

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.

Average inflation in 2018 declines to 5.55%

- The average inflation in the country was at 5.55% in the last calendar year (2018), thanks to the stable commodity markets at home and abroad.
- Bangladesh Bureau of Statistics (BBS) data showed that the 12-month average inflation rate was recorded at 0.15% points lower to 5.55% in 2018 from that of 5.70% in 2017.
- Meanwhile, the point-to-point inflation rate also dropped slightly to 5.35% in December 2018 compared to that of 5.37% in the previous month, according to the official data. In December 2017, the point-to-point inflation rate was 5.83%.

<http://today.thefinancialexpress.com.bd/first-page/average-inflation-in-2018-declines-to-555pc-1546451601>
<https://www.thedailystar.net/business/news/inflation-drops-1682272>
<http://www.newagebd.net/article/60663/inflation-decreases-further-to-535pc-in-december>

Remittance flow up 15% in 2018

- Inward remittance jumped by nearly 15% or around USD 2.0 billion in calendar year 2018 following the depreciating mode of taka against dollar, officials said.
- Remittance inflows rose to USD 15.53 billion in 2018 from USD 13.54 billion a year ago despite a falling trend in outbound jobs of Bangladeshis.
- According to a senior official of the central bank, the uptrend in fuel oil prices globally also contributed to raise the inflow of remittance, particularly from the Middle-Eastern countries. The Bangladesh Bank (BB) as well as the government is working continuously to expedite remittance inflows from different parts of the world, he added.
- The money sent home by Bangladeshis working abroad amounted to USD 1.20 billion in December 2018, up by USD 24.57 million from the November level, according to the BB's latest statistics.
- Remittance stood at USD 1.18 billion last November. It was USD 1.17 billion in December 2017.

<http://today.thefinancialexpress.com.bd/last-page/remittance-flow-up-15pc-in-2018-1546451837>
<https://www.thedailystar.net/business/news/remittance-buoyant-1682293>
<http://www.newagebd.net/article/60660/remittance-hits-all-time-high-in-2018>

Economists suggest more depreciation of local currency

- The local currency Bangladesh Taka (BDT) depreciated by nearly 1.5% to BDT 83.90 against the USD (USD) in the year 2018 as a result of widening deficit in the country's overall balance of payments (BoP).
- But economists opined that the erosion in the value of Taka should have been much higher to help maintain the country's competitiveness in the external market.
- Besides, the currencies of Bangladesh's rivals in global trade, including India, weakened at much higher rates, they added.
- The inter-bank Taka-USD exchange rate was BDT 82.70 on December 26, 2017, which stood at BDT 83.90, up by BDT 1.20, on December 26, 2018.
- The "kerb" market exchange rate was BDT 85.15 in the city, as of Wednesday (Jan 2, 2019).
- In the meantime, the central bank had sold USD 1.1 billion to the banks during the last six months (July-December 2018) to manage the exchange rate, and kept it at BDT 83.90.

<http://today.thefinancialexpress.com.bd/first-page/economists-suggest-more-depreciation-of-local-currency-1546451518>

Loan scams, soaring NPLs, bank owners increasing clout hurt banking sector

- Bangladesh's banking sector in 2018 was marred by: loan scandals, lending rate manipulation, soaring non-performing loans (NPLs), and increasing influence of bank directors in policy making.
- The roles of the government, particularly the Ministry of Finance and Bangladesh Bank (BB) were largely limited to appease bank owners, as they succeeded to amend The Bank Company Act, 1991, reduce corporate tax, and manipulate the pledged 9% lending rate.
- In 2018, banks have no role in stemming soaring NPLs, instead, loan scams of a large magnitude resurfaced in the banking sector. Amid a proliferation of scheduled banks, many of which have been incurring losses for years, the BB stunned the sector by giving permission to another new bank, Community Bank of Bangladesh, to operate.

<https://www.dhakatribune.com/business/banks/2019/01/02/loan-scams-soaring-npls-bank-owners-increasing-clout-hurt-banking-sector>

Farm loan keeps falling

- Lending to the agriculture sector fell 9% year-on-year to BDT 74.8 billion between July and November of the current fiscal year, according to central bank data.
- Farm loan disbursement also dropped 16% from July to October.
- The ongoing liquidity crunch in the banking sector has left an adverse impact on the disbursement of farm loans, creating difficulties for farmers in growing crops without any interruption, said a central bank official.
- The Bangladesh Bank has set a farm loan disbursement target of BDT 218.0 billion for the current fiscal year of 2018-19, of which 34.29% was disbursed between July and November.

<https://www.thedailystar.net/business/news/govt-mulls-power-export-winter-1681642>

Janata Bank sinks into colossal losses

- Janata Bank logged in losses of BDT 31.3 billion in the first nine months of 2018, a stunning reversal in fortune for the state-owned bank as loan irregularities finally take a toll.
- The bank was BDT 2.7 billion in profit at the end of December last year.
- At the beginning of the year, Bangladesh Bank unearthed two big loan scams of AnonTex and Crescent involving a total of BDT 83.0 billion. Both the large clients turned defaulters in June, sinking the bank into losses to the tune of BDT 15.9 billion -- for the first time in five years.
- The losses continued to pile up, leading to capital shortfall of BDT 39.2 billion in September. In contrast, at the end of December the bank was in capital surplus of BDT 260.0 million. As a result, the bank has no provisioning shortfall but losses.

<https://www.thedailystar.net/business/banking/news/janata-sinks-colossal-losses-1682284>

Government's tax collection from Dhaka Stock Exchange (DSE) drops by 24.42% in July-December

- The government's revenue collection from Dhaka Stock Exchange dropped by 24.42% or BDT 348.00 million in the first half (July-December) of the current financial year (2018-19) compared with that in the same period of the FY 2017-18 due mainly to a bearish trend at the market.
- National Board of Revenue in July-December of FY19 collected BDT 1.08 billion in tax including tax on turnover and tax on sponsor-directors' share sales against BDT 1.42 billion in the first half of FY18, DSE data showed.
- The government in the period (July-December) of FY19 received BDT 789.00 million in tax on turnover and BDT 287.70 million on sponsor- directors' share sales which was BDT 1.04 billion and BDT 387.10 million respectively in the same period of FY18.
- NBR in FY18 received BDT 2.37 billion in tax from DSE against its receipt of BDT 2.48 billion in FY17.
- Under the Income Tax Ordinance 1984, DSE collects 0.05% tax on turnover, while sponsor-directors and placement holders are bound to pay 5% tax on their capital gain on shares sales

<http://www.newagebd.net/article/60665/govts-tax-collection-from-dse-drops-by-2442pc-in-jul-dec>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$45.84	-0.70	-1.50%
Crude Oil (Brent)*	\$54.59	-0.32	-0.58%
Gold Spot*	\$1,289.00	+4.41	+0.34%
DSEX	5496.44	+31.18	+0.57%
Dow Jones Industrial Average	23,346.24	+18.78	+0.08%
FTSE 100	6,734.23	+6.10	+0.09%
Nikkei 225	20,014.77	-62.85	-0.31%

Exchange Rates

USD 1 = BDT 83.72*

GBP 1 = BDT 105.05*

EUR 1 = BDT 95.09*

INR 1 = BDT 1.19*

**Currencies and Commodities are taken from Bloomberg.*

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