

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 Bank (BB) holds on to cautious monetary policy stance

- The monetary policy statement (MPS), announced Wednesday by the country's central bank for the second half (H2) of the current financial year, maintained a 'cautious' monetary policy stance with slight downward revision of the private sector credit growth target and notable increase in the same for the public sector .
- The MPS has kept the policy rates unchanged and described the current state of non-performing loans (NPLs) as a key challenge.
- The governor of Bangladesh Bank (BB) promised to lend support to achieving the government's GDP growth target, but made it a point that the central bank would always keep a close watch on inflationary trend.
- Classified loans in the country's banking sector pushed up interest rates by around 1.0% point in September 2018, creating a gap between the deposit and lending rates, according to the central bank.

<http://today.thefinancialexpress.com.bd/first-page/bb-holds-on-to-cautious-monetary-policy-stance-1548870288>
<http://www.newagebd.net/article/63331/pvt-sector-credit-growth-target-cut-to-165pc-in-mps-for-h2>
<http://www.newagebd.net/article/63312/bb-unveils-monetary-policy>
<https://www.dhakatribune.com/business/banks/2019/01/30/bb-cuts-private-sector-credit-growth>

Bangladesh Bank (BB) set to sue RCBC today

- The Bangladesh Bank is scheduled to file a case with a US court early this morning (BST) over a USD 101-million heist from its funds with Federal Reserve Bank of New York. The case will be lodged against the Manila-based Rizal Commercial Banking Corporation (RCBC) and other beneficiaries from the cyber theft.
- The head of Bangladesh Financial Intelligent Unit (BFIU) of the BB, said the last-minute scrutiny was going on to file the case.
- Of the total USD 101 million, USD 81 million was transferred to four accounts at the RCBC in the Philippines and the other USD 20 million to a bank in Sri Lanka. But the transfer of USD 20 million to Sri Lanka failed because of a spelling error by the hackers.

<http://today.thefinancialexpress.com.bd/first-page/bb-set-to-sue-rcbc-today-1548870555>
<http://www.newagebd.net/article/63332/bb-to-file-case-with-us-court-today-to-recover-stolen-money>
<https://www.dhakatribune.com/business/banks/2019/01/30/bb-heist-lawsuit-to-be-filed-with-new-york-court>

Rising Chinese investment 'won't hit other FDI sources'

- The Bangladesh Bank (BB) has dismissed the possibility of any negative impact on the country's overall FDI (foreign direct investment) inflow because of growing Chinese investment here under the Belt and Road Initiative (BRI).
- It rather suggested the possible users of BRI funds to maintain good credit rating of the reputed international credit agencies to ensure proper use of the financing.
- While unveiling the second half-yearly (H2) monetary policy statement (MPS) in the capital on Wednesday, BB Governor said the country's FDI inflow has substantially increased following Bangladesh's inclusion into China's BRI. FDI from China stood at USD 506.13 million in FY 18.

<http://today.thefinancialexpress.com.bd/last-page/rising-chinese-investment-wont-hit-other-fdi-sources-1548870906>

Brazil wants to become BD's development partner: Envoy

- Brazilian Ambassador in Dhaka Joao Tabajara de Oliveira Junior has said the Latin American country wants to strengthen the mutual relationship with Bangladesh and wants to become its development partner.
- The Brazilian envoy said these while paying a courtesy call on Agriculture Minister that possibilities in agriculture sector can be utilized.
- Agriculture Minister Razzaque too emphasised on exchanging mutual ideas on agriculture, saying this will further strengthen the friendship between the two countries.

- The minister welcomed Brazilian investment in Bangladesh, saying; now the political situation here is much better than any other time and the government is committed to maintain this.

<http://today.thefinancialexpress.com.bd/trade-market/brazil-wants-to-become-bds-dev-partner-envoy-1548864719>

Smartphone import plummets 21%

- Smartphone imports through the legal channel declined for the first time last year as the government's move to hike import duties to 32% last fiscal year appear to have sent illegal imports soaring.
- In 2018, 6.48 units of smartphones were imported, down about 21% year-on-year, according to the Bangladesh Mobile Phone Importers Association. Feature phone imports also dropped: by 11% to 23.3 million units.
- Overall, 2.97 units of mobile phones were brought into the country in 2018 – 3.8 units less than what the importers had planned to. The amount is down 15.82% year-on-year.
- At present, illegal imports account for 25 to 30% of the market, up from 20% a year ago, according to the BMPIA's estimate.
- The local handset industry is worth about BDT 100.00 billion, of which almost one-third is now taken up by illegally imported handsets.

