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Daily News Snippet

October 01, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,624.50
% change	-0.59%
DS30 Index	2,053.36
% change	-0.46%
DSES Index	1,263.73
% change	-0.58%
Turnover (BDT mn)	5,039.04
Turnover (USD mn)	41.99
% change	4.69%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,330.15
% change	0.04%
S&P 500	5,762.50
% change	0.42%
Nikkei 225	37,919.55
% change	-4.80%
FTSE 100	8,236.95
% change	-1.01%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	133.96	133.97
GBP	160.48	160.51
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
30-Sep-24	9.50 - 10.50	9.55
29-Sep-24	9.45 - 10.50	9.54
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	71.83	0.18%
Gold Spot, USD/t oz.	2,657.35	0.87%
Cotton, USD/lb.	73.38	-0.31%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.59% in the last trading day, closing at 5,624.50 points.
- The daily turnover increased 4.69% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.04% gain, S&P 500 posted 0.42% gain and FTSE 100 posted 1.01% loss.
- One of the leading Asian market indices, NIKKEI posted 4.80% loss yesterday.

Key macro indicators

- All the major currencies remained same against BDT yesterday.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 9.55% with a high rate of 10.50% and low rate of 9.50%.
- The oil price increased 0.18% in the last trading day.

Bangladesh Macro Update

Govt grappling with repayments

- The interim government is under tremendous pressure to pay off hefty foreign debt taken by the ousted Sheikh Hasina government as more than half-a-billion-dollar debt has already been served in the past two months.
- Officials said that the government has repaid USD 589.22 million worth of interest and principal against the outstanding foreign debt, throwing the government's balance sheet into the negative trajectory.
- The country received USD 458.24-million credit from external lenders, including the World Bank, the Asian Development Bank and the JICA, according to the data available with the Economics Relations Division (ERD).
- During the correspondent period of FY24, Bangladesh repaid USD 400.50-million foreign debt against different medium- to long-term external loans and it received USD 739.07 million worth of foreign aid.
- During the July-August period this FY25, foreign aid disbursement has dropped by 61.28% to USD 458.24 million.

News Source:

https://today.thefinancialexpress.com.bd/last-page/govt-grappling-with-repayments-1727720966

IMF mission reaffirms support to Bangladesh economy

- After spot checks of the country's current situations, the International Monetary Fund (IMF) says that it will assist Bangladesh in conducting necessary reforms and policy adjustments to navigate emerging headwinds on the economic front.
- We support the authorities' efforts to initiate policy adjustments, including continued monetary tightening and rationalising non-priority capital spending, they added.
- Led by Chris Papageorgiou, the IMF Mission Chief for Bangladesh, the team visited Dhaka on September 24-30 discussing recent developments and the government's reform priorities.
- The current interim government of Bangladesh sought an additional USD 3.0 billion assistance from the IMF in addition to the ongoing USD 4.7 -billion loan programme that was granted to help restore macroeconomic stability, particularly to prop up foreign-exchange reserves on fast decline during the past regime.
- He committed that within the framework of the ongoing IMF-supported programme, they will continue to work closely with the authorities to advance Bangladesh's reform agenda, which aims to ensure macroeconomic stability, promote job creation, strengthen institutions, and foster strong, sustainable, and equitable growth.

News Source:

https://today.thefinancialexpress.com.bd/first-page/imf-mission-reaffirms-support-to-bangladesh-economy-1727720797

Foreign loan commitments fall 98% to $20m in Jul-Aug

- Bangladesh's foreign loan commitments from development partners plummeted by a staggering 98% year-on-year in the first two months of the current fiscal year.

- The sharp decline coincided with the July mass uprising, which ended the prolonged autocratic rule of former prime minister Sheikh Hasina on 5 August.
- Additionally, a fresh review of foreign-funded projects in the pipeline or at the negotiation stage by the interim government, also contributed to the decline in loan commitments.
- Development partners pledged only USD 20.16 million in grants through August of FY25, a significant decrease compared to USD 1.144 billion during the same period last year, according to data from the Economic Relations Division (ERD).
- ERD officials also stated that the government has re-evaluated loan proposals, resulting in no current loan agreements with development partners.

