

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.

April inflation rate inches down

- The point-to-point inflation rate in April of the current fiscal year (FY) slipped to 5.63%, compared with 5.68% recorded in March last, the government has said. The rate was recorded at 5.47% in April of FY2017, according to the Bangladesh Bureau of Statistics (BBS) data. The inflation rate was declining gradually and it would remain within the budgetary target and the limit envisaged in the 7th Five Year Plan, the Planning Minister said.
- Inflation on the monthly-basis increased by 0.08% as the Consumer Price Index (CPI) rose to 248.85 in April from 248.65 in March. According to the national statistical agency, the point-to-point inflation rate in both food and non-food items also dropped last month. The food inflation was recorded at 7.03% in April, down from 7.09% in March. The non-food inflation also fell to 3.49% last month, compared with 3.51% in March.
- The inflation in both urban and rural areas in Bangladesh also dropped in the month of April. The inflation in rural areas decreased to 5.59% in April, compared with 5.63 the month before. In the urban areas, the inflation rate inched down to 5.70% in April from 5.76% in March. However, the average inflation rate in the 12 months to April edged up by 0.45% points to 5.83%, the government said. The inflation rate between May 2016 and April 2017 was recorded at 5.38%.

<http://today.thefinancialexpress.com.bd/first-page/april-inflation-rate-inches-down-1525801919>

<http://www.newagebd.net/article/40734/inflation-inches-down-to-563pc-in-april>

Bangladesh economy to overtake Taiwan by 2030

- Bangladesh is a "minor" power among the 25 selected nations in the Asia-Pacific region and ranked 18th in an index that measures the overall influence of the countries. The Australian think-tank Lowy Institute's index measures power across 25 countries and territories in the Asia-Pacific region. Bangladesh posts the strongest performance in the future trends measure of the Asia Power Index, notching the 9th place with a score of 5.2 while the lowest ranking occurs in the economic relationship measure -- in the 23rd place.
- The index-report has projected that the country's real Gross Domestic Product (GDP) will grow by 141% between 2016 and 2030, overtaking Taiwan in economic size. It has also pointed out that the country has the third-largest diaspora in the region after China and India, with an outward migrant population of 3.9 million.

<http://today.thefinancialexpress.com.bd/last-page/bdesh-economy-to-overtake-taiwan-by-2030-1525802464>

Bangladesh earns USD 13.5 billion remittance in 2017, says IFAD report

- Bangladesh has fallen behind its three other South Asian neighbours -- Pakistan, Nepal and Sri Lanka -- in growth of remittance inflow in the last one decade, reports UNB. However, the country was ahead of its closest neighbour India in the inward remittance growth during the same period, according to a report released by International Fund for Agricultural Development (IFAD) on Monday.
- The IFAD report said, Bangladesh earned remittance worth US USD 13.5 billion, equivalent to 6.1% of its gross domestic product (GDP), last year. Over the past one decade, the country posted a steady remittance growth rate of 4.2%, much lower than Pakistan (10.8), Nepal (9.8) and Sri Lanka (9.4) but higher than India (3.3%). In Bangladesh, 65% of the total value of remittances goes to rural areas, the report said pointing out that rural remittances are particularly important in Asia and the Pacific because remittances 'count' more in small towns and villages where living expenses are lower, and typically the cost of sending remittances to rural areas is higher than to corridors linking high-volume urban markets.
- India (USD 69 billion), China (USD 64 billion) and the Philippines (USD 33 billion) are the three largest remittance-receiving countries in the world; Pakistan (USD 20 billion) and Vietnam (USD 14 billion) are also in the top 10.

