EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

December 13, 2023

Bangladesh Market

Major Indices	Last closing
DSEX Index	6263.87
% change	-0.01%
DS30 Index	2110.65
% change	-0.29%
DSES Index	1364.72
% change	0.03%
Turnover (BDT mn)	6012.66
Turnover (USD mn)	54.54
% change	1.60%

Source: Dhaka Stock Exchange

International Market

Major Indices	Last closing
Dow Jones Industrial Average	36,629.00
% change	0.62%
S&P 500	4,650.25
% change	0.60%
Nikkei 225	32843.7
% change	-0.06%
FTSE 100	7,542.77
% change	-0.77%

Source: Bloomberg

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	110.25	110.25
EUR	118.98	119.05
GBP	138.48	138.52
INR	1.32	1.32

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
13-Dec-23	9.25 - 7.75	8.69
12-Dec-23	9.25 - 7.75	8.55

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	73.08	-0.22%
Gold Spot, USD/t oz.	1,974.06	-0.57%
Cotton, USD/lb.	81.12	-1.07%

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.01% in the last trading day.
- The rising tension regarding the national polls, the unrest in the RMG sector, and rising interest rates are few of the major causes behind the negative sentiment of the market.
- However, the investors started buying stocks after believing the market found some support at the recent lower point.
- The turnover rose 1.60% during the last trading day.

Global Market

- Majority of the leading global indices posted positive returns with Dow Jones and S&P 500 posting 0.62%, and 0.60%, respectively while FTSE 100 posted negative return of 0.77%.
- Indices jumped after expectations of no more hike in interest rate by the FED.
- One of the leading Asian index NIKKEI 225 posted negative return of 0.06% in the last trading day.

Key macro indicators

- All of the major currencies fell against BDT.
- The average overnight rate is rising steadily in the past few weeks as per the latest trend.
- The current weighted average overnight rate stood at 8.69% with a high rate of 9.25% and low rate of 7.75%.
- The oil price dropped a little bit after gaining for a few days.
- The gold prices started declining after rising for some time due to the expectation of a upcoming interest rate cut by FED in USA.

Bangladesh Macro Update

Bangladesh to become 2nd-fastest economy among 46 nations: Mastercard

- Bangladesh will be the second fastest-growing economy from among 46 countries next year, according to an annual economic outlook of Mastercard Economics Institute (MEI).
- The country's real gross domestic product (GDP) is expected to grow 6.3% in 2024 whereas India's expected growth is 6.4%, the highest among the countries in the list.
- The MEI released the "Economic Outlook: Balancing Prices & Priorities" for the coming year yesterday, outlining the watchouts that would define global growth.
- However, the MEI's estimate is lower than the Bangladesh government's target of 7.5% for fiscal year 2023-24.

News Source:

https://www.thedailystar.net/business/news/bangladesh-become-2nd-fastest-economy-among-46-nations-mastercard-3492886

IMF approves $681m in 2nd tranche of loan for Bangladesh

- The IMF board yesterday approved the second instalment of USD 681 million for Bangladesh, putting to bed the uncertainty surrounding the tranche given that the country failed to meet two of the conditions needed for its release.
- The development, which was confirmed to The Daily Star by Finance Minister AHM Mustafa Kamal, will go some way towards easing the jitters surrounding the Bangladesh economy in the face of depleting foreign currency reserves and elevated inflation.
- The USD 681 million will be disbursed soon and is expected to cover import bills of about 15 days.

News Source:

https://www.thedailystar.net/business/economy/news/imf-approves-681m-2nd-tranche-loan-bangladesh-3493186

IMF recommends calibrated monetary tightening, exchange rate flexibility

- The International Monetary Fund (IMF) has advised Bangladesh to continue to focus on containing inflation and rebuilding external resilience.
- The Washington-based lender suggested a calibrated monetary policy tightening, supported by a neutral fiscal stance, and greater exchange rate flexibility to alleviate foreign exchange pressures and rebuild buffers.
- The multilateral lender made the recommendation in its statement issued after its executive board approved the second tranche of USD 689 million of USD 4.7 billion loans under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) as well as Resilience and Sustainability Facility (RSF) arrangement for Bangladesh yesterday.
- This brings total disbursements under the ECF/EFF thus far to about USD 936.6 million and about USD 221.5 million, totalling USD 1158 million, according to the statement.

