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

Daily News Snippet

July 10, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,594.65
% change	0.54%
DS30 Index	1,964.53
% change	0.24%
DSES Index	1,223.32
% change	0.67%
Turnover (BDT mn)	10,190.83
Turnover (USD mn)	86.36
% change	14.69%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,291.97
% change	-0.13%
S&P 500	5,576.98
% change	0.07%
Nikkei 225	41,580.17
% change	1.96%
FTSE 100	8,139.81
% change	-0.66%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	127.70	127.75
GBP	151.09	151.16
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
9-Jul-24	8.50 - 10.00	8.80
8-Jul-24	8.50 - 10.00	8.86
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	84.45	-0.25%
Gold Spot, USD/t oz.	2,368.21	0.17%
Cotton, USD/lb.	70.44	-0.16%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.54% in the last trading day, closing at 5,594.65 points.
- The daily turnover increased 14.69% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.13% loss, S&P 500 posted 0.07% gain and FTSE 100 posted 0.66% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 1.96% gain.

Key macro indicators

- All the major currencies fell against BDT yesterday except the USD.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.80% with a high rate of 10.00% and low rate of 8.50%.
- The oil price decreased 0.25% in the last trading day.

Bangladesh Macro Update

GDP growth rebounds to 6.12pc as of Q3 of FY24

- Bangladesh's economic growth rebounded to 6.12% in the third quarter of the just-concluded fiscal year as all three broad sectors performed well to pull the economy from a preceding gloom, according to official data.
- The gross domestic product (GDP) has been estimated to have recovered in the Q3 (January-March period) after a collapse to 3.78% in the preceding Q2 covering October-December of the last fiscal, according to Bangladesh Bureau of Statistics (BBS).
- In the Q1 spanning July-September period of three months, the GDP growth at constant price was estimated at 6.01%.
- The GDP growth in the aforesaid Q3 on a point-to-point basis also looked yet better than in the same period of the previous FY2023 as the Q3 GDP growth in FY2023 had hit a rock-bottom 2.3%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/gdp-growth-rebounds-to-612pc-as-of-q3-of-fy24-1720549081

FBCCI seeks stronger economic ties with China

- FBCCI has called for stronger trade and economic ties with China through strengthened collaboration with Chinese counterparts such as the China Council for the Promotion of International Trade (CCPIT) and the China Chamber of International Commerce (CCOIC).
- FBCCI President Mahbubul Alam made the call during a meeting with the leaders of CCPIT and CCOIC on 9 July at the China World Summit Wing, Shangri-La Circle, in Beijing.
- Highlighting Bangladesh's robust infrastructural development, strategic location, and favourable business policies, he assured the Chinese business leaders that Bangladesh offers a conducive environment for investment and FBCCI will provide all kinds of support to the Chinese investors to facilitate their business in Bangladesh.

News Source:

https://www.tbsnews.net/economy/fbcci-seeks-stronger-economic-ties-china-895626

NBR expects Tk 113 billion additional VAT in FY25

- The revenue board has estimated BDT 113 billion in additional value-added tax (VAT) in fiscal year 2024-25, riding on a fiscal measure having no new exemption for businesses.
- A big chunk has been projected from the tobacco sector, followed by at-source VAT on retail businesses, telecoms sector and excise duty from bank depositors.
- Nearly 50% or BDT 60 billion of the additional revenue has been projected from the tobacco sector following a hike in all tiers of cigarette.
- From cellphone users, BDT 18 billion has been estimated in VAT in FY 2025.

News Source:

https://today.thefinancialexpress.com.bd/last-page/nbr-expects-tk-113-billion-additional-vat-in-fy25-1720549503

Sectoral Update

Banking and Insurance

State banks nowhere near target to retrieve funds from top defaulters

- Four state-run banks in Bangladesh are finding it difficult to recoup loans from their top 20 defaulters, a failure that has worsened their financial health and squeezed their capacity further to lend.
- Sonali, Janata, Agrani and Rupali repeatedly hit the loan recovery target set by the central bank as per its memorandum of understanding (MoU) with the four largest banks of the country by branches.
- It came although the government is under pressure to reduce the bad loans of state-run banks to 10% by 2026 as per prescriptions of the International Monetary Fund as part of its USD 4.7 billion loan programme.
- Bad loans held by the six state-owned banks, which also include Bangladesh Development Bank Ltd and BASIC Bank, totalled BDT 65,781 crore in December, making up 20.99% of their outstanding credits.

