EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

December 20, 2023

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,238.98
% change	-0.19%
DS30 Index	2,088.93
% change	-0.41%
DSES Index	1,363.73
% change	0.07%
Turnover (BDT mn)	4,120.52
Turnover (USD mn)	37.46
% change	-11.37%

Source: Dhaka Stock Exchange

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,082.00
% change	-0.60%
S&P 500	4,698.35
% change	-0.89%
Nikkei 225	33,675.94
% change	1.84%
FTSE 100	7,724.09
% change	1.44%

Source: Bloomberg

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	120.78	120.82
GBP	140.03	140.07
INR	1.32	1.32

Source: BB

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average (%)**
20-Dec-23	7.25 - 9.50	9.13
19-Dec-23	7.75 - 9.50	9.10

Source: BB

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	79.7	0.59%
Gold Spot, USD/t oz.	2,031.39	-0.44%
Cotton, USD/lb.	79.21	-0.31%

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.19% in the last trading day.
- The rising tension regarding the national polls and the rising interest rates are few of the major causes behind the persistent negative sentiment of the market.
- The turnover dropped 11.37% during the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.60% loss, S&P 500 posted 0.89% loss, and FTSE 100 posted 1.44% gain.
- One of the leading Asian index NIKKEI 225 posted positive return of 1.44% in the last trading day.

Key macro indicators

- All of the major currencies fell against BDT yesterday.
- 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 9.13% with a high rate of 9.50% and low rate of 7.25%.
- The oil price rose by 0.59%.

Bangladesh Macro Update

Economic slowdown decelerates growth

- Bangladesh's economic growth is to decelerate by 0.3 % to 6.2% in the current fiscal as the economy slows and uncertainties over the January election prevail, according to ADB.
- The revised growth forecast from the Asian Development Bank came Tuesday in its flagship report Asian Development Outlook for December 2023.
- In the last projection in September, the Manila-based lender had forecast that Bangladesh's gross domestic product (GDP) would grow at 6.5%.
- The growth has been revised down due to moderate growth in exports and manufacturing amid an economic slowdown in major export markets, power and energy shortages, and continued high inflation, the development financier says in the report.

News Source:

https://today.thefinancialexpress.com.bd/public/first-page/economic-slowdown-decelerates-growth-1703006320

Overvalued taka undercuts trade competitiveness

- Bangladesh's currency remains overvalued for long and thus dents the trade competitiveness with overseas trading partners who are enjoying economic pickup and inflation downturn, according to economists.
- Data show that the taka remained overpriced by more than 5.6% or BDT 6.17 even though the currency had weakened more than 17.0% since July 2022.
- Such state of the domestic currency is found in an evaluation statement prepared by the central bank recently.
- The Bangladesh Bank regularly apprises the government of the nominal and real effective exchange rates of the taka against a 15-curreny basket.
- According to the regulatory review, as of December 08, the Real Effective Exchange Rate (REER)-based exchange rate was BDT 116.42.

News Source:

https://today.thefinancialexpress.com.bd/public/first-page/overvalued-taka-undercuts-trade-competitiveness-1703006371

WB projects no remittance growth in 2024

- The World Bank on Tuesday said that Bangladesh would see almost no growth in the inflow of formal remittance in 2024 amid a persistent shortage of dollars hampering the country's balance of payment.
- Growth in formal remittance to Bangladesh is projected to remain flat in the next year, according to the WB in its publication on 'Migration and development brief'.
- The WB projected that the country would receive USD 23 billion in the outgoing calendar year.
- Available data from the Bangladesh Bank shows that the country had already received USD 19.88 billion in the first 11 months, January to November, of 2023.
- According to the WB projection, the country would receive the same amount of around USD 23 bil-

lion in remittance in 2024 amid a flat growth rate on a few accounts.

- One of the reasons is the lingering impacts of the recent balance of payment crisis that triggered exchange controls and led to parallel market exchange rate premia.

News Source:

https://www.newagebd.net/article/220670/wb-projects-no-remittance-growth-in-2024

Sectoral Update

Banks, NBFIs, and Insurance

NBFIs can appoint multiple foreign directors from an entity: BB

- The Central Bank has given the opportunity to appoint multiple foreign directors from an entity to boost foreign investment in the Non-Bank Financial Institution (NBFIs) sector.
- The central bank issued a circular addressing this matter on Wednesday (20 December).
- According to the circular, the number of directors will be determined based on the amount of shares a foreign company holds in a financial institution.
- The central bank, through the Finance Company Act 2023, stipulates the criteria for determining the number of foreign directors allowed in a financial institution.
- However, the regulations do not allow the appointment of more than one director from a single domestic company.

