Daily News Snippet

December 30, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,204.78
% change	0.39%
DS30 Index	1,931.68
% change	0.23%
DSES Index	1,166.30
% change	-0.03%
Turnover (BDT mn)	3,743.67
Turnover (USD mn)	31.20
% change	32.66%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,992.21
% change	0.00%
S&P 500	5,970.84
% change	0.00%
Nikkei 225	40,281.16
% change	0.00%
FTSE 100	8,149.78
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	125.12	125.15
GBP	150.95	150.98
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
29-Dec-24	9.75 – 11.00	10.14
26-Dec-24	9.75 – 11.00	10.15
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	74.17	1.24%
Gold Spot, USD/t oz.	2,624.05	0.15%
Cotton, USD/lb.	68.89	0.00%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.39% in the last trading day, closing at 5,204.78 points.
- The daily turnover increased 32.66% 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 value Euro and GBP appreciated, whereas INR depreciated against BDT in the last trading day.
- The average overnight rate decreased in the last trading day.
- The current weighted average overnight rate stood at 10.14% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 1.24% in the last trading day.

Bangladesh Macro Update

As old players disappear, small businesses step up to fill the commodity import gap

- Small and medium importers in Dhaka and Chattogram, who once struggled to open letters of credit (LCs) because of a market monopoly, have now stepped in to fill in the gap in the commodity supply chain since October, significantly increasing their imports.
- At least 30-40 companies, many of which had previously scaled back or halted imports altogether, have revamped their business activities, especially ahead of Ramadan.
- These companies are now actively importing consumer goods, ensuring an uninterrupted supply of essentials such as sugar, edible oil, chickpeas, and pulses – a market that the S Alam Group had dominated for years.
- Smile Food Products, a concern of Abul Khair Group that started operations last year, imported 1,992 tonnes of crude soybean in July this year, 2,579 tonnes in August, 3,372 tonnes in September, and 1,486 tonnes in October, according to the National Board of Revenue (NBR).
- Company officials say the group has already acquired four edible oil refineries – one previously owned by the now-defunct Messrs Ilyas Brothers and three by SA Group – in a bid to capture the consumer goods market.

News Source:

https://www.tbsnews.net/economy/old-players-disappear-small-businesses-step-fill-commodity-import-gap-1030071

Forex reserves exceed $21 billion: Cenbank

- The country's foreign exchange reserves have exceeded USD 21 billion after receiving USD 1 billion from several lending institutions, including the Asian Development Bank (ADB), in the last one week.
- Bangladesh Bank's Executive Director and Spokesperson Husne Ara Shikha confirmed the matter to The Business Standard at 29 December.
- According to the International Monetary Fund's (IMF) BPM-6 calculation method, the gross reserves stood at USD 20.16 billion last Monday.
- According to the central bank's calculation, the reserves stood at USD 24.98 billion at the time.
- The spokesperson said the reserves have increased due to the release of funds by some foreign lending institutions and the increase in remittances.

News Source:

https://www.tbsnews.net/economy/banking/forex-reserves-exceed-21-billion-cenbank-1030001

Foreign fund flow, new pledges dwindle as debt servicing surges

- Bangladesh's foreign debt servicing surged 28% year-on-year in the first five months of fiscal year 2024-25 owing to the country's expanded foreign loan portfolio and a rise in global interest rates.
- In the same period, foreign loan disbursement fell by 27% year-on-year while commitments for new loans dropped by 91%, according to data released by the finance ministry yesterday.

- With the obligations mounting and foreign funds diminishing, economists called for rejuvenating development spending as they argue this would streamline the foreign loan pipeline.
- During the July-November period of FY25, the country returned USD 1.71 billion in principal and interest payments on foreign loans, up from USD 1.33 billion during the same period of FY24, according to finance ministry data.
- According to the breakdown, the value of principal payments climbed by 37% to USD 1.05 billion while interest payments rose by 17% to USD 655 million.

News Source:

https://www.thedailystar.net/business/economy/news/foreign-fund-flow-new-pledges-dwindle-debt-servicing-surges-3787436

Sectoral Update

Banks, NBFIs, and Insurance

Remittances grow 22% to record nearly $27b in 2024

- Bangladesh received nearly USD 27 billion in remittances this year, reflecting a 22% year-on-year increase bolstered by a 9% rise in the official dollar rate and a decline in money laundering during the final five months.
- According to data from the Bangladesh Bank, remittances through formal channels totalled USD 26.67 billion from January to 28 December, an increase of about USD 4.7 billion from USD 21.92 billion in 2023.
- To understand this year's remittance inflow, consider this: While Bangladesh received over USD 2 billion in remittances in just two months last year, the country surpassed USD 2 billion in all 11 months this year, except July when internet and banking disruptions related to a mass uprising and expatriates' solidarity affected inflows.
- As of 28 December, the latest remittance total is USD 2.42 billion, ranking second in the highest remittance months in history.
- According to central bank data, the country's gross foreign exchange reserves reached USD 21.33 billion yesterday, as per the IMF formula based on the Balance of Payments and International Investment Position Manual (BPM6).

