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

Daily News Snippet

March 14, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,974.10
% change	-0.55%
DS30 Index	2,056.56
% change	-0.35%
DSES Index	1,300.82
% change	-0.69%
Turnover (BDT mn)	4,833.03
Turnover (USD mn)	43.94
% change	-14.24%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,043.32
% change	0.10%
S&P 500	5,165.31
% change	-0.19%
Nikkei 225	38,807.38
% change	0.44%
FTSE 100	7,772.17
% change	0.31%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	120.40	120.43
GBP	140.75	140.80
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
13-Mar-24	8.00 - 9.50	8.46
12-Mar-24	8.00 - 9.50	8.53
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	84.26	2.39%
Gold Spot, USD/t oz.	2,168.66	0.39%
Cotton, USD/lb.	94.67	-1.17%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.55% in the last trading day, closing at 5,974.10 points.
- The daily turnover fell 14.24% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.10% gain, S&P 500 posted 0.19% loss, and FTSE 100 posted 0.31% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.44% gain.

Key macro indicators

- Except INR, all of the major currencies rose against BDT yesterday.
- The average overnight rate is slowing down in the past week.
- The current weighted average overnight rate stood at 8.46% with a high rate of 9.50% and low rate of 8.00%.
- The oil price fell 2.39% in the last trading day.

Bangladesh Macro Update

Cash feeding into banks cools call money rate

- Borrowing by banks in need through interbank sources normally goes up during Ramadan and ahead of Eids because of growing demand for formal credits and such occasional borrowing basically pushes up call- money rate.
- But things look completely different this time around, with the call-money rate staying on a downturn for the last one month.
- Commercial banks have been getting huge funds from the central bank through using currency-swap mechanism and special bond meant for settling accumulated arrears to independent power producers and fertiliser suppliers, according to a BB official.
- On the other hand, the BB keeps accepting all the liquidity-related appeals of the commercial banks considering existing liquidity pressure in the banks.
- As a result, the liquidity stress in the banking sector started easing riding on the liquidity supports.

News Source:

https://today.thefinancialexpress.com.bd/first-page/cash-feeding-into-banks-cools-call-money-rate-1710353580

Costlier loans hand yet another blow to entrepreneurs

- For the past two and a half years, entrepreneurs in Bangladesh have been facing numerous hurdles, beginning from a dollar shortage and a sharp rise in import costs for their escalated rates in global markets and the depreciation of the taka.
- Electricity and gas tariffs have been adjusted upwards by the government as it looked to lessen the burden stemming from state subsidies amid lower revenue collections, raising the energy bills for businesses and industries.
- The government has increased the prices of electricity in four phases since January last year.
- This has pushed up the electricity cost for industrial consumers and small and medium enterprises by 21 percent, according to the Centre for Policy Dialogue.
- Despite the import contraction intensified by the dollar crunch, the taka lost its value by 5 percent against the US dollar in the one year to January 24.

News Source:

https://www.thedailystar.net/business/economy/news/costlier-loans-hand-yet-another-blow-entrepreneurs-3565996

Sectoral Update

Banks, NBFIs, and Insurance

NBFI independent directors must be between 45-75 years old: Cenbank

- From now on, no one below the age of 45 or above 75 can be appointed as an independent director of a non-bank financial institution (NBFI).

- Besides, the remuneration against the post cannot be more than BDT 50,000, according to Bangladesh Bank circular sent to all managing directors of NBFIs.
- This directive will come into effect immediately, according to the circular.
- Besides, according to the circular, for someone to be eligible to be an independent director, he or she must have higher education completed in a specific subject like economics, banking, finance, business administration, law, or accounting from a recognised university.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-sets-minimum-age-range-nbfi-independent-directors-45-75-808598

Apparel & Textile

US textile group accuses BD of unfair pricing, ties to China

- The National Council of Textile Organizations (NCTO) - a Washington-based trade association representing US textile manufacturers - has accused five Asian apparel suppliers including Bangladesh of "unfair trade practices".
- These countries, particularly Bangladesh, benefit from ultra-low-cost pricing structures and ties to China - harming the US textile industry, the NCTO alleged in testimony before the US International Trade Commission (USITC) on March 11.
- The NCTO also called attention to the rising volume of apparel imports from Bangladesh, Cambodia, India, Indonesia and Pakistan, which have become major suppliers to the US.
- In the testimony, NCTO President and CEO Kim Glas presented a four-point recommendation package, urging an increase in customs enforcement and trade remedies to curb the import surge and protect the US textile industry.

News Source:

https://today.thefinancialexpress.com.bd/last-page/us-textile-group-accuses-bd-of-unfair-pricing-ties-to-china-1710353816

Fuel & Power

Costlier power fuels cost of living

- People's cost of living rises further as the latest power-tariff hike increased monthly expenditure of a family by around 9.50% as per finding by a leading think-tank.
- The Centre for Policy Dialogue (CPD) Wednesday revealed the findings backed up with a breakdown of the hikers.
- It shows the fuel-rate raise fired up cost by 9.12% for small industries, 9.71% for businesses and offices, 10% for industries and 11.02% for irrigation.
- The CPD reveals that only a 6.80% rise in tariffs over five years is enough to reach a zero-subsidy scenario, which is far below the international Monetary Fund (IMF) estimation of raising it by 12% over the next five years for getting to a zero-subsidy pricing regime.

News Source:

https://today.thefinancialexpress.com.bd/first-page/costlier-power-fuels-cost-of-living-1710353520

Capital Market

Dhaka stocks hit 33-month low, key index dips below 6,000 points

- The benchmark index of the Dhaka Stock Exchange (DSE) fell below 6,000 points to a 33-month low yesterday, extending the bearish trend for five consecutive sessions.
- The key index, DSEX, settled at 5,974 after losing 32 points yesterday, resulting in a total erosion of 192 points over the five days.
- Following Wednesday's fall, the market capitalisation of the DSE fell by BDT 19,689 crore, settling at BDT 7.32 lakh crore.
- The removal of the floor price, coupled with ongoing regulatory conflicts, unstable policymaking, and a liquidity shortage due to higher interest rates, has exerted pressure on investors, according to market insiders.
- The pressure has led investors to offload their holdings in an effort to safeguard funds from further erosion.

News Source:

https://www.tbsnews.net/economy/stocks/dse-index-down-below-6000-points-after-over-2-years-808278