News Source:

https://www.tbsnews.net/economy/foreign-loan-commitments-fall-98-20m-first-two-months-fy25-954421

Foreign adviser for easing visa procedure to boost tourism

- Foreign Affairs Adviser Md Touhid Hossain emphasised on simplifying the visa procedure for foreign tourists as part of a broader strategy to enhance the country's tourism sector.
- The key is to ease the visa system and make it fully online.
- Waiving visa fees would further attract more foreign tourists in Bangladesh, he added.
- The foreign adviser also said that political will and commitment from the private sector are needed to advance the tourism contribution to the Sustainable Development Goals (SDGs).
- The seminar featured a range of high-level participants, including civil aviation and tourism secretary Nasreen Jahan, who attended it as the special guest.

News Source:

https://www.tbsnews.net/economy/foreign-adviser-easing-visa-procedure-boost-tourism-954491

Business leaders demand no directors in FBCCI without elections

- The Anti-Discrimination Reform Council of the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) has called for reforms to ensure that no director can join the FBCCI board without going through an electoral process.
- The demand was raised by a group of general members of the FBCCI under the banner of the reform council at a press conference at the Dhaka Reporters Unity.
- According to the reform council, in the past 15 years, 57 individuals had joined the FBCCI board as nominated directors, many of whom later became presidents or vice presidents.
- Some of these appointees were allegedly not even businessmen and used their positions for personal benefits, such as securing CIP (commercially important person) status and accompanying the prime minister on foreign trips.
- These nominated directors rarely attended board meetings.

News Source:

https://www.tbsnews.net/economy/business-leaders-demand-no-directors-fbcci-without-elections-954711

Sectoral Update

Banks, NBFIs, and Insurance

Cenbank rejects request to delay new loan overdue rules

- The Bangladesh Bank has rejected a request from bank chairmen to defer by six months the implementation of the new rules that shorten the time for term loans to be classified as overdue.
- The Bangladesh Association of Banks (BAB), a platform for bank owners, made the request during a meeting with Governor Ahsan H Mansur on 18 September, citing prevailing economic challenges as the primary reason for their appeal.
- Husne Ara Shikha, spokesperson for the Bangladesh Bank, told that the central bank's previous decision remains in effect, and they do not currently find their request to be valid.
- The central bank recently amended the rule, stating that starting 30 September 2024, loans would be considered overdue three months after the due date, and from 31 March 2025, loans would be considered overdue the day after the due date.
- Before a bank loan becomes classified as "defaulted," it first goes through a stage called "overdue."

News Source:

https://www.tbsnews.net/economy/banking/cenbank-rejects-request-delay-new-loan-overdue-rules-954826

Apparel and Textile

Worker killed as violence rocks Ashulia zone

- Endemic labour unrest in Bangladesh's main export industry erupted into massive clashes between the garment workers and law-enforcers in Ashulia on Monday, leaving one worker shot dead and several injured.
- Kawsar Hossain Khan, a 27-year-old factory worker at Mango Tex Limited in Zirabo area, succumbed to gunfire during the clashes at around 11:30 am in front of the Mandol Group factory on the Tongi-Ashulia EPZ road.
- Two more workers were initially reported among the injured- Habib, a worker at Natural Denims, and Nazmul Hasan, worker at Natural Indigo Factory.
- Workers from other factories soon began to assemble at the place, leading to a standoff with law-enforcement agents.
- Tensions escalated after some vehicles belonging to law-enforcement forces being vandalised by both the outsiders and the workers.

News Source:

https://today.thefinancialexpress.com.bd/first-page/worker-killed-as-violence-rocks-ashulia-zone-1727720750

Labour rights being violated

- Economist Dr Debapriya Bhattacharya said that labour rights are being violated in Bangladesh due to the lagging of the country's labour laws compared to the international laws.

