

**Bangladesh Market**

Major Indices	Last closing
DSEX Index	4,781.02
% change	-1.13%
DS30 Index	1,770.22
% change	-1.17%
DSES Index	1,038.88
% change	-1.38%
Turnover (BDT mn)	2,968.44
Turnover (USD mn)	24.21
% change	0.91%

Source: Dhaka Stock Exchange

**International Market**

Major Indices	Last closing
Dow Jones Industrial Average	42,654.74
% change	0.78%
S&P 500	5,958.38
% change	0.70%
Nikkei 225	37,753.72
% change	0.00%
FTSE 100	8,684.56
% change	0.59%

Source: Bloomberg

**Exchange rate**

Major Currencies	Low (BDT)	High (BDT)
USD	122.48	122.60
EUR	136.72	136.87
GBP	162.56	162.78
INR	1.43	1.43

Source: BB

**Money market**

Date	Call Money Rate Range (%)	Weighted Average
15-May-25	9.75 - 11.00	10.07
14-May-25	9.75 - 11.00	10.13

Source: BB

**Commodities**

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	65.41	1.36%
Gold Spot, USD/t oz.	3,202.77	-1.18%
Cotton, USD/lb.	64.89	-0.83%

Source: Bloomberg

**Market Summary**

**Bangladesh Market**

- The leading bourse of the country, DSEX, fell by 1.13% on the last trading day, closing at 4,781.02 points.
- The daily turnover decreased by 0.91% on the last trading day.

**Global Market**

- Majority of the leading global indices posted positive returns as Dow Jones posted 0.78% gain, S&P 500 posted 0.70% gain and FTSE 100 posted 0.59% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.005% loss.

**Key Macro Indicators**

- The BDT depreciated against the USD, EUR, GBP, and INR.
- The average overnight rate stood at 10.07%, standing between 9.75% and 11.00%.
- The price of oil futures rose by 1.36%, gold price fell by 1.18%, and cotton price fell by 0.83% yesterday.

## Global Macro Update

### Global equity fund inflows surge on trade optimism, inflation relief

- ◆ Global equity funds attracted the largest weekly inflow in seven weeks in the week through May 14, buoyed by a US-China trade war truce that has significantly reduced the risk of a global recession, according to Reuters.
- ◆ According to LSEG Lipper data, global equity funds bagged a net USD 19.57 billion in inflows during the week, the largest amount for a week since March 26.
- ◆ US President Donald Trump's ongoing trade negotiations, including a 90-day tariff truce with China, signaled a pause in what analysts had warned could escalate into a devastating trade war capable of plunging the global economy into recession.
- ◆ Softer-than-expected US consumer inflation in April also offered relief to investors concerned about the inflationary impact of US tariff policies, which had sharply lowered expectations for Federal Reserve rate cuts.
- ◆ The European and Asian equity funds also saw a net USD 3.29 billion and USD 2.89 billion worth of purchases, respectively.

#### News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/global-equity-fund-inflows-surge-on-trade-optimism-inflation-relief-1747413976>

## Bangladesh Macro Update

### Hefty interest payments to cost Tk 1.22 trillion

- ◆ Significant rises in domestic and overseas borrowings make the government earmark some BDT 1.22 trillion for hefty interest payments in the upcoming budget, and officials see no letup in liability increases in the near future.
- ◆ Experts see high debt stock, interest-rate rise and depreciation of the local currency behind the rise in debt-service costs.
- ◆ The estimated budgetary allocation for interest payments accounts for an increase by BDT 85 billion or 7.5% compared to the allocation in the outgoing budget.
- ◆ In the current budget the allocation for interest payments is BDT 1.135 trillion of which BDT 930 billion is for domestic debt servicing while BDT 205 billion for servicing foreign loans.
- ◆ Officials have said that for the next fiscal year, BDT 1.0 trillion will be put aside to pay interest on local loans while BDT 220 billion for external loans.

#### News Source:

<https://today.thefinancialexpress.com.bd/first-page/hefty-interest-payments-to-cost-tk-122-trillion-1747417884>

### Inflation control, investment attraction prioritised in upcoming budget

- ◆ The Finance Division has framed next fiscal year's budget with a sharp focus on taming inflation, boosting investor confidence, and restoring macroeconomic stability.

- ◆ These priorities will be finalised today in a key meeting chaired by the chief adviser.
- ◆ If elections are held on schedule, this will be the interim government's only budget.
- ◆ In a departure from decades of tradition, the budget for the fiscal year 2025–26 will be unveiled on Monday, 2 June, rather than the first Thursday of the month.
- ◆ The change is due to the Eid-ul-Azha holidays, and the budget will be announced on national television by Finance Adviser Salehuddin Ahmed.

