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Daily News Snippet
February 04, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,213.99
% change	0.99%
DS30 Index	2,116.77
% change	0.61%
DSES Index	1,362.92
% change	0.81%
Turnover (BDT mn)	11,220.90
Turnover (USD mn)	102.01
% change	14.53%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,654.42
% change	0.35%
S&P 500	4,958.61
% change	1.07%
Nikkei 225	36,158.02
% change	0.41%
FTSE 100	7,615.54
% change	0.08%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	118.62	118.66
GBP	138.93	138.97
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
1-Feb-24	8.00 - 9.50	9.40
31-Jan-24	8.00 - 9.50	9.36
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	77.33	-1.74%
Gold Spot, USD/t oz.	2,053.70	-0.06%
Cotton, USD/lb.	87.11	0.72%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.99% in the last trading day, closing at 6,213.99 point.
- The daily turnover rose 14.53% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.35% gain, S&P 500 posted 1.07% gain, and FTSE 100 posted 0.08% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.41% 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 9.40% with a high rate of 9.50% and low rate of 8.00%.
- The oil price fell 1.74% in the last trading day.

International Macro Update

Fed holds interest rates at a 23-year high

- Officials at the US central bank have left interest rates at a 23-year high, and said rate cuts are coming - but not yet.
- The decision from the Federal Reserve again kept the target range for its benchmark rate, which helps set borrowing costs for mortgages, credit cards and other loans, at 5.25%-5.50%.
- That is sharply higher than two years ago, when the Fed started raising rates to fight inflation.
- But exactly when the bank will start to reverse course is being closely watched, especially as a slew of central banks in other countries, including the Bank of England which meets on Thursday, face similar decisions.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/fed-holds-interest-rates-at-a-23-year-high-1706975958

Bangladesh Macro Update

Remittance rises in January, highest in seven months

- Migrant workers sent home USD 2.1 billion in January, the highest in seven months, thanks to the outflow of a record number of workers who went abroad for jobs in 2023, according to central bank figures.
- Last month's receipts were 8 percent higher year-on-year from BDT 1.95 billion, which is expected to ease pressure on the country's balance of payments (BoP), a statement of economic transactions of an economy with the rest of the world.
- Including the inflow in January, remittance inflow grew 3.0% to USD 12.89 billion in the July-January period of fiscal year 2023-24.

News Source:

https://www.thedailystar.net/business/news/remittance-rises-january-highest-seven-months-3533956

Forex market settling down as rate fluctuation eases, for now

- After year-long volatility, the forex market is getting stable with the exchange rates of the dollar settling between BDT 123 and BDT 124 for the last one and a half months, preventing a steep fall of the taka.
- A reduction in repayment pressure on private sector short-term loans coupled with a conservative approach in opening letters of credit (LCs) against imports have helped ease exchange rate fluctuations, according to industry insiders.
- Political stability is another factor that has contributed to achieving macroeconomic stability, as the country has overcome election-centric uncertainties, according to industry experts.
- The inflow of USD 2.10 billion in remittances in January, marking the highest monthly inflow in the past seven months, has also played a role in easing the situation.

News Source:

https://www.tbsnews.net/economy/forex-market-settling-down-rate-fluctuation-eases-now-786790

Money supply squeezes, inflation stays stubborn

- Reserve money with Bangladesh Bank squeezes with a negative growth by 2.0% to BDT 3.7 trillion last December for inflation-control monetary measures that, seemingly, worked little so far.
- In a two-pronged inflation battle, launched at government's bidding amid price rises, the central bank also raised interest rates to curtail money supply in the economy.
- But inflation seems to be stubbornly high, hovering near two-digit level, with prices of many consumer supplies making fresh leaps. On the contrary, rate rises seem leading businesses to make a pause in borrowing for fresh investment, according to bankers and businesspeople.
- The money squeezes are mainly because of stopping "devolvement" operation by the Bangladesh Bank coupled with continuous pursuit of tight monetary policy to contain the higher inflationary pressure on the economy.

