EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

December 26, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,169.32
% change	-0.03%
DS30 Index	1,923.02
% change	0.05%
DSES Index	1,158.69
% change	0.24%
Turnover (BDT mn)	2,757.65
Turnover (USD mn)	22.98
% change	-9.07%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,297.03
% change	0.91%
S&P 500	6,040.04
% change	1.10%
Nikkei 225	39,130.43
% change	0.24%
FTSE 100	8,136.99
% change	0.42%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	124.86	124.87
GBP	150.40	150.46
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
24-Dec-24	9.75 – 11.00	10.10
23-Dec-24	9.75 – 11.00	10.09
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.17	1.18%
Gold Spot, USD/t oz.	2,619.01	0.22%
Cotton, USD/lb.	68.78	-0.92%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.03% in the last trading day, closing at 5,169.32 points.
- The daily turnover decreased 9.07% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.91% gain, S&P 500 posted 1.10% gain and FTSE 100 posted 0.42% gain.
- One of the leading Asian market indices, NIKKEI posted 0.24% gain in the last trading day.

Key macro indicators

- While the USD rate remained stable, all major currency rates depreciated against BDT in the last trading day
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 10.10% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 1.18% in the last trading day.

Bangladesh Macro Update

Economic stabilisation should be first priority

- Bangladesh needs both economic and political reforms to address three major challenges, namely macroeconomic instability, rising inequality and poor governance, which are restricting the country's development potential, according to experts.
- Against this backdrop, the experts said forming a comprehensive and coordinated stabilisation programme should be the first priority in efforts to restore the country's macroeconomic stability.
- They were speaking at a daylong annual conference organised by the Chattogram branch of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), styled "Navigating Bangladesh's Evolving Economic Landscapes".
- Criminalisation grew in the industrial sector during the ousted Awami League's regime, according to Commerce Adviser Sk Bashir Uddin.
- Mentioning how the country suffers from crony capitalism in different sectors, Bashir said a situation akin to circular debt has been created in power tariffs.

News Source:

https://www.thedailystar.net/business/economy/news/economic-stabilisation-should-be-first-priority-3784556

Bangladesh earns a prestigious accolade

- A new direct shipping route between Chattogram Port and Karachi Port in Pakistan has been met with enthusiasm from local businesses as they expect a trade boost between the two countries.
- The whole country rejoices at the good news. A report published in a British newspaper on 21 December carried the headline, "Bangladesh, the Best Country of the year 2024."
- According to the influential magazine The Economist, Bangladesh has been named the best country of 2024.
- The Economist highlighted the fall of Sheikh Hasina's authoritarian government, brought about by a student uprising, and the new journey that Bangladesh has embarked upon.
- It is worth noting that the magazine published this report on its website last Thursday.
- Since 2013, The Economist has been selecting a "country of the year" each December.

News Source:

https://today.thefinancialexpress.com.bd/editorial/bangladesh-earns-a-prestigious-accolade-1735139761

Sectoral Update

Banks, NBFIs, and Insurance

BB directs banks to buy remittance dollars at Tk123 max

- The Bangladesh Bank (BB) has directed banks to buy remittance dollars at a maximum rate of BDT 123.
- The instruction came during a meeting of the central bank with 13 banks today (24 December), a day after the central bank instructed senior officials of most banks to collect remittances at the same rate.

- The dollar rate decreased by BDT 3-4 within a day of the central bank's call yesterday (23 December). By today, most banks had collected remittance dollars at the BDT 123 rate.
- However, despite the central bank's directive, several senior bank officials have reported that a few banks are still offering rates as high as BDT 124.
- The dollar market became volatile at the start of December after a relatively stable market for about four months.

News Source:

https://www.tbsnews.net/economy/banking/bb-directs-banks-buy-remittance-dollars-tk123-max-1026581

IDRA instructed to expedite accumulated claim settlement

- Billions worth of money in unsettled insurance claims has accumulated with the companies in flagrant default that invites government instructions for the regulator to heighten efforts to save people from deception, officials said.
- A total of BDT 62.15 billion has piled up in payment backlog over life-and non-life insurance claims with the insurers, as of end-September, which is seen as a testament to irregularities in the sector.
- Now that straightening the financial sector started amid massive reforms kicked off by the post-uprising interim government, the Financial Institutions Division (FID) under the Ministry of Finance has also asked the Insurance Development and Regulatory Authority (IDRA) to inform it about what effective measures have been taken for expediting the settlement of piled-up insurance claims.
- Moreover, the regulator has been asked to submit the numbers of insurance policies and of claim settlement at the next monthly meeting of the FID.
- Officials said the IDRA has also been told to make a list of companies lagging behind in settling insurance claims and what work plan the regulator has to deal with those defaulting firms.

