



DHAKA BANK PLC.

Weekly News Blaze



Weekly News Blaze is a weekly Newsletter from Research & Development Unit of Dhaka Bank PLC. This comprises important news from Economy, Banking and relevant Industries.

Editor
Farzana Afroz, R&D Unit

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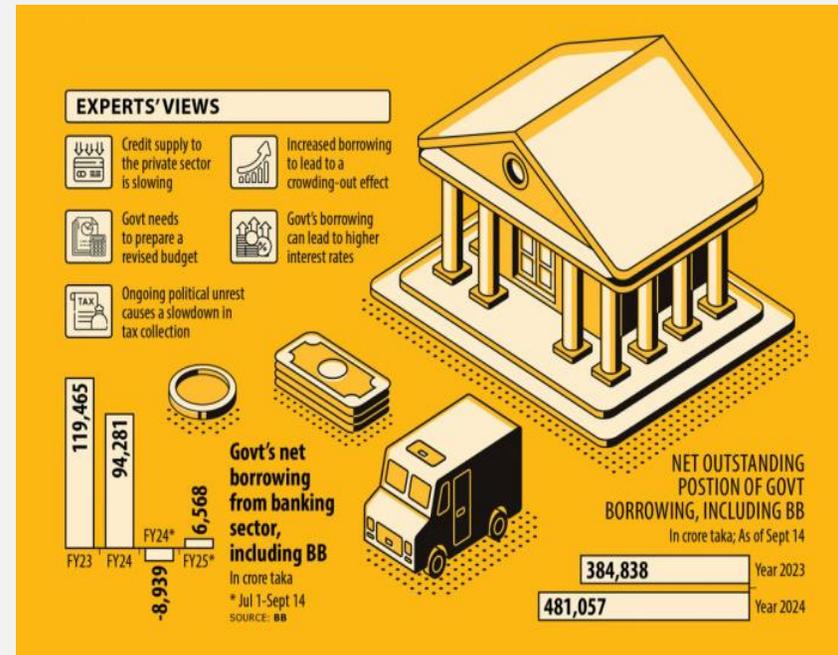
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Government Borrowing From Banks Rises As Unrest Hits Tax Collection

- The government's borrowing from banks increased by Tk 6,568 crore during July 1 to September 15 of fiscal year (FY) 2024-25. During the same period a year ago, the net borrowing from banks fell by Tk 8,939 crore, according to BB.
- Tax collection by the NBR, which collects more than 85 percent of total revenue, fell 6 percent year-on-year in the first quarter of FY25.
- Disbursement of loans by bilateral and multilateral lenders fell by a third year-on-year to \$846 million in the July-September period of FY25.
- At the same time, Bangladesh's foreign debt servicing shot up 29 percent year-on-year to \$1,126 million.
- Additionally, the recent data on currency outside banks, which rose by 0.69 percent in August 2024, suggests that more money is circulating in the economy.



E-Tax Filing Mandatory For Staff Of Key Sectors

- Employees of all scheduled banks and telecom companies
- those working within Gazipur, Narayanganj, Dhaka north and south city corporations.
- Prominent companies such as Nestle Bangladesh, British American Tobacco Bangladesh, Unilever Bangladesh, Marico Bangladesh, Bata Shoe Company and Berger Paints Bangladesh
- Submit e-return at www.etaxnbr.gov.bd.
- The submission period for individual tax returns commenced on July 1, 2024 will end on Nov 30, 2024.

\$1.53b Remittances Received In 19 Days Of October

- In the first 19 days of October, Bangladesh received \$1.53 billion in remittances. During the same period of September, the expatriates sent \$1.47 billion.
- On average, daily remittances stood at \$80.70 million, according to Bangladesh Bank (BB) data published on Monday.
- Out of the total remittances received by October 19, over \$400.80 million came through state-owned banks, \$78.10 million through a specialised bank, \$1.04 billion through private banks, and \$4.01 million through foreign banks.