<http://today.thefinancialexpress.com.bd/trade-market/bd-earns-135b-remittance-in-2017-says-ifad-report-1525795673>

Bangladesh Bank (BB) lists major risks facing economy, suggests 'prudent management'

- The central bank has recommended keeping close watch on higher credit growth, yawning current account deficit and inflationary risks for the sake of macroeconomic stability. Strong credit growth, wider current account deficits, and inflationary risks, however, warrant continued prudent management of macro-financial stability, the central bank mentioned in its latest Bangladesh Bank Quarterly (BBQ) for October-December 2017. Bangladesh's balance of payments (BOP) slid to a deficit of USD 978 million during the July-February period of the FY 18. It maintained a

surplus of USD 2.45 billion in the same period of FY 17.

- The central bank said the growth momentum in economic activities remained robust in the second quarter (Q2) of the current fiscal year (FY) 2017-18, aided by strong growth of private sector credit and exports, a 'surge in remittance inflows' and higher import demand for investment. Among the money market indicators, reserve money grew by 13.3% during the period under review, largely in line with the programmed path for the first-half of FY18. Growth in private sector credit continued its trend and reached 18.1% in December 2017. The large part of credit, combinedly, went to the industry, trade, and commerce sectors.

- The BBQ also said despite strong private sector credit, broad money (M2) growth decelerated to 10.7% in the Q2 of FY18, driven by the negative growth of government's credit from the banking system and declining net foreign assets in the banking system. Banking sector performance indicators, such as asset quality, capital to risk-weighted-asset ratio (CRAR), and profitability, witnessed some improvements in the Q2 of FY18, it added. Despite robust remittance inflows, strong import growth (23.6% in the Q2 of FY 18) -- fuelled by capital machinery and food imports -- against a 7.7% growth in exports resulted in a wider current account deficit during the period under review. However, the market turnover declined by 28.3% during the quarter, the BBQ added.

<http://today.thefinancialexpress.com.bd/first-page/bb-lists-major-risks-facing-economy-suggests-prudent-management-1525801822>

Banks can give securities custodian services directly: Bangladesh Bank (BB)

- The Bangladesh Bank has allowed banks to provide securities custodian services directly without forming any subsidiary company. The central bank's decision will come into effect from July 22, said a circular of BB on Tuesday. BB said that all the private commercial banks had been exempted from the provision of 7(3) of Bank Company Act, 1991 for providing the securities custodian services directly. According to the provision, no bank can provide the services of stock-broker, stock dealer, merchant banker and portfolio manager directly. Earlier in 2013, the central bank extended the deadline of the requirement of subsidiary company to give the service of custodian services by five years.

<http://www.newagebd.net/article/40735/banks-can-give-securities-custodian-services-directly-bb>

Large loans make up 57.27% of banks' total lending

- Large loans account for around 57.27% of the total lending by banks, mainly concentrated in Dhaka and Chattogram. Foreign commercial banks (FCBs) have 73.09% of their total outstanding credit in large industries followed by private commercial banks (PCBs) with 64.75%, specialised banks (SBs) 47.57% and state-owned commercial banks (SoCBs) 40.36%. About 85.74% of the total outstanding credit of all banks in 2017 remained concentrated in Dhaka and Chattogram divisions.

- Public sector credit showed a negative growth of 9.3% in December 2017, far below the 'programmed ceiling' of 3.6% rise. The challenges observed in credit operations last year included higher growth rate of industrial loan, decrease in rural credit, rise in non-performing loan (NPL) volume, improper loan rescheduling and restructuring, excessive trend of converting non-funded facility into funded facility, lack of monitoring and dearth of accurate financial and industrial data.

<http://today.thefinancialexpress.com.bd/last-page/large-loans-make-up-5727pc-of-banks-total-lending-1525802406>
<https://www.thedailystar.net/business/banks-fond-big-borrowers-1573648>
<http://www.newagebd.net/article/40732/banks-preference-for-large-loans-hindering-inclusive-economy>
<https://www.dhakatribune.com/business/2018/05/08/bibm-study-85-bank-loans-2017-disbursed-dhaka-chittagong/>

United Nations report finds banking sector plagued by scams, weak monitoring

- The banking sector in Bangladesh has been plagued by financial scams, non-performing loans and weak monitoring problems, which might cause a macroeconomic risk in the near term though Bangladesh is expecting faster growth, says a UN report. In Bangladesh, the report says, robust growth has been supported by domestic demand, especially large infrastructure projects and new initiatives in the energy sector. Remittance flows have also started to increase with the increase in global oil prices, according to the Economic and Social Survey of Asia and the Pacific 2018.

