Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,310.52
% change	1.14%
DS30 Index	1,900.65
% change	0.63%
DSES Index	1,160.18
% change	1.20%
Turnover (BDT mn)	5,061.13
Turnover (USD mn)	42.95
% change	56.81%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	39,069.59
% change	0.00%
S&P 500	5,304.72
% change	0.00%
Nikkei 225	38,900.20
% change	0.66%
FTSE 100	8,317.59
% change	0.00%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	117.50	117.85
EUR	127.43	127.86
GBP	149.70	150.19
INR	1.41	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
27-May-24	8.50 - 10.00	8.87
26-May-24	9.50 - 9.75	9.68
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	83.33	0.28%
Gold Spot, USD/t oz.	2,350.97	0.37%
Cotton, USD/lb.	81.07	0.68%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 1.14% in the last trading day, closing at 5,310.52 points.
- The daily turnover increased 56.81% in the last trading day.

Global Market

- Majority of the leading global indices were closed yesterday.
- One of the leading Asian market indices, NIKKEI 225 posted 0.66% 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 8.87% with a high rate of 10.00% and low rate of 8.50%.
- The oil price increased 0.28% in the last trading day.

Bangladesh Macro Update

ADP implementation drops to 49.26% in first 10 months of FY24

- The Annual Development Programme (ADP) implementation registered a significant drop in the first ten months of the current Fiscal Year 2024, available data shows.
- This marks the lowest ADP implementation rate in the last three financial years.
- Data from the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry reveals that the government spent 49.26% or BDT 1.25 lakh crore of their allocated budget under the ADP in the first ten months (July-April).
- The rate of ADP implementation in the July-April period was 50.33% in FY23 and 54.57% in the previous fiscal year.
- IMED officials expressed concerns that it will be challenging to spend the remaining half of the allocated funds in the last two months of the fiscal year.

News Source:

https://www.tbsnews.net/economy/adp-implementation-drops-record-low-4926-first-10-months-fy24-861481

Plan to restructure source tax rates to aid manufacturers, traders

- The government is likely to reduce the rates of tax deduction at source on the supply of raw materials to manufacturers and finished products to retailers in the next fiscal year, aiming to provide them with a breathing space.
- According to finance ministry officials with knowledge of the matter, the rate will be reduced to 3% from the current 4% for supplying raw materials, and to 4% from the existing 5% for supplying trading goods.
- The FY25 budget is also expected to see a major change in the source tax rate for contractor payments as the government is setting a single rate of 5% instead of the current 3%, 5%, and 7% depending on volumes.
- The finance ministry officials further said the government is going to provide comfort to local manufacturers and traders as their source tax deduction will be treated as the minimum tax and will be considered final settlements if their income does not exceed the amount.
- Officials at the National Board of Revenue (NBR) said the changes will close loopholes for tax evasion during contractor payments.

News Source:

https://www.tbsnews.net/economy/plan-restructure-source-tax-rates-aid-manufacturers-traders-861976

Eid holidays cut April import LC openings by 7%

- Due to the closure for Eid-ul-Fitr, the opening of letters of credit (LCs) in April fell by 7%, but import bill settlements increased by 2% compared to the previous month.
- According to central bank data, the country's banks opened import LCs worth USD 5.68 billion in April, down from USD 6.13 billion in March, but higher than the USD 4.73 billion in February.
- April's figure is 20% higher compared to the same month in 2023.
- Asked why LC openings decreased, senior officials at several private banks explained that the country's banks were closed for five days due to Ramadan and Eid holidays.

- Additionally, ready-made and other production-related houses remain closed for 10-15 days during both Eid festivals.

News Source:

https://www.tbsnews.net/economy/eid-holidays-cut-april-import-lc-openings-7-861946

Think beyond traditional markets to drive export growth

- Bangladesh should consider emerging markets that are growing at a healthy clip and offer growth opportunities to drive up exports instead of keep relying on traditional destinations, said Frederic Neumann, HSBC's Chief Asia Economist and co-head of Global Research Asia.
- Bangladesh should not think about large markets alone, rather it can think about emerging markets like India and China, he added.
- The tapping of the growth potential in the emerging markets will allow Bangladeshi companies to export more goods and services and capture more market share, he said during an exclusive interview with The Daily Star in Dhaka recently.
- Currently, Bangladesh relies on major markets such as the European Union, the US and Canada for exports.
- The European Union is the largest export market of Bangladesh with almost half of the country's merchandise shipments destined for the bloc.

News Source:

https://www.thedailystar.net/business/news/think-beyond-traditional-markets-drive-export-growth-3619421

Fitch downgrades Bangladesh's rating to "B+", outlook stable

- Fitch Ratings has downgraded Bangladesh's long-term foreign-currency issuer default rating to "B+" from "BB-" owing to the lingering weakening of the country's external buffers.
- The outlook is stable, according to the agency in a report today.
- Fitch said the downgrade reflects the sustained weakening of the external buffers, which could prove challenging to sufficiently reverse despite recent policy reforms, leaving the country more vulnerable to external shocks.
- The stable outlook reflects the mitigation of external refinancing risks by a favourable external creditor composition.
- The International Monetary Fund (IMF) programme reforms aim to improve macroeconomic stability and address banking sector weaknesses, moderate government debt and favourable medium-term growth prospects.

