

### Bangladesh Market

Major Indices	Last closing
DSEX Index	5,247.30
% change	-0.12%
DS30 Index	1,905.55
% change	-1.07%
DSES Index	1,167.00
% change	-0.57%
Turnover (BDT mn)	4,878.53
Turnover (USD mn)	39.99
% change	5.28%

Source: Dhaka Stock Exchange

### International Market

Major Indices	Last closing
Dow Jones Industrial Average	44,421.91
% change	2.28%
S&P 500	5,861.57
% change	-1.59%
<b>Nikkei 225</b>	38,520.09
% change	-0.41%
FTSE 100	8,583.56
% change	-1.69%

Source: Bloomberg

### Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	127.89	127.93
GBP	154.60	154.64
INR	1.40	1.40

Source: BB

### Money market

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

Source: BB

### Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	73.57	2.08%
Gold Spot, USD/t oz.	2,876.19	-1.37%
Cotton, USD/lb.	66.83	-0.06%

Source: Bloomberg

## Market Summary

### Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.12% in the last trading day, closing at 5247.3 points.
- The daily turnover increased by 5.28% 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 rose by 2.3%, the S&P 500 fell by 1.59%, and the FTSE 100 fell by 1.69%.
- One of the key Asian indices, the Nikkei 225 fell by 0.41%

### Key Macro Indicators

- The value of the BDT rose against the EUR, fell against the INR 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 2.08%, gold prices fell by 1.37%, and cotton fell by 0.06%.

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## Bangladesh Macro Update

### EPB raises fees for exporter services, forms

- ◆ The Export Promotion Bureau (EPB) has increased fees for all services provided to exporters, effective from 1st March.
- ◆ The changes, outlined in a notification issued yesterday, include a 50% rise in the cost of export-related forms and increased charges for GSP registration, renewal, and certificate issuance for both textile and non-textile products.
- ◆ The fee adjustments range from a minimum increase of BDT 100 to a maximum of BDT 3,000.
- ◆ Exporters have expressed concerns, stating the increases do not align with efforts to reduce business costs.
- ◆ EPB Vice Chairman Md Anwar Hossain explained the fee adjustments were necessary due to rising operational costs, including increased paper prices.

**News Source:**

<https://www.tbsnews.net/economy/epb-raises-fees-exporter-services-forms-1081611>

### Stabilisation fund within BB reserves stock planned

- ◆ An exhaustive package of dos framed by an expert panel asks the government to abolish zero-rated duty and all concessionary rates and the practice of making midterm changes in duties to maximize state revenue.
- ◆ The 12-member taskforce assigned to reframe economic and financial development strategies of Bangladesh, submitted a report to Planning Adviser Dr Wahiduddin Mahmud, views that any duty concessions under special circumstances must be approved by parliament or competent authority before or within three months.
- ◆ Abolish the exemptions of tax in respect of capital-gains and, in deserving cases, these may be taxed at preferential rates, according to the report titled 'restrategising the economy and mobilising resources for equitable and sustainable development'.
- ◆ Midterm changes to duty through SRO except in special cases like natural disasters and other emergencies should not continue while duty concessions without obligations to international treaties or strong humanitarian reasons must be done away with.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/abolish-zero-rated-duties-avoid-midway-fiscal-changes-1740849249>

### What does high default loan mean for the economy?

- ◆ At the end of 2024, one-fifth of the total loans in the banking sector turned sour, mainly as the true extent of embezzlement by willful defaulters is now coming to light.
- ◆ In actual terms, defaulted loans stood at BDT 345,765 crore, the highest on record.
- ◆ Even more alarming is the fact that distressed assets, including written-off loans, rescheduled loans, and loans tied up in the Money Loan Court are almost double the amount of bad loans.

- ◆ It is now evident who is responsible for draining funds from banks and pushing the sector into distress as Bangladesh Bank Governor Ahsan H Mansur has repeatedly said that some politically influential individuals took out funds and laundered them abroad.
- ◆ In some cases, loans turned bad due to business struggles amid global economic pressure from the Russia-Ukraine war.

**News Source:**

<https://www.thedailystar.net/business/economy/news/what-does-high-default-loan-mean-the-economy-3837186>

**Sectoral Update**

**Banks, NBFIs, and Insurance**

**Stabilisation fund within BB reserves stock planned**

- ◆ Bangladesh Bank now plans to establish a stabilisation fund within its gross foreign exchange reserves to forestall any volatility on the forex market.
- ◆ The move comes amid rising concerns over exchange rate fluctuations that have put pressure on import costs, inflation, and overall stability in the economy.
- ◆ The proposed fund, estimated to range between USD 1.0 billion and USD 1.5 billion, will be deployed as needed to support banks in financing essential imports, particularly during periods of liquidity stress.
- ◆ At present, banks primarily source foreign exchange from the open market or aggregators when they do not have adequate funds—a practice that often leads to an artificial hike in the value of the U.S. dollar, further destabilising the market.
- ◆ Unlike ad-hoc interventions, the stabilisation fund will function as a structured mechanism, engaging in both buying and selling operations to smooth out excessive volatility.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/stabilisation-fund-within-bb-reserves-stock-planned-1740849198>

