

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.

GP, Robi to get back bandwidth

- The telecom regulator is set to lift the partial block on the bandwidth capacity of Grameenphone and Robi after the government stepped in to give relief to the millions of internet users of the two operators. The development comes after Prime Minister's ICT Affairs Adviser held a meeting with the telecom division and its other wings, including the Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday. Telecom Minister presided over the meeting. On July 4, the telecom regulator slashed Grameenphone's bandwidth by 30% and Robi's by 15% for non-payment of dues detected in audits -- enough to slow down the internet speed and raise the call drop frequency of the two operators. According to the BTRC's audit claim, Grameenphone has BDT 125.8 billion pending and Robi BDT 8.67 billion and they had issued demand notes to the respective operators several times but they fell on deaf ears. Officials who attended the meeting said now the telecom division will withdraw their previous decision of bandwidth capping and come up with a new course of action.
- Officials present said the ICT adviser also directed the BTRC to take VAT registration from the National Board of Revenue within the next one week. He asked Telecom Secretary Ashoke Kumar Biswas to consult with the NBR chairman on the matter. Earlier in last week, the telecom regulator refrained from receiving mobile operators' various payments for the April-June quarter -- amounting to about BDT 10 billion-- after the latter declined to include the associated VAT in the sum. The mobile operators said they will furnish their payments without VAT and when the BTRC gets its VAT registration they will pay the VAT then.

<https://www.thedailystar.net/business/news/gp-robi-get-back-bandwidth-1772662>
<http://www.newagebd.net/article/78693/btrc-likely-to-restore-robi-gps-bandwidth-but-stop-noc-issuance>
<https://www.dhakatribune.com/business/2019/07/16/btrc-likely-to-backtrack-on-telcos-bandwidth-cut-decision>

Bangladesh Securities and Exchange Commission (BSEC) approves public issue rules

- The stock market regulator BSEC approved on Tuesday public issue rules, raising the lock-in period for placement shares to two years from one year earlier. A lock-in period is a predetermined amount of time after an initial public offering (IPO), during which large stakeholders are restricted from selling their shares. According to the new public issue rules, the lock-in period will be counted from the date of commencement of trading, instead of the prospectus issue date. For sponsor-directors and those holding 10% or more shares, the lock-in period will three years as before, but the period will be counted from the date of commencement of trading, instead of the prospectus issue date. The lock-in period for placement shareholders and alternative investment funds will be two years.
- Under the public issue rules, the quota for eligible investors has been cut to 30% from the existing 40%. The general investors' quota (excluding non-resident Bangladeshis) has been enhanced to 50% from 40% under the fixed-price IPO method. Under the book building method, eligible investors' quota has also been brought down to 50% from 60% and the general investors' quota (excluding NRBs) raised to 40% from 30%.
- In case of a fixed-price method, issuers will have to raise at least BDT 300 million or 10% of the paid-up capital, or whichever is higher, according to the new rules. The issuers will have to raise at least BDT 750 million or 10% of the paid-up capital, or whichever is higher, if companies go for it under the book-building method.

<http://today.thefinancialexpress.com.bd/first-page/bsec-approves-public-issue-rules-1563298437>
<http://www.newagebd.net/article/78692/bsec-puts-only-2-year-lock-in-on-placement-shares>

Bar on mutual funds to give stock dividend

- The stock market regulator yesterday came up with the decision of barring the open-end and closed-end mutual funds from providing any return on unit (a form of stock dividend) to the unitholders. Mutual funds are investment funds that gather a fixed pool of money from a number of investors and re-invest them into stocks, bonds and other assets. The asset managers provide a dividend after the yearend and it could provide cash dividend or return on unit (like stock dividend) earlier. Bangladesh Securities and Exchange Commission took the decision in a meeting held in the commission building in Dhaka.
- The commission has also said the sponsors of the closed end mutual funds, which shall liquidate within a certain period, will have to hold their unit for at least one year from the fund formation date. The sponsors will have to have at least 10% of their primary holding until its liquidation.

