GREEN DELTA CAPITAL

Today's News Highlights

January 15, 2024

Economy

Cenbank likely to hike repo rate once again

The Bangladesh Bank is likely to hike the policy rate for the second half of the ongoing fiscal year (January-June) in a strategic move aimed at curbing inflation, according to a central bank official. The central bank is contemplating an increase in the repo rate, the benchmark rate at which banks borrow from the central bank, by 25 to 50 basis points. This adjustment could place the policy rate in the range of 8% to 8.25%. In November, the Bangladesh Bank increased the repo rate by 50 basis points to 7.75%.

Dollar bond rates hiked 2% to attract investment

For investments up to USD100,000 in three different terms, the finance minister has increased the interest rates for the US Dollar Premium Bond and US Dollar Investment Bond by up to 2% and 1.5%, respectively. According to a notification issued on January 14, 2024 by the Internal Resources Division under the finance ministry, for the premium bond, the rates have risen to 6.50% for the 1-year term, 7% for the two-year term, and 7.50% for the three-year term.

Inflation dips to 8-month low, led by food price fall

In December, the overall inflation reached a new 8-month low at 9.41%, primarily driven by a decrease in food prices, according to the Bangladesh Bureau of Statistics (BBS) data released January 14, 2024. Despite this improvement, the inflation rate has consistently remained above 9% since March of the previous year, with November registering at 9.49%. In December 2023, food inflation dropped by 1.18 percentage in November. Conversely, non-food inflation increased by 36 basis points, reflecting the challenge for consumers to manage additional expenses in areas such as healthcare and transportation.

Capital Market

DSEX afloat amid slightly higher turnover

Dhaka stocks, after withstanding some sell pressure during the trading session, ended mixed with the benchmark index DSEX moving up a point to stay buoyant over 6,300-mark. The index closed at 6,302 on January 14, 2024 and the blue chip DS30 also closed in green by gaining 1.7 points to 2,120. Investors' participation also increased a bit as the daily turnover at the Dhaka Stock Exchange (DSE) grew by 1.7% to BDT764.9 crore on January 14, 2024, compared to the previous trading session.

Buyers, sellers flock to secondary T-bond market as interest rate rises

Trading in Treasury bonds has gained momentum in the capital market as higher rates of return from fixed assets have given rise to new demand and supply. The monthly turnover of such investment vehicles on the Dhaka Stock Exchange surged by 260 times to BDT 373.41 million between October 2022 and October 2023. Though experts say the trading volume is still insignificant compared to the market's potential, it shows how a new market for Treasury bonds has been emerging.

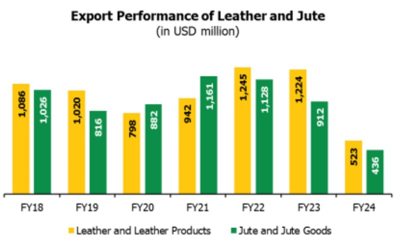
BSEC relaxes lock-in period of Intraco's converted shares

The securities regulator has reduced the lock-in period for the convertible shares of Intraco Refueling Station which will be converted from Intraco Refueling Convertible Bond. The Bangladesh Securities and Exchange Commission (BSEC) has fixed a two-year lock-in period instead of three years of the company's converted shares from the bond which will be collected through private placement, and from the sponsors and directors.

Sector

Govt plans same care for leather, jute as RMG

Prime Minister has instructed to extend incentives to the leather and jute industries, mirroring the benefits provided to the readymade garments sector. This strategic move aims to elevate export earnings from these locally sourced raw material sectors and cut the country's reliance on the garment industry. The directive was issued during an informal cabinet meeting in Tungipara, Gopalganj, as revealed by Industries Minister and State Minister for Commerce on January 14, 2024.



Corporate

Walton directors declare to sell shares to increase free-float

To comply with regulatory obligations, directors of Walton Hi-Tech Industries have so far declared to sell a total of 5.75 lakh shares as part of an initiative to increase the company's free-float shares to 10% in the secondary market of the stock exchanges. They have announced plans to sell these shares from 25 August 2022 to 14 January 2024. The declared sale order represents only 0.19% of the company's total shares.

Global

India to relax commodity export restrictions for Bangladesh

New Delhi will relax export restrictions for Dhaka to stabilize the market for key staples such as sugar, onions, rice, and wheat, Indian Prime Minister Narendra Modi has assured his Bangladesh counterpart Sheikh Hasina. Bangladesh is heavily dependent on India for the import of various consumer goods, including rice, wheat, onions, and potatoes. Around 80% of these products are imported from India.

Forex & Commodity Market

Exchange Rates BDT	Buy	Sell
USD	110.00	110.00
Source: Bangladesh Bank Dated: 14-01-2024		

Exchange Rates BDT	Buy	Sell
EUR	120.44	120.48
GBP	140.26	140.32
AUD	73.54	73.56
JPY	0.76	0.76
CAD	82.01	82.04
SEK	10.68	10.72
SGD	82.57	82.64
CNH	15.30	15.30
INR	1.33	1.33
Source: Bangladesh Bank Dated: 14-01-2024		

Commodity Items	Rate
Gold (oz)	2,058.60
Silver (oz)	23.41
Copper (lb)	376.40
Oil (bbl)	72.76
Gas (MMBtu)	3.12
Wheat (bu)	596.00
Cotton (lb)	81.31
Source: Bloomberg	

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