Banking Sector Flush With Tk 1.90t In Excess Liquidity

- The banking sector in Bangladesh, once facing a liquidity crisis, is now seeing a surplus, holding Tk 1.90 trillion in excess liquidity, according to the Bangladesh Bank.
- Attributed to a rise in depositor confidence following the recent political changes in the country.
- Despite the renewed trust, private credit growth has slowed to 9.46 per cent year-on-year in August 2024, contributing to the increased liquidity within the banks.
- The central bank's latest data indicates that 46 banks -- comprising four Sharia-based and 42 conventional institutions -- currently have excess liquidity.

Bangladesh Faces Climate Debt Risk With \$79.61 Per Capita Burdens

- Climate debt per capita in 2009, it reached \$79.61 (Tk9,485) per capita by 2022.
- For every dollar of climate finance received as grant by Bangladesh, 95 cents are in the form of loans, creating a substantial debt burden.
- LDCs require \$480 billion annually by 2030, with adaptation finance being 100% grant-based from 2025.
- Bangladesh's multilateral per capita climate debt (\$2.04) is three times higher than the average for other climate-vulnerable LDCs (\$0.85).
- Only 30.74% of pledged international climate funds have been disbursed to LDCs, leaving them with insufficient resources to implement adaptation and mitigation measures.

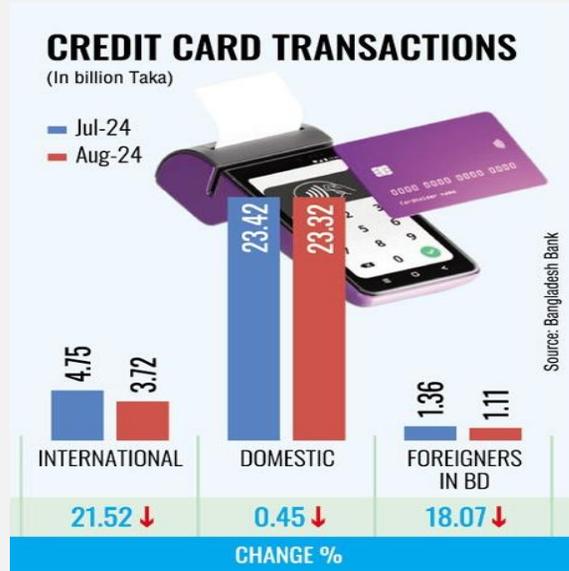
Six Troubled Banks Get Nearly Tk5,000cr in Liquidity Support In 30 Days

- BB issued around Tk5,000cr liquidity support to six banks
- Islami Bank received Tk1,495cr, Social Islami Bank Tk1,000cr
- Global Islami Bank Tk295cr, First Security Islami Bank Tk775cr
- Union Bank Tk150cr, National Bank Tk820cr
- Support provided by 5 banks including Sonali Bank, Dutch-Bangla Bank, Eastern Bank, City Bank, and Mutual Trust Bank.
- Four of the six banks received Tk875cr

