Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,278.88
% change	-0.60%
DS30 Index	1,886.73
% change	-0.73%
DSES Index	1,152.55
% change	-0.66%
Turnover (BDT mn)	4,407.21
Turnover (USD mn)	37.40
% change	-12.92%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,852.86
% change	-0.55%
S&P 500	5,306.04
% change	0.02%
Nikkei 225	38,855.37
% change	-0.12%
FTSE 100	8,254.18
% change	-0.76%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	117.50	117.85
EUR	127.58	127.97
GBP	150.01	150.51
INR	1.41	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
28-May-24	8.75 - 10.00	9.81
27-May-24	8.50 - 10.00	8.87
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	84.38	0.19%
Gold Spot, USD/t oz.	2,358.71	-0.11%
Cotton, USD/lb.	78.78	-0.43%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.60% in the last trading day, closing at 5,278.88 points.
- The daily turnover decreased 12.92% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.55% loss, S&P 500 posted 0.02% gain and FTSE 100 posted 0.76% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.12% loss.

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 9.81% with a high rate of 10.00% and low rate of 8.75%.
- The oil price increased 0.19% in the last trading day.

Bangladesh Macro Update

Taxes on basic consumer commodities being halved

- Taxes on numerous basic consumer commodities are getting cut to half as the government is set to bank on fiscal measures to combat high food inflation, sources say.
- Existing tax on procurement of rice, wheat, potatoes, onions, garlic, green peas, gram, lentils, garlic, turmeric, dry chili, pulses, maize, coarse flour, flour, salt, edible oils, sugar, black pepper, cinnamon, nuts, clove, cassia leave, dates, cardamom, and all types of fruits would be cut to 1% from the existing 2.0% in the budget for the next fiscal, to be placed in parliament on June 6.
- Also, procurement of jute, cotton, yarn, computer and computer parts would enjoy tax cuts in FY 2024-25.
- Official sources have said the tax-cut decision has been made following instructions of the prime minister to combat food inflation through fiscal measure in the upcoming budget.
- According to Bangladesh Bureau of Statistics (BBS), cost of food in Bangladesh increased 10.22% in April 2024 over the same month in the previous year.

News Source:

https://today.thefinancialexpress.com.bd/first-page/taxes-on-basic-consumer-commodities-being-halved-1716918600

MCCI suggests steps to stabilise reserves, contain inflation

- The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) has suggested that the government take necessary steps to stabilise foreign exchange reserve, manage inflation and enhance revenue earnings to overcome the country's emerging socioeconomic challenges following the global conflicting situation, especially in the Middle East.
- Besides, ensuring proper supply of electricity and gas, lessening cost of doing business, making efforts to find new markets for exports, promoting economic diversification by revisiting the incentive structure, and protection of small businesses and low-income people are also necessary.
- The country's elite business chamber made the suggestion in its 'Review of Economic Situation in Bangladesh for January-March period (Q3) of the fiscal year 2023-24.
- The government also needs to take more actions to stable foreign exchange reserve, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, reduce the cost of doing business, make efforts to find new markets for exports, promote economic diversification by revisiting the incentive structure, and protect small businesses and low-income people, the leading business chamber said in its review.

News Source:

https://today.thefinancialexpress.com.bd/first-page/mcci-suggests-steps-to-stabilise-reserves-contain-inflation-1716918915

FDI slips but stays above $3b

- Foreign direct investments to Bangladesh snapped its rising trend in 2023, highlighting the nervousness outside investors face in pumping money into a country whose foreign exchange regime is experiencing one of its worst periods in recent times.

- Central bank data showed yesterday that Bangladesh received USD 3.004 billion in FDI last year, a decrease of 14% from USD 3.5 billion in 2022.
- Inflows of equity capital, which refers to investors' purchase of shares of an enterprise in a country other than their own, plummeted 31% to USD 705.83 million from USD 1.14 billion in 2022.
- Reinvested earnings, which happen when a company ploughs back its profits instead of repatriating, declined 12.1% to USD 2.21 billion.
- Intra-company loans, however, rose to USD 88.91 million from a negative USD 57.65 million in 2022.

News Source:

https://www.thedailystar.net/business/news/fdi-slips-stays-above-3b-3621756

Allocation for interest payments to rise 38%

- The allocation for interest payments of domestic and foreign loans will likely increase by 38% to BDT 129,000 crore in the upcoming budget due to a significant hike in the cost of borrowing from both sources.
- At the start of the current fiscal year, the government allocated BDT 94,376 crore towards interest payments, which crossed the BDT 100,000 crore mark for the first time after the budget was revised.
- A finance ministry official said the allocation for interest payments of domestic loans may increase by 33% to BDT 109,000 crore in FY25 compared to the original allocation for FY24.
- Similarly, the allocation for interest payments of foreign loans is projected to rise by 61% year-on-year to BDT 20,000 crore next fiscal.
- The increase in the government's treasury bond interest rate and the taka's depreciation could further drive up the allocation for interest payments when next year's budget is revised, the official said.