News Source:

https://www.thedailystar.net/business/news/fitch-downgrades-bangladeshs-rating-b-outlook-stable-3620196

Sectoral Update

Apparel and Textile

RMG sees 10% growth in new markets

- Bangladesh's ready-made garment exports to new markets witnessed robust growth of 10%, reaching a total of USD 7.70 billion in July-April of FY24, compared to USD 7 billion in the equivalent period of the previous fiscal year.
- Among the major newly explored markets, shipment to Japan rose to USD 1.4 billion, reflecting a 6.14% increase.
- While the exports to Australia and South Korea showed substantial rises of 17.18% and 14.73%, respectively.
- Bangladesh's RMG exports to the Middle East markets also showcased notable growth as exports to Saudi Arabia increased by 58%, while Turkey and the UAE recorded growth rates of 54% and 41.96%, respectively.
- According to Export Promotion Bureau (EPB) data, overall exports to global markets reached an impressive total of USD 40.49 billion, compared to USD 38.57 billion in the first ten months of FY23.

News Source:

https://www.tbsnews.net/economy/rmg/rmg-sees-10-growth-new-markets-861996

Power and Energy

Power system network project hits snags

- A major project worth BDT 205 billion for expansion and strengthening of power-system network turns a lame duck as Dhaka's electricity company cites roadblocks like land-acquisition delays and road digging.
- Dhaka Power Distribution Company Ltd (DPDC) recently came up with a string of arguments when Economic Relations Division (ERD) showed reluctance to its request for further extending the project tenure by two years -up to December 2026--in an apparent stalemate in the works.
- The DPDC is implementing the Chinese-funded megaproject to raise distribution capacity of its network in the high-demand capital city and surroundings.
- Tabian Electric Apparatus (TBEA) Co. Ltd, a Chinese government-selected contractor, got the contract of the biggest-ever distribution project in the DPDC's mandated area in Dhaka, which also includes some more projects bundled in.
- It is always a challenge in Bangladesh for all projects, especially in Dhaka city, since procedures to acquire land is very much time- consuming and all legal formalities must be maintained due to the complexity of the right of property, said DPDC officials.

News Source:

https://today.thefinancialexpress.com.bd/last-page/power-system-network-project-hits-snags-1716834875

Power system hit hard

- Severe cyclone 'Remal' caused immense sufferings to the electricity consumers as power outages were frequent across the country on Monday.

- More than 26.62 million people in the southern coastal areas were without power until Monday night, according to official information, while the people of the rest of the country, including capital Dhaka, witnessed frequent disruptions.
- The Rural Electrification Board (REB) shut down electricity supply in most of the districts in the southeastern region.
- The overall electricity generation dipped to 4,890 MW on Monday afternoon, one-fifth of the country's total capacity of 26,354 MW, due to the severe cyclone.
- State-run Bangladesh Power Development Board (BPDB) brought down the power generation to one-third of Sunday afternoon's production at 13,726MW.

News Source:

https://today.thefinancialexpress.com.bd/first-page/power-system-hit-hard-1716834672

Capital Market

Stocks break a nine-day losing streak

- The benchmark index DSEX of the Dhaka Stock Exchange (DSE) gained 59 points on Monday, snapping the nine-day-long losing streak.
- The DSEX reached 5,310 points on the day, soaring 1.13% from the previous session.
- The turnover value jumped by 57% during the session to reach BDT 506 crore.
- Market insiders said investors were active on the buy side from the beginning of the trading session, as most stocks were at their bottom line due to the continuous downfall.
- Additionally, the prime minister asked the relevant authorities to form a committee to resolve the stock market's problems following a demand from business leaders at a meeting held on Sunday at her office.

News Source:

https://www.tbsnews.net/economy/stocks/stocks-break-nine-day-losing-streak-861461

What hope drives market to turn green after 9-day decline?

- Dhaka stocks turned around today (27 May), breaking a nine-day losing streak, buoyed by hopes that the government will form a coordinating committee to develop the capital market.
- On the day, the benchmark index DSEX of the Dhaka Stock Exchange (DSE) surged by 59 points to reach 5,310, while the blue-chip index DS30 advanced 11 points to 1,900.
- Besides, the port city bourse, Chittagong Stock Exchange (CSE), also settled in the green terrain.
- After nine consecutive sessions of decline, has somewhat rebounded from its free fall as opportunistic investors came up to take positions on low-priced scrips, according to market insiders.
- It is also driven by positive expectations surrounding the media reports on the Prime Minister's order to form a committee to address the current state of the stock market.

News Source:

https://www.tbsnews.net/economy/stocks/what-hope-drives-market-turn-green-after-9-day-decline-861886