Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,196.41
% change	-0.48%
DS30 Index	1,935.18
% change	-0.16%
DSES Index	1,162.16
% change	-0.45%
Turnover (BDT mn)	3,129.18
Turnover (USD mn)	26.08
% change	-6.67%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,840.26
% change	0.00%
S&P 500	5,930.85
% change	0.00%
Nikkei 225	38,701.90
% change	0.00%
FTSE 100	8,084.61
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	125.15	125.17
GBP	150.83	150.86
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
22-Dec-24	9.75 – 11.00	10.09
19-Dec-24	9.75 – 11.00	10.01
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	72.56	0.15%
Gold Spot, USD/t oz.	2,624.31	0.14%
Cotton, USD/lb.	68.06	0.00%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.48% in the last trading day, closing at 5,196.41 points.
- The daily turnover decreased 6.67% 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 the USD rate remained stable, the Euro rate appreciated against BDT, while GBP and INR depreciated against BDT.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 10.09% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 0.15% in the last trading day.

Bangladesh Macro Update

Crawling peg in dollar-taka exchange destined for demise

- An overriding reality now prompts the central bank to discard the virtually derelict crawling-peg regime and consider a more flexible exchange-rate mechanism to bring stability in the overheated foreign-exchange market.
- The Bangladesh Bank (BB) has now been working on the new system which is possibly to be implemented from January 2025, according to officials in the know.
- Following recommendation from the International Monetary Fund (IMF) as part of a USD 4.7 billion lending package to stabilise Bangladesh's macroeconomic situation, the banking regulator introduced the much-touted crawling-peg system for interim period before transiting into fully market-driven exchange rate since June 2024.
- But the crawling peg crawls on as a dysfunctional mechanism for months under exigencies of volatility on the forex market.
- To avert shocks stemming from un-crawled state of the system, the commercial banks pass by interbank or spot market and largely trade their precious dollars through byways like interbank swapping and cross-currency transactions, especially dollar-euro transactions, where the crawling-peg-determined exchange rate is not applicable.

News Source:

https://today.thefinancialexpress.com.bd/first-page/crawling-peg-in-dollar-taka-exchange-destined-for-demise-1734891349

Reform body okays outline to separate NBR's policy role from revenue collection

- The revenue reform advisory committee has finalised the outline of a proposal to separate policy formulation responsibilities of the National Board of Revenue (NBR) from revenue collection.
- According to relevant sources, the committee has finalised the decision to shift the policy formulation responsibilities to the entity named Independent Policy Commission.
- The policy commission will not be placed under the Internal Resources Division due to protest from NBR officials, according to sources familiar with the matter.
- The outline of the proposal was presented during a meeting with Finance Adviser Salehuddin Ahmed in the capital yesterday.

News Source:

https://www.tbsnews.net/nbr/reform-body-okays-outline-separate-nbrs-policy-role-revenue-collection-1025021

Impact of duty exemption: Wholesale prices of consumer goods decline

- The Bangladesh Purchasing Managers' Index (PMI) for September 2024 increased by 6.2 points to 49.7 from the previous month's 43.5, showing signs of slight improvements in the overall economy.
- Wholesale prices of most essential commodities have begun to decrease in Chattogram's Khatunganj wholesale market, one of the country's largest wholesale hubs.

- Traders said the price drops are due to tariff exemptions on imports, a reduction in international booking rates, and additional pressure on importers due to December's bank closures, which have increased loan repayment burdens.
- The retail market has not seen a significant impact. Prices in Kazir Dewri, Chawkbazar, and Momin Road in Chattogram had not changed in the last two weeks.
- At the market, the wholesale price was BDT 6,350 for a 40.90-liter maund of soybean oil, BDT 5,950 for palm oil, and BDT 6,000 for palm super. Two weeks ago, soybean oil was priced at BDT 6,800, palm oil at BDT 6,500, and palm super at BDT 6,550.

News Source:

https://www.tbsnews.net/economy/bazaar/impact-duty-exemption-wholesale-prices-consumer-goods-decline-1025066

Sectoral Update

Banks, NBFIs, and Insurance

Cenbank formulates regulation on appointing int'l orgs for bank audits

- Bangladesh received USD 4.63 billion in remittances during August and September, reflecting a remarkable 58% increase compared to the same period last year.
- The Bangladesh Bank has formulated a special regulation allowing local banks to appoint qualified international consulting organisations to conduct comprehensive assessments of their financial health.
- 'The Special Regulations of Bangladesh Bank, 2024' was approved at the 438th meeting of the board of directors of the central bank, according to BB Spokesperson Hosne Ara Shikha.
- The central bank, in letters to the managing directors and chief executive officers of all banks in the country in 22 December, said this regulation will come into effect immediately.
- According to the regulation, international consulting organisations will conduct in-depth audits of banks and suggest appropriate remedial measures necessary in the public interest and for improvement of the state and condition of banks and bank policies.
- The regulation states that the consulting firm will diagnose the health of banks, including conducting reviews of asset quality, corporate governance, policies of the bank concerned, procedures, processes, compliance with laws and regulations, and any other assessment as and when necessary.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-formulates-regulation-appointing-intl-orgs-bank-audits-1025011

$2.0 billion remitted home in 21 days of Dec

- The Islamic banking (IB) and financial institutions sector in Bangladesh witnessed a cruel mischief over the past several years, causing its present sorry state.
- Bangladesh received USD 2.0 billion in remittances in just 21 days of December, according to the latest update from Bangladesh Bank. This marks a slight increase from the USD 1.99 billion sent in December 2023.

