Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,762.68
% change	-1.23%
DS30 Index	2,012.07
% change	-0.64%
DSES Index	1,252.35
% change	-1.17%
Turnover (BDT mn)	5,387.99
Turnover (USD mn)	48.98
% change	20.93%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,760.08
% change	1.22%
S&P 500	5,248.49
% change	0.86%
Nikkei 225	40,276.77
% change	-0.30%
FTSE 100	7,931.98
% change	0.01%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.13	119.17
GBP	138.87	138.91
INR	1.31	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
27-Mar-24	8.00 - 9.50	8.77
25-Mar-24	8.00 - 9.50	8.69
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	81.72	-4.86%
Gold Spot, USD/t oz.	2,195.95	0.79%
Cotton, USD/lb.	91.18	-0.91%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.23% in the last trading day, closing at 5,762.68 points.
- The daily turnover jumped 20.93% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 1.22% gain, and S&P 500 posted 0.86% gain and FTSE 100 posted 0.01% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.30% loss.

Key macro indicators

- All the major currencies rose against BDT yesterday.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.77% with a high rate of 9.50% and low rate of 8.00%.
- The oil price fell 4.86% in the last trading day.

Bangladesh Macro Update

Service exports slip 18.28% in H1 FY24

- Bangladesh earned USD 3.3 billion from service exports in the first half [July-December period] of this FY24, according to Export Promotion Bureau (EPB) data.
- This figure is 18.28% lower year-on-year (YoY) compared to FY23, and 30.64% lower than the commerce ministry's H1 FY24 target.
- In H1 FY23, the country earned USD 4.04 billion from the services sector, and the ministry set a USD 4.76 billion earnings goal for H1 FY24.
- Bangladesh, despite possessing a large population and numerous appealing tourist destinations, failed to cash in on the services sector due to the absence of effective policies, adequate planning, quality education, and a limited inclination to invest in the industry, according to experts.

News Source:

https://businesspostbd.com/economy/service-exports-slip-1828-in-h1-fy24

Raise income tax to tame inflation: PRI

- Along with enhancing macroeconomic stability, the government should raise tax to control inflation because direct tax is better than inflation.
- The government borrowed money from domestic sources and global lenders and there is interest rate.
- The country is now spending around 12% of the budget on paying the interest rate which is hindering growth-enhancing infrastructure and social protecting programmes.
- In addition, as the financial sector has faced liquidity crunch, the government printed money to budget financing which is fuelling inflation.
- Taking that into consideration, raising income tax is better than inflation as it hurts the poor ones more, but income tax gives room for them, according to experts.

News Source:

https://businesspostbd.com/economy/raise-income-tax-to-tame-inflation-pri

Forex worth Tk 1.0b exchanged daily, mostly laundered: ACC

- Foreign currencies worth about BDT 1.0 billion are exchanged in underhand dealings at Dhaka's airport daily and mostly laundered, says the ACC after suing 21 suspects.
- The Anti-Corruption Commission (ACC) detected the forex flight from airport as a major factor that is "intensifying dollar crisis" in Bangladesh.
- Its revelation on dollar-syndicate busting comes at a time when the country's foreign-exchange reserves have been on a slide with its domino effect on the economy, especially squeezing import and fuelling prices.

News Source:

https://today.thefinancialexpress.com.bd/last-page/forex-worth-tk-10b-exchanged-daily-mostly-laundered-acc-1711562929

Govt to take on new debt despite financial strain

- Amid the higher foreign debt burden, Bangladesh is set to embark on a large-scale USD 700 million World Bank-supported programme to improve the livelihoods of Rohingya refugees and their host communities, according to officials.
- Although the government's many ongoing priority development projects are struggling with fund shortages, insiders say the programme will include building a 10-megawatt (MW) solar power plant in Bhasan Char, installing 3,000 latrines in Cox's Bazar, constructing roads and markets, planting trees and bolstering the health and education systems for the Rohingya community in Bangladesh.
- More than ten ministries and public agencies will collaborate to implement the programme -- the majority of the funding for which will be borrowed from the World Bank, according to insiders.
- Out of the total USD 700 million, the Washington-based lender is expected to provide USD 385 million as a loan and the remaining USD 315 million as a grant.

News Source:

https://today.thefinancialexpress.com.bd/first-page/govt-to-take-on-new-debt-despite-financial-strain-1711562778

Sectoral Update

Banks, NBFIs, and Insurance

Banks' CSR spending down by 18% in 2023: BB

- Banks' spending on Corporate Social Responsibility (CSR) has decreased by 18% to BDT 204.67 crore in 2023, compared to the previous year.
- Bangladesh Bank (BB) report on CSR of 2023 released on Wednesday saw that banks spent BDT 924.32 crore in 2023, which was BDT 1129 crore in 2022.
- It shows that banks' spending in the CSR sector decreased by 18% or BDT 204.67 compared with the previous year.
- According to the report, the highest expenditure in 2023 was in the health sector followed by education and environment and climate change issues.

News Source:

https://businesspostbd.com/economy/banking/banks-csr-spending-down-by-18-in-2023-bb

Telecommunication

Fresh 2.5-5% VAT looms over local mobile phone, electronics next FY

- The National Board of Revenue (NBR) is mulling over a revision of tax exemptions for local manufacturing sectors such as mobile phones, electronics and home appliances.
- These industries have been enjoying tax incentives for years and reached a self-sustaining level, according to NBR officials.
- These sectors are subjected to a value-added tax (VAT) between 2.5% and 5% in the current fiscal year and they could face another 2.5-5% increase in the next fiscal year, according to sources at the NBR.

- While experts applaud the NBR's plan to review tax expenditures (tax exemption, deduction on individuals, businesses) to raise revenues and help industries become efficient, entrepreneurs fear this could hurt emerging local manufacturing industries.

News Source:

https://www.tbsnews.net/nbr/fresh-25-5-vat-looms-over-local-mobile-phone-electronics-next-fy-817251

Capital Market

DSE key index slides to three-year low, below 5,800

- The benchmark index of the country's premier bourse Dhaka Stock Exchange (DSE) plummeted below the 5,800 mark on Wednesday for the first time in more than three years.
- Furthermore, on Wednesday (27 March) decline extended the losing streak for three consecutive days, during which the DSEX lost 179 points.
- The prime index closed down 71 points at 5,762 – the lowest since May 12, 2021.
- Meanwhile, since the removal of the floor price restriction on 18 January, the major index of the DSE has lost a total of 572 points, and the market capitalisation has eroded by BDT 1,08,707 crore, bringing it to BDT 6.79 lakh crore.
- Due to the massive downfall, investors have emptied their holdings in 51,224 beneficiary owner (BO) accounts in the last two months.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-stocks-plummets-below-5800-mark-after-three-years-817036

City Bank's net profit Tk 638 crore in 2023, growth 33%

- In the face of economic challenges and a national slowdown, City Bank, a first-generation lender, achieved record profits in 2023, credited to its effective business policies and strategies.
- According to a statement released on Wednesday (27 March), the bank reported a consolidated net profit after tax of BDT 638 crore in 2023, marking an increase of 33.5% compared to BDT 478 crore in 2022.
- Accordingly, the bank has recommended a 15% cash dividend and a 10% stock dividend to its shareholders based on this impressive financial performance.
- Despite experiencing a 74% drop in foreign exchange income due to the foreign currency crisis in 2023, City Bank managed to achieve an operating profit of BDT 1,391 crore, up from BDT 1,237 crore in 2022.

News Source:

https://www.tbsnews.net/economy/stocks/city-banks-net-profit-skyrockets-tk638cr-2023-817166