- About two thirds of the regional economies, accounting for more than 80% of the region's GDP, achieved faster economic growth in 2017 than in the previous year. The recent recovery in global manufacturing, investment and trade is providing a tailwind to the already steady expansion of economic output in the Asia-Pacific region. In addition to robust consumption, investment expenditures and trade volumes, which showed lukewarm growth in recent years, showed signs of recovery in 2017.

<http://www.newagebd.net/article/40713/un-report-finds-banking-sector-plagued-by-scams-weak-monitoring>
<https://www.thedailystar.net/business/banking-sector-plagued-scams-un-1573636>

Four state-owned banks (SoBs) and ICB to buy shares of Farmers Bank

- Four state-owned banks (SoBs) and the Investment Corporation of Bangladesh (ICB) are buying shares of Farmers Bank in a desperate effort to save the troubled bank hit by loan scams. Bangladesh Bank cleared the way for the ICB and the four government banks -- Sonali, Janata, Agrani and Rupali -- relieving them of barriers under the Banking Companies Act. A central bank official said the four state-owned banks and the ICB will buy Farmers Bank shares for BDT 7.15 billion.

- The four banks will pay BDT 1.65 billion each and the ICB will account for BDT 550 million of the fund. The money will be used to pay depositors of the troubled bank. Its authorised capital is BDT 15 billion and paid-up capital BDT 4.01 billion. The bank is trying to increase its paid-up capital to BDT 15 billion.

<http://today.thefinancialexpress.com.bd/last-page/four-sobs-icb-to-buy-shares-of-farmers-bank-1525802816>
<https://www.thedailystar.net/business/rules-relaxed-save-farmers-bank-1573645>
<http://www.newagebd.net/article/40731/bb-eases-rules-allowing-4-scbs-to-inject-BDT-660cr-to-farmers-bank>

Finance Minister hints at corporate tax cut, power tariff rise

- The price of electricity is likely to increase further in the days ahead due to the increase in the price of relevant raw materials, Finance Minister has said. He also added that electricity price would also go up near future because of increasing price raw materials for electricity production. The Finance Minister also reiterated that the government was planning to reduce the corporate tax rate in the next budget.

- Focusing on the banking sector, a former BB governor said that the sector is in need of urgent reform. He also observed that the governance issue of banks needs to be fixed for improvement of the sector while the central bank needs to play a strong role in this regard. President of the country's apex trade body FBCCI called for reducing the bank interest rate on lending to a single digit.

<http://today.thefinancialexpress.com.bd/first-page/muhith-hints-at-corporate-tax-cut-power-tariff-rise-1525801774>

Dhaka Stock Exchange (DSE) reschedules trading hours in Ramadan

- The Dhaka Stock Exchange (DSE) has rescheduled its trading time during the holy month of Ramadan, without reducing trading hours like previous year. The trading on the DSE will take place from 10:00am to 2:00pm without any break during the Ramadan, instead of the regular trading period from 10:30am to 2:30pm. As per the decision, DSE office will remain open from 9:00am to 3:30pm during the Ramadan, instead of the regular time of 9:30am to 5:30pm. The trading and office hours will get back to normal time after the Eid-ul-Fitr vacation. The port city's bourse -- Chittagong Stock Exchange (CSE) -- will also follow the DSE trading and office time.

