Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,686.69
% change	-1.34%
DS30 Index	1,984.57
% change	-1.13%
DSES Index	1,246.56
% change	-1.26%
Turnover (BDT mn)	5,225.10
Turnover (USD mn)	47.50
% change	8.29%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,775.38
% change	-0.06%
S&P 500	5,011.12
% change	-0.80%
Nikkei 225	38,079.70
% change	-1.02%
FTSE 100	7,877.05
% change	0.72%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	117.38	117.43
GBP	136.91	136.95
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
18-Apr-24	8.00 - 9.50	8.87
17-Apr-24	7.90 - 9.50	8.82
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	87.11	-0.21%
Gold Spot, USD/t oz.	2,379.04	0.76%
Cotton, USD/lb.	80.61	-0.89%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.34% in the last trading day, closing at 5,686.69 points.
- The daily turnover increased 8.29% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.06% loss, S&P 500 posted 0.80% loss, and FTSE 100 posted 0.72% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.02% loss.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 8.87% 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

Higher debt to put strain on Bangladesh as revenue remains low

- The debt-to-GDP ratio of Bangladesh is going to cross 40% in the current fiscal year as the government continues to borrow to bankroll its expenditures amid lower collections of revenues.
- It was 39.8% in the fiscal year 2022-23 and is forecast to be 41.41% at the end of 2023-24, according to a fiscal monitoring report of the International Monetary Fund (IMF) released last week.
- In the last decade, the debt-to-GDP ratio rose by 13 percentage points. The IMF forecasts that the ratio will reach 43.5% in 2028-29.
- Keeping the ratio below 55% is of low risk, according to the IMF. However, local economists say this could be risky if the revenue growth does not pick up and the existing US dollar crunch prevails.

News Source:

https://www.thedailystar.net/business/economy/news/higher-debt-put-strain-bangladesh-revenue-remains-low-3591486

Jewellers cut gold prices by Tk 840 a bhori

- The jewellers have cut gold prices by Tk 840 a bhori for the domestic market thanks to a drop in the rates of pure gold in the local market.
- From today, the price of each bhori or 11.664 grams of 22-carat gold ornaments will be Tk 118,798, down from Tk 119,638 earlier.
- The standing committee on pricing and price monitoring of Bangladesh Jewellers Association (Bajus) took the decision at a meeting in Dhaka today, the association said in a statement..
- The country witnessed the price of gold to rise above Tk 1 lakh per bhori for the first time on July 20 last year.

News Source:

https://www.thedailystar.net/business/news/jewellers-cut-gold-prices-tk-840-bhori-3591336

IMF’s 3rd loan tranche on track despite repeated failure to hit reserve goal

- Bangladesh has repeatedly failed to retain foreign currency reserves in line with the goals set under the International Monetary Fund's $4.7 billion loan since the programme was launched in January last year.
- The minimum net international reserves (NIR) will also remain below the threshold when an IMF mission visits Dhaka next week to review the progress of the programme before releasing around $681 million in the third tranche in May.
- Despite the shortfall, driven by lower-than-expected remittance and export receipts and foreign direct investments, the country managed to secure the first two instalments of the multi-year loan. And Bangladesh Bank Governor Abdur Rouf Talukder told reporters that the country will receive the third instalment on time as well.

News Source:

https://www.thedailystar.net/business/economy/news/imfs-3rd-loan-tranche-track-despite-repeated-failure-hit-reserve-goal-3590116

Sectoral Update

Banks, NBFIs, and Insurance

Basic, National Bank Mergers: People withdrawing money in panic

- A recent rush to withdraw money from the BASIC Bank and National Bank is worsening the situation the troubled institutions are facing.
- Depositors flocked to branches of the two banks last week following reports that BASIC Bank would soon merge with City Bank and National Bank with UCBL.
- Officials said almost Tk 2,000 crore was withdrawn from the bank in a couple of days last week. In June last year, deposits stood at Tk 15,935 crore at BASIC Bank. The amount has now come down to around Tk 12,000 crore, according to data from the bank.
- National Bank is also struggling to keep up with the horde of clients waiting to withdraw their money.

