Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,145.08
% change	0.22%
DS30 Index	1,902.89
% change	0.45%
DSES Index	1,155.53
% change	0.43%
Turnover (BDT mn)	3,680.09
Turnover (USD mn)	30.16
% change	1.19%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,487.83
% change	0.00%
S&P 500	5,996.66
% change	0.00%
Nikkei 225	38,451.46
% change	0.00%
FTSE 100	8,505.22
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	125.31	125.32
GBP	148.39	148.49
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
19-Jan-25	9.90 - 11.00	10.18
16-Jan-25	9.90 - 11.00	10.20
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	81.09	0.37%
Gold Spot, USD/t oz.	2,696.36	-0.19%
Cotton, USD/lb.	67.60	0.00%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX rose by 0.22% in the last trading day, closing at 5,145.08 points.
- The daily turnover increased by 1.19% in the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI 225, was also closed.

Key macro indicators

- While the USD and INR exchange rates remained stable, the EUR and GBP fell slightly against the BDT.
- The average overnight rate has fallen from 10.20% to 10.18%.
- The latest weighted average overnight rate stood at 10.18% with a high rate of 11.00% and low rate of 9.90%.
- The commodities market showed mixed performance in the last trading day; the oil price increased by 0.37% in the last trading day and the price of gold dropped by 0.19%. The market for cotton futures was closed.

Bangladesh Macro Update

Reforms may cause short-term economic slowdown: BB

- Economic activities may slow down in the near term as the government has opted to initiate massive economic reform measures, the Bangladesh Bank (BB) said yesterday.
- The reforms will eventually benefit the economy in the medium and long run, it said in its July-September issue of Bangladesh Bank Quarterly, a publication of the central bank.
- In its quarterly publication, the central bank said that Bangladesh's economy is going through a transitional phase with the formation of the interim government, while a gradual return to economic normalcy has already started.
- The BB said the economy experienced significant disruptions across all three major sectors, agriculture, industry, and services following the uprising in July and August of 2024.
- Moreover, when the interim government started its journey with greater commitments towards economic reforms, economic activities were affected by repeated floods in many districts during August and September 2024.

News Source:

https://www.thedailystar.net/business/news/reforms-may-cause-short-term-economic-slowdown-bb-3803611

Only 45% of foreign investments qualify as actual FDI: Bida

- Just 45 percent of all foreign investments in Bangladesh qualify as actual foreign direct investments (FDI), while the rest is either intercompany loans or reinvestments, according to a report by the Bangladesh Investment Development Authority (Bida).
- The FDI inflow has remained stagnant in recent years, contributing a mere 0.5% of the country's gross domestic product (GDP), said the report released yesterday.
- The report also highlighted the significant lack of structured investment promotion campaigns for domestic industries.
- Furthermore, the report said industry experts in various sectors emphasised the need for better strategic alignment between public and private initiatives.
- Additionally, they urged the prioritisation of industrial development and targeted interventions by the government to unlock the country's true potential in receiving FDI, it added.

News Source:

https://www.thedailystar.net/business/news/only-45-foreign-investments-qualify-actual-fdi-bida-3803606

Sectoral Update

Banks, NBFIs, and Insurance

Bangladesh receives over $1.20b remittance in 18 days of January

- Bangladesh has received over USD 1.20 billion remittance in 18 days of January 2025.

- According to the latest update from Bangladesh Bank, expatriate Bangladeshis have sent this amount of remittance through banking channels between 1-18 January.
- If this remittance inflow continues, the volume of inward remittance will cross USD 2 billion in January.
- In December 2024, expatriate Bangladeshis sent a record USD 2.64 billion remittance through banking channels.
- According to the central bank, during 1-18 January, USD 258.87 million came to the country through government banks, USD 50.98 million through one of the two specialised banks (agricultural bank), USD 893.31 million through private banks, and USD3.72 million through foreign banks.

News Source:

https://www.tbsnews.net/economy/bangladesh-receives-over-120b-remittance-18-days-january-1047251

Treasury bills' yield fall frustrates well-off banks

- Risk-free returns from investment in sovereign securities keep shrinking to the frustration of some commercial banks as economic activity also stays persistently sluggish, bankers say.
- As the investment opportunities squeeze over the last several months because of prevailing economic slowdown after the July-August mass uprising, commercial banks made a beeline for using the window of high-yielding government treasuries to make handsome gains on stakes.
- As a matter of fact, many of the banks bagged a good volume of operating profits by the end of 2024 riding on the high-yield treasury bills and bonds through which the government meets its major portion of domestic borrowings to meet budgetary shortfalls, according to the bankers and officials.
- According to the statistics of Bangladesh Bank (BB), the cut-off yield for 91-day, 182-day and 364-day treasury bills was recorded 11.65%, 11.90% and 11.99% respectively on December 08.
- Since then, the cut-off yield for the three segments of such bills continued falling to reach now 11.29%, 11.57% and 11.74% respectively, according to outcomes of the auction operated by the central bank.

