Daily News Snippet

October 30, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,017.33
% change	2.43%
DS30 Index	1,858.28
% change	2.90%
DSES Index	1,113.66
% change	2.41%
Turnover (BDT mn)	3,465.86
Turnover (USD mn)	28.88
% change	-2.98%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,233.05
% change	-0.36%
S&P 500	5,832.92
% change	0.16%
Nikkei 225	38,903.68
% change	0.77%
FTSE 100	8,219.61
% change	-0.80%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	129.74	129.76
GBP	155.65	155.69
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
29-Oct-24	9.75 – 11.00	9.98
28-Oct-24	9.50 - 10.50	9.92
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	70.73	-0.38%
Gold Spot, USD/t oz.	2,775.13	1.21%
Cotton, USD/lb.	70.56	0.28%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 2.43% in the last trading day, closing at 5,017.33 points.
- The daily turnover decreased 2.98% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.36% loss, S&P 500 posted 0.16% gain and FTSE 100 posted 0.80% loss yesterday.
- One of the leading Asian market indices, NIKKEI posted 0.77% gain yesterday.

Key macro indicators

- While the USD rate remained stable, the value of all major currencies appreciated against BDT.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 9.98% with a high rate of 11.00% and low rate of 9.75%.
- The oil price decreased 0.38% in the last trading day.

Global Macro Update

Gold prices hover near record peak

- Gold prices lingered near record highs on Tuesday, supported by uncertainty surrounding the upcoming US presidential election, while investors awaited data for clues on the Federal Reserve's interest rate trajectory.
- Spot gold was up 0.4% to USD 2,753.66 per ounce as of 0730 GMT, just shy of a record high of USD 2,758.37 hit last Wednesday.
- US gold futures gained 0.4% to USD 2,765.80.
- The lead-up to the upcoming US elections may continue to offer traction for its status as a hedge against market turbulence, further supported by a temporary breather in the US dollar and Treasury yields overnight.

News Source:

https://www.thedailystar.net/business/news/gold-prices-hover-near-record-peak-3739981

Bangladesh Macro Update

Forex rate stability helps boost external reserves

- The exchange rate of Bangladeshi Taka (BDT) against the US dollar has long been witnessing stability, easing its sales pressure to a greater extent, and giving an impetus to the country's foreign-exchange reserves.
- The US currency is now selling to importers as well as the inter-bank market at BDT 120 each while buying rate is offered to exporters at BDT 119, according to market operators.
- The exchange rate has been maintaining these levels since August 20 last and the operators are expecting it to continue until December next.
- The exchange rate of BDT against the US dollar is becoming stable gradually as the inflow of foreign exchange strengthened against its outflow.

News Source:

https://today.thefinancialexpress.com.bd/last-page/forex-rate-stability-helps-boost-external-reserves-1730222139

BD holds potential of 7.0m caregiver jobs, global demand 300m

- Bangladesh holds the potential to create around 7.0 million new jobs by 2035 in care-giving services while the global demand may rise over 300 million, according to ILO findings.
- Requisite investments in care policies like childcare and long-term care and proper trainings can help realise the chances as Bangladesh needs huge jobs for various segments of unemployed population.
- The report showed that formally recognizing caregivers as legitimate workers through a systematic approach is crucial for empowering them to organize, engage in labour-rights discussions and advocate for improved working conditions.

- The study has identified that the care sector is often characterized by gender disparities, with women disproportionately represented in low-paid and insecure roles, and addressing these inequalities is vital for creating a more equitable workforce.

News Source:
https://today.thefinancialexpress.com.bd/first-page/bd-holds-potential-of-70m-caregiver-jobs-global-demand-300m-1730221606

Minimum taxes may be lifted following recommendations

- Minimum taxes may go in the first stroke as the advisory committee on revenue reform suggests exploring ways to phase out some regressive-nature taxes.
- In a meeting with the National Board of Revenue (NBR) high-ups Tuesday, the members of the panel also underscored the need for automating the tax and VAT offices across the country.
- Top officials of the NBR also agreed on the need to come out from the taxes that include Tax Deducted at Source and VAT Deducted at Source, but expressed concern over adverse impact on country's revenue mobilisation unless alternatives were found.
- The tendency of concealment of actual income and tampering with financial statement to evade taxes are the major reasons for introduction of minimum taxes or TDS.

