

Bangladesh Market

Major Indices	Last closing
DSEX Index	6,229.59
% change	-0.07%
DS30 Index	2,105.42
% change	-0.06%
DSES Index	1,351.39
% change	-0.08%
Turnover (BDT mn)	5,491.06
Turnover (USD mn)	49.47
% change	48.25%

Source: Dhaka Stock Exchange

Market Summary

Bangladesh Market

- ◆ The leading bourse of the country, DSEX lost -0.07% in the last trading day.
- ◆ The rising tension regarding the national polls, the unrest in the RMG sector, and rising interest rates are few of the major causes behind the negative sentiment of the market.
- ◆ The turnover rose 48.25% during the last trading day.

International Market

Major Indices	Last closing
Dow Jones Industrial Average	35,349.00
% change	-0.12%
S&P 500	4,555.00
% change	-0.10%
Nikkei 225	33,481.85
% change	-0.43%
FTSE 100	7,488.20
% change	0.06%

Source: Bloomberg

Global Market

- ◆ Majority of the leading global indices posted negative returns with Dow Jones and S&P 500 posting -0.12%, -0.10%, respectively while FTSE 100 gained 0.06%.
- ◆ One of the leading Asian index NIKKEI 225 posted negative return of 0.06% in the last trading day.

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	111.00	111.00
EUR	120.87	120.92
GBP	139.26	139.30
INR	1.32	1.32

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
26-Nov-23	7.25 - 8.75	8.22
23-Nov-23	7.25 - 8.75	8.19

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	79.78	-0.99%
Gold Spot, USD/t oz.	2,013.17	0.62%
Cotton, USD/lb.	80.07	-1.14%

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 8.22% with a high rate of 8.75% and low rate of 7.25%.
- ◆ The oil price dropped 0.99% after rising for a few straight days.

Bangladesh Macro Update

Policy rate hiked again as inflation stays high

- ♦ The central bank yesterday raised the repo rate by 50 basis points to step up its fight against the persisting higher inflation and increased rates that will make loans costlier and give better returns to savers.
- ♦ Now, the policy rate will be 7.75%, which will be effective from today.
- ♦ The increase in the repo rate is the eighth hike in the past 19 months as inflation has kept surging.
- ♦ The banking regulator also increased the margin by 25 basis points to 3.75% that banks can add to the SMART (Six Months Moving Average Rate of Treasury Bills) rate when extending loans.

News Source:

<https://www.thedailystar.net/business/news/policy-rate-hiked-again-inflation-stays-high-3479581>

How a decline in short-term loans affects financial account

- ♦ The country's banking sector has been experiencing higher repayment than borrowing of short-term external loans, leading the financial account to fall in deficit of nearly USD 4 billion in July-September period of the current fiscal year.
- ♦ It has ultimately accelerated the depletion of foreign exchange reserves.
- ♦ According to central bank data, the nation repaid USD 24 billion in short-term foreign loans in the first eight months of this year, roughly USD 5 billion more than it borrowed during the same period.
- ♦ The total private sector external debt declined to USD 12.42 billion in September from USD 16 billion in December last year.

News Source:

<https://www.tbsnews.net/economy/banking/how-decline-short-term-loans-affects-financial-account-746850>

Thermax defaults on dollar loans under export fund: Cenbank

- ♦ State lender Agrani Bank is in trouble to recover a whopping BDT 790 crore loans it extended to apparel maker Thermax Group's seven establishments, which owe nine banks BDT 1,822 crore, according to a Bangladesh Bank finding.
- ♦ The central bank report says Agrani Bank increased its credit risk by providing loans to these establishments without considering the creditworthiness by not evaluating the liability to other banks when disbursing loans.
- ♦ Of the BDT 790 crore, an equivalent of BDT 252 crore borrowed by the group's six concerns in foreign currency under export development fund (EDF) facility turned overdue.
- ♦ However, the Bangladesh Bank later deducted the equivalent amount from Agrani Bank's foreign currency accounts after the specified period for repayment was over.

News Source:

<https://www.tbsnews.net/economy/banking/thermax-defaults-dollar-loans-under-export-fund-cenbank-746954>

Apparel & Textile

Min RMG salary Tk12,500, grades down to 4

- ◆ After much deliberation, and violent demonstrations from workers, the minimum wage board for the readymade garment (RMG) sector finalised BDT 12,500 as the lowest grade monthly salary, leaving in the lurch many workers who have been demanding at least BDT 23,000.
- ◆ Following the announcement on Sunday, trade unions rejected the decision citing the amount as insufficient, and announced the continuation of peaceful protests to press home their demand of a living wage amid skyrocketing inflation.
- ◆ Although not complying with the minimum salary demand, the board has reduced the salary grades from seven to four by removing grades one, two and six. It had proposed five grades in their draft gazette published back in November this year.
- ◆ The finalisation of minimum salary for RMG workers came on the seventh and final meeting of the minimum wage board, held at the Ministry of Labour and Employment in the capital.

News Source:

<https://businesspostbd.com/economy/rmg/min-rmg-salary-tk12500-grades-down-to-4>

Tannery Industries

New wage board formed for tannery workers

- ◆ The government recently formed a five-member wage board to fix a new minimum salary for tannery workers in Bangladesh without including a single representative from among the workers, according to industry people.
- ◆ They also alleged that the last wage board, gazetted in 2018, had not been implemented.
- ◆ Tannery workers supply a key raw material for the leather and leather goods industry, the country's second-highest export earner after the garments sector.

News Source:

<https://www.thedailystar.net/business/economy/industries/news/new-wage-board-formed-tannery-workers-3479461>

Capital Market

Stocks start week with another round of selloffs

- ◆ The early hour momentum on Sunday to continue recovery for the third consecutive day failed, as nervous investors opted for a fresh round of selloff at the second half of the week's first trading session.
- ◆ DSEX, the broad index of the Dhaka Stock Exchange (DSE), declined by 4.1 points or 0.07% and settled at 6,230.
- ◆ Investment appetite remains subdued as cautious investors are wary of the bleak macroeconomic environment and mounting political tensions ahead of the national election, according to one of the leading brokerage firm's analysts.
- ◆ Meanwhile, market turnover rose by 48.3% to nearly BDT 550 crore, which was BDT 370 crore in the previous session that saw buyers' dominance.

News Source:

<https://www.tbsnews.net/economy/stocks/stocks-start-week-another-round-selloffs-746798>

BSEC asks Bank Asia to explain 'vanished' investment in UFS

- ♦ The Bangladesh Securities and Exchange Commission (BSEC) has sought clarification from Bank Asia regarding its investment of BDT 10 crore in Universal Financial Solutions (UFS), which appears to have been unaccounted for or vanished.
- ♦ While the private sector lender had previously reported this investment in 2019, 2020, and 2021, it suddenly reflected the investment in the UFS-Bank Asia Unit Fund, prompting queries from the commission.
- ♦ A BSEC official noted that Universal Financial Solutions and UFS-Bank Asia Unit Fund are distinct entities, and this alteration has prompted the commission to seek an explanation from the bank regarding the change in reporting.
- ♦ According to a BSEC investigation, Syed Hamza Alamgir, managing director of UFS, had earlier allegedly misappropriated BDT 235 crore from investors across four mutual funds through various deceptive methods.

News Source:

<https://www.tbsnews.net/economy/stocks/bsec-asks-bank-asia-explain-vanished-investment-ufs-746842>