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

# Daily News Snippet

**October 21, 2024**

| Bangladesh Market | |
|---|---|
| **Major Indices** | **Last closing** |
| DSEX Index | 5,160.73 |
| % change | -1.85% |
| DS30 Index | 1896.25 |
| % change | -1.77% |
| DSES Index | 1,155.57 |
| % change | -1.58% |
| Turnover (BDT mn) | 3,624.22 |
| Turnover (USD mn) | 30.20 |
| % change | 18.09% |
| ***Source: Dhaka Stock Exchange*** | |

| International Market | |
|---|---|
| **Major Indices** | **Last closing** |
| Dow Jones Industrial Average | 43,275.91 |
| % change | 0.00% |
| S&P 500 | 5,864.67 |
| % change | 0.00% |
| Nikkei 225 | 38,981.75 |
| % change | 0.00% |
| FTSE 100 | 8,358.25 |
| % change | 0.00% |
| ***Source: Bloomberg*** | |

| Exchange rate | | |
|---|---|---|
| **Major Currencies** | **Low (BDT)** | **High (BDT)** |
| USD | 120.00 | 120.00 |
| EUR | 130.39 | 130.42 |
| GBP | 156.58 | 156.66 |
| INR | 1.43 | 1.43 |
| ***Source: BB*** | | |

| Money market | | |
|---|---|---|
| **Date** | **Call Money Rate Range (%)** | **Weighted Average** |
| 20-Oct-24 | 9.30 - 10.50 | 9.54 |
| 17-Oct-24 | 9.30 - 10.50 | 9.55 |
| ***Source: BB*** | | |

| Commodities | | |
|---|---|---|
| **Major Commodities** | **Price** | **% Change** |
| Brent Crude (Oil), USD/bbl. | 73.18 | 0.16% |
| Gold Spot, USD/t oz. | 2,723.51 | 0.12% |
| Cotton, USD/lb. | 70.99 | 0.33% |
| ***Source: Bloomberg*** | | |

## Market Summary

## Bangladesh Market

- The leading bourse of the country, DSEX lost 1.85% in the last trading day, closing at 5,160.73 points.
- The daily turnover increased 18.09% in the last trading day.

## Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI was also closed yesterday.

## Key macro indicators

- While USD rate remained stable, the value of Euro and GBP appreciated, and INR depreciated against BDT.
- The average overnight rate decreased in the last trading day.
- 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 increased 0.16% in the last trading day.

### Bangladesh Macro Update

## Forex reserves on the rise: Cenbank governor assures stability

- Bangladesh's foreign exchange reserves are gradually increasing and stabilising, according to Bangladesh Bank Governor Ahsan H Mansur.
- The reserves, which had been depleting by USD 1.3 billion per month under the previous government, are now seeing a more positive trend.
- A significant amount has already been paid for fertilisers, electricity, and obligations to Adani-Chevron.
- In the past two months alone, the central bank has successfully reduced deferred payments from USD 2.5 billion to USD 700 million by paying off USD 1.8 billion in outstanding liabilities for energy and other essential services.
- As of 8 October, Bangladesh's foreign exchange reserves stood at USD 19.82 billion as per BPM6 calculations, while the gross reserves reached USD 24.97 billion.

**News Source:**

https://www.tbsnews.net/bangladesh/forex-reserves-rise-cenbank-governor-assures-stability-971286

## Foreign loan servicing exceeds disbursements as commitments slow

- Bangladesh's foreign loan commitments from development partners plummeted by a staggering 99% year-on-year in the first three months of the current fiscal year, according to data from the Economic Relations Division (ERD).
- At the same time, the country's repayments surpassed the disbursements from its development partners.
- ERD officials said that the interim government is reviewing proposed foreign-funded projects, leading to a decrease in commitments due to a drop in new loan agreements.
- Meanwhile, servicing has increased as repayments for many loans taken by the previous government have commenced.

**News Source:**

https://www.tbsnews.net/economy/foreign-debt-repayments-exceed-disbursements-jul-sep-971621

### Sectoral Update

### Banks, NBFIs, and Insurance

## Treasury bill rate rises amid policy rate hike speculation

- The interest rate on Treasury bills, a tool used by the government to borrow from the banking sector, increased by 30 basis points in a single day due to speculation among banks that the central bank might raise the policy rate within the next few weeks.
- In yesterday's auction by the Bangladesh Bank, funds were borrowed from the banks at an interest rate of 11.75% for 91-day Treasury bills.
- Besides, commercial banks will receive 11.90% interest on 182-day Treasury bills and 11.99% on 364-day Treasury bills, according to central bank data.

