Daily News Snippet

September 25, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,777.96
% change	0.30%
DS30 Index	2,109.45
% change	0.60%
DSES Index	1,288.13
% change	1.12%
Turnover (BDT mn)	7,186.30
Turnover (USD mn)	59.89
% change	6.56%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,208.22
% change	0.20%
S&P 500	5,732.93
% change	0.25%
Nikkei 225	38,007.00
% change	0.71%
FTSE 100	8,282.76
% change	0.28%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	133.34	133.36
GBP	160.15	160.18
INR	1.44	1.44
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
24-Sep-24	8.95 - 10.50	9.08
23-Sep-24	8.90 - 10.50	9.06
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	74.31	-0.21%
Gold Spot, USD/t oz.	2,659.41	0.10%
Cotton, USD/lb.	74.04	-0.08%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.30% in the last trading day, closing at 5,777.96 points.
- The daily turnover increased 6.56% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.20% gain, S&P 500 posted 0.25% gain and FTSE 100 posted 0.28% gain.
- One of the leading Asian market indices, NIKKEI posted 0.71% gain yesterday.

Key macro indicators

- All the major currencies fell against BDT yesterday except the GBP.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 9.08% with a high rate of 10.50% and low rate of 8.95%.
- The oil price decreased 0.21% in the last trading day.

Bangladesh Macro Update

ADB cuts Bangladesh's growth forecast due to political unrest

- Asian Development Bank (ADB) has lowered its forecast for Bangladesh's economic growth to 5.1% for the current fiscal year, primarily due to supply disruptions caused by political unrest in July and August 2024.
- The Manila-based multilateral lender had earlier projected that the overall production of goods and services in Bangladesh would grow by 6.6% for the fiscal year (FY) 2024-25.
- The ADB said that it lowered Bangladesh's GDP growth projection for the current fiscal, also taking into account the recent floods.
- Additionally, fiscal and monetary policies are expected to remain tight, further dampening consumption and investment demand.
- The forecast is highly uncertain as significant downside risks cloud the macroeconomic outlook, added by ADB.

News Source:

https://www.thedailystar.net/business/news/adb-cuts-bangladeshs-growth-forecast-due-political-unrest-3711626

IMF for raising reserves matching its earlier loan package conditions

- A visiting IMF mission recommends acceleration in raising Bangladesh's net forex reserves to meet the mark set in its USD 4.70-billion lending package for stabilising macroeconomic situation, as further fund support is sought for current reforms.
- In a series of stocktaking consultations with Bangladesh Bank (BB) and finance officials, the representatives of the Bretton Woods Institution observed that the country needed to maintain foreign-exchange reserves equivalent to 3.50 months' import expenses to achieve the goal (reserves at USD 24 billion by end of June 2026).
- But the country now manages reserve which is equivalent to maintaining 3.10 months of import payments.
- With that pace, Bangladesh would not be able to reach the goal, according to BB spokesperson Husne Ara Shikha.
- She also said that central bank took the NIR goal as a challenge and assured them of taking all possible measures in reaching the goal by end of the lending package (June 2024).

News Source:

https://today.thefinancialexpress.com.bd/first-page/imf-for-raising-reserves-matching-its-earlier-loan-package-conditions-1727201642

BB will not print any fresh money to solve financial crisis: Governor

- The central bank will not print any fresh money to lend to the government for solving financial crisis, according to Bangladesh Bank (BB) Governor Ahsan H Mansur.
- Moreover, we will no longer sell dollars from the country's foreign exchange reserves to address the problems in the financial sector, he added.

- Inflation will decline if the efforts taken to resolve the issues in the financial sector bring positive results.
- Mansur said the strict monetary policy implemented to curb inflation may cause temporary difficulties for businesses but it will ultimately benefit the economy.
- He added that once inflation decreases, the economy as a whole will get benefit.

News Source:

https://www.tbsnews.net/economy/banking/bb-will-not-print-any-fresh-money-solve-financial-crisis-governor-949616

Sectoral Update

Banks, NBFIs, and Insurance

Central bank raises policy rate to 9.5pc

- Funds get costlier as the regulator raises policy interest rate to a historic high of 9.5% as exorbitant prices passing through many years now remain a concern for the interim government.
- A 50-basis-point hike, announced Tuesday by the Bangladesh Bank with immediate effect, raises the rate from 9.0% to 9.5%, the highest since the introduction of such monetary-control instrument two decades back in 2003.
- The central bank's decision comes in response to stubborn inflation, persisting above 10% on a point-to-point basis, which hits hard lower-income population.
- This marks the second increase under his leadership since taking office on August 20, following the August-5th changeover in state power in a student-mass uprising.
- Prior to his appointment, the policy rate stood at 8.5%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/central-bank-raises-policy-rate-to-95pc-1727201801

Lending for sustainable finance rises by Tk28,103cr in June quarter

- Loan distribution for sustainable finance by banks and financial institutions increased by 32% or BDT 28,103 crore in the second quarter of the current year due to the addition of new products in the sector, according to a central bank report.
- In the April-June period, banks and no-bank financial institutions (NBFIs) distributed BDT 1,16,799 crore in loans for sustainable finance, up from BDT 88,696 crore in the previous March quarter.
- Loan distribution for green finance in the June quarter also increased by BDT 732 crore to BDT 7,771 crore compared to the January-March period.
- Sustainable finance refers to the business conducted in such areas and in such a manner that helps the overall reduction of external carbon emissions and internal carbon footprint.

