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Daily News Snippet

January 22, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,202.62
% change	0.13%
DS30 Index	1,925.25
% change	0.11%
DSES Index	1,172.79
% change	0.14%
Turnover (BDT mn)	4,991.42
Turnover (USD mn)	40.91
% change	16.91%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,025.81
% change	1.24%
S&P 500	6,049.24
% change	0.88%
Nikkei 225	39,027.98
% change	0.32%
FTSE 100	8,548.29
% change	0.33%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	127.05	127.10
GBP	150.34	150.40
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
21-Jan-25	9.90 - 11.00	10.13
20-Jan-25	9.90 - 11.00	10.11
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	79.29	-1.07%
Gold Spot, USD/t oz.	2,744.35	1.25%
Cotton, USD/lb.	67.66	0.09%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX rose by 0.13% in the last trading day, closing at 5,202.62 points.
- The daily turnover increased by 16.91% in the last trading day.

Global Market

- Most of the key global indices performed positively, with the Dow Jones Industrial Average rising by 1.24%, the S&P 500 rising by 0.88%, and the FTSE 100 rising by 0.33%.
- The Nikkei 225 rose by 0.32%.

Key macro indicators

- The value of the BDT fell against the EUR, GBP, and INR, but remained stable against the USD.
- The average overnight rate has risen over the past two working days from 10.11% to 10.13%.
- The latest weighted average overnight rate stood at 10.13% 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 decreased by 1.07% in the last trading day, the price of gold increased by 1.25%, and cotton prices rose by 0.09%.

Bangladesh Macro Update

Jul-Sep FDI inflow hits lowest in 11 years

- The country's net foreign direct investment (FDI) inflow during the first quarter of fiscal year 2024-25 dropped to USD 104 million, the lowest in 11 years.
- The decline was attributed to factors such as political instability and economic uncertainty centring student-led mass upsurge and subsequent fall of the Sheikh Hasina-led government during the period.
- According to data from the central bank, net FDI inflow in the same quarter of FY24 was USD 361 million.
- This means that net FDI inflow decreased by 71% compared to the previous fiscal year.
- Since 2014, the central bank has been providing quarterly data on net FDI inflow. Out of 43 quarters from January 2014 to date, net FDI inflow in July-September 2024 was the lowest.

News Source:

https://www.tbsnews.net/economy/jul-sep-fdi-inflow-hits-lowest-11-years-1049206

VAT hike to minimally impact goods prices

- The recent hike in value-added tax (VAT) and supplementary duty (SD) rates will not have any significant effect on the prices of goods, said Finance Adviser Salehuddin Ahmed yesterday.
- The National Board of Revenue (NBR) increased VAT and SD on nearly 100 goods and services on January 9, leading to apprehensions that it would stoke inflation, put further strain on consumers' wallets, and slow down businesses.
- The NBR raised the indirect taxes at a time when overall revenue collection fell by 2.62 percent in the July–November period, increasing pressure on the government to borrow from domestic and foreign sources.
- The VAT increase also aligns with the recommendations of the International Monetary Fund (IMF) as part of a $4.7 billion loan it approved for Bangladesh in January 2023.
- Tax and VAT adjustments are typically made during the formulation of the national budget, and various measures will be adopted in the budget this year to ensure conformity with the hikes

News Source:

https://www.thedailystar.net/business/news/vat-hike-minimally-impact-goods-prices-3805221

SMEs lose credit appetite in economic turbulence

- Access to bank loans has also become increasingly difficult for these small ventures, officially categorised as cottage, small, and medium enterprises (CMSMEs).
- Instead of easing, the situation for around 78 lakh CMSMEs across the country, which contribute one-fourth of the gross domestic product (GDP) and employ 40 percent of the total workforce, has worsened in late-2024.
- On top of the stubbornly high inflation, nationwide protests, violence, curfews, recurrent flooding and punishingly high interest rates on bank loans have brought the CMSMEs to their knees.
- Credit data from the central bank also shows the economic disaster facing the CMSMEs.

- During the April-June period of fiscal year 2023-24, small businesses received Tk 54,526 crore in bank loans.

News Source:

https://www.thedailystar.net/business/news/smes-lose-credit-appetite-economic-turbulence-3805241

Sectoral Update

Banks, NBFIs, and Insurance

Individuals can purchase saving certificates worth Tk45 lakh

- Individuals can purchase saving certificates worth Tk45 lakh, the Bangladesh Bank said in 21 January.
- Its Debt Management Department on Tuesday issued a circular clarifying the amendment of the family saving certificate policy.
- The central bank said any Bangladeshi aged 18 and above and any Bangladeshi with physical disabilities of maximum 65 years old and above may apply for purchasing savings certificates in the prescribed form.
- A paragraph has been substituted for Article 3 of the Family Savings Certificate Policy, 2009 stating the eligibility for purchasing savings certificates.
- This savings certificate cannot be purchased in a joint name and no institution's money can be used in it.

News Source:

https://www.tbsnews.net/economy/banking/individuals-can-purchase-saving-certificates-worth-tk45-lakh-1048991

Apparel and Textiles

US delegation with focus on workers' rights visits BGMEA

- A high-level delegation from the American Apparel & Footwear Association (AAFA) and the Fair Labor Association (FLA) visited the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on 21 January.
- The visit aimed at discussing workers' rights issues and exploring ways to enhance the partnership between the US and Bangladesh in the readymade garment (RMG) sector.
- The BGMEA delegation, led by Administrator Anwar Hossain, engaged in discussions with the AAFA and FLA representatives.
- Export-oriented non-bonded readymade garment factories generally procure yarn, fabric and accessories locally through back-to-back letters of credit (L/C).
- The meeting highlighted opportunities of cooperation in fostering a more sustainable and ethical RMG industry in Bangladesh while strengthening trade relations with the United States.

