

Bangladesh Market

Major Indices	Last closing
DSEX Index	5,219.16
% change	0.09%
DS30 Index	1,914.69
% change	-0.18%
DSES Index	1,168.11
% change	0.01%
Turnover (BDT mn)	3,150.94
Turnover (USD mn)	25.83
% change	-18.47%

Source: Dhaka Stock Exchange

International Market

Major Indices	Last closing
Dow Jones Industrial Average	38,314.86
% change	-5.50%
S&P 500	5,074.08
% change	-5.97%
Nikkei 225	33,780.58
% change	-2.75%
FTSE 100	8,054.98
% change	-4.95%

Source: Bloomberg

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	131.17	131.21
GBP	157.20	157.28
INR	1.43	1.43

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
27-Mar-25	9.75 - 11.00	10.01
25-Mar-25	9.75 - 11.00	9.95

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	65.58	-6.50%
Gold Spot, USD/t oz.	3,037.36	-2.42%
Cotton, USD/lb.	63.36	-2.22%

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.09% on the last trading day, closing at 5,219.16 points.
- The daily turnover fell by 18.47% on the last trading day.

Global Market

- The majority of the global indices dropped on the last trading day; the Dow Jones Industrial Average fell by 5.5%, the S&P 500 fell by 5.97%, and the FTSE 100 fell by 4.95%.
- One of the key Asian indices, the Nikkei 225 fell by 2.75%.

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 10.01%, standing between 9.75% and 11.00%.
- The price of oil futures fell by 6.5%, gold prices fell by 2.42%, the price of cotton fell by 2.22%.

Bangladesh Macro Update

Tariff meeting: Bangladesh moves to import more from US, remove trade barriers

- ◆ Bangladesh plans to increase imports of essential goods from the USA and reduce its trade surplus with the country to negotiate the recently announced 37% "reciprocal" tariff, set to take effect on 9 April, Commerce Adviser Sk Bashir Uddin said.
- ◆ The commerce adviser announced that Bangladesh would take steps to narrow the trade gap with the US by increasing imports and removing non-tariff barriers.
- ◆ Khalilur Rahman, chief adviser's high representative, noted that Bangladesh was among the first nations to unilaterally approach relevant US authorities, including the USTR, to explore ways to enhance bilateral trade.
- ◆ Additionally, the commerce adviser told The Business Standard that a bilateral meeting is scheduled for Monday with the US Ambassador to Bangladesh in Dhaka.
- ◆ Commerce ministry officials stated that the meeting will include discussions on the additional tariffs imposed by the United States.

News Source:

<https://www.tbsnews.net/economy/tariff-meeting-bangladesh-import-more-goods-us-reduce-its-trade-surplus-country>

All govt depts in action for rationalising US import tariffs

- ◆ All government departments swing into action to explore ways, including tariff rationalization, to mitigate adverse impact of the Trump-triggered global trade war on Bangladesh's already-woe-stricken economy.
- ◆ The jacked-up US tariffs, 37% on Bangladeshi goods, higher than that of its competitors, have triggered concerns among all ministries and agencies, including the Ministries of Finance, and Commerce, the National Board of Revenue (NBR) and Bangladesh Investment Development Authority (BIDA), along with exporters of apparel, leather, ceramics etc.
- ◆ An initial finding by the NBR and BIDA detects thirty import items from the United States having higher tariffs.
- ◆ The items, including generation and generating set, valve, meat (beef), agro-items, some raw materials and capital machinery, have duties ranging from 26.2% to 80%.
- ◆ The officials estimate a weighted average tariff on US goods is less than 5.0% in Bangladesh.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/all-govt-depts-in-action-for-rationalising-us-import-tariffs-1743873870>

Bangladesh earned Tk 1,500cr tariff from US imports in FY24

- ◆ Bangladesh generates a negligible amount of revenue from taxes levied on goods imported from the United States, according to an internal assessment by the revenue board following Washington's announcement of imposing a 37% reciprocal tariff on Bangladeshi products entering the US market.

