EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

January 29, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,126.42
% change	-0.07%
DS30 Index	1,896.97
% change	0.11%
DSES Index	1,145.48
% change	-0.41%
Turnover (BDT mn)	3,283.19
Turnover (USD mn)	26.91
% change	-4.57%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,850.35
% change	0.31%
S&P 500	6,067.70
% change	0.92%
Nikkei 225	39,364.50
% change	-0.51%
FTSE 100	8,533.87
% change	0.35%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	127.99	128.01
GBP	152.45	152.48
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
28-Jan-25	9.75 - 11.00	10.01
27-Jan-25	9.75 - 11.00	10.02
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	76.49	0.41%
Gold Spot, USD/t oz.	2,762.72	0.77%
Cotton, USD/lb.	66.98	-0.43%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.07% in the last trading day, closing at 5126.42 points.
- The daily turnover fell by 4.57% in the last trading day.

Global Market

- Some of the key global indices performed positively in the last trading day; the Dow Jones Industrial Average rose by 0.31%, the S&P 500 rose by 0.92%, and the FTSE 100 rose by 0.35%.
- One of the key Asian indices, the Nikkei 225 fell by 0.51%.

Key Macro Indicators

- The value of the BDT rose against the EUR and INR, fell against the GBP, and remained stable against the USD.
- The average overnight rate stood at 10.01%, standing between 9.75% and 11.00%.
- Oil prices rose by 0.41%, gold prices rose by 0.77%, and cotton prices fell by 0.43%.

Bangladesh Macro Update

Bangladesh faces uneven economic shift as manufacturing declines, services rise

- Bangladesh has experienced a downturn in manufacturing over the last decade, coupled with a surge in the services sector — marking a shift away from the typical pattern seen in developed economies.
- Unlike advanced nations, which transition to service-led growth after robust industrialisation, this shift in Bangladesh points out structural weaknesses, and policy inconsistency including a lack of investment in manufacturing and an increasing reliance on imported goods, according to economists and businesses.
- Economists warn that such a transition, often termed "premature deindustrialisation," could undermine the country's long-term economic resilience, as manufacturing traditionally plays a vital role in creating jobs, boosting productivity, and fostering export growth.
- The growing prominence of services, while significant, is yet to compensate for the economic contributions lost from the decline in industrial activities.
- The latest Economic Census 2024, set to be released in 29 January, reveals that the country has 11.87 million economic units (establishments engaged in economic activities), with manufacturing accounting for 8.77% and service-related units making up 91.23%.

News Source:

https://www.tbsnews.net/economy/bangladesh-faces-uneven-economic-shift-manufacturing-declines-services-rise-1055316

Country largely bypasses industrialisation

- Non-agricultural economic units like business establishments numbered 11.88 million in 2024 with a 51.91% growth in last 11 years from 7.82 million in 2013 as per official count, but economists see deviation from economic-expansion trajectory.
- They point out growth path of developed economies -- a transition from agriculture to manufacturing to services sector.
- Less than 0.14 million, only 3.42% of 4.06 million new units, have been established to operate business in the manufacturing sector, while the remaining 96.58% in the services sector, reveals the preliminary report on the Economic Census done by Bangladesh Bureau of Statistics (BBS).
- The findings of the economic census undermine the high and sustained boost in the gross domestic product (GDP) of Bangladesh preselected by the BBS over the last decade based on a high growth of manufacturing industries, says experts, economists, representatives of the private sector and officials of the BBS.
- The economy has seen declining manufacturing and a growing services sector, deviating from the typical path of developed economies. This trend exposes structural weaknesses, policy inconsistencies, and inadequate investment in manufacturing, and growing dependence on imports.

News Source:

https://today.thefinancialexpress.com.bd/first-page/country-largely-bypasses-industrialisation-1738088019

Sectoral Update

Banks, NBFIs, and Insurance

Weak banks' clients to get back deposits in stages

- Governor of the Bangladesh Bank (BB) Dr Ahsan H Mansur has assured clients of weak banks that their funds will be returned, albeit in stages, and urged patience as the process unfolds.
- Steps like implementing the Bank Resolution Act and consolidating some banks are under consideration.
- The governor highlighted the growing competition faced by microcredit institutions, noting that mobile financial service (MFS) providers are now offering loans and collecting deposits.
- Additionally, the emergence of digital banks would pose a new challenge to microfinance institutions, he added.
- Mansur said when there would be agent banking outlets in almost every village, MFIs would face challenges if they do not implement technological upgradation.
- FID Secretary Mobarek said the government and MRA should help smaller non-government organisations (NGOs) and MFIs as they are increasingly threatened by larger MFIs.

