

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.

Private credit growth inches up in Dec

- Despite demand for loans being suppressed by the ongoing business slowdown, private sector credit growth crept up in December after undergoing a steep descent in the previous two months. The year-on-year credit growth stood at 8.37% in December, up from 8.21% a month earlier, showed data from Bangladesh Bank. In its monetary policy statement for fiscal 2020-21, the central bank set a private sector credit growth target of 11.5% by December last year and 14.8% by June this year.
- But till date, this has turned out to be far from reality because of the financial meltdown brought on by the coronavirus pandemic. Banks add accrued interest to the principal amount of loans in the final month of every quarter, which usually pushes up credit growth temporarily, said bankers. For this reason, the credit growth inched up last month, which is why the increase in growth should not be termed an extraordinary phenomenon, they said. Credit growth has been subdued in the last two years but it started undergoing a tailspin soon after the government declared the lockdown in March last year to keep the deadly flu at bay.
- The growth commenced to increase since July last year riding on the implementation of stimulus packages by both the government and the central bank. But the increasing trend lasted till September and the growth started to nosedive again from October.

<https://www.thedailystar.net/business/news/private-credit-growth-inches-dec-2033393>
<https://www.dhakatribune.com/business/2021/01/25/private-sector-credit-growth-still-depressed>

Deposit growth in Islamic banks higher in Sept-end quarter

- Year-on-year deposit growth in the country's Islamic banks at the September-end quarter of 2020 was much higher than the growth rate in the country's overall banking sector at the end of the same quarter, reflecting a growing public interest in Shariah-based banking system. The latest Bangladesh Bank data showed that deposit growth in the country's Islamic banks was 21.94% or BDT 575.13 billion year on-year at the end of September 2020 while the growth rate in deposits in the country's overall banking sector was 13.1% or BDT 1.43 trillion.
- Deposits in the Islamic banks surged to BDT 3.19 trillion at the end of September 2020 from BDT 2.62 trillion in the previous year. On the contrary, overall deposits in the country's banking sector increased to BDT 12.3 trillion at the end of September 2020 from BDT 10.93 trillion a year ago. With the increasing public hype over the Islamic or Shariah-based banking system, the market share of the Islamic banks against overall deposits in the banking industry rose to 25.85% at the end of September 2020 from 23.98% a year ago.
- To reap in the benefits of the growing popularity of the Islamic banking segment, two of the country's conventional scheduled banks — NRB Global Bank and Standard Bank — were converted into Islamic banks in February 2020. Excess liquidity in the Shariah-based banks tripled to BDT 182.54 billion at the September-end quarter of 2020 from BDT 61.30 billion a year ago.

<https://www.newagebd.net/article/128175/deposit-growth-in-islamic-banks-higher-in-sept-end-quarter>

DSE finds Oimex Electrode's financial reports 'fabricated'

- The Dhaka Stock Exchange has found a number of irregularities, including falsification of financial statements, poor recordings, mismanagement and auditors' negligence in Oimex Electrode Limited. A DSE inspection team visited the Oimex's factory on December 7, 2020 and its head office on December 27 following a Bangladesh Securities and Exchange Commission's instruction to conduct an inspection in the affairs of the company. The team submitted its report to the BSEC on January 6. After visiting both the factory and the head office of Oimax Electrode, the inspection team said that the total financial statements prepared by the company are materially misstated, said the DSE inspection report.

<https://www.newagebd.net/article/128177/dse-finds-oimex-electrodes-financial-reports-fabricated>
<https://www.dhakatribune.com/business/2021/01/25/oimex-electrode-fudges-financial-statement>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$52.24	\$3.72	7.67%
Crude Oil (Brent)*	\$55.37	\$3.57	6.89%
Gold Spot*	\$1,855.09	(\$40.01)	-2.11%
DSEX	5,815.55	413.48	7.65%
S&P 500	3,841.47	85.40	2.27%
FTSE 100	6,695.07	234.55	3.63%
BSE SENSEX	48,878.54	1,127.21	2.36%
KSE-100	45,868.04	2,112.66	4.83%
CSEALL	8,463.43	1,689.21	24.94%

Exchange Rates

USD 1 = BDT 84.74*
GBP 1 = BDT 115.94*
EUR 1 = BDT 103.07*
INR 1 = BDT 1.16*

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

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