

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.

GDP to grow at 7.2%, says the World Bank (WB)

- After projecting lower growth rate, the World Bank (WB) has said curbing the central bank's autonomy poses risk to the economy. Reform reversals such as easing of loan classification standards, ceilings on lending rates and reduced autonomy of Bangladesh Bank (BB) pose additional risks, the bank said in its development update unveiled on Thursday at its Dhaka office. The global lender said the escalating trade tensions in major economies, vulnerable financial sector governance, weak government revenues, exchange rate appreciation, and slower export growth may hold back the country's higher growth.

- The bank forecasts a 7.2% growth rate for the current fiscal, lower than what the government aims to achieve. The bank projected a higher inflation rate at 5.9% in the current fiscal, although the government has set a target to keep it within the 5.6% band.

<http://today.thefinancialexpress.com.bd/public/first-page/wb-warns-of-curtailling-bb-autonomy-1570726173>
<https://www.thedailystar.net/business/news/banking-ills-can-derail-growth-1812208>
<https://www.dhakatribune.com/business/2019/10/10/gdp-to-grow-at-7-2-says-wb>
<http://www.newagebd.net/article/87254/world-bank-projects-growth-to-fall-to-72pc-in-contrast-to-government-adb-forecast>

Current account returns to green zone

- The country's trade gap with the rest of the world narrowed during the first two months of the current fiscal year, aided by a surplus in current account balance. Negative growth in both export and import during the period helped reduce the gap and ease pressure on current account with additional support from higher inflow of remittances. This way, the current account returned to the green zone after three years of negative balance.

- The surplus reached USD 313 million in the July-August period of FY 2019-20 against a deficit of USD 7.0 million in the same period of the previous fiscal, according to the central bank's figures released on Thursday. A professor of economics at the University of Dhaka predicated that the country's overall balance of payments (BoP) would face pressures by the end of this fiscal as import is expected to pick up in the coming months. A senior official of the Bangladesh Bank (BB) said the current account balance may enter into negative territory again by the end of this fiscal as import growth has been projected at 7.50% for the FY '20.

<http://today.thefinancialexpress.com.bd/first-page/current-account-returns-to-green-zone-1570726556?date=11-10-2019>
<https://www.thedailystar.net/business/news/trade-deficit-narrows-falling-imports-1812196>
<http://www.newagebd.net/article/87252/trade-deficit-drops-by-6pc-in-july-aug-without-joy>

DBH 1st Mutual Fund conversion

- The securities regulator has asked the trustee of DBH 1st Mutual Fund to convene a meeting of the unit holders in line with the rules. On September 24, the trustee sought the advice from the Commission to hold the meeting to take decision on the conversion of the fund. The unit holders have 78.42% stake in the fund. The managing director of the BGIC said they have yet to receive the order from the securities regulator.

- LR Global Bangladesh Asset Management Company, the asset manager of the fund, had earlier extended the fund's tenure for another 10 years. The unit holders balked at the decision of LR Global and wrote to the trustee for the conversion. Against this backdrop, the BGIC pushed for the unit holders' meeting.

<http://today.thefinancialexpress.com.bd/public/first-page/dbh-1st-mutual-fund-conversion-1570813413>
<http://www.newagebd.net/article/87359/bsec-suggests-bgic-convene-dbh-1st-mf-unitholders-meet>

Banks slow to avail Bangladesh Bank fund for stock investment

- Country's banks are slow to get low-interest fund from the Bangladesh Bank for investments in the capital market as only a single bank so far has applied for such fund after 20 days of the introduction of the facility to revive the ailing capital market. On September 22 this year, the BB created the scope for the scheduled banks for borrowing from the central bank in the form of Repurchase Agreement (REPO) at the rate of 6% interest for investments in the capital market.

- Although there was ample scope for the banks for increasing capital market exposure, they were either reluctant or suffering with liquidity crisis that was holding them back from making capital market investments.

<http://www.newagebd.net/article/87358/banks-slow-to-avail-bangladesh-bank-fund-for-stock-investment>

