

### Bangladesh Market

Major Indices	Last closing
DSEX Index	5,194.03
% change	1.20%
DS30 Index	1,978.73
% change	2.17%
DSES Index	1,137.16
% change	1.55%
Turnover (BDT mn)	7,759.10
Turnover (USD mn)	63.81
% change	-1.74%

Source: Dhaka Stock Exchange

### International Market

Major Indices	Last closing
Dow Jones Industrial Average	44,342.19
% change	-0.32%
S&P 500	6,296.79
% change	-0.01%
Nikkei 225	39,819.11
% change	-0.21%
FTSE 100	8,992.12
% change	0.22%

Source: Bloomberg

### Exchange rate

Major Currencies	Low (BDT)	High (BDT)
USD	121.40	121.60
EUR	141.13	141.38
GBP	162.72	163.10
INR	1.41	1.41

Source: BB

### Money market

Date	Call Money Rate Range (%)	Weighted Average
20-Jul-25	9.70 - 11.00	10.01
17-Jul-25	9.75 - 11.00	10.01

Source: BB

### Commodities

Major Commodities	Price	% Change
Brent Crude (Oil), USD/bbl.	69.37	0.13%
Gold Spot, USD/t oz.	3,349.14	-0.04%
Cotton, USD/lb.	68.68	-0.17%

Source: Bloomberg

## Market Summary

### Bangladesh Market

- The leading bourse of the country, DSEX, rose by 1.20% on the last trading day, closing at 5,194.03 points.
- The daily turnover decreased by 1.74% 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 fell by 0.32%, the S&P 500 fell by 0.01%, and the FTSE 100 rose by 0.22%.
- One of the leading Asian market indices, NIKKEI 225, fell by 0.21% on the last trading day.

### Key Macro Indicators

- The value of BDT depreciated against USD, EUR and GBP and appreciated against INR.
- The average overnight rate was 10.01%, standing between 9.70% and 11.00%.
- The oil futures increased by 0.13%, gold spot decreased by 0.04% and cotton decreased by 0.17% on the last trading day.

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## Bangladesh Macro Update

### US tariff: Dhaka open to trade concessions but set to reject non-trade conditions

- ◆ The government hopes to secure a significant reduction in the 35% US reciprocal tariff on Bangladeshi exports.
- ◆ By offering duty-free access to American goods and ensuring broader trade-related facilities in line with Washington's demands, but will reject any non-trade conditions.
- ◆ The decision came at an inter-ministerial meeting, lasting five and a half hours, held on 20<sup>th</sup> July to coordinate efforts among nearly a dozen ministries aimed at boosting imports from the US.
- ◆ A commerce ministry official present at the meeting said that Vietnam's example was raised at the meeting, as it managed to cut its tariff rate from 46% to 20% by exporting USD 122 billion more to the US than it imported.
- ◆ He also said that, officials believe Bangladesh could pursue a similar reduction.

#### News Source:

<https://www.tbsnews.net/economy/us-tariff-dhaka-open-trade-concessions-set-reject-non-trade-conditions-1192881>

### Capital machinery imports fall for third year

- ◆ Bangladesh's imports recovered in fiscal year 2024-25 after two years of downturns, but capital machinery imports fell for the third consecutive year, reflecting a low appetite for investment among entrepreneurs.
- ◆ Imports of capital machinery, as reflected by the opening of letters of credit (LCs), dipped by 25% year-on-year to USD 1.74 billion last fiscal year, according to the latest data of Bangladesh Bank (BB).
- ◆ During the same period, settlement of LCs dropped by 25% year-on-year, with analysts and businesses terming the decline a sign of weakened investor confidence and subdued industrial demand.
- ◆ This reflects a slowdown in both current and forward-looking investments, according to Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue (CPD).
- ◆ The BB says capital machinery imports for the leather industry fell the most, followed by those for the packing, textile, and jute sectors.

#### News Source:

<https://www.thedailystar.net/business/economy/news/capital-machinery-imports-fall-third-year-3944226>

### Export container handling fees raised up to 44% at Ctg ICDs

- ◆ The Bangladesh Inland Container Depots Association (Bicda) has announced a significant hike in export and empty container handling charges at private inland container depots (ICDs) in Chattogram.
- ◆ Effective from 1 September, the new tariff rates will see a 36% to 44% increase in export cargo handling charges compared to existing rates, according to a Bicda circular issued on 15 July outlining the new rate structure.

