



Farmers plant mung beans in Arojbegi village of Patuakhali's Dashmina upazila. The nutrition-rich and short-duration grain legume helps increase soil fertility through its roots, saving on the use of urea fertiliser for any crop that may be subsequently cultivated. The photo was taken recently.

PHOTO: SOHRAB HOSSAIN

US unemployment rate lowest since 1969

REUTERS, Washington

US job growth accelerated sharply in January while the unemployment rate hit more than a 53-1/2-year low of 3.4 per cent, pointing to a stubbornly tight labour market, and a potential headache for Federal Reserve officials as they fight inflation.

The Labor Department's closely watched employment report on Friday also showed job creation in the past year was much stronger than previously estimated, suggesting the economy was nowhere near a recession. Though wage inflation cooled further in January, average hourly earnings increased faster in 2022 than previously estimated.

The strength in hiring, which occurred despite layoffs in the technology sector as well as in sectors like housing and finance that are sensitive to interest rates, poured cold water on market expectations that the US central bank was close to pausing its monetary policy tightening cycle.

Economists said the head-scratching report and other data on Friday showing a sharp rebound in services industry activity last month suggested the Fed could lift its target interest rate above the recently projected 5.1 per cent peak and keep it there for some time.

"The labour market is still running hot,

too hot for the Fed's liking," said Daniel Vernazza, chief international economist at UniCredit Bank in London. "Anyone that thought the Fed might stop hiking as soon as its March meeting is likely to be disappointed on this evidence."

The survey of establishments showed nonfarm payrolls surged by 517,000 jobs last month, the most in six months. Economists in a Reuters poll had expected a gain of 185,000. Data for December was revised higher to show 260,000 jobs added instead of the previously reported 223,000. Employment growth last month was well above the monthly average of 401,000 in 2022.

With January's report, the Labor Department's Bureau of Labor Statistics (BLS) published its annual payrolls "benchmark" revision and updated the formulas it uses to smooth the data for regular seasonal fluctuations in the establishment survey.

The economy added 568,000 more jobs in the 12 months through March 2022 than previously reported. Revisions to payrolls data from April through December also showed more jobs created than previously estimated. The economy added 4.8 million jobs in 2022 instead of the 4.5 million previously reported.

The revisions dispelled claims by researchers at the Philadelphia Fed who

published a paper in December suggesting employment growth in the second quarter of 2022 was overstated by about a million jobs.

The BLS revised its industry classification system, which resulted in about 10 per cent of employment reclassified into different industries. Last month's broad increase in employment was led by the leisure and hospitality sector, which added 128,000 jobs, with 99,000 of them in restaurants and bars.

Leisure and hospitality employment remains 495,000 jobs below its pre-pandemic level. Professional and business services employment rose by 82,000, with temporary help jobs, a harbinger for future hiring, rebounding by 25,900 after declining for several months. Government payrolls jumped 74,000, boosted by the return of striking university workers in California.

Construction payrolls increased by 25,000 jobs, which were mostly among specialty trade contractors. Manufacturing employment rose by 19,000 jobs.

Stocks on Wall Street were trading mostly lower. The dollar gained versus a basket of currencies. US Treasury prices fell.

Average hourly earnings increased 0.3 per cent last month after gaining 0.4 per

cent in December. That lowered the year-on-year increase in wages to 4.4 per cent, the smallest rise since August 2021, from 4.8 per cent in December.

But wage growth was revised up for 2022, suggesting only a moderate pace of cooling in wage inflation than previously thought. The average workweek increased to 34.7 hours from 34.4 hours in December.

"While it is natural to be skeptical of the degree of strength in payroll growth and the increase in total hours worked given the perceived slowing of growth, we have been pointing out that almost all the labor market indicators going into this report showed an improvement in labor market conditions," said Conrad DeQuadros, senior economic advisor at Brea Capital in New York.

President Joe Biden said the employment report was a sign that his economic plan was working. "Jobs are going up, inflation is going down," the Democratic president wrote on Twitter.

The Fed on Wednesday raised its policy rate by 25 basis points to the 4.50 per cent-4.75 per cent range, and promised "ongoing increases" in borrowing costs. Government data this week showed there were 11 million job openings at the end of December, with 1.9 openings for every unemployed person.

Standard Bank gets new MD

STAR BUSINESS DESK



Standard Bank has recently appointed a new managing director (MD) and chief executive officer.

The appointee, Md Habibur Rahman, was previously working at Union Bank as an additional managing director, said a press release. Rahman embarked on his banking career with Islami Bank Bangladesh as a probationary officer in 1989.

He previously served Southeast Bank, NCC Bank, Jamuna Bank, Prime Bank, Mercantile Bank and Shahjalal Islami Bank.

