Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,174.28
% change	0.16%
DS30 Index	1,912.23
% change	0.02%
DSES Index	1,149.20
% change	0.50%
Turnover (BDT mn)	4,206.51
Turnover (USD mn)	34.48
% change	12.44%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	44,470.41
% change	0.38%
S&P 500	6,066.44
% change	0.67%
Nikkei 225	38,860.00
% change	0.30%
FTSE 100	8,767.80
% change	0.77%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	122.00	122.00
EUR	125.99	126.00
GBP	151.39	151.43
INR	1.39	1.39
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
10-Feb-25	9.50 - 11.00	10.12
9-Feb-25	9.50 - 11.00	10.05
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	75.87	1.62%
Gold Spot, USD/t oz.	2,917.90	2.01%
Cotton, USD/lb.	66.54	1.39%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.16% in the last trading day, closing at 5174.28 points.
- The daily turnover increased by 12.44% in the last trading day.

Global Market

- Some of the key global indices performed positively in the last trading day; the Dow Jones Industrial Average rose by 0.38%, the S&P 500 rose by 0.67%, and the FTSE 100 rose by 0.77%.
- One of the key Asian indices, the Nikkei 225 rose by 0.3%.

Key Macro Indicators

- The value of the BDT rose against the EUR, the GBP, and the INR, and remained stable against the USD.
- The average overnight rate stood at 10.12%, standing between 9.50% and 11.00%.
- The price of oil futures rose by 1.62%, the price of gold increased by 2.01%, and the price of cotton rose by 1.39%.

Bangladesh Macro Update

Contractionary stance will hamper private sector growth: DCCI

- Dhaka Chamber of Commerce and Industry (DCCI) has expressed concern over Bangladesh Bank's decision to maintain a contractionary monetary policy in H2 of 2024-25 fiscal year, keeping the policy rate at 10%.
- DCCI noted that the private sector relies heavily on banks for investment, and high interest rate raise production cost, fuelling inflation.
- Despite inflation easing to 9.94% in January 2025 from 10.89% in December 2024, it remains above the desired level.
- Moreover, the DCCI also expressed concern about the decision to maintain the private sector credit growth target at 9.8% for January-June FY25, while actual growth fell to 7.3% in the first of 2025, the lowest in 12 years.
- DCCI stated that public sector credit growth surged from the 14.2% target to 18.1% in December 2024, requiring curbs through austerity measures.

News Source:

https://www.tbsnews.net/economy/contractionary-stance-will-hamper-private-sector-growth-dcci-1065751

GDP to decelerate, but domestic demand rebound expected: BB

- Bangladesh's GDP growth in the current fiscal year (FY25) is expected to decelerate to 4-5%, largely due to a combination of natural and industrial disruptions, according to the new monetary policy announced on Monday for the second half of this fiscal year.
- The policy says the country has faced severe output losses from devastating floods in several districts, labour unrest in key industrial zones, and gas supply shortages that have hampered manufacturing productivity.
- Also, the delayed execution and resizing of the Annual Development Programme (ADP) and disruptions linked to the student-led uprising have constrained economic activity.
- Despite these headwinds, the new MPS says a rebound in domestic demand is expected, driven by rising remittance inflows and an uptick in both exports and imports.
- These factors could partially offset the immediate growth slowdown, providing a foundation for a stronger recovery in the subsequent fiscal years

News Source:

https://www.tbsnews.net/economy/banking/what-bangladesh-bank-says-about-near-term-macroeconomic-issues-challenges-1065521

AIIB to lend Bangladesh $400m

- Bangladesh is getting USD 400 million from the Asian Infrastructure Investment Bank (AIIB) as budget-support credit to finance policy actions for infrastructural development in climate-critical sectors, sources said.
- The agreed loan will be given under the AIIB's climate policy-based financing arrangement (CPBF) in a project titled 'Climate Resilient Inclusive Development Programme (Sub-programme 2)'.

- The China-led multilateral development bank had provided $400 million in June last year under the 'Climate Resilient Inclusive Development Programme (Sub-programme 1)'.
- The previous programme had aimed at critical structural reforms meant for building climate-resilience in development activity.
- Mainstreaming climate-change adaptation and-mitigation actions for a sustainable, resilient and inclusive growth was core mission of the lending package which helped the government meet forex-reserve target set by the International Monetary Fund (IMF).

