EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

January 11, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,285.25
% change	0.28%
DS30 Index	2,108.00
% change	0.29%
DSES Index	1,371.59
% change	0.31%
Turnover (BDT mn)	5,084.79
Turnover (USD mn)	46.23
% change	2.64%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,987.00
% change	0.66%
S&P 500	4,829.25
% change	0.78%
Nikkei 225	35,072.99
% change	1.83%
FTSE 100	7,651.76
% change	-0.42%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	120.24	120.25
GBP	139.75	139.79
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
10-Jan-24	7.85 - 9.75	9.24
9-Jan-24	7.85 - 9.75	8.79
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	77.08	-0.84%
Gold Spot, USD/t oz.	2,031.62	-0.05%
Cotton, USD/lb.	80.33	-0.48%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.28% in the last trading day, closing at 6,285.25 point.
- The positive sentiment of the investors reflecting in the recent market jump after the conclusion of the national election.
- The rise of daily turnover is continuing with a 2.64% jump in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.66% gain and S&P 500 posted 0.78% gain. FTSE 100 posted a loss of 0.42%.
- One of the leading Asian market indices, NIKKEI 225 posted 1.83% gain.

Key macro indicators

- All the major currencies remained unchanged 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 9.24% with a high rate of 9.75% and low rate of 7.85%.
- The oil price fell again by 0.84% after rebounding yesterday due to the continuation of war between Hamas and Israel.

International Macro Update

Global unemployment set to rise in 2024: ILO report

- Global unemployment rate is expected to increase in 2024, signalling growing social inequalities and economic challenges, according to a recent report by the International Labour Organisation.
- Despite improvements in joblessness and jobs' gaps, the ILO's World Employment and Social Outlook: Trends 2024 report warned of a looming rise in global unemployment, along with concerns about stagnant productivity and widening social disparities.
- While the global unemployment rate in 2023 saw a modest improvement to 5.1%, down from 5.3% in 2022, the report predicted a reversal in this trend in 2024.
- An additional two million workers are expected to join the job market, pushing the global unemployment rate to 5.2%.
- Disposable incomes have declined in the majority of G20 countries and erosion of living standards resulting from inflation is 'unlikely to be compensated quickly'.

News Source:

https://www.newagebd.net/article/222473/global-unemployment-set-to-rise-in-2024-ilo-report

Bangladesh Macro Update

Bangladesh to post 2nd highest GDP growth in South Asia in FY24

- Bangladesh will post the second-highest economic growth in South Asia in the current financial year although it will be much lower than its average in recent times and the target set by the government as pressures on the economy linger.
- According to the World Bank's Global Economic Prospects report released yesterday, the country's gross domestic product expansion is forecast to slow to 5.6% in 2023-24, unchanged from its October update.
- If the forecast translates into reality, this would be the lowest GDP growth in more than a decade if the Covid-hit 2019-2020 is excluded.
- The government has decided to revise its GDP growth goal downwards to 6.5% for FY24 from the 7.5% initially set since the factors that caused the GDP growth to decelerate to 6.0% in 2022-23 such as import restrictions and higher material and energy costs, as well as external and financial pressures, persist.

News Source:

https://www.thedailystar.net/business/economy/news/bangladesh-post-2nd-highest-gdp-growth-south-asia-fy24-3516196

LC settlements in December lowest in 37 months

- The settlements of letters of credit (LCs) in December hit a 37-month low to USD 4.53 billion due to decrease in imports for the last several months.
- According to central bank data, the previous lowest payments totalling USD 4.41 billion for LC settlements were made in November 2020.
- The LC opening in December dipped to a six-month low of USD 4.90 billion, also a 7.0% decline from November. In June, the LC opening figure was USD 4.87 billion.

- In the July-November period, the opening of LCs for consumer goods decreased by 27.0% year-on-year. Besides, LC openings for capital machinery and intermediate goods registered a 17.0% year-on-year decrease during the period.

News Source:

https://www.tbsnews.net/economy/lc-settlements-december-lowest-37-months-773106

Import-control measures affecting industrial output

- Import-control measures and energy shortages are affecting the industrial output of a number of countries in South Asia, including Bangladesh, according to the International Labour Organization (ILO).
- Many countries in Asia and the Pacific were able to avoid the accelerating inflation seen in other regions, said in a new report of the ILO's World Employment and Social Outlook Trends: 2024 (WESO Trends), which was published yesterday.
- Several South Asian nations -- including Bangladesh, India and Pakistan -- have implemented import suppression measures and face energy shortages, both of which have been affecting industrial output, according to ILO.
- These countries also have limited fiscal room to provide stimulus or respond to exogenous shocks in the future, should that be required.

News Source:

https://www.thedailystar.net/business/news/import-control-measures-affecting-industrial-output-3516241

BB may unveil contractionary MPS on Jan 15

- A contractionary monetary policy stance is ready for tightfisted spending, as it is deemed linked to inflation-combating priority of the incoming government, according to sources.
- The Bangladesh Bank (BB) is likely to unveil on January 15 the monetary policy statement (MPS) for six months from January to June 2024, sources added.
- The stance of the MPS in all likelihood will be contractionary.
- People familiar with the development told the FE that they had already drafted the MPS for the period.
- The Bangladesh Bank (BB) now needs two more procedures before placing it before the media people on January 15.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-may-unveil-contractionary-mps-on-jan-15-1704908198

Sectoral Update

Apparel & Textile

RMG export to US shrinks

- Bangladesh’s readymade garment exports to the United States in January-November of 2023 declined by 24.91% in value and 28.63% in volume as the overall demand for apparel decreased in the market due to the ongoing economic slowdown.

