

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.

Public sector credit growth ceiling downgraded to 31.7%

- The Bangladesh Bank has downgraded public sector credit growth in the revised monetary policy for second half of current fiscal year assuming that government borrowing will slow down from banking system in the next six months. In the revised monetary policy, public sector credit growth ceiling revised down to 31.7% from previous target of 44.4% for June this year. However, Bangladesh Bank continued its expansionary monetary stance keeping private sector credit growth at 14.8% when credit demand remained depressed at 8% level since corona virus struck the country.
- Public sector credit growth was downgraded because pressure on sales of saving instrument remained high, said the executive director (research) of Bangladesh Bank. As a result, government borrowing will slow down from banking system which already reflected in current trend, he said. They do not think that government can fulfill its borrowing target from banking system in the next six months. However, Bangladesh Bank still remained in expansionary mood so that market remains with adequate liquidity supply, he said.

<https://tbsnews.net/economy/public-sector-credit-growth-ceiling-downgraded-317-196192>

Inflation in Jan drops to 5.02%

- The rate of inflation in January slumped by 0.27% points to 5.02% as the consumer price index (CPI) in the non-food section had a significant drop. For non-food items, it fell by 0.52% points to 4.69% from December's 5.21%. Meanwhile, inflation for food items also decreased slightly to 5.23% from 5.34% in December, according to the official data. The lower inflationary trend will also persist in the coming months, the planning minister hoped.

<https://today.thefinancialexpress.com.bd/first-page/inflation-in-jan-drops-to-502pc-1612375971>
<https://www.thedailystar.net/business/news/inflation-drops-85yr-low-2038985>
<https://tbsnews.net/economy/inflation-dropped-502-january-196318>
<https://www.newagebd.net/article/129153/inflation-drops-to-502pc-in-january>
<https://www.dhakatribune.com/business/economy/2021/02/03/inflation-slows-further-in-january>

Automobile sales yet to fully recover, but signs of hope are there

- The automobile market in Bangladesh has yet to recover to the pre-pandemic level, be it for two-wheelers, passenger vehicles or commercial vehicles, say industry players. However, an average 70%-80% recovery of unit sales at the year-end, compared to those before the pandemic, reflects a better-than-expected scenario. The president of the Bangladesh Automobile Manufacturers and Assemblers Association, said for commercial vehicle segments, the October-December quarter was better than the previous three months as economic activities strengthened over that period.
- But sales of two-wheelers and busses slightly slowed down in the second quarter of this fiscal year, mainly because there had been a sudden demand for them in the previous quarter, just after the lockdown was lifted and people were very serious about social distancing. The chairman of Nitol Niloy Group said that sells Tata passenger cars, commercial vehicles and Hero two-wheelers, estimates that in the July-September quarter overall commercial vehicle sales were around 35% of the pre-pandemic sales and it has improved to 55% now.

<https://tbsnews.net/economy/industry/automobile-sales-yet-fully-recover-signs-hope-are-there-196483>

BSEC body to probe market operators' role

- The securities regulator has formed a two-member committee on Wednesday to probe into the role of market operators behind the unusual price hike of shares of the newly-listed companies, observed in their initial trading sessions. The Bangladesh Securities and Exchange Commission (BSEC) formed the body, identifying some orders placed for the shares of Mir Akhter Hossain Ltd (MAH). As part of the move, the securities regulator will conduct a special inspection to probe into IDLC Securities' role behind the price hike of the shares of MAH, said the BSEC spokesperson.

<https://today.thefinancialexpress.com.bd/first-page/bsec-body-to-probe-market-operators-role-1612376039>

SS Steel gets 3 months to pay PLFSL's money

- The High Court (HC) on Wednesday granted three months' time to SS Steel Limited, a listed company, to take the responsibility to pay BDT 31.25 million to People's Leasing and Financial Services Limited (PLFSL), a non-bank

financial institution. During Wednesday's hearing, SS Steel Limited's lawyer submitted an affidavit in the HC saying that they intended to take the responsibility to pay BDT 31.25 million only to PLFSL upon discussion with a former board chairman within a period of three months.

<https://today.thefinancialexpress.com.bd/last-page/ss-steel-gets-3-months-to-pay-plfsls-money-1612376514>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|-------------|------------------|--------------|
| Crude Oil (WTI)* | \$55.91 | \$7.39 | 15.23% |
| Crude Oil (Brent)* | \$58.60 | \$6.80 | 13.13% |
| Gold Spot* | \$1,826.65 | (\$68.45) | -3.61% |
| DSEX | 5,581.87 | 179.80 | 3.33% |
| S&P 500 | 3,830.17 | 74.10 | 1.97% |
| FTSE 100 | 6,507.82 | 47.30 | 0.73% |
| BSE SENSEX | 50,255.75 | 2,504.42 | 5.24% |
| KSE-100 | 46,933.63 | 3,178.25 | 7.26% |
| CSEALL | 8,244.50 | 1,470.28 | 21.70% |

Exchange Rates

USD 1 = BDT 84.74*

GBP 1 = BDT 115.58*

EUR 1 = BDT 101.98*

INR 1 = BDT 1.16*

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

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