Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,715.36
% change	-1.04%
DS30 Index	2,093.27
% change	-1.31%
DSES Index	1,229.70
% change	-1.32%
Turnover (BDT mn)	5,186.11
Turnover (USD mn)	43.22
% change	-35.75%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,834.97
% change	-0.15%
S&P 500	5,597.12
% change	-0.20%
Nikkei 225	38,062.92
% change	1.80%
FTSE 100	8,273.32
% change	-1.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	119.70	120.00
EUR	132.69	133.03
GBP	155.47	155.93
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
20-Aug-24	8.50 - 10.00	8.79
19-Aug-24	8.50 - 10.00	8.73
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	77.09	-0.14%
Gold Spot, USD/t oz.	2,517.38	0.13%
Cotton, USD/lb.	69.29	-0.07%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.04% in the last trading day, closing at 5,715.36 points.
- The daily turnover decreased 35.75% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.15% loss, S&P 500 posted 0.20% loss and FTSE 100 posted 1.00% loss.
- One of the leading Asian market indices, NIKKEI posted 1.80% gain.

Key macro indicators

- All the major currencies remained unchanged 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 0.14% in the last trading day.

Bangladesh Macro Update

Workers' outflow rises 30pc in unrest-hit July

- The outflow of workers increased last month (July) compared to the previous month, despite the country witnessing severe unrest mainly in the second half of the month amid students' anti-discrimination movement.
- Data released by the Bureau of Manpower Employment and Training (BMET) showed that 71,441 Bangladeshi workers found jobs abroad in July, rising 29.78% from 55,045 workers in June.
- Due to the student movement, the then government closed all the government and private offices for about a week.
- Still, the number of workers who went abroad increased compared to the previous month.
- Several flights to Saudi Arabia were also cancelled at that time.

News Source:

https://today.thefinancialexpress.com.bd/last-page/workers-outflow-rises-30pc-in-unrest-hit-july-1724177200

Exchange, interest rates to be market-driven

- Bankers are assured that the money market will function freely based on demand and supply, sans too many interventions like in the past.
- New Bangladesh Bank (BB) governor Dr Ahsan H. Mansur gave the assurance Monday to top executives of a group of leading commercial banks, now that banking and financial sector passes through changes under the interim government.
- Highly criticising the roles of the central bank for the last several years, the Association of Bankers Bangladesh Limited (ABB) chairman said that the whole banking industry was being destroyed for the last several years and a certain senior officials of the BB should be blamed for such situation.
- But the most encouraging part of the current BB governor is that he believes in free market and not in too many interventions for smooth functioning of the industry.
- About the monetary-policy aspect, he said the governor told them that the contractionary monetary policy will continue in the coming days to contain the higher inflationary regime.

News Source:

https://today.thefinancialexpress.com.bd/first-page/exchange-interest-rates-to-be-market-driven-1724176382

Ctg ICDs unable to shake off backlog, exporters fear order cancellation

- Though more than two weeks have gone by, the pressure on private inland container depots (ICDs) in Chattogram has not decreased yet as the number of export containers at the depots are still nearly double the usual amount.
- The depots are now experiencing a major backlog, causing delays in meeting shipment schedules.
- Export goods that arrived over 20 days ago are yet to be shipped, according to depot owners.

- They said the bottleneck at the depots and the port was mainly due to the recent anti-discrimination student movement during which port activities were disrupted in two phases.
- The number of export containers at private depots typically ranges from 7,000 to 8,000 TEUs (twenty-foot equivalent units) whereas, since 6 August, this figure has remained at an elevated 14,000 to 15,000 TEUs.

News Source:

https://www.tbsnews.net/economy/ctg-icds-unable-shake-backlog-exporters-fear-order-cancellation-921576

Sectoral Update

Banks, NBFIs and Insurance

No more liquidity feeding to problem banks

- Bangladesh Bank will no more extend liquidity support to weak and troubled banks by printing money rather the process of rescuing them now will be different, according to Bangladesh Bank Governor Dr Ahsan H Mansur.
- He makes it clear that the central bank wouldn't opt for any desperate remedy like shutting down banks or printing money to feed them to keep alive.
- Action will be taken against the irregularities, but it will be against the persons involved in the irregularities and not against their institutions, as there are many employment issues involved with every organisation.
- Dr Mansur also said that now the process of rescuing the weak banks would be different.
- Accused persons cannot withdraw money from the banks.

