

Bangladesh Market

Major Indices	Last closing
DSEX Index	5,196.66
% change	0.05%
DS30 Index	1,890.49
% change	0.05%
DSES Index	1,158.42
% change	0.01%
Turnover (BDT mn)	3,182.00
Turnover (USD mn)	26.08
% change	-6.01%

Source: Dhaka Stock Exchange

International Market

Major Indices	Last closing
Dow Jones Industrial Average	43,006.59
% change	1.14%
S&P 500	5,842.63
% change	1.12%
Nikkei 225	37,658.00
% change	0.88%
FTSE 100	8,755.84
% change	-0.04%

Source: Bloomberg

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	129.61	129.66
GBP	156.09	156.10
INR	1.40	1.40

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
5-Mar-25	9.75 - 11.00	10.02
4-Mar-25	9.75 - 11.00	10.03

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	69.30	-2.45%
Gold Spot, USD/t oz.	2,918.42	0.03%
Cotton, USD/lb.	63.67	0.68%

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.05% in the last trading day, closing at 5196.66 points.
- The daily turnover fell by 6.01% 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 1.14%, the S&P 500 rose by 1.12%, and the FTSE 100 fell by 0.04%.
- One of the key Asian indices, the Nikkei 225 rose by 0.88%.

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 10.02%, standing between 9.75% and 11.00%.
- The price of oil futures fell by 2.36%, gold prices rose by 0.03%, the price of cotton rose by 0.68%.

Bangladesh Macro Update

BUILD proposes flat 10% VAT rate

- ◆ Business Initiative Leading Development (BUILD), a private sector think tank, has proposed setting a flat value-added tax (VAT) rate at 10%, suggesting that it could help improve the government's revenue collection.
- ◆ During a pre-budget meeting with the National Board of Revenue (NBR) on 5th March, Ferdous Ara Begum, chief executive officer of BUILD CEO, also highlighted the complexity of the current VAT structure.
- ◆ In addition to the universal 15% VAT rate, Ferdous Ara Begum said there are seven other rates, 1.5%, 2%, 2.4%, 4.5%, 5%, 7.5%, and 10%, bringing the total to eight different VAT rates.
- ◆ Ferdous Ara Begum noted that Section 46(1) of the VAT law does not allow VAT credit or rebates for rates below 15%, resulting in an effective VAT burden of around 30% due to the cascading effect.
- ◆ Currently, 53% of economic activities fall outside the VAT system, while the remaining 47% are subject to varying rates across three levels, rendering the rebate system largely ineffective, Ferdous Ara pointed out.

News Source:

<https://www.tbsnews.net/economy/build-proposes-flat-10-vat-rate-1085186>

High taxes in Bangladesh hamper business, revenue receipt

- ◆ Top executives from multinational corporations (MNCs) and local business upshots suggest dialogue between the revenue authority and the corporate sector before taxation as they feel high taxes hamper business and investment.
- ◆ The executives also point out that high tax incidence also promotes tax-dodging, while calling for lowering tax rates and casting wide tax nets to augment government revenue receipt.
- ◆ Such business-government dialogues can bring about a balance where the National Board of Revenue (NBR) meets its tax targets while businesses can operate sustainably without excessive tax burdens.
- ◆ The local and foreign corporate bosses were critical of the existing high effective tax rates in Bangladesh, arguing that the heavy tax burden hampers business operations.
- ◆ The executives suggested establishing a dedicated research unit within the NBR, and they also proposed providing adequate industry insights for the research unit to the tax authority to enhance tax-policy formulation and impose rational tax.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/high-taxes-in-bangladesh-hamper-business-revenue-receipt-1741199028>

Call money rate falls slightly after CRR cut

- ◆ The inter-bank call-money rate edged down slightly on 5th March, a day after the cut in daily cash reserve requirement (CRR) by 50 basis points, giving more flexibility to the banks for maintaining their CRR.
- ◆ The weighted average rate (WAR) of call money came down to 10.02% on the day from 10.03% of the previous day.