News Source:

https://www.tbsnews.net/economy/rmg/us-delegation-focus-workers-rights-visits-bgmea-1049216

Engineering

Steelmakers seek duty-free import of raw materials

- Several companies, including BSRM, have sought duty-free imports of raw materials against bank guarantee, aiming to boost export growth.
- BSRM chairman Alihussain Akberali has recently written to the commerce ministry, seeking required steps on the issue.
- The official also said that two more companies also sought the same facility last November.
- Such facility can also be given to other highly compliant and tax-paying companies like the BSRM.
- With such facilities, there will be a large increase in exports, according to Mr Akberali.

News Source:

https://today.thefinancialexpress.com.bd/last-page/steelmakers-seek-duty-free-import-of-raw-materials-1737479813

Telecommunications

GP denied spectrum in 850 MHz band amid competitors' opposition

- The telecom regulator has declined to allocate any spectrum to Grameenphone in the 850 MHz band as the competitors opposed the plan citing their risk of signal interferences and deterioration of service quality.
- BTRC decided for an auction to allocate a new spectrum in the 700 MHz band by the middle of this year, according to its chairman Major General (Rtd) Md Emdad Ul Bari.
- We appreciate the fair decision by the telecom regulator as it could have hurt every other operator due to the technical issues, according to Robi Axiata Chief Corporate and Regulatory Officer Mohammed Shahedul Alam.
- The 850 MHz band spectrum interferes with the other operators' radio signals using the existing 900 MHz band spectrum, resulting in poorer services.
- In several meetings with the BTRC over the past few months, telecom operators Robi and Banglalink were requesting for no allocation of the spectrum in 850 MHz band as the industry has already invested in 900 MHz band spectrum as a low-band alternative.

News Source:

https://www.tbsnews.net/bangladesh/telecom/gp-denied-spectrum-850-mhz-band-amid-competitors-opposition-1049211

Energy

Ctg-Dhaka underground fuel pipeline set for April launch

- All are set to begin fuel supply through underground pipeline stretching Chattogram to Dhaka from April 1 next as the BDT 3600 crore project is expected to complete within March.

- The 250-kilometre Chattogram-Dhaka underground network will ensure undisrupted and secured supplying of petroleum products replacing costly and outdated existing system, according to Anupam Barua, Director (Operation and Planning) of Bangladesh Petroleum Corporation (BPC).
- The state-of-the-art automated fuel supply network will save BDT around 200 per year in transportation.
- It will also enhance energy security, reduce carrying-time and check pilferage in the name of system losses as well as environmental pollution.
- Major supply of fuel from main installation depots in Chattogram to other parts of the country has been made through waterways whereas a small portion is supplied via rail routes since Independence.

News Source:

https://www.tbsnews.net/bangladesh/chattogram-dhaka-underground-pipeline-likely-start-fuel-supply-1-april-1048661

World Bank offers cheaper $350m loan guarantee for LNG imports

- The World Bank has proposed a USD 350 million loan guarantee facility for Bangladesh, presenting more favourable terms than the current foreign financing option.
- It creates a new avenue to support the country's long-term liquefied natural gas (LNG) import requirements in 2025.
- The "revolving letter of credit facility" offered by the WB's Multilateral Investment Guarantee Agency (Miga) will provide a 100% guarantee for LCs issued by local and international banks to Petrobangla.
- The proposal also includes the possibility of expanding the facility beyond USD 350 million, though with reduced World Bank coverage.
- The adviser further said that the Economic Relations Division (ERD) is handling matters and will decide the guarantee amount and when the proposal can be formalised.

News Source:

https://www.tbsnews.net/bangladesh/energy/world-bank-offers-cheaper-350m-loan-guarantee-lng-imports-1048301

Capital Market

Stocks gain as quarterly earnings buoy investor sentiment

- The stock market extended a winning streak for the third day in a row on Tuesday, with the key index of the Dhaka bourse crossing 5,200 mark after three weeks amid renewed optimism.
- The market rally was largely supported by fundamentally-strong stocks, driven by favorable quarterly earnings disclosure of some of the companies.
- Buyers remained on the dominant side as opportunistic investors sought oversold stocks, which they deemed lucrative at the prevailing price levels.
- The daily turnover went up 17% to BDT 5 billion on Tuesday and it was the biggest single-day turnover this year.
- DSEX, the benchmark index of the Dhaka Stock Exchange, was up about 7 points or 0.13% to 5,202.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-gain-as-quarterly-earnings-buoy-investor-sentiment-1737475212

HC stays appointment of independent directors at Beximco Pharma

- The High Court has stayed the appointment of independent directors to the board of Beximco Pharmaceuticals for three months, the drugmaker disclosed in a filing with the London Stock Exchange.
- On 1 January, the Bangladesh Securities and Exchange Commission (BSEC) decided to appoint nine independent directors to the board of the drugmaker, which is listed on both the London Stock Exchange and the Dhaka Stock Exchange (DSE).
- The commission's aim was to ensure a majority of independent non-executive directors on the board, and it later sent a letter to the company.
- In a filing on 14 January, Beximco Pharmaceuticals said that it challenged the BSEC order in the High Court.
- At a hearing, the court granted a stay for three months, meaning the appointments will not become effective until the court hears the company's petition.

News Source:

https://www.tbsnews.net/economy/stocks/hc-stays-appointment-independent-directors-beximco-pharma-1049181