Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,725.28
% change	-0.03%
DS30 Index	2,040.38
% change	-0.31%
DSES Index	1,255.02
% change	-0.51%
Turnover (BDT mn)	11,083.42
Turnover (USD mn)	100.76
% change	1.16%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,884.26
% change	0.08%
S&P 500	5,187.70
% change	0.13%
Nikkei 225	38,835.10
% change	1.57%
FTSE 100	8,313.67
% change	1.22%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	118.45	118.47
GBP	138.17	138.20
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
8-May-24	8.00 - 9.50	8.67
7-May-24	8.00 - 9.50	8.81
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	83.22	-0.13%
Gold Spot, USD/t oz.	2,315.26	-0.37%
Cotton, USD/lb.	77.50	0.57%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.03% in the last trading day, closing at 5,725.28 points.
- The daily turnover increased 1.16% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.08% gain, S&P 500 posted 0.13% gain, and FTSE 100 posted 1.22% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.57% gain.

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 8.67% with a high rate of 9.50% and low rate of 8.00%.
- The oil price decreased 0.13% in the last trading day.

Bangladesh Macro Update

BDT 2.65 trillion ADP estimated for FY ’25

- A bit expansionary BDT 2.65 trillion worth of Annual Development Programme (ADP) is estimated for the next fiscal year for "facilitating the country's development", officials said.
- The Planning Commission (PC) Tuesday drafted the BDT 2.65- trillion ADP, 0.76% higher than the original BDT 2.63 trillion ADP for the current FY2024 and 8.16% up from the BDT 2.45 trillion revised ADP (RADP).
- In addition, the PC has proposed a BDT 132.86-billion allocation for the autonomous and semi-autonomous public agencies in the upcoming development budget.
- Out of the drafted BDT 2.65-trillion ADP outlay for the next fiscal, the PC has proposed BDT 1.65 trillion to come from government's internal resources while BDT 1.0 trillion from external resources or project aid.

News Source:

https://today.thefinancialexpress.com.bd/first-page/tk-265-trillion-adp-estimated-for-fy-25-1715104070

Education, health get priority over transport, energy in FY25 ADP

- The government has increased allocations for the health, education, and agriculture sectors in the proposed Annual Development Programme (ADP) for the upcoming FY25.
- Allocations in previously prioritised sectors like transport and communication, power and energy, housing, and community facilities have been reduced compared to the current FY24.
- There has also been a reduction in the allocation of government funds and increase in the share of foreign loans.
- Experts say the total interest expense of the country will not increase if the proportion of foreign financing in the ADP increases and internal financing decreases.
- Because the foreign loans we are taking are very cheap whereas internal financing has become very expensive, according to Zahid Hussain, former lead economist at the World Bank's Dhaka.

News Source:

https://www.tbsnews.net/economy/education-health-get-priority-over-transport-energy-fy25-adp-845721

Hike tax on cigarettes to boost revenue collection

- The tax on cigarettes in Bangladesh should be raised in the national budget for fiscal 2024-25 to boost the country's revenue generation and minimise health risks, according to experts.
- The domestic tobacco industry, which constitutes about 13% of the annual government revenue, has one of the highest tax incidences in the world, eclipsing even the WHO recommended level.
- Abdul Mannan Patwary, a former member of the National Board of Revenue (NBR), said the government has policies aimed at reducing the risks for impoverished individuals.
- But many low-income people smoke cheap cigarettes, which pose significant health risks and so, to discourage smoking among the poor, the price of low-tier cigarettes should be increased," he added..

News Source:

https://www.thedailystar.net/business/news/hike-tax-cigarettes-boost-revenue-collection-3604411

Beyond Dollar: Bangladesh to seek over 36b yuan in Chinese loans

- Bangladesh is going to seek more than 36 billion yuan, equivalent to USD 5 billion, as soft loans from China to reduce pressure on its dollar reserves.
- According to highly placed sources in the government, the country will use the money to help businesses import raw materials and also for budget support.
- Bangladesh exported goods worth USD 677 million to China and imported goods worth USD 22.90 billion in fiscal 2022-23, according to data from the commerce ministry and thus China is Bangladesh's single largest trading partner.
- According to the sources, the main purpose of the loan is to reduce pressure on the depleting reserves, which stood at USD 19.95 billion as of April 30.

News Source:

https://www.thedailystar.net/business/economy/news/beyond-dollar-bangladesh-seek-over-36b-yuan-chinese-loans-3604561

Economic crisis may deepen in 2026: Debapriya

- The economic crisis in Bangladesh may deepen in 2026 as the government will have to shell out large sums for foreign debt management and to repay loans borrowed from local banks, a noted economist said yesterday.
- Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue (CPD), earlier had predicted that the country would be in trouble in 2024 for an increase in loan repayments by the government.
- And that has materialised as, in the July-March period of this fiscal year, Bangladesh's foreign debt servicing surged by 49% year-on-year, as per the Economic Relations Division.
- This was driven by spiralling interest payments, which crossed the USD 1 billion mark for the first time.
- Similarly, the country will face a severe crisis in 2026 as the government has availed a significant amount of loans from foreign lending agencies and local banks which it will have to repay, said Bhattacharya.

