

Bangladesh Market

Major Indices	Last closing
DSEX Index	4,785.12
% change	-0.34%
DS30 Index	1,777.10
% change	-0.26%
DSES Index	1,046.90
% change	-0.32%
Turnover (BDT mn)	2,535.45
Turnover (USD mn)	20.63
% change	-22.30%

Source: Dhaka Stock Exchange

International Market

Major Indices	Last closing
Dow Jones Industrial Average	41,603.07
% change	-0.61%
S&P 500	5,802.82
% change	-0.67%
Nikkei 225	37,160.47
% change	0.47%
FTSE 100	8,717.97
% change	-0.24%

Source: Bloomberg

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.70	122.89
EUR	139.44	139.68
GBP	166.09	166.38
INR	1.44	1.44

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
22-May-25	9.75 - 11.00	10.11
21-May-25	9.75 - 11.00	10.17

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	64.78	0.53%
Gold Spot, USD/t oz.	3,357.42	1.89%
Cotton, USD/lb.	66.11	0.73%

Source: Bloomberg

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.34% on the last trading day, closing at 4,785.12 points.
- The daily turnover decreased by 22.30% on the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted a 0.61% loss, S&P 500 posted a 0.67% loss and FTSE 100 posted a 0.24% loss.
- One of the leading Asian market indices, NIKKEI 225 posted a 0.47% gain.

Key Macro Indicators

- The BDT depreciated against the USD, EUR and GBP and INR.
- The average overnight rate fell at 10.11%, standing between 9.75% and 11.00%.
- The price of oil futures rose by 0.53%, gold price rose by 1.89%, and cotton price fell by 0.73% yesterday.

Bangladesh Macro Update

Imports thru Ctg port rise 6% as trade shows signs of recovery

- ◆ Imports through Chattogram Port grew 6.33% year-on-year in the first ten months of the current fiscal year, signalling a recovery amid persistent economic challenges.
- ◆ Data from Chattogram Custom House show that 7.87 crore tonnes of goods were imported during the July–April period of 2024-25 fiscal year, compared to 7.40 crore tonnes in the same period last year.
- ◆ The dutiable value of imports rose to BDT 4.23 lakh crore, which is 14.35% higher than last year's BDT 3.70 lakh crore during the same period, the data show.
- ◆ Trade activity, measured through import and export shipments, also showed improvement.
- ◆ Chattogram Customs received 24.15 lakh bills of entry and export between July and April, up 11% from 21.85 lakh in the previous fiscal year.

News Source:

<https://www.tbsnews.net/economy/imports-thru-ctg-port-rise-6-trade-shows-signs-recovery-1150151>

Govt plans 31% hike in food subsidy in FY26 budget

- ◆ The government plans to raise the food subsidy allocation by 31% to BDT 9,500 crore in the upcoming fiscal year, aiming to ensure access to affordable food for poor and low-income households.
- ◆ In the current fiscal year (FY) 2024-25, the food subsidy budget was initially set at BDT 7,200 crore before being revised to BDT 8,059 crore.
- ◆ Finance ministry officials said the figure may rise even further, due mainly to an increase in rice imports and increased distribution.
- ◆ Officials said the government has widened its food distribution efforts through food-friendly schemes such as the Open Market Sale (OMS) programme and operations under the Trading Corporation of Bangladesh (TCB).
- ◆ In the next fiscal year, the number of beneficiary families under these programmes is likely to increase to 55 lakh from the current 50 lakh.

News Source:

<https://www.thedailystar.net/business/news/govt-plans-31-hike-food-subsidy-fy26-budget-3901191>

Import advance tax set to climb 7.5%, affecting from baby food to cars

- ◆ The government is poised to significantly increase the Advance Tax (AT) on commercial imports in the upcoming budget, a move aimed at boosting revenue and compensating for persistent compliance failures in local Value Added Tax (VAT) collection.
- ◆ The proposed hike is drawing sharp criticism from businesses and consumer rights advocates, who warn of immediate price increases for a wide array of goods.
- ◆ Under the new plan, the AT on numerous imported items, including baby food, spices, fruits, garments, vehicles, toys, ceramics, bathroom and electric fittings, switches, and medical devices, will jump from the current 5% to 7.5%.

