

Bangladesh Market

Major Indices	Last closing
DSEX Index	5,225.61
% change	0.18%
DS30 Index	1,901.56
% change	0.10%
DSES Index	1,165.28
% change	-0.11%
Turnover (BDT mn)	4,145.69
Turnover (USD mn)	33.98
% change	-8.45%

Source: Dhaka Stock Exchange

International Market

Major Indices	Last closing
Dow Jones Industrial Average	41,488.19
% change	0.00%
S&P 500	5,638.94
% change	0.00%
Nikkei 225	37,053.10
% change	0.00%
FTSE 100	8,632.33
% change	0.00%

Source: Bloomberg

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	132.81	132.85
GBP	158.11	158.20
INR	1.40	1.40

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
13-Mar-25	9.75 - 11.00	10.05
12-Mar-25	9.75 - 11.00	10.05

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	70.58	0.00%
Gold Spot, USD/t oz.	2,984.42	0.00%
Cotton, USD/lb.	67.37	0.00%

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.18% in the last trading day, closing at 5225.61 points.
- The daily turnover fell by 8.45% in the last trading day.

Global Market

- The majority of the global indices were closed on the last trading day.
- One of the key Asian indices, the Nikkei 225, was also closed.

Key Macro Indicators

- The value of the BDT remained stable against the EUR, GBP, and USD.
- The average overnight rate stood at 10.05%, standing between 9.75% and 11.00%.
- The commodities markets were closed on the last trading day.

Bangladesh Macro Update

Foreign loan costs to rise after LDC graduation: Fahmida Khatun

- ◆ Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD), has said that Bangladesh will face higher costs for foreign loans after graduating from the Least Developed Country (LDC) list.
- ◆ She made the remark while speaking as the chief guest at a shadow parliamentary debate competition on the challenges of LDC graduation, organised by Debate for Democracy at the Bangladesh Film Development Corporation.
- ◆ After graduation, the grace period will be reduced, and we will have to pay competitive interest rates, increasing overall costs, according to Fahmida Khatun.
- ◆ Fahmida Khatun stressed the need for proper planning when taking foreign loans.
- ◆ Criticising data manipulation in economic reporting, she added that Bangladesh is a prime example of how manipulated data can be used politically.

News Source:

<https://www.tbsnews.net/economy/foreign-loan-costs-rise-after-ldc-graduation-fahmida-khatun-1092921>

Falling SME sales shake economic backbone

- ◆ When the Bangladesh Bank raises interest rates on bank borrowing in its battle against stubbornly high inflation, the ripple effects reach small and medium businesses run by Faridpur's Paritosh Kumar Malo or Chuadanga's Md Oli Ullah.
- ◆ Already squeezed by slumping sales in response to an upward inflationary curve over the past three years, Malo and Ullah promptly shelved their business expansion plans that depend on bank loans.
- ◆ If that is not enough to survive, they now go for cutting their workforce just to keep their businesses afloat.
- ◆ If the macroeconomic stress does not ease soon, these small ventures, which contribute 32% of the country's GDP and employ 85% of the industrial workforce, face closure.
- ◆ Amid the economic turmoil, the political changeover through a mass uprising last year has led to slower spending on development projects, adding another layer to the SME crisis.

News Source:

<https://www.thedailystar.net/business/economy/news/falling-sme-sales-shake-economic-backbone-3848986>

Sectoral Update

Banks, NBFIs, and Insurance

Banks' deposit growth dropped in 2024 amid confidence crisis

- ◆ Banks in Bangladesh saw slower deposit growth last year mainly due to high inflation, the people's confidence crisis regarding some banks and a crackdown on money laundering, according to officials of the country's central bank.
- ◆ Bank deposits registered an average annual growth rate of 7.69% by the end of 2024 while it was 10.15% the year prior, showed data of the Bangladesh Bank.

- ◆ They said that although most banks are offering high interest on savings, the deposit growth declined last year as many small and individual customers withdrew their money to cover essential expenses amid high inflationary pressure.
- ◆ They added that loan and deposit rates have been rising ever since the central bank removed the single-digit ceiling on lending in an effort to curb inflation in the country.
- ◆ The central bank officials also said that general savers have lost their trust in a number of banks, such as those led by the controversial business conglomerate S Alam Group.

News Source:

<https://www.thedailystar.net/business/news/banks-deposit-growth-dropped-2024-amid-confidence-crisis-3848826>

How 6 of 11 problem banks turn around

- ◆ Out of the 11 problem banks that were on the verge of collapse due to severe corruption, six have already turned around, riding on deposit mobilisation over the last six months and restoring customer confidence.
- ◆ This recovery came at the cost of BDT 30,000 crore in new money created by the Bangladesh Bank under its liquidity support programme after the boards of the 11 banks were restructured following the appointment of Governor Ahsan H Mansur in August last year.
- ◆ The six banks are Islami Bank, Social Islami Bank, Exim Bank, United Commercial Bank (UCB), IFIC Bank, and Al-Arafah Islami Bank.
- ◆ Most of these banks have stopped taking liquidity support from the central bank, having overcome the liquidity crisis through timely intervention and regulatory policy support.
- ◆ However, a major concern now is the rise in default loans, as previously hidden bad assets are being revealed, which will significantly impact their profitability.

