

Bangladesh Market

Major Indices	Last closing
DSEX Index	6221.73
% change	-0.08%
DS30 Index	2104.41
% change	-0.07%
DSES Index	1350.01
% change	-0.08%
Turnover (BDT mn)	3454.13
Turnover (USD mn)	31.12
% change	-22.00%

Source: Dhaka Stock Exchange

Market Summary

Bangladesh Market

- ◆ The leading bourse of the country, DSEX lost 0.08% in the last trading day.
- ◆ The rising tension regarding the national polls, the unrest in the RMG sector, and the rising inflation are few of the major causes behind the fall in the market.
- ◆ The turnover fell 22.00% indicate towards rising tension among the investors in the market .

International Market

Major Indices	Last closing
Dow Jones Industrial Average	35,171.00
% change	-0.04%
S&P 500	4,550.25
% change	-0.16%
Nikkei 225	33,451.83
% change	0.29%
FTSE 100	7,481.99
% change	-0.19%

Source: Bloomberg

Global Market

- ◆ Majority of the leading global indices posted negative returns with Dow Jones, S&P 500, and FTSE 100 posting 0.04%, 0.16%, and 0.10% loss, respectively.
- ◆ One of the leading Asian index NIKKEI 225 posted negative return of 0.19% in the last trading day.

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	111.00	111.00
EUR	121.41	121.45
GBP	138.79	138.81
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
21-Nov-23	7.25 - 8.50	8.07
20-Nov-23	7.25 - 8.50	8.04

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	82.34	0.52%
Gold Spot, USD/t oz.	1,997.49	0.47%
Cotton, USD/lb.	80.69	0.40%

Source: Bloomberg

Key macro indicators

- ◆ All of the major currencies are rising against BDT 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 8.07% with a high rate of 8.50% and low rate of 7.25%.
- ◆ The oil price rose 0.52% as expectations of OPEC+ deepening supply cuts to shore up prices.

Bangladesh Macro Update

Political crisis to significantly affect economy: PRI

- ♦ The ongoing political crisis, foreign powers' interest in the upcoming national election, and labour and human rights issues are deepening the economic uncertainty in the country, according to the Policy Research Institute (PRI) of Bangladesh.
- ♦ The government should not have neglected to resolve the labour issues, opined PRI.
- ♦ Inflation has been persistently high for the last several months and average inflation stood at 9 percent in the fiscal year 2022-23 ending in June, crossing the targeted levels of 5.6 percent and for the current fiscal year, it will be tough to keep it within 6 percent, mentioned PRI.

News Source:

<https://www.thedailystar.net/business/news/political-crisis-significantly-affect-economy-pri-3475471>

Foreign debt servicing jumps 52pc in July-Oct

- ♦ Country's foreign debt repayment in the first four months of the current fiscal year (FY 2023-24) stood at USD 1.10 billion, nearly 52.0% higher than the amount paid against the concessional loans in the same period of the last FY.
- ♦ The repayment in principal and interest to the development partners against medium- to long-term (MLTs) loans was USD 724.28 million during July-October period of FY 2022-23, according to official data.
- ♦ Meanwhile, the foreign loan disbursements by the development partners dipped by USD 344.44 million or 17.43% to USD 1.63 billion during the four-month period of FY 2023-24, according to Economic Relations Division (ERD) provisional data.
- ♦ According to an FE analysis, the interest payments jumped by 2.5 times to USD 467.42 million during the period from only USD 187.73 million in the same period of previous FY.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/foreign-debt-servicing-jumps-52pc-in-july-oct-1700589272>

Market has unofficial inter-bank exchange rates now: PRI

- ♦ The Policy Research Institute (PRI) of Bangladesh today suggested the Bangladesh Bank implement a unified and fully market driven exchange rate after the national elections, as the unofficial inter-bank rates have emerged amid shortage of the greenback.
- ♦ Officially there are unified rates, but in reality, these are available only on paper, according to PRI.
- ♦ Due to the dollar crisis in the market, people are forced to pay at rates much higher than the official rates as many banks are refusing to open letters of credit (LCs), added PRI.

News Source:

<https://www.thedailystar.net/business/news/market-has-unofficial-inter-bank-exchange-rates-now-pri-3475231>

Subsidies to poor's bank accounts drop by 38pc in September

- ♦ Even amid low-income people grappling with near double-digit inflation, government subsidy allocations to their bank accounts dropped substantially in September compared to August this year.

- ◆ The central bank attributes the drying up of fund flow to the poor to the government's belt-tightening and redrawing expenditure line-ups, though economists have been calling for expanding the social safety net coverage through efficient public spending.
- ◆ The government's subsidy allocations to the no-frill bank accounts -- typically maintained by marginalised people with an initial deposit of Tk 10, Tk 50 or Tk 100 -- dropped by over 38 per cent to Tk 2.64 billion in September compared to the previous month, according to the Bangladesh Bank data.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/subsidies-to-poor-bank-accounts-drop-by-38pc-in-september-1700589477>

Sectoral Update

Bank, NBFIs, & Insurance

Bad loans rise in private banks, but drop in state banks

- ◆ Non-performing loans (NPLs) have increased in private commercial banks but dropped in state-run banks for a portion being regularised through rescheduling.
- ◆ During the last July-September period, the default loans in private banks rose by Tk 7,902 crore but decreased by Tk 8,657 crore in state-run banks, according to latest data from Bangladesh Bank.
- ◆ Overall, the NPLs in Bangladesh's banking sector have slightly decreased, mainly due to the regularisation of some of Janata Bank's loans through rescheduling.
- ◆ At the end of September, the sector's NPLs stood at Tk 155,397 crore, down by only Tk 642 crore from that in June.

