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Daily News Snippet

November 14, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,316.02
% change	0.33%
DS30 Index	1,972.20
% change	0.11%
DSES Index	1,184.96
% change	0.17%
Turnover (BDT mn)	4,798.74
Turnover (USD mn)	39.99
% change	-16.93%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,958.19
% change	0.11%
S&P 500	5,985.38
% change	0.02%
Nikkei 225	38,721.66
% change	-1.60%
FTSE 100	8,030.33
% change	0.06%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	126.76	126.78
GBP	152.44	152.53
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average (%)**
13-Nov-24	9.80 - 11.00	10.00
12-Nov-24	9.75 - 11.00	9.96
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	72.28	0.54%
Gold Spot, USD/t oz.	2,573.78	-0.90%
Cotton, USD/lb.	68.90	0.19%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.33% in the last trading day, closing at 5,316.02 points.
- The daily turnover decreased by 16.93% on the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted a 0.11% gain, the S&P 500 posted a 0.02% gain and the FTSE 100 posted a 0.06% gain.
- One of the leading Asian market indices, NIKKEI lost 1.60% in the last trading day.

Key macro indicators

- While the USD rate remained stable, the values of the EUR, GBP, and INR depreciated against BDT.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 10.00% with a high rate of 11.00% and low rate of 9.80%.
- The oil price increased 0.54% in the last trading day.

Bangladesh Macro Update

Budget deficit financing bloats govt bank borrowing to Tk 595b

- Hefty budget-deficit financing bloats government borrowing to BDT 595.16 billion in the first four months of the current fiscal year and much of the money goes for repaying debts to the central bank.
- The ministry of finance borrowed BDT 595.16 billion from all the scheduled banks through issuing treasury bills and bonds during the July-October period while BDT 391.07 billion was paid to the central bank.
- Actually, the government borrowed the money from the banks during the period of this fiscal year partly to meet budget deficit but its net borrowing stood over BDT 204.09 billion during the period.
- The net bank borrowing of the government was deficit BDT 31.82 billion in the same period of the FY'24, according to the official figures of Bangladesh Bank.
- The government has been forced to borrow more from the banking system mainly due to lower revenue mobilization in recent months.

News Source:

https://today.thefinancialexpress.com.bd/first-page/budget-deficit-financing-bloats-govt-bank-borrowing-to-tk-595b-1731522064

Project cost to rise by 63pc

- The construction cost of a 122.55-km rail line, including 37.49km loop, from Shahid M Monsur Ali Rail Station in Sirajganj to Bogura is set to rise by 63% due to the project delays caused by complexities, mainly a delay in securing Indian loans.
- The project, which was approved in July 2018, was scheduled to be completed by June 2023.
- The project cost was estimated at BDT 55.80 billion, with BDT 24.33 billion from the government and BDT 31.47 billion from India's third Line of Credit.
- The rail ministry initiates to revise the project proposal with the estimated cost of BDT 91 billion.

News Source:

https://today.thefinancialexpress.com.bd/last-page/project-cost-to-rise-by-63pc-1731522400

Ministry issues state guarantee for Tk 3000cr loans to ICB

- The Ministry of Finance has extended a BDT 3,000 crore state guarantee to the Investment Corporation of Bangladesh (ICB) to bolster the ailing state-owned investment firm.
- In case ICB fails to repay the principal or interest, the government will pay it back, the ministry wrote to the central bank governor and the guarantee has been issued for 18 months.
- The ICB sought the loan for investing in the capital market alongside strengthening its own financial health through repaying some high-cost debts.
- The ICB, having huge funds stuck in poorly performing stocks and deposits with lenders, is struggling to repay many government and private banks despite maturity of the borrowing arrangements.

News Source:

https://www.tbsnews.net/economy/ministry-issues-state-guarantee-tk3000cr-loans-icb-992296

Bangladesh receives $7b remittance in 3 months

- Bangladesh has received remittance of over USD 7 billion from expatriate citizens in the last three months.
- During the last three months, a total of 2,22,821 Bangladeshi workers went abroad.
- Highlighting the activities of the Ministry of Expatriates' Welfare and Overseas Employment, the report said the interim government provided financial support of about BDT 34 crore to the families of migrant workers who died abroad.
- Each family received BDT 3 lakh.
- A total of BDT 216.33 crore was disbursed among 9,989 migrant workers as housing loan from Probashi Kallyan Bank.

News Source:

https://www.tbsnews.net/economy/ministry-issues-state-guarantee-tk3000cr-loans-icb-992296

Sectoral Update

Banks, NBFIs, and Insurance

Cenbank relaxes LC margin on fertiliser import to stabilise price

- In a bid to stabilise fertiliser prices during the Rabi season this year, the Bangladesh Bank has directed all banks to maintain the letter of credit (LC) cash margin rate at a minimum level.
- In order to ensure an adequate supply of fertilisers as well as to keep its price at a tolerable level, the letter of credit (LC) cash margin should be maintained at a minimum level based on the banker-customer relationship, according to the circular.
- Previously, in early September this year, the Bangladesh Bank had waived the 100% LC cash margin on all types of import, except for some luxury items.
- A higher official of the Bangladesh Bank said that that the demand for fertilisers will increase during the upcoming crop season.
- Instructions have been issued to banks to streamline the procedure for importers, allowing them to open LCs more conveniently for the importation of fertilisers.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-relaxes-lc-margin-fertiliser-import-stabilise-price-992356

Apparel and Textile

EU due diligence key to sustainable RMG business

- Bangladesh needs to follow the European Union Corporate Sustainability Due Diligence Directive and other compliances strictly so that the country's garment business does not get affected after Bangladesh's least developed country club graduation in 2026, according to experts and industry professionals.
- They also suggested that international clothing retailers and brands pay higher prices to the local suppliers as the implementation of these compliances needs additional investment.

- The EU due diligence, which targets net zero carbon emissions by 2030, has already come into effect in July this year and EU members also started applying the new rules on sourcing companies.
- As Bangladesh looks to be a sustainable production hub, capacity building is important too, according to Selim Reza Hasan, country manager of Solidaridad.
- 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.thedailystar.net/business/news/eu-due-diligence-key-sustainable-rmg-business-3752441

Energy

Govt approves import of LNG from Brunei

- Bangladesh will import LNG (liquefied natural gas) from Brunei on a long term basis under a G-to-G contract.
- The Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources moved a proposal of state-owned Petrobangla to seek the approval for such a long term contract.
- Bangladesh has been importing LNG from Qatar and Oman on a long term basis under government to government (G-to-G) agreements.
- Under the new proposal, state-owned Brunei Energy Services and Trading Sdn Bhd (BEST) will supply the LNG to Bangladesh.
- Now Petrobangla will start negotiation to set price of the LNG and also a contract period, according to Petrobangla Chairman Zanendra Nath Sarker.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-approves-import-lng-brunei-992191

Capital Market

DSEX gains amid decline in turnover

- The Dhaka Stock Exchange's (DSE) benchmark index, DSEX, saw a moderate gain of 17 points or 0.33% on Wednesday, closing at 5,316.
- However, daily turnover decreased by roughly 17% as investor activity slowed.
- The session's total turnover reached BDT 480 crore, down from BDT 577 crore in the previous trading day.
- Among the indices, the blue-chip DS30 rose by 2 points, ending at 1,972.
- In terms of stock performance, 152 issues advanced, 175 declined, and 67 remained unchanged.

News Source:

https://www.tbsnews.net/economy/stocks/dsex-gains-amid-decline-turnover-991876