Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,070.02
% change	-0.70%
DS30 Index	1,803.06
% change	-0.48%
DSES Index	1,093.79
% change	-0.89%
Turnover (BDT mn)	4,316.46
Turnover (USD mn)	36.58
% change	35.40%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,747.42
% change	-0.31%
S&P 500	5,375.32
% change	0.27%
Nikkei 225	39,134.79
% change	0.25%
FTSE 100	8,147.81
% change	-0.98%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	117.95	118.00
EUR	126.95	127.05
GBP	150.15	150.24
INR	1.41	1.41
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
11-Jun-24	8.50 - 10.00	9.35
10-Jun-24	8.50 - 10.00	9.24
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	82.27	0.43%
Gold Spot, USD/t oz.	2,313.39	-0.16%
Cotton, USD/lb.	72.22	-0.29%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.70% in the last trading day, closing at 5,070.02 points.
- The daily turnover increased 35.40% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.31% loss, S&P 500 posted 0.27% gain and FTSE 100 posted 0.98% loss.
- One of the leading Asian market indices, NIKKEI 225 posted 0.25% gain.

Key macro indicators

- All the major currencies rose against BDT yesterday except the Euro.
- The average overnight rate is rising in the past week.
- The current weighted average overnight rate stood at 9.35% with a high rate of 10.00% and low rate of 8.50%.
- The oil price increased 0.43% in the last trading day.

Bangladesh Macro Update

WB retains Bangladesh's growth forecast at 5.7% for FY25

- The World Bank has kept its economic growth forecast for Bangladesh unchanged at 5.7% for the upcoming fiscal year although the government is shooting for a much higher GDP expansion.
- The projection from the Washington-based lender comes a couple of days after the government targeted a 6.75% growth of the gross domestic product.
- Bangladesh's economy is likely to grow 5.7% in FY25, supported by increased private consumption for easing inflation and a pick-up in overall investment for implementation of large investment projects, the WB said yesterday in its Global Economic Prospects.
- Shortages of inputs and imported goods are expected to ease gradually. A more flexible exchange rate policy is envisaged to help increase remittance inflows and reduce balance of payments pressures.
- The government consumption and investment have supported activity, while elevated inflation has dampened real wage growth and the purchasing power of households, and weighed on private consumption, World Bank said.

News Source:

https://www.thedailystar.net/business/economy/news/wb-retains-bangladeshs-growth-forecast-57-fy25-3632791

Gifts not sweet anymore as NBR mulls taxes

- Getting a gift from anyone is always fantastic, but that pleasure may dull from the next fiscal year as the National Board of Revenue (NBR) will consider presents received from a loved one as additional income, meaning presents may end up costing the recipient.
- If someone receives a gift, they will have to show it in their income tax return at the end of the year.
- At the same time, the person who gives the present will also have to inform it in their income tax return.
- However, this tax will not apply to gifts for an individual's husband, wife, parents or children although those gifts must also be included in tax returns.
- Finance Minister Abul Hassan Mahmood Ali proposed the provision in the Finance Bill 2024 while unveiling the budget for fiscal year 2024-25 on Thursday.

News Source:

https://www.thedailystar.net/business/economy/news/gifts-not-sweet-anymore-nbr-mulls-taxes-3632796

Procure more domestic software to boost ICT sector: expert

- At least 10% of the internal development budgets of all ministries and their affiliated bodies should be dedicated to the procurement of software and IT-enabled services (ITES) from domestic IT companies, according to Ahsan H Mansur, executive director at the Policy Research Institute of Bangladesh.
- Limited procurement of domestic software by the government restricts the growth and international recognition of local companies, the economist said.
- He said joint ventures could be formed to implement big IT projects undertaken by the government, bolstering the survival and recognition of local software companies.

- Mansur made the remarks while presenting the keynote at a roundtable, titled "Importance of ICT for Economic Growth in Bangladesh", organised by the Bangladesh Association of Software and Information Services (BASIS) at its auditorium in Dhaka.
- The ICT sector has emerged as the nucleus of industrial manufacturing and exporting, agricultural progression, and service sectors' uninterrupted quality delivery processes, he said.