News Source:

https://www.thedailystar.net/business/news/imf-recommends-calibrated-monetary-tightening-exchange-rate-flexibility-3493296

Sectoral Update

Bank, NBFIs, & Insurance

Deposit-rate cap lifted

- Banking industry is finally open for competitive operations with the interest-rate cap on deposits lifted, in a development that comes amid liquidity crunch and certain market distortions.
- Bangladesh Bank (BB) Tuesday withdrew the interest-rate cap to unshackle bankers for collecting deposits of three months and above, thus making the interest regime market-based.
- The central bank now did it as the interest rate on lending has already been made market-based.
- The BB announced this decision through a circular issued by the Banking Regulations and Policy Department (BRPD).

News Source:

https://today.thefinancialexpress.com.bd/first-page/deposit-rate-cap-lifted-1702401927

Banks to sell insurance in boost for the fledgling sector

- Bangladesh yesterday rolled out bancassurance as the central bank allowed banks to sell insurance products, a move that could help the fledgling sector expand its reach in a country where penetration is one of the lowest in the world.
- Bancassurance is an arrangement between a bank and an insurer, allowing the former to sell the products of the latter through its vast network.
- It might be new in Bangladesh, but bancassurance appears to have begun in France in the 1970s, according to Investopedia.
- Since then, it has been embraced by most countries, particularly those in the Asia-Pacific region.
- According to research and consulting firm IMARC Group, the global bancassurance market reached a value of USD 1.268 trillion in 2021.

News Source:

https://www.thedailystar.net/business/news/banks-sell-insurance-boost-the-fledgling-sector-3492866

Govt borrowing from scheduled banks continues

- The government continues borrowing from scheduled banks and repaying the central bank, while the banks continue to face liquidity crisis amid a sloth private sector credit growth. This in turn is leading to shrinking funds availability at banks to provide loans for the private sector.
- Economists find this borrowing by the government to cover up the revenue deficit is a better solution compared to borrowing from the central bank by printing bills.
- They pointed out that the move may increase the liquidity crisis, but may play a vital role in taming inflation.
- The government borrowed BDT 31,274 crore from scheduled banks in the July to November 29 period of FY24, and in the same timeframe, it repaid BDT 27,635 crore of the loans it took from the central bank.

News Source:

https://businesspostbd.com/economy/banking/govt-borrowing-from-scheduled-banks-continues

Fuel & Power

Bangladesh refinery industry opens for investment, export

- Bangladesh opens up investment by private sector in setting up refineries and marketing refined oil products both for domestic consumption and export, in a latest development aimed at unlocking energy-sector potential.
- The Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources (MPEMR) adopted a new policy and published a gazette notification to this effect last week, acoding to the officials.
- Under the policy specifications, the annual capacity of a refinery has to be at least 1.50 million tonnes.
- The refiners will be allowed to refine and market all types of refined petroleum products, like diesel, jet fuel, furnace oil, petrol and octane, having the standards set by Bangladesh Standards and Testing Institution (BSTI).

News Source:

https://today.thefinancialexpress.com.bd/first-page/bangladesh-refinery-industry-opens-for-investment-export-1702401818

Capital Market

Dhaka stocks finish down

- Dhaka stocks finished down on Tuesday after a rise in the previous session, as cautious investors dominated the session with a preference for selling shares amid volatility, according to market operators.
- DSEX, the key index of the Dhaka Stock Exchange, lost 0.48 points, or 0.01%, and settled at 6,263.87 points on Tuesday after gaining 13.06 points in the previous session.
- Market operators said that sellers dominated the session as a section of investors chose to realise some profits and liquidate their investments amid volatility.
- However, a section of short-term-oriented investors continued showing interest in selective stocks that helped the market turnover increase slightly compared with that in the previous session, they added.
- The turnover on the DSE slightly increased to BDT 601.26 crore on Tuesday compared with that of BDT 591.76 crore in the previous trading session.

News Source:

https://www.newagebd.net/article/220084/dhaka-stocks-finish-down

Cos must have own rules by Jan to prevent insider trading: BSEC

- The securities regulator has set a new deadline for companies to formulate their own guidelines on how and what to disclosure as price sensitive information (PSI).
- Most of the listed companies have failed to comply with a directive that asked them to set their own rules for disclosing data that may influence stock prices though the deadline passed seven and a half months ago.
- The new deadline is January 31, 2024.
- According to the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading)

Rules 2022, all listed companies must have own guidelines on material information and price sensitive information, intended to protect the interest of general investors from insider trading.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/cos-must-have-own-rules-by-jan-to-prevent-insider-trading-bsec-1702406892