Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,197.58
% change	-0.91%
DS30 Index	1,919.05
% change	-0.81%
DSES Index	1,151.56
% change	-0.94%
Turnover (BDT mn)	3,637.95
Turnover (USD mn)	30.32
% change	-7.45%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,296.51
% change	0.97%
S&P 500	5,969.34
% change	0.35%
Nikkei 225	38,283.85
% change	0.68%
FTSE 100	8,262.08
% change	1.38%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	126.52	126.54
GBP	151.80	151.84
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
21-Nov-24	9.50 – 11.00	10.02
20-Nov-24	9.75 – 11.00	10.02
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	75.17	1.27%
Gold Spot, USD/t oz.	2,712.55	1.61%
Cotton, USD/lb.	70.77	0.48%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.91% in the last trading day, closing at 5,197.58 points.
- The daily turnover decreased 7.45% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.97% gain, S&P 500 posted 0.35% gain and FTSE 100 posted 1.38% gain.
- One of the leading Asian market indices, NIKKEI posted 0.68% gain in the last trading day.

Key macro indicators

- While the USD rate remained stable, the value of Euro and GBP depreciated, whereas INR appreciated against BDT.
- The average overnight rate remained stable in the last trading day.
- The current weighted average overnight rate stood at 10.02% with a high rate of 11.00% and low rate of 9.50%.
- The oil price increased 1.27% in the last trading day.

Bangladesh Macro Update

Credit line cuts by foreign banks, rising LC confirmation charges add to inflation woes

- A sharp reduction in trade credit lines from foreign lenders, coupled with a surge in Letter of Credit (LC) confirmation charges, is undermining efforts by Bangladesh's interim government and central bank to rein in stubbornly high inflation that has remained in double digits for over two years.
- LC confirmation charges have jumped to 4%, up from 2.5%-3% earlier this year, adding significant financial strain on importers.
- This increase is forcing businesses to raise the prices of imported goods and services further fuelling inflation, according to bankers and importers.
- A bigger concern is that foreign banks are becoming increasingly reluctant to confirm their LCs, raising fears of disruptions to critical imports such as food, fuel, and raw materials.

News Source:

https://www.tbsnews.net/economy/credit-line-cuts-foreign-banks-rising-lc-confirmation-charges-add-inflation-woes-1001001

How project delays cost Bangladesh millions in penalty

- Rising financial penalties for prolonged delays in implementing foreign-funded development projects are costing Bangladesh millions of dollars in commitment fees paid to global lenders.
- Undisbursed amounts with lenders accumulate commitment fees over time.
- A commitment fee is a fee that a borrower pays to the lender for keeping a line of credit open or guaranteeing a loan in the future.
- For instance, the Asian Development Bank (ADB) approved USD 300 million in 2011 for the Power System Efficiency Improvement Project, which was scheduled for closing in 2017.
- But it was extended four times to December this year, originally a six-year project, now extending to 13 years.

News Source:

https://www.tbsnews.net/bangladesh/infrastructure/how-project-delays-cost-bangladesh-millions-penalty-1000071

Sectoral Update

Banks, NBFIs, and Insurance

Moody's downgrade doesn't reflect economic progress since July upsurge: Cenbank

- Bangladesh Bank has discounted the Moody's recent downgrade of Bangladesh's sovereign credit rating, arguing it does not accurately reflect the significant political and economic progress made since July 2024.

- The international credit rating agency Moody's on 19 November lowered Bangladesh's sovereign rating from B1 to B2 and maintained its short-term issuer rating as Not Prime, while also shifting the outlook to negative.
- The rating agency cited heightened political risks and potential economic challenges as reasons for the downgrade.
- However, central bank contends that these assessments overlook key reforms and improvements initiated by the interim government following a historic political transformation earlier this year.
- The new government has launched wide-ranging reforms aimed at stabilising the economy, tackling corruption, and strengthening governance, the press release added.

News Source:

https://www.tbsnews.net/economy/banking/moodys-downgrade-doesnt-reflect-economic-progress-july-upsurge-cenbank-999741

BB's leniency to blame for ailing banking sector

- Banking rules and regulations stipulate a single borrower exposure limit but the banking regulator itself disregarded the rule routinely in the last 16 years.
- Bangladesh Bank always allowed the limit to be exceeded on special consideration, which put the state-run banks in an ailing condition.
- Banks are not allowed to lend more than 25% of their paid-up capital to a single party, as per the act.
- But the surprising move is that some lenders provided more than 500 \% as loans of their paid-up capital.
- For instance, state-run Janata Bank's loan exposure to Beximco Group stood at BDT 25,000 crore, which is about 950% of the lenders' paid-up capital.

