Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,569.69
% change	-0.82%
DS30 Index	1,993.99
% change	-0.11%
DSES Index	1,221.79
% change	-1.00%
Turnover (BDT mn)	6,634.33
Turnover (USD mn)	60.31
% change	8.06%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,386.09
% change	0.38%
S&P 500	5,116.17
% change	0.32%
Nikkei 225	38,393.70
% change	0.00%
FTSE 100	8,147.03
% change	0.09%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	117.61	117.66
GBP	137.38	137.42
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
29-Apr-24	8.00 - 9.50	8.71
28-Apr-24	8.00 - 9.50	8.78
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	88.4	-1.23%
Gold Spot, USD/t oz.	2,335.66	-0.10%
Cotton, USD/lb.	81.52	0.77%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX LOST 0.82% in the last trading day, closing at 5,569.69 points.
- The daily turnover increased 8.06% in the last trading day.

Global Market

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.38% gain, S&P 500 posted -0.32% gain, and FTSE 100 posted 0.09% gain.
- One of the leading Asian market indices, NIKKEI 225 remained unchanged due to a public holiday in Japan.

Key macro indicators

- All the major currencies remained unchanged against BDT yesterday.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 8.71% with a high rate of 9.50% and low rate of 8.00%.
- The oil price decreased 1.23% in the last trading day.

Bangladesh Macro Update

IMF suggests greater flexibility in exchange rate to ease pressure on external account

- Bangladesh should allow greater flexibility in its exchange rate to address issues in its external account, particularly the deficit in the financial account, said the International Monetary Fund (IMF) today.
- "Once you implement this, you will see a greater sense of stability returning to the external account," said Krishna Srinivasan, the director of the Asia and Pacific department of the IMF, during a virtual briefing from Singapore.
- He made the remarks in response to a question at the briefing on the regional economic outlook for Asia and the Pacific.
- This suggestion from the Washington-based lender comes as the Bangladesh Bank has yet to allow market forces to fully determine the exchange rate, with two banking bodies periodically announcing the rates.

News Source:

https://www.thedailystar.net/business/news/imf-suggests-greater-flexibility-exchange-rate-ease-pressure-external-account-3598836

IMF Loan: Govt may miss two key targets set for fourth tranche

- The government is likely to ask the International Monetary Fund (IMF) to revise down two key targets related to Net International Reserves (NIR) and tax revenue collection, set for June this year for the release of the fourth tranche of its USD4.7 billion loan, finance ministry officials said.
- An eight-member IMF mission, led by Chris Papageorgiou, has been in Dhaka since April 24 for the second review of the loan programme before releasing the third tranche worth USD681 million, expected in June.
- The mission held a series of meetings with key government bodies, including the finance ministry, Bangladesh Bank and National Board of Revenue (NBR) over the last few days, and is now assessing Bangladesh's progress related to the conditions set for the third tranche.
- The fourth tranche is expected in December this year.

News Source:

https://www.thedailystar.net/business/economy/news/imf-loan-govt-may-miss-two-key-targets-set-fourth-tranche-3598466

Reforms needed in economic governance, banking: ADB

- Bangladesh needs reforms in its economic governance, banking sector, tax collection and public procurement practices to bring the economy back on track and quickly become a higher-middle-income country, according to the Asian Development Bank (ADB).
- "I guarantee that the country would benefit from focusing on these as it would ensure healthy economic growth and boost investment," said Edimon Ginting, Bangladesh country director of the ADB.
- Ginting made these comments while addressing a quarterly luncheon meeting with the Metropolitan Chamber of Commerce and Industry (MCCI) at the latter's Gulshan office in the capital yesterday.
- He also said environment-friendly growth must be adopted with proper policies considering future demand.

- "Against this backdrop, I think the success of neighbouring countries like China and Vietnam in attracting investment are good examples for us [Bangladesh]," Ginting said.

News Source:

https://www.thedailystar.net/business/economy/news/reforms-needed-economic-governance-banking-adb-3598331

ICT sector against scrapping of tax exemption facility

- The government should keep supporting the information and communication technology industry to help it tap its true potential at home and abroad instead of withdrawing tax exemptions as recommended by the International Monetary Fund (IMF), a top leader said.
- "As we aim to make every sector smart, including education, health and insurance, withdrawing tax exemptions will pose a major impediment since costs will rise," he said.
- The government plans to abolish the tax benefits for various sectors to accelerate revenue collections in line with targets set by the IMF as part of its USD4.7 billion loan.
- The government, using calculations of the National Board of Revenue (NBR), thinks it is foregoing BDTUSD 1,477 crore in revenue annually because of the tax exemptions granted to the ICT sector.

