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Daily News Snippet

August 08, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,618.79
% change	3.55%
DS30 Index	2,022.17
% change	4.52%
DSES Index	1,219.14
% change	3.61%
Turnover (BDT mn)	7,755.58
Turnover (USD mn)	65.73
% change	3.41%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,763.45
% change	-0.60%
S&P 500	5,199.50
% change	-0.77%
Nikkei 225	35,089.62
% change	1.19%
FTSE 100	8,166.88
% change	1.75%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	129.23	129.26
GBP	150.72	150.78
INR	1.40	1.40
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
07-Aug-24	8.50 - 10.00	8.71
06-Aug-24	8.50 - 10.00	8.79
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	78.64	0.18%
Gold Spot, USD/t oz.	2,393.81	0.29%
Cotton, USD/lb.	67.32	-0.61%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 3.55% in the last trading day, closing at 5,618.79 points.
- The daily turnover increased 3.41% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.60% loss, S&P 500 posted 0.77% loss and FTSE 100 posted 1.75% gain.
- One of the leading Asian market indices, NIKKEI posted 1.19% gain.

Key macro indicators

- All the major currencies fell against BDT yesterday except the Euro.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.71% with a high rate of 10.00% and low rate of 8.50%.
- The oil price increased 0.18% in the last trading day.

Bangladesh Macro Update

Economy faces fresh risks from political volatility

- American ratings agency S&P said that the political crisis in Bangladesh has further undermined its economic growth, fiscal performance and external metrics, especially foreign exchange, but pins hope on possible fast turnaround.
- The latest alert came Wednesday from the Melbourne office of S&P Global Ratings, which said that credit metrics may still support the ratings at the current level if the situation stabilizes soon.
- Earlier in July, S&P lowered Bangladesh's creditworthiness to B+ from BB- on the back of a sustained decline in its foreign-exchange reserves.
- The protests that led to the abrupt resignation of former Prime Minister Sheikh Hasina on Aug 5, 2024 have exacerbated downside risks to economic growth, fiscal performance, and external metrics.
- One of top-ranking global ratings agencies, S&P forecasts that in this scenario, exports would be materially lower than their expectations, with a more prolonged impact on Bangladesh's external balance sheet.

News Source:

https://today.thefinancialexpress.com.bd/first-page/economy-faces-fresh-risks-from-political-volatility-1723054663

Bangladesh's private sector will work hand in hand with interim govt: ICCB

- Bangladesh's private sector will work hand in hand with the interim government to rebuild the country's economy, according to President of the International Chamber of Commerce in Bangladesh (ICCB) Mahbubur Rahman.
- We heartily congratulate the anti-discrimination students for achieving this historic victory through an unprecedented movement and this movement was accelerated by the solidarity of the teaching community and common people, he added.
- He said that a strong role must be played to strengthen the economy including the banking sector of Bangladesh and all efforts to earn foreign exchange should be continued and intensified.
- Mahbubur laid emphasis on taking necessary measures to bring the inflation to a bearable level.
- He said that the main driving force in the country's economy is the private sector, so the government must take special initiatives to develop this sector.

News Source:

https://www.tbsnews.net/economy/bangladeshs-private-sector-will-work-hand-hand-interim-govt-iccb-911781

Sectoral Update

Banks, NBFIs and Insurance

Banks' chief anti-money laundering officers called to BFIU meeting today

- The Bangladesh Financial Intelligence Unit (BFIU) has called the chief anti-money laundering compliance officers of the country's state-owned and private banks to a meeting scheduled for today.

- Senior officials at several banks said that they had no idea why the BFIU called them.
- However, they believe that in the changing situation of the country, instructions may be given to prevent money laundering.
- In case of any kind of suspicious transaction in the current situation of the country, we will immediately give verbal instructions to banks to file suspicious transaction reports (STR) and suspicious activity reports (SAR), according to a senior official of BFIU.
- Usually, BFIU gives such instructions to banks through circulars but the circular could not be issued due to the absence of the BFIU head.

News Source:

https://www.tbsnews.net/economy/banking/banks-chief-anti-money-laundering-officers-called-bfiu-meeting-today-911986

ATMs out of cash as money supply disrupted

- Bankers said most ATMs were out of cash and even many branches were running low on cash as money supply had been disrupted due to inadequate security over the last several days.
- Security concerns gripped the country since August 6 as police observed a work abstention, citing fears for their own safety amid reports of deadly attacks on policemen the previous night.
- Reports of violence and arson also flared on Monday night after Sheikh Hasina fled the country.
- Apart from the limited presence of army personnel, the streets and important establishments in the capital were left without security.
- Although there is no cash crisis in the banking sector, they have been unable to deliver money to booths and branches as security companies that transport money have halted services, according to Mohammad Ali, managing director and chief executive officer of Pubali Bank.

News Source:

https://www.thedailystar.net/business/news/atms-out-cash-money-supply-disrupted-3672131

Apparel and Textile

Apparel exports to US plunge over 10pc

- The country's apparel exports to the United States -- its largest single market -- plummeted more than 10% in the first half of 2024, reaching USD 3.40 billion.
- Data from the Office of Textiles and Apparel (OTEXA) under the US Department of Commerce showed a 10.97% year-over-year decline for Bangladesh compared to the same period in 2023.
- The drop is evident in both the value and volume of exports.
- Bangladesh shipped 5.0% fewer garments, totalling 1.11 billion square metres, during January-June 2024 compared to 1.17 billion square metres in the corresponding period of the previous year.
- US import figures showed that Bangladesh's key ready-made garment competitors, China and Vietnam, outperformed the country.

News Source:

https://today.thefinancialexpress.com.bd/last-page/apparel-exports-to-us-plunge-over-10pc-1723055118

Factories yet to start running in full swing for a lack of security

- Factories are yet to start running in full swing for a lack of law and order since Sheikh Hasina resigned from the post of prime minister three days ago in the face of a mass uprising.
- A subsequent spate of looting and vandalism, especially on establishments related to the Awami League and homes and places of worship of religious minorities, has created panic among businesses and workers.
- One of the most important tasks for the nation now is to ensure that the economic activities, particularly manufacturing and service sectors, return to business as usual, according to Asif Ibrahim, chairman of Chattogram Stock Exchange.
- Most workers were absent from work due to the ongoing volatility.

News Source:

https://www.thedailystar.net/business/news/factories-yet-start-running-full-swing-lack-security-3672116

Capital Market

Dhaka index surges 389 points in two days

- The benchmark index DSEX of the Dhaka Stock Exchange (DSE) soared by 389 points in two days after the fall of the Sheikh Hasina led government.
- The DSEX rose 192 points to 5,618, while the blue-chip DS30 rose by 87 points to close at 2,022 today.
- Earlier, yesterday, the DSEX gained 197 points.
- In the last two sessions, the market capitalisation rose by BDT 32,600 crore to reach BDT 6.79 lakh crore.
- The turnover value increased slightly to BDT 775 crore.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-index-soars-113-points-911231

Politically backed stocks see price momentum

- Following the departure of Sheikh Hasina, resigning from her prime ministerial post, the prices of some politically-backed stocks have steadily increased, while others experienced sharp declines.
- Investor confidence has grown, leading to increased buying interest in certain stocks fueled by political optimism.
- However, stocks seen as less promising are being avoided or sold off by investors.
- During these two consecutive sessions, a dozen stocks experienced upward momentum amid increased investor buying interest.
- On the other hand, investors are avoiding some companies' shares, which have seen sharp declines following the changes in the country's political situation.

News Source:

https://www.tbsnews.net/economy/stocks/politically-backed-stocks-see-price-momentum-911951