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Daily News Snippet

September 18, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,681.60
% change	-0.53%
DS30 Index	2,068.61
% change	-0.81%
DSES Index	1,238.19
% change	-0.68%
Turnover (BDT mn)	6,349.63
Turnover (USD mn)	52.91
% change	-5.08%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	41,606.18
% change	-0.04%
S&P 500	5,634.58
% change	0.03%
Nikkei 225	36,204.50
% change	-1.03%
FTSE 100	8,309.86
% change	0.38%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	133.58	133.60
GBP	158.59	158.60
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
17-Sep-24	8.80 - 10.50	9.13
15-Sep-24	8.80 - 10.50	9.13
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.43	-0.43%
Gold Spot, USD/t oz.	2,573.43	0.15%
Cotton, USD/lb.	72.36	0.25%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.53% in the last trading day, closing at 5,681.60 points.
- The daily turnover decreased 5.08% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.04% loss, S&P 500 posted 0.03% gain and FTSE 100 posted 0.38% gain.
- One of the leading Asian market indices, NIKKEI posted 1.03% loss yesterday.

Key macro indicators

- All the major currencies rose against BDT yesterday.
- The average overnight rate remained unchanged in the past week.
- The current weighted average overnight rate stood at 9.13% with a high rate of 10.50% and low rate of 8.80%.
- The oil price decreased 0.43% in the last trading day.

Bangladesh Macro Update

WB to ramp up dev funding by $2.0b

- World Bank's funding to Bangladesh this fiscal year is going to be ramped up by over USD 2 billion to assist the reform agenda of the post-uprising interim government.
- The commitment of the lending package came from WB Country Director Abdoulaye Seck when he called on Chief Adviser Prof Muhammad Yunus at the state guesthouse Jamuna in Dhaka on Tuesday.
- Mr Seck informed that the World Bank could mobilise about USD 2 billion in new financing in the current fiscal year to support critical reforms, flood response, better air quality and health.
- He said that in addition to the new commitments, the multilateral lender would repurpose about an extra one billion dollars from its existing programmes in consultation with the government in response to the calls for support by the head of interim government to all development partners of Bangladesh.
- The extra lending would raise the amount of soft loans and grants the World Bank would be giving to Bangladesh this fiscal year to about 3.0 billion dollars once the funds from the existing projects are repurposed.

News Source:

https://today.thefinancialexpress.com.bd/first-page/wb-to-ramp-up-dev-funding-by-20b-1726595856

NBR now considers ending black money investment in real estate

- Facing public backlash over the partial withdrawal of the black money whitening scheme earlier this month, the National Board of Revenue (NBR) is now reportedly planning to remove the option to legalise black money through real estate (land or apartments) purchases.
- The only facility likely to stay the same is for undisclosed money, which would be taxed at the standard rate (up to 25%) plus a 10% penalty.
- Moreover, the NBR plans to remove the special provision that protects investors from inquiries about the source of their money.
- This change would allow agencies, such as the Anti-Corruption Commission (ACC) and the Criminal Investigation Department (CID), to question the source of funds, thereby further limiting the opportunities for investing black money.
- Over the past few years, there has been an option to legalise black money by paying taxes ranging from BDT 300 to BDT 4,000 per square metre for land and apartment purchases nationwide.

News Source:

https://www.tbsnews.net/economy/nbr-now-considers-ending-black-money-investment-real-estate-943886

Interim govt’s first Ecnec meeting to focus on gas exploration, pipeline projects

- The interim government will hold its first Ecnec meeting today, focusing on proposals for two new projects related to exploring and developing new gas wells to meet demand and supplying gas to industrial areas, alongside three revised projects.
- The proposed budget for the two new projects stands at BDT 988.40 crore.

- Meanwhile, the approved cost for the three existing projects, for which revisions have been suggested, was BDT 3,717.38 crore.
- The revised expenditure for these projects has been proposed to be increased by 121%, bringing the total to BDT 8,219.3 crore.
- The two new projects to be presented at the Ecnec meeting include the drilling of two evaluation-cum-development wells (Sundalpur-4 and Srikail-5) and two exploration wells (Sundalpur South-1 and Jamalpur-1) at a cost of BDT 588.40 crore.

