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# Daily News Snippet

**January 06, 2025**

| Bangladesh Market | |
|---|---|
| **Major Indices** | **Last closing** |
| DSEX Index | 5,165.17 |
| % change | -0.66% |
| DS30 Index | 1,919.62 |
| % change | -0.59% |
| DSES Index | 1,148.12 |
| % change | -0.60% |
| Turnover (BDT mn) | 3,116.65 |
| Turnover (USD mn) | 25.55 |
| % change | -0.63% |
| ***Source: Dhaka Stock Exchange*** | |

| International Market | |
|---|---|
| **Major Indices** | **Last closing** |
| Dow Jones Industrial Average | 42,732.13 |
| % change | 0.00% |
| S&P 500 | 5,942.47 |
| % change | 0.00% |
| Nikkei 225 | 39,894.54 |
| % change | 0.00% |
| FTSE 100 | 8,223.98 |
| % change | 0.00% |
| ***Source: Bloomberg*** | |

| Exchange rate | | |
|---|---|---|
| **Major Currencies** | **Low (BDT)** | **High (BDT)** |
| USD | 122.00 | 122.00 |
| EUR | 125.76 | 125.78 |
| GBP | 151.52 | 151.56 |
| INR | 1.41 | 1.41 |
| ***Source: BB*** | | |

| Money market | | |
|---|---|---|
| **Date** | **Call Money Rate Range (%)** | **Weighted Average** |
| 05-Jan-25 | 9.75 – 11.00 | 10.18 |
| 02-Jan-25 | 9.50 – 11.00 | 10.16 |
| ***Source: BB*** | | |

| Commodities | | |
|---|---|---|
| **Major Commodities** | **Price** | **% Change** |
| Brent Crude (Oil), USD/bbl. | 76.64 | 0.17% |
| Gold Spot, USD/t oz. | 2,641.10 | 0.08% |
| Cotton, USD/lb. | 67.66 | 0.00% |
| ***Source: Bloomberg*** | | |

## Market Summary

## Bangladesh Market

- The leading bourse of the country, DSEX lost 0.66%% in the last trading day, closing at 5,165.17 points.
- The daily turnover decreased 0.63% 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 yesterday.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 10.18% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 0.17% in the last trading day.

### Bangladesh Macro Update

## NBR plans to phase out tax exemptions

- While hiking value-added tax (VAT) on 43 goods and services, the National Board of Revenue (NBR) is also focusing on widening income tax coverage by phasing out exemptions to raise the tax to GDP ratio.
- Along with the VAT, various steps are being taken to increase the tax base in the case of income tax, the NBR said.
- As a part of ongoing efforts to phase out the practice of providing income tax exemptions, several provisions have already been repealed or amended, the statement said.
- On top of that, the tax administration is now reviewing plans to phase out existing exemptions for poultry farming, hatcheries and processors, including breeders, and feed millers.
- Currently, the first BDT 10 lakh of income is tax-free, while a 5% tax applies to the next BDT 10 lakh.
- Incomes exceeding BDT 20 lakh but up to BDT 30 lakh are subject to a 10% tax rate.

**News Source:**

https://www.thedailystar.net/business/news/nbr-plans-phase-out-tax-exemptions-3792831

## Startups show hope of raising $1.5b in years

- A vista of investment prospects is drawn by an agency that says Bangladesh can hope to raise USD 1.5 billion with startups in few years with strong government support and a thriving local ecosystem in place.
- A report by LightCastle Partners states that initiatives like the National Startup Policy, Fund of Funds, and Shark Tank will further propel startups to showcase their innovative solutions on public platforms, increasing their chances of securing funding.
- Since 2013, local startups in Bangladesh have raised USD 989 million, with a record-high USD 435 million in 2021.
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- However, in 2024, the top eight startups sectors raised nearly USD 35 million, marking a decline of over 36% compared to that of 2023, for adversities especially on the political front.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/startups-show-hope-of-raising-15b-in-years-1736100228

## ADB to provide $1b annually for inclusive development

- Asian Development Bank (ADB) Country Director for Bangladesh Hoe Yun Jeong has said the organisation will provide Bangladesh with $1 billion annually in concessional financing over the next five years.
- Jeong assured enhanced financial support, including grants, to advance Bangladesh's environmental goals, while also expressing strong interest in river-cleaning projects.

