EBL ASSET MANAGEMENT LTD.
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Daily News Snippet

February 20, 2025

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,192.44
% change	-0.21%
DS30 Index	1,913.08
% change	-0.49%
DSES Index	1,157.93
% change	-0.20%
Turnover (BDT mn)	4,271.36
Turnover (USD mn)	35.01
% change	-28.74%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,627.59
% change	0.16%
S&P 500	6,144.15
% change	0.24%
Nikkei 225	38,925.50
% change	-0.88%
FTSE 100	8,712.53
% change	-0.62%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	127.1362	127.47
GBP	153.85	153.89
INR	1.40	1.40
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
19-Feb-25	9.75 - 11.00	10.09
18-Feb-25	9.75 - 11.00	10.09
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	76.04	0.26%
Gold Spot, USD/t oz.	2,935.55	0.05%
Cotton, USD/lb.	67.68	-1.66%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.21% in the last trading day, closing at 5192.4 points.
- The daily turnover fell by 28.74% 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 0.16%, the S&P 500 rose by 0.24%, and the FTSE 100 fell by 0.62%.
- One of the key Asian indices, the Nikkei 225 fell by 0.88%.

Key Macro Indicators

- The value of the BDT rose against the EUR, the GBP, and the INR, and remained stable against the USD.
- The average overnight rate stood at 10.09%, standing between 9.75% and 11.00%.
- The price of oil futures increased by 0.26%, the price of gold increased by 0.05%, and cotton price decreased by 1.66%.

Bangladesh Macro Update

Yields on govt securities tumble in Feb: What it means for economy

- Interest rates on government securities have dropped sharply since early February as the banking sector, flush with excess liquidity, faces weak private sector loan demand, signalling a likely decline in lending rates.
- The Bangladesh Bank sees the decline in government securities' interest rates as a sign of economic recovery after a soft landing of macroeconomic indicators, with the expected drop-in lending rates likely to curb inflation, reduce financing costs and, eventually, stimulate investment demand.
- Yields on government securities have dropped nearly two percentage points since December, falling to just over 10% in February.
- In the latest auction for a five-year bond held in the second week of February, the Bangladesh Bank aimed to raise BDT 4,000 crore for the government at an interest rate of 12.09%.
- Banks submitted bids totalling BDT 22,389 crore which is more than five times the government's target, prompting the central bank to reduce the interest rate to 10.47%.

News Source:

https://www.tbsnews.net/economy/yields-govt-securities-tumble-feb-what-it-means-economy-1072266

Info holdback on tax evasion by tycoons deprives exchequer of billions

- Information holdback on bank accounts of certain tycoons for the investigation into suspected tax evasion deprives the public exchequer billions of taka, revenue officials said.
- Revenue sleuths reveal the findings, now that a crackdown on financial and other offences goes on following a regime change through the July-August uprising.
- Tax intelligence team has aired concern over the existing bottlenecks on conducting investigation against the tax-evaders due to slow pace of bank-account details of the suspected ones.
- Both the tax-intelligence unit and the Central Intelligence Cell (CIC) under the National Board of Revenue (NBR) raised this issue at an internal workshop to sensitize bankers on the necessity of speedy supply of bank-account data.
- The Income Tax Intelligence and Investigation wing of the revenue board organised the workshop on the NBR premises Wednesday to bridge a communication gap between bankers and taxmen on exchange of information.

News Source:

https://today.thefinancialexpress.com.bd/first-page/info-holdback-on-tax-evasion-by-tycoons-deprives-exchequer-of-billions-1739988626

Large industries see throughput resurgence

- Large industrial enterprises in Bangladesh see throughput resurgence after recent pickups for political upheavals, as is reflected in the large-scale manufacturing sector's latest index upswing.
- The index measuring state of the manufacturing biggies expanded 11.39% in October of this fiscal year, according to Bangladesh Bureau of Statistics (BBS) data.

- Out of 23 manufacturing subsectors, 18 recorded a growth compared to the same period a year before.
- Five in the domain tobacco products, leather, paper, motor vehicles, and fabricated metals saw a decline during this time.
- The large-scale manufacturing sector contributes over 11% to the country's GDP, and it serves as a key indicator whether the industrial units are in right direction or not.

News Source:

https://today.thefinancialexpress.com.bd/first-page/large-industries-see-throughput-resurgence-1739988678

Sectoral Update

Banks, NBFIs, and Insurance

Foreign subsidiaries can now remit service payments without central bank approval

- Foreign subsidiaries operating in Bangladesh can now remit various service payments to their parent companies abroad without prior approval from the Bangladesh Bank.
- The central bank issued a circular in this regard in 19 February, instructing all scheduled banks and authorised dealers to implement the directive.
- According to the circular, resident companies operating as subsidiaries of foreign companies in Bangladesh avail various services from their parent companies abroad.
- Considering this, and to facilitate transactions between subsidiaries and their parent or group companies, the new directive has been introduced.