- ◆ Simultaneously, the existing 7.5% VAT on local supply could be abolished from the next fiscal year, and the 3% AT on industrial inputs might be reduced to 2%.
- ◆ Officials at the National Board of Revenue (NBR) state that this measure is a direct response to widespread VAT evasion at the local level. They anticipate the increased import AT will generate an additional BDT 4,000 - BDT 5,000 crore in revenue for the next fiscal year.

News Source:

<https://www.tbsnews.net/economy/import-advance-tax-set-climb-75-affecting-baby-food-cars-1149596>

Sectoral Update

Banks, NBFi and Insurance

Banks snapping up windfall from gaping interest spread

- ◆ Banks are bagging a windfall from gaping spread between lending and deposit interest rates that banking experts dub a violation of relevant guidelines and international best practices.
- ◆ On an ascent in a pickup from a descent two years back, the interest-rate spread for banks recorded a significant rise in March 2025, indicating a potential rise in their profitability.
- ◆ The spread between the weighted average interest rate (WAIR) on advances and deposits for all banks increased by seven basis points to 5.87% in March, compared to the previous month.
- ◆ This level was last seen in October 2024, according to Bangladesh Bank data.
- ◆ In contrast, nonbank financial institutions (NBFIs) saw a reversal of their fortunes as their spread shrank.
- ◆ The spread between the WAIR on advances and deposits for NBFIs fell by three basis points to 3.18% in March.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/banks-snapping-up-windfall-from-gaping-interest-spread-1748025407>

PKSF's Tk240cr scheme to guarantee bank loans for micro-financiers

- ◆ The Palli Karma-Sahayak Foundation (PKSF) is expected to launch the country's first-ever Credit Enhancement Scheme (CES) today to facilitate the flow of microcredit from banks, through microfinance institutions (MFIs), to small businesses struggling for funds.
- ◆ Under the scheme, the PKSF will guarantee loans taken by its partner MFIs from banks, backed by a BDT 240 crore reserve fund. In return, a one-time commission of 0.5% will be charged on the loan amount.
- ◆ According to PKSF sources, this is expected to make it easier for MFIs to access loan funds, thereby enhancing their lending capacity.
- ◆ The scheme is scheduled to be inaugurated at an event today at the PKSF office, with PKSF Chairman Zakir Ahmed Khan presiding, according to a press release.

News Source:

<https://www.tbsnews.net/economy/pksfs-tk240cr-scheme-guarantee-bank-loans-micro-financiers-1150076>

Textile

Improve labour rights, drop criminal case against worker leaders: Top US trade bodies write to Yunus

- ◆ Two leading global trade bodies, the American Apparel & Footwear Association (AAFA) and Fair Labour Association (FLA), urged the interim government to improve labour rights in Bangladesh and immediately drop cases against workers and release those detained during wage protests in 2023.
- ◆ They also called for a transparent and annual minimum wage review instead of the current five-year review taking all stakeholders into full consideration.
- ◆ The duo also urged the government to increase penalties for unfair labour practices and extend full labor rights to workers in the Export Processing Zones (EPZ).
- ◆ AAFA represents more than 1,100 world famous brands, with more than 3.5 million U.S. workers, and annual turnover of more than USD 509 billion in US retail sales.
- ◆ On the other hand, the Fair Labor Association (FLA) is an international network of universities, civil society organisations, and companies that promotes human rights at work.

