

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.

### **Higher NPLs hit asset quality of banks: Central Bank**

- Higher classified loans in public banks in the recent years remain a concern for the banking sector from financial stability perspective, the central bank said. It also said asset quality for the country's private commercial banks (PCBs) has slightly deteriorated mainly due to higher non-performing loan (NPL).
- The gross NPL ratio in the banking sector increased to 9.3% in the calendar year (CY) 2017 from 9.2% a year before, according to the Financial Stability Report (FSR) 2017, released on Monday. According to Bangladesh Bank inadequate due diligence in credit management is one of the key reasons for persistent high NPL in few banks
- The gross NPL ratios of all groups of banks except foreign commercial banks (FCBs) and specialised development banks (SDBs), generally known as specialised banks (SBs) went up between end-December 2016 and end-December 2017. Asset quality deteriorated for private commercial banks (PCBs) as their gross NPL ratio increased to 4.9% in CY 17 from 4.6% in the previous calendar year.

<http://today.thefinancialexpress.com.bd/first-page/higher-npls-hit-asset-quality-of-banks-1532972393>  
<https://www.thedailystar.net/business/banking/state-banks-escalating-bad-loans-threat-bb-report-1613758>

### **Bangladesh Bank (BB) bars mobile companies from holding stake in MFS companies**

- Bangladesh Bank on Monday issued a set of regulations on mobile financial services, barring mobile phone companies from holding any stake in an MFS providing company. The new Bangladesh Mobile Financial Services (MFS) Regulations, 2018 replaced the previously issued guidelines titled 'Mobile Financial Services for the Banks', said a BB circular issued on Monday, adding that the new regulations would come into effect immediately.
- The provision of allowing mobile phone operators in the MFS business was scrapped in an anticipation of conflict of interest between the BB and telecom regulator Bangladesh Telecommunication Regulatory Commission, BB officials said. They also said that suspicion of conflict of interest in providing MFS services by mobile operators was among the other reasons for the central bank's decision. The existing MFS providers would be allowed to continue business with the existing licences, while formation of a subsidiary has been made mandatory for getting new licenses.
- Apart from the parent bank, banks, non-banking financial institutions, non-government organisations, investment and fintech companies, experience of working in financial market, excepting mobile network operators, would be allowed to become shareholder in a MFS entity. Any bank or a non bank, however, would be allowed to hold equity in only one MFS providing subsidiary. The existing MFS providers will be monitored for 12 months after the issuance of the regulations and the existing non-performing MFS might face licence cancellation if it seems appropriate to the central bank.

<http://www.newagebd.net/article/47276/bb-bars-mobile-cos-from-holding-stake-in-mfs-cos>

### **Bangladesh Bank (BB) unveils H1 monetary policy today**

- The central bank unveils its first-half (H1) yearly monetary policy today (Tuesday) aiming to achieve maximum economic growth by boosting investments in productive sectors. Bangladesh Bank (BB) governor Fazle Kabir will announce the monetary policy statement (MPS) for July-December period of the fiscal year (FY), 2018-19.
- The policy will help real sectors achieve sustainable economic growth while fighting inflation. According to the officials of Central Bank, the central bank has formulated the growth-supportive monetary policy giving top priority to investment through increasing credit flow, especially in the real economic sectors. BB will facilitate credit flow to the productive sectors for achieving 7.8% GDP (gross domestic product) growth by the end of this fiscal.
- The central bank has prepared the policy blueprint considering the upward trend in prices of petroleum products in the global market, and possible rising inflationary pressure, they explained.
- Meanwhile, the inflation as measured by consumers' price index (CPI) rose to 5.78% in the FY'18 on annual average basis from 5.44% a year ago, according to the Bangladesh Bureau of Statistics (BBS) data. Food inflation stood at 7.13% in the FY'18 as compared to 6.02% in the previous fiscal. The government had set the inflation target at 5.6% for the FY'19.