- ◆ In the July-March period of fiscal year (FY) 2024-25, taxes on US imports brought in just around BDT 1,000 crore, less than 2% of the total revenue collected from all imports during that period.
- ◆ Bangladesh imported goods worth BDT 22,168 crore from the US during those nine months, with tax receipts from those imports totalling BDT 1,010 crore, according to the National Board of Revenue (NBR).
- ◆ In contrast, overall revenue from global imports reached BDT 64,439 crore during the period, according to the latest NBR report.
- ◆ The scenario was similar in FY24, when tax collected from US imports amounted to BDT 1,499 crore against total revenue of BDT 100,819 crore, which was around 1.5% of Bangladesh's total earnings from import duties.

News Source:

<https://www.thedailystar.net/business/economy/news/bangladesh-earned-tk-1500cr-tariff-us-imports-fy24-3864346>

Rising costs erode business competitiveness

- ◆ Bangladesh, long regarded as a cost-competitive destination and once hailed as the next Asian tiger, is now grappling with mounting pressure as the cost of doing business is rising sharply across key sectors.
- ◆ What was once considered the country's strongest advantage, a cheap labour pool, is now being undermined by persistent infrastructural weaknesses, policy unpredictability, and rising input costs.
- ◆ The World Bank's latest assessment and regional business surveys reveal that while labour costs in Bangladesh remain comparatively lower than in Vietnam and India, the total cost structure, encompassing logistics, energy, financing, and regulatory compliance, has become increasingly unfavourable.
- ◆ The issue has once again come to the spotlight, becoming highly relevant as the US government has raised the tariff on Bangladeshi products to 37% from around 15%.
- ◆ Experts believe that shipments of Bangladeshi goods will experience a significant setback, with the possibility of a decline in exports to the US market due to the reduction in competitiveness.

News Source:

<https://www.thedailystar.net/business/economy/news/rising-costs-erode-business-competitiveness-3864336>

Sectoral Update

Banks, NBFIs, and Insurance

Over 60 large borrowers seek loan restructuring amid mounting losses

- ◆ At least 60 institutions have applied to the Bangladesh Bank for loan restructuring, citing losses stemming from factors beyond their control.
- ◆ The applications concern defaulted loans ranging from BDT 150 crore to BDT 12,500 crore, with most applicants seeking restructuring facilities for up to 15 years, according to central bank sources.
- ◆ In January, the Bangladesh Bank formed a five-member selection committee to recommend policy support aimed at reviving distressed borrowers by restructuring their financial operations.

- ◆ The objective is twofold: to restore these institutions to operational viability and ensure banks recover outstanding loans.
- ◆ The Department of Regulations and Policy instructed bank managing directors to submit restructuring proposals for customers who have defaulted due to external circumstances.

News Source:

<https://www.tbsnews.net/economy/banking/over-60-large-borrowers-seek-loan-restructuring-amid-mounting-losses-1108721>

Textile

RMG leaders say Trump's tariff devastating blow for Bangladesh's \$10b US market, competitors to gain

- ◆ Bangladesh's readymade garment (RMG) industry will be seriously impacted by the new US tariffs, with industry leaders calling it a "bolt from the blue" that could disrupt trade and reduce the country's competitiveness in the American market.
- ◆ Bangladesh is among the countries hit with one of the highest tariffs, according to Sparrow Group Managing Director Shovon Islam.
- ◆ While India and other competitors have also faced tariff hikes, Bangladesh's tariff rate will now be higher than India's, making it less attractive for buyers.
- ◆ Earlier today, US President Donald Trump announced that the US is imposing reciprocal tariffs to match duties placed on US goods by other countries.
- ◆ During an event at the White House Rose Garden, Trump displayed a poster listing reciprocal tariffs, which included a 37% duty on Bangladeshi products as a response to 74% duties imposed on goods imported from the US.

News Source:

<https://www.tbsnews.net/economy/rmg/rmg-makers-say-industry-will-be-seriously-impacted-bolt-blue-us-tariffs-1107191>

Fuel and Power

Tax reform framed to cut state subsidy burden on LNG

- ◆ A tax-reform package for imported LNG has been prepared to help reduce state subsidy burden being created through multiple taxation and marketing the item at cut rates.
- ◆ To reduce its burden from gas subsidies, the state-owned Petrobangla has proposed a set of tax reforms on the import of liquefied natural gas (LNG) to be ratified in the upcoming budget for the fiscal year 2025-26.
- ◆ The proposals were placed at a meeting held at the Ministry of Power, Energy and Mineral Resources for further consideration and necessary action.
- ◆ Currently, LNG imports are subject to 15% VAT at both the domestic supply and import stages, along with a 2% Advance Income Tax (AIT).

