Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,185.00
% change	-0.11%
DS30 Index	1,921.00
% change	-0.09%
DSES Index	1,158.35
% change	-0.05%
Turnover (BDT mn)	3,070.10
Turnover (USD mn)	25.16
% change	-28.20%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,635.20
% change	0.25%
S&P 500	5,918.25
% change	0.16%
Nikkei 225	39,981.06
% change	-0.26%
FTSE 100	8,251.03
% change	0.07%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	126.14	126.16
GBP	152.17	152.27
INR	1.42	1.42
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
08-Jan-25	9.50 – 11.00	10.01
07-Jan-25	9.50 – 11.00	10.04
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	76.16	-1.16%
Gold Spot, USD/t oz.	2,662.06	0.47%
Cotton, USD/lb.	68.23	-0.41%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 0.11%% in the last trading day, closing at 5,185.00 points.
- The daily turnover decreased 28.20% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.25% gain, S&P 500 posted 0.16% gain and FTSE 100 posted 0.07% gain.
- One of the leading Asian market indices, NIKKEI posted 0.26% loss yesterday.

Key macro indicators

- While the USD rate remained stable, all major currencies depreciated against BDT yesterday.
- The average overnight rate decreased in the last trading day.
- The current weighted average overnight rate stood at 10.01% with a high rate of 11.00% and low rate of 9.50%.
- The oil price decreased 1.16% in the last trading day.

Bangladesh Macro Update

Corporate tax rate to double from next fiscal year

- Local manufacturers of motorcycles, refrigerators and air conditioners will have to face double taxation on their income from the next fiscal year as per a Statutory Regulatory Order (SRO) issued by the income tax wing under the National Board of Revenue (NBR).
- It will be 20% instead of the existing 10% from fiscal year 2025-26, according to the SRO.
- Complete freezer, refrigerator, motorcycle, air conditioner and compressor manufacturing companies are subject to the revised rate and the 20% tax rate would be valid until June 30, 2032.
- The NBR has opted not to impose the tax from the day of issuance of the SRO following prospective tax measures, said officials.
- With the removal of the 10% tax provision, the manufacturers of these items will fall under the regular tax rate of 27.5%. But considering the survival of the manufacturers, the NBR has decided to implement a reduced rate of 20% for the next seven years.

News Source:

https://today.thefinancialexpress.com.bd/first-page/corporate-tax-rate-to-double-from-next-fiscal-year-1736359262

Govt borrows Tk 690b from banks in H1 for deficit financing

- Government borrowings from scheduled banks swelled over BDT 690 billion in the first half (H1) of this fiscal for deficit financing but its net debt dropped to over BDT 146 billion after repayment.
- The ministry of finance borrowed BDT 690.54 billion from all the scheduled banks through issuing treasury bills and bonds during the July-December period of the current fiscal year (FY), 2024-25, while BDT 544.14 billion was paid into the central-bank coffer, according to a confidential report prepared by the Bangladesh Bank (BB) on government borrowing from the banking system.
- Actually, the government borrowed the money from the scheduled banks during the period under review partly to meet budget deficit, officials said.
- However, the net bank borrowing of the government was deficit BDT 32.86 billion in the same period of the FY'24, according to the official figures.

News Source:

https://today.thefinancialexpress.com.bd/first-page/govt-borrows-tk-690b-from-banks-in-h1-for-deficit-financing-1736359207

Savings certificate interest rates rising from 1 Jan

- The interim government is set to hike the interest rates for savings certificates effective from 1 January, with increases of at least one percentage point.
- Investors with deposits of BDT 7.5 lakh or less will receive slightly higher returns.
- According to finance ministry sources, Chief Adviser Prof Muhammad Yunus has approved a proposal to re-fix the interest rates for savings certificates.
- The Internal Resources Division of the finance ministry will soon issue an official notification.

- Finance ministry officials said the rates have been set for the six months until June.
- Under the adjustment, investors with up to BDT 7.5 lakh in the five-year Bangladesh Savings Certificate will receive an interest rate of 12.40%.

News Source:

https://www.tbsnews.net/economy/savings-certificate-interest-rates-rise-1038296

Sectoral Update

Banks, NBFIs, and Insurance

Banks can now issue power-energy import payment guarantees without BB approval

- Non-bank financial institutions (NBFIs) are burdened with non-performing loans, which reached 35.52% by the end of September 2024, with seven institutions reporting NPLs between 90% and 99%.
- To streamline the import process for essential government goods and services, banks will now have the authority to independently issue payment guarantees for power and energy imports, eliminating the need for prior approval from the central bank.
- However, banks will require approval from the ministry responsible for the imports, according to a circular issued yesterday by the Bangladesh Bank's Foreign Exchange Policy Department.
- A senior official from the central bank told TBS that many government entities within the power and energy sectors frequently sought late approval for payment guarantees.
- To prevent disruptions to these vital national services, the central bank has eliminated the requirement for prior approval.
- According to the circular, to facilitate the import of emergency goods and services by competent authorities/entities in the power and energy sector, it has been decided that banks may issue bank guarantees or Standby Letters of Credit in favour of foreign suppliers as payment security on behalf of importers, subject to the approval of the concerned ministry.