<https://www.thedailystar.net/business/telecom/news/smartphone-import-plummets-21pc-1695442>

Farmers Bank renamed Padma Bank

- Farmers Bank has been renamed as Padma Bank as the troubled lender looks to sweep the gross irregularities and loan scams under the carpet and get an image makeover. The central bank issued a circular on Tuesday allowing the scam-hit bank to change its previous name on grounds that it would have a positive impact on client confidence.
- The bank, which was established in 2013, became a hotbed for financial irregularities in less than three years of operation. More than BDT 35.00 billion was siphoned out from the bank.
- As of September of 2018, default loans stood at BDT 30.71 billion at the private commercial bank, up from BDT 7.23 billion in 2017.

<https://www.thedailystar.net/business/news/farmers-bank-renamed-padma-bank-1695433>

<http://www.newagebd.net/article/63337/farmers-bank-renamed-as-padma-bank>

Credit demand to surge to fund infrastructure projects

- Liquidity management will be the major challenge for the banking sector in 2019 as credit demand from both public and private sectors will surge on the back of the ongoing mega projects.
- Banks have already started to face a huge liquidity pressure from the beginning of the year and it has been reflected in the rising deposit rate.
- The reversal in the liquidity situation came after it had eased for a couple of months at the later part of 2018 amid slowdown of investment on the occasion of the parliamentary election.
- The tight liquidity will push up the lending rate interrupting the private sector investment according to the CEO of Prime Bank.

<https://www.thedailystar.net/business/news/credit-demand-surge-fund-infrastructure-projects-1695415>

Global Financial Integrity (GFI) figure questioned

- The central bank has questioned the amount siphoned out of Bangladesh as the Global Financial Integrity (GFI) gave two different estimates in its latest report.
- Some USD 5.9 billion was siphoned out of Bangladesh in 2015 through trade misinvoicing, according to the GFI's report on illicit flows of money released on Monday.
- Trade misinvoicing is a method of moving illicit financial flows figures, and includes the deliberate misrepresentation of the value of imports or exports in order to evade customs duties and VAT taxes, launder the proceeds of criminal activity or to hide offshore the proceeds of legitimate trade transactions, among other motivations.

- According to the GFI, the illicit outflow was USD 2.67 billion from Bangladesh using the United Nations Comtrade's trade statistics dataset, and inflow was USD 2.79 billion, meaning the inflow was higher by USD 0.12 billion.

<https://www.thedailystar.net/business/news/gfi-figure-questioned-1695436>

Chinese consortium moots development plans for Dhaka Stock Exchange (DSE)

- The Dhaka Stock Exchange's strategic investor — a consortium of Shenzhen and Shanghai stock exchanges — has tabled a number of business and technological proposals including capital formation and centralisation of trading system for the development of the bourse. The proposals were made at a DSE board meeting held at the DSE office premises on Tuesday.
- The consortium's proposals also included introduction of a small and medium enterprise board and product diversification.
- The group suggested medium- and long-term technological plan to develop trading system, automation system for information dissemination and installing data centre as per its early commitment for technological support.
- Earlier, on September 4 last year, the Chinese consortium became strategic partner of the country's premier bourse after buying 25% shares of DSE for BDT 9.47 billion. The Chinese consortium offered technical assistance worth over USD 37 million to DSE.

<http://www.newagebd.net/article/63334/chinese-consortium-moots-dev-plans-for-dse>

IPO subscription of Runner Automobiles opens today

- The IPO (initial public offering) subscription of Runner Automobiles will open today (Thursday) and will continue till February 10.
- Some 5.60 million shares (40 per cent) will be issued to general investors through IPO (initial public offering) subscription at a price of BDT 67 each.
- Under the book building method, the Runner Automobiles will raise a capital worth BDT 1.0 billion issuing 13.93 million ordinary shares.
- The cut-off price of the shares of Runner Automobiles earlier was fixed at BDT 75 each as discovered by eligible investors (EIs) through electronic bidding under the book-building method.

<http://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-runner-automobiles-opens-today-1548871988>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$54.59	+0.36	+0.66%
Crude Oil (Brent)*	\$62.17	+0.52	+0.84%
Gold Spot*	\$1,319.58	-0.33	-0.03%
DSEX	5884.11	-40.42	-0.68%
Dow Jones Industrial Average	25,014.86	+434.90	+1.77%
FTSE 100	6,941.63	+107.70	+1.58%
Nikkei 225	20,740.64	+184.10	+0.90%

Exchange Rates

USD 1 = BDT 83.82*
 GBP 1 = BDT 110.08*
 EUR 1 = BDT 96.42*
 INR 1 = BDT 1.18*

*Currencies and Commodities are taken from Bloomberg.

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