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

Daily News Snippet

March 05, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,175.24
% change	-0.64%
DS30 Index	2,108.32
% change	-0.26%
DSES Index	1,344.63
% change	-0.39%
Turnover (BDT mn)	7,936.79
Turnover (USD mn)	72.15
% change	-19.14%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,989.83
% change	-0.25%
S&P 500	5,130.95
% change	-0.12%
Nikkei 225	40,173.16
% change	0.16%
FTSE 100	7,640.33
% change	-0.55%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.39	119.43
GBP	139.59	139.63
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
4-Mar-24	8.00 - 9.50	9.20
3-Mar-24	8.00 - 9.50	9.27
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	82.59	-0.25%
Gold Spot, USD/t oz.	2,115.98	0.07%
Cotton, USD/lb.	94.69	0.12%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.64% in the last trading day, closing at 6,175.24 points.
- The daily turnover fell 19.14% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.25% loss, S&P 500 posted 0.12% loss, and FTSE 100 posted 0.55% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.16% 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 9.20% with a high rate of 9.50% and low rate of 8.00%.
- The oil price lost 0.25% in the last trading day.

Bangladesh Macro Update

Reserves reach $21.3b with strong remittances, currency swaps

- The country's gross foreign exchange reserves have increased by USD 727 million in five days, reaching USD 21.3 billion on Monday, bolstered by robust inward remittances and currency swaps with banks, according to central bank officials.
- According to data from the Bangladesh Bank, gross reserves stood at USD 20.57 billion as per BPM-6 on 28 February.
- The data also showed that the money market swapped currency equivalent to USD 100 million on Monday (4 March).
- A senior official at the central bank pointed out that more than USD 2 billion in remittances arrived in February, which could contribute significantly to the increase in gross reserves.
- Additionally, ongoing currency swaps with banks are a continuous process, further contributing to the rise in reserves.

News Source:

https://www.tbsnews.net/economy/reserves-reach-213b-strong-remittances-currency-swaps-803318

Weak banks to merge with strong lenders in a year

- Bangladesh Bank Governor Abdur Rouf Talukder has formally informed the owners of banks that weak lenders will be merged with stronger ones in a year and the banking regulator has got down to working towards it.
- The central bank chief communicated it during a meeting with the Bangladesh Association of Banks (BAB), a platform of directors of private commercial banks.
- The governor said there are two ways of mergers, according to central bank sources.
- One of the ways is concerned banks can discuss among themselves and make decisions to merge.
- The other way is that weak banks will merge with sound financial companies under the Prompt Corrective Action (PCA) framework introduced by the central bank.

News Source:

https://www.thedailystar.net/business/economy/news/weak-banks-merge-strong-lenders-year-3558851

Exports rise 12% in Feb

- Exports grew 12% year-on-year to USD 5.18 billion in February this year, as the global economy has been gradually recovering from the high inflationary pressure.
- The February export is 0.98% lower than the month's target of USD 5.24 billion.
- In the July-February period, exports hit USD 38.45 billion, registering a 3.71% year on year growth.
- However, the July-February export figure was 6.48% lower than the target of USD 41.12 billion.

News Source:

https://www.thedailystar.net/business/news/exports-rise-12-feb-3558741

Sectoral Update

Banks, NBFIs, and Insurance

BB's repo facility to be weekly, not daily

- The scope for banks to avail Bangladesh Bank's (BB) repo facility is set to narrow as relevant auctions will be held weekly instead of daily from upcoming July.
- Repurchase agreements, or repos, are a form of short-term borrowing by banks through the depositing of government securities with Bangladesh Bank on condition to buy them back at a specific date, usually for a higher price.
- Banks can generally borrow from the central bank through repo, assured liquidity support facility (ALSF) and standing liquidity facility (SLF) and Islamic bank liquidity facility (IBLF), which is meant for Sharia-based banks.
- Auctions for the remaining instruments will be held every working day as usual.

News Source:

https://www.thedailystar.net/business/news/bbs-repo-facility-be-weekly-not-daily-3558886

Fuel & Power

Fuel oil price may decrease once automated pricing kicks in

- The government is going to start implementing the newly-formulated mechanism for setting fuel prices in line with global market rates by the end of this month and officials of the energy and finance division believe prices may reduce after the first adjustment.
- They added that the Bangladesh Petroleum Corporation would announce the new prices within a couple of days.
- The government introduced the automatic fuel pricing mechanism on February 29 as per one of the conditions for the USD 4.7 billion loan from the International Monetary Fund (IMF).
- The automatic fuel price mechanism factors in the global Platts rate to calculate the price of fuel oil in the local market.
- When the price is announced, the previous months' average rate will be considered the base price.

News Source:

https://www.thedailystar.net/business/economy/news/fuel-oil-price-may-decrease-once-automated-pricing-kicks-3558061

Capital Market

Falling top two stocks extends decline in DSEX

- The benchmark index at the premier bourse extended decline on Monday as the top two stocks lost their market value after withdrawal of the floor price.
- The DSEX shed 40 points to settle 6,175 at the Dhaka Stock Exchange, where British American Tobacco (BAT) Bangladesh, the second largest stock, alone dragged 24 points.

- Besides, the downgrading of six firms by the regulator to the Z category also impacted the decline in the key index.
- After the floor price removal, BAT Bangladesh lost BDT 2,100 crore in market capitalisation to stand at BDT 25,909 crore on the first trading day at the DSE on Monday.

News Source:

https://www.tbsnews.net/economy/stocks/falling-top-two-stocks-extends-decline-dsex-803330

Newly-launched Meghnaghat Power to boost Unique Hotel income

- Gas-fuelled 584 megawatt Unique Meghnaghat Power has begun commercial operation and successfully connected to the national grid.
- Unique Hotel & Resorts, which has a 37.24% stake in the power plant, expects a boost to its profit with income from electricity generation, according to company secretary.
- However, the USD 575-million power project built on a land of 18.75 acres at Sonargaon, Narayanganj has been financed with more borrowings than equity.
- Seventy-five per cent of the fund came from domestic and foreign lenders.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/newly-launched-meghnaghat-power-to-boost-unique-hotel-income-1709574578