EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

October 23, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,241.77
% change	1.33%
DS30 Index	1,924.34
% change	1.08%
DSES Index	1,174.02
% change	1.47%
Turnover (BDT mn)	3,582.25
Turnover (USD mn)	29.85
% change	3.90%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,924.89
% change	-0.02%
S&P 500	5,851.20
% change	-0.05%
Nikkei 225	38,405.50
% change	-1.41%
FTSE 100	8,306.54
% change	-0.14%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	129.78	129.79
GBP	155.81	155.83
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
22-Oct-24	9.25 - 10.50	9.58
21-Oct-24	9.30 - 10.50	9.55
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	76.04	2.36%
Gold Spot, USD/t oz.	2,748.38	1.06%
Cotton, USD/lb.	72.08	-0.17%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 1.33% in the last trading day, closing at 5,241.77 points.
- The daily turnover increased 3.90% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.02% loss, S&P 500 posted 0.05% loss and FTSE 100 posted 0.14% loss yesterday.
- One of the leading Asian market indices, NIKKEI posted 1.41% loss yesterday.

Key macro indicators

- While USD exchange rate remained stable, the value of all major currencies depreciated against BDT.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 9.58% with a high rate of 10.50% and low rate of 9.25%.
- The oil price increased 2.36% in the last trading day.

Bangladesh Macro Update

Regulator raises policy rate again in inflation combat

- Formal credits get further costlier for businesses and consumers as the central bank raised the policy rate by 50 basis points again in less than a month to contain inexorable inflation.
- The Bangladesh Bank's belt-tightening step comes as part of its contractionary monetary stance to take the steam out of the overheated market blamed by many economists largely on price manipulation and supply-chain disarrays.
- Following the latest hike, the policy or repo rate now rises to 10% from the existing 9.50%, with effect from October 27, according to a Bangladesh Bank circular.
- In line with the upward adjustment, the Standing Liquidity Facility (SLF), the upper ceiling of the interest corridor, will now rise to 11.50% from the current 11.0%, while the Standing Deposit Facility (SDF), the floor rate of the corridor, will increase to 8.50% from the existing 8.0%.
- The regulatory move comes a day after the central bank squeezed the existing borrowing window through repo instrument for the commercial banks to once a week from the existing two days.

News Source:

https://today.thefinancialexpress.com.bd/first-page/regulator-raises-policy-rate-again-in-inflation-combat-1729626453

Economic uncertainty impacts domestic revenue mobilisation

- The ongoing economic uncertainty has affected domestic revenue mobilisation in Bangladesh, resulting in negative growth in the first quarter of the current fiscal year (FY).
- Revenue mobilisation decreased by 6.07% or BDT 45.84 billion in the July-September period compared to the same time last year, according to provisional data from the National Board of Revenue (NBR).
- For the months of July and August, revenue collection showed negative growth rates of 0.50% and 10.97% respectively.
- Economists attribute this decline to the political and economic transitions occurring in Bangladesh.

News Source:

https://today.thefinancialexpress.com.bd/first-page/economic-uncertainty-impacts-domestic-revenue-mobilisation-1729626643

Now IMF slashes Bangladesh's economic growth forecast to 4.5%

- The International Monetary Fund (IMF) has joined the World Bank and the Asian Development Bank (ADB) in slashing its economic growth forecast for Bangladesh, now projecting a 4.5% growth for the current fiscal year.
- This adjustment marks a significant decrease from the IMF's previous estimate of 6.6% made in April and represents the lowest growth rate for Bangladesh in nearly two decades, excluding the pandemic-affected fiscal year of 2019-20.
- In its latest World Economic Outlook (WEO) released on Tuesday (22 October), the IMF attributed this grim forecast to persistent inflationary pressures, with expectations that inflation in Bangladesh will remain elevated, climbing to 10.7% in FY25, up from 9.7% a year earlier.

- However, the multilateral agency said that the global battle against inflation has largely been won, even though price pressures persist in some countries.

