

Bangladesh Market

| Major Indices | Last closing |
|-------------------|--------------|
| DSEX Index | 5,253.79 |
| % change | -0.27% |
| DS30 Index | 1,926.19 |
| % change | -0.22% |
| DSES Index | 1,173.71 |
| % change | -0.20% |
| Turnover (BDT mn) | 4,633.91 |
| Turnover (USD mn) | 37.98 |
| % change | -23.68% |

Source: Dhaka Stock Exchange

International Market

| Major Indices | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 44,713.58 |
| % change | 0.00% |
| S&P 500 | 5,956.06 |
| % change | 0.01% |
| Nikkei 225 | 39,565.80 |
| % change | 2.30% |
| FTSE 100 | 8,503.71 |
| % change | -1.90% |

Source: Bloomberg

Exchange rate

| Major Currencies | Low (BDT) | High (BDT) |
|------------------|-----------|------------|
| USD | 122.00 | 122.00 |
| EUR | 128.26 | 128.27 |
| GBP | 154.50 | 154.56 |
| INR | 1.40 | 1.40 |

Source: BB

Money market

| Date | Call Money Rate Range (%) | Weighted Average |
|-----------|---------------------------|------------------|
| 26-Feb-25 | 9.75 - 11.00 | 10.05 |
| 25-Feb-25 | 9.75 - 11.00 | 10.06 |

Source: BB

Commodities

| Major Commodities | Price | % Change |
|-----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl. | 72.66 | 0.22% |
| Gold Spot, USD/t oz. | 2,919.35 | 0.15% |
| Cotton, USD/lb. | 66.87 | -0.74% |

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.27% in the last trading day, closing at 5253.79 points.
- The daily turnover fell by 23.68% in the last trading day.

Global Market

- Some of the key global indices had mixed performance in the last trading day; The Dow Jones Industrial Average was closed, the S&P 500 rose by 0.01%, and the FTSE 100 fell by 1.9%.
- One of the key Asian indices, the Nikkei 225 rose by 2.3%.

Key Macro Indicators

- The value of the BDT rose against the INR, fell against the EUR and GBP, and remained stable against the USD.
- The average overnight rate stood at 10.05%, standing between 9.75% and 11.00%.
- The price of oil futures rose by 0.22%, gold prices rose by 0.15%, and cotton fell by 0.74%.

Bangladesh Macro Update

Economy rebounding: press secretary

- ◆ Bangladesh's economy has been rebounding in the last six months on reaching the verge of collapse, Chief Adviser's Press Secretary Shafiqul Alam said yesterday.
- ◆ Right before the interim government took over, the economy was in such a fragile state that it could have fallen apart at any moment, Alam said.
- ◆ Consumer prices have been declining over the past two months and inflation is expected to drop to 7% by June, Shafiqul Alam added.
- ◆ The priority now is to restore confidence and stability among the public, Chief Adviser's Press Secretary said, reassuring savers that their deposits were safe under the current administration.
- ◆ Had the previous government remained in power, no one would have dared to keep even a single taka in the banks, Shafiqul Alam claimed.

News Source:

<https://www.thedailystar.net/business/economy/news/economy-rebounding-press-secretary-3834771>

AI-based credit scoring can open doors for small businesses

- ◆ Artificial intelligence (AI)-based credit scoring can help small businesses, especially women entrepreneurs, get loans without collateral, according to experts.
- ◆ The experts also discussed how this system could be used in Bangladesh, elaborating on the need for partnerships with banks and financial institutions as well as legal and policy support.
- ◆ The small and medium enterprise (SME) sector is very important for Bangladesh's economy, accounting for 32% of the country's GDP.
- ◆ The discussion was held during a workshop titled "AI-Powered Credit Scoring and Micro-Loans for Women-Led Small Businesses," organised by the Small and Medium Enterprise (SME) Foundation and the Asia Foundation at the city's Lakeshore Hotel on 26th February.
- ◆ Nazeem Hasan Sattar, deputy managing director of the SME Foundation, said the SME Foundation has given nearly BDT 1,000 crore in loans to about 10,000 small and medium businesses under easy terms and low-interest rates.

News Source:

<https://www.thedailystar.net/business/news/ai-based-credit-scoring-can-open-doors-small-businesses-3834621>

Sectoral Update

Banks, NBFIs, and Insurance

Corruption-plagued insurance sector overlooked by reforms

- ◆ Although Bangladesh's insurance sector has suffered a confidence crisis due to widespread corruption over the past 15 years, the interim government has not taken notable reform measures for the industry.

- ◆ The liquidity crisis has intensified so much in the sector that the accumulated amount of unsettled life insurance claims increased by over 66% in the last five years to the second quarter of 2024.
- ◆ Moreover, insurance penetration in Bangladesh currently hovers around 0.5%, placing it among the lowest globally compared to the emerging markets' average of 3.3%, India's 3.2%, and China's 2.4%, according to data from the Insurance Development and Regulatory Authority (IDRA).
- ◆ Despite these figures, the interim government has not pursued significant reforms in the insurance sector beyond replacing the chairman and members of the IDRA following the political shift caused by the July 2024 uprising.
- ◆ Instead, initiatives have been taken to strengthen governance in the banking, stock market, and revenue sectors to curb corruption and reduce irregularities, while no notable actions have been implemented for insurance.

