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

Daily News Snippet

October 24, 2024

Major Indices	Last closing
DSEX Index	5,169.79
% change	-1.37%
DS30 Index	1,892.77
% change	-1.64%
DSES Index	1,162.65
% change	-0.97%
Turnover (BDT mn)	3,219.94
Turnover (USD mn)	26.83
% change	-10.11%
Source: Dhaka Stock Exchange	

International Market

Major Indices	Last closing
Dow Jones Industrial Average	42,514.95
% change	-0.96%
S&P 500	5,797.42
% change	-0.92%
Nikkei 225	38,079.50
% change	-0.87%
FTSE 100	8,258.64
% change	-0.58%
Source: Bloomberg	

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	120.00	120.00
EUR	129.56	129.61
GBP	155.80	155.81
INR	1.43	1.43
Source: BB		

Money market

Date	Call Money Rate Range (%)	Weighted Average
23-Oct-24	9.30 - 10.50	9.56
22-Oct-24	9.25 - 10.50	9.58
Source: BB		

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	74.96	-1.42%
Gold Spot, USD/t oz.	2,717.54	-1.12%
Cotton, USD/lb.	72.51	0.60%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.37% in the last trading day, closing at 5,169.79 points.
- The daily turnover decreased 10.11% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.96% loss, S&P 500 posted 0.92% loss and FTSE 100 posted 0.58% loss yesterday.
- One of the leading Asian market indices, NIKKEI posted 0.87% loss yesterday.

Key macro indicators

- While USD and INR rate remained stable, the value of Euro and GBP depreciated against BDT.
- The average overnight rate decreased in the last trading day.
- The current weighted average overnight rate stood at 9.56% with a high rate of 10.50% and low rate of 9.30%.
- The oil price decreased 1.42% in the last trading day.

Global Macro Update

India removes floor price

- India has removed the floor price for the export of non-basmati white rice, the government said in an official order on Wednesday, to help farmers and exporters sell various grades of rice on the world market.
- Buoyed by forecasts of higher rice output, farmers and rice exporters recently urged the government to remove the floor price for non-basmati white rice exports.
- Last month, India gave the go ahead for exports of non-basmati white rice to resume.
- Higher rice shipments from India, the world's biggest rice exporter, would bolster global supplies and soften international prices by forcing other major exporters - such as Pakistan, Thailand and Vietnam - to reduce their rates, according to trade and industry officials.

News Source:

https://today.thefinancialexpress.com.bd/last-page/india-removes-floor-price-1729708957

Bangladesh Macro Update

Foreign aid disbursements drop 34pc in Q1

- Bangladesh received foreign aid worth USD 846.12 million in the first quarter of the current fiscal year.
- The amount is around 34% lower than USD 1.28 billion received in the July-September quarter of This year.
- During the period under review, the country paid USD 1.13 billion in foreign debt servicing.
- It is 33% higher than the amount received in loans and grants.
- The government repaid USD 870.46 million in the Q1, FY24.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/foreign-aid-disbursements-drop-34pc-in-q1-1729706242

Govt drafts 5th HPNSP involving Tk 1.06t

- The Ministry of Health and Family Welfare has drafted the fifth phase of the Health, Population and Nutrition Sector Programme (5th HPNSP) at an estimated cost of over BDT 1.06 trillion, aiming the highest attainable level of health for all.
- The government will provide BDT 806.85 billion from its exchequer, and another BDT 254.15 billion, around 23.95% of the total cost, will be mobilised from foreign sources as loans and grants.
- The health ministry completed implementation of the 4th HPNSP in last June spending BDT 493.75 billion.
- Of this amount, BDT 304.66 billion came from the government fund and BDT 189.08 billion from foreign assistance.
- The health sector development expenditure is set to increase by 114.89% for the next programme, but the foreign assistance to increase by a moderate lower rate of 34.41%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/govt-drafts-5th-hpnsp-involving-tk-106t-1729708595

Savings likely to be 4.7pc of original cost

- The cost of the Padma Rail Link Project (PRLP) is likely to be reduced by more than BDT 18.44 billion or nearly 4.7% of the original cost of BDT 392.46 billion, according to Bangladesh Railway.
- Project officials said that the cost was reduced by BDT 6.21 billion in the second revised development project proposal which was approved on April 17 last with an extension of the tenure up to June 2026 as original tenure ended in June this year.
- A further reduction of BDT 12.23 billion would be possible by revising the cost of different components of work package-1 like design survey fees, signalling and communication, ballastless track, physical contingency.
- It is now estimated that a total of BDT 18.44 billion will be reduced from the original project cost, according to the officials.

