

*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.*

### **Regulator rewrites IPO rules**

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved a number of amendments to public issue rules 2015, bringing some changes to the initial public offering (IPO) system. The lock-in period for placement shareholders was increased from one to two years. For alternative investment funds, it will be one year. Moreover, the lock-in period of sponsors of the issuer company will be counted from the date of commencement of trading. Previously it was from the prospectus issue date.
- Another change is that issuers would have to raise at least BDT 300 million or 10% of the paid-up capital, whichever is higher, when the company goes for IPO through the fixed-price method. If the company wants premium and goes for IPO under the book-building method, the issuers would have to raise at least BDT 750 million or 10% of the paid-up capital, whichever is higher. In the book building method, the eligible investors' quota has also been brought down to 50% from 60% and general investors' quota (excluding non-resident Bangladeshis) raised to 40% from 30%.
- For fixed price method, the quota for eligible investors has been cut to 30% from 40% while general investors' quota (excluding NRBs) enhanced to 50% from 40%. Moreover, eligible investors would have to keep a certain amount of investment in the secondary market to enjoy quota advantages in an IPO lottery. The BSEC will set the amount in the consent letter of every IPO. During bidding under the book-building method, bidders will get shares at their bidding price and the amount demanded. The bidder must buy the amount of shares at the quoted price.

<https://www.thedailystar.net/business/news/regulator-rewrites-ipo-rules-1773235>

### **The Dhaka Stock Exchange (DSE) rearranges DS30 Index**

- The Dhaka Stock Exchange (DSE) has rearranged its blue chip index (DS30) as part of its semi-annual rebalancing of indices. After the rebalancing of DS30, carried out as per the criteria set by S&P Dow Jones Indices, the prime bourse will add five new companies to the DS30 index, a list of blue-chip companies, replacing five existing companies, with effect from July 21.
- The five new companies are Islami Bank Bangladesh, The ACME Laboratories, Meghna Petroleum, Active Fine Chemicals and Bangladesh Submarine Cable Company, said a DSE statement on Wednesday. At the same time, five companies will be dropped from the DS30 as they failed to meet regulatory criteria. The companies are Pubali Bank, Padma Oil Company, BSRM Steels, RAK Ceramics (BD) and ACI Limited.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-rearranges-ds30-index-1563380423>

### **Strong financial sector key to sustainable growth: Asian Development Bank (ADB) country director**

- Bangladesh should put emphasis on building a strong financial sector in order to ensure macroeconomic stability, increase efficiency and liquidity of markets, draw investment and deepen economic integration, the Asian Development Bank's Bangladesh chief said. Domestically, it helps to improve financial sector stability, increase the efficiency and liquidity of markets, and strengthen the regulatory environment, he added.
- The ADB's active portfolio in Bangladesh is more than USD 10 billion with 54 projects. The transport and energy sectors constitute about 55% of the portfolio amount. Last year, Bangladesh topped the list of countries in terms of commitments and approvals for funds, including co-financing, from the lender. The ADB had a record lending for Bangladesh and approved USD 5 billion worth of programmes in 2018, of which USD 2.5 billion came from its own coffer and another USD 2.5 billion in co-financing.
- He said the global economic outlook is challenging and a moderate growth is expected across most of developing Asia at 5.7% in 2019 and 5.6% in 2020. However, South Asia will buck this trend growing at 6.8% in 2019 and 6.9% in 2020, he said. Bangladesh will stand out by growing at record 8% in 2019 and 2020, making it the fastest growing economy in Asia-Pacific, he also said. ADB's priority areas for support in Bangladesh include energy, transport, urban infrastructure and water supply and sanitation, education, agriculture and natural resources and financial sectors.
- The ADB is involved in the capital market development and is helping in strengthening the capital markets to better support the real economy and build much-needed infrastructure. It has so far approved USD 630 million for capital market development. The ADB is also going to help the government develop a bond market. He said things are well within control for Bangladesh. Inflation is in control; remittances are growing and domestic consumption has been good. The fundamentals are actually good, he kept saying.

<https://www.thedailystar.net/business/news/strong-financial-sector-key-sustainable-growth-1773256>

<http://thefinancialexpress.com.bd/economy/robust-financial-sector-can-be-fourth-driver-of-bd-economy-adb-1563369086>

### **No fresh no-objection certificates (NOC) for GP, Robi**

- Mobile operators Grameenphone and Robi will not get fresh 'no-objection certificates (NOCs)' until they pay audit claim dues to the government. The operators will not be able to purchase and import new equipment and get approval for new packages after the new decision takes effect. However, bandwidth restrictions on the two leading local telecom operators as a pressing measure to collect dues will go by Wednesday night.
- Terming the audit claims disputed, both operators were urging BTRC to settle the issue through arbitration. But BTRC says there is no scope to go to arbitration as per existing law over realizing dues from them. As per a BTRC audit claim, GP has BDT 125.79 billion in dues to the government, including BDT 40.85 billion to the National Board of Revenue (NBR). Robi has BDT 86.72 billion to the government, including BDT 19.72 billion to NBR.
- Reacting to new decisions, Robi Axiata chief corporate and regulatory officer said non-issuance of NOC as a replacement for bandwidth reduction will only mount sufferings for customers. He said companies like network partner, NTTN operators and ICT firms who are integral to the telecom sector would be adversely affected by this decision.
- BTRC managing director (spectrum) said once the regulator stops NOC issuance, GP and Robi would be unable to import telecom equipment and instruments, and install base transceiver stations. The two operators will not get approval for new packages from the regulator following the decision, he added.