- The country's apparel export to the US in the first 11 months of 2023 fell to USD 6.79 billion compared with that of USD 9.04 billion in the same period of 2022, according to the US Department of Commerce's Office of Textiles and Apparel data released on Tuesday.
- In terms of value, apparel imports by the US from Bangladesh in January-November of 2023 fell to 2.09 billion square metres compared with those of 2.93 billion square metres in the same period of 2022.
- Exporters said that the global consumption of apparel decreased in 2023 due to high inflation in Western countries.

News Source:

https://www.newagebd.net/article/222495/rmg-export-to-us-shrinks

Telecommunication

BTRC mulls fixing minimum mobile recharge amount

- Just as private mobile operators were mulling to raise the minimum amount that customers can top up, Bangladesh Telecommunication Regulatory Commission (BTRC) has come up with its own plan to set the figure.
- After evaluating their proposals, the commission may take a decision on setting a minimum recharge amount.
- A BTRC official said the decision was being considered to safeguard the interest of customers.
- The development comes a day after Grameenphone yesterday backtracked from its decision to substantially increase the minimum recharge amount from BDT 20 to BDT 30 following widespread customer dissatisfaction and the regulator's intervention.

News Source:

https://www.thedailystar.net/business/news/btrc-mulls-fixing-minimum-mobile-recharge-amount-3516246

Fuel & Power

BPC seeks govt guarantee on $125m ITFC loan

- Bangladesh Petroleum Corporation (BPC) has sought a government guarantee to take USD 125 in loans from Jeddah-based International Islamic Trade Finance Corporation (ITFC) to import fuel oil, according to officials.
- The loan will be taken under the ITFC's Syndicated Murabaha Operation, having an interest rate of 6 months SOFR plus 2.0% interest rate, including an administration fee.
- The ITFC provides two types of loans to BPC - one is Direct Murabaha Operation and the other is Syndicated Murabaha Operation.
- The standing committee on non-concessional loans at a meeting in May 2023 had approved some USD 1.4 billion loans from the ITFC for the fiscal year 2023-24 to finance Bangladesh's fuel oil imports.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bpc-seeks-govt-guarantee-on-125m-itfc-loan-1704908159

Capital Market

DSEX hits nearly 3-month high

- Dhaka stocks gained on Wednesday with the DSEX hitting nearly a three-month high, as investors returned to the trading floor after the national election, market operators said.
- DSEX, the key index of the Dhaka Stock Exchange, gained 17.43 points, or 0.27%, and settled at 6,285.25 points on Wednesday after losing 1.69 points in the previous session.
- Before the polls a large number of investors had showed reluctance to be actively involved in the market due to political tensions in the country, according to market operators.
- However, a section of investors returned to the trading floor to buy shares after the January 7 national election, as tensions related to the polls eased after the polls.

News Source:

https://www.newagebd.net/article/222472/dsex-hits-nearly-3-month-high

Banks yet to put special funds to use for equity investments

- Banks are looking forward to a revival of the equity market to inject money into it from the special funds that they have created or have taken approval of from their boards.
- The five-year special-purpose funds were intended to solve the liquidity crisis of the market when the central bank in February 2020 instructed the lenders to form them.
- However, the liquidity crunch and stock market volatility have kept the banks from investing in stocks.
- The BB instruction came in response to a request from market intermediaries for a special investment fund of BDT 100 billion.
- Each bank is allowed to invest a maximum of BDT 2 billion outside its stipulated market exposure limit of 25.0% of its paid-up capital.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/banks-yet-to-put-special-funds-to-use-for-equity-investments-1704910925

Square Pharmas logged Tk 1,898cr profit in FY23

- Square Pharmaceuticals registered a 4.53% year-on-year growth in profit to BDT 1,898 crore in the fiscal year ending on June 30 last year.
- The Bangladeshi multinational pharmaceutical company made a BDT 1,815 crore profit in the previous fiscal year, according to its annual report.
- This led to a consolidated earnings per share of BDT 21.41 in fiscal year 2022-23 whereas it was BDT 20.48 a year ago.
- According to the annual report, the company's consolidated net revenue was BDT 6,274.7 crore in the fiscal year of 2022-23, which was 8.9% higher than that in the previous year.

News Source:

https://www.thedailystar.net/business/news/square-pharmas-logged-tk-1898cr-profit-fy23-3516231

Olympic's sales cross Tk 2,500cr

- Biscuits and confectionary sales of Olympic Industries have crossed BDT 2,500 crore for the first time in its history, thanks to rising demand for packaged bakery and confectionery items.
- According to the largest biscuit and confectionary seller of Bangladesh, its total sales revenue rose 20.2% year-on-year to BDT 2,579 crore in fiscal year 2022-23.
- Of the amount, BDT 2,536 crore came from selling biscuits, confectionery, bakery and snack products including exports worth BDT 26 crore and the remaining BDT 43 crore came from dry cell batteries.
- Although its revenue was higher than that in fiscal year 2021-22, the number of biscuits, confectionery, bakery, and snack products sold, however, dropped 8.34% to 118,706 tonnes.

News Source:

https://www.thedailystar.net/business/economy/news/olympics-sales-cross-tk-2500cr-3516191