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

Daily News Snippet

November 13, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,298.37
% change	-0.66%
DS30 Index	1,970.10
% change	-0.37%
DSES Index	1,183.00
% change	-1.03%
Turnover (BDT mn)	5,776.61
Turnover (USD mn)	48.14
% change	0.19%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,910.98
% change	-0.86%
S&P 500	5,983.99
% change	-0.29%
Nikkei 225	39,350.50
% change	-0.46%
FTSE 100	8,025.77
% change	-1.22%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	127.85	127.90
GBP	154.43	154.44
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average (%)**
12-Nov-24	9.75 - 11.00	9.96
11-Nov-24	9.75 - 11.00	9.98
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	71.89	0.08%
Gold Spot, USD/t oz.	2,597.27	-0.88%
Cotton, USD/lb.	68.77	-1.32%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.66% in the last trading day, closing at 5,298.37 points.
- The daily turnover increased by 0.19% on the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted a 0.86% loss, the S&P 500 posted a 0.29% loss and the FTSE 100 posted a 1.22% loss.
- One of the leading Asian market indices, NIKKEI lost 0.46% in the last trading day.

Key macro indicators

- While the USD rate remained stable, the values of the EUR and GBP depreciated against BDT, and the value of INR appreciated against BDT.
- The average overnight rate decreased in the last trading day.
- The current weighted average overnight rate stood at 9.96% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 0.08% in the last trading day.

Bangladesh Macro Update

Budget loans to give breathing space to economy: IMF

- An exigent switch from project aid to budget-support loans from bilateral and multilateral development financiers in the interim period will yield some breathing space for Bangladesh's economy.
- The International Monetary Fund (IMF) has noted that apart from the recent political tensions, there have also been disruptions on the balance-of- payments side and particularly for external financing.
- So, the budget loans (will) provide some breathing space, according to Thomas Helbling, Deputy Director of the Asia-Pacific Department at the IMF.
- Mr Thomas also said that the budget-support loans would also provide the interim government with an opportunity to formulate the policy reforms.
- After taking office this August, the interim government has intensified efforts to secure increased financial assistance in the form of budget-support loans as the past regime left the state coffer empty.

News Source:

https://today.thefinancialexpress.com.bd/first-page/budget-loans-to-give-breathing-space-to-economy-imf-1731436570

Import rise weighs down reserves to $18.46b in IMF arithmetic

- Bangladesh's imports from the Asian Clearing Union (ACU) member-countries increased nearly 9.50% in September-October, according to officials.
- The amount of ACU payment rose to USD 1.50 billion during the period under review from USD 1.37 billion earlier mainly due to higher imports from the Union countries, particularly from India.
- After the payment, Bangladesh's gross foreign-exchange reserves came down to USD 24.19 billion on the day from USD 25.66 billion on Sunday as per traditional calculation by the central bank.
- The amount was USD 25.73 billion last Thursday.
- The International Monetary Fund (IMF)'s Balance of Payments International Investment Poisson Manual-six edition, generally known as BMP6, showed that the forex reserves fell to USD 18.46 billion Tuesday from USD 19.93 billion on Sunday.

News Source:

https://today.thefinancialexpress.com.bd/first-page/import-rise-weighs-down-reserves-to-1846b-in-imf-arithmetic-1731436623

NBR begins first transfer pricing audit to detect any tax evasion by MNCs

- After more than a decade of making transfer pricing rules, Bangladesh's National Board of Revenue (NBR) has commenced its first audit of multinational companies (MNCs) to ensure compliance with these regulations.
- The audit means to uncover any tax evasion tactics linked to international transactions.
- The move is seen as a major step towards financial transparency, aiming to prevent profit shifting, where companies allocate profits to countries with lower taxes, thereby reducing taxable income in Bangladesh.

- Transfer pricing is an accounting practice that represents the price that one division in a company charges another division for goods and services provided.
- MNCs are legally allowed to use the transfer pricing method to allocate earnings among their subsidiary and affiliate companies.

