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

Daily News Snippet

October 29, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	4,898.53
% change	-1.35%
DS30 Index	1,805.89
% change	-1.37%
DSES Index	1,087.46
% change	-1.83%
Turnover (BDT mn)	3,572.47
Turnover (USD mn)	29.77
% change	17.59%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,387.57
% change	0.65%
S&P 500	5,823.52
% change	0.27%
Nikkei 225	38,605.53
% change	1.82%
FTSE 100	8,285.62
% change	0.45%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	129.52	129.56
GBP	155.51	155.58
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
28-Oct-24	9.50 - 10.50	9.92
27-Oct-24	9.00 - 10.50	9.87
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	71.00	-6.09%
Gold Spot, USD/t oz.	2,741.98	-0.21%
Cotton, USD/lb.	70.36	-0.42%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.35% in the last trading day, closing at 4,898.53 points.
- The daily turnover increased 17.59% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.65% gain, S&P 500 posted 0.27% gain and FTSE 100 posted 0.45% gain yesterday.
- One of the leading Asian market indices, NIKKEI posted 1.82% gain yesterday.

Key macro indicators

- Most of the major currency rates remained stable against BDT yesterday.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 9.92% with a high rate of 10.50% and low rate of 9.50%.
- The oil price decreased 6.09% in the last trading day.

Global Macro Update

Major Gulf markets rise as Iran downplays Israel's strikes

- Major stock markets in the Gulf rose in early trade on Monday as tensions eased after Iran played down Israel's strikes on military targets over the weekend, saying that the air attack had caused only limited damage, according to Reuters.
- The strikes bypassed Tehran's oil and nuclear infrastructure and did not disrupt energy supplies, easing geopolitical tensions in the broader region.
- And while that sent oil prices tumbling, the regional equity indexes gained.
- Saudi Arabia's benchmark index gained 0.3%, on course to extend gains from the previous session, while in Abu Dhabi, the index advanced 1%.
- Dubai's main share index climbed 1.1%, led by a 2.2% rise in blue-chip developer Emaar Properties and a 2.4% gain in toll operator Salik Company.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/major-gulf-markets-rise-as-iran-downplays-israels-strikes-1730131315

Bangladesh Macro Update

GDP growth falls to 3.91% in Q4 of FY24

- Bangladesh's economy grew at 3.91% in the final quarter of the fiscal 2023-24, compared to 6.88% in the equivalent period the previous year, on the back of slowdown across all the three sectors- agriculture, industries, and services.
- The Q4 growth rate is also lower than that of the previous quarter of the last fiscal, according to fourth-quarter growth data released by the Bangladesh Bureau of Statistics (BBS).
- The industrial sector saw the steepest decline to 3.98% in April-June down from 10.16% of the year-ago period, due to growth slowing in both construction and manufacturing.
- Agriculture grew by 5.27% in April-June compared to 6.55% in the same period of FY23.
- Growth in the services sector slowed to 3.67%, down from 4.82% in the final quarter of the year before, as wholesale and retail trade, financial and insurance activities, real estate, public administration, health, and education experienced declines

News Source:

https://www.tbsnews.net/economy/gdp-growth-slows-688-391-q4-978346

Sunset Clause in law to show investors end of tax-breaks

- Government's revenue authority moves to frame a legal Sunset Clause to enable investors to project their cost of business knowing when their tax-cut benefit ends, under a fiscal-reform package.
- The move comes as per one condition tagged by the World Bank (WB) to its credit support to Bangladesh which aims to cut down high tax expenditure that affects the country's revenue receipts.
- Earlier, the Bangladesh Bank Governor Dr Ahsan H Mansur had sought some USD 270 million from the World Bank under Financial-Sector Support Project II.

- Officials have said that rationalization of tax expenditure is one of the strings tied to the WB budget-support credit which may be implemented in the form of Sunset Clause.
- A senior NBR official said that each of the wings will prepare the timeline for tax waivers to the industries to limit the scope of growth depending on only protective tariffs

News Source:

https://today.thefinancialexpress.com.bd/first-page/sunset-clause-in-law-to-show-investors-end-of-tax-breaks-1730134282

BD dev work held back

- Bangladesh's development works have been hit hard due to the July-August student uprising as the government could spend the lowest-ever development budget under its annual programme.
- The ministries and agencies implemented only 4.75% of BDT 2.78 trillion annual development programme (ADP) in the first quarter (Q1) of the current fiscal year (FY) 2024-25.
- The ADP implementation rate in the same period last FY2024 was much higher of 7.50%, according to Implementation Monitoring and Evaluation Division (IMED) data.
- The student protests during the July-August period and flash flood in August-September period in the country's eastern and northwestern regions have affected the development work seriously.
- A senior IMED official said that they are hopeful of a recovery on the ADP implementations from the current quarter (Q2).

