

Bangladesh Market

| Major Indices | Last closing |
|-------------------|--------------|
| DSEX Index | 4,801.32 |
| % change | 0.13% |
| DS30 Index | 1,781.66 |
| % change | 0.09% |
| DSES Index | 1,050.25 |
| % change | 0.28% |
| Turnover (BDT mn) | 3,262.97 |
| Turnover (USD mn) | 26.57 |
| % change | 9.60% |

Source: Dhaka Stock Exchange

International Market

| Major Indices | Last closing |
|------------------------------|--------------|
| Dow Jones Industrial Average | 41,860.44 |
| % change | -1.91% |
| S&P 500 | 5,844.61 |
| % change | -1.61% |
| Nikkei 225 | 36,884.50 |
| % change | -1.72% |
| FTSE 100 | 8,786.46 |
| % change | 0.06% |

Source: Bloomberg

Exchange rate

| Major Currencies | Low (BDT) | High (BDT) |
|------------------|-----------|------------|
| USD | 122.00 | 122.80 |
| EUR | 138.21 | 139.17 |
| GBP | 163.69 | 164.83 |
| INR | 1.43 | 1.43 |

Source: BB

Money market

| Date | Call Money Rate Range (%) | Weighted Average |
|-----------|---------------------------|------------------|
| 21-May-25 | 9.75 - 11.00 | 10.17 |
| 20-May-25 | 9.75 - 11.00 | 10.17 |

Source: BB

Commodities

| Major Commodities | Price | % Change |
|-----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl. | 64.91 | -0.72% |
| Gold Spot, USD/t oz. | 3,320.13 | 0.91% |
| Cotton, USD/lb. | 66.07 | -0.08% |

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, rose by 0.13% on the last trading day, closing at 4,801.32 points.
- The daily turnover increased by 9.60% on the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 1.92% loss, S&P 500 posted 1.61% loss and FTSE 100 posted 0.06% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 1.72% loss.

Key Macro Indicators

- The BDT remained stable against the USD, depreciated against EUR and GBP, but appreciated against INR.
- The average overnight rate rose at 10.17%, standing between 9.75% and 11.00%.
- The price of oil futures fell by 0.72%, gold price rose by 0.91%, and cotton price fell by 0.08% yesterday.

Bangladesh Macro Update

Forex reserves expected to reach \$30b by June

- ◆ Bangladesh's foreign-exchange reserves may rise to USD 30 billion in a gross account by June, up from the current stock of around USD 27 billion, in a steady economic rebound, predicts the Bangladesh Bank Governor.
- ◆ While expressing such optimism Wednesday, Dr Ahsan H Mansur noted that getting to this goal would require improvements in the balance of payments, rise in net foreign assets, and reactivation of the economy through stronger remittance inflows, export earnings, and foreign financing.
- ◆ The long-term goal is to raise reserves to USD 40 billion, although reaching that target will take time, he added.
- ◆ He stresses greater automation and reduced operating costs in financial institutions, warning that the microcredit system may not be sustainable in the long run due to the sector's high lending rates.
- ◆ He points out that just 1% of loan-account-holders receive 75% of all loans nationwide, while 78% of total lending is concentrated in Dhaka and Chattogram.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/forex-reserves-expected-to-reach-30b-by-june-1747850684>

Keep Ctg port functional for 24 hrs for smooth export-import

- ◆ Apparel sector leaders on Wednesday urged the interim government to take measures for keeping Chattogram port functional for 24 hours a day for smooth export-import activities.
- ◆ Otherwise, factory owners would not take the responsibility to pay wages to workers ahead of Eid-ul-Azha.
- ◆ Raw materials from China are arriving at the port within 14 days while it takes 18 days to reach goods to Dhaka, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA) former president Quazi Moniruzzaman.
- ◆ So, how they do business if Chattogram port is not open for 24 hours, warning that the owners would not take responsibility to pay wages and allowances to garment workers.
- ◆ Meanwhile, the decision to abolish the National Board of Revenue (NBR) has sparked strong reaction in the revenue administration as officials have observing a pen-down strike since last week causing disruption to import and export activities.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/keep-ctg-port-functional-for-24-hrs-for-smooth-export-import-1747851239>

Sectoral Update

Banks, NBFIs, and Insurance

Banks banking big on 14-day repurchase instrument 'dubiously'

- ◆ Commercial banks make a beeline for borrowing heavily from the central bank's short-term 14-day repo after the pullback of its 28-day liquidity instrument, largely to invest in sovereign securities.
- ◆ The commercial lenders needing short-term liquidity are largely bent on 14-day-tenure repurchase instrument of the Bangladesh Bank (BB) and keep banking on it as much as possible.
- ◆ As a matter of fact, the volume of credits handed out through the liquidity-availing window continues surging.
- ◆ But there are allegations by a number of bankers and BB officials that some of the commercial lenders frequently use such instruments to avail short-term funds but invest those in long-term government securities to gain more under the persisting economic sluggishness, which plays a significant role in the squeezing of yields on treasury bonds.
- ◆ In the month of April, the commercial lenders borrowed around BDT 940 billion under the central bank repo facility.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/banks-banking-big-on-14-day-repurchase-instrument-dubiously-1747850952>

Textile

RMG leaders seek stable power and energy supply, policy support to achieve \$100b export target

- ◆ In a bid to propel Bangladesh's ready-made garments (RMG) exports to the USD 100 billion mark, industry leaders have urged the government to ensure uninterrupted power and energy supply, along with robust policy support and investment in manpower skill development.
- ◆ the sector is navigating one of its most difficult phases and needs urgent government intervention to remain competitive, according to Md Abul Kalam, owner of Chaiti Group and panel leader of Sammilita Parishad.
- ◆ Globally, man-made fibres account for 76% of the RMG trade and the market is huge.
- ◆ It holds big prospects for us, according to Abdullah Hil Rakib, managing director of TEAM group.
- ◆ If we get policy support from the government to promote man-made fibre and a stable power and energy supply, there is an opportunity to reach USD 100 billion in RMG exports, he added.

