

### Bangladesh Market

Major Indices	Last closing
DSEX Index	5,207.36
% change	-0.06%
DS30 Index	1,881.43
% change	-0.04%
DSES Index	1,158.21
% change	-0.12%
Turnover (BDT mn)	4,825.10
Turnover (USD mn)	39.55
% change	6.94%

Source: Dhaka Stock Exchange

### International Market

Major Indices	Last closing
Dow Jones Industrial Average	41,964.63
% change	0.92%
S&P 500	5,675.29
% change	1.08%
Nikkei 225	37,910.00
% change	0.17%
FTSE 100	8,706.66
% change	0.02%

Source: Bloomberg

### Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	133.50	133.54
GBP	158.60	158.62
INR	1.41	1.41

Source: BB

### Money market

Date	Call Money Rate Range (%)	Weighted Average
19-Mar-25	9.75 - 11.00	10.01
18-Mar-25	9.75 - 11.00	10.06

Source: BB

### Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	70.78	0.31%
Gold Spot, USD/t oz.	3,050.12	0.53%
Cotton, USD/lb.	66.35	-0.18%

Source: Bloomberg

## Market Summary

### Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.06% in the last trading day, closing at 5207.36 points.
- The daily turnover increased by 6.94% on the last trading day.

### Global Market

- The majority of the global indices performed positively in the last trading day; the Dow Jones Industrial Average rose by 0.92%, the S&P 500 rose by 1.08%, and the FTSE 100 rose by 0.02%.
- One of the key Asian indices, the Nikkei 225 also rose by 0.17%.

### 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 10.01%, standing between 9.75% and 11.00%.
- The price of oil futures rose by 0.31%, gold prices rose by 0.53%, the price of cotton fell by 0.18%.

## Bangladesh Macro Update

### Next budget to focus on curbing inflation

- ◆ Finance Adviser Salehuddin Ahmed on 19<sup>th</sup> March said the interim government will not incorporate any mega projects that cost billions of dollars in the next budget for FY2025-26.
- ◆ He made the remarks during a pre-budget meeting with editors and senior journalists from print, online, and electronic media held at his office at the Secretariat in the capital.
- ◆ He said the next budget will be realistic and people-centric.
- ◆ Finance Secretary Khairuzzaman Mozumder expressed optimism that inflation could be brought down to 8% by June this year.
- ◆ During the meeting, editors suggested several measures, including steps to control inflation, expanding the social safety net programmes, raising the tax-free income limit to at least BDT 5 lakh, and increasing allocations for health and education sectors.

#### News Source:

<https://www.thedailystar.net/business/economy/national-budget/news/next-budget-focus-curbing-inflation-3852856>

### LDC graduation essential for Bangladesh, export diversification crucial: Commerce adviser

- ◆ Graduating from the status of least developed country (LDC) is now a necessity for Bangladesh, and as the country relies heavily on a single-sector export, diversification is crucial, Commerce Adviser Sheikh Bashir Uddin said on 19 March.
- ◆ The adviser further said that, given the necessity of graduation, we must focus on the micro level to ensure a smooth transition.
- ◆ Referring to opportunities for halal businesses in the global market, he said that simply obtaining a certificate from an Islamic foundation is not enough; it also involves business competition.
- ◆ He further stated that capital formation was completely hindered during the fascist regime.
- ◆ Moinul Khan, chairman of the Bangladesh Trade and Tariff Commission, mentioned that the government is working on 33 bilateral agreements, including SEPA, PTA, and FTA. Japan, Singapore, UAE, China, and Sri Lanka are among the countries involved.

#### News Source:

<https://www.tbsnews.net/economy/lcd-graduation-essential-bangladesh-export-diversification-crucial-commerce-adviser-1096766>

### Slowdown in private credit growth raises alarms

- ◆ The declining credit growth for private companies in Bangladesh reflects the country's immediate economic challenges, including long-term risks to investment, employment, and overall financial stability.
  - ◆ Private credit expansion has fallen to its lowest level in more than a decade against the backdrop of numerous economic challenges stemming from rising borrowing costs, political uncertainty and weakened investor confidence, according to an economic analyst.
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- ◆ This downtrend will lead to severe consequences if it is not reversed.
- ◆ Credit flow to private firms registered its lowest growth since at least 2015, achieving just 7.15% in January this year, as per Bangladesh Bank data.
- ◆ The figure is 2.65% lower than the central bank's target of 9.80% for the second half of the ongoing fiscal year (FY).
- ◆ Lending to private firms had grown by only 7.28% in December last year.

