EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

March 03, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,254.54
% change	-0.22%
DS30 Index	2,126.79
% change	-0.27%
DSES Index	1,359.82
% change	-0.28%
Turnover (BDT mn)	9,164.20
Turnover (USD mn)	83.31
% change	3.11%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,087.38
% change	0.23%
S&P 500	5,137.08
% change	0.80%
Nikkei 225	39,910.82
% change	1.90%
FTSE 100	7,682.50
% change	0.69%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.19	119.24
GBP	139.27	139.31
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
29-Feb-24	8.00 - 9.50	9.41
28-Feb-24	8.00 - 9.50	9.33
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	83.55	-0.08%
Gold Spot, USD/t oz.	2,082.92	1.89%
Cotton, USD/lb.	95.57	-4.02%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.22% in the last trading day, closing at 6,254.54 points.
- The daily turnover rose 3.11% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.23% gain, S&P 500 posted 0.80% gain, and FTSE 100 posted 0.69% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.90% 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 9.41% with a high rate of 9.50% and low rate of 8.00%.
- The oil price lost 0.08% in the last trading day.

Bangladesh Macro Update

Bangladesh to enjoy duty benefit until 2029 as WTO members allow extension

- Bangladesh will keep enjoying duty-free market access for three more years after its graduation to a developing nation in 2026 as the extension was endorsed by 166 members of the World Trade Organisation (WTO) at its Ministerial Conference that concluded in Abu Dhabi on Friday night.
- After an intense negotiation for more than five days at the 13th WTO Ministerial Conference between February 26 and March 1, the member countries reached the consensus on the extension of the trade benefits for the LDCs (least-developed countries) that graduate.
- Bangladesh joined the LDC group in 1975 and is going to leave it on November 24 of 2026.
- The three-year extension came after the LDC group, chaired by Djibouti, applied to the WTO and other UN bodies in 2020 for the continuation of the market access to graduating LDCs for 12 more years as their economies were jolted by the severe fallout of the Covid-19 pandemic.

News Source:

https://www.thedailystar.net/business/economy/news/bangladesh-enjoy-duty-benefit-until-2029-wto-members-allow-extension-3557351

BD seeks over $300m loan from WB to fund three energy projects

- Bangladesh has sought over USD 300 million funds from the World Bank (WB) to improve the power and gas distribution and transmission networks of the country, according to officials.
- The Economic Relations Division (ERD) requested the WB months ago to finance two investment projects and one technical assistance (TA) projects.
- Officials said the ERD sought some USD 337 million in loans for financing a gas transmission line, a power distribution line and a TA project for energy sector development.
- However, the Washington-based lender is yet to reply in this regard, according to them.

News Source:

https://today.thefinancialexpress.com.bd/last-page/bd-seeks-over-300m-loan-from-wb-to-fund-three-energy-projects-1709403239

China's deflation may help BD economy with cheap supplies

- China's prevailing deflationary economy may somewhat help stimulate Bangladesh's economic relation as it largely depends on raw materials, and intermediate and finished goods from the world's second-biggest economy, according to analysts.
- Producer price index (PPI), consumer price index (CPI) and GDP deflator-all fell into deflation territory in China-making up a broad-based deflation in its economy.
- Industrial overcapacity in the giant economy and weak household demands are cited as the culprits of deflation.
- While deflation is slowing the Chinese economy, it is helping to reduce the inflation in other parts of the world, including Bangladesh, through cheaper Chinese exports, according to economists and businesses.

- Most of the local industrial outputs, both for export and domestic markets, are based on imported inputs mainly from China, according to them.

News Source:

https://today.thefinancialexpress.com.bd/first-page/chinas-deflation-may-help-bd-economy-with-cheap-supplies-1709402910

Sectoral Update

Banks, NBFIs, and Insurance

Lending rate goes past 13% despite lowering of margin

- The interest rate on loans is going to surpass 13.0% from March despite lowering the margin as the benchmark interest rate has been increasing consistently since its introduction.
- The lending rate will be 13.11% from March 1 as the Six Months Moving Average Rate of Treasury bills, abbreviated as SMART, stood at 9.61% in February.
- The SMART was 8.68% in January this year and 7.20% in September last year.
- The benchmark rate increased due to the higher yields of the government treasury bills and the central bank's initiatives to cool down inflation.

