

# Today's News Highlights

January 18, 2024



## Economy

### **New monetary policy aims to rein in inflation, stabilize exchange rates**

Pressed by a liquidity crunch and soaring money rates, the Bangladesh Bank doubled down on tightening money supply, launching a new monetary policy to subdue the still-elevated inflation which has shown a slowing trend since November last year. Policy rate is revised to 8%, GDP growth rate decreased to 6.5%, inflation increased to 7.5%.

### **Tax the rich, not the poor: Civil society groups call for tax reform**

Twelve civil society organizations, led by Equity and Justice Working Group, held a rally on January 17, 2024 in front of the National Press Club in Dhaka, calling for tax reform in Bangladesh and across the globe. The global civil society network Fight Inequality Alliance on the eve of the 54th World Economic Forum (WEF) conference, carried the slogan "Tax the rich, not the poor." The gathering called for the abolition of regressive tax systems worldwide, aiming to eradicate severe income inequality across nations, including Bangladesh, reads a press release.

### **Governor defends liquidity support to cash-strapped Islamic banks**

The Bangladesh Bank is providing liquidity support to cash-strapped Islamic banks as per the power of the governor, said chief of the central bank. When it is not possible to extend support to crisis-hit lenders in any way, liquidity facility is given as a "lender of last resort", he told reporters at a media briefing organized to unveil the Monetary Policy Statement (MPS) for the second half of the current fiscal year.

### **M&A likely for weaker banks: BB**

Mergers and acquisitions (M&A) may be in wait as a cure for comparatively weaker banks to strengthen their capital base, as they are deemed ridden with problems, according to a central bank plan. Bangladesh Bank Governor on January 17, 2024 said the regulator was now weighing this option, in a package of remedies for the financial sector at large.



# Capital Market

## [Beacon Pharma, Power Grid move above floor on post-polls excitement](#)

Beacon Pharmaceuticals on January 17, 2024 topped the chart of the most-traded stocks after remaining stuck at the floor price for 10 months, joining the club of large-cap stocks that have experienced post-polls price appreciations. It saw the second highest price rise on the Dhaka Stock Exchange (DSE). Another market leader, Power Grid Company of Bangladesh had a marginal gain on the bourse, crossing the floor price after 15 months. The post-polls upbeat market has helped some other market leaders, including Square Pharmaceuticals, to leave the floor.

## [Will policy rate hike roil stock market? Opinions differ](#)

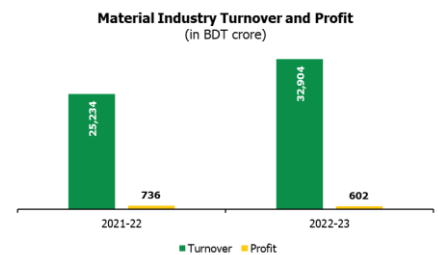
The interest rate rise resulting from the policy rate increase for the second half of FY24 threatens to exacerbate liquidity crisis in the stock market, as investors are likely to divert funds to fixed-income assets. But experts doubt such an outcome on the premise that the market is already battered by investors' apathy. However, a higher interest rate aimed at wiping up extra money from the economy will hamper the profitability of highly leveraged listed firms.



# Sector

## [Rising production costs blindside building material industry](#)

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. Here, in the third instalment of the series, we take a look at how building material companies fared that year.



# Corporate

## [S Alam Group's modern refineries creating over 6,000 employment through BDT13,000 crore investment](#)

S Alam Group, the country's leading industrial conglomerate, is playing a key role in stabilizing the market by importing various daily necessity products including sugar, wheat, chickpea, onion, oil etc. S. Alam Group's several new refineries with the latest technologies will start a full-fledged operation this year. This will create more than six thousand employment opportunities at the eight refineries with an investment of approximately USD1,200 million or BDT 13 thousand and 182 crore made by the company.



# Global

## [Asia stocks sink as China weakness, rate cut jitters weigh](#)

Asian equities fell sharply on January 17, 2024, led by Chinese stocks after a slew of data pointed to a patchy recovery in the world's second-biggest economy, while the dollar was near a one-month high as traders dialed back bets of early interest rate cuts. MSCI's broadest index of Asia-Pacific shares outside Japan, opens new tab slid 1.8 per cent, touching a fresh one-month low and on course for its steepest one-day percentage fall in over five months. European

stocks were set for a sharply lower open, with the Eurostoxx 50 futures down 0.67 per cent, German DAX futures down 0.55 per cent and FTSE futures 0.71 per cent lower.

### Japan sees record 2.73m visitors in December

Japan welcomed a record number of visitors in December, official data showed on January 17, 2024, closing out a year of rapid recovery from the COVID-19 pandemic, reports Reuters. The number of foreign visitors for business and leisure rose to 2.73 million last months from 2.44 million in November, data from the Japan National Tourism Organization (JNTO) showed. It was the highest-ever number of tourists for the month of December and about 8 per cent higher than the pre-pandemic level seen in 2019.



# Forex & Commodity Market

Exchange Rates BDT	Buy	Sell
USD	110.00	110.00

Source: Bangladesh Bank  
Dated: 17-01-2024

Exchange Rates BDT	Buy	Sell
EUR	119.61	119.66
GBP	139.00	139.01
AUD	72.41	72.45
JPY	0.75	0.75
CAD	81.49	81.53
SEK	10.54	10.54
SGD	81.92	81.95
CNH	15.23	15.24
INR	1.32	1.32

Source: Bangladesh Bank  
Dated: 17-01-2024

Commodity Items	Rate
Gold (oz)	2,010.10
Silver (oz)	22.74
Copper (lb)	374.1
Oil (bbl)	73
Gas (MMBtu)	2.88
Wheat (bu)	581
Cotton (lb)	81.84

Source: Bloomberg

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