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Daily News Snippet

November 05, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,252.50
% change	1.19%
DS30 Index	1,937.59
% change	1.16%
DSES Index	1,162.40
% change	1.33%
Turnover (BDT mn)	5,652.46
Turnover (USD mn)	47.10
% change	31.04%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	41,794.60
% change	-0.61%
S&P 500	5,712.69
% change	-0.28%
Nikkei 225	38,053.67
% change	0.00%
FTSE 100	8,184.24
% change	0.09%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	130.01	130.02
GBP	155.11	155.15
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
04-Nov-24	9.50 – 11.00	9.93
03-Nov-24	9.50 – 11.00	9.97
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	75.08	2.71%
Gold Spot, USD/t oz.	2,736.39	0.05%
Cotton, USD/lb.	69.93	-0.34%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 1.19% in the last trading day, closing at 5,252.50 points.
- The daily turnover increased 31.04% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.61% loss, S&P 500 posted 0.28% loss and FTSE 100 posted 0.09% gain yesterday.
- One of the leading Asian market indices, NIKKEI was closed yesterday due to a public holiday in Japan.

Key macro indicators

- Most of the major currency exchange rates remained stable against BDT yesterday.
- The average overnight rate decreased in the last trading day.
- The current weighted average overnight rate stood at 9.93% with a high rate of 11.00% and low rate of 9.50%.
- The oil price increased 2.71% in the last trading day.

Global Macro Update

China to hash out stimulus plan with US elections in sight

- China's top lawmakers gathered Monday to hash out a major stimulus package that analysts say could grow even bigger if former US president Donald Trump wins the White House this week.
- Beijing has in recent months heeded calls to step up support for the economy after years of inaction, announcing a raft of measures including rate cuts and the easing of some home buying restrictions.
- But they have refrained from unveiling a figure for the long-awaited stimulus.
- The measures are expected to be announced when the meeting wraps up on Friday, in time for Beijing to take stock of results of presidential elections in the United States.
- Both candidates in the race have pledged to get tougher on Beijing, with Trump promising tariffs of 60% on all Chinese goods coming into the country

News Source:

https://www.thedailystar.net/business/news/china-hash-out-stimulus-plan-us-elections-sight-3744876

Bangladesh Macro Update

Dhaka urges EU to relax new GSP criteria

- Bangladesh has requested the European Union to consider revising its new (draft) GSP scheme, particularly the safeguard clauses, so that all exportable products including ready-made garments can avail of the trade privileges beyond 2029.
- At a joint commission meeting attended by top EU diplomats in Dhaka yesterday, Economic Relations Division officials also urged the EU to consider adopting flexible rules of origin (RoO) criteria.
- Bangladesh, set to graduate from the least developed country (LDC) status in November 2026.
- But the country will continue to access the existing duty-free privileges under the current GSP (generalised system of preferences) and EBA (Everything but Arms) schemes until 2029 as the EU grants an additional three-year transition after graduation.
- For continued trade benefits beyond that period, Bangladesh can apply for the new GSP+ scheme which comes with tougher eligibility criteria requiring Bangladesh to add more domestic value to its products and meet human rights, labour and environmental standards.

News Source:

https://www.tbsnews.net/economy/dhaka-urges-eu-relax-new-gsp-criteria-984746

Sectoral Update

Banks, NBFIs, and Insurance

Paltry disbursement, high cost of funds compound crisis

- Drawn-out disbursement process and excessive cost of fund in the central bank-guaranteed liquidity feeding to the crisis-ridden commercial banks are making it more of a hindrance than help, according to bankers.

- Because of the delay even in getting the costly cash assistance from the well-off banks under the guarantee scheme, the troubled banks find it hard to handle the customers rushing to withdraw their money out of heightened panic.
- The pressure of depositors to withdraw cash keeps growing and the banks amid persisting liquidity crunch are battling hard to calm down the anxious depositors by disbursing an amount too little to meet their requirements.
- High-ups of six crisis-hit commercial lenders, mostly unconventional, shared such concerns in a meeting with the Bangladesh Bank governor, Dr Ahsan H Mansur.
- The six banks at the receiving end are Social Islami Bank, First Security Islami Bank, Bangladesh Commerce Bank, Union Bank, ICB Islamic Bank and Padma Bank.