**Textile**

**Move to be taken to curb illegal yarn import**

- ◆ The government has undertaken a move to devise necessary strategies and find a way out to prevent illegal import of yarn with a view to protecting the local industry, according to sources.
- ◆ To this end, the Bangladesh Trade and Tariff Commission (BTTC) is expected to hold a meeting tomorrow with stakeholders, including representatives of Bangladesh Textile Mills Association (BTMA), with the head of BTTC in the chair.
- ◆ Federation of Bangladesh Chamber of Commerce and Industries (FBCCI) Administrator Md. Hafizur Rahman will also be present at the meeting.
- ◆ An official of the BTTC said that they will decide on required steps at the meeting to safeguard the interest of domestic textile mills.

- ◆ Industry insiders claimed that neighbouring Indian textile mills are dumping yarn and fabrics into Bangladesh to harm the local industries.

**News Source:**

<https://today.thefinancialexpress.com.bd/last-page/move-to-be-taken-to-curb-illegal-yarn-import-1740849708>

## Energy

### Fuel prices to remain unchanged for March

- ◆ The prices of fuel in Bangladesh will remain unchanged for March, as per the latest directive from the Energy and Mineral Resources Division.
- ◆ Despite fluctuations in the global market, the government has decided to maintain the existing pricing structure to ensure a stable and affordable supply of fuel for consumers.
- ◆ Under the current pricing framework, the retail price of per litre diesel will remain at BDT 105, kerosene at BDT 105, octane at BDT 126, and petrol at BDT 122.
- ◆ The pricing system, based on an automated formula that aligns domestic fuel rates with global trends, aims to provide a fair and sustainable price adjustment mechanism.
- ◆ But for this month, authorities have chosen to keep the prices unchanged to avoid economic disruptions.

**News Source:**

<https://www.tbsnews.net/bangladesh/energy/fuel-prices-remain-unchanged-march-1081386>

### Chinese solar giant LONGi eyes investment in Bangladesh's renewable energy

- ◆ LONGi Green Energy Technology Co Ltd, a leading Chinese company, has expressed a strong interest in investing in Bangladesh to advance the country's renewable energy initiatives, with a particular focus on solar.
- ◆ Jason Zhao, senior manager of LONGi Green Energy Technology Co Ltd, showcased LONGi's advanced technologies and highlighted the company's successful international projects, emphasising their potential contribution to Bangladesh's renewable energy sector.
- ◆ He said that LONGi aims to establish an office in Dhaka to explore Bangladesh's growing renewable energy potential and supply the country with high-efficiency solar modules for power generation.
- ◆ The company plans to send its business and technical teams to Dhaka to assess Bangladesh's market demand, investment policies, collaboration opportunities and other aspects of the power and energy sector.
- ◆ He also stated that they want to promote green energy and sustainable development in Bangladesh and to support the country's transition to a cleaner and more efficient energy system

**News Source:**

<https://www.tbsnews.net/bangladesh/energy/chinese-solar-giant-longi-eyes-investment-bangladeshs-renewable-energy-1081756>

## Capital Market

### Profit booking drags stocks down

- ◆ Dhaka stocks witnessed a downturn for two consecutive sessions, including the Thursday, the last trading session of the week, as investors engaged in profit booking following recent market gains.
- ◆ The benchmark index, DSEX, of the Dhaka Stock Exchange (DSE) dropped 6.48 points to settle at 5,247, reflecting selling pressure in key sectors.
- ◆ Market analysts said that after a four-day rally since 20 February, investors opted to secure their profits, leading to a decline in stock prices across various sectors, including banking, pharmaceuticals, and textiles.
- ◆ Turnover at the DSE stood at BDT 487.85, 5% higher than the previous session, as investors' participation increased.
- ◆ On the sectoral front, Textile sector firms exerted the highest by 14.3% in the total turnover, followed by Pharmaceutical and Chemical sector stock by 13.4% and Bank stocks by 11.8%.

#### News Source:

<https://www.tbsnews.net/economy/stocks/profit-booking-drags-stocks-down-1080501>

### Junk stocks of paper & printing do better than peers

- ◆ Junk stocks of the paper & printing sector, including Khulna Printing & Packaging Ltd. (KPPL), have rallied for the last two months despite the companies' poor financial performance.
- ◆ The sector registered the highest appreciation of 13.18% last week on the Dhaka Stock Exchange (DSE), mainly backed by the sudden escalation of the stock of Bashundhara Paper Mills.
- ◆ A team of the DSE on February 4 went to visit the head office of KPPL to inspect its operational status but found it closed.
- ◆ By that time, however, the stock soared 257% to BDT 33.20 per share from BDT 9.3 per share on January 1.
- ◆ The DSE's earlier visits to the factory of KPPL had the same outcome but the stock kept on rallying with investors not paying any heed to the bourse's repeated warnings against injecting money in the company

#### News Source:

<https://today.thefinancialexpress.com.bd/last-page/move-to-be-taken-to-curb-illegal-yarn-import-1740849708>