EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

April 29, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,615.84
% change	1.76%
DS30 Index	1,996.14
% change	1.10%
DSES Index	1,234.16
% change	1.39%
Turnover (BDT mn)	6,139.51
Turnover (USD mn)	55.81
% change	20.04%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,239.66
% change	0.40%
S&P 500	5,099.96
% change	1.02%
Nikkei 225	37,934.76
% change	0.81%
FTSE 100	8,139.83
% change	0.75%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	117.61	117.66
GBP	137.38	137.42
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
28-Apr-24	8.00 - 9.50	8.78
25-Apr-24	8.00 - 9.50	8.83
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	89.5	0.55%
Gold Spot, USD/t oz.	2,337.96	0.24%
Cotton, USD/lb.	80.90	-0.22%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 1.76% in the last trading day, closing at 5,615.84 points.
- The daily turnover increased 20.04% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.40% gain, S&P 500 posted 1.02% gain, and FTSE 100 posted 0.75% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.81% gain.

Key macro indicators

- All the major currencies fall against BDT yesterday.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.78% with a high rate of 9.50% and low rate of 8.00%.
- The oil price increased 0.55% in the last trading day.

Bangladesh Macro Update

IMF prescribes ending tax exemptions

- The International Monetary Fund (IMF) has prescribed that Bangladesh must abolish VAT and income tax exemptions in various areas in order to accelerate revenue collections from the next fiscal year.
- It recommended the National Board of Revenue (NBR) discontinue the tax holiday for the information and communication technology industry and abolish the tax benefit for mining and petroleum extracting companies.
- The multilateral agency also proposed imposition of a 15% VAT on all businesses with over BDT 3 crore annual turnover and offering them input tax credits.
- Moreover, the IMF suggested the NBR scrap the VAT exemptions for clothing and footwear, liquefied petroleum gas (LPG), and mobile phone manufacturing.

News Source:

https://www.thedailystar.net/business/economy/news/imf-prescribes-ending-tax-exemptions-3597626

Govt's bank borrowing rises sharply in July-April

- The government's borrowing from commercial banks in the first ten months of the current fiscal year jumped 12 times compared to the same period a year ago as the Bangladesh Bank is no longer directly lending to the government due to inflationary pressure.
- From last July to April 22 this year, government loans from commercial banks amounted to BDT 65,432 crore, according to Bangladesh Bank.
- In the same 10 months or so of fiscal year 2022-23, it was only BDT 5,334 crore.
- Since March last year, inflation has stayed at over 9%, which prompted the central bank to suspend the printing and injection of money into the economy.

News Source:

https://www.thedailystar.net/business/economy/news/govts-bank-borrowing-rises-sharply-july-april-3597616

BD economy now in 'yellow zone'

- Bangladesh economy is now in a 'yellow zone' due to inflationary pressure, depleting forex reserve which needs at least next two years to become 'green'.
- Continuation of contractionary monetary and fiscal policy is required to improve the status.
- It also needs to merge the government's ministries to cut its number and trim expenditures, efficient management of state-owned enterprises asset value, slashing G2G loan and focus on concessionary loans.
- Dr Ashikur Rahman, senior economist of the Policy Research Institute (PRI), made this view at a pre-budget discussion on "Highlighting Income Tax, VAT, Customs duty, Sector-wise allocation of budget, external debt, et," organised by the Institute of Chartered Accountants of Bangladesh (ICAB) in collaboration with the Economic Reporters Forum (ERF) on its premises on Sunday.

News Source:

https://today.thefinancialexpress.com.bd/last-page/bd-economy-now-in-yellow-zone-1714327978

Sectoral Update

Banks, NBFIs, and Insurance

Nat'l Bank not up for merger

- National Bank officials do not want the bank to merge with another entity.
- Top officials say they are yet to be formally informed about Bangladesh Bank's decision to merge National Bank with United Commercial Bank.
- "The board of directors has decided that If we are able to bring the bank in good shape, we will not merge with any other bank," Serajul Islam, independent director of the National Bank, told The Daily Star.
- The board has set daily targets to address the non-performing loans situation, he added.

News Source:

https://www.thedailystar.net/business/economy/banks/news/natl-bank-not-merger-3597901

BB seeks more dollars in resident accounts thru offshore units

- The central bank has asked commercial banks to increase the volume of US dollars held in resident foreign currency deposit accounts by properly following the recently enacted Offshore Banking Unit Act.
- Bangladesh Bank Governor Abdur Rouf Talukder verbally issued the directive during a meeting with a delegation from the Association of Bankers, Bangladesh (ABB) at the central bank headquarters on Sunday.
- The governor asked the bankers to promote investment opportunities locally and globally in a coordinated way.
- This, he said, would not only boost foreign currency inflows -- especially US dollars -- but also help narrow the widening deficit in the financial account.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-seeks-more-dollars-in-resident-accounts-thru-offshore-units-1714327528

'Insurance Claims Management Guideline 2024' issued

- The Insurance Devel-opment and Regulatory Authority (IDRA) has issued the "Insurance Claims Management Guideline 2024" that includes a direction to set up a help desk at the respective insurance companies.
- The guideline is expected to ensure transparency and accountability in the operations of insurers and safeguard the customers' interests.
- A letter signed by IDRA Director (Law) Moha. Abdul Mazid was dispatched to all life and non-life insurance companies and associated institutions on Sunday.
- The guideline delineates the obligations of insurers, duties incumbent upon insurance customers, responsibilities of reinsurers and surveyors, and the requisite criteria for effective insurance claims management.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-seeks-more-dollars-in-resident-accounts-thru-offshore-units-1714327528

