Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,615.65
% change	0.56%
DS30 Index	2,007.86
% change	0.63%
DSES Index	1,232.43
% change	0.40%
Turnover (BDT mn)	7,106.26
Turnover (USD mn)	64.60
% change	-14.97%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,675.68
% change	1.18%
S&P 500	5,127.79
% change	1.26%
Nikkei 225	38,236.07
% change	-0.10%
FTSE 100	8,213.49
% change	0.51%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	117.80	117.84
GBP	137.78	137.82
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
2-May-24	8.00 - 9.50	8.89
30-Apr-24	8.00 - 9.50	8.73
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	83.67	0.28%
Gold Spot, USD/t oz.	2,303.83	-0.68%
Cotton, USD/lb.	75.62	-1.16%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.56% in the last trading day, closing at 5,615.65 points.
- The daily turnover decreased 14.97% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 1.18% gain, S&P 500 posted 1.26% gain, and FTSE 100 posted 0.51% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.10% loss.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 8.89% with a high rate of 9.50% and low rate of 8.00%.
- The oil price increased 0.28% in the last trading day.

Bangladesh Macro Update

Will there be any respite from inflation?

- Last weekend began with news that did not provide comfort as after the hike in March, power prices are expected to be hiked three further times this year.
- However, it will not end there as prices will be increased in four rounds next year as the government plans to remove subsidies on the energy sector to comply with a condition for the USD 4.7 billion loan from the IMF.
- To many, especially salaried and fixed-income individuals, this means they will have no option but to find ways to cut expenditures to bear increased electricity bills.
- Incomes have not risen in line with the spiralling cost of living.
- Higher prices of electricity may stoke inflation further and the it will squeeze us further, according to Ghulam Rahman, president of the Consumers Association of Bangladesh (CAB).

News Source:

https://www.thedailystar.net/business/economy/news/will-there-be-any-respite-inflation-3601981

Export falls to a six-month low

- Bangladesh's exports dipped in April, the first decline in four months, because of slowing shipments of garments and some other major products, dealing a blow to an economy looking to recover from the lingering crisis.
- The country shipped products worth USD 3.91 billion last month, down 0.99% from USD 3.95 billion a year ago, according to data released yesterday by the Export Promotion Bureau (EPB).
- April's receipts were also the lowest in six months.
- However, shipments rose 3.93% year-on-year to USD 47.47 billion in July-April of the current financial year.

News Source:

https://www.thedailystar.net/business/economy/news/export-falls-six-month-low-3600571

Interest payments up 16pc in first seven months of FY '24

- Bangladesh's budget deficit keeps widening with the current fiscal's seven-month shortfall having ballooned to nearly BDT 230 billion, as government spending far outstrips revenue receipt.
- The deficit was recorded BDT 83.38 billion during July-December or the first half of this fiscal year beginning July 01, 2023.
- According to the finance report, both development and non-development expenditures had increased during the period under review as development expenditure surged by nearly 30% to BDT 558.33 billion while non-development by more than 13% to BDT 1.92 trillion, according to the government account.
- As of January last, the interest payments amounted to BDT 605.55 billion, up by nearly 16% over the same period a year.

News Source:

https://today.thefinancialexpress.com.bd/first-page/interest-payments-up-16pc-in-first-seven-months-of-fy-24-1714842429

Govt's bank borrowing to remain high in FY25

- The government is going to narrow down the budget deficit in the new budget to appease the International Monetary Fund, but that will not help in cutting its reliance on bank borrowing.
- Finance Division officials said that the high reliance on borrowings especially from the banking source would remain in the new budget for FY25 amid a-decade high inflation.
- Borrowing from banks is not good since it discourages private sector investment, according to former World Bank Dhaka office chief economist Zahid Hussain.
- Policy Research Institute executive director Ahsan H Mansur said that discouraging the sale of savings certificates was not a bad idea since it helped the government to pay less amounts in interest to the savings certificates holders.

