

## Bangladesh market snapshot

	Last closing
DSEX Index	5200.37
% change	0.15%
DS30 Index	1909.89
% change	-0.17%
DSES Index	1162.92
% change	0.43%
Turnover (BDT mn)	4,657
Turnover (USD mn)	38.17
% change	9.03%
Market Capitalization (BDT bn)	6,952
Market Capitalization (USD bn)	57
% change	0.20%

Source: Dhaka Stock Exchange

## International market snapshot

	Last closing
S&P 500	6,013.13
% change	-1.71%
Nikkei 225	38,776.94
% change	0.26%
FTSE 100	8,659.37
% change	-0.04%

Source: Bloomberg

## Exchange rate

	Low (BDT)	High (BDT)
USD	122.00	122.00
EUR	127.14	127.16
GBP	153.54	153.56
INR	1.40	1.40

Source: BB

## Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
20-Feb-2025	9.75-11.00	10.08
19-Feb-2025	9.75-11.00	10.09

Source: BB

## Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	74.43	-2.68%
Gold Spot, USD/t oz.	2,936.05	-0.10%
Cotton, USd/lb.	67.34	-0.19%

Source: Bloomberg

## Macro

### Revised budget for FY25: Government going for generous ADP

In a first, the ministries and divisions would be allocated more funds than they are seeking in the revised development budget for this fiscal year as the government attempts to rev up a slowing economy. "The implementation has been slow due to the political changeover," said a planning ministry official. In the first seven months of the fiscal year, only 21.52 percent of the ADP budget could be used. Since the finance division has made more funds available than the ministries' demands, the planning commission will accommodate the additional funds in the revised annual development programme (ADP), he said.

<https://www.thedailystar.net/business/economy/news/revised-budget-fy25-government-going-generous-adp-3831076>

### Import of essential commodities rises up to 85pc in Oct-Jan

The imports of many key essentials necessary in the holy month of Ramadan increased by up to 85 per cent in the October-January period of FY25, shows the latest data from the Bangladesh Bank's import- monitoring division. The central bank report said during the October-January period, sugar imports were 0.454 million tonnes, up 20 per cent from 0.379 million tonnes in the same period of FY24. Soybean, pulse, ginger, garlic, date, and chickpea imports also jumped by 23-85 per cent during the period.

<https://today.thefinancialexpress.com.bd/public/last-page/import-of-essential-commodities-rises-up-to-85pc-in-oct-jan-1740074803>

### Taka stays overvalued, undercuts country's trade competitiveness

Bangladesh's currency remains overvalued and impacts adversely the country's trade competitiveness with international trading partners, according to official statistics. According to a Bangladesh Bank's latest report, the Bangladesh Taka is overvalued by more than 3.0 per cent or Tk 3.67. The central bank of Bangladesh calculates the Real Effective Exchange Rate (REER) index, which stood at 103.01 in January. When converted using the exchange rate, the real exchange rate stands at Tk 125.67 against the US dollar and thus leaves a gap of Tk 3.67.

<https://today.thefinancialexpress.com.bd/first-page/taka-stays-overvalued-undercuts-countrys-trade-competitiveness-1740244396>

### **Revised budget for FY25: Ambitious revenue target in the works**

The government has set an ambitious revenue growth target in this fiscal year's revised budget given that three major multilateral development partners are stressing ramping up domestic resource mobilisation. The revenue collection target for fiscal 2024-25 is likely to be set at Tk 5,18,000 crore, which is the floor set for tax revenue collection by the International Monetary Fund under its \$4.7 billion loan programme. The original revenue collection target for this fiscal year is Tk 5,41,000 crore.

<https://www.thedailystar.net/news/bangladesh/news/revised-budget-fy25-ambitious-revenue-target-the-works-3830356>

### **Private sector struggling under mounting pressure**

The private sector is facing increasing uncertainty as stubbornly high inflation, stagnant investments and inconsistent energy supplies continue to weigh on businesses, according to industry leaders. "In recent months, business sentiment has been significantly affected by inflationary pressures, high borrowing costs and exchange rate volatility," said Taskeen Ahmed, president of the Dhaka Chamber of Commerce & Industry (DCCI), at an event in Dhaka yesterday. The DCCI president mentioned that private investment has stagnated at 24 percent of GDP almost since the pandemic, while foreign direct investment (FDI) has dropped to a six-year low.

<https://www.thedailystar.net/business/economy/news/private-sector-struggling-under-mounting-pressure-3831126>

### **WB to provide \$200m to strengthen SSNPs**

The World Bank (WB) is set to provide US\$200 million worth of assistance to ensure accountability and transparency in Bangladesh's social safety-net programmes (SSNPs), officials said, after completing the negotiations on Thursday. The Department of Social Services (DSS) will spend US\$75 million to uplift its capacity in SSNP disbursement while the Ministry of Finance (MoF) \$8.0 million to introduce "dynamic social registry (DSR) system and the remaining \$117 million will be provided as budget support for spending on different social-welfare programmes.

<https://today.thefinancialexpress.com.bd/public/first-page/wb-to-provide-200m-to-strengthen-ssnps-1740075497>

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## Bank

### **Banks' dollar holdings inch up in January**

The dollar amounts held by Bangladesh's commercial banks increased slightly in January after a fall to a five-year and six-month low in December 2024. In January, commercial banks' gross foreign currency balance increased to \$4,537 million, up from \$4,255 million in December, according to a Bangladesh Bank data. The amount in December had marked the lowest level since June 2019 when balances stood at \$4,191.18 million. Bankers said that dollar holdings by banks increased in January probably due to a surge in remittance inflow and export earnings.

<https://www.newagebd.net/post/economy/258438/banks-dollar-holdings-inch-up-in-january>

### **Deposits with banks rising in a rebound**

Deposits with Bangladesh's 61 banks increased during July-December in a rebound from a crunch amid initial panic-driven withdrawals triggered by the student-mass uprising and subsequent uncertainty. According to the latest report from Bangladesh Bank, the aggregate deposits with the banks rose by Tk 345.17 billion to over Tk 17.77 trillion by the end of December 2024.

<https://today.thefinancialexpress.com.bd/public/first-page/deposits-with-banks-rising-in-a-rebound-1740075446>

### **Govt launches new account verification system to prevent fraud**

The government has launched an account verification system (AVS) through Bangladesh Bank to enhance transparency in public expenditure and prevent financial fraud. The initiative, part of the government's push to make transactions cashless, aims to reduce customer