

### Bangladesh Market

Major Indices	Last closing
DSEX Index	5,236.85
% change	-0.20%
DS30 Index	1,903.68
% change	-0.10%
DSES Index	1,166.56
% change	-0.04%
Turnover (BDT mn)	4,219.51
Turnover (USD mn)	34.59
% change	-13.51%

Source: Dhaka Stock Exchange

### International Market

Major Indices	Last closing
Dow Jones Industrial Average	43,840.91
% change	0.00%
S&P 500	5,954.50
% change	0.00%
<b>Nikkei 225</b>	37,719.50
% change	-2.48%
FTSE 100	8,809.74
% change	0.00%

Source: Bloomberg

### Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	126.58	126.60
GBP	153.44	153.48
INR	1.39	1.39

Source: BB

### Money market

Date	Call Money Rate Range (%)	Weighted Average
2-Mar-25	9.75 - 11.00	10.04
27-Feb-25	9.75 - 11.00	10.05

Source: BB

### Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	73.28	0.65%
Gold Spot, USD/t oz.	2,870.97	0.43%
Cotton, USD/lb.	66.10	1.30%

Source: Bloomberg

## Market Summary

### Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.2% in the last trading day, closing at 5236.85 points.
- The daily turnover fell by 13.51% in the last trading day.

### Global Market

- Some of the major global indices were closed during the last trading day.
- One of the key Asian indices, the Nikkei 225 fell by 2.48%.

### Key Macro Indicators

- The value of the BDT rose against the EUR, GBP, and INR, and remained stable against the USD.
- The average overnight rate stood at 10.04%, standing between 9.75% and 11.00%.
- The price of oil futures rose by 0.65%, gold prices rose by 0.43%, and cotton prices rose by 1.30%.

## Bangladesh Macro Update

### Budget spending jumps amid rising interest payments

- ◆ Overall budget expenditure jumped nearly 25% year-on-year in the first five months of the current fiscal year, driven by soaring interest payments and subsidies despite lower development spending.
- ◆ Between July and November, the government spent BDT 194,793 crore out of the BDT 788,422 crore annual budget, according to the latest report from the finance ministry.
- ◆ Of this amount, operating expenditure rose to BDT 170,491 crore, marking a 40% increase compared to the same period in the preceding year.
- ◆ However, development expenditure, including the Annual Development Programme (ADP), declined by 28% to BDT 24,302 crore during the same period.
- ◆ As the country faces mounting debt from both domestic and foreign sources, interest payments have been the primary cause of the increase in operating expenditure.

**News Source:**

<https://www.thedailystar.net/business/news/budget-spending-jumps-amid-rising-interest-payments-3838296>

### Govt borrowing from non-bank sources surges

- ◆ The government's borrowing from domestic sources surged in the first half of FY25, primarily driven by a substantial increase in the issuance of special bonds.
- ◆ Particularly those issued to clear arrears to electricity and fertiliser producers, as well as treasury bills (T-bills) and bonds targeting institutional and individual investors.
- ◆ Net borrowing from domestic sources in the first six months of the current fiscal year stood at around BDT 31,432 crore, about 69 times higher than the BDT 456 crore recorded in the same period of the preceding year, according to a Bangladesh Bank report.
- ◆ This is about 27% of the government's total revised borrowing target of BDT 117,000 crore from domestic sources.
- ◆ Despite higher repayments of previous debts, government borrowing from the domestic banking system in the six months showed positive growth compared to the same period of the preceding year, owing to increased financing through government securities, according to the BB report.

**News Source:**

<https://www.thedailystar.net/business/news/govt-borrowing-non-bank-sources-surges-3838286>

### Installation of Electronic Fiscal Device mandatory at hotels, restaurants located on highways: NBR

- ◆ The National Board of Revenue (NBR) has decided to install Electronic Fiscal Device (EFD) or Sales Data Controller (SDC) machines on a mandatory basis at VAT-eligible hotels and restaurants located on all highways across the country.
- ◆ Conscious consumers are continuously complaining that VAT is not being deposited properly with the state coffer as hotels and restaurants located on all highways across the country do not issue electronic VAT invoices.

- ◆ Restaurants on highways operate round the clock while many of those collect VAT, but do not deposit it properly.
- ◆ In order to collect VAT properly, the NBR chairman has recently issued instructions to install EFD/SDC machines at all hotels and restaurants located on the highways across the country, according to an NBR press release.

**News Source:**

<https://www.tbsnews.net/economy/installation-electronic-fiscal-device-mandatory-hotels-restaurants-located-highways-nbr>

## Sectoral Update

### Banks, NBFIs, and Insurance

#### February sees \$2.53b remittance inflow, fourth highest in history

- ◆ Bangladesh received USD 2.53 billion in remittances in February, the fourth highest monthly inflow in the country's history.
- ◆ The country recorded its highest-ever monthly remittance inflow of USD 2.64 billion in December last year.
- ◆ The second-highest inflow of USD 2.59 billion was recorded in July 2020 and the third highest of USD 2.54 billion was recorded in June 2024, according to central bank data.
- ◆ Arif Hossain Khan, spokesperson and executive director of Bangladesh Bank, told The Business Standard that the central bank is making every effort to boost remittance inflow.
- ◆ Alongside, both state-owned and private banks are also working to strengthen ties with local and foreign exchange houses to increase remittance flow.

