

Bangladesh Market

Major Indices	Last closing
DSEX Index	6245.8
% change	-0.42%
DS30 Index	2118.29
% change	-0.45%
DSES Index	1356.17
% change	-0.46%
Turnover (BDT mn)	4099.79
Turnover (USD mn)	37.44
% change	-12.66%

Source: Dhaka Stock Exchange

International Market

Major Indices	Last closing
Dow Jones Industrial Average	34,376.00
% change	1.43%
S&P 500	4426.50
% change	1.82%
Nikkei 225	32,585.11
% change	-0.19%
FTSE 100	7,425.83
% change	-0.40%

Source: Bloomberg

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	111.00	111.00
EUR	118.73	118.78
GBP	136.28	136.29
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
13-Nov-23	7.25 - 8.50	7.94
12-Nov-23	7.25 - 8.50	7.83

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	82.73	2.39%
Gold Spot, USD/t oz.	1,944.86	0.29%
Cotton, USD/lb.	80.05	1.02%

Source: Bloomberg

Market Summary

Bangladesh Market

- ◆ The leading bourse of the country, DSEX lost 0.42% in the last trading day.
- ◆ The rising tension regarding the national polls, continued countrywide blockade, the unrest in the RMG sector, and the rising inflation are few of the major causes behind the fall in market in the past 5 days.
- ◆ The turnover drop of 12.66% during the last trading day indicate towards an unrest among the investors in the market which is wiping out liquidity in the market.

Global Market

- ◆ All of the leading global indices posted positive returns except FTSE 100 which posted (0.40%) in the last trading day.
- ◆ Dow Jones Industrial Average (DJIA) and S&P 500 (SP500) gave 1.43% and 1.82% return led by the expectation of no further rate hikes.
- ◆ One of the leading Asian index NIKKEI 225 posted negative return of (0.19) in the last trading day.

Key macro indicators

- ◆ All of the major currencies are rising against BDT this past week amid devaluation of BDT. The latest move of banks to devalue BDT further to 111.00 against USD led to a rise in BDT/USD rate while the other currencies have also moved up against BDT.
- ◆ The average overnight rate is rising steadily in the past few weeks as per the latest trend. The current weighted average overnight rate stood at 7.94% with a high rate of 8.50% and low rate of 7.25%.
- ◆ The oil price rose for a fourth day, the longest run of gains in over two months on signs the demand outlook may not be as bad as previously feared. The benchmark crude jumped 4.0% since Wednesday amid the ongoing middle east crisis.

Bangladesh Macro Update

Economy slides further amid foreign currency crunch

- ◆ The country's overall economic situation has deteriorated further because of the foreign currency crisis, runaway inflation, and a sharp decrease in monthly export income.
- ◆ The foreign currency shortage had kept the country's balance of payments under constant pressure, while the runaway inflation gave most people problems maintaining their daily expenses with limited incomes, according to Economists.
- ◆ Monthly export income in October dropped by 13.64% to USD 3.76 billion compared to USD 4.35 billion in the same month of FY23, which, according to economists, might complicate the economic situation further amid unrest in the ready-made garment sector over the new minimum wage.
- ◆ The persisting high inflation is one of the major reasons for the demand for wage hikes in the RMG sector, which accounts for around 85.0% of the country's annual exports.

News Source:

<https://www.newagebd.net/article/217597/economy-slides-further-amid-foreign-currency-crunch>

Dollar rate for remittance further falls to Tk117

- ◆ The dollar rate for remittance has further dropped to BDT 117 on Monday, which is a BDT 2-3 decrease from Sunday, according to bank officials.
- ◆ With the latest drop, the dollar rate for remittance has decreased by BDT 7-8 in recent days following a meeting between the central bank governor and member banks of the Association of Bankers, Bangladesh (ABB), and the Bangladesh Foreign Exchange Dealers' Association (Bafeda) this past Thursday.
- ◆ Meanwhile, the Bangladesh Bank has fixed the dollar rates for the open market to BDT 117.0 as sell price and BDT 115.5 as buy price.
- ◆ The regulator's intervention has decreased the price of the greenback in the open market as well but the rate still hovers higher than the central bank fixed rates.