News Source:

https://www.tbsnews.net/economy/now-imf-slashes-bangladeshs-economic-growth-forecast-45-973376

Proposed policy reforms conducive to business confidence

- The policy reforms being considered in Bangladesh will not only improve its business climate, but also increase foreign investment in the country, according to the top officials of Excelerate Energy.
- So, the US-based energy and infrastructure solutions provider is still interested in expanding its local operations even though the interim government recently cancelled one of its major projects.
- Since taking office on August 8, the interim government has proposed a slew of measures to improve public administration, the financial sector, public procurement practices and other areas of concern.
- The decision to review all energy projects planned by the previous government is justified as the current administration should be confident about the benefits of these initiatives before implementing them, according to Steven Kobos, chief executive officer and president of Excelerate Energy.

News Source:

https://www.thedailystar.net/business/economy/news/proposed-policy-reforms-conducive-business-confidence-3734086

Sectoral Update

Banks, NBFIs, and Insurance

6 troubled banks get nearly Tk 5,000cr in liquidity support in 30 days

- The Bangladesh Bank, in the last 30 days, has issued liquidity guarantees amounting to nearly BDT 5,000 crore for six struggling banks weakened by financial irregularities and loan frauds.
- Islami Bank Bangladesh Limited (IBBL) received BDT 1,495 crore, Social Islami Bank BDT 1,000 crore, Global Islami Bank BDT 295 crore, First Security Islami Bank BDT 775 crore, Union Bank BDT 150 crore, and National Bank BDT 820 crore.
- These troubled banks were given liquidity support from Sonali Bank, Dutch-Bangla Bank, Eastern Bank, City Bank, and Mutual Trust Bank.
- This support has helped restore customer confidence, reducing the rush to withdraw deposits from these banks, according to bankers.

News Source:

https://www.tbsnews.net/economy/banking/6-troubled-banks-get-nearly-tk5000cr-liquidity-support-30-days-973701

Apparel and Textile

EU apparel imports drop 3.63pc, Bangladesh's exports fall 3.53pc

- The European Union's apparel imports saw a 3.63% decline from January to August 2024 compared to the same period in 2023, reflecting a broader global trend of reduced apparel consumption.
- Total imports dropped from USD 61.56 billion to USD 59.32 billion, according to the reports of UNB.
- Bangladesh, one of the leading apparel suppliers to the EU, experienced a 3.53% decrease in exports, according to BGMEA Director Mohiuddin Rubel.
- This decline mirrors the overall drop in EU apparel demand but raises questions about shifting dynamics in global supply chains.
- China, the largest exporter to the EU, saw its apparel imports decrease by 4.10% to USD 15.62 billion.

News Source:

https://today.thefinancialexpress.com.bd/trade-market/eu-apparel-imports-drop-363pc-bangladeshs-exports-fall-353pc-1729619250

Energy

Bids invited to import 3 more LNG cargoes for Nov delivery

- State-run Rupantarita Prakritik Gas Company Ltd (RPGCL) has floated three fresh tenders to purchase three spot LNG cargoes for November delivery.
- The bid winners would deliver the cargoes at Moheshkhali island on November 12-13, November 16-17 and November 23-24, and discharge the fuel at either of the country's two floating storage re-gasification units (FSRUs) located on the island.
- RPGCL floated the tenders on October 21 with the bid submission deadline ending on October 27.
- The volume of each of the spot LNG cargoes is around 3.36 million British thermal unit (MMBtu).
- The RPGCL recommended awarding the contract to the lowest bidder for the November 3-4 spot LNG delivery window

News Source:

https://today.thefinancialexpress.com.bd/last-page/bids-invited-to-import-3-more-lng-cargoes-for-nov-delivery-1729621138

Capital Market

Stock market sees surge as investors go on buying spree

- Stocks surged today as investors seized the opportunity to purchase low-priced shares, which became attractive after the recent bearish trend.
- On the day, the benchmark index DSEX of the Dhaka Stock Exchange (DSE) rose by 68 points to close at 5,241, while the blue-chip index, DS30, surged by 20 points to reach 1,924.
- However, despite the rise in indices, trading activity remained relatively stagnant, with market turnover increasing by a modest 4% to BDT 358 crore compared to the previous session.

- Market insiders reported that the Dhaka bourse opened on a positive note, and the momentum continued throughout the session, driven mainly by large-cap stocks, which played a key role in pushing the index higher.
- Of the 395 issues traded on the DSE, 306 advanced, 55 declined, and 34 remained unchanged.

News Source:

https://www.tbsnews.net/economy/stocks/dse-surges-315-share-prices-rise-early-trading-973006