Daily News Snippet

March 31, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,778.32
% change	0.27%
DS30 Index	2,011.08
% change	-0.05%
DSES Index	1,254.54
% change	0.17%
Turnover (BDT mn)	4,110.84
Turnover (USD mn)	37.37
% change	-23.70%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,807.37
% change	0.12%
S&P 500	5,254.35
% change	0.11%
Nikkei 225	40,369.44
% change	0.23%
FTSE 100	7,952.62
% change	0.26%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	118.72	118.76
GBP	138.85	138.89
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
28-Mar-24	8.00 - 9.50	8.90
27-Mar-24	8.00 - 9.50	8.77
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	87.48	1.61%
Gold Spot, USD/t oz.	2,229.87	1.60%
Cotton, USD/lb.	91.38	0.67%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX jumped 0.27% in the last trading day, closing at 5,778.32 points.
- The daily turnover fell 23.70% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.12% gain, and S&P 500 posted 0.11% gain and FTSE 100 posted 0.26% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.23% loss.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.90% with a high rate of 9.50% and low rate of 8.00%.
- The oil price jumped 1.61% in the last trading day.

International Macro Update

Investors eye Fed rate cut, earnings as key to sustaining market rally

- After a stellar start to the year for stocks, investors are on guard for potential bumps in the second quarter as they gauge whether the Federal Reserve delivers on an expected interest rate cut by June and turn their focus on the health of upcoming earnings.
- The S&P 500 ended the first quarter with a gain of more than 10 per cent, its largest first quarter advance since the nearly 13.1% jump in the first quarter of 2019.
- While so-called Magnificent Seven stocks such as chipmaker Nvidia and Facebook parent Meta Platforms provided the bulk of the gains for the quarter, economically-sensitive sectors such as energy and industrials have rallied over the past six weeks.
- Whether the rally continues through June will likely depend on the Fed, which has not yet signalled that inflation has come down enough, opens new tab to justify a rate cut.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/investors-eye-fed-rate-cut-earnings-as-key-to-sustaining-market-rally-1711812959

Bangladesh Macro Update

NBR moves to align tariff structure with WTO commitments

- In a step towards global trade compliance, the National Board of Revenue (NBR) has undertaken a comprehensive review of Bangladesh's tariff regime, identifying 60 tariff lines where current customs duties and associated charges surpass the bound rates established in the World Trade Organization (WTO) agreements.
- As part of its initial measures, customs duties on six items have been reduced, signalling Bangladesh's commitment to aligning its trade practices with international standards.
- The initiative, detailed in an official document, sets forth a plan to gradually adjust these rates to fall within the WTO-agreed bound tariffs by 2026.
- Bound tariffs represent the maximum most-favoured nation (MFN) tariff rate a country commits to at the WTO, serving as a ceiling that applied tariffs cannot exceed.
- This regulatory framework ensures that trade policies remain predictable and stable, providing security for traders and investors.

News Source:

https://www.tbsnews.net/nbr/nbr-moves-align-tariff-structure-wto-commitments-819321

Foreign loan commitment jumps 300% in Jul-Feb

- Although foreign aid commitments made to Bangladesh by global lenders surged more than 300% year-on-year in the first eight months of the current fiscal year of 2023-24, disbursement has remained almost flat.
- In the July-February period, loan commitments from development partners increased to USD 7.2 billion, up 304%, according to the Economic Relations Division (ERD) of the finance ministry.
- Around USD 6.74 billion came in the form of loans while the remaining USD 461.14 million were grants.

- But at a time when Bangladesh is badly in need of foreign currencies, the loan disbursement stood at USD 4.99 billion, only up by 2% from that in the same period a year ago.

News Source:

https://www.thedailystar.net/business/news/foreign-loan-commitment-jumps-300-jul-feb-3577121

Fuel & Power

Govt to procure 24 LNG cargoes from Gunvor Singapore as demand surges

- To address surging domestic gas demand, the government has decided to purchase 24 cargoes of liquefied natural gas (LNG) from Gunvor Singapore Pvt Ltd under a short-term contract for the first time.
- Each cargo will contain 33.60 lakh mmbtu (million British thermal units) LNG and the pricing will be determined based on the JKM (Japan Korea Marker) index.
- The Cabinet Committee on Economic Affairs on 27 March approved in principle the procurement proposal sent by the Energy Division on 13 March.
- Earlier on 10 January, the Singapore-based company proposed to the Energy Division to deliver 12 cargoes this year, and 12 cargoes in 2025.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-procure-24-lng-cargoes-gunvor-singapore-demand-surges-819386

Engineering

Scooter sales rising fast

- Scooter sales achieved a significant growth since the beginning of 2024 in Bangladesh thanks to its rising popularity among men and women as a safe and comfortable vehicle.
- The retailers of the two-wheeler have reported 30 percent to as high as 65% year-on-year rise in local sales since last January.
- Chennai-based multinational motorcycle manufacturer TVS Motor Company is the scooter market leader in Bangladesh, occupying around 40 percent of the industry, followed by Suzuki with 30% stake, according to industry people.
- Since 2024's January, some 875 scooters were sold every month on an average, which used to hover around 622 in the same period of the previous year, according to experts.

News Source:

https://www.thedailystar.net/business/news/scooter-sales-rising-fast-3578216

Capital Market

DSE sees another shaky week

- Stock investors experienced a tumultuous week, as the indices of the Dhaka Stock Exchange (DSE) continued to bleed in selling pressure.

- In 24 out of the last 30 trading days, the Dhaka bourse experienced downward momentum after lifting of the floor price.
- Within these working days, the DSE benchmark index went down by 670 points, unnerving general investors.
- The weekly turnover on the DSE dropped by 0.47% to BDT 1975.75 crore compared to the previous week.

News Source:

https://www.tbsnews.net/economy/stocks/dse-sees-another-shaky-week-819256

Dollar crunch dampens multinationals' mood for eye-popping dividends

- Although the listed multinational companies in Bangladesh posted healthy profits in 2023, the dividend payout dropped for most of them since they struggled to repatriate funds to their foreign owners owing to the US dollar crunch.
- Twelve MNCs are listed with the Dhaka Stock Exchange (DSE) and among them, nine announced dividends for the financial year that ended on December 31, with seven announcing rewards for shareholders that were lower than the previous year.
- The combined profits of the multinationals rose 10 percent year-on-year to BDT 7,029 crore last year and they paid BDT 5,060 crore as dividends, representing 72% of the total earnings.
- In 2022, the multinational companies gave out BDT 6,346 crore in dividends, which accounted for 95% of the profits.

News Source:

https://www.thedailystar.net/business/economy/news/dollar-crunch-dampens-multinationals-mood-eye-popping-dividends-3577106