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

Daily News Snippet

September 17, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,711.77
% change	-0.26%
DS30 Index	2,085.53
% change	-0.72%
DSES Index	1,246.68
% change	0.08%
Turnover (BDT mn)	6,689.56
Turnover (USD mn)	55.75
% change	-8.79%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	41,622.08
% change	0.55%
S&P 500	5,633.09
% change	0.13%
Nikkei 225	36,581.76
% change	0.00%
FTSE 100	8,278.44
% change	0.06%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	132.91	132.92
GBP	157.46	157.50
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
15-Sep-24	8.80 - 10.50	9.13
12-Sep-24	8.75 - 10.50	9.04
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.08	0.14%
Gold Spot, USD/t oz.	2,578.97	-0.19%
Cotton, USD/lb.	72.64	-0.25%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.26% in the last trading day, closing at 5,711.77 points.
- The daily turnover decreased 8.79% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.55% gain, S&P 500 posted 0.13% gain and FTSE 100 posted 0.06% gain.
- One of the leading Asian market indices, NIKKEI was closed yesterday.

Key macro indicators

- All the major currencies rose against BDT yesterday.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 9.13% with a high rate of 10.50% and low rate of 8.80%.
- The oil price increased 0.14% in the last trading day.

Bangladesh Macro Update

Cenbank receives $2.5b loan proposal from World Bank, ADB

- The Bangladesh Bank has received loan proposals totalling USD 2.5 billion from the World Bank and the Asian Development Bank (ADB) to support structural reforms, policy implementation, and investment loans.
- central bank's spokesperson and Executive Director Husne Ara Shikha said that the World Bank has proposed a USD 1 billion loan package, including a USD 750 million policy-based loan that requires the implementation of specific policies by the central bank.
- Additionally, a USD 250 million investment loan is currently under consideration, he added.
- A top official from the Bangladesh Bank, who attended the meeting, said that while the World Bank has yet to provide detailed guidance on the necessary policy changes, it has pointed to areas such as an asset quality review, audit procedures, and work related to the bank reform task force.
- ADB has proposed a policy-based loan amounting USD 1.5 billion in three phases with over USD 200 million in investment loans.

News Source:

https://www.tbsnews.net/economy/banking/bangladesh-bank-receives-25-billion-loan-proposal-wb-adb-942356

Repatriation of money smuggled abroad discussed with US delegation: Salehuddin

- There has been a discussion with the United States regarding the repatriation of money smuggled abroad, according to Finance Adviser Salehuddin Ahmed.
- Salehuddin said that they would proceed with the action plan and the US delegation assured of its cooperation.
- Regarding the development cooperation agreement of the USAID, the finance adviser said that it has added another USD 200 million to the agreement that was made earlier.
- They were interested in learning about the government's reform plan, he added.
- Various areas of cooperation with the United States, including reforms in the financial and revenue sectors, increasing bilateral trade and investment, labour conditions, human rights protection, Rohingya repatriation, and humanitarian assistance, all were aimed at swift economic reform.

News Source:

https://www.tbsnews.net/economy/repatriation-money-smuggled-abroad-financial-reform-discussed-us-delegation-fin-adviser

New shipping route launched between Bangladesh, China

- A shipping line on the Chattogram-China maritime route has launched an operation with the anchorage of a Chinese goods-carrying vessel at Chittagong port on Monday.
- The first ship on this route MV Kota Angun, carrying 552 containers from Port of Ningbo-Zhushan of China, anchored at Chattogram Port jetty -13 in the morning on 16 September.

- MV Kota Angoon sailed from the Port of Ningbo-Zhushan, one of the world's busiest seaports of China, on September 7 and reached Chattogram in nine days via Shanghai and Shekou.
- Previously a goods-carrying mother vessel used to take 20 to 25 days to reach Chattogram Port from China as those vessels were travelling through Singapore, Malaysia or Colombo.
- Syed Mohammad Arif, president of the Shipping Agent Association said that the new route would help improve our trade with China.

News Source:

https://www.newagebd.net/post/trade-commerce/245430/new-shipping-route-launched-between-bangladesh-china

Tyres turn costlier on skyrocketing rubber price

- The price of locally produced rubber has surged, leading to a sharp increase in tyre prices and adding financial strain on consumers, according to industry insiders.
- Yesterday, rubber was selling for as much as BDT 326 per kilogram, up from BDT 160-170 just three months ago.
- The recent fire at Gazi Tyres, the country's largest tyre producer, has disrupted the market, but manufacturers say that they are unable to ramp up production due to soaring rubber prices.
- Tyre manufacturers are accusing the state-owned Bangladesh Forest Industries Development Corporation (BFIDC) of continuing to export rubber, leaving local tyre makers struggling to source the raw material.
- Following a storm in Vietnam and Thailand, two major exporters of natural rubber, there has been continuous rainfall, which has increased the price of rubber in the international market, according to Bangladesh Tyre-Tube Manufacturers and Exporters Association President Shafiqur Rahman.

