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

Daily News Snippet

March 07, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,166.14
% change	0.57%
DS30 Index	2,106.34
% change	0.41%
DSES Index	1,343.01
% change	0.20%
Turnover (BDT mn)	7,303.95
Turnover (USD mn)	66.40
% change	-13.43%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,661.05
% change	0.20%
S&P 500	5,104.76
% change	0.51%
Nikkei 225	39,598.71
% change	-1.24%
FTSE 100	7,679.31
% change	0.43%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.86	119.91
GBP	140.02	140.06
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
6-Mar-24	7.00 - 9.50	8.81
5-Mar-24	8.00 - 9.50	9.02
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	82.86	0.83%
Gold Spot, USD/t oz.	2,155.33	1.39%
Cotton, USD/lb.	96.21	1.04%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.57% in the last trading day, closing at 6,166.14 points.
- The daily turnover fell 13.43% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.20% gain, S&P 500 posted 0.51% gain, and FTSE 100 posted 0.43% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.24% loss.

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 8.81% with a high rate of 9.50% and low rate of 7.00%.
- The oil price rose 0.83% in the last trading day.

Bangladesh Macro Update

February inflation rate eases to 9.67pc

- The point-to-point inflation declined slightly to 9.67% in February in Bangladesh over that of 9.86% in January, according to the Bangladesh Bureau of Statistics (BBS) provisional data.
- The rate of food inflation reached 9.44% in February while that of non-food inflation was recorded at 9.33% compared to 9.56% and 9.42% respectively in January.
- On the other hand, the wage growth rate in February increased marginally to 7.78%, according to the BBS.
- The decline in food and non-food prices in the domestic market helped lessen the overall inflation rate to some extent.

News Source:

https://today.thefinancialexpress.com.bd/first-page/february-inflation-rate-eases-to-967pc-1709748700

Reserves may fall below $21b after ACU payment

- Bangladesh's foreign exchange reserves are likely to fall below USD 21 billion next week after the Bangladesh Bank clears import bills of around USD 1.35 billion with the Asian Clearing Union (ACU), according to a senior central bank official.
- The import payments are scheduled to be cleared on Thursday through ACU, an arrangement for settling payments for intra-regional transactions among eight countries, including India.
- However, he said it would take an additional one or two days to adjust the forex reserves after the ACU payment.
- The country's gross forex reserve stands at above USD 21 billion now as per calculations based on the International Monetary Fund's Balance of Payment Manual 6.

News Source:

https://www.thedailystar.net/business/economy/news/reserves-may-fall-below-21b-after-acu-payment-3560526

Sectoral Update

Banks, NBFIs, and Insurance

Janata, Agrani lag far behind in recovering NPLs among state banks

- State-owned Janata and Agrani banks lagged far behind in recovering non-performing loans (NPLs) among the country's four state-owned banks in 2023, according to a report of Bangladesh Bank.
- Janata Bank had a target for recovering NPLs at BDT 1,515 crore, but could recover only BDT 225 crore or 14.85% of the goal.
- Agrani Bank recovered BDT 389 crore or 25.34% of the target set at BDT 1,535 crore.
- Sonali Bank's target for recovering loans from defaulter customers in 2023 was BDT 1,000 crore but the bank was able to recover BDT 567 crore of the target.

- On the other hand, the target for recovering loans from defaulter customers of Rupali Bank was BDT 920 crore. But it was able to recover BDT 507 crore or 55.11% of the goal.

News Source:

https://www.tbsnews.net/economy/banking/janata-agrani-lag-far-behind-recovering-npls-among-state-banks-804906

Apparel & Textile

Bangladesh’s growing prowess in RMG makes Chinese investors upbeat

- Chinese textile and garment entrepreneurs are bullish about Bangladesh as the country cements its position as a top supplier of apparel items, evidenced from a healthy flow of orders from international clothing retailers and brands.
- On the back of higher demand for fabrics, yarns, chemicals, dyes, and capital machinery used in the textile and garment sectors, China has turned into the largest supplier for Bangladesh.
- Bangladesh imports nearly USD 20 billion worth of goods, including fabrics, from China, according to industry people.
- The reliance on the second-biggest economy in the world is growing since local weavers can only meet 40% of the requirement for woven fabrics.
- The remaining 60% is met through imports, mainly from China and India.

