EBL ASSET MANAGEMENT LTD.
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Daily News Snippet
January 21, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,336.75
% change	-0.15%
DS30 Index	2,129.71
% change	-0.43%
DSES Index	1,388.29
% change	-0.15%
Turnover (BDT mn)	6,371.12
Turnover (USD mn)	57.92
% change	-16.18%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	37,863.80
% change	1.05%
S&P 500	4,839.81
% change	1.23%
Nikkei 225	35,963.27
% change	1.40%
FTSE 100	7,461.93
% change	0.03%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.69	119.73
GBP	139.39	139.48
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
18-Jan-24	8.00 - 10.00	9.48
17-Jan-24	7.75 - 9.75	9.40
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	78.56	0.55%
Gold Spot, USD/t oz.	2,029.49	1.06%
Cotton, USD/lb.	83.95	2.58%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.15% in the last trading day, closing at 6,336.75 point.
- The market fell after rising for six consecutive days.
- The daily turnover fell 16.18% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 1.05% gain, S&P 500 posted 1.23% gain, and FTSE 100 posted 0.03% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.40% gain.

Key macro indicators

- All 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 9.48% with a high rate of 10.00% and low rate of 8.00%.
- The oil price rebounded with a rise of 0.55% in the last trading day.

Bangladesh Macro Update

Financial-account deficit poised for reversal

- Bangladesh looks forward to a rebound from a staggering deficit in its financial account, a key component of the Balance of Payments (BoP), by the end of this fiscal year with silver lining in sight.
- The financial account is expected to be surplus at USD 200 million at the end of this coming June, according to the new monetary policy statement.
- The current pressure on the BoP stems from a large deficit in the financial account despite the fact that the current account holds a surplus.
- The financial account transitioned into a deficit of USD 5.4 billion during July-November 2023, in contrast to a surplus of USD 1.26 billion in the same period of the previous year.

News Source:

https://today.thefinancialexpress.com.bd/first-page/financial-account-deficit-poised-for-reversal-1705770247

World Bank, ADB promise more support but call for reforms

- Both the World Bank and Asian Development Bank (ADB) have assured they will continue supporting Bangladesh's growth but stressed the need for economic reforms that are crucial for the country to become a developed nation.
- Bangladesh's economic policy is on the right track but there is need for some fine-tuning in terms of strengthening the utilisation of foreign resources, according to ADB country director.
- despite facing some current challenges, Bangladesh's economy remains very strong and the nation should be proud of registering even 6 percent economic growth given the current climate, according to the World Bank Country Director.

News Source:

https://www.thedailystar.net/business/economy/news/world-bank-adb-promise-more-support-call-reforms-3522686

Sectoral Update

Banks, NBFIs, and Insurance

Banks' forex holding drops in December

- The volume of foreign currencies held by the country's commercial banks dropped in December 2023 amid a severe dollar crisis.
- The gross foreign currency balance with the banks dropped to USD 5,559 million in December from USD 5,970 million in November.
- The banks' struggle with the dollar crisis has led to difficulties in settling many letters of credit payments.
- The crisis intensified as remittance and export earnings slowed while inflow of foreign direct investment dropped.

News Source:

https://www.newagebd.net/article/223349/banks-forex-holding-drops-in-december

Apparel & Textile

RMG exports post negative growth in major markets in H1

- Bangladesh's readymade garment exports to its major markets – the European Union and North America – registered a negative growth in the first half of the current financial year 2023-24 due to economic slowdown in the western countries.
- The country's apparel exports to non-traditional markets, however, maintained a moderate growth in the July-December period of FY24.
- There was no way to avoid the negative growth in the EU and the US market as high inflation caused by the Russia-Ukraine war negatively affected buying capacity of consumers in the regions, according to exporters.
- The exports to the EU and the US would increase in the next half of the FY24 as inflation started to come down, according to exporters.
- Bangladesh's apparel exports to the EU in the first half of FY24 declined by 1.24% to USD 11.34 billion from USD 11.50 billion in the same period of FY23, according to Export Promotion Bureau data,

News Source:

https://www.newagebd.net/article/223240/rmg-exports-post-negative-growth-in-major-markets-in-h1

RMG exports thru Ctg port rise 21.75% in H1 FY24

- The volume of Bangladeshi garment exports through Chattogram port surged 21.75%, while the value has seen a 16.0% increase during the initial six months of the current financial year compared to the corresponding period in the previous financial year.
- The growth in the export of garment products has been observed not only in relation to the USA and European Union countries but also to Australia, Britain, Japan, China, and Canada.
- According to Chattogram Customs House data, around 24.25 lakh tonnes of ready-made garment products valued at around BDT 2.28 lakh crore were exported through Chattogram port in the first six months of FY 24.
- In comparison, during the same period in FY 23, the export volume was around 19.92 lakh tonnes, valued at around BDT 1.97 lakh crore.
- During the period, apparel exports to the European Union and the United States exhibited positive growth. There was an 8.73% increase in volume for the EU and an 8.35% increase for the USA.

