

### Bangladesh Market

Major Indices	Last closing
DSEX Index	4,677.60
% change	-1.62%
DS30 Index	1,758.21
% change	-1.35%
DSES Index	1,016.65
% change	-2.03%
Turnover (BDT mn)	2,717.08
Turnover (USD mn)	22.13
% change	-10.92%

Source: Dhaka Stock Exchange

### International Market

Major Indices	Last closing
Dow Jones Industrial Average	42,206.82
% change	0.08%
S&P 500	5,967.84
% change	-0.22%
Nikkei 225	38,242.00
% change	-0.42%
FTSE 100	8,774.65
% change	-0.20%

Source: Bloomberg

### Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	122.70	122.76
EUR	141.37	141.46
GBP	165.02	165.12
INR	1.42	1.42

Source: BB

### Money market

Date	Call Money Rate Range (%)	Weighted Average
22-Jun-25	9.75 - 11.00	10.10
19-Jun-25	9.90 - 11.00	10.13

Source: BB

### Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	77.1	2.15%
Gold Spot, USD/t oz.	3,372.81	0.14%
Cotton, USD/lb.	66.70	0.04%

Source: Bloomberg

## Market Summary

### Bangladesh Market

- The leading bourse of the country, DSEX, fell by 1.62% on the last trading day, closing at 4,677.60 points.
- The daily turnover decreased by 10.92% on the last trading day.

### Global Market

- The majority of the global indices showed mixed performance on the last trading day; the Dow Jones Industrial Average rose by 0.08%, the S&P 500 fell by 0.22%, and the FTSE 100 fell by 0.20%.
- One of the leading Asian market indices, NIKKEI 225, fell by 0.42% yesterday.

### Key Macro Indicators

- The value of BDT depreciated against USD, INR, EUR and GBP.
- The average overnight rate was 10.10%, standing between 9.75% and 11.00%.
- The oil futures increased by 2.15%, gold spot increased by 0.14% and cotton increased by 0.04% on the last trading day.

## Global Macro Update

### Middle East tensions put investors on alert, weighing worst-case scenarios

- ◆ Investors are mulling a host of different market scenarios should the US deepen its involvement in the Middle East conflict, with the potential for ripple effects if energy prices skyrocket.
- ◆ They have honed in on the evolving situation between Israel and Iran, which have exchanged missile strikes, and are closely monitoring whether the US decides to join Israel in its bombing campaign.
- ◆ Potential scenarios could send inflation higher, dampening consumer confidence and lessening the chance of near-term interest rate cuts.
- ◆ This would likely cause an initial selloff in equities and possible safe-haven bid for the dollar.
- ◆ While US crude prices have climbed some 10% over the past week, the S&P 500 has been little changed as of yet, following an initial drop when Israel launched its attacks.

#### News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/middle-east-tensions-put-investors-on-alert-weighing-worst-case-scenarios-1750607091>

## Bangladesh Macro Update

### Remittance dollar rate falls amid weak demand, strong export growth

- ◆ The exchange rate for remittance dollars has started to fall as demand from banks eases due to improved liquidity, reduced overdue import payments, and steady export growth.
- ◆ On Thursday, banks paid BDT 122.70-122.80 per dollar to buy remittance inflows, down BDT 0.5-0.7 from mid-May when rates were around BDT 123.20-123.30, according to treasury officials at several banks.
- ◆ Bankers said many initially expected the dollar rate to rise after the central bank introduced a market-based exchange rate on 14 May.
- ◆ However, treasury heads of major banks informally agreed to cap the rate at BDT 123, causing a sharp drop in the rate within a day of the central bank's announcement.
- ◆ With export receipts rising and import growth remaining subdued, the demand for remittance dollars has declined in the interbank market.
- ◆ As a result, the remittance rate continues to fall in line with market dynamics.

#### News Source:

<https://www.tbsnews.net/economy/remittance-dollar-rate-falls-amid-weak-demand-strong-export-growth-1171476>

### Zero-rated tax on 152 imports goes

- ◆ Zero-rated tax benefit on 152 items, mostly essentials like rice, wheat, onions and edible oils, goes as the new budget takes effect on July 1 with some major changes in fiscal measures.

- ◆ Importers of the goods would be required to pay 2.0% Advance Income Tax (AIT) from the upcoming fiscal year at the import stage.
- ◆ However, the AIT is adjustable with the actual payable taxes of the importers and traders at the time of submission of tax returns.
- ◆ The measure has been incorporated into the Finance Ordinance 2025 promulgated on June 2, 2025 to ratify the new budget.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/zero-rated-tax-on-152-imports-goes-1750613316>

## **ADP implementation in July-May hits record low at 49%**

- ◆ Bangladesh's Annual Development Programme (ADP) implementation rate has plummeted to 49% in the first 11 months (July–May) of the current fiscal year, the lowest on record.
- ◆ The government managed to spend only BDT 1.11 lakh crore of the revised ADP allocation from July 2024 to May 2025, according to the Implementation Monitoring and Evaluation Division (IMED).
- ◆ This is a substantial decrease from BDT 1.46 lakh crore spent during the same period in the previous fiscal year, according to available monthly IMED data.
- ◆ In the corresponding 11-month period of the last fiscal year, the ADP implementation rate stood at 57.54%, and in the 2022-23 fiscal year, it was 61.73%.
- ◆ Based on available records dating back to FY2011–12 on the IMED website, this marks the lowest ADP implementation rate in over a decade.