- ◆ Additionally, the handling charges for empty containers will rise by up to 31.8%, although charges for import container handling will remain unchanged.
- ◆ Under the revised rates, the handling charge for a 20-foot export container will increase from BDT 6,187 to BDT 9,900. For 40-foot and 40-foot high-cube containers, charges will jump from BDT 8,250 to BDT 13,200.

**News Source:**

<https://www.tbsnews.net/economy/export-container-handling-fees-raised-44-ctg-icds-1192746>

## Value of BB-held gold, silver reserves surges

- ◆ Bangladesh's reserve precious metals' value has nearly doubled, driven largely by a surge in global gold prices amid decline in value of reserve-currency dollar, central bankers and economists say.
- ◆ According to Bangladesh Bank's latest annual report released last week, the combined value of gold and silver reserves in its vault stood at BDT 101.19 billion at the end of June 2024, an increase of over 87% from BDT 53.94 billion recorded in the previous fiscal year (2022-23).
- ◆ Reports are rife that gold is being reserved by many central banks in the world in the wake of US dollar downturn following trade and tariff turmoil triggered by Donald Trump's 'reciprocal tariff' regime, resulting in gold-price rises.
- ◆ As of June 2024, Bangladesh Bank held a total of 458,542.34 troy ounces of gold, in an increase of 7,373.73 troy ounces compared to fiscal year 2022-23.

**News Source:**

<https://today.thefinancialexpress.com.bd/first-page/value-of-bb-held-gold-silver-reserves-surges-1753034499>

## Sectoral Update

### Banks, NBFIs, and Insurance

## 91-day treasury bills rate falls 1.13 percentage points to 10.45% in a week

- ◆ The interest rate on 91-day treasury bills has dropped below 10.5%, driven by reduced government borrowing from the banking sector in the first quarter of the fiscal year and increased liquidity in the money market.
- ◆ According to Bangladesh Bank data, the central bank conducted an auction of treasury bills across three tenures on 20<sup>th</sup> July.
- ◆ The interest rate on 91-day treasury bills fell to 10.45% in this latest auction, compared to 11.58% in the previous auction held on 13 July, marking a sharp drop of 1.13 percentage points in just one week.
- ◆ Rates for other tenures also declined; the 182-day treasury bills rate fell by 85 basis points to 11.70%, while the 367-day bills rate dropped by 27 basis points to 10.98%.

**News Source:**

<https://www.tbsnews.net/economy/banking/91-day-treasury-bills-rate-falls-113-percentage-points-1045-week-1192896>

## Textile

### **BGMEA hiring US lobbyists for retaliatory-tariff removal**

- ◆ Bangladesh's apparel apex body unveils move to hire US lobbyists to leapfrog retaliatory tariffs as business leaders, economists and experts take exception to interim government's handling of the staggering negotiations with the United States.
- ◆ Distinguished fellow of the Centre for Policy Dialogue (CPD) Dr Debapriya Bhattacharya criticised the government handling of the issue, euphemistically describing the administration as "innocent, guiltless, and naive" in its approach.
- ◆ The economist commented that it feels like we're trying to move forward with an extraordinarily innocent and blameless government.
- ◆ He has emphasised that historically, no weak government has successfully negotiated favourable trade terms.
- ◆ On top of that, the lack of political legitimacy contributes to its fragility.

#### **News Source:**

<https://today.thefinancialexpress.com.bd/first-page/bgmea-hiring-us-lobbyists-for-retaliatory-tariff-removal-1753034404>

### **High US dependence may bring over 250 RMGs to edge as high tariff looms**

- ◆ Over 250 Bangladeshi garment factories face severe repercussions if the United States proceeds with imposing a 35% additional tariff on imports from the country effective from 1 August.
- ◆ These factories are particularly vulnerable, as 60% to 100% of their exports are destined for the US market.
- ◆ Another 1,000 factories are also feared to feel the pressure, although their exposure to the US market is less significant, ranging from 1% to 60%.
- ◆ Inamul Haq Khan Bablu, senior vice president of BGMEA and managing director of Ananta Garments Limited said that already, due to the increased 10% tariff, most factories exporting to that country have had to bear 2% to 5% of the tariff burden.
- ◆ If another 35% is added, these factories will not be able to survive exporting there in the long term.

