EBL ASSET MANAGEMENT LTD.
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# Daily News Snippet

**April 08, 2024**

| Bangladesh Market | |
|---|---|
| **Major Indices** | **Last closing** |
| DSEX Index | 5,796.12 |
| % change | 0.35% |
| DS30 Index | 2,014.93 |
| % change | 0.04% |
| DSES Index | 1,266.40 |
| % change | 0.73% |
| Turnover (BDT mn) | 4,367.52 |
| Turnover (USD mn) | 39.70 |
| % change | 0.64% |
| ***Source: Dhaka Stock Exchange*** | |

| International Market | |
|---|---|
| **Major Indices** | **Last closing** |
| Dow Jones Industrial Average | 38,904.04 |
| % change | 0.80% |
| S&P 500 | 5,204.34 |
| % change | 1.11% |
| Nikkei 225 | 39,347.04 |
| % change | 0.91% |
| FTSE 100 | 7,911.57 |
| % change | -0.81% |
| ***Source: Bloomberg*** | |

| Exchange rate | | |
|---|---|---|
| **Major Currencies** | **Low (BDT)** | **High (BDT)** |
| USD | 110.00 | 110.00 |
| EUR | 119.18 | 119.22 |
| GBP | 138.99 | 139.04 |
| INR | 1.32 | 1.32 |
| ***Source: BB*** | | |

| Money market | | |
|---|---|---|
| **Date** | **Call Money Rate Range (%)** | **Weighted Average** |
| 4-Apr-24 | 8.00 - 9.50 | 8.67 |
| 3-Apr-24 | 8.00 - 9.50 | 8.79 |
| ***Source: BB*** | | |

| Commodities | | |
|---|---|---|
| **Major Commodities** | **Price** | **% Change** |
| Brent Crude (Oil), USD/bbl. | 89.86 | -1.44% |
| Gold Spot, USD/t oz. | 2,336.25 | 0.28% |
| Cotton, USD/lb. | 87.61 | 1.58% |
| ***Source: Bloomberg*** | | |

## Market Summary

## Bangladesh Market

- The leading bourse of the country, DSEX gained 0.35% in the last trading day, closing at 5,796.12 points.
- The daily turnover rose 0.64% in the last trading day.

## Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.80% gain, S&P 500 posted 1.11% gain, and FTSE 100 posted 0.81% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.91% gain.

## 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 8.67% with a high rate of 9.50% and low rate of 8.00%.
- The oil price lost 1.44% in the last trading day.

### Bangladesh Macro Update

## Slowdown in private credit flow continues

- Credit flow to the private sector remained sluggishness for yet another month in February as tight liquidity and a rising interest rate kept both the demand for loans and lending subdued.
- In February, banks lent BDT 15.76 lakh crore to the private sector, which was 9.96% higher year-on-year, showed data of Bangladesh Bank.
- However, this was the second consecutive month that credit flow to private businesses saw a growth of less than 10%.
- The central bank aims to attain a 10% growth by the end of June this year in its effort to reduce the money supply and bring down inflation, which has been persistently high.

**News Source:**

https://www.thedailystar.net/business/economy/news/slowdown-private-credit-flow-continues-3584311

## IFC to invest $30m in Pran Group to boost Bangladesh's private sector resilience, job creation

- The International Finance Corporation (IFC) has earmarked a USD 30 million investment for Pran Dairy Limited (PDL) and Habiganj Agro Limited (HAL), subsidiaries of the PRAN Group, a significant entity in Bangladesh's food and beverage sector.
- This investment aims to address the hurdles confronting businesses, especially those dependent on imported raw materials due to a shortage of US dollars in Bangladesh.
- This is the first of IFC's USD term loans for working capital purposes in Bangladesh, which will enable PDL and HAL to sustain operations, boost exports, and preserve over 30,000 jobs.
- Additionally, IFC will collaborate with the PRAN Group to enhance the participation of women and foster inclusion in their workplace through appropriate policies and practices.

**News Source:**

https://www.tbsnews.net/economy/ifc-invest-30m-pran-group-boost-bangladeshs-private-sector-resilience-job-creation-825461

### Sectoral Update

### Banks, NBFIs, and Insurance

## Interest spread widens to 4.66% as banks opt for more profit

- The gap between lending and deposit rates is widening as banks are charging more from borrowers than they offer depositors.
- The spread – the gap between lending and deposit rates – increased to 4.66% in December last year from 3.31% in September, indicating increased profitability for banks.
- According to Bangladesh Bank data, the average lending rate in the banking sector by December 2023 was 9.36%, up from 7.22% a year ago, marking a 29.64% increase.

- On the other hand, the deposit interest rate increased by 11.11%, with the average rate rising from 4.23% to 4.70% within the year.

**News Source:**

https://www.tbsnews.net/economy/banking/interest-spread-widens-466-banks-opt-more-profit-825396

### Apparel & Textile

## Garment exports to US show signs of recovery

- Garment export to the United States, Bangladesh's single largest market, is showing signs of a rebound on the back of a revival of the world's largest economy, consumers opening up their wallets, and falling inflation.
- In 2023, apparel shipment to the US from the country fell 25%.
- The decline narrowed to 19.24% in the first two months of 2024, data from the Office of Textiles and Apparel (OTEXA), a body under the American Commerce Department, showed.
- US clothing retailers and brands imported fewer apparel items from all over the world in the last two years due to unsold inventories as stocks piled up amid lower consumption during the peak of the coronavirus pandemic.

**News Source:**

https://www.thedailystar.net/business/news/garment-exports-us-show-signs-recovery-3583566

### Tannery

## Leather shipment recovers, fetches $100 million in 9 months

- The shipment of leather has started to revive as Bangladesh fetched USD 100.40 million from the sales of the semi-finished raw materials in July-March of 2023-24, data from the Export Promotion Bureau (EPB) showed.
- The exports were up 9.8% from the identical period a year prior.
- A spike in the import of semi-finished leather by China is helping local suppliers export a higher volume of the product.
- According to industry insiders and exporters, China has started to import a significant quantity of semi-finished leather from Bangladesh to remain competitive in the US market by the way of keeping the production cost lower.

**News Source:**

https://www.thedailystar.net/business/news/leather-shipment-recovers-fetches-100-million-9-months-3584231

### Miscellaneous

## Extra security to cost ships $100,000 per trip thru risky sea routes

- Enhanced security measures taken for safe voyage through pirate-infested waters is costing Bangladeshi shipping companies around USD 100,000 extra per trip, which will add to freight charge and eventually pass on to consumers, ship owners have said.

- Ocean-going ship operators are having to spend the additional amount for obtaining war risk insurance, deploying armed guards and purchasing security equipment such as water cannons and laser weapons in the wake of the hijacking of MV Abdullah by Somali pirates.
- According to shipping industry insiders, the Russia-Ukraine conflict and the Red Sea attack by Houthi militants had already rendered sea trade unstable, adding to both time and cost of ocean freight.
- The Somali pirate attacks on a Bangladeshi ship have worsened the crisis.
- On 12 March, the Bangladeshi-flagged cargo vessel MV Abdullah, which was carrying coal, was hijacked along with 23 crew members by Somali pirates in the Indian Ocean near Somalia's coast.

**News Source:**

https://www.tbsnews.net/economy/extra-security-cost-ships-100000-trip-thru-risky-sea-routes-825281