EBL ASSET MANAGEMENT LTD.
(A fully owned subsidiary of Eastern Bank Ltd.)

Daily News Snippet

January 1, 2023

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,246.50
% change	0.02%
DS30 Index	2,093.83
% change	0.30%
DSES Index	1364.13494
% change	-0.12%
Turnover (BDT mn)	6606.164
Turnover (USD mn)	60.06
% change	43.39%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37689.54
% change	-0.05%
S&P 500	4769.83
% change	-0.28%
Nikkei 225	33,464.17
% change	-0.22%
FTSE 100	7,733.24
% change	0.14%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	122.13	122.18
GBP	140.73	140.79
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
28-Dec-23	7.75-9.75	9.19
27-Dec-23	7.75 - 9.50	9.16
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	77.04	-1.72%
Gold Spot, USD/t oz.	2,062.98	-0.13%
Cotton, USD/lb.	81	0.06%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.02% in the last trading day.
- Even after the market returned to positive territory, the rising tension regarding the national polls and the rising interest rates are few of the major concerns for the investors.
- The turnover rose 43.39% during the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted -0.05% gain, S&P 500 posted -0.28% gain, and FTSE 100 posted 0.14% gain.
- One of the leading Asian index NIKKEI 225, posted a return of -0.22%% in the last trading day.

Key macro indicators

- All of the major currencies rose 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 9.19% with a high rate of 9.75% and low rate of 7.75%.
- The oil price increased by -1.72%.

International Macro Update

Global equity funds draw robust inflows on rate cut hopes

- The MSCI All-World index surged to 3,184.32 on Thursday, its highest since January 13, 2022 amid market optimism over the prospects of rate cuts.
- Investors poured about USD 14.57 billion into US equity funds, the biggest amount since June 14.
- European and Asian funds however, faced outflows of roughly USD 1 billion and USD 182 million, respectively.
- Global bond funds, meanwhile, received USD 1.07 billion in inflows after two successive weeks of outflows.
- Investors purchased USD 2.62 billion worth of global corporate bond funds in contrast to disposals of about USD 3.9 billion in the prior week.
- High yield funds also secured inflows, worth about SUD 679 million but government bond funds had outflows of USD 265 million.

News Source:
https://today.thefinancialexpress.com.bd/stock-corporate/global-equity-funds-draw-robust-inflows-on-rate-cut-hopes-1704037573

Bangladesh Macro Update

Central holds $17.7b in net reserves, meets IMF's benchmark

- The government has initiated the issuance of special bonds to settle bank liabilities accrued by independent power producers (IPPs) and fertiliser importers stemming from outstanding subsidies.
- To operationalise this initiative, the finance ministry has formally requested the power division and agriculture ministry for data on bank loans extended to independent power producers and fertiliser importers.
- Bankers said that there was pressure on the central bank to meet the import obligations of daily necessities, including oil, gas, and fertilisers. On the other hand, it had to collect dollars in different ways to maintain reserves according to the IMF's conditions
- As of 28 December, the central bank held foreign exchange reserves of $21.7 billion based on the BPM-6 standard.
- Presently, banks are selling dollars to the central bank at Tk110, while collecting remittance dollars at Tk109.50. Additionally, banks can offer a maximum incentive of 2.5% from their own funds on the collection of remittance dollars.

News Source:
https://www.tbsnews.net/economy/cenbank-holds-177b-net-reserves-meets-imfs-benchmark-767522

Sectoral Update

Banks, NBFIs, & Insurance

BB gives 7 banks Tk 22,000cr in emergency funds

- The central bank has extended a total of BDT 22,000 crore in emergency funds to seven beleaguered banks including five Islamic banks to dress up their balance sheet ahead of the year's end.

- On December 28, Islami Bank Bangladesh, Social Islami Bank, First Security Islami Bank, Global Islami Bank, Union Bank, Padma Bank and National Bank took the fund for three days at 9.7% interest, The Daily Star has learnt from Bangladesh Bank officials informed with the proceedings.
- The funds were taken against 'demand promissory note' as the banks have no securities to offer as collateral.
- The current accounts of Islami Bank, Social Islami Bank, First Security Islami Bank, Union Bank and Global Islami Bank have been in deficit for a long time, according to a BB letter sent to the lenders' managing directors on November 28.
- The banks were given 20 working days to clear their deficits. On December 21, BB reconstituted the board of the National Bank.

News Source:
https://www.thedailystar.net/business/economy/banks/news/bb-gives-7-banks-tk-22000cr-emergency-funds-3507626

Bank interest rate jumps to 12% for Jan amid slow pvt sector credit

- Banks' interest rate on loans has increased to nearly 12.0% for January due to the government's borrowing through treasury bills and bonds at higher interest rates to curb the mounting inflation.
- Calculation of Six Months Moving Average Rate of Treasury Bill (SMART) is the benchmark for determining interest rates. In December, banks had the highest lending rate for borrowers 11.22%.
- The managing director of a private bank explained that the government's high borrowing from banks is causing an increase in the treasury bill-bond rate.
- According to central bank data, private sector credit growth was 10.09% in October.
- Bangladesh Bank data show banks borrowed BDT 1,940 core from the call money market on Thursday 28 December.

News Source:
https://www.tbsnews.net/economy/banking/bank-interest-rate-jumps-12-jan-amid-slow-pvt-sector-credit-767506

Fuel & Energy

PDB owes private producers Tk 25,000cr in unpaid bills

- The government owes private power producers a total of Tk 25,000 crore in unpaid bills with some companies having unsettled payments for more than nine months.
- The Bangladesh Power Development Board, the main buyer of electricity from privately owned plants, is hamstrung with a fund crunch and mounting losses.
- A one-off arrangement is required to save the electricity generation sector.
- The government has issued bonds in the past to raise capital for projects and various other investments.
- The Power Division sent a letter, dated December 11, to private power producers, asking them to submit bills.
- As the fund crunch persists, the government plans to cut the imports of high-sulfur fuel oil (HSFO).

News Source:
https://www.thedailystar.net/business/economy/news/pdb-owes-private-producers-tk-25000cr-unpaid-bills-3507556

Capital Market

DSE okays 6 back-office software vendors for brokerages

- Equity-based securities worth 60.0% of the total stock market value have remained trapped on the floor this year.
- The regulator's fear that the market would collapse without the price-fixing mechanism led to a dysfunctional market with erosion of investors' confidence.
- Bangladesh's stock market ranked the worst performer among Asian frontier markets in 2023, while the Sri Lankan market soared to a historic high overcoming its worst economic shock in history.
- The average daily turnover hit a four-year low to Tk 5.78 billion in 2023, which was Tk 9.60 billion last year.

News Source:
https://www.tbsnews.net/economy/stocks/dse-okays-6-back-office-software-vendors-brokerages-767470