

### Bangladesh Market

Major Indices	Last closing
DSEX Index	5,200.37
% change	0.15%
DS30 Index	1,909.89
% change	-0.17%
DSES Index	1,162.92
% change	0.43%
Turnover (BDT mn)	4,656.97
Turnover (USD mn)	38.17
% change	9.03%

Source: Dhaka Stock Exchange

### International Market

Major Indices	Last closing
Dow Jones Industrial Average	44,176.65
% change	-1.01%
S&P 500	6,117.52
% change	-0.43%
Nikkei 225	38,678.04
% change	-1.24%
FTSE 100	8,662.97
% change	-0.57%

Source: Bloomberg

### Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	127.59	127.61
GBP	154.09	154.12
INR	1.41	1.41

Source: BB

### Money market

Date	Call Money Rate Range (%)	Weighted Average
20-Feb-25	9.75 - 11.00	10.08
19-Feb-25	9.75 - 11.00	10.09

Source: BB

### Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	76.48	0.58%
Gold Spot, USD/t oz.	2,938.70	0.21%
Cotton, USD/lb.	67.47	-0.31%

Source: Bloomberg

## Market Summary

### Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.15% in the last trading day, closing at 5200.37 points.
- The daily turnover increased by 9.03% in the last trading day.

### Global Market

- Some of the key global indices performed negatively in the last trading day; the Dow Jones Industrial Average fell by 1.01%, the S&P 500 fell by 0.43%, and the FTSE 100 fell by 0.57%.
- One of the key Asian indices, the Nikkei 225 fell by 1.24%.

### Key Macro Indicators

- The value of the BDT fell against the EUR, GBP, and INR, and remained stable against the USD.
- The average overnight rate stood at 10.08%, standing between 9.75% and 11.00%.
- The price of oil futures increased by 0.58%, the price of gold increased by 0.21%, and cotton prices decreased by 0.31%.

## Bangladesh Macro Update

### Taka stays overvalued, undercuts country's trade competitiveness

- ◆ Bangladesh's currency remains overvalued and impacts adversely the country's trade competitiveness with international trading partners, according to official statistics.
- ◆ According to a Bangladesh Bank's latest report, the Bangladesh Taka is overvalued by more than 3.0% or BDT 3.67.
- ◆ The central bank of Bangladesh calculates the Real Effective Exchange Rate (REER) index, which stood at 103.01 in January.
- ◆ When converted using the exchange rate, the real exchange rate stands at Tk 125.67 against the US dollar and thus leaves a gap of BDT 3.67.
- ◆ The central bank or Bangladesh Bank regularly updates the government on the nominal and real effective exchange rates of the BDT against an 18-currency basket, which accounts for more than 85% of the country's trade.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/taka-stays-overvalued-undercuts-countrys-trade-competitiveness-1740244396>

### Private sector struggling under mounting pressure

- ◆ The private sector is facing increasing uncertainty as stubbornly high inflation, stagnant investments and inconsistent energy supplies continue to weigh on businesses, according to industry leaders.
- ◆ In recent months, business sentiment has been significantly affected by inflationary pressures, high borrowing costs and exchange rate volatility, according to Taskeen Ahmed, president of the Dhaka Chamber of Commerce & Industry (DCCI), at an event in Dhaka yesterday.
- ◆ Red-hot prices remain a key concern for both individuals and businesses, with inflation hovering at over 9% since March 2023.
- ◆ Making things worse, Bangladesh's foreign exchange reserves have been under strain for nearly three years, leading to a depreciation of the local currency against the US dollar.
- ◆ For manufacturers, rising commodity prices usually result in reduced demand, while a weaker taka increases operational costs. also authorities have raised interest rates to battle inflation, further pushing up borrowing costs for businesses.

**News Source:**

<https://www.thedailystar.net/business/economy/news/private-sector-struggling-under-mounting-pressure-3831126>

### 65% registered taxpayers skipped filing returns. Why?

- ◆ Tax compliance is a vital pillar of a country's economic stability but in Bangladesh, despite various government efforts to widen the tax net, an alarming 65% of eligible taxpayers did not bother filing their returns within the deadline, which was extended thrice this year.
- ◆ That means two out of every three taxpayers are yet to submit their income tax returns, a document filed with a tax authority that reports income, expenses, and other relevant financial information.