News Source:

https://today.thefinancialexpress.com.bd/first-page/treasury-bills-yield-fall-frustrates-well-off-banks-1737306892

Apparel and Textiles

Yarn imports soar 39pc amid local spinners' struggles

- Yarn imports witnessed a significant surge in 2024, creating uneven competition for local spinners against foreign companies mainly because of higher production costs fuelled by a gas crisis.
- Bangladesh imported 680.43 million kilograms of cotton yarn under bonded facility last year, which was 39.16% higher than the 2023 figure of 488.96 million kg, according to Bangladesh Textile Mills Association (BTMA).
- The country paid some USD 2.27 billion for the 2024 imports, which was USD 1.75 billion in 2023.
- Besides, the imports of woven and knitted fabrics recorded a 20.02% and a 38.35% rise, respectively, in 2024.

- Due to higher production costs, the gas crisis, and incentive cuts, domestic textile millers, especially spinners, are facing uneven competition against their foreign competitors.

News Source:

https://today.thefinancialexpress.com.bd/last-page/yarn-imports-soar-39pc-amid-local-spinners-struggles-1737307554

Apparel exports to EU grow 24% in Nov last year

- Bangladesh's apparel exports to the European Union grew 24.09%, reaching EUR 1.53 billion USD 1.57 billion) in November last year, primarily driven by easing inflation and declining interest rates in Western countries.
- Driven by rising demand in the European market, apparel shipments showed consistent growth for four months through November, according to Eurostat.
- In the first 11 months of 2024, six months recorded positive growth, including four months with double-digit increases ranging from over 20% to nearly 34%, while the remaining five months saw negative growth in apparel exports.
- Due to rising demand, apparel shipments to Bangladesh's largest single destination grew by 2.53% between January and November, surpassing the global average growth of 0.34%.
- Exports in the four months reached EUR 16.72 billion, up from EUR 16.31 billion in the equivalent period of 2023.

News Source:

https://www.tbsnews.net/economy/rmg/apparel-exports-eu-grow-24-nov-last-year-1047336

Energy

Power Grid remains in the red for heavy foreign loan burden

- Despite higher revenue, Power Grid Company endured losses for the second year in a row in FY24, owing to a significant forex conversion loss.
- However, the state-owned power transmission company reduced its loss by 27% year-on-year to BDT 4.57 billion in FY24, with a 14% rise in revenue in the year compared to the year before.
- The stability in the forex market also helped the company achieve a 13.9% year-on-year cut in its foreign exchange transaction loss to BDT 10.98 billion in FY24.
- Power Grid has a huge amount of foreign loans, taken for development works and required to be paid back in dollars.
- The loss has been determined on the basis of the exchange rate on the last day of the financial year.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/power-grid-remains-in-the-red-for-heavy-foreign-loan-burden-1737300191

Power outages during Ramadan appear unavoidable: IPPs

- Independent power producers (IPPs) ended the week without the hope of continuing power supply in March when electricity demand is expected to surge by a third due to upcoming Ramadan, the month of fasting, and irrigation needs.
- IPPs were unable to ensure even partial payment against their accumulated receivables of BDT 12,000 crore.
- The non-payment would force over 2,500MW HFO-based capacity to go idle, according to David Hasanat, president of the Bangladesh Independent Power Producers' Association (Bippa).
- The 45-day payment cycle stretched to over six months, HFO plants have accumulated around BDT 8,500 crore in foreign exchange losses since the taka began depreciating against the dollar in 2022 and companies ran out of money long ago to continue fuel imports.
- BPDB Chairman Md Rezaul Karim told that they are actively trying to secure some funds from the government to settle partial payments to IPPs.

News Source:

https://www.tbsnews.net/bangladesh/energy/power-outages-during-ramadan-appear-unavoidable-ipps-1044776

Capital Market

Dhaka stock inch up after a lacklustre week

- The Dhaka Stock Exchange (DSE) indices have shown positive movement after a week of lacklustre performance, as investors displayed selective buying interest in certain stocks.
- However, most investors remain cautious and, on the sidelines, due to ongoing market uncertainties.
- Several factors, including high deposit rates, a liquidity crunch, low activity among institutional investors, the absence of foreign investors, and a challenging economic environment exacerbated by ongoing political instability, contribute to this situation, according to market insiders.
- Turnover at the DSE increased by 1.2%, reaching BDT 368 crore from BDT 364 crore compared to the previous session.
- Among the 396 stocks traded, 172 gained, 160 declined, and 64 remained unchanged.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-stock-inch-after-lacklustre-week-1047351

Small-cap stocks' recent domination of DSE turnover chart

- As many as 10 companies dominated the chart of top turnover leaders of the Dhaka bourse consistently in the recent sessions.
- Though the prime bourse has been witnessing very low turnovers, the companies including Khan Brothers PP Woven Bag Industries, Aftab Automobiles, Orion Infusion, Asiatic Laboratories, Taufika Foods and Lovello Ice-cream, and Fine Foods posted remarkable turnovers and made it to the chart of the DSE's 20 turnover leaders.

- A majority of the companies are small cap and they experienced increased investor participation when large-cap companies have been unable to attract investors.
- Despite being a junk stock, Khan Brothers PP Woven Bag Industries exhibited an abnormal rally.
- The stock price of Fine Foods and Midland Bank declined 24% and 26% respectively.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/small-cap-stocks-recent-domination-of-dse-turnover-chart-1737301359