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Daily News Snippet

September 10, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,629.54
% change	-0.88%
DS30 Index	2,092.52
% change	-0.37%
DSES Index	1,215.11
% change	-0.51%
Turnover (BDT mn)	6,213.57
Turnover (USD mn)	51.78
% change	-8.47%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,829.59
% change	1.20%
S&P 500	5,471.05
% change	1.16%
Nikkei 225	36,215.75
% change	-0.48%
FTSE 100	8,270.84
% change	1.09%
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**
09-Sep-24	8.50 - 10.50	9.00
08-Sep-24	8.50 - 10.50	9.01
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	71.8	-0.06%
Gold Spot, USD/t oz.	2,501.51	-0.15%
Cotton, USD/lb.	67.97	0.32%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.88% in the last trading day, closing at 5,629.54 points.
- The daily turnover decreased 8.47% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 1.20% gain, S&P 500 posted 1.16% gain and FTSE 100 posted 1.09% gain.
- One of the leading Asian market indices, NIKKEI posted 0.48% loss yesterday.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 9.00% with a high rate of 10.50% and low rate of 8.50%.
- The oil price decreased 0.06% in the last trading day.

Bangladesh Macro Update

Bangladesh clears $1.37b ACU payments

- Foreign-exchange reserves fall further as Bangladesh clears due import payments worth to USD 1.37 billion through the Asian Clearing Union (ACU), but officials dispel any worry about this.
- After the clearance of import liabilities, the country's gross forex reserves dropped below USD 20-billion mark to USD 19.46 billion as on September 08, 2024 in accordance with the BPM6 calculations of the International Monetary Fund (IMF).
- Before the bi-monthly payment, the forex reserves counted USD 20.80 billion, as recorded on September 7, according to Bangladesh Bank (BB) data.
- In terms of BB's own calculations, the gross forex reserves, however, dropped to USD 24.53 billion on September 08 from USD 25.87 billion recorded a day before.
- BB official has said that reserves normally go down when the economy clears ACU payments every two months, which is a regular phenomenon.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bangladesh-clears-137b-acu-payments-1725902307

Tk 60,000cr printed money blamed for high inflation

- Finance, commerce and science and technology adviser Salehuddin Ahmed on Monday said that release of printing money worth around BDT 60,000 crore by the ousted government was the major bar to bringing down the runaway inflation.
- It would take some time to reverse the inflationary trend, said the finance adviser while talking to reporters after a courtesy meeting with UNDP resident representative Stefan Liller at the Secretariat.
- The overall inflation in August eased, but still prevailed at a double-digit level for the second consecutive month.
- The finance adviser said that while there were many reasons for the current high inflation, the money printing spree by the Bangladesh Bank in the past two years was the main one to be blamed.
- He also said that the interim government already took measures to maintain the supply chain of essentials to release the mounting pressure on the consumers.

News Source:

https://www.newagebd.net/post/economy/244828/tk-60000cr-printed-money-blamed-for-high-inflation

Sectoral Update

Banks, NBFIs and Insurance

Bank deposits fall Tk8,200 crore in July amid internet blackouts, unrest

- Bangladesh's banking sector experienced a significant decline in deposits in July, falling by BDT 8,200 crore, mainly due to a 5-day internet blackout, three days of bank closures, and a general slowdown in banking activity due to unrest in the country.
- Along with the fall in deposits, the amount of cash held by the public increased by approximately BDT 1,200 crore in July, as people preferred to keep liquid cash amid uncertainty.

- July's total deposits fell to BDT 17.42 lakh crore, reflecting a negative month-on-month growth of 0.47%, according to data from the central bank.
- Year-on-year, the deposit growth for July stood at 7.91%, the lowest in 16 months, with the previous low of 7.53% recorded in March 2023.
- Economists have expressed concerns about the rising amount of money held outside the banking system, as it slows down the creation of deposits and loans.

News Source:

https://www.tbsnews.net/economy/banking/bank-deposits-fall-tk8200-crore-july-amid-internet-blackouts-unrest-937611

Food and Allied

Edible oil prices rise on global hike: traders

- Loose and bottled soybean oil have become costlier in Bangladesh due to price hikes in the global market amid a supply shortage of the key cooking ingredient, according to traders.
- The local retail price of loose and bottled soybean oil increased by about BDT 3-6 and BDT 5 per litre respectively over the past week.
- Importers said that the global market price of soybean oil rose by USD 80 to USD 90 per tonne over the past month.
- Loose soybean oil sold at BDT 148 to BDT 158 per litre in local markets yesterday while it was BDT 145 to BDT 152 a week ago, according to the state-run Trading Corporation of Bangladesh (TCB).
- In the April-June period of this year, the price of soybean oil in the international market was USD 986 per tonne while it increased to USD 1,079 in July, according to the World Bank Commodities Price data.

News Source:

https://www.thedailystar.net/business/economy/news/edible-oil-prices-rise-global-hike-traders-3698621

Apparel and Textile

Around 100 RMG units shut amid unrest

- Around a hundred export-oriented garment factories remained closed amid unrest as a section of workers staged demonstrations through Ashulia-Gazipur industrial belts despite security deployment.
- 85 readymade garment (RMG) factories located in Ashulia and Gazipur industrial belts announced Monday holiday with pay to avert far more troubles as the labour unrest has been on stream for a week now, according to sources.
- An additional two dozen factories were unable to operate on the day as workers either left the units after arriving at their respective workplaces or went on protest inside the premises over various demands, according to law-enforcing agencies and industry sources.
- They also claimed that big groups like Sharmin and Hameem announced holiday on Monday in fear of any untoward incident as they alone have more than 30,000 workers and if they come out onto the streets or gather, it would be difficult to manage them and may lead to closure of the adjacent units.

