

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.

Interest rate spread remains high despite Bangladesh Bank (BB) close monitoring

- Interest rate spread in the country's banking sector remained unchanged in March as the commercial banks increased their interest rates equally on both deposit and lending. The weighted average spread between lending and deposit rates offered by the commercial banks remained unchanged at 4.15% in March 2019 from previous level, according to the central bank's latest statistics.
- Actually, the spread remained unchanged at 4.15 from January to March this calendar year despite close monitoring by the central bank. They are now working to bring down the spread to 4.0% from the existing level shortly according to BB official. The BB is now monitoring the issue closely, the central banker said without elaborating. The weighted average rate on deposits rose to 5.35% in March from 5.34% a month before while interest on lending stood at 9.50% from 9.49%.
- Senior bankers predicated that the rising trend in interest rates on deposit may continue in the coming months to meet the growing demand for fresh funds to comply with the policy for offshore banking operation of the banks, issued by the central bank on February 25 last. As per the policy, the banks will have to keep 13% of their total liabilities as statutory liquidity ratio (SLR) and 5.50% as cash reserve requirement (CRR) from July 01.
- The interest rates on deposit may slightly rise further unless there are some policy changes by the authorities concerned, said Chairman of Association of Bankers, Bangladesh (ABB). Managing Director and Chief Executive Officer of Dhaka Bank Limited said that the demand for fresh liquidity may rise before implementation of the Bangladesh Bank (BB)'s policy for offshore banking operation of the banks.

<http://today.thefinancialexpress.com.bd/public/last-page/interest-rate-spread-remains-high-despite-bb-close-monitoring-1556648021>

Bangladesh Telecommunication Regulatory Commission (BTRC) hikes 74 million mobile users' call tariff to punish GP

- Bangladesh Telecommunication Regulatory Commission on Tuesday decided to increase the lowest call tariff by BDT 0.05 per minute for the GP subscribers only under the significant power rules to contain growth of the mobile phone operator. The minimum call tariff for the GP subscribers would be BDT 0.5 per minute excluding value added taxes, supplementary duty and surcharge while the rate would remain unchanged at BDT 0.45 per minute for the subscribers of three other operators. Including VAT, SD and surcharge, mobile users are paying BDT 0.54 per minute while the rate will now stand at BDT 0.61 per minute for the GP customers. A BTRC official, however, said that the majority of the GP customers would not be impacted by the tariff hike as the average call rate through the GP network was around BDT 0.70 per minute, BDT 0.16 higher than the floor price (BDT 0.54).
- On Tuesday, BTRC also decided that GP would have to pay additional BDT 0.05 to the receiving operator of a phone call from GP. The mobile phone operator will have to take approval from the telecom regulator before launching any new package or offer. Previously, intimating BTRC was considered enough.

<http://www.newagebd.net/article/71197/btrc-hikes-74cr-mobile-users-call-tariff-to-punish-gp>

Bangladesh Telecommunication Regulatory Commission (BTRC) to force telecom companies into accepting mobile tower companies

- The telecom regulator has started the process of preparing a draft agreement to help the business of mobile tower companies grow. Bangladesh Telecommunication Regulatory Commission (BTRC) would prepare the draft agreement within 2-3 weeks following the failure of mobile operators and tower companies in reaching a consensus even after repeated directives, said officials. The mobile companies must rent or lease or sell out their over 30,000 towers to the tower companies, according the licensing guideline.
- On November 1 last year, the government issued licences to four firms to run mobile phone tower operations as part of its move to separate the network business from telecom services with a view to rationalising the number of towers in the country and reduce the financial burden of mobile operators. As per the licence, edotco Bangladesh, TASC Summit Towers, Kirtonkhola Tower and AB Hightech Consortium are now responsible to build, maintain and rent out the towers to mobile operators, internet service providers and WiMAX operators.

