

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.

Government almost exhausts bank borrowing target in five months

- The government is set to make a net borrowing of more than BDT 45 billion from the country's banking system in December to partly meet its budget deficit, officials said. The government's gross borrowing may reach up to BDT 215 billion from the banking system in December. It is expected to issue treasury bills (T-bills) and bonds, according to the auction calendar, issued by the Bangladesh Bank (BB) recently. The amount is the highest during the first half of this fiscal. Thus, the government's net bank borrowing may reach BDT 45.55 billion in a single month (December), after deducting BDT 169.45 billion against the government securities that would be mature in the month, according to the officials.
- The government's account deficit stood at BDT 59 billion as on November 28 that was mitigated by using ways and means advances (WMAs) facility from the central bank. Under the existing rules, the government is empowered to borrow up to a maximum amount of BDT 60 billion from the BB using WMAs facility without issuing any securities.
- Meanwhile, the government's net bank borrowing stood at BDT 426.07 billion, which was around 90% of the total target, as of November 21 of FY 2019-20, according to the BB's confidential report. Of the total, the government borrowed BDT 380.65 billion from the scheduled banks by using T-bills and bonds, and the remaining BDT 45.42 billion from the central bank. Market operators, however, said liquidity pressure on the market may intensify in near future, if the government's higher bank borrowing continues. Besides, the central bank's continuous selling of the US dollar to the commercial banks to help set their import payment obligations may push up liquidity pressure on the market in the coming months, they added.

<https://today.thefinancialexpress.com.bd/first-page/govt-almost-exhausts-bank-borrowing-target-in-five-months-1575308575>

<https://www.thedailystar.net/frontpage/news/govts-aggressive-bank-borrowing-finding-money-will-be-hard-private-sector-1834981>

Bangladesh Bank hikes Mobile Financial Service (MFS) cash-in limit for remittance receivers

- The Bangladesh Bank on Monday raised the cash-in limit of mobile financial service (MFS) for inward remittances. Remittance up to BDT 125,000, including 2% incentive, brought through the banking channel now can be deposited to a MFS account, said a BB circular issued on the day. Customers are normally allowed to feed money into MFS account highest BDT 30,000 in five times a day, while the limits are BDT 0.2 million and 25 times a month.
- BB officials said that the central bank relaxed the cash-in limit specifically for the remittance beneficiaries in rural areas. As the remittance beneficiaries are mostly live in rural areas, the MFS is considered as one of the quickest way of proving them with financial services, prompting the central bank to ease the limit only for the purpose, they said.
- As per the BB rules, remittance beneficiaries are entitled to get 2% cash incentive against receipt of USD 1,500 without providing any document. For receiving the incentive for any higher amount, beneficiaries must provide documents. However, other MFS transactions limit including the regular withdrawal will remain unchanged.

<http://www.newagebd.net/article/92466/bangladesh-bank-hikes-mfs-cash-in-limit-for-remittance-receivers>

<https://www.dhakatribune.com/business/2019/12/02/remittance-to-mfs-single-transaction-ceiling-BDT1-25-lakh>

Norfund will have voting right at Mutual Trust Bank (MTB)

- Mutual Trust Bank (MTB) now has no bar to execute the share purchase deal with Norfund, a Norwegian investment fund, as the central bank has waived a section regarding the shareholders' voting rights. Earlier, in September, 2018 the MTB approved a proposal to sell 10% or above 63.70 million fresh shares to the Norfund for strengthening the capital adequacy and corporate governance. Later, on April 30, the Bangladesh Securities and Exchange Commission (BSEC) allowed the bank to increase its paid-up capital by selling shares to the Norfund.
- But the execution of the share purchase deal was delayed due to a restriction earlier included in a sub-section of the banking company act. Then the MTB sought exemption from the sub-section 14(1)(f) of the banking company act. As per the act, no banking company incorporated in Bangladesh, except new banks and special banks, will commence its business in Bangladesh unless it satisfies the condition that the voting rights of any individual shareholder, except those of the government, do not exceed 5% of the total voting rights of all the shareholders. Finally, the central bank waived the sub-section in last week paving the way of executing the share purchase deal earlier signed between the MTB and the Norwegian investment fund Norfund. As a result, the Norfund will have voting right at the MTB for its entire shareholding. The MTB will sell 10% or above 63.70 shares at a price of BDT 27.19 each including a premium of BDT 17.19 for each ten taka share at a total value of above BDT 1.73 billion.

- The company's sponsor-directors hold 41.08% shares, institutes 22.48% and general shareholders 36.44% as of October 31, 2019. After the execution of the share purchase agreement, Norfund will be entitled as foreign share holder.

<https://today.thefinancialexpress.com.bd/stock-corporate/norfund-will-have-voting-right-at-mtb-1575307471>

Dhaka Stock Exchange (DSE) declares 5% cash dividend amid poor earnings

- The board of directors of Dhaka Stock Exchange on Monday declared 5% cash dividend for its shareholders for the financial year of 2018-19. The board also declared profits of BDT 975 million in the financial year of 2018-19 after it had netted BDT 1.04 billion in the previous financial year. The financial accounts and dividend will be approved by the shareholders at the annual general meeting scheduled to be held on December 30. Considering 180,37,76,500 shares of the DSE, its earnings per share decreased to BDT 0.54 in FY19 from BDT 0.58 in FY18.

- The profits in FY19 were the lowest after FY12 when the bourse fetched BDT 944 million. The bourse became demutualized in November, 2013. The bourse witnessed a continued profit fall due mainly to prolonged bearish trend at the market and poor business activities by the country's premier bourse. There was no product diversification at the market and only equity-based market failed to attract different groups of investors, market experts said.

<http://www.newagebd.net/article/92470/dse-declares-5pc-cash-dividend-amid-poor-earnings>

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-recommends-50pc-cash-div-1575307406>

China offers USD 2.13 billion fresh loans for two projects

- China will sign agreements by next June to provide USD 2.13 billion in loans for two more projects, including one on the construction of the Dhaka-Ashulia elevated expressway. This was finalized at the maiden meeting of a Bangladesh-China joint working group. The joint working group was formed to probe slow progress of 27 projects involving around USD 20 billion that China had agreed to provide during its President's Dhaka visit in October 2016. Until November, loan agreements -- which is the last step before the release of funds -- for six projects involving USD 5.71 billion were signed and USD 1.09 billion was disbursed.

<https://www.thedailystar.net/business/news/china-offers-213b-fresh-loans-two-projects-1835029>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.15	+0.19	+0.34%
Crude Oil (Brent)*	\$61.06	+0.14	+0.23%
Gold Spot*	\$1,461.75	-0.69	-0.05%
DSEX	4,734.59	-24.22	-0.51%
Dow Jones Industrial Average	27,783.04	-268.37	-0.96%
FTSE 100	7,285.94	-60.59	-0.82%
Nikkei 225	23,374.98	-154.52	-0.66%
BSE SENSEX	40,780.91	-38.47	-0.09%

Exchange Rates

USD 1 = BDT 84.84*

GBP 1 = BDT 109.79*

EUR 1 = BDT 93.97*

INR 1 = BDT 1.18*

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

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