News Source:

https://www.thedailystar.net/business/economy/news/ict-sector-against-scrapping-tax-exemption-facility-3598326

Govt requests World Bank to raise budget support to USD750m

- The government has requested the World Bank to increase the amount of budget support by USD250 million to USD750 million to deal with the current economic challenges and the reserve crisis.
- Sources at the finance ministry said Bangladesh made the proposal during bilateral talks on the sidelines of the spring meetings of the World Bank and the International Monetary Fund (IMF) in Washington on 15-20 April.
- Officials at the Finance Division and the Economic Relations Division (ERD) said the multilateral lender initially consented to provide USD250 million in budget support in the current fiscal year under the Second Recovery and Resilience Development Policy.
- Meanwhile, the government has sought another USD300 million from the Asian Development Bank (ADB), USD400 million from the Asian Infrastructure Investment Bank, and €300 million (USD325.51 million) from the French government's development aid agency Agence Française de Développement (AFD) for budget assistance loans in the ongoing fiscal year.

News Source:

https://www.tbsnews.net/economy/govt-requests-world-bank-raise-budget-support-750m-839626

Islamic Development Bank provides USD289.52 million for housing project in Bangladesh

- The Islamic Development Bank has provided a loan of USD289.52 million for the second phase of the Rural and Peri - Urban Housing Finance Project.

- A loan agreement was signed in this regard during IsDB's Board of Governors meeting 2024 in Riyadh, Saudi Arabia yesterday (29 April).
- The housing project will be implemented by Bangladesh House Building Finance Corporation under the Financial Institutions Division.
- Through the scheme, affordable housing loans will be provided to ensure planned, sustainable and eco-friendly housing for the low and lower-middle income groups living in rural and peri-urban areas of the country.

News Source:

https://www.tbsnews.net/economy/islamic-development-bank-provides-28952-million-housing-project-bangladesh-839771

Sectoral Update

Banks, NBFIs, and Insurance

IMF asks about NPL classification, write-off policies

- A visiting delegation of the International Monetary Fund (IMF) in meetings with Bangladesh Bank officials yesterday sought to know about the country's non-performing loans (NPLs) classification process, loans write-off policies, financial incentives, and digital banking.
- The mission met with the deputy governors, policy advisor, executive directors and directors in different meetings at the central bank headquarters.
- The mission also wanted to know the reason behind the banking sector's high amount of non-performing loans and ways to reduce it, a meeting source said.
- The central bank recently introduced a roadmap to reduce bad loans in the banking sector as per the IMF's prescription.

News Source:

https://www.thedailystar.net/business/economy/news/imf-asks-about-npl-classification-write-policies-3598376

19 banks on brink if top 3 borrowers default

- The country's banking sector – already in a heap of trouble – will take a serious blow if the top three borrowers of each bank defaults on their loan repayments, while nineteen banks will fail to maintain the minimum required Capital to Risk Weighted Assets Ratio (CRAR).
- Already, ten out of 61 banks are unable to keep the minimum CRAR – also known as Capital Adequacy Ratio (CAR), according to a stress test result prepared by the Bangladesh Bank in its quarterly report on the "Financial Stability Assessment Report, July-September 2023."
- The report – published on Monday – pointed out that, if the volume of overall non-performing loans (NPLs) increases by only 3%, five banks would fail to maintain the minimum required CRAR.
- Besides, if the Forced Sale Value (FSV) of Mortgaged Collateral falls by as low as ten%, two banks would fail to maintain the minimum required CRAR.

News Source:

https://businesspostbd.com/economy/banking/19-banks-on-brink-if-top-3-borrowers-default

How 'forced' bank merger initiatives backfire

- After World Bank, now the International Monetary Fund expressed its concern over the merger attempts between weak and strong banks – an initiative of the Bangladesh central bank which now seems backfired as banks are now refusing what they say is a "forced merger".
- The Washington-based lender shared its concern with the Bangladesh delegation led by the Finance Minister AH Mahmood Ali on the sidelines of the World Bank-IMF spring meeting in Washington in the third week of April.
- Earlier, the World Bank also cautioned that imprudent mergers without a thorough assessment of asset quality may be counterproductive.
- "Rapidly implementing bank mergers before addressing these issues may further undermine confidence in the sector, deterring intermediation capacity," the lender said in its latest report titled "Bangladesh Development Update, Special Focus: Strengthening Domestic Resource Mobilization".

News Source:

https://www.tbsnews.net/economy/banking/how-forced-bank-merger-initiatives-backfire-839621

63% of classified loans concentrated in 10 'inactive' banks

- A staggering 63.28% of classified loans among the 61 banks operating in the country are concentrated within just 10 banks, according to a report published by Bangladesh Bank.
- The report also pointed out that a total of 29 banks would fail to maintain the minimum required capital to risk-weighted asset ratio (CRAR) if its top borrowers defaulted.
- The central bank in its report said that though there was a decline in classified loans from the previous quarter (Apr-June 2023), the concentration of loans among the top 5 and top 10 banks is still a concern for the overall banking industry.
- At the end of September 2023, the top 5 banks classified loan concentrations were 45.12%.

