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

Daily News Snippet

July 31, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,269.53
% change	-1.14%
DS30 Index	1,881.86
% change	-1.10%
DSES Index	1,151.55
% change	-1.27%
Turnover (BDT mn)	4,326.96
Turnover (USD mn)	36.67
% change	-3.88%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,743.33
% change	0.50%
S&P 500	5,436.44
% change	-0.50%
Nikkei 225	38,525.95
% change	0.15%
FTSE 100	8,274.41
% change	-0.22%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	118.00	118.00
EUR	127.66	127.71
GBP	151.74	151.78
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
30-Jul-24	8.30 - 10.00	8.88
29-Jul-24	8.50 - 10.00	8.89
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	79.86	1.56%
Gold Spot, USD/t oz.	2,416.85	0.25%
Cotton, USD/lb.	69.01	-0.78%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.14% in the last trading day, closing at 5,269.53 points.
- The daily turnover decreased 3.88% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.50% gain, S&P 500 posted 0.50% loss and FTSE 100 posted 0.22% loss.
- One of the leading Asian market indices, NIKKEI posted 0.15% loss yesterday.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.88% with a high rate of 10.00% and low rate of 8.30%.
- The oil price increased 1.56% in the last trading day.

Bangladesh Macro Update

S&P Global downgrades Bangladesh's credit ratings

- American agency S&P has relegated Bangladesh's long-term creditworthiness ratings to "B+" from "BB-" on grounds of elevated external vulnerabilities coupled with latest domestic sociopolitical situations.
- The US global credit-rating agency lists the downside risks and says Bangladesh's external profile remains under pressure.
- It specifies reasons for downgrading like depleting foreign-exchange reserves, unfavourable balance of payments and rising debt service.
- In its ratings report released Tuesday S&P notes that Bangladesh has been facing its forex-market volatility since the beginning of the war in Ukraine.
- Later, it tightened imports to curb the demand for foreign exchange.

News Source:

https://today.thefinancialexpress.com.bd/first-page/sp-global-downgrades-bangladeshs-credit-ratings-1722360930

Nearly two-thirds of TIN-holders don’t submit tax returns

- Bangladesh recently reached a milestone registering one crore Taxpayer Identification Numbers (TINs), yet nearly 59% of these individuals did not file tax returns in the just-concluded fiscal year of 2023-24.
- The number of registered taxpayers is gradually increasing but tax return submissions are failing to keep up with the size and growth of the economy, for which collection of tax required for public expenditure remains lower than the potential.
- There were 1.04 crore TINs as of last month, when the fiscal year ended, according to NBR.
- Meanwhile, only 43 lakh tax returns were submitted, up 22% year-on-year.
- Bangladesh has one of the lowest tax-to-GDP ratios in the world, even though it posted high economic growth over the past decade.

News Source:

https://www.thedailystar.net/business/news/nearly-two-thirds-tin-holders-dont-submit-tax-returns-3666011

Sectoral Update

Banks, NBFIs and Insurance

A dozen banks in massive drive to raise $1b offshore deposits

- Most commercial banks in the country have launched extensive campaigns to promote offshore banking products, aiming to raise at least USD 1 billion in foreign currency deposits within the next two years.
- A dozen banks have already introduced offshore banking products, opening up new investment avenues for non-resident Bangladeshis, foreign individuals and institutions, according to industry insiders.
- Banks are offering a maximum interest rate of 8.59% on deposits, though the yield rate is less than 6% in developed countries.

- Moreover, offshore depositors can avail themselves of home loans and investment guidance to buy land, shares, bills, and bonds in Bangladesh.
- Foreign currency depositors can keep their money in nine currencies, including the US dollar, British pound, euro, Australian dollar, and Canadian dollar, according to banks.

News Source:

https://www.tbsnews.net/economy/banking/dozen-banks-massive-drive-raise-1b-offshore-deposits-906716

Apparel and Textile

US cos shifting from BD in apparel sourcing

- American fashion companies are actively diversifying their apparel- sourcing base and exploring opportunities especially in India amid growing risks and market uncertainty in Bangladesh, according to a latest US study.
- It cites shipping delays and supply-chain disruptions and 'managing geopolitics and other political instability' related to sourcing which have newly emerged among US brands and retailers as top five concerns in 2024.
- They consider India as more competitive than most other Asian suppliers regarding vertical-integration capability, manufacturing flexibility, and agility.
- India in 2024 ranked second from fourth in 2023 while Bangladesh ranked down to fourth position from third last year in terms of utilization rate.
- By leveraging its more advanced local textile-manufacturing capability, India's apparel exports to the United States relied much less on imported components than economically developed countries such as Bangladesh, Cambodia, and Vietnam.

News Source:

https://today.thefinancialexpress.com.bd/first-page/us-cos-shifting-from-bd-in-apparel-sourcing-1722360978

Energy

1,320MW coal power plant in Patuakhali to fire up in October

- A 1,320-megawatt (MW) coal-based thermal power plant located in Kalapara upazila of Patuakhali is ready to begin commercial operations by the end of this year, according to officials.
- The first of the plant's two units, which can generate 660 MWs daily, will commence production in October while the second will start in December.
- This is the second 1,320 MW coal-based power plant in Kalapara upazila, with the Payra Thermal Power Plant situated nearby.
- Norinco Intl Cooperation Ltd, a Chinese heavy construction company, and the state-owned Rural Power Company Limited built the plant under a joint venture called RPCL-Norinco Intl Power Limited (RNPL).

News Source:

https://today.thefinancialexpress.com.bd/first-page/us-cos-shifting-from-bd-in-apparel-sourcing-1722360978

Capital Market

Equity market sinks as unrest, nation's credit rating erode confidence

- Clouds of concern over the equity market became heavier after days of violence and curfew, prompting investors to sell off their assets to avoid further losses driving down the key index of the prime bourse below 5,300 points.
- Adding to the situation, S&P, the global credit rating agency, downgraded Bangladesh's rating amid persistent pressure on the external accounts against the backdrop of street violence over students' protests against quota in government jobs.
- That eroded investors' confidence further in the equity market.
- As large stocks kept sliding, the market cap of the DSE, calculated by multiplying the total number of outstanding shares with the current market prices, lost BDT 97 billion in the three trading days to Tuesday.
- Subsequently, the blue-chip index DS30, a group of 30 prominent companies, lost almost 21 points to 1,882 while the DSES Index, which represents Shariah-based companies, shed 15 points to 1,151.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/equity-market-sinks-as-unrest-nations-credit-rating-erode-confidence-1722363351