Government opts for costlier World Bank (WB) loans

- The government is going to take out USD 1.87 billion in costlier loans from the World Bank (WB) to implement six projects, officials said.
- The interest rate of the hard-term loan is about 3.0%. In addition, the bank will charge 0.25% in commitment fees while 0.25% in upfront fees. The repayment period of the loan will be 30 years with a nine-year grace period.
- On the other hand, borrowing from the International development Association carries 2.0% interest rate and the maturity period of the loan is 36 years with a six-year grace period. We've already borrowed almost entire fund of USD 4.2 billion within the first two years of the IDA-18, though we've one year to go, said an Economic Relations Division official.
- Under the IDA-18 loan package, the Washington-based lender has offered USD 4.2 billion concessional loan for Bangladesh from fiscal year 2017-18 through fiscal 2020. Since the concessional loan package has been utilised, the ERD is now trying to explore other option for getting funds from the global lender, said the additional secretary of the division. He said the bank has assured the government of financing six development projects from its high interesting-bearing fund.
- According to the ERD's calculation, the grant-element, defined as the difference between the loan's face value and the sum of the discounted future debt-service payments by the borrower, of the scale-up loan is as high as 28%, which is defined as non-concessional lending. The government considers loans to be non-concessional loans when the grant-element is between 25% and 35%.
- According to the ERD, the WB has agreed to provide some USD 500 million funds for the Bangladesh private investment and digital entrepreneurship project, USD 175 million for Western economic corridor and regional enhancement project, USD 300 million for Bangladesh integrated digital government project, USD 120 million for Climate smart agricultural water management project, USD 475 million for Dhaka public transport improvement project, and USD 300 million for Dhaka sanitation improvement project from its scale-up facility.

<http://today.thefinancialexpress.com.bd/public/first-page/govt-opts-for-costlier-wb-loans-1570813321>

Initial Public Offering (IPO) of Ashuganj Power's bond may face cancellation

- The initial public offering (IPO) of state-owned Ashuganj Power Station Company Ltd's bonds may face cancellation for under-subscription. According to data from different sources, including the issue manager, the company has so far been able to raise BDT 350 million out of BDT 1 billion thorough IPO, which mean 35% of the total the total amount. As per public issue rules of the Bangladesh Securities and Exchange Commission (BSEC), minimum subscription requirement for IPO is 65%.

<https://www.dhakatribune.com/business/2019/10/12/ipo-of-ashuganj-power-s-bond-may-face-cancellation>

The Bangladesh Securities and Exchange Commission (BSEC) may create database of bond defaulters

- The Bangladesh Securities and Exchange Commission may create a database of defaulters of bonds and debentures and would give banks and non-bank financial institutions access to the database so that they could bar the defaulters from receiving loans from them. BSEC officials said that Bangladesh Bank recently recommended that the BSEC create the database covering information about bonds and debentures.
- The banks and NBFIs could be given access to the database to ensure that the defaulters would not get loans from the entities. The capital market development committee made a set of 18 recommendations and seven of them were related to the central bank.

<http://www.newagebd.net/article/87487/bsec-may-create-database-of-bond-defaulters>

Bangladesh Securities and Exchange Commission (BSEC) to issue registration to IDLC Venture Capital Fund

- The securities regulator has decided to issue registration to the IDLC Venture Capital Fund, an alternative investment fund. As per the BSEC decision, the size of the IDLC Venture Capital Fund will be BDT 450 million and its tenure will be seven years.

- The fund will invest mainly in areas such as fintech, entertainment and lifestyle, enterprise solutions, travel and logistics, core technologies, education tech, food-tech and agri-tech and internet devices.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-to-issue-registration-to-idlc-venture-capital-fund-1570722690>

<https://www.thedailystar.net/business/news/idlc-venture-capital-gets-nod-1812136>

<http://www.newagebd.net/article/87265/idlc-venture-capital-fund-gets-bsec-registration>

Chittagong Port Authority (CPA) may waive dues of LNG terminals, carriers

- The government is actively considering waiving port dues and charges for LNG (liquefied natural gas) terminals and vessels at Moheshkhali, Cox's Bazar. Officials concerned said the authorities are thinking of giving waiver since the dues and charges will ultimately be a burden on consumers. But the government will attach conditions like registration of LNG carriers under law and training of local sailors to operate the vessels to the waiver facility.

- Excelerate Energy Bangladesh Ltd and Summit LNG Terminal Co (Pvt) Ltd own the two FSRUs. As per the deals with the FSRU owners, Petrobangla is responsible to pay port dues and charges. According to sources, each LNG carrier will have to pay CPA BDT 5.0 million in port dues and charges per voyage each month.

<http://today.thefinancialexpress.com.bd/public/first-page/cpa-may-waive-dues-of-lng-terminals-carriers-1570813365>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.70	+1.15	+2.15%
Crude Oil (Brent)*	\$60.51	+1.41	+2.39%
Gold Spot*	\$1,489.01	-4.98	-0.33%
DSEX	4,810.22	-52.04	-1.07%
Dow Jones Industrial Average	26,816.59	+319.92	+1.21%
FTSE 100	7,247.08	+60.72	+0.84%
Nikkei 225	21,798.87	+246.89	+1.15%
BSE SENSEX	38,127.08	+246.68	+0.65%

Exchange Rates

USD 1 = BDT 84.67*

GBP 1 = BDT 107.13*

EUR 1 = BDT 93.45*

INR 1 = BDT 1.19*

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

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