EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

September 05, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,739.07
% change	-0.82%
DS30 Index	2,113.25
% change	-0.93%
DSES Index	1,227.86
% change	-0.78%
Turnover (BDT mn)	5,934.71
Turnover (USD mn)	49.46
% change	-18.31%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	40,974.97
% change	0.09%
S&P 500	5,520.07
% change	-0.16%
Nikkei 225	37,047.61
% change	-4.24%
FTSE 100	8,269.60
% change	-0.35%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	132.52	132.53
GBP	157.33	157.40
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
04-Sep-24	8.80 - 10.50	9.03
03-Sep-24	8.95 - 10.50	9.09
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	72.95	0.15%
Gold Spot, USD/t oz.	2,495.88	0.01%
Cotton, USD/lb.	70.06	0.36%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.82% in the last trading day, closing at 5,739.07 points.
- The daily turnover decreased 18.31% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.09% gain, S&P 500 posted 0.16% loss and FTSE 100 posted 0.35% loss.
- One of the leading Asian market indices, NIKKEI posted 4.24% 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 9.03% with a high rate of 10.50% and low rate of 8.80%.
- The oil price increased 0.15% in the last trading day.

Bangladesh Macro Update

Economically unviable Bangabandhu Satellite-01 cited as white elephant

- Bangabandhu Satellite-01 is a white elephant of the country as it is one of the economically unfeasible schemes executed by the Sheikh Hasina government, according to insiders.
- Most of the bands of the satellite remained unutilised and revenue earnings were so poor compared to a staggering investment.
- The last government spent BDT 19.51 billion (USD 248 million) on sending the satellite into space in 2018.
- It carries 40 Ku- and C-band transponders with a capacity of 1,600 megahertz and a predicted lifespan of 15 years up to 2033.
- Some 59% of C-band has been sold out, while only 25% of Ku-band has been leased out to different local and foreign companies, according to the Bangladesh Satellite Company Limited (BSCL).

News Source:

https://today.thefinancialexpress.com.bd/first-page/economically-unviable-bangabandhu-satellite-01-cited-as-white-elephant-1725472818

Sectoral Update

Banks, NBFIs and Insurance

Three troubleshooting taskforces to resolve crises, liquidity crunch

- No more central-bank liquidity support to weak banks by printing money rather temporary assistance will be facilitated through the interbank money market, with the regulator acting as guarantor.
- Bangladesh Bank's new Governor, Dr Ahsan H. Mansur, reaffirmed the stance while spelling out a bailout plan for the banking sector in a meeting Wednesday with bankers.
- The banking system cannot be jeopardized because of the issues facing seven or eight banks, he added.
- He emphasized that while the BB will offer limited and short-term liquidity support to safeguard depositors' interests, this assistance would be channelled through the interbank system where Bangladesh Bank will serve as the guarantor.
- Dr. Mansur noted that these banks have been struggling for a prolonged period, and the central bank's intervention aims to make sure depositors can retrieve their money.

News Source:

https://today.thefinancialexpress.com.bd/first-page/three-troubleshooting-taskforces-to-resolve-crises-liquidity-crunch-1725472775

Policy rate to be hiked to 10% in the next 1-2 months

- The Bangladesh Bank has decided to increase the policy rate to 10% in the coming months and also form three separate task forces with local and foreign experts for ensuring the central bank's autonomy and asset recovery against defaulted loans.
- The decisions were made during a meeting with bankers today at the Bangladesh Bank.

- Talking to journalists after the bankers meeting, Association of Bankers Bangladesh (ABB) Chairman Selim RF Hussain said that the policy rate will be increased to 10% in the next one to two months.
- Mentioning that at least 2-3 years are needed to restructure the banking sector, he said that we will bring stability in the banking sector within a year.
- He further said that the governor believes in liberal interest rate regime.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-form-three-task-forces-improve-banking-sector-abb-chairman-933541

Local assets of money embezzlers will be acquired soon: BB governor

- Local assets of money embezzlers will soon be acquired, according to Bangladesh Bank Governor Ahsan H Mansur.
- Besides, laundered money will also be brought back home and we have already communicated with various countries to this end, he added.
- The corrupted people mainly laundered money to Dubai, Singapore and the USA.
- A family of smugglers owns 500 to 600 homes in the UK.
- The BB governor stated that money was taken out of eight banks and looted in various ways.

News Source:

https://www.tbsnews.net/economy/banking/local-assets-money-embezzlers-various-banks-will-be-acquired-soon-bb-governor-933686

BB in $450m shady trade with Islami Bank to rebuild reserves

- In the first week of July, the Bangladesh Bank and Islami Bank Bangladesh completed a US dollar-taka trade, a typical mutual currency deal, which was supposed to replenish the central bank's dwindling forex reserves and provide the cash-strapped Shariah-based lender with some liquidity support.
- The central bank was supposed to receive USD 550 million in exchange for providing BDT 6,490 crore to Islami Bank.
- It sounds like a win-win deal.
- However, central bank documents showed that only USD 100 million was actually deposited into the central bank's account.
- The remaining USD 450 million was not provided to the BB until August 11, well after the political changeover had led to major shake-ups to both the central bank and the Shariah-based lender.

News Source:

https://www.thedailystar.net/business/news/bb-450m-shady-trade-islami-bank-rebuild-reserves-3694826

Apparel and Textile

Ctg port extends cut-off time for loading RMG export containers

- The Chattogram Port Authority has extended the deadline for loading containers with ready made garment (RMG) exports into ships by 24 hours, effective for six months from September this year to February 2025.
- Exporters and carriers can bring in garments to the port yard 24 hours before the estimated departure time of the intended ship, against the previous requirement of completing loading activities 48 hours before the departure.
- This extension is a response to a request from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- previously, the lead time for garment exports was 120 days, according to BGMEA.
- However, foreign buyers have now reduced this period to 60 days, putting pressure on exporters to meet tighter deadlines.

