

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.

Savings certificates: Automation cuts sales 60%

- With sales sliding by nearly 60%, the government measures intended to contain transactions of savings instruments have started making an impact. The sales of four popular savings instruments during the July-September period last was BDT 90 billion, a 59.4% decline over the same period a year earlier. The sales during July-September in 2018 accounted for BDT 222.56 billion, according to the Department of National Savings (DNS).
- Economists fear the poor sales of the instruments will exert pressure on the banking sector since revenue mobilization remains sluggish. The revenue collection growth was merely 3.35% during July-August period in 2019 over the same period a year earlier. The fiscal year's target is BDT 3.25 trillion. The economists also said the crowding-out effect may happen if the government borrowing from the banking system increases significantly to fund its hefty budget. A former lead economist of the World Bank in Dhaka said the government up to the third week of October of this fiscal year borrowed over BDT 300 billion against its annual projection of BDT 470 billion from the source.

<https://thefinancialexpress.com.bd/economy/savings-certificates-automation-cuts-sales-60pc-1572061761>

Mobile Financial Services (MFS) transactions grow by 13.7% in July-Sept

- Money transactions through mobile financial services (MFS) grew by 13.69% or BDT 130.6 billion year-on-year in the July-September period of the current fiscal year 2019-2020 as the MFS operators focused on making the service more convenient for clients. As per the Bangladesh Bank data, transactions through MFS increased to BDT 1,084.2 billion in July-September of FY20 against BDT 953.6 billion in the same period of FY19.
- In July-September, 2019, the number of transactions increased to 644.0 million from 593.8 million in the same period of the year 2018. The daily average transaction through MFS increased by 17.46% or BDT 1.7 billion year-on-year in the first three months of FY20. In July-September of FY20, the daily average transaction increased to BDT 11.8 billion from BDT 10.1 billion in the same period of FY19. The number of daily average transaction rose by 3.11% or 0.2 million at the end of September of the current fiscal year compared with that of in the same period of the last fiscal year. At the end of September this year, the number of daily average transaction increased to 7.1 million from 6.9 million daily transaction at the end of September, 2018. The number of active MFS subscribers grew by 9.34% or 2.9 million to 34.4 million at the end of September, 2019 from 31.5 million at the end of September last year.

<http://www.newagebd.net/article/88762/transactions-grow-by-137pc-in-july-sept>

Court asks how much Grameenphone can pay now

- The Appellate Division on Thursday wanted to know how much Grameenphone could pay now to Bangladesh Telecommunication Regulatory Commission (BTRC) from its BDT 125.79-billion dues. The apex court asked the lawyers of the mobile operator to inform the court of the amount by October 31. At the same time, it adjourned the hearing on the telecoms regulator's petition until that date.
- On October 17, the HC granted the injunction after admitting a GP appeal challenging a lower court order that rejected its application seeking a directive to BTRC not to realize the dues and harass GP. The BTRC petition sought a stay on a High Court (HC) order that issued an ad-interim injunction for two months against the realization of the dues.

<http://today.thefinancialexpress.com.bd/first-page/court-asks-how-much-gp-can-pay-now-1571939414?date=25-10-2019>

<https://www.dhakatribune.com/business/2019/10/24/hc-asks-gp-to-inform-payment-capacity-on-audit-claim>

<https://www.thedailystar.net/backpage/news/state-vs-gp-robi-out-court-settlement-suffer-delay-1818337>

<http://www.newagebd.net/article/88671/ad-wants-to-know-how-much-gp-can-keep-as-deposit-with-btrc>

Bangladesh telecoms pay 3rd highest spectrum fee in South & South-East Asia: Moody's

- Among South and Southeast Asian countries, Bangladesh's mobile phone operators have been paying the third highest spectrum charge in last 10 years, said a sector in-depth report of global rating agency Moody's Investment Service.
- In Bangladesh, telecom operators have paid 7% of their aggregated revenue for spectrum charge. Indian mobile phone operators have paid the highest (7.6%) of their aggregated revenue as spectrum charge. The second highest spectrum charge was paid by the telecom operators in Thailand — 7.3% of their revenue. However, the spectrum payment terms are operator-friendly, said the Moody's report, adding that the telecommunication companies in Thailand, India and Bangladesh pay between 25% and 50% of the total amount upfront, with the option to pay the rest

over three to 10 years.

<http://www.newagebd.net/article/88881/bangladesh-telcos-pay-3rd-highest-spectrum-fee-in-s-se-asia-moodys>

Bangladesh moves up eight spots in ease of doing business index

• Bangladesh has moved up eight spots to 168 in the World Bank's Ease of Doing Business index 2020. The country's ranking was 176 in the last year, according to a report by the World Bank Group. A total of 190 countries have been ranked in the global lender's latest index. According to the World Bank Group, Bangladesh is among the 20 economies that have seen progress in at least three out of ten areas of the ease of doing business for the last year. Bangladesh has so far made 15 reforms since the inception of the Doing Business study in 2003/04, but still lags behind other economies in South Asia.

