

*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.*

### **Slow private credit growth hinders Covid recovery**

- When businesses hit hard by the pandemic need money the most to recover from shocks, lenders have remained cautious in providing loans, causing a sluggish growth of credits in the private sector. The overall private sector credit growth in the last fiscal year was 8.62%, far from the monetary target of 14.8%. The BB expressed concern over the slow credit growth as it means a slump in investment. Private sector credit in India has been growing at a subdued 5.5%-6% in recent months, which is half the pace seen before the pandemic, according to the Reserve Bank of India.
- When the overall import started to rebound at a pace of 17.31% in July-May period of the last fiscal year, capital machinery imports remained negative at 3.28%, according to Bangladesh Bank. The increase in import expenditure is mainly due to the price hike of consumer goods in the global market.
- Cash flow became negative when there was no recovery of loans because of a moratorium. That made banks extra careful about asset quality as there is a risk of a wave of default loans after lifting payment pause. This is the backdrop to banks shying away from fresh lending despite having excess liquidity. Currently, excess liquidity in the banking sector amounts to BDT 2 trillion.

<https://www.tbsnews.net/economy/slow-private-credit-growth-hinders-covid-recovery-278965>

### **Stimulus loans diverted to unproductive sectors**

- Low-cost stimulus loans diverting to unproductive sectors may cause failure in achieving the objectives, for which they have been disbursed in the first place, said Bangladesh Bank. The BB in a primary observation found investment of low-cost loans in stocks. It found that after stimulus loans had been given as working capital, the money was withdrawn at once in some cases, not gradually, indicating diversion of the funds, said a senior executive of the central bank.
- The BB said that in some cases, stimulus loans were used for adjusting existing loans, not the purpose mentioned to get the low-cost fund under Covid recovery packages. It also said some banks had allegedly been delaying the disbursement of stimulus loans.
- The government announced stimulus packages of BDT 1.28 trillion in total, of which the BB has been directly involved in disbursing BDT 1 trillion. The BB has so far provided BDT 60.82 billion in interest subsidy to banks against stimulus loans of around BDT 830 billion.

<https://www.tbsnews.net/economy/banking/stimulus-loans-diverted-unproductive-sectors-278968>  
<https://www.newagebd.net/article/144567/some-borrowers-using-funds-in-unproductive-sectors-bb>

### **Bangladesh has 4th cheapest mobile data in South Asia**

- Bangladesh ranked in the fourth position in terms of cheapest mobile data among South Asian countries. Globally it came out in the 18th position. According to cable.co.uk data, each gigabyte of data costs USD 0.7 in the country. Meanwhile, the neighbouring country India has the cheapest mobile data worldwide. Each gigabyte of mobile data only costs USD 0.09 in India.

<https://www.dhakatribune.com/business/2021/07/25/bangladesh-has-4th-cheapest-mobile-data-in-south-asia>

### **City Bank to issue BDT 7 billion bond**

- The City Bank Ltd has decided to issue a BDT 7 billion subordinated bond. The bank wants to meet the capital requirements stipulated in the Basel-3 regulatory framework by issuing the bond to support its continuous business growth. It has not applied to the Bangladesh Securities and Exchange Commission (BSEC) yet. Sources said the bond's features has not been finalised, but the process in this regard is running.

<https://www.tbsnews.net/economy/stocks/city-bank-issue-BDT700cr-bond-278920>

### **Excelerate, Summit to build two more FSRUs**

- US-based Excelerate Energy and local Summit Group have initiated the process of building one more FSRU (floating, storage and re-gasification unit) each to meet the rising demand for natural gas in the country. They have submitted proposals to the Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources in this connection. Both the companies are seeking to build their second FSRU at Payra in southern

Bangladesh.

- The companies are now lobbying with the government high-ups to get permission to build the FSRUs having the capacity to re-gasify around 3.75 million tonne per year (MTPA) through unsolicited deals under the Speedy Supply of Power and Energy (Special Provision) Act 2010 bypassing the tender process. Both the companies earlier had secured the permission to build their first FSRU each and supply re-gasified LNG under the special law, as the state-run Petrobangla did not float any international tender to select contractors to do the job.

<https://today.thefinancialexpress.com.bd/first-page/excelerate-summit-to-build-two-more-fsrus-1627234936>

### Samorita Hospital to build new building

- The board of directors of listed Samorita Hospital has approved the proposal to construct an eight storied building in the land adjacent to hospital premises with an estimated total cost of BDT 55 million. The total measuring of building will be 15,560 square feet (approximately) including basement. The total amount will be financed from its own source of the company.
- The building space will be used for ETP, Physiotherapy center, chemotherapy unit, consultants' chamber, canteen and dormitory purposes, said the company. The project will be completed by the year 2023.

<https://today.thefinancialexpress.com.bd/stock-corporate/samorita-hospital-to-build-new-bldg-1627231262>

### World Stock and Commodities\*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$71.96	\$23.44	48.31%
Crude Oil (Brent)*	\$73.98	\$22.18	42.82%
Gold Spot*	\$1,805.34	(\$89.76)	-4.74%
DSEX	6,424.22	1,022.15	18.92%
S&P 500	4,411.79	655.72	17.46%
FTSE 100	7,027.58	567.06	8.78%
BSE SENSEX	52,975.80	5,224.47	10.94%
KSE-100	47,793.07	4,037.69	9.23%
CSEALL	8,136.76	1,362.54	20.11%

### Exchange Rates

USD 1 = BDT 84.84\*

GBP 1 = BDT 116.61\*

EUR 1 = BDT 99.86\*

INR 1 = BDT 1.14\*

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

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