News Source:

https://www.tbsnews.net/economy/banking/banks-no-longer-require-cenbank-approval-payment-guarantees-power-and-energy-imports

Troubled National Bank seeks Tk1,000cr more from Cenbank

- National Bank Limited, a troubled private commercial bank, has approached the Bangladesh Bank with a request for an additional BDT 1,000 crore in liquidity support, despite having already received BDT 4,000 crore from the central bank recently.
- A senior central bank official, on condition of anonymity, told TBS that the bank sought the support at a 10% interest rate.
- However, a final decision on whether the support will be granted is still pending.
- Abdul Awal Mintoo, chairman of National Bank Limited, confirmed the request, said that Bangladesh Bank initially indicated it would provide BDT 5,000-6,000 crore, but they granted us BDT 4,000 crore.

- The central bank has asked National Bank to clarify how the BDT 4,000 crore was utilised and the bank has prepared a presentation to explain the spending of the funds.

News Source:

https://www.tbsnews.net/economy/banking/troubled-national-bank-seeks-tk1000cr-more-cenbank-1038371

Apparel and Textiles

Govt issues gazette on 9% yearly wage increment hike for RMG workers

- The government has issued a gazette fixing the annual increment for the readymade garment (RMG) workers at 9%.
- The government has recommended an increase of 9% in the annual increment of the garment industry sector by adding another 4% hike to the existing 5%.
- The gazette comes following an announcement by Adviser M Sakhawat Hussain on 9 December.
- He clarified that any worker who is supposed to get a yearly increment in December will enjoy the additional increase.
- Those not supposed to get an increment in December will still get a 4% rise in their wages.

News Source:

https://www.tbsnews.net/economy/rmg/govt-issues-gazette-9-yearly-wage-increment-hike-rmg-workers-1037271

Engineering

MS rod prices jump by over Tk 5,000 in a month as demand grows

- After a six-month downturn, the country's steel market is showing signs of recovery, with prices of mild steel (MS) rods, a key construction material, surging by BDT 5,000-6,000 per tonne over the past three weeks.
- The demand for MS rods has increased, driving up prices due to a rise in individual home construction projects during the dry season.
- However, demand from major sectors, government and private sector projects, remains significantly low.
- The situation is further complicated by disputes between the two sides.
- The heads of steel rod manufacturing companies have told that the production cost of each tonne of 75-grade rod has exceeded BDT 90,000 and thus despite increasing prices, they are still incurring a loss of BDT 2,000 to BDT 4,000 per tonne.

News Source:

https://www.tbsnews.net/economy/ms-rod-prices-jump-over-tk5000-month-demand-grows-1038366

Energy

Adani pushes for payment roadmap as PDB arrears mount to $845m

- India's Adani Group has sought a clear roadmap from Bangladesh's interim government for settling USD 845 million in unpaid bills for power exported from its Godda plant.
- In a letter dated 6 January, addressed to Finance Adviser Dr Salehuddin Ahmed and Power and Energy Adviser M Fouzul Kabir Khan, Adani expressed urgency in resolving the mounting arrears while also discussing future supply arrangements.
- While recent months have seen improvements in PDB's payment patterns, Adani points out that these payments barely cover current monthly bills, leaving the staggering outstanding amount of USD 845 million.
- The situation is further complicated by disputes between the two sides.
- Adani has called for immediate action, urging the Bangladesh government to facilitate a meeting in Dhaka to resolve all outstanding issues related to the power supplied by Godda.

News Source:

https://www.tbsnews.net/bangladesh/infrastructure/adani-pushes-payment-roadmap-pdb-arrears-mount-845m-1038346

BERC panel to review proposal

- A seven-member technical committee will review proposed gas-tariff hike to the height of LNG-import cost for new industries and expansions of the existing ones.
- Bangladesh Energy Regulatory Commission (BERC) has constituted the panel for vetting the Petrobangla proposal that implies that these industrial subscribers would have to pay nearly double the current tariffs of natural gas.
- We have constituted the 7-member committee immediate after receiving the gas-tariff-hike proposal from state-run Petrobangla for raising gas tariff, according to BERC chairman Jalal Ahmed.
- Petrobangla has recently submitted tariff-hike proposal to the BERC under which new industries might have to pay tariffs on a par with the import price of liquefied natural gas (LNG).
- As proposed by the corporation, owners of all new industries and captive power plants must pay natural-gas tariffs as per the total LNG import costs for getting new piped-gas connections

News Source:

https://today.thefinancialexpress.com.bd/first-page/berc-panel-to-review-proposal-1736359020

Capital Market

Stocks continue its plunge, dragged by blue chips

- The Dhaka bourse closed Wednesday's session marginally lower, extending its losing streak for the second consecutive session.
- The DSEX, broad index of the Dhaka Stock Exchange (DSE), declined in the last four sessions out of five as investors failed to see any strong recovery stance.
- At the end of the session, the broad index closed at 5,185 points, with a loss of 5.77 points.

- The erosion experienced by blue chip stocks played a major role in the index fall.
- The DS30 index comprising blue chip stocks dropped 1.74 points on Wednesday to close at 1,921 points.

News Source:
https://today.thefinancialexpress.com.bd/stock-corporate/stocks-continue-its-plunge-dragged-by-blue-chips-1736347527

Corporate tax rate to double from next fiscal year

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