News Source:

https://today.thefinancialexpress.com.bd/last-page/bd-dev-work-held-back-1730135067

Sectoral Update

Banks, NBFIs, and Insurance

Farm loan disbursements fall 27pc in first quarter

- Farm-credit disbursements dropped by nearly 27% in the first quarter (Q1) of the current fiscal year (FY 2024-25) due to political unrest across the country and severe flooding in different parts.
- The disbursements came down to BDT 64.58 billion during the July-September quarter of FY '25 from BDT 88.25 billion in the same period of the previous fiscal year, according to the Bangladesh Bank's (BB) latest statistics.
- Of the BDT 64.58 billion, eight public banks disbursed BDT 24.32 billion and the remaining BDT 40.26 billion by the private commercial banks (PCBs) and foreign commercial banks (FCBs).
- The central bank has already instructed all banks to gear up loan disbursement campaigns across the country to boost production and ensure food security.
- Meanwhile, all the scheduled banks have achieved 17% of their FY '25 agricultural loans disbursement target, fixed at BDT 380 billion.

News Source:

https://today.thefinancialexpress.com.bd/last-page/farm-loan-disbursements-fall-27pc-in-first-quarter-1730135006

Apparel and Textile

Quarterly apparel export dives 36pc in Apr-Jun

- Bangladesh's apparel export dipped 36.02% to USD 8.83 billion in the last quarter of the past fiscal year, compared to the turnover of previous three months.
- In the previous January-March quarter the earnings came to USD 11.77 billion.
- This figure is also 1.38% lower than that of the same quarter of the previous fiscal year, April-June FY2022-23.
- The United States, Germany, the United Kingdom, Spain, France, the Netherlands, Italy, Canada and Belgium were the top destinations for Bangladesh's RMG exports during April-June of FY24.
- The drawbacks of the industry are limited product-and market diversity, lack of sufficient backward-linkage industry, concentrated market, high lead time and lack of efficiency in producing high-value products, global geopolitical conflicts, energy-price hike etc.

News Source:

https://today.thefinancialexpress.com.bd/first-page/quarterly-apparel-export-dives-36pc-in-apr-jun-1730134774

Male-to-female worker ratio in RMG sector on the decline

- Challenges such as traditional gender norms, inadequate childcare, pregnancy issues, limited job security, and age barriers hinder the long-term career prospects of female garment workers, resulting in a gradual decline in their participation in the apparel industry.
- The male-to-female worker ratio in the country's ready-made garment industry has been declining over the years and now stands at less than 55%, according to Dr Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD).
- Terming women's significant participation in the RMG sector a 'bright exception', he said the female-male ratio is still higher than the national female-male ratio of 35:65.
- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA), consistently from 1980 to 1994, reported that the proportion of women labour had been 80%t which fell to 58% in 2020.
- Mr Moazzem identified that other factors such as excessive workload, harassment, low wages, misbehaviour, physical violence, skill gaps between men and women, educational differences, and automation for declining participation of female workers in the RMG sector.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/male-to-female-worker-ratio-in-rmg-sector-on-the-decline-1730132281

Energy

Govt considers resuming industrial gas connections

- The government is expected to resume providing gas connections to industries, aiming to ensure uninterrupted supply of gas to help the wheels of industrial units move.

- But there is no possibility of lifting the suspension on fresh household gas connections, according to officials.
- Currently about 46,000 applications for household gas connections remain pending with Titas Gas Transmission and Distribution PLC, the largest state-owned gas distribution entity in the country and a subsidiary of Petrobangla.
- The number of applications from industrial consumers and captive power generations seeking gas connections is 368.
- In 2020, they said, the Energy and Mineral Resources Division issued a circular to stop providing new gas connections to industries outside economic zones and industrial parks from April 2021.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-considers-resuming-industrial-gas-connections-978151

Capital Market

Panic sales send stocks to four-year low

- Stocks in Bangladesh plummeted to a four-year low yesterday, just a day after the stock market regulator formed an inquiry committee to investigate the reasons behind the market's sharp decline.
- The DSEX, the benchmark index of the DSE, fell by 66 points, or 1.34%, to 4,898 yesterday, reaching its lowest level since November 2020.
- On Sunday, the Bangladesh Securities and Exchange Commission (BSEC) formed a four-member committee to identify the causes of the recent downtrend in the primary index of the Dhaka bourse and to find out individuals involved in spreading market rumours.
- The committee has also been tasked with recommending measures to improve investors' confidence.

News Source:

https://www.thedailystar.net/business/news/panic-sales-send-stocks-four-year-low-3739246

Negative equity needs immediate solution: Stakeholders to BSEC

- Stakeholders urge the securities regulator to find a 'quick solution' to the problems arising out of negative equity, blaming forced sales in margin accounts for the sharp decline of the index this week.
- Representatives of the bourses, merchant banks, and asset management companies sat with the Bangladesh Securities and Exchange Commission (BSEC) on Monday and shed light on issues surrounding negative equity.
- Lenders had disbursed margin loans to clients from money borrowed from their parent companies or other institutions.
- They are legally entitled to carry out forced sales in margin accounts with negative equities.
- However, previous commissions on several occasions prevented lenders from doing so on the pretext of protecting investors' interests.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/negative-equity-needs-immediate-solution-stakeholders-to-bsec-1730131284