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Daily News Snippet

January 17, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,331.61
% change	0.21%
DS30 Index	2,129.77
% change	0.30%
DSES Index	1,382.54
% change	0.41%
Turnover (BDT mn)	8,008.47
Turnover (USD mn)	72.80
% change	18.77%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,493.00
% change	-0.46%
S&P 500	4,789.75
% change	-0.20%
Nikkei 225	35,723.20
% change	0.07%
FTSE 100	7,558.34
% change	-0.48%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.61	119.65
GBP	138.99	139.00
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
16-Jan-24	7.75 - 9.80	9.41
15-Jan-24	7.75 - 9.75	9.39
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	77.74	-0.73%
Gold Spot, USD/t oz.	2,025.09	-1.18%
Cotton, USD/lb.	81.06	-0.21%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained a whopping 0.21% in the last trading day, closing at 6,331.61 point.
- The positive sentiment of the investors reflecting in the recent market jump after the conclusion of the national election.
- The daily turnover rose 18.77% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.46% loss, S&P 500 posted 0.20% loss, and FTSE 100 posted 0.48% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.07% gain.

Key macro indicators

- All the major currencies fell 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 9.41% with a high rate of 9.80% and low rate of 7.75%.
- The oil price fell 0.73% in the last trading day.

International Macro Update

Oil edges higher as Red Sea tensions raising crude market risks

- Oil posted narrow gains as the continued Houthi attacks on ships in the Red Sea that are keeping tensions high in the Middle East were offset by a shaky global economic outlook and gains in the dollar.
- Global crude benchmark Brent traded just shy of USD 79 a barrel after edging 0.2% lower Monday, while West Texas Intermediate was little changed near USD 73.
- Iran-backed Yemeni militants hit Greek-owned bulk carrier was hit by a missile in the Red Sea on Tuesday.
- Shell suspended all of its shipments through the area due to worries of escalation post US, UK strikes. Elsewhere in the region, Iran's Islamic Revolutionary Guard Corps launched missiles at targets in northern Iraq and Syria.
- Despite the jump in tensions across a region that supplies a third of the world's crude, futures face downward pressure from wider financial markets.

News Source:

https://www.tbsnews.net/world/oil-edges-higher-red-sea-tensions-raising-crude-market-risks-776270

Bangladesh Macro Update

Lingering Red Sea crisis pushes up trade costs for Bangladesh

- The protracted Red Sea crisis has started to hit Bangladesh as the country's international trade costs have risen, a development that may hurt exports, stoke inflationary pressures, and delay the recovery of the economy.
- The blow comes at a time when the newly formed government said its main target is to contain the runaway inflation and rein in the prices of essential commodities.
- The Consumer Price Index has posted an increase of more than 9.0% percent since March this year.
- The added uncertainty means Bangladesh's renewed fight against the inflationary pressure would become harder to win after fresh disruptions to the global supply chain because of the Red Sea Crisis.
- The Red Sea connects Asia to Europe and the Mediterranean, via the Suez Canal. About 12.0% of global trade passes through the Red Sea, including 30 percent of global container traffic.

News Source:

https://www.thedailystar.net/business/economy/news/lingering-red-sea-crisis-pushes-trade-costs-bangladesh-3520936

Policy rate hike looms again as previous attempts yield little success

- Taming inflation is the priority of the new government, so the central bank is likely to increase the policy rate further to beef up its fight against the stubbornly high consumer prices.
- The Bangladesh Bank is set to unveil its Monetary Policy Statement (MPS) for the second half of the current financial year today.
- It comes at a time when the economy faces growing pressure owing to escalated inflation and persisting foreign exchange crisis, with the Red Sea crisis adding fresh headache.

- A number of central bankers who are involved with the formulation of the MPS shared that the BB has framed the policy for the January to June period in a cautious manner because the economy has been witnessing severe pressure and the low-income groups have been bearing the brunt of higher inflation for nearly two years.

News Source:

https://www.thedailystar.net/business/economy/news/policy-rate-hike-looms-again-previous-attempts-yield-little-success-3520946

Bangladesh's Foreign Loans: Repayment to rise 63pc in three years

- The government's foreign debt repayment is expected to increase as much as 63.0% by fiscal year 2025-2026 from the last financial year, indicating renewed pressure on the country's coffers.
- The surge in disbursement of foreign loans and interest payments against them is pushing up the debt servicing requirement.
- Foreign debt repayments, including interests, will reach USD 4.5 billion in 2025-2026, according to a finance ministry projection.
- In the last fiscal year, the government repaid USD 2.76 billion.
- In the current fiscal year of 2023-24, repayments are likely to cross the budget target of $2.79 billion and will jump by 33.52% to USD 3.57 billion.

