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

Daily News Snippet

July 25, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,350.83
% change	-1.76%
DS30 Index	1,908.52
% change	-2.29%
DSES Index	1,169.56
% change	-1.84%
Turnover (BDT mn)	1,593.77
Turnover (USD mn)	13.51
% change	-57.10%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,853.87
% change	-1.25%
S&P 500	5,427.13
% change	-2.31%
Nikkei 225	39,154.85
% change	-1.11%
FTSE 100	8,153.69
% change	-0.17%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	128.04	128.09
GBP	152.28	152.33
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
24-Jul-24	8.50 - 10.00	8.83
18-Jul-24	8.50 - 10.00	8.78
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	81.09	-0.76%
Gold Spot, USD/t oz.	2,375.17	-0.94%
Cotton, USD/lb.	68.46	-0.28%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.76% in the last trading day, closing at 5,350.83 points.
- The daily turnover decreased 57.10% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 1.25% loss, S&P 500 posted 2.31% loss and FTSE 100 posted 0.17% loss.
- One of the leading Asian market indices, NIKKEI posted 1.11% loss.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 8.83% with a high rate of 10.00% and low rate of 8.50%.
- The oil price decreased 0.76% in the last trading day.

Bangladesh Macro Update

ADB lowers growth forecast for Bangladesh

- Asian Development Bank (ADB) has revised down the economic growth projection for Bangladesh but said inflation might creep up further during the current fiscal year of 2024-25.
- Bangladesh's economy might grow 6.5% in this fiscal year, which is lower than its forecast in April of 6.6%, owing to sluggish growth of the industrial sector, according to Asian Development Outlook July 2024 published last week.
- The Manila-based lender's projection is lower than the government's 6.75% growth target for the economy.
- The ADB's forecast came just before the country witnessed five days of severe disruptions in economic activities amidst an internet outage, violence centring a movement for reforming quota at public jobs and subsequent curfew to control the situation.
- Monthly inflation rates in Bangladesh continued to be near double digits in the first 11 months of FY2024 and may persist due to high domestic food prices, ADB added.

News Source:

https://www.thedailystar.net/business/economy/news/adb-lowers-growth-forecast-bangladesh-3661491

Trade deficit exceeds $20b in July-May FY24

- Despite a decline in exports, Bangladesh's trade deficit decreased by USD 6 billion to USD 20 billion in the first 11 months of FY24, due to a significant reduction in imports, according to central bank data.
- However, the trade deficit increased by USD 1.52 billion in May.
- Still, the pressure on the trade balance eased slightly as imports fell by 12.6% year-on-year during July-May of FY24.
- The mystery of the export data mismatch was finally resolved a few days ago after the National Board of Revenue corrected its estimates of exports that had been erroneously showing inflated for the last few years.
- This has thumped down export figures for July-March by a huge USD 10 billion, showing a negative growth in reality instead of positive growth perceived so far.

News Source:

https://www.tbsnews.net/economy/trade-deficit-exceeds-20b-july-may-fy24-903136

India cuts development aid allocation for Bangladesh by 40%

- India has lowered its development aid allocation for Bangladesh by 40% in its annual budget for the fiscal year 2024-25 placed in parliament yesterday (23 July).
- This year, the Modi-administration allocated 120 crore rupees for Bangladesh, which is down by 80 crore rupees from that of the previous budget.
- A significant portion of the Ministry of External Affairs' (MEA) development assistance of 4,883 crore rupees for 2024-25 has been earmarked for countries such as Nepal, Sri Lanka, Bhutan, Maldives, Afghanistan and Myanmar.

- Bhutan has emerged as the highest recipient of India's aid, receiving 2,068.56 crore rupees, less than last year's 2,400 crore rupees.
- The provision is for India's multilateral and bilateral aid and assistance programmes to neighbouring and other developing countries in Africa, Central Asia, South Asia and Latin America.