News Source:

https://www.thedailystar.net/business/news/procure-more-domestic-software-boost-ict-sector-expert-3632451

NIR still below IMF-set target

- Central bankers appear busy holding talks with the International Monetary Fund (IMF) for getting the third tranche of USD 1.15 billion from its lending package as Bangladesh couldn't yet manage conditional reserves position.
- A prime condition binding the borrowed fund release is maintaining net international reserves or NIR at a minimum of USD 14.77 billion by this June.
- Because of the shortfall, sources say, the multilateral lending agency keeps meeting virtually regularly with the Bangladeshi officials concerned and pressuring them to meet the target within the timeline as the Bretton Woods Institution is set to hold board meeting on June 24 where the third instalment of the USD 4.70-billion loan will be placed for approval.
- The ministry sources said the NIR now stood below USD 13.0 billion but the country needed to take it to USD 14.77 billion this June.

News Source:

https://today.thefinancialexpress.com.bd/first-page/nir-still-below-imf-set-target-1718131089

Domestic, foreign borrowing may double by FY 2026-27

- Government borrowing from domestic and external sources is projected to swell over the next three years for financing the budget deficit, according to an official forecast.
- It further suggests that the debt stock would double over a period of six years from fiscal year (FY) 2021-22 to FY 2026-27, and stand at around BDT 27.5 trillion - 39.4% of the country's Gross Domestic Product (GDP).
- As of the outgoing FY'24, the government borrowing, including domestic and foreign outstanding loans, is estimated to be BDT 19.0 trillion, 37.69% of the GDP, according to the Ministry of Finance (MoF).
- Analysts say that Bangladesh is gradually falling into a debt trap due to the steep rise in borrowing while the repayments would swell simultaneously in the coming years.
- According to the MoF, the actual debt stock in FY'22 was recorded at BDT 13.4 trillion, 33.8% of the GDP.

News Source:

https://today.thefinancialexpress.com.bd/last-page/domestic-foreign-borrowing-may-double-by-fy-2026-27-1718131547

Sectoral Update

Banking and Insurance

Travel restriction on bankers relaxed

- Bangladesh Bank today relaxed the travel restrictions on employees of banks, which was imposed on May of 2022 as part of efforts to stop foreign currency reserves from sliding.
- Bankers will now be able to go abroad for official and personal reasons without taking permission from the central bank, Bangladesh Bank said in a notice issued.
- However, if a bank's managing director wants to go abroad, he/she has to take prior approval from the central bank.
- Officials and employees of banks will not be allowed to travel abroad to participate in training, seminars, workshops or study tours funded by the bank, according to the notice.
- It said they can travel abroad for personal purposes for special needs, performing the Holy Hajj and receiving emergency medical treatment subject to the recommendation of a specialist physician with the approval of the appropriate authorities.

News Source:

https://www.thedailystar.net/business/news/travel-restriction-bankers-relaxed-3632346

Bank deposits drying up as inflation bites

- Banks seem having hit the brakes on deposit mobilisation as the January-March first quarter of this year frustrated their expectation, in a rare development that analysts blame on persisting higher inflation on the economy.
- The deposit receipt contracted 0.75% to BDT 17.62 trillion at the end of March over its preceding quarter, according to Bangladesh Bank statistics.
- These exclude interbank items, meaning that these are purely customer deposits.
- However, the customers' deposits grew by 0.57% to BDT 14.91 trillion in the urban areas from where around 85% of the money comes.
- The rural deposit growth increased by 1.8% to BDT 2.71 trillion.

News Source:

https://today.thefinancialexpress.com.bd/first-page/bank-deposits-drying-up-as-inflation-bites-1718131289

Crore-taka bank accounts drop by 1,018 in three months

- The number of bank accounts holding at least BDT 1 crore has dropped by 1,018 in the first quarter because, according to bankers, high inflation and the dollar crisis pushed up production costs, leading to reduced deposits by businesses.
- According to data from the Bangladesh Bank, at the end of March this year, bank deposits in such accounts fell by BDT 1,316 crore to BDT 740,150 crore.
- Bankers say due to stubborn inflation, which has been above 9% for more than two years and registered at 9.89% in May this year, people are exhausting their savings to meet their expenses.

