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

Daily News Snippet

November 20, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,242.66
% change	-1.08%
DS30 Index	1,942.90
% change	-1.03%
DSES Index	1,153.93
% change	-1.49%
Turnover (BDT mn)	5,148.52
Turnover (USD mn)	42.90
% change	-6.61%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,268.94
% change	-0.28%
S&P 500	5,916.98
% change	0.40%
Nikkei 225	38,414.43
% change	0.51%
FTSE 100	8,099.02
% change	-0.13%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	127.19	127.20
GBP	152.11	152.18
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
19-Nov-24	9.75 – 11.00	10.03
18-Nov-24	9.90 – 11.00	10.04
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.31	0.01%
Gold Spot, USD/t oz.	2,631.68	0.75%
Cotton, USD/lb.	69.25	0.33%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.08% in the last trading day, closing at 5,242.66 points.
- The daily turnover decreased 6.61% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.28% loss, S&P 500 posted 0.40% gain and FTSE 100 posted 0.13% loss.
- One of the leading Asian market indices, NIKKEI posted 0.51% gain in the last trading day.

Key macro indicators

- While the USD rate remained stable, all major currencies appreciated against BDT.
- The average overnight rate decreased in the last trading day.
- The current weighted average overnight rate stood at 10.03% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 0.01% in the last trading day.

Bangladesh Macro Update

Country loses $355m annually in taxes

- Bangladesh loses USD 355 million in taxes annually as multinational corporations and individual tycoons are parking funds in tax havens to underpay tax, revealed by a report on capital flight.
- The report, launched Tuesday by Tax Justice Network, says that tax loss has declined in recent findings from a height of USD 396.9 million cited in its 2023 report on state of justice.
- The amount of taxes could be mobilized if the assets worth USD 1.2 billion had not been siphoned off the country.
- Professor Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD), says that the actual amount of tax loss is much higher than that of the reported one as it is difficult to trace the siphoned-off assets to quantify.
- Our tax-to-GDP ratio is poor as the well-off have been involved in siphoning money.

News Source:

https://today.thefinancialexpress.com.bd/first-page/country-loses-355m-annually-in-taxes-1732036517

Sectoral Update

Banks, NBFIs, and Insurance

Bangladesh Bank bills make a comeback

- A three-year pause on Bangladesh Bank bills is over as the regulator is set to restart the liquidity-sterilization card to offset the injection of high-powered money into the banking system.
- As part of the liquidity-mopping-up plan, aimed at inflation control, the banking regulator will hold auction of 30-day-tenure bills today (Wednesday) and on November 27.
- Banks, financial institutions, individual and institutional investors can participate in competitive bidding, according to BB sources.
- But money-market analysts term the latest central-bank move in the current liquidity context 'very surprising' as it would create more burdens on the banks with the tightening of the market further.
- In response to the article, the central bank officially stated that it would issue instruments like BB bills of the same amount to withdraw the money from the market.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bangladesh-bank-bills-make-a-comeback-1732036451

Tk 2.65b liquidity support for 3 troubled banks

- Three troubled banks received BDT 2.65 billion more as liquidity support from four affluent banks under the central bank's guarantee scheme, according to officials.
- Under the arrangement, First Security Islami Bank received BDT 500 million, National Bank BDT 650 million and Exim Bank BDT 1.50 billion from four well off banks to ease their liquidity crunch.
- The four lender banks are Dutch-Bangla Bank, City Bank, Pubali Bank and Eastern Bank.

- Such liquidity support will be continued in the coming days, according to Spokesperson for the Bangladesh Bank (BB) Husne Ara Shikha.
- Seven cash-hungry banks have so far received BDT 70.50 billion as liquidity support from 10 affluent banks.

