Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,075.24
% change	-0.61%
DS30 Index	2,083.86
% change	-0.50%
DSES Index	1,324.95
% change	-0.82%
Turnover (BDT mn)	4,782.59
Turnover (USD mn)	43.48
% change	-32.04%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,722.69
% change	0.00%
S&P 500	5,123.69
% change	0.00%
Nikkei 225	38,768.52
% change	-2.32%
FTSE 100	7,659.74
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	120.30	120.35
GBP	141.42	141.47
INR	1.33	1.33
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
10-Mar-24	7.00 - 9.50	8.55
7-Mar-24	8.00 - 9.50	8.48
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	81.66	-0.51%
Gold Spot, USD/t oz.	2,177.97	-0.04%
Cotton, USD/lb.	95.55	0.28%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.61% in the last trading day, closing at 6,075.24 points.
- The daily turnover fell 32.04% in the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday due to public holiday.
- One of the leading Asian market indices, NIKKEI 225 posted 2.32% loss.

Key macro indicators

- All the major currencies remained unchanged against BDT yesterday.
- The average overnight rate is slowing down in the past week.
- The current weighted average overnight rate stood at 8.55% with a high rate of 9.50% and low rate of 8.00%.
- The oil price fell 0.51% in the last trading day.

International Macro Update

Japan narrowly avoids technical recession

- Japan narrowly avoided entering a technical recession in the second half of 2023, with revised data on Monday showing output growing 0.1% in the fourth quarter.
- Gross domestic product in the fourth-largest economy inched up 0.1% between October and December from the previous three months, according to the cabinet office.
- This reversed an earlier preliminary estimate for a 0.1% contraction following negative growth of 0.8% in the third quarter.
- Technical recession is generally defined as two successive quarters of falling GDP.
- Stronger-than-expected corporate investment drove up the overall figure in the latest data which still showed generally weak consumption in Japan.

News Source:

https://www.newagebd.net/article/227618/japan-narrowly-avoids-technical-recession

Bangladesh Macro Update

Financial account deficit widens to new level

- The deficit in the country's financial account widened to touch a new level in the past seven months up to January of the current fiscal year 2023-24, showing that challenges in the economy are far from over, according to an economist.
- The nation registered a deficit of USD 7.3 billion in its financial account in the July-January period of this fiscal year, which was 9 times higher from year ago, according to a data of Bangladesh Bank (BB).
- As a result of the widening deficit in the financial account, the country's external account remained in the negative, though there was an improvement in trade deficit, rise in remittance flow and other inflow from services during the period.
- The BB data showed that the country's trade deficit fell by more than half to USD 4.6 billion in the July-January period as exports rose while imports fell.

News Source:

https://www.thedailystar.net/business/economy/news/financial-account-deficit-widens-new-level-3563766

Sectoral Update

Banks, NBFIs, and Insurance

Cenbank allows import, export thru counter-trade

- From now on, traders can make import and export transactions through counter-trade arrangements, without the need to make payments in foreign currency.
- Bangladeshi exporters, importers, or traders can voluntarily enter into counter-trade arrangements with counterparts abroad for settlement of import payments against proceeds of goods exported from Bangladesh, according to a central bank circular issued yesterday.

- This facility will increase trade with untapped markets and help reduce the loss of foreign exchange in the country, according to bankers.
- Counter-trade is a unique form of international trade where goods or services are exchanged for other goods or services, rather than solely using cash.
- It is a reciprocal agreement between two parties, often seen in transactions between countries with limited access to foreign currency reserves.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-allows-import-export-thru-counter-trade-807030

Govt urged to clear stance on bank mergers

- The government has been urged to make clear its stance on merger of the country's weaker banks in the fiscal measures to be announced in the upcoming budget for fiscal year (FY) 2024-25.
- Businesses and economists have raised the issue at a pre-budget meeting amid growing panic, confusion and fear about such a much-talked-about issue in the financial sector.
- A sort of fear is prevailing in the sector as a result and has already affected the industries, bankers and common people, according to the businesses and economists.
- The business leaders urged the government not to go for the merger initiative in a hasty manner, rather form a 'bank commission' to seek recommendation for a suitable process in this regard.