- Jeong said this at a meeting with Syeda Rizwana Hasan, adviser to the Ministry of Environment, Forest and Climate Change as well as the Ministry of Water Resources, at the Forest Department in the capital on Sunday.
- Additionally, he highlighted ADB's commitment to increasing community engagement and public consultations during project implementations.
- The discussion also focused on ADB's commitment to supporting Bangladesh's climate resilience and environmental sustainability.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/adb-to-provide-1b-annually-for-inclusive-development-1736100433

## Sectoral Update

### Banks, NBFIs, and Insurance

# Five more embroiled banks' MDs being sent on leave

- 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.
- Top executives of five more unconventional banks are set to be sent on leave for 90 days by their boards for independent functioning of an upcoming forensic audit of their financials by globally recognised firms.
- The exigent shakeup is coming following the footstep of the First Security Islami Bank.
- Four of the six banks were controlled by the controversial business conglomerate S. Alam Group before the changeover in state power through the July-August mass uprising.
- The decisions on forced leave come following regulatory instruction as part of government's reforms move to conduct asset-quality review (AQR) in the crisis-hit commercial banks.
- A day before, operational board of the First Security Islami Bank sent its managing director Syed Waseque Md Ali on leave for 90 days as part of conducting an independent review of the bank's asset quality.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/five-more-embroiled-banks-mds-being-sent-on-leave-1736100469

### Apparel and Textiles

# Exports grow 17.72% in Dec on robust RMG

- Bangladesh's merchandise exports experienced positive growth for the fourth consecutive month, increasing by 17.72% year-on-year in December, primarily driven by readymade garment (RMG) shipments.
- Export earnings grew 12.84% year-on-year in the first half of the current fiscal year, reflecting the resilience of the apparel sector.

- The sector has performed well despite production disruptions caused by prolonged labour unrest in August and September.
- The country's export earnings in December reached around USD 4.63 billion, compared to USD 3.93 billion a year ago, according to Export Promotion Bureau (EPB).
- RMG exporters attributed the growth to two key factors: the recovery of major export destination economies, which has boosted sales, and the stabilisation of labour unrest in key industrial zones.

**News Source:**

https://www.tbsnews.net/economy/rmg/exports-see-nearly-13-growth-first-half-fy25-1033101

## Investment in product tracking tech fuels RMG accessories growth

- Accessories and packaging entrepreneurs have heavily invested in radio frequency identification (RFID) technology to track RMG products in smart inventory, leading to a sixfold increase in the number of factories over the past five years.
- The number of factories producing RFID locally has increased from 5-6 five years ago to 30 now, according to Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA).
- RFID technology is being adopted not only by fashion brands but also by Bangladeshi apparel exporters at the factory level, according to BGAPMEA President Md Shahriar.
- The country manager further said that the use of barcodes also simplifies entry at every sales point in fashion stores.

**News Source:**

https://www.tbsnews.net/economy/rmg/investment-product-tracking-tech-fuels-rmg-accessories-growth-1035776

### Energy

## Saudi's Aramco keen to build refinery in Bangladesh

- Saudi Arabia's state-owned oil company, Aramco, is willing to build an oil refinery in Bangladesh, which will help produce petroleum products for the country and for the region, according to Saudi Ambassador to Bangladesh Essa Youssef Essa Al Duhailan.
- The ambassador recalled the time when Aramco, with a big delegation, visited Bangladesh thrice between the years 2016-2018.
- He noted that nobody was interested then and we will not talk about the past, rather we will talk about the future.
- Finance and Science and Technology Adviser Salehuddin Ahmed spoke as the chief guest while Foreign Affairs Adviser Md Touhid Hossain joined as the special guest at the launching ceremony.
- The foreign affairs ministry's Secretary (East) Md Nazrul Islam, delivered welcome remarks, and Chairman and CEO of Policy Exchange M Masrur Reaz made a presentation on the salient features of the report.

**News Source:**

https://www.tbsnews.net/bangladesh/energy/saudis-aramco-willing-build-refinery-bangladesh-1035321

### Capital Market

## Technical malfunction again lays bare IT inadequacy of DSE

- A technical glitch that delayed the opening of the Dhaka Stock Exchange (DSE) by one and a half hours on Sunday exposed once again the weak IT infrastructure of the prime bourse.
- Trading began at 11:30am and continued until 3:00pm, half an hour after the usual closing time.
- At the beginning of a work day, the IT system generates a session file, which acts as a temporary backbone of the session's data.
- The prime index of the DSE went down by more than 34 points or 0.66% to 5,165 on Sunday.
- The market turnover remained almost flat over the previous session at around BDT 3 billion.

**News Source:**

https://today.thefinancialexpress.com.bd/stock-corporate/technical-malfunction-again-lays-bare-it-inadequacy-of-dse-1736096286

## IPO of Borak Real Estate rejected on suspicion of inflated earnings

- The stock market watchdog has recently rejected an IPO proposal of Borak Real Estate amid a dried-up IPO flow, owing to concerns that earnings might have been inflated to influence the price of primary shares.
- The real estate developer was undergoing the listing process to gather BDT 4,000 million by issuing primary shares to the market.
- In November, the Bangladesh Securities and Exchange Commission (BSEC) issued a letter notifying the issuer and the issue manager of the IPO cancellation.
- What was worrisome to the regulator was the company's abrupt fair value gain of BDT 7,000 million, shown in its financial statement of FY23, which caused an additional income of BDT 6,525 million on top of its operating profit in the year.
- The main operation of Borak Real Estate involves acquiring land to develop and construct commercial and residential buildings to sell or earn rentals.

**News Source:**

https://today.thefinancialexpress.com.bd/stock-corporate/ipo-of-borak-real-estate-rejected-on-suspicion-of-inflated-earnings-1736096353