<http://today.thefinancialexpress.com.bd/first-page/bb-unveils-h1-monetary-policy-today-1532972612>

### **Study suggests more perks for SEZs in lagging regions**

- The Special Economic Zones (SEZs) located in the country's rather backward regions need more lucrative incentive packages compared to the SEZs in the developed areas to attract investors, a study opined. The investors will be able to overcome locational disadvantages, if the government offers more attractive incentives for them, it also suggested.
- The Center on Budget and Policy of Department of Development Studies of University of Dhaka conducted the study with the support of UKaid and Asia Foundation. The study has also found that accommodating the small and medium enterprises (SMEs) in the SEZs is a challenge for the government.
- The study suggested implementing the planned 100 SEZs by the government in phases, terming it a 'practical option'. Connectivity of the SEZs in the lagging regions with the economic corridors and well-functioning infrastructure should be considered seriously, it said.
- The researchers of the study opined that utilising the SEZ policies for balanced regional development will need analytical policy work, for which Bangladesh currently lacks sufficient and good quality data.

<http://today.thefinancialexpress.com.bd/last-page/study-suggests-more-perks-for-sezs-in-lagging-regions-1532972944>

### **Government mulls coal import from Australia, South Africa, Indonesia**

- The government is considering coal import from Australia, South Africa and Indonesia to re-initiate electricity generation from Barapukuria coal-fired power plant and resolve existing 'voltage' problem in northern region, said officials.
- Electricity supply situation in the country's northern region has been facing a major setback from last week as all the three units of Barapukuria thermal power plant having total capacity of 525 megawatt (MW) remained closed due to coal scarcity. The 'missing' of around 142,000 tonnes of coal stock worth around BDT 2.27 billion from the BCMCL's coal storage yard a couple of weeks back pushed suspension of operation of the Barapukuria coal-fired power plant to uncertainty. State-run Barapukuria Coal Mining Company Ltd (BCMCL) could detect this anomaly only a couple of weeks back when it initiated to assess the overall coal stock in the yard.
- Officials said, the BCMCL coal storage yard should have a stock of around 142,000 tonnes of coal now according to its extraction and sells report. Existing market price of coal is BDT 16,000 a tonne, they said.
- The coal production of BCMCL remained suspended for more than a month as the equipment and machinery is being shifted from one coalface underground to another.

<http://today.thefinancialexpress.com.bd/last-page/govt-mulls-coal-import-from-australia-s-africa-indonesia-1532973188>

### **Aman Cotton Fibrous to make debut August 06**

- Aman Cotton Fibrous Ltd is set to make its share trading debut on stock exchanges on August 06 (Monday) under "N" category, officials said. Aman Cotton floated a total of 20.83 million ordinary shares and raised a fund worth BDT 800 million from the capital market under the book-building method.
- Of the total 20.83 million shares, 12.50 million were issued to the eligible investors at the cut-off price of BDT 40 each, which was set by the eligible investors through electronic bidding in November last year. Remaining 8.33 million shares were issued to the general public, including affected small investors and non-resident Bangladeshis, at 10 % discount on the cut-off price, meaning they received each share at BDT 36.
- The initial public offering (IPO) subscription of the company was held between June 3 and June 10. Total subscription received from resident Bangladeshis, affected small investors and non-resident Bangladeshis is BDT 3.49 billion against the public issue of BDT 300 million, which is oversubscribed by 11.64 times. Aman Cotton will use the IPO fund to buy machinery, repay bank loans and meet the IPO expenses.

<http://today.thefinancialexpress.com.bd/stock-corporate/aman-cotton-fibrous-to-make-debut-aug-06-1532968132>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change</b>	<b>% Change</b>
Crude Oil (WTI)*	\$69.77	-0.36	-0.51%
Crude Oil (Brent)*	\$74.62	-0.35	-0.47%
Gold Spot*	\$1,220.05	-1.40	-0.11%
DSEX	5262.91	-17.16	-0.32%
Dow Jones Industrial Average	25,306.83	-144.23	-0.57%
FTSE 100	7,700.85	-0.46	-0.01%
Nikkei 225	22,455.21	-89.63	-0.40%

**Exchange Rates**

USD 1 = BDT 84.23\*  
GBP 1 = BDT 110.53\*  
EUR 1 = BDT 98.61\*  
INR 1 = BDT 1.23\*

*\*Currencies and Commodities are taken from Bloomberg.*

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