Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,340.19
% change	0.22%
DS30 Index	1,904.63
% change	-0.26%
DSES Index	1,177.74
% change	-0.19%
Turnover (BDT mn)	4,406.34
Turnover (USD mn)	37.34
% change	-38.17%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,331.85
% change	0.41%
S&P 500	5,509.01
% change	0.62%
Nikkei 225	40,074.69
% change	1.12%
FTSE 100	8,121.20
% change	-0.56%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	126.71	126.76
GBP	149.23	149.28
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
2-Jul-24	8.50 - 10.00	9.26
30-Jun-24	8.50 - 10.00	9.01
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	86.7	0.53%
Gold Spot, USD/t oz.	2,332.57	0.13%
Cotton, USD/lb.	72.81	0.15%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.22% in the last trading day, closing at 5,340.19 points.
- The daily turnover decreased 38.17% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.41% gain, S&P 500 posted 0.62% gain and FTSE 100 posted 0.56% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 1.12% gain.

Key macro indicators

- All the major currencies rose against BDT yesterday except the INR.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 9.26% with a high rate of 10.00% and low rate of 8.50%.
- The oil price increased 0.53% in the last trading day.

Bangladesh Macro Update

Net reserve now $16.77b surpassing IMF target: BB

- The country's net foreign exchange reserves increased to USD 16.77 billion at the end of June, surpassing the USD 14.7 billion target set by the International Monetary Fund (IMF) as a condition of the USD 4.7 billion loan package, according to the Bangladesh Bank.
- The net reserve amount, which had dipped to USD 12.8 billion in April, now meets the international threshold of three months of prospective imports.
- Meanwhile, the gross reserve as of 30 June was USD 21.83 billion, up from USD 19.4 billion on 26 June, according to the Balance of Payments and International Investment Position Manual.
- Net reserve, which represents readily available cash from the gross reserves, is calculated excluding short-term liabilities from the gross reserve as per the IMF formula based on BPM6.
- The Bangladesh Bank, for the first time, disclosed the net reserve figure.

News Source:

https://www.tbsnews.net/economy/net-reserve-now-16-billion-surpassing-imf-target-bb-889791

Bangladesh eyes longer-term loans at fixed rates to manage debt better

- The government aims to borrow more from the domestic sector at fixed rates and for longer periods and cut reliance on Treasury bills with a view to keeping debt risks lower and avoiding exchange rate volatility.
- Although the risk posed by the ballooning debt is still moderate for Bangladesh, the exchange rate risk has heightened over time owing to its growing reliance on foreign loans.
- This has prompted the government to rethink about its borrowing strategy.
- The risk emanating from the existing debt portfolio is moderate primarily because most loans are denominated in the local currency while external loans have a long maturity period, according to the government's Medium Term Debt Management Strategy.
- The domestic debt is, however, more expensive than external loans.

News Source:

https://www.thedailystar.net/business/news/bangladesh-eyes-longer-term-loans-fixed-rates-manage-debt-better-3647681

Foreign trainers should be brought in to address skills gap

- The government has established the National Skills Development Authority, but in reality, industries are not receiving a supply of skilled manpower.
- If universities were to collaborate with sector-specific business leaders to assess the types of skilled manpower needed in each sector, and then tailor the educational curriculum accordingly, this crisis could be mitigated to some extent.
- In our country, there is a significant shortage of competent trainers and so to address this issue, it is essential to organise high-quality training programmes abroad or bring skilled trainers from overseas, according to Mahbubul Alam, President, FBCCI.

- The issue of skill development and bridging the skills gap should not remain confined to planning; all relevant authorities must take practical actions to address these challenges.

News Source:

https://www.tbsnews.net/economy/foreign-trainers-should-be-brought-address-skills-gap-889591

Sectoral Update

Banking and Insurance

Short-term pvt sector foreign debt dips $102m in May due to exchange rate risks

- Short-term private sector borrowing from foreign sources has decreased by USD 102 million within a month as businesses are cautious about taking loans in dollars amid exchange rate risks.
- Short-term foreign debt stood at USD 11.04 billion at the end of May, according to Bangladesh Bank data.
- This debt saw a slight increase in April after 11 consecutive months of decline but it returned to its downward trend in May.
- In the first five months of 2024, this debt decreased by approximately USD 751 million compared to December 2023.
- Dollar and interest rates are high now, so businessmen are paying off their foreign debt, according to Selim RF Hussain, chairman of the Association of Bankers.

News Source:

https://www.tbsnews.net/economy/banking/short-term-pvt-sector-foreign-debt-dips-102m-may-due-exchange-rate-risks-890436

BB injected $12.79b into banks in FY24

- The Bangladesh Bank injected USD 12.79 billion into banks from its reserves in the just-concluded 2023-24 fiscal year as banks combatted a severe US dollar crisis which hampered import payments.
- In exchange, the banking regulator mopped up the equivalent amount of local currency against the US dollar, which is a major reason for the liquidity crisis in terms of the local currency in banks, according to a senior official of the central bank.
- Since FY22, the central bank has continued to pump dollars into banks from the forex reserves, which caused the reserves to come down to risky levels.
- The central bank pumped USD 7.62 billion into banks in FY22, a record USD 13.58 billion in FY23 and USD 12.79 billion in FY24, according to central bank data.

