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Daily News Snippet

July 30, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,330.24
% change	-0.99%
DS30 Index	1,902.75
% change	-0.96%
DSES Index	1,166.42
% change	-0.96%
Turnover (BDT mn)	4,501.83
Turnover (USD mn)	38.15
% change	-7.82%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,539.93
% change	-0.12%
S&P 500	5,463.54
% change	0.08%
Nikkei 225	38,468.63
% change	2.13%
FTSE 100	8,292.35
% change	0.08%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	128.11	128.16
GBP	151.89	151.94
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
29-Jul-24	8.50 - 10.00	8.89
28-Jul-24	8.50 - 10.00	8.86
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	79.45	-0.41%
Gold Spot, USD/t oz.	2,387.07	0.12%
Cotton, USD/lb.	68.88	-0.48%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.99% in the last trading day, closing at 5,330.24 points.
- The daily turnover decreased 7.82% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.12% loss, S&P 500 posted 0.08% gain and FTSE 100 posted 0.08% gain.
- One of the leading Asian market indices, NIKKEI posted 2.13% gain yesterday.

Key macro indicators

- All the major currencies rose against BDT yesterday.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 8.89% with a high rate of 10.00% and low rate of 8.50%.
- The oil price decreased 0.41% in the last trading day.

Bangladesh Macro Update

Govt overestimating revenue and budget targets for 11 years

- The government has been overestimating its annual revenue collection targets and associated future expenditures over the past 11 years, according to a finance ministry document.
- This has been posing many risks to the economy and the management of public resources, according to experts.
- The revelation came in the finance ministry's medium-term macroeconomic policy statement for fiscal years (FY) 2024-25 to 2026-27, which was made public when the national budget was proposed in June.
- It included a fiscal risk statement (FRS), incorporated for the first time under the guidance of the International Monetary Fund.
- Between FY13 and FY23, the average revenue collection and expenditure forecast error has been found to be 2.4% of the gross domestic product.

News Source:

https://www.thedailystar.net/business/news/govt-overestimating-revenue-and-budget-targets-11-years-3665051

Facebook restriction keeps F-commerce entrepreneurs at bay

- The resumption of mobile internet yesterday failed to bring back smiles for the tens of thousands of F-commerce sellers, who rely on Facebook to sell their goods and services.
- As the Meta services including Facebook were yet to resume in the country after a 10-day disconnection of both mobile internet and the key social media platform, the F-commerce entrepreneurs' worries kept intensifying.
- All sorts of online commerce have already resumed, except for us and I do not know how long I have to wait for the next order, according to a bachelor student in the capital running his F-commerce business of apparel and wearable accessories.
- I have an employee whom I have to pay every day and I cannot ditch him at this tough time, he added.
- Facebook, the most popular social media platform in the country, has over 5 lakh Bangladeshi business pages, according toa estimate from the E-commerce Association of Bangladesh (e-CAB).

News Source:

https://www.tbsnews.net/economy/facebook-restriction-keeps-f-commerce-entrepreneurs-bay-905416

Sectoral Update

Banks, NBFIs and Insurance

Businesses for special loan repayment concessions, bankers express concern

- Amid the liquidity crisis in the country's scheduled banks, businesses are seeking special loan repayment concessions, which bankers believe would worsen the liquidity position.

- Due to the curfew and general holidays surrounding the quota reform movement, businesses have suffered significant financial losses.
- In this situation, which has impacted imports and exports, they are requesting loan repayment concessions from banks.
- Recently, the Bangladesh Association of Banks (BAB) – a platform of the chairmen of the country's banks – has prepared a proposal to obtain special concessions on loan repayment.
- Several banks have been experiencing a liquidity crunch for a long time, and it has now become more pronounced.

News Source:

https://www.tbsnews.net/economy/banking/businesses-special-loan-repayment-concessions-bankers-express-concern-905981

Remittance dollar price rises to Tk119.40

- The price of the remittance dollar increased up to BDT 119.40 after the central bank instructed several banks to raise the rates to encourage more dollar inflows.
- Remittance inflows had declined over the past week due to disruptions caused by the quota reform movement, a five-day internet blackout, and a three-day bank closure.
- To boost the flow of remittances, the Bangladesh Bank issued verbal instructions to several banks on Sunday to purchase remittance dollars even at higher rates.
- As a result, the remittance dollar rate surged by 60-70 basis points in a single day, according to bankers.
- On Sunday, the rate had also increased by 10-20 basis points compared to the day before, with banks buying remittance dollars at BDT 118.80.

News Source:

https://www.tbsnews.net/economy/banking/remittance-dollar-price-rises-tk11940-905966

Apparel and Textile

BGMEA urges global buyers to be sympathetic to RMG industry under current circumstances

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) today (29 July) urged the global buyers, apparel brands and retailers to be more sympathetic to the RMG industry of the country under the current circumstances.
- The BGMEA made the call at a meeting with the global buyers and apparel brands held at the BGMEA office in the capital's Uttara.
- The retailers and brands assured them that they would not seek any discount, demand air shipment or cancel work orders because of the latest spell of violence and a halt in production, according to BGMEA President SM Mannan Kochi.
- He said that they have apprised the global buyers and apparel brands about the government's steps to control the situation following the recent untoward incidents centering the quota reform movement.

- Kochi also reaffirmed the BGMEA's as well as the government's highest possible support to reduce the impact of such untoward incidents.

News Source:

https://www.tbsnews.net/economy/rmg/bgmea-urges-global-buyers-be-sympathetic-rmg-industry-under-current-circumstances-905931

Internet woes hit garment exports as buyers fret

- Global apparel buyers on Monday expressed concern over the Internet connection, which is still slow after the restoration of a weeklong cutoff during the violent anti-quota movement.
- They urged sector leaders and suppliers to ensure timely goods shipments and restore high-speed Internet and broadband connections to enable effective communication with their headquarters.
- At a meeting with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) leaders, the buyers also appealed to authorities and sector leaders to take proactive steps to prevent the ongoing situation from jeopardising Bangladesh's eligibility for GSP plus benefits in its largest export market, the European Union.
- The BGMEA and buyers' forum pledged mutual support to mitigate the impact of recent disruptions.
- Communication with headquarters remained problematic despite the Internet resumption on 24 July following a week-long blackout, according to a buyer representative.

News Source:

https://today.thefinancialexpress.com.bd/last-page/internet-woes-hit-garment-exports-as-buyers-fret-1722274503

Capital Market

Stocks keep bleeding for two days

- Stocks continued to decline for the second consecutive session today as concerned investors sold off their holdings to protect their funds amid fears of economic uncertainty caused by the ongoing unrest.
- The benchmark index DSEX of the Dhaka Stock Exchange (DSE) plunged 53 points to close at 5,330 – its lowest in a month.
- In the last two consecutive sessions, the DSEX lost 83 points, while the market capitalization dropped by BDT 5,000 crore, settling at BDT 6.52 lakh crore.
- The Chittagong Stock Exchange (CSE) also closed in the red, with its key index CASPI falling 113 points to end at 15,273, and the general index CSCX dropping 67 points to finish at 9,201.
- The ongoing losing streak did not worsen further due to the securities regulator's floor restriction, which prevents any stock from falling more than 3% in a single day, according to market insiders.

News Source:

https://www.tbsnews.net/economy/stocks/85-stocks-plunge-monday-905701