News Source:

https://www.thedailystar.net/business/news/allocation-interest-payments-rise-38-3621771

Sectoral Update

Banking and Insurance

BB upgrading software to expedite treasury bond transfers

- Bangladesh Bank is currently in the process of upgrading its treasury bond management software to address delays in the transfer of these government securities to beneficiary owner (BO) accounts following their purchase by individual investors.
- The central bank sent a letter to the chairman of the Bangladesh Securities and Exchange Commission (BSEC) last week informing of this initiative.
- Due to the software upgradation process, the transfer of treasury bonds has been suspended since May 26.
- However, associated systems have been kept running, such as for secondary trading and investor participation in primary auctions for treasury bonds.
- The central bank hopes to bring the upgraded software online from June 2.

News Source:

https://www.thedailystar.net/business/news/bb-upgrading-software-expedite-treasury-bond-transfers-3621151

Apparel and Textile

BGMEA president urges NDC to promote RMG success stories internationally

- BGMEA President SM Mannan (Kochi) urged the visiting National Defence College (NDC) delegation to promote the success stories of Bangladesh's garment industry internationally from their respective positions.
- The purpose of the NDC delegation's visit was to learn about Bangladesh's garment industry and BGMEA's efforts in its development.
- The BGMEA President briefed the delegation on the garment industry's significant contributions to Bangladesh's socio-economic development, poverty alleviation, and women empowerment.
- During the meeting, BGMEA leaders discussed the vision for the RMG industry and the initiatives undertaken by BGMEA for sustainable development.
- They also informed the delegation about key industry priorities, including product diversification, technological advancement, and skill development to maintain competitiveness.

News Source:

https://www.tbsnews.net/economy/rmg/bgmea-president-urges-ndc-promote-rmg-success-stories-internationally-862636

Power and Energy

DCCI seeks more Russian investments in power and energy

- More Russian investments, especially in the power and energy sector, could play a pivotal role in ensuring steady economic progress and industrialisation in Bangladesh, said Ashraf Ahmed, president of the Dhaka Chamber of Commerce & Industry (DCCI), yesterday.
- He made the remarks during a meeting with a Russian trade delegation at the DCCI auditorium in the capital.
- The 14-member delegation led by Alexander Rybas, trade commissioner of the embassy of the Russian Federation in India, visited the DCCI to explore business opportunities for the entrepreneurs of both countries.
- Bangladesh and Russia have signed a joint trade agreement to foster bilateral trade and investment.
- He said that Russia has already extended all-out support for the implementation of the Rooppur nuclear power plant and will continue the cooperation for Bangladesh's energy security and natural gas exploration.

News Source:

https://www.thedailystar.net/business/news/dcci-seeks-more-russian-investments-power-and-energy-3621256

80% BREB electricity connections restored within a day

- The Bangladesh Rural Electrification Board (BREB) has restored at least 80% of electricity connections, which were cut due to the impact of Cyclone Remal, as of 8:00pm today (28 May).
- A total of 2.42 crore BREB connections, out of 3.04 crore, were restored, the Ministry of Power, Energy and Mineral Resources said in a press statement.

- The BREB has suffered a loss of https://www.tbsnews.net/bangladesh/energy/4309-electricity-connections-restored-within-day-862536103.33 crore due to the cyclone.
- The BREB and West Zone Power Distribution Company moved swiftly to inspect the damages caused by Cyclone Remal and took initiatives in this regard, an earlier statement from the ministry had said.
- Besides, Dhaka Electric Supply Company Limited (Desco) and Dhaka Power Distribution Company Limited (DPDC) are also trying to recover from the damages caused by Cyclone Remal.

News Source:

https://www.tbsnews.net/bangladesh/energy/4309-electricity-connections-restored-within-day-862536

Capital Market

Stocks fall again

- The benchmark index of Dhaka Stock Exchange (DSE) fell again yesterday on rising the preceding day snapping a nine-day losing streak.
- The DSEX, the broad index of the country's premier bourse, dropped 31.63 points, or 0.60%, from that on the day before to close at 5,278.88.
- The DS30, the index that represents the best blue-chip stocks, dipped 13.92 points, or 0.73%, to 1,886.72.
- Turnover, meaning the value of the shares traded on a given business day, decreased 12.92% to BDT 440 crore.
- Chittagong Stock Exchange saw a similar trend as the Caspi, the main index of the port city bourse, plunged 72.36 points, or 0.47%, to close at 15,2405.35.

News Source:

https://www.thedailystar.net/business/news/stocks-fall-again-3621261

DSE puts demands on the table, drawing attention to gloomy market

- The Dhaka Stock Exchange (DSE) demands no capital gain tax in the upcoming national budget, saying the new tax burden would negatively impact the already gloomy market.
- The demand was put forward at a pre-budget press briefing on Tuesday at a time when the National Board of Revenue (NBR) considers imposing the tax in efforts to raise the government's revenue income.
- The revenue authority has proposed imposing tax for the first time on capital gains of individual investors only when the income in one's portfolio exceeds BDT 4 million.
- The market has been passing a critical juncture and thus any new tax would become burdensome for individual investors as the market is still under pressure due to the fallout of the pandemic and the Russia-Ukraine war, said Professor Dr Hafiz Md Hasan Babu, chairman of the DSE.
- The finance minister will unveil the national budget for FY25 on June 6.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/dse-puts-demands-on-the-table-drawing-attention-to-gloomy-market-1716914885