Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,776.08
% change	0.66%
DS30 Index	2,014.14
% change	0.62%
DSES Index	1,257.16
% change	0.95%
Turnover (BDT mn)	4,339.65
Turnover (USD mn)	39.45
% change	18.03%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,127.14
% change	-1.11%
S&P 500	5,211.49
% change	0.11%
Nikkei 225	39,773.14
% change	0.81%
FTSE 100	7,937.44
% change	0.03%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.18	119.20
GBP	139.16	139.20
INR	1.31	1.31
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
3-Apr-24	8.00 - 9.50	8.79
2-Apr-24	8.00 - 9.50	8.86
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	89.33	-0.02%
Gold Spot, USD/t oz.	2,299.76	-0.01%
Cotton, USD/lb.	88.95	-0.03%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.66% in the last trading day, closing at 5,776.08 points.
- The daily turnover rose 18.03% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 1.11% loss, S&P 500 posted 0.11% gain, and FTSE 100 posted 0.03% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.81% gain.

Key macro indicators

- All the major currencies rose against BDT yesterday.
- The average overnight rate is rising steadily in the past few weeks as per the latest trend.
- The current weighted average overnight rate stood at 8.79% with a high rate of 9.50% and low rate of 8.00%.
- The oil price lost 0.02% in the last trading day.

Bangladesh Macro Update

Labour exports slightly improves after three-month decline

- Labour migration has ended a three-month downturn, with a slight increase of 0.50% registered in March compared to February – sending a positive vibe to Bangladesh, which heavily relies on remittances for foreign exchange earnings.
- However, the country saw a 32% year-on-year decrease in labour migration in March, with 74,679 workers flying abroad for overseas employment, according to data from the Bureau of Manpower, Employment, and Training (BMET).
- Despite the positive outlook in the coming months in Saudi Arabia, a major destination, low payment has become an issue for the Bangladesh side before sending workers, as per demand, according to labour recruiters.
- The government is also cautious about sending workers amid allegations of joblessness in Saudi Arabia, Malaysia, and some other destinations. Bangladesh sent more than 1 lakh workers for seven consecutive months from May to November last year.

News Source:

https://www.tbsnews.net/economy/labour-exports-slightly-improves-after-three-month-decline-822551

Financial account deficit exceeds $8b

- The financial account deficit – which comprises foreign direct investment, short-, medium-, and long-term loans, and trade credits – crossed the USD 8 billion mark in the July-February period of the fiscal 2023-24, thanks to increased trade credit deficit and loan repayment pressure.
- According to the Bangladesh Bank, the financial account deficit amounted to USD 8.36 billion at the end of February, reflecting an increase of USD 574 million from January.
- This figure contrasts with a USD 2.32 billion deficit in the equivalent period of the last fiscal year.
- The financial account balance is the primary source from which a country can make foreign payments.
- When a country's current account balance turns negative, it utilises the financial account for foreign payments. If the financial account becomes negative, then payments are made directly from reserves.
- In this context, the World Bank forecasts slow economic growth for Bangladesh as inflation is likely to remain elevated, while foreign exchange reserves are expected to remain low.

News Source:

https://www.tbsnews.net/economy/financial-account-deficit-exceeds-8b-822431

IMF stresses reserves target to get third tranche of loan

- The International Monetary Fund (IMF) has emphasised meeting the target of the foreign exchange reserve set for March 2024 as a condition of USD 4.7 billion in loan support for Bangladesh, reports UNB.
- The global lender upheld its stand during a meeting with Bangladesh Bank officials on Wednesday. The IMF team is visiting Bangladesh to assess the financial outlook before releasing the third installment of the USD 4.7 billion loan.

- As per the conditions of the loan from the IMF, it was set as a target to hold USD 19.26 billion in reserves in March 2024. But actual reserves are less than USD 16 billion.
- The government signed a USD 4.7 billion loan deal with the IMF to solve the dollar crisis.
- A review mission of the IMF is visiting Bangladesh before the third installment of the loan is disbursed.

News Source:

https://today.thefinancialexpress.com.bd/first-page/imf-stresses-reserves-target-to-get-third-tranche-of-loan-1712167569

Inflation over 9% poses concern: BB

- Inflation staying persistently high at over 9% poses a concern and reducing it to a tolerable level may necessitate continued monetary tightening for an extended period, according to one of Bangladesh Bank's (BB) quarterly publications.
- The central bank's observation comes against the backdrop of high consumer prices continuing to erode buying power of people and weigh heavily on private consumption.
- International organisations predict that the high prices would continue to prevail at least for the current fiscal year.
- On April 2, the World Bank forecast that inflation in Bangladesh might stay elevated at 9.6% in fiscal year (FY) 2023-24 before moderating to 8.6% in FY 2024-25.