**News Source:**

<https://www.thedailystar.net/business/news/slowdown-private-credit-growth-raises-alarms-3852706>

**Sectoral Update**

**Banks, NBFIs, and Insurance**

**Remittance up yet reserves static for meeting growing needs**

- ◆ Foreign-exchange reserves of Bangladesh still stay almost static despite a record volume of remittance inflow in recent months as officials say necessary external expenditures are being met.
- ◆ The Financial Express (FE) has observed the trends of the remittance and movement of the forex reserves in recent months.
- ◆ Despite the record inflows of foreign currencies sent by Bangladeshi citizens working abroad for the last several months, the volume of reserves in IMF arithmetic has been hovering between USD 19.0 billion and USD 21.0 billion.
- ◆ Sources at Bangladesh Bank (BB) have said the additional inflow of remittances helps stop forex bleeding by making the international reserves stable amid payment buildups over the years.
- ◆ They say the increased remittance has been used to meet foreign-currency obligations of banks because of growing government imports, overdue payments by the banks, public debt-servicing and to minimize the gap between imports and exports.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/remittance-up-yet-reserves-static-for-meeting-growing-needs-1742407791>

**NBFIs see drop in loan recovery**

- ◆ Non-bank financial institutions (NBFIs) in Bangladesh saw a slowdown in loan recovery as many firms struggled to repay debts amid an economic slowdown and persistent inflation.
- ◆ Data from the Bangladesh Bank showed that NBFIs recovered BDT 6,715 crore in loans and advances in the October-December quarter of 2024, down 3.2% year-on-year.
- ◆ However, it represented a 1.99% growth in recoveries compared to the July-September quarter of the same year.
- ◆ Kanti Kumar Saha, chief executive officer (CEO) of Alliance Finance PLC, formerly Lankan Alliance Finance Ltd, said the slowdown is an alarming signal despite the fact that businesses are facing many challenges.

- ◆ Central bank data revealed that many borrowers from the trade and commerce, construction, and industrial sectors failed to repay loans in the fourth quarter of last year compared to the same period a year earlier.

**News Source:**

<https://www.thedailystar.net/business/news/nbfis-see-drop-loan-recovery-3852686>

## **Islamic banks witness deposit shift**

- ◆ Islamic wings of conventional banks have become the preferred choice for religiously inclined depositors as many full-fledged Shariah-based banks struggle with a crisis of trust.
- ◆ This shift has emerged after controversies and financial scandals involving Shariah-based banks, many of which were controlled by the controversial conglomerate S Alam Group during the previous regime.
- ◆ Although the boards of these banks were reshuffled after the political changeover in August last year, industry insiders say rebuilding public trust will take time.
- ◆ At the end of 2024, deposit growth in the banking sector slowed to 7.47%.
- ◆ However, 18 banks experienced deposit surges exceeding 26%, with some Islamic wings of conventional banks registering increases of more than 100%.

**News Source:**

<https://www.thedailystar.net/business/news/islamic-banks-witness-deposit-shift-3852716>

## **Textile**

### **RMG exports to EU jump 61pc**

- ◆ Bangladesh's readymade garment exports to the European Union (EU) recorded a robust 61% growth in January this year, staying ahead of the major competitors, including China, Vietnam, Turkey, and India.
- ◆ Apparel exports to the EU market in January 2025 fetched 1.91 billion euros, compared to 1.18 billion euros earned in the same month last year, according to Eurostat data.
- ◆ Knitwear subsector exports to the 27-nation economic bloc in the first month of 2025 increased by 64.2% to 1.14 billion euros, while woven garment exports surged by 56.3% to 765.96 million euros.
- ◆ Exporters have attributed the rise to a number of factors, including rising global demand, shift of work orders from China, and duty-free market access, while local reasons are competitive pricing; enhanced capacity, efficiency, productivity, and workplace-safety compliance; and the production of quality goods.
- ◆ The developments during last several years ensured buyers' confidence and trust and good business environment in the country, providing a boost to the main export trade.

**News Source:**

<https://today.thefinancialexpress.com.bd/last-page/rmg-exports-to-eu-jump-61pc-1742408297>

## Engineering

### Cut import duties on scrap metals, cement clinkers: Stakeholders

- ◆ The government has been urged to reduce import duties on raw materials for manufacturing construction materials in the upcoming budget for fiscal year 2025-26 to facilitate the sector's growth for the sake of the country's economy.
- ◆ The steel makers have sought to lower customs duty on imported scrap metals from BDT 1500 to BDT 500 per tonne while cement producers requested for lowering the duty on clinker to BDT 200 per tonne.
- ◆ They put forward the pleas at a pre-budget meeting organised by the National Board of Revenue (NBR) at its office in the city's Agargaon area on Wednesday.
- ◆ Representatives of different sectors, including construction materials, telecom, tobacco, pharmaceuticals and beverage took part in the meeting.
- ◆ Bangladesh Steel Manufacturers Association (BSMA) Senior Vice President Md Shahidullah presented the steel sector's budget proposal, pointing out that steel, a vital sector for the entire economy, is largely dependent on purchasing raw materials from abroad.

#### News Source:

<https://today.thefinancialexpress.com.bd/last-page/cut-import-duties-on-scrap-metals-cement-clinkers-stakeholders-1742408379>

## Telecommunication

### Telcos urge NBR to cut telecom tax

- ◆ Mobile network operators in Bangladesh have urged the National Board of Revenue (NBR) to reconsider the high tax burden on the telecommunication sector, noting that continuous tax hikes have led to a significant decline in mobile and internet users.
- ◆ During a pre-budget meeting with NBR officials on Wednesday, the Association of Mobile Telecom Operators of Bangladesh (AMTOB) submitted a 23-point proposal addressing income tax, value-added tax (VAT), import duty, and supplementary duty in the sector.
- ◆ AMTOB Secretary General Lt Col Mohammad Zulfikar (Retd) highlighted that despite being an essential service, the telecommunication sector in Bangladesh faces the highest tax rates globally.
- ◆ The government is increasing taxes in this sector almost every year, which has had a negative impact on consumers.