**News Source:**

<https://www.tbsnews.net/economy/adp-implementation-july-may-hits-record-low-49-1171336>

## **Foreign debt repayments near \$4b, up 23.4% in 11 months amid expiring grace periods**

- ◆ Bangladesh's foreign debt repayments have surged to a record USD 3.784 billion in July-May period of the current fiscal year, marking a 23.4% year-on-year increase, according to a report released on 22 June by the Economic Relations Division (ERD).
- ◆ This is the highest amount ever repaid by Bangladesh in a single fiscal period. In comparison, the country repaid USD 3.068 billion during the same period last fiscal year.
- ◆ For the entire FY24, total repayments stood at USD 3.37 billion.
- ◆ ERD officials, however, attributed the rise to repayment pressure which they said is gradually increasing with the grace periods for several previously undertaken mega projects and budget support loans coming to an end.
- ◆ The pressure is being further intensified by high market-driven interest rates.

**News Source:**

<https://www.tbsnews.net/economy/bangladeshs-foreign-debt-repayments-rise-234-11-months-near-4-billion-1171276>

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## Ministry opts to hand over New Mooring Container Terminal to CPA

- ◆ The authorities have decided in principle to let the Chittagong Port Authority (CPA) take charge of the New Mooring Container Terminal (NCT) for six months amid opposition from major political parties to appointing a foreign operator.
- ◆ Currently, a private operator is running the NCT, the largest terminal at Chattogram port, and its contract will expire on July 6.
- ◆ With the deadline nearing, the Ministry of Shipping held a meeting on 18<sup>th</sup> June where it decided in principle to hand over operations to the CPA, according to an official document.
- ◆ Subsequently, the CPA has sought final approval from the Cabinet Committee on Economic Affairs through the shipping ministry.
- ◆ In a letter, the CPA pointed to the contract's looming expiry, the lengthy process of selecting a new operator, and the need to keep external trade running smoothly. It urged swift approval in the national interest.

### News Source:

<https://www.thedailystar.net/business/news/ministry-opts-hand-over-new-mooring-container-terminal-cpa-3923396>

## Sectoral Update

### Banks, NBFIs, and Insurance

## Banks' reliance on central bank borrowing hits record high

- ◆ Bangladesh's commercial banks are increasingly leaning on the central bank to stay afloat, with borrowing through the repo window hitting a record BDT 1.33 trillion in May 2025 vs BDT 0.94 trillion in April 2025, signalling a worsening liquidity crunch in the country's banking system.
- ◆ The growing reliance on Bangladesh Bank's short-term liquidity support comes amid sluggish deposit growth, mounting non-performing loans (NPLs), and a crisis of confidence in the banking sector following recent political upheaval and revelations of financial irregularities.
- ◆ Bankers and analysts warn that this growing dependency reflects structural fragility, with some lenders even misusing the liquidity window to invest in long-term securities for higher returns.
- ◆ Of the amount, around 84 per cent was taken using 14-day maturity, while the remaining BDT 153 billion and BDT 54.19 billion came from 7-day maturity and overnight facility.
- ◆ The central banker said that the deposit growth remains low in recent times because of trust deficit over the banking system after a massive scale of loan-related irregularities got exposed following the July-August mass uprising.

### News Source:

<https://today.thefinancialexpress.com.bd/last-page/banks-reliance-on-central-bank-borrowing-hits-record-high-1750613863>

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## Amid bank merger hype, uncertainty looms over investors' assets

- ◆ The Bangladesh Bank is set to merge five Shariah-based banks into a single entity in an effort to revive their financial health from the ashes.
- ◆ The banks are First Security Islami Bank, Social Islami Bank, Union Bank, Global Islami Bank, and Exim Bank.
- ◆ As much as 76.7 per cent of the loans disbursed by these banks have become non-performing, which pushed them to the brink of bankruptcy.
- ◆ So, when the banks are struggling to pay back depositors, investors worry over the fate of their investments.
- ◆ Currently, the general public, institutions, and foreigners together hold between 45.51 per cent and 94.1 per cent stakes in these banks. Their total assets in these banks are worth BDT 16 billion, according to the Dhaka Stock Exchange (DSE).

### News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/amid-bank-merger-hype-uncertainty-looms-over-investors-assets-1750606937>

## Capital Market

### Stocks take a plunge as US engages in Iran-Israel war

- ◆ The equity market index faced a major sell-off on Sunday as investors were rattled by yet another global crisis after the US engaged in the ongoing Iran-Israel war.
- ◆ The United States launched targeted strikes on three Iranian nuclear facilities early Sunday, which has significantly escalated Middle East tensions.
- ◆ Economists and market insiders warn that Bangladesh, which imports most of its crude oil from the Gulf States, is especially vulnerable.
- ◆ Higher fuel prices feed directly into production costs across the economy, from manufacturing to agriculture.
- ◆ The DSEX, the prime index of the Dhaka Stock Exchange, finally slid nearly 77 points or 1.62% to 4,677.

### News Source:

<https://today.thefinancialexpress.com.bd/stock-corporate/stocks-take-a-plunge-as-us-engages-in-iran-israel-war-1750606957>

### No cut in corporate tax for non-listed firms

- ◆ The interim government has kept the corporate tax rate for non-listed firms unchanged at 27.5% for fiscal year 2025-26, despite repeated demands from entrepreneurs and business chambers to reduce the tax, especially for those transacting through banking channels.
- ◆ Currently, non-listed companies are taxed at 27.5%, but the rate drops to 25% if they conduct all transactions via banking channels.
- ◆ This conditional benefit was previously welcomed by entrepreneurs and analysts, as it was seen as a measure to incentivise the formalisation of the economy.

- ◆ However, the government has omitted the benefit and made it a flat 27.5% from the next fiscal year.
- ◆ The corporate tax rate is 22% in Vietnam, 20% in Thailand, and 17% in Singapore, whereas the average corporate tax rate in Asian countries is 21%.

**News Source:**

<https://www.thedailystar.net/business/news/no-cut-corporate-tax-non-listed-firms-3923391>