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Daily News Snippet

November 06, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,365.02
% change	2.14%
DS30 Index	1,967.76
% change	1.56%
DSES Index	1,191.58
% change	2.51%
Turnover (BDT mn)	8,397.06
Turnover (USD mn)	69.98
% change	48.56%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,221.88
% change	1.02%
S&P 500	5,782.76
% change	1.23%
Nikkei 225	38,474.90
% change	1.11%
FTSE 100	8,172.39
% change	-0.14%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	130.52	130.54
GBP	155.48	155.50
INR	1.43	1.43
Source: BB		

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

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	75.53	0.60%
Gold Spot, USD/t oz.	2,743.59	0.26%
Cotton, USD/lb.	69.95	0.03%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 2.14% in the last trading day, closing at 5,365.02 points.
- The daily turnover increased 48.56% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 1.02% gain, S&P 500 posted 1.23% gain and FTSE 100 posted 0.14% loss yesterday.
- One of the leading Asian market indices, NIKKEI gained 1.11% in the last trading day.

Key macro indicators

- While USD rate remained stable, the value of Euro and GBP appreciated against BDT, and the value of INR depreciated against BDT.
- The average overnight remained stable 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 0.60% in the last trading day.

Bangladesh Macro Update

Building multibillion-dollar Bay Terminal takes new nudge

- Building the planned multibillion-dollar Bay Terminal in Chattagram takes new nudge in the changed political context as government authorities are set to evaluate progress and set new course of action.
- Officials have said that the ministry of shipping will sit with all parties concerned next week for the stocktaking and deciding what it takes to kick-start the construction process with local and foreign financing.
- The ministry officials will sit with the Chittagong seaport officials, the probable local and foreign investors, officials from the Public-Private Partnership Authority (PPPA), the transaction adviser, and people concerned.
- Local and foreign investors are intent on investing some USD 8.0 billion in the project for construction of the terminal near the Halishahar coast of the Bay of Bengal.
- It will help enhance Chittagong port's annual handling capacity by 5.0 million Twenty-foot Equivalent Units (TEUs).

News Source:

https://today.thefinancialexpress.com.bd/first-page/building-multibillion-dollar-bay-terminal-takes-new-nudge-1730829020

WB agrees to lend $400m for bankrolling project

- A latest World Bank financing worth USD 400 million is expected for strengthening financial-safety net and crisis preparedness in Bangladesh.
- The money will go for bankrolling the Financial Sector Support Project (FSSP) -II and the total tenure of the project will be five years.
- Under the proposal, Bangladesh will achieve at least six outcomes that include enacting Distressed Asset Management Act (DAMA) and stress test based on AQR (Asset Quality Review) for all the scheduled banks within the second and third years of the project.
- Non-performing loans (NPL) resolution guidelines will be issued and enforcement departments will be established at the central bank during the period under the review.
- Besides, two acts - Financial Stability Act and Deposit Protection Act -will be issued under the project.

News Source:

https://today.thefinancialexpress.com.bd/first-page/wb-agrees-to-lend-400m-for-bankrolling-project-1730828819

AL growth myth: Now per capita income may drop by $500

- The development myth created during the previous Awami League regime looks set to be busted as a committee formed by the interim government started revealing the tricks behind the fairy-tale data.
- One member cited their initial findings that suggest last fiscal year's real per capita income would be USD 500 less than what the previous government claimed to be.

- Bangladesh's per capita income could stand at USD 2,200 in FY24, not USD 2,784 put by the official statistical agency in its provisional data.
- In 2019-20, when GDP growth fell to 3.45%, less than a half of the previous year's rate amid Covid shocks, Bangladesh reported per capita income of USD 2,326, more than a hundred dollar rise year-on-year.
- It raised eyebrows of many as pandemic-induced lockdowns threw many out of incomes and businesses.

News Source:

https://www.tbsnews.net/economy/al-growth-myth-now-capita-income-may-drop-500-985711

Bangladesh-India informal trade estimated at $11b: NBR official

- Despite the growth in formal trade between Bangladesh and India, a substantial volume of informal trade persists, estimated at USD 11 billion, according to a senior official from the National Board of Revenue (NBR).
- He termed the large informal trade a serious concern, stating that it presents a significant challenge for the NBR, particularly in terms of revenue collection.
- In the 2022-23 fiscal year, trade between Bangladesh and India amounted to around USD 16 billion.
- Bangladesh derives a large share of its import duty revenue from Indian goods.
- However, informal trade prevents the government from collecting import taxes on these goods.

