Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,814.09
% change	-1.43%
DS30 Index	2,020.11
% change	-1.10%
DSES Index	1,268.38
% change	-1.39%
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	39,110.76
% change	0.83%
S&P 500	5,178.51
% change	0.56%
Nikkei 225	40,003.60
% change	0.66%
FTSE 100	7,738.30
% change	0.20%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.58	119.62
GBP	139.99	140.04
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
19-Mar-24	8.00 - 9.50	8.66
18-Mar-24	8.00 - 9.50	8.73
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	87.22	0.59%
Gold Spot, USD/t oz.	2,159.59	-0.03%
Cotton, USD/lb.	93.23	-1.04%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.43% in the last trading day, closing at 5,814.09 points.
- The daily turnover fell 9.54% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.83% gain, S&P 500 posted 0.56% gain, and FTSE 100 posted 0.20% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.66% gain.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is slowing down in the past week.
- The current weighted average overnight rate stood at 8.66% with a high rate of 9.50% and low rate of 8.00%.
- The oil price rose 0.59% in the last trading day.

Bangladesh Macro Update

Debt repayment, house rent eat up lion's share of income: BBS

- People of Bangladesh need to spend 26.09% of their non-food expenditure on debt repayment, which takes up the highest amount they spend on other than purchasing food items, according to a new survey by the Bangladesh Bureau of Statistics (BBS).
- Debt repayment expenditure is highest in rural areas, indicating that the villagers are taking more loans to keep their households afloat.
- They spend 31.10% of their non-food expenditure to repay loans, according to the Food Security Statistics 2023 survey.
- In urban areas, 27.39% money of non-food item expenditure goes for loan repayment.

News Source:

https://businesspostbd.com/national/debt-repayment-house-rent-eat-up-lions-share-of-income-bbs

Sectoral Update

Banks, NBFIs, and Insurance

Banks feel liquidity pinch as cash buffer shrinks

- Banks are experiencing a renewed liquidity crunch as uninvested cash levels in the banking sector continue to decline under the central bank's highly contractionary monetary regime.
- This gradual decrease in a key liquidity indicator has raised concerns among bankers, as they attribute it to the Bangladesh Bank's (BB) efforts to curb inflation by restricting the money supply.
- According to BB data, uninvested excess cash in the banking system stood at BDT 269 billion at the end of June 2022.
- This figure plummeted to BDT 116.30 billion by June 2023.

News Source:

https://today.thefinancialexpress.com.bd/first-page/banks-feel-liquidity-pinch-as-cash-buffer-shrinks-1710868215

NBFIs' deposit collection up 2.5pc in 2023 amid high interest rate offers

- The overall deposits in the country's non-bank financial institutions (NBFIs) increased by 2.5% in 2023 compared to the previous year thanks to increased deposit rates.
- The overall deposit of the NBFIs stood at BDT 448.30 billion in 2023, rising from BDT 437.53 billion in 2022, according to a latest report prepared by Bangladesh Bank.
- The loans and advances also increased by 4.89% to BDT 737.59 billion in 2023.
- However, the quarterly growth in deposits and advances remained sluggish.

News Source:

https://today.thefinancialexpress.com.bd/last-page/nbfis-deposit-collection-up-25pc-in-2023-amid-high-interest-rate-offers-1710866766

Apparel & Textile

92pc RMG workers in Bangladesh employed without written contract: study

- Ninety-two per cent of the readymade garment factory workers surveyed in Bangladesh was employed with no written contract and the informalisation practice in the formal sector exposed an overwhelmingly female workforce to economic exploitation and gender-based violence, according to a global study.
- According to the AFWA report, in Pakistan 90% of the workers interviewed for the study were employed with no written contract while the rate was 65% in India.
- In Bangladesh, registered garment factories are supplied by subcontracting orders from unregistered production facilities that operate without formal oversight from the government or brands, according to the report.

News Source:

https://www.newagebd.net/article/228297/92pc-rmg-workers-in-bangladesh-employed-without-written-contract-study

Engineering

Steel sector's operational costs jump 65%

- Operational costs of the country's steel sector have increased by 65% over the past year, posing a threat to the loan repayment capability of manufacturers, according to Bangladesh Steel Manufacturers Association (BSMA).
- The steel manufacturers' financial capacity has weakened due to the appreciation of the US dollar against the local taka and price increase of all utilities, including gas and electricity.
- At present, due to a US dollar shortage, banks are unable to open letters of credit (LCs) as per requirement for importing raw materials for the manufacture of steel, according to president of BSMA
- Banks are still offering the same credit limit to steel manufacturers but the latter's purchasing power has decreased by 50%.

News Source:

https://www.thedailystar.net/business/economy/news/steel-sectors-operational-costs-jump-65-3570521

Duty cuts in plan to promote electric vehicles

- Under a vision to have 30% of the country's total transports electricity-run to cut emissions, the government is now working on a roadmap to cut duties and offer incentives from the next fiscal year to encourage import, assembling, and local production of electric vehicles (EV).
- A high-powered committee formed by the Cabinet Division has suggested a tax holiday until 2040 on local manufacture of EV in addition to gradual reduction in customs duty on machinery and parts used in manufacturing.
- Currently, the import duty rate on electric vehicles is 89%, including 20% supplementary duty.

News Source:

https://www.tbsnews.net/bangladesh/transport/duty-cuts-plan-promote-electric-vehicles-811858

Capital Market

Why stock market in a bloodbath

- Risk-free interest surged above 11%, investors were deprived of gains from healthier stocks for a long time and excessive and unpredictable regulatory interventions perplexed people – all these played a role in the free fall of Dhaka stocks for more than five weeks.
- Over BDT 86,000 crore in market capitalisation – the total value of all the listed securities on a bourse – has been eroded during the last 24 sessions since 12 February when investors started to shy away from risk-taking in stocks due to a rare regulatory indecision regarding how they would treat shares of sick companies selling like hotcakes.
- Since 1 January, the DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell by 7% to 5,814 points during the closing bell on Tuesday – the lowest since 24 May 2021.
- Only in three of the past 24 trading sessions did the index see some green, when some optimistic investors tried to grab the emerging opportunity to buy oversold shares, only to surrender to desperate sellers on the very next day.

News Source:

https://www.tbsnews.net/economy/stocks/why-stock-market-bloodbath-811814

How merger issues deal a blow to bank stocks

- With the signing of a memorandum of understanding (MoU) for the merger with Padma Bank, a fourth-generation lender struggling for survival, Exim Bank shares plummeted below their face value.
- Exim Bank, an A-rated stock at the Dhaka Stock Exchange (DSE), saw its shares drop to BDT 9.70, marking a 3% decline from the face value of BDT 10 on Monday, coinciding with the lender's entry into the amalgamation deal.
- In the country's first voluntary merger move, Padma Bank is set to merge with Exim Bank after failing to regain stability despite the government's BDT 1,700 crore bailout package.
- The Bangladesh Bank previously announced plans to merge weaker banks with stronger ones.

News Source:

https://www.tbsnews.net/economy/stocks/how-merger-issues-deal-blow-bank-stocks-811770