News Source:

https://today.thefinancialexpress.com.bd/first-page/no-more-liquidity-feeding-to-problem-banks-1724176338

Cenbank allows banks to transfer 30% of capital to offshore units

- The central bank has lifted its complete ban on transferring funds from domestic banking units to their offshore banking units.
- Banks are now permitted to transfer up to 30% of their regulatory capital in foreign currency from domestic units to offshore accounts, according to the Bangladesh Bank.
- The facility was fully suspended by the central bank on 16 January this year.
- Today, the central bank issued a circular regarding this change and sent it to the managing directors of all scheduled banks.
- Offshore banking operates as a distinct system within banks, allowing them to lend to foreign companies and accept deposits from foreign sources, with transactions conducted in foreign currency.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-allows-banks-transfer-30-capital-offshore-units-921416

Travel and Leisure

Political instability causes sharp 80% drop in outbound tourism

- Outbound tourism from Bangladesh has experienced a sharp decline, with the number of travellers dropping by around 80% due to the ongoing political unrest since July, according to the Bangladesh Outbound Tour Operators Forum.
- At the beginning of this month, the Indian embassy temporarily suspended visa issuance in Bangladesh following the ouster of the Hasina-led government amid the mass uprising on 5 August.
- Since India is the primary destination for Bangladeshi tourists, this disruption has caused a significant decline in travel, with India-bound tourists now representing less than 10% of the usual volume.
- Although the Indian embassy has resumed limited operations, such as distributing passports since last Thursday, full visa services have not yet been restored.
- In contrast, other popular destinations such as Thailand and Malaysia are still issuing a limited number of visas, offering some options for travellers despite the overall decline.

News Source:

https://www.tbsnews.net/bangladesh/political-instability-causes-sharp-80-drop-outbound-tourism-921581

Apparel and Textile

Energy crisis to be RMG's biggest hurdle post-LDC

- The readymade garment (RMG) industry leaders in a survey anticipate that energy crisis is going to be the biggest hurdle ahead for business in 3 years ahead of the country's expected LDC graduation in November 2026.
- Meanwhile, today's biggest issue for business is reportedly customs hassles and high prices of gas, electricity and water, adding to their financial woes.
- Where utility costs are expected to ease over the years, low pricing from global fashion brands compared to competitors is also a key concern for entrepreneurs in the post-LDC period.
- Notably, the RMG industry seems to be active in two important areas of development: Adopting AI and automation technology, and environmental sustainability.
- This falls in line with the growing trend of factories adopting green practices, as 220 RMG factories of Bangladesh have achieved the recognition of the LEED certification since June 2024, according to the BGMEA.

News Source:

https://www.tbsnews.net/bangladesh/energy/energy-crisis-be-rmgs-biggest-hurdle-post-ldc-921561

Capital Market

Stocks down for four sessions in a row

- Dhaka stocks fell for the fourth consecutive session yesterday as investors kept booking some of their profits brought by the sudden optimism post ouster of Sheikh Hasina-led government.
- The market, defying some efforts to rebound, kept falling slowly since the morning and the broad-based index of the Dhaka Stock Exchange (DSE), DSEX, closed 1.04% lower at 5,715.

- In the four days after the political regime change, the index rose to 6,216 on 11 August from 5,216 on 4 August as large cap stocks including Grameenphone, Robi, British American Tobacco Bangladesh surged sharply to reverse the downtrend.
- As soon as the buying spree cooled down, investors preferred profit booking or reducing their cost prices, leading to a decline in the DSEX for six of the past seven sessions.
- Following the initial bullish responses, investors now want to wait until the regulatory and economic events unfold as per expectation, according to stockbrokers and analysts.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-down-four-sessions-row-921511

How BSEC wasted funds on ineffective roadshows abroad

- Less than a year after Prof Shibli Rubayat-Ul Islam was appointed as chairman of the Bangladesh Securities and Exchange Commission (BSEC) in May 2020, the regulator started holding roadshows abroad to lure in foreign investors and boost the local market.
- The first roadshow was held in the United Arab Emirates in February 2021, but it was attended mostly by local intermediaries, businesses and non-resident Bangladeshis.
- The presence of foreigners was very thin.
- In the years since, the BSEC has staged 17 additional roadshows in 11 countries.
- While the massive outlay from shareholders' funds raised questions, the roadshows failed to boost foreign investors' confidence due to a lack of investible companies and good governance as well as frequent policy changes amid a worsening macroeconomic outlook.

News Source:

https://www.thedailystar.net/business/news/how-bsec-wasted-funds-ineffective-roadshows-abroad-3682536