News Source:

https://today.thefinancialexpress.com.bd/last-page/savings-likely-to-be-47pc-of-original-cost-1729708879

Govt borrowing from banks rises as unrest hits tax collection

- The government's net borrowing from the banking system rose in the first two and half months of the current fiscal year in the face of falling tax collection and surging foreign debt servicing costs.
- The government's borrowing from banks increased by BDT 6,568 crore from July 1 to September 15 of fiscal year (FY) 2024-25.
- During the same period a year ago, the net borrowing from banks fell by BDT 8,939 crore, according to the Bangladesh Bank (BB) data.
- The spike in borrowing took place at a time when high inflation, rising interest rates and import contraction have caused a slowdown in businesses and investment.

News Source:

https://www.thedailystar.net/business/news/govt-borrowing-banks-rises-unrest-hits-tax-collection-3735121

Sectoral Update

Banks, NBFIs, and Insurance

BB to start assessing quality of banks' assets next month

- Bangladesh Bank is set to start assessing the quality of banks' assets next month with an international auditor to know the overall situation of the sector, in a prelude to comprehensive reforms.
- The BB has formed a six-member taskforce.
- They will assess the existing financial situation, bad assets and major risks to maintain economic stability.
- The taskforce will conduct financial-index review, assess actual conditions of the loans, actual price of assets, security-deposit deficiency and will separate the bad assets of banks concerned.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-to-start-assessing-quality-of-banks-assets-next-month-1729708351

Banking sector witnesses Tk 1.9tn in excess liquidity

- The banking sector in Bangladesh, once facing a liquidity crisis, is now seeing a surplus, holding BDT 1.90 trillion (lakh crore) in excess liquidity, according to the Bangladesh Bank (BB).
- This shift is being attributed to a rise in depositor confidence following the recent political changes in the country, as reported by UNB.
- Despite the renewed trust, private credit growth slowed to 9.46% year-on-year in August 2024, contributing to the increased liquidity within the banks.
- The central bank's latest data indicates that 46 banks-comprising four Sharia-based and 42 conventional institutions-currently have excess liquidity.
- Among these, Sonali Bank stands out as the top holder of surplus funds, followed by Agrani Bank, Rupali Bank, Janata Bank and the Bangladesh Development Bank (BDBL).

News Source:

https://today.thefinancialexpress.com.bd/trade-market/banking-sector-witnesses-tk19tn-in-excess-liquidity-1729706539#:~:text=The%20banking%20sector%20in%20Bangladesh,the%20Bangladesh%20Bank%20(BB).

Apparel and Textile

Australia's Mosaic leaves 22 RMG exporters in limbo over $20m dues

- The Australian fashion retailer Mosaic Brands Ltd has put 22 Bangladeshi apparel exporters in a difficult position by not paying USD 19.93 million for apparel products sourced from them.
- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has already contacted the Australian High Commission in Dhaka twice to address the issue and is planning to send another letter soon,
- Despite receiving the goods, the brand has not paid Bangladeshi exporters for several months, citing financial difficulties.
- Now the buyer is asking the exporters for discounts of up to 60%, said the affected exporters.

News Source:

https://www.tbsnews.net/economy/rmg/australias-mosaic-leaves-22-rmg-exporters-limbo-over-20m-dues-974601

Energy

Illegal gas links galore in Nasrul's hometown

- Titas Gas Transmission and Distribution Company Ltd (TGTDCL) has snapped some 67 illegal industrial gas connections and 16 illegal commercial links in a drive in the last one and a half months in Keraniganj, the home area of former state minister for energy and power Nasrul Hamid.
- The state-run TGTDCL also severed some 385 gas raisers during the drive in Keraniganj,
- Nearly 1.31 million cubic feet of gas has illegally been consumed per day through these illegal connections, according to Petrobangla Chairman Zanendra Nath Sarker.

- During the drive, the TGTDCL also cut off 11 more illegal industrial gas connections and 30 illegal commercial links in its jurisdiction areas.

News Source:

https://today.thefinancialexpress.com.bd/last-page/illegal-gas-links-galore-in-nasruls-hometown-1729709093

Capital Market

DSE key index drops 1.37% on policy rate hike

- The benchmark index DSEX of the Dhaka Stock Exchange (DSE) dropped 1.37% to 5,169 points, while the blue-chip index DS30 fell 1.64% to 1,892 points.
- The liquidity-strapped capital market has taken a big hit from a recent policy rate hike, resulting in a decline driven by weak investor participation.
- Trading activities remained stagnant, with market turnover decreasing by 10% to BDT 321 crore from the previous session.
- Market insiders indicated that the policy rate hike is likely to drive deposit rates higher, encouraging investors to favour fixed deposits over investments in the capital market.

News Source:

https://www.tbsnews.net/economy/stocks/dse-key-index-drops-137-policy-rate-hike-974466