Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,254.30
% change	0.23%
DS30 Index	2,147.64
% change	0.49%
DSES Index	1,380.75
% change	0.48%
Turnover (BDT mn)	10,422.21
Turnover (USD mn)	94.75
% change	76.99%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,177.00
% change	0.19%
S&P 500	4,881.00
% change	-0.02%
Nikkei 225	36,483.64
% change	0.21%
FTSE 100	7,487.71
% change	0.35%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.69	119.73
GBP	139.76	139.83
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
22-Jan-24	8.00 - 10.00	9.45
21-Jan-24	8.00 - 10.00	9.43
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	80.14	2.36%
Gold Spot, USD/t oz.	2,030.62	0.28%
Cotton, USD/lb.	84.67	0.76%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.23% in the last trading day, closing at 6,254.30 point.
- The market rebounded and reacted positively after the decision was taken to remove the floor price.
- The daily turnover jumped a whopping 76.99% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.19% gain, S&P 500 posted 0.02% loss, and FTSE 100 posted 0.35% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.21% gain.

Key macro indicators

- Except EUR, 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 9.45% with a high rate of 10.00% and low rate of 8.00%.
- The oil price increased by 2.36% in the last trading day.

Bangladesh Macro Update

Public debts in FY23 reach Tk 8.62 lakh cr

- The outstanding public debt from domestic sources reached BDT 8.62 lakh crore at the end of the financial year 2022-23.
- The outstanding public debts from banking and non-banking sectors were BDT 5,07,763.34 crore and BDT 3,62,482.59 crore respectively, according to a Bangladesh Bank annual report on government securities.
- Of the total outstanding balance, government's borrowing from the banking system by issuing T-bills was BDT 1,23,680.51 crore, T-bonds BDT 366,082.83 crore and Sukuk BDT 18,000 crore, according to the report.
- The figure constituted 11.44% of GDP in the reporting period.

News Source:

https://www.newagebd.net/article/223525/public-debts-in-fy23-reach-tk-862-lakh-cr

Credit flows to private sector might slow on higher govt borrowing: BB

- Credit flows to the private sector of Bangladesh might slow in the current financial year as interest rates could go up following the spike in the benchmark rate amid persisting higher borrowing by the public sector, said the central bank.
- Confronted with higher consumer prices, the central bank implemented several policy measures in the first half of 2023-24 to alleviate the inflationary pressure.
- The initiatives encompassed a cumulative 175 basis points increase in policy rates from July to December 2023, the removal of the lending rate cap, replaced it with a reference rate, known as SMART, and ceased lending to the government by creating money.
- The actions aimed to elevate borrowing costs, restrict money and credit expansion, and anchor inflation expectations.
- Consequently, money supply and private sector credit growth rates moderated between July and November.

News Source:

https://www.thedailystar.net/business/news/credit-flows-private-sector-might-slow-higher-govt-borrowing-bb-3525656

Short-term debt drops to $11.97b in Nov

- Corporate borrowing from foreign lenders to meet funding needs slides, with the short-term debts having dropped to USD 11.97 billion in November, in what economists see as signs of economic slowdown.
- Sources have said the outstanding balance of private sector's short-term external debt continues falling as entrepreneurs jettisoned their investment plans to wait and see when and how uncertainties both on domestic and global markets should dissipate.
- Such continuous downturn in capital inflow triggers fear of disruptions to industrial production and jobs creation in the USD 460-billion- plus economy largely dominated by the private sector.

- Economists and analysts pinpoint several factors, including ongoing energy crisis in the industrial hubs, depreciation of the local currency against the greenback and repayment risks amid forex dearth, behind the ebb tide in short-term credit intake by the businesses.

News Source:

https://today.thefinancialexpress.com.bd/first-page/short-term-debt-drops-to-1197b-in-nov-1705945283

Sectoral Update

Banks, NBFIs, and Insurance

Cash-strapped banks borrow record Tk13 lakh-cr from BB in FY23

- To maintain stability in the country's financial market, the Bangladesh Bank extended a record BDT 13.08 lakh crore in liquidity support to conventional banks during the fiscal 2022-23, marking a substantial seven-and-a-half-fold increase from the previous year's figures. In FY22, the figure was BDT 1.76 lakh crore.
- According to a document published by the central bank yesterday, this unprecedented support was necessitated by a tightening situation in the foreign exchange market.
- To ease the impact on commercial banks, the Bangladesh Bank engaged in the sale of dollars, a move that, while addressing forex concerns, simultaneously exerted a contractionary effect on the liquidity of banks in the local currency, according to the Bangladesh Government Securities Report for FY2022-23.
- Breaking down the colossal liquidity infusion, BDT 611,656 crore was channelled through repo transactions, while BDT 697,123 crore was provided to primary dealer banks through assured liquidity support (ALS).

News Source:

https://www.tbsnews.net/economy/banking/cash-strapped-banks-borrow-record-tk13-lakh-cr-bb-fy23-779634

Apparel & Textile

RMG export to USA doubles in five years

- Garment shipment to the USA, the single largest export destination of Bangladesh, almost doubled in the last five years thanks to the tariff war between the United States of America and China and the presence of competitive prices of the locally made apparels.
- After having two strong years in 2021 and 2022, apparel export to the USA fell 8.68% year-on-year to USD 8.27 billion in 2023, according to data from the Export Promotion Bureau and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- Bangladeshi manufacturers sent USD 5.84 billion worth of garments to the USA in 2018 and over USD 9 billion in 2022, but it fell the next year, caused solely by a dip in woven garment shipment.
- However, knitwear export saw a marginal jump in 2023 compared to the previous year.