News Source:

https://www.tbsnews.net/economy/banking/63-classified-loans-concentrated-10-inactive-banks-839631

Power & Energy

Highest temp, record outages hit life, economic activity

- A double jeopardy of the highest temperature and a record power load-shedding made life a misery and slowed economic activity as the mercury heated up to 43 degrees Celsius in Bangladesh on Monday.
- During the peak hours of the day, the country's power generation stood at 12,753 MWs against a demand for 16,200 MWs, resulting in a deficit of 3,447 MWs.
- The situation on Sunday also saw significant load shedding, with 1864 MWs reported at noon.
- According to an official from the Bangladesh Rural Electrification Board (BREB), "Power outages in rural areas are so frequent that any interruption means consumers have to wait several hours to get electricity back."

News Source:

https://today.thefinancialexpress.com.bd/first-page/highest-temp-record-outages-hit-life-economic-activity-1714415476

First private sector solar project in Bangladesh secures USD121.55 million funding from ADB

- The Asian Development Bank (ADB) has signed a USD121.55 million financing package with Dynamic Sun Energy Private Limited to build and operate a 100-megawatt (MW) grid-connected solar photovoltaic power plant in Pabna, Bangladesh.
- The plant is the country's first private sector utility-scale solar facility to secure support from global financiers, said the Manilla-based lending agency in a press release on Monday (29 April).
- ADB arranged, structured, and syndicated the debt package as the sole mandated lead arranger and bookrunner.
- The financing package comprises a USD46.75 million loan from ADB, a syndicated B-loan of USD28.05 million from ILX Fund I, an Amsterdam-based emerging market private credit fund focused on supporting the Sustainable Development Goals with ADB as lender of record, and a syndicated parallel loan of USD46.75 million from the Japan International Cooperation Agency.

News Source:

https://www.tbsnews.net/bangladesh/energy/first-private-sector-solar-project-bangladesh-secures-12155-million-funding-adb

Apparel and Textile

BD's MMF apparel export likely to double in years

- Bangladesh has huge potential to double its man-made fibre (MMF) or non-cotton garment shipment within years through providing required policy support and addressing bottlenecks, industry people said.
- A recent study styled 'Upscaling the RMG Sector' by the Research and Policy Integration for Development (RAPID) identified multiple policy issues and constraints like lack of access to duty-free raw materials.
- The textile industry faces challenges as many MMFs are subject to import duties with cotton enjoying a duty-free status.
- The findings predict that if Bangladesh achieves the projected market shares of 20 potential products, MMF export earnings can rise by USD12.5 billion to USD19 billion within a decade.

News Source:

https://today.thefinancialexpress.com.bd/last-page/bds-mmf-apparel-export-likely-to-double-in-years-1714415839

Capital Market

Dhaka stocks plunge after gaining for one day

- Dhaka stocks finished down on Monday after a rise in the previous trading session, with investors going back into selling mood after showing optimism for one day as the continued downbeat vibe on the market amid the ongoing economic worries in the country affected their confidence, market operators said.
- DSEX, the key index of the Dhaka Stock Exchange, decreased by 46.15 points, or 0.82%, to close at 5,569.68 points on the day after gaining 97.36 points in the previous trading session.

- The news regarding the reappointment of the current chairman of the Bangladesh Securities and Exchange Commission Shibli Rubayat-Ul Islam prompted investors to be hopeful in the previous session, but failed to retain the momentum on the market, according to market operators.
- Market operators said that rising interest rates in banks might have prompted investors to shift their funds to the sector in the past weeks.

News Source:

https://www.newagebd.net/post/stocks/233902/dhaka-stocks-plunge-after-gaining-for-one-day

Will BSEC ever learn from its missteps?

- The Bangladesh Securities and Exchange Commission (BSEC) has recently stepped in to limit the loss that a company might suffer in a single day, preventing the market from running on its natural course.
- However, the new move did not work because investors have kept selling shares within the new limit, forcing the key indices of the Dhaka Stock Exchange (DSE) to drop in the last two sessions out of three.
- On Wednesday, the stock market regulator narrowed the scope of stocks to fall more than 3% daily instead of the previous 10% since the market shows no sign of improvement.
- Analysts say the regulator's intervention is denting investors' confidence and it comes at a time when they are still smarting from the wounds caused by the 18-month-long floor price, a period when most of the stocks were untradeable.

News Source:

https://www.thedailystar.net/business/economy/news/will-bsec-ever-learn-its-missteps-3598401