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Daily News Snippet

February 27, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,259.63
% change	-0.23%
DS30 Index	2,137.27
% change	-0.11%
DSES Index	1,362.55
% change	0.15%
Turnover (BDT mn)	8,049.88
Turnover (USD mn)	73.18
% change	-6.63%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,069.23
% change	-0.16%
S&P 500	5,069.53
% change	-0.38%
Nikkei 225	39,184.33
% change	-0.13%
FTSE 100	7,684.30
% change	-0.29%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.31	119.36
GBP	139.50	139.54
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
25-Feb-24	8.00 - 9.50	9.33
22-Feb-24	8.00 - 9.50	9.30
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	82.53	0.06%
Gold Spot, USD/t oz.	2,033.81	0.13%
Cotton, USD/lb.	95.31	0.54%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.23% in the last trading day, closing at 6,259.63 points.
- The daily turnover fell 6.63% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.16% loss, S&P 500 posted 0.38% loss, and FTSE 100 posted 0.29% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.13% loss.

Key macro indicators

- All the major currencies increased 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 9.33% with a high rate of 9.50% and low rate of 8.00%.
- The oil price rose 0.06% in the last trading day.

Bangladesh Macro Update

Annual foreign debt service surges 45pc

- Bangladesh's foreign-debt service has surged significantly to an annualised rate of 45.0% over the last few months, much of it on account of high interest payments, according to officials.
- The government had spent USD 1.86 billion in the first 7 months (July-Jan) of the current fiscal (FY) 2023-24 for repayment to lenders, over half-a-billion-dollar higher than in the corresponding period of the last fiscal, according to officials.
- Bangladesh's debt repayment having jumped significantly mainly due to a record-high amount of interest payments against the outstanding total loans.
- Besides, the rise in medium- to long-term (MLT) loans and a higher borrowing trend of the government have already created further pressure on the country's falling foreign-exchange reserves.
- The government repaid USD 1.86 billion to different lenders during the July-January period of the current fiscal, some USD 571.99 million higher than that in the same period last fiscal, according to the Economic Relations Division (ERD) provisional data.

News Source:

https://today.thefinancialexpress.com.bd/first-page/annual-foreign-debt-service-surges-45pc-1708969526

World Bank suggests unified exchange rate, further monetary tightening

- The World Bank has recommended Bangladesh put in place a unified exchange rate and tighten monetary policy further to tame persistently high inflationary pressure and end the foreign exchange crisis.
- On Sunday, a team led by Anna Bjerde, managing director for operations for the Washington-based lender, gave the suggestions during a meeting with the top officials of the Bangladesh Bank.
- The WB is also aware of the impacts that the poorer section of society may face owing to the prescribed uniform exchange rate and a more contractionary monetary policy.
- So, the global lender suggested the government strengthen the social protection programmes to give them relief.
- The visiting officials also wanted to know about the update on banking sector reform activities and emphasised reducing default loans, which may hurt the growth trajectory of the South Asian country.

News Source:

https://www.thedailystar.net/business/economy/news/world-bank-suggests-unified-exchange-rate-further-monetary-tightening-3553101

Govt to cut ADP size by 7%

- The government is set to downsize the Annual Development Programme (ADP) for the current fiscal year of 2023-24 by nearly 7.0% while prioritising projects having the highest impact, according to planning commission sources.
- The National Economic Council is likely to approve a revised ADP of BDT 245,000 crore in its upcoming meeting on March 12.

- This may lead to a decrease in government and foreign funds allocated in the original ADP by 4.43% and 11.17%, respectively.

News Source:

https://www.thedailystar.net/business/economy/news/govt-cut-adp-size-7-3553091

LDCs may enjoy trade benefits for three years after graduation

- Retaining privileges after LDC graduation gets into focus as commerce ministers and senior trade officials of the World Trade Organisation (WTO) countries start hectic negations on the rules of trade, amid geopolitical tensions raging around.
- The LDCs have sought continuity of duty-free, quota-free market access, waiver in the intellectual property rights and other trade-support measures for at least six years after the graduation.
- Once graduated, as per the existing WTO rules, the countries will no more be eligible to avail the various trade benefits and international supports save a few ones only for a few years.

News Source:

https://today.thefinancialexpress.com.bd/first-page/ldcs-may-enjoy-trade-benefits-for-three-years-after-graduation-1708969363

Sectoral Update

Fuel & Power

Power tariffs set to rise from March

- Power tariffs may rise pro rata from March 1 as initial government course under a new reform recipe to rescind state subsidy on this sector within next three years.
- Energy experts and economists take strong exception to the government proposal to further increase electricity tariffs.
- They rather suggest reappraisal of the power sector's financial management, specifically pointing out excessive and questionable spending, as a more effective remedy for the sector's financial woes.
- Power Division under the Ministry of Power, Energy and Mineral Resources (MPEMR) is likely to raise the power tariffs by administrative orders in a couple of days, according to a a senior official of the state-run Bangladesh Power Development Board (BPDB).
- The power-tariff hike might range between 4.0% and 8.0% for different categories of consumers.

News Source:

https://today.thefinancialexpress.com.bd/first-page/power-tariffs-set-to-rise-from-march-1708969420

Food & Allied

Flour costlier amid import surge, lowest global price

- Wheat flour and flour-made food items have witnessed a 20.0%-22.0% hike in last two months, although import of the grain rose by a great margin so far this year.

- According to Insiders, local companies raised the prices of all flour and flour-made products at a time when the global rate has fallen to a record low in the last six months.
- Coarse flour or atta (loose) prices shot up to BDT 52-56 a kg while branded packet atta hits BDT 65-66 - a BDT 10 hike per kg in the last two months, according to city groceries.
- However, the prices of the item have been increasing at a time when global prices are showing a record low and local imports witnessed a notable surge.

News Source:

https://today.thefinancialexpress.com.bd/first-page/flour-costlier-amid-import-surge-lowest-global-price-1708969478