# Daily News Snippet

**May 30, 2024**

| Bangladesh Market | |
|---|---|
| **Major Indices** | **Last closing** |
| DSEX Index | 5,228.53 |
| % change | -0.95% |
| DS30 Index | 1,869.94 |
| % change | -0.89% |
| DSES Index | 1,138.96 |
| % change | -1.18% |
| Turnover (BDT mn) | 3,066.75 |
| Turnover (USD mn) | 26.01 |
| % change | -30.42% |
| ***Source: Dhaka Stock Exchange*** | |

| International Market | |
|---|---|
| **Major Indices** | **Last closing** |
| Dow Jones Industrial Average | 38,441.54 |
| % change | -1.06% |
| S&P 500 | 5,266.95 |
| % change | -0.74% |
| Nikkei 225 | 38,556.87 |
| % change | -0.77% |
| FTSE 100 | 8,183.07 |
| % change | -0.86% |
| ***Source: Bloomberg*** | |

| Exchange rate | | |
|---|---|---|
| **Major Currencies** | **Low (BDT)** | **High (BDT)** |
| USD | 117.50 | 117.90 |
| EUR | 127.55 | 128.03 |
| GBP | 149.93 | 150.49 |
| INR | 1.41 | 1.42 |
| ***Source: BB*** | | |

| Money market | | |
|---|---|---|
| **Date** | **Call Money Rate Range (%)** | **Weighted Average** |
| 29-May-24 | 8.50 - 10.00 | 9.20 |
| 28-May-24 | 8.75 - 10.00 | 9.81 |
| ***Source: BB*** | | |

| Commodities | | |
|---|---|---|
| **Major Commodities** | **Price** | **% Change** |
| Brent Crude (Oil), USD/bbl. | 83.5 | -0.12% |
| Gold Spot, USD/t oz. | 2,334.77 | -0.14% |
| Cotton, USD/lb. | 77.97 | -0.17% |
| ***Source: Bloomberg*** | | |

## Market Summary

## Bangladesh Market

- The leading bourse of the country, DSEX lost 0.95% in the last trading day, closing at 5,228.53 points.
- The daily turnover decreased 30.42% in the last trading day.

## Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 1.06% loss, S&P 500 posted 0.74% loss and FTSE 100 posted 0.86% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.77% loss.

## Key macro indicators

- All the major currencies rose against BDT yesterday except GBP and INR.
- The average overnight rate is falling in the past week.
- The current weighted average overnight rate stood at 9.20% with a high rate of 10.00% and low rate of 8.50%.
- The oil price decreased 0.12% in the last trading day.

### Bangladesh Macro Update

## IMF's $1.15b 3rd tranche likely in late June

- Bangladesh may receive USD 1.15 billion in the third instalment of the International Monetary Fund's (IMF) loan in the last week of June, which will give a much-needed relief to the country's dwindling foreign exchange reserves.
- The proposal for the third tranche will be placed at the executive board meeting of the Washington-based lender for approval on June 24 or June 25, said an official of the Bangladesh Bank.
- On Sunday, Finance Minister Abul Hassan Mahmood Ali told reporters that Bangladesh would get the instalment by June.
- He made the comments after a meeting with IMF Executive Director Krishnamurthy Venkata Subramanian at his secretariat office.
- In January last year, the IMF approved the USD 4.7 billion loan and Bangladesh has already received more than USD 1 billion in two instalments.

**News Source:**

https://www.thedailystar.net/business/news/imfs-115b-3rd-tranche-likely-late-june-3622261

## Treasury bond yields climb to 15-year high

- The interest rate of treasury bonds recently jumped to a 15-year high of 12.75%, indicating that government borrowing will become costlier in the months ahead.
- The previous highest yield of government bonds was an average of 13% in 2009.
- The development comes following a hike in the interest rate of treasury bills, which have risen to a record 12% as the government increased its borrowing from internal sources to meet the budget deficit.
- Besides, deposit and lending rates at banks also started increasing after the Bangladesh Bank scrapped the Six-months Moving Average Rate of Treasury bills (SMART) formula to make interest rates fully market-based.
- The interest rate, or yield, of treasury bonds now ranges from 12.05% to 12.75% while it was 8.03% to 8.80% in May last year, central bank data showed.

**News Source:**

https://www.thedailystar.net/business/news/treasury-bond-yields-climb-15-year-high-3622351

## Dhaka WASA to raise water prices 10pc from Jul 01

- The price of water supplied by the Dhaka Water Supply and Sewerage Authority, or WASA, is increasing again.
- Dhaka WASA has set the new water price at BDT 16.70 per 1,000 litres for residential users and BDT 46.20 per 1,000 litres for commercial connections whereas currently, residential users pay BDT 15.18 per 1,000 litres while commercial users pay BDT 42 for a similar amount of water.
- Dhaka WASA declared the new prices in a notice issued to the media on Wednesday..
- The notice said the water prices have been increased according to Article-22 of the WASA Act 1996 for readjustment with inflation and it will take effect from Jul 1.