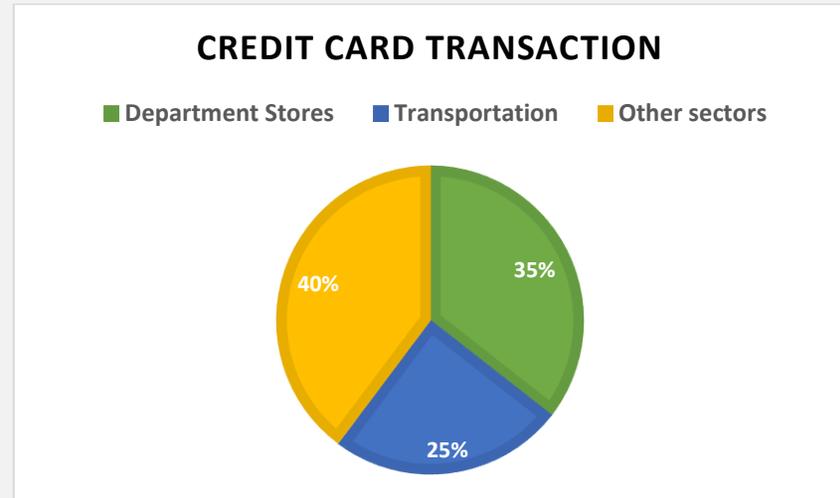
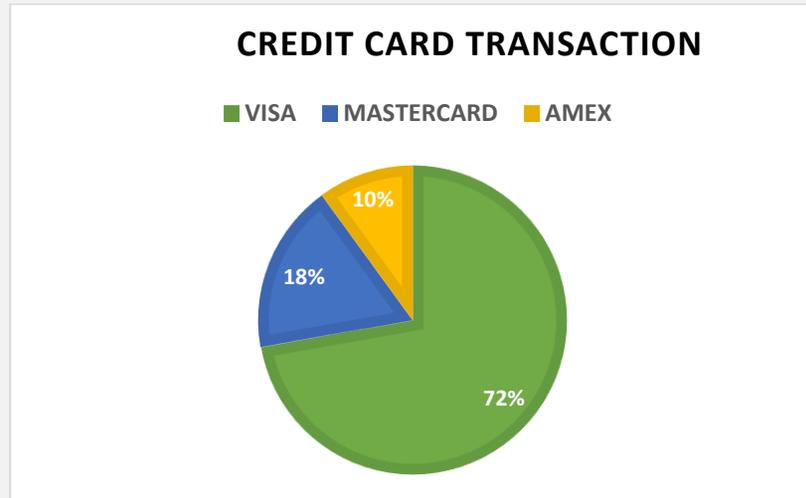
Forex Reserves on The Rise

- As of October 8, Bangladesh's foreign exchange reserves stood at USD 19.82 billion as per BPM6 calculations, while the gross reserves reached USD 24.97 billion.
- In the past two months alone, the central bank has successfully reduced deferred payments from USD 2.5 billion to USD 700 million by paying off USD 1.8 billion in outstanding liabilities for energy and other essential services.