News Source:

https://www.thedailystar.net/business/news/rmg-export-usa-doubles-five-years-3525571

Pharmaceuticals and Chemicals

Drugmakers want to hike prices, citing soaring production costs

- Pharmaceutical companies in the country are seeking government approval to raise drug prices, citing a surge in production costs attributed to factors like currency devaluation, a dollar crisis, the rise in raw material prices in the global market and rising energy costs.
- During a courtesy meeting with Prime Minister's Private Industry and Investment Adviser, leaders of the Bangladesh Association of Pharmaceutical Industries (BAPI) conveyed that drug production costs have increased by up to 30% in the past year.
- Despite this, the Directorate General of Drug Administration (DGDA) has chosen not to raise medicine prices.
- Therefore, there is a need to adjust prices to offset the escalating costs and ensure the sustainability of businesses, they told the adviser.
- Pharmaceutical industry leaders expressed concerns that the failure to raise drug prices could lead to potential shortages in the market and a decline in the quality of drugs.

News Source:

https://www.tbsnews.net/bangladesh/health/drugmakers-want-hike-prices-citing-soaring-production-costs-779750

Govt to review wages for cotton textile workers

- The government has taken an initiative to review the minimum wages for the workers of the country's cotton textile mills.
- The labour ministry on January 15 appointed representatives from the owners and the workers in the sector to the minimum wage board and the first meeting of the board is scheduled to be held today.
- The minimum wages for the workers of the cotton textile sector were last set in the year of 2018 with minimum monthly pay of BDT 5,710 with BDT 3,600 as basic pay.
- After the minimum wages for the readymade garment workers were reviewed in December, workers from textile mills raised their voice demanding a pay hike.
- Workers from many textile mills staged demonstrations in several industrial areas and demanded an increase in their wages considering high inflation and soaring living costs.

News Source:

https://www.newagebd.net/article/223524/govt-to-review-wages-for-cotton-textile-workers

Fuel & Power

Matarbari coal-fired plant's second unit on test run

- Amid jitters over gas-electricity twin crises comes a declaration as a bellwether that Matarbari coal-fired power plant's second unit test-ran, though it still stays as a flickering ray of hope.
- Electricity generation from this unit of the state-owned Matarbari 1200-megawatt plant commenced on test to augment the country's overall electricity generation from coal, according to officials.

- The commissioning of the Matarbari coal-fired power plant will augment Bangladesh's overall electricity-generation capacity from coal.
- Last year, a bunch coal-fired power plants, including Adani Power's 1,496mw plant of India, 612mw Unit-1 of SS Power plant, 1,320mw Rampal plant, and Barisal Electric's 307mw plant came into operation.
- The Matarbari power plant on the offshore bay island will require around 10,000 tonnes of coal daily to generate electricity to its full capacity, and 3.73 million tonnes a year.

News Source:

https://today.thefinancialexpress.com.bd/last-page/matarbari-coal-fired-plants-second-unit-on-test-run-1705945643

Miscellaneous

Bangladesh’s plastic goods export triples in 13 years

- Plastic product exports from Bangladesh tripled in 13 years thanks to the rising local production of such items of global standards, according to the President of the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA).
- Bangladesh shipped USD 209.86 million worth of plastic goods in 2022-23 fiscal year, which was only USD 68.76 million in 2010-11 fiscal year, according to data of the BPGMEA.
- Bangladesh is now the 12th largest exporter of plastic products in the world and the country has the potential to do a lot better in the days to come.

News Source:

https://www.thedailystar.net/business/news/bangladeshs-plastic-goods-export-triples-13-years-3525486

Capital Market

Buoyant market encourages removal of floor from 23 more securities

- The securities regulator has lifted the floor price of 23 more companies, encouraged by market recovery in the second trading session without the price restriction.
- The stock market saw a significant increase in investor participation driving the turnover up to six-month high to BDT 10.42 billion on Monday which boosted optimism about the equity market.
- The Bangladesh Securities and Exchange Commission (BSEC) on Thursday withdrew the floor price of all securities, except for 35 large-cap companies that can cause a significant impact on the movement of the broad index because of their notable free float shares.
- The broad index of the Dhaka bourse lost 214 points within five minutes after the opening of the Sunday's session, owing to the withdrawal of floor price.
- The market, however, recovered the initial loss to a great extent with the help of supportive measures and finally closed 96 points down on Sunday from the day before.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/buoyant-market-encourages-removal-of-floor-from-23-more-securities-1705944074

Corporate profit squeezed by energy cost, currency shock

- The profit of listed companies in Bangladesh dropped 20% year-on-year in 2022-23 despite higher sales, owing mainly to the depreciation of the local currency and higher energy costs.
- An analysis of the financial reports of 167 companies listed on the Dhaka Stock Exchange showed that their combined sales rose 10.5% to BDT 121,132 crore in the last financial year.
- However, profits dropped 20.8% to BDT 8,848 crore.
- Of the 167 firms, 16 slipped to losses, 18 incurred higher losses and 70 logged lower profits in the year that ended on June 30.

News Source:

https://www.thedailystar.net/business/news/corporate-profit-squeezed-energy-cost-currency-shock-3525646