News Source:

https://www.thedailystar.net/business/economy/news/bangladeshs-foreign-loans-repayment-rise-63pc-three-years-3521001

Sectoral Update

Banks, NBFIs, and Insurance

Banks barred from transferring forex to offshore branches

- Bangladesh Bank (BB) yesterday barred banks from transferring foreign currency to their offshore units, saying it was to tackle shortages at home and reduce dependency of the units abroad on those back home.
- The central bank issued a notice asking banks to make adjustments regarding funds transferred within this year.
- From 2020, banks were allowed to transfer a maximum 30.0% of their regulatory capital in foreign currency from domestic units to their offshore units.
- Earlier, there was no limit on transferring or mobilising funds in the offshore banking units from those within the country.

News Source:

https://www.thedailystar.net/business/economy/news/banks-barred-transferring-forex-offshore-branches-3520931

Fuel & Power

Bangladesh's Summit to supply 1.5 million tonnes LNG to Petrobangla from Oct 2026

- Bangladesh's Summit Group has signed a preliminary pact to supply 1.5 million tons of liquefied natural gas (LNG) per year to state-run Petrobangla for 15 years, starting from October 2026, according to its Chairman.
- The deal, which Khan expects to be cleared by the cabinet in less than a month, does not specify a country of origin, giving the company flexibility to source cargoes from anywhere for supply to Petrobangla.
- The deal is Bangladesh's fourth long-term LNG supply agreement, and Summit's first.
- The conglomerate now runs more than a dozen fossil fuel-based power generation units and a floating storage and regasification unit (FSRU) to handle LNG imports, and plans to invest USD 3 billion in clean energy.

News Source:

https://www.thedailystar.net/business/news/bangladeshs-summit-supply-15-million-tonnes-lng-petrobangla-oct-2026-3521421

Engineering

USD shortage, inflation slowing automobile sales

- Automobile sales in Bangladesh plummeted in fiscal 2022-23, with the industry recording the steepest fall in profits among all sectors due to reduced production and demand, according to industry people.
- Local automakers had to decrease production during the previous fiscal year (FY) as the US dollar crisis caused complications in opening letters of credit (LCs) for importing components and spare parts.
- There are four listed automakers in the country -- Runner Automobiles, IFAD Autos, Aftab Automobiles and Atlas Bangladesh -- that collectively contribute to a majority of the industry's annual sales.
- And as per their financial statements, the combined sales of these companies dropped 22.0% year-on-year to BDT 1,684 crore in FY23, with only Aftab Automobiles staging a growth in sales.

News Source:

https://www.thedailystar.net/business/economy/news/usd-shortage-inflation-slowing-automobile-sales-3520956

Capital Market

Dhaka stocks soar to more than five-month high

- The Dhaka bourse on Tuesday witnessed a four-month-high turnover, riding on investors' enthusiasm over four major sectors, including pharmaceuticals & chemicals.
- The broad index also extended its gaining streak for the fifth straight day and secured the highest position in five and a half months.

- The DSEX, broad index of the Dhaka Stock Exchange (DSE), gained 64 points in the last five sessions and closed at 6,331 points on Tuesday.
- The premier bourse featured a turnover of Tk 8 billion, the highest after September 20 last year.
- The market opened the day's session with a positive note and continued an upward trend until the day's closure, with limited ups and downs.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-stocks-soar-to-more-than-five-month-high-1705426864

Runner to build nationwide charging network to boost EV sales

- Runner Group, one of the biggest marketeer and assembler of automobiles in Bangladesh, will develop a nationwide charging network as part of its plan to locally launch electric vehicle (EV) of China-based world's biggest EV maker BYD.
- Today, CG Runner Bangladesh Limited, a sister concern of Runner Group, signed a memorandum of understanding (MoU) to build the network with local infrastructure developer Genex Infrastructure Limited, at Runner's headquarters at Tejgaon in the city.
- CG Runner is scheduled to launch BYD SEAL within March this year, which will be the first model of electric vehicle of the Chinese carmaker to hit the roads in Bangladesh.
- Genex Infrastructure plans to develop and install 10 charging stations around Dhaka city and several national highways by March 2024 and build a sustainable charging network nationwide by installing more charging stations throughout the year.

News Source:

https://www.thedailystar.net/business/news/runner-build-nationwide-charging-network-boost-ev-sales-3520901