

Bangladesh Market	
Major Indices	Last closing
DSEX Index	4,615.41
% change	-1.34%
DS30 Index	1,708.36
% change	-0.92%
DSES Index	1,008.14
% change	-1.59%
Turnover (BDT mn)	2,649.87
Turnover (USD mn)	21.54
% change	-2.84%

**Source: Dhaka Stock Exchange**

## Market Summary

### Bangladesh Market

- The leading bourse of the country, DSEX, fell by 1.34% on the last trading day, closing at 4,615.41 points.
- The daily turnover decreased by 2.84% on the last trading day.

International Market	
Major Indices	Last closing
Dow Jones Industrial Average	42,098.70
% change	-0.58%
S&P 500	5,888.55
% change	-0.56%
Nikkei 225	38,157.50
% change	1.15%
FTSE 100	8,726.01
% change	-0.59%

**Source: Bloomberg**

### Global Market

- The majority of the global indices showed negative performance on the last trading day; the Dow Jones Industrial Average fell by 0.58%, the S&P 500 fell by 0.56%, and the FTSE 100 fell by 0.59%.
- One of the leading Asian market indices, NIKKEI 225 gained 1.15% yesterday.

Exchange rate		
Major Currencies	Low (BDT)	High (BDT)
USD	122.80	123.00
EUR	138.67	138.92
GBP	165.44	165.74
INR	1.44	1.44

**Source: BB**

### Key Macro Indicators

- The BDT appreciated against the USD, EUR, GBP and INR.
- The average overnight rate was 10.06%, standing between 9.75% and 11.00%.
- The price of oil futures increased by 1.18%, gold spot decreased by 1.25%, the price of cotton fell by 0.37%.

Money market		
Date	Call Money Rate Range (%)	Weighted Average
28-May-25	9.75 - 11.00	10.06
27-May-25	9.75 - 11.00	10.06

**Source: BB**

Commodities		
Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	64.32	1.18%
Gold Spot, USD/t oz.	3,259.52	-1.25%
Cotton, USD/lb.	65.33	-0.37%

**Source: Bloomberg**

---

## Global Macro Update

### US trade court blocks tariffs in major setback for Trump

- ◆ A US federal court on Wednesday blocked most of Donald Trump's sweeping import tariffs from going into effect, ruling that the president had overstepped his authority with the across-the-board global levies.
- ◆ The opinion marks a significant setback to the Republican leader as he bids to redraw the US trading relationship with the world by forcing governments to the negotiating table through tough new tariffs.
- ◆ Trump's global trade war has roiled financial markets with a stop-start rollout of levies that are aimed at punishing economies that sell more to the United States than they buy.
- ◆ Trump argued that the resulting trade deficits and the threat posed by the influx of drugs constituted a "national emergency" that justified widespread tariffs.
- ◆ But the three-judge Court of International Trade effectively called a ceasefire, barring most of the restrictions that the president has announced since taking office in January.

#### News Source:

<https://www.thedailystar.net/business/global-economy/news/us-trade-court-blocks-tariffs-major-setback-trump-3906246>

## Bangladesh Macro Update

### Govt likely to trim subsidies in new budget

- ◆ The government is set to reduce its allocation for subsidies and incentives in the upcoming fiscal year's budget, with a projected figure of approximately BDT 1,16,000 crore, a slight decrease from the current fiscal year's original allocation of BDT 120,585 crore, according to officials.
- ◆ The anticipated reduction is primarily attributed to a decline in global prices for fertilisers, fuel, and food, alongside the settlement of a significant portion of outstanding electricity and fuel subsidies in the current fiscal year.
- ◆ This settlement was largely facilitated through bond issuances and increased allocations in the revised budget, thereby easing the pressure on the gas and power sectors for the upcoming fiscal year.
- ◆ The government has also issued bonds to clear outstanding agricultural subsidies.
- ◆ In an exclusive interview with TBS recently, Finance Adviser Salehuddin Ahmed affirmed that there would be no curtailment in agricultural subsidies.

