Daily News Snippet

November 11, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,265.85
% change	-0.95%
DS30 Index	1,953.68
% change	-0.60%
DSES Index	1,175.51
% change	-1.04%
Turnover (BDT mn)	5,596.66
Turnover (USD mn)	46.94
% change	3.35%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43.988.99
% change	0.00%
S&P 500	5,995.54
% change	0.00%
Nikkei 225	39,500.37
% change	0.00%
FTSE 100	8,072.39
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	128.62	128.63
GBP	155.05	155.10
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
10-Nov-24	9.75 – 11.00	9.94
08-Nov-24	9.50 – 11.00	9.91
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.80	-0.09%
Gold Spot, USD/t oz.	2,685.65	0.07%
Cotton, USD/lb.	70.98	0.00%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.95% in the last trading day, closing at 5,265.85 points.
- The daily turnover increased 3.35% in the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI was also closed yesterday.

Key macro indicators

- While USD rate remained stable, the value of GBP appreciated against BDT, and the values of Euro and INR depreciated against BDT.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 9.94% with a high rate of 11.00% and low rate of 9.75%.
- The oil price decreased 0.09% in the last trading day.

Bangladesh Macro Update

Oct exports post 20.65pc growth

- Export earnings registered a whopping 20.65% growth in October 2024, riding on the readymade garments sector despite labour unrest.
- Bangladesh fetched USD 4.13 billion in October this year compared to USD 3.42 billion in corresponding month of last year, according to Export Promotion Bureau (EPB).
- The RMG sector alone fetched USD 3.29 billion during the month under review, recording a 22.80% growth from USD 2.68 billion in October 2023.
- EPB data also revealed that overall export trade of the country during the first four months of the current fiscal year (FY) from July to October grew 10.80% to USD 15.78 billion.

News Source:

https://today.thefinancialexpress.com.bd/first-page/oct-exports-post-2065pc-growth-1731262284

Planned 100-EZ concept on economic expansion ditched

- A scheme taken up whimsically by the past regime on developing 100 economic zones across Bangladesh looks derelict now as the post-uprising interim government decides to proceed with select few key EZs.
- This shift in strategy, supported by the new leadership of two investment-promotion agencies, focuses on developing a set of prioritized zones on a fast track with clearly defined timelines.
- The deposed government had given approval for establishing 97 economic zones countrywide- 68 government and 29 private EZs.
- Feasibility studies, land acquisition and identifying area-specific social and environmental initiatives were initiated for these approved zones.

News Source:

https://today.thefinancialexpress.com.bd/first-page/planned-100-ez-concept-on-economic-expansion-ditched-1731262359

Bangladesh seeks delay in LDC graduation

- Bangladesh mulls taking reasonable time for its scheduled graduation to a developing nation from the status of least developed countries (LDCs) in 2026.
- Bangladesh will not go for graduation hurriedly, rather it would take some more time, according to Finance and Commerce Adviser Dr. Salehuddin Ahmed.
- Salehuddin further said that the country's businessmen are concerned about their trade future, as the LDC graduation will cut the preferential trade facilities in different developed countries.
- About the FTA, the commerce adviser said the government will continue negotiations for signing the FTAs with different countries including Japan, Malaysia Indonesia and India.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bangladesh-seeks-delay-in-ldc-graduation-1731262407

Sectoral Update

Banks, NBFIs, and Insurance

Costly borrowing instrument destabilises interest regime

- Commercial banks are increasingly banking on costly borrowing instrument called SLF or standing liquidity facility created by the central bank at the expense of volatility in the existing interest regime.
- As the banks having liquidity stress are not getting positive response from the affluent banks on the interbank call-money market, they keep taking recourse to the costly borrowing option to somehow manage their liquidity penury.
- As a matter of fact, costs of funds for the liquidity-strapped banks, having not enough instruments to avail repo facility, have been on the rise in recent months and the burden could pass on to the customers through an increase in the lending rates.
- As devised by the regulator, SLF is the upper ceiling of the interest corridor through which commercial lenders can access credits from the Bangladesh Bank (BB) at the rate of 11.50%.
- The growing dependence on SLF would possibly create volatility in interest-rate regime as some of the banks already increased lending rate over 15%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/costly-borrowing-instrument-destabilises-interest-regime-1731262221

Apparel and Textile

BGMEA, BKMEA elections key to labour peace: CPD's Moazzem

- The interim government should prioritise holding elections within various trade bodies, particularly the BGMEA and BKMEA, according to Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue.
- An elected representative body can negotiate with workers effectively, he added.
- Promoting the impact of representative bodies, he gave instances where factory owners had been compelled to settle workers' dues, even by selling machinery or securing bank loans.
- The upheaval and the labour unrest is due to delays in implementing the updated wage structure, including wage increases and various allowances.
- Moazzem, an industrial economist, urged the interim government to facilitate the implementation of the 18-point agreement reached during a tripartite meeting at the Bangladesh Secretariat on 23 September.

News Source:

https://www.tbsnews.net/economy/rmg/bgmea-bkmea-elections-key-labour-peace-cpds-moazzem-989946

Capital Market

Stocks fall for the third day

- The stock market indices in Bangladesh extended their downward trend for the third consecutive day, largely due to the poor performance of large-cap and blue-chip shares amid a lack of investor confidence.

- DSEX, the broad index of the Dhaka Stock Exchange (DSE), shed by 50.49 points, or 0.95% from the previous day before closing the day at 5,265.
- Similarly, the DSES index representing Shariah-based companies slipped by 12.40 points, or 1.04%, to 1,175.
- In the blue-chip segment, the DS30 index dipped by 11.86 points, or 0.60%, to 1,953.
- Turnover, which indicates the total value of shares traded on the country's premier bourse, stood at BDT 559 crore, an increase of 3.34% compared to the previous trading session.

News Source:

https://www.thedailystar.net/business/news/stocks-fall-the-third-day-3749366

Regulator to fine directors of cos for non-payment of dividends

- In a major drive to enforce compliance, the securities regulator is going tough on errant companies that failed to complete the distribution of approved cash dividends.
- The Bangladesh Securities and Exchange Commission (BSEC) has decided to penalize directors and managing directors of 10 listed companies with a fine amounting to BDT 1 million to BDT 23.5 each if they fail to make the payments by December 15 this year.
- The directors and managing directors, who may have to pay the fine, head Safko Spinning Mills, Pacific Denims, Associated Oxygen, Lub-rref (Bangladesh), Oryza Agro Industries, Mamun Agro Industries, Krishibid Feed, Krishibid Seed, and Bangladesh Paints.
- It was aimed at protecting investors' interests and upholding the integrity of the capital market.
- Besides, Prudential Capital and NLI Securities will have to pay a fine of BDT 0.5 million each for deficits in their consolidated customers' accounts.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/regulator-to-fine-directors-of-cos-for-non-payment-of-dividends-1731257080