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Daily News Snippet

August 19, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,778.64
% change	-2.12%
DS30 Index	2,126.61
% change	-2.42%
DSES Index	1,240.19
% change	-1.94%
Turnover (BDT mn)	4,808.95
Turnover (USD mn)	40.75
% change	-51.86%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,659.76
% change	0.00%
S&P 500	5,554.25
% change	0.00%
Nikkei 225	37,388.62
% change	-1.77%
FTSE 100	8,311.41
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	130.13	130.14
GBP	152.74	152.76
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
18-Aug-24	8.50 - 10.00	8.79
15-Aug-24	8.50 - 10.00	8.76
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	79.22	-0.58%
Gold Spot, USD/t oz.	2,502.48	-0.22%
Cotton, USD/lb.	67.90	0.98%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 2.12% in the last trading day, closing at 5,778.64 points.
- The daily turnover decreased 51.86% in the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI posted 1.77% loss.

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 decreased 0.58% in the last trading day.

Bangladesh Macro Update

Politically motivated projects won't continue: Wahiduddin tells planning commission officials

- Planning Adviser Wahiduddin Mahmud has said that the projects initiated for political reasons during any political government's tenure will not be continued further.
- There have been many politically motivated projects during the tenure of political governments.
- Those will not continue now.
- Inflation is quite high now and the government need to reduce expenses.
- He also said that these considerations must be taken into account when adopting projects.

News Source:

https://www.tbsnews.net/economy/politically-motivated-projects-wont-continue-wahiduddin-tells-planning-commission-officials

Will make every effort to improve business environment, and control inflation: Salehuddin

- Salehuddin Ahmed, adviser to the finance and commerce ministry, has pledged to make every effort to improve the business environment in Bangladesh and control inflation for the benefit of the general public.
- the ADB would collaborate with the government on a broader scale, providing financing for ongoing projects and assisting in the development of a list of future pipeline projects.
- The finance adviser also emphasised the need to import essential goods to alleviate market pressures and shield consumers from rising inflation.
- He also outlined his strategy to stabilise the market, which includes ensuring proper production and supply chains, alongside continuous market monitoring.
- The government's focus extends beyond food-related challenges, acknowledging the broader trade-related difficulties faced by the public.

News Source:

https://www.tbsnews.net/economy/will-make-every-effort-improve-business-environment-and-control-inflation-salehuddin-919271

Revenue chief slams black money whitening scheme

- Newly appointed Chairman of the National Board of Revenue (NBR) Md Abdur Rahman Khan said that he personally considers the black money whitening scheme totally unacceptable and it is indecent and unfair to regular taxpayers.
- Not as the NBR chairman, but my personal view is that the money whitening scheme is unacceptable as it is like admitting there is corruption going on, he added.
- Honest taxpayers pay taxes regularly throughout their lives, while tax evaders are offered facilities to legalise their wealth at a lower rate.

- Mr Rahman also said that he opposed the scheme during the formulation of the FY 2024-25 national budget and expressed his concerns to government officials, but to no avail.
- The current fiscal year's budget includes a black money whitening scheme with a 15% tax.

News Source:

https://today.thefinancialexpress.com.bd/first-page/revenue-chief-slams-black-money-whitening-scheme-1724004350

Sectoral Update

Banks, NBFIs and Insurance

Banking commission soon to salvage banks from brink

- A banking commission is around the corner as part of a series of reforms spearheaded by the interim government to bring stability and good governance in the country's reeling financial sector.
- Banking commission is a longstanding demand of economists for salvaging the financial sector from the brink as the lifeline of the economy has been riddled with high default loans and weak governance.
- As part of bringing sustainable reforms, the interim government led by Nobel laureate and microcredit pioneer Dr Muhammad Yunus will publish a paper on roadmap for streamlining the country's struggling financial sector within 100 days of takeover.
- For increasing the supply of foreign currencies on the rapidly depleting forex (foreign exchange) market, a decision has been made to expand the band of the crawling peg to 2.5% points from 1.0%.
- Currently, the crawling peg mid-rate is BDT 117 a dollar.