<https://www.thedailystar.net/business/news/bar-mutual-funds-give-stock-dividend-1772647>

Record loan rescheduling at Social Islami Bank

- Social Islami Bank rescheduled a record amount of loans in the first quarter of 2019 and yet failed to arrest its default loans from spiraling, in a worrying development for the bank that saw a hostile takeover from a controversial business group last year. Between the months of January and March, SIBL rescheduled BDT 29.50 billion, which is exponentially more than what it had been rescheduling in a year. For instance, it rescheduled BDT 3.9 billion in 2018, BDT 3.75 billion in 2017 and BDT 1.88 billion in 2016, according to data from the central bank. And yet, SIBL's default loans are racing ahead: in the first three months of the year its default loans soared 11.70% to BDT 15.59 billion. The bank also failed to keep the required provisioning against its loans -- an indication that its financial health is wobbly. At the end of March, SIBL's provisioning shortfall was BDT 2.75 billion.

<https://www.thedailystar.net/business/news/record-loan-rescheduling-social-islami-bank-1772653>

Import growth 6.0% in July-May of FY'19

- Country's imports grew by nearly 6.0% in the first 11 months of fiscal year (FY) 2018-19, riding on higher construction material imports, officials said. The actual import in terms of the settlement of letters of credit (LCs) rose to USD 50.57 billion during the July-May period from USD 47.79 billion in the same period of FY '18, according to the central bank's latest data.

- Meanwhile, the import of intermediate goods like coal, hard coke, clinker and scrap vessel jumped by more than 35% to USD 5.23 billion during the period under review from USD 3.86 billion in the same period of FY '18. Building materials imported as intermediate goods for implementing projects, particularly mega schemes, pushed up import payments in 11 months of last fiscal, according to the BB official. Higher imports of petroleum products like liquefied natural gas also raised overall import spending during the same period. Imports of petroleum products increased by 16.08% to USD 3.44 billion in 11 months of FY '19 from USD 2.97 billion in the same period of FY '18. Talking to the FE, another BB official said the rising trend in fuel oil imports may continue for the diversified use of gasoline products, particularly for power generation.

<http://today.thefinancialexpress.com.bd/last-page/import-growth-60pc-in-july-may-of-fy-19-1563299033>

Export target to be 15% higher: Commerce Minister

- The government is likely to set a 15% higher export target for this fiscal year as it looks to hit USD 60 billion in receipts by 2021, said Commerce Minister yesterday. If the target is achieved Bangladesh's export will be USD 46.60 billion, up from USD 40.53 billion in the immediate past fiscal year that ended on June 30, according to data from the Export Promotion Bureau (EPB).

- Around 3 million tonnes of potatoes have been surplus this year in Bangladesh. We are also in talks with Malaysia and the Philippines to export potatoes, the commerce minister said. He is expecting good receipts from shipment of jute and jute goods as the demand for products made from natural fibres are on the rise around the world for growing environmental consciousness. Bangladesh wants to export garment items to Brazil and to some Eurasian countries. The minister also expects a massive export growth of leather and leather goods this year.

- Bangladesh's export to the main markets like Germany, the US and some Asian countries registered a significant growth in the immediate past fiscal year, said the additional secretary to the commerce ministry. The signing of FTA between Vietnam and the EU might not be a big threat for Bangladesh as the country has been enjoying the zero duty benefit to the EU till now. Bangladesh will continue to enjoy such benefit to the EU until 2027, he said.

<https://www.thedailystar.net/business/news/export-target-be-15pc-higher-munshi-1772656>

Bangladesh gets USD 6.21 billion foreign aid, USD 9.78 billion pledged in FY'19

- Bangladesh received foreign assistance amounting to USD 6.21 billion in the last fiscal year (FY), 2018-19, which was nearly USD 150 million lower than that of the previous fiscal, official data showed on Monday. In FY 18, the overseas development partners disbursed USD 6.37 billion as concessional medium- and long-term (MLT) assistance. According to the Economic Relations Division's (ERD) provisional data, the government received USD 5.94 billion as concessional loan and USD 256 million as grant from July 2018 to June 2019.

- Meanwhile, commitment worth USD 9.78 billion foreign assistance from different development partners, including the World Bank (WB), the Asian Development Bank (ADB) and the Japan International Cooperation Agency (JICA), was received in last FY, the ERD data showed. Out of the total commitment, the donors confirmed USD 6.85 billion as loan and USD 1.255 billion as grant in FY 19. The significant amount of commitment was recorded, as the government signed a big Overseas Development Assistance (ODA) package deal of USD 2.5 billion with Japan in June, said an official. In FY 18, the commitment was USD 12.27 billion, as the government signed some big loan deals with China and India.