News Source

<https://www.thedailystar.net/business/economy/news/corruption-plagued-insurance-sector-overlooked-reforms-3834766>

Bad loans soar by Tk1.34 lakh crore in H2 of 2024.

- ◆ Non-performing loans (NPLs) in Bangladesh soared by BDT 1.34 lakh crore in the last six months of 2024, reaching a total of BDT 3.45 lakh crore by December.
- ◆ While presenting Bangladesh Bank's data at a press briefing on 26 February, Governor Ahsan H Mansur said that after the fall of the Awami League government in August, previously concealed defaulted loans began to come to light.
- ◆ The new figure of defaulted loans accounts for 20.2% of the banking sector's total loans, according to data released by the Bangladesh Bank.
- ◆ NPLs stood at BDT 2.11 lakh crore at the end of June 2024, accounting for 12.56% of total loans, when the previous Awami League government was still in power.
- ◆ According to BB data, in December 2023, NPLs stood at BDT 1.45 lakh crore, accounting for 9% of the total bank loans at that time.

News Source:

<https://www.tbsnews.net/economy/default-loan-increased-tk2-trillion-2024-1079026>

Textile

Beximco Textiles: All factories closed, workers terminated

- ◆ All factories under Beximco Textiles have been shut down and all workers terminated from 28 February.
- ◆ The dues of workers from these factories will be paid in phases starting 9 March.
- ◆ The notice states that all officers, employees, and workers at 14 establishments, including Beximco Limited (excluding Yarn Unit-1) in Beximco Industrial Park, Kashimpur, Gazipur, were laid off under the Labour Act citing a lack of work.
- ◆ The notice further states that due to the absence of work resources, all factory workers have been laid off from 28 February, with the company's operations fully shut down.

- ◆ A copy of the notice, signed on Wednesday, has been sent to the secretaries of the ministries of finance, labour, and industries, along with senior officials of relevant government and private agencies.

News Source:

<https://www.tbsnews.net/economy/rmg/beximco-textiles-all-factories-closed-workers-terminated-1079581>

Energy

Russia agrees to extend loan disbursement for Rooppur until 2026

- ◆ Russian nuclear corporation Rosatom has agreed to extend the credit utilisation period by two years for the Rooppur Nuclear Power Plant (RNPP), a key project for strengthening Bangladesh's energy security.
- ◆ During a meeting with Chief Adviser Muhammad Yunus yesterday, Rosatom Director General Alexey Likhachev agreed to revise the Intergovernmental Credit Agreement (IGCA), extending the credit utilisation period until the end of 2026.
- ◆ In this regard, the two sides agreed to sign Protocol No. 2 to the agreement shortly, while complying with all the necessary formalities.
- ◆ The total cost of the Rooppur project is estimated at USD 12.65 billion, with 90%, or USD 11.38 billion, funded by a loan from the Russian government and 10% covered by Bangladesh's own financing.
- ◆ Bangladesh has so far received around USD 7.70 billion from Russia.

News Source:

<https://www.tbsnews.net/bangladesh/energy/russia-agrees-extend-loan-disbursement-rooppur-until-2026-1079571>

Capital Market

Stocks fall after four-day rise

- ◆ The stock market fell yesterday, ending a four-day rising streak, with turnover also plunging.
- ◆ The DSEX, the broad index of the Dhaka Stock Exchange (DSE), dropped 14.10 points, or 0.27%, to close at 5,253.
- ◆ The DSES index, which represents Shariah-based companies, declined 2.34 points, or 0.20%, to 1,173.
- ◆ Meanwhile, the DS30 index, comprising blue-chip stocks, fell 4.18 points, or 0.22%, to 1,926.
- ◆ Turnover fell 23.68% to BDT 463 crore compared to the previous day's trading session.

News Source:

<https://www.thedailystar.net/business/economy/news/stocks-fall-after-four-day-rise-3834751>

DSE cuts trading session by 40 minutes during Ramadan

- ◆ The Dhaka Stock Exchange (DSE) has reduced its trading session by 40 minutes for the month of Ramadan to accommodate adjusted working hours during the holy month.
- ◆ According to its decision, share trading on both bourses will take place from 10am to 1:50pm during the month of Ramadan instead of the regular 10am to 2:30pm trading period.

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- ◆ The 10-minute post-closing session will run from 1:40pm to 1:50pm, instead of from 2:20pm to 2:30pm.
 - ◆ While DSE's official activities will continue from 9am to 3:30pm.

News Source:

<https://www.tbsnews.net/economy/stocks/dse-cuts-trading-session-40-minutes-during-ramadan-1079491>