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Daily News Snippet

December 27 2023

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,245.24
% change	0.10%
DS30 Index	2,087.64
% change	-0.06%
DSES Index	1,365.73
% change	0.02%
Turnover (BDT mn)	4,607.19
Turnover (USD mn)	41.88
% change	11.81%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,545.33
% change	0.43%
S&P 500	4,774.75
% change	0.42%
Nikkei 225	33,305.85
% change	0.16%
FTSE 100	7,697.51
% change	0.04%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	121.46	121.51
GBP	139.99	140.03
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average (%)**
26-Dec-23	7.75 - 9.50	9.20
24-Dec-23	7.75 - 9.50	9.16
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	80.98	-0.11%
Gold Spot, USD/t oz.	2,065.83	-0.10%
Cotton, USD/lb.	80.27	0.27%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.10% in the last trading day.
- Even after the market returned to positive territory, the rising tension regarding the national polls and the rising interest rates are few of the major concerns for the investors.
- The turnover rose 11.91% during the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.43% gain, S&P 500 posted 0.42% gain, and FTSE 100 posted 0.04% gain.
- One of the leading Asian index NIKKEI 225 posted positive return of 0.04% in the last trading day.

Key macro indicators

- All of the major currencies rose against BDT yesterday.
- 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 9.20% with a high rate of 9.50% and low rate of 7.75%.
- The oil price fell by 0.11%.

Bangladesh Macro Update

Bangladesh books bigger trade surplus with EU

- Bangladesh booked higher trade surplus with European Union countries by over 8.0 per cent year on year to USD 23.6 billion in the past fiscal, although its overall external-trade deficit widened.
- The country had an overall external-trade deficit in the year under review of more than USD 15.2 billion by official count, which further weighs on negative balance-of-payments (BoP) account.
- In the fiscal year 2022-23, the BoP deficit was over USD 8.0 billion, and it contributed to pressures on the country's depleting foreign-exchange reserves.
- The total inflow from trade in general merchandise from this biggest export destination was recorded USD 27.4 billion during the period while outflow in the two-way trade was worth USD 3.8 billion, according to latest Bangladesh Bank (BB) statistics.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bangladesh-books-bigger-trade-surplus-with-eu-1703609020

Jul-Nov revenue grows 14.26%, still short of target

- The National Board of Revenue (NBR) achieved a 14.26% year-on-year increase in revenue collection for July-November of FY24.
- Despite this growth, the total amount collected fell short of the targeted goal.
- NBR officials reported higher domestic consumption in November despite sluggish imports.
- Increased local spending, along with the Income Tax Return Filing Month drive, boosted VAT collection from domestic transactions and income tax revenue.
- According to NBR data, BDT 1.32 lakh crore was collected in the first five months of this fiscal year, with a deficit of Tk16,000 crore compared to the Tk1.48 lakh crore target.
- In the same period of FY23, Tk115,818 crore in revenue was collected with a 13.25% growth.
- However, missing the target raised concern about meeting International Monetary Fund (IMF) conditions.

News Source:

https://www.tbsnews.net/nbr/jul-nov-revenue-grows-1426-still-short-target-764810

Bangladeshi exporters vexed about customs, energy woes

- Rather than wasting energy on concerns over any possible trade sanctions by the US, leading exporters emphasise the need to address pressing domestic issues, especially extensive customs complications, and energy insecurity, which drain valuable resources and cripple their competitiveness.
- Exporters said a USD 100 billion readymade garment export target by 2030 is quite achievable, but for this, the two key constraints in energy and smooth customs processing have to be addressed.
- Exporters also pointed out some other challenges, including the need to attract foreign direct investment in backward linkage industries and address tax issues related to the recycling of waste generated from garment manufacturing.

News Source:

https://www.tbsnews.net/economy/exporters-vexed-about-customs-energy-woes-764882

Households income doubled in 6 years: BBS

- The household's average monthly income has increased in nominal terms to BDT 32,422 in 2022, from BDT 15,988 in 2016 and BDT 11,479 in 2010, according to the Bangladesh Bureau of Statistics (BBS).
- In the HIES 2022 report, the BBS made significant developments by selecting the quality enumerators, conducting residential training, Introducing CAPI (Computer Assisted Personal Interviewing), improving data collection tools, substantially increasing the number of food and non-food items based on COICOP (Classification of Individual Consumption by Purpose), and implementing continuous monitoring and supervision etc.
- The 2022 data found that household-level access to electricity increased to 99.3% in 2022 from 75.9% in 2016 and 55.3% in 2010. Similarly, 92.3% of households have access to improved toilet facilities, and 96.1% have access to improved sources of drinking water.
- Notably, Bangladesh's literacy rate (7 years and over) rose significantly to 74.0% in 2022 from 65.6% in 2016 and 57.9% In 2010.

