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

Daily News Snippet

February 16, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,201.48
% change	0.23%
DS30 Index	1,919.11
% change	0.30%
DSES Index	1,155.73
% change	0.29%
Turnover (BDT mn)	4,017.73
Turnover (USD mn)	32.93
% change	2.72%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,711.43
% change	0.77%
S&P 500	6,115.07
% change	1.04%
Nikkei 225	39,461.47
% change	0.66%
FTSE 100	8,764.72
% change	-0.49%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	126.66	126.67
GBP	151.79	151.83
INR	1.40	1.40
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
13-Feb-25	9.75 - 11.00	10.05
12-Feb-25	9.75 - 11.00	10.08
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	75.02	-0.21%
Gold Spot, USD/t oz.	2,929.03	0.87%
Cotton, USD/lb.	66.83	-0.95%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.23% in the last trading day, closing at 5201.48 points.
- The daily turnover increased by 2.72% in the last trading day.

Global Market

- Some of the key global indices had mixed performance in the last trading day; the Dow Jones Industrial Average rose by 0.77%, the S&P 500 rose by 1.04%, and the FTSE 100 fell by 0.49%.
- One of the key Asian indices, the Nikkei 225 rose by 0.66%.

Key Macro Indicators

- The value of the BDT fell against the EUR, rose against the GBP and the INR, and remained stable against the USD.
- The average overnight rate stood at 10.05%, standing between 9.75% and 11.00%.
- The price of oil futures fell by 0.21%, the price of gold rose by 0.87%, and the price of cotton fell by 0.95%.

Bangladesh Macro Update

NBR plans to ease duty-free imports for small, non-bonded exporters

- The National Board of Revenue (NBR) is considering letting small-scale exporters without bonded warehouse licences import raw materials duty-free using a bank guarantee for the applicable taxes.
- The consideration aims to speed up exports, support diversification, and make doing business easier.
- Initially, the NBR's customs wing is considering offering the benefit to exporters with annual exports under USD 5 million, aiming for implementation by next June.
- NBR sources said the revenue authority met with government and private sector representatives on 23 January to explore a feasible approach, forming a committee to develop recommendations within three weeks.
- Md Moazzem Hossain, member of Customs Bond and IT at the NBR, confirmed the matter and told TBS that there is a plan to release raw materials for export under a duty-free facility by securing a bank guarantee equivalent to the import tax on raw materials.

News Source:

https://www.tbsnews.net/economy/nbr-plans-ease-duty-free-imports-small-non-bonded-exporters-1069426

Inflation notably erodes people's savings capacity

- High inflation is undermining Bangladeshis' inherent saving habit that gives economists to believe that deeper financial problems may be forthcoming as high prices of commodities dent household savings and investments.
- Economists note that Bangladesh has long been a nation of savers and people traditionally set aside a significant portion of their earnings for future security, often at the cost of current consumption.
- But that inherent prudence seems to be shifting, also recent data from Bangladesh Bureau of Statistics (BBS) show that the country's gross household savings have fallen to a four-year low.
- Household domestic savings refer to the total money and investments families hold-such as bank deposits, stocks, and bonuses-minus any liabilities like loans and debts.
- In the fiscal year 2024, gross domestic savings (GDS) declined to 23.96% of GDP, shedding 1.8% from the previous year, the national statistical agency mentions in its latest report released last week.

News Source:

https://today.thefinancialexpress.com.bd/first-page/inflation-notably-erodes-peoples-savings-capacity-1739643017

Sectoral Update

Banks, NBFIs, and Insurance

Banks' un-invested cash wanes again after buildup

- The volume of un-invested cash in the banking sector dropped again after a significant buildup following direct credit feeding by the central bank to revive the liquidity-starved commercial banks.

- Commercial banks normally keep a portion of liquidity in their vaults to meet day-to-day financing needs of the depositors, which is being called un-invested cash.
- The banking industry saw a massive fall in such money stock after the July-August mass uprising that toppled Sheikh Hasina's governing regime.
- After the changeover in state power, massive loan-related irregularities in several commercial banks, mostly unconventional ones, came into media spotlight, triggering panic withdrawal of deposits.
- As a matter of fact, un-invested cash levels in the bank vaults came under extreme pressure.

News Source:

https://today.thefinancialexpress.com.bd/last-page/banks-un-invested-cash-wanes-again-after-buildup-1739643127

December sees highest overseas card spending by Bangladeshis in 2024

- In December last year, Bangladeshi nationals spent BDT 834 crore abroad on goods and services via credit and debit cards, marking the highest expenditure recorded for the year, according to Bangladesh Bank data.
- Although year-on-year spending via cards declined by just over 10%, with overseas Bangladeshis spending BDT 929 crore in December 2023.
- In addition, Bangladeshis made transactions worth BDT 45,055 crore within the country using cards from various banks in December, the highest in the last six months.
- The Bangladesh Bank's Statistics Department analysed data from various commercial banks and financial institutions, including information on credit card usage by foreign nationals in Bangladesh.
- Tasnim Hussain, executive vice president and head of Cards at Eastern Bank PLC, told TBS that banks typically offer various promotions to credit card users in December, which is why transactions tend to surge during this month.