- The decision will also be effective for unmetred holdings, deep tube wells, under-construction buildings, and all types of water and sewage charges, including minimum bills, the notice read.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/dhaka-wasa-to-raise-water-prices-10pc-from-jul-01-1717007173

## Budget deficit to remain high in next fiscal year also

- Budget deficit in the next fiscal year is likely to be BDT 2.50 trillion as the government frames a slightly expansionary budget amid ongoing elevated inflationary pressure, officials said, although inflation control remains its high priority.
- The government is likely to frame a BDT 7.969-trillion national budget for the fiscal 2024-25 with one-third of the outlay constituting a gap between income and expenditure targets.
- Economists find such massive deficit amid the ongoing economic slowdown contradictory to government priority of inflation control in the upcoming fiscal year.
- Bangladesh passes through a higher trajectory of inflation for over a year, which is still close to double-digit figure on a point-to-point basis.
- Ministry of Finance (MoF) officials say since the country's better economic growth will have to be kept continuing, they opted for a higher-expenditure target than the one in the current FY2024.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/budget-deficit-to-remain-high-in-next-fiscal-year-also-1717007222

### Sectoral Update

### Banking and Insurance

## Loans, deposits rise in Islamic banks despite severe liquidity crisis

- Outstanding loans and deposits both increased in full-fledged 10 local Islamic banks in February this year.
- But six of the Islamic banks have been facing severe liquidity crisis for more than a year.
- Outstanding loans at the 10 banks stood at BDT 455,525 crore, up by BDT 6,452 crore from a month earlier, according to the latest data of the Bangladesh Bank.
- At the same time, deposits in those banks hit BDT 380,066 crore, up by BDT 4,762 crore from January.
- Massive loan irregularities have been taking a huge toll on six Islamic banks: Islami Bank Bangladesh, Social Islami Bank, First Security Islami Bank, Union Bank, Global Islami Bank and ICB Islamic Bank.
- The rest four—Al Arafah Islami Bank, Standard Bank, Exim Bank and Shahjalal Islami Bank—have been doing comparatively well, industry insiders said.

**News Source:**

https://www.thedailystar.net/business/news/loans-deposits-rise-islamic-banks-despite-severe-liquidity-crisis-3622211

## Excise duty on deposits to rise

- Excise duty on high-figured bank deposits may rise in the upcoming fiscal year under a government move to tax higher the well-off to narrow gaping income inequality, officials said.
- The VAT (value-added tax) wing of the revenue board would restructure the excise duty in the budget for FY 2024-25 for only high-income people while low-and middle-income ones would continue to enjoy the existing rates.
- Currently, excise duty for bank deposits ranging above BDT 0.1 million to BDT 0.5 million is BDT 150 while it is BDT 500 for deposits above BDT 0.5 million to BDT 1.0 million and this duty rates are likely to remain unchanged.
- Excise duty for amount above BDT 1.0 million to BDT 10.0 million is BDT 3,000 and this, in the next budget, is likely to be BDT 5,000 for deposit worth between BDT 5.0 million and BDT 10 million, they said.
- For bank deposits above BDT 10 million and up to BDT 20 million, excise duty would be BDT 10,000.

**News Source:**

https://today.thefinancialexpress.com.bd/first-page/excise-duty-on-deposits-to-rise-1717007262

## Stop charging additional interest on refinanced agricultural and rural loans: BB to banks

- The central bank has ordered scheduled banks to refrain from charging additional interest on refinanced agricultural and rural loans than the rate set by the regulator.
- The banking regulator has sent a circular in this regard to all managing directors of relevant scheduled banks today (29 May).
- The central bank's order comes following reports that some banks are charging farmers extra interest than the rate set by the regulator for the refinanced agriculture and rural loans.
- If the borrower succeeds in repaying the loan within the stipulated tenure, banks cannot charge them any additional interest even if the loan instalment payment becomes overdue, said the circular.
- However, if the borrower fails to repay the loan within the stipulated time, banks can charge extra interest on the period after the tenure.

**News Source:**

https://www.tbsnews.net/economy/banking/stop-charging-additional-interest-refinanced-agricultural-and-rural-loans-bb-banks

### Power and Energy

## Adani requests FinMin to quickly clear electricity bills

- India's Adani Group Director Pranav Adani has requested Finance Minister Abul Hassan Mahmood Ali to quickly clear the outstanding electricity bills, amounting to around USD 700 million, that Bangladesh owes to the company.
- Pranav Adani met the finance minister with a five-member delegation at the Secretariat this afternoon (29 May).
- Sources say that earlier, Adani Group had contacted the Power Division regarding the payment of dues.

- Power Division Senior Secretary Md Habibur Rahman told that Adani Group is urgently seeking their dues and thus the Power Division is trying to bring down the arrears within two months.
- The Bangladesh Power Development Board (BPDB) signed a power purchase agreement with India's Adani Group in 2017 to meet the country's power demands.

**News Source:**

https://www.tbsnews.net/bangladesh/energy/adani-requests-finmin-quickly-clear-electricity-bills-863621

### Capital Market

## Turnover at Dhaka bourse hits five-month low

- Shares listed on the Dhaka Stock Exchange (DSE) saw another major setback when the daily market turnover hit a five-month low.
- Turnover, a crucial indicator of a day's trading activity in the market, decreased 30.42% from the previous day to hit BDT 306 crore, a five-month low.
- Mutual fund, telecom and travel and leisure sectors closed in positive territory while information technology, ceramics and non-bank financial institution sectors closed in negative territory.
- The DSEX, the benchmark of the country's prime bourse, dropped 50.35 points, or 0.95%, to close the day at 5,228.53, the lowest in over 3 years.
- Likewise, the DSES, the index that represents Shariah-based firms, fell 13.59 points, or 1.18%, to 1,138.96 while the DS30, the index that comprises the best blue-chip shares, dipped 16.79 points, or 0.89%, to 1,869.93.

**News Source:**

https://www.thedailystar.net/business/news/turnover-dhaka-bourse-hits-five-month-low-3622006