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Daily News Snippet

February 10, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,165.88
% change	-0.26%
DS30 Index	1,911.84
% change	-0.06%
DSES Index	1,143.54
% change	-0.37%
Turnover (BDT mn)	3,741.09
Turnover (USD mn)	30.66
% change	-12.93%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,303.40
% change	0.00%
S&P 500	6,025.99
% change	0.00%
Nikkei 225	38,744.50
% change	-0.19%
FTSE 100	8,700.53
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	125.99	126.00
GBP	151.39	151.43
INR	1.39	1.39
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
9-Feb-25	9.50 - 11.00	10.05
6-Feb-25	9.50 - 11.00	10.01
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	75.20	0.72%
Gold Spot, USD/t oz.	2,867.63	0.25%
Cotton, USD/lb.	66.09	0.70%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.26% in the last trading day, closing at 5165.88 points.
- The daily turnover decreased by 12.93% in the last trading day.

Global Market

- Majority global indices were closed yesterday.
- One of the key Asian indices, the Nikkei 225 fell by 0.19%

Key Macro Indicators

- The value of the BDT rose against the EUR, GBP, and INR, and remained stable against the USD.
- The average overnight rate rose by 0.04% and stood at 10.05%, standing between 9.50% and 11.00%.
- Prices of oil futures increased by 0.72%, the price of gold increased by 0.25%, and the price of cotton increased by 0.07%.

Bangladesh Macro Update

Financial sector weaknesses, labour unrest pose short-term risks: Finance ministry to CA

- Weaknesses in the financial sector and labour unrest could pose short-term risks for the interim government, the finance ministry has warned in a presentation to Chief Adviser Muhammad Yunus.
- In addition to curbing inflation, restoring discipline in the financial sector and addressing labour unrest before it escalates should be top priorities for the interim government according to the report presented by Finance Adviser Salehuddin Ahmed.
- Meanwhile, Bangladesh's GDP expanded at its lowest rate in four years, at 4.22% for the fiscal 2023-24, according to the Bangladesh Bureau of Statistics (BBS).
- As a result of the revised GDP, per capita income stood at USD 2,738 in FY24, down from the preliminary estimate of USD 2,784.
- The report stated that reducing the inflation rate below 10% was a major challenge, which has now been achieved. By June, inflation is expected to fall to 8%, and if it drops below 6.5% in the future, the government will consider reducing subsidies by raising gas and electricity prices.

News Source:

https://www.tbsnews.net/economy/financial-sector-weaknesses-labour-unrest-pose-short-term-risks-finance-ministry-ca-1065156

Bangladesh PMI rises to 65.7 driven by faster expansion in agri, construction, services sectors

- The latest Purchasing Manager Index (PMI) readings for Bangladesh indicate that the country's economy remains on an expansion trajectory for the fourth month, driven by growing exports, seasonal consumption trends, and an improved agro supply chain.
- The PMI for January has increased by four points from the previous month to 65.7, according to a press release issued today by the Metropolitan Chamber of Commerce and Industry (MCCI) and the Policy Exchange Bangladesh (PEB).
- The release attributed January's readings to a faster rate of expansion in the agriculture, construction, and services sectors.
- The confidence for new business investments and expansion, as recorded in the future business index, remains sluggish, particularly among the firms catering to the domestic market due to sluggish demand, growing cost of business and energy supply disruptions, the release said.
- MCCI and PEB introduced the PMI 14 months ago, and it has since been published monthly as a forward-looking economic indicator, helping to understand the direction the economy is headed.

News Source:

https://www.tbsnews.net/economy/bangladesh-pmi-rises-657-driven-faster-expansion-agri-construction-services-sectors-1065096

Tightfisted monetary management likely again

- Tightfisted monetary management may continue for another six months as the central bank is set to unveil its next monetary policy in 1oth February with focus on taming inflation to tolerable levels, officials said.
- The central banker hopes the inflationary pressure on the economy will be brought down at a tolerable level within the next couple of months.
- The BB's latest move comes against the backdrop of a declining inflation trend in the last consecutive two months, driven primarily by stable food prices due to an increased supply of winter vegetables in the local market.
- Meanwhile, inflation as measured by consumer-price index came down to 9.94% in the month of January 2025 from 10.89% of the previous month on the point-to-point basis. It was 11.38% in November 2024.
- On the other hand, the 12-month average inflation remained unchanged at 10.34% in January this calendar year from the previous level, according to the latest Bangladesh Bureau of Statistics (BBS) data.

News Source:

https://today.thefinancialexpress.com.bd/first-page/tightfisted-monetary-management-likely-again-1739125444

Sectoral Update

Banks, NBFIs, and Insurance

Cenbank may keep Jan-Jun policy rate unchanged

- The Bangladesh Bank is expected to continue its contractionary monetary policy for the second half of the current fiscal year while maintaining the policy rate unchanged at 10%, as the rising inflation rate shows signs of slowing down.
- Additionally, there is little chance of any change in the exchange rate as senior central bank officials have indicated that the initial decision is to maintain private sector credit growth at the same level.
- The central bank's board is scheduled to approve the new monetary policy for the January-June period this morning, with Governor Ahsan H Mansur announcing it in the afternoon.
- A policy rate is the interest rate that a central bank sets to influence the economy's interest rates and achieve its inflation targets.
- Commercial banks are charged the Repo rate for borrowing money overnight from the central bank. If the Repo rate increases, the cost of borrowing for banks rises, leading to higher lending and deposit rates.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-may-keep-jan-jun-policy-rate-unchanged-1065146

Energy

Govt ensures uninterrupted power supply across country: Adviser Fouzul

- The interim government has attached priority to ensuring uninterrupted power supply alongside bringing the power sector out from subsidies and inefficiencies through establishing transparency and accountability.

