Daily News Snippet

August 15, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,952.77
% change	1.45%
DS30 Index	2,197.04
% change	2.95%
DSES Index	1,270.34
% change	1.19%
Turnover (BDT mn)	12,439.89
Turnover (USD mn)	105.42
% change	22.56%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,008.39
% change	0.61%
S&P 500	5,455.21
% change	0.38%
Nikkei 225	36,442.43
% change	0.58%
FTSE 100	8,281.05
% change	0.56%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	129.71	129.73
GBP	151.71	151.80
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
14-Aug-24	8.50 - 10.00	8.79
13-Aug-24	8.50 - 10.00	8.74
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	80.05	0.36%
Gold Spot, USD/t oz.	2,454.45	0.27%
Cotton, USD/lb.	67.50	0.67%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 1.45% in the last trading day, closing at 5,952.77 points.
- The daily turnover increased 22.56% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.61% gain, S&P 500 posted 0.38% gain and FTSE 100 posted 0.56% gain.
- One of the leading Asian market indices, NIKKEI posted 0.58% gain.

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 8.79% with a high rate of 10.00% and low rate of 8.50%.
- The oil price increased 0.36% in the last trading day.

Bangladesh Macro Update

Ctg port sets single-day delivery record; freight train increased to ease backlog

- The country's main sea port Chattogram has achieved a milestone by delivering 5,100 TEUs (twenty-foot equivalent unit) of containers in the past 24 hours from 8am on Tuesday till 8am on Wednesday.
- This was the highest delivery in a single day at Chattogram port, according to its Secretary Omar Faruk.
- The record comes following huge congestion at the port owing to disruptions caused by the nationwide unrest and subsequent internet outages since mid-July.
- Faruk said that the previous record for a single-day delivery was 5,000 TEUs.
- Usually, 3 trains leave the port for Dhaka ICD every day, but on Tuesday, it was doubled to ship goods.

News Source:

https://www.tbsnews.net/economy/ctg-port-sets-record-container-deliveries-single-day-916861

40 companies fail to repatriate $588m in export proceeds

- Forty companies in Dhaka and Chattogram, including controversial Crescent, Bismillah and Beximco groups, have not repatriated export proceeds amounting to USD 588 million by engaging in irregularities and manipulation over at least 10 years, according to two central bank reports.
- Among the companies, the top 20 Dhaka-based companies have not brought in USD 559 million while the top 20 Chattogram-based firms have not repatriated approximately USD 30 million in export proceeds.
- In total, these 40 companies have yet to bring nearly BDT 7,000 crore back to the country.
- Usually, export proceeds must be brought into the country within four months of export.
- If, for any reason, there is a delay in receiving the proceeds, it must be reported to the central bank and the central bank may extend the time if deemed necessary.

News Source:

https://www.tbsnews.net/economy/40-companies-fail-repatriate-588m-export-proceeds-917086

Finance adviser optimistic on taming inflation

- Finance and Planning Adviser Dr Salehuddin Ahmed on Wednesday expressed optimism about bringing down inflation "at a rational time", saying that steps were being taken to curb the menace.
- The adviser was speaking to reporters after a review meeting on inflation and food supply at his Bangladesh Secretariat office.
- He said that inflation has also affected foreign investment as foreign investors always monitor a country's investment climate and made investment decisions considering the inflation rate.
- While replying to a query on market syndicates, he said the issue had not been overlooked, as secretaries and senior officials had been asked to identify shortcomings.

News Source:

https://today.thefinancialexpress.com.bd/first-page/finance-adviser-optimistic-on-taming-inflation-1723658160

Depoliticise chambers for fair deals, urge businesses

- A business meet Wednesday urged a purge in Bangladesh's trade-promotions organisations, including the apex chamber, to ensure fair trade and commerce in a political interference-free ambiance.
- Saying that the chambers and associations are now politicized, business leaders at the post-upsurge gathering demanded immediate resignation of board members from key trade bodies like FBCCI, BGMEA and BKMEA.
- They also demanded removal of the incumbent government-nominated directors from the chambers.
- They raised their voice against the "oligarchs" and for plugging the holes so oligarchy cannot surface again in the future.
- The meet demanded publishing white paper exposing those who looted money from financial institutions.

