

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.

Inflation slightly eases to 5.35% in December

- According to the Bangladesh Bureau of Statistics (BBS), the general point to point inflation rate was 5.37% in November, 2018, 5.40% in October and 5.43% in September.
- According to the data of the Bangladesh Bureau of Statistics (BBS), the point to point food inflation slightly declined to 5.28% in December last which was 5.29% in November. The point to point non-food inflation rate also declined slightly to 5.45% in December from 5.49% in November.
- The national wage index rate witnessed a 6.18% growth in December with 159.88 points against 6.26% growth in November with 159.28 points.
- The average year-to-year rate of inflation from January 2018 to December 2018 declined to 5.55%, which was 5.70% from January 2017 to December 2017.

<https://www.dhakatribune.com/business/2019/01/22/inflation-slightly-eases-to-5-35-in-december>

Bangladesh to become 3rd fastest growing economy in world in 2019

- Bangladesh will be the third fastest growing economy in the world in terms of achieving high Gross Domestic Product (GDP) in 2019, according to a United Nations report.
- The report titled World Economic Situation and Prospects put Bangladesh only behind South Sudan and India. Bangladesh will expand at 7.4% this year, while India at 7.6%, and South Sudan to grow at a staggering rate of 8%, it said.
- Economic growth is expected to be supported by private consumption and, in some cases, investment demand, even as monetary policy stances tighten in some economies. Despite the increase observed for inflation figures throughout 2018 due to the depreciation of domestic currencies and higher oil prices, inflation is expected to accelerate only moderately or to remain stable in most economies in the near term.
- Focusing on global economy, the report of the UN said urgent and concrete policy action is needed to reduce risks to the global economy and secure the foundations for stable and sustainable economic growth.

<https://www.dhakatribune.com/business/2019/01/22/bangladesh-to-become-3rd-fastest-growing-economy-in-world-in-2019>

Banks' CSR spend sees sudden rise

- Private banks' spending on corporate social responsibility (CSR) schemes for disaster management purposes witnessed a whopping 162 % year-on-year rise last year.
- The expenditure aimed at distributing blankets and warm clothes for winter-stricken people hit BDT 4.80 billion in 2017-18, up from BDT 1.83 billion in 2016-17, according to Bangladesh Bank data.
- Islami Bank Bangladesh, the largest private lender in the country, spent the highest—BDT 647.7 million—for disaster management in the first half of last year while Exim Bank became second with BDT 256.0 billion.
- Banks can spend 30 % of their profit for education, 20 % for health and 10 % for climate risk. The expenditure will be participatory, not mandatory, according to the Bangladesh bank guideline.

<https://www.thedailystar.net/business/news/banks-csr-spend-sees-sudden-rise-1691374>
<http://today.thefinancialexpress.com.bd/first-page/bpdb-chinese-co-to-build-150mw-plant-1548178215>

China company to build 150MW plant in Syedpur

- China-based Dongfang Electric Corporation (DEC) is going to construct a 150-megawatt power plant at Syedpur at a cost of BDT 10.01 billion.
- Mina Masud Uzzaman, secretary to Power Development Board (PDB), and Luo Zhigang, president of DEC, one of the world's largest power generating equipment manufacturers and international project contractors, signed an

agreement in this regard at the Power Division yesterday.

- The corporation will act as a contractor to build the plant by June 2019.
- The location of the power plant was decided as part of measures to bring a regional balance in power generation.

<https://www.thedailystar.net/business/news/china-company-build-150mw-plant-syedpur-1691365>

July-October raw material imports rise 12%

- Import of industrial raw materials increased by nearly 12 % during the July-October period in 2018 compared to the corresponding period of the previous year.
- The rise in import was because of the fast growth in local investments.
- Economists attributed the increase in investment to political and economic stability that prompted the business community to invest more in the country.
- Raw material import showed positive growth, meaning that the existing companies were not facing problems with their business.
- The opening of the LCs, generally known as import orders for raw materials increased by 11.72 % compared to the same period in 2017. On the other hand, the opening of LCs for capital machinery imports went down to USD1599.18 million during the same period in 2018 from 2017's USD1942.30 million.