#### News Source:

<https://today.thefinancialexpress.com.bd/trade-market/telcos-urge-nbr-to-cut-telecom-tax-1742405476>

## Energy

### OVL gets third extension until Feb 2027

- ◆ ONGC Videsh Ltd (OVL), an Indian company that has been awarded Bangladesh offshore exploration contracts, has gotten its tenure extended for the third time although it could not delineate any potential hydrocarbon reserve over the past one decade.

- ◆ State-run Petrobangla has already notified the oil- and gas-exploration company of India about the extension until February 16, 2027, according to a senior Petrobangla official.
- ◆ The existing tenure for exploring shallow water blocks SS-04 and SS-09 was set to expire on February 16 last.
- ◆ It's the sole international contractor assigned so far to delineate hydrocarbons in Bangladesh's offshore blocks in the Bay of Bengal, but it proved to be a do-nothing explorer.
- ◆ The ONGC had sought its contract tenure to be extended for three more years until February 2028 but the Petrobangla approved one year short of its expectation.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/ovl-gets-third-extension-until-feb-2027-1742408090>

## **Rooppur plant payment hurdle sticks with it**

- ◆ Bangladesh has once again encountered difficulties in repaying interest and other charges on the Russian loan for the Rooppur Nuclear Power Plant project due to US sanctions on Russian entities.
- ◆ Atomstroyexport, a subsidiary of Rosatom, the Russian state nuclear agency overseeing the project, opened an account at Sonali Bank in 2022.
- ◆ The account was intended to receive payments from Bangladesh and disburse funds to subcontractors after the US imposed sanctions on Russian financial institutions.
- ◆ Atomstroyexport recently requested payments of USD 2.038 million to Roin World and USD 100,000 to its bank account in Egypt, in addition to USD 5.018 million for four local subcontractors.
- ◆ Sonali Bank then attempted to transfer over USD 2 million to Roin World, a Spanish construction company subcontracted for the project but the transaction was blocked, and the funds were returned to Sonali Bank.

**News Source:**

<https://www.tbsnews.net/economy/rooppur-plant-payment-hurdle-sticks-it-1097121>

## **Capital Market**

### **Strengthening trustees' role crucial for bond market dev: BSEC**

- ◆ Stock market regulators and key stakeholders have stressed the need to strengthen the role of trustees to boost investor confidence and attract greater participation in the bond market.
- ◆ BSEC Commissioner Farzana Lalarukh underscored the pivotal role of trustees in safeguarding investor interests and fostering market growth.
- ◆ Trustees play a vital role in the smooth management and development of the bond market and their responsibility to protect investor interests is paramount.
- ◆ Executive Director Rezaul Karim also highlighted the need for all stakeholders, including trustees, to play a proactive role in attracting investors and bolstering confidence in the bond market.

**News Source:**

<https://www.tbsnews.net/economy/stocks/strengthening-trustees-role-crucial-bond-market-dev-bsec-1097076>

## **Mutual funds shine amid stock market downturn**

- ◆ While the stock market experienced a downward trend today (19 March), mutual funds emerged as a bright spot, attracting increased investor interest.
- ◆ Out of 37 listed mutual funds, 25 posted gains, five declined, and seven remained unchanged.
- ◆ Leading the gainers' chart were DBH First Mutual Fund and First Prime Finance Mutual Fund, both surging by 10% in their unit prices.
- ◆ The strong performance of mutual funds highlights their growing appeal as a relatively stable investment option amid market uncertainty.
- ◆ This trend underscores investors' preference for diversified and professionally managed portfolios, particularly during periods of market instability, according to market insiders.

**News Source:**

<https://www.tbsnews.net/economy/stocks/mutual-funds-shine-amid-stock-market-downturn-1097091>

## **Stock market task force to propose sweeping reforms to public issue rules**

- ◆ A task force on the country's capital market reforms is set to deliver a series of recommendations aimed at overhauling public issue rules to attract good companies to the stock market and enhance its depth.
- ◆ One of the crucial proposals from the committee will be to make stock exchanges responsible for ensuring the due diligence of initial public offering (IPO) proposals.
- ◆ Under the new guidelines, the regulator will not approve IPO proposals if the stock exchanges deem them unfit for public listing, according to sources close to the task force.
- ◆ Reforming public issue rules has long been a demand from market stakeholders and operators, who say that the current book building method discourages many reputable companies, including multinational ones, from going public as it lacks proper valuation mechanism.
- ◆ The task force will also recommend the restoration of direct listing on a case to case basis for large multinational and local private businesses so that a minimum 10% shares can be floated.

**News Source:**

<https://today.thefinancialexpress.com.bd/stock-corporate/stock-market-task-force-to-propose-sweeping-reforms-to-public-issue-rules-1742405724>