

Bangladesh Market

Major Indices	Last closing
DSEX Index	5,205.23
% change	0.18%
DS30 Index	1,927.90
% change	0.31%
DSES Index	1,172.96
% change	0.28%
Turnover (BDT mn)	5,401.64
Turnover (USD mn)	44.28
% change	2.46%

Source: Dhaka Stock Exchange

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.18% on the last trading day, closing at 5205.2 points.
- The daily turnover increased by 2.46% on the last trading day.

International Market

Major Indices	Last closing
Dow Jones Industrial Average	40,212.71
% change	0.00%
S&P 500	5,363.36
% change	0.00%
Nikkei 225	33,585.58
% change	0.00%
FTSE 100	7,964.18
% change	0.00%

Source: Bloomberg

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.

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	133.60	133.61
GBP	156.33	156.37
INR	1.41	1.41

Source: BB

Key Macro Indicators

- The value of the BDT fell against the GBP, rose against the EUR and INR, and remained stable against the USD.
- The average overnight rate stood at 9.83%, standing between 9.50% and 11.00%.
- The markets for commodities were closed on the last trading day.

Money market

Date	Call Money Rate Range (%)	Weighted Average
10-Apr-25	9.50 - 11.00	9.83
9-Apr-25	9.60 - 11.00	9.96

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	64.76	0.00%
Gold Spot, USD/t oz.	3,236.21	0.00%
Cotton, USD/lb.	65.89	0.00%

Source: Bloomberg

Bangladesh Macro Update

Trump's tariff process faulty, but a wake-up call for Bangladesh: Fahmida Khatun

- ◆ The process of imposing a 37% tariff on Bangladesh is flawed, but US President Donald Trump's high-tariff policy serves as a wake-up call for the country, said Dr Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD).
- ◆ It is a wake-up call because, after LDC graduation in 2026, we won't enjoy the tariff benefits we currently do for long and therefore, it is crucial that we prepare to enhance our trade competitiveness, Dr Fahmida Khatun said while addressing a shadow parliament session organised by Debate for Democracy.
- ◆ However, the 90-day suspension of retaliatory tariffs provided some relief for Bangladesh.
- ◆ During this time, it is crucial to strengthen trade diplomacy and focus on enhancing domestic capacity to mitigate potential risks, Fahmida said.
- ◆ Fahmida said that tariff storm is sweeping across the globe and the Trump administration has shown little regard for rules or procedures in raising tariffs.

News Source:

<https://www.tbsnews.net/economy/tariff-process-faulty-trumps-policy-wake-call-bangladesh-fahmida-khatun-1114081>

Importers seek incentive on US cotton to bridge trade gap

- ◆ Apparel industry leaders have urged the government to offer an additional incentive to help offset the higher cost of importing cotton from the United States, as part of broader efforts to reduce the trade gap with the country.
- ◆ Speaking at a discussion event in Dhaka on 12 April, Envoy Textile Limited Chairman Kutubuddin Ahmed noted that US cotton costs about four cents more per pound than cotton from other sources.
- ◆ He said importers could be encouraged to buy from the US if the government adjusted its current incentive scheme accordingly.
- ◆ The event, titled "BAYLA Roadmap 2030: Resetting the Competitive Edge; Rethinking Bangladesh's Apparel Industry," was organised by the Bangladesh Apparel Youth Leaders Association (BAYLA) at a hotel in the capital's Gulshan area.
- ◆ Speakers at the programme also pointed to high air freight costs and inefficiencies at ports as barriers to trade growth.

News Source:

<https://www.tbsnews.net/economy/importers-seek-incentive-us-cotton-bridge-trade-gap-1113961>

25 dev projects lined up for foreign funding

- ◆ The Economic Relations Division (ERD) under the Ministry of Finance is set to host a meeting of the "foreign assistance search committee" on 13th April to finalise foreign funding for 25 development projects proposed for inclusion in the Annual Development Programme (ADP) of the upcoming fiscal year.