#### News Source:

<https://www.tbsnews.net/economy/govt-likely-trim-subsidies-new-budget-1154396>

### Businesses set for relief as interim govt eyes major tax & fine cuts

- ◆ Businesses grappling with high operational costs in Bangladesh may soon receive significant relief as the interim government plans substantial reductions in import misdeclaration fines and a cap on interest for tax-related legal disputes.
- ◆ These measures, set to be unveiled in the upcoming 2025-26 fiscal year budget early next month, aim to ease the burden on businesses and improve the country's "ease of doing business" ranking.

- ◆ Currently, misdeclaring imports can lead to fines up to 400% of the payable tax, while interest on unresolved tax cases, often dragging on for a decade, places an immense financial strain on companies.
- ◆ The proposed reforms, according to National Board of Revenue (NBR) officials, include slashing import misdeclaration fines by half and limiting interest on tax-related legal disputes to a maximum of two years.

**News Source:**

<https://www.tbsnews.net/economy/businesses-set-relief-interim-govt-eyes-major-tax-fine-cuts-1154311>

## Economy showing signs of gradual recovery: MCCI

- ◆ Bangladesh's economy is showing signs of a gradual recovery, though GDP growth remains under pressure, the Metropolitan Chamber of Commerce and Industry (MCCI) has said in its latest report.
- ◆ Export earnings and remittance inflows are helping to stabilise the foreign exchange reserves and revitalise the rural economy, factors which are contributing positively to macroeconomic stability, according to MCCI.
- ◆ The chamber, however, pointed out some regulatory issues, including the banking sector, which undermine the recovery of the economy, and stated that severe regulatory lapses in the banking sector and massive loan scams have delayed the recovery of the macro economy.
- ◆ It also highlighted that recent efforts to reform the banking sector and restore public confidence in financial institutions will be vital to reviving GDP growth.

**News Source:**

<https://www.tbsnews.net/economy/economy-showing-signs-gradual-recovery-mcci-1153896>

## Sectoral Update

### Banks, NBFIs, and Insurance

#### Banks still shy away from spot market forex trade

- ◆ Commercial banks still go slow in trading foreign exchange (forex) in the interbank spot market even during the current free-floating regime, which is increasing their net open position (NOP) significantly.
- ◆ Complying with a condition of the International Monetary Fund (IMF) given as part of its USD 4.70 billion lending package, the Bangladesh Bank left the exchange rate on the market with an undisclosed band on May 14 this year, hoping this will make the interbank forex spot market vibrant.
- ◆ Since then, the volume of forex trade in the spot market has risen a little but is still far below the expected level.
- ◆ According to the central bank statistics, banks altogether traded some USD 123.20 million in the interbank market in the last six days till Wednesday, with the daily average volume standing at USD 20.53 million.
- ◆ Bankers said banks that built a good forex stock riding on steady export earnings and growing remittance inflow are still observing the market amid the regulator's supervision.

**News Source:**

<https://today.thefinancialexpress.com.bd/last-page/banks-still-shy-away-from-spot-market-forex-trade-1748456870>

## Textile

### **Apparel leaders, global buyers, regulators discuss overlapping audit challenges, compliance requirements in high-level meeting**

- ◆ Apparel leaders and government officials of the country discussed the persistent challenge of overlapping audits and compliance requirements in the RMG and textile sector with global partners and buyers in a high-level consultation meeting on 27 May.
- ◆ Such challenges lead to audit fatigue, duplication of efforts, and inefficient resource use.
- ◆ The issue was discussed by the participants at the meeting titled "Towards Alignment: Consultation for a Single Monitoring and Compliance System (SMCS)" at the BGMEA Complex in Uttara.
- ◆ The event was jointly organised by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).
- ◆ The meeting also brought together key stakeholders, including representatives from the International Labour Organisation (ILO), the Department of Inspection for Factories and Establishments (DIFE), and major global brands such as M&S, GAP, Inditex, and Li & Fung.

#### **News Source:**

<https://www.tbsnews.net/economy/rmg/apparel-leaders-global-buyers-regulators-discuss-overlapping-audit-challenges-compliance>

## Fuel and Power

### **MoF turns down request for \$700m funds**

- ◆ The Ministry of Finance (MoF) has turned down a request for USD 700 million to pay outstanding electricity bills owed to India's Adani Power Ltd in a single instalment.
- ◆ Finance officials cited a lack of budgetary allocation for such payments as the reason for rejecting the Power Division's request.
- ◆ Officials noted that the interim government is keen to clear the dues before the end of the current fiscal year (FY2024-25), which concludes on June 30.
- ◆ Power, Energy and Mineral Resources Adviser Muhammad Fouzul Kabir Khan recently spoke to Finance Secretary Dr Khairuzzaman Mozumder, seeking the fund allocation to facilitate prompt payment.
- ◆ However, sources said that the finance ministry has expressed its inability to make such a large payment at this time, as no allocation has been made for it in the current budget.

