Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,233.41
% change	-0.15%
DS30 Index	2,089.89
% change	-0.08%
DSES Index	1,360.15
% change	-0.08%
Turnover (BDT mn)	5,168.88
Turnover (USD mn)	46.99
% change	16.47%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,971.00
% change	0.75%
S&P 500	4,783.50
% change	0.29%
Nikkei 225	33,464.17
% change	0.00%
FTSE 100	7,721.52
% change	-0.15%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	121.48	121.50
GBP	139.95	140.05
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
2-Jan-24	7.75 - 9.75	9.28
1-Jan-24	7.75 - 9.75	9.22
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	75.83	-3.08%
Gold Spot, USD/t oz.	2,064.02	-0.29%
Cotton, USD/lb.	80.16	-1.28%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.15% in the last trading day, closing at 6,233.41 point.
- With the national polls are so close, the investors are very cautious about the market which reflected on the daily turnover.
- The turnover fell 16.47% during the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.75% gain, S&P 500 posted 0.29% gain. FTSE 100 posted -0.15% loss.

Key macro indicators

- All the major currencies rose against BDT yesterday, except GBP.
- 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 9.28% with a high rate of 9.75% and low rate of 7.75%.
- The oil price decreased by 3.08%.

Bangladesh Macro Update

Export ends year on high note, remittance holds pace

- As 2023 came to a close, Bangladesh experienced a positive turn of events, witnessing the highest export and remittance earnings in months, which offered a much-needed relief for the diminishing foreign exchange reserves.
- In December, Bangladesh's merchandise export earnings reached nearly USD 5.31 billion on the festival sales boost in the West, marking the monthly highest for the entire year, according to Export Promotion Bureau (EPB) data.
- Bangladesh Bank data show a 17.0% year-on-year surge in inward remittances to USD 1.99 billion in December, the highest in the last six months.
- However, December's exports experienced a marginal dip of 1.06% compared to the same month in 2022, when earnings stood at USD 5.36 billion.

News Source:

https://www.tbsnews.net/economy/export-ends-year-high-note-remittance-holds-pace-768530

Rising food prices a concern for 71% families in Bangladesh: WB

- Rising prices of food items are a cause for concern for 71.0% of families in Bangladesh, according to a World Bank report.
- The global lender revealed the data in its Food Security Update in December, when prices of all vegetables were spiralling unusually in the country's retail markets in spite of supplies being adequate since winter is the peak harvesting season.
- The report classified countries into four categories based on the rate of food inflation, placing Bangladesh in the second highest category with 12.6% for the October-November period.
- Meanwhile, neighbouring India, Sri Lanka, Afghanistan, Bhutan and Nepal had much lower figures.
- In October, overall inflation in Bangladesh stood at 9.93%, according to data published by Bangladesh Bureau of Statistics (BBS).

News Source:

https://www.thedailystar.net/business/news/rising-food-prices-concern-71-families-bangladesh-wb-3509236

$160m ADB loan to upgrade power network in Dhaka

- The Asian Development Bank (ADB) will provide a USD 160-million loan to upgrade the power-distribution network in Dhaka, improve efficiency, and increase energy supply.
- The project, known as the Dhaka Power System Expansion and Strengthening Project, aims to construct eight substations and install underground cables and overhead lines spanning over 100 kilometers and 150 kilometers, respectively.
- In addition to enhancing the operations of the Dhaka Electric Supply Company Limited (DESCO), the project also aims to establish a safeguards unit that covers environmental, social, and gender issues.
- It will ensure that internationally accepted standards are met for all future infrastructure projects, and adopt environment-friendly technologies such as alternative insulating gases for future gas-insulated

substations instead of sulfur hexafluoride following a detailed feasibility study on alternative insulating gases.

News Source:

https://today.thefinancialexpress.com.bd/last-page/160m-adb-loan-to-upgrade-power-network-in-dhaka-1704217242

Clearing Power, Fertiliser Arrears: Govt to issue Tk 26,000cr special bonds

- The Finance Division is set to issue special bonds of about BDT 26,000 crore to clear mounting arrears to independent power producers and fertiliser suppliers.
- The arrears arose because of the higher prices of fertiliser and fuel in the international market over the last one and a half years. This pushed up the power and agriculture ministries' subsidy requirements.
- The bonds will be used as loan repayment to 40 banks on behalf of the power producers and fertiliser suppliers.
- The issue of bonds will begin in a couple of days, The Daily Star has learnt from Finance Division officials informed with the proceedings.
- The government has outstanding bills amounting to about BDT 12,000 crore to the Bangladesh Chemical Industries Corporation, Bangladesh Agricultural Development Corporation and private fertiliser importers, who have debt to 10 banks, most of which are state-owned.