**News Source:**

<https://www.tbsnews.net/economy/inflation-control-investment-attraction-prioritised-upcoming-budget-1144091>

## Dollar steady at Tk 122.50, experts say more time needed to realise impact

- ◆ The dollar rate held steady for the second consecutive day as banks remained cautious in their transactions, following the Bangladesh Bank's directive to adopt a market-based exchange rate in line with IMF conditions.
- ◆ From the beginning of the day, banks offered a maximum rate of BDT 122.50 to buy remittance dollars.
- ◆ The previous day (Wednesday), following the central bank's announcement of a market-based exchange rate, the rate had gone up to BDT 122.80.
- ◆ Still, it may take more time to fully understand the impact of the policy shift.

**News Source:**

<https://www.tbsnews.net/economy/dollar-price-remains-stable-tk122-after-implementing-market-based-exchange-rate-1142896>

## Sectoral Update

### Banks, NBFIs, and Insurance

## Costly SLF last resort for stressed banks as call-money market dries

- ◆ Well-off banks still shy away from putting stakes on the call-money market out of trust deficit on their peers and increasingly pitch their funds into secure sovereign securities, leaving the interbank credit operations rather depressed.
- ◆ Giving a damn to various regulatory fillips to make the call-money market vibrant, the banks with surplus liquidity invest their money in the standing deposit facility (SDF) despite its low-rated yield.
- ◆ The pivot results in continuous ballooning of the volume of cash deposits with the state-guaranteed SDF while the transactions on the interbank market are not gaining momentum.
- ◆ Such paradigm shift on the money market comes out as a matter of serious concern for the banks that need short-term credits to maintain their day-to-day banking operations.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/costly-slf-last-resort-for-stressed-banks-as-call-money-market-dries-1747418072>

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## Depositors safe as state to take over weak banks that fail to recover: BB governor

- ◆ Bangladesh Bank Governor Ahsan H Mansur has said that depositors have no reason to worry as the government will take over any weak bank that fails to recover.
- ◆ He assured that the central bank will continue to support struggling banks, and it now has the authority to acquire banks under the newly approved Bank Resolution Act.
- ◆ The Bank Resolution Act has already been approved, granting the central bank significant powers.
- ◆ If a bank faces a shortfall, we will consider a merger, acquisition, or even liquidation.
- ◆ If necessary, the state may temporarily take over such banks, he added.

### News Source:

<https://www.tbsnews.net/economy/depositors-wont-lose-money-state-take-over-if-any-bank-fails-turn-around-bb-governor-1142046>

## Banks struggle in their core business as net interest income falls

- ◆ Most listed banks experienced a decline in their core business net interest income during the January–March quarter of this year, primarily due to reduced interest earnings from disbursed loans amid an increase in loan rescheduling.
- ◆ Of the 36 listed banks, 12 have disclosed their quarterly financial statements, with only Bank Asia yet to publish its detailed report.
- ◆ Among the 11 banks that disclosed full data, 10 reported significant drops in net interest income, while only Uttara Bank posted growth in this segment during the quarter compared to the same quarter a year ago.
- ◆ The remaining banks have yet to publish their annual and quarterly financial statements as they are still awaiting approval from the Bangladesh Bank.
- ◆ However, despite the decline in core business income, all except Dutch-Bangla Bank and City Bank posted profit growth, driven largely by strong returns from Treasury investments, according to their disclosures.

### News Source:

<https://www.tbsnews.net/economy/stocks/banks-struggle-their-core-business-net-interest-income-falls-1143511>

## Textile

### US buyers may turn to countries with lower tariff exposure, fears BFTI

- ◆ US buyers may attempt to shift the tax burden onto Bangladeshi exporters or divert their orders to countries with lower tariff exposure, potentially undermining Bangladesh's position as the world's second-largest apparel exporter.
- ◆ The Bangladesh Foreign Trade Institute (BFTI) feared it in a report that was submitted to the Ministry of Commerce to take necessary steps.

- ◆ On April 02, the Trump Administration announced imposition of reciprocal tariffs on all U.S. trading partners.
- ◆ The minimum tariff rate was set at 10%, with higher, country-specific "reciprocal" rates applied to most countries.
- ◆ Bangladesh's top competitor in the RMG sector, China, is facing the highest reciprocal tariff rate of 145%.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/us-buyers-may-turn-to-countries-with-lower-tariff-exposure-fears-bfti-1747418227>

**Fuel and Power**

**Govt goes for \$4b hard loans for fuel imports, dev projects**

- ◆ Bangladesh is poised to borrow USD 4.074 billion in non-concessional foreign loans to finance critical imports of fuel and fertiliser, provide essential budgetary support, and propel key development projects.
- ◆ A significant portion, amounting to USD 2.75 billion, will be directed towards importing fertiliser, petroleum, and LNG, all under demanding repayment conditions.
- ◆ Officials from the Economic Relations Division (ERD) clarified that these "hard loans" are pursued when concessional financing options are either unavailable or deemed impractical based on prior experiences with specific projects or imports.
- ◆ Furthermore, the prevailing high market interest rates, particularly the Secured Overnight Financing Rate (SOFR), have resulted in loans for even development projects and budgetary assistance now being classified as non-concessional.
- ◆ They also pointed out that loans obtained for importing petroleum products and LNG from the Middle East-based International Islamic Trade Finance Corporation (ITFC) have consistently been on non-concessional terms.

