EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

January 21, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,195.83
% change	0.99%
DS30 Index	1,923.10
% change	1.06%
DSES Index	1,171.16
% change	1.35%
Turnover (BDT mn)	4,269.29
Turnover (USD mn)	34.99
% change	16.01%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,487.83
% change	0.00%
S&P 500	5,996.66
% change	0.00%
Nikkei 225	38,902.50
% change	1.17%
FTSE 100	8,520.54
% change	0.18%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	125.31	125.32
GBP	148.39	148.49
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
19-Jan-25	9.90 - 11.00	10.11
16-Jan-25	9.90 - 11.00	10.18
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	80.15	-0.79%
Gold Spot, USD/t oz.	2,710.42	0.33%
Cotton, USD/lb.	67.60	0.00%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX rose by 0.99% in the last trading day, closing at 5,195.83 points.
- The daily turnover increased by 16.01% in the last trading day.

Global Market

- The Dow Jones Industrial Average and S&P 500 were closed yesterday. The FTSE 100 rose by 0.18%.
- The NIKKEI 225 rose by 1.17%.

Key macro indicators

- The global exchange rates remained stable.
- The average overnight rate has fallen over the past two working days from 10.18% to 10.11%.
- The latest weighted average overnight rate stood at 10.11% with a high rate of 11.00% and low rate of 9.90%.
- The commodities market showed mixed performance in the last trading day; the oil price decreased by 0.79% in the last trading day and the price of gold increased by 0.33%. The market for cotton futures was closed.

Bangladesh Macro Update

Inflation control pivotal in new-look monetary policy

- Inflation control remains pivotal in a new-look monetary policy for the second half of current fiscal that falls under purview of the post-uprising government to manage, as discussed Monday in a preparatory meeting.
- The central bank sought individual opinions from the members of the Monetary Policy Committee (MPC) "as soon as possible" for finalizing the monetary measures for another six months, starting from this January, officials said.
- The opinions were sought at the meeting of the MPC held at the Bangladesh Bank (BB) headquarters in the capital in a hybrid format with Bangladesh Bank Governor Dr Ahsan H. Mansur in the chair.
- At the meeting, Dr Md. Ezazul Islam, an executive director of the BB, gave a presentation on the country's latest macroeconomic situation with focus on inflation, interest rate, exchange rate and liquidity position.
- The central bank is now working to formulate its upcoming monetary policy with top priority given to curbing the inflation pressure on the economy by keeping exchange rate stable.

News Source:

https://today.thefinancialexpress.com.bd/first-page/inflation-control-pivotal-in-new-look-monetary-policy-1737393158

Teams to be sent abroad to identify laundered assets: Finance adviser

- The government is going to send teams to the United Arab Emirates and other countries to identify assets held abroad by Bangladeshi taxpayers and bring the money back to the country, Finance Adviser Salehuddin Ahmed has said.
- Salehuddin Ahmed came up with the information while speaking at the 9th edition of the Global Student Entrepreneur Awards Bangladesh grand finale, organised by the Entrepreneurs' Organisation at Hotel Renaissance in Dhaka's Gulshan 19 January.
- The finance adviser also added thatit will not be possible to recover all the money, rather the objective is to give a message that this will not happen again in the future.
- The finance adviser also said that they had taken various steps to identify and repatriate laundered money.
- Salehuddin said that sending teams alone will not help and concrete evidence against the launderers are also needed.

News Source:

https://www.tbsnews.net/bangladesh/teams-be-sent-abroad-identify-laundered-assets-finance-adviser-1047746

Sectoral Update

Banks, NBFIs, and Insurance

Banks settle Tk1.77 lakh crore default loan cases with just 20% recovered

- Cases involving BDT 1.76 lakh crore default loan have been settled through different courts as of June 2024, with the recovery of only BDT 35,780 crore or a dismal 20.25% of the total amount, according to the Bangladesh Bank.
- Bank officials say the key reasons for these loans being defaulted include indiscriminate loan disbursement in collusion with bank directors and related institutions, overvaluation of collateral, and the closure of borrowing institutions.
- The central bank's report states that loan recovery cases against defaulters are filed through four types of courts in the country, the money loan courts, bankruptcy courts, certificate courts, and other district-level courts.
- The report shows that state-owned banks had the lowest recovery rate from the settlement of default loan cases through the courts.
- These banks had outstanding dues of BDT 1.05 lakh crore, from which they recovered just 17.46%.