- Labour leaders, however, alleged that both outsiders and internal problems of factories are responsible for the ongoing unrest.

News Source:

https://today.thefinancialexpress.com.bd/first-page/around-100-rmg-units-shut-amid-unrest-1725901588

Pharmaceuticals

Pharmaceuticals back in production, ending worker unrest

- A significant relief has arrived for Bangladesh's healthcare sector as over two dozen pharmaceutical companies have successfully resolved a 7-10-day worker unrest that had threatened a potential medicine supply shortage.
- Negotiated minimum wage increases, announcements of increments, and other accepted demands aimed at improving workers' lives in the face of high inflation have brought pharmaceutical workers back to work in Savar, Gazipur, and Mymensingh, according to industry sources.
- Thanks to the leading companies that began generous negotiations with their workers late last week, recognising the importance of maintaining product availability, according to Abdul Muktadir, president of the Bangladesh Association of Pharmaceutical Industries (BAPI).
- Workers who had left their posts started returning on Friday, and by yesterday morning, all two dozen plants were back in production.
- While companies did face production losses and cost increases, this will not cause a supply shortage, he added.

News Source:

https://www.tbsnews.net/economy/industry/pharmaceuticals-back-production-ending-worker-unrest-937676

Energy

Fuel supplies look challenging for LC payment backlog.

- Maintaining smooth supply of petroleum products looks challenging for LC payment backlog against the fuel imports amid forex crunch, according to sources.
- State-run Sonali Bank PLC is also reluctant to open letter of credit (LC) besides clearing dues against imports made by Bangladesh Petroleum Corporation (BPC).
- Currently, there remain BPC dues with the bank the value of which is around USD 139.71 million, as of September 08.
- Chairman BPC Md. Amin Ul Ahsan recently wrote to the state-owned bank take requisite action for making payment as early as possible.
- In the letter he said that if any problem arises about fuel oils in future, Sonali Bank will have to bear that responsibility.

News Source:

https://today.thefinancialexpress.com.bd/first-page/fuel-supplies-look-challenging-for-lc-payment-backlog-1725902215

Load shedding worsens nationwide as gas-based power stations fail to meet production targets

- Load shedding has been increasing across the country as power generation from gas-based stations is still below the expected level.
- The country had to experience a load shedding of 1,874 MW at 3:00pm to meet the demand of 14,750 MW on 9 September, according to official sources.
- The Power Grid Bangladesh PLC's official statistics showed that the country was generating 12,788 MW at that time.
- Petrobangla officials said that despite repeated requests from the government, the Summit Group could not resume operation of its LNG terminal for which the national grid is not able to get 500 million cubic feet of gas per day (MMCFD) from imported supply.
- The statistics show that the country produced 2,609.4 MMCFD against a demand of about 4000 MMCFD gas.

News Source:

https://www.tbsnews.net/bangladesh/energy/load-shedding-worsens-nationwide-gas-based-power-stations-fail-meet-production

Capital Market

Stocks down for the sixth straight session

- Dhaka stocks' losing streak extended to the sixth consecutive session yesterday as investors now prefer a rational exposure after the post-Hasina hikes.
- DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), fell by 0.88% to 5,629.54 on Monday.
- The index following its sharp 9.9% surge in August, fell by 3.1% in September till date to erode over BDT 10,000 crore in market capitalisation since the beginning of the month.
- The benchmark index continued its losing streak for the sixth consecutive session as the prevailing volatility in the market has prompted risk-averse investors to liquidate their holdings and remain watchful of the market's waning momentum, according to market insiders.
- Stockbrokers and analysts, however, were not surprised with the market correction as they were aware of the profit booking pressure on the rising stocks, selloff in struggling company stocks ahead of the earnings season.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-down-sixth-straight-session-937616

ACC probes graft allegations against Shibli, eight others

- The Anti-Corruption Commission (ACC) last week began a formal inquiry into the alleged corruption of former chief of the Bangladesh Securities and Exchange Commission (BSEC) Professor Shibli Rubayat-Ul Islam and eight of its other officials.
- They allegedly accumulated wealth of around BDT 1,000 crore by abusing their power.

- The eight officials are former BSEC commissioner Shaikh Shamsuddin Ahmed, current executive directors Md Mahbubul Alam, Md Saifur Rahman and Mohammad Rezaul Karim, directors Sheikh Mahbub Ur Rahman and Mohammad Mahmoodul Hoque, Additional Director SK Md Lutful Kabir and Joint Director Md Rashidul Alam.
- By forgery and cheating, Shibli Rubayat-Ul Islam and the officials allegedly accumulated BDT 1,000 crore in assets at home and abroad, including the United Arab Emirates, Singapore, the United Kingdom, the United States and Canada.
- The assets were registered in their names and the names of others, according to ACC sources.

News Source:

https://www.thedailystar.net/business/news/acc-probes-graft-allegations-against-shibli-eight-others-3698836