News Source:

<https://www.tbsnews.net/economy/banking/dollar-rate-remittance-further-falls-tk116-117-738938>

Retail sales drop as blockade bites

- ◆ The nationwide blockade being observed by several political parties in Bangladesh is taking its toll on businesses as sales have plunged.
- ◆ Blockaders have observed it for nine days since October 31 and set fire to hundreds of vehicles to press home their demand, creating panic among the common people.
- ◆ A section of traders from wholesalers and retailers to vegetable sellers and restaurant owners in and outside of the capital said their sales have fallen as high as 50 percent, compounding losses for the businesses at a time when people have already tightened their belts owing to a lingering cost-of-living crisis.

News Source:

<https://www.thedailystar.net/business/news/retail-sales-drop-blockade-bites-3468971>

Govt gives nod to build Shariatpur economic zone

- ♦ The government recently gave the go-ahead to establish an economic zone for agro-processing industries at Alaolpur union of Gosairhat upazila in Shariatpur, some 55 kilometres south of Dhaka city.
- ♦ On October 26, the Prime Minister's Office declared 686 acres of land in the Charjalalpur area of Alaolpur as an economic zone in accordance with the Bangladesh Economic Zones Act, 2010.
- ♦ However, it remains undecided whether land development works will be carried out by the Bangladesh Economic Zones Authority (Beza) or the investors themselves, according to officials of the state agency.

News Source:

<https://www.thedailystar.net/business/export/news/govt-gives-nod-build-shariatpur-economic-zone-3469031>

Sectoral Update

Banks, NBFIs, & Insurance

Bangladesh Bank resumes liquidity support to banks

- ♦ Cash feeding to banks begins over again in a policy shift by the central bank perforce following liquidity crunch, according to bankers.
- ♦ According to the economists, the Bangladesh Bank's latest retreat from the contractionary monetary-policy stance for inflation combat comes as costly dollar, loan default and rate raise sap banks' cash stock.
- ♦ In less than two months, the regulator backtracked on its policy of curtailing money support to the commercial banks.
- ♦ Now, the Bangladesh Bank is allowing all bids for cash supports placed by the liquidity-starved scheduled banks against government securities to ease looming cash crunch in the banking industry.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/bangladesh-bank-resumes-liquidity-support-to-banks-1699899691>

Apparel & Textile

Once buoyed by growing demand, textile mills sink in gas crisis, fewer orders

- ♦ As the global supply chain recovered from the upheaval caused by the Covid-19 pandemic in the latter part of 2021, Western consumers emerged from lockdowns, sparking an unprecedented surge in garment orders for Bangladesh. Consequently, the country witnessed a remarkable 34.0% increase in exports, reaching USD 52.08 billion in FY22.
- ♦ However, this economic boon swiftly transformed into a formidable challenge for textile millers, who found themselves struggling to meet the surging demand for yarn and fabrics crucial to garment production.
- ♦ In response to the urgency of the situation, a section of millers injected over BDT 10,000 crore into

the industry, either by establishing new mills or expanding existing capacities.

- ♦ Unfortunately, what was initially an investment for growth has now devolved into a nightmarish scenario as export orders have significantly dwindled, worsened by soaring utility bills, forcing textile mills to operate at only half their capacity.

