-from-midnight>
<https://www.thedailystar.net/business/news/switch-any-operator-1640593>

Plan to extend power transmission lines to 36,870 km by 2041

- The government has planned to extend the power transmission lines to 36,870 km across the country by 2041 when the country will produce 60,000 MW of electricity. Of the total grid transmission lines, 16,655 km will be of 132 kV while 9,717 km of 230 kV, 1,740 km of 400 kV and 796 km of 765 kV, according to officials at the Power Division. The total length of transmission lines at present is 11,123 km covering all over Bangladesh. Of them, 132 kV transmission lines cover a stretch of 7,082 km while 230 kV lines 3,343 km and 400 kV lines covers 698 km.
- Until now, there is no 765 kV line anywhere in the country. But still many areas of the country, especially rural ones, have to face frequent power outages because of weakness in transmission and distribution systems. country's power generation capacity crossed the landmark of 20,000 MW recently while highest power generation was recorded at 11,623 MW on September 19.

<http://today.thefinancialexpress.com.bd/public/trade-market/plan-to-extend-power-transmission-lines-to-36870-km-by-2041-1538152819>

Ten companies to get 400 acres of land in Mirsarai, Feni Economic Zones

- Prime Minister's Office (PMO) has permitted Bangladesh Economic Zones Authority (BEZA) to allocate 400 acres of land to 10 investors. The investors will invest a total of around USD 1,981 million to set up some 11 industrial units on the allocated land in Mirsarai and Feni economic zones (EZs), said a press statement of BEZA. The investors will take lease of their respective land by making a lump sum payment to BEZA.
- The companies are: Rural Power Company Limited, Energypac Power Generation Company, Summit Alliance Logistics Park Limited (SALPL), Maheen Dizayn Etiket, Arefin Enterprise, Sanzi Textile Mills Limited, Healthcare Pharmaceuticals Limited, Eonmetall International Limited, Bangladesh Edible Oil Limited (BEOL) and Berger Paints (BD) Limited. The companies will invest for power generation, container manufacturing, container depot, textile,

pharmaceuticals, steel rack, edible oil, foods and paints. Some 16,906 employment will be generated in the EZs by the investors.

<http://today.thefinancialexpress.com.bd/public/last-page/ten-cos-to-get-400-acres-of-land-in-mirsarai-feni-ezs-1538071487>

Huawei wants to help Bangladesh deploy 5G

- Chinese multinational networking, telecommunications equipment and services company Huawei wants to play a vital role in deploying 5G in Bangladesh. In order to take forward the technological advancement of the country, Huawei has taken several steps on the implementation of 5G, said Chief Executive Officer of Huawei Technologies (Bangladesh) Limited.

- Headquartered in Shenzhen, Guangdong, Huawei Technologies Co. is the largest telecommunications equipment manufacturer in the world and it played pioneering role in deploying 3G and 4G in Bangladesh. 5G is the fifth generation of cellular mobile communications. It succeeds the 4G, 3G and 2G systems. The 5G performance targets include high data rate, reduced latency, energy saving, cost reduction, higher system capacity and massive device connectivity. Huawei has been in business in Bangladesh for the past 20 years starting from 1998 with 85% of its local staffs Bangladeshi nationals.

<http://today.thefinancialexpress.com.bd/public/trade-market/huawei-wants-to-help-bangladesh-deploy-5g-1538069856>

Victory for ICB as Bangladesh Bank (BB) relaxes rules for its bond

- Banks' investment in a BDT 2,000 crore bond floated by the Investment Corporation of Bangladesh will not be counted as their capital market exposure, paving the way for the state-owned firm to form the fund at the earliest. The development comes after the Bangladesh Bank on Wednesday gave the nod to the ICB, which will invest most of the amount in the capital market.