News Source:

https://www.thedailystar.net/business/economy/news/bangladeshs-growing-prowess-rmg-makes-chinese-investors-upbeat-3560511

US to look into 'unhealthy competition' in garment pricing

- The United States International Trade Commission (USITC) is going to hold a hearing involving Bangladesh to see whether a recent rise in prices of garment items sourced from the country had anything to do with unhealthy competition.
- The USITC found out that the prices the US paid for each unit of Bangladeshi garments had recently exceeded the average of the prices paid by America for garments sourced from different countries.
- This prompted the agency to open an investigation to find out whether any anti-competitive incident took place.
- The prices rose mainly due to adjustments brought about by American clothing retailers and brands to compensate for an increase in raw material and shipping costs during and after the pandemic, according to the President of BGMEA.

News Source:

https://www.thedailystar.net/business/economy/news/us-look-unhealthy-competition-garment-pricing-3560536

Telecommunication

Telcos face Tk 1.45b interest claim on settled tax disputes

- Having settled 16 cases of unpaid taxes through alternative dispute resolution in 2019, the revenue board is now seeking to claim BDT 1.45 billion in interest on VAT paid earlier from the country's leading telecom operators, according to officials.
- The officials say the interest was not included in the out-of-court settlements, while telecom companies argue that such unexpected interest claims could deter investors from choosing mediation over courtroom trials.
- The Large Taxpayers Unit under the Value Added Tax (VAT) Wing recently identified the outstanding interest during a review of alternative dispute resolution (ADR) cases settled with Grameenphone, Robi Axiata and Banglalink.
- Grameenphone would be required to pay BDT 552 million in relation to six previously settled ADR cases, while Banglalink faces a BDT 570 million claim for a 2.0% monthly interest rate on seven ADR cases.
- Meanwhile, Robi Axiata needs to pay BDT 330 million for interest against three earlier ADR cases.

News Source:

https://today.thefinancialexpress.com.bd/first-page/telcos-face-tk-145b-interest-claim-on-settled-tax-disputes-1709748492

Capital Market

Stocks rebound after five-day slide

- Dhaka stocks rebounded on Wednesday after five days of decline as the investors showed their buying appetite in two specific scripts - British American Tobacco (BAT) Bangladesh and Grameenphone.
- The prime index of the bourse, DSEX, increased by 35 points to 6,166 points.
- The two companies contributed to a 28-point recovery in the DSEX. BAT Bangladesh was responsible for 21 points of the rise, while Grameenphone accounted for the remaining 7 points.
- The blue-chip index, DS30, increased by 9 points to 2,106 points while the shariah-compliant stocks' index, DSES, was up by 3 points to 1,343 points.
- The turnover, however, dropped by 13.43% to BDT 730.39 crore from BDT 843.73 crore compared to the previous sessions.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-rebound-after-five-day-slide-804818

Retailers' demand for T-bonds spikes, swaying brokers into action

- General investors show more interest in Treasury bonds now than even a few months ago, an outcome of the regulator's unwavering advocacy of risk-free government securities to diversify portfolios.
- It seems the access created by the capital market watchdog to Bangladesh Bank auctions through brokers has started to bear fruits.

- Treasury bonds are drawing more attention also at a time when yields have outstripped that of national savings certificates and fixed deposit receipts and when the equity market is highly volatile and has failed to raise much hope.
- To cater to the new demand, brokerage houses are coming forward helping their clients invest in T-bonds.
- The intermediaries had little interest in participating in BB auctions for all the complications involved and for transactions not so rewarding but now they consider tapping into the market so to attract more clients and keep the existing ones with them.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/retailers-demand-for-t-bonds-spikes-swaying-brokers-into-action-1709747295

Heidelberg Cement rebounds on higher product prices

- Heidelberg Cement came back strongly in 2023, overcoming the challenges stemming from high inflation, soaring energy costs coupled with a sharp devaluation of the taka against the dollar.
- The Germany-based cement maker secured a profit of BDT 460 million in 2023, after suffering a net loss of BDT 233 million in the year before, according to its annual disclosure.
- Encouraged by the remarkable turnaround, the board of directors of the company declared a 25% cash dividend for 2023, increased from 10% for 2022.
- Higher selling prices "compared to the cost of goods sold" helped the company return to profit, according to the company in its earnings notes.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/heidelberg-cement-rebounds-on-higher-product-prices-1709747340