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

Daily News Snippet

November 18, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,328.33
% change	-0.50%
DS30 Index	1,976.92
% change	-0.48%
DSES Index	1,182.95
% change	-0.55%
Turnover (BDT mn)	5,059.78
Turnover (USD mn)	42.16
% change	-12.21%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,444.99
% change	0.00%
S&P 500	5,870.62
% change	0.00%
Nikkei 225	38,642.91
% change	0.00%
FTSE 100	8,063.61
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	126.49	126.50
GBP	151.40	151.48
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average (%)**
17-Nov-24	9.80 - 11.00	10.07
14-Nov-24	9.80 - 11.00	10.01
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	70.9	-0.20%
Gold Spot, USD/t oz.	2,571.45	0.40%
Cotton, USD/lb.	69.12	0.30%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.50% in the last trading day, closing at 5,328.33 points.
- The daily turnover decreased by 12.21% on the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI was also closed yesterday.

Key macro indicators

- The values of USD, EUR, GBP, and INR remained stable against BDT.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 10.07% with a high rate of 11.00% and low rate of 9.80%.
- The oil price decreased 0.2% in the last trading day.

Bangladesh Macro Update

Graft biggest obstacle to doing business

- More than 16% of Bangladeshi businesses identified corruption as the biggest obstacle to their operations, according to a survey.
- Corruption, faced by businesses regardless of size, remains the main obstacle to doing business in Bangladesh, according to Khondaker Golam Moazzem, research director of local think tank Centre for Policy Dialogue (CPD).
- Business leaders also discussed how bureaucratic red tape, which was identified as one of the major business obstacles, is costing entrepreneurs.
- For instance, fast-moving consumer goods giant Unilever Bangladesh needed 30 months for the simple task of land acquisition, according to its Chairman and Managing Director Zaved Akhtar.
- The CPD survey also flagged inflation as a major risk factor for the economy over the next two years.

News Source:

https://www.thedailystar.net/business/news/graft-biggest-obstacle-doing-business-3755251

Upcoming reforms by govt to attract FDI in major sectors like renewables, ICT: Experts

- The interim government has initiated several reforms which are likely to attract foreign direct investment (FDI) in some of the country's high potential sectors, according to experts.
- The sectors in focus are renewable energy, information and communication technology (ICT), pharmaceuticals, and semiconductors.
- Mir Nasir Hossain, former FBCCI president, emphasised that longstanding mismanagement must be addressed to boost FDI.
- He also noted that Bangladesh lags behind its South Asian neighbours, including Nepal and Pakistan, in FDI as a percentage of GDP, but argued that renewable energy offers significant opportunities if investment-friendly policies are adopted.

News Source:

https://www.tbsnews.net/economy/upcoming-reforms-govt-attract-fdi-major-sectors-renewables-ict-experts-995701

Sectoral Update

Banks, NBFIs, and Insurance

NPLs at historic Tk 2.85 lakh crore as Hasina-era hidden defaults exposed

- Nonperforming loans (NPLs) in Bangladesh's banking sector have surged by a staggering BDT 73,586 crore in three months through September, marking a record quarterly increase.
- The latest figures, released by the Bangladesh Bank yesterday, show total NPLs now stand at BDT 2,84,977 crore, accounting for nearly 17% of the country's outstanding loans of nearly BDT 16.83 lakh crore.

- This represents a sharp rise from BDT 2,11,391 crore recorded in June.
- The surge follows the end of Sheikh Hasina's 15-year-plus rule, during which practises like "window dressing" allowed banks to conceal defaulted loan figures.
- Bangladesh Bank spokesperson Husne Ara Shikha attributed the surge to the adoption of international practices.

News Source:

https://www.tbsnews.net/node/995316

Energy

Electricity from Nepal will now reach Bangladesh through Indian grid

- Electricity generated in Nepal will now reach Bangladesh via the Indian grid, marking the first trilateral power transaction.
- The decision to facilitate the power transaction through the Indian grid was announced in June last year.
- Subsequently, the Bangladesh Power Development Board (BPDB), Nepal Electricity Authority (NEA), and NTPC Vidyut Vyapar Nigam Limited (NVVN) of India signed the tripartite power sales agreement at a ceremony in a Kathmandu hotel on 3 October this year.
- The start of this power flow from Nepal to Bangladesh through India is expected to boost sub-regional connectivity in the power sector.
- Earlier in June, the Cabinet Committee on Government Purchase approved a proposal to import 40MW of hydropower from Nepal at BDT 8.17 per unit, including transmission cost, under a five-year agreement.

News Source:

https://www.tbsnews.net/bangladesh/energy/electricity-nepal-will-now-reach-bangladesh-through-indian-grid-993781

Petroleum product distributors' business overshadowed by fixed income

- Petroleum and lubricant product distributors in the country witnessed a significant year-on-year jump in profit in FY24 as their non-operating income shot up amid rising interest rates.
- Of the four listed distributors, Eastern Lubricants experienced a 25.34% year-on-year rise in income to BDT 0.036 billion in the year to June 2024.
- Meghna Petroleum gained a 22.65% year-on-year increase in profit to BDT 5.42 billion while Padma Oil's profit was up 16.9% to BDT 4.08 billion in FY24.
- Operating profits of petroleum product distributors fell year-on-year in FY24 due to a reduction in petroleum consumption in the country as coal is being used as an alternative to petroleum products.
- That resulted in reduced revenue and profit for the listed petroleum product distributors

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/petroleum-product-distributors-business-overshadowed-by-fixed-income-1731858861

Capital Market

Fall of Islami Bank, Square Pharma, GP drags down Dhaka stocks

- The fall of large-cap stocks including Islami Bank Bangladesh, Square Pharmaceuticals and Grameenphone dragged down the index of the Dhaka Stock Exchange (DSE) yesterdaty.
- On the day, the benchmark index DSEX of the Dhaka bourse fell by 26 points and ended at 5,328, while the blue-chip index, DS30, slipped by 9 points to settle at 1,976.
- During the session, 150 issues advanced, while 185 declined and 48 remained unchanged.
- The large-cap companies Islami Bank Bangladesh, Square Pharma, Grameenphone and BRAC Bank contributed 20 points together to the index fall, according to the market insiders.
- Market turnover also decreased by 12% to BDT 506 crore compared to the previous session since investors preferred to remain watchful of the market's momentum surrounding the earnings declaration season.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-plunge-last-hour-amid-selling-pressure-995271

4 listed automobile companies report losses in Q1

- Four listed automobile companies incurred losses during the July-September quarter of the current fiscal year 2024-25, primarily due to sluggish demand, high taxes and increased interest burdens on loans.
- The affected companies are Aftab Automobiles, Atlas Bangladesh, Ifad Autos, and Runner Automobiles PLC.
- For the first quarter of FY25, Aftab Automobiles incurred a loss of BDT 4.60 crore, Atlas Bangladesh faced a loss of BDT 0.83 crore, Ifad Autos recorded a loss of BDT 5.70 crore and Runner Automobiles reported the highest loss at BDT 14.17 crore.
- Despite the challenging financial performance, the stock prices of some companies have shown mixed trends in recent months.

News Source:

https://www.tbsnews.net/economy/stocks/4-listed-automobile-companies-report-losses-q1-995696