News Source:

https://www.tbsnews.net/economy/rmg/ctg-port-extends-cut-time-loading-rmg-export-containers-933631

Pharmaceuticals

Pharma industry in labour turmoil amid ‘outsider instigation’

- The pharmaceutical industry has plunged into turmoil for the last one week with workers demonstrating for job regularisation, wage increases, additional leave, and other issues.
- The workers have forced the closure of 27 major drug manufacturers.
- Along with presenting their demands, demonstrators are engaging in vandalism at factories, taking officials hostage inside industrial units, and forcing them to sign documents agreeing to their demands.
- Owners allege that outsiders are instigating the commotion in their factories.
- Although some factories have resumed production after addressing the initial demands, officials and owners reported that new protests have emerged with additional demands.

News Source:

https://www.tbsnews.net/economy/pharma-industry-labour-turmoil-amid-outsider-instigation-933836

Energy

Call for auditing all contracts freely

- The International Business Forum of Bangladesh (IBFB) has exhorted the interim government to conduct independent audits of all projects and contracts in the power and energy sector to address irregularities.
- Former BUET teacher Prof Dr M Tamim was present as a guest of honour at the event where Dr Ijaj Hossain of BUET made a keynote presentation.
- In his speech, Dr Tamim highlighted misconceptions surrounding capacity payments, urging a thorough analysis of a BDT 1.0-trillion payment to determine its actual utilisation.

- He criticised the politicisation of technical issues in the energy sector.
- For example, Dr Tamim said that the Awami League set a target for 24,000-megawatt electricity production as a political goal, while Bangladesh is only utilising 13,000 MW.

News Source:

https://today.thefinancialexpress.com.bd/last-page/call-for-auditing-all-contracts-freely-1725473191

Govt to buy LNG from int'l spot market with open tender

- The government will now purchase liquefied natural gas (LNG) from the international spot market through open tender instead of negotiation- a practice followed for years under the Sheikh Hasina regime.
- The Cabinet Committee on Economic Affairs approved a proposal in principle to this effect in a meeting on Wednesday.
- Finance and Commerce Adviser Salehuddin Ahmed, who presided over the meeting, said that the interim government will procure LNG through open tender.
- The Energy and Mineral Resources Division presented the proposal, which sought approval to import LNG from 23 listed companies in the international spot market.
- The adviser noted that while these 23 companies were enlisted by the previous Awami League government and had signed Master Sales and Purchase Agreements, their status will remain unchanged.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-buy-lng-intl-spot-market-open-tender-933816

$1 billion worth of gas being stolen every year in the name of 'system loss': Ijaz Hossain

- One billion dollars' worth of gas is being stolen annually in the name of system loss, according to prominent energy expert Ijaz Hossain.
- Speaking at a seminar at the International Business Forum of Bangladesh (IBFB) Conference Center yesterday, Ijaz Hossain said that if systems losses, currently at 9.82%, can be reduced by half, we could save USD 500 million annually, which would provide an opportunity to save on imports.
- The Implementation Monitoring and Evaluation Division, in a report on system loss reduction of Titas Gas in 2014, defined system loss as the amount of gas that is unaccounted for.
- System loss may be due to several factors, including inaccuracy of the metering system and equipment, meter tampering, connection without metering, illegal connections, and leakages in the pipeline of the distribution system.
- In his keynote address, Ijaz Hossain expressed his support for LNG imports but noted the need to strengthen domestic gas production and exploration activities.

News Source:

https://www.tbsnews.net/bangladesh/energy/1-billion-worth-gas-being-stolen-every-year-name-system-loss-ijaz-hossain-933641

Capital Market

Stocks extend freefall for third day

- Stocks were on a downward trend for the third consecutive session on Wednesday, with investor confidence waning amid unrest in factories, signalling economic uncertainty in the coming days.
- On the day, the benchmark index DSEX of the Dhaka Stock Exchange (DSE) plunged over 47 points to close at 5,739, while the blue-chip index DS30 ended 19 points lower at 2,113.
- In the last three sessions, the DSEX lost 90 points, and the market capitalisation decreased by BDT 7,000 crore, closing at BDT 6.94 lakh crore.
- The turnover, a crucial market indicator, dropped by 18% to BDT 593 crore, the lowest in six sessions, as investor participation decreased.
- The Chittagong Stock Exchange (CSE) also closed in the red, with its general index CSCX falling by 41 points to close at 9,908, and the all-share price index CASPI ending 63 points lower at 16,438.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-extend-freefall-third-day-933791

Brokers demand professional accountants, women in DSE board

- The DSE Brokers Association of Bangladesh has urged the Bangladesh Securities and Exchange Commission (BSEC) to reconsider its recent selection of independent directors for the Dhaka Stock Exchange (DSE) board, demanding representation of professional accountants and the women there.
- In a letter sent to BSEC Chairman Khondoker Rashed Maqsood yesterday, the brokers' association said that the DSE is a non-listed public limited company owned by local and foreign shareholders which previously never saw the BSEC unilaterally imposing independent directors on the bourse.
- Unfortunately, for the first time the DSE is not going to have a female in its board of directors while having 20%-30% female representation is well practised in the international corporate world, according to the letter.
- The recent mass movement has been equally participated by the women which brought a victory for all and ignoring women in the DSE board undermined their devotion, said the brokers' association.
- Also, the recent selection by the BSEC did not include any professional accountant that goes against the principles of an effective board of directors.

News Source:

https://www.tbsnews.net/economy/stocks/brokers-demand-professional-accountants-women-dse-board-933806