News Source:

https://www.newagebd.net/post/country/234350/govts-bank-borrowing-to-remain-high-in-fy25

Net foreign loans, grants decline

- The country's net receipts of foreign aids in the form of loans and grants dropped in the July-February period of the current financial year 2023-24 compared with those in the same period in the previous year.
- According to Bangladesh Bank data, the net foreign aids, after principal repayment, decreased to USD 3,725 million in July-February of FY24 compared with those of USD 3,869 million in the same period of the past year.
- The principal payment for July-February was USD 1,271 million, which was USD 1,007 million in the same period in the past year.
- The total foreign aid and net foreign aid were USD 9.2 billion and USD 7.5 billion respectively in the financial year 2022-23 against USD 10 billion and USD 8.48 billion respectively in the FY 2021-22.

News Source:

https://www.newagebd.net/post/economy/234322/net-foreign-loans-grants-decline

Remittance rose 21% in April for Eid

- Remittance inflow to Bangladesh rose 21.31% year-on-year to USD 2.04 billion in April thanks to Eid-ul-Fitr as the country's migrant workers typically send more money home ahead of the major religious festival for Muslims.
- Meanwhile, industry insiders said the remittance inflow increased because some banks started offering higher rates than the official rates in case of collecting remittance.
- April's receipts were also 2.31% higher than that of the previous month.
- A senior official of Bangladesh Bank said the country's expatriates sent huge remittances in just two weeks ahead of Eid, which helped boost the remittance inflow last month.
- The remittance inflow was USD 1.99 billion in March, down from USD 2.16 billion in February and USD 2.11 billion in January, central bank data showed.

News Source:

https://www.thedailystar.net/business/economy/news/remittance-rose-21-april-eid-3600576

Sectoral Update

Banks, NBFIs, and Insurance

BB likely to discard SMART formula as interest rate surges

- The Bangladesh Bank plans to ditch the SMART formula used currently to fix the interest rate on loans, in line with the prescription of the International Monetary Fund (IMF) that has proposed a market-based rate-setting system.
- In July last year, the central bank withdrew the 9% lending rate cap and introduced the Six-months Moving Average Rate of Treasury bills (SMART).
- Since then, the banking regulator has published the benchmark rate on the last working day of the month.
- This, however, did not happen on the last working day of April and thus banks and non-bank financial institutions (NBFIs) are in the dark and they might have to use the current reference rate to price loans.
- The likely suspension of the rate-setting formula comes at a time when a mission of the IMF is in Dhaka to discuss the progress of the USD 4.7 billion loan programme.

News Source:

https://www.thedailystar.net/business/economy/news/bb-likely-discard-smart-formula-interest-rate-surges-3601991

Half of remittances came thru Islamic banking in Dec

- Nearly half of the total remittances in December last year came to Bangladesh through Islamic banking channels, according to the Bangladesh Bank.
- Migrant workers sent home BDT 10,619 crore in remittances in December last year through Islamic banks, which accounted for 48.41% of the total BDT 21,934 crore received through all types of banking channels that month
- The Bangladesh Bank released the monthly statistics on Islamic banking for the first time.
- However, remittance receipts through Islamic banking branches of conventional banks dropped to BDT 78 crore in December last year from BDT 82 crore in November 2022.

News Source:

https://www.thedailystar.net/business/news/half-remittances-came-thru-islamic-banking-dec-3600501

Power & Energy

Fuel oil prices go up again

- The government has increased retail prices of diesel, kerosene, petrol and octane for the month of May and the retail gas price for power plants was also hiked.
- As per a gazette notification on the last day of April, the prices of diesel and kerosene was raised by BDT 1 to 107 per litre from, existing BDT 106.
- Moreover, the price of petrol was set at BDT 124.50 per litre from BDT 122, up by BDT 2.50 per litre and octane price was set at BDT 128.50 per litre from BDT 126, up by BDT 2.50.
- The new prices will come into effect from May 1.