News Source:

https://www.tbsnews.net/economy/banking/banks-settle-tk177-lakh-crore-default-loan-cases-just-20-recovered-1048326

Interbank forex spot mkt still slack

- The interbank foreign exchange spot market remains almost inactive despite recent changes in the exchange rate mechanism that included the introduction of a reference rate-driven system.
- To make the forex spot market more vibrant, the central bank on December 31 last year introduced a reference-centric exchange rate mechanism to bring stability in the then volatile foreign exchange market, ending virtually an inefficacious crawling peg experiment.
- After observing the first six days of the spot market since the new system was applied on January 12 this year, it was found that the market where banks make outright transactions in US dollars remained almost inactive.
- As there is an unofficial upper ceiling in forex buy-sell in the interbank market, many commercial banks try to avoid the highly-regulated spot market and largely trade their precious dollars through byways like interbank swapping and forward transactions to gain more.
- Even the International Monetary Fund (IMF) representatives very recently in a virtual meeting with the banking regulator's high-ups raised questions over the new system's effective functioning.

News Source:

https://today.thefinancialexpress.com.bd/first-page/interbank-forex-spot-mkt-still-slack-1737393288

Apparel and Textiles

BKMEA for easy FOC facility to spur exports

- The country's knitwear exporters have demanded steps to resolve complexities related to the import of raw materials and exports of finished goods under the FOC (free of cost) facility.
- They also urged the government to extend the facility to all exporters by removing the existing conditions, terming it 'risk- free' and 'beneficial'.
- The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) in a recent letter to the National Board of Revenue made the pleas.
- Export-oriented non-bonded readymade garment factories generally procure yarn, fabric and accessories locally through back-to-back letters of credit (L/C).
- Currently, due to the policy of the central bank, import of raw materials has increased significantly instead of sourcing those from local sources, according to BKMEA president Mr Hatem.

News Source:

https://today.thefinancialexpress.com.bd/last-page/bkmea-for-easy-foc-facility-to-spur-exports-1737393382

Energy

Govt to revisit IPP tariffs amid pricing concerns

- The interim government is set to form a committee to review the tariffs of independent power producers (IPPs), according to Power, Energy, and Mineral Resources Adviser Muhammad Fouzul Kabir Khan.
- The decision to revisit the government's power purchase prices from the IPPs followed a meeting with the Bangladesh Independent Power Producers' Association (BIPPA) at his office in the capital.
- BIPPA President David Hasanat said that after the meeting that the generalised claim that IPPs enjoy an "extortion tariff" is threatening Bangladesh's energy security, economic stability, and investment potential.
- In response, they requested the government to analyse which plants' electricity selling prices are fair and which are not.
- Labelling everything as grey is dangerous, as many fair players become victims of generalised blaming.

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-revisit-ipp-tariffs-amid-pricing-concerns-1048266

Capital Market

Stock market sees significant surge

- The Dhaka Stock Exchange experienced a substantial rise in indices on the second trading day of the week.
- At the end of trading on Monday, all three major indices of the Dhaka Stock Exchange witnessed gains.
- The DSEX, the benchmark index, increased by 50 points to 5,195 points.
- The Shariah-based DSES index rose by 15 points, while the DS30, which tracks selected large-cap shares, gained 20 points.

- Out of the traded stocks, 248 companies saw price hikes, 81 experienced declines, and 71 remained unchanged.

News Source:

https://www.newagebd.net/post/stocks/255887/stock-market-sees-significant-surge

Summit Alliance Port shares soar as Hellmann Worldwide acquires 40% stake in freight business

- Shares of Summit Alliance Port surged after German logistics giant Hellmann Worldwide announced plans to acquire a 40% stake in Summit Alliance's freight forwarding and shipping agency business.
- The strategic partnership is set to enhance Summit Alliance's global reach and operational capabilities, aligning with Hellmann's goal of expanding its footprint in South Asia, according to its price-sensitive statement filed on the Dhaka Stock Exchange (DSE).
- Following the announcement, Summit Alliance Port shares jumped 9.90% to close at BDT 22.20 on 20 January at the Dhaka Stock Exchange.
- Summit Alliance operates its freight forwarding and shipping agency business through its subsidiary, Container Transportation Services Limited, which also serves as the local agent for Hellmann Worldwide Logistics International.
- The company signed an agreement with Summit Alliance Port on 19 January to purchase 3.33 lakh shares of Container Transportation Services at a face value of BDT 10 each, with an additional premium of BDT 56.50 per share.

News Source:

https://www.tbsnews.net/economy/stocks/summit-alliance-port-shares-soar-hellmann-worldwide-acquires-40-stake-freight