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# Daily News Snippet

**January 14, 2024**

| Bangladesh Market | |
|---|---|
| **Major Indices** | **Last closing** |
| DSEX Index | 6,301.69 |
| % change | 0.26% |
| DS30 Index | 2,117.90 |
| % change | 0.47% |
| DSES Index | 1,375.91 |
| % change | 0.31% |
| Turnover (BDT mn) | 7,528.46 |
| Turnover (USD mn) | 68.44 |
| % change | 48.06% |
| ***Source: Dhaka Stock Exchange*** | |

| International Market | |
|---|---|
| **Major Indices** | **Last closing** |
| **Dow Jones Industrial Average** | 37,592.98 |
| % change | -0.31% |
| **S&P 500** | 4,783.83 |
| % change | 0.08% |
| **Nikkei 225** | 35,577.11 |
| % change | 1.44% |
| **FTSE 100** | 7,624.93 |
| % change | 0.59% |
| ***Source: Bloomberg*** | |

| Exchange rate | | |
|---|---|---|
| **Major Currencies** | **Low (BDT)** | **High (BDT)** |
| USD | 110.00 | 110.00 |
| EUR | 120.68 | 120.72 |
| GBP | 140.12 | 140.19 |
| INR | 1.32 | 1.32 |
| ***Source: BB*** | | |

| Money market | | |
|---|---|---|
| **Date** | **Call Money Rate Range (%)** | **Weighted Average** |
| 11-Jan-24 | 7.75 - 9.75 | 9.37 |
| 10-Jan-24 | 7.85 - 9.75 | 9.24 |
| ***Source: BB*** | | |

| Commodities | | |
|---|---|---|
| **Major Commodities** | **Price** | **% Change** |
| Brent Crude (Oil), USD/bbl. | 78.29 | 0.72% |
| Gold Spot, USD/t oz. | 2,049.06 | 0.81% |
| Cotton, USD/lb. | 81.31 | 0.73% |
| ***Source: Bloomberg*** | | |

## Market Summary

## Bangladesh Market

- The leading bourse of the country, DSEX gained 0.26% in the last trading day, closing at 6,301.69 point.
- The positive sentiment of the investors reflecting in the recent market jump after the conclusion of the national election.
- The rise of daily turnover is continuing with a 48.06% jump in the last trading day.

## Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.31% loss and S&P 500 posted 0.08% gain. FTSE 100 posted a gain of 0.59%.
- One of the leading Asian market indices, NIKKEI 225 posted 1.44% gain.

## Key macro indicators

- All 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 9.37% with a high rate of 9.75% and low rate of 7.75%.
- The oil price increased 0.72% in the last trading day.

## International Macro Update

# Oil prices surge on Red Sea escalation

- Oil prices surged four per cent on Friday after US and UK forces launched strikes against Iran-backed Huthi rebels following their attacks on ships in the Red Sea, fuelling worries about a wider conflict in the crude-rich region.
- The oil market was in sharp focus as US and British forces struck rebel-held Yemen on Friday after weeks of attacks on Red Sea shipping by the Iran-backed Huthis, who say they are acting in solidarity with Palestinians in war-ravaged Gaza.
- The jump in oil prices sparked concerns about a fresh spike in inflation that could complicate central bank efforts to cut interest rates.
- The US consumer price index rose more than forecast in December, dealing a blow to prospects that the Federal Reserve would start its rate-cutting cycle in March.

**News Source:**

https://www.newagebd.net/article/222650/oil-prices-surge-on-red-sea-escalation

# Red Sea attacks threaten to upend much-awaited inflation slowdown

- Soaring shipping costs and a jump in oil prices are stoking worries about a revival of inflation pressures around the world.
- Only days into a 2024 that was meant to be the year inflation dissipated, manufacturers and retailers are again juggling delays and facing higher expenses as persistent attacks by Houthi rebels in the Red Sea rattle a major shipping route through the Suez Canal.
- Ocean freight rates for goods from Asia to Europe have more than doubled over the past four weeks.
- Fears of a wider regional conflict pushed up oil prices Friday after the US and UK led a military response to the attacks. Global benchmark Brent rose as much as 4.3%, briefly topping $80 a barrel.
- Among the key reasons for the decline of inflation over the past year were a drop in energy costs and supply chains that had largely ironed out their pandemic strains.

**News Source:**

https://www.tbsnews.net/bloomberg-special/red-sea-attacks-threaten-upend-much-awaited-inflation-slowdown-774478

## Bangladesh Macro Update

# Govt to issue Tk 120b bond

- All is set for issuing BDT 120 billion worth of government bond for paying piled-up electricity bills to independent power producers (IPPs) against capacity charge and other payments, according to officials.
- The sovereign bond will be issued to 42 commercial banks who will make payment to the IPPs, Ministry of Finance (MoF) officials told the FE Saturday about the debt-settlement arrangements.
- Interest rate on the bond is likely to be fixed at 7.5% and the maturity may be within a range of 7-9 years.
- According to the finance ministry, the government owed some BDT 230 billion as of October last to the IPPs working in Bangladesh.

- In the last fiscal year (FY2022-23), the total government subsidy to the power sector was BDT 428.93 billion.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/govt-to-issue-tk-120b-bond-1705165200

## Red Sea conflict: 40% freight charge hike hits exporters hard

- The current turmoil in the Red Sea has hit businesses hard with higher freight charges, longer lead times and shortage of containers for exporters and importers. Additionally, exporters are reporting already losing apparel orders.
- Freight charges for container transport from Bangladesh to Europe and America have already gone up by at least 40.0% as shipping companies-imposed surcharges citing rerouting because of the Houthi attacks in the Red Sea.
- Meanwhile, some apparel exporters said buyers have started cancelling orders as they have already started to face delays and higher freight cost.