<http://today.thefinancialexpress.com.bd/stock-corporate/dse-reschedules-trading-hours-in-ramadan-1525803247>
<https://www.dhakatribune.com/business/2018/05/08/share-trading-10am-2pm-ramadan/>

LafargeHolcim launches new product today

- LafargeHolcim launches new 'specialised' cement branded as 'Plastercrete' today (Wednesday) for plastering works in overall constructions. CEO of LafargeHolcim Bangladesh, said the Plastercrete would ensure a smoother surface finish that would ease applications and masonry works. He also added that by using this product, plastered surface will be more durable, less prone to cracks thus requiring less repair and maintenance. He said the new cement will help customers to save time and cost sustainability and is expected to create a big impact in overall construction management process.

- The company's sponsor-directors hold 64.68% shares, while institutions 14.82%, foreign shareholders 1.15% and public shareholders 19.35%. Producing 4.2 million tonnes of world class cement annually, LafargeHolcim enjoys the confidence of the customers. Producing 4.2 million tonnes of world class cement annually, LafargeHolcim enjoys the confidence of the customers.

<http://today.thefinancialexpress.com.bd/stock-corporate/lafargeholcim-launches-new-product-today-1525803276>
<https://www.thedailystar.net/business/lafargeholcim-brings-new-plastering-cement-1573621>

BRAC Bank witnesses steady growth in last five years

- BRAC Bank displayed a steady growth in earnings and dividend payout in last five years riding mainly on managerial efficiency, the bank's top executive said, eyeing to make the company number one in the country's banking sector. The ROA improved from 0.78% in 2013 to 1.95% 2017, according to the company's financial statement. The company's consolidated ROA, including the subsidiaries, was 1.77% in 2017, 1.55% in 2016, 1.02% in 2015, 0.93% in 2014 and 0.17% in 2013.

- Managing director and CEO of BRAC Bank said that he knows ROA of other banks is far below than the BRAC Bank.

He also said that many banks even do not public their ROA. He said the bank witnessed a moderate growth of earnings in 2017 based on 'strong' performance culture introduced by the management. The company's consolidated earnings per share (EPS) gradually rose from BDT 2.51 in 2013 to BDT 6.07 in 2017. He said the amount of the bank's default loans gradually declined because of accountability of its officials.

- The amount of the bank's loan and advances was above BDT 202.55 billion in 2017 and the volume of non-performing loans (NPLs) to total loans and advances was 3.56% for the year. The ratio of the NPLs improved over the years from 6.49% in 2013. The company's operating income rose 32% to above BDT 9.05 billion in 2017. The amount was above BDT 8.01 billion in 2016, above BDT 6.83 billion in 2015, above BDT 6.14 billion in 2014 and above BDT 5.65 billion in 2013.

- The company's consolidated net profit also gradually rose during a period from 2013 to 2017. In 2017, the company's net profit stood at above BDT 5.49 billion, which was 35% higher than the net profit of 2016. In 2016, the company's net profit was above BDT 4.07 billion, which was almost double the net profit incurred in 2015. The company's net profit after tax was above BDT 1.33 billion in 2013, above BDT 2.03 billion in 2014 and above BDT 2.34 billion in 2015. Foreign investors own a significant stake in the bank compared to general investors. According to DSE information, foreign investors hold 40.81% shares against only 6.36% held by general shareholders as on March 31, 2018.

<http://today.thefinancialexpress.com.bd/stock-corporate/brace-bank-witnesses-steady-growth-in-last-five-years-1525803216>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$70.65	+1.59	+2.30%
Crude Oil (Brent)*	\$76.70	+1.85	+2.47%
Gold Spot*	\$1,310.78	-3.85	-0.29%
DSEX	5642.47	-41.07	-0.73%
Dow Jones Industrial Average	24,360.21	+2.89	+0.01%
FTSE 100	7,565.75	-1.39	-0.02%
Nikkei 225	22,427.69	-81.00	-0.36%

Exchange Rates

USD 1 = BDT 83.11*
 GBP 1 = BDT 112.43*
 EUR 1 = BDT 98.52*
 INR 1 = BDT 1.23*

*Currencies and Commodities are taken from Bloomberg.

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