EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

March 24, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,941.66
% change	1.18%
DS30 Index	2,057.72
% change	1.25%
DSES Index	1,293.03
% change	1.21%
Turnover (BDT mn)	6,100.87
Turnover (USD mn)	55.46
% change	44.29%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,475.90
% change	-0.77%
S&P 500	5,234.18
% change	-0.14%
Nikkei 225	40,888.43
% change	0.18%
FTSE 100	7,930.92
% change	0.61%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	120.09	120.14
GBP	140.62	140.66
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
21-Mar-24	8.00 - 9.50	8.75
20-Mar-24	8.00 - 9.50	8.73
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	85.43	-0.41%
Gold Spot, USD/t oz.	2,165.44	-0.73%
Cotton, USD/lb.	91.53	-0.74%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 1.18% in the last trading day, closing at 5,941.66 points.
- The daily turnover rose 44.29% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.77% loss, S&P 500 posted 0.14% loss, and FTSE 100 posted 0.61% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.18% gain.

Key macro indicators

- All the major currencies remained unchanged against BDT yesterday.
- The average overnight rate is slowing down in the past week.
- The current weighted average overnight rate stood at 8.75% with a high rate of 9.50% and low rate of 8.00%.
- The oil price fell 0.41% in the last trading day.

International Macro Update

US Fed holds key rate, still sees 3 cuts in 2024

- The US Federal Reserve voted Wednesday to keep interest rates at a 23-year high for a fifth consecutive meeting, while signalling it still expects to make three cuts this year.
- The news sent US markets higher, as traders cheered the central bank's affirmation that three cuts are likely despite a recent uptick in monthly inflation.
- All three major indices on Wall Street closed at new records.
- The Fed's unanimous decision to hold its key lending rate between 5.25 percent and 5.50 percent lets policymakers "carefully assess incoming data, the evolving outlook and the balance of risks," it said in a statement.

News Source:

https://www.thedailystar.net/business/news/us-fed-holds-key-rate-still-sees-3-cuts-2024-3571701

Bangladesh Macro Update

ADB budget funding worth $400m forthcoming

- Another dollop of Asian Development Bank (ADB) loan worth USD 400 million may be forthcoming as budget support to Bangladesh this fiscal year, at a time when the country faces forex crunch.
- Government's Finance Division (FD) and Economic Relations Division (ERF) are working with the Manila-based lender for the confirmation of the budget support for this fiscal, according to officials.
- The ADB has assured Bangladesh of support in tackling LDC-graduation fallout on the economy and improving the business climate, especially the position in the global logistics index.
- The proposed USD 400-million credit from the ADB will help the country in cushioning the possible shocks in some industrial and services sectors during and after the graduation from the least-developed country (LDC) status in 2026, according to officials.

News Source:

https://today.thefinancialexpress.com.bd/first-page/adb-budget-funding-worth-400m-forthcoming-1711213206

NBR orders tax benefits for Rampal power plant on imports

- The coal-fired Rampal power plant in Bagerhat will enjoy tariff benefits in importing equipment like other power plants in the country, according to the National Board of Revenue (NBR).
- As per an order issued by the NBR on 19 March, Rampal power plant will enjoy a duty-free facility for up to 12 years on 10.0% value of plant and equipment to be imported.
- According to the order, up to 12 years from commencement of commercial production or the duration of the existing contract - whichever is less, the facility will remain in effect during the period for the power plant.
- Other power plants in the country enjoy this facility, according to a senior customs officer in NBR.

News Source:

https://www.tbsnews.net/nbr/nbr-orders-tax-benefits-rampal-power-plant-imports-814306

Prices of essentials remain high, govt-set prices unimplemented

- The price of potato continued to rise while most other essential commodities remained pricy on the kitchen markets in the capital Dhaka over the week as the government-set prices of the commodities remained unimplemented even seven days after its announcement.
- The Department of Agricultural Marketing on March 15 announced the prices of 29 essential commodities against the backdrop of abnormal hike in prices of most of the commodities during Ramadan, the fasting month of the Muslims.
- Except eggs, the government has failed to implement the prices of rest of the 28 commodities, including broiler chicken, beef, mutton, red lentil, potato and fish, even after one week of the announcement.

News Source:

https://www.newagebd.net/article/228549/prices-of-essentials-remain-high-govt-set-prices-unimplemented

Sectoral Update

Banks, NBFIs, and Insurance

Window for easy loans narrowing

- Bangladesh's access to cheap loans is closing in with its rising per capita income, making foreign borrowing costlier.
- The country now must go for borrowing at the costlier market-based rates to keep up development spending, according to a report of the Economic Relations Division.
- The interest rate risk is high when the debt portfolio is dominated by market-based rates as the size of interest payment is based on the vagaries of the global economy.
- For instance, Bangladesh's cost of foreign loans has been on the rise in recent times as the interest rates have shot up globally.

News Source:

https://www.thedailystar.net/business/economy/news/window-easy-loans-narrowing-3573466

Miscellaneous

Feed prices to remain high in 2024: USDA

- The high prices of feed for poultry, aquaculture and cattle will continue to affect farmers in 2024, according to a US Department of Agriculture (USDA) report.
- In the second week of December 2023, the average price of poultry feed reached BDT 66,000 per tonne, which was a 20% increase compared to the same period a year ago.
- Meanwhile, the average price of aquaculture feed rose 25% to BDT 85,000 per tonne, according to USDA report on oilseeds use in Bangladesh.
- Elevated prices of key feed ingredients have contributed to the overall increase in feed prices, according to the report, citing the Feed Industry Association Bangladesh (FIAB) and the Bangladesh Poultry Industries Central Council (BPICC).

News Source:

https://www.thedailystar.net/business/news/feed-prices-remain-high-2024-usda-3573416

Capital Market

Dhaka stocks advance for 2nd day

- Dhaka stocks advanced for the second day on Thursday after a fall in the previous eight sessions, as a section of investors went for bargain hunting opportunities following the corrections on the market, according to market operators.
- The rebound came following the DSE Brokers Association of Bangladesh's meeting on Wednesday with the Bangladesh Securities and Exchange Commission regarding the current state of the stock market.
- DSEX, the key index of the Dhaka Stock Exchange, increased by 1.17%, or 69.07 points, to close at 5,941.66 points after gaining 58.48 points in the previous trading session.
- The DSEX posted its lowest at 5,813.06 points on Tuesday for the first time after May 20, 2021.

News Source:

https://www.newagebd.net/article/228436/dhaka-stocks-advance-for-2nd-day

Commodity exchange to be an extension of CSE, not separate entity

- The country's maiden commodity exchange (CX) will function as a new segment of the port city bourse, not a subsidiary as was initially planned, since the new arrangement will help quicken the introduction of the market.
- It will be just another platform of the Chittagong Stock Exchange (CSE), similar to the SME board.
- Had the CSE stuck to the plan, the bourse would have had to undergo a process stipulated by the Registrar of Joint Stock Companies and Firms.
- The CX as a separate entity should have an independent board and paid-up capital for trading in standardised commodity contracts and related investment products.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/commodity-exchange-to-be-an-extension-of-cse-not-separate-entity-1711209961