Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,240.25
% change	-1.52%
DS30 Index	2,137.18
% change	0.35%
DSES Index	1,374.16
% change	-1.02%
Turnover (BDT mn)	5,888.70
Turnover (USD mn)	53.53
% change	-7.57%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,105.00
% change	0.16%
S&P 500	4,882.00
% change	0.26%
Nikkei 225	36,408.67
% change	1.24%
FTSE 100	7,461.93
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.86	119.89
GBP	139.70	139.74
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
21-Jan-24	8.00 - 10.00	9.43
18-Jan-24	8.00 - 10.00	9.48
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	78.29	-0.34%
Gold Spot, USD/t oz.	2,024.92	-0.23%
Cotton, USD/lb.	84.03	0.10%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.52% in the last trading day, closing at 6,240.25 point.
- The market fell after the decision was made to remove the floor price this past Thursday.
- The daily turnover fell 7.57% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.16% gain, and S&P 500 posted 0.26% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.24% 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 9.43% with a high rate of 10.00% and low rate of 8.00%.
- The oil price fell 0.34% in the last trading day.

Bangladesh Macro Update

FDI plummets 40% in Sept quarter amid shrinking forex reserves

- Net foreign direct investment (FDI) in Bangladesh fell by nearly 40% in the three months to September 2023, putting stress on the country's shrinking forex reserves.
- Bangladesh Bank data shows that the net FDI in Bangladesh during the July-September quarter was USD 670 million, down from USD 1.1 billion in the same period last year.
- The net FDI in the country during the first nine months of 2023 was USD 2.115 billion, down by nearly 23.78% from the same period in 2022.
- Foreign direct net investment refers to the overall flow of investment across international borders, specifically when an investor from one country establishes a long-term, significant interest in an enterprise in another country.

News Source:

https://www.tbsnews.net/economy/fdi-plummets-40-sept-quarter-amid-shrinking-forex-reserves-779074

Income tax collection surges 16% in H1 FY24

- The government's income tax collection during the first six months (July-December) of the current fiscal year has exhibited a notable increase of 15.82% compared to the corresponding period in the previous fiscal year.
- According to sources within the National Board of Revenue (NBR), the collected income tax during this period amounted to BDT 51,824 crore, surpassing the BDT 44,742 crore recorded in the same duration of the preceding financial year.
- Despite the positive growth observed in tax collection, it is worth noting that tax collection for the first half of FY24 fell short of the set target by approximately BDT 8,500 crore.
- The NBR has a target of collecting BDT 1,54,800 crore from income tax and travel tax in the ongoing fiscal year.

News Source:

https://www.tbsnews.net/nbr/income-tax-collection-surges-16-h1-fy24-778962

Call money rate hits 5-yr high, ranges 8.0-10pc

- The interbank call money rate hit its new high at 9.43% on Sunday, indicating a persistent liquidity problem on the money market.
- The highest bid for the overnight borrowing rate on the day stood at 10.0% and the lowest at 8.0%, averaging 9.43%.
- The day's total transaction stood at BDT 34.18 billion in 72 deals.
- Such a high rate of call money has not been seen in the last five years at least, according to the people in the banking industry and Bangladesh Bank.

News Source:

https://today.thefinancialexpress.com.bd/first-page/call-money-rate-hits-5-yr-high-ranges-80-10pc-1705859823

Sectoral Update

Banks, NBFIs, and Insurance

Banks back in dire liquidity dearth

- Banks seem back in dire liquidity dearth as excess cash after maintaining CRR (cash reserve ratio) compliance squeezed under a highly contractionary monetary regime, according to officials and bankers.
- Surplus credits available in the banks' vaults, the volume of excess liquidity which includes various cash and cash-equivalent assets, including treasury bills and bonds, along with cash reserves other than liquid assets also dropped significantly, stoking concern among the bankers.
- According to Bangladesh Bank (BB) statistics, the volume of excess cash in the banking system was BDT 269 billion at the end of June 2022 and the coffer hit rock-bottom depth of BDT 116.30 billion after June 2023.
- The downtrend accelerated further to reach BDT 54.30 billion until November 2023, according to the data of the BB.

News Source:

https://today.thefinancialexpress.com.bd/first-page/banks-back-in-dire-liquidity-dearth-1705859765

Five banks held nearly half of defaulted loans in June last year

- The concentration of defaulted loans among the top five banks surged 30 percent year-on-year to roughly BDT 75,000 crore in the April-June quarter of 2023, according to a report by Bangladesh Bank issued last week.
- Also termed as non-performing loans (NPLs), the ratio of defaulted loans in the top five banks was 47.97% in June last year, up 4.51% points from March.
- The top five banks suffered from BDT 57,196 crore of defaulted loans at the end of March.
- Similarly, the concentration of defaulted loans in the top 10 banks grew 3.03% points to 64.93% of the total NPLs.
- Total defaulted loans in the banking sector stood at BDT 156,000 crore as of June last year and these 10 banks had BDT 101,315 crore of the amount, according to the central bank.

News Source:

https://www.thedailystar.net/business/news/five-banks-held-nearly-half-defaulted-loans-june-last-year-3524916

Capital Market

DSEX nosedives after floor removal, but recovers 60% of early-hour losses

- The post-floor stock market, following its rarely massive nosedive at the opening, demonstrated some resilience at the end on Sunday as the indices recovered most of their early-hour losses.
- DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), fell by 3.38% in five minutes as more than half of the listed scrips, freed from the floor price restriction, nosedived.
- Later, contrarian investors' buying appetites helped arrest the fall.

- Finally, the major index recovered 60.0% of the morning losses to close the session only 1.52% lower at 6,240 points.

News Source:

https://www.tbsnews.net/economy/stocks/dsex-nosedives-after-floor-removal-recovers-60-early-hour-losses-778990

Power producers saw profits erode in FY23

- Listed power generation companies saw their profits erode amid devaluation of the local currency and reduction of the capacity charge in fiscal year (FY) 2022-23.
- Among the eight listed power producers that have published their financial reports for the previous fiscal year, one sank into deeper losses while two saw fresh losses and three logged lower profit.
- Meanwhile, United Power Generation registered 18 percent higher profit of BDT 1,333 crore.
- However, this is mainly due to the inclusion of profits amounting to BDT 576 crore from its two new subsidiaries.

News Source:

https://www.thedailystar.net/business/news/power-producers-saw-profits-erode-fy23-3524911

Unique Meghnaghat Power receives first instalment of $463m loan

- Unique Meghnaghat Power Limited (UMPL) recently got USD 360 million as the first disbursement of a USD 463 million loan agreement with foreign lenders for the construction of a combined cycle gas-fired power plant at Sonargaon in Narayanganj.
- The estimated project cost for the 584-megawatt power plant is USD 612 million, being financed at 75:25 debt-equity ratio, according to a press release.
- The debt portion is being financed through a multi-sourced financing package, including an Export Credit Agency (ECA) covered tranche from Standard Chartered Bank (SCB), Swiss Export Risk Insurance as well as Asian Infrastructure Investment Bank (AIIB), Deutsche Investitions-und Entwicklungsgesellschaft (DEG) and Opec Fund for International Development (OFID).
- Of the USD 360 million first instalment, the SCB as an ECA backed lender disbursed USD 240.24 million and the AIIB, DEG and OFID disbursed USD 119.76 million, the statement said referring to the disbursement on December 18.

News Source:

https://www.thedailystar.net/business/news/unique-meghnaghat-power-receives-first-instalment-463m-loan-3524891