Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,690.78
% change	-0.60%
DS30 Index	2,026.22
% change	-0.69%
DSES Index	1,250.42
% change	-0.37%
Turnover (BDT mn)	8,695.94
Turnover (USD mn)	79.05
% change	-21.54%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,056.39
% change	0.44%
S&P 500	5,187.67
% change	0.00%
Nikkei 225	38,202.37
% change	-1.63%
FTSE 100	8,354.05
% change	0.49%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	118.27	118.32
GBP	137.54	137.59
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
9-May-24	8.00 - 9.50	8.62
8-May-24	8.00 - 9.50	8.67
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	83.73	0.69%
Gold Spot, USD/t oz.	2,309.15	-0.21%
Cotton, USD/lb.	80.06	3.30%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.60% in the last trading day, closing at 5,690.78 points.
- The daily turnover decreased 21.54% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.44% gain, S&P 500 remained unchanged and FTSE 100 posted 0.49% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.63% loss.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.62% with a high rate of 9.50% and low rate of 8.00%.
- The oil price increased 0.69% in the last trading day.

Bangladesh Macro Update

Market-driven interest rate returns after four years

- After a gap of four years, the banking sector in Bangladesh has returned to a market-driven interest rate regime at the prescription of the International Monetary Fund (IMF), in order to step up its fight against elevated level of inflation.
- The central bank also raised the policy rate by 50 basis points to 8.5%, aiming to make money costlier.
- The central bank took the decision as people have been struggling with the high level of prices for around two years.
- Analysts expect the interest rate in the banking sector to rise in the upcoming days and inflationary pressures to ease.

News Source:

https://www.thedailystar.net/business/economy/news/market-driven-interest-rate-returns-after-four-years-3605636

BD getting $1.152b or double dollop than scheduled

- Bangladesh is getting USD 1.152 billion, more than double the amount scheduled in the third tranche of an IMF loan meant to prop up falling forex reserves.
- The all-clear comes as the International Monetary Fund (IMF) Wednesday reached a staff-level agreement with the Bangladesh authorities on the policies needed to complete the second review of the ongoing loan programme.
- Of the total sum, USD 932 million will come as Extended Credit Facility (ECF)/ Extended Fund Facility (EFF) while USD 220 million will come as Resilience and Sustainability Facility (RSF).
- Bangladesh was supposed to get USD 668 million after the completion of third review but the IMF staff team agreed to raise the dollop to USD 1.15 billion on request by the government.
- This means upon the board's approval, Bangladesh will have access to about USD 1.15 billion.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bd-getting-1152b-or-double-dollop-than-scheduled-1715191615

Policy rate hike, flexible exchange rate will be helpful for economy

- The Bangladesh Bank's decisions of hiking the policy rate, allowing the market to determine the interest rate and a more flexible exchange rate will be helpful for the country to take the economy out of the crisis, a top economist said today.
- It is a good step forward though the rate of interest may rise for private lending.
- But that is necessary as we have to live through that to tackle the current challenges," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh (PRI).
- This may slow the economy further but it is necessary to overcome the challenges, he said.

News Source:

https://www.thedailystar.net/business/news/policy-rate-hike-flexible-exchange-rate-will-be-helpful-economy-3605141

Exporters to win, consumers to bear the brunt

- The crawling peg has further devalued the taka. And it is a huge devaluation at one go -- from BDT 110 to BDT 117 and this devaluation will leave a significant impact on the economy.
- The exporters have already welcomed the central bank's move to devaluate the local currency, which they have long been waiting for.
- As Bangladesh is an import-dependent country, the import cost will definitely rise as the businesses will have to spend high for buying dollars from the banking system for opening letters of credit (LCs) to bring in commodities, especially essentials like edible oil, lentils and sugar.
- Now, there is a possibility of experiencing a price hike of goods in the domestic market as the businessmen will show the dollar price hike as an excuse.

News Source:

https://www.thedailystar.net/business/news/exporters-win-consumers-bear-the-brunt-3605271

IMF eases forex reserves target

- Thanks to bold reform measures taken by the authorities, the IMF has drastically slashed the Net International Reserves (NIR) requirement for Bangladesh for the fourth tranche of the USD 4.7 billion loans.
- The Washington-based multilateral lender had given the country a target to maintain USD 20.11 billion at the end of June this year.
- But after its 15-day review mission in Dhaka, it has reduced the NIR threshold for the central bank to USD 14.76 billion, according to a document of the IMF.
- This is yet another relaxation on the NIR since the lender approved the loan for Bangladesh in January 2023 to tackle its economic challenges stemming from the global economic crisis and other factors.
- Until that December, the central bank was supposed to maintain an NIR of USD 17.78 billion but it fell short by more than a billion.

News Source:

https://www.thedailystar.net/business/news/imf-eases-forex-reserves-target-3605566

Sectoral Update

Banks, NBFIs, and Insurance

More banking reforms, subsidy cuts prescribed

- The International Monetary Fund (IMF) emphasised more reforms in the banking sector and tax collections and reducing subsidies to help the economy turn around.
- Efforts to implement the non-performing loan reduction strategy should help support the growing financing needs of the economy," said an IMF mission statement yesterday upon the conclusion of its 15-day visit to Dhaka.
- The authorities have made significant progress on structural reforms under the IMF-supported programme, including the implementation of a formula-based fuel price adjustment mechanism for petroleum products," said Papageorgiou in the statement.