- ◆ As of February 16, this year, only 39.86 lakh taxpayers, including 13,066 companies, filed their tax returns out of around 1.14 crore taxpayer identification numbers (TINs) holders, according to the National Board of Revenue (NBR).
- ◆ This creates revenue shortfalls, deepens economic inefficiencies, and dampens the effectiveness of tax administration.

**News Source:**

<https://www.thedailystar.net/business/economy/news/65-registered-taxpayers-skipped-filing-returns-why-3831116>

## Sectoral Update

### Banks, NBFIs, and Insurance

#### MFS sees significant growth

- ◆ Mobile Financial Services (MFS) in Bangladesh have experienced remarkable growth, with both "NAGAD" and MFS platforms offered by scheduled banks-such as bKash, Rocket, and Upay-contributing to the expansion.
- ◆ As of December 2024, the total number of MFS accounts stood at 238.68 million, 107.72 million in urban areas and 130.96 million in rural areas, according to the latest Bangladesh Bank report.
- ◆ The number of transactions reached 670.05 million in December, up from 652.10 million in November, reflecting a 2.75% increase, the central bank data said.
- ◆ On the other hand, in December, the total transaction volume exceeded BDT 1.65 trillion, up from BDT 1.56 trillion in November, according to the data.
- ◆ In December 2024, inward remittances through MFS surged by 15.23%, reaching BDT 12.41 billion.

**News Source:**

<https://today.thefinancialexpress.com.bd/last-page/mfs-sees-significant-growth-1740244901>

#### Banks' excess liquid assets jump Tk51,696cr on slow private credit

- ◆ The political instability in the country over the past year has led to a significant decline in private sector investment, resulting in a year-on-year increase of BDT 51,696 crore in banks' excess liquid assets.
- ◆ The banking sector's total excess liquid assets, including securities reached BDT 2.15 lakh crore at the end of December 2024, up from BDT 1.63 lakh crore a year earlier, according to data from the Bangladesh Bank.
- ◆ While excess liquid assets of banks increased, excess cash decreased by BDT 2,291 crore, standing at BDT 17,675 crore at the end of December 2024.
- ◆ In August 2024, when the Awami League government fell, banks' excess liquid assets stood at BDT 5,871 crore, but this figure has increased over the past six months.

**News Source:**

<https://www.tbsnews.net/economy/banking/banks-excess-liquid-assets-jump-tk51696cr-slow-private-credit-1074061>

## Textile

### Large listed RMG makers secure higher profits

- ◆ Most listed readymade garment (RMG) producers secured higher profits during the October-December period of this fiscal year, buoyed by global demand even amidst the myriad challenges plaguing Bangladesh's overall business climate.
- ◆ Companies that are relatively large, based on their export volume and capital, staged improved performances but small companies continued to struggle.
- ◆ Among the 40 listed companies from this sector that published the data, 25 saw higher profits while 15 saw lower profits.
- ◆ The combined profit of the 40 companies that shared reports showed the continuation of a rising trend after being hit hard during the politically volatile July-September quarter last year.
- ◆ However, many companies, especially small establishments, could not absorb the rise in costs.

#### News Source:

<https://www.thedailystar.net/business/economy/news/large-listed-rmg-makers-secure-higher-profits-3831121>

### Cornell researchers call for annual review of Bangladesh RMG wages

- ◆ Researchers from the Global Labor Institute (GLI) of Cornell University in New York, US, have called for an annual wage review and wage-setting process in Bangladesh's new government, a practice currently in place in Cambodia.
- ◆ Garment workers paid the national minimum wage in Bangladesh are 'under-water' and losing income year-on-year.
- ◆ Currently, Bangladesh reviews RMG workers' wages every five years.
- ◆ The RMG sector is Bangladesh's highest export-earning industry, accounting for over 80% of total exports.
- ◆ Around four million workers are employed in this sector, with a minimum wage of BDT 12,500 (approximately USD 105), set in the last year.

