GREEN DELTA CAPITAL

Today's News Highlights

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Economy

[Annual import of consumer-oriented products rises to USD2b]

Bangladesh's import of various consumer-oriented products such as dairy products, fruits, tree nuts, spices, and soup is growing, driven by growing demand from middle-class consumers, urbanisation and lifestyle changes. The South Asian nation spent USUSD2 billion to import consumer-oriented products in 2022, compared to USD1.5 billion in 2018, according to a report by the US Department of Agriculture (USDA) released earlier this month.

[Imports, new domestic output to shoot gas trouble]

Ongoing gas crisis in the country will ease by March increased regasification and new domestic output of the fuel. Every year in winter gas crisis surfaces due to the accumulation of water in the pipeline, and demand for gas also increases as temperatures drop. The government has planned to drill some 46 new wells by 2025 and 100 more thereafter. He expects that around 500 million cubic feet per day (mmcfd) of gas could come from domestic sources by 2025.

[Policy rate hike looms again as previous attempts yield little success]

Taming inflation is the priority of the new government, so the central bank is likely to increase the policy rate further to beef up its fight against the stubbornly high consumer prices. In recent months, the BB got rid of the 9 percent lending rate and introduced a new interest rate regime, known as the Six-months Moving Average Rate of Treasury bill (SMART).

[Bangladesh's Foreign Loans: Repayment to rise 63pc in three years]

The government's foreign debt repayment is expected to increase as much as 63 percent by fiscal year 2025-2026 from the last financial year, indicating renewed pressure on the country's coffers. Foreign debt repayments, including interests, will reach USD4.5 billion in 2025-2026, according to a finance ministry projection. In the last fiscal year, the government repaid USD2.76 billion. In the current fiscal year of 2023-24, repayments are likely to cross the budget target of USD2.79 billion and will jump by 33.52 percent to USD3.57 billion.

Lingering Red Sea crisis pushes up trade costs for Bangladesh

The protracted Red Sea crisis has started to hit Bangladesh as the country's international trade costs have risen, a development that may hurt exports, stoke inflationary pressures, and delay the recovery of the economy. The blow comes at a time when the newly formed government said its main target is to contain the runaway inflation and rein in the prices of essential commodities. The Consumer Price Index has posted an increase of more than 9 percent since March this year.

USD shortage, inflation slowing automobile sales

Bangladesh's economy has been facing tough times of late as sustained high inflation, hike in interest rates and massive devaluation of the local currency continue to plague the country. In this series, we take a look back at how various industries fared amid the crisis in fiscal year 2022-23. Automobile sales in Bangladesh plummeted in fiscal 2022-23, with the industry recording the steepest fall in profits among all sectors due to reduced production and demand, according to industry people.

Capital Market

Sheltech Ceramics raises BDT150 crore through preference shares

Sheltech Ceramics Limited, a leading ceramics manufacturer has raised BDT150 crore by issuing non-convertible cumulative preference shares in the market. The company officials mentioned that they have taken this significant move to reduce their financial costs. The company management took this step as a proactive measure to minimize future financial risks, they added.

Retail investors to buy NRB Bank IPO shares from Jan 28

General investors will be able to subscribe IPO shares of NRB Bank Limited from January 28. The fourth-generation private commercial bank got regulatory permission to collect capital from the primary market in November last year. It will raise BDT 1 billion by issuing 100 million shares at BDT 10 each. General public and non-resident Bangladeshis (NRB) will be able to subscribe the bank's shares till 4:30pm of February 1 through brokers and merchant banks.

Sector

Why Bangladesh continues leather import despite having abundance of it

Despite having an abundance of rawhide, Bangladeshi exporters spend BDT1,000 crore (approximately USD100 million) annually to import finished leather certified by the Leather Working Group (LWG), putting pressure on the country's depleting foreign exchange reserves, which dropped from USD48 billion in August 2021 to around USD20 billion now. Industry experts point to domestic tanneries as the root cause of this challenge, citing their current inability to meet global standards.

Corporate

BTRC limits bandwidth capacity of Aamra Technologies over non-payment of dues

The Bangladesh Telecommunication Regulatory Authority (BTRC) has capped 80% bandwidth capacity of Aamra Technologies Limited, an internet gateway service provider, and a listed firm on the bourses, as the company did not clear government's revenue sharing dues. Aamra Technologies owes around BDT22 crore to the BTRC and now the telecom regulator also had to order limiting the bandwidth.

Global

A pessimist's guide to global economic risks in 2024

It's the year of the soft landing—and of interest-rate cuts that will support growth and markets around the world. So runs the upbeat conventional wisdom about the global economy in 2024. Crude prices could surge to USD150 per barrel, shaving about 1 percentage point off global GDP and adding 1.2 percentage points to global inflation.

Forex & Commodity Market

Exchange Rates BDT	Buy	Sell
USD	110.00	110.00
		Source: Bangladesh Bank Dated: 16-01-2024

Exchange Rates BDT	Buy	Sell
EUR	120.43	120.47
GBP	139.98	140.02
AUD	73.26	73.28
JPY	0.75	0.75
CAD	81.90	81.94
SEK	10.66	10.66
SGD	82.47	82.52
CNH	15.31	15.31
INR	1.33	1.33
		Source: Bangladesh Bank Dated: 16-01-2024

Commodity Items	Rate
Gold (oz)	2,027.40
Silver (oz)	2,027.40
Copper (lb)	375.1
Oil (bbl)	71.84
Gas (MMBtu)	2.81
Wheat (bu)	583.25
Cotton (lb)	81.1
	Source: Bloomberg

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