News Source:

https://today.thefinancialexpress.com.bd/first-page/money-supply-squeezes-inflation-stays-stubborn-1706980314

Bangladeshi vessels start avoiding Red Sea amid rising tension

- Most Bangladeshi oceangoing vessels have started avoiding the Red Sea as part of safety measures since the Houthis launched attacks on merchant ships crossing the route at the end of last year.
- Meanwhile, Bangladesh's Department of Shipping issued a circular on January 29 giving a set of transit guidelines for Bangladesh-flagged vessels.
- In the circular, the Department mentioned what security measures the vessels should take while passing the Gulf of Aden, Bab al Mandeb Strait, Red Sea and Yemeni coast, the areas mostly attacked by the Houthis.

News Source:

https://www.thedailystar.net/business/news/bangladeshi-vessels-start-avoiding-red-sea-amid-rising-tension-3535356

NSC sales plummet in July-Dec

- The net sales of national savings certificates plunged to a negative BDT 6,063 crore in the July-December period of 2023, down from a negative BDT 3,106 crore in the same period of the previous year.
- In December alone, the net sales figure was negative at BDT 2,204 crore, compared with that of BDT 1,491 crore negative in the same month in the previous year.
- A negative value occurs when the repayment of the principal amount exceeds the sales.
- The negative net sales of BDT 6,063 crore mean that repayments of such amounts were made from the government’s exchequer or through loans taken from the banking system.

News Source:

https://www.newagebd.net/article/224503/nsc-sales-plummet-in-july-dec

Sectoral Update

Tannery

Leather exporters fear grimmer days after incentive cuts

- Like many other sectors, the leather industry is feeling the squeeze from the government's recent decision to reduce incentives for exports to prepare for the country's graduation from Least Developed Country (LDC) status to middle income country in 2026.
- According to leather exporters, the industry was already troubled by limited export opportunities due to the lack of international certification for compliance and environment.
- Now, trimming incentives without consulting stakeholders is nothing short of disaster as most business decisions were taken during the rawhide collection season considering government incentives.
- They have already discussed the matter with the commerce minister and they also want the intervention of the prime minister to avoid losses, according to leather exporters.

News Source:

https://www.tbsnews.net/economy/industry/leather-exporters-fear-grimmer-days-after-incentive-cuts-786842

Capital Market

DSE witnesses gain in indices, decrease in average turnover

- Dhaka stocks saw a positive trend in its indices for the most of the trading sessions in the past week, as investors started showing dominance across the trading floor with a buying mood, but the average turnover decreased, according to market operators.
- The key index of the Dhaka Stock Exchange, DSEX, gained 57.58 points, or 0.94%, over the past week to close at 6,213.99 points on February 1 after losing a whopping 180.35 points in the previous week.
- The market plunged on the first trading session of the past week as the DSEX reached an 18-month low, reaching 6,079.06 points on January 28.
- Of the five trading sessions in the past week, the last four experienced gains that added a total of 134.94 points.

News Source:

https://www.newagebd.net/article/224506/dse-witnesses-gain-in-indices-decrease-in-average-turnover

IDLC Finance gets permission to launch Shariah products

- IDLC Finance has received the final approval from the Bangladesh Bank (BB) for opening an Islamic financing wing to diversify its operations.
- Now, it will be able to run Shariah-compliant business under 'Islamic Finance Window' through all its branches, according to a stock exchange filing on Thursday.
- One of the leading non-bank financial institutions, IDLC Finance said, it had completed all preparations under the guidance of a supervisory committee and was ready to offer Shariah-compliant deposit and housing financing products to cater to the growing demand of clients.

- The operation of the Shariah-based business will run in parallel to the existing operations.

News Source:

https://today.thefinancialexpress.com.bd/public/stock-corporate/idlc-finance-gets-permission-to-launch-shariah-products-1706804108