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Daily News Snippet

January 02, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,218.16
% change	0.03%
DS30 Index	1,941.94
% change	0.11%
DSES Index	1,165.07
% change	-0.33%
Turnover (BDT mn)	3,305.97
Turnover (USD mn)	27.55
% change	-11.57%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,544.22
% change	0.00%
S&P 500	5,881.63
% change	0.00%
Nikkei 225	39,894.54
% change	0.00%
FTSE 100	8,173.02
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	124.24	124.25
GBP	150.13	150.19
INR	1.40	1.40
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
01-Jan-25	9.75 – 11.00	10.23
30-Dec-24	9.75 – 11.00	10.23
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	74.64	0.34%
Gold Spot, USD/t oz.	2,623.80	0.00%
Cotton, USD/lb.	68.40	-0.12%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.03% in the last trading day, closing at 5,218.16 points.
- The daily turnover decreased 11.57% 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, all major currencies depreciated against BDT.
- The average overnight rate remained stable in the last trading day.
- The current weighted average overnight rate stood at 10.23% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 0.34% in the last trading day.

Bangladesh Macro Update

Standard tax rate on 42 items to rise substantially

- A major amendment to the value-added tax law is on the anvil to hike the standard VAT rate on 42 items up to 15% under government bid to enhance revenue, as suggested by a multilateral donor.
- In some cases, as per the changes being made to the VAT law through an ordinance, the all-encompassing tax would be far higher than the existing pared-down rates.
- The items likely to see the hike include medicine, restaurant, residential hotels, sweetmeats, biscuits, and brand dresses, officials said.
- Also, the ceiling of turnover to go VAT-free will be brought down to BDT 3.0 million from BDT 5.0 million. So, businesses having annual turnover above BDT 3.0 million will now fall under this tax dragnet.
- And VAT rate for the businesses having a turnover above BDT 5.0 million and up to BDT 30 million would be hiked to 15%. Businesses within this bracket are currently enjoying a reduced rate of VAT at 4.0%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/standard-tax-rate-on-42-items-to-rise-substantially-1735753510

BB raises crawling peg rate by Tk 2.0

- The Bangladesh Bank (BB) has raised the crawling-peg rate by BDT 2, bringing it from BDT 117 to BDT 119 in a move aimed at managing the dollar exchange rate.
- According to the central bank, an additional 2.5% may be applied when purchasing foreign remittances, while banks are permitted to add another 1 per cent as profit during sales, reports UNB.
- Strict regulatory instructions have been issued to ensure that these limits are not exceeded, officials said.
- Economists, however, remain sceptical of the effectiveness of this measure in stabilising the dollar market.
- Dr. Mashrur Reza, chairman Policy Exchange Bangladesh (PEB) and former economist at IFC, a concern of the World Bank, told UNB that it is never possible to stabilise the dollar market if the dollar price is determined this way.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-raises-crawling-peg-rate-by-tk-20-1735753751

Strengthen export base with investment

- Chief Adviser Prof Muhammad Yunus on Wednesday urged the country's business community and entrepreneurs to come forward to strengthen its export base with more investment in the services sector to boost overall exports on the competitive global market.

- Highlighting the importance of entrepreneurs' role, Dr Yunus said developing an exportable product is important but it is more important to know who developed the product.
- The Chief Adviser said every year there is an initiative to announce a "Product of the Year" and this year furniture product is the product of the year.
- In addition to this process, Dr Yunus said, he wants to introduce "Entrepreneur of the Year" to let everyone know who is behind the product.
- The Chief Adviser highlighted the government's initiative to promote Bangladesh's products in the global market with its diversified presence.

