EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

October 17, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,316.21
% change	-0.93%
DS30 Index	1947.98
% change	-0.80%
DSES Index	1,182.88
% change	-1.04%
Turnover (BDT mn)	2,963.42
Turnover (USD mn)	24.70
% change	-6.83%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,077.70
% change	0.79%
S&P 500	5,842.47
% change	0.47%
Nikkei 225	39,180.30
% change	-1.83%
FTSE 100	8,329.07
% change	0.97%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	130.68	130.70
GBP	156.86	156.89
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
16-Oct-24	9.30 - 10.50	9.54
15-Oct-24	9.30 - 10.50	9.56
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	74.22	-0.04%
Gold Spot, USD/t oz.	2,691.30	0.46%
Cotton, USD/lb.	71.26	0.91%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.93% in the last trading day, closing at 5,316.21 points.
- The daily turnover decreased 6.83% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.79% gain, S&P 500 posted 0.47% gain and FTSE 100 posted 0.97% gain yesterday.
- One of the leading Asian market indices, NIKKEI posted 1.83% loss yesterday.

Key macro indicators

- While USD rate remained stable, the value of EURO depreciated, whereas GBP and INR appreciated against BDT.
- The average overnight rate declined yesterday.
- The current weighted average overnight rate stood at 9.54% with a high rate of 10.50% and low rate of 9.30%.
- The oil price decreased 0.04% in the last trading day.

Global Macro Update

UK inflation hits three-year low, fuelling rate-cut hopes

- Britain's annual inflation rate fell to a three-year low in September, fuelling speculation that the Bank of England will resume cutting interest rates next month.
- The Consumer Prices Index (CPI) reached 1.7% last month, well below the BoE's 2% target, after hitting 2.2% in August, according to the Office for National Statistics (ONS).
- The inflation rate was lower than the 1.9% rise that analysts forecast and has cemented expectations that the central bank would likely cut interest rates again in November.
- Lower airfares and petrol prices were the biggest driver of this month's fall, according to Grant Fitzner, chief economist at the ONS.

News Source:

https://www.thedailystar.net/business/news/uk-inflation-hits-three-year-low-fuelling-rate-cut-hopes-3729426

Bangladesh Macro Update

Gross forex reserves cross $25b in steady rebound

- A steady rebound on the back of changed milieus helps Bangladesh see its gross foreign-exchange reserves climb over USD 25 billion again amid tightfisted import payments and higher remittances, according to officials.
- The forex reserves rose to USD 25.14 billion on October 15 from USD 24.97 billion on October 08 as per traditional calculation method of the Bangladesh Bank (BB).
- It was USD 24.86 billion on September 30.
- As per the International Monetary Fund (IMF) Balance of Payments International Investment Poisson Manual-six edition, generally known as BMP6, the reserves rose to USD 19.93 billion during the period under review from USD 19.83 billion.
- Higher inflows of remittances have helped the country see forex reserves cross USD 25-billion mark further, according to a senior official of the central bank.

News Source:

https://today.thefinancialexpress.com.bd/first-page/gross-forex-reserves-cross-25b-in-steady-rebound-1729102613

Govt purging 'political' projects from dev prog

- The interim government gets tougher with politically motivated and less-important projects as it has started scrapping such schemes from the current Annual Development Programme (ADP), according to officials.
- It is also not allowing any pipeline projects, which were undertaken and prepared by the Sheikh Hasina-led administration on political grounds.
- It is also cutting less-important components from the ongoing development project proposals (DPPs) of different ministries to rationalise costs and ensure quality.
- The Commission lays emphasis on quality rather than quantity of the projects.

- The ousted Hasina government undertook a BDT 2.78-trillion ADP incorporating 1,326 development projects for FY2025.

News Source:

https://today.thefinancialexpress.com.bd/last-page/govt-purging-political-projects-from-dev-prog-1729102928

Sectoral Update

Banks, NBFIs, and Insurance

Call-money mkt moribund as funds switch into SDF

- Even a moratorium on injection of high-powered money by the central bank fails to resuscitate the call-money market as the affluent banks' trust deficit prompts switch of their surplus credits into state-secured SDF or standing deposit facility despite lower gains.
- Because of the latest switch of the surplus funds of the well-off commercial banks, the volume of cash deposits in the SDF continues ballooning while the transactions on the interbank market keeps squeezing in recent days.
- It is causing serious concern for the banks that need short-term credits to maintain their day-to-day banking affairs.
- The lenders feel comfortable to put their uninvested money in the SDF or reverse repo of Bangladesh Bank (BB), where the rate is quite low at 8%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/call-money-mkt-moribund-as-funds-switch-into-sdf-1729102718

