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Daily News Snippet

September 09, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,679.31
% change	-0.86%
DS30 Index	2,100.19
% change	-0.67%
DSES Index	1,221.38
% change	-0.60%
Turnover (BDT mn)	6,788.22
Turnover (USD mn)	56.57
% change	0.58%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,345.41
% change	0.00%
S&P 500	5,408.42
% change	0.00%
Nikkei 225	36,391.47
% change	0.00%
FTSE 100	8,181.47
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	133.00	133.04
GBP	157.48	157.55
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
08-Sep-24	8.50 - 10.50	9.01
05-Sep-24	8.50 - 10.50	9.07
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	71.95	0.36%
Gold Spot, USD/t oz.	2,496.93	-0.77%
Cotton, USD/lb.	67.96	0.12%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.86% in the last trading day, closing at 5,679.31 points.
- The daily turnover increased 0.58% in the last trading day.

Global Market

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

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 9.01% with a high rate of 10.50% and low rate of 8.50%.
- The oil price increased 0.36% in the last trading day.

Bangladesh Macro Update

Inflation eases following crucial August changes

- An inexorable inflation has long tormented low-income segment of people but it began easing following the crucial August changes with the rate decreasing over 1.0% to 10.49% in the month.
- The little cooling of inflation in August is shown in the monthly updating data released Sunday by Bangladesh Bureau of Statistics (BBS).
- In the inflation arithmetic, food inflation fell to 11.36% in August, a significant drop of 2.74% from the previous month.
- However, non-food inflation edged up marginally to 9.74% from 9.68% in July.
- The 12-month moving average inflation remained at 9.95% in August, compared to 9.24% during the same period last year.

News Source:

https://today.thefinancialexpress.com.bd/first-page/inflation-eases-following-crucial-august-changes-1725815680

Private external debt rises $275m in June quarter

- Despite various factors, including exchange rate risk, making businesses less inclined to take out medium- and long-term dollar loans, an increase in short-term loans has led to an overall rise in private sector foreign debt by USD 275 million in three months.
- Private sector foreign debt stood at USD 20.57 billion at the end of June, down from USD 20.3 billion at the end of March, according to Bangladesh Bank data.
- Over the nine months from October last year to June, private sector foreign debt decreased by USD 706 million.
- During the April-June period, medium- and long-term loans did not decrease significantly, according to Syed Mahbubur Rahman, managing director of Mutual Trust Bank.
- However, he said that some short-term demand loans are now emerging in the banking sector.

News Source:

https://www.tbsnews.net/economy/private-external-debt-rises-275m-june-quarter-936856

Export target $57.50b for FY '25

- Bangladesh eyes USD 57.50 billion in total export earnings in the current fiscal on the back of 12.44% growth in merchandise shipment to USD 50.0 billion, largely banking on clothing as before.
- The current interim government's trade wing unveiled Sunday the export target for the fiscal year of 2024-25, correcting inflated past export-earning figures.
- The growth projection banks, as usual, on the largest foreign-currency-earning sector, readymade garments, as the government eyes RMG earnings growth by nearly 12%.
- The Export Promotion Bureau has set a target of USD 40.48 billion out of the total USD 50 billion in export earnings from the RMG sector with an 11.99% growth in the 2024-25 fiscal.

- The state-owned export promoter also revised its earnings for the last fiscal year with the value downsized to USD 44.47 billion, a 4.22% decline from the earnings in the fiscal 2022-23.

News Source:

https://today.thefinancialexpress.com.bd/first-page/export-target-5750b-for-fy-25-1725815766

Govt will ensure optimum utilisation of foreign loans

- The interim government will try to ensure optimum utilisation of foreign loans by investing in the priority projects, according to Finance Advisor Dr Salehuddin Ahmed.
- He said that there was a lack of the best use of foreign loans during the last government because the priority projects were suppressed.
- The adviser made the assurance during separate meetings at his secretariat office with Japan International Cooperation Agency (JICA) Representative in Bangladesh Ichiguchi Tomohide, Asian Development Bank (ADB) Country Director Edimon Ginting, and Acting Australia High Commissioner in Dhaka Ms Nardia Simpson.
- We have already requested China to extend the grace period and the maturity to 30 years, he added.
- He requested the key development partners to finance Bangladesh to support its reforms and economic development.

News Source:

https://today.thefinancialexpress.com.bd/last-page/govt-will-ensure-optimum-utilisation-of-foreign-loans-1725816224

Aug PMI shows uptick in economy

- The August reading of the Bangladesh Purchasing Managers' Index (PMI) shows improvement in the general economy as the month witnessed a slower rate of contraction in key sectors.
- The PMI improved by 6.6 points to 43.5 in the last month from July's 36.9, according to the PMI report released on Sunday.
- The interim government works tirelessly to rebuild political stability and ensure normal business operations across sectors following the fall of the Awami League regime, according to the report.
- Anecdotal evidence suggests that companies are cautiously optimistic of the economic outlook and the future business index continues to record expansion readings for all key sectors of the economy.
- A PMI reading above 50 indicates the sector/ economy is generally 'expanding'. A reading of 50 indicates 'no change' compared to last month, while a reading below 50 indicates a 'contraction'.