News Source:

https://today.thefinancialexpress.com.bd/first-page/banking-commission-soon-to-salvage-banks-from-brink-1724004236

Bangladesh Bank raises cash withdrawal limit to Tk 3 lakh daily

- Bangladesh Bank has ordered commercial banks not to allow cash withdrawals of more than BDT 3 lakh per account daily.
- Earlier, the limit was BDT 2 lakh.
- The central bank also instructed banks to monitor transactions through cheques and block any suspicious transfer of funds.
- Due to security problems in transporting cash to bank branches, please do not allow withdrawals more than BDT 3 lakh in cash during the upcoming week.
- Bangladesh Bank informed the instruction to the banks through an SMS on Saturday.

News Source:

https://www.newagebd.net/post/banking/242898/bangladesh-bank-raises-cash-withdrawal-limit-to-tk-3-lakh-daily

Apparel and Textile

RMG exports to EU witness 5.0pc negative growth in H1 2024

- Bangladesh's ready-made garment (RMG) export to the European Union registered about a 5.0% year-on-year negative growth during the first half of this year.
- It fetched 8.72 billion euro from RMG exports to the EU during January-June period of 2024 compared to 9.17 billion euro during the corresponding period of last year, according to Eurostat data.
- RMG exporters said that overall imports by the EU fell during the period under review due to the global economic slowdown, while Bangladesh lagged behind its competitors due to energy shortage, long lead time and customs procedure.
- The EU's total apparel imports in the first half of 2024 stood at 38.47 billion euro, which was 6.02% lower than 40.94 billion euro earned during the same period of 2023.
- China fetched 9.16 billion euro during the January-June period of 2024 against 9.87 billion euro, marking a 7.23%t negative growth.

News Source:

https://today.thefinancialexpress.com.bd/last-page/rmg-exports-to-eu-witness-50pc-negative-growth-in-h1-2024-1724004786

Energy

CPD presents to govt energy-sector overhaul plan

- Scrap quick-fix power laws and capacity payment to cure crises and drain on public finance, policy think-tank CPD suggests while presenting to the interim government its energy-sector overhaul plan.
- The Centre for Policy Dialogue (CPD) Sunday placed a package of reforms with an emphasis on repealing the 'Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010' and amending the Bangladesh Energy Regulatory Commission (BERC) Act 2003.
- The private think-tank thinks significant upgrades are also necessary for government bodies like the Sustainable and Renewable Energy Development Authority (SREDA).
- It should be transformed into a fully functional authority led by a full secretary with specialised wings for solar, wind, and other renewable technologies.
- The CPD also observes that necessary revision, amendment and formulation of acts, laws and rules should be the first and foremost step toward energy transition under the interim government.

News Source:

https://today.thefinancialexpress.com.bd/last-page/cpd-presents-to-govt-energy-sector-overhaul-plan-1724004740

Capital Market

Stocks fall as investor enthusiasm evaporates

- Stocks ended lower on Sunday as cautious investors chose to liquidate their holdings, worried over a probable shift in market momentum.

- The prime index of the Dhaka Stock Exchange (DSE) fell 125.19 points to settle at 5,778.64.
- The premier bourse of the country observed a setback led by heavy sell pressure in the major stocks as cautious investors sought to sell holdings due to concerns over a probable shift in market momentum and a lack of leadership in the stock market regulator, according to market insiders.
- The blue-chip index DS30, a group of 30 prominent companies, was reduced by 52.73 points to 2126.61, while the DSES Index, which represents Shariah-based companies, saw a 24.54-point erosion to 1,240.19.
- Because of investors' thin participation, the turnover was also low - BDT 4.81 billion, down 52% from the previous trading day.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-fall-as-investor-enthusiasm-evaporates-1724002559

Rashed Maqsood made BSEC chairman

- The government has appointed Khondoker Rashed Maqsood, a banker, as chairman of Bangladesh Securities and Exchange Commission (BSEC).
- The Financial Institutions Division (FID) under the Ministry of Finance on Sunday issued a circular to this effect.
- At the same time, the FID has cancelled another circular issued last week confirming appointment of economist Dr M Masrur Reaz as BSEC chairman.
- Mr Reaz on Saturday expressed his regret to join the BSEC and after that the government appointed Mr Maqsood as the chairman.
- Mr Maqsood completed MBA in Finance from the IBA of the University of Dhaka and started his career with American Express Bank as a management trainee in 1992.

News Source:

https://today.thefinancialexpress.com.bd/first-page/rashed-maqsood-made-bsec-chairman-1724004512