**News Source:**

<https://www.tbsnews.net/bangladesh/energy/govt-goes-4b-hard-loans-fuel-imports-dev-projects-1143581>

**Capital Market**

**DSEX sees sharp fall as investors sell off blue-chip stocks.**

- ◆ The benchmark DSEX index of the Dhaka Stock Exchange (DSE) suffered a sharp fall on Tuesday (13 May), reversing early gains as investors sold off blue-chip stocks amid concerns over the upcoming budget and lack of market-supportive signals.
- ◆ The DSEX closed 47 points lower at 4,875, while the DSE Shariah Index (DSES) dropped 12 points to 1,064.
- ◆ The DS30 Index, which tracks blue-chip stocks, gained 17 points to reach 1,799, despite most large-cap shares facing downward pressure.
- ◆ Key blue-chip stocks, Square Pharmaceuticals, British American Tobacco Bangladesh, Beximco Pharmaceuticals, Grameenphone, Islami Bank, and Unilever Consumer Care led the decline, dragging the broader market lower.

- ◆ The daily turnover fell to BDT 344 crore, down from BDT 364 crore in the previous session, indicating weakening investor activity.

**News Source:**

<https://www.tbsnews.net/economy/stocks/dsex-sees-sharp-fall-investors-sell-blue-chip-stocks-1141591>

## **Stock market rout deepens with Tk 243b wiped out in six weeks**

- ◆ The benchmark equity index continued its downward trajectory this week, dropping to its lowest in nearly five years as investor sentiment remains battered due to lack of any positive cues.
- ◆ Fears of further devaluation of the taka following the adoption of market-based exchange rate regime sent the investors rushing to the sidelines.
- ◆ Although Chief Adviser Professor Muhammad Yunus rolled out a five-step plan to bolster the stock market at a meeting on Sunday, the bearish spell remains dominant in the market.
- ◆ The plans include offloading government stakes in state-run and multinational companies to increase the availability of quality shares in the market.
- ◆ The chief adviser also called for engaging foreign experts to implement comprehensive reforms in the stock market within three months.

**News Source:**

<https://today.thefinancialexpress.com.bd/stock-corporate/stock-market-rout-deepens-with-tk-243b-wiped-out-in-six-weeks-1747413908>

## **Bank Asia's Q1 profit up 113pc on higher investment income**

- ◆ Bank Asia PLC has reported a remarkable 113% year-on-year growth in profit for the first quarter of 2025, driven by substantial income from investments in government securities.
- ◆ The third-generation private commercial bank logged a consolidated profit of BDT 1.66 billion for the January-March period as against nearly BDT 779 million in the same quarter of the previous year.
- ◆ As a result, the bank's consolidated earnings per share (EPS) stood at BDT 1.42 for January-March 2025 as against BDT 0.67 in the same quarter of 2024.
- ◆ The bank reaped handsome earnings from investments in government securities alongside high interest income although interest expenses on deposits also went higher.
- ◆ While interest income grew 4% year-on-year to BDT 7.13 billion in the quarter through March this year, interest payment to depositors and lenders jumped 40% to BDT 7.06 billion.

**News Source:**

<https://today.thefinancialexpress.com.bd/stock-corporate/bank-asias-q1-profit-up-113pc-on-higher-investment-income-1747413939>

## **Country's first private equity fund winding up amid poor investor response**

- ◆ LankaBangla 1st PE Fund, Bangladesh's maiden private equity fund, is winding up due to a lacklustre investor response.

- ◆ The fund, originally set for a 10-year tenure, is now closing after six years.
- ◆ Trustee DBH Finance PLC announced that the trustee board's decision to wind up the fund has been endorsed by the Bangladesh Securities and Exchange Commission (BSEC).
- ◆ The fund registered in September 2019, with a target size of BDT 25 crore, secured BDT 1 crore from the sponsor LankaBangla Securities Limited.
- ◆ However, a lack of investors' appetite did not let it reach a satisfactory size.

**News Source:**

<https://www.tbsnews.net/economy/stocks/countrys-first-private-equity-fund-winding-amid-poor-investor-response-1143556>