News Source:

https://today.thefinancialexpress.com.bd/last-page/aug-pmi-shows-uptick-in-economy-1725816191

Sectoral Update

Banks, NBFIs and Insurance

No banks, FIs to go bankrupt

- No business organisation's bank account has been frozen on central bank's orders, according to the Bangladesh Bank governor while reaffirming a major banking-sector reform plan on Sunday.
- Dr Ahsan H. Mansur also said that for boosting depositors' confidence in the country's banking system, the regulator doubled the volume of deposit insurance to BDT 0.2 million from BDT 0.1 million.
- The enhancement in deposit-insurance scheme will help guarantee 94.60% of depositors' money back in the event of any bank gets liquidated.
- There is no worry for the depositors who should be patient and keep their faith on the ongoing reform activities in the sector, he added.
- Deposit Insurance Systems is an institutional initiative of government for the protection of depositors' interests.

News Source:

https://today.thefinancialexpress.com.bd/first-page/no-banks-fis-to-go-bankrupt-1725815562

S. Alam family-linked transactions with six pvt banks Tk 1.8tn

- S. Alam's family members and their associated two companies have transacted cash worth BDT 1.8 trillion so far in some six private commercial banks which law enforcers suspect earned through illegal means.
- Official sources said that account transactions in only six banks reveals the data while rest 66 banks' information has not been compiled yet.
- They suspect that the volume of bank account transaction would exceed BDT 2.0 trillion after final compilation.
- The amount is almost double the National Board of Revenue (NBR) collects as direct tax in a financial year.
- Saiful Alam, the owner of upstart S. Alam Group of business, is suspected as one of the masterminds behind major financial-sector scams in Bangladesh.

News Source:

https://today.thefinancialexpress.com.bd/first-page/s-alam-family-linked-transactions-with-six-pvt-banks-tk-18tn-1725815957

Apparel and Textile

Labour unrest leads to Tk5,000cr loss in industries, MCCI claims

- The Metropolitan Chamber of Commerce and Industry (MCCI) estimates that nearly three weeks of ongoing labour unrest in various industries nationwide have resulted in losses of approximately BDT 5,000 crore.
- Labour unrest has been disrupting various industries, including garment factories, for nearly three weeks.

- The protests have led to incidents of vandalism and arson.
- Farooq said since the new interim government took office in August, labour unrest has spread to various areas, including Narayanganj, Savar, and Ashulia, with workers voicing various demands.

News Source:

https://www.tbsnews.net/economy/labour-unrest-leads-tk5000cr-loss-industries-mcci-claims-936721

Energy

Investors worried as govt plans to scrap 31 green energy proposals

- Renewable energy entrepreneurs are worried about their investments proposed in clean fuel electricity projects as the interim government has decided to scrap 31 letters of intent for several renewable energy initiatives and call for fresh tenders, according to industry insiders.
- These letters of intent involved investment proposals of about USD 5 billion in green energy projects, with USD 200 million already invested in land acquisition and other project-related steps, said Mostafa Al Mahmud, senior vice president of the Bangladesh Sustainable and Renewable Energy Association (BSREA).
- We will call for fresh tenders for these 31 projects and the old tenders won't work, according to Muhammad Fouzul Kabir Khan, adviser on power, energy, and mineral resources to the interim government.
- Entrepreneurs' association leaders have said that they are not sure if foreign investors, who previously committed investment, will be onboard if fresh tenders are called.

News Source:

https://www.tbsnews.net/bangladesh/energy/investors-worried-govt-plans-scrap-31-green-energy-proposals-936796

Capital Market

Stocks fall for fifth day in a row

- Stocks edged down on the opening day of the week, extending their losing streak for a fifth consecutive session, as investor confidence remained subdued amid ongoing workers' unrest in various industries.
- DSEX, the broad index of the Dhaka Stock Exchange (DSE), declined by 49 points today and settled at a 2.5 week-low of 5,679, while the blue-chip index DS30 fell by 14 points to close at 2,100.
- The turnover at the DSE edged up by 0.6% to BDT 678 crore against the previous session.
- The Chittagong Stock Exchange (CSE) also closed in the red, with its general index CSCX falling by 88 points to 9,787 and the all-share price index CASPI dropping 141 points to 16,237.
- The market saw mixed reactions as the session began with an upbeat momentum, but the indices retraced to negative as risk-averse investors' continued cautious selling approach eroded the early session optimism, according to market insiders.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-open-higher-sunday-936076