- Following the liberalisation of retail interest rates, additional tightening of monetary policy should help alleviate any inflationary pressures resulting from the exchange rate reform.
- Considering Bangladesh's low tax-to-GDP ratio, the lender thinks it is imperative to prioritise sustainable revenue generation to bolster investments in social welfare and development initiatives.

News Source:

https://www.thedailystar.net/business/economy/banks/news/more-banking-reforms-subsidy-cuts-prescribed-3605311

Bangladesh Bank hikes policy rate by 50 basis points to 8.5%

- Bangladesh Bank today raised the policy rate by 50 basis points to 8.5% to bring down the runaway inflation.
- Since inflation has stayed above 9%, the BB has been following a contractionary policy stance in its efforts to reduce demand and contain prices.
- It has raised the policy rate for several times since May 2022 to increase the cost of money.
- Additionally, to refine liquidity management, the Standing Lending Facility (SLF) rate has been increased by 50 basis points to 10%.
- Fiscal policy should support these monetary tightening efforts through revenue-based consolidation, according to Papageorgiou

News Source:

https://www.thedailystar.net/business/news/bangladesh-bank-hikes-policy-rate-50-basis-points-85-3604871

Most general insurers see profit down for adverse business climate, gloomy stocks

- A strong dollar and runaway inflation continued to hit the businesses of general insurers, dragging down profits of most of them in 2023, compared to the year before.
- Almost all business activities in the country remained sluggish in 2023, owing to lingering macroeconomic uncertainties, which in turn reduced general insurers' scope of earnings, say industry insiders.
- The aggregate profit of 33 general insurers stood at around BDT 4.87 billion in 2023, down from BDT 5.07 billion in 2022, according to their financial statements.
- A majority of these companies endured a decline in gross premium income in 2023, compared to 2022.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/most-general-insurers-see-profit-down-for-adverse-business-climate-gloomy-stocks-1715192601

Telecommunications

Users raise slew of allegations against mobile, net operators

- Telecommunication services recipients raised a slew of allegations against the operators at a public hearing on Wednesday, revealing a sorry state of services and irrational means of charging fees.

- Thousands of individuals took part in the hearing and complained about poor quality of services, exorbitant prices of different packages, extra call charges, dropped calls, misappropriation of top-ups, and poor networks in certain areas.
- Slow internet connections, exorbitant broadband internet fees, and troubles in Mobile Network Portability (MNP) services were other issues of discontent.
- Bangladesh Telecommunication Regulatory Commission (BTRC) organised the public hearing in the city, which was participated by the stakeholders in-person or via online platform Zoom.

News Source:

https://today.thefinancialexpress.com.bd/last-page/users-raise-slew-of-allegations-against-mobile-net-operators-1715191880

Capital Market

Stocks fall amid profit booking

- The prime index of the Dhaka Stock Exchange (DSE) fell today as wary investors went for profit booking, taking advantage of the recent market recovery with successive sessions of price appreciation in the large-cap stocks.
- The DSEX, the benchmark index of the prime bourse in Bangladesh, edged down by 34.50 points, or 0.60%, to close the day at 5,690.78.
- Similarly, the DSES, the index that represents Shariah-compliant companies, fell 4.60 points, or 0.37%, to 1,250.42 while the DS30, which comprises 30 best blue-chip stocks, slipped 14.16 points, or 0.69% to 2,026.22.
- Turnover, which indicates the volume of shares traded during the session, stood at BDT 869 crore, a decrease of 21.54% from a session earlier.

News Source:

https://www.thedailystar.net/business/news/stocks-fall-amid-profit-booking-3605006

BSEC gets 3 new commissioners

- The government appointed three commissioners to the Bangladesh Securities and Exchange Commission (BSEC) 10 days after the reappointment of its chairman for the second term.
- Of the three commissioners, Shaikh Shamsuddin Ahmed, a professor of finance at the University of Dhaka, has been reappointed.
- ATM Tariquzzaman will join the BSEC as commissioner, leaving his position as managing director of the Dhaka Stock Exchange (DSE).
- The third candidate is Mohammed Mohsin, former DG of the Bangladesh Karmachari Kallyan Board.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/bsec-gets-3-new-commissioners-1715192666

DSE seeks cooperation from Nasdaq Stockholm

- The Dhaka Stock Exchange (DSE) has sought strategic development collaboration with Sweden-based stock exchange Nasdaq Stockholm AB.

- DSE Chairman Prof Hafiz Muhammad Hasan Babu met with Nasdaq Stockholm Board Chair Fredrick Ekstrom on May 7 to discuss the partnership, according to a DSE press statement.
- During the meeting, Prof Hafiz elaborated on Bangladesh's capital market landscape and proposed knowledge sharing, product development and market monitoring collaboration.
- He noted DSE's existing use of Nasdaq OMX technology and talked about a future MoU for mutual cooperation.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/dse-seeks-cooperation-from-nasdaq-stockholm-1715192688