News Source:

https://www.tbsnews.net/economy/banking/foreign-transactions-thru-cards-reaches-one-year-high-tk834cr-spent-dec-1069191

Textile

RMG industry lacks full database of workers

- The readymade garment industry is believed to have created employment for some 4.0 million workers in the country, but there is no comprehensive database to support the figure.
- Mapped in Bangladesh (MiB) - an open apparel registry -has recently revealed that there are a total of 3,555 export-oriented RMG factories across the country that create employment for about 3.04 million workers, which is far behind the mythical number of 4.0 million.
- The supply chain disclosure effort of the first-ever digital map on RMG industry of Bangladesh-has come up with the number of exports with physical visits and two years of verification and validation of those units.

- Out of the 3,555 factories, some 2,720 units are affiliated with Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) while the rest 836 are not associated with any of the trade bodies of the sector as of December 2024.
- The ratio of male to female garment workers now stands at 42.3:57.7, according to MiB.

News Source:

https://today.thefinancialexpress.com.bd/last-page/rmg-industry-lacks-full-database-of-workers-1739643277

RMGs secure strong orders, defying odds over last six months

- Bangladesh's readymade garment (RMG) industry remains resilient, securing steady export orders over the last six months through January.
- Most buyers are ramping up purchases amid strong retail demand in key markets such as the US and EU.
- The shift of orders from China, driven by the US government's plan to impose tariffs on Chinese goods, has further helped the sector.
- Industry leaders anticipate over 10% growth in 2025 based on current order projections.
- What is surprising, however, is the steady inflow of orders despite concerns over political instability and fears of unrest following the collapse of the Sheikh Hasina regime in a student-led uprising on 5 August.

News Source:

https://www.tbsnews.net/economy/rmg/rmgs-secure-strong-orders-defying-odds-over-last-six-months-1068411

Energy

Adani agrees to restore full power supply

- Adani Power has agreed to fully restore supply from a 1,600 MW India power plant to Bangladesh in a few days after a gap of three months but has rejected Dhaka's request for discounts and tax benefits, according to Reuters.
- Billionaire Gautam Adani's company halved supply to Bangladesh on October 31 due to payment delays as the country battled a foreign exchange shortage.
- This led to the shutdown of one of the two equal-sized units of the plant on November 1, followed by Bangladesh's request to keep supplying only half the power, citing low winter demand and as the payment issue bubbled.
- Ahead of summer demand and on Bangladesh Power Development Board's (BPDB) request, Adani Power has agreed to resume full supplies by next week.
- Adani Power, however, has not agreed to meet several other demands from BPDB, including giving discounts and concessions potentially worth millions of dollars to Bangladesh.

News Source:

https://today.thefinancialexpress.com.bd/first-page/adani-agrees-to-restore-full-power-supply-1739642820

Tenders reissued for 3 spot LNG cargoes

- State-run Rupantarita Prakritik Gas Company Ltd (RPGCL) has re-issued tenders to purchase three spot liquefied natural gas (LNG) cargoes for March 05-06 and March 10-11 delivery windows.
- The RPGCL initially floated these tenders separately over the past couple of weeks and cancelled them due to inadequate number of bidders for one and higher price quotes exceeding USD 15.5 per million British thermal units for the remaining.
- The government has planned to buy a total of four spot LNG cargoes for March to meet the mounting energy demand especially during the month of Ramadan.
- Energy demand will go up during Ramadan and subsequent months to meet growing demand for irrigation and summer.
- The bidders will deliver the LNG cargoes to Moheshkhali Island in the Bay of Bengal, with options to discharge the cargo at either of the country's two floating storage re-gasification units (FSRUs) located on the island.

News Source:

https://today.thefinancialexpress.com.bd/last-page/tenders-reissued-for-3-spot-lng-cargoes-1739643215

Capital Market

Dhaka stocks close green

- Stocks closed in the green on 13 February, the final trading day of the week at the Dhaka Stock Exchange (DSE), with both indices and turnover experiencing slight gains.
- Similar to previous sessions, low-value stocks saw notable price surges, with at least eight companies reaching the upper circuit limit – signalling the maximum allowable increase in a single day.
- The DSEX, the broad index of the DSE, rose by 11.9 points, settling at 5,201, up from 5,190 in the previous session, driven by price increases in large-cap stocks.
- The turnover at the bourse climbed by 2.71% to BDT 401.77 crore as investor participation increased.
- On the sectoral front, textile stocks contributed the largest share to total turnover, accounting for 15.8%, followed by banks at 13.7% and pharmaceuticals at 12.9%.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-stocks-close-green-1068381

DSE director warns investors against rumour-driven investment decisions

- Minhaz Mannan Emon, shareholder director of the Dhaka Stock Exchange (DSE), has warned investors against making investment decisions based on hype or rumours.
- He said that investment decisions based on hype or rumours without proper understanding often lead to significant losses for both investors and the capital market.
- The capital market is not a place for emotions and investors should rely on calculations and base their decisions on the company's fundamentals, he added.

- To minimise risks and secure profitable returns, the DSE director advised investors to thoroughly evaluate a company's financial health by analysing its financial reports.
- He underscored that understanding a company's earnings per share (EPS), net asset value (NAV), price-to-earnings (PE) ratio, and the background of its entrepreneurs is crucial for making sound investment choices.

News Source:

https://www.tbsnews.net/economy/stocks/dse-director-warns-investors-against-rumour-driven-investment-decisions-1069351