Credit Card Usage Drops in August, 2024

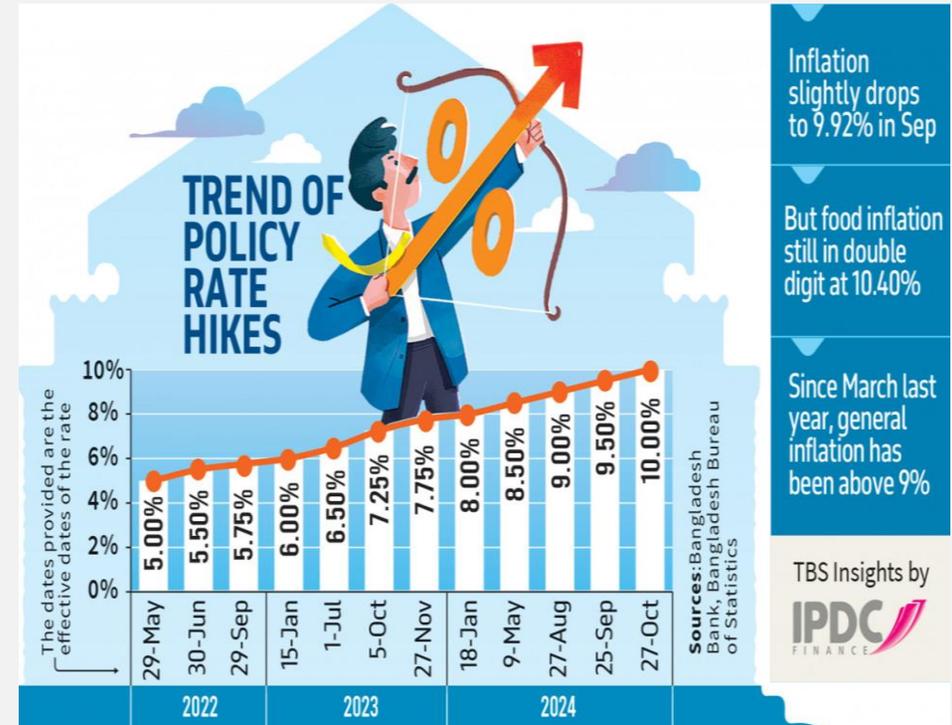
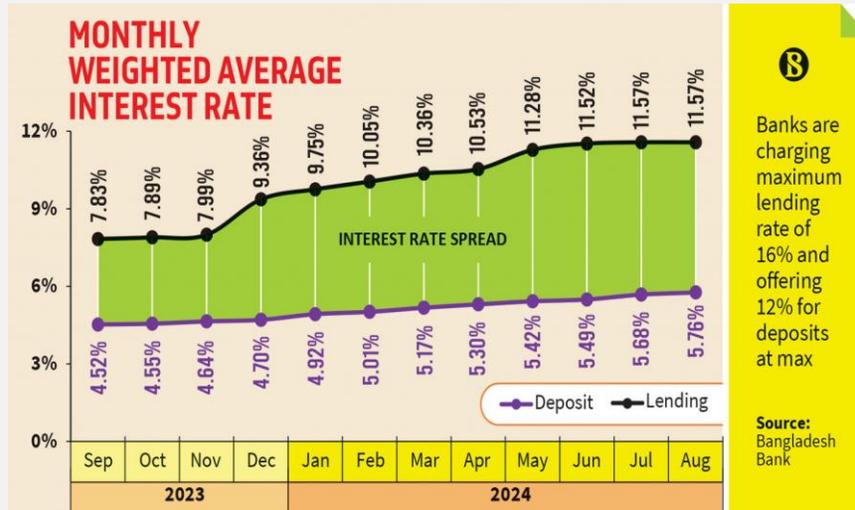


- Domestic transactions within Bangladesh witnessed a slight decrease of 0.45 per cent, amounting to Tk 23.32 billion compared to Tk 23.42 billion in July 2024. Concurrently, international transactions outside the country totalled Tk 3.72 billion in August, showing a decrease of 21.52 per cent from Tk 4.75 billion in the previous month of July.
- Transactions made with credit cards issued by foreign entities but utilised within Bangladesh decreased to Tk 1.11 billion in August from Tk 1.36 billion in July, indicating a decrease of 18.07 per cent.
- Data shows a significant majority (72.11 per cent) of credit card transactions took place using VISA, 17.76 per cent utilised Mastercard and 9.98 per cent made with AMEX cards.
- Additionally, department stores made up 25.57 per cent. On the other hand, transactions in transportation constituted 17.74 per cent.
- The remaining sectors collectively contributed 28.61 per cent to the total amount of transactions.



Policy Rate Hiked Again Amid High Inflation

- Bangladesh Bank raised its policy rate once again in less than a month, pushing it to 10% to make money costlier further.
- This is the fifth hike this year and 11th since May 2022 when the policy rate — a key monetary tool to keep the money supply in check — was 5%. Earlier on 24 September, it rose from 9% to 9.5%.