News Source:

https://today.thefinancialexpress.com.bd/first-page/aiib-to-lend-bangladesh-400m-1739210581

Sectoral Update

Banks, NBFIs, and Insurance

NPLs likely to exceed 30% of total outstanding loans by June: Cenbank

- Non-performing loans (NPLs) in Bangladesh's banking sector are expected to exceed 30% of the total outstanding loans by June this year, according to the monetary policy statement released by the Bangladesh Bank in 10 February.
- As per the latest available data from the central bank, NPLs stood at BDT 2.84 lakh crore in September 2024, accounting for nearly 17% of the country's outstanding loans of nearly BDT 16.83 lakh crore.
- The surge in NPLs is likely to exceed 30% of total outstanding loans, raising serious concerns for the banking industry, the central bank said in the monetary policy report.
- Factors likely to contribute to the increase of NPLs include systemic weaknesses, regulatory gaps, and exploitative practices such as money laundering and illicit capital flight, the report adds.
- It is important to note that several banks are currently facing a significant liquidity crisis, which has been worsened by rising NPLs, slow deposit growth, and weak loan recovery.

News Source:

https://www.tbsnews.net/economy/banking/npls-likely-exceed-30-total-outstanding-loans-june-cenbank-1065681

BB Order, Bank Company Act to be reviewed

- The central bank is going to review both the Bangladesh Bank (BB) Order and the existing Bank Company Act to ensure corporate governance in the country's banking sector.
- The number of bank directors, the tenure of directors, and the number of independent directors will be strongly focused in the upcoming review of the act, according to Governor Dr Ahsan H Mansur.
- Currently, the maximum tenure of a bank director is 12 years in a row, also Dr Mansur personally believes independent directors should make up 50 per cent of a bank's board.
- Apart from its own efforts, the central bank wants to seek foreign assistance to update and modernise the Bank Company Act and the BB Order, according to the governor.

- Meanwhile, the central bank has advocated the introduction of two pivotal laws in the legislative arena - the Bank Resolution Act and the Deposit Insurance Act (Amendment), according to the latest monetary policy statement (MPS).

News Source:

https://today.thefinancialexpress.com.bd/first-page/bb-order-bank-company-act-to-be-reviewed-1739210494

Energy

Bangladesh seeks full power supply restoration from Adani plant

- Bangladesh has asked Adani Power to fully resume supplies from its 1,600-megawatt plant in India after more than three months of reduced sales, according to a Bangladesh official
- The power supplies were halved due to low winter demand and payment disputes.
- Adani, which signed a 25-year contract under former prime minister Sheikh Hasina in 2017, has been supplying power from its USD 2 billion plant in India's Jharkhand state.
- The plant, with two units each of 800 megawatts capacity, sells exclusively to Bangladesh.
- The Indian company halved supply to Bangladesh on 31 October due to payment delays as the country battled a foreign exchange shortage.

News Source:

https://www.tbsnews.net/bangladesh/bangladesh-seeks-full-power-supply-restoration-adani-plant-1066121

Capital Market

Fixed income drives Padma, Jamuna Oil profits

- Non-operating income, primarily from fixed deposit receipts (FDRs) in banks, has significantly boosted the profits of state-owned oil distributors Padma Oil Company and Jamuna Oil Company in the first half of the current fiscal year.
- During the July to December period of FY25, Jamuna Oil reported a 29.59% increase in profit, while Padma Oil saw a 50.60% rise compared to the same period in the previous fiscal year (FY24).
- Both state-owned firms hold a significant amount of FDRs in banks.
- Every year, they earn a substantial sum from non-operating income, which boosts their net profits and enables them to pay generous dividends.

News Source:

https://www.tbsnews.net/economy/stocks/fixed-income-drives-padma-jamuna-oil-profits-1065951

Analysts see positive stock market outlook as BB keeps policy rate unchanged

- Analysts believe that Bangladesh Bank's (BB) decision to keep its policy rate unchanged for the second half of this fiscal year, amid falling inflation and treasury yields, could signal a positive outlook for the stock market.

- On Monday, the central bank unveiled its monetary policy for the January-June period.
- During the presentation, the bank expressed optimism that inflation would fall to the 7-8% range by June and indicated plans to reduce the policy rate in the second half of the year.
- Meanwhile, the policy rate, or repo rate, remains at 10%, signalling that the central bank has no intention of making borrowing costlier, especially as inflation has been on a downward trend for the past two months.
- The primary objectives are to curb inflation, stabilise the foreign exchange market, build forex reserves, and address the rising levels of non-performing loans in banks and financial institutions.

News Source:

https://www.tbsnews.net/economy/stocks/analysts-see-positive-stock-market-outlook-bb-keeps-policy-rate-unchanged-1065971