#### News Source:

<https://www.tbsnews.net/economy/rmg/cornell-researchers-call-annual-review-bangladesh-rmg-wages-1074066>

## Energy

### Suspend move to gas tariff hike: CAB

- ◆ The Consumers Association of Bangladesh (CAB) on Saturday demanded suspending Wednesday's public hearing over the proposed gas tariff hike for new industries and extended units of existing industries.
  - ◆ The Bangladesh Energy Regulatory Commission (BERC) arranged the hearing following submission of proposals by state-run Petrobangla and its subsidiaries - gas marketing and distribution companies - for the tariff hikes.
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- ◆ CAB also demanded reform of the existing BERC Rule 2003 after constituting a committee incorporating the stakeholders to ensure energy justice and protect energy rights.
- ◆ The BERC will have to unearth how much money the previous government has adjusted over the past 15 years from 2010 to 2024 through illegal and illogical spending, the CAB demanded.
- ◆ The rights group also demanded trial of "energy culprits" through formation of a tribunal by the BERC with retired judges of the Supreme Court.

**News Source:**

<https://today.thefinancialexpress.com.bd/last-page/suspend-move-to-gas-tariff-hike-cab-1740244703>

## **Previous govt's energy deals drove up prices: Adviser Bashir**

- ◆ Commerce Adviser Sk Bashir Uddin said that the previous government's energy procurement agreements drove up prices, but reduced corruption now offers a chance for them to decline.
- ◆ To reduce production costs, the use of renewable energy, such as solar power, must be increased, he added.
- ◆ To remain competitive, businesses must reduce their fixed costs by any means necessary to enhance efficiency.
- ◆ Regarding the post-LDC graduation scenario, he said that preferential market access would no longer be available.
- ◆ Referring to Akij Group's investments in solar energy to replace gas with electricity supplied by the Rural Electrification Board (REB), he said that the conglomerate plans to generate 50% of its energy from solar power.

**News Source:**

<https://www.tbsnews.net/bangladesh/energy/reduced-corruption-now-may-help-lower-energy-prices-says-adviser-bashir-1073541>

## **Capital Market**

### **DSEX rises on mid- and small-cap gains, but blue-chip index slips**

- ◆ The Dhaka Stock Exchange (DSE) experienced mixed trading on 20 February, with the benchmark index DSEX edging higher, driven by gains in mid- and small-cap stocks.
- ◆ However, the overall sentiment was tempered by a decline in blue-chip shares, keeping investors cautiously optimistic.
- ◆ The DSEX climbed 7.93 points, or 0.15%, closing at 5,200, driven by strong performances in select sectors.
- ◆ Meanwhile, the DS30 index, which tracks blue-chip companies, fell 3 points, or 0.16%, reflecting a sell-off in heavyweight stocks.

**News Source:**

<https://www.tbsnews.net/economy/stocks/dsex-rises-mid-and-small-cap-gains-blue-chip-index-slips-1073996>

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## **City Sugar set to issue Tk 1500 cr bond for business expansion**

- ◆ City Sugar Industries Limited, a flagship company of City Group, has announced plans to raise BDT 1,500 crore through the issuance of a 100% mortgage-backed zero-coupon bond.
- ◆ The bond issuance, pending approval from the Bangladesh Securities and Exchange Commission (BSEC), aims to provide a secure and innovative investment opportunity while supporting the company's growth initiatives.
- ◆ Established in 2006, City Sugar Industries has emerged as one of the leading sugar refining companies in Bangladesh.
- ◆ Equipped with state-of-the-art facilities, City Sugar Industries has a daily refining capacity of 5,000 tonnes, resulting in an impressive annual output of 1.5 million tonnes of refined sugar.
- ◆ The three-year bond is fully secured and structured to offer attractive returns, targeting a diverse investor base that includes both individual and corporate investors across Bangladesh.

**News Source:**

<https://www.tbsnews.net/economy/stocks/city-sugar-set-issue-tk1500cr-bond-business-expansion-1075371>