

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.

DBH 1st Mutual Fund, Green Delta Mutual Fund: Unit-holders apply to alter fund manager

- Over two-third unit-holders of two listed mutual funds (MFs) have applied to their trustee for changing the asset manager of the funds. The MFs are DBH 1st Mutual Fund and Green Delta Mutual Fund. LR Global Bangladesh is the asset manager of these two funds. The unit-holders, who have applied to change the asset manager, hold 72.50% units of DBH 1st MF and 70.12% units of Green Delta MF.
- In their prayers, they have urged Bangladesh General Insurance Company (BGIC), the trustee of the mutual funds, to appoint IDLC Asset Management as their fund manager.
- The unit-holders made the plea of changing their asset manager as per Section 31 of the Securities and Exchange Commission (Mutual Fund) Rules, 2001. According to it, subject to prior approval of the commission, the trustee can change the appointment of an asset manager following the demand of two-third (66.67%) unit-holders.
- The institutional investors, who have applied for changing the asset manager of Green Delta MF, are - BRAC Bank, NCCBL, EBL, Delta Life, DBH, Green Delta Insurance, IDLC Investments, IDLC AML, VIPB Asset Management, Edge Asset Management, Vanguard Asset Management, a foreign investor, and Agrani Equity, among others. The institutional investors, who have applied for changing the asset manager of DBH 1st MF, are - BRAC, BRAC Bank, Delta Brac Housing Finance, IDLC Investments, UCB, VIPB Asset Management, IDLC Asset Management, Delta Life Insurance, EDGE Asset Management, and Asian Tiger Capital Partners Asset Management.

<https://today.thefinancialexpress.com.bd/last-page/unit-holders-apply-to-alter-fund-manager-1572457575>

<https://www.thedailystar.net/business/news/unitholders-apply-change-lr-global-asset-manager-1821013>

<https://www.dhakatribune.com/business/stock/2019/10/30/two-mutual-funds-unitholders-want-lr-global-cancelled-as-asset-manager>

Deposits in banks rising as NSC sales fall

- Deposit growth in the country's banking sector improved a bit to 11.39% year-on-year in August of the current fiscal year 2019-2020 after hovering at around 10% for several months thanks to diversion of fund flow to the banking sector from the national savings certificates. As per the Bangladesh bank data, deposits in the banking sector stood at BDT 10.81 trillion at the end of August of FY20, increasing by BDT 1.11 trillion from BDT 9.71 trillion at the end of August of FY19.
- The launch of the NSC online management system and the increased rate of source tax on savings tools have contributed to the sharp drop in NSC sales in the first two months of this fiscal year. In July-August of FY20, the government's net sales of NSCs dropped to BDT 36.60 billion against BDT 90.57 billion in the same period of last fiscal year. Association of Bankers, Bangladesh chairman said that the deposit growth in the banking sector has improved for three reasons — fall in NSC sales in recent months, increase in deposit rates in the banks and positive current account balance.
- The government in the first two months of this fiscal year borrowed BDT 63.88 billion from the central bank by issuing treasury bills and bonds. The government's outstanding borrowing from the BB by issuing treasury bills rose to BDT 188.83 billion at the end of August, 2019 from BDT 144.78 billion at the end of June, 2019. Besides, outstanding borrowing from the BB by issuing treasury bonds increased to BDT 153.50 billion on August 31 from BDT 133.67 billion on June 30. By default, the government's borrowing from the BB helped the central bank to return the money into the banking channel and bring some ease in the money circulation, officials of the central bank said.
- Although the deposit growth increased a bit, the private sector credit growth dropped to a fresh nine-year low in September, 2019 mainly due to the government heavy borrowing from the scheduled banks.

<http://www.newagebd.net/article/89288/deposits-in-banks-rising-as-nsc-sales-fall>

Industrial Non-performing Loans (NPLs) rise for habitual defaulters

- Non-performing loans (NPLs) in the industrial sector soared 48.58% at the end of last fiscal year as habitual defaulters continued to show reluctance towards repayment of their rescheduled loans. The country's business sector also faced sluggishness last fiscal year, putting an adverse impact on industrial default loans, bankers said. At the end of June, industrial default loans stood at BDT 572.01 billion, up from BDT 384.99 billion a year earlier, according to data from the Bangladesh Bank.
- In 2018, default loans amounting to BDT 232.10 billion were rescheduled, up 22% from a year earlier.