News Source:

https://www.tbsnews.net/economy/tyres-turn-costlier-skyrocketing-rubber-price-942526

Sectoral Update

Banks, NBFIs, and Insurance

Industrial term loan release rises slightly in Jan-March

- Industrial term loan disbursements rose marginally in January- March period compared with those in the same period last year, driven mainly by high dollar rates.
- Banks disbursed industrial term loans worth BDT 22,015 crore in January-March, increasing from BDT 20,907 crore in the same period last year, according to Bangladesh Bank data.
- Bankers said that the growth in industrial loans was due to the rise in the dollar rate on the formal and informal market.
- The dollar rate surged to BDT 120 in July from BDT 110 in December 2023 and BDT 99 in December 2022.

- The higher dollar rate has made imported goods and raw materials more expensive when priced in local currency, prompting industries that rely heavily on imports to seek additional financing to cover the high expenses.

News Source:

https://www.newagebd.net/post/banking/245272/industrial-term-loan-release-rises-slightly-in-jan-march

Apparel and Textile

Normalcy returns to Ashulia as workers unrest comes to halt, factories reopen

- After experiencing a period of unrest due to labour dissatisfaction for over two weeks, the overall situation in Dhaka's Ashulia industrial zone has been gradually returning to normal since the beginning of this week.
- Aside from a few isolated incidents, the first two days of the week, Saturday and Sunday, saw a normal working environment, and the situation remains stable in the industrial zone.
- Most of the garment factories in the region have been operating for the past two days, and workers have been working enthusiastically.
- Due to the observance of Eid-e-Milad-un-Nabi, 156 garment factories in this region under BGMEA are closed.

News Source:

https://www.tbsnews.net/economy/rmg/normalcy-returns-ashulia-workers-unrest-comes-halt-factories-reopen-942636

Energy

Massive 5tcf gas resource found in Bhola, valued at Tk 6.5 lakh crore

- A potential gas resource, which can go up to 5.109 trillion cubic feet (tcf), has been identified in Bhola, a southern island district of Bangladesh, according to a joint study by Russian energy giant Gazprom and the Bangladesh Petroleum Exploration and Production Company Limited (Bapex).
- Energy experts says that 1tcf of gas can meet the country's annual gas demand.
- The research included a 600 square kilometre 3D seismic survey from Shahbazpur to Elisha, which found a recoverable resource of 2.423tcf.
- An additional 152.6-line-km 2D seismic survey in Char Fasson found another 2.686tcf, according to Bapex.
- At the current LNG spot market price of USD 10.46 per million British thermal unit (MMBtu), this gas resource is valued at approximately BDT 6.5 lakh crore.

News Source:

https://www.tbsnews.net/bangladesh/energy/massive-5tcf-gas-reserve-found-bhola-valued-tk65-lakh-crore-942486

Matarbari Power Plant a 'luxury project': Energy adviser

- Power and Energy Adviser Muhammad Fouzul Kabir yesterday criticised the Matarbari 1200 MW Power Plant built at a cost of BDT 57,000 crore in Cox's Bazar's Maheshkhali, calling it a "luxury project".
- He said that the plant has not significantly benefited the common people, pointing out that the original project plans included connections to deep-sea ports, industries, railways, and roads, which were not realised.
- He also suggested that the interim government should focus on smaller, more community-oriented projects and avoid large-scale ventures like the Matarbari plant.
- Regarding the plant's current coal reserves, which are sufficient for only 30 days, Kabir assured that the issue would be addressed promptly.
- On 13 September, Kabir visited the Matarbari Coal Power Plant and inspected various development projects in the region

News Source:

https://www.tbsnews.net/bangladesh/energy/matarbari-power-plant-luxury-project-energy-adviser-941421

Capital Market

Stocks inch down again as market sentiment wavers

- The indices of the Dhaka Stock Exchange (DSE) edged down again today, ending a three-day streak of positive performance.
- Investors displayed a lack of enthusiasm for trading and engaged in selling, likely due to the ongoing gloomy market conditions.
- The prime index, DSEX, dropped by 15 points to settle at 5,712.
- Meanwhile, the blue-chip index, DS30, decreased by 15 points to 2,086, while the Shariah-compliant index, DSES, increased by 1 point to 1,247.
- Turnover for the day saw a significant dip, falling 8.73% to BDT 669 crore compared to BDT 733 crore in the previous session.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-inch-down-again-market-sentiment-wavers-942416

For reform and growth, stock brokers demand capital market taskforce

- Stock brokerage firms have urged the government to form a taskforce for the capital market to support its growth and to carry out necessary reforms.
- The DSE Brokers Association of Bangladesh (DBA) made the demand in a letter sent to the finance adviser.
- Despite the long-time presence of the Dhaka Stock Exchange (DSE) and Bangladesh Securities and Exchange Commission (BSEC), the stock market still lags from becoming a source of capital formation, according to stock brokers.
- So, establishing a taskforce like the banking sector may work well to develop the market and complete essential reforms, according to the DBA said in the letter.

- It said that capital market growth remains stuck due to inappropriate policies, adverse management of asset management companies, proper pricing in initial public offering, and absence of proper direction for diversified products.

News Source:

https://www.thedailystar.net/business/news/reform-and-growth-stock-brokers-demand-capital-market-taskforce-3703776