

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.

Bangladesh falls 25 notches in Economic Complexity Index (ECI) in a decade

- Bangladesh has backtracked 25 positions in the global Economic Complexity Index (ECI) in a decade, which reflects its poor progress in economic diversification in terms of exports. The country was ranked 123rd among 129 states in the ECI 2017, whereas it was 98th in the ECI 2008. The latest report of the ECI was published this month.
- The ECI measures knowledge intensity of an economy by considering the knowledge intensity of the products it exports. The ECI has been validated as a relevant economic measure by showing its ability to predict future economic growth and to explain international variations in income inequality.
- An Executive Director of Economic Research Group (ERG) said that Bangladesh made shipment of products worth USD 39.4 billion. But, only one product - ready-made garment (RMG) - comprises more than 82% of its income. He said the index might consider diversification of export basket. But the backward linkages of the country's RMG sector are not reflected in the index.
- Centre for Policy Dialogue (CPD) Research Director said the country's key export-earning sector - RMG - is also not so diversified. The country should set a target to make at least 10 non-RMG sectors able to fetch one billion dollar each in the next ten years, he said.

<http://today.thefinancialexpress.com.bd/last-page/bd-falls-25-notches-in-eci-in-a-decade-1553449021>

Bangladesh Economic Zone Authority (BEZA) receives 500 acres of land for Japanese Economic Zone

- The Bangladesh Economic Zones Authority (BEZA) has received 500 acres of land in Araihasar upazila from the Narayanganj district administration to set up an economic zone exclusively for the Japanese investors.
- A world-renowned company like Sumitomo Corporation of Japan is engaged in developing the land in the Japanese Economic Zone (JEZ), BEZA Executive Chairman said. He expressed the hope that industries will start operating in the JEZ by 2021. According to the BEZA, the JEZ, being developed under the government to government (G2G) scheme, will be expanded to 1000 acres in phases.

<http://today.thefinancialexpress.com.bd/trade-market/beza-receives-500-acres-of-land-for-japanese-ez-1553443846>

Private banks sweating out over deposits

- Private banks saw a decline in deposit growth in December last year despite offering higher interest rates, highlighting the ongoing liquidity crisis in the banking system. In December, the average deposit growth of private banks stood at 11.59%, in contrast to 12.58% in December 2017 and 12.73% in June last year, according to data from Bangladesh Bank.
- The decline in deposit growth pushed the average loan-deposit ratio of private banks beyond the ceiling set by the central bank. In September, the advance-deposit ratio (ADR) of private banks had come down to the ceiling of 85% from 85.56% in June. In December, it crossed the limit reaching 85.96%.
- However, the banking sector's deposit growth rose in December, thanks to an increase of funds held by the state-owned banks. Though overall deposits grew in December, the gap between the lending and deposit rates is still higher and it is tightening money circulation in the banking system, said the managing director of NRB Bank.

<https://www.thedailystar.net/business/news/private-banks-sweating-out-over-deposits-1720033>

No deposit, lending through Financial Institutions' business development centers

- Bangladesh Bank (BB) asked on Sunday financial institutions (FIs) to avoid all financial transactions involving taking deposit and giving loan or lease through the business development centers, according to a central bank circular issued on Sunday. Business development centers of FIs cannot perform any financial transactions regarding deposit or credit or lease. But, the center can conduct many activities, including customer services, consultation, complaint receiving and settlement and human resources development, which are not directly related to financing business, the circular said.

<http://today.thefinancialexpress.com.bd/first-page/no-deposit-lending-thru-fis-biz-dev-centres-1553448925>

<http://www.newagebd.net/article/68312/nbf-booths-barred-from-handling-deposit-loan>

900,000 mobile subscribers added in February

- The number of mobile subscribers increased by 894,000 in February as all four mobile operators managed to add customers. As per the Bangladesh Telecommunication Regulatory Commission data, the number of total mobile phone subscribers increased to 158.4 million at the end of February from 157.5 million in January this year. Leading mobile phone operator Grameenphone attained highest 402,000 subscribers, taking its subscriber-base to 73.5 million from 73.1 million.
- Growth of broadband internet subscribers has been remaining almost halted for almost once year. During the entire 2018, broadband service providers and PSTN operator could bring in only 391,000 customers under their service after the addition of 1.52 million in the year 2017. As per the latest available data, 1,478 entities are operating ISP business across the country as of Sunday while the figure was 499 in 2017. Internet service providers, however, differed with the BTRC statistics adding that it might be the new definition of broadband where connections with 5 megabits per second or above speed was named as broadband internet.

