| Bangladesh Market | |
|---|---|
| **Major Indices** | **Last closing** |
| DSEX Index | 5,323.22 |
| % change | -0.22% |
| DS30 Index | 1,939.21 |
| % change | -0.16% |
| DSES Index | 1,187.74 |
| % change | -0.14% |
| Turnover (BDT mn) | 3,553.75 |
| Turnover (USD mn) | 29.61 |
| % change | -3.05% |
| ***Source: Dhaka Stock Exchange*** | |

| International Market | |
|---|---|
| **Major Indices** | **Last closing** |
| Dow Jones Industrial Average | 42,080.37 |
| % change | 0.30% |
| S&P 500 | 5,751.13 |
| % change | 0.97% |
| Nikkei 225 | 38,907.50 |
| % change | -1.08% |
| FTSE 100 | 8,190.61 |
| % change | -1.36% |
| ***Source: Bloomberg*** | |

| Exchange rate | | |
|---|---|---|
| **Major Currencies** | **Low (BDT)** | **High (BDT)** |
| USD | 120.00 | 120.00 |
| EUR | 131.69 | 131.72 |
| GBP | 157.00 | 157.02 |
| INR | 1.43 | 1.43 |
| ***Source: BB*** | | |

| Money market | | |
|---|---|---|
| **Date** | **Call Money Rate Range (%)** | **Weighted Average** |
| 08-Oct-24 | 9.25 - 10.50 | 9.51 |
| 07-Oct-24 | 9.25 - 10.50 | 9.52 |
| ***Source: BB*** | | |

| Commodities | | |
|---|---|---|
| **Major Commodities** | **Price** | **% Change** |
| Brent Crude (Oil), USD/bbl. | 77.47 | -4.51% |
| Gold Spot, USD/t oz. | 2,621.94 | -0.82% |
| Cotton, USD/lb. | 72.27 | -1.71% |
| ***Source: Bloomberg*** | | |

# Market Summary

## Bangladesh Market

- The leading bourse of the country, DSEX lost 0.22% in the last trading day, closing at 5,323.22 points.
- The daily turnover decreased 3.05% in the last trading day.

## Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.30% gain, S&P 500 posted 0.97% gain and FTSE 100 posted 1.36% loss yesterday.
- One of the leading Asian market indices, NIKKEI posted 1.08% 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 9.51% with a high rate of 10.50% and low rate of 9.25%.
- The oil price decreased 4.51% in the last trading day.

### Bangladesh Macro Update

## Drastic cut in costs of three railway megaprojects likely

- Massive fund cuts are likely from three ongoing railway megaprojects as the incumbent interim government finds their bloated estimation done by the deposed Sheikh Hasina administration, according to officials.
- An amount of some BDT 91.00 billion is likely to be slashed from two of the projects and the estimation of another is being scrutinized.
- The Ministry of Railway (MoR) under the new custodian has already asked the Bangladesh Railway (BR) to rationalise the project estimation of the ongoing ones through trimming unusual costs from unnecessary components.
- The state-run rail-service provider is likely to cut about BDT 66 billion from the Dohazari-Rami-Cox's Bazar-Ghundhum railway project while some BDT 25 billion from the Padma rail-link construction project.
- They are working to cut out the unnecessary components and the costs from the Japan-funded Jamuna rail-bridge construction project, too.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/drastic-cut-in-costs-of-three-railway-megaprojects-likely-1728410430

## Export-remittance rise, import fall tip trade balance up

- Bangladesh's current-account balance returned into green zone in August, after months of negativity, mainly as lower import expenses and higher inflow of remittances tipped the balance up, according to officials.
- The country recorded a current-account surplus of USD 111 million during the July-August period of the current fiscal year (FY), 2024-25, against a deficit of USD 610 million in the same period of the previous fiscal.
- It had a deficit of USD 206 million in July, the first month of this fiscal, according to the statistics of Bangladesh Bank (BB).
- The country's trade gap with the rest of the world narrowed by over 9.0% to USD 2.75 billion during the period under review from USD 3.04 billion in the same period of the previous fiscal year.
- During the period, import expenses fell by 1.20% to USD 9.91 billion from USD 10.03 billion in the same period of FY'24 while export earnings grew by 2.50% to USD 7.16 billion from USD 6.99 billion.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/export-remittance-rise-import-fall-tip-trade-balance-up-1728410490

## Economy shows signs of improvements

- The Bangladesh Purchasing Managers' Index (PMI) for September 2024 increased by 6.2 points to 49.7 from the previous month's 43.5, showing signs of slight improvements in the overall economy.
- This rise reflects a slower pace of contraction across key sectors such as agriculture, construction, and services, with the manufacturing sector returning to expansion after two months of decline.

- The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka and Policy Exchange Bangladesh (PEB) released the September PMI report on Tuesday.
- The PMI is a pioneering initiative that aims to offer timely and accurate insights into the country's economic health to help businesses, investors and policymakers make informed decisions.
- The latest PMI readings indicate slight but gradual improvements in the overall economy, despite some disruptions and challenges facing the country.

