

*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.*

### **Forex reserve hits 29-month low**

- Foreign exchange reserve of the country hit nearly two-and-a-half-year low at USD 30.99 billion at the end of November due to rising import payments and sales of the USD s by the central bank to keep the BDT stable.
- Bangladesh Bank officials said that the country's import payments which had been rising steadily for months, further jumped in October and November due mainly to payment for imported liquefied natural gas (LNG), fuel oil and fertiliser.
- Bangladesh's reserve stood at USD 31.06 billion after the country in early November this year made its last payment of USD 1.13 billion to Asian Clearing Union (ACU) against imports during the September-October from ACU member countries including India.
- The reserve dropped further by USD 700 million, following the payment to ACU, standing at 30.99 billion on Thursday, showed the central bank's latest data.
- The previous lowest foreign exchange reserve was USD 30.39 billion in July 2016.

<http://www.newagebd.net/article/57670/forex-reserve-hits-29-month-low>

### **Moody's sounds alarm on Bangladeshi banks**

- Global credit ratings giant Moody's put Bangladesh's banking system on 'negative watch' despite the country's robust economy, as pressure mounts on the Bangladesh Bank and the government to take drastic actions to fix the sector.
- The reason for the negative outlook is the worsening asset quality, said a Moody's analyst.
- Underlying weaknesses in corporate governance, especially at state-owned banks, has led to nonperforming loan ratios rising to 10.4% as of June.
- And the growing stock of unclassified rescheduled loans poses further risk to asset quality, said the report 'Banking System Outlook - Bangladeshi banks: High asset risks drive negative outlook despite robust economy'.
- Moody's outlook is based on six key drivers. Specifically, Moody's assesses the banks' operating environment as stable; asset risk as deteriorating; capital as deteriorating; profitability and efficiency as deteriorating; funding and liquidity as stable; and government support as stable.

<https://www.thedailystar.net/business/news/moodys-sounds-alarm-bangladeshi-banks-1667938>

### **December net bank borrowing target likely to be BDT 22.0 billion**

- The government is set to fix the net bank borrowing target at BDT 22.0 billion for December to finance budget deficit partly ahead of the general election, officials said.
- It may take up to BDT 136.0 billion as gross borrowing from the banking system in December by issuing treasury bills (T-bills) and bonds, according to the auction calendar of the Bangladesh Bank (BB).
- The gross bank borrowing amount was BDT 32.0 billion in November, and BDT 20.0 billion in October.

<http://today.thefinancialexpress.com.bd/public/first-page/dec-net-bank-borrowing-target-likely-to-be-BDT-22b-1543511916>

### **'Number of tax return submission increases by 40%'**

- The number of tax return submission has increased by 40% in the past two years, said Sirajul Islam, acting chairman National Board of Revenue (NBR).
- According to NBR sources, the number of total taxpayers increased to 3.8 million, which was 3.2 million last year. It was only 1.2 million in 2014.
- The acting chief of NBR informed that the total tax revenue collected last year was USD 30 billion.

<https://thefinancialexpress.com.bd/economy/bangladesh/number-of-tax-return-submission-increases-by-40pc-1543574206>

### **Private sector dominates power generation**

- The private sector has started dominating the country's power generation contributing 54.35% of the total electricity against 45.65% produced by state-owned power plants.
- According to the latest statistics prepared by the Power Division, the country's total power generation capacity reached 20,343 MW of which 11,057 MW came from private sector producers while 9,286 MW from public entities.
- Captive power generation of about 3,000 MW are also included in the private sector generation, while about 250 MW of renewable energy came from solar home systems included in the public sector generation.
- Power Division officials said the private sector power generation witnessed a substantial growth due to a favourable investment policy offered by the government over the last one decade.

<http://today.thefinancialexpress.com.bd/trade-market/private-sector-dominates-power-generation-1543679812>

### **Revenue collection witnesses 15.16% growth in six years**

- The National Board of Revenue (NBR) has seen a significant growth in its revenue collection in the last six years resulting in helping the government take some mega projects like Padma Bridge one with its own funding.
- The revenue collection in the last six years witnessed 15.16% growth on average.
- In 2012-13 fiscal year, the revenue collection was BDT 1.09 trillion, posting a 14.83% while the collection was BDT 2.06 trillion in the last 2017-18 fiscal year that showed a massive 19.50% growth.