News Source:
https://today.thefinancialexpress.com.bd/first-page/minimum-taxes-may-be-lifted-following-recommendations-1730221929

FDI drops by 8.8% in FY24 amid economic volatility

- The country's net foreign direct investment (FDI) inflow fell by 8.8% in FY24 compared to the previous fiscal year due to difficulties in repatriating earnings, a volatile foreign exchange situation, and other economic uncertainties, according to the Bangladesh Bank.
- Net FDI inflow dropped from USD 1.61 billion in FY23 to USD 1.47 billion in FY24.
- Moreover, outstanding FDI from the USA dropped by USD 2.92 billion in the last six months.
- Economists warn that Bangladesh's recent credit rating downgrades could further affect FDI.

News Source:
https://www.tbsnews.net/economy/fdi-drops-88-fy24-amid-economic-volatility-979726

Sectoral Update

Apparel and Textile

BGMEA seeks payment from Australian buyer

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday requested the Australian high commissioner in Bangladesh to take measures regarding approximately USD 20.30 million in outstanding payments that a Sydney-based company owes to 23 local exporters.
- Anwar Hossain, the administrator of the trade body, sent a letter Nardia Simpson, acting high commissioner of Australia in Bangladesh, seeking payments to the affected suppliers.

- The RMG last experienced such a significant dip in value addition, or net export, at 51% during the July-September quarter of FY23.
- Ensuring these payments will not only safeguard the operations of these factories but also protect the livelihoods of the workers who depend on them.
- Non-payment is adversely impacting the regular business activities of the factories in their dealings with the line banks.

News Source:

https://www.thedailystar.net/business/news/bgmea-seeks-payment-australian-buyer-3740026

Energy

Scrapped FSRU project may get new life under a fresh move

- After scrapping a deal signed by the previous government with local Summit Group, the interim government has now taken a fresh move to build a new floating LNG terminal of similar type at the same site on the Moheshkhali island.
- The energy and mineral resources division (EMRD) under the Ministry of Power, Energy and Mineral Resources (MPEMR) has already instructed state-run Petrobangla to take steps in this regard, according to Petrobangla Chairman Zanendra Nath Sarker.
- Officials said that the MPEMR directed the Petrobangla to float international tender either under the Public Procurement Act 2006, Public Procurement Rules 2008 or Bangladesh Public-Private Partnership Act 2015 to implement the floating storage and re-gasification unit (FSRU) project in the shortest possible time.
- The interim government took the decision following a recommendation by a four-member committee of purchase experts, and a deputy attorney general, according to a senior official at the EMRD.

News Source:

https://today.thefinancialexpress.com.bd/last-page/scrapped-fsru-project-may-get-new-life-under-a-fresh-move-1730222247

All producers get 100pc tax exemption for 5 years

- The government has provided 100% tax-exemption facilities for all renewable energy-oriented power producers whose commercial production will begin between July 01, 2025 and June 30, 2030 on the basis of Build Owned Operate (BOO).
- However, the eligible power producers will be enjoying tax exemption at the rate of 50% for the next three years while 25% tax exemption will be applicable for two more years.
- The National Board of Revenue (NBR) on Tuesday issued a circular to this effect under the Private Sector Power Generation Policy of Bangladesh.
- The eligible renewable power producers will have to comply with the existing conditions of the Private Sector Power Generation Policy of Bangladesh, according to the circular.

News Source:

https://today.thefinancialexpress.com.bd/last-page/all-producers-get-100pc-tax-exemption-for-5-years-1730222613

Capital Market

Stocks rebound on BSEC move to discuss liquidity with gov

- Dhaka stocks bounced back on 29 October after a sharp four-session decline, on the back of hopes for improvement as the securities regulator plans to meet with the government to address key issues affecting the stock market, including the ongoing fund shortage.
- The DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), surged by 2.43% to 5,017 points.
- It had fallen from the 5,700 level a month ago, closing at 4,889 on Monday.
- The benchmark index paused its prolonged losing streak as bargain hunters took positions on scrips based on the latest earnings declarations to avail short-term gains amid a regulatory effort to rebound investors' market sentiment, according to market insiders.
- Turnover on the country's premier bourse, however, declined to BDT 346 crore from BDT 357 crore in the previous session

News Source:

https://www.tbsnews.net/economy/stocks/stocks-rebound-bsec-move-discuss-liquidity-govt-979566

Brokers advise against labelling of stocks

- Brokers of the Dhaka bourse have demanded the removal of the existing categorisation of securities, saying it creates scope of manipulation in the secondary market.
- In a letter, the DSE Brokers Association (DBA) points to fraudsters' tendency of artificially increasing prices of some B stocks.
- Many companies, which are listed in the B category, distribute nominal dividends to shareholders to maintain the status even though their financial performance does not support dividend payments.
- Weak companies' stocks become overvalued in the guise of good stocks, according to brokers.
- Stock price manipulation makes the market volatile and general investors suffer because of this.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/brokers-advise-against-labelling-of-stocks-1730217400