He obtained his postgraduation degree in economics from the University of Chittagong.

Strong India services growth dips in Jan

REUTERS, Bengaluru

Robust growth in India's services industry eased last month after touching a six-month high in December, with softening orders spurring caution in companies' business outlooks for the year, a private business survey showed on Friday.

The South Asian nation's economy is expected to grow 6.0 per cent to 6.8 per cent next fiscal year, the government said this week, slower than the 7.0 per cent growth projected for the current year amid faltering global demand.

But Finance Minister Nirmala Sitharaman said in her budget speech on Wednesday that despite challenges the Indian economy was "heading towards a bright future".

The S&P Global India services Purchasing Managers' Index (PMI) fell to 57.2 in January from 58.5 in December, missing expectations in a Reuters poll for 58.1 but above the 50-mark separating growth from contraction for an 18th straight month.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 4, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	1.5 ↑	5.47 ↑
Coarse rice (kg)	Tk 46-Tk 50	-2.04 ↓	1.05 ↑
Loose flour (kg)	Tk 58-Tk 60	-1.67 ↓	68.57 ↑
Lentil (kg)	Tk 95-Tk 100	-4.88 ↓	0
Soybean (litre)	Tk 168-Tk 170	-2.59 ↓	14.58 ↑
Potato (kg)	Tk 25-Tk 30	22.22 ↑	83.33 ↑
Onion (kg)	Tk 30-Tk 40	-9.09 ↓	40 ↑
Egg (4 pcs)	Tk 43-Tk 47	23.29 ↑	23.29 ↑
SOURCE: TCB			



Hassan O Rashid, managing director of Prime Bank, handed over to Abdur Rouf Talukder, governor of Bangladesh Bank, signed documents of an agreement on facilitating investments for export-oriented industries using a Tk 10,000 crore central bank fund at the latter's headquarters in Dhaka recently.

PHOTO: PRIME BANK



Sohail RK Hussain, managing director of Meghna Bank, handed over to Abdur Rouf Talukder, governor of Bangladesh Bank, signed documents of an agreement on facilitating investments for export-oriented industries using a Tk 10,000 crore central bank fund at the latter's headquarters in Dhaka recently. Abu Farah Md Nasser, deputy governor of Bangladesh Bank, and Nurun Nahar, executive director, were present.

PHOTO: MEGHNA BANK

ECB set to raise

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"The March increase will not be the last," Kazimir said in a statement. "We will decide how many more will be needed later."

Simkus said the May increase could be either 25 or 50 basis points but a step up to 75 bps was unlikely.

They were confirming what sources had told Reuters after the meeting on Thursday.

While neither would specify where rate hikes could end, Simkus said the ECB could be approaching a peak.

"I see positive trends for inflation," Simkus said. "I think that we are already moving towards that terminal rate."

Indeed, analysts polled by the ECB expect the euro zone central bank to eventually conquer inflation - but not for another two years.

Markets currently price the terminal rate at 3.35 per cent, suggesting that some investors see just a 25 bp move after the already signalled March move, while others see 50.

Both Kazimir and Simkus pushed back on the idea that rates could be cut towards the end of the year, as currently priced by markets.

Oil price falls

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more worried about the Federal Reserve being aggressive with interest rates," said Phil Flynn, analyst at Price Futures Group.

The US central bank on Wednesday scaled back to a milder rate increase than those over the past year, but policymakers also projected that "ongoing increases" in borrowing costs would be needed.

Increases in interest rates in 2023 are likely to weigh on the US and European economies, boosting fears of an economic slowdown that is highly likely to dent global crude oil demand, said Priyanka Sachdeva, market analyst at Phillip Nova.

European Union countries agreed to set price caps on Russian refined oil products to limit Moscow's funds for its invasion of Ukraine, the Swedish presidency of the EU said on Friday.



Selim RF Hussain, managing director of Brac Bank, inaugurated a Badda branch at Pearl Trade Centre on Progoti Shoroni Road of Dhaka recently. Sheikh Mohammad Ashfaque, head of branches, was present.

PHOTO: BRAC BANK



Syed Waseque Md Ali, managing director of First Security Islami Bank, attended an "Annual Business Development Conference-2023" at Radisson Blu Dhaka Water Garden yesterday. Abdul Aziz and Muhammad Mustafa Khair, additional managing directors, and Md Zahurul Haque and Md Masudur Rahman Shah, deputy managing directors, were present.

PHOTO: FIRST SECURITY ISLAMI BANK



Md Monzur Mofiz, managing director of One Bank, attended a ceremony on the joining of special cadre and cadre officials in Dhaka recently. Abu Zafare Md Saleh, assistant managing director, John Sarkar, deputy managing director, and Manirul Islam, senior executive vice-president, were present.

PHOTO: ONE BANK