

Bangladesh Market

Major Indices	Last closing
DSEX Index	4,719.39
% change	-0.36%
DS30 Index	1,741.92
% change	-0.26%
DSES Index	1,033.32
% change	0.07%
Turnover (BDT mn)	2,826.16
Turnover (USD mn)	22.99
% change	20.00%

Source: Dhaka Stock Exchange

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX, fell by 0.36% on the last trading day, closing at 4,719.39 points.
- The daily turnover increased by 20.00% on the last trading day.

International Market

Major Indices	Last closing
Dow Jones Industrial Average	41,603.07
% change	0.00%
S&P 500	5,802.82
% change	0.00%
Nikkei 225	37,544.00
% change	0.87%
FTSE 100	8,717.97
% change	0.00%

Source: Bloomberg

Global Market

- The majority of the leading global indices closed yesterday.
- One of the leading Asian market indices, NIKKEI 225 gained 0.87% yesterday.

Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.80	122.95
EUR	139.83	140.03
GBP	166.55	166.77
INR	1.44	1.45

Source: BB

Key Macro Indicators

- The BDT depreciated against the USD, EUR, GBP and INR.
- The average overnight rate rose to 10.23%, standing between 9.75% and 11.25%.
- The price of oil futures decreased by 0.71%, gold spot increased by 0.10%. The cotton market was closed yesterday.

Money market

Date	Call Money Rate Range (%)	Weighted Average
26-May-25	9.75 - 11.25	10.23
25-May-25	9.75 - 11.00	10.13

Source: BB

Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	64.12	-0.71%
Gold Spot, USD/t oz.	3,346.11	0.10%
Cotton, USD/lb.	66.11	0.00%

Source: Bloomberg

Bangladesh Macro Update

Govt expects gross reserves to reach \$34b by June next year

- ◆ The interim government expects the country's gross foreign exchange reserves to rise to USD 34.4 billion by the end of the fiscal year (FY) 2025–26, buoyed by strong remittance inflows, export performance, and budgetary support from development partners.
- ◆ As of May 24, Bangladesh's gross reserves stood at USD 25.70 billion, up from USD 24.16 billion on the same date last year, according to the Bangladesh Bank (BB).
- ◆ The central bank now maintains two figures for forex reserves reporting.
- ◆ One follows a method recommended by the International Monetary Fund (IMF), known as BPM6, under this formula, net reserves were USD 20.47 billion as of May 24.
- ◆ According to the finance ministry, a stable exchange rate, rising remittances, and higher interest rates across the financial sector will help boost reserves further.

News Source:

<https://www.thedailystar.net/business/news/govt-expects-gross-reserves-reach-34b-june-next-year-3904251>

FY26 budget: Black money whitening in real estate to stay – but with 5x taxes

- ◆ The government is considering a significant increase in taxes on undeclared wealth, known as black money, invested in the housing sector, with rates potentially rising by up to five times the current levels.
- ◆ The change in tax rates will be made in the upcoming national budget, scheduled to be proposed by the finance adviser on 2 June.
- ◆ It intends to discourage the use of black money in real estate and bring tax rates closer to market values, according to officials at the National Board of Revenue (NBR).
- ◆ Any individual investing undeclared funds in the sector will face scrutiny regarding the source of their wealth by any relevant agency, a departure from previous, more lenient provisions.
- ◆ Furthermore, if undeclared assets are detected by any tax department, the penalty for such discoveries may exceed the standard rate applicable to regular tax.

News Source:

<https://www.tbsnews.net/economy/budget/fy26-budget-black-money-whitening-real-estate-stay-5x-taxes-1152556>

Floating taka a bold move with high stakes

- ◆ Bangladesh has taken a long-awaited and consequential step by officially floating the taka.
- ◆ This marks the end of a tightly managed exchange rate regime that, for years, concealed deeper imbalances in the economy.
- ◆ While partly driven by necessity, dwindling foreign reserves and IMF-mandated reforms, it also presents a rare opportunity to reset the country's macroeconomic fundamentals.
- ◆ The immediate backdrop includes persistently high inflation and weakening domestic demand.