News Source:

https://today.thefinancialexpress.com.bd/last-page/weak-banks-clients-to-get-back-deposits-in-stages-1738088553

Pressure on import payments drives up remittance dollar rates

- After remaining stable for nearly three weeks due to strict measures by the Bangladesh Bank, the remittance dollar market has once again started to become volatile, with rates rising amidst mounting pressures on banks to clear overdue payments.
- According to senior officials from at least eight banks, the current buying rate for remittance dollars has climbed to BDT 122.50, an increase of 50 basis points over the past two weeks, with a notable 20-basis-point rise just in 28 January.
- However, banks continue to report the rate as BDT 122 to the Bangladesh Bank, in line with its directives.
- In late December, the Bangladesh Bank issued verbal instructions to banks, setting a maximum rate of BDT 122 for buying and selling remittance dollars.
- A central bank circular also specified that the maximum spread between buying and selling rates should not exceed BDT 1, warning the banks of punitive actions, including fines, for violations.

News Source:

https://www.tbsnews.net/economy/banking/pressure-import-payments-drives-remittance-dollar-rates-1055306

Energy

Potential offshore Sangu platform lies idle

- Bangladesh's maiden offshore hydrocarbon platform worth around USD 300 million lies long idle since the dereliction of Sangu gas field over a decade ago despite its potential for using as a facility to re-gasify liquefied gases.
- The facility with subsea pipeline and an onshore processing unit has been laid to waste for government negligence, while private companies making the most out of domestic gas shortages and import of liquid gases.
- Neither did the government take any initiative to utilise the infrastructure itself nor lease it out to any interested sponsor to operate it.
- Keeping the infrastructure unused for a longer time is posing threat of permanent damage to the facility.
- Official sources have said that the previous authoritarian Awami League government did not take any initiative to use the precious Sangu natural-gas platform although several local and global firms sought permission to operate it.

News Source:

https://today.thefinancialexpress.com.bd/first-page/potential-offshore-sangu-platform-lies-idle-1738088222

Capital Market

DSEX extends losing streak to five days

- The benchmark index of the Dhaka Stock Exchange (DSE), DSEX, continued its downward trajectory for the fifth consecutive session on 28 January, further eroding investor confidence and impeding market recovery.
- Over the five-day stretch, the DSEX dropped by 75 points, reflecting the prevailing market uncertainty that has weighed on investor sentiment, with many remaining cautious and hesitant to engage fully.
- The downturn in blue-chip stocks further contributed to the prolonged slide.
- The benchmark DSEX index dropped by 3 points, closing at 5,126.
- Turnover at the DSE, decreased by 5% to BDT 328 crore against the previous session.

News Source:

https://www.tbsnews.net/economy/stocks/dsex-extends-losing-streak-five-days-1055251

Govt to sell shares of Beximco Pharma, Shinepukur Ceramics to pay workers of 16 factories

- The government will arrange the sale of Beximco's mortgaged shares in Beximco Pharmaceuticals and Shinepukur Ceramics to clear dues of workers from laid-off factories by February, according to Labour Adviser Brig Gen (retd) M Sakhawat Hossain.
- The funds generated from this sale will be used to pay workers' gratuity, service benefits, and any other legally required payments.

- A meeting will be held next Sunday with the Bangladesh Securities and Exchange Commission, the Finance Division, and the banks concerned to arrange for the sale of mortgaged shares of Beximco Pharma and Shinepukur Ceramics.
- The Textiles and Apparels Division of Beximco, owned by ousted prime minister Sheikh Hasina's adviser Salman F Rahman, has borrowed BDT 28,544.14 crore from 12 banks and financial institutions.
- He added that a forensic investigation will be conducted to assess how these loans were disbursed, and actions will be taken against those involved.

News Source:

https://www.tbsnews.net/economy/industry/govt-sell-shares-beximco-pharma-shinepukur-ceramics-pay-beximco-workers-1054941

Marico Bangladesh to repatriate record Tk 536cr profits to India

- Marico Bangladesh, a subsidiary of India-based multinational personal care leader Marico Limited, has announced plans to repatriate a historic BDT 536 crore in profits back to India as dividends.
- The company declared a record 1,890% interim cash dividend, amounting to BDT 596 crore, for the April-December period of FY2024-25.
- Marico Limited, which holds a 90% stake in the Bangladesh subsidiary, will receive the majority of this payout.
- Despite the challenging business environment, Marico Bangladesh's profits surged by 28% year-on-year profit growth, reaching BDT 458.79 crore for the April-December period.
- Revenue also rose by 12% to BDT 1,245 crore compared to the same period in FY24.

News Source:

https://www.tbsnews.net/economy/stocks/marico-bangladesh-repatriate-record-tk536cr-profits-india-1055301