EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

November 10, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,316.33
% change	-0.58%
DS30 Index	1,965.54
% change	-0.11%
DSES Index	1,187.91
% change	-0.39%
Turnover (BDT mn)	5,415.51
Turnover (USD mn)	45.13
% change	-16.84%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43.988.99
% change	0.59%
S&P 500	5,995.54
% change	0.38%
Nikkei 225	39,468.50
% change	0.22%
FTSE 100	8,072.39
% change	-0.84%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	128.74	128.76
GBP	154.54	154.56
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
07-Nov-24	9.50 – 11.00	9.91
06-Nov-24	9.50 – 11.00	9.91
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.87	-2.33%
Gold Spot, USD/t oz.	2,683.77	-0.86%
Cotton, USD/lb.	70.98	-0.10%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.58% in the last trading day, closing at 5,316.33 points.
- The daily turnover decreased 16.84% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.59% gain, S&P 500 posted 0.38% gain and FTSE 100 posted 0.84% loss.
- One of the leading Asian market indices, NIKKEI gained 0.22% in the last trading day.

Key macro indicators

- While USD exchange rate remained stable, the values of all major currencies depreciated against BDT.
- The average overnight rate remained stable in the last trading day.
- The current weighted average overnight rate stood at 9.91% with a high rate of 11.00% and low rate of 9.50%.
- The oil price decreased 2.33% in the last trading day.

Global Macro Update

Gold logs biggest weekly fall

- Gold prices dropped on Friday, logging their steepest weekly decline in over five months, pressured by a stronger dollar and as markets absorbed the implications of Donald Trump's victory and its potential impact on US interest rate expectations.
- Spot gold fell 0.8% to USD 2,684.03 per ounce and posted a 1.8% weekly decline.
- US gold futures settled 0.4% lower at USD 2,694.80.
- Although bullion is reputed as a hedge against inflation, higher interest rates reduce non-yielding gold's appeal.

News Source:

https://www.thedailystar.net/business/global-economy/news/gold-logs-biggest-weekly-fall-3748836

Bangladesh Macro Update

Inflation hits three-month high in October

- Bangladesh's inflation rose 10.87% in October thanks to the soaring prices of foods, especially the staple rice and vegetables, according to data released from the Bangladesh Bureau of Statistics (BBS).
- October inflation was the highest in three months after overall consumer prices grew 9.92% in September, and 10.49% in August this year.
- Food inflation hit 12.66% in October, up from 10.40% in September.
- Non-food prices grew 9.34% in October, down from 9.5% a month ago.
- Since March 2023, overall inflation has been above 9%, affecting low-income and fixed-income people in the country.

News Source:

https://www.thedailystar.net/business/news/inflation-hits-three-month-high-october-3747121

Non-tax revenue stuck, trails far behind regional ratios

- Bangladesh trails far behind regional countries in non-tax revenue netting as the NTR-GDP ratio has stagnated within a peanut 1.0% during the last eight years while the government struggles for deficit financing.
- This happens to be government's second-largest income source, but remains out of focus from the revenue collectors.
- Last year, this ratio was 1% while the tax-GDP ratio was 8.54%, according to Ministry of Finance (MoF).
- Non-tax revenue is one of the major sources of financing fiscal deficit in India while it contributes 40% of the internal revenue in China, 27% in Malaysia and 28% in Bhutan.

News Source:

https://today.thefinancialexpress.com.bd/first-page/non-tax-revenue-stuck-trails-far-behind-regional-ratios-1731178210

Startup financing stalls due to absence of BB effective policy

- The distribution of startup funds by scheduled banks remains minimal, hindered by the absence of an effective policy from the Bangladesh Bank (BB).
- A total of BDT 0.43 billion in loans had been disbursed to 153 customers as of August this year whereas it hovered at BDT 0.28 billion until June, according to the latest BB data.
- Out of 52 banks, 25 are yet to provide any loans to budding entrepreneurs.
- The BB has instructed all scheduled banks to establish the fund by allocating 1% of their annual net profit each year, beginning in 2020 for the next five years.
- The maximum interest rate for these loans is 4% for the end user while banks can lend up to BDT 10 million for a period of five years.