- The surge in remittances has been attributed to expatriates opting for legal channels, particularly following the political transition in the country.
- Reports indicate that many overseas Bangladeshis had concerns that remittances under the previous government were being diverted for money launder purposes, fuelling hesitation in sending money through official systems.
- The shift appears to have been bolstered by an increase in confidence in the country's banking system.
- Husneara Shikha, Executive Director and Spokesperson of Bangladesh Bank, said that stronger regulatory monitoring has expedited the flow of remittances and ensured timely disbursement to beneficiaries.

News Source:

https://today.thefinancialexpress.com.bd/last-page/20-billion-remitted-home-in-21-days-of-dec-1734891851

Apparel and Textiles

Apparel production automation devours 30.58pc jobs

- Upgrading Bangladesh's export-earning apparel industry happens at a cost as automation of the production processes eliminates 30.58% jobs, with helpers handed higher cuts, according to a latest study.
- The cutting section of the garment-making experienced the highest percentage of labour wipeout 48.34% while the sewing process showed a lower reduction of 26.57%.
- It also reveals that automation has posed significant challenges to readymade garment (RMG) workers, particularly women, the aged, less literate, unskilled and low-confident ones.
- The survey on technology's impact on the labour-intensive industry was jointly conducted by Solidaridad Bangladesh, Bangladesh Labour Foundation (BLF) and BRAC University.
- Presenting the findings, Mr Rahman said out of 10 stages of production from spinning to shipment, only three phases-spinning, dyeing and finished-fabrics preparation--are fully automated.

News Source:

https://today.thefinancialexpress.com.bd/first-page/apparel-production-automation-devours-3058pc-jobs-1734891472

Govt increases annual increment of garment workers to 9pc

- The government increased the annual increment of garment workers at 9% from 5%, according to a circular from the labour and employment ministry yesterday.
- The circular also said the new increment will come into effect from December 1 and the workers will receive the salary with a 9% annual increment in January.
- The other service benefits of the workers will not be cut because of the increase of the annual increment.
- With a massive labour unrest in August and September, the government adopted 18 point demands in September including the review of the annual increment to cool down the unrest.
- Finally, the annual increment has been fixed at 9% instead of 10%, the percentage the workers demanded.

News Source:

https://www.thedailystar.net/business/economy/rmg/news/govt-increases-annual-increment-garment-workers-9pc-3782666

Bangladesh RMG export to EU logs meagre growth amid price fall

- Bangladesh's apparel exports to the European Union experienced modest growth during the first 10 months (January to October) of 2024, despite a decline in prices, according to data released by Eurostat.
- The EU's imports data showed that its import from Bangladesh grew by only 0.8% during this period.
- Despite a modest increase in quantity (6.68%), it was offset by a 4.92% decline in prices.
- The data indicated that Bangladesh's apparel export value reached €15.19 billion during the period from January to October this year, compared to €15.08 billion during the same period last year.
- However, Bangladesh experienced a substantial year-on-year increase of 33.8% in October 2024, marking the strongest growth recorded in the first 10 months of the year.

News Source:

https://www.tbsnews.net/economy/rmg/bangladesh-rmg-export-eu-show-signs-recovery-jan-oct-24-1024836

Energy

Business model needed for renewable energy production: Experts

- Experts at a webinar on 22 December emphasised the need to develop a business model for renewable energy production, enabling private firms to invest in the sector with transparency.
- They also stressed the importance of expanding renewable energy capacity and implementing cost-reduction strategies to streamline the distressed power sector.
- Mizanur Rahman, general secretary of Bangladesh Energy Society that that If we can create a fair competitive environment, it will be possible to generate 3,000-4,000 MW of renewable energy by 2030.
- As per the Renewable Energy Policy-2008, the previous government had set a target of reaching 10% of the total electricity generation capacity from renewable sources by 2021.
- But that did not happen because projects were given to those who were not qualified in the matter.

News Source:

https://www.tbsnews.net/bangladesh/energy/business-model-needed-renewable-energy-production-experts-1025006

Capital Market

Low activity, cautious sentiment drags DSEX down by 25 points

- The Dhaka Stock Exchange (DSE) began the week on a downward trend today, as low investor activity, coupled with cautious sentiment over economic challenges and political uncertainty, led to a sell-off in blue-chip stocks.
- This caused the benchmark DSEX index to fall 25 points, closing at 5,196.

- The DSE Shariah Index fell by 5 points to close at 1,162, while the DS30 index dropped 3 points to settle at 1,935.
- Turnover at the DSE dropped by 6.8% to BDT 313 crore, compared to BDT 336 crore in the previous session.
- Pharmaceuticals led the sectoral turnover today with 20.4%, followed by textiles at 11.8% and banks at 10.4%.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-open-week-red-1024561

CCBL yet to begin operations for delayed appointment of directors

- The Central Counterparty Bangladesh Limited (CCBL) has failed to commence its operation even five years after its incorporation for delayed appointment of independent directors.
- The CCBL in a letter recently offered an explanation as to why it could not start working in 955 days.
- It said the formation of the board of directors alone had taken 535 days while the remaining days had been spent over matters linked to the Dhaka Stock Exchange (DSE).
- The organisation had long waited for the appointment of independent directors by the Bangladesh Securities and Exchange Commission (BSEC).
- Then CCBL could not hold a board meeting in 118 days due to the absence of shareholder directors from the DSE, the Chittagong Stock Exchange, and the Central Depository Bangladesh Limited.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/ccbl-yet-to-begin-operations-for-delayed-appointment-of-directors-1734889680