News Source:

https://today.thefinancialexpress.com.bd/last-page/tk-265b-liquidity-support-for-3-troubled-banks-1732037853

Apparel and Textile

RMG exports to EU log 2.47pc neg growth

- Bangladesh's ready-made garment (RMG) exports to the European Union (EU) sustained a 2.47% year-on-year negative growth during the first nine months of 2024.
- Apparel exports to the EU between January and September fetched 13.43 billion euros compared to 13.77 billion euros during the corresponding period last year, according to Eurostat data.
- RMG exporters said that the EU's overall imports had fallen during the period under review due to the global economic slowdown, while Bangladesh lagged its competitors because of a number of factors, including energy shortages and high production costs.
- The EU's total apparel imports from January to September stood at 62.86 billion euros, which was 2.48% lower than 64.46 billion euros logged during the same period of 2023.
- The EU's imports from Turkey and India also recorded 7.13% and 1% fall to 7.08 billion euros and 3.38 billion euros, respectively, during the first nine months of 2024.

News Source:

https://today.thefinancialexpress.com.bd/last-page/rmg-exports-to-eu-log-247pc-neg-growth-1732037582

Energy

Brunei offers to export 12-18 LNG cargoes annually to Bangladesh under 10-year contract

- The Sultanate of Brunei has offered to export 12-18 LNG (liquefied natural gas) cargoes to Bangladesh under a long-term contract of 10 years, with an option to extend the deal for five more years.
- According to a document, the Brunei Energy Services and Trading (BEST) Sdn Bhd, sent the offer to Bangladesh's state-owned Rupantarita Prakritik Gas Company Limited (RPGCL).
- Each cargo size under the proposal would be approximately between 3,100,000 and 3,200,000 MMBtu (Million British Thermal Unit, a unit used to measure LNG), the price quoted at JKM+0.87 USD per MMBtu.
- Official sources said that the final push came from Brunei in this regard when its Sultan Haji Hassanal Bolkiah paid a three-day state visit to Bangladesh on 15-17 October in 2022.

News Source:

https://www.tbsnews.net/bangladesh/energy/brunei-offers-export-12-18-lng-cargoes-annually-bangladesh-under-10-year-contract

Capital Market

DSEX closes day 57 points lower

- Dhaka stocks continued their downward trend on 19 November for the third consecutive session, driven by investor sell-offs.
- This decline has been attributed to concerns over a challenging economic environment, political uncertainty, and a drop in the prices of several blue-chip stocks.
- Market insiders highlighted that the rising non-performing loans (NPLs) data released recently by Bangladesh Bank, have negatively impacted the capital market.
- In the last three consecutive sessions, the premier index decreased by 112 points.
- Yesterday, the benchmark DSEX index decreased by 57 points, closing at 5,243 points.

News Source:

https://www.tbsnews.net/economy/stocks/dse-loses-1698-points-early-trading-today-997091

Five banks to raise Tk 20b through bonds

- Five listed banks have received approval of the securities regulator to raise BDT 20 billion in total by issuing subordinated bonds to strengthen their Tier-II capital base under Basel-III norms.
- The banks are Dhaka Bank, Bank Asia, Islami Bank Bangladesh, Exim Bank and Trust Bank.
- The bonds will be listed on the Alternative Trading Board (ATB) of the bourses as per the regulatory conditions.
- Buyers of such subordinated bonds accept a lower claim on the company's assets, after senior debt holders, but they are still above general shareholders.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/five-banks-to-raise-tk-20b-through-bonds-1732031225

BSEC seeks 5-year tax holiday for IPOs with 30% free-float

- To attract financially robust companies, the stock market regulator has proposed a five-year full corporate tax exemption for firms that will offload at least 30% of their shares on stock exchanges through IPOs.
- On 12 November, BSEC Chairman Khondoker Rashed Maqsood, submitted a proposal letter to the National Board of Revenue (NBR) and the Financial Institutions Division in this regard.
- In the proposal, the BSEC outlined a three-tiered corporate tax exemption structure based on the percentage of shares offered to the capital market, applicable to all companies, including telecom firms.
- Under this plan, companies offloading at least 20% of shares would enjoy a reduced corporate tax rate of 12.5%.
- For companies with at least 10% free-float, the tax rate would be set at 15%.

News Source:

https://www.tbsnews.net/economy/stocks/bsec-seeks-5-year-tax-holiday-ipos-30-free-float-997706