

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.

Liquidity glut could fuel inflation: BB

- The surplus liquidity in the banking system might fuel inflationary pressure in the country in the near future, the Bangladesh Bank (BB) has said in its just-published annual report for the fiscal year 2019-20. Banks' excess cash hit all-time high of nearly BDT 2.0 trillion in November last following lower private sector credit growth, caused by supply chain disruptions amid the ongoing coronavirus pandemic, according to bankers and experts. Expansionary monetary policy coupled with the implementation of the government's stimulus packages have driven up liquidity in the banking system, they explained.
- They expressed the fear of inflationary pressure if the excess liquidity is used for unproductive or less-productive sectors. The central bank should strengthen its monitoring and supervision for the implementation of the government's stimulus packages properly so that it can't exert inflationary pressure on the economy, said the executive director of the Institute for Inclusive Finance and Development (InM).

<https://today.thefinancialexpress.com.bd/first-page/liquidity-glut-could-fuel-inflation-bb-1611167381>

Vaccination begins on Jan 27

- A consignment of 2.0-million doses of Oxford vaccine as gift from India reaches Bangladesh today (Thursday). Later, vaccine will be provided to 400-500 caregivers working at four dedicated Covid-19 hospitals in Dhaka city as part of a dry run. Mass vaccination will start on February 08 after the first batch of 5.0-million doses bought under a procurement deal reaches Dhaka on January 25 or 26.

<https://today.thefinancialexpress.com.bd/first-page/vaccination-begins-on-jan-27-1611167475>

14 banks' average lending rate falls below 7pc

- Weighted average lending rate of 14 banks dropped below 7% in December 2020 due mainly to the setting of lending rate ceiling at 9% by the Bangladesh Bank to support the industrial expansion. BB data showed that the weighted average lending rate of only six banks was below 7% before the implementation of lending rate ceiling. In February 2020, the central bank issued a circular, setting April 1 of the year as the effective date to implement the 9-per cent ceiling on lending rate.

<https://www.newagebd.net/article/127810/14-banks-average-lending-rate-falls-below-7pc>

IDLC invests BDT 40m as part of VC Fund I in Intelligent Machines

- IDLC Venture Capital Fund I is investing BDT 40 million in Intelligent Machines Limited (IM), an AI (Artificial Intelligence)-first deep-tech startup that provides solutions to Enterprise Clients. This investment is part of IDLC VC (Venture Capital) Fund- I which is managed by IDLC Asset Management Limited, a wholly-owned subsidiary by IDLC Finance Limited. Launched in March 2020, IDLC VC Fund I is a BDT 450 million Venture Capital Fund that invests in technology-based and high-growth startups in Bangladesh. The country has seen the emergence of a Startup Culture beginning in 2012, and inspired by that IDLC took the courageous step to launch the first-ever VC Fund in the country, said a statement.

- The current funding round will support their expansion in the Enterprise AI sector, where they have been serving an eminent range of clients such as bKash, BAT, Unilever, Arla Foods, Telenor Myanmar, and IDLC Finance.

<https://today.thefinancialexpress.com.bd/stock-corporate/idlc-invests-BDT-40m-as-part-of-vc-fund-i-in-intelligent-machines-1611160662>
<https://www.thedailystar.net/business/news/idlc-venture-invests-BDT-4cr-intelligent-machines-2031261>

Closure of Ring Shine Textile extended again

- Ring Shine Textile kept its production halted for the last four months due to a shortage of raw materials, foreign buyers and working capital amid the ongoing coronavirus pandemic. Ring Shine's board of directors has decided to extend the closure of their factory in the Dhaka Export Processing Zone to January 23, the company informed on a post on the Dhaka Stock Exchange website yesterday.

<https://www.thedailystar.net/business/news/closure-ring-shine-textile-extended-again-2031241>

Kattali Textile didn't cooperate during audit

- Kattali Textile did not cooperate with the auditors while they were looking into the company's financial reports for the year that ended on June 30, 2020. The management of the company has also failed to provide the required documents regarding realisation and collection of revenue and purchase within due time. The company's auditor disclosed the information in its disclaimer of opinion published by the Dhaka Stock Exchange (DSE) yesterday. The stock market regulator imposed a penalty of BDT 5.0 million each on the directors of Kattali Textile for noncompliance with securities laws in connection with the utilisation of IPO proceeds, the DSE said in a disclosure published on August 25 last year.

<https://www.thedailystar.net/business/news/kattali-textile-didnt-cooperate-during-audit-2031265>

BSEC reforms Al-Haj Textiles board

- The Bangladesh Securities and Exchange Commission on Wednesday restructured the board of Al-Haj Textiles Limited by appointing three independent directors to the board of the non-performing company. The regulator appointed a former additional secretary of the commerce ministry, a Dhaka University professor of management information systems and an associate professor at the IBA of Dhaka University. The company failed to comply with the conditions specified in the commission's notification issued on September 1, 2020 to improve the business status of 'Z' category company.

<https://www.newagebd.net/article/127799/bsec-reforms-al-haj-textiles-board>

<https://www.dhakatribune.com/business/stock/2021/01/20/in-a-first-bsec-dispatches-observer-to-a-listed-company>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$53.24	\$4.72	9.73%
Crude Oil (Brent)*	\$55.77	\$3.97	7.66%
Gold Spot*	\$1,869.00	(\$26.10)	-1.38%
DSEX	5,827.56	425.49	7.88%
S&P 500	3,851.85	95.78	2.55%
FTSE 100	6,740.39	279.87	4.33%
BSE SENSEX	49,792.12	2,040.79	4.27%
KSE-100	45,676.94	1,921.56	4.39%
CSEALL	7,884.45	1,110.23	16.39%

Exchange Rates

USD 1 = BDT 84.81*
GBP 1 = BDT 115.94*
EUR 1 = BDT 102.83*
INR 1 = BDT 1.16*

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

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