- The chairman of the ICB expects that ICB can form the fund within 15 days which got the approval for the instrument from the Bangladesh Securities and Exchange Commission (BSEC) on July 18. The ICB has been in a tight corner over the past few months as its liquidity is not solid enough. To address the situation, the ICB board had planned to issue a bond.

- The bond, whose tenure would be seven years including a two-year grace period, will be fully redeemable and subordinated. A subordinated bond is a debt that ranks after other debts if a company falls into liquidation or bankruptcy. The interest rate will be 9% and in case of late redemption an extra 2% interest would be paid. The bond is non-convertible and non-listed. The per unit value of the bond is BDT 1 crore, which will be sold by way of private placement to individuals (at a minimum subscription of one unit) and institutions (at a minimum subscription of five units).

- Banks, financial institutions and institutional investors can invest in the bond. To facilitate financial institutions' investment in the bond, the ICB has urged the central bank to ease the restrictions on single party exposure and capital market exposure. The single party exposure rule means a bank cannot lend or deposit more than 15% of its total paid-up capital to an institution alone, while the capital market exposure rule necessitates that banks do not invest more than 25% of their capital in the stock market.

<https://www.thedailystar.net/business/news/victory-icb-bb-relaxes-rules-its-bond-1639843>

Esquire Knit IPO gets nod

- The stock market regulator yesterday approved the initial public offering of Esquire Knit Composite for raising BDT 150 crore. Eligible institutional investors who set the price of a share under the book building method have fixed the price of an Esquire share at BDT 45 for themselves and at BDT 40 for general investors (public).

<https://www.thedailystar.net/business/news/esquire-knit-ipo-gets-nod-1639798>

Confidence Cement, Chinese co ink deal to procure machinery

- Confidence Cement Dhaka Limited (CCDL), an associate of Confidence Cement Limited (CCL), recently signed a contract with China National Heavy Machinery Corporation (CHMC) to procure machines for its cement mill. Under the contract, the supply and delivery of necessary machines/equipment along with accessories, related auxiliaries and technical assistance will be ensured for the CCDL's 280 TPH capacity cement mill.

- The CCL, an 'A' category company, was listed with the stock exchanges in 1995. The company's sponsor-directors hold 29.87% shares, institutes 32.39% and general shareholders 37.74% as of August 31, 2018. The share price of the CCL closed at BDT 213.70 each on Thursday with a marginal rise of 0.28% or BDT 0.60.

<http://today.thefinancialexpress.com.bd/stock-corporate/confidence-cement-chinese-co-ink-deal-to-procure-machinery-1538234905>

Bangladesh Autocars to issue rights shares, seeks BDT 100 as premium

• The board of directors of Bangladesh Autocars Limited has decided to issue rights shares. The rights issue is an offer for new shares by a company to its existing shareholders proportionately to the shares they already own and usually at a discount to market price. The board decided to offer one rights share for existing one share with a premium of BDT 100 per share subject to the approval of shareholders in the annual general meeting (AGM) and Bangladesh Securities and Exchange Commission (BSEC). Meanwhile, the company's share trading suspended since August 19 as per order of the BSEC due to 'abnormal' price hike of its shares.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bangladesh-autocars-to-issue-rights-shares-seeks-BDT-100-as-premium-1538066651>
<https://www.thedailystar.net/business/news/bd-autocars-recommends-dividend-1639804>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$73.25	+1.13	+1.57%
Crude Oil (Brent)*	\$82.73	+1.35	+1.66%
Gold Spot*	\$1,190.88	+8.05	+0.68%
DSEX	5342.89	-47.96	-0.89%
Dow Jones Industrial Average	26,458.31	+18.38	+0.07%
FTSE 100	7,510.20	-35.24	-0.47%
Nikkei 225	24,120.04	+323.30	+1.36%

Exchange Rates

USD 1 = BDT 83.97*
 GBP 1 = BDT 109.42*
 EUR 1 = BDT 97.44*
 INR 1 = BDT 1.16*

*Currencies and Commodities are taken from Bloomberg.

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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
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