Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,585.62
% change	-1.43%
DS30 Index	1,991.93
% change	-1.29%
DSES Index	1,225.77
% change	-1.27%
Turnover (BDT mn)	6,643.67
Turnover (USD mn)	56.54
% change	-31.37%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,558.11
% change	0.32%
S&P 500	5,246.68
% change	0.48%
Nikkei 225	38,356.06
% change	0.46%
FTSE 100	8,428.13
% change	0.16%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	117.00	117.50
EUR	126.22	126.79
GBP	146.93	147.58
INR	1.40	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
14-May-24	8.50 - 10.00	9.23
13-May-24	8.50 - 10.00	9.23
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	82.91	-0.67%
Gold Spot, USD/t oz.	2,360.95	0.72%
Cotton, USD/lb.	74.04	-4.62%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.43% in the last trading day, closing at 5,585.62 points.
- The daily turnover decreased 31.37% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.32% gain, S&P 500 posted 0.48% gain and FTSE 100 posted 0.16% gain.
- One of the leading Asian market indices, NIKKEI 225 was posted 0.46% gain.

Key macro indicators

- All the major currencies rose against BDT yesterday.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 9.23% with a high rate of 10.00% and low rate of 8.50%.
- The oil price decreased 0.67% in the last trading day.

Bangladesh Macro Update

Tk8 lakh cr budget for next fiscal gets PM's nod

- The size of the next national budget of Bangladesh, for the fiscal year 2024-25, will be BDT 8 lakh crore.
- Prime Minister Sheikh Hasina approved the BDT 8 lakh crore budget when it was placed before her.
- The budget is scheduled to be presented in the parliament on 6 June, sources of the Finance Ministry said on Tuesday.
- She gave an opinion in favour of discouraging the import of luxury goods in the next budget as well. Like the current fiscal year, the prime minister said inflation control will be the top priority of the next budget.

News Source:

https://www.tbsnews.net/economy/budget/tk8-lakh-cr-budget-next-fiscal-gets-pms-nod-851221

PM for no tax hike on food to fight inflation; NBR plans more corporate tax cut

- Prime Minister Sheikh Hasina has directed the National Board of Revenue (NBR) not to increase taxes on food, agro-related items, and fertilisers in the upcoming budget, given the country's high food inflation while the NBR plans to reduce corporate tax for non-listed companies by 2.5% to 25%, with conditions requiring transactions through banking channels.
- Besides, in the BDT 8 lakh crore budget for FY25 approved by the prime minister today (14 May), there may be bad news awaiting the country's millions of mobile phone and internet users as the NBR is considering making talk time and internet use costlier by increasing supplementary duty which is already among the highest in the world.
- Additionally, the duty-free vehicle import benefit for members of parliament may be withdrawn with a proposed 25% customs duty.

News Source:

https://www.tbsnews.net/nbr/pm-no-tax-hike-food-fight-inflation-nbr-plans-more-corporate-tax-cut-851336

Crawling peg offers cushion against forex volatility

- Exchange rates are seen almost stable by the central bank under crawling peg just introduced in Bangladesh and top bankers also say the system is helping heal the forex volatility.
- According to lead bankers, the weighted average exchange rate remained "almost stable" since the introduction of the new system under a reform recipe that brusquely raised the US dollar value in exchange with the domestic currency.
- Under crawling-peg exchange, the rate of currency exchange depreciates at a rate roughly equal to the inflation differentials between the country and its trading partners.
- The idea is to maintain the real exchange rate in the economy.

News Source:

https://today.thefinancialexpress.com.bd/first-page/crawling-peg-offers-cushion-against-forex-volatility-1715708197

Yield on treasury bills climbs to a record 12% as govt borrowing intensifies

- The interest rate of treasury bills has jumped to a record high of 12% days after the central bank reinstated the market-based lending rate, an indication that funds will become costlier in the months ahead.
- Known as the yield, the interest rate of treasury bills now ranges from 11.60% to 12% whereas it was 6.75% to 7.75% in June last year, according to Bangladesh Bank data.
- The spike came during the auctions for the securities on Monday when the yield was quoted 12%, according to a senior official of the central bank.
- On Wednesday, the BB scrapped the SMART (Six-month Moving Average Rate of Treasury bills) formula, which had been used by banks since July last year to set the interest rate of loans.
- The cost of funds for banks has increased after the announcement of the market-based lending rate system. As a result, they have been forced to quote the higher yield, the official pointed out.