<http://www.newagebd.net/article/68293/9-lakh-mobile-subscribers-added-in-february>

Sales of commercial vehicles pick up on economic boom

- Sales of commercial vehicles rose 10.65% year-on-year to 25,980 units in 2018 fueled by rising economic activities amid stable political situation, according to data from Bangladesh Road Transport Authority (BRTA).
- Sales of truck led the growth of the commercial vehicle segment in the broader automobile industry: 12,663 trucks were sold last year, up 22.31% from 10,363 in 2017. Sales of covered vans were up 10.68% year-on-year to 5,729 units and that of tractors rose 28% to 3,553 units. Bus sales were, however, down 26.72% to 2,755 units and cargo van sales dropped 9.41% to 1,280 units.
- The market size of the commercial vehicle segment was about BDT 42.0 billion in 2017 from about BDT 20.0 billion a decade ago. It is expected to reach BDT 50.0 billion in 2018, said the chairman of Nitol Tata, distributor of Indian auto giant Tata. The market grew 15% to 20% every year in the last one decade, which also saw a shift in market leadership in the segment. In the 90's, the segment was dominated by imports from Japan. Now it is controlled by Indian commercial vehicle manufacturers thanks to their comparatively lower price and fuel efficiency, market players said.

<https://www.thedailystar.net/business/news/sales-pick-economic-boom-1720030>

Dhaka Stock Exchange (DSE) weighs resuming share-netting system

- Bourses are contemplating resuming share-netting facility after 17 years as they believe this trading system will help reverse the slumping turnover. Netting is used in share trading, where an investor can change his position on a single day. This accelerates the speed of fund while boosting commission earning by the stock brokers. The netting system was operational until 2002 after its launch in 1996. The bourses failed to continue the system as many stock brokers, stock dealers had fund crisis and other complexities during the period.
- The DSE management chief suggests that the 'short-selling' mechanism should also be introduced in this connection. Short-selling is the sale of a security that the seller has borrowed. A short seller makes profits if a security's price declines and loses when the price goes up. The DSE had issued a regulation on short-selling sometime in 2006 but it did not implement due to lack of adequate incentives for the parties concerned. The bourse is now working on a new short-selling regulation.

<http://today.thefinancialexpress.com.bd/first-page/dse-weighs-resuming-share-netting-system-1553448646>

Dhaka Stock Exchange (DSE) loses BDT 88.56 billion in two months

- The Dhaka Stock Exchange saw BDT 88.56 billion - or 2.10% - wiped off its market capitalization in the last two months as institutional investors bided their time on the sidelines while general investors went for panic sell-off. The DSEX, the benchmark index of the premier bourse, declined 58.07 points, or 1.04%, yesterday to finish the day at 5,512 -- the lowest since January 2. Turnover, another important indicator of the market, also dropped 9.37% to BDT 3.54 billion, a three-month low.
- Market insiders say the liquidity pressure in banks compelled institutional investors to take a wait-and-see approach despite the central bank's extension of deadline to bring down the loan-deposit ratio to 83.5% by six months. The weighted average interest rate on deposits crept up from 5.26% in December last year to 5.34% in January, according to data from the Bangladesh Bank. Data for the last two months are not available yet but bankers of some private banks say the interest rate is on the rise.

<https://www.thedailystar.net/business/news/dse-loses-BDT-8856cr-two-months-1720042>

Bangladesh Securities & Exchange Commission (BSEC) rejects Infinity Technology's IPO

• The stock market regulator has rejected the proposal for initial public offering (IPO) of Infinity Technology International, as the company sought permission to issue bonus shares before getting go-ahead for the IPO, which is a breach of law. On April 12 last year, Infinity applied for issuance of 30 million shares worth BDT 300 million and sought approval on February 6 this year to raise BDT 90 million in capital by issuing bonus shares to existing shareholders.

<https://www.thedailystar.net/business/news/bsec-rejects-infinity-technologys-ipo-1720021>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$58.51	-0.53	-0.90%
Crude Oil (Brent)*	\$66.50	-0.53	-0.79%
Gold Spot*	\$1,315.64	+1.96	+0.15%
DSEX	5512.08	-58.07	-1.04%
Dow Jones Industrial Average	25,502.32	-460.19	-1.77%
FTSE 100	7,207.59	-147.72	-2.01%
Nikkei 225	20,937.23	-690.11	-3.19%

Exchange Rates

USD 1 = BDT 83.94*

GBP 1 = BDT 110.83*

EUR 1 = BDT 95.17*

INR 1 = BDT 1.21*

**Currencies and Commodities are taken from Bloomberg.*

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