News Source:

https://www.thedailystar.net/business/news/bb-injected-1279b-banks-fy24-3647671

AmCham for digital payments in every sector

- The American Chamber of Commerce in Bangladesh (AmCham) has urged the government to introduce digital payments in every sector and disincentivise cash payments to build a smart Bangladesh by 2041.

- We believe digitisation will cut costs and make international trade more efficient, reliable, secure, sustainable, and less susceptible to illegal activity or fraud in Bangladesh's international trade, according to AmCham President Syed Ershad Ahmed.
- The programme titled "Driving Financial Inclusion for Smart Bangladesh" was organised at a city hotel.
- The AmCham president also stressed equal and available access to financial services as part of financial inclusion, mentioning that the Prime Minister has announced 100% cashless transactions by 2031 in the 8th Five-Year Plan.
- He recommended the automation of taxation to generate more revenue, simplify customs procedures, create a more business-friendly environment, and reduce business costs.

News Source:

https://www.tbsnews.net/economy/banking/amcham-digital-payments-every-sector-890301

Nonbanks still follow SMART interest regime

- Non-bank financial institutions (NBFIs) still follow SMART-driven interest regime although the central bank abolished the reference rate almost two months ago, for a communication gap.
- However, the commercial banks have come out of the SMART regime soon after the decision of the monetary policy committee (MPC) of the Bangladesh Bank (BB).
- But NBFIs didn't as the central bank has not issued any circular regarding the shift towards market-based interest rate yet, according to officials and market players.
- As a matter of fact, this created some sort of confusion among the financial institutions in terms of setting interest rate.

News Source:

https://today.thefinancialexpress.com.bd/first-page/nonbanks-still-follow-smart-interest-regime-1719939659

Telecommunication

Complaints bring no solutions for most Teletalk users

- A staggering majority of customers of state-run telecom operator Teletalk are getting no solutions even after logging complaints through the call centre of the Bangladesh Telecommunication Regulatory Commission (BTRC).
- During March 2023 to February 2024, just under 75% of the complaints logged through the BTRC's call centre were not resolved or are still pending a solution, according to BTRC's documents.
- In other words, of the 2,085 complaints logged through the call centre, only 524 or 25.2% were resolved.
- In the same period, private telecom operators have resolved more than 98% of customers' grievances.
- The grim scenario unfolded against the backdrop of Teletalk losing customers in spite of the government spending public money amounting to thousands of crores behind its network.

News Source:

https://www.thedailystar.net/business/news/complaints-bring-no-solutions-most-teletalk-users-3647676

Power and Energy

Persistent rain boosts power production at Kaptai power plant

- The Kaptai Hydroelectric Power Plant (KHPP) is generating more power due to rising water levels following persistent rain over the last several days.
- Four out of five units generated a total of 164 megawatts of electricity from last night up until 11:00am today, according to ATM Abduzzaher, managing director of the KHPP.
- Units 1 and 2 generated 42 megawatts each whereas units 4 and 5 each generated 40 megawatts.
- Currently, unit 3 is not in operation.
- This is the highest production of the power plant this year

News Source:

https://www.thedailystar.net/environment/natural-resources/energy/news/persistent-rain-boosts-power-production-kaptai-power-plant-3647131

Capital Market

DSE turnover falls over 38%

- The turnover at the Dhaka Stock Exchange (DSE) today plunged over 38% from the previous day.
- It hit BDT 440 crore at the end of the day, which was BDT 712 crore on the previous day.
- The benchmark index of the DSE, the DSEX, rose 0.22% to close the day at 5,340.19.
- However, the DSES, the index that represents the Shariah-based companies, fell 0.19% to 1,177.74 while the DS30, the index that consists of the best blue-chip stocks, slipped 0.26% to 1,904.63.
- Of the issues that changed hands on the DSE, 213 advanced, 125 declined and 56 did not see any fluctuation.

News Source:

https://www.thedailystar.net/business/news/dse-turnover-falls-over-38-3647191

ICB narrows investment target in stock market for FY25

- The Investment Corporation of Bangladesh, whose primary mandate is to support the capital market, has reduced its investment target by approximately 30% in the stock market for the current fiscal year 2024-25 due to a lack of financial support sources.
- The state-owned investment firm has finalised an action plan for the ongoing fiscal year to strengthen its support to the stock market.
- As per the agreement, ICB's investment target for this fiscal year has been set at BDT 1,000 crore, down from BDT 1,400 crore in the previous year.
- A It also reduced the margin loan disbursement plan by around 30% to BDT 250 crore and share trading target by 33% to BDT 8,000 crore in the secondary market of the stock exchanges against the previous year.

News Source:

https://www.tbsnews.net/economy/stocks/icb-narrows-investment-target-stock-market-fy25-890326