<http://www.newagebd.net/article/71201/btrc-to-force-telcos-into-accepting-mobile-tower-cos>

Strategic plans to help implement Belt and Road Initiative (BRI)

- Flurries of recent activities surrounding the Belt and Road Initiative (BRI) in Beijing and elsewhere in China demonstrate that some positive changes in the economies and lifestyles in Asia and other parts of the region are in the offing. In 2013, China's President floated the concept of "Silk Road Economic Belt" during his visit to Central and South East Asia, which later on was called the Belt and Road Initiative. It was conceived to promote Chinese cooperation with Central Asia and South East Asia in the field of trade, connectivity, culture and exchange.
- The BRI is aimed at providing other countries' access to China through railways and roads via seaports to speed up economic growth. For Bangladesh, the initiative is likely to usher in a new era as the country will get needed funds to bankroll its mega infrastructure projects. Its affiliation with the BRI has already started bearing fruits as investment from China has accelerated.
- In the past, China's involvement in Bangladesh was largely limited to EPC (engineering, procurement and construction) contractors and the country's investment was less than USD 1.0 billion in 2015. Recently the two countries signed an agreement on a 1,320-megawatt coal-fired power plant at Payra in Patuakhali involving USD 2.4 billion with both parties having equal shares. A Chinese consortium, comprising the Shenzhen Stock Exchange and the Shanghai Stock Exchange, has bought 25% stake of the Dhaka Stock Exchange
- Six economic corridors have been proposed under the BRI project by China. They include the Bangladesh-China-India-Myanmar Corridor. Some Asian countries including India and Japan are against the initiative and see it as a Chinese long-term Marshall Plan strategy to gain geopolitical dominance in Asia and the Asia Pacific region. As Bangladesh is a key maritime nation in an important geo-strategic location along the BRI route, China wants it to play a major role in materialising the geo-economic and geo-connectivity vision.

<http://today.thefinancialexpress.com.bd/public/first-page/strategic-plans-to-help-implement-bri-1556647158>

Bangladesh Securities and Exchange Commission (BSEC) won't receive new IPO proposal before amendment of public issue rules

- The securities regulator has decided not to receive any new IPO (initial public offering) proposal before publishing the proposed amendment of the public issue rules. As per Tuesday's decision, the BSEC will not receive any new IPO proposal from April 30 last. On the other hand, the IPO proposals submitted before April 29 will be considered as per the existing public issue rules. The regulatory decision came as part of some market supportive measures taken following the recent tumble of share prices.
- The BSEC will bring further amendment to the public issue rules setting new ceilings of capitals to be raised through IPO. As per the BSEC decision, an issuer company will have to raise a minimum capital of BDT 500 million under the fixed price method. On the other hand, the minimum IPO size will be BDT 1.0 billion under the book building system. Besides, no prior permission would be required from the BSEC for issuing shares under private placement.
- That's why the securities regulator will receive no proposal of issuing pre-IPO placement shares from April 30. The proposals submitted before April 29 for issuing pre-IPO placement shares will be considered as per the existing rules. The securities regulator also approved the proposal of expanding paid-up capital by Mutual Trust Bank (MTB) by issuing shares to Norfund, a foreign investment fund, owned by the Norwegian government. MTB will issue above 63.70 million shares, which is 10% of paid-up capital, to Norfund. On Tuesday, the securities regulator also approved the proposal of BDT 3.0 billion zero coupon bond to be issued by the Delta Brac Housing Finance Corporation. The tenure of the bond will be five years.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-wont-receive-new-ipo-proposal-before-amendment-of-public-issue-rules-1556643090>

<http://www.newagebd.net/article/71198/bsec-not-to-take-new-ipo-application-till-change-in-rules>

Coppertech to allocate 20 million IPO shares

- Coppertech Industries will allocate 20 million ordinary shares among the successful applicants as the company's IPO lottery draw was held on Tuesday. The securities regulator-Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of Coppertech on December 26, 2018. The company raised a capital worth BDT 200 million by offloading 20 million ordinary shares under the fixed price method.