**News Source:**

<https://www.tbsnews.net/economy/february-sees-3rd-highest-remittance-inflow-253b-history-1082396>

## Textile

#### BGMEA forms election boards for 2025-27 term polls

- ◆ The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has formed two election boards to oversee the elections for its board of directors and office bearers for the 2025-2027 term.
- ◆ On 27 February, BGMEA Administrator Md Anwar Hossain sent a letter to the director general of the Directorate of Trade Organisations (DTO) under the Ministry of Commerce, requesting necessary steps to facilitate the upcoming biennial elections.
- ◆ Two boards have been formed for the elections – the Election Board and the Election Appellate Board.
- ◆ Mohammad Iqbal, a former additional secretary, will chair the Election Board, with Barrister Syed Afzal Hasan Uddin and Ashraf Ahmed, former president of the Dhaka Chamber of Commerce and Industry, serving as members.

**News Source:**

<https://www.tbsnews.net/economy/rmg/bgmea-forms-election-boards-2025-27-term-polls-1081201>

## Energy

### Power division, Payra port at odds over Tk 1,225cr 'unpaid fees'

- ◆ The Power Division and Payra Port Authority are at odds over BDT 1,225 crore claimed by the latter from the Payra coal-fired power plant as maintenance fees.
- ◆ The dispute has escalated recently as the port authority pushes for settlement, while the plant operator Bangladesh-China Power Company Ltd (BCPCL), run under the Power Division, says that the fees were unfairly imposed by the port.
- ◆ The port authority billed the plant operator BDT 385 crore for maintenance of the Rabnabad Channel from 1 January 2021 to 6 November 2024.
- ◆ The plant operator uses the channel to import coal for its operations.
- ◆ Additionally, the port has demanded an extra BDT 839.65 crore as an annual maintenance dredging levy over the same period.

#### News Source:

<https://www.tbsnews.net/economy/power-division-payra-port-odds-over-tk1225cr-unpaid-fees-1082806>

### Pvt power producers fear financial strain, outages as fuel import incentive cut

- ◆ The Power Development Board's (PDB) abrupt decision to slash the service charge on heavy fuel oil (HFO) imports, from 9.04% to 5% has sent independent power producers (IPPs) fearing not only financial strain but a deepening power crisis ahead of summer.
- ◆ Already burdened by unpaid dues amounting to at least BDT 3,662 crore as of October 2024, the power producers warn that this latest move could cripple their ability to import fuel, leaving plants idle and triggering intensified load shedding.
- ◆ A major decision was made without consultation, without considering the ripple effects on power production, the manufacturing sector, and even irrigation, according to KM Rezaul Hasanat, president of the Bangladesh Independent Power Producers' Association (Bippa).
- ◆ The PDB, in a letter dated 14 February, notified all 48 heavy fuel oil-based power plants about the new service charge, terming it as a necessary step to rein in ballooning power sector costs.
- ◆ PDB estimates the measure will save around BDT 350 crore.

#### News Source:

<https://www.tbsnews.net/bangladesh/energy/pvt-power-producers-fear-financial-strain-outages-fuel-import-incentive-cut>

## Capital Market

### Market weighed down by bank stocks

- ◆ The benchmark DSEX index of the Dhaka Stock Exchange (DSE) opened the week lower, mainly due to a decline in banking stocks.
- ◆ The DSEX closed 10 points, or 0.2%, lower at 5,237 points whereas the blue-chip index DS30 saw a slight decrease of 1.86 points, ending the day at 1,903.

- ◆ Market activity reflected a mixed trend, with 144 stocks advancing, 184 declining, and 67 remaining unchanged.
- ◆ Trading hours were shortened by 40 minutes due to Ramadan, leading to a 14% decrease in market turnover.
- ◆ The day's turnover stood at BDT 421 crore, down from BDT 487 crore in the previous session.

**News Source:**

<https://www.tbsnews.net/economy/stocks/market-weighed-down-bank-stocks-1082731>

## **Dhaka bourse plans to strengthen delisting framework**

- ◆ As existing rules prove insufficient to meet market needs, the Dhaka Stock Exchange (DSE) plans to amend its delisting rules, as some listed companies have become non-compliant and fall under the criteria for removal from the secondary market.
- ◆ Despite having a mandate to delist the companies, the DSE did not enforce the rules due to a lack of general investor protection.
- ◆ Recognising the urgency of enhancing governance in the capital market and among listed companies, the country's premier bourse has initiated the development of new delisting rules with input from stakeholders.
- ◆ The bourse will also consider delisting practices followed by peer countries to ensure a well-structured and effective framework.
- ◆ Once the stakeholders' opinions and proposals are compiled, the DSE will submit them to the Bangladesh Securities and Exchange Commission (BSEC), urging amendments to the existing rules.

**News Source:**

<https://www.tbsnews.net/economy/stocks/dhaka-bourse-plans-strengthen-delisting-framework-1082726>

## **BEXIMCO Sukuk investors worry over cash injected in Shariah-compliant bonds**

- ◆ The shutdown of textile units of BEXIMCO has worried Sukuk investors as it injected about 30% of the proceeds of Shariah-compliant bonds in the textile division.
- ◆ BEXIMCO, a flagship listed company of Beximco Group, is the first private enterprise to issue asset-backed Sukuk bonds worth BDT 30 billion in the country in 2021 to finance two solar power plants and expansion of its textile division.
- ◆ Market experts said that sukuk investors were likely to lose investment after the closure of the business units that used to generate 80% of BEXIMCO's revenue.
- ◆ Sukuk holders have still been receiving interest against the bonds, paid out of the income from supplying power to the national grid from the 200MW Teesta Solar Power Plant, according to an official of the Investment Corporation of Bangladesh (ICB), the trustee of the Sukuk bonds.

**News Source:**

<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-sukuk-investors-worry-over-cash-injected-in-shariah-compliant-bonds-1740937469>