- Issuing the gazette notification in this regard, the Ministry of Power, Energy and Mineral Resources in a clarification said that the new prices have been in line with the prices of petroleum on the international market.

News Source:

https://www.newagebd.net/post/power-energy/234005/fuel-oil-prices-go-up-again

China's fresh wind power bid shows huge prospects in Bangladesh

- Power China, the builder of Bangladesh's first 60-megawatt (MW) capacity wind power plant, is eyeing to build two new similar plants with a combined capacity of 260MW near the existing one in Cox's Bazar,
- This project might show substantial prospects of such renewable energy in the country.
- We have planned to build a 60MW plant at the northern side of the existing one and another 200MW plant at further north, according to deputy country manager of Power China in Bangladesh.
- Bangladesh has huge prospects in building new wind power plants at different areas, especially in the coastal belts where wind speed is high, he said.
- The country should aim for renewables to make up 40% of its total power-generation capacity by 2041, a target set by the government, according to Shafiqul Alam, an energy finance analyst at IEEFA.
- It said the local prices will go up and down in line with the international price and every month such prices will be announced by the government for one-month tenure.

News Source:

https://today.thefinancialexpress.com.bd/first-page/chinas-fresh-wind-power-bid-shows-huge-prospects-in-bangladesh-1714844139

Apparel and Textile

Garment exports to US continue to decline

- Garment exports to the US, Bangladesh's single largest export destination, continued to decline over the past few months as American retailers and brands cut back on imports of apparel from all over the world.
- In the January-March period of the current year, garment shipments to American markets declined by 17.68% to USD 1.75 billion.
- Garment exports to the US have been declining over the past several months as American retailers and brands are importing less garments despite a gradual improvement in inflationary pressure to adjust with higher exports of garments in previous years.
- For instance, garment exports from Bangladesh to the US rose more than 53% after the Covid-19 pandemic as retailers and brands imported more to meet pent-up demand in 2022.
- But garment exports did not increase at same pace last year as American retailers and brands had plenty of old stock of unsold clothing items.

News Source:

https://www.thedailystar.net/business/economy/news/garment-exports-us-continue-decline-3601996

Capital Market

Dhaka stocks continue upward trend for second consecutive session

- For the second consecutive day, the indices of the Dhaka Stock Exchange (DSE) maintain an upward trajectory, with cautious investors displaying purchasing interest following a significant correction.
- On Thursday, the DSE's benchmark index, DSEX, climbed by 31 points to settle for 5,616 along with the blue-chip index, DS30, saw a 13-point increase, settling at 2,008, and the DSES Index rose by 5 points to 1,232.
- However, turnover slightly decreased to BDT711 crore, compared to BDT836 crore in the previous session.
- The port city bourse, CSE, also settled on green terrain. The selected indices (CSCX) and All Share Price Index (CASPI) advanced by 58.9 and 98.3 points, respectively.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-stocks-continue-upward-trend-second-consecutive-session-841821

Derivatives to be launched in stock mkt by 2025: BSEC

- The Bangladesh Securities and Exchange Commission (BSEC) will launch derivative products in the stock market by 2025, reports UNB.
- BSEC Commissioner Abdul Halim said this while speaking as the chief guest at a workshop titled 'Financial Derivatives of Exchange Traded Platform-M' organized by Dhaka Stock Exchange (DSE).
- Derivatives are financial contracts that derive their value from an underlying asset such as stocks, commodities, currencies, etc.
- The workshop was held with the participation of top executives from the stock market regulatory body Bangladesh Securities and Exchange Commission (BSEC), CDBL, CCBL, merchant banks, and asset management companies.

News Source:

https://today.thefinancialexpress.com.bd/last-page/derivatives-to-be-launched-in-stock-mkt-by-2025-bsec-1714843133