<http://today.thefinancialexpress.com.bd/last-page/bd-gets-621b-foreign-aid-978b-pledged-in-fy-19-1563298915>

BSEC approves draft prospectus of new mutual fund and a non-convertible subordinate bond

- The securities regulator has approved the draft prospectus of an open-ended mutual fund, Capitec Popular Life Unit Fund, with an initial target size of BDT 250 million. Of the target size, sponsor-directors will provide BDT 50 million, while the remaining BDT 200 million will be collected from general investors by selling its units. The face value of each of the unit will be BDT 10. The Capitec Asset Management Ltd. will act as the asset manager of the fund while the ICB is acting as trustee and custodian of the fund and the Popular Life Insurance Company Ltd is the sponsor.
- At the meeting, the BSEC also approved a non-convertible subordinate bond worth BDT 5.0 billion in favor of Bank Asia. The purpose of the bond issue is to strengthen the capital base (Tier-11) of the company. The tenure of the bond will be seven years. Per unit price of the bond will be BDT 10 million. The Standard Chartered Bangladesh and the Green Delta Insurance Company will act as the lead arranger and trustee of the bond respectively.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-draft-prospectus-of-new-mutual-fund-1563293860>

The Executive Committee of the National Economic Council (ECNEC) okays eight projects at BDT 51.42 billion

- The Executive Committee of the National Economic Council (ECNEC) rejected a BDT 4.52-billion cost project to procure Diesel Electric Multiple Unit (DEMU) trains, as the trains are not functioning well. The ECNEC also turned down a BDT 1.20-billion project for construction of stadiums in six selected upazilas. The ECNEC meeting however approved eight other projects at a combined cost of BDT 51.42 billion. Of the total cost, BDT 41.29 billion will come from internal resources, while the rest BDT 10.12 billion as project assistance from the development partners, the planning secretary said.

<http://today.thefinancialexpress.com.bd/last-page/ecnec-okays-eight-projects-at-BDT-5142b-1563298787>

Bangladesh to earn double-digit slot in Ease of Doing Business (EODB) index by 2021

- The government has set target to reach within a double-digit position in the Ease of Doing Business (EODB) index, although Bangladesh has been almost in the same position over the past few years. The country was ranked 176 in the index in 2019, 177 in 2018, and 176 in 2017, according to the World Bank (WB), which prepares the ranking for 190 nations. Bangladesh's ranking was better earlier, as it was ranked 65 in 2006, and 88 in 2007. The ranking, created by Bulgarian economist Simeion Djankov, indicates business environment of a country. Its high ranking (a low empirical value) means the business environment is favorable, and low ranking (a high empirical value) means that the environment is bad.
- Adviser to the prime minister on private industry and investment affairs said a one-stop service will be operational within the next four to five months. It will connect the government agencies like the Bangladesh Economic Zones Authority (BEZA), the Bangladesh Export Processing Zones Authority (BEPZA), the Public Private Partnership (PPP) Authority, the Bangladesh Investment Development Authority (BIDA), and the Bangladesh Hi-Tech Park Authority (BHTPA). He also opined that Bangladesh's pharmaceutical export will also increase notably in future, as many local drug makers have registered them with the authorities concerned of various export destinations. An API (active pharmaceutical ingredients) park for producing pharma sector raw materials will also be set up.

<http://today.thefinancialexpress.com.bd/last-page/bd-to-earn-double-digit-slot-in-biz-index-by-2021-1563299090>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$57.61	-0.01	-0.02%
Crude Oil (Brent)*	\$64.50	+0.15	+0.23%
Gold Spot*	\$1,404.84	-1.39	-0.10%
DSEX	5124.45	+32.96	+0.65%
Dow Jones Industrial Average	27,335.63	-23.53	-0.09%
FTSE 100	7,577.20	+45.48	+0.60%
Nikkei 225	21,444.77	-90.48	-0.42%

Exchange Rates**USD 1 = BDT 84.46*****GBP 1 = BDT 104.86*****EUR 1 = BDT 94.71*****INR 1 = BDT 1.23***

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

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