

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.

Remittance inflow rises 10% in July-April period

- The flow of inward remittances grew by 10.01% in the first 10 months of this fiscal year (FY) as the exchange rate of local currency maintained a depreciating mode against the US dollar. The Bangladeshi nationals working abroad sent home USD 13.03 billion during the July-April period of the FY 2018-19 from USD 12.09 billion in the same period of the previous FY, according to the central bank's latest statistics.
- The flow of overall inward remittance continues to maintain an upward trend due to the depreciation of Bangladesh Taka (BDT) against the US currency, the central banker explained. Meanwhile, The BDT depreciated by 55 poisha against the greenback in the inter-bank forex market from January 03 to April 29, mainly due to higher demand for the US currency. The USD was quoted at BDT 84.45 each in the forex market on April 29 last against BDT 83.90 on January 02 this calendar year. It also remained unchanged at BDT 84.45 on Thursday.

<http://today.thefinancialexpress.com.bd/trade-market/remittance-inflow-rises-10pc-in-jul-apr-period-1556814611?date=03-05-2019>

Bangladesh Bank is working to improve remittance inflow by asking exchange houses for more agents abroad

- The central bank is encouraging exchange houses to appoint more agents abroad to facilitate faster remittance inflow. The objective of the move is to help Bangladeshi migrants send their hard-earned foreign currencies smoothly, according to the Bangladesh Bank (BB).
- France, Greece, Mauritius, Egypt, Libya and Lebanon are going to be vital sources of remittance earnings for Bangladesh. So, Bangladesh Bank (BB) have stressed the importance of appointing more banks' legal agents in different countries through exchange houses of Bangladeshi scheduled banks, according to BB official. Bangladesh Bank (BB) is trying to increase the number of bank branches/agents/collection points to facilitate remittance back home free of cost.
- To speed up remittance inflow and distribution, the approval mechanism of drawing arrangements among Bangladeshi banks and foreign exchange houses has been simplified. Presently, 1,142 drawing arrangements are active and they are playing an important role in bringing remittance to Bangladesh, the data showed.
- Establishment of exchange houses/branch offices abroad by local banks has been approved. A total of 29 exchange houses of different local banks are operating in different countries including UK, USA, Australia, Singapore, Malaysia, Greece, Italy, Canada, Oman and Maldives, according to the data.
- Bangladeshi overseas workers in Saudi Arabia, UK, USA, Malaysia and United Arab Emirates are facing setbacks when remitting their hard-earned money due to an inadequate number of agent points in destination countries. The regulator is trying to set up an adequate number of agent points in those major sources of remittance-earning countries for Bangladesh.

today.thefinancialexpress.com.bd/trade-market/bb-asks-exchange-houses-for-more-agents-abroad-1556901154

Ready Made Garments (RMG) export to Poland sees steady growth

- Poland, a central European country, is going to become a billion-dollar export destination for Bangladeshi apparel items, industry insiders said. Sources attributed the Polish buyers' direct garment sourcing from Bangladesh with cheap labour costs to a steady shift in their orders from China. This has been reflected in a 32.35% rise in ready-made garment (RMG) exports there in the first nine months of current fiscal year (FY). RMG export to Poland has stood at USD 854.36 million during the July-March period of FY 2018-19, according to Export Promotion Bureau (EPB) data. The amount was USD 645.49 million in the corresponding period of the last fiscal year.

<http://today.thefinancialexpress.com.bd/trade-market/rmg-export-to-poland-sees-steady-growth-1556814745?date=03-05-2019>

Banglalink getting back in the race

- Banglalink has started to get back its business after its hefty investment in strengthening network, with the operator logging in 4.5% higher revenue in the first three months of the year, its parent company Veon said yesterday. The operator registered BDT 1,121.30 crore as revenue in the first quarter of 2019, thanks to an acceleration of data

revenue growth resulting from network improvements following spectrum acquisition in February last year and continued expansion of its distribution footprint. Its data revenue during the quarter stood at BDT 224.44 crore, up 36% from a year earlier and 25.2% from the previous quarter. However, Veon has not mentioned anything about Banglalink's profitability status.

<https://www.thedailystar.net/business/telecom/news/banglalink-getting-back-the-race-1737826>

Bangladesh Securities and Exchange Commission (BSEC) drafts share short-selling rules

• Bangladesh Securities and Exchange Commission has drafted rules for short sales of shares to legalise the issue at the country's capital market with the aim of launching new products including derivatives and sukuk at the market. According to the drafted rules, stockbrokers may only enter into the short sales of any eligible securities on behalf of clients, if the transaction is confirmed by the client in a format approved by the exchange and the stockbroker takes the responsibility for ensuring the timely delivery of the securities. Stockbrokers and dealers would only enter into the short-sales of any eligible securities, if they have entered into a valid contract for securities borrowing, unless otherwise specified by other rules or regulations.