News Source:

https://www.tbsnews.net/economy/interim-govts-first-ecnec-meeting-focus-gas-exploration-pipeline-projects-943796

Past govt's data, stats very weak: Debapriya

- The white paper preparation committee on Tuesday said that they identified that the data and statistics available with the government were very weak.
- In many cases, the civil servants involved in the data estimation and publication were helpless or being forced to provide weak and non-credible statistics, according to Dr Debapriya Bhattacharya, chief of the committee.
- We've discussed this issue elaborately at a meeting with representatives from different government offices, he added.
- The representatives from different government offices have told about their helplessness at the meeting.
- When asked about the last government's intervention on public data, Dr Debapriya said that they would not follow any specific government rather will search the method of data estimation.

News Source:

https://today.thefinancialexpress.com.bd/last-page/past-govts-data-stats-very-weak-debapriya-1726596413

Forex reserves increase thanks to positive trend in remittance inflow: Bangladesh Bank

- The foreign exchange reserves have increased and gained stability as the inflow of remittances has increased, according to the Bangladesh Bank.
- Expatriates are sending huge amounts of remittances and this is the major reason for the increase in reserves.
- This has stopped the decline of reserves, according to Husne Ara Shikha, executive director and new spokesperson of the central bank.
- The central bank currently has USD 24 billion in reserves whereas according to the BPM-6 system of the International Monetary Fund (IMF), the reserve amount is close to USD 20 billion.
- The forex market is expected to remain stable from now on as interbank transactions remain active.

News Source:

https://www.tbsnews.net/economy/forex-reserves-increase-thanks-positive-trend-remittance-inflow-bangladesh-bank-943451

Sectoral Update

Banks, NBFIs, and Insurance

Bangladesh to clear all overdue LCs within six months

- Bangladesh will clear all overdue payments relating to letters of credit (LCs) within the next five to six months, Bangladesh Bank (BB) Governor Ahsan H Mansur assured correspondent banks yesterday.
- The central bank governor made the commitment during a virtual meeting between the Bangladesh Bank and the correspondent banks.
- A correspondent bank is a third-party financial institution that acts as the intermediary between domestic and international banks during foreign trade.
- Bangladesh's state-run and private commercial banks have hefty overdue payments against LCs, which must be paid to correspondent banks.
- BB officials said that overdue payments against LCs is likely to be around USD 12 billion or USD 13 billion though Bangladesh had already cleared dues equivalent to USD 800 million to the correspondent banks.

News Source:

https://www.thedailystar.net/business/news/bangladesh-clear-all-overdue-lcs-within-six-months-3705521

Bangladesh Bank forms new management board for Nagad

- The Bangladesh Bank (BB) has formed a management board to determine the future action plan and strategic management of mobile financial services (MFS) provider Nagad.
- The central bank sent a letter in this regard to the Director General of the Department of Posts on 17 September.
- KAS Murshid, former Director General of Bangladesh Institute of Development Research (BIDS) has been made the chairman of this board.
- After the fall of the Awami League government, Bangladesh Bank decided to appoint an administrator to manage Nagad on 21 August.
- The BB Director Muhammad Badiuzzaman Didar is currently serving as the Nagad Administrator.

News Source:

https://www.tbsnews.net/economy/banking/bangladesh-bank-forms-new-management-board-nagad-943736

Energy

Germany to extend 1.0b euro in 10 yrs

- Germany will provide Bangladesh with assistance of 1.0 billion Euro over the next 10 years, including 15 million Euro expected to be released this year, to develop renewable energy generation facilities.
- Both countries will promote knowledge exchange and cooperation with non-state actors like the private sector, research institutes, academia, and civil society under the lending programme.
- Environment and Water Resources Adviser Syeda Rizwana Hasan said that the collaboration will also involve small ethnic minorities, women, and youth, fostering a multi-stakeholder approach.

- Ambassador Tröster expressed Germany's commitment to supporting Bangladesh in its fight against climate change and appreciated the government's efforts in protecting the environment.

