EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

November 19, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,300.07
% change	-0.53%
DS30 Index	1,963.08
% change	-0.70%
DSES Index	1,171.43
% change	-0.97%
Turnover (BDT mn)	5,513.21
Turnover (USD mn)	45.94
% change	8.96%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43.389.60
% change	-0.13%
S&P 500	5,893.62
% change	0.39%
Nikkei 225	38,220.85
% change	-1.09%
FTSE 100	8,109.32
% change	0.57%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	126.49	126.50
GBP	151.05	151.48
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
18-Nov-24	9.90 – 11.00	10.04
17-Nov-24	9.80 – 11.00	10.07
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.30	3.18%
Gold Spot, USD/t oz.	2,612.20	1.99%
Cotton, USD/lb.	69.02	0.16%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.53% in the last trading day, closing at 5,300.07 points.
- The daily turnover increased 8.96% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.13% loss, S&P 500 posted 0.39% gain and FTSE 100 posted 0.57% gain.
- One of the leading Asian market indices, NIKKEI posted 1.09% loss in the last trading day.

Key macro indicators

- Major currency rates remained stable against BDT yesterday.
- The average overnight rate decreased in the last trading day.
- The current weighted average overnight rate stood at 10.04% with a high rate of 11.00% and low rate of 9.90%.
- The oil price increased 3.18% in the last trading day.

Global Macro Update

Gold rebounds after 6-day losses

- Gold prices rebounded on Monday, having posted losses in the previous six sessions, with gains driven by a pause in the US dollar's rally, while investors await comments from the Federal Reserve officials for clarity on the interest rate trajectory.
- Spot gold rose 1.2% to USD 2,591.43 per ounce by 1027 GMT, moving away from a two-month low hit on Thursday.
- US gold futures were up 1% at USD 2,595.80.
- Gold prices last week saw their biggest weekly decline in over three years as expectations of less aggressive interest rate cuts by the Fed boosted the dollar.
- Recent US economic data has reduced expectations for a December rate cut by the Fed.

News Source:

https://www.thedailystar.net/business/news/gold-rebounds-after-6-day-losses-3756046

US firms bullish on China's industrial transformation

- China's ongoing transformation and upgrade of traditional industries, coupled with the expansion of emerging sectors, will offer manufacturers in the United States vast opportunities for growth and commercial engagement.
- This strategic shift not only strengthens China's industrial landscape, but also creates new avenues for US firms to innovate and grow within its market.
- Milliken & Co, a US specialty chemical and performance materials company, is expected to maintain double-digit growth in China through 2025, driven by the country's rising demand for high-end textile materials and chemicals.
- Also upbeat about the Chinese market, GE Vernova Inc, a US energy equipment manufacturer, believes that China's commitment to energy transition and progress in building a new electricity system is remarkable.
- As China has already become a key export hub for many foreign corporations, this reality has brought many growth points for companies.

News Source:

https://www.thedailystar.net/business/news/us-firms-bullish-chinas-industrial-transformation-3755226

Bangladesh Macro Update

Moody's downgrades BD ratings to B2, outlook to negative

- Bangladesh's long-term issuer and senior unsecured ratings have been downgraded to B2 from B1 and outlook to negative by Moody's largely for reasons that include political-changeover unrest and past directed fund awarding.
- The country's outlook has been changed to negative from stable, according to the global ratings agency's report.

- It says that the downgrade reflects heightened political risks and lower growth, which increases government liquidity risks, external vulnerabilities and banking-sector risks, following the recent political and social unrest that led to a change in government.
- Ongoing political uncertainty and weakening growth lead Bangladesh to rely increasingly on short-term domestic debt to finance its deficit, raising liquidity risks.
- Additionally, higher risks to asset quality amplify structurally weak capital and liquidity in the banking system, increasing contingent liability risks for the sovereign.

News Source:

https://today.thefinancialexpress.com.bd/first-page/moodys-downgrades-bd-ratings-to-b2-outlook-to-negative-1731950449

Collection unhindered despite Q1 slump

- Economic downturn has not impacted the direct tax collection from large taxpayers in the first quarter of the current fiscal year (FY), 2024-25, according to the tax officials.
- The Large Taxpayers Unit (LTU), where all banks among other big payers, collected 12.14% higher revenue from July to September than the same period in FY24.
- However, the aggregate tax collection of the National Board of Revenue (NBR) declined by 6.07% during the same period.
- The officials said that most of the large corporates have not been impacted severely in paying taxes.
- Most of the banks, cell phone companies and tobacco firms are routinely paying taxes under the LTU, due to its strong monitoring and supervision.

News Source:

https://today.thefinancialexpress.com.bd/last-page/collection-unhindered-despite-q1-slump-1731951445

Sectoral Update

Banks, NBFIs, and Insurance

No company shutdown, action to prevent fund diversion to continue

- No companies will face shutdown but action is being taken against individuals at fault to prevent fund diversion, according to the Bangladesh Bank governor.
- The new management of the bank plans to pool around BDT 200 billion by unfreezing seized shares and floating fresh stocks on the bourses to minimize gaps between deposits and investments.
- Under the capital-repletion plans, Islami Bank Bangladesh PLC will collect BDT 100 billion through selling its shares seized by the central bank shortly after the fall of the Sheikh Hasina government.
- The remaining BDT 100 billion will be raised through issuing new shares, according to newly appointed Islami Bank Chairman Obayed Ullah Al Masud.

News Source:

https://today.thefinancialexpress.com.bd/first-page/no-company-shutdown-action-to-prevent-fund-diversion-to-continue-1731950342

Capital Market

Stocks down for 2nd day

- The Dhaka Stock Exchange (DSE) indices declined for two consecutive days, driven by profit-taking by investors and a drop in the prices of some blue-chip stocks.
- Market insiders attributed the decline in the capital market to rising non-performing loans (NPLs) in the banking sector.
- Yesterday, the benchmark DSEX index decreased by 28 points, closing at 5,300 points.
- The shariah index fell by 12 points to 1,171, and the blue-chip DS30 index decreased by 14 points to 1,963.
- Turnover on the DSE, however, increased by 9%, reaching BDT 551 crore from BDT 506 crore compared to the previous session.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-stock-exchange-sees-downtrend-early-trading-today-995996

ICB makes unexpected recovery in Q4, relying on dull market

- State-run Investment Corporation of Bangladesh (ICB) showed a 58% lower profit for FY24, compared to the year before.
- However, it made a remarkable recovery from a loss of BDT 2.67 billion in the first nine months through March of FY24 to gain an annual income of BDT 0.33 billion by the end of the fourth quarter to June this year.
- We have earned well in dividends, capital gains, and commission in the last quarter of FY24, according to ICB Managing Director Md. Abul Hossain.
- The recovery was unexpected because the investment bank had a negative net interest income (interest income-interest expenses) of BDT 5.39 billion in the first three quarters to March.
- The gap was supposed to widen in the fourth quarter because of the rising interest rates.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/icb-makes-unexpected-recovery-in-q4-relying-on-dull-market-1731945868