<http://www.newagebd.net/article/71413/bsec-drafts-share-short-selling-rules>

Public debt on the rise

- The government debt went on rising in the year 2018 mainly due to an increased sale of the national savings certificates (NSCs).
- The debt rose to 32.5% of the gross domestic product (GDP) in December 2018, up by 2.1% point from a year earlier, according to estimates of the Institute of International Finance (IIF). According to the estimates, the non-financial corporate debt rose by 2.0% points to 47.3% of the GDP during the period under review.
- The corporate debt comprising both short and long term is now around USD 21 billion only from overseas sources, according to the Bangladesh Bank. The IIF also said the debt of the financial institutions increased to 2.1% of the GDP, up by 0.4% point from 2017. But it said the consumer debt or household debt dropped by 0.1% point to 4.3% of the GDP at the end of last December.
- The total outstanding fund in savings certificates was recorded at BDT 2.7 trillion at the end of February last as against BDT 2.2 trillion over the same period in 2018, according to the central bank. They also said the debt would also rise significantly following mobilisation of fund for different mega infrastructure projects, including Rooppur Nuclear Power Plant.
- Executive director of the leading local private think tank-'Policy Research Institute of Bangladesh (PRI)'-hinted that the debt sustainability will emerge as a major challenge for the government in future.
- The government targets 5.0% of GDP to fund its budget and most of it comes from domestic sources-banking and non-banking sources.
- On the other hand, bankers said the 2018 calendar year was slightly tight in terms of liquidity. Selim RF Hussain, managing director and CEO at BRAC Bank, said that Bangladesh Bank usually doesn't encourage consumer credit and that only a few banks do it. Considering all factors liquidity crunch might hit consumer loans in 2018, according to the CEO of BRAC bank.
- The IIF said household debt figures are taken from national sources and if not available, then they are estimated using loans to other domestic sectors based on data from the International Monetary Fund (IMF).

<http://today.thefinancialexpress.com.bd/public/first-page/public-debt-on-the-rise-1556905363>

Bankers, researchers for addressing agent banking hurdles

- Bankers and researchers at a seminar called for addressing the hurdles faced agent banking as it became popular among rural people. They made the call at a seminar on 'future of banking: agent banking as alternative delivery channel to reach the last mile' which was organised by Business Finance for the Poor in Bangladesh project at Lake Shore Hotel in Dhaka.
- The number of agents increased by 74% to 4,493 and number of agent outlets soared by 67% to 6,933 in December 2018 compared with that of in the previous year, a BFP-B study found. Around 2.5 million agent banking accounts have been opened where 87% accounts in rural areas and 35% accounts are owned by the women, the study says. Among the clients of mobile financial services and agent banking, 90% prefer using agent banking over MFS for three grounds — transaction limit, cost and security, the study finds.
- BFP-B project policy manager said that agents usually balance cash and e-float with their nearest linked branch and in

remote areas with nearest government bank. One-third of agents mentioned they faced liquidity problems once in every two weeks. MFS providers can tie up with banks to provide digital savings/credit products, he said. More than 60% bank agents are yet to reach breakeven as usually they do not receive any commission for social safety net disbursement, he said. He also said agents have to bear marketing or communication cost though many providers helped out in the beginning.

- Through the study, BFP-B have recommended non-exclusivity of master agents, reducing turnaround time for agent approval, incentivized refinancing schemes for banks to allow credit disbursement through agent banking channels and introduction of digital client verification system, better known as Know Your Customer.

<http://www.newagebd.net/article/71481/bankers-researchers-for-addressing-agent-banking-hurdles>

Counter-guarantee against USD 300 million ITFC loan soon

- The government is set to issue a counter-guarantee against an International Islamic Trade Finance Corporation (ITFC) loan worth USD 300 million in favor of Bangladesh Bank (BB) to finance fuel oil import by Bangladesh Petroleum Corporation (BPC), officials said. A BPC official said the loan taken from ITFC requires a guarantee from the central bank and a counter-guarantee from the government.

- In the third week of the last month, the state-run BPC in a letter requested the Energy and Mineral Resources Division (EMRD) to take necessary steps in this regard. Later, the division has also sought to take steps in this connection.

- The counter-guarantee by the finance ministry will be considered a sovereign guarantee, according to an official. The government itself took responsibility for repaying the loan to ITFC if the petroleum corporation failed to pay it back.

<http://today.thefinancialexpress.com.bd/last-page/counter-guarantee-against-300m-itfc-loan-soon-1556988558>

Jobs not being created at required rate: governor of Bangladesh Bank

- The current rate of employment generation is not at the required rate, said Bangladesh Bank Governor yesterday.
- Many say that the current GDP growth is not accompanied by job creation, which is surprising and untrue, he added. He, however, said the job growth was not that high when compared to that of the population.
- The industrial sector's contribution to the GDP is 34% which reflects that there is employment, he said, emphasizing the need for more.