News Source:

https://today.thefinancialexpress.com.bd/first-page/germany-to-extend-10b-euro-in-10-yrs-1726596044

Review body asks BPDB to provide power plants' info

- The national committee on reviewing power and energy sector deals has sought data on power plants that got approved under the 'controversial' special provision law.
- The first meeting of the committee held on Monday asked for the information on the projects signed under the Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010 (Amended 2021).
- The meeting asked officials concerned at the state-run Bangladesh Power Development Board (BPDB) to make available the data at least 3-4 days before the next meeting, slated for September 28.
- The committee is expected to set the next course of action after analysing the information.

News Source:

https://today.thefinancialexpress.com.bd/last-page/review-body-asks-bpdb-to-provide-power-plants-info-1726596676

Govt considers issuing bonds to settle BPDB’s debt to private power plants

- The interim government is considering the issuance of additional bonds to address the Bangladesh Power Development Board's (BPDB) mounting unpaid dues to private power producers.
- This move aims to ease the financial strain on independent power producers (IPPs) and stabilize the country's power sector.
- The state-owned Bangladesh Power Development Board (BPDB) has already initiated a move in this regard and consulted with the Power Division so that it could discuss the issue with the Finance Division, according to sources.
- We've been calculating BPDB's dues with the private power producers, known as independent power producers (IPPs), according to a top official of the BPDB.
- He also noted that currently the BPDB's total unpaid bills amount to about BDT 420 billion, of which IPPs will get about BDT 70 billion.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/govt-considers-issuing-bonds-to-settle-bpdbs-debt-to-private-power-plants-1726590222

Nepal envoy hopes to start energy trading with Bangladesh soon

- Nepal Ambassador to Bangladesh Ghanshyam Bhandari on 17 September expressed the hope that his country would be able to start energy trading with Bangladesh soon.
- Bangladesh and Nepal would be able to start energy trading soon as Nepal has vast hydropower potential, he added.

- During the meeting, the envoy congratulated the chief adviser on taking over the leadership of the interim government after a historic student-led mass uprising in July-August.
- The Nepal envoy highlighted the importance of strengthening regional cooperation through SAARC and BIMSTEC and working closely at various multilateral forums.

News Source:

https://www.tbsnews.net/bangladesh/nepal-envoy-hopes-start-energy-trading-bangladesh-soon-943561

Capital Market

Stocks in the red for 2nd day amid regulatory turmoil

- Stocks continued its losing streak on 17 September as investors remained wary amid ongoing turmoil within the securities regulator.
- On the day, the key index DSEX of the Dhaka Stock Exchange (DSE) dropped 30 points to close at 5,681, marking the second consecutive day of decline.
- The blue-chip index DS30 fell by 16 points to settle at 2,068, while the shariah index DSES ended 8 points lower at 1,238.
- The turnover value on the Dhaka bourse also fell by 5% to BDT 635 crore as the investors' participation decreased.
- Moreover, the port city bourse Chittagong Stock Exchange (CSE) also ended in the red terrain as its all-share price index CASPI dropped 41 points to settle at 16,077, and the general index CSCX ended 28 points lower at 9,688.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-red-2nd-day-amid-regulatory-turmoil-943726

DSE's month-long dysfunctional board impedes key decisions

- The Dhaka Stock Exchange (DSE) has now spent a month with a dysfunctional board, resulting from an unprecedented intervention by the Bangladesh Securities and Exchange Commission (BSEC).
- While day-to-day operations continue as usual, major policy decisions, typically made by the board, remain stalled, according to top DSE officials.
- They noted that no board meetings have taken place since the fall of the Sheikh Hasina-led government on 5 August.
- The absence of a functional board is delaying important policy decisions that require board approval.
- It is very unfortunate that the DSE's board has remained dysfunctional for over a month, even after the political changes, according to Saiful Islam, president of the DSE Brokers Association (DBA).

News Source:

https://www.tbsnews.net/economy/stocks/dses-month-long-dysfunctional-board-impedes-key-decisions-943756