EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

January 01, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,216.44
% change	0.22%
DS30 Index	1,939.73
% change	0.42%
DSES Index	1,168.90
% change	0.22%
Turnover (BDT mn)	3,738.65
Turnover (USD mn)	31.16
% change	-0.13%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,544.22
% change	-0.07%
S&P 500	5,881.63
% change	-0.43%
Nikkei 225	39,894.54
% change	-0.96%
FTSE 100	8,173.02
% change	0.64%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	124.88	124.90
GBP	150.61	150.64
INR	1.40	1.40
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
30-Dec-24	9.75 – 11.00	10.23
29-Dec-24	9.75 – 11.00	10.14
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.99	0.27%
Gold Spot, USD/t oz.	2,605.39	-0.56%
Cotton, USD/lb.	68.48	-0.60%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.22% in the last trading day, closing at 5,216.44 points.
- The daily turnover decreased 0.13% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.07% loss, S&P 500 posted 0.43% loss and FTSE 100 posted 0.64% gain.
- One of the leading Asian market indices, NIKKEI posted 0.96% loss in the last trading day.

Key macro indicators

- While the USD rate remained stable, all major currencies depreciated against BDT.
- The average overnight rate increased in the last trading day.
- The current weighted average overnight rate stood at 10.23% with a high rate of 11.00% and low rate of 9.75%.
- The oil price increased 0.27% in the last trading day.

Bangladesh Macro Update

Revenue collection falls in Nov though business climate improves

- Bangladesh's revenue collection fell in November this year even though the country saw improvement in its business climate that month thanks to the alleviation of political uncertainties stemming from the nationwide mass uprising in July-August.
- Revenue collection amounted to BDT 25,360 crore in November, down 8.95% compared to the same month the year prior, shows provisional data of the National Board of Revenue (NBR).
- On top of that, overall revenue collection declined 2.62% year-on-year to BDT 130,185 crore in the July-November period of the 24-25 fiscal year (FY).
- Besides, the tax administrator was BDT 38,830 crore behind its collection target of BDT 169,015 crore for the first five months of FY25, with its end goal set at BDT 480,000 crore for the year.
- Bangladesh underwent political upheaval in the July-August period as a student movement culminated in an uprising that ended the 15-year reign of the Awami League government led by Sheikh Hasina.

News Source:

https://www.thedailystar.net/business/economy/news/revenue-collection-falls-nov-though-business-climate-improves-3789071

Recovery on some fronts, but investment gaps, banking instability still key concerns

- Bangladesh's economy has shown signs of recovery in the final quarter of 2024, with notable improvements in key indicators such as card transactions, remittance inflows, exports, and the issuance of letters of credit (LCs) for imports.
- During the peak of the student-led mass uprising against Sheikh Hasina's government in July, card transactions dipped by 1% month-on-month.
- The opening of LCs for imports also picked up in October and November, reversing a three-month decline.
- Remittance inflows have also surged, reaching nearly USD 27 billion in 2024, a 22% year-on-year increase.
- Also, merchandise exports posted a 15.63% year-on-year increase in November, earning USD 4.11 billion.
- Inflation remains a pressing issue, with rates stuck in double digits for nearly three years.

News Source:

https://www.tbsnews.net/economy/recovery-some-fronts-investment-gaps-banking-instability-still-key-concerns-1031866

Sectoral Update

Banks, NBFIs, and Insurance

BB tightens stress testing rules, mandates banks to disclose subsidiary portfolios

- To properly assess the banking sector's resilience, the central bank has updated its stress testing guidelines, requiring banks to disclose information about both their own portfolios and those of their subsidiaries – a shift from the previous rule that only mandated disclosure of banks' portfolios.
- The revised guidelines, issued by the Bangladesh Bank's Financial Stability Department on 30th December, also specify the roles and responsibilities of a bank's senior management and board directors – an area that lacked clear guidance previously.
- Additionally, the new guidelines outline the types of measures or preventive actions that banks can take in adverse economic and financial scenarios.
- Several modifications have been introduced to the method for measuring a bank's credit, market, operational and liquidity risks.
- A new component, the impact of climate shocks, has been added to the operational risk section, allowing the central bank to assess how the country's climate vulnerability affects bank assets.