News Source:

https://www.thedailystar.net/business/economy/news/yield-treasury-bills-climbs-record-12-govt-borrowing-intensifies-3610391

Tk 2.65t ADP awaits seal

- A BDT 2.65-trillion development budget for the next fiscal year awaits the seal of approval from government's highest economic-policy body in its meeting tomorrow (Thursday), with cautiously crafted spending recipe.
- Transport and communications sector is in the line of recipients to grab the highest slice of funds from the Annual Development Programme (ADP) 2024-25, according to officials.
- In the new ADP, a total of 1,337 projects along with 60 fresh ones are up to get allocations for implementation.
- The National Economic Council (NEC), headed by Prime Minister Sheikh Hasina, will sit for a meeting tomorrow with the sole agendum of endorsing the proposed ADP complementary with the nation's annual budget.

News Source:

https://today.thefinancialexpress.com.bd/first-page/tk-265t-adp-awaits-seal-1715708514

Sectoral Update

Banks, NBFIs, and Insurance

BB rejects Indian media report on new reserve heist in Bangladesh

- Bangladesh Bank (BB) has rejected a reported claim by an Indian news outlet over new reserve heist in Bangladesh, terming it 'absolutely fake news'.
- The country's central bank comes up with the statement as an India media circulated a report titled 'Are Indian hackers behind this month's Bangladesh Bank heist involving billions that are widely spreading in the social media'.

- The news is fake as BB have a three-tier confirmation policy with the Fed now and conduct regular reconciliation of transactions, according to a BB spokesperson.
- In the report, the news outlet claimed that Indian and Bangladesh authorities, including security agencies of the two countries were aware of the sensational heist and were quietly probing the crime.

News Source:

https://today.thefinancialexpress.com.bd/last-page/bb-rejects-indian-media-report-on-new-reserve-heist-in-bangladesh-1715708675

Eid propels MFS transactions to all-time monthly high in March

- Mobile Financial Services (MFS) saw transactions worth BDT 1.48 lakh crore in March, which is the highest monthly transaction since the inception of MFS in the country, according to central bank data.
- Industry stakeholders attributed the surge in transactions to the expansion of mobile banking services, Ramadan, the month of fasting, and the festive Eid shopping season.
- MFS transactions in March marked a 14% increase of BDT 18,195 crore compared to February.
- The previous record for MFS transactions was in June 2023, amounting to BDT 1.32 lakh crore, as per central bank data.

News Source:

https://www.tbsnews.net/economy/banking/eid-propels-mfs-transactions-all-time-monthly-high-march-851426

Telecommunication

Mind your mobile marathon

- Mobile-phone talk may get costlier as the revenue authority is said to have received prime minister's nod to impose higher tax on phoning in a package of fiscal measures.
- The National Board of Revenue (NBR) is bent on increasing the Supplementary Duty (SD) on mobile talk-time, including its use of internet data, in the budget for FY 2024-25, according to official sources.
- Currently, there is 15% supplementary duty on mobile-phone talk-time which VAT authority imposes on 15% VAT.
- The proposed measure has been finalised for upcoming budget after the revenue authority met Prime Minister Sheikh Hasina Tuesday with those fiscal plans.

News Source:

https://today.thefinancialexpress.com.bd/first-page/mind-your-mobile-marathon-1715708257

Engineering

Steel consumption to increase 25% by 2027: study

- Steel consumption in Bangladesh is projected to rise by 25% to around 1.06 crore tonnes in 2027 from 85 lakh tonnes in 2024 thanks to growing infrastructure development projects and individual consumption, according to Bigmint.
- Bigmint, an India-based platform for price reporting, market intelligence and consulting for commodities, made this projection at its 4th Bangladesh International Trade Summit 2024.

- As consumption is expected to rise, manufacturers are already enhancing their production capacity while investors are pouring money to set up new steel mills, according to industry insiders.
- Six conglomerates -- including Meghna Group of Industries, PHP Group of Industries, Bashundhara Group and Anwar Group of Industries -- are setting up new factories and expanding manufacturing capacities.

News Source:

https://www.thedailystar.net/business/news/steel-consumption-increase-25-2027-study-3610016

Capital Market

Dhaka bourse down on price erosion of blue chips

- The Dhaka bourse on Tuesday experienced a sharp decline in the broad index as most listed securities, including blue chips, saw correction.
- The Dhaka Stock Exchange (DSE) opened the day's session flat and soon the DSEX started to decline.
- The trend continued until the closure of the session.
- No significant recovery move was observed throughout the whole session and the DSEX finally lost 1.43% or 81.14 points to close at 5585.62 points.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/dhaka-bourse-down-on-price-erosion-of-blue-chips-1715704749