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Daily News Snippet

July 16, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,484.97
% change	0.04%
DS30 Index	1,944.29
% change	0.37%
DSES Index	1,203.43
% change	0.06%
Turnover (BDT mn)	6,622.46
Turnover (USD mn)	56.12
% change	6.43%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,211.72
% change	0.53%
S&P 500	5,631.22
% change	0.28%
Nikkei 225	41,190.68
% change	0.00%
FTSE 100	8,182.96
% change	-0.85%
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**
15-Jul-24	8.50 - 10.00	8.82
14-Jul-24	8.50 - 10.00	8.86
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	84.65	-0.24%
Gold Spot, USD/t oz.	2,428.00	0.24%
Cotton, USD/lb.	72.06	-0.52%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.04% in the last trading day, closing at 5,484.97 points.
- The daily turnover increased 6.43% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.53% gain, S&P 500 posted 0.28% gain and FTSE 100 posted 0.85% loss.
- One of the leading Asian market indices, NIKKEI was closed yesterday.

Key macro indicators

- All the major currencies rose against BDT yesterday.
- The average overnight rate is falling 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 8.50%.
- The oil price decreased 0.24% in the last trading day.

Bangladesh Macro Update

Spending on tax collection faces undesirable cut

- Government investment in domestic revenue mobilisation has been declining over the years despite a pressing need to boost tax collection.
- The government spent BDT 0.31 to collect BDT 100 in domestic revenue in the fiscal year of 2019-20, but this fell to BDT 0.25 in 2020-21, according to the Medium-Term Macroeconomic Policy Statement 2023-24 to 2025-26 by the Ministry of Finance.
- The breakdown shows indirect tax collection costs dropped from BDT 0.21 in FY2019-20 to BDT 0.13 in FY2020-21.
- Direct tax mobilisation costs fell from BDT 0.31 to BDT 0.21 over the same period.
- National Board of Revenue (NBR) needs investment in logistics, automation and manpower development to tackle tax evasion and corruption, according to tax officials.

News Source:

https://today.thefinancialexpress.com.bd/first-page/spending-on-tax-collection-faces-undesirable-cut-1721067670

EPB pauses export data release for 3 months, to probe mismatches

- The Export Promotion Bureau (EPB) will refrain from publishing export statistics for the next three months while it investigates significant mismatches found in the data.
- This decision was made in a meeting chaired by Finance Minister Abul Hassan Mahmood Ali.
- Usually, EPB publishes monthly sector-wise and major market-wise export data.
- The actual export amount is reportedly at least USD 10 billion less than the figures published by EPB up to May of the last financial year, according to Bangladesh Bank.
- Following this revelation, concerns have emerged regarding the accuracy of various pieces of information within the country's financial sector.

News Source:

https://www.tbsnews.net/economy/epb-wont-publish-bangladesh-export-stats-3-months-900251

6.13m go below poverty line in Bangladesh: BIDS study

- Some 61,30,000 people dropped below the national poverty line due to meeting their healthcare expenditures in 2022, a study conducted by the Bangladesh Institute of Development Studies.
- The BIDS revealed the findings of the study titled ‘Catastrophic Health Shock and Improvement in Bangladesh: Insights from HIES 2022’ at an event held at its office in the capital’s Agargaon on the day.
- High out-of-pocket healthcare expenditures put 61.13% of hospitalised patients in financial distress in the country during the period.
- BIDS said that health expenditures were growing amid a lack of government intervention.

News Source:

https://www.newagebd.net/post/Country/240263/6.13m-go-below-poverty-line-in-bangladesh-bids-study

Sectoral Update

Banks, NBFIs and Insurance

All forms of dealings drop in May in BD

- International transactions and the same by foreign cardholders in Bangladesh experienced a significant decline in May compared to April 2024.
- Domestic credit-card transactions within Bangladesh also saw a decrease during the period in question, according to data available with the Bangladesh Bank.
- Similarly, inward credit-card usage posted a drop as well in May than that of the preceding month.
- Domestic transactions witnessed a slight decrease of 1.47%, amounting to BDT 27.42 billion compared to BDT 27.83 billion in April.
- Concurrently, international transactions outside Bangladesh totalled BDT 4.56 billion in May, showing 9.94% down from BDT 5.06 billion in April.

News Source:

https://today.thefinancialexpress.com.bd/last-page/all-forms-of-dealings-drop-in-may-in-bd-1721067996

Ceramic

Ceramics industry reeling from three-pronged assault

- The ceramics industry has been desperately seeking respite from a spate of crises in recent months, but their woes have only deepened due to a worsening gas crisis.
- One of the major problems facing the industry has been brought on by inflationary pressures, which have eaten away at local demand for ceramics.
- Annual inflation rose to a 12-year high of 9.73% in fiscal year (FY) 2023-24, the highest since 2011-12, according to the Bangladesh Bureau of Statistics.
- This has caused sales of ceramic products to plunge by 15 to 20% over the past four to five months, according to industry insiders.
- On the contrary, exports of ceramic products declined by around 25%.

News Source:

https://www.thedailystar.net/business/news/ceramics-industry-reeling-three-pronged-assault-3657946

Fuel and Power

Gas short supply hurting industries

- Poor gas supply and frequent electricity cuts have been taking a heavy toll on the country's industrial production, thus leading to rise in the cost of doing business, affecting productivity and eroding competitive edge, according to industry people.
- Textile and garment industry's growth, which is important for macroeconomic stability and sound financial sector, needs government's priority attention to resolve the energy crisis.
- Up to 50% of their production capacity remained unused due to gas supply shortage, forcing many garment exporters to source raw materials from outside the country.

- Frequent load shedding is also causing damage to expensive and sophisticated machinery and electrical equipment.
- The whole supply chain of textile and garment exports from spinning to weaving - dying -- printing have been affected.

News Source:

https://today.thefinancialexpress.com.bd/first-page/gas-short-supply-hurting-industries-1721067826

Telecommunication

Mobile phone operators join race to capture broadband market

- The country's three private mobile network operators are racing to grab a share of the rapidly expanding broadband market by offering fixed wireless access (FWA) services, which give users Wi-Fi connections without cables.
- After the Bangladesh Telecommunication Regulatory Commission (BTRC) allowed mobile phone operators to launch FWA services in its cellular mobile services guidelines earlier this year, Grameenphone became the first to soft-launch such products.
- It rolled out a service called "gpfi unlimited" yesterday.
- Banglalink introduced FWA services last week in partnership with a third-party router supplier.
- Robi plans to roll out a similar service later this month.

News Source:

https://www.thedailystar.net/business/news/mobile-phone-operators-join-race-capture-broadband-market-3657961

Capital Market

Dhaka stocks snap three-day losing streak

- Shares at the Dhaka Stock Exchange (DSE) rose yesterday, breaking a three-day losing streak as investors made fresh bets on lucrative stocks.
- The benchmark index of the country's premier bourse, DSEX, rose 2.17 points, or 0.04%, to close the day at 5,484.96.
- Likewise, the DSES, the index that is composed with the Shariah-compliant companies, went up 0.73 points or 0.06% to 1,203.43 while the DS30, the index that comprises of the blue-chip firms, edged up 7.18 points, or 0.37%, to 1,944.29.
- Turnover, meaning the total value of shares changing hands, increased 6.43% to BDT 662 crore compared to the previous day.
- Orion Infusion was the most traded share with a turnover of BDT 57.2 crore.

News Source:

https://www.thedailystar.net/business/news/dhaka-stocks-snap-three-day-losing-streak-3657916