<http://today.thefinancialexpress.com.bd/last-page/jul-oct-raw-material-imports-rise-12%-1548178853>

Production target depresses apparel workers

- Additional working hours and pressures for hitting production targets are causing workers of the USD30.6 billion readymade garments (RMG) industry to suffer from several ailments, including illnesses and depression.
- Meanwhile, workers claimed that extra working hours is another burden for them, which leaves them in terrible physical and mental condition afterwards.
- After the recent unrest, the factory management increased workload due to losses in production
- Over the years, workers have realized that increased workload and extra working hours are set by factory owners in the name of early shipment or as buyers' demands

<https://www.dhakatribune.com/business/2019/01/22/production-target-depresses-apparel-workers>

Triple-cropping soars 83.0% in 17 years

- Triple-cropped land which means lands where farmers cultivate three times a year, have almost doubled in the country in the last 17 years, signifying a vibrant agricultural production scenario.
- Entry of the private sector in developing and selling various hybrid seeds has largely contributed to the rise in share of such lands.
- Farmers used triple-cropping practice on 1.818 million hectares of land in financial year (FY) 2016-17, up from 0.993 million hectares in FY 1999-2000, registering a hike of 83 %, according to the Bangladesh Bureau of Statistics (BBS) survey.
- Single-farming areas declined to 2.2 million hectares from 4.0 million hectares.
- The private sector's share in seed business was less than 6.0 % in 2000, but the figure has now reached over 22 %.

<http://today.thefinancialexpress.com.bd/trade-market/triple-cropping-soars-83%-in-17-years-1548175367>

Bangladesh Telecommunication Regulatory Commission (BTRC) launches NAID to curb illegal import of mobile phone handsets

- The long awaited NOC Automation and IMEI Database (NAID) for mobile phones was inaugurated on Tuesday in a bid to tackle the rampant illegal shipments of handsets in the country.
- The users will now be able to check just by sending an SMS whether their handsets were legally imported.

- While the share of illegally imported handsets stood at around 20 % just a year ago, it has increased to 30 % by the year 2018.
- M Every year, around 2.5 million grey market handsets worth over BDT 30 billion enter the country. It is also estimated that the government is losing BDT 1.2 billion in revenue because of the illegally imported handsets.

<http://today.thefinancialexpress.com.bd/trade-market/btrc-launches-aid-to-curb-illegal-import-of-mobile-phone-handsets-1548175418>

Import duty on motherboard raw materials to be 1.0%

- The government would issue statutory regulatory order soon by slashing to one % the duty on import of raw materials for motherboard manufacturing.
- Up to 90 % taxes were applicable on the import of a number of ingredients required for manufacturing of motherboard in the country. Due to the huge taxation, importing motherboards was cheaper rather than manufacturing those, which discouraged the production of motherboard in the country.
- The cut of duty would help the country's laptop, desktop, tab and smartphone manufacturers as well as pave the country's way for becoming a manufacturing hub of digital devices.

<http://www.newagebd.net/article/62597/import-duty-on-motherboard-raw-materials-to-be-1%>

Four fined BDT 51.0 million stock manipulation

- The Bangladesh Securities and Exchange Commission (BSEC) yesterday decided to fine four investors and their associates BDT 51.0 million for manipulating shares of Bangladesh Autocars and Legacy Footwear.
- The accused are: Abdul Kayum and his associates; Moinul Haque Khan and his associates; Mahfuz Alam; and Md Azimul Islam and his associates. And in so doing, they violated two sections of the Bangladesh Securities and Exchange Commission ordinance, 1969, according to the statement.
- Between May and August last year, the price of each share of Legacy Footwear rose four times to BDT 272 and Bangladesh Autocars three times to BDT 456, which prompted the regulator to suspend their trading.
- Also at yesterday's meeting, which was chaired by BSEC Chairman Khairul Hossain, it was decided that Bangladesh Autocars and Legacy Footwear will now be traded at the main market instead of the spot market.

<https://www.thedailystar.net/business/news/four-fined-BDT-51cr-stock-manipulation-1691368>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$52.57	-1.23	-2.29%
Crude Oil (Brent)*	\$61.58	+0.08	+0.13%
Gold Spot*	\$1,284.38	-0.84	-0.07%
DSEX	5865.46	+6.16	+0.11
Dow Jones Industrial Average	24,404.48	-301.87	-1.22%
FTSE 100	6,901.39	-69.20	-0.99%
Nikkei 225	20,601.58	-21.33	-0.10%

Exchange Rates

USD 1 = BDT 83.83*
 GBP 1 = BDT 108.56*
 EUR 1 = BDT 95.27*
 INR 1 = BDT 1.18*

*Currencies and Commodities are taken from Bloomberg.

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BRAC EPL Stock Brokerage Limited

Research

Khandakar Safwan Saad, CFA	Head of Research	safwan@bracepl.com	01730 357 779
Ayaz Mahmud, CFA	Deputy Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
S. M. Samiuzzaman	Research Analyst	sm.samiuzzaman@bracepl.com	01708 805 224
Farah Tasnim Huque	Research Associate	farah.tasnim@bracepl.com	01730 727 913
Kazi Raquib-UI Huq	Research Associate	raquib.huq@bracepl.com	01730 727 931
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805211
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939

International Trade and Sales

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