News Source:

https://www.thedailystar.net/business/economy/banks/news/bbs-leniency-blame-ailing-banking-sector-3759951

6 listed banks turn non-compliant after sponsor-directors removed

- Six listed banks have become non-compliant with the 30% shareholding requirement set by the stock market regulator after the Bangladesh Bank removed many of their shareholder-directors as part of efforts to aid their recovery and steer them away from controversial businesses.
- Al-Arafah Islami Bank, First Security Islami Bank, Global Islami Bank, Islami Bank Bangladesh, and Social Islami Bank were under the control of the S Alam Group, while United Commercial Bank was dominated by the family of former land minister Saifuzzaman Chowdhury.
- After the fall of the Awami League government on 5 August amid a mass uprising, the Bangladesh Bank restructured the banks by appointing independent directors to their boards, leading to a decline in joint shareholding.
- The central bank stated that it had to appoint independent directors due to the absence of investors holding a minimum of 2% shareholding.

- In February of this year, the Bangladesh Securities and Exchange Commission (BSEC) introduced a new initiative requiring sponsors, promoters, and directors to jointly hold at least 30% of a company's shares at all times.

News Source:

https://www.tbsnews.net/economy/stocks/6-listed-banks-turn-non-compliant-after-sponsor-directors-removed-1000941

Apparel and Textile

Garment workers demand ration, other reforms

- The Bangladesh Textile Garment Workers Federation has put forward an eight-point demand, including a ration system for all garment workers.
- The demands were presented at a roundtable discussion titled "Interim Government: Ongoing Worker Unrest, Worker Rights, and What We Need to Do" held in Dhaka yesterday.
- Mahbubur Rahman Ismail, president of the association said that there is a need for a ration card system to provide essential commodities like rice, lentils, and oil at affordable prices to garment workers.
- He also called for a constitutional amendment to guarantee food security for all workers.
- Other demands include allowing the formation of trade unions in all garment factories, including in the export processing zones, in line with International Labour Organization conventions, and removing obstacles to trade union registration.

News Source:

https://www.tbsnews.net/economy/rmg/garment-workers-demand-ration-other-reforms-1000951

Energy

Industrial production stagnating for gas shortage, businesses decry

- Energy business urged the interim government to ensure reliable quality gas supply to industries forthwith for uninterrupted manufacturing operations.
- They lamented that industrial growth had either stagnated or declined in recent years, as evidenced by the downtrend in energy consumption within the sector over the past two to three years because of past mismanagement and 'theft' in the sector.
- As a result, industries are losing their capacity to generate employment, which is adversely impacting overall economic growth.
- Nothing that the ongoing national reforms may take time, leading businesspeople at a meet with government functionaries stressed that addressing challenges in the industrial sector cannot wait and requires immediate attention.
- Mr Fouzul Kabir said that although 70MMCF gas had been found in Bhola, it could not be brought to Dhaka or industrial areas for lack of a pipeline.

News Source:

https://today.thefinancialexpress.com.bd/first-page/industrial-production-stagnating-for-gas-shortage-businesses-decry-1732386392

Capital Market

DSEX falls below 5,200 mark again after 13 days

- The benchmark index, DSEX, of the Dhaka Stock Exchange (DSE) dropped below 5,200 points on 21 November, the lowest in 13 trading days, driven by continued investor sell-offs amid subdued sentiment and growing concerns over market outlook.
- The DSEX dropped by 47 points to settle at 5,197.
- The other two major indices also declined, with the DSE Shariah Index losing 11 points to close at 1,151 and the DS30, the blue-chip index, dropping by 15.58 points to settle at 1,919.
- The last time the DSEX was seen below the 5,200 mark was on 3 November, at 5,190 points.
- Meanwhile, most stocks experienced price declines amid the selling pressure.

News Source:

https://www.tbsnews.net/economy/stocks/dsex-falls-below-5200-mark-again-after-13-days-999406

Renata to issue Tk 325cr preference shares

- Drug producer Renata Limited has decided to issue preference shares worth BDT 325 crore.
- The purpose is to repay the existing high-cost loans.
- The proposed preference shares will be non-cumulative, non-participative, redeemable or fully convertible.
- To secure the shareholders' approval, the company will conduct an ordinary general meeting scheduled for 12 January.
- The record date for the meeting is 12 December.

News Source:

https://www.tbsnews.net/economy/stocks/renata-issue-tk325cr-preference-shares-1001081