News Source:

https://today.thefinancialexpress.com.bd/first-page/govt-urged-to-clear-stance-on-bank-mergers-1710094716

Nine banks in ‘red zone’

- Nine banks, including four state-run ones, have fragile financial health, according to a recent report of the Bangladesh Bank.
- The banks in the 'red zone' are AB, National, Bangladesh Commerce, Padma, BASIC, National Bank of Pakistan, Janata, Agrani and Rupali, according to a biennial report prepared by the Financial Stability Department of the BB.
- As many as 29 banks were in the yellow zone, meaning their financial health was between good and fragile, according to the report.
- There were 16 banks in the green zone: Prime, Eastern, Habib, NCC, Midland, Bank Alfalah, Bank Asia, Shimanto, Jamuna, Shahjalal Islami, Woori, HSBC, Commercial Bank of Ceylon, Citi, Standard Chartered and State Bank of India.

News Source:

https://www.thedailystar.net/business/banking/news/nine-banks-red-zone-3563836

Deposits in Islamic banks rise but liquidity challenge persists

- Deposits in the Islamic banking sector of Bangladesh rose 8.16% last year but the liquidity challenge that it has been facing for months remained persistent.

- Deposits in the Islamic banking sector stood at BDT 443,403 crore at the end of December 2023, up from BDT 409,949 crore a year ago, as per the Bangladesh Bank's quarterly report on Islamic banking.
- On the other hand, liquidity in the Islamic banking sector stood at BDT 11,107 crore, down from BDT 12,871 crore a year ago.
- Industry insiders said that four to five Islamic banks were still facing liquidity shortages, which was adversely affecting the overall Islamic banking sector.

News Source:

https://www.thedailystar.net/business/economy/news/deposits-islamic-banks-rise-liquidity-challenge-persists-3563786

Telecommunication

BTRC to award 'unified' licences to telcos

- The telecom regulator is awarding cellular mobile service operator licences to mobile network operators, unifying the existing licences and setting the groundwork for the launch of 5G technology in the country.
- Until now, there were separate licences and guidelines for 2G, 3G and 4G technology in Bangladesh.
- Now, all of them have been brought under one licence.
- Telecom operators have already paid BDT 10 core each as an annual fee for the licence, which will remain valid for 15 years.
- Due to the evolution of 5G technology and rapid development in the telecom sector, the government has decided to issue a single licence irrespective of specific technology to make the licence more accommodative and modern, according to the BTRC.

News Source:

https://www.thedailystar.net/business/economy/news/btrc-award-unified-licences-telcos-3563796

Tannery

Bangladesh govt may halve leather goods export tax

- The government is considering halving the source tax on leather goods exports from 1% to 0.5% in a bid to boost the sector's competitiveness.
- A statutory regulatory order (SRO) will be issued in this regard soon, according to sources at the National Board of Revenue (NBR).
- Currently, all export products, including leather, are subject to a 1% source tax in Bangladesh.
- Following the government's reduction of cash incentives for export products in late January, leather incentives were entirely eliminated.
- Now, the government is contemplating tax reductions, a decision that has been warmly received by leather goods exporters.

News Source:

https://www.tbsnews.net/nbr/bangladesh-govt-may-halve-leather-goods-export-tax-807070

Capital Market

Dhaka bourse goes dark after error in adjusting single firm's rights shares

- All indices of the Dhaka Stock Exchange (DSE) showed unusual figures yesterday due to an "operational error" that adversely impacted investor confidence, causing turnover to plummet amid huge sales pressure.
- The turnover, an indicator of the volume of shares traded, nosedived to BDT 478 crore while it averaged BDT 1,020 crore in the past month.
- Just 20 minutes into the day, the DSE, the benchmark index, dropped by an astounding 6,112 points, or 99%, to just 0.39 points, according to the website of the country's premier bourse.
- Other indices saw similarly peculiar movement with the DSES, an index comprised of shariah-compliant companies, and the DS30, which represents blue-chip stocks, having declined significantly.

News Source:

https://www.thedailystar.net/business/economy/news/dhaka-bourse-goes-dark-after-error-adjusting-single-firms-rights-shares-3563791