<http://today.thefinancialexpress.com.bd/last-page/loan-default-becomes-business-model-1556561427>

EBL raises BDT 4.65 billion for Bangla Trac Power

- Eastern Bank Ltd, as the lead arranger and agent, has raised a syndication term loan of BDT 4.66 billion for Bangla Trac Power Unit-2 Ltd, one of the sister concerns of Bangla Trac Group. The 100-megawatt power plant in Noapara, Jashore has been in commercial operation since April 2018, the bank said in a statement yesterday. The other

participating lenders are Bangladesh Infrastructure Finance Fund Ltd, Saudi Bangladesh Industrial and Agricultural Investment Company Ltd (SABINCO), Rupali Bank, and Shahjalal Islami Bank.

<https://www.thedailystar.net/business/news/ebl-raises-BDT-465cr-bangla-trac-power-1737403>

Automation may eat up 60% jobs in RMG sector by 2030: Study

- The employment situation in major sectors of Bangladesh is likely to face a serious setback by 2030 due to automation, according to a new study. The research by a2i showed that a substantial number of job losses will take place in the readymade garments, agriculture and some other sectors. The job loss in the RMG sector would be 60% by 2030, which is very alarming for the country, said the study.
- The job loss would be 35% in the leather sector, 20% in tourism sector, around 1.4 million workers would lose job in the furniture sector and 0.6 million workers would lose job in the agro-processing sector. vice president of BMCCI said that people with some skill sets will demand higher remuneration while some without having none of these skills will be at a total loss.
- He suggested making the education system more technology-oriented so that the human resources can be transformed with the demand of the industries. For instance, if the robotics replaces the workers, then Bangladesh can produce the robots for the developed and developing countries.

<http://today.thefinancialexpress.com.bd/public/trade-market/automation-may-eat-up-60pc-jobs-in-rmg-sector-by-2030-study-1556648831>
<https://www.thedailystar.net/business/news/60pc-rmg-workers-lose-jobs-2030-1737412>

Summit LNG begins supplying gas to national grid

- Summit LNG Terminal Co Ltd (SLNG) has begun supplying re-gasified liquefied natural gas to the national grid in a development that will go a long way to help Bangladesh fix its energy shortage. SLNG, the country's second LNG terminal, successfully completed the commissioning of its floating storage and re-gasification unit (FSRU) at 10pm on Monday, said Summit Group in a statement yesterday. The unit has a capacity of supplying 500 million cubic feet of re-gasified LNG. The second FSRU is 75% owned by Summit Corp, a unit of Summit Power International, and the remaining by Japan's Mitsubishi Corp.
- Summit Power International has chartered the vessel from Excelebrate Energy for 15 years. The SLNG project is part of Summit Power International's USD 1 billion investment programme by 2020 to deliver power and gas to Bangladesh. Excelebrate Energy's FSRU has also capacity to send out 500mmcf of gas per day. The two FSRUs have a combined capacity of sending out 1,000mmcf of gas to the national network per day, but the capacity cannot be utilised as the pipeline from Moheshkhali to Anwara upazila in Chattogram is not ready yet.

<https://www.thedailystar.net/business/news/summit-lng-begins-supplying-gas-national-grid-1737409>

Easy rescheduling for defaulters in the works

- The central bank is working to allow defaulters to regularise their classified loans by furnishing 2% down payment as it engineers to bring down the high non-performing loan figure. At the end of 2018, default loans stood at BDT 933.70 billion, which is 10.33% of the total outstanding loans in the banking sector. The central bank is carrying out its routine supervision work on the banking sector in a proper manner, deputy governor of the Bangladesh Bank said.

<https://www.thedailystar.net/business/news/easy-rescheduling-defaulters-the-works-1737415>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$63.41	-0.19	-0.30%
Crude Oil (Brent)*	\$71.92	-0.26	-0.36%
Gold Spot*	\$1,274.17	-2.59	-0.20%
DSEX	5,202.85	+27.39	0.53%
Dow Jones Industrial Average	26,430.14	-162.77	-0.61%
FTSE 100	7,385.26	-32.96	-0.44%
Nikkei 225	22,258.73	-48.85	-0.22%

Exchange Rates**USD 1 = BDT 84.49*****GBP 1 = BDT 110.30*****EUR 1 = BDT 94.68*****INR 1 = BDT 1.21***

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

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