- ◆ The call rate remained unchanged at a range between 9.75% and 11.00% on the day from the previous level.
- ◆ However, most of the deals were settled at rates varying between 10.00% and 10.50%, according to market operators.
- ◆ Market operators also said the downward trend of call money rate is likely to continue for the next couple of days as all the scheduled banks are allowed to maintain a lower daily CRR with the central bank.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/call-money-rate-falls-slightly-after-crr-cut-1741199247>

Sectoral Update

Banks, NBFIs, and Insurance

Banks, NBFIs to face Tk5 lakh fine if monthly loan data not provided on time: Cenbank

- ◆ From now on, banks and non-bank financial institutions (NBFIs) will have to update the monthly information about borrowers by the 15th of the following month or face BDT 5 lakh in fines, the Bangladesh Bank has said.
- ◆ Previously, the deadline for providing the monthly data was 20th of the next month.
- ◆ In a circular issued on 5th March, the Credit Information Bureau (CIB) of the central bank also said it would take action against the officials of any bank and NBFIs if the monthly data on loan disbursement is not provided to the CIB accurately and satisfactorily.
- ◆ Failure to adhere to the mentioned directives will result in fines of up to BDT 5 lakh.
- ◆ The circular states that in order to consolidate the credit discipline of the banking sector, it is absolutely necessary to provide accurate information to the CIB.

News Source:

<https://www.tbsnews.net/economy/banking/banks-nbfis-face-tk5-lakh-fine-if-monthly-loan-data-not-provided-time-cenbank>

Banks disbursed Tk19,215 crore of agriculture, rural credit in 7 months

- ◆ The agricultural credit growth is on pace as the banks disbursed around 50.57% of the fiscal target in seven months.
- ◆ According to the latest update from Bangladesh Bank, the scheduled banks have disbursed BDT 19,215 crore in seven months from July to January as agricultural and rural credit for the current fiscal year FY2024-25.
- ◆ The central bank has set an agricultural and rural credit target of BDT 38,000 crore for banks in the FY2024-25 to boost the country's food production.
- ◆ In the first seven months, the banks have disbursed loans of BDT 19,215 crore, which is 50.57% of the target.

- ◆ However, two banks have not been able to disburse any loans during this period, and so the loan disbursement amount of the three banks is less than 10%.

News Source:

<https://www.tbsnews.net/economy/banking/banks-disbursed-tk19215-crore-agriculture-rural-credit-7-months-1085191>

Energy

Dhaka CNG stations shut 2:30-7:00pm in Ramadan

- ◆ The government has instructed the CNG (compressed natural gas) filling station owners to keep their stations shut from 2:30 pm to 7:00 pm in the capital city during Ramadan in order to ensure smooth supply of natural gas to other consumers, especially the households.
- ◆ The Energy and Mineral Resources Division under the Ministry of Power, Energy and Mineral Resources ordered state-run Petrobangla to take steps necessary to this end.
- ◆ Currently, the CNG filling stations throughout the country remain shuts for five hours, from 6:00 pm to 11:00 pm, every day to facilitate smooth natural gas supplies to other gas guzzling consumers, including industries and power plants.
- ◆ The country's overall natural gas supply is now hovering around 2,885 million cubic feet per day (mmcf), including 982 mmcf of re-gasified liquefied natural gas (LNG), against the demand for over 4,000 mmcf, according to Petrobangla.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/dhaka-cng-stations-shut-230-700pm-in-ramadan-1741199501>

Govt to procure one cargo LNG from spot market

- ◆ The government yesterday approved a proposal in principle for procuring one cargo LNG from the spot market to meet the emergency need for gas.
- ◆ The approval came from the ninth meeting of the Advisers Council Committee on Economic Affairs at the Cabinet Division Conference Room at Bangladesh Secretariat here with Finance Adviser Dr Salehuddin Ahmed in the chair.
- ◆ The day's meeting also approved a proposal in principle from the Chief Advisers Office for procuring the physical services under the DPM method for hosting the 'Bangladesh Investment Summit-2025' to be held in the country on 7-10 April 2025.
- ◆ Advisers concerned attended the meeting while secretaries concerned were present.