Apparel and Textile

Govt plans to introduce pension for RMG workers: Asif Mahmud

- Labour and Employment Adviser Asif Mahmud Shojib Bhuiyan said that the government planned to initiate a pension scheme for readymade garment workers for their financial security after retirement.
- He said this while inaugurating the sales programme of essentials under the Trading Corporation of Bangladesh (TCB) at reasonable prices on the premises of a garment factory in Tongi.
- Remembering the role of the workers in the recent mass upsurge, he said that the working people should be the first beneficiaries of the freedom achieved through shedding blood.
- The unrest at the RMG sector, hatched by vested quarters, was mitigated after announcing the 18-point joint statement of the owners and labours, he added.

News Source:

https://www.thedailystar.net/business/economy/rmg/news/govt-plans-introduce-pension-rmg-workers-asif-mahmud-3729251

Pharmaceuticals

Three drug makers ready to produce raw materials in API park

- After successful trials, three local drug makers are set to begin full-fledged commercial production of active pharmaceutical ingredients (APIs) at the BSCIC API Industrial Park at Gazaria in Munshiganj.
- Two of the factories, ACME Laboratories and Ibn Sina Pharmaceutical, are currently awaiting regulatory approval, while the third, Healthcare Pharmaceuticals, has recently begun limited-scale commercial production of these essential drug-making raw materials.
- The Bangladesh Small and Cottage Industries Corporation (BSCIC) established the industrial park along the Dhaka-Chattogram highway, allocating 42 plots for 21 industrial facilities.
- So far, four local manufacturers- ACME Laboratories, Healthcare Pharmaceuticals, Ibn Sina Pharmaceutical and UniMed-UniHealth Fine Chemicals- have set up factories there.

News Source:

https://www.thedailystar.net/business/news/three-drug-makers-ready-produce-raw-materials-api-park-3729471

Energy

Retenders floated to purchase two spot LNG cargoes

- State-run Rupantarita Prakritik Gas Company Ltd (RPGCL) has floated retenders to purchase two spot liquefied natural gas (LNG) cargoes for November 3-4 and November 10-11 delivery windows.
- The RPGCL re-tendered for these two spot LNG cargoes after cancelling the initial tenders as these did not fulfil the minimum criteria to get the bidding evaluated under the Public Procurement Rules (PPR) 2008, according to a senior RPGCL official.
- It floated these tenders for both the spot LNG cargoes on October 14 with the bid submission deadline ending on October 20.
- The bid winners will have the option to deliver the LNG cargoes at Moheshkhali island, with the choice to discharge the cargo at either of the country's two floating storage re-gasification units (FSRUs) located on the island.

News Source:

https://today.thefinancialexpress.com.bd/last-page/retenders-floated-to-purchase-two-spot-lng-cargoes-1729103103

Capital Market

DSE turnover slips to below Tk 300cr after 48 days

- The turnover at the Dhaka Stock Exchange (DSE) nosedived to a 48-day low, falling to BDT 296 crore.
- The lowest turnover this year was recorded on 4 August at BDT 200 crore.
- This marks a sharp decline in trading activity, indicating reduced investor participation and weakened market sentiment, according to market analysts.
- Experts attribute the drop to ongoing economic uncertainties, regulatory concerns, and investor caution.

- Meanwhile, the DSEX, the benchmark index of the DSE, dropped by 49 points, closing at 5,316.

News Source:

https://www.tbsnews.net/economy/stocks/dse-trading-declines-third-consecutive-day-968166

Stocks to remain gloomy even after fall in T-bond rates

- The declining trend in the yields of Treasury bonds is unlikely to make a positive impact on the equity market as investors will be driven to safer schemes for better return.
- The interim government has started reducing the interest rates of government bonds in September because of its lower appetite for domestic borrowings.
- That is expected to shift banks' focus from T-bonds to borrowers from the private sector.
- The objective of simultaneously boosting the policy rate and lowering the yield of T-bonds is to help the private sector grow while bringing down inflation.
- Presently, many banks are offering interest rates above 10% against deposits while the broad index of the Dhaka bourse experienced a negative growth of 15% in the last one year.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-to-remain-gloomy-even-after-fall-in-t-bond-rates-1729101467