#### **News Source:**

<https://today.thefinancialexpress.com.bd/last-page/mof-turns-down-request-for-700m-funds-1748457053>

### **After clearing all due gas bills, Petrobangla now paying on due dates**

- ◆ After clearing all dues on 30 April, Bangladesh has been making regular payments to different International oil, gas and LNG suppliers from 1 May.
- ◆ The country's energy bills had been piling up since the breaking out of the Russia-Ukraine war in 2022.

- ◆ Sector insiders and economists attributed this development mainly to availability of dollars in the market coupled with lower liquified natural gas (LNG) price in the international markets which helped ease pressure on dollars.
- ◆ In a span of 27 days starting from 1 May, Bangladesh Oil, Gas and Mineral Corporation Petrobangla made payments worth USD 426.45 million regular payment to its suppliers.
- ◆ Petrobangla said that after clearing all dues on 30 April, no bill has remained unpaid.

**News Source:**

<https://www.tbsnews.net/bangladesh/energy/after-clearing-all-due-gas-bills-petrobangla-now-paying-due-dates-1154326>

## Capital Market

### **Stocks continue to fall on strict disciplinary measures against banks, NBFIs**

- ◆ The equity index plunged further on Wednesday as selling pressure persisted, dragging the prime index of the Dhaka bourse to a multi-year low, as investors found no immediate solution to the prevailing dismal market outlook.
- ◆ Jittery investors dumped their holdings to escape further losses in the absence of any strong catalyst, while the ongoing political tension and the restriction on 18 listed banks to pay dividends added to the strain on the market.
- ◆ Due to the central bank's strict regulation of the banks, which have taken deferral facilities for meeting their provision shortfall, will not be allowed to pay dividends for 2024 onwards.
- ◆ The central bank is also tightening its grip on troubled non-bank financial institutions (NBFIs).
- ◆ As per the central bank's plan, 20 NBFIs may be merged or liquidated.

**News Source:**

<https://today.thefinancialexpress.com.bd/stock-corporate/stocks-continue-to-fall-on-strict-disciplinary-measures-against-banks-nbfis-1748452279>

### **Berger Paints rights share subscription starts 15 July**

- ◆ Public subscription for the right shares of Berger Paints Bangladesh Limited is set to start on 15 July and continue till 3 August.
- ◆ To identify the shareholders eligible for the right shares, the company has fixed the record date on 29 June.
- ◆ Those who hold the company's shares till the record date will be the eligible shareholders.
- ◆ According to the BSEC, Berger Paints has been allowed to issue 2,728,111 ordinary shares with a face value of BDT 10 each and a premium of BDT 1,100 per share.
- ◆ The proceeds from the rights share issue will be used to establish a third manufacturing plant in the National Special Economic Zone and to cover expenses related to the rights offering.

**News Source:**

<https://www.tbsnews.net/economy/stocks/berger-paints-rights-share-subscription-starts-15-july-1154146>

## Face the music if minimum shareholding is not met

- ◆ Frustrated over repeated breach of regulatory orders, the market watchdog warns companies against any further delay in complying with the minimum 30% joint stakes of sponsor-directors.
- ◆ In a letter sent to the managing directors of the non-compliant companies on Wednesday, the Bangladesh Securities and Exchange Commission (BSEC) did not mention any timeframe for them to meet the requirement but said that it would take actions against 44 errant companies.
- ◆ BSEC spokesperson Md. Abul Kalam told that the regulator could right away take punitive measures as the companies had already become non-compliant.
- ◆ That's why the regulator asked the companies to comply with the provision immediately without giving a specific timeframe.
- ◆ About possible regulatory actions, Mr Kalam said that the directive regarding the shareholding of sponsor-directors was issued under the Securities and Exchange Ordinance, 1969.

### News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/face-the-music-if-minimum-shareholding-is-not-met-1748452239>