News Source:

https://www.tbsnews.net/economy/remittances-grow-22-record-nearly-27b-2024-1030081

Financial services sector yet to reach full potential

- The financial services sector of Bangladesh is yet to reach its full potential despite the significant advancements seen so far, according to Ahsan H Mansur, governor of the Bangladesh Bank.
- Mansur was speaking as chief guest at the golden jubilee of the Bangladesh Institute of Bank Management (BIBM) in the Mirpur area of Dhaka yesterday.
- Mansur said no institution can stand alone and must cooperate with others in order to succeed, with the same being applicable for financial service providers.

- The Governor also said the financial services sector is by no means small, as subsets like the banking industry are a major part of it.
- Against this backdrop, the Governor warned that the financial services sector may eventually be brought to the brink of destruction if the interests of depositors and investors are not properly protected.

News Source:

https://www.thedailystar.net/business/economy/news/financial-services-sector-yet-reach-full-potential-3787406

Apparel and Textiles

RMG exports grow by 6.23pc in 11 months this year

- Despite numerous challenges like labour unrest, energy crisis, high interest rate and rising production costs, the country's readymade garment (RMG) sector has sustained a moderate export growth this year.
- According to the Export Promotion Bureau (EPB), Bangladesh received USD 37.71 billion from January to November in 2024, marking a 6.23-percent growth.
- In comparison, export earnings from the sector were USD 32.64 billion during the corresponding period of 2023.
- Exporters highlighted that recurring workers' protests especially in the industrial belt of Ashulia over a number of demands have been a cause of concern among buyers.
- Mohammad Hatem, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said that the sector has been adversely affected by a number of domestic issues.

News Source:

https://today.thefinancialexpress.com.bd/last-page/rmg-exports-grow-by-623pc-in-11-months-this-year-1735498610

Energy

Rosatom readies Rooppur Nuclear Power plant's unit-1 for 2025 launch

- Russia's state nuclear agency Rosatom has said that it has completed the necessary tasks of Unit-1 of the Rooppur Nuclear Power Plant (NPP) and is getting ready to start its operation next year.
- Rosatom hailed 2024 as a successful year in Bangladesh, marking the completion of construction and installation for one of Rooppur NPP's power units, set to start next year.
- The second power unit of the country's maiden nuclear power plant has also achieved significant progress in construction and installation.
- Earlier in September dummy fuel assemblies were loaded into the reactor pressure vessel of unit-1 paving the way for the loading of real nuclear fuel assemblies.
- During the same month, diesel generators underwent cold runs.

News Source:

https://www.tbsnews.net/bangladesh/energy/rosatom-readies-rooppur-nuclear-power-plants-unit-1-2025-launch-1029716

Capital Market

Dhaka stocks rally for second day as turnover jumps 33%

- Dhaka stocks rallied for two consecutive sessions on 29 December as cautious investors showed buying interest amid overall low participation and a downward market trend, influenced by the economic environment and ongoing political uncertainty.
- On Sunday, the benchmark DSEX index of the Dhaka Stock Exchange (DSE) increased by 20 points, closing at 5,205.
- The DSE Shariah Index decreased by 0.34 points to 1,166, while the DS30 index rose by 4 points to 1,932.
- Turnover at the DSE increased by 32.7%, reaching BDT 374 crore, up from BDT 282 crore compared to the previous session.
- The market witnessed range-bound trading activity, with both buyers and sellers active on both sides of the trading fence, trying to capture the market momentum.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-surge-opening-session-1029436

Brokers to face actions if uniform software not installed by April

- Brokerage firms have got four more months to install uniform, un-editable back-office software from selective vendors to ensure protection of the investors' money.
- The Bangladesh Securities and Exchange Commission (BSEC) has recently issued a letter, extending the timeframe from December 31 this year, following a request by the DSE Brokers Association of Bangladesh.
- It also asked the bourses to submit a detailed plan by January 7 next year, informing the regulator of when and how the brokerage firms will install the software.
- The exchanges have also been instructed to submit a monthly progress report by the first week of every month.
- This is the second time that stockbrokers have been granted additional time to install back-office software from a list of vendors approved by the regulator.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/brokers-to-face-actions-if-uniform-software-not-installed-by-april-1735492572