- Additionally, due to the dollar crisis, import-export activities have been continuously decreasing over the last two years, resulting in a decline in deposits in accounts holding crores of taka.
- The ongoing decline in export orders from foreign buyers and the increase in loan interest rates have also been cited as reasons for the decrease in deposits.

News Source:

https://www.tbsnews.net/economy/banking/crore-taka-bank-accounts-drop-1018-three-months-874881

Power and Energy

India looks to export RLNG to BD via pipeline

- Two Indian energy companies are eyeing export of re-gasified liquefied natural gas (RLNG) to Bangladesh within next few years after laying two separate pipelines totalling 265 kilometres.
- After importing the gas from international suppliers, Indian state-run GAIL and private company H-Energy will supply RLNG to separate Bangladeshi entities.
- India's H-Energy is set to sign a deal with Bangladesh's state-owned oil, gas and mineral corporation Petrobangla, while GAIL is finalising a re-gasified LNG sales agreement with private Bangladeshi firm Dipon Gas Company.
- Market analysts attribute this move by the Indian companies to sluggish domestic LNG consumption in India over the past several years.
- India's GAIL and H-Energy will primarily export a combined total of around 1.6-2.0 million tonnes per annum (MTPA) of re-gasified LNG, which could be expanded through mutual negotiations.

News Source:

https://today.thefinancialexpress.com.bd/first-page/india-looks-to-export-rlng-to-bd-via-pipeline-1718131241

Deal-making gets nod

- Bangladesh expects to begin soon importing 40 megawatts of hydroelectricity from Nepal after signing a tripartite deal with India to use its transmission line as a cabinet body Tuesday gave the go-ahead.
- The Cabinet Committee on Government Purchase (CCGP) gave the approval for the buy of electricity from Nepal that costs BDT 8.17 per unit, alongside endorsing several other purchases at dollar-denominated prices.
- As approved, the import of the electricity during a period of five years will cost BDT 6.5 billion.
- Finance Minister Abul Hassan Mahmood Ali chaired the meeting held at the cabinet division.
- Briefing reporters after the meeting was over, cabinet division secretary (Coordination and Reform) Mahmudul Hossain Khan said the committee approved a proposal of the Power Division to import the electricity under direct-purchase method.

News Source:

https://today.thefinancialexpress.com.bd/first-page/deal-making-gets-nod-1718131399

Capital Market

Stock indices at nearly 4-year low

- Major indices of Dhaka Stock Exchange (DSE) yesterday extended their losing streak, marking a third day of decline after the government unveiled its proposed national budget for fiscal year 2024-25.
- The DSEX, the benchmark index of the country's premier bourse, dropped 0.70% to close the session at 5,070 points.
- This is the lowest point to be reached since December 9, 2020, when the index stood at 5069.88 points.
- The DSEX shed a total of 167 points, or 3%, over the past three days with many analysts pointing to some proposed budgetary measures as the reason for its decline.
- For example, the government plans to reinstate capital gains tax of at least 15% on investors' income of more than BDT 50 lakh.

News Source:

https://www.thedailystar.net/business/economy/news/stock-indices-nearly-4-year-low-3632801

Tax waiver, regulatory reforms must to breathe new life into stocks: DBA

- The DSE Brokers Association of Bangladesh (DBA) urged the government to delay imposing capital gain tax on individual investors for at least one year considering the disconcerting scenario of the market.
- Even in doing so, the capital gain tax calculation has to be simplified, it said.
- The proposed FY25 budget suggests determining tax on the basis of shareholding duration; if an investor has held onto the assets for more than five year, the rate is 15%, while if it is less than 5 years, the tax rate can go up to 30%.
- We are not against the capital gain tax, but this is not the right time.
- It has engendered a negative sentiment among investors in the already bearish market, said Md Saiful Islam, president of the DBA.

News Source:

https://today.thefinancialexpress.com.bd/stock-corporate/tax-waiver-regulatory-reforms-must-to-breathe-new-life-into-stocks-dba-1718129249