- We have sat with the labour leaders and they informed us that the country's labourers who kept role in economic development in Bangladesh have not got equitable share of wages and other benefits in the last one decade, he added.
- They informed us that why the labour does not get proper benefits from the owners despite economic development of the country.
- Dr Debapriya said that the basic salary, social security measures like decent accommodation and maternity leave were not enough for boosting safety and security of the workers.
- He also said that the labour leaders informed that there is a lack of measures for familiarising the works of the labourers with the AI and other advanced technologies in line with the changing world and growing new economy.

News Source:

https://today.thefinancialexpress.com.bd/last-page/labour-rights-being-violated-1727720884

Energy

Bangladesh delegation in Nepal to sign contract to import 40 MW electricity

- A Bangladesh delegation on 30 September went to Nepal to sign a contract to import 40 MW of electricity from the Himalayan nation.
- Senior Secretary of the Power Division Habibur Rahman will be leading the 8-member delegation where they are expected to sign the contract on 4 October.
- There will be a tripartite agreement between Bangladesh, Nepal and India as the electricity will be imported through the Indian territories.
- The tariff for electricity was set at 6.40 US cents per kilowatt hour (energy price at Muzaffarpur Substation, India) plus 0.0595 Indian Rupee per kilowatt hour for Indian Contractor's trading margin and also transmission charge to be fixed by the Indian Central Electricity Regulatory Commission (CERC).
- A top official of the BPDB said that under the proposed deal, each unit of electricity from Nepal will cost BDT 8.50.

News Source:

https://www.tbsnews.net/bangladesh/energy/bangladesh-delegation-nepal-sign-contract-import-40-mw-electricity-954706

Petrobangla extends submission time for int'l offshore bidding round

- Petrobangla has extended the submission date of the international offshore block bidding round to 9 December 2025 from 9 September 2024 to get a better response from international oil-gas companies for exploration of oil-gas in the Bay of Bengal.
- Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) recently issued a time extension notice "Notice Inviting Bids" for oil and natural gas exploration under Bangladesh Offshore Bidding Round 2024.
- As per the notice, interested multinational oil and gas companies will have to submit bid documents not less than 1pm (Bangladesh time) on 9 December 2025.

- The time extension notice also mentioned that all other terms and conditions of the bidding notice issued earlier will remain unchanged.
- A total of 24 offshore blocks- 15 in deep water and 9 in shallow water have been offered in the bidding round.

News Source:

https://www.tbsnews.net/bangladesh/energy/petrobangla-extends-submission-time-intl-offshore-bidding-round-954476

Capital Market

Price fall in large-cap pulls stocks down

- The country's both bourses- Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on Monday plunged due to mainly a price fall in large-cap securities.
- The benchmark index DSEX settled 33.61 points down at 5,624.50.
- Two other indices of the DSE also ended lower.
- Turnover, a crucial indicator of the market, increased to BDT 5,039.04 million, which was BDT 4,813.19 million in the previous session of the week.
- Out of 395 issues traded, 196 declined, 157 advanced and 42 remained unchanged on the DSE trading floor.

News Source:

https://businesspostbd.com/stocks/price-fall-in-large-cap-pulls-stocks-down

BSEC not meant to influence index: Chairman Maqsood

- It is not the job of the securities regulator to take measures to influence the index of the secondary market, according to the chief of the market watchdog.
- Stakeholders' performances will reflect on the index and the market players should embark upon a drive to remove internal corrupt practices.
- He also said that a robust market would require listing of good companies and amendments to public issue rules.
- Market participants said that after the political change in the country, the interest of local and foreign investors in Grameenphone shares has increased.
- The BSEC convened the meeting as part of a move to set up a roadmap for reforms to the country's capital market.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/bsec-not-meant-to-influence-index-chairman-maqsood-1727719851