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

Daily News Snippet

February 08, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,352.49
% change	0.10%
DS30 Index	2,135.28
% change	-0.39%
DSES Index	1,387.50
% change	0.16%
Turnover (BDT mn)	17,304.35
Turnover (USD mn)	157.31
% change	4.76%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,774.00
% change	0.42%
S&P 500	5,015.25
% change	0.81%
Nikkei 225	36,119.92
% change	-0.11%
FTSE 100	7,626.91
% change	-0.70%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	118.48	118.52
GBP	138.87	138.91
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
7-Feb-24	8.00 - 9.50	9.34
6-Feb-24	8.00 - 9.50	9.24
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	79.61	1.03%
Gold Spot, USD/t oz.	2,037.86	0.14%
Cotton, USD/lb.	89.03	1.91%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.10% in the last trading day, closing at 6,352.49 points.
- The daily turnover rose 4.76% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.42% gain, S&P 500 posted 0.81% gain, and FTSE 100 posted 0.70% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.11% loss.

Key macro indicators

- All the major currencies fell rose 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 9.34% with a high rate of 9.50% and low rate of 8.00%.
- The oil price gained 1.03% in the last trading day.

Bangladesh Macro Update

Bangladesh-Myanmar cross-border trade halts as conflict escalates in Rakhine

- Almost all import and export activities with Myanmar through the Teknaf land port have come to a complete halt due to the intense fighting between the Myanmar Junta forces and the Arakan Army in Rakhine state, according to port authorities.
- Bangladesh regularly imports ginger, garlic, and onions from Myanmar via the Teknaf land port.
- Additionally, a wide range of products such as fish, wood, pickles, spices, coconuts, and electrical goods are also transported to the country through this port.
- According to commerce ministry data, Bangladesh has an annual demand for 450,000 tonnes of ginger.
- With local production falling short at less than 200,000 tonnes, the remaining demand is met through imports, primarily sourced from Myanmar, China and India, with the majority originating from Myanmar.

News Source:

https://www.tbsnews.net/economy/bangladesh-myanmar-cross-border-trade-halts-conflict-escalates-rakhine-789194

Govt to take $2.10b from ITFC

- A government bid begins to borrow USD 2.10 billion from the Jeddah-based International Islamic Trade Finance Corporation (ITFC) to foot hefty bills for import of petroleum and liquefied natural gas (LNG) to meet fuel shortfalls.
- Of the total ITFC loan, the state-run Bangladesh Petroleum Corporation (BPC) will borrow USD 1.60 billion to facilitate petroleum imports from global suppliers.
- The remaining USD 500 million will be borrowed by the state-owned Oil, Gas and Mineral Corporation, nicknamed Petrobangla, to pay LNG-import bills.
- Sources said the interest rate would be 'secured overnight financing rate' (SOFR)-plus 2.0%, which currently totals around 7.31%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/govt-to-take-210b-from-itfc-1707327908

Sectoral Update

Apparel & Textile

Home textile exports hit by currency volatility, gas crisis

- The highly promising home textile sector of Bangladesh is losing its lustre in the export market as the lingering gas crisis, the volatile exchange rate and the higher production cost are forcing many factories to go out of business.
- Home textile export crossed the USD 1-billion mark in the fiscal year of 2020-21, registering a whopping 49.17% year-over-year growth, according to data from the Export Promotion Bureau (EPB).

- The momentum continued into the following year as the shipment of home textiles, mainly bed sheets, terry towels and curtains, rose 43.28% to USD 1.62 billion.
- The trend reversed in the last fiscal year as suppliers were hit by the gas crisis -- driven by a lower local production and a cut in the imports of liquefied natural gas owing to a fast depletion of foreign currency reserves – and a significant fall in the value of the taka against the US dollar.

News Source:

https://www.thedailystar.net/business/economy/news/home-textile-exports-hit-currency-volatility-gas-crisis-3538801

Fuel & Power

Import of 3 cargoes of LNG gets Cabinet nod

- The government on Wednesday approved proposals for procurement of three cargoes of liquefied natural gas (LNG) from two Singapore-based companies.
- Under an approval, the Petrobangla will import two cargoes of LNG from M/s Golbar Singapore Pvt Ltd where each cargo or 3.36 million MMBtu LNG will cost BDT 4.25 billion.
- In this purchase, each unit of LNG will cost USD 9.847, lower from USD 9.93 in the previous purchase from the spot market.
- Under another approval, the Petrobangla will import one cargo LNG from M/s Vitol Asia (pvt) Limited, Singapore at a cost of BDT 4.224 billion with each unit costing USD 9.77.

News Source:

https://today.thefinancialexpress.com.bd/last-page/import-of-3-cargoes-of-lng-gets-cabinet-nod-1707328644

Matarbari port dev on backburner following fund surrender

- Matarbari deep-sea port construction seems to be put on the backburner through surrender of 74.0% of allocated funds, mainly from a Japanese loan, for trailing project deadlines, according to officials.
- Such delay in the deep-sea port development -- a key "fast-track" project financed and supported by the Japan International Cooperation Agency (JICA) -- could prove to be a disservice to Bangladesh's trade and business, insiders think.
- Several officials point to a curious move by the Chittagong Port Authority (CPA)--the executing agency--in seeking a reduction in its funding request by BDT 21.12 billion to BDT 7.47 billion in the current fiscal year's (FY2023-24) revised development budget.
- Of the original allocation of BDT 28.59 billion, the port authority made the largest cut of BDT 20.43 billion from JICA's confirmed loans for the deep-sea port in the Bay of Bengal.
- As per the port authority's request, the government initially allocated BDT 28.59 billion, of which BDT 26.76 billion was earmarked to come from JICA's committed credits.

News Source:

https://today.thefinancialexpress.com.bd/first-page/matarbari-port-dev-on-backburner-following-fund-surrender-1707327702

Capital Market

DSEX rises 7-month high, turnover exceeds Tk 17 billion

- The stock market managed to stay afloat for eight sessions in a row with turnover crossing BDT 17 billion on Wednesday, as buoyant investors put fresh bets on lucrative stocks.
- Following the recent market recovery, the Bangladesh Securities and Exchange Commission (BSEC) on Tuesday removed the floor for three more stocks - Anwar Galvanizing, Renata, and Orion Pharma.
- After the removal of the floor, Anwar Galvanizing and Renata experienced price erosion of 8.72 per cent and 6.25 per cent, while Orion Pharma soared 5.28 per cent.
- Turnover on the Dhaka bourse reached BDT 17.30 billion for the first time in sixteen and a half months, with 10 most-traded stocks contributing more than one-fourth of it.
- The market turnover stayed above BDT 10 billion in the previous five days as investors took fresh positions in large-cap stocks, riding on high hopes.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/dsex-rises-7-month-high-turnover-exceeds-tk-17-billion-1707329067

EBL gets bancassurance licence

- Eastern Bank (EBL) obtained the licence from the Insurance Development and Regulatory Authority (IDRA) to start bancassurance business with MetLife and Green Delta Insurance Company Ltd, according to a statement.
- EBL is the first bank in Bangladesh to get a bancassurance licence for both life and non-life categories.
- Bancassurance is a partnership between a bank and an insurance company where a bank sells insurance products through its distribution channels.
- It is a new scope for EBL to diversify its income stream by earning commission-based income without any additional risk, capital or liquidity.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/ebl-gets-bancassurance-licence-1707329119