News Source:

https://www.tbsnews.net/economy/banking/lending-sustainable-finance-rises-tk28103cr-june-quarter-949826

Tk1cr bank accounts grew by 2,894 in June quarter

- The number of bank accounts holding BDT 1 crore or more increased by 2,894 in the April-June quarter which is the last full quarter under the ousted Sheikh Hasina government.
- The number of accounts with more than BDT 1 crore stood at 1.19 lakh at the end of June, up from 1.16 lakh at the end of the March quarter, according to data from the central bank.
- As of June, total deposits in Bangladeshi banks amounted to BDT 18.39 lakh crore, with BDT 7.73 lakh crore-accounting for 42%- held in accounts with deposits exceeding BDT 1 crore.
- Notably, government ministries and agencies hold approximately 40,289 of these accounts, while individual account holders number around 34,481.

News Source:

https://www.tbsnews.net/economy/banking/tk1cr-bank-accounts-grew-2894-june-quarter-949801

Apparel and Textile

Owners to meet RMG workers' demands across the board

- Garment-factory owners on Tuesday agreed to meet all 18-point demands of protesting workers to restore normalcy in the industry as over 50 factories in the Ashulia and Gazipur hubs suspended their operations on the day.
- According to a tripartite agreement, the attendance bonus has been increased by BDT 225, tiffin by BDT 10 and the night allowance has been set to be at least BDT 100 by increasing BDT 10.
- Majority of the factory owners, however, in an emergency general meeting held on Monday night at the BGMEA headquarters in Uttara opposed any wage hike and increase in annual increment to 10% from the existing 5%.
- They argued that the new wage was fixed last year while the sector has been facing a number of challenges due to global and internal factors including decline in global demands and high production costs fuelled by high prices of energy, wage hike and bank interest rate, among others.
- Moreover, the factories remained closed for more than two weeks this month and faced such closure during the July-August anti-discrimination movement that caused a heavy blow as buyers shifted work orders to other countries.

News Source:

https://today.thefinancialexpress.com.bd/last-page/owners-to-meet-rmg-workers-demands-across-the-board-1727202040

Capital Market

Stocks extend gaining streak amid policy rate hike

- Equity benchmark index extended the winning streak for a second day on Tuesday, with turnover crossing BDT 7.0 billion-mark, driven by price appreciation in particular large-cap issues.
- Market experts said that stocks managed to stay positive riding on investors' interest in specific large-cap shares although overall market sentiment remained subdued.

- The market began with a positive note and the benchmark index of the Dhaka Stock Exchange (DSE) soared 65 points to 5,825 within the first ten minutes of trading.
- However, subsequent sell pressure eroded most of the early gains as investor sentiment was affected by potential interest rate hikes after the central bank raised policy rate further amid ongoing reforms in the financial sector.
- The latest policy rate hike by a further 50 basis points amid a tightened monetary space fuelled the prevailing concerns among stock investors, according to market experts.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-extend-gaining-streak-amid-policy-rate-hike-1727200312

Brokerage firms must update CCA status daily: BSEC

- The Bangladesh Securities and Exchange Commission (BSEC) has instructed stock exchanges to develop a uniform online platform where stock brokers can update their Consolidated Customers' Accounts (CCA) status daily at the end of trading hours.
- The directive was issued to both the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).
- A Consolidated Customers' Account (CCA) is a separate bank account maintained by stockbrokers to hold unused funds from their clients' beneficiary owner (BO) accounts.
- These funds are strictly to be used only for paying for securities purchased by the client or collecting commissions or fees owed by the client.
- Any unauthorized use of the funds from the CCA results in a deficit.

News Source:

https://www.tbsnews.net/economy/stocks/brokerage-firms-must-update-cca-status-daily-bsec-949796

Cricketer Shakib fined Tk 5m for share price manipulation

- The securities regulator has imposed penalties on seven individuals and companies, including cricketer Shakib Al Hasan, for their role in manipulating the share price of Paramount Insurance Company.
- The Bangladesh Securities and Exchange Commission (BSEC) decided to fine them based on an investigation report and further inquiries made by the enforcement department of the securities regulator.
- Cricketer Shakib Al Hasan, who is also a former lawmaker, was fined BDT 5 million.
- Besides, an aggregate fine of BDT 1.12 billion was slapped on three other companies and three individuals, including Shakib's business partner and controversial market player Md Abul Khayer.
- The others include Shakib's company Monarch Mart, Abul Khayer's father Abul Kalam Matber, Eshaal Communication, Lava Electrodes Industries and Zahed Kamal.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/cricketer-shakib-fined-tk-5m-for-share-price-manipulation-1727200274