#### **News Source:**

<https://www.tbsnews.net/economy/high-us-dependence-may-bring-over-250-rmgs-edge-high-tariff-looms-1192861>

## Pharmaceuticals

### **Tariff threat may shut Bangladesh out of US drug market**

- ◆ Bangladesh is not alarmed by Trump's proposed 200% tariff on imported drugs due to the country's relatively small volume of pharmaceutical exports to the United States, but industry insiders caution that the country could lose the US market altogether if the tariff comes into effect.

- ◆ That means future potential for export expansion into one of the world's most profitable pharmaceutical destinations will be jeopardised too if such a high tariff is imposed.
- ◆ In FY25, Bangladesh's pharmaceutical exports rose to USD 213.16 million from USD 205.48 million in FY24, according to the Export Promotion Bureau (EPB).
- ◆ Of this, exports to the US stood at roughly USD 20 million, less than 10% of the total.
- ◆ Major Bangladeshi pharmaceutical exporters to the US are Beximco Pharmaceuticals, Square Pharmaceuticals, Incepta, Renata, and Eskayef.

**News Source:**

<https://today.thefinancialexpress.com.bd/stock-corporate/tariff-threat-may-shut-bangladesh-out-of-us-drug-market-1753030127>

## Energy

### **Govt to fix tariffs for nine power plants after years of anomalies**

- ◆ The interim government has moved to set rates for nine large power plants that have been selling electricity to the Bangladesh Power Development Board (BPDB) without official tariff approval.
- ◆ However, the power plants in question are owned by the state-run entities, fully or partially.
- ◆ These power plants, with a combined capacity of 3,414 megawatts, were implemented during the previous Awami League government.
- ◆ Despite supplying power to the national grid, their tariffs were never formally endorsed by the Cabinet Committee on Government Purchase, a mandatory requirement for such deals, according to official sources.
- ◆ Instead, the state-run Bangladesh Power Development Board (BPDB) has been buying electricity from these plants solely on the basis of power purchase agreements (PPAs) signed with the respective operators.

**News Source:**

<https://today.thefinancialexpress.com.bd/last-page/govt-to-fix-tariffs-for-nine-power-plants-after-years-of-anomalies-1753034673>

## Capital Market

### **DSE index jumps 1.19%, extending rally for fourth day**

- ◆ The benchmark index DSEX of the Dhaka Stock Exchange jumped on 20 July, extending the rally for four consecutive days.
- ◆ On the day, the DSEX gained 61 points or 1.19% to reach at 5,194, while the blue-chip DS30 jumped 42 points or 2.17% to close at 1,978.
- ◆ Of the traded issues, 180 advanced, while 146 declined and 72 remained unchanged.
- ◆ Investors' participation remained resilient with market turnover slightly decreasing by 1.7% to reach at BDT 775.90 crore.
- ◆ In the last four days, the DSEX gained 133 points, and the market capitalisation rose by BDT 11,500 crore to reach at BDT 6.91 lakh crore.

- ◆ Buyers' dominance remained consistent throughout the session, with bulls firming their control over market momentum until the closing bell.

**News Source:**

<https://www.tbsnews.net/economy/stocks/dse-index-jumps-119-extending-rally-fourth-day-1192841>

## Two more listed MFs likely to be converted into open-ended funds

- ◆ The trustee of two close-ended mutual funds proposed converting them into open-ended funds upon maturity in December this year.
- ◆ The funds are SEML Lecture Equity Management Fund and Vanguard AML BD Finance Mutual Fund One, overseen by Strategic Equity Management and Vanguard Asset Management, will complete 10 years on December 23.
- ◆ Asset managers say that unitholders will be benefited in both ways- conversion or liquidation.
- ◆ However, conversion is subject to unitholders' approval and regulatory consent, according to the stock exchange filing.
- ◆ Bangladesh General Insurance, trustee of both funds, said that asset managers had requested necessary measures to facilitate the conversion.

**News Source:**

<https://today.thefinancialexpress.com.bd/stock-corporate/two-more-listed-mfs-likely-to-be-converted-into-open-ended-funds-1753030410>