News Source:

https://today.thefinancialexpress.com.bd/first-page/depoliticise-chambers-for-fair-deals-urge-businesses-1723657908

Sectoral Update

Banks, NBFIs and Insurance

Bangladesh's banking sector risks elevate

- S&P Global Ratings on Wednesday said that the political situation in Bangladesh has exacerbated the banking industry's frailties, including weak liquidity, thin capital buffers, and ailing asset quality.
- At Bangladesh Bank, the departure of the governor and some senior officials could delay some of the ongoing structural reforms.
- For example, the central bank is due to implement prompt corrective actions in March 2025.
- This would have forced many banks to focus on capital adequacy, stressed assets, and weak corporate governance.
- Notably, the central bank's website was hacked in late July, highlighting the vulnerability to cyber-risk.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bangladeshs-banking-sector-risks-elevate-1723658095

Expats keen to remit thru banking channel

- Bangladeshi expatriates are now upbeat about sending remittance back home through the formal channel as they rest reassured that the country is on track after the formation of an interim government.
- Migrants abroad raised voices against the Sheikh Hasina government's oppression of people during the unrest created over the student movement.
- In solidarity with the movement, they started posting comments on popular social network Facebook about not sending remittances to Bangladesh until the resignation of her government.
- Hopefully, this government can set an example of good work for all people, according to Mohammad Farhad Hossain, a worker of a cellphone shop in Kuwait.

- In August 2023, the daily outflow of remittance was USD 53.3 million but as the Hasina regime is over, remittance reached USD 95.65 million on Aug 3, 2024.

News Source:

https://today.thefinancialexpress.com.bd/last-page/expats-keen-to-remit-thru-banking-channel-1723658532

Won't let money launderers sleep peacefully: New BB governor

- Those who are involved in money laundering in the country will not be allowed to sleep peacefully as they will be held accountable under the law, according to Dr Ahsan H Mansur, newly appointed governor of Bangladesh Bank.
- Efforts will continue to recover the money from launderers and we will coordinate with the government to stop money laundering and work through national as well as international laws, he added.
- There is no scope for any kind of data manipulation.
- To get the real picture of banks, we will find out the real picture of the central bank itself, as well as coordinate with newspaper reports.
- He also said that the defaulted loans of many banks are much higher than the actual figure.

News Source:

https://www.tbsnews.net/economy/banking/wont-let-money-launderers-sleep-peacefully-new-bb-governor-916511

Energy

Summit LNG Terminal unlikely to resume operation this summer

- Summit LNG Terminal is unlikely to resume operations this summer due to fresh damage to the seabed pipeline structure.
- A Singapore-based service provider, hired by Summit, identified damage to the disconnectable turret mooring (DTM) plug in the subsea landing pad that holds the Floating Storage Regasification Unit (FSRU) to the mooring facility.
- The company has yet to officially announce a likely timeline for resuming LNG re-gasification.
- A rights group, however, labelled the repeated delays in Summit's FSRU operations as "sabotage" which, they claim, is intended to prolong the country's energy crisis under the interim government.
- Under the terminal use agreement (TUA) between Summit Group and state-run Petrobangla, the latter is obliged to pay around USD 217,000 per day regardless of whether LNG is re-gasified in the agreed quantity or less.

News Source:

https://today.thefinancialexpress.com.bd/last-page/summit-lng-terminal-unlikely-to-resume-operation-this-summer-1723658492

Capital Market

DSE stocks buoyant on return of blue chips' dominance

- Some 60% of the listed securities traded on Tuesday on the Dhaka bourse declined.
- But the market closed the day's session with a sharp rise, supported by fundamentally-strong stocks.
- The reversal of the trend was a matter of time and now the stocks are the beneficiary of an expectation of good governance following the change of the political regime.
- At the end of the session, the DSEX settled at 5952.77 points, with a gain of 1.44% or 84.81 points.
- The blue-chip index DS30 advanced 1.19% or 14.98 points to close at 1270.34.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/dse-stocks-buoyant-on-return-of-blue-chips-dominance-1723659453