News Source:

https://today.thefinancialexpress.com.bd/first-page/startup-financing-stalls-due-to-absence-of-bb-effective-policy-1731178439

Sectoral Update

Banks, NBFIs, and Insurance

Islamic banking to be off limits to regular banks

- A bank will not be able to do Islamic banking business along with conventional banking at the same time, according to the draft 'Islami Bank Company Act-2024', as the central bank looks to level the playing field for Shariah-based banks.
- As of June, 30 conventional banks provide Islamic banking services through their 33 branches and 688 windows.
- The banks will have to change their banking business model or form a subsidiary company to provide Islamic banking services when the law is effective.
- If the conventional banks are allowed to do Islamic banking, then there will not be a level playing field as the Islamic banks do not have the opportunity to do conventional banking, according to Mohammad Shahriar Siddiqui, the head of the committee.

News Source:

https://www.thedailystar.net/business/economy/banks/news/islamic-banking-be-limits-regular-banks-3748891

BB should maintain tight monetary policy stance

- Bangladesh Bank should maintain its tight monetary policy without losing patience to curb the inflationary pressure on the economy.
- The authorities should also rein in public spending while ensuring competition in the commodities market as a strategy to stabilise prices.
- Economists put forward the suggestions as inflation in Bangladesh hit high at 10.87% year-on-year in October 2024.

- Dr. Zahid Hussain, a former lead economist at the World Bank, said that the central bank should stick to its tight monetary policy stance without wavering.
- This is crucial for controlling domestic demand growth and stabilising the exchange rate to prevent inflation from escalating further, he added.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-should-maintain-tight-monetary-policy-stance-1731178349

Apparel and Textile

Substantial 6.29% drop in US apparel import from Bangladesh is concerning: Ex-BGMEA official

- The US apparel imports data by the country from January-September of 2023 and 2024 suggests that while the overall US apparel import saw a slight decline, there was significant movement within the market, with some countries experiencing growth and others declined.
- Total US apparel imports decreased by 2.47% between Jan-Sep 2023 and Jan-Sep 2024.
- Among all the reported countries, a substantial decrease in imports from Bangladesh is concerning, which is -6.29%.
- This is a significant drop compared to other major suppliers.
- Several countries showed growth in apparel imports to the US, including Vietnam (1.27%), Cambodia (7.15%), and Pakistan (2.41%).

News Source:

https://www.tbsnews.net/economy/rmg/substantial-629-drop-us-apparel-import-bangladesh-concerning-ex-bgmea-official-988036

Capital Market

Dhaka stocks down for second consecutive day

- The Dhaka Stock Exchange (DSE) indices declined for two consecutive days on 7 November as investors engaged in profit-taking, selling off their shares amidst high volatility.
- The benchmark DSEX index declined by 31 points, closing at 5,316, following an 18-point decline the previous day.
- The DSE Shariah Index fell by 4.66 points to 1,187, and the DS30 index slipped 2.21 points to 1,965.
- Turnover at the DSE declined by 17% to BDT 541 crore.
- DSEX closed in the red as many investors took advantage of recent short-lived gains to book profits, according to market insiders.

News Source:

https://www.tbsnews.net/economy/stocks/dsex-fell-37-points-amid-selling-pressure-987096

Only research analysts can predict stock market: BSEC

- None other than research analysts can publicly share their market or stock price forecasts, according to the Bangladesh Securities and Exchange Commission (BSEC).
- The regulator, observing a rise in the spread of capital market-related misinformation and rumours in cyberspace recently, issued the statement to remind the public of the regulatory prohibition.
- Spreading undisclosed price-sensitive information, false information, or rumours online is a punishable offence.
- Anyone sharing market or stock price predictions online without being a research analyst will be considered in violation of securities law.
- The BSEC urged everyone to refrain from spreading baseless information online, warning that violations would result in strong legal actions.

News Source:

https://www.tbsnews.net/economy/stocks/only-research-analysts-can-predict-stock-market-bsec-989021