- ◆ The combined preliminary cost of the projects that will be discussed at the meeting with ERD secretary Shahriar Kader Siddiky in the chair, stands at around BDT 2.0 trillion.
- ◆ Of this, the government aims to secure approximately BDT 1.5 trillion in loans and grants from foreign sources, according to an ERD senior official.
- ◆ Among the projects on the agenda is the upgrade of the existing metre-gauge double railway line from Laksam to Chattogram via Chinki Astana to a dual-gauge double line.
- ◆ The agenda also included two projects to procure watercraft for various agencies under the Ministry of Shipping, and another Construction of Bhola Bridges on Barisal-Bhola Road over Kalabador and Tentulia River.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/25-dev-projects-lined-up-for-foreign-funding-1744478845>

WB to supply \$250m for reforming 5 agencies

- ◆ The World Bank (WB) will lend USD 250 million financial support to the interim administration's reforms at five government agencies with an eye to establishing governance and accountability, according to officials.
- ◆ The National Board and Revenue (NBR), the Comptroller and Auditor General (CAG), the Bangladesh Public Procurement Authority (BPPA), the Statistical Informatics Division (SID) and the Planning Division would do the reforms.
- ◆ The Washington-based lender would provide the money shortly as the Planning Commission's Project Evaluation Committee (PEC) has recently given the green light to a project relating to the reforms, Economic Relations Division (ERD) officials said on Saturday.
- ◆ The loan will be used to do some reforms in the NBR, CAG, BPPA, SID and Planning Division for strengthening their capacity aimed at establishing transparency and accountability, according to a senior ERD official.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/wb-to-supply-250m-for-reforming-5-agencies-1744479289>

Sectoral Update

Banks, NBFIs, and Insurance

Efforts on to freeze foreign assets tied to laundered funds in 6 months: Governor

- ◆ Bangladesh Bank Governor Ahsan H Mansur has said that within the next six months, steps will be taken to freeze foreign assets linked to laundered money from Bangladesh as part of a wider initiative to recover illicit funds and promote financial accountability.
- ◆ The legal battle to repatriate the frozen funds would be complex and lengthy, also It is not an easy task, but the authority is doing its best, he said while addressing a press briefing at the central bank's Chattogram branch on 11 April.

- ◆ The governor said that the concept of bringing back laundered money is very new to us.
- ◆ The governor also discussed the central bank's economic performance, noting significant achievements in inflation control.

News Source:

<https://www.tbsnews.net/economy/banking/laundered-assets-foreign-countries-be-frozen-within-six-months-bb-governor-1113471>

Strengthening leadership to regain trust in private banks

- ◆ Moody's recently downgraded the outlook for Bangladesh's banking sector to negative due to increasing asset risks and worsening economic conditions.
- ◆ Key concerns include declining asset quality, high inflation, and a slowdown in GDP growth, which is projected to fall to 4.5% in FY25.
- ◆ By September 2024, the systemwide non-performing loan (NPL) ratio had jumped to 17%, up from 9% just nine months earlier.
- ◆ State-owned banks remain undercapitalised, with a capital-to-risk-weighted-assets ratio of 2.5% in September 2024, despite stable liquidity, the systemwide loan-to-deposit ratio stands at 81%.
- ◆ Strong leadership is crucial for navigating the crisis facing the banking sector and effective leaders can drive the necessary reforms and strategic investments to address challenges such as scams and corruption.

News Source:

<https://www.thedailystar.net/business/economy/news/strengthening-leadership-regain-trust-private-banks-3869861>

Textile

BD set to become world's largest cotton importer in FY '25

- ◆ Bangladesh is set to become the world's largest cotton importer in the current fiscal year (FY 2024-25), overtaking China, according to the US Department of Agriculture (USDA).
- ◆ The country's heavy reliance on export-oriented readymade garment industry that employs around 5.0 million people, mostly women, is driving the surge in cotton imports.
- ◆ The industry, world's second-largest garment manufacturing hub globally, is projected to import 8.0 million bales of cotton this FY.
- ◆ In FY 2023-24, Bangladesh ranked second in global cotton imports, trailing only China.
- ◆ West Africa was Bangladesh's top cotton supplier last FY, accounting for 35% of total imports, followed by India and Brazil while the United States contributed 11%, according to the USDA data.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/bd-set-to-become-worlds-largest-cotton-importer-in-fy-25-1744479166>

Apparel leaders push for lower costs, policy overhauls to stay competitive

- ◆ Leaders of Bangladesh's apparel industry have urged the government to reduce freight costs and bank interest rates, streamline logistics, and cut import tariffs to preserve the sector's competitiveness, particularly in the US, amid escalating global trade tensions.
- ◆ Industry representatives also stressed the need to boost productivity through advanced technologies and called for political stability, safety, and regulatory certainty to navigate the ongoing phase of geo-economic turbulence.
- ◆ They further recommended targeted incentives to offset the higher cost of importing cotton from the US, aiming to narrow the widening trade gap between the two countries.
- ◆ Interest rates remain high, gas prices have tripled, and though we're being asked to operate in economic zones, those zones are far from fully developed, according to Anwar-ul-Alam Chowdhury Parvez, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- ◆ Criticising customs inefficiencies, he added that customs take 10 days to clear goods at ports when it should take only three.