News Source:

https://www.tbsnews.net/economy/rmg/rmg-exports-thru-ctg-port-rise-2175-h1-fy24-778466

Fuel & Power

Bangladesh, Nepal progress in power trade talks for 40MW electricity

- Nepal and Bangladesh have advanced towards finalising a tariff for the export of 40 megawatts (MW) of electricity from Nepal, according to The Kathmandu Post.

- Once the two sides agree on a tariff to be charged, Nepal, Bangladesh and India are expected to sign a tripartite agreement under which Nepal exports power to Bangladesh for the first time.
- When Prime Minister Pushpa Kamal Dahal visited India in May-June last year, the southern neighbour had promised to facilitate the export of 40MW electricity to Bangladesh.
- With Indian territory lying between Nepal and Bangladesh, it is necessary for both sides to take India on board in the energy trade.

News Source:

https://www.tbsnews.net/bangladesh/bangladesh-nepal-progress-power-trade-talks-40mw-electricity-778502

As local gas runs out, $1.4b pipeline planned to boost imported LNG supply

- As Bangladesh is set to import more liquified natural gas (LNG) in the future amid depleting local gas production, the government has planned to build a new gas pipeline for USD 1.4 billion to channel the additional imports to the hungry national grid.
- The proposed 295km Maheshkhali/Matarbari-Bakhrabad pipeline will be built by 2029 and will supply an additional 1,800mmscfd (million standard cubic feet per day) LNG to feed gas-based power plants, fertiliser plants, and industrial and commercial units, according to the Gas Transmission Company Limited (GTCL).
- The preliminary project proposal for the new pipeline has already been sent to the Planning Commission for approval in principle, according to top officials of the GTCL.
- Loan proposals will be sent to various development partners after the approval.
- According to the proposal, the implementation work will start this year and the target is to complete the project by 2029.

News Source:

https://www.tbsnews.net/bangladesh/energy/local-gas-runs-out-14b-pipeline-planned-boost-imported-lng-supply-778458

Telecommunication

BTCL, Teletalk asked to clear dues of Tk 3,000cr

- The telecom regulator took a hardline approach as it demanded payments from two major state-run telecom companies, Teletalk Bangladesh Limited and Bangladesh Telecommunications Company Limited (BTCL), asking them to clear dues amounting to a staggering BDT 3,000 crore.
- Teletalk Bangladesh owes the Bangladesh Telecommunication Regulatory Commission (BTRC) BDT 1,848.63 crore, including dues for licensing fees, revenue sharing agreements, spectrum fees, and payments to the social obligation fund.
- On the other hand, the BTCL owes the telecom watchdog over BDT 1,100 crore, which includes the regulator's share of revenue and various fees.

- It made the call in a meeting with top officials of the two companies at the regulator's office in Dhaka yesterday, presided over by Musfiq Mannan Choudhury, commissioner for finance, accounts and revenue at BTRC.

News Source:

https://www.thedailystar.net/business/economy/news/btcl-teletalk-asked-clear-dues-tk-3000cr-3522696

Food & Allied

Russia wants to export wheat to Bangladesh

- Russia has expressed interests to sell wheat to Bangladesh and enhance bilateral trade relations, according to the food ministry.
- The Directorate General (DG) of Food signed contracts with Russia to import 3 lakh tonnes of wheat at USD 313 per tonne in the first half of the fiscal year 2023-24, according to a senior official of the food office.
- So far, Russia has shipped 1.5 lakh tonnes of the grain and the rest is expected to arrive in February.
- Out of the 6.79 lakh tonnes of wheat imported by the DG of Food in 2022-23, it bought 5 lakh tonnes from Russia.
- Between July 1 and January 17 in FY24, the public sector's wheat import stood at 2.61 lakh tonnes, according to food ministry data.

News Source:

https://www.thedailystar.net/business/news/russia-wants-export-wheat-bangladesh-3522626

Capital Market

How the market bracing for post-floor trading

- With escalating interest rates and energy costs, the stock market is poised for a real battle between the bulls and bears today, following an 18-month-long floor price protection.
- The Bangladesh Securities and Exchange Commission (BSEC) on Thursday evening removed floor prices for all but 35 selective stocks, heightening investors' concerns about potential capital erosion and fueling their eagerness to acquire undervalued stocks in the event of a market decline.
- The pivotal question for investors revolves around how the market will respond in the absence of floor prices for the 379 stocks collectively constituting almost two-thirds of the total market capitalisation.

News Source:

https://www.tbsnews.net/economy/stocks/how-market-bracing-post-floor-trading-778418