News Source:

https://www.thedailystar.net/business/economy/news/clearing-power-fertiliser-arrears-govt-issue-tk-26000cr-special-bonds-3509261

Bets boom as yield hits record-high 11.60pc

- Yield on two-year Treasury bond hit a record-high 11.60% Tuesday as credit-starved commercial banks bid for higher returns to gain maximum out of their squeezing resources, according to sources.
- According to the auction of 2-year T-bond held on the day at the Bangladesh Bank (BB) headquarters, the cut-off yield in the bidding on the government borrowing instrument (recorded at 11.60%) was 140-basis-point higher than that of the previous bidding when the rate was 10.20%.
- The government planned to borrow BDT 30 billion through the day's auction by issuing the short-term bonds but accepted bids amounting to BDT 12.71 billion with the cut-off yield kept at 11.60%, according to the officials.
- Seeking anonymity, another BB official said the central bank, as part of its inflation-combating measures, skipped applying 'devolvement' instrument on its own and left government's bank-borrowing affairs to banks.
- On the other hand, the central bank keeps mopping up local currency from the banking system in the form of selling US dollar in assisting the banks in meeting their overseas-payment obligations amid the ongoing forex dearth, which further intensifies the liquidity stress.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bets-boom-as-yield-hits-record-high-1160pc-1704216653

Sectoral Update

Banks, NBFIs, & Insurance

Agent banking losing steam with banks opening more sub-branches

- Banks in Bangladesh are now focusing on opening sub-branches instead of agent banking outlets for being a more cost-effective and efficient means of brining banking services to the people's doorstep.
- Additionally, banks can exercise direct control and monitor the day-to-day activities of their sub-branches, reducing the scope for conducting fraudulent activities.
- On the other hand, agent banking outlets are independent entities that run banking activities in a specific area on behalf of their respective bank.
- Besides, the opening of agent banking outlets slowed last year as some of them misused their funds and ultimately brought down the sector's reputation in the banking industry, according to bankers.
- The number of agent bankers rose 1.78% year-on-year to 15,542 in the first 10 months of 2023 while the growth was 5.1% during the same period in 2022, 12.8% in 2021 and 31.0% in 2020.

News Source:

https://www.thedailystar.net/business/economy/news/agent-banking-losing-steam-banks-opening-more-sub-branches-3509201

Capital Market

DSEX dips more

- Dhaka stocks fell for the second consecutive day on Tuesday with the DSEX hitting its lowest in a month, as cautious investors dominated the session with a preference for selling shares in late trading, according to the market operators.
- DSEX, the key index of the Dhaka Stock Exchange, lost 9.45 points, or 0.15%, and settled at 6,233.41 points on Tuesday after losing 3.62 points in the previous session.
- A section of investors opted to liquidate their holdings and safeguard their funds from the falling market ahead of the national election, Market operators added.
- Most of the investors preferred to be on the sidelines, as heightened political tensions ahead of the national election kept investors cautious on the trading floor.
- The turnover on the DSE slightly increased to BDT 516.88 crore, including BDT 53.17 crore in block market transaction, on Tuesday compared with that of BDT 443.78 crore in the previous trading session.

News Source:

https://www.newagebd.net/article/221790/dsex-dips-more

Stocks remain overvalued at floor price

- Many companies were already at an elevated level on the Dhaka Stock Exchange when the regulator imposed the price movement restriction on all stocks in July 2022, staving off any correction of those securities.
- For example, Monno Fabrics shot up on the DSE before the floor price was put in place and then it slid down to the floor by September 2022 after some ups and downs.

- Unable to go further down, the stock of Monno Fabrics has remained stuck on the floor ever since, with a price-to-earnings ratio of more than 200.
- The stock's correction was expected if its previous volatility on the stock exchange, financial performance, and dividend payouts were taken into consideration but that did not happen because of the regulatory restriction.
- Hence, the market value of Monno Fabrics has been much higher than what it is worth for so long, taking advantage of the minimum price set by the regulator.
- There are many other companies whose abnormally high prices on the bourse have remained unchanged during the floor-price regime.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-remain-overvalued-at-floor-price-1704211532

Investors show deeper appetite for new stocks

- The newly-listed securities saw a remarkable price surge in 2023, as opportunist investors chased after these stocks in anticipation of quick gains.
- In 2023, two firms and a mutual fund got listed in the main market of the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE), while three small-cap companies on the bourses' SME platforms.
- The new securities escalated by 28.0% to 450.0% in the year on the bourses, as investors showed more interest in new stocks.
- Analysts say investors showed enthusiasm surrounding the newly-listed securities expecting short-term gains.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/investors-show-deeper-appetite-for-new-stocks-1704211560