News Source:

https://www.tbsnews.net/economy/india-cuts-development-aid-allocation-bangladesh-40-902891

Sectoral Update

Banks, NBFIs and Insurance

BB re-fixes interbank transactions duration for 24-25 July

- On 24-25 July, high-value clearing cheques presentment cut-off time will be 12pm while the return cut-off time will be 1:45pm, as per a BB notification issued today (24 July).
- During these days, the return value clearing cheques presentment cut-off time will be 12:30pm while the return cut-off time will be 2:30pm.
- Transaction of both sessions through BEFTN will be in the existing schedule.
- Transaction through Real Time Gross Settlement (RTGS) will be 11am to 3pm.

News Source:

https://www.tbsnews.net/bangladesh/bb-re-fixes-interbank-transactions-duration-24-25-july-903046

Long lines for withdrawing cash at banks; more withdrawals than deposits

- As banks and financial institutions reopened only for four hours after three consecutive working days, overcrowding and long queues were observed at branches from 11am today (24 July).
- Bank officials have said that there were more withdrawals than deposits during the day.
- Customers mentioned that due to the absence of the internet over the past few days, the mobile financial services (MFS) and ATM booths also had limited cash supply, resulting in unsatisfactory services.
- This led to long lines at branches today to withdraw money via cash checks in the capital's Motijheel, Dilkusha, Paltan, and Fakirapool areas.

News Source:

https://www.tbsnews.net/economy/banking/long-lines-withdrawing-cash-banks-more-withdrawals-deposits-902616

Energy

BPC's fuel oil supply disrupted amid shutdown, curfew

- The supply of fuel oil has been severely disrupted across the country since Thursday due to complete shutdown enforced by protesting students of quota reform movement and subsequent unrest and curfew.
- The supply of diesel, petrol, and octane was down 70%, while jet fuel supply dropped by 20% since Thursday, according to Bangladesh Petroleum Corporation (BPC).

- The state-run corporation said that despite enough fuel stock in the depots, they were not to supplying fuel due to security concerns.
- Besides, filling stations are not able buy fuel because banks are closed.

News Source:

https://www.tbsnews.net/bangladesh/bpcs-fuel-oil-supply-disrupted-amid-shutdown-curfew-902511

Apparel and Textile

Exporters regain hope as port, factories, internet resume

- Factories resumed in full-swing on Wednesday (24 July) and banks reopened as curfew eased, and partial restoration of internet facilitated customs procedures at Chattogram Port, paving the way for resumption of export-import trades after five days.
- The developments were a great relief for apparel makers who had lost contact with global buyers and seen export consignments stockpiled at port as the internet blackout disrupted customs clearance and shipping links.
- The country's industrial activities and external trade were stalled amid the internet blackout since Thursday night and curfew imposed on Friday midnight to contain widespread mayhem stemming from anti-quota student protests.
- Industry leaders said that as they could restore their trade and transaction links with the rest of the world and global buyers regained confidence in supplies from Bangladesh, recognising the latest disruptions as a case of force majeure – events beyond suppliers' control.
- In some cases, they will have to ship goods by air to reach buyers on time and avoid cancellations.

News Source:

https://www.tbsnews.net/economy/rmg/exporters-regain-hope-port-factories-internet-resume-903061

Capital Market

DSE turnover drops to 1.5-year low

- Stock trading resumed in Bangladesh after a break of three days when the stock indices moved downwards and the turnover at the Dhaka Stock Exchange (DSE) hit a 1.5-year low.
- Trading at the country's stock exchanges remained closed for the last three days of the week due to the internet blackout.
- The DSEX, the benchmark index of the DSE, plunged 95 points or 1.75% to 5,350 whereas DSES, the shariah-based companies' stock index, fell 21 points, or 1.83% to 1,169.
- The DS-30, stock index for blue-chip stocks, plummeted 37 points, or 1.91%, to 1,908.
- Stock market analysts are saying that the recent turmoil centring the quota reform movement pushed many general investors to go for selling of shares.

News Source:

https://www.thedailystar.net/business/news/dse-turnover-drops-15-year-low-3660901