<https://thefinancialexpress.com.bd/economy/bangladesh/revenue-collection-witnesses-1516pc-growth-in-six-years-1543400005>

### **National Board of Revenue (NBR) to review fiscal incentives offered to Active Pharmaceutical Ingredients (API) industries**

- Six months after the publication of the 'National Active Pharmaceutical Ingredients (API) and Laboratory Reagents Production and Export Policy' by the Ministry of Commerce, the National Board of Revenue (NBR) has decided to review the tax benefits offered under it.
- NBR officials said that the board was not aware about those tax incentives as the commerce ministry neither obtained vetting from it nor consulted with taxmen before it incorporated the tax benefits into the national policy.
- They said the industries will be able to enjoy the tax benefits once the NBR incorporates those into the fiscal policy or issues a Statutory Regulatory Order (SRO).

<http://today.thefinancialexpress.com.bd/first-page/nbr-to-review-fiscal-incentives-offered-to-api-industries-1543681535>  
<https://www.thedailystar.net/business/news/nbr-encourage-local-production-pharma-ingredients-1667923>  
<http://www.newagebd.net/article/57672/nbr-forms-tripartite-body-to-assess-api-makers-plea-for-tax-benefits>

### **Mobile data usage rises 46% on 4G**

- Data usage through mobile phones got momentum after the roll-out of 4G service in February, with the average consumption hitting the landmark of one gigabyte (1GB).
- Last year, the average usage was about 700 megabyte (MB), said industry insiders. 1GB equals 1,024 MB.
- In the third quarter of the year, the country's second largest operator Robi's 28.3 million active mobile internet subscribers consumed 1,182 megabyte (MB) data on average.
- Robi, which has 5.5 million regular 4G customers, saw its data usage shoot up 88% in a space of one year, according to the quarterly financial report of its parent company Axiata.
- In the same period Grameenphone saw 52.40% year-on-year growth in data usage from its 36.3 million active internet users, of which 5.0 million are using 4G.
- Combining all kinds of data users, average usage reached 1,149MB at the end of September, according to its third quarter report.

<https://www.thedailystar.net/business/telecom/news/mobile-data-usage-rises-46pc-4g-1667101>

### **No of beneficiary owners (BO) accounts rises by 110,619 in September-November**

- The number of beneficiary owners' accounts increased by 110,619 in last three months (September-November) amid vibrant primary market.
- As of November 30, the number of BO accounts stood at 2,769,922, while the figure was 2,659,303 as of August 31 this year.
- An abnormal surge in the share prices of newly listed companies in the first few days after their debut on the stock exchanges encouraged people to open BO accounts, market operators said.

<http://www.newagebd.net/article/57524/no-of-bo-accounts-rises-by-111-lakh-in-sept-nov>

### **Grameenphone (GP) tech div staff seek Institution of Engineers, Bangladesh (IEB) intervention against job cut move**

- A group of employees of the country's leading mobile operator Grameenphone sought help from the executive committee of the Institution of Engineers, Bangladesh, the mother organisation of the country's engineers, for ensuring the employees security at the GP's technology division.
- Representatives of the GP Employees Union held a meeting with the IEB leaders seeking help in stopping the common delivery centre (CDC) project of the mobile operator as the project planned to transfer the activities of technology division to a third party vendor company.
- They claimed that more than 600 employees employed at the technology division would lose their job if the CDC project was implemented as GP would hand over the job of the division to another vendor company.
- GP's attempt to terminate its employees through CDC project is against the labour law of the country as there are no provisions in the law to transfer the employees of a public limited company to another company, they said.
- They also expressed apprehension that other corporate companies might also follow the example of GP, one of the biggest corporate house of the country, if the CDC project becomes successful.

<http://www.newagebd.net/article/57671/gp-tech-div-staff-seek-ieb-intervention-against-job-cut-move>

### **Japan Tobacco closes USD 1.47 billion acquisition of Akij venture**

- Japan Tobacco Inc, one of the five largest tobacco companies in the world, yesterday completed its USD 1.47 billion acquisition of Akij Group's tobacco business, in what was the biggest ever single foreign direct investment in

Bangladesh.