<https://thefinancialexpress.com.bd/economy/bd-moves-up-eight-spots-in-ease-of-doing-business-index-1571892134>
<https://www.dhakatribune.com/business/2019/10/24/bangladesh-moves-up-8-spot-in-ease-of-doing-business-index>
<https://www.thedailystar.net/frontpage/news/bangladesh-snags-its-highest-ranking-yet-1818349>

Dhaka Stock Exchange (DSE) to form expert panel to check IPO prospectuses

• The securities regulator has advised the country's premier bourse to form an expert panel to scrutinize the upcoming initial public offerings (IPO) prospectus properly. The Bangladesh Securities and Exchange Commission (BSEC) chairman advised the board of directors of the DSE to form the expert panel to assess the IPO prospectus of companies seeking to float IPOs, said a DSE statement. The securities regulator also assured that the commission will give approval to the IPO of a company if the Dhaka Stock Exchange (DSE) expert panel would be satisfied with the company's financial statements. The BSEC came up with the decision after huge criticisms from different quarters that the BSEC approved weak companies IPO ignoring DSE's reservations about the companies' IPOs.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-to-form-expert-panel-to-check-ipo-prospectuses-1572021146?date=26-10-2019>
<https://www.dhakatribune.com/business/stock/2019/10/24/dse-to-form-expert-panel-to-scrutinize-ipo-prospectus>
<http://www.newagebd.net/article/88675/bsec-agrees-to-give-dse-more-power-to-scrutinise-ipos>

London Stock Exchange: USD 1 billion taka bond debuts Nov 11

• A USD 1 billion taka-linked bond is set to be floated on the London Stock Exchange on November 11 as the government looks to mobilize the hordes of expatriate Bangladeshis the world over towards nation building and also draw in foreign investors.

• The bond will be backed by the International Finance Corporation (IFC), which has been working with the government for four years. Proceeds from longer tenure bonds could be utilized in infrastructure projects within Bangladesh, it said.

• The primary objective of the bond issuance is to mobilize capital to fund IFC investments in projects in the country. This will be done by converting the dollar proceeds of the bonds into taka and then using the resulting taka funds to provide financing for projects in Bangladesh.

<https://www.thedailystar.net/business/news/1b-taka-bond-debuts-nov-11-1819294>
<https://today.thefinancialexpress.com.bd/first-page/taka-bond-ready-to-raise-10m-from-london-mkt-1572107479>

Government plans USD 500 million infrastructure fund

• The government is planning to create a USD 500 million infrastructure fund to ease financing of projects under the public private partnership programme. The proposed fund will primarily be financed by the private sector with the initial seed money worth USD 100 million or 20% of the total funds to be availed from government sources.

• The Prime Minister's Office has already formed a committee, headed by PMO director, to make recommendations on the creation of the infrastructure fund and introduction of stapled financing as an effective financing solution for PPP projects. According to a concept note titled the National Infrastructure Fund — A Public Private Funding Initiative, prepared by the Public Private Partnership Authority under the PMO, the fund will raise long-term capital from private investors while the government will support the fund's structural framework, seed capital, risk guarantees and regulatory support, including investor incentives.

• The PPPA has already developed a pipeline of more than BDT 487 billion of PPP projects in addition to the already awarded projects worth BDT 250 billion. The total amount accounted for more than 10% of Bangladesh's total banking advances and it would be very hard for local banks to finance these long-term projects, they said.

<http://www.newagebd.net/article/88879/government-plans-500m-infrastructure-fund>

Matarbari to host deep seaport

- The government is set to build Matarbari deep seaport, near Cox's Bazar, with funding from Japan, officials said. The officials said the port will be set up to handle large ocean-going ships, cargoes and oil tankers as the Chittagong port is unable to accommodate those due to its lower draft. The capacity of the proposed port will be two-three times higher than that of Bangladesh's largest seaport in Chittagong, they said
- The Chittagong Port Authority has taken up a BDT 185.80 billion project for constructing the multi-purpose port at Matarbari to be financed by the Japan International Cooperation Agency (JICA). The JICA is also helping Bangladesh set up a 1,200-megawatt (MW) coal-fired power plant and a modern township at Matarbari. The port authority has recently sought approval from the Planning Commission for the Matarbari project on the Maheshkhali Island in the Bay of Bengal. Out of the total cost, the JICA has assured the government of providing BDT 132.53 billion (USD1.55 billion) in loans while the rest will Bangladesh's internal resources.
- A port official said the authorities will start construction of the port as soon as it gets the Commission's approval. The project is scheduled for completion by June 2026.

<http://today.thefinancialexpress.com.bd/first-page/matarbari-to-host-deep-seaport-1572024880?date=26-10-2019>

Leather goods export stagnant on compliance crisis

- Export of leather goods has failed to match the growth the garment sector has achieved due to a lack of compliance and reluctance to adopt latest fashion trends, a top official of an exporters' platform said yesterday. Shipment of footwear and other leather goods brought USD 1.04 billion in 2018-19. Of it, footwear bagged USD 608 million, up from USD 565 million a year ago, leather goods USD 249 million and finished leather USD 187 million.
- President of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) said leather goods and footwear comprise 83% of their exports while finished leather the remaining 17%, which was the opposite just 12 years ago.

<https://www.thedailystar.net/business/news/leather-goods-export-stagnant-compliance-crisis-1818457>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.66	+0.43	+0.76%
Crude Oil (Brent)*	\$62.02	+0.35	+0.57%
Gold Spot*	\$1,504.63	+0.65	+0.04%
DSEX	4,772.00	+45.38	+0.96%
Dow Jones Industrial Average	26,958.06	+152.53	+0.57%
FTSE 100	7,324.47	-3.78	-0.05%
Nikkei 225	22,799.81	+49.21	+0.22%
BSE SENSEX	39,058.06	+37.67	+0.10%

Exchange Rates

USD 1 = BDT 84.75*
GBP 1 = BDT 108.71*
EUR 1 = BDT 93.91*
INR 1 = BDT 1.20*

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

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