Dhaka seeks to initiate banking operations in KSA for migrants

- Expatriate Bangladeshis will benefit from increased banking facilities in Saudi Arabia, making it easier to send remittances through formal channels.
- Dhaka is expected to request Riyadh to allow the operation of bank branches or, at the very least, the digital banking services of Bangladesh's commercial banks in Saudi Arabia to facilitate expatriates sending remittances home through formal channels.
- A proposal to this end may be discussed in a meeting between Finance Minister AH Mahmood Ali and Saudi Arabia's Finance Minister Mohammed bin Abdullah Al-Jadaan, according to sources in the finance ministry in Dhaka.
- According to the last census of the Kingdom of Saudi Arabia, more than 28 lakh Bangladeshis are working and residing in the Gulf state, constituting the largest population of expatriates in this country.

News Source:

https://www.tbsnews.net/economy/dhaka-seeks-initiate-banking-operations-ksa-migrants-838791

Power & Energy

Power outage hits hard amid economic turmoil

- Amid a staggering heatwave, Bangladesh is currently grappling with a severe electricity crisis as well and it is leading to prolonged power outages across the nation.
- According to power sector sources, the country is experiencing around 2,000 megawatts (MW) of load-shedding every day — when people are hoping to get some respite from the rising mercury.
- Rural areas are bearing most of the brunt of power generation shortage while areas like Dhaka and Gazipur are seeing frequent power cuts..
- Power Division officials attributed this shortfall to a scarcity of gas and coal, which is hampering the ability of large power stations to generate electricity to meet the demand.

News Source:

https://businesspostbd.com/power-energy/power-outage-hits-hard-amid-economic-turmoil

Apparel and Textile

RMG exporters fed up with harassment by tax officials

- Garment exporters are fed up with being harassed by VAT and customs officials, who have been imposing abnormal fines alleging a lack of documents, said an exporter yesterday.
- The VAT and customs officials are imposing fines up to 400%, said Mohammad Hatem, executive president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).
- He added that in places like Sanarpar and Rupganj upzila in Narayanganj, officials are levying fines of BDT 2 lakh to BDT 5 lakh due to an alleged lack of documents.
- He further said that officials often detain goods-laden trucks and it takes a few days to release them. But by then it is too late to take the goods to the factories.

News Source:

https://www.thedailystar.net/business/news/rmg-exporters-fed-harassment-tax-officials-3597571

Capital Market

Stocks rise after last week's downturn

- Stocks bounced back strongly yesterday, snapping the previous week's downturn, mainly due to a substantial rise in the participation of investors.
- The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), surged 97 points, or 1.76%, from that on the day before to reach 5,615.
- Meanwhile, the DSES, the index that represents Shariah-based companies, rose 16 points, or 1.38%, to 1,234.
- Similarly, the DS30, which comprises blue-chip stocks of a group of 30 renowned companies, increased 21 points, or 1%, to 1,996.
- Market insiders attributed it to the participation of some big investors, saying they were encouraged by a finance ministry circular on Prof Shibli-Rubayat-Ul Islam's reappointment as chairman of the Bangladesh Securities and Exchange Commission (BSEC) for a second four-year term.

News Source:

https://www.thedailystar.net/business/economy/news/stocks-rise-after-last-weeks-downturn-3597591

Shibli Rubayat-Ul-Islam reappointed as BSEC chief

- Prof Shibli Rubayat-Ul-Islam has been reappointed as the chairman of the Bangladesh Securities and Exchange Commission (BSEC) for another four-year term.
- The new tenure will be effective from May 17, according to a notice issued by the Financial Institutions Division today.
- A professor of banking and insurance at the University of Dhaka, Islam served as the chairman of Sadharan Bima Corporation before he joined the BSEC in 2020 as chairman.
- The benchmark index, DSEX on the Dhaka Stock Exchange, rose 97.36 points, or 1.76%, to close the day at 5,615.84, snapping the previous week's downturn.

News Source:

https://www.newagebd.net/post/stocks/233770/dse-witnesses-negative-trend-for-2nd-week

Shibli vows punitive action against market manipulators to ensure governance

- Bangladesh Securities and Exchange Commission (BSEC) Chairman Shibli Rubayat-Ul Islam said the capital market will operate at its own pace, promising strict measures to make the market stable and vibrant.
- Apart from ensuring strict governance in the market, Shibli, a banking and insurance professor at Dhaka University, expressed a commitment to taking strict action against those who engage in foul play.
- Shibli said, " A group of unscrupulous participants influence the market at their will, both positively and negatively, leaving ordinary investors to suffer.

News Source:

https://www.tbsnews.net/economy/stocks/shibli-vows-punitive-action-against-market-manipulators-ensure-governance-838691

BSEC to probe into status of 7 firms failing to submit financials

- The Bangladesh Securities and Exchange Commission (BSEC) will inspect the overall business status of seven companies which did not submit their financial statements for the last few years.
- The companies are Fareast Islami Life Insurance, Delta Life Insurance, Phoenix Finance, Prime Finance, Stylecraft Limited, MIDAS Financing and Newline Clothings Limited.
- Besides, the BSEC committees will inspect their profitability and related issues.
- The teams will also try to find out the reasons for not submitting the audited and unaudited financial statements to the commission for the last few years.

News Source:

https://www.tbsnews.net/economy/stocks/bsec-probe-status-7-firms-failing-submit-financials-838666