EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

February 28, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,272.72
% change	0.21%
DS30 Index	2,137.99
% change	0.03%
DSES Index	1,365.64
% change	0.23%
Turnover (BDT mn)	8,982.05
Turnover (USD mn)	81.66
% change	11.58%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,972.41
% change	-0.25%
S&P 500	5,078.18
% change	0.17%
Nikkei 225	39,225.22
% change	0.10%
FTSE 100	7,683.02
% change	-0.02%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.28	119.32
GBP	139.51	139.56
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
27-Feb-24	8.00 - 9.50	9.13
25-Feb-24	8.00 - 9.50	9.33
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	83.28	0.91%
Gold Spot, USD/t oz.	2,030.52	-0.16%
Cotton, USD/lb.	101.50	6.49%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.21% in the last trading day, closing at 6,272.72 points.
- The daily turnover rose 11.58% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.25% loss, S&P 500 posted 0.17% gain, and FTSE 100 posted 0.02% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.10% gain.

Key macro indicators

- All the major currencies increased 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 9.13% with a high rate of 9.50% and low rate of 8.00%.
- The oil price rose 0.91% in the last trading day.

International Macro Update

Impact of Red Sea crisis still 'moderate': WTO chief economist

- Attacks by Yemeni rebels on commercial ships in the Red Sea have had only a "moderate" impact on global trade, according to the World Trade Organization's chief economist.
- Yemen's Iran-backed Huthi rebels have been harassing ships in the Red Sea since November in a campaign they say is in solidarity with Palestinians amid the Gaza war.
- The Red Sea attacks have raised insurance premiums for shipping companies, forcing many to avoid the vital route that normally carries about 12.0% of global maritime trade.
- Many companies are opting for a lengthy detour around Africa, which adds considerable fuel and other costs.

News Source:

https://www.thedailystar.net/business/economy/news/impact-red-sea-crisis-still-moderate-wto-chief-economist-3554041

Bangladesh Macro Update

Bangladesh up 7 notches on economic freedom index, score unchanged

- Bangladesh has climbed up seven spots to reach 116th place among 176 countries ranked in the 2024 Index of Economic Freedom, according to The Heritage Foundation.
- Bangladesh also ranked as the second most economically free nation in the 2024 index in South Asia – only behind Bhutan.
- The country's economic freedom score, however, remains unchanged at 54.4 out of 100 in the 2024 index, the same as last year when it was ranked 123rd.
- The climb comes owing to other countries underperforming.
- The government repaid USD 1.86 billion to different lenders during the July-January period of the current fiscal, some USD 571.99 million higher than that in the same period last fiscal, according to the Economic Relations Division (ERD) provisional data.

News Source:

https://www.tbsnews.net/economy/bangladesh-7-notches-economic-freedom-index-score-unchanged-800058

Currency swapping continues to replenish reserves

- The upward trend in the foreign-currency (forex) reserve continues as the Bangladesh Bank (BB) has so far bagged USD 588 million from a dozen of commercial banks through a currency-swap mechanism.
- Official sources at the BB said the central bank purchased the greenback from banks in just three days' currency-swap deals.
- Inclusion of the latest deals under the arrangement helps increase the stock of foreign currencies, giving some respite to the economy under pressure because of quick depletion of forex reserves.

- According to BB data, the gross forex reserves under the regulator's calculation method stood at USD 25.52 billion, while it was USD 20.50 billion in the IMF's arithmetic as of 27 February 2024.

News Source:

https://today.thefinancialexpress.com.bd/first-page/currency-swapping-continues-to-replenish-reserves-1709056750

ADP execution rate at 14-yr low

- Development works lose gear as ADP implementation recorded an annualised rate of only 27.11% during first seven months of this fiscal by official count-the lowest in 14 years.
- The execution rate of the Annual Development Programme or ADP was such low as some key public agencies couldn't catch up with their target development works in time, according to officials.
- In the July-January period of the current fiscal year (FY) 2023-24, the government agencies spent BDT 744.64 billion or 27.11% of the total BDT 2.74-trillion ADP outlay, according to the data of the Implementation Monitoring and Evaluation Division (IMED).
- The ADP execution rate in the same period last FY2023 was even 1.05% higher at 28.11%, according to the government data.
- According to IMED, the government agencies during the period of the FY2023 had spent BDT 720.90 billion, 28.11% of the BDT 2.56-trillion ADP.