<https://www.thedailystar.net/business/news/jobs-not-being-created-required-rate-governor-1738930>

Bangladesh Bank (BB) guidelines soon to check trade-based Money Laundering

- The Bangladesh Financial Intelligence Unit (BFIU) of the Bangladesh Bank (BB) is formulating a set of guidelines for banks and financial institutions (FIs) to prevent trade-based money laundering (ML) in the country. The guidelines will be a checklist for bankers in providing trade-related services to their clients. This is the first time that the BB is formulating such guidelines to prevent money laundering.

- The BFIU earlier took an initiative in 2017 to prepare such guidelines for prevention of trade-based money laundering, but the move was abandoned for reasons hitherto unknown.

- A study by the Global Financial Integrity (GFI) has estimated that illicit inflows and outflows to and from the developing and emerging economies were between 14-24% of their total trade in 2005-2014. The Financial Action Task Force (FATF) and other authorities have so far published various forms of guidance to assist the banks and other entities to identify characteristics that may indicate money laundering.

- Some USD 5.9 billion was siphoned off from Bangladesh in 2015 through trade mis-invoicing, the GFI mentioned in a report in January. Bangladesh was second in South Asia in terms of illicit outflows of money, according to the Washington-based research and advisory organization's report. Bangladesh was second in South Asia in terms of illicit outflows of money, according to the Washington-based research and advisory organization's report.

- The report, based on the International Monetary Fund (IMF) data, mentioned that USD 2.36 billion was brought to the country in 2015. Bangladesh also lost between USD 6.0 billion and USD 9.0 billion due to illicit money outflows in 2014, according to the same report. The GFI noted that Bangladesh lost USD 75 billion because of trade misinvoicing and other unrecorded outflows between 2005 and 2014.

- Director of the Bangladesh Institute of Bank Management (BIBM) said all the illicit money outflows and inflows are not money laundering. But whatever the amount is, at least 80% of money laundering is said to be trade-based.

- The most common technique used in trade-based money laundering is over- and under-invoicing of goods and services. The process generally involves collusion between the buyer and the seller, often working for the subsidiaries of the same parent company.

<http://today.thefinancialexpress.com.bd/first-page/bb-guidelines-soon-to-check-trade-based-ml-1556905604>

VAT collection comes under threat from fake e-BIN holders

- The customs intelligence has recently identified a number of commercial entities that have procured electronic BINs (business identification numbers) posing as manufacturers to evade due duty and taxes. Investigation is now on against a number of suspected fake e-BIN holders which have imported a large volume of cigarette paper, customs officials said.
- As per the existing law, commercial importers are not entitled to have tax benefits enjoyed by manufacturer-importers. Officials concerned said a number of importers have availed the tax benefit by providing fake information while obtaining electronic BINs or e-BINs.
- The National Board of Revenue (NBR) has decided to gradually put them under close scrutiny of customs and VAT (values-added tax) wings. The NBR has handed the case to the customs intelligence and investigation directorate for a detailed enquiry through collecting their bank statements and other documents.

<http://today.thefinancialexpress.com.bd/first-page/vat-collection-comes-under-threat-from-fake-e-bin-holders-1556987981>

Bangladesh Securities Exchange Commission (BSEC) approves BDT 3.0 billion DBH Bond

- The securities regulator has given consent for issuance non-convertible zero coupon bond BDT 3.0 billion of the Delta Brac Housing Finance Corporation (DBH). The approval came at a meeting of the Bangladesh Securities and Exchange Commission (BSEC) held recently presided over by its chairman. As per the BSEC approval, denomination of the fully redeemable, unsecured and unlisted non-convertible bond is BDT 1.0 million per unit with tenure up to five years. The bond will be issued to the institutional investors, insurance companies, corporate entities and other eligible investor through private placement within the range of interest from 7.0% to 8.0% per annum.

<http://today.thefinancialexpress.com.bd/stock-corporate/mncs-show-mixed-eps-trends-in-january-march-1556986165>
<https://www.thedailystar.net/business/news/regulator-approves-BDT-300cr-dbh-bond-1737814>

Government seeks ADB support to develop bond market

- Asian Development Bank is developing its untapped sectors as it strives to become a developed nation by 2041. The Bangladesh delegation at the 52nd annual meeting of the ADB's board of governors in Nadi -- sought the Manila-based multilateral lender's assistance in developing a bond market, reforming the financial sector and mobilizing finance for building climate-resilient infrastructure.

<https://www.thedailystar.net/business/news/govt-seeks-adb-support-develop-bond-market-1738927>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$61.94	+0.13	+0.21%
Crude Oil (Brent)*	\$70.85	+0.10	+0.14%
Gold Spot*	\$1,279.11	+8.42	+0.66%
DSEX	5,286.75	+83.90	1.61%
Dow Jones Industrial Average	26,504.95	+197.16	+0.75%
FTSE 100	7,380.64	+29.33	+0.40%
Nikkei 225	22,258.73	-48.85	-0.22%

Exchange Rates

USD 1 = BDT 84.44*
GBP 1 = BDT 111.18*
EUR 1 = BDT 94.69*
INR 1 = BDT 1.22*

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

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