

Bangladesh Market

Major Indices	Last closing
DSEX Index	5,203.96
% change	0.14%
DS30 Index	1,889.68
% change	-0.04%
DSES Index	1,160.89
change	0.21%
Turnover (BDT mn)	3,530.35
Turnover (USD mn)	28.94
% change	10.95%

Source: Dhaka Stock Exchange

International Market

Major Indices	Last closing
Dow Jones Industrial Average	42,801.72
% change	0.00%
S&P 500	5,770.20
% change	0.00%
Nikkei 225	36,887.17
% change	0.00%
FTSE 100	8,679.88
% change	0.00%

Source: Bloomberg

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	132.15	132.19
GBP	157.62	157.66
INR	1.40	1.40

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
6-Mar-25	9.00 - 11.00	9.97
5-Mar-25	9.75 - 11.00	10.02

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	70.45	0.00%
Gold Spot, USD/t oz.	2,910.79	0.00%
Cotton, USD/lb.	66.13	0.00%

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.14% in the last trading day, closing at 5203.96 points.
- The daily turnover increased by 10.95% in the last trading day.

Global Market

- Some of the major global indices were closed.
- One of the key Asian indices, the Nikkei 225 was closed.

Key Macro Indicators

- The value of the BDT rose against the EUR, the GBP, and the INR, and remained stable against the USD.
- The average overnight rate stood at 9.97%, standing between 9.00% and 11.00%.
- The market for oil futures was closed. the market for gold was closed. the market for cotton was closed.

Bangladesh Macro Update

Food inflation drops to single digit in Feb, overall price index edges down to 9.32%

- ◆ Inflation in Bangladesh continued its downward trend in February, reaching 9.32%, down from 9.94% in January, according to the latest data from the Bangladesh Bureau of Statistics (BBS).
- ◆ The general point-to-point inflation at the national level was 9.67% in February last year.
- ◆ The last time inflation was below 10% was in September 2024, when it stood at 9.92%.
- ◆ With February's decline, overall inflation has hit a 22-month low.
- ◆ The figure for general inflation stood at 12.92% in December and 13.8% in November.
- ◆ From April 2024 to January this year, the country grappled with persistent double-digit food inflation.

News Source:

<https://www.tbsnews.net/economy/february-inflation-edges-down-slightly-932-food-inflation-down-924-1086081>

Interest payments consuming most part of govt budget.

- ◆ Interest payments on government's domestic and foreign borrowings emerge as the highest actual expenditure as percentage of budget spending in the first half of this fiscal year, coming to BDT 625.6 billion.
- ◆ Official statistics show the July-December 2024 interest payments by the government, totalling BDT 625.6 billion, account for over 55% of the total allocation for this purpose for the entire fiscal year 2024-25 ending next June 30.
- ◆ This amount of interest payments represents a 27% increase compared to the same period in FY2023-24.
- ◆ The data show that domestic interest payments accounted for BDT 535.38 billion, nearly 58% of the annual allocation, while foreign interest payments stood at BDT 50.22 billion, covering 44% of the annual estimate.
- ◆ Other major expenditure categories included salaries and allowances for government employees, operational costs, and subsidies.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/interest-payments-consuming-most-part-of-govt-budget-1741454699>

Food subsidies raised by nearly 12%

- ◆ The interim government is set to increase its allocation for food subsidies by nearly 12%, raising the total to BDT 8,100 crore, to intensify food distribution programmes and provide a cushion to low-income groups.
- ◆ The move was prompted by production losses from two rounds of flash floods last year and persistent inflation, which has hovered above nine for 24 straight months.

- ◆ For several months, food inflation had also remained in double digits, peaking at over 14% in July last year, before easing to just under 10% last month.
- ◆ Against this backdrop, the Awami League government, which was ousted by a mass uprising in August last year, revised food subsidies upwards to BDT 7,250 crore in FY24.
- ◆ The interim government plans to raise the allocation further in a bid to build reserves and intervene in the market through subsidised sales and relief programmes, especially as hundreds are regularly queuing up in front of Open Market Sales (OMS) trucks, particularly in the capital.

News Source:

<https://www.thedailystar.net/business/economy/news/food-subsidies-raised-nearly-12-3842841>

Debt stock stood at \$74.40b when Hasina govt fell

- ◆ Bangladesh gets deeply indebted as, over the past 16 years, the Awami League government led by Sheikh Hasina had borrowed USD 74.40 billion from external sources and repaid USD 39.31 billion-nearly half the total-before stepping down amid a student-mass uprising.
- ◆ As of June last year, Bangladesh's public sector-external debt had surged to USD 78.18 billion, 3.67 times higher than the USD 21.80 billion recorded in FY 2007-08 before the Awami League took office-according to Flow of External Resources in Bangladesh, a flagship publication of the Economic Relations Division (ERD).
- ◆ Experts and economists say public sector foreign-debt stock surged abnormally in recent years for unchecked borrowing in the infrastructure sector without properly assessing tangible development outcomes and the country's repayment capacity.
- ◆ Experts and economists warn that the country's reliance on loans is likely to grow further as concessional financing declines and borrowing on relatively tighter conditions gets more prevalent.
- ◆ The ERD report reveals that the foreign debt stock in the fiscal year 2022-23 was USD 70.78 billion and it increased by USD 7.41 billion in the last fiscal.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/debt-stock-stood-at-7440b-when-hasina-govt-fell-1741454992>

Sectoral Update

Textile

Owners demand separate ministry for garment and textile sector

- ◆ Garment industry owners have demanded a separate ministry for the country's garment and textile sector to ensure sustainability in the industry, the highest single source of the country's export revenue income.
- ◆ During a discussion held in the capital's Kurmitola Golf Club, they said that the garment sector is currently plagued by multifaceted challenges both locally and globally.
- ◆ Long-term policies need to be adapted to overcome these challenges, for which the establishment of a separate ministry is essential.