News Source:

https://today.thefinancialexpress.com.bd/last-page/adp-execution-rate-at-14-yr-low-1709057025

Sectoral Update

Banks asked to ease opening forex accounts to boost dollar inflows

Banks asked to ease opening forex accounts to boost dollar inflows

- The Bangladesh Bank has instructed banks to simplify the procedure for opening foreign currency accounts, with the aim of boosting dollar inflows and enhancing the nation's reserves.
- During a meeting with the treasury heads of banks on Tuesday (27 February), the central bank suggested streamlining the account opening process for foreigners and non-resident Bangladeshis, according to a treasury head.
- Furthermore, the treasury head stated that the money market regulator also advised against excessively scrutinising the source of funds in these accounts and their transactions.
- Additionally, the Bangladesh Bank is considering providing tax benefits to these account holders.

News Source:

https://www.tbsnews.net/economy/banking/banks-asked-ease-opening-forex-accounts-boost-dollar-inflows-799938

BB sets age limit, bad loan recovery target for aspirant CEOs of banks

- The central bank has for the first time set the minimum age, default loan recovery targets and other criteria for aspirant chief executive officers of banks and those looking to be reappointed in the top job as part of its efforts to restore good governance and reduce bad debts.
- It comes more than two weeks after the Bangladesh Bank (BB) fixed the age, education and other criteria for directors of banks.
- The minimum age for the managing director or CEO has been set at 45 years and the maximum age at 65, according to the guidelines.
- For the appointment or re-appointment of CEOs, banks should include the specific targets to recover the defaulted loans and write-off loans and monitor the progress from time to time.

News Source:

https://www.thedailystar.net/business/economy/news/bb-sets-age-limit-bad-loan-recovery-target-aspirant-ceos-banks-3554001

Fuel & Power

Gas price for power production rises, electricity hike soon

- Gas tariffs for power plants were raised by 5.36% and the rate for captive power plants hiked 2.5% in an executive order issued Tuesday by the government while electricity-price hike comes soon.
- The gas-rate rise, with retrospective effect from the first of February 2024, is apparently meant for containing state subsidy under ongoing reform drives.
- The raise, which stirs instant reaction, takes place after one year of the previous hike.
- Under the new natural-gas pricing, gas-fired power plants owned by government, privately owned independent power producers (IPPs) and rental power plants will have to pay BDT 14.75 per cubic meter instead of previous tariff of BDT 14.
- New tariffs for captive power plants, small power plants and commercial power plants have been fixed at BDT 30.75 per cubic meter from the previous BDT 30.

News Source:

https://today.thefinancialexpress.com.bd/first-page/gas-price-for-power-production-rises-electricity-hike-soon-1709056532

Engineering

Electric vehicles etching their way into domestic automobile industry

- The automobile industry of Bangladesh is seeing a notable shift towards electric vehicles (EVs) with BYD Auto Co Ltd, the world's biggest EV maker, set to launch its Seal model on the domestic market.
- CG-Runner Bangladesh, an authorised distributor of BYD, will roll out the premium passenger sedan on March 2 and later introduce electric SUVs, buses, trucks and other vehicles produced by the Chinese automaker.
- The BYD Seal is equipped with a battery capacity of 82.5 kilowatt hours and can travel 540 kilometres at full charge, which can be achieved in 40 minutes using its fast charging capability.

- CG-Runner is a collaboration between Chowdhury Group, a leading conglomerate of Nepal, and Runner Group, a local company that pioneered two-wheeler and three-wheeler manufacturing in Bangladesh.

News Source:

https://www.thedailystar.net/business/economy/news/electric-vehicles-etching-their-way-domestic-automobile-industry-3554016

Capital Market

Stocks rise despite selling pressure

- Despite persistent selling pressure throughout the day, stocks experienced a surge on Tuesday, buoyed by institutional investors injecting funds during the final hour and a half of the trading session.
- The benchmark index of the Dhaka Stock Exchange (DSE) saw a 5-point decline until 1:30 pm.
- However, at the end of Tuesday's session, the DSEX gained 13 points to close at 6,272.
- Institutional investors infused funds, driving the index to conclude in positive territory during the latter part of the session, according to market insiders.
- The turnover also jumped by 12% to Tk898 crore, compared to the previous session.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-rise-despite-selling-pressure-800010