News Source:

<https://www.tbsnews.net/economy/rmq/2-american-trade-bodies-write-yunus-urge-him-improve-labour-rights-drop-criminal-case>

Fuel and Power

Gas distributor gets lavish on borrowed money, receives PC rebuff

- ◆ A gas-pipeline project is spurned by government planners for a lavish estimation of expenditures, including a fat consultancy cost, to be funded with local and foreign loans, according to insiders.
- ◆ Titas Gas Transmission and Distribution Company PLC proposed to spend BDT 3.085 billion for consultancy service alone out of the BDT 81.61-billion pipeline-installation project.
- ◆ The state-run energy company also earmarked a massive BDT 32.187 billion worth of funds for road-restoration works which the PC noted as a "bloated cost".
- ◆ The Commission has denied approval for the gas-pipeline project as Titas Gas has undertaken the scheme with some unnecessary expenditures taking huge amount of loans from internal and external sources.
- ◆ The gas-supply company has also proposed some other costs that are higher than similar kind of ongoing projects.

News Source:

<https://today.thefinancialexpress.com.bd/first-page/gas-distributor-gets-lavish-on-borrowed-money-receives-pc-rebuff-1748025456>

Capital Market

Stocks halt rout in choppy trade

- ◆ Stocks posted a slight uptick last week following six consecutive weeks of declines, as bargain hunters snapped up lucrative blue-chip stocks in anticipation of short-term gains.
- ◆ After hitting a fresh five-year low last week, the market gained some ground, buoyed by regulatory efforts, although economic and political uncertainties continue to cloud the outlook.
- ◆ As part of its efforts to boost the investor confidence, the Bangladesh Securities and Exchange Commission (BSEC) will hold a consultation meeting with the representatives of retail investors' organisations on May 29.
- ◆ The BSEC believes that the sustainable development and reform of the capital market can be implemented in consultations with stakeholders, including the representatives of retail investors.
- ◆ Finally, the benchmark DSEX index of the Dhaka Stock Exchange (DSE) inched up 4 points or 0.09% to settle the week at 4,785 whereas it shed 425 points in the previous six consecutive weeks.

News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/stocks-halt-rout-in-choppy-trade-1748020757>

Global equity funds see biggest weekly outflow in six weeks

- ◆ Global equity funds have seen weekly outflows for the first time in six weeks, pressured by rising US Treasury yields and mounting concerns over the US debt burden and tax-cut legislation, following Moody's downgrade of the US sovereign credit rating, according to Reuters.
- ◆ According to LSEG Lipper, global equity funds saw USD 9.4 billion in net outflows, a sharp reversal from more than USD 20 billion in inflows the previous week.
- ◆ US equity funds led the retreat, with USD 11 billion in redemptions, followed by USD 4.6 billion from Asian funds.
- ◆ European equity funds, on the other hand, received USD 5.4 billion in inflows.
- ◆ We suspect investors will be more cautious about piling into the US stock market after the turmoil in April, especially given concerns around fiscal policy, according to John Higgins, chief markets economist at Capital Economics.

News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/global-equity-funds-see-biggest-weekly-outflow-in-six-weeks-1748020813>

Olympic Industries to boost annual cookie production by 9,048 tonnes

- ◆ Olympic Industries, a leading name in the country's confectionery and biscuit sector, has planned to nearly double its cookie production capacity through fresh investment, driven by increasing consumer demand.
- ◆ Olympic Industries plans to purchase and import a brand-new multi-colour cookie production line with standard accessories from China, with an annual capacity of 9,048 tonnes.

- ◆ To implement the plan, the company will invest USD 10.81 lakh, equivalent to BDT 13.19 crore, as per a management decision made on 21 May.
- ◆ The new equipment will be installed and commissioned at Olympic's Madanpur factory in Narayanganj.
- ◆ In addition to expanding its production capacity, Olympic Industries has also decided to invest in land acquisition for future expansion.

News Source:

<https://www.tbsnews.net/economy/stocks/olympic-industries-boost-annual-cookie-production-9048-tonnes-1149501>