News Source:

https://www.tbsnews.net/economy/bangladesh-india-informal-trade-estimated-11b-nbr-official-985631

Saudi recruits highest from Bangladesh in 34 months

- Overseas employment is back on track after four months, with Saudi Arabia hiring 83,582 Bangladeshis in October, marking the highest job placement to a single country in 34 months.
- Around 1.04 lakh Bangladeshis travelled abroad for employment last month, according to data from the Bureau of Manpower, Employment, and Training (BMET).
- Foreign job placements had been in decline since June this year due to political turmoil surrounding a student-led uprising and the closure of the Malaysian labour market.
- However, visa trading and high iqama fees in the oil-rich country have become major concerns for Bangladeshi labour migration stakeholders, as migrant workers are increasingly facing early returns home.
- Many mega projects have been initiated in Saudi Arabia, which has created a demand for labour, and visa trading is going on taking advantage of this.

News Source:

https://www.tbsnews.net/bangladesh/migration/saudi-recruits-highest-bangladesh-34-months-985796

Sectoral Update

Banks, NBFIs, and Insurance

A third of NBFIs hold over 73% of bad loans

- 12 non-bank financial institutions (NBFIs) out of a total 35 are holding nearly 73.5% of the sector's bad loans, according to Bangladesh Bank data.
- As of June, this year, soured loans at the 35 NBFIs in the country totalled a record BDT 24,711.28 crore, with BDT 18,164.5 crore concentrated in 12 NBFIs.
- The NBFIs are Aviva Finance, FAS Finance, International Leasing, People's Leasing, Phoenix Finance, Premier Leasing, Union Capital, Bangladesh Industrial Finance Company Limited (BIFC), Fareast Finance, First Finance, Infrastructure Development Company Limited (Idcol) and Uttara Finance.
- The situation is dire for six of these NBFIs as nearly all their loans have soured, according to industry insiders.
- Central bank data showed that the proportion of bad loans at FAS Finance, International Leasing, People's Leasing, Union Capital, BIFC, and Fareast Finance is more than 90% of total disbursed loans.

News Source:

https://www.thedailystar.net/business/news/third-nbfis-hold-over-73-bad-loans-3745841

Apparel and Textile

Surging orders set to boost denim exports

- Bangladeshi denim exporters, denim fabric millers, and their buyers are very optimistic about business growth this year, as they are receiving more orders due to the economic recovery in their major export destinations.
- By the end of this year, the sector may recover the business lost last year and reach new heights.
- Syed M Tanvir, managing director of Pacific Jeans, said that they have a good number of orders to run their production at full capacity, producing about 1.5 lakh units of jeans per day.
- To add more value, the company is also planning to install a new recycling plant, considering that many brands have set goals to increase the use of recycled yarn by 2030, according to Tanvir Ahmed, managing director of Envoy Textiles.
- Shams Mahmud, managing director of Shasha Denims, echoed the positive sentiments saying that they have also seen growth in orders for fabrics.

News Source:

https://www.tbsnews.net/economy/rmg/surging-orders-set-boost-denim-exports-984751

Capital Market

Market keeps surging on capital gains tax cut

- Stocks surged for the second consecutive day, with the Dhaka bourse's key index reaching a 13-day high on the back of a recent capital gains tax cut that bolstered investor sentiment.

- On Tuesday, DSEX, the broad index of the Dhaka Stock Exchange (DSE), gained 112 points, or 2.1%, to reach 5,365, while the blue-chip index DS30 gained 30 points to close at 1,967.
- Market turnover surged by 48% to BDT 839 crore, marking its highest level in 48 days as investor participation intensified.
- The market cap at the DSE also increased by BDT 5,865 crore, reaching BDT 6.72 lakh crore.
- However, market insiders cautioned that the sustainability of this upward trend depends on the earnings declarations of listed companies for the July-September quarter, as well as broader political and economic stability.

News Source:

https://www.tbsnews.net/economy/stocks/dsex-rallies-112-points-capital-gains-tax-cut-sparks-market-surge-985071