- ◆ A senior official at Petrobangla said that the state corporation is unable to adjust the import-stage taxes against its actual payables because it sells gas at a price much lower than the import and blending costs.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/tax-reform-framed-to-cut-state-subsidy-burden-on-lng-1743871853>

Fuel prices to remain unchanged in April

- ◆ Prices of petroleum fuels will remain unchanged for the month of April.
- ◆ As per an announcement of the Energy and Mineral Resources Division, the retail prices of fuel in the country will remain unchanged as per the existing price structure.
- ◆ Accordingly, the prices of both diesel and kerosene will remain at BDT 105 per liter, octane at BDT 126.00 per liter, and petrol at BDT 122.00 per liter.
- ◆ An order of the Energy and Mineral Resources Division said that the decision was taken to ensure the supply of fuel at a comparatively affordable price for April 2025.
- ◆ It is also in line with the pricing formula that adjusts fuel prices automatically every month based on fluctuations in the global markets.

News Source:

<https://www.tbsnews.net/bangladesh/energy/fuel-prices-remain-unchanged-april-1105896>

Capital Market

Beximco Pharma, Islami Bank lift equity index

- ◆ The benchmark index of the country's premier bourse surged last week, driven by strong performances from Beximco Pharmaceuticals and Islami Bank.
- ◆ The DSEX increased by 17 points in the week ending on Thursday, reaching 5,219 points, while the blue-chip index DS30 jumped by 26 points, finishing at 1,914.
- ◆ The daily average turnover at the Dhaka Stock Exchange (DSE) stood at BDT 407 crore, reflecting a 15% decrease from the previous week.
- ◆ Of the traded stocks, 193 advanced, 161 declined, and 42 remained unchanged, according to the bourse.
- ◆ However, Dhaka Stock Exchange (DSE) has witnessed a huge drop at the start of the first trading day after a nine-day-long Eid vacation.

News Source:

<https://www.tbsnews.net/economy/stocks/beximco-pharma-islami-bank-lift-equity-index-1105131>

Corporate bond market struggles due to high treasury yields, political uncertainty

- ◆ Although the corporate bond market saw a significant boost from the former Shibli commission, which approved bonds worth around BDT 41,000 crore between May 2020 and July 2024, it is now grappling

with a severe crisis due to the ongoing economic slowdown and political instability, according to industry insiders.

- ◆ Nearly two dozen companies have failed to complete their bond subscriptions within the scheduled time and have had to seek extensions from the commission.
- ◆ Officials from the companies attribute the lack of investor interest in corporate bonds to the high interest rates on government treasury bills and bonds.
- ◆ Currently, treasury bills and bonds offer returns of up to 12.5%, while corporate bonds provide only around 10% or less.
- ◆ As a result, institutional investors, including banks and non-bank financial institutions, have shifted their focus to government securities for safer and higher returns.

News Source:

<https://www.tbsnews.net/economy/stocks/corporate-bond-market-struggles-due-high-treasury-yields-political-uncertainty>

Reform Task Force proposes allowing issue managers to participate in IPOs

- ◆ The Capital Market Reform Task Force proposed that the issue manager, the entity responsible for managing the initial public offering (IPO) of a company or any of its related parties (such as affiliates, directors, or subsidiaries) should be allowed to bid for or participate in the IPO process.
- ◆ It presented detailed recommendations on IPO-related matters through a press conference at the BSEC office on 28 March.
- ◆ It also added that the issue manager plays the most crucial role in the IPO process and they should rather be permitted to hold securities, transparent declaration of which makes them more accountable.
- ◆ In the developed world, the lead manager or underwriter buys shares from the company and then sells them to investors.
- ◆ The task force also proposed that the government should review, if they can allow banks, non-bank financial institutions (NBFIs), insurance companies and stock brokers to underwrite, like India.

News Source:

<https://www.tbsnews.net/economy/stocks/reform-task-force-proposes-allowing-issue-managers-participate-ipos-1107436>