News Source:

https://www.thedailystar.net/business/economy/news/inflation-over-9-poses-concern-bb-3581486

Next budget to see marginal hike as austerity measures linger

- The government may cut the size of the budget for the ongoing fiscal year while the upcoming one is expected to see a marginal spike as the country's spending capacity has remained under stress.
- The austerity stance, driven by the widening gap between incomes and expenses, is set to persist since the government continues to struggle to rein in inflation and reduce pressure on foreign currency reserves.
- A meeting of the Fiscal Coordination Council, to be chaired by Finance Minister Abul Hassan Mahmood Ali, will discuss the draft outlays for the revised budget for 2023-24 and the new budget for 2024-25.
- This will be the first meeting of the council since the new government took office after the January 7 parliamentary elections.

News Source:

https://www.thedailystar.net/business/economy/news/next-budget-see-marginal-hike-austerity-measures-linger-3581481

High inflation likely pushed 5 lakh people into extreme poverty: WB

- Around 5 lakh people in Bangladesh likely fell into extreme poverty between the fiscal years 2022-23 and 2023-2024 due to the erosion of the purchasing power, according to the World Bank.
- In addition, 8.4 lakh people are projected to join the ranks of the moderately poor, who earn USD 3.65 a day in purchasing power parity (PPP), according to the bank in its Poverty Macro Update on Bangladesh.

- PPP is a measure that compares the relative value of currencies by examining the prices of a fixed basket of goods and services in different countries.
- The World Bank defines extreme poverty based on an international poverty income of USD 2.15 a day.
- According to the definition, Bangladesh's extreme poverty rate is forecasted to rise to 5.1% in FY24 from 4.9% the previous year.
- The rate of moderate poverty is expected to increase to 29.4% at the end of FY24, up from 29.3% a year ago.

News Source:

https://www.thedailystar.net/business/economy/news/high-inflation-likely-pushed-5-lakh-people-extreme-poverty-wb-3581496

WB criticises tax provision on legalising black money

- World Bank has criticised an existing government scope for legalising undisclosed wealth through investments, saying such policies demotivate honest and regular taxpayers and encourage tax evaders to continue with their misdeeds.
- At present, taxpayers show their undisclosed assets in their tax returns through investment in apartments, buildings and economic zones and high-tech parks.
- Taxpayers have to pay a fixed amount of tax per square metre depending on the location of the flats and buildings, and 10% tax on the invested amount of black money in economic zones and high-tech parks.
- As per the income tax law, any such investment "will be considered as ones which have already gone through the process of their source being explained" with field officials of the tax administration.
- The government provided the opportunity to legalise black money without question in the fiscal year (FY) 2020-21.

News Source:

https://www.thedailystar.net/business/economy/news/wb-criticises-tax-provision-legalising-black-money-3581476

Sectoral Update

Fuel & Power

Power ministry seeks $1b and Tk9,000cr urgently to settle energy debts

- Amid heightened demand for dollars due to the recent increase in oil and gas imports to meet the country's energy needs, the Ministry of Power, Energy, and Mineral Resources has urgently sought an additional USD 1 billion from the Ministry of Finance to repay the foreign debt of the energy and power sector.
- The ministry wants the amount beyond the regular supply of foreign currency that it gets to import oil and gas.
- According to sources from the Power Division and the Energy and Mineral Resources Division, the outstanding debt to foreign suppliers of oil and gas has increased to over USD 1.3 billion at the end of March 2024.

- Of this amount, USD 700 million is owed to the Adani Group of India, USD 280 million to fuel oil suppliers, and USD 320 million to gas and LNG suppliers.

News Source:

https://www.tbsnews.net/economy/power-ministry-seeks-1b-and-tk9000cr-urgently-settle-energy-debts-822536

Capital Market

Stocks make a comeback

- The benchmark index of Dhaka Stock Exchange (DSE) staged a comeback yesterday, snapping a two-day losing streak.
- The DSEX rebounded to close higher by 37.68 points, 0.66%, from that on the day before at 5,776.08.
- Similarly, the DSES, the index that represents Shariah-based firms, gained 11.83 points, 0.95%, to 1,257.16, and the DS30, which comprises blue-chip stocks, edged up 12.41 points, 0.62%, to 2,014.13.
- Turnover, which indicates the volume of shares traded during the session, stood at BDT 433 crore, marking an increase of 18.03%.

News Source:

https://www.thedailystar.net/business/news/stocks-make-comeback-3581491

Renata starts exporting medicines to US

- Renata PLC has begun exporting medicines to the US market, becoming the sixth pharmaceutical manufacturer from Bangladesh to directly ship products to the world's largest market.
- In its first shipment, Renata dispatched 12.8 million Metoprolol Tartrate tablets for the US market today, according to a press release of the company.
- Metoprolol Tartrate is used for treating hypertension, angina, heart failure, and other cardiovascular conditions.
- Before this, five Bangladeshi pharmaceutical manufacturers - Eskayef Pharmaceuticals Ltd, Square Pharmaceuticals Ltd, Beximco Pharmaceuticals Ltd, Incepta Pharmaceuticals Ltd, and ACI Limited - began exporting medicines to the US market.

News Source:

https://www.thedailystar.net/business/news/renata-starts-exporting-medicines-us-3581936