News Source:

<https://www.tbsnews.net/economy/rmg/once-buoyed-growing-demand-textile-mills-sink-gas-crisis-fewer-orders-738990>

Factories reopening in Gazipur, some still shut in Ashulia

- ♦ Bangladesh's apparel apex body wrote to the American Apparel and Footwear Association (AAFA) for readjusting garment prices commensurate with the enhanced worker wages amid industrial action.
- ♦ Meanwhile, according to sources, factories in Gazipur began reopening with violent labour protests dissipating while majority of closed units in Ashulia hub remained under a shutdown.
- ♦ Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in a letter to AAFA president and CEO Stephen Lamar made the call on November 08, a day after the government announced BDT 12,500 as minimum monthly wage for an entry-level garment worker.
- ♦ Furthermore, from now onward, all the business negotiations and deals will have to be made adhering to the new minimum-wage policy, he noted in the communication with buyers' body in the single-largest export market.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/factories-reopening-in-gazipur-some-still-shut-in-ashulia-1699899891>

Pharmaceuticals & Chemicals

Over 14% diabetes patients face catastrophic health expenditure

- ♦ A significant portion of diabetic patients in Bangladesh are struggling under the weight of catastrophic health expenditure due to the soaring costs of medical care, including diabetes test strips, insulin, and oral medications.
- ♦ Data from a recent study shows that soaring medical expenses put over 14.0% of diabetes patients at risk of financial ruin.
- ♦ According to the Bangladesh Endocrine Society, approximately 1.31 crore people are dealing with diabetes in Bangladesh, placing the country at the eighth position globally in terms of the number of diabetes patients.
- ♦ Stakeholders say over the past year, there has been a noticeable surge in the prices of various medications, including those used to treat diabetes.

News Source:

<https://www.tbsnews.net/bangladesh/health/over-14-diabetes-patients-face-catastrophic-health-expenditure-739046>

Capital Market

Dhaka stocks fall for fifth day

- ◆ Dhaka stocks fell on Monday with a decrease in turnover for the fifth consecutive trading session, as sellers persisted in safeguarding their funds and mitigating losses amid market downturn, according to market operators.
- ◆ DSEX, the key index of the Dhaka Stock Exchange, lost 11.92 points, or 0.19%, and settled at 6,245.80 points after losing 14.10 points in the previous session.
- ◆ The turnover on the DSE decreased to BDT 409.98 crore on Monday compared with that of BDT 419.04 crore in the previous trading session.
- ◆ According to operators, investors were cautious because of economic worries and rising political tensions ahead of the national election and the disappointing financial results from many companies in the latest quarter made the market situation even worse.

News Source:

<https://www.newagebd.net/article/217581/dhaka-stocks-fall-for-fifth-day>

Small investors' woes in capital market unlikely to end before national polls: Analysts

- ◆ Small investors in the stock market are frustrated as their wait for a good time gets delayed by the country's ongoing political unrest.
- ◆ The political impasse over who should oversee the upcoming national polls is thwarting the stock market's recovery from Covid-19 pandemic and the Ukraine-Russia war.
- ◆ The small investors' shares are stuck on the floor price (minimum sale rate) and overall economic downfall. This has been painful for many unfortunate small investors of the capital markets, according to market analysts.

News Source:

<https://www.tbsnews.net/economy/small-investors-woes-capital-market-unlikely-end-national-polls-analysts-739254>

Banglalink ready for IPO, awaits favourable market conditions

- ◆ Bangladesh's third-largest mobile operator Banglalink is fully ready to launch an initial public offering (IPO), but currently adopts a "wait-and-see" approach due mostly to current market conditions.
- ◆ The upcoming national election, political instability and the weaker-than-expected performance of other telecom companies in the stock market as reasons for Banglalink's cautious stance.
- ◆ In early 2022, Banglalink Digital Communications Ltd announced its intention to raise funds through an IPO by offloading 10.0% of its paid-up capital.
- ◆ The company is estimated to raise over BDT 8 billion through the fixed-price offering, with a paid-up capital of around BDT 84 billion, according to the Chief Corporate and Regulatory Affairs Officer of Banglalink.

News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/banglalink-ready-for-ipo-awaits-favourable-market-conditions-1699898506>