News Source:

https://www.tbsnews.net/bangladesh/households-income-doubled-6-years-bbs-765050

Sectoral Update

Banks, NBFIs, & Insurance

BB asks Islami Bank to explain why it buys dollars at higher rate

- The Bangladesh Bank has asked Islami Bank Bangladesh to explain why it is buying US dollars from foreign exchange houses at a rate that is higher than the fixed price.
- On December 14, the central bank sent a letter to the managing director of the Shariah-based bank to this effect, seeking an explanation.
- As per the rates announced in November and December this year by the Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers, Bangladesh (ABB), banks can buy each dollar from remitters and exporters at Tk 109.75 and sell them to importers at Tk 110.25.
- Banks are allowed to give a maximum of 2.5 percent in incentives to foreign exchange houses. They, however, are not eligible for the 2.5 percent incentives provided by the government to remitters.

News Source:

https://www.thedailystar.net/business/economy/news/bb-asks-islami-bank-explain-why-it-buys-dollars-higher-rate-3503776

Fuel & Power

BD eyes 24 LNG cargoes from spot market in 2024

- The government plans to import increased LNG (liquefied natural gas) cargoes from spot market next year amid dollar crunch as long-term suppliers are averse to augmenting shipments.
- Bangladesh is now regasifying LNG through the floating storage and regasification unit (FSRU) of Summit Group, as the US Excelerate Energy's FSRU is under repair.
- According to the official, the Energy and Mineral Resources Division has already approved the Petrobangla proposal to import 13 LNG cargoes in the first half of the 2024 calendar year.

- If the global price slops, Bangladesh might bump LNG imports up from spot market in 2024 to utilise capacity expansion of Excelerate's FSRU - Excellence.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bd-eyes-24-lng-cargoes-from-spot-market-in-2024-1703609546

Telecommunication

Mobile users now 190.36m in country

- The total number of Bangladesh's mobile phone users hit over 190 million at the end of November this year, showed the latest statistics of the country's telecom regulator, reports UNB.
- According to data from the Bangladesh Telecommunication Regulatory Commission (BTRC), the number of subscribers in the South Asian country reached 190.36 million in November 2023.
- Currently, Bangladesh has four mobile companies, three of which are foreign-backed cell phone operators.
- The number of subscribers of mobile operators, Grameen Phone, Robi Axiata, Banglalink Digital Communications and Teletalk Bangladesh, stood at 82.14 million, 58.38 million, 43.38 million and 6.46 million respectively at the end of November, the BTRC data showed.
- The number of Bangladesh's mobile phone subscribers stood at 180.20 million at the end of December 2022.

News Source:

https://today.thefinancialexpress.com.bd/last-page/mobile-users-now-19036m-in-country-1703609854

Capital Market

Stocks snap two-day losing streak

- Major indices of both Dhaka and Chittagong stock exchanges witnessed an upward trend on Tuesday after experiencing two consecutive days of declines.
- EBL Securities said in its daily market review that the benchmark index of the Dhaka bourse managed to stay afloat in green territory following consecutive sessions of corrections since opportunistic investors sought bargain hunting opportunities in sector-specific issues, while cautious investors continued to offload their holdings as they remained apprehensive over concerns regarding the market momentum surrounding the impending national election.
- The key index DSEX of the Dhaka Stock Exchange (DSE) gained 6 points to reach 6,245 compared to the previous session.
- The daily turnover of the DSE increased by 12% to Tk460 crore over the previous session.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-snap-two-day-losing-streak-764818

Junk stocks surge abnormally, blue-chips stuck at price floor

- Against the backdrop of a global economic crisis and bearish market, some non-operational and loss-making companies, commonly referred to as junk stocks, have recently been on the news because of the abnormal rise in their share prices.
- On the other hand, fundamentally sound stocks or blue-chip stocks are stagnant at their floor prices.
- Despite regulatory efforts, the bearish market saw no halt to the unusual surge in the share prices of

these junk stocks.
- Even under regulatory inspection, the share prices of these firms continued to climb.

News Source:

https://www.tbsnews.net/economy/stocks/junk-stocks-surge-abnormally-blue-chips-stuck-price-floor-764826

Doreen Power's two plants shut down on contract expiry

- Publicly listed Doreen Power Generations and Systems has pulled the shutters on its 22MW Narsingdi power plant because of the expiry of its power purchase agreement (PPA) with the Bangladesh Rural Electrification Board (BREB), the power producer stated in a stock exchange filing on Tuesday.
- Last month, the company had to shut down its 22 MW Tangail power plant due to expiry of PPA with the Bangladesh Power Development Board (BPDB).
- Both the plants kicked off commercial operations in 2008, and signed an agreement for 15 years to sell electricity to the government.
- Now, the PPA of Doreen Power's remaining power plant in Feni is scheduled to expire in February 2024.
- Earlier, the independent auditor of Doreen Power raised a red flag as all three power plants of the company are set to close within February next year because of contract expiry.

News Source:

https://www.tbsnews.net/bangladesh/energy/doreen-powers-two-plants-shut-down-contract-expiry-764814