News Source:

https://www.thedailystar.net/business/news/state-banks-nowhere-near-target-retrieve-funds-top-defaulters-3653151

Instant bank-MFS transaction swap rules announced

- A much-awaited modus operandi for transactions across mobile financial services (MFSs) and banks is now in place to enable instant money flow through a digital platform vernacularly nicknamed Binimoy.
- Binimoy is an interoperable transaction-processing and-settlement system for digital transactions.
- Participants include individuals, businesses, government entities and financial institutions (FIs).
- Under the rules guiding the financial technology, a user must register a Virtual ID (identity) in Binimoy in order to make transaction.
- Use of virtual ID ensures privacy by not exposing personal information such as NID, phone number or account information, according to the code of Binimoy rules.

News Source:

https://today.thefinancialexpress.com.bd/first-page/instant-bank-mfs-transaction-swap-rules-announced-1720549183

Maiden external auditors rules require auditing 80% of banks' risk-weighted assets

- For the first time, the Bangladesh Bank has formulated rules for "external auditors" aimed at ensuring standards in the financial reports of banks.
- Institutions will have to audit about 80% of banks' total risk-weighted assets in their annual audits, according to "Rules for External Audit of Bank-Companies, 2024" issued by the central bank on 9 July.
- The managing directors of banks have been directed to comply with the rules starting from the next audit year, 2025.
- The same external auditor cannot be appointed to a bank for more than three consecutive years.

- Additionally, no individual related to the bank, nor any agent or representative of the bank, can serve as an external auditor.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-forms-rules-external-auditors-80-risk-weighted-assets-be-audited-895741

3.64 lakh insurance policies discontinued in January-March

- Some 3.64 lakh policies of 36 life insurance companies of Bangladesh lapsed in the first quarter of 2024 due to a myriad of factors, including the worsening financial health of clients and agents' tendency not to disclose key information while making sales.
- In January-March, Sonali Life Insurance Company saw 67,555 of its policies lapses, the highest, while Delta Life Insurance came second on the list with 57,981, according to figures from the Insurance Development and Regulatory Authority (IDRA).
- A policy lapse occurs when policyholders fail to pay their premiums on time, leading to the cancellation of insurance coverage.
- National Life Insurance ranked third, witnessing 31,667 policy lapses.

News Source:

https://www.thedailystar.net/business/news/364-lakh-insurance-policies-discontinued-january-march-3653121

Apparel and Textile

10 power cuts in 28 hours! Textile industries desperate for a break

- Daily power cuts have become so common that one almost does not think twice about them.
- As power outages intensified in recent days, the manager of NZ Apparels Limited in Narayanganj started to count the power cuts and the number of times his factory units had to be restarted, a time-consuming task.
- On 6 July, he recorded, the textile mills faced 10 outages – each lasting for an hour – in a 28-hour span beginning at 11am.
- Frequent load shedding is damaging around 15 types of our expensive and sophisticated machinery and electrical components, causing financial losses of approximately BDT 4 lakh per month, according to Saleudh Zaman Khan, managing director of the mill.
- Approximately 1,700 textile mills have experienced a 40% drop in production on average, according to Mohammad Ali Khokon, president of BTMA.

News Source:

https://www.tbsnews.net/economy/industry/10-power-cuts-28-hours-textile-industries-desperate-break-896076

Capital Market

Buoyant stocks boost turnover to two-month high

- Stocks witnessed yet another bullish session on Tuesday, extending the winning streak for the sixth straight session, with turnover surpassing BDT 10 billion after two months.
- The market recovery was supported by price appreciation of a majority of stocks as investors kept on chasing quick rallies owing to heightened optimism across the trading floor.
- The daily turnover was BDT 10.19 billion, climbing further by nearly 15% over the day before. It was the biggest single-day turnover since May 7 this year.
- DSEX, the benchmark index of the Dhaka Stock Exchange, went up more than 30 points or 0.54% to 5,594, again the highest in almost two months.
- The prime index recovered more than 266 points in the past six trading days while the market value surged by BDT 117 billion during the period.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/buoyant-stocks-boost-turnover-to-two-month-high-1720548019

Subscription time extended further for first-ever ETF

- LankaBangla Asset Management is struggling to get subscribers of the country's first-ever Exchange Traded Fund (ETF) named 'LB Multi Asset Income ETF' amid a lack of interest shown by eligible investors.
- The private placement subscription period has again been extended by two months until September 3, according to a stock exchange filing on Tuesday.
- The first-time subscription period was from February 12 to March 3 this year.
- Having failed to draw not so many investors, the asset management company requested the securities regulator for an extension.
- Subsequently, the Bangladesh Securities and Exchange Commission (BSEC) granted an extension until June 3 this year.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/subscription-time-extended-further-for-first-ever-etf-1720548040