EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

November 12, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,333.42
% change	1.28%
DS30 Index	1,977.45
% change	1.22%
DSES Index	1,195.29
% change	1.68%
Turnover (BDT mn)	5,765.68
Turnover (USD mn)	48.05
% change	3.02%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,293.13
% change	0.69%
S&P 500	6,001.35
% change	0.10%
Nikkei 225	39,533.32
% change	0.08%
FTSE 100	8,125.19
% change	0.65%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	128.62	128.63
GBP	155.05	155.10
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
11-Nov-24	9.75 - 11.00	9.98
10-Nov-24	9.75 - 11.00	9.94
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	71.83	-2.76%
Gold Spot, USD/t oz.	2,620.20	-2.37%
Cotton, USD/lb.	69.69	-1.82%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 1.28% in the last trading day, closing at 5,333.42 points.
- The daily turnover increased 3.02% in the last trading day.

Global Market

- Majority of the leading global indices posted same returns as Dow Jones posted 0.69% gain, S&P 500 posted 0.10% gain and FTSE 100 posted 0.65% gain.
- One of the leading Asian market indices, NIKKEI gained 0.08% in the last trading day.

Key macro indicators

- While USD rate remained stable, the values 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 9.98% with a high rate of 11.00% and low rate of 9.75%.
- The oil price decreased 2.76% in the last trading day.

Bangladesh Macro Update

Plummeting demand, rising costs dampen business confidence: EIB

- The business sector is facing sinking domestic demand, escalating operational costs, and restricted financing options, according to a comprehensive survey by the Economic Intelligence Bangladesh (EIB).
- The survey focuses on six critical areas affecting business- demand, operational costs, access to financing, regulatory barriers, macroeconomic factors, and supply constraints.
- Almost half- 45% of respondents reported that demand for products and services in domestic markets is declining though they expressed optimism about demand for their products in foreign markets.
- Of the business leaders, 95% and 90% blamed utilities and transport, respectively, for the highest increase in operational and business costs.

News Source:

https://www.tbsnews.net/economy/plummeting-demand-rising-costs-dampen-business-confidence-eib-990671

Foreign aid bankrolling dev budget faces cuts

- Foreign funds allocated for bankrolling Bangladesh's development budget may be slashed as the interim government considers the trimming for public agencies failure to implement the aided projects in time.
- The post-uprising reformist government will also estimate the necessary project-aid requirements in the national budgets for the next two consecutive fiscal years (FY) 2025-26 and FY2027.
- Meanwhile, the Economic Relations Division (ERD) under the Ministry of Finance (MoF) has got down to doing preliminary work on revision of the Annual Development Programme (ADP) for the current FY2025 and will sit with all ministries and agencies from early next month.
- The ERD will revise the project-aid part of the current BDT 2.78 trillion ADP.

News Source:

https://today.thefinancialexpress.com.bd/first-page/foreign-aid-bankrolling-dev-budget-faces-cuts-1731349609

Sectoral Update

Banks, NBFIs, and Insurance

BB chief dispels fear of 'meltdown'

- No chances of meltdown in the banking industry are there as the central bank takes remedial package measures to stabilise the distressed commercial banks, according to the Bangladesh Bank governor.
- Dr Ahsan H Mansur admits there are some banks reeling from serious liquidity crunch following massive-scale loan-related irregularities during ousted Prime Minister Sheikh Hasina's regime but they are overcoming the crisis through cash feeding without compromising the macroeconomic stability.
- Regarding bailout of the struggling banks, he said that the banking regulator plans to initiate bank-resolution act that will allow them to legally apply correctional options like mergers and acquisitions, liquidation, recapitalisation and consolidation.