News Source:

https://www.thedailystar.net/business/news/economic-crisis-may-deepen-2026-debapriya-3604251

Sectoral Update

Banks, NBFIs, and Insurance

Cenbank may increase policy rate further

- The central bank might increase the Repo rate, also known as the policy rate, under the pressure of the International Monetary Fund (IMF).
- The IMF team that visited Bangladesh asked to emphasise more on controlling inflation and advised Cenbank to tighten the monetary policy.
- The Bangladesh Bank raised the policy rate by 25 basis points, bringing it to 8% from the previous 7.75%, while unveiling a new monetary policy for the second half (January-June) of FY24.

- However, at the beginning of 2023, the policy rate was 5.75% but the central bank continuously hiked the policy rate in efforts to manage inflation.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-may-increase-policy-rate-further-845716

Four state banks' bad loans jump 27% as delinquencies rise

- Although four state-run commercial banks -- Sonali, Agrani, Rupali and Janata -- saw a mixed trend in profits in 2023, they were consistent in logging higher bad loans.
- The combined bad loans of the banks surged 27% year-on-year to BDT 62,913 crore at the end of last year.
- Two years prior, total bad loans of the four state banks stood at just over BDT 38,200 crore, according to financial statements.
- The latest data showed that Janata Bank had the highest amount of bad loans at the end of last year due to alleged irregularities in lending, particularly to AnonTex and Crescent Group, which turned the loans into toxic assets.

News Source:

https://www.thedailystar.net/business/economy/news/four-state-banks-bad-loans-jump-27-delinquencies-rise-3604386

No commission or service fee for claim settlement

- Insurance companies in Bangladesh will no longer be able to charge policyholders for commissions or service fees while settling claims, according to the "Insurance Claims Management Guideline 2024".
- Insurers must ensure help desks and complaint boxes in their offices, form grievance redressal committees and strengthen internal audit activities, it said.
- They must also keep designated insurance claim management officials and introduce an online tracking system so that policyholders can view the progress in the settlement process against their claims, it said.
- Insurers cannot ask for any document from policyholders other than those mentioned in the insurance contract and must become technologically adept and upload all their policies on the regulator's app, it added.

News Source:

https://www.thedailystar.net/business/news/no-commission-or-service-fee-claim-settlement-3604366

Interest regime being deregulated from SMART control

- Rate-regulating SMART regime is destined to go as the central bank is set to make major decisions on Bangladesh's monetary front, possibly allowing market-driven interest rates.
- Alongside the ditching of SMART, there are some other key issues like pre-market-based exchange-rate mechanism and monetary-tightening steps that could come in the upcoming monetary policy committee (MPC) meeting set for today (Wednesday) at the Bangladesh Bank headquarters.

- Earlier at a recent public discussion, BB governor Abdur Rouf Talukder made a hint clearly that the central bank now considers moving towards a fully market-based interest rate from the existing reference or SMART rate.
- Regarding another major reform issue, exchange rate, the governor also informed the audience that they had been working to introduce crawling peg, which will also be an interim arrangement before going for completely market-dominated exchange-rate system.

News Source:

https://today.thefinancialexpress.com.bd/first-page/interest-regime-being-deregulated-from-smart-control-1715104186

Power & Energy

Govt plans 6000MW solar power hub in Jamalpur

- To ramp up renewable energy production, the government is planning a massive solar power hub in Jamalpur, capable of producing 5,000-6,000MW of electricity.
- Also, a new policy for renewables is on the horizon to solidify the sector's growth, said Nirod Chandra Mondal, joint secretary of the Ministry of Power.
- New policies are being formulated to reduce tariffs on imported technology and components to promote renewables, especially through rooftop solar panels.
- Additionally, the Bangladesh Economic Zones Authority (Beza) expressed interest in establishing another solar power hub in select regions of Haimchar, Chandpur, he said.
- He expressed confidence that by gradually phasing out power subsidies, people will increasingly turn to renewable energy sources due to their relatively lower costs..

News Source:

https://www.tbsnews.net/bangladesh/energy/govt-plans-6000mw-solar-power-hub-jamalpur-845841

Apparel and Textile

Bangladesh garment leaders seek more investment from China, want to narrow trade gap

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has underscored the importance of increased investment from China and bolstered exports to the Chinese market in narrowing the trade gap between the two countries.
- Highlighting the vast trade potential between Bangladesh and China, BGMEA President SM Mannan Kochi stressed the need for bilateral collaboration to realise these opportunities.
- The BGMEA leaders highlighted China's significance as a major exporter of man-made fibers, dyes, chemicals, textile machinery, and other raw materials, suggesting that Chinese investors could invest in Bangladesh's man-made textile sector to meet its growing demand.
- They expressed optimism that such collaboration would yield mutual benefits for both countries.

News Source:

https://www.tbsnews.net/economy/rmg/bangladesh-garment-leaders-seek-more-investment-china-want-narrow-trade-gap-845381

Capital Market

DSE turnover tops Tk 1,100cr

- Dhaka stocks dropped slightly on Tuesday, as a section of investors sold shares to book some profits from the recent gains, market operators said.
- Though the market ended in the red zone, with the investors increasing their activity in the market on the day, the total turnover of the Dhaka bourse on the day crossed the BDT 1,100-crore mark after 83 days.
- DSEX, the key index of the Dhaka Stock Exchange, decreased by 1.73 points, or 0.03%, to close at 5,725.27 points on the day after gaining 34.95 points in the previous trading session.
- Market operators said, the recent approval of the third tranche of the IMF loan has instilled some optimism among investors, although cautious ones are still observant of the sustainability of the current upbeat vibe and prefer to secure their unrealised gains.

News Source:

https://www.newagebd.net/post/Stocks/234555/dse-turnover-tops-tk-1100cr