News Source:

https://www.tbsnews.net/economy/banking/bb-tightens-stress-testing-rules-mandates-banks-disclose-subsidiary-portfolios

Central bank extends time for banks to repay guaranteed loans

- The Bangladesh Bank (BB) has granted a three-month extension to several crisis-prone banks for repaying the central bank-guaranteed loan, reports UNB.
- These banks include First Security Islami Bank, Global Islami Bank, Social Islami Bank, Union Bank, and National Bank.
- These banks were unable to meet the December deadline for repaying the first phase of loans obtained under the BB's guarantee scheme.
- This loan guarantee scheme allows crisis-prone banks to borrow from financially sound banks in the interbank money market with BB's backing.
- In the initial phase, these banks received a guaranteed loan of Tk 9.0 billion, with a three-month repayment period. However, due to ongoing financial difficulties, they were unable to repay the loan within the stipulated timeframe.

News Source:

https://today.thefinancialexpress.com.bd/last-page/central-bank-extends-time-for-banks-to-repay-guaranteed-loans-1735670730

Apparel and Textiles

No growth in RMG exports to non-traditional markets

- Bangladesh's readymade garment exports to non-traditional markets slightly declined in the July-November period of FY2024-25 due to reduced knitwear shipments, while earnings from traditional markets, including the United States and the European Union, saw significant growth in the period.
- The country's export earnings from the nontraditional market in the first five months of FY25 fell by 0.77% to USD 2.76 billion from USD 2.78 billion in the same period of FY24, according to the Export Promotion Bureau data.
- The country's export destination other than the US, the EU, the UK and Canada considered as nontraditional market.
- Although the RMG exports to nontraditional markets decreased slightly, the earnings from Japan, India, South Korea, Turkey and Mexico registered a moderate growth in the first five months of FY25.

News Source:

https://www.newagebd.net/post/apparel/253979/no-growth-in-rmg-exports-to-non-traditional-markets

Engineering

Shipbreaking industry to implement workers' minimum wages from new year

- The country's shipbreaking industry is going to implement the minimum wages for its workers, set by the Ministry of Labour and Employment, from 1 January 2025, the first day of 2025.
- The minimum wage structure includes five worker categories, with Grade-1 workers, such as foremen, ship in-charges, and electrical foremen, receiving a monthly salary of BDT 31,750 and a daily wage of BDT 1,225.
- Grade-2 workers, including supervisors, assistant foremen, winch drivers, and crane operators, are entitled to a minimum monthly salary of BDT 24,250 and a daily wage of BDT 935.
- Grade-3 workers, such as cutter men, fitters, electricians, and mechanics, who face the highest risks during the dismantling of ships, will get a minimum daily wage of BDT 820 and a monthly salary of BDT 21,250.

News Source:

https://www.tbsnews.net/economy/industry/ship-breaking-industry-implement-minimum-wages-january-2025-1031491

Energy

Govt cuts kerosene, diesel prices by Tk 1.0 per litre

- The prices of diesel and kerosene have been reduced by BDT 1.0 per litre with effect from today.
- According to new prices set by the Energy and Mineral Resources Division for the month of January, diesel and kerosene will be sold at BDT 104 per litre instead of the earlier price of BDT 105.

- The prices of octane and petrol will remain unchanged at BDT 125 and BDT 121 per litre respectively.
- The new prices have been set under the automated pricing formula in light of the adjustment of prices in the global market, according to the Energy and Mineral Resources Division.

News Source:

https://today.thefinancialexpress.com.bd/first-page/govt-cuts-kerosene-diesel-prices-by-tk-10-per-litre-1735670359

Capital Market

Dhaka bourse ends year on positive note

- The Dhaka Stock Exchange (DSE) closed the year on a high note on 30 December, with its key index managing to finish in positive territory despite a majority of stocks experiencing declines.
- The benchmark index, DSEX, surged by 11 points to reach 5,216, while the blue-chip index, DS30, gained 8 points to close at 1,939.
- The daily turnover slightly decreased to BDT 373 crore from the previous session.
- Western Marine Shipyard led the gainers' list, followed by BIFC and Shasha Denims.
- On the other hand, IPDC Finance emerged as the day's worst performer.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-bourse-ends-year-positive-note-1030371

Market to decide its course in 2025 as regulator stops interference

- The market decides its own course now as the August political changeover and subsequent restructuring of the board of the securities commission led to its emancipation from regulatory interventions.
- Market experts said that the previous two commissions exerted direct or indirect influences on the market index and turnover to create a false but positive impression among investors.
- The good sign of the present commission is that it does not worry over index movement and does not intend to prevent its decline artificially.
- The new commission has reiterated its pledge to ensure good governance.
- As part of fulfilling the pledge, it formed several probe committees to look into allegations of malpractices and identify those behind them.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/market-to-decide-its-course-in-2025-as-regulator-stops-interference-1735667602