- ◆ These pressures have dampened imports, offering temporary relief to the foreign exchange market.
- ◆ Simultaneously, high interest rates have curbed borrowing and discouraged capital flight, creating a relatively stable moment for the Bangladesh Bank to act.

News Source:

<https://www.thedailystar.net/business/news/floating-taka-bold-move-high-stakes-3904271>

Sectoral Update

Banks, NBFIs, and Insurance

6 troubled banks to be merged by July, govt to take ownership

- ◆ Bangladesh Bank Governor Ahsan H Mansur yesterday announced plans to merge six financially weakened banks by July this year due to irregularities and loan fraud.
- ◆ The central bank will temporarily place these banks under government ownership to stabilise the sector.
- ◆ Banks that have been audited will be merged, according to Governor Mansur.
- ◆ The audited banks are First Security Islami Bank, Social Islami Bank, Union Bank, Global Islami Bank, Exim Bank, and National Bank.
- ◆ Four of these were under the control of the controversial S Alam Group until 5 August last year, and Exim Bank was managed by businessman Nazrul Islam Majumdar, while National Bank was controlled by the Sikder Group.

News Source:

<https://www.tbsnews.net/economy/banking/6-troubled-banks-be-merged-july-govt-take-ownership-1152391>

20 NBFIs may lose licence

- ◆ Twenty non-bank financial institutions (NBFIs) with high levels of defaulted loans and an inability to repay depositors may lose their licences.
- ◆ The NBFIs are: CVC Finance, Bay Leasing, Islamic Finance, Meridian Finance, GSP Finance, Hajj Finance, National Finance, IIDFC, Premier Leasing, Prime Finance, Uttara Finance, Aviva Finance, Phoenix Finance, Peoples Leasing, First Finance, Union Capital, International Leasing, BIFC, Fareast Finance, and FAS Finance.
- ◆ The central bank recently sent letters to these institutions, asking them to explain why their licences should not be cancelled.
- ◆ They have been asked to respond within 15 working days, according to central bank officials who spoke on condition of anonymity.
- ◆ The officials said necessary actions would be taken after reviewing the responses, which may include mergers or liquidation of the institutions.

News Source:

<https://www.thedailystar.net/business/news/twenty-nbfis-may-lose-licence-3904421>

Textile

Govt moves to finalise labour law reforms in line with international standards

- ◆ The government has initiated a move to incorporate possible recommendations made by Labour Reform Commission into the amendments to the labour law, aiming to bring about long-awaited changes in line with the international standards.
- ◆ The Ministry of Labour and Employment has already formed a committee to examine which of the suggestions could be included in the amendments though a gazette notification regarding the formation of the committee is yet to be issued.
- ◆ There are still disagreements between owners' and workers' representatives over at least half a dozen critical issues, including maternity benefits and leave, trade union registration threshold, and compensation for workplace deaths and injuries.
- ◆ When asked, Fazlee Shahim Ehsan, executive president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said that workers demand six months' maternity leave while existing labour law permits 120 days.
- ◆ Mr Ehsan, who is engaged with the amendment process representing owners, argued that not all industries and sectors can afford six months of paid leave and suggested that the government should bear the cost of additional two months.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/govt-moves-to-finalise-labour-law-reforms-in-line-with-international-standards-1748283755>

Fuel and Power

Industries getting increased gas supply

- ◆ Gas feeding to industries increased 21% year on year during the past four months to April, amid industrialists' urge for adequate fuel to run factories.
- ◆ Average gas supply to industries during the first four months of the current calendar year until April was 997 million cubic feet per day (mmcf), compared to 823mmcf during the same period of the previous year, according to the Ministry of Power, Energy and Mineral Resources (MPEMR).
- ◆ Gas supply to industries would increase further by 150mmcf from May 28 as the government has decided to import six additional liquefied natural gas (LNG) cargoes to supply augmented volume of natural gas to industries.
- ◆ The ministry notes that the government will have to provide subsidy worth around BDT 35 per cubic meter for importing the additional LNG cargoes.
- ◆ Import cost of the LNG would be BDT 65 per cubic meter while its selling price would BDT 30 for new industries and BDT 31.50 per cubic meter for captive power plants.

