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

Daily News Snippet

January 9, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,269.51
% change	0.41%
DS30 Index	2,102.22
% change	0.38%
DSES Index	1,367.01
% change	0.31%
Turnover (BDT mn)	4,411.39
Turnover (USD mn)	40.10
% change	28.07%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,880.00
% change	0.80%
S&P 500	4,796.00
% change	1.37%
Nikkei 225	33,600.32
% change	0.67%
FTSE 100	7,694.19
% change	0.06%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	120.35	120.37
GBP	139.87	139.92
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
8-Jan-24	8.00 - 9.75	9.26
3-Jan-24	7.75 - 9.75	9.21
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	76.27	-1.94%
Gold Spot, USD/t oz.	2,033.49	0.06%
Cotton, USD/lb.	80.67	0.96%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX added 0.41% in the last trading day, closing at 6,269.51 point.
- With the conclusion of the national polls, the investors sentiment turned positive as the index added 25.34 points yesterday.
- The turnover rose a whopping 28.07% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.80% gain, S&P 500 posted 1.37% gain, and FTSE 100 posted 0.06% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.67% gain.

Key macro indicators

- All the major currencies were unchanged 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 9.26% with a high rate of 9.75% and low rate of 8.00%.
- The oil price experienced a drop of 1.94% as the war between Hamas and Israel is showing no signs of a slowdown.

Bangladesh Macro Update

Govt's local borrowing negative in Jul-Dec as ADP implementation slows

- The government repaid more loans from banks and savings certificates than it borrowed in the first six months of the current fiscal 2023-24.
- Economists believe the borrowing declined as a result of a significant reduction in public expenditure in the development budget and efforts to minimise money flow to the market to control inflation.
- According to Bangladesh Bank data, the government's net borrowing from the country's banking sector was BDT 7,846 crore negative as of 27 December from 1 July of 2023 although it has a target to borrow BDT 1.32 lakh from the sector in FY24.
- In the first six months of FY24, the government borrowed BDT 27,952 crore from the commercial banks and repaid the Bangladesh Bank BDT 35,789 crore in the period.
- The net government borrowing from the banking sector was BDT 26,097 crore in the July-December period of 2022.

News Source:

https://www.tbsnews.net/economy/banking/govts-local-borrowing-negative-jul-dec-adp-implementation-slows-771906

Unused foreign loans swell to $48.44b: not a good sign

- Unused foreign loans in the government's pipeline surged to USD 48.44 billion in November from BDT 44.7 billion in June.
- It is not necessarily a good omen as it highlights the country's inability to use up cheaper funds available for projects.
- The ballooning of the aid under its disposals has prompted the government to set a 27.0% higher foreign loan disbursement goal at USD 11.78 billion for the current fiscal year, according to the annual report of the Economic Relations Division (ERD) for 2022-2023.
- The higher target came despite a slow disbursement of external loans in the first five months of 2023-24: the government utilised USD 2.12 billion between July and November, up 14.0% year-on-year.
- In the entire FY23, USD 9.27 billion in foreign loans was disbursed.
- If the low utilisation persists, the loan in the pipeline might exceed USD 50 billion in the ongoing financial year, which ends in June.

News Source:

https://www.thedailystar.net/business/economy/news/unused-foreign-loans-swell-4844b-not-good-sign-3514531

Net NSC sales in July-Nov

- The net sales of national savings certificates plummeted to a negative BDT 3,858 crore in the July-November period of 2023, down from the negative BDT 1,610 crore recorded in the same period of the previous year.
- October alone witnessed a negative net sales figure of BDT 1,553 crore compared with that of BDT 978 crore negative in the same month the previous year.

- A negative value occurs when the repayment of the principal amount exceeds the sales.
- The government amidst economic crises prioritised repayment over further borrowing through these instruments which bear high interest rates, according to bankers.
- Consumers, facing challenges due to soaring commodity prices, were less inclined to invest in NSCs, impacting the sales of the instruments.
- In FY23, the government borrowed BDT 80,858 crore against the repayment of BDT 84,154 crore in the period.

News Source:

https://www.newagebd.net/article/222310/net-nsc-sales-in-july-nov

Sectoral Update

Banks, NBFIs, & Insurance

Non-bank loans turning sour hit record

- Defaulted loans at non-bank financial institutions (NBFIs) accounted for a record 30.0% of disbursed loans, indicating a fragile situation in the sector due to widespread loan irregularities and scams.
- Soured loans at the 35 NBFIs in the country stood at BDT 21,658 crore at the end of September last year, rising by 9.0% from June the same year and 25.0% from a year ago.
- The latest amount of bad loans accounted for 29.75% of total outstanding loans of NBFIs at the end of September 2023.
- The ratio was 27.6% at the end of June the same year, according to the latest data from the Bangladesh Bank.
- The data comes at a time when international agencies and economists have raised concerns over vulnerabilities in Bangladesh's financial sector due to rising distressed assets, including non-performing loans, and a lack of corporate governance.

News Source:

https://www.thedailystar.net/business/economy/news/non-bank-loans-turning-sour-hit-record-3514536

Apparel & Textile

Garment exports up, but imports of inputs slump

- Raw-material imports for Bangladesh's export-oriented readymade garment (RMG) industry dipped sharply in 2023, despite the sector maintaining a 3.67% year-on-year growth in exports, according to data.
- Textile and apparel leaders attributed the import decline to a combination of factors: ongoing dollar crisis, sluggish global demand for RMG and local millers operating below capacity due to gas crunch.
- According to millers, cotton imports fell significantly due mainly to the dollar crisis and also stated that gas constraints limited their production capacity to around 60%.
- Apparel sector leaders, however, noted a rise in the use of locally produced yarn and fabric, alongside increased imports of non-cotton or man-made fibres (MMF) and recycled yarn from garment and textile waste.

- Data from the Bangladesh Textile Mills Association (BTMA) compiled from central bank figures shows a 24.85% drop in cotton imports in 2023 to 1.35 million tonnes -- down from 1.80 million tonnes in 2022.

News Source:

https://today.thefinancialexpress.com.bd/last-page/garment-exports-up-but-imports-of-inputs-slump-1704735005

Telecommunication

Mobile users can now carry forward any amount of unused data

- Mobile internet users from now on will be able to use all of the unused data of a package if they renew or repurchase the same package before its expiration.
- The Bangladesh Telecommunication Regulatory Commission (BTRC) has recently eliminated the limit on incorporating unused data into the same package if it is purchased before its expiration.
- Formerly, the customers were entitled to carry forward or add up to 50 GB of unused data to their existing package.
- However, the recent update to the 'Guidelines for Data and Data Packages of Mobile Phone Operators-2023' by BTRC has removed this limit entirely.

News Source:

https://www.thedailystar.net/business/news/mobile-users-can-now-carry-forward-any-amount-unused-data-3514461

Capital Market

Dhaka stocks rise after election

- Dhaka stocks soared on Monday, the first trading day after the national election, as the investors' tensions related to the polls eased, according to market operators.
- DSEX, the key index of the Dhaka Stock Exchange, added 25.34 points, or 0.40%, and settled at 6,269.51 points on Monday after gaining 8.09 points on January 4.
- Market operators said that the market began Monday's session on a positive note and continued with the momentum until the end of the session.
- The turnover on the DSE increased to BDT 441.13 crore on Monday compared with that of BDT 344.45 crore in the previous trading session.

News Source:

https://www.newagebd.net/article/222291/dhaka-stocks-rise-after-election