News Source:

<https://www.tbsnews.net/economy/rmq/apparel-leaders-push-lower-costs-policy-overhauls-stay-competitive-1114381>

Fuel and Power

Load shedding rises as power generation from Adani, Matarbari disrupted

- ◆ Load shedding has increased in Bangladesh as electricity supply from India's 1,600-megawatt (MW) Adani power plant remained halted for 17 hours while a coal shortage forced the 1,200MW Matarbari power plant to reduce electricity generation.
- ◆ Electricity supply from the Adani power plant resumed at 6:15pm on 12 April as the plant's first unit resumed operation, according to Bangladesh Power Development Board (BPDB).
- ◆ The supply was fully shut down at 1 am following a cycle of technical glitches in the Air Preheater, resulting in the short supply of electricity for at least 1,300-1,400MW in national demand of around 15,000MW.
- ◆ The Adani-owned power plant at Godda in India's Jharkhand has two units with 800MW each, with a combined capacity of 1,600MW.
- ◆ The first unit started commercial operation on 7 April 2023 under a power purchase agreement in 2017.

News Source:

<https://www.tbsnews.net/bangladesh/energy/load-shedding-rises-power-generation-adani-matarbari-disrupted-1114376>

Coal shortage forces Matarbari power plant to cut production

- ◆ The 1,200-megawatt Ultra Super Critical coal-fired Matarbari Power Plant has been forced to reduce electricity generation following a disruption in coal supply caused by the rejection of a contaminated coal shipment.

- ◆ On 11 April, the plant's electricity output dropped sharply to just 162 megawatts, a significant decline from its usual range of 800–1,000 MW.
- ◆ Located in Cox's Bazar, the Matarbari power plant plays a critical role in supplying electricity to Chattogram and parts of Dhaka.
- ◆ The sharp decline in output may lead to increased load-shedding in these areas.
- ◆ Earlier on 17 March, when a coal-laden ship with 63,000 tonnes docked in Chittagong Port for unloading but it was sent back due to heavy presence of foreign materials like stone, mud, reddish particles and excessive water in the coal.

News Source:

<https://www.tbsnews.net/bangladesh/energy/coal-shortage-forces-matarbari-power-plant-cut-production-1114246>

Capital Market

Market cap sheds Tk 2,222cr on US tariff shock

- ◆ The market capitalisation of the country's capital bourse dropped by around BDT 2,222 crore last week amid concerns over US tariff impositions, as stocks saw sell-offs in specific sectors.
- ◆ On 2 April, US President Donald Trump announced reciprocal tariffs on countries across the globe, including 37% on Bangladesh and 26% on India.
- ◆ But later, the implementation of imposed tariffs paused for 90 days, except for China.
- ◆ Market capitalisation was at BDT 6.74 lakh crore at the beginning of the week and declined to BDT 6.72 lakh crore by the end of the week, marking a 0.33% drop.
- ◆ While DSEX, the benchmark index of the DSE, declined by 14 points to 5,205 points, the other two indices, DSES and DS30 managed to end in the green territory with 4.85 points and 13.21 points, respectively.

News Source:

<https://www.tbsnews.net/economy/stocks/market-cap-sheds-tk2222cr-us-tariff-shock-1114386>

Brokerages facing operating losses for years due to persistent volatility: DBA

- ◆ Brokerage firms have been incurring operating losses for years, primarily due to the volatile capital market and persistently low investor confidence, according to Saiful Islam, president of the DSE Brokers Association (DBA).
- ◆ If operating income alone is considered, all brokerage firms have been incurring losses for years, mainly because of prolonged market downturn.
- ◆ Over the past 15 years, a series of misguided policies have severely damaged the capital market which eroded investor confidence, he added.
- ◆ With the alarming decline in investor participation, daily turnover has remained stuck between BDT 300 to 400 crores.

- ◆ This volume isn't even sufficient for the top 10 brokerage firms to sustain operations, let alone the smaller ones, whose condition is even worse.

News Source:

<https://www.tbsnews.net/economy/stocks/brokerages-facing-operating-losses-years-due-persistent-volatility-dba-1114371>