News Source:

https://www.thedailystar.net/business/economy/banks/news/basic-national-bank-mergers-people-withdrawing-money-panic-3591496

Cenbank cuts lending to banks by 10% to rein in inflation

- To tighten the money supply in the market and keep inflation under control, the Bangladesh Bank has reduced the loan amount given to state-owned and private banks through a repurchase agreement (repo) – a short-term lending instrument – by 10%.
- Currently, the central bank lends to banks through repo for periods ranging from one to 14 days and charges 8% interest for a one-day or overnight loan, which is typically considered the lowest lending rate.
- However, the central bank has not been doing that for the last two days. The policymakers said the central bank lent 5% less than the money demanded by banks on Wednesday and 10% less on Thursday.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-cuts-lending-banks-10-rein-inflation-831491

Seven banks achieve record profits in 2023

- Despite economic challenges amid ongoing inflation and a dollar crisis, seven listed banks achieved record profits in 2023, credited to their effective business policies and strategies.
- Out of the 36 banks listed on the stock exchanges, nine have published their financial reports and recommended dividends for 2023. 7 Posted their record profits and recommended double-digit profits.
- This achievement was attributed to the banks' ability to control their cost of deposits, expand their performing loan book, and generate substantial revenue from investments in government securities, according to industry insiders.

News Source:

https://www.tbsnews.net/economy/banking/seven-banks-achieve-record-profits-2023-832691

Apparel & Textile

Bangladesh lags behind RMG export rivals in EU too

- Bangladesh witnessed the worst negative apparel export growth among competitor countries in the European Union market in the first two months of 2024 after suffering the same in the United States market in the same period.
- Bangladesh's apparel exports to the EU, the 27-nation economic bloc, in January-February of 2024 declined by 26.74 per cent to 2.48 billion euros compared with those of 3.39 billion euros in the same period of 2023, according to the data released by Eurostat, statistical office of the European Union.
- Buyers are now looking for a shorter lead time, but Bangladesh's shipment time has increased to 89-90 days from 50-60 days due to gas crisis, so many of the western buyers are placing their orders to Vietnam and China.

News Source:

https://www.newagebd.net/post/Apparel/233120/bangladesh-lags-behind-rmg-export-rivals-in-eu-too

Power & Energy

Power capacity charge puts govt under pressure

- The overall subsidy in the coming national budget is likely to sustain over Tk 90,000 crore with more than one third to be spent for the power sector plagued with overcapacity that benefits private power producers mostly due to capacity charge.
- Finance Division officials said that the subsidy for the power sector will be around Tk 35,000 crore in the FY25, beginning from July 1.
- The country has been suffering from more than 50 per cent power overcapacity as the production ranges up to 13,000 megawatts against the generation capacity of 27,000MW.

News Source:

https://www.newagebd.net/post/country/233138/power-capacity-charge-puts-govt-under-pressure

Telecommunication

Internet disruption may continue for a week

- Internet users have been facing disruption as Bangladesh's second submarine cable SEA-ME-WE 5, the largest supplier of the international bandwidth to the country, broke on Friday night.
- "We aren't sure how long it would take to restore the submarine cable in the sea. It would take at least one week," said Mirza Kamal Ahmed, managing director (additional charge) of the Bangladesh Submarine Cable PLC.
- After the cable damage, the Bangladesh Submarine Cable now runs on one third of its capacity, he says. A total of 17 countries have been affected by the damage to the cable.
- The high official also says that they are trying to bring back maximum capacity by shifting capacity to SEA-ME-WE 4.

News Source:

https://today.thefinancialexpress.com.bd/first-page/internet-disruption-may-continue-for-a-week-1713633553

Capital Market

Stocks slip below 5,700 points after 35 months

- Stocks in Bangladesh suffered a massive setback yesterday with the benchmark index of the Dhaka Stock Exchange (DSE) falling below 5,700 points for the first time in 35 months as nervous investors sold their scrips.
- This led to the price erosion of large-cap stocks, bringing down the benchmark index of the country's premier bourse by 77.08 points, or 1.33%, to 5,686 points, its lowest level since May 9, 2021.
- The market dropped as investors panicked seeing the continuous fall of market indices, said a top official of a leading stock brokerage.
- Beacon Pharmaceuticals, the British American Tobacco Bangladesh Company, Renata, Olympic Industries, BRAC Bank, LafargeHolcim Bangladesh, Mercantile Bank and Pubali Bank were among the large-cap scrips that suffered the biggest losses.

News Source:

https://www.thedailystar.net/business/economy/news/stocks-slip-below-5700-points-after-35-months-3590121

Corporate bonds: Why investors scorn the vital economic lifeline?

- Lack of protection against loan defaults is the main reason as to why investors have evinced disinterest in corporate bonds, leading to many debt securities being undersubscribed or unsubscribed.
- The kind of investment instrument is usually offered to banks, financial institutions, insurers, corporate entities, and high net worth individuals.
- Several institutional investors said they had refrained from investing in corporate bonds without the guarantee that they would get back the principal and interest.
- Globally, the bond market is considered as economic lifeline. India's corporate bond market, which is more than 25 per cent of its GDP, is expected to double by 2030.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/corporate-bonds-why-investors-scorn-the-vital-economic-lifeline-1713628681