News Source:

https://today.thefinancialexpress.com.bd/first-page/idra-instructed-to-expedite-accumulated-claim-settlement-1735148850

Potential of a green bank

- A new direct shipping route between Chattogram Port and Karachi Port in Pakistan has been met with enthusiasm from local businesses as they expect a trade boost between the two countries.
- Much as the public and private commercial banks may find themselves pitted against overwhelming odds---some of those in an intractable imbroglio, this unique idea of a green bank catering only to the environmental issues demands a closer scrutiny.
- First of its kind not only in this country but perhaps in the wider world, the bank primarily proposes to help build a green economy.
- The other important objective it wants to serve is play a crucial role in attaining the country's sustainable development goals (SDGs) scheduled for 2030.
- An organisation named the Water and Essential (WE) has already submitted its proposal for a licence to the Ministry of Environment, Forest and Climate Change (MoEFC) and the latter has forwarded it to the financial institution division (FID) but not before suggesting the formation of a committee for a feasibility study.

- Notwithstanding the rosy picture the sponsor of the proposed bank paints in favour of mitigating the increasingly growing fragile environment, the details of how its financing will serve the objectives are yet to be available.

News Source:

https://today.thefinancialexpress.com.bd/editorial/potential-of-a-green-bank-1735139637

Apparel and Textiles

Textile millers seek permission to import recyclable plastics

- The country's textile millers have urged the government to permit the import of recyclable plastics and to provide adequate support for utilising plastic flakes and polyester staple fibre (PSF) products produced through proper procedures.
- These products could serve as import substitutes and significantly contribute to the economy by generating foreign exchange through exports, according to Showkat Aziz Russell, president of the Bangladesh Textile Mills Association (BTMA).
- Russell said that allowing the import of recyclable plastics and textile waste with a 5% specific duty for use in the recycling textile industries could add an additional USD 40–50 billion annually in export earnings.
- Furthermore, the BTMA advocated for safeguarding the legitimate interests of the local industry by facilitating the import of all types of textile waste, including cotton waste, which serves as a key raw material for mills producing recycled fibre.

News Source:

https://www.tbsnews.net/economy/industry/textile-millers-seek-permission-import-recyclable-plastics-1025876

Pharmaceuticals

Pharma product imports soar

- The imports of medicines, pharmaceutical products and intermediate goods have been on the rise despite significant domestic production for local and overseas markets, according to market insiders.
- The increase in imports is attributed to the rising health hazards and critical diseases among people in recent years.
- The imports of the pharmaceutical products and their intermediate goods have surged by 30.1% during the first four months of the current fiscal year to the tune of USD 146.7 million from that of BDT 112.8 million in the same period last FY2024, according to Bangladesh Bank (BB).
- On the other hand, export of the pharmaceutical products grew by 4.38% to USD 69.85 million during the July-October period compared to USD 66.92 million in the corresponding period last fiscal, according to Export Promotion Bureau (EPB).
- Market insiders said that Bangladesh imports mostly life-saving drugs from overseas suppliers, with China, India, Belgium, South Korea and USA as key main suppliers.

News Source:

https://today.thefinancialexpress.com.bd/first-page/pharma-product-imports-soar-1735149145

Travel and Leisure

Political unrest, economic slump stifle tourism in 2024

- The outgoing year 2024 has been a year of uncertainties and undesired situations for the country's tourism sector, which faced a severe blow due to the economic slowdown and political unrest, coupled with geopolitical tensions in neighbouring countries.
- Several significant events, including national elections at the very beginning of the year, regime change in the middle, and restrictions on different tourism spots, hindered the sector's growth.
- Other such events include major floods across the southern region in August and violence in the Chittagong Hill Tracts in September, followed by travel restrictions on the St Martin's Island.
- Also, the government imposed VAT on tour operators' services, effective from the current fiscal year.
- The sector was affected by not only politics and the economic situation but also fiscal measures, according to the immediate past president of the Tour Operators Association of Bangladesh (TOAB), Shiblul Azam Koreshi, referring to the newly imposed VAT.

News Source:

https://today.thefinancialexpress.com.bd/last-page/political-unrest-economic-slump-stifle-tourism-in-2024-1735149229

Capital Market

Dhaka bourse records lowest turnover in five months

- Dhaka Stock Exchange (DSE) saw its lowest turnover in five months on December 24, as investor participation dwindled significantly.
- Trading activities remained stagnant with market turnover in DSE falling below the BDT 300 crore mark for the first time in two weeks.
- The day's daily turnover stood at BDT 275 crore.
- The last time turnover fell lower than this was on 4 August, when it hit BDT 207 crore.
- Meanwhile, market sentiment remained subdued, with the benchmark index, DSEX, shedding 1.47 points to close at 5,169.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-bourse-records-lowest-turnover-five-months-1026211

BAT Bangladesh to invest Tk 28cr for capacity expansion

- British American Tobacco Bangladesh Company, a leading multinational cigarette manufacturer, plans to invest BDT 28.38 crore to enhance its production capacity and meet the growing demand for its products.
- The company said that the investment would be financed through a combination of internal resources and bank loans, aligning with its cash flow strategy.
- BAT Bangladesh operates factories in Dhaka and Savar, alongside a green leaf threshing plant in Kushtia and a green leaf re-drying plant in Manikganj.

- According to a quarterly financial statement, it produced 50,305 million sticks and 4.16 million kilograms of tobacco leaf in the first nine months of this year.
- In its 2023 annual report, the company said that it has been gradually investing in expanding production capacity to meet growing demand both locally and internationally.

News Source:

https://www.tbsnews.net/economy/industry/bat-bangladesh-invest-tk28cr-capacity-expansion-1027246