- The announcement came more than three months after Japan Tobacco signed a deal with Akij's concern United Dhaka Tobacco for buying its shares, as part of its foray into Bangladesh's BDT 330.0 billion cigarette market.
- In March this year, Japan Tobacco agreed to buy Russia's Donskoy Tabak for USD 1.56 billion. The company snapped up companies in Russia, Indonesia and the Philippines, all three amongst the top ten tobacco markets in the world.
- Bangladesh is the eighth largest cigarette market, with volumes exceeding 86 billion units and growing by about 2% year-on-year.

<https://www.thedailystar.net/business/news/japan-tobacco-closes-147b-acquisition-akij-venture-1667071>

### **Beximco gets another lifeline from Sonali**

- In August 2014, , vice-chairman of Beximco Group, informed the central bank governor in a letter that Beximco Ltd, the group's largest company, was in a liquidity crisis -- dire enough to cause it to collapse.
- He blamed the situation on two factors: politically motivated credit restrictions on the group between 2001 and 2008 and repayment of BDT 8.0 billion in bank loans in the last three years.
- Under the large loan restructuring policy, state-owned Sonali Bank had restructured BDT 10.7 billion of Beximco Ltd's loans for 12 years to 2027 at an interest rate of 10%, which was much lower than the 13-14% interest rate prevailing then.
- After a year's grace period -- which would be from September 2016 -- the borrower was supposed to pay BDT 574.0 million each quarter to Sonali.
- By December 2017 the borrower was obliged to pay six instalments, but Beximco made only two payments and became a defaulter at the end of December last year.
- The lender neither withdrew the facility nor sued Beximco, as per the terms of the large loan restructuring policy.
- Rather, Sonali took an extraordinary measure to keep Beximco Group out of the default zone, all in the hope of getting back the large amounts it had lent to the business giant.
- In the meantime, Beximco Ltd's loan amount had ballooned to BDT 12.6 billion -- and it was rescheduled again in March this year by Sonali.
- Not only that, it got the facility without making any down payment, as the BB rules stipulate that a borrower has to pay at least 10% of the defaulted loans -- BDT 12.6 billion in this case -- as down payment to get them rescheduled.
- Curiously, the move was termed 'review of restructured loans', not rescheduling of loan, due to which Beximco was able to avoid the required down payment.

<https://www.thedailystar.net/business/news/beximco-gets-another-lifeline-sonali-1667941>

### **SS Steel to allot 25 million ordinary shares**

- SS Steel Ltd. will allot 25 million ordinary shares among successful applicants picked through the lottery draw for the company's initial public offering (IPO).
- The IPO results have already been published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company.
- The SS Steel, an engineering sector company, raised a capital totaling BDT 250.0 million under the fixed-price method.

- The IPO proceeds will be utilised to purchase machinery (85.73%), construct a new building (6.05%) and meet the IPO expenses (8.22%).
- As per the company's financial statement for the year ending on June 30, 2017, the net asset value (NAV) per share stands at BDT 12, without revaluation, and at BDT 15.35 after revaluation.
- The company reported its earnings per share (EPS) at BDT 1.20 and weighted average of EPS at BDT 0.82.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/ss-steel-to-allot-25m-ordinary-shares-1543507693>

### **Price hike of raw materials hits cement companies' earnings per share (EPS)**

- Price hike of raw materials has affected the cement manufacturers of the country. Because of increased production cost, the earning of most of the listed cement companies declined for 2018 compared to previous year.
- Of five local listed companies, the EPS (earnings per share) of four entities declined for the year ended on June 30, 2018.
- The companies whose EPS declined are Aramit Cement, Confidence Cement, MI Cement and Premier Cement. EPS of Meghna Cement, however, rose marginally.