BB To Start Assessing Quality Of Banks' Assets Next Month

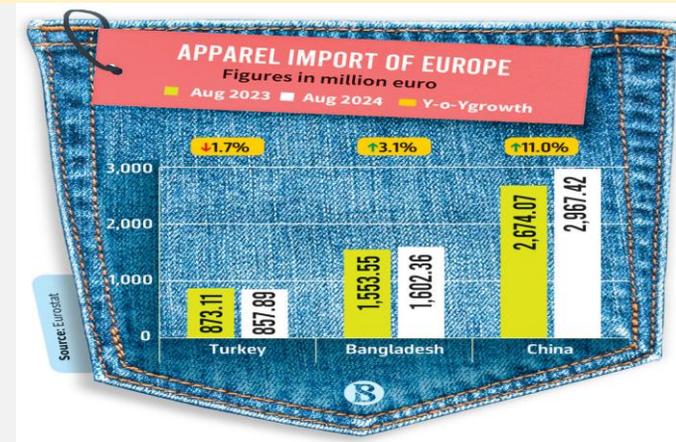
- Bangladesh Bank is set to start assessing the quality of banks' assets next month to know the overall situation of the sector.
- The BB has formed a six-member taskforce to assess the existing financial situation, bad assets and major risks to maintain economic stability.
- Besides, the taskforce will conduct financial-index review, assess actual conditions of the loans, actual price of assets, security-deposit deficiency and will separate the bad assets of banks concerned.

BB Reduces Repo Auctions To One Day A Week

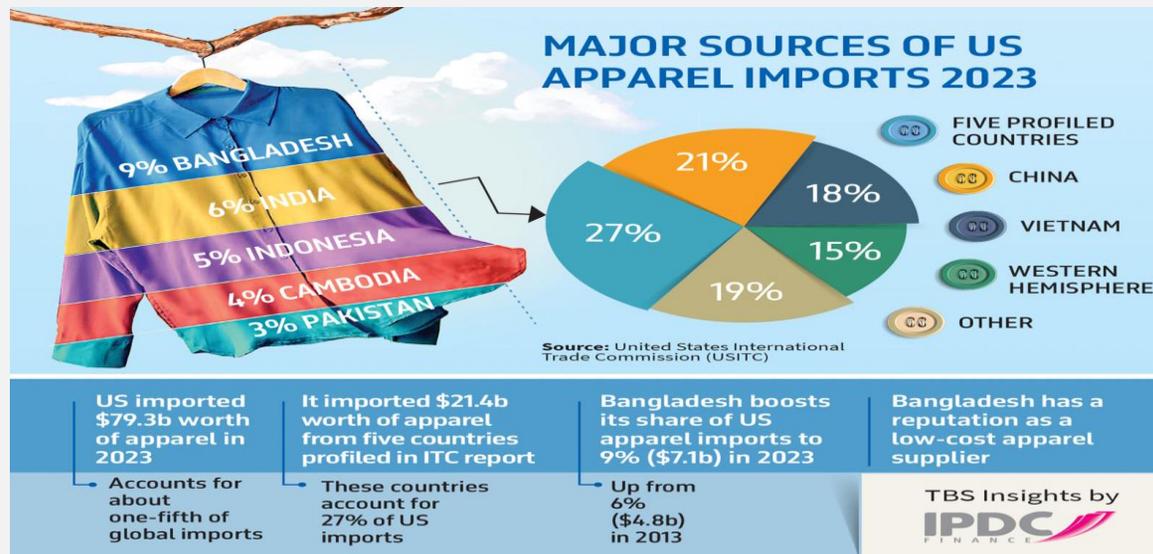
- The Bangladesh Bank (BB) has further reduced the repo auctions for banks to one day a week for implementation of the monetary policy.
- The new measure will be effective from November 1 this year. part of a condition of the \$4.7 billion loans by the International Monetary Fund (IMF). The BB said it will lend to the banks against instruments for seven days, 14 days and 28 days tenure.

August Apparel Exports To EU See 3.1% Growth

- Bangladesh's apparel exports to the European Union (EU) saw a 3.1% growth in August 2024, reaching €1.6 billion. The EU's total apparel imports between January and August 2024 also decreased by 3.62%, totalling €54.69 billion, compared to €56.74 billion during the same period in 2023.
- This increase in earnings was driven by higher knitwear and woven garment exports compared to the same month last year.
- Knitwear exports from Bangladesh rose by 1.4%, totalling €1 billion in August 2024, up from €986 million in August 2023.
- Woven garment exports experienced a stronger growth of 6.2%, reaching €602 million, compared to €567 million in the same period the previous year.



