EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

June 20, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,161.38
% change	0.85%
DS30 Index	1,844.13
% change	1.22%
DSES Index	1,121.31
% change	1.20%
Turnover (BDT mn)	2,464.41
Turnover (USD mn)	20.88
% change	-41.76%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,834.86
% change	0.00%
S&P 500	5,487.03
% change	0.00%
Nikkei 225	38,570.76
% change	0.23%
FTSE 100	8,205.11
% change	0.17%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	117.95	118.00
EUR	126.65	126.76
GBP	149.88	149.99
INR	1.41	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
19-Jun-24	8.50 - 10.00	9.17
13-Jun-24	8.50 - 10.00	9.18
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	85.07	-0.30%
Gold Spot, USD/t oz.	2,334.77	0.27%
Cotton, USD/lb.	72.88	0.16%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.85% in the last trading day, closing at 5,161.38 points.
- The daily turnover decreased 41.76% in the last trading day.

Global Market

- Dow Jones Industrial Average and S&P 500 indices were closed yesterday and FTSE 100 posted 0.17% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.23% gain.

Key macro indicators

- All the major currencies fell against BDT yesterday except the INR.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 9.17% with a high rate of 10.00% and low rate of 8.50%.
- The oil price decreased 0.30% in the last trading day.

Bangladesh Macro Update

Japan leads development funding to Bangladesh

- Japan leads development funding to Bangladesh by releasing the highest USD 1.66 billion worth of assistance among the foreign financiers in recent tough times facing the country amid forex crunch.
- The amount of foreign-aid disbursement by Japan was the highest during the first 10 months from July to April of the outgoing financial year (FY) 2023-24, in keeping with its top position since last fiscal.
- In the FY2023 also, Bangladesh received the highest USD 1.94 billion in loans and grants from the historically highest bilateral donor, Japan, according to the Economic Relations Division (ERD) data.
- During this past July-April period, the total amount of the assistance was nearly USD 600 million higher than Bangladesh's historically largest development partners-the World Bank-and nearly USD 200 million higher than the second-biggest financier- the Asian Development Bank.
- The Manila-based Asian bank disbursed USD 1.499 billion worth of assistance and the Washington-based WB USD 1.05 billion during the period in question whereas Japan disbursed USD 1.94 billion worth of loans and grants in FY2023.

News Source:

https://today.thefinancialexpress.com.bd/last-page/japan-leads-development-funding-to-bangladesh-1718819001

Capital flight — the root of Bangladesh's forex crisis, say experts

- Capital flight is the primary cause of Bangladesh's enduring foreign exchange crisis and the government must take effective measures to address this issue, said economists at a roundtable today.
- The Bangladesh Bank should take effective measures to identify who did this money laundering, how they did it, and where they laundered the money, according to Dr Shamsul Alam, former state minister for planning.
- Professor Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem) said that tax defaulters, loan defaulters, and money launderers are interconnected and recognised figures.
- Selim also said that vested groups now influence government policy-making.
- AK Azad, an independent lawmaker and owner of Ha-Meem Group criticised current policies for favouring money launderers over honest taxpayers, who pay 30% tax while launderers can whiten their money by paying only 15%.

News Source:

https://www.tbsnews.net/economy/capital-flight-root-bangladeshs-forex-crisis-say-experts-877966

Sectoral Update

Banking and Insurance

Short-term foreign loan rises after 10-month fall

- The amount of private sector short-term foreign loans increased in April, as businesses turned to overseas loans considering rising interest rates and liquidity crunch in the local banking sector.

- According to Bangladesh Bank data, the amount of short-term foreign loans rose to USD 11.1 billion in April compared with that of USD 11.04 billion in March, USD 11.07 billion in February and USD 11.25 billion in January.
- The foreign short-term loans had been declining since May 2023, when they stood at USD 13.95 billion.
- Bankers attributed this shift to the increasing cost of local currency loans after the central bank lifted the 9% ceiling on lending rates.
- Besides, the banking sector has been struggling with a severe liquidity crunch.

News Source:

https://www.newagebd.net/post/banking/238004/short-term-foreign-loan-rises-after-10-month-fall

Push-button mobile banking outshining traditional bank operations

- Push-button mobile banking is flourishing fast as 20.80% of Bangladesh's people now hold such device-based bank accounts with unbanked population increasingly coming under its network, according to the latest official findings.
- As of last April, the volume of transactions through all types of MFS ballooned to BDT 1.44 trillion.
- Mobile-banking transactions can be done by using the mobile phone or from agent points and this is now much popular as BDT 25,000 can be transacted a day by an accountholder or BDT 150,000 a month.
- In rural areas, the rate of mobile accountholders is 21.82% while 18.75% in urban areas.
- Such picture comes clear from a latest survey conducted by Bangladesh Bureau of Statistics or BBS under the headline 'Socioeconomic and Demographic Survey 2023'.

News Source:

https://today.thefinancialexpress.com.bd/first-page/push-button-mobile-banking-outshining-traditional-bank-operations-1718818693

Telecommunication

Bangladesh still below 100 in mobile internet speed ranking

- Bangladesh has remained below the 100th position in terms of mobile internet speed performance on the global stage despite mobile network operators making improvement in their performances, according to Ookla’s Speedtest Global Index for April.
- The country currently holds the 110th position out of 144 countries in the index, rising up two notches, while it held the 112th position in a previous report published by Ookla in March.
- The latest report showed that the average internet download speed in Bangladesh was 23.83 Mbps. This is a slight drop from 24.59 Mbps reported in March.
- According to Ookla’s rankings, neighbouring country India ranked 15th in the world with an average download speed of 104.15 Mbps.

News Source:

https://www.newagebd.net/post/telecom/237745/bangladesh-still-below-100-in-mobile-internet-speed-ranking

Capital Market

DSE turnover 16 months low amid DSEX rise

- The benchmark index, DSEX of the Dhaka Stock Exchange (DSE), has increased by 44 points, reaching 5,161.
- However, the turnover decreased by 41.76% to BDT 246.14 crore, which is a 16-month-low as there were fewer market participants following the Eid-ul-Adha holidays.
- The blue-chip index DS30 rose by 22 points to 1,844, and the DSES rose by 13 points to 1,121.
- Among the traded scrips, 232 advanced, 96 declined, and 64 remained unchanged.
- Crystal Insurance Company, Pragati Life Insurance, and Fortune Shoes Limited were the most traded shares on the Dhaka Stock Exchange.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-open-higher-after-eid-holidays-879476

Trust, Exim banks to issue bonds

- Two listed private commercial banks - Trust Bank and Exim Bank -- have decided to issue subordinated bonds worth BDT 8 billion in total for strengthening their Tier- II capital base under Basel-III norms.
- The issuance of the bonds needs to comply with the regulatory requirements and be approved by BSEC.
- The board of directors of Trust Bank has approved the issuance of seventh subordinated bonds worth BDT 5 billion.
- Subordinated debt (debenture) is a loan or security that ranks below other loans or securities when it comes to settling claims on assets or earnings.
- The bank wants to strengthen Tier- II capital under Basel-III norms through private placement.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/trust-exim-banks-to-issue-bonds-1718813621