- Private sector credit growth declined rapidly during the period, in a development that showed the industrial sector has failed to perform well, Rahman said. Credit growth stood at 10.68% in August, down from 14.94% from a year earlier.
- Of the industrial default loans, term loans accounted for BDT 400.45 billion, up 51% year-on-year. Working capital had BDT 171.56 billion as defaults at the end of June, up 43.20% a year earlier.

<https://www.thedailystar.net/business/news/industrial-npls-rise-habitual-defaulters-1821046>

Grameenphone, Robi coy on settling dispute outside court: Finance Minister

- The government's efforts to settle the audit claim dispute with telecom operators Grameenphone and Robi out of court have failed due to their non-cooperation, Finance Minister said on Wednesday. Now the issue lies with the court, he added. Now they (also) think that court is the proper place to resolve such a crisis, said the minister.

<https://today.thefinancialexpress.com.bd/first-page/gp-robi-coy-on-settling-dispute-outside-court-1572457341>
<https://www.dhakatribune.com/business/2019/10/30/kamal-no-administrators-at-gp-robi>

Government releases BDT 25.38 billion cash incentive for October-December period

- The government has released the second installment of cash incentive amounting to BDT 25.38 billion for disbursement among the major exporters for the fiscal year (FY) 2019-20. The money will be distributed among the exporters for the October-December period in 2019.
- Of the total amount, the jute and jute products sub-sector will get BDT 1.25 billion. Other sectors will receive the remaining amount. In the current fiscal, the government has decided to release a total of BDT 73.25 billion as cash incentive to the exporters.
- At present, more than 30 export-oriented sectors are enjoying the cash incentive including apparel manufacturing industries, frozen foods and fish, leather products, jute and jute goods, agro-based products, agro-processing industry etc.

<https://today.thefinancialexpress.com.bd/trade-market/govt-releases-BDT-2538b-cash-incentive-for-oct-dec-period-1572454054>

Unutilized beneficiary owners' (BO) accounts soaring on ailing stocks

- Stock investors are becoming inactive due to ailing stocks and lack of confidence, so the number of unutilized and zero balance beneficiary owners' (BO) accounts is soaring.
- Some 0.5 million BO account holders, or 17.66%, have not utilized their accounts to trade shares last fiscal year, according to the Central Depository Bangladesh Limited (CDBL). The number was 0.42 million, or 15.33%, and 0.41 million, or 13.75%, in the previous years. Furthermore, the number of zero balance BO accounts also rose. For instance, some 1.04 million accounts, or 37.19%, have no shares at all out of a total of 2.8 million BO accounts as on June 30. The number of zero balance BO accounts was 1.03 million, or 37%, the previous year.
- There are 1.27 million BO account holders with shares, according to CDBL data. This means, only 0.78% of Bangladesh's population invests in the stock market, whereas it is 2% in India and much more in other South Asian countries. At present, the total number of BO accounts is 2.57 million.

<https://www.thedailystar.net/business/news/unutilised-bo-accounts-soaring-ailing-stocks-1821016>

Prime Minister eyes USD 5.0 billion earnings from leather goods exports by 2022

- The government will continue to provide cash incentives to exporters of leather goods and shoes for the next five years, Prime Minister has said, report agencies.
- The premier hoped that the country will definitely achieve the target of earning foreign currency of USD 5.0 billion by 2022 from export of leather goods, which is now USD 1.2 billion.

<https://today.thefinancialexpress.com.bd/first-page/pm-eyes-50b-earnings-from-leather-goods-exports-by-2022-1572457205>
<https://www.thedailystar.net/backpage/news/money-leather-pm-assures-incentives-5-years-1821064>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.22	+0.16	+0.29%
Crude Oil (Brent)*	\$60.88	+0.27	+0.45%
Gold Spot*	\$1,497.41	+1.75	+0.12%
DSEX	4,683.21	+12.46	+0.27%
Dow Jones Industrial Average	27,186.69	+115.27	+0.43%
FTSE 100	7,330.78	+24.52	+0.34%
Nikkei 225	22,887.06	+43.94	+0.19%
BSE SENSEX	40,195.94	+144.07	+0.36%

Exchange Rates**USD 1 = BDT 84.64*****GBP 1 = BDT 109.43*****EUR 1 = BDT 94.52*****INR 1 = BDT 1.20**

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

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