News Source:

https://www.thedailystar.net/business/economy/news/lending-rate-goes-past-13-despite-lowering-margin-3555741

Lending thru agent banking shoots up by 50pc

- Loan disbursements through agent banking soared by 50.0% against 20.0% of deposits collection in the October to December period of 2023 compared with those in the same period in the previous year.
- According to Bangladesh Bank data, deposits' balance in agent banking outlets increased by 20.5% to BDT 36,358 crore in October-December in 2023 from that of BDT 30,157 crore in the same period in 2022.
- Loan disbursements through agent banking shot up by nearly 50.0% to BDT 15,407 crore in October-December period in 2023 compared with that of BDT 10,307 crore in October-December in 2022.
- The volume of lending in the agent banking accounts and the volume of deposits through these accounts increased by 8.56% and 3.29% respectively from the previous quarter.

News Source:

https://www.newagebd.net/article/226860/lending-thru-agent-banking-shoots-up-by-50pc

Insurance claim settlement rises in 2023

- The claim settlement rate in the insurance sector of Bangladesh has risen by more than four percentage points within the span of a single year although the ratio has remained far below the global average.
- The claim settlement rate stood at 65.19% in 2023, which was 61.16% a year earlier, according to the Insurance Development and Regulatory Authority (Idra).

- The jump was led by both life and non-life insurers: the life insurance segment saw a 72.0% settlement in 2023, up from 67.0% in 2022.
- For non-life insurance, it rose to 41.0% from 35.0%.
- However, the global average for claim settlements is 97.0%-98.0%.

News Source:

https://www.thedailystar.net/business/economy/news/insurance-claim-settlement-rises-2023-3557341

Telecommunication

Mobile internet users decline for 5th straight month

- The mobile internet subscriber count in Bangladesh declined for a fifth straight month in January due to the regulator's bar on the sale of packages with short validity periods, compounded by persistent inflationary pressure on consumers.
- There were about 11.63 crore mobile internet users in January, having undergone a massive drop of nearly 22 lakh from that on the previous month, according to data from Bangladesh Telecommunication Regulatory Commission (BTRC).
- This is the biggest reduction since December 2021, when the number of mobile internet users had dropped by 28 lakh compared to that in the preceding month.
- Industry experts attributed the decline to financial constraints of consumers due to heightened inflation and the regulatory bar.

News Source:

https://www.thedailystar.net/business/economy/news/mobile-internet-users-decline-5th-straight-month-3557346

Capital Market

Stocks down for third straight week

- Dhaka-Chattogram stocks, following a sharp reversal from their post floor low, fell for the third consecutive weeks till Thursday owing to profit booking amid fears of further selloff after floor price withdrawal from large cap stocks such as Grameenphone and British American Tobacco Bangladesh.
- More than 50.0% of the ten-day gains till 11 February, was wiped out during the sharp correction as DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), fell to 6,254 on Thursday from an intraday high of 6,473 on 12 February.
- The DSEX extended its losing streak for three consecutive weeks as cautious investors preferred to stay on the sidelines and remain watchful of the prevailing volatility in the market.
- However, downside momentum seemed to have slowed later as the DSEX fell only 0.3% last week, while it fell 0.98% in the previous week.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-down-third-straight-week-802262

BO accounts rise in last 6 months for expected gains from post-polls market

- Investors opened a total of 46,788 new BO (beneficiary owner's) accounts in the six months through February, higher than in the previous six months, for various reasons, including optimism surrounding post-election stock market.
- In the previous six months to August last year, 33,019 new accounts were added to the system of the Central Depository Bangladesh Limited (CDBL).
- Many investors opened separate or link accounts expecting a turnaround of the market after the national polls, according to market operators.
- The presumption came to be true weeks after the election when the capital market experienced a steep rise both in turnover and broad index, owing to increased investor participation.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/bo-accounts-rise-in-last-6-months-for-expected-gains-from-post-polls-market-1709401688

Robi invests $13m to open country's first private tier-IV data centre

- Telecom operator Robi Axiata has launched Bangladesh's first commercial Tier-IV data centre in a move to expand its portfolio and cater to the increasing need for data storage driven by surging internet usage amid digitalisation of services.
- This marks the third data centre under the group's portfolio across Asia, with the other two being located in Sri Lanka and Nepal.
- The investment comes as Robi, which now brands itself as a technology company instead of a telecommunications company, looks to strategically diversify its offerings with a shift towards digital services.

News Source:

https://www.thedailystar.net/business/economy/news/robi-invests-13m-open-countrys-first-private-tier-iv-data-centre-3557276