- These interest rates on Treasury bills were 11 to 30 basis points higher compared to the auction held on 14 October.
- The government typically borrows from the banking sector to cover budget deficits through 91-day, 182-day, and 364-day Treasury bills, as well as bonds with maturities ranging from 2 to 20 years.

**News Source:**

https://www.tbsnews.net/economy/banking/treasury-bill-rate-rises-amid-policy-rate-hike-speculation-971706

## Six banks get Tk 16b to ease liquidity crisis

- Six weak banks have received BDT 16.40 billion in loans to resolve their liquidity crisis by three relatively stronger banks.
- Sonali Bank, Mutual Trust Bank, and Dutch Bangla Bank provided the support to First Security Islami Bank, Social Islami, Union Bank, Global Islami Bank, National Bank and Exim Bank.
- The funds were transferred on Thursday after they were approved by Bangladesh Bank.
- This assistance will be given to more banks in the future after their applications are scrutinised, according to Bangladesh Bank official spokesperson and Director Shahriar Siddiqui.

**News Source:**

https://today.thefinancialexpress.com.bd/last-page/six-banks-get-tk-16b-to-ease-liquidity-crisis-1729448651

### Energy

## Gas supply improves as spot LNG imports resume

- Natural gas supply increased in the last couple of days across the country as Bangladesh started importing liquefied natural gas (LNG) from the spot market after a hiatus of more than three months.
- State-run Petrobangla is now supplying gas of around 900 million cubic feet per day (mmcfd), which was around 700 mmcfd a couple of days back, according to official data.
- Consumers experience a sigh of relief with the overall increase in natural gas supply and resumption of LNG imports from the spot market, according to industry insiders.
- The situation would improve further with the increased orders from the spot market

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/gas-supply-improves-as-spot-lng-imports-resume-1729448374

### Capital Market

## Stocks dip to 4-month low as market reacts to high interest rates

- The country's equity index plunged to 5,161 points, the lowest in four months, on Sunday although the finance ministry and the securities regulator have taken several measures to improve the market.
- The broad index fell sharply for the fifth consecutive session as panic-driven investors mounted selling pressure to escape further losses.

- In the last five sessions, the broad index of the Dhaka Stock Exchange (DSE) lost 262 points and turnover value remained below BDT 4 billion due to low investor participation.
- The DSEX shed 1.8% or 97.2 points as a majority of the blue chips experienced correction.
- People are drawn to investment tools giving better returns, according to Deshan Pushparajah, country head of CAL Bangladesh.

**News Source:**

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-dip-to-4-month-low-as-market-reacts-to-high-interest-rates-1729440802

## New committee to probe corruption, market manipulation

- The interim government recently formed a committee to probe past irregularities and corruption in the capital market and manipulation, particularly under the 15-year rule of the ousted Awami League-led government, according to the reports of UNB.
- Rampant corruption in the capital market mirrored misconduct in other sectors of the economy during the last decade and a half.
- The committee was formed to stabilise Bangladesh's capital market and protect investors.
- Weak and near-defunct companies were frequently listed during the former regime, which now creates a burden that weighs down the market today.
- Unchecked market manipulation led to sharp price increases in so-called "junk" stocks, draining the investments of ordinary shareholders.

**News Source:**

https://today.thefinancialexpress.com.bd/stock-corporate/new-committee-to-probe-corruption-market-manipulation-1729440764

## Bourses to upgrade Z stocks on 80% dividend disbursed

- The Bangladesh Securities and Exchange Commission (BSEC) has authorised both stock exchanges to upgrade Z category stocks to their relevant categories if 80% of the declared dividend is disbursed.
- The commission made the decision during an emergency meeting held on Sunday at its headquarters in Agargaon.
- Around 10 companies have submitted compliance reports after disbursing dividends, following their downgrading to the Z category.
- A DSE official said that they will change the categories of these companies in accordance with the commission's direction.
- Beach Hatchery, Advent Pharmaceuticals, Libra Infusion, Shepherd Industries have published their disbursed dividends.

**News Source:**

https://www.tbsnews.net/economy/stocks/bourses-upgrade-z-stocks-80-dividend-disbursed-971741