News Source:

<https://today.thefinancialexpress.com.bd/last-page/industries-getting-increased-gas-supply-1748283707>

Govt revives cancelled Matarbari 1,200MW coal-fired power plant

- ◆ In a major policy shift, the interim government has revived the proposed phase-2 of the 1,200-megawatt Matarbari coal-fired power plant, reversing the previous government's decision to ditch the project in 2021.
- ◆ The reversal came considering the cost effectiveness of electricity production as most of the infrastructure development was completed under phase-1 project.
- ◆ The Planning Commission already approved the project and is now vying for arranging new financiers for this project as Japan International Cooperation Agency (Jica) cancelled the finance of this project in 2022 on ground of environmental impact.
- ◆ To revive the project, the Power Division on 20 April sent a Preliminary Development Project Proposal to the secretaries of the Planning Commission and Economic Relations Division (ERD).
- ◆ The Planning Commission already approved the project on 25 May and sent the project to ERD for arranging finance for this project.

News Source:

<https://www.tbsnews.net/bangladesh/govt-revives-cancelled-coal-power-plant-1152576>

Capital Market

Stocks fall for fourth straight session as DSEX sheds 82 points

- ◆ Stocks at the Dhaka bourse extended their losing streak for the fourth consecutive session on Sunday, as investors continued offloading large-cap shares amid concerns over market direction and economic uncertainties.
- ◆ The benchmark DSEX index of the Dhaka Stock Exchange (DSE) dropped by 82 points over four sessions, including a 17-point decline on Sunday to settle at 4,719.
- ◆ Turnover on the DSE also slightly surged by 20% to BDT 282.61 crore after hitting the lowest in 2025 to BDT 235.51 crore.
- ◆ DSE data showed that stocks opened on a positive note, which lasted for 43 minutes until 10:43am.
- ◆ Later, selling pressure intensified, pulling down the indices.

News Source:

<https://www.tbsnews.net/economy/stocks/stocks-fall-fourth-straight-session-dsex-sheds-82-points-1152451>

Crisis of confidence: Why the Bangladesh stock market is faltering

- ◆ The stock market, once hailed as a potential engine of economic growth and a gateway for retail and institutional investment, is now suffering from a deep and chronic crisis of confidence.
- ◆ Turnover at the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) has plummeted to multi-year lows as stock prices remain stagnant despite economic size and growth.
- ◆ Investors, both domestic and foreign, are withdrawing amid growing concerns over governance, manipulation, and regulatory inconsistency.

- ◆ Despite periodic surges in investor interest, particularly after the 2010 bull run and subsequent crashes, the market has consistently failed to deliver on its promise of becoming a transparent and efficient investment avenue.
- ◆ Repeated scandals involving price manipulation, insider trading, disclosures of price-sensitive information, and weak IPO vetting have damaged public trust.
- ◆ The Bangladesh Securities and Exchange Commission (BSEC), though empowered with oversight authority, has struggled to enforce accountability.

News Source:

<https://www.tbsnews.net/economy/stocks/crisis-confidence-why-bangladesh-stock-market-faltering-1152456>

BB bars 19 banks from dividend payouts

- ◆ The Bangladesh Bank (BB) has barred 19 listed banks from paying dividends, citing their fragile financial health.
- ◆ To the lenders, BB issued letters on May 21 that cited Section 22 of the Bank Company Act, 1991, which prohibits ailing lenders from distributing dividends.
- ◆ However, the banking regulator has allowed most of these banks to defer provisions against their non-performing loans (NPLs).
- ◆ The banking regulator is strict with its decision that banks that take deferral facilities for meeting their provision shortfall will not be allowed to pay dividends, according to Areif Hussain Khan, executive director and spokesperson of the central bank.
- ◆ This decision has cast uncertainty over the dividend declarations of AB Bank, Al-Arafah Islami Bank, Exim Bank, First Security Islami Bank, Global Islami Bank, Dhaka Bank, IFIC Bank, Islami Bank Bangladesh, Mercantile Bank, NRB Bank, NRB Commercial Bank, Premier Bank, Social Islami Bank, SBAC Bank, Southeast Bank, Standard Bank, Union Bank, United Commercial Bank, and the state-owned Rupali Bank.

News Source:

<https://www.thedailystar.net/business/news/bb-bars-19-banks-dividend-payouts-3904226>