News Source:

https://www.tbsnews.net/economy/banking/nbfis-can-appoint-multiple-foreign-directors-entity-bb-761486

Insurance regulator unveils guidelines for bank-insurance partnerships

- The Insurance Development and Regulatory Authority (IDRA) on Tuesday issued a circular outlining the appointment of corporate agents by commercial banks for partnering with insurance companies.
- This follows a previous circular on the matter by the Bangladesh Bank.
- The new guideline titled 'Corporate Agent (bancassurance) Guideline - 2023' allows banks to directly sell insurance products to their customers.
- Under its provisions, each bank can offer a maximum of three life and three non-life insurance products under its umbrella.
- Obtaining a corporate agent licence for bancassurance activities will require banks to pay a BDT 50,000 fee to the IDRA, valid for three years.

News Source:

https://today.thefinancialexpress.com.bd/public/last-page/insurance-regulator-unveils-guidelines-for-bank-insurance-partnerships-1703006827

Fuel & Power

Intraco starts supplying gas from Bhola to industries around Dhaka on Thursday

- Gas from three Bhola fields is set to be transported to gas-starved industrial zones around the capital from Thursday (21 December), according to the state-owned Sundarban Gas Company Ltd.

- Private company Intraco Refueling Station will supply the gas.
- Industries will have to pay BDT 47.60 for each unit of gas, whereas the current rate for industrial gas stands at BDT 30 per unit.
- Intraco will receive BDT 30.50 per unit for retailing the gas.
- Shipping gas from Bhola marks the country's first-ever instance of transporting stranded gas from one region to another for consumption.

News Source:

https://www.tbsnews.net/bangladesh/energy/intraco-starts-supplying-gas-bhola-industries-around-dhaka-thurday-761454

Local power producers push for separate classification

- Facing a perfect storm of working-capital woes, a dollar crunch and protracted payment delays, local independent power producers have appealed for a change in how banks categorise them.
- In a letter to the Finance Division, they argue for being exempted from "group or related party classification", fearing the financial troubles of their sponsors are unfairly impacting their access to crucial credit.
- The Bangladesh Independent Power Producers' Association (BIPPA), representing 60 member companies, sent the letter considering mounting challenges.
- As of June, this year, the government owed over USD 2.4 billion in power bills to these private generators, causing cash flow problems, loan classification issues and obstacles in opening Letters of Credit (LCs) for essential fuel and spare parts purchases.

News Source:
https://today.thefinancialexpress.com.bd/public/first-page/local-power-producers-push-for-separate-classification-1703006501

Miscellaneous

Newly-formed shipping cell starts allocating vessels

- The Inland Vessel Owners Association of Chittagong, after breaking away from the Water Transport Cell, has begun allocating lighter vessels separately.
- The Inland Vessel Owners Association of Chittagong withdrew its membership from the Water Transport Cell and launched a new shipping cell on Tuesday.
- Amidst the contention, both organisations assure that the transportation of goods by inland water route will not be hindered, despite the separate allocation of lighter vessels.
- In 2003, the Bangladesh Cargo Vessel Owners' Association, Coastal Ship Owners Association of Bangladesh, and the Inland Vessel Owners Association of Chittagong jointly established the Water Transport Cell.
- The organisation, responsible for allocating lighter vessels based on demand, continues to allocate 30 to 65 vessels per day for 34 sea routes.

News Source:
https://www.tbsnews.net/economy/industry/newly-formed-shipping-cell-starts-allocating-vessels-761510

Capital Market

Dhaka stocks finish flat

- Dhaka stocks inched up on Wednesday with an increase turnover, as a section of investors continued buying selective stocks in anticipation of quick gains amid volatile trading, according to market operators.
- DSEX, the key index of the Dhaka Stock Exchange, gained 0.96 points, or 0.01%, and settled at 6,261.98 points on Wednesday after gaining 9.86 points in the previous session.
- Market operators said that buyers dominated the session as short-term-oriented investors persisted in showing interest in selective stocks in anticipation of quick gains.
- The investors' buying interest in their specific items helped the turnover to increase compared with that in the previous day.
- The turnover on the DSE increased to BDT 689.43 crore on Wednesday compared with that of BDT 521.84 crore in the previous trading session.

News Source:

https://www.newagebd.net/article/220700/dhaka-stocks-finish-flat