Daily News Snippet

March 19, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,898.23
% change	-1.17%
DS30 Index	2,020.11
% change	-1.10%
DSES Index	1,286.25
% change	-1.04%
Turnover (BDT mn)	4,655.49
Turnover (USD mn)	42.32
% change	-9.54%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,790.43
% change	0.00%
S&P 500	5,149.42
% change	0.00%
Nikkei 225	40,003.60
% change	0.66%
FTSE 100	8,335.63
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	120.40	120.43
GBP	140.75	140.80
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
18-Mar-24	8.00 - 9.50	8.73
14-Mar-24	8.00 - 9.50	8.58
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	86.71	-0.21%
Gold Spot, USD/t oz.	2,160.29	0.00%
Cotton, USD/lb.	94.21	-0.38%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.17% in the last trading day, closing at 5,898.23 points.
- The daily turnover fell 9.54% in the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI 225 posted 0.66% gain.

Key macro indicators

- All of the major currencies rose against BDT yesterday.
- The average overnight rate is slowing down in the past week.
- The current weighted average overnight rate stood at 8.73% with a high rate of 9.50% and low rate of 8.00%.
- The oil price fell 0.21% in the last trading day.

Bangladesh Macro Update

BMI forecasts steady growth in BD this fiscal

- Fitch Solutions Company BMI predicts that the economic growth in Bangladesh is likely to remain steady in the current fiscal.
- The BMI in its latest analysis of Bangladesh forecasts that private consumption will continue to be low, as high inflation undermines people's purchasing power.
- Stronger remittances inflows would likely to provide some relief for households, according to the report.
- The risk of a weaker taka poses downside risks to our economic growth forecast as the outbreak of the Israel-Hamas war and the associated geopolitical risk premia is set to ensure that oil prices remain volatile in the short term, according to BMI.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bmi-forecasts-steady-growth-in-bd-this-fiscal-1710781415

Bangladesh's exports to keep boosting economic growth: BMI

- Bangladesh's exports will continue to contribute to its economic growth in the short term although high inflation, a weaker taka, and restrictions on imports will weigh down consumption and private investment, according to a new BMI report.
- A weak macroeconomic environment and lower purchasing power had caused consumers to shift spending away from mid-priced clothing towards low-priced items, benefitting low-wage producers such as Bangladesh, according to the report.
- Bangladesh's net exports, which have historically been in the negative, improved to USD 3.9 billion in the negative, significantly higher than the average net exports of negative USD 8.1 billion since FY2017-18.
- Inflation is forecast to average 9.4% in FY24, up from 8.9% the previous year and considerably above the historical five-year average of 6.3% from 2018-19 to 2022-23.

News Source:

https://www.thedailystar.net/business/news/bangladeshs-exports-keep-boosting-economic-growth-bmi-3570066

Sectoral Update

Banks, NBFIs, and Insurance

For banks, taka now in more demand than dollar

- The country's money market crisis seems to have taken a reverse turn – the forex market has eased with improving dollar holdings in banks while taka liquidity has come under strain, hurting the private sector credit growth.
- This has prompted the Bangladesh Bank to pump up easy money into the banking channel by buying back greenbacks in order to mitigate the local currency crisis.
- Daily dollar holdings of banks improved between USD 400 million and USD 500 million in February from a negative position a month back, riding on falling import bills and rising remittance inflows.

- The development in dollar holdings also is reflected in the country's current account balance which turned to a surplus of over USD 3 billion in July-January of FY24 from a deficit of USD 4.6 billion in the same period last year.

News Source:

https://www.tbsnews.net/economy/banking/banks-taka-now-more-demand-dollar-811218

Banks can't impose any fine on supervision charges: BB

- Bangladesh Bank (BB) today directed banks to refrain from imposing any fine or interest on the supervision charge collected by them to bear their administrative costs of loans.
- The central bank issued a guideline so that all banks follow the same method in collecting supervision charges on consumer loans and loans for cottage, micro and small and medium enterprises (CMSMEs).
- The BB, in June 2023, allowed lenders to collect 1% supervision charge on personal and auto loans, and the funds given to the CMSMEs as administrative cost to monitor the loans is relatively higher.

News Source:

https://www.thedailystar.net/business/news/banks-cant-impose-any-fine-supervision-charges-bb-3569601

Pharmaceuticals & Chemicals

Drug sales grow at slowest pace in five years

- Despite the price hike, sales of medicines in Bangladesh grew at the slowest pace in at least five years in 2023 driven by a lower purchase of non-life-saving drugs and vitamins.
- Last year, drug sales grew 2% to BDT 30,059 crore, far lower than the four-year average of 8.5% in 2022, according to a report of IQVIA, a global provider of advanced analytics, technology solutions, and clinical research services to the life sciences industry.
- The NCTO also called attention to the rising volume of apparel imports from Bangladesh, Cambodia, India, Indonesia and Pakistan, which have become major suppliers to the US.
- Experts and industry people blame higher inflationary pressure confronting a larger section of the population, especially low-income households, since May 2022, for the slower growth since their purchasing power has eroded significantly.

News Source:

https://www.thedailystar.net/business/news/drug-sales-grow-slowest-pace-five-years-3570036

Fuel & Power

Gas crunch poised to ease with FSRU operation

- Gas supply across Bangladesh may increase next week as another private-sector floating LNG-regasification unit looks all but ready to resume operation after an overhaul, sources say about a respite from fuel crunch.
- Summit LNG Terminal Co Ltd, a subsidiary of Summit Group, is expected to resume liquefied natural gas (LNG) regasification at its FSRU on the Bay of Bengal after two months of lie-down, according to sources.
- Summit's floating storage and regasification unit (FSRU) might return to Moheshkhali mooring facility early next week and initiate tying-up job before resuming operation, according to a senior Petrobangla official.

- The FSRU, which ceased operation in mid-January, was still under overhauling at a Singapore dry dock.
- With resumption of Summit FSRU's operation country's overall LNG regasification capacity will increase to around 1,100mmcfd from 1,000mmcfd.

News Source:

https://today.thefinancialexpress.com.bd/first-page/gas-crunch-poised-to-ease-with-fsru-operation-1710781103

Capital Market

Why stocks downfall continues for seven days

- Dhaka stocks have experienced a downward trend over the last seven consecutive sessions, coinciding with the imminent conclusion of the tenure of high-ranking officials of the Bangladesh Securities and Exchange Commission (BSEC) in May, just two months away.
- The benchmark index DSEX of the Dhaka Stock Exchange (DSE) settled at 5,898 after losing 69 points today, resulting in a total erosion of 268 points over the seven days.
- The key index fell below 5,900 points to a 33-month low today.
- Following Monday's fall, the market capitalisation of the DSE fell by BDT 24,812 crore, settling at BDT 7.27 lakh crore.
- Discussions surrounding the potential re-appointment of the current chairman and commissioners of BSEC as their terms conclude have contributed to the recent decline in the stock market.
- Uncertainty about whether the current commission will continue for another term or if new appointees will take over has cast a shadow of uncertainty over the market's future trajectory, according to market insiders.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-stocks-lose-82-points-first-three-hours-810778