**News Source:**

https://today.thefinancialexpress.com.bd/last-page/economy-shows-signs-of-improvements-1728410851

## Sectoral Update

### Banks, NBFIs, and Insurance

## Falling hundi demand, dollar rate: Secret behind Aug-Sep remittance boost

- Bangladesh received USD 4.63 billion in remittances during August and September, reflecting a remarkable 58% increase compared to the same period last year.
- This surge occurs at a critical moment for the country which is grappling with a crisis of foreign currency needed to pay for essential imports such as energy, fertiliser, and goods for the private sector.
- There has been a significant decrease in under-invoicing of import bills, a practice that previously diverted substantial funds but has been controlled in recent months.
- Money laundering through informal channels, such as hundi, has noticeably slowed down.
- They suggest that following the fall of Sheikh Hasina's government on 5 August, political and business activity has slowed down and money laundering has tapered off, leading to a decreased demand for dollars in the informal hundi market and a redirection of funds through official channels.

**News Source:**

https://www.tbsnews.net/economy/falling-hundi-demand-dollar-rate-secret-behind-aug-sep-remittance-boost-962051

## Cruel mischief over past several years causes sorry state of Islamic banking

- The Islamic banking (IB) and financial institutions sector in Bangladesh witnessed a cruel mischief over the past several years, causing its present sorry state.
- Islamic banks, which once remained in a strong position in the country, have now landed in a worse situation due to such vicious acts, according to former Managing Director (MD) of Islami Bank Bangladesh PLC Mohammad Abdul Mannan.
- Such mischief, such a ruthless culture of malpractice to destroy the country's Islamic banking sector has never taken place in world history.
- Before January 2017, the excess liquidity of the IBBL was over BDT 250 billion, indicating the bank's then strong position, he added.

- Highlighting on the inner strength of Islamic Banking, he said that it is high time the sector turned around for which events like research workshops could help a great deal.

**News Source:**

https://today.thefinancialexpress.com.bd/last-page/cruel-mischief-over-past-several-years-causes-sorry-state-of-islamic-banking-1728410922

### Apparel and Textile

## BGMEA seeks over Tk 58cr loans for 39 RMG factories hit hard by unrest

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has requested over BDT 58.61 crore in soft loans from the government for 39 apparel factories, severely affected by the recent labour unrest.
- One of these affected exporters, Dekko Legacy Group, a relatively new player with two units in Ashulia, produces around 90,000 woven garments per month, with a monthly export value of USD 15 million, according to BGMEA data.
- However, the past month has been difficult for the group.
- Managing Director Kalpan Hossain described the situation as "abnormal," attributing it to security concerns that limited production to just three days in September.
- Similar to Dekko Legacy Group, AR Jeans Producer Ltd, a LEED-certified denim factory in Ashulia with an annual export value of around USD 120 million, was unable to operate properly in September due to the unrest.

**News Source:**

https://www.tbsnews.net/economy/rmg/bgmea-seeks-over-tk58cr-loans-39-rmg-factories-hit-hard-unrest-961481

### Energy

## Industries counting losses as gas crisis lingers

- Despite government assurances of an improved gas supply situation by mid-July following repairs of a damaged FSRU (floating storage regasification unit), entrepreneurs report that the situation remains unchanged in October, nearly three months later.
- Numerous textile mills, including some of the country's largest, have reported significant production cuts and substantial financial losses.
- Israq Spinning Mills Limited, one of the largest textile mills located at Mawna of Sreepur upazila in Gazipur, has seen its gas pressure plummet to near zero at peak time, significantly reducing its production capacity from 160 tonnes a day to merely 60 tonnes.
- Even though my mill has approval for 15 PSI (pounds per square inch, a measurement unit for gas pressure), it drops to one or even zero during peak hours.

**News Source:**

https://www.tbsnews.net/bangladesh/energy/industries-counting-losses-gas-crisis-lingers-962081

### Capital Market

## Stocks continue to bleed

- Stock markets in Bangladesh maintained a downward trend for a third consecutive day yesterday, with the values of a majority of shares marking a significant drop.
- The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), edged down by 11.84 points, or 0.22%, from that on the previous day prior to closing at 5,323.
- Likewise, the DSES, the index that represents Shariah-compliant companies, slipped by 1.65 points, or 0.14%, to 1,187.
- Meanwhile, the DS30 index for blue-chip firms dropped by 3.01 points, or 0.15%, to 1,939.
- Chittagong Stock Exchange saw a similar trend as the CASPI, the broad index of the port city bourse, went down by 51.01 points, or 0.34%, to settle at 14,961.

**News Source:**

https://www.thedailystar.net/business/news/stocks-continue-bleed-3723146

## GPH Ispat to issue preference shares worth Tk 500cr to repay loan

- GPH Ispat Limited, a leading steel manufacturer in the country, has now decided to issue preference shares to raise up to BDT 500 crore to refinance its existing loans.
- Earlier in August, the GPH Ispat unveiled a plan to raise BDT 242 crore issuing rights shares to enhance its production capacity and meet growing demand both locally and internationally.
- In a disclosure on 8 October in a stock exchange filing, the issuance of non-convertible, cumulative, redeemable and non-participative preference shares subject to approval from the Bangladesh Securities and Exchange Commission (BSEC).
- Preference shares are company stock with dividends that are paid to shareholders before common stock dividends are paid out.
- The company reported an earnings per share (EPS) of BDT.77 for FY24, which was BDT 0.58 in the previous fiscal year.

**News Source:**

https://www.tbsnews.net/economy/stocks/gph-ispat-issue-preference-shares-worth-tk500cr-repay-loan-961986