News Source:

<https://www.thedailystar.net/business/news/bad-loans-rise-private-banks-drop-state-banks-3475421>

‘No rule of game’ in collecting remittance

- ◆ Some banks are seeing extraordinary growth in remittance inflows thanks to offering at least Tk 4 more than the permitted rate per dollar.
- ◆ The Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Banks Bangladesh (ABB) have stipulated, as per the unofficial direction of the central bank, that a maximum of Tk 116 can be offered per dollar for inward remittance.
- ◆ But a good number of banks are collecting remittances at Tk 120 to Tk 125 per dollar.
- ◆ Industry insiders said the banks offering rates higher than the Bafeda-ABB one are receiving more remittances.

News Source:

<https://www.tbsnews.net/features/panorama/will-bancassurance-improve-bangladeshs-insurance-landscape-743338>

23 banks under cenbank's radar for non-encashment of ERQ dollars

- ◆ The central bank has directed 23 banks to promptly convert 50.0% of their deposited dollars in Exporters' Retention Quota (ERQ) accounts into cash, citing non-compliance with its directive issued two months ago.
- ◆ Earlier in September, the central bank mandated the immediate encashment of 50% of the outstanding amount in the ERQ accounts in accordance with the prevailing exchange rate.

- ◆ According to a central bank official, 34 have complied with instructions and encashed the required amount.
- ◆ However, there are instances where some banks have only encashed 20-40% of their ERQ accounts. All banks are now under directive to encase the remaining amount swiftly.

News Source:

<https://www.tbsnews.net/features/panorama/will-bancassurance-improve-bangladeshs-insurance-landscape-743338>

Most general insurance firms perform poorly

- ◆ Most of the listed general insurance companies displayed an unimpressive performance in the third quarter (Q3) of 2023 due to a blunt decrease in premium income.
- ◆ Out of 57 listed insurance companies, 15 are life insurance and 42 are general insurance companies.
- ◆ Among the 42 general insurance companies listed in the capital market, the profits of 25 companies have decreased, compared year-on-year. The profits of 12 companies have increased, and 2 firms returned to profitability from negative conditions.
- ◆ Among the listed general insurance companies, the profits of the three companies remained unchanged compared to the previous year.
- ◆ The profits may have decreased due to a rise in costs in the reinsurance sector.

News Source:

<https://businesspostbd.com/stocks/most-general-insurance-firms-perform-poorly>

Fuel & Power

Oil refiners concerned over new policy

- ◆ The policy for setting up and operating private refineries will pose difficulties for existing refiners as a provision makes it mandatory to build up capacity for production of petroleum products to 15 lakh tonnes per annum, according to industry insiders.
- ◆ In order to meet growing demand for fossil fuels in the country, the government formulated a policy allowing the private sector to set up refineries to process crude oil and market products for the first time.
- ◆ This policy will be applicable for the setting up and processing of refineries in the private sector, and marketing of related products.
- ◆ However, industry insiders said financial pressure would be exerted on existing private refiners as the policy made it mandatory to build up their production capacity to 15 lakh tonnes per year.

News Source:

<https://www.thedailystar.net/business/news/oil-refiners-concerned-over-new-policy-3475461>

Capital Market

Stocks down for the fourth straight session

- ◆ Amid a decline in corporate profitability and declining confidence, Dhaka and Chattogram stocks kept falling till the closing bell on Tuesday.
- ◆ DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), fell for the fourth straight ses-

sion to 6,221, the lowest since 17 August.

- ◆ Investors, already stuck at floor prices, are inactive in the market while speculators are chasing a handful of the weaker company shares, and the fear of getting further capital stuck on floor prices has intensified over the last week, according to market operators.

News Source:

<https://www.tbsnews.net/economy/stocks/stocks-down-fourth-straight-session-743926>

Banglalink eyes IPO in two years

- ◆ Banglalink Digital Communications Ltd, the third-largest telecom operator in the country, is planning to go public in two years, according to its CEO.
- ◆ Despite six consecutive quarters of double-digit revenue growth, Banglalink was yet to be profitable enough to fit for an initial public offering (IPO) but the company was on its way to seeing net profits, and that should not be far, the CEO added.
- ◆ Banglalink, a subsidiary of Amsterdam-based Veon, posted 15.1% year-on-year growth in its revenue to BDT 1,588 crore in the July-September quarter, while over the first nine months of the year, its revenue grew by 16.6% to BDT 4,591 crore.
- ◆ The market-beating revenue growth was attributed to the highest customer growth in the industry, which let the company earn more data and service revenue.

News Source:

<https://www.tbsnews.net/economy/stocks/banglalink-eyes-ipo-two-years-743922>