News Source:

<https://www.tbsnews.net/economy/banking/how-6-11-problem-banks-turn-around-1093706>

Textile

RMG value addition wanes, yet to rise to pre-pandemic level

- ◆ Value-addition to Bangladesh's ready-made garments (RMG) that has been fluctuating in recent years has yet to reach the pre-pandemic level, as higher cost of raw-material imports eats into the export gains.
- ◆ Exporters mainly blame the rise in raw-material imports, especially that of yarn, for such subdued returns as prices of locally made garments have also been declining in the post-Covid period.
- ◆ Local RMG items' value addition remained almost static between 60% and 64% since fiscal year (FY) 2012-13 until FY2018-19, according to Bangladesh Bank data.
- ◆ But a data analysis shows a fluctuating trend, with a decline to 56.49% in FY20 while a rise up to 59.13% in FY21.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/rmg-value-addition-wanes-yet-to-rise-to-pre-pandemic-level-1742058285>

RMG exports to major markets see double-digit growth in Jul-Feb

- ◆ Bangladesh's apparel exports to major markets have achieved double-digit growth over the first eight months of the current fiscal year 2024-25, due to the growing demand by brands and retailers.
- ◆ The markets include the European Union (EU), the United States (US), and Canada.
- ◆ Meanwhile, exports to the UK and non-traditional markets have also performed well with modest growth, according to data from the Export Promotion Bureau.
- ◆ The country's ready-made garments (RMG) exports grew by 10.64% globally, reaching a total of USD 26.79 billion during the July-February period of FY25.
- ◆ The EU remained the largest market, accounting for 50.10% of total RMG exports, valued at USD 13.42 billion.

News Source:

<https://www.tbsnews.net/economy/rmg/rmg-sees-double-digit-growth-major-markets-1092741>

Energy

Tenders floated to buy 3 spot LNG cargoes in April

- ◆ Bangladesh's state-run Rupantarita Prakritik Gas Company Ltd (RPGCL) intends to buy three spot liquefied natural gas (LNG) cargoes by mid-April to meet mounting demand for summer.
- ◆ The RPGCL has already floated tenders for April 01-02, April 12-13 and April 14-15 delivery windows, according to a senior RPGCL official.
- ◆ The RPGCL might float more tenders to buy spot LNG cargoes in April, which is considered the hottest month of summer in Bangladesh.
- ◆ The country's energy demand is expected to go up from early April and subsequent months with the rise of mercury.
- ◆ The bid winners will deliver the LNG cargoes at Moheshkhali island in the Bay of Bengal, with options to discharge the cargo at either of the country's two floating storage re-gasification units (FSRUs) located on Moheshkhali island.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/tenders-floated-to-buy-3-spot-lng-cargoes-in-april-1742059073>

80MW solar plant planned in Padma Bridge area aligned with renewable vision

- ◆ North-West Power Generation Company, an enterprise of the Bangladesh Power Development Board enterprise, is now set to build an 80MW solar power plant in the Padma Bridge project area in line with the government's renewable energy vision.
- ◆ The state-owned enterprise signed a 30-year lease agreement with the Bangladesh Bridges Authority (BBA) for 180 acres in October last year, with the land handed over the same month.
- ◆ Based on a preliminary assessment of the project site, the estimated project cost is BDT 871.56 crore (equivalent to USD 71.44 million), with completion targeted for 2027.

- ◆ North-West Power officials stated that, in line with the government's vision to enhance renewable power generation, the company has been striving to increase its own capacity.
- ◆ It is already working on two solar power plants: the Sirajganj 6.55MW Grid-Connected Solar PV Power Plant, wholly owned by the North-West Power, and the Sirajganj 68MW Solar Park under its joint venture company, Bangladesh-China Renewable Energy Company.

News Source:

<https://www.tbsnews.net/bangladesh/energy/80mw-solar-plant-planned-padma-bridge-area-aligned-renewable-vision-1093721>

Capital Market

Dhaka stocks see positive week with four-day gaining streak

- ◆ Stocks at the Dhaka bourse had a positive week with an 8% jump in turnover as investor participation slightly increased.
- ◆ DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), along with the Shariah index and DS30, managed to end in the green despite witnessing a significant downturn in the first trading session of the last week.
- ◆ The downturn was primarily due to unrest within the regulatory body, as officers of the Bangladesh Securities and Exchange Commission (BSEC) declared a work abstention, demanding the resignation of the commission's chairman and three commissioners.
- ◆ Later, the officers withdrew their protest and resumed work, seeing the strict situation of the commission.
- ◆ Following the decline on the first trading day, stocks surged for four consecutive sessions.

News Source:

<https://www.tbsnews.net/economy/stocks/dhaka-stocks-see-positive-week-four-day-gaining-streak-1093601>

Should BSEC allow share buybacks by companies?

- ◆ It is a positive sign for investors that directors of several well-known listed firms are purchasing their own shares, believing them to be undervalued amid a lack of buyers.
- ◆ For instance, directors of Square Pharmaceuticals, ACI Ltd, BSRM Ltd and Apex Footwear have announced plans in recent months to buy shares worth crores of taka from general shareholders.
- ◆ When directors purchase shares, it usually encourages general investors to follow suit, leading to a rise in stock prices.
- ◆ However, despite these announcements, investor interest has remained muted, resulting in little to no price movement.
- ◆ Several directors of these companies said that their only option is to buy shares with their own money if they believe they are undervalued.

News Source:

<https://www.thedailystar.net/business/economy/news/should-bsec-allow-share-buybacks-companies-3848966>