- ◆ They further said that for the country's interest, it is essential to establish clear directives for the garment industry.
- ◆ Failing to do so may jeopardise the survival of the sector, they added.

News Source:

<https://www.tbsnews.net/economy/rmg/owners-demand-independent-ministry-garment-textile-sector-1087731>

Energy

Tenders issued to buy 2 more spot LNG cargoes this month

- ◆ Bangladesh's state-run Rupantarita Prakritik Gas Company Ltd (RPGCL) intends to buy two more spot liquefied natural gas (LNG) cargoes during the second half of the current month before the ensuing Eid-ul-Fitr to meet the mounting demand during Ramadan.
- ◆ The RPGCL has already floated tenders to purchase the LNG cargoes for March 25-26 and March 30-31 delivery windows.
- ◆ If these two tenders become successful, Bangladesh will be able to bag five spot LNG cargoes for March deliveries, which would be the highest LNG purchase from spot market in a single month.
- ◆ The country's energy demand is expected to go up during Ramadan and the following months to meet the growing demand for irrigation and summer.
- ◆ According to weather forecast of Bangladesh Meteorological Department, a couple of heat waves are expected to hit over western and southwestern parts of Bangladesh this month and the temperature is set to reach around 40 degrees Celsius.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/tenders-issued-to-buy-2-more-spot-lng-cargoes-this-month-1741455152>

Adani deal: Govt body for renegotiating tax rebate, surcharge, coal price

- ◆ A government review committee will recommend renegotiating key clauses in the Adani Power deal, citing "one-sided" terms that favour the Indian conglomerate.
- ◆ The 2017 agreement, facilitating electricity exports from India, is under scrutiny for contentious provisions regarding tax rebates, excessive late payment surcharges, and skewed coal pricing.
- ◆ The committee, formed by a High Court directive, found that tax exemption clauses disproportionately benefit Adani, while late payment surcharges reach an exorbitant 27% annually.
- ◆ Coal pricing, based on volatile Indonesian indices, also favours Adani, with discrepancies in index usage and discount application.
- ◆ Committee members, including former World Bank economist Zahid Hussain, criticise the deal as detrimental to Bangladesh's national interest

News Source:

<https://www.tbsnews.net/bangladesh/infrastructure/adani-deal-govt-body-renegotiating-tax-rebate-surcharge-coal-price-1087866>

Govt to relax net metering policy to boost rooftop solar

- ◆ The government has decided to ease net metering facilities for all in an effort to promote rooftop solar installations, as it aims to generate 40% of its total electricity from renewable sources by 2041, according to energy ministry officials.
- ◆ Recognising the potential of solar power, the government has initiated an amendment to the net metering policy to encourage more users to adopt the system, reducing dependency on fossil fuel-based power generation.
- ◆ Earlier, rooftop solar users could only transmit up to 70% of their generated electricity to the grid through net metering.
- ◆ The new amendment removes this limit, allowing users to send 100% of their excess solar power to the national grid.
- ◆ This change benefits users who generate more power than they consume, as they will no longer need to invest in expensive energy storage systems to handle surplus electricity.

News Source:

<https://www.tbsnews.net/bangladesh/energy/govt-relax-net-metering-policy-boost-rooftop-solar-1087871>

Capital Market

Stocks edge up amid BSEC turmoil

- ◆ The Dhaka Stock Exchange (DSE) saw a marginal uptick in its benchmark index the last trading day, despite ongoing turmoil within the Bangladesh Securities and Exchange Commission (BSEC), the country's stock market regulator.
- ◆ The DSEX index rose by 7 points to close at 5,203 whereas the blue-chip DS30 index experienced a slight decline, dropping by 0.81 points to settle at 1,889.
- ◆ Market activity reflected a mixed trend, with 139 stocks advancing, 169 declining, and 86 remaining unchanged.
- ◆ Daily turnover surged by 11% to reach BDT 353 crore, compared to the previous trading session.
- ◆ BSEC Chairman Khondoker Rashed Maqsood has stated that he will not yield to unjust demands and has vowed to intensify investigations into irregularities and corruption within the stock market.

News Source:

<https://www.tbsnews.net/economy/stocks/stocks-edge-amid-bsec-turmoil-1086396>

Brokers, merchant bankers call for swift resolution of BSEC unrest

- ◆ The DSE Brokers Association and Bangladesh Merchant Bankers Association have expressed concerns over the ongoing unrest among officials and employees of the Bangladesh Securities and Exchange Commission (BSEC), urging the relevant government ministry to intervene and resolve the crisis promptly.
- ◆ DBA President Saiful Islam said that the country's stock market is already facing a prolonged crisis due to unfavourable decisions and incidents, with millions of investors suffering losses and intermediary institutions struggling to survive.

- ◆ Against this backdrop, internal disputes within such a crucial regulatory body pose a significant risk to market stability.
- ◆ This ongoing turmoil has heightened concerns and frustration among investors and stakeholders.
- ◆ If the crisis within the commission is not addressed promptly, it could further erode confidence in the market, potentially driving away both local and foreign investors, he added.

News Source:

<https://www.tbsnews.net/economy/stocks/dba-urges-swift-resolution-ongoing-unrest-bsec-1085806>