News Source:

<https://www.tbsnews.net/bangladesh/energy/govt-procure-one-cargo-lng-spot-market-1085086>

Govt to clear arrears to int'l energy suppliers in two months: Adviser Fouzul

- ◆ The government will clear the arrears it owes to international energy suppliers within the next two months.
- ◆ We are going to clear the arrears to international companies in the next two months, according to Fouzul Kabir Khan, energy adviser of the interim government.
- ◆ He said that the finance ministry has assured him of providing all necessary support for making the payments.
- ◆ We hope there will be a substantial breakthrough in clearing the arrear bills to international companies, he added.
- ◆ Bangladesh has been struggling to pay international companies for its purchases of oil, gas, and electricity due to a shortage of foreign currency, as its reserves dropped to USD 22 billion in 2024 from USD 48 billion a year ago.

News Source:

<https://www.tbsnews.net/bangladesh/energy/govt-clear-arrears-intl-energy-suppliers-two-months-1085256>

Capital Market

Stocks break five days losing streak

- ◆ The benchmark DSEX index of the Dhaka Stock Exchange (DSE) edged up yesterday, breaking the five days losing streak.
- ◆ On the day, the DSEX rose by 2.55 points, or 0.04%, closing at 5,196 whereas the blue-chip index DS30 also rose by 0.91 point to settle at 1,890.
- ◆ Market activity showed a mixed trend, with 123 stocks advancing, 184 declining, and 90 remaining unchanged.
- ◆ Daily turnover dropped by 6% to BDT 318 crore compared to the previous session, reflecting weaker investor participation.
- ◆ On the sectoral front, textile led the way, contributing 14.4% to the DSE's total turnover, followed by pharma at 13.7% and food at 12.5%.

News Source:

<https://www.tbsnews.net/economy/stocks/stocks-break-five-days-losing-streak-1085571>

Confined by protesting employees: What BSEC chairman says

- ◆ The Bangladesh Securities and Exchange Commission (BSEC) has moved to amend initial public offering (IPO) rules, eliminating provisions for private share offerings to issuer company employees.
- ◆ To investigate various irregularities in the capital market during the previous regime, the BSEC formed an investigation committee to look into irregularities in 12 listed companies.
- ◆ Based on their reports, the process of framing charges is underway, involving various capital market institutions, individuals and some BSEC officials.

- ◆ Additionally, due to various allegations, BSEC Executive Director Saifur Rahman was sent on retirement on 4 March this year, in accordance with the rules, after completing 25 years of service.
- ◆ As a result of this action, some unruly officials forcibly entered an ongoing meeting of the BSEC chairman and commissioners in the board room and locked the main entrance, turned off the CCTV cameras, and disconnected the electricity supply, creating a chaotic and frightening situation.

News Source:

<https://www.tbsnews.net/economy/stocks/confined-protesting-employees-what-bsec-chairman-says-1085581>

Unilever Consumer Care to give highest dividend in 5 years despite lower profit

- ◆ Despite a 31% year-on-year decline in profit in 2024, Unilever Consumer Care recommended the highest dividend of 520% in five years for shareholders for the year.
- ◆ The multinational company's annual income plummeted to BDT 667 million in 2024, mainly due to lower sales and the re-imposition of royalty charge by the parent company.
- ◆ Earnings per share (EPS) fell sharply to BDT 34.62 in 2024 from BDT 49.89 a year ago, according to a stock exchange filing on Wednesday.
- ◆ The Horlicks manufacturer will give BDT 52 per share in cash dividend to its shareholders, meaning it will provide an additional BDT 17.38 per share from retained earnings.
- ◆ Presently, the total number of shares is 19.27 million. So, the company will disburse more than BDT 1 billion in cash dividend against a profit of BDT 667 million for the year.

News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/unilever-consumer-care-to-give-highest-dividend-in-5-years-despite-lower-profit-1741197345>