- About controlling inflationary pressure, the BB governor said that they had analysed inflation-containing measures of various countries all over the world and found that it takes at least 12 months to bring down inflation to a desired level.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-chief-dispels-fear-of-meltdown-1731349454

Lend funds to cash-hungry banks

- An affluent group of 17 scheduled banks receives instructions from the central bank for urgently extending liquidity support to cash-hungry banks for ensuring stability in the country's banking system.
- The directions came at the meeting with managing directors (MDs) and chief executive officers (CEOs) of the banks at the central bank headquarters.
- Earlier on November 05, six banks- Social Islami Bank, First Security Islami Bank, Bangladesh Commerce Bank, Union Bank, ICB Islamic Bank and Padma Bank - sought immediate cash feeding to meet their liquidity exigencies.
- Some of the troubled banks have already obtained a central-bank guarantee to avail liquidity support from the interbank money market.

News Source:

https://today.thefinancialexpress.com.bd/first-page/lend-funds-to-cash-hungry-banks-1731349770

NBFIs show signs of distress, only four keeping up growth

- Only four non-bank financial institutions (NBFIs) out of 16 secured a higher profit year-on-year in January-September this year, driven by an increase in return from government securities.
- IDLC Finance, DBH Finance, United Finance, and LankaBangla Finance stand out in the industry for their consistently good financial performance.
- Their operating efficiency, low amounts of non-performing loans (NPLs), and higher investment income helped them stay on the path of growth trajectory even in an adverse business climate.
- The good performers reaped handsome profits from investments in government securities apart from securing high interest income in the nine months to September, according to market insiders.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/nbfis-show-signs-of-distress-only-four-keeping-up-growth-1731347161

Banks with capital shortfall will not be able to pay dividends: BB governor

- Banks with capital shortfall will not be able to pay dividends to their shareholders, according to Bangladesh Bank (BB) Governor Ahsan H Mansur.
- The governor said that the central bank has taken a very strict position regarding banks' payment of dividends.
- The capital shortfall of 10 private and public banks in the country rose to BDT 39,655 crore at the end of December 2023, according to the Disclosures on Risk-Based Capital Adequacy (Basel III) report.

- The 10 banks are state-owned Janata, Agrani, Rupali, BASIC, Bangladesh Krishi, and Rajshahi Krishi Unnayan Bank, along with private banks Bangladesh Commerce Bank, ICB Bank, National Bank, and Padma Bank.
- Lenders in Bangladesh need 10% of their risk-weighted assets, or BDT 500 crore, whichever is higher, in preserved capital, according to the Basel III policy but if a bank fails to maintain the amount, it is considered to be in a capital shortfall.

News Source:

https://www.tbsnews.net/economy/banking/banks-capital-shortfall-will-not-be-able-pay-dividends-bb-governor-990651

Energy

Krishi Bank authorised to remit $732m in dues to Adani Power

- The Bangladesh Bank has authorised the state-owned Krishi Bank to remit nearly USD 732 million to India's Adani Power, covering dues from March to October 2024, and to provide a financial guarantee extending until October next year.
- The central bank issued the directive on Sunday in a move that could improve power supply from the Indian company.
- Adani Power (Jharkhand) Limited delivered only 110MW on 9 November and 47MW the next day, despite having a full capacity of 1,496MW.
- The BPDB and Krishi Bank confirmed the development regarding the payment, which may help address current challenges in Bangladesh's power supply.
- Primarily due to Sonali Bank's inability to supply dollars as per our demand, we decided to make payments through Krishi Bank, according to BPDB Chairman Engineer Md Rezaul Karim.

News Source:

https://www.tbsnews.net/bangladesh/energy/krishi-bank-authorised-remit-732m-dues-adani-power-990746

Capital Market

Stocks rebound after three-day fall

- Major indices of the stock market in Bangladesh yesterday saw a rebound from three days of constant decline as shares in the large-cap and blue-chip categories performed well amid intense selling pressure.
- The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE) edged up by 67.58 points, or 1.28%, from the previous day to close the session at 5,333 points.
- Islami Bank Bangladesh contributed the most by adding 27.70 points.
- The DSES index, which reflects the performance of Shariah-compliant companies, witnessed a similar trend as it rose by 19.78 points, or 1.68%, to close at 1,195 points
- Likewise, the DS30 index for blue-chip stocks increased by 23.77 points, or 1.22%, to 1,977 points.

News Source:

https://www.thedailystar.net/business/news/stocks-rebound-after-three-day-fall-3750526