News Source:

https://www.tbsnews.net/economy/banking/foreign-subsidiaries-can-now-remit-service-payments-without-central-bank-approval

MFS market flourishes, transactions surge by Tk3.84 lakh crore in 2024

- According to the Bangladesh Bank, in 2024, transactions through MFS increased by nearly BDT 3.84 lakh crore or 28.42% compared to the previous year.
- The latest updated data from the central bank shows that, in 2024, customer transactions via MFS reached BDT 17.37 lakh crore, up from BDT 13.52 lakh crore in 2023.
- The journey of mobile financial services in the country began on 31 March 2011 with the launch of the service Rocket by Dutch-Bangla Bank in the private sector.
- Data from the Bangladesh Bank also indicates that by December 2024, the total number of MFS accounts reached 23.86 crore, up from 22.04 crore in December 2023, an increase of 1.82 crore account holders over the year.

News Source:

https://www.tbsnews.net/economy/banking/mfs-market-flourishes-transactions-surge-tk384-lakh-crore-2024-1072141

Telecommunication

BTRC to hold 700 MHz spectrum auction this year

- The telecom regulator aims to auction spectrum in the 700 MHz band this year to support the expansion of 4G and roll out 5G networks in the country.
- To ensure a smooth process, the Bangladesh Telecommunication Regulatory Commission (BTRC) has formed a committee to draft auction guidelines, set the base price for the spectrum, and engage with mobile operators.
- The 700 MHz band (703-748/758-803 MHz) is crucial for mobile broadband expansion, especially in rural areas.
- Many large and densely populated countries have already allocated this band for mobile services, and most nations are now adopting it.
- Given the growing demand for mobile connectivity, Bangladesh needs to allocate this spectrum to improve network coverage and service quality.

News Source:

https://www.thedailystar.net/business/news/btrc-hold-700-mhz-spectrum-auction-year-3828906

Energy

Gas crisis looms large in Ramadan

- State-run Rupantarita Prakritik Gas Company Ltd (RPGCL) has floated tenders again to purchase three spot liquefied natural gas (LNG) cargoes for March 05-06 and March 10-11 delivery windows.
- The RPGCL's previous tenders, which were re-issued ones and closed on February 16, could not attract suppliers.
- Only one bidder took part in the bids and the price quoted was also higher, according to an official, explaining the need for the re-tenders.
- Bangladesh might have to face an acute gas crisis during the coming Ramadan if its latest attempts also fail, he feared.
- State-run Petrobangla intends to buy one spot LNG cargo for March 05-06 delivery window and two spot LNG cargoes for March 10-11 delivery windows.

News Source:

https://today.thefinancialexpress.com.bd/last-page/gas-crisis-looms-large-in-ramadan-1739988886

Capital Market

Stocks down as political tension intensifies

- Although macroeconomic adversities cooled down a bit, the stock market fell for the second day on Wednesday as political tension delivered a blow to investors' confidence.
- A segment of investors adopted a wait-and-see approach while profit-booking sale pressure of risk-averse investors drove the index down.

- The DSEX, the key index of the Dhaka Stock Exchange (DSE), finally settled at 5,192, losing almost 11 points or 0.21% over the previous day.
- Activists of Chhatra Dal and students of anti-discrimination movement faced off in several universities last night, hours after clashes between the groups had left over 40 people injured at the Khulna University of Engineering and Technology.
- Besides, profitability of most of the listed companies fell in the October-December quarter of FY25, compared to the corresponding quarter of the previous year, mainly due to higher borrowing costs and high inflation

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/stocks-down-as-political-tension-intensifies-1739986992

Including margin loans in CIB reports can improve outcomes

- The stock market is essentially a financial tool in which a portion of people's savings is expected to be invested.
- Ideally, investment through loans is not recommended as it increases the risk of losses.
- Especially in highly speculative markets like the Bangladesh stock market, where junk stocks dominate, it is very risky for investors to pour in money by taking loans at 14% to 15% interest rates.
- Therefore, analysts always advocate restrictions on margin loan requirements and recommend executing forced sales if necessary.
- However, the Bangladesh Securities and Exchange Commission (BSEC) has done little to restrict such loans.

News Source:

https://www.thedailystar.net/business/news/including-margin-loans-cib-reports-can-improve-outcomes-3828891