News Source:

https://www.tbsnews.net/economy/nbr-begins-first-transfer-pricing-audit-detect-any-tax-evasion-mncs-991576

Sectoral Update

Banks, NBFIs, and Insurance

Banks warned of tough actions unless cleared immediately

- Bangladesh Bank (BB) has strictly instructed the authorised dealers (ADs) to clear overdue import payments to avert tougher regulatory measures.
- The central bank's foreign-exchange policy department (FEPD) issued the circular in this regard on Tuesday, stating that the delays in payments deteriorate correspondent relations with counterparts and increase import costs.
- Given the current improved situation, foreign exchange market of the country is in a long position.
- In this context, delays in making import payments by ADs are not acceptable against clean bills, and accepted bills.
- This results in reputational loss for Bangladesh, leading to higher costs for imports relating to confirmation charges, trade credit, etc., according to the statement.

News Source:

https://today.thefinancialexpress.com.bd/last-page/banks-warned-of-tough-actions-unless-cleared-immediately-1731436858

Apparel and Textile

Ctg RMG sees surge in orders as Dhaka reels under labour unrest

- Deluxe Fashions Ltd, a Chattogram-based knitwear manufacturer under the Clifton Group – received 20% more orders year-on-year in October.
- It received export orders for 180,000 dozen undergarments, an increase from 150,000 dozen.
- There is no labour unrest here, and garment factories are able to meet export timelines, according to Mohiuddin Chowdhury, chief executive officer of Clifton Group.
- Similarly, orders have started to increase for factories belonging to other major garment groups in Chattogram, including KDS Group, Four H Group, Pacific Group, and Asian Group, according to industry leaders.

News Source:

https://www.tbsnews.net/economy/rmg/ctg-rmg-sees-surge-orders-dhaka-reels-under-labour-unrest-991601

Energy

Payra Power Plant's Unit 2 to remain offline for 2 months for maintenance

- One unit of the Payra 1320 MW Thermal Power Plant in Patuakhali will remain out of service for the next two months for essential maintenance, according to plant officials.
- The shutdown of Unit 2, which began on 10 November, is part of a scheduled upkeep to ensure the long-term reliability and efficiency of the facility.
- The Payra Plant, one of the largest coal-based power plants in the country, has been operating continuously since it became fully operational in 2020.
- However, as is the case with all large-scale power plants, regular maintenance is necessary to prevent mechanical failures and ensure optimal performance.
- The maintenance work on Unit 2 will take approximately two months, with authorities assuring that there will be no major impact on electricity supply during this period

News Source:

https://www.tbsnews.net/bangladesh/energy/payra-power-plants-unit-2-remain-offline-2-months-maintenance-991311

Capital Market

DSEX declines on blue-chip stock selloffs

- The Dhaka Stock Exchange (DSE) indices experienced a decline on 12 November, driven by the fall of large-cap stocks as investors opted to book profits amid high market volatility.
- The benchmark index, DSEX, closed 35 points lower at 5,298 whereas the Shariah Index fell by 12 points to 1,183, and the DS30 index slipped by seven points to 1,970.
- Meanwhile, the DS30 index for blue-chip firms dropped by 3.01 points, or 0.15%, to 1,939.
- Turnover at the country's premier bourse increased by 0.2%, reaching BDT 578 crore.

News Source:

https://www.tbsnews.net/economy/stocks/stock-market-sees-upward-momentum-tk192cr-traded-first-hour-today-990906

Pubali Bank to issue bonds worth Tk 4b

- Pubali Bank got regulatory permission to issue subordinated bonds worth BDT 4 billion for strengthening its Tier- II capital base under Basel-III norms.
- The Bangladesh Securities and Exchange Commission (BSEC) gave its consent on Tuesday for the issuance of the bonds and the face value of the bonds will be BDT 1 million each
- Earlier, the board of directors of Pubali Bank took the decision to issue its 4th subordinated bonds.
- Bonds to be issued will be non-convertible, unsecured, fully redeemable, and will have floating rates.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/pubali-bank-to-issue-bonds-worth-tk-4b-1731434114