Why US Buyers Still Find Bangladesh Among Top Apparel Sources



- US offers no duty privilege, but sources 9% of its apparels from Bangladesh. – USITC.
- American buyers view Bangladesh as a promising sourcing alternative to China and Vietnam.
- In 2023, the US was Bangladesh's largest single-country export market for apparel, totalling \$7.1 billion and representing 17.4% of exports, while exports to the EU, another important destination for Bangladesh's exports, totalled \$18.8 billion.

Bangladesh Denim Expo- 2024 will take place on 6th May, 2024 to 7th May, 2024 at ICCB, Dhaka, Bangladesh

Stocks Drift, Dollar And Gold Rise As Traders Weigh US Rates, Election

- Gold prices hit a record high on Wednesday and the dollar was on the rise again, keeping pressure on the yen and the euro, while Asian stocks inched higher.
- The yen slid to a three-month low of 152.28 per dollar, while the euro hit \$1.0792, its lowest level since Aug. 2.
- In commodities, gold prices hit a record high of \$2,750.9 as the conflict in the Middle East along with uncertainty around the Fed outlook and US election stokes demand for safe-haven assets.
- Brent crude futures fell 0.14% to \$75.93 a barrel, while West Texas Intermediate crude futures eased 0.18% to \$71.61 per barrel after a sharp rise so far this week.

European Central Bank Cuts Rates Again As Euro Zone Economy Stagnates

- The European Central Bank cut interest rates for the third time this year on Thursday, saying inflation in the euro zone was increasingly under control while the outlook for the wider economy was worsening.
- The quarter-point cut lowers the rate that the ECB pays on banks' deposits to 3.25 per cent. Money markets are almost fully pricing in three further reductions through next March.

IMF Lifts Us Growth Forecast but Marks Down China

- The International Monetary Fund on Tuesday raised its 2024 economic growth forecasts for the US, Brazil and Britain but cut them for China, Japan and the euro zone, adding that risks abound from armed conflicts, potential new trade wars and the hangover from tight monetary policy.
- The IMF's latest World Economic Outlook said the shifts will leave 2024 global GDP growth unchanged from the 3.2 per cent projected in July.
- Global growth is projected to be 3.2 per cent in 2025.

US 'Very Close' to Soft Landing

- The United States is very close to achieving a soft landing, the rare feat of tackling inflation without spurring a long recession.
- global growth will be slightly slower this year and next amid a slowdown in both China and India, while the US will remain a bright spot and the Eurozone will continue to grow more slowly.
- At the same time as US growth has remained buoyant, inflation has continued to ease toward the Federal Reserve's long-term target of two percent, and the labor market has cooled -- but remained pretty resilient.

World Commodities

Commodity	Close Price	Value Change	Percentage Change
Crude Oil [WTI]	\$ 71.54	↓ 0.77	↓ 1.09 %
Crude Oil [Brent]	\$ 75.72	↓ 0.76	↓ 1.01 %
Gold Spot	\$ 2,734.13	↑ 18.58	↑ 0.68 %

Local and Global Stock Indices

Index Name	Close Value	Value Change	Percentage Change
DJIA	\$ 42,514.95	↓ 409.94	↓ 0.95 %
FTSE100	\$ 8,258.64	↑ 47.90	↑ 0.58 %
Nikkei 225	\$ 38,143.29	↑ 38.43	↑ 0.10 %

Inter-Bank Exchange Rate

Currency	Lowest	Highest	Current WAR
USD	120.0000	120.0000	120.0000

Source:

* News are taken from Daily Newspapers

* World Commodities and Global Stock Indices data are taken from bloomberg.com

* Exchange Rates are taken from BB website, as on latest update.