

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.

High Court (HC) clears Bangladesh Bank (BB)'s special facility for defaulters

- The High Court on Sunday cleared the Bangladesh Bank (BB) circular offering special facility for the defaulting borrowers and ordered the issuance of a circular extending its time for another 90 days to facilitate submission of fresh applications. While disposing of the rule issued on a writ, the HC also asked the BB to constitute a nine-member committee comprising banking experts to find out the loopholes in loan sanctioning process. The court, however, said the defaulters availing the special facility will have to follow the master circular of the central bank issued in 2012 in the case of other loans.
- According to the circular, defaulters must pay at least 15% of the "outstanding balance" to avail the rescheduling facility and fresh credit facility from banks. The court, however, laid emphasis on efforts to bring the lending rates to single-digit, saying due to high interest rate, borrowers are facing difficulty.

<https://today.thefinancialexpress.com.bd/first-page/hc-clears-bbs-spl-facility-for-defaulters-1572802453>
<https://www.thedailystar.net/business/news/bb-asked-form-committee-find-out-loopholes-lending-loans-recovery-1822552>

Incentive pushes remittance 20.5% up in July-October

- Remittance inflow rose by 20.41% year-on-year in July-October of the fiscal year 2019-2020 amid a sharp growth in remittance receipts in last couple of months as the government started giving incentive to the beneficiaries against remittance. In the four months of the current fiscal year, the country received USD 6.15 billion, up USD 1.04 billion on USD 5.11 billion in the same period of the previous fiscal year.
- In last two months of FY20, the country's remittance inflow grew by 28.85% and 32.32% respectively. Remittance flow rose by USD 328 million to USD 1.47 billion in September this year from USD 1.14 billion in the same month last year. In October, the inflow of remittance increased to USD 1.64 billion, up USD 400 million on USD 1.24 billion in the same month of FY19.
- In line with the government's budgetary announcement, the central bank on August 6 this year issued guidelines on issuing incentive against inward remittance to encourage repatriation of earnings of the expatriates through legal channel, setting July 1, 2019 as the effective date. Following requests from the BB, the finance ministry in October 2, three-months after the budgetary announcement, released BDT 15.3 billion for six months. Another BDT 15.3 billion out of the government's BDT 30.6 billion in budgetary allocation for FY20 to give incentive to the beneficiaries of remittances would be released later.
- In FY19, remittance inflow hit record USD 16.4 billion, breaking the previous highest of USD 15.32 billion in FY15. The inflow of remittance in FY19 was 9.48% or USD 1.42 billion higher than the amount received in FY18, USD 14.98 billion.

<http://www.newagebd.net/article/89685/incentive-pushes-remittance-205pc-up-in-july-oct>

Not fund crisis, poor governance depresses stocks: Centre for Policy Dialogue (CPD)

- Fund crisis is not the main problem for the capital market but lack of good governance and structural weaknesses of institutions are, the Centre for Policy Dialogue (CPD) said yesterday. The CPD identified five issues that are weakening the markets: poor-quality initial public offerings (IPO), anomalies in financial reporting, lack of transparency in beneficiary owner's (BO) accounts, suspicious trading in secondary market and questionable role of institutional investors.
- The lack of good governance and structural institutionalization is fueling a crisis in the stock market, so when the government provides liquidity support the index rises temporarily but not for long, said a research director of the CPD. However, a permanent or sustainable solution from the government never comes by, so the stock market is still suffering, he said.
- Many listed companies' dividends fell and some failed to provide any dividend also. On the other hand, junk stocks were jumping abnormally, but no effective steps were taken against them from the regulator, the research director pointed out. Institutional investors' transactions sometimes create instability in the market. As institutional investors hold almost 60% of the shares in the market, they need to behave in a stable manner. Crisis between Grameenphone and the Bangladesh Telecommunication Regulatory Commission was also a reason of the market's slide. About the lack of quality IPOs, he said a number of IPOs have been approved by the BSEC whose stock price rose in the first few days and then plummeted to a very low level. Sometimes they went below the offer price. So, it raises the question

of what kind of companies they are and whether they were properly scrutinized by the Dhaka Stock Exchange, Chittagong Stock Exchange and the BSEC.

- Overall, the CPD's suggestion was to increase investment in the market, be strict with market surveillance, ensure a strong bond market, get the Chinese investors to meet their commitments, strengthen the role of central depository of Bangladesh and implement laws.

<https://www.thedailystar.net/business/news/not-fund-crisis-poor-governance-depresses-stocks-cpd-1822867>

Economy thriving on 'mega projects': Centre for Policy Dialogue (CPD) warns as private investment flow stagnates

- The country's macro-economy is now dependent on public investment meant for building mega projects, said local think-tank Centre for Policy Dialogue, or CPD, on Sunday. The CPD said such type of economic management has weak relation to private investment, revenue mobilization, monetary policy and even trade policy.

