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Daily News Snippet

July 15, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,482.79
% change	-0.44%
DS30 Index	1,937.11
% change	-0.27%
DSES Index	1,202.70
% change	-0.40%
Turnover (BDT mn)	6,222.59
Turnover (USD mn)	52.73
% change	-6.33%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,000.90
% change	0.00%
S&P 500	5,615.35
% change	0.00%
Nikkei 225	41,190.68
% change	0.00%
FTSE 100	8,252.91
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	128.69	128.73
GBP	153.31	153.35
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
14-Jul-24	8.60 - 10.00	8.82
11-Jul-24	8.50 - 10.00	8.74
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	85.17	0.16%
Gold Spot, USD/t oz.	2,412.31	0.04%
Cotton, USD/lb.	71.74	0.66%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.44% in the last trading day, closing at 5,482.79 points.
- The daily turnover decreased 6.33% in the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI was also closed yesterday.

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 8.82% with a high rate of 10.00% and low rate of 8.60%.
- The oil price increased 0.16% in the last trading day.

Bangladesh Macro Update

DCCI urges streamlining of tax system to improve compliance

- The Dhaka Chamber of Commerce and Industry (DCCI) has urged the government to streamline tax mechanisms which will promote better understanding, easier compliance and reduced time, visit and cost.
- Tax calculation for the corporates should be in line with the accounting standards and to encourage, compliant businesses can be rewarded in some cases, according to Ashraf Ahmed, president of the DCCI.
- Ashraf Ahmed said that automation will also reduce discretionary measures and reduce leakages.
- Regarding compliance, he also said that a compliant business entity never faces any hassle.
- A transparent and accountable revenue system will expedite tax net as well as reduce hassle.

News Source:

https://www.tbsnews.net/economy/dcci-urges-streamlining-tax-system-improve-compliance-899456

Bangladesh fears revenue shortfall as India's Petrapole port halts service for 10hrs every day

- Bangladeshi officials are fearing revenue loss as South Asia's largest land port located along the international border between India and Bangladesh has stopped operating for 10 hours every day since 11 July.
- The Petrapole Land Port authorities in India are yet to provide any reason for the closure from 6pm to 8am every day, according to officials of Benapole Land Authority.
- The Indian authorities also did not provide any deadline when the daily closure will end.
- Due to the 10 hour halt every day, there may be a major shortfall in Benapole port's revenue due to reduced imports while Bangladeshi importers may be affected by delays in product delivery, according to industry insiders.

News Source:

https://www.tbsnews.net/economy/bangladesh-fears-revenue-shortfall-indias-petrapole-port-halts-service-10hrs-every-day

Akhaura port sees surge in exports in FY24

- Export earnings from Akhaura Land Port, one of the largest in the country, increased by BDT 51.65 crore in the just-concluded fiscal year 2023-24.
- Products worth BDT 428 crore were exported to India in FY24 whereas imports of goods such as stones, onions, ginger, and cumin amounted to BDT 7 crore, reflecting a slight decline compared to previous fiscal, according to information provided by Akhaura Land Customs Station authorities.
- In FY23, products worth BDT 376.23 crore were exported to India against imports of BDT 66 crore, generating BDT 56 lakh in revenue and thus the Department of Customs earned BDT 4.68 crore from the trade in FY24.

News Source:

https://www.tbsnews.net/economy/akhaura-port-sees-surge-exports-fy24-899111

Sectoral Update

Banks, NBFIs and Insurance

Cenbank unlikely to change policy rate for Jul-Dec

- The Bangladesh Bank is likely to keep the repo rate, the key interest rate at which banks borrow short-term funds from the central bank, unchanged in its upcoming monetary policy for the first half (July-December) of the fiscal 2024-25.
- It thinks that inflation has been under control for the last several months, according to officials.
- The interest rate that commercial banks pay when borrowing overnight from the central bank is known as the repurchase agreement (repo) rate.
- If the repo rate does not increase, it means that the cost for banks to borrow money from the central bank will not rise.
- As a result, this will prevent a rise in the lending rate at the banks.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-unlikely-change-policy-rate-jul-dec-899551

Banks release Tk 30,104cr in farm loans in 10 months

- Banks disbursed BDT 30,104 crore in agricultural loans in July-April of the 2023-24 financial year, which accounts for 86% of the total disbursement target for FY24, according to Bangladesh Bank data.
- The recovery amount of agricultural loans reached BDT 28,949 crore in the 10 months of FY24, which was 7.66% higher than that of the same period of the preceding year.
- The disbursement target for agricultural credit in FY24 was BDT 35,000 crore, an increase of 13.6% from the previous financial year's target of BDT 30,811 crore.
- The outstanding balance, including interest, stood at BDT 56,487 crore in July-April, marking a 9.35% increase from the previous financial year.
- State-owned commercial banks and specialised banks aimed to disburse BDT 12,030 crore, while private banks and foreign commercial banks targeted to release BDT 22,970 crore in farm loans in FY24.

News Source:

https://www.newagebd.net/post/banking/240191/banks-release-tk-30104cr-in-farm-loans-in-10-months

Fuel and Power

Gas crisis may prolong as Summit floating LNG terminal damaged again

- The ongoing gas crisis in the country is expected to prolong, as one of the floating LNG terminals in the Bay of Bengal, which suffered damages due to the aftershock of cyclone Remal, was damaged again shortly after undergoing repairs.
- It was set to resume gas supply from 26 July.
- Summit's Floating Storage and Regasification Unit (FSRU) returned from Singapore to Moheshkhali, Cox's Bazar after undergoing repairs to its ballast water tank on 10 July.

- On 11 July, while preparing to moor the FSRU with the Disconnectable Turret Mooring (DTM) plug in the subsea landing pad, an unexpected entanglement and subsequent damage to the DTM buoy messenger line occurred, according to a Summit official.
- Summit promptly assigned local divers who identified the entanglement.

News Source:

https://www.tbsnews.net/bangladesh/energy/gas-crisis-may-prolong-summit-floating-lng-terminal-damaged-again-899476

Apparel and Textile

Apparel facing up to 40% fewer orders as production cost rises

- Apparel exporters are facing a 25-40% decline in orders as persisting energy crisis, soaring cost of business and shipment delays have forced them to run their factories much below the capacity.
- While their production cost shot up by 20-33%, global buyers are offering up to 20% lower prices, forcing many to skip taking export orders.
- Competitor countries such as India, Pakistan and Sri Lanka are attracting buyers away from Bangladesh as they afford to agree on lower prices due to favourable exchange rates and faster shipments.
- The country's largest export sector fears a 7% drop in sales in this year's peak winter season in the West at a time when the government cut much of incentives and corrected data revealed last 10 months' export figure was overstated by about USD 11 billion.

News Source:

https://www.tbsnews.net/economy/rmg/apparel-facing-40-fewer-orders-production-cost-rises-899611

Capital Market

Stocks plunge for three straight sessions

- The benchmark index DSEX of the Dhaka Stock Exchange (DSE) plunged yesterday, the first day of this week, extending its losing streak to three consecutive sessions.
- Market insiders said that most investors opted out as a precautionary measure ahead of the upcoming monetary policy announcement for the second half of the year.
- On the day, the DSEX lost 23 points, bringing the index below the 5,500 mark to settle at 5,482.
- The blue-chip index DS30 also ended in the red, closing at 1,937 points, down five points from the previous session.
- Following the last three sessions' losing streak, DSEX lost 112 points, and the market capitalisation dropped by around BDT 12,000 crore to settle at BDT 6.62 lakh crore.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-plunge-first-hour-trading-session-899001