News Source:

<https://www.tbsnews.net/economy/rmg/rmg-leaders-seek-stable-power-and-energy-supply-policy-support-achieve-100b-export>

Fuel and Power

Petrobangla looks to go without subsidy

- ◆ The state-run Petrobangla is upbeat about withdrawal of value-added tax (VAT) on the import of expensive liquefied natural gas (LNG) as it would help reduce overall LNG cost and free this state-entity from any subsidy from the government.
- ◆ When it comes to the current market price and the volume of LNG imports, Petrobangla would be able to reduce the overall LNG import cost by around BDT 65-69 billion annually.
- ◆ Petrobangla received state-subsidy worth around BDT 60.35 billion during the fiscal year 2023-2024.
- ◆ Currently, Petrobangla's LNG import cost from spot market is around USD 14 per million British thermal unit (MMBTu) and the cost of that from long-term LNG suppliers is around USD 10.50 per MMBTu.
- ◆ Petrobangla has been importing around 98 LNG cargoes, 56 from long term LNG suppliers and 42 from spot market annually.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/petrobangla-looks-to-go-without-subsidy-1747851037>

Govt plans renewable energy, eco-tourism on unused tea estate land

- ◆ In a move to maximise land use within the country's tea estates and promote alternative energy sources, the government has decided to launch renewable energy projects and eco-tourism initiatives on unused tea estate land.
- ◆ Authorities have held discussions with the Infrastructure Development Company Limited (IDCOL), which will take necessary steps to implement the renewable energy initiative.
- ◆ There is much fallow land in tea gardens that must be utilised, according to Commerce Secretary Mahbubur Rahman.
- ◆ That's why we plan to generate renewable energy on unused land to create additional income streams, he added.
- ◆ The commerce secretary further said that the government is revising its tea policy to address long-standing issues.

News Source:

<https://www.tbsnews.net/bangladesh/energy/govt-plans-renewable-energy-eco-tourism-unused-tea-estate-land-1148361>

Capital Market

Stocks edge up as investors turn to blue-chips

- ◆ The indices of the Dhaka Stock Exchange (DSE) extended their recovery for a second consecutive session on 21 May, as cautious investors showed renewed interest in blue-chip and promising undervalued stocks despite lingering market uncertainties.
- ◆ The benchmark DSEX index edged up by 6 points to close at 4,801, bringing the two-day total gain to 25 points.

- ◆ The DSE Shariah Index (DSES) rose by 3 points to 1,050, while the blue-chip DS30 index gained 2 points to settle at 1,782.
- ◆ Turnover on the DSE increased by 9.6% to BDT 326 crore, compared to BDT 298 crore in the previous session.
- ◆ However, a cautious selling approach persisted as jittery investors continued to capitalise on opportunities to liquidate their holdings in the volatile market.

News Source:

<https://www.tbsnews.net/economy/stocks/stocks-edge-investors-turn-blue-chips-1148486>

Regulator to listen to retail investors on May 29

- ◆ The stock market regulator will hold a meeting with representatives from retail investors on May 29 to listen to their complaints and grievances.
- ◆ Anisuzzaman Chowdhury, special assistant to the chief adviser, will preside over the meeting.
- ◆ Bangladesh Securities and Exchange Commission (BSEC) Chairman Khondoker Rashed Maqsood will also attend the event.
- ◆ The BSEC requested submission of names of presidents and general secretaries of respective organisations by May 25 through email for their participation in the meeting.
- ◆ The securities regulator has taken the move as part of ongoing market reforms and in consideration of the present market conditions.

News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/regulator-to-listen-to-retail-investors-on-may-29-1747844724>

Shipping Corporation gains 11pc profit surge on higher revenue, sale of ships

- ◆ The Bangladesh Shipping Corporation (BSC) secured an 11% year-on-year growth in profit to BDT 755 million in January-March this year, driven by higher revenue and capital gains from sale of fire-damaged lighter ships.
- ◆ Earnings per share rose to BDT 4.95 in the quarter to March from BDT 4.47 in the same quarter last year.
- ◆ About the profit jump, the state-run oceangoing vessels' management authority said in its earnings notes that higher freight charges on the international routes and capital gain from the sale of lighter vessels, MT Banglar Jyoti and MT Banglar Sourav.
- ◆ It is, however, yet to publish detailed financial statements.
- ◆ Banglar Jyoti and Banglar Sourav were severely damaged in separate fire incidents in September and October last year.

News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/shipping-corporation-gains-11pc-profit-surge-on-higher-revenue-sale-of-ships-1747844681>