**News Source:**

https://www.tbsnews.net/economy/red-sea-conflict-40-freight-charge-hike-hits-exporters-hard-774386

### Sectoral Update

### Bank, NBFI, and Insurance

## Cash outside banks surges in Nov

- The amount of cash held outside the country's banks surged to BDT 2,48,441 crore in November, marking a significant increase from BDT 2,45,943 crore in the previous month.
- One of the primary reasons cited by bankers for this surge in cash withdrawal is the high inflation rate prevailing in the country.
- Bangladesh's overall inflation rate reached 9.49% in November, driven by factors such as global supply chain disruptions, increased raw material prices, currency devaluation and local commodity price spikes.
- These inflationary pressures eroded the purchasing power of the currency, prompting depositors to withdraw their funds to hedge against the rising costs of living, according to bankers.
- Bangladesh Bank data reveals a consistent uptrend in the volume of currency held outside banks since October 2021, when it stood at BDT 2,05,895 crore.

**News Source:**

https://www.newagebd.net/article/222732/cash-outside-banks-surges-in-nov

## BSEC, IDRA lock horns over number

- The Bangladesh Securities and Exchange Commission (BSEC) and the Insurance Development and Regulatory Authority (IDRA) are at odds over the number of independent directors on the boards of listed companies.

- The disagreement between the capital-market regulator and the insurance sector regulator surfaced following a BSEC notification, issued last November, on corporate governance code amendment for listed companies.
- The IDRA has urged the BSEC to adhere to section 76(1) of the Insurance Act 2010 that pertains to the appointment of independent directors on the boards of life and non-life insurers with stock-market listings.
- In reply to the notification this week, the IDRA has highlighted that at least two directors, or one-fifth of the total director count, on a company's board must be independent directors.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/bsec-idra-lock-horns-over-number-1705164779

### Telecommunication

## Local production of mobile phones drops

- Mobile phone manufacturing in Bangladesh decreased in December 2023, marking a decline of 3.22lakh units, compared with that in the previous month, according to Bangladesh Telecommunication Regulatory Commission data.
- However, the import of mobile phone witnessed a rise after a single month break.
- In December 2023, the total production of mobile phones in the country reached 21.10 lakh units, a fall from 24.32 lakh units recorded in November 2023.
- Of the 21.10 lakh units manufactured in December, 17.28 lakh featured 2G technology, while 3.82 lakh were equipped with 4G technology and 250 were 5G technology-enabled.

**News Source:**

https://www.newagebd.net/article/222656/local-production-of-mobile-phones-drops

### Fuel & Power

## BD to buy one cargo of LNG from spot market in Feb

- The government will buy one cargo of liquefied natural gas (LNG) from the spot market next month (February), according to sources.
- State-run Rupantarita Prakritik Gas Company Ltd (RPGCL) floated a tender for February 6-7 delivery of the fuel at any of the country's two FSRUs on Moheshkhali island, a senior Petrobangla official told the FE on Saturday.
- The tender was floated on January 9 and the bid closing date is January 14, according to the RPGCL official.
- With the arrival of this consignment, the LNG imports from the spot market this year will be three cargoes, he said. During this month (January), two LNG cargoes are scheduled to be delivered from the spot market.

**News Source:**

https://today.thefinancialexpress.com.bd/last-page/bd-to-buy-one-cargo-of-lng-from-spot-market-in-feb-1705165395

## Capital Market

### Dhaka stocks surge past 6,300 mark after national elections

- Equity indices at the Dhaka Stock Exchange (DSE) experienced their upward momentum for the second week of January, with the daily turnover reaching a one-month high.
- Investors' confidence seemed to have taken a positive turn as the market has risen for the last two sessions, after the easing of economic uncertainties that had been looming before the national elections.
- In the last week, DSE's broad-based index DSEX moved up 57.53 points compared to the previous trading week and stood at 6,302, which was the highest in nearly four months.
- The participation of investors also increased significantly as the weekly turnover at the Dhaka bourse grew 37.60% to BDT 2,197.86 crore.

**News Source:**

https://www.tbsnews.net/economy/stocks/dhaka-stocks-surge-past-6300-mark-after-national-elections-774390

### Renata set to pay off short-term loans with bond finance

- In a strategic move to mitigate the potential impact of rising interest rates, Renata Limited – a leading drugmaker in the country – is poised to issue bonds to entirely pay off its outstanding short-term bank loans.
- Currently, the company acknowledges an indebtedness of around BDT 700 crore to several banks in the form of short-term credits.
- On Thursday, the Bangladesh Securities and Exchange Commission (BSEC) granted approval for Renata to issue a five-year bond worth BDT 660.15 crore and cach bond unit will have a face value of BDT 1 lakh.

**News Source:**

https://www.tbsnews.net/economy/stocks/renata-set-pay-short-term-loans-bond-finance-773582

### BSEC makes physical presence of chairman, MD mandatory at AGMs

- To ensure accountability to the shareholders, the stock market regulator has mandated the physical presence of a minimum of 25.0% of board members, including the chairman and managing director, at the general meeting of a listed company.
- On 28 December last year, the Bangladesh Securities and Exchange Commission (BSEC) decided to instruct listed firms to conduct their annual general meetings (AGMs) and extraordinary general meetings (EGMs) in the physical presence of shareholders.
- The commission made this decision after noting that a majority of companies were holding their general meetings exclusively through digital platforms, which was in violation of its directives, according to sources at the BSEC.

**News Source:**

https://www.tbsnews.net/economy/stocks/bsec-makes-physical-presence-chairman-md-mandatory-agms-774454