<http://today.thefinancialexpress.com.bd/last-page/no-fresh-nocs-for-gp-robi-1563385619>  
<https://www.thedailystar.net/business/news/no-noc-gp-robi-until-dues-cleared-1773238>  
[http://www.newagebd.com/files/records/news/201907/78792\\_134.jpg](http://www.newagebd.com/files/records/news/201907/78792_134.jpg)  
<https://www.dhakatribune.com/business/2019/07/17/btrc-taking-hard-line-against-gp-robi-over-dues>

### **Bangladesh Securities and Exchange Commission (BSEC) revises auditors' panel for listed companies**

- The securities regulator on Tuesday approved and published the revised auditors' panel list for the listed companies, dropping Ahmad & Akhtar Chartered Accountants from the list. According to the revised list, 39 chartered accountants firms are now eligible for auditing financial statements of the listed securities. The BSEC has now revised the list, dropping one firm, as the Institute of Chartered Accountants of Bangladesh (ICAB) has recently decided not to renew the license of Kanchi Lal Das, managing partner of Ahmad & Akhtar Chartered Accountants. The ICAB took such a decision as Kanchi Lal Das refused to cooperate with the ICAB in reviewing the financial report of Coppertech Industries, which has filed for listing on the Dhaka Stock Exchange.

<http://today.thefinancialexpress.com.bd/stock-corporate/bsec-revises-auditors-panel-for-listed-companies-1563380348>

### **The Asian Development Bank (ADB) offers loan product for new public-private partnership (PPP) projects**

- The Asian Development Bank (ADB) has offered a new lending product for Bangladesh in the public-private partnership (PPP) sector to make related projects attractive to investors, sources said. Under the loan product, they said, the Manila-based lending agency will act as the guarantor of its interested PPP projects for covering risks including credit ones. The guarantee will ensure the certainty of cash flow from market financial sources, resulting in lowering the interest rate, they added. Though the similar product was also offered by the World Bank for the PPP sector, official sources, said it is still at initial stage.
- According to the PPP Authority, the ADB's risk guarantee product will cover transfer restriction, expropriation, political violence and breach of contract while credit risk covers commercial and political risks. The debt funding requirement would be between USD 800 million and USD 920 million.

<http://today.thefinancialexpress.com.bd/trade-market/adb-offers-loan-product-for-new-ppp-projects-1563380838>

### **Dhaka eyes one-fourth of LNG (liquefied natural gas) imports from spot market**

- Bangladesh has moved to import one fourth of its total LNG (liquefied natural gas) requirement from spot market to reap the benefits of a downtrend in global LNG prices. We're working to ensure LNG imports from spot market within months, a senior official of energy and mineral resources division said.
- Officials said imported LNG is regasified at an FSRU (floating, storage, regasification unit) before it is added to the national grid. Petrobangla imported under term deals within the range from around USD 8.5 per MMBtu (metric million British thermal unit) to USD 10 per MMBtu during the period. But market insiders said Asian spot prices for LNG have

dropped drastically for a global supply glut. The Platts JKM, which represents the prices of spot cargoes delivered to northeast Asia, averaged around USD 4.93 per MMBtu in the second quarter of 2019. It is down from USD 8.26 per MMBtu a year ago, they added. Two FSRUs, owned by US-based Exceleerate Energy and local Summit Group, together regasified around 573 million cubic feet per day (mmcf) as of July 16. A senior Petrobangla official said both have the capacity to regasify around 1,000 mmcf in total.

<http://today.thefinancialexpress.com.bd/last-page/dhaka-eyes-one-fourth-of-Ing-imports-from-spot-market-1563385384>

### Amazon seeks easier process for taking goods from Bangladesh

- Amazon, a US-based e-commerce platform, on Wednesday requested the government to ease process so that the platform could source goods from the country's small entrepreneurs to its warehouses in US and Europe. Amazon proposed for easing the procedural requirements so that the small entrepreneurs could send products directly to the entity's warehouses, he said. He said that the selling goods to global online platforms like Amazon would help doubling the country's export earnings by 2030.
- The state minister for information and communication technology said that he would discuss the proposal with the prime minister's ICT affairs adviser at a meeting scheduled for Thursday.

<http://www.newagebd.net/article/78794/amazon-seeks-easier-process-for-taking-goods-from-bangladesh>  
<https://www.dhakatribune.com/business/commerce/2019/07/17/amazon-wants-to-source-products-from-bangladesh-under-a-new-business-model>

### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.84	+0.06	+0.11%
Crude Oil (Brent)*	\$63.86	+0.20	+0.31%
Gold Spot*	\$1,423.21	-3.36	-0.24%
DSEX	5,133.14	+8.69	+0.17%
Dow Jones Industrial Average	27,219.85	-115.78	-0.42%
FTSE 100	7,535.46	-41.74	-0.55%
Nikkei 225	21,105.70	-363.48	-1.69%

### Exchange Rates

USD 1 = BDT 84.45\*  
 GBP 1 = BDT 105.08\*  
 EUR 1 = BDT 94.96\*  
 INR 1 = BDT 1.23\*

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

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