- Bangladesh is moving from subsidies and inefficiencies to a new era of transparency and accountability in power-energy, a transformation necessary to this import sector for our future sustainably, according to Power, Energy and Mineral Resources Adviser Muhammad Fouzul Kabir Khan.
- He expressed optimism that the prices of electricity and energy would come down in future as steps are on to increase production of renewable power on priority basis and ensure efficiency in the sector.
- We've restored the Energy Regulatory Commission's [BERC] power to fix electricity tariffs and we are also revising the Integrated Energy and Power Master Plan [IEPMP] and re-evaluating the renewable energy policy to increase its stake in total energy output, he added.
- He also said that the government is also moving away from independent power producers (IPPs) and implementing a more sustainable power policy.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-ensures-uninterrupted-power-supply-across-country-adviser-fouzul-1063291

Govt plans separate tariff structure for battery swapping stations

- The government plans to introduce a separate tariff structure for battery swapping stations to encourage investment in the sector, according to Bangladesh Energy Regulatory Commission (BERC) Chairman Jalal Ahmed.
- In response to a local startup's request, the regulatory body is considering a specific energy tariff rate to support operations.
- A battery swapping station is a place where electric vehicle (EV) owners can exchange a depleted battery with a fully charged one.
- With investment from an international company, over 1,000 battery swapping stations have already been established in the country, a move viewed positively for managing used batteries and mitigating their environmental impact.
- He identified that the high cost of renewable energy technology as the primary barrier to sustainable energy sourcing in the apparel sector.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-plans-separate-tariff-structure-battery-swapping-stations-1062966

Tannery

Tanners fear grimmer days ahead as leather exports drop 11% in H1

- Leather exporters fear worsening prospects due to declining competitiveness in the international market, blaming the state's failure to implement the necessary environmental measures to secure mandatory Leather Working Group (LWG) certification for local companies.
- Bangladesh's leather exports fell by 11.65% year-on-year in the first half of the current fiscal year, according to the Export Promotion Bureau (EPB).
- Exports totalled USD 62.48 million, down from USD 70.72 million during the same period in FY24.

- The declining shipments serve as an example of how companies are affected in their export competitiveness.
- Exporters warn that without immediate government action to prepare the industry for LWG certification, its future survival is at risk.

News Source:

https://www.tbsnews.net/economy/industry/tanners-fear-grimmer-days-ahead-leather-exports-drop-11-h1-1065166

Pharmaceuticals

Drug makers secure growth in H1 on low finance costs, higher sales

- Leading drug manufacturers maintained revenue and profit growth year-on-year in the first half of FY25, supported by higher sales amid stability in the forex market.
- However, efficient management, strong financial positions, and lower finance expenses helped Square Pharmaceuticals and Beximco Pharmaceuticals, among the drug makers, secure a double-digit growth in an adverse business climate.
- Despite economic headwinds, such as high inflation, currency depreciation, and rising living costs, Bangladesh's pharmaceutical sector has thrived due to strong local demand, self-sufficiency, export growth, cost efficiency, and favorable government policies.
- The collective revenue of seven major drug manufacturers reached BDT 116 billion in July-December of FY25, a 9.43% increase from the year before.
- Their combined profit also rose 6.40% year-on-year to BDT 19.87 billion during the period under review.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/drug-makers-secure-growth-in-h1-on-low-finance-costs-higher-sales-1739123693

Textile

Two more RMG factories gets LEED certification

- Two more ready-made garment (RMG) factories have received the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) certification, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- With this, Bangladesh has further solidified its position as a global leader in environmentally friendly apparel manufacturing.
- The country now boasts 237 LEED-certified factories, including 95 platinum-rated, 128 gold-rated, 10 silver-rated, and four certified factories.
- In February, Columbia Apparels Ltd, a factory unit based in Gazipur, obtained a gold certificate from the USGBC under the LEED O+M: Existing Building v4.1 rating system with a score of 77.
- Another Gazipur-based factory, Banga Fashion Ltd, earned a platinum certificate from the USGBC with a score of 87 under the same rating system.

News Source:

https://www.tbsnews.net/economy/rmg/two-more-rmg-factories-gets-leed-certification-1065106

Capital Market

Stocks edge down after 6 sessions

- The Dhaka bourse closed Sunday's session marginally lower, breaking the gaining streak of the previous six sessions following a sale pressure exerted by worried investors.
- The market opened the session with a positive note but the DSEX, broad index of the Dhaka Stock Exchange (DSE), started to decline just 15 minutes onwards.
- A sloppy declining trend was observed till the market's closure amid investors' timid participation.
- Finally, the DSEX settled at 5165 points, with a loss of 0.26% or 13.29 points.
- Turnover value declined 13% to BDT 3.74 billion on Sunday from the day before.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-edge-down-after-6-sessions-1739123756

Dhaka bourse's faulty IPO list confuses market investors

- Investors are kept in the dark about upcoming IPOs (Initial public offerings) for reasons unknown.
- The premier bourse, Dhaka Stock Exchange (DSE), is the primary access point for investors to plan future investments in IPOs.
- According to its website, there are 12 IPO proposals but the securities regulator, which is the ultimate regulatory body to approve IPOs, told that only one IPO remains in the pipeline.
- The remaining 11 proposals have already been rejected.
- The DSE said that it was yet to receive formally any information on the matter from the Bangladesh Securities and Exchange commission (BSEC), which was why the list was kept unchanged.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-bourses-faulty-ipo-list-confuses-market-investors-1739123731