- A distinguished fellow of the CPD said private investment has stagnated at around 23% for years but the economy is expanding fast. Also, the private sector credit growth dipped to a record low in August, he said. Expressing concern over the budget implementation, the CPD said the government should focus immediately on four areas: revenue mobilization, banking sector, capital market and balance of payment, or BoP. The CPD noted that for the first time since fiscal year 2010 the growth of exports in the first quarter turned negative.

- Another distinguished fellow of the CPD, said for the first time since 2011, the overall balance of payment (BoP) of the country was negative in FY'18 (USD857 million). For the first two months of FY'20, it was USD 139 million, which was USD 156 million in the same period of FY'19. He said export also witnessed a negative growth during the first three months of the FY'20, which is worrisome. The early signals during FY'20 also indicate continuation of these trends. If all these trends continue over the rest of FY'20, the overall balance, forex resources and exchange rate will come under increasing pressure.

<https://today.thefinancialexpress.com.bd/first-page/economy-thriving-on-mega-projects-1572802398>

<http://www.newagebd.net/article/89683/macro-economy-under-severe-pressure-cpd>

<https://www.thedailystar.net/business/news/bangladesh-economy-under-stress-cpd-1822543>

World Bank (WB) to prepare next country partnership framework (CPF) for Bangladesh from January

- World Bank Country Director on Sunday said the bank is going to prepare a four-year country partnership framework (CPF) for Bangladesh from January, 2020. From January 2020, we are going to start preparing next country partnership framework for four years. That is where we will determine exactly where the money will go, she said.

- Welcoming the delegation, Finance Minister said the country maintained a higher growth rate of over 8.0% and it is expected to grow more than 10% from 2024.

<https://today.thefinancialexpress.com.bd/first-page/wb-to-prepare-next-cpf-for-bangladesh-from-jan-1572802696>

Oppo opens local plant

- Chinese handset maker Oppo is all set to launch its "Made in Bangladesh" smartphones in the local market this month as its mobile assembly plant goes into commercial production. This will allow local consumers to buy Oppo devices at reasonable prices and strengthen the Chinese company's foothold in the fast-growing market. The company has targeted to assemble one million devices per annum. Oppo is the third Chinese company to have set up mobile manufacturing plant in Bangladesh, following in footsteps of Transsion and Vivo.

- Bangladesh's recent economic progress and the growth forecast has brought Oppo to Bangladesh and set up the plant, said Damon Yang, managing director of the company's local operations. The increase in tax on the imports of smartphones in the current budget to 57% from 32% acted as a catalyst in pushing the Chinese company to set up the plant, an employee of the company said. Earlier in the fiscal 2016-17, the government formulated the tax policy on setting up mobile assembling plants after bringing down the cost of raw materials to 1%, from as high as 96% in some cases, and increasing the tax on imports gradually.

<https://www.thedailystar.net/business/news/oppo-opens-local-plant-1822858>

Insider trading by Ring Shine sponsor: Prime bourse smells a rat

- The country's premier bourse has decided to urge the securities regulator to look into the alleged involvement of a sponsor of the Ring Shine Textiles with another company. The Dhaka Stock Exchange (DSE) took the decision on

Sunday at a board meeting.

• According to DSE officials, a sponsor (chairman) of the Ring Shine Textiles is also the managing director of another company which purchased placement shares at first one (Ring Shine Textiles). As a result, the sponsor of the Ring Shine Textiles is an insider. And the non-listed company can resort to take undue facilities at this, the DSE official said.

<https://today.thefinancialexpress.com.bd/stock-corporate/prime-bourse-smells-a-rat-1572801516>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.95	-0.25	-0.44%
Crude Oil (Brent)*	\$61.38	-0.31	-0.50%
Gold Spot*	\$1,512.82	-1.52	-0.10%
DSEX	4,712.09	+29.19	+0.62%
Dow Jones Industrial Average	27,347.36	+301.13	+1.11%
FTSE 100	7,302.42	+54.04	+0.75%
Nikkei 225	22,850.77	-76.27	-0.33%
BSE SENSEX	40,281.15	+116.12	+0.29%

Exchange Rates

USD 1 = BDT 84.59*

GBP 1 = BDT 109.45*

EUR 1 = BDT 94.51*

INR 1 = BDT 1.20*

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

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Deputy Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Ahmed Zaki Khan	Research Associate	zaki.khan@bracepl.com	01708 805 211
Md. Rafiqul Islam	Research Associate	mrafiquislam@bracepl.com	01708 805 229
Md. Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
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BRAC EPL Research www.bracepl.com

121/B Gulshan Avenue
Gulshan-2, Dhaka
Phone: +880 2 881 9421-5
Fax: +880 2 881 9426
E-Mail: research@bracepl.com