<http://today.thefinancialexpress.com.bd/stock-corporate/price-hike-of-raw-materials-hits-cement-companies-eps-1543677306>

### **Sonali Bank seeks to issue 40 million shares**

- The state-run Sonali Bank wants to increase its paid-up capital to BDT 45.30 billion to urgently meet its capital shortage.
- The largest state-owned bank has sought to issue 40 million shares at a price of BDT 100 each in favour of the government. It has also sought approval to use BDT 4.0 billion as paid-up capital to meet its huge capital shortfall.
- Currently, the paid-up capital of the bank is BDT 41.30 billion. Its authorised capital stands at BDT 60.0 billion now, a senior SBL official said. He said the bank needs to strengthen its capital base and maintain minimum capital requirements in line with the Basel-III banking guideline.

<http://today.thefinancialexpress.com.bd/last-page/sonali-bank-seeks-to-issue-40-million-shares-1543682144>

### **July-September period: Pharmaceutical companies' report higher earnings per share (EPS)**

- Earnings Per Share (EPS) of pharmaceutical and chemical companies, listed on the Dhaka Stock Exchange (DSE) have posted robust growth in the first quarter of the current fiscal year, thanks to major market expansion both at home and abroad.
- According to unaudited financial reports July-September'18, disclosed on the DSE website, 27 out of 31 companies have published their reports on earnings.
- 17 companies have registered positive growth in earnings.
- According to the DSE website, ACI Formulation reported the highest growth in earnings, registering a 264% growth in the first quarter of fiscal year 2018-19, compared to the same period last year.
- During the same period, Wata Chemicals earned 202% higher, earnings of Advent Pharma saw 154% growth, and AFC Agro's earnings per share (EPS) posted only a 4% rise, the lowest among the positive performers.

Meanwhile, eight companies showed negative growth in earnings in the 1st Quarter (July-September 2018). Among the bad performers, ACI Limited has seen a 47% decline in earnings, the greatest fall, while Global Heavy Chemical registered a 4% negative growth.

<https://www.dhakatribune.com/business/2018/12/01/july-september-period-pharma-companies-report-higher-eps>

### Most IT firms see higher first quarter (Q1) earnings per Share (EPS)

- Most of the listed IT companies saw their earnings rise in the first quarter (Q1) of the current financial year (FY), 2018-19, compared to the same period of the previous fiscal year.
- People familiar with the IT industry attributed the companies' higher earnings to controlled expenditure in the July-September period.
- Of the eight IT firms listed with the Dhaka Stock Exchange (DSE), six companies posted healthy earnings per share (EPS) while the remaining two companies saw their EPS decline marginally.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/most-it-firms-see-higher-q1-eps-1543594166>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$50.93	-0.52	-1.01%
Crude Oil (Brent)*	\$59.46	-0.45	-0.75%
Gold Spot*	\$1,220.52	-3.69	-0.30%
DSEX	5281.25	-5.47	-0.10%
Dow Jones Industrial Average	25,538.46	+199.62	+0.79%
FTSE 100	6,980.24	-58.71	-0.83%
Nikkei 225	22,351.06	+88.46	+0.40%

### Exchange Rates

**USD 1 = BDT 85.15\***  
**GBP 1 = BDT 108.56\***  
**EUR 1 = BDT 93.37\***  
**INR 1 = BDT 1.22\***

\*Currencies and Commodities are taken from Bloomberg.

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### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Deputy Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Md. Sakib Chowdhury	Research Analyst	<a href="mailto:sakib.chowdhury@bracepl.com">sakib.chowdhury@bracepl.com</a>	01709 641 247
S. M. Samiuzzaman	Research Analyst	<a href="mailto:sm.samiuzzaman@bracepl.com">sm.samiuzzaman@bracepl.com</a>	01708 805 224
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Ahmed Zaki Khan	Research Associate	<a href="mailto:zaki.khan@bracepl.com">zaki.khan@bracepl.com</a>	01708 805 211
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiquislam@bracepl.com">mrafiquislam@bracepl.com</a>	01708 805 229

#### International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
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#### BRAC EPL Research [www.bracepl.com](http://www.bracepl.com)

Symphony, Plot No. S.E. (F) - 9,  
Road No. 142, Gulshan-1, Dhaka  
Phone: +880 2 985 2446-50  
Fax: +880 2 985 2451  
E-Mail: [research@bracepl.com](mailto:research@bracepl.com)