News Source:

https://today.thefinancialexpress.com.bd/last-page/strengthen-export-base-with-investment-1735753845

Sectoral Update

Banks, NBFIs, and Insurance

Monthly remittance receipt all-time high $2.64b in Dec

- New year bodes well for Bangladesh as its monthly remittance receipt hits an all-time high at USD 2.64 billion in December, coming as a boon for the government grappling with sub-par forex reserves.
- According to the central-bank data released Wednesday, such a record rise in receiving foreign currencies, the US dollar in particular, gives some respite to the economy that has been facing multipronged macroeconomic strains because of depletion of foreign-exchange reserves.
- In fact, the upturn in receipt of foreign currencies comes at a time when the Bangladesh Bank (BB) takes several regulatory measures to bolster the reserves through clearing government's import overdue.
- Bankers and money-market analysts give credit of the rising trend in remittance in recent times to some regulatory interventions, like massive depreciation of the local currency, taka, against the US dollar since May last.
- According to the data with the central bank, Bangladeshi expatriates working abroad sent a total of USD 2.64 billion in December, which is the highest monthly inflow of remittance in the history of the economy.

News Source:

https://today.thefinancialexpress.com.bd/first-page/monthly-remittance-receipt-all-time-high-264b-in-dec-1735753663

Apparel and Textiles

Proper audits can ensure social compliance in the RMG industry

- The ready-made garment (RMG) industry of Bangladesh plays a significant role in the country's economy as well as in the global apparel market.
- The well-being of Bangladeshi RMG workers has long been a topic of concern for stakeholders in the international supply chain.

- Since 2011, the UN Guiding Principles on Business and Human Rights has served as an ethical compass for global fashion brands and other businesses to protect human rights in the context of business operations.
- The horrific collapse of Rana Plaza in 2013 further pushed for stricter regulations and much more extensive audit practices to prevent similar tragedies in future.
- However, audits are expensive for both buyers and suppliers, and overlapping audits from different bodies can cause audit fatigue among RMG factories

News Source:

https://www.thedailystar.net/opinion/views/news/proper-audits-can-ensure-social-compliance-the-rmg-industry-3786246

Energy

BD to rely heavily on LNG this yr

- Bangladesh will have to depend more on volatile spot market this year to import costly liquefied natural gas (LNG) to feed mounting demands from industries, power plants and other gas-guzzling consumers as domestic natural gas output is on the wane, according to market insiders.
- The country, for the first time, has planned to source a major portion of LNG from spot market compared to long-term LNG suppliers this year resulting in an increasing pressure on foreign currency reserves.
- The country's spot LNG imports are set to double this year compared to 2024.
- A senior Petrobangla official said that state-run Petrobangla has planned to import a total of 115 LNG cargoes, 59 from spot market and 56 from long-term suppliers, which marks a 33.72 per cent increase compared to that of the previous year.
- Last year, the country imported a total of 86 LNG cargoes, 56 from long-term suppliers and 30 from spot market

News Source:

https://today.thefinancialexpress.com.bd/last-page/bd-to-rely-heavily-on-lng-this-yr-1735753901

Capital Market

Stocks begin 2025 with modest gains

- The stock market in Bangladesh began the new year on a positive note, with major indices showing an uptick on the first trading day of 2025.
- The DSEX, the broad index of the Dhaka Stock Exchange (DSE), rose by 0.03 percent to close at 5,218 points, marking a fourth consecutive day of gains for the index.
- However, other indices showed a mixed performance as the DSES index, which tracks the performance of Shariah-compliant companies, fell by 0.33 percent to 1,165 points.
- Likewise, the DS30 index representing blue-chip stocks edged up by 0.11 percent to 1,941 points.
- The situation was similar at the Chittagong Stock Exchange (CSE) as the Caspi, which reflects the value of all stocks listed with the port city bourse, increased by 0.27 percent to settle at 14,512 points.

News Source:

https://www.thedailystar.net/business/news/stocks-begin-2025-modest-gains-3789651

Cos' data to become more accessible, with launching of new digital service

- Both the bourses have formally launched a smart online information submission system for listed companies to keep investors updated with their financial status.
- The service, embedded in the websites of stock exchanges, will help investors know whether a listed company has submitted its quarterly and annual financial statements within the deadline.
- They will also be promptly notified of auditors' opinions.
- On the other hand, the new mechanism to submit financial results will improve market monitoring by the securities regulator and stock exchanges.
- Chairman of the Bangladesh Securities and Exchange Commission (BSEC) Khondoker Rashed Maqsood inaugurated the service through a ceremony at his office on Wednesday.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/cos-data-to-become-more-accessible-with-launching-of-new-digital-service-1735749286