News Source:

https://today.thefinancialexpress.com.bd/first-page/paltry-disbursement-high-cost-of-funds-compound-crisis-1730742301

BB to lift LC restrictions on crisis-hit banks

- The Bangladesh Bank (BB) has decided in principle to withdraw the restrictions on opening letters of credit (LCs) by six crisis-hit banks, according to officials.
- The measure, which was imposed in August this year, prevented banks from opening LCs only by keeping a 100% margin.
- Mohammad Forkanullah, managing director (acting) of Social Islami Bank, told that the governor responded positively to their request.
- Central bank invited them to learn about the latest developments, including loan recovery, deposit mobilisation and overall banking activities.
- The six banks also requested the central bank to quickly process liquidity support, which is being offered through the inter-bank money market

News Source:

https://www.thedailystar.net/business/news/bb-lift-lc-restrictions-crisis-hit-banks-3744891

Energy

Govt inherits Tk 50,000cr in power and energy dues, plans special bond for payment relief

- The government's outstanding debt in the power and energy sector has soared to a record of nearly BDT 50,000 crore with around BDT 45,500 crore accrued in the electricity sector alone from August last year to October this year.
- BDT 3,500-4,000 crore in new dues are added each month to the bill.
- However, with limited revenue collection, the Finance Ministry has only been able to pay down between BDT 1,500-2,000 crore monthly.
- To manage the outstanding payments, the ministry is planning to issue a BDT 5,000 crore bond hoping to stabilise at least some of the overdue payments, according to the officials.

- One of the biggest creditors is India's Adani Group with an outstanding balance of around USD 840 million, translating to over BDT 10,000 crore.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-faces-tk50000cr-power-and-energy-dues-plans-special-bond-payment-relief

Adani changes course, decides to resume power supply soon

- India's Adani changes course and decides to resume power supply from its closed plant unit shortly as payment row eases following accord on LC revision.
- Both parties agreed amending letter of credit (LC) terms on payment of USD 170 million to the Indian conglomerate.
- The Adani Power and Bangladesh Power Development Board (BPDB) agreed on amendment to the LC and it is now awaiting approval from the Bangladesh Bank, according to a senior Power Division official.
- The power board usually pays the APJL four times a week - Monday, Tuesday, Wednesday and Thursday.
- If the payment trend continues, APJL is set to get USD 30 million more within this week.

News Source:

https://today.thefinancialexpress.com.bd/first-page/adani-changes-course-decides-to-resume-power-supply-soon-1730742674

Capital Market

Capital-gains tax cut to half from 30pc

- Government's revenue authority halved the tax on capital-gains from sales of shares by individual investors in the stock market.
- The fiscal perks spurred instant stocks rebound.
- The National Board of Revenue (NBR) has issued a notification by lowering the tax rate to 15% on capital-gains above BDT 5.0 million from trading in shares on the stock exchanges.
- Meanwhile, substantial price hikes of selective large-cap stocks, including blue chips, helped the benchmark index of the Dhaka Stock Exchange (DSE) surge almost 62 points or 1.18% to settle at 5,252.
- Previously, the total tax incidence surged to 40.50% on a stock investor due to these provisions, with tax and surcharge combined.

News Source:

https://today.thefinancialexpress.com.bd/first-page/capital-gains-tax-cut-to-half-from-30pc-1730742415

Listed cos say few female candidates up for board positions

- Listed companies are yet to comply with the mandatory provision of appointing at least one female independent director in their boards but they put the blame on lack of eligible candidates.

- Only a handful of organisations among those listed, including BRAC Bank, have already hired women in the position of independent director.
- Nearly 360 more listed firms need at least 360 female candidates by April next year to serve as independent director in the organisations.
- Representatives of several companies said that the regulatory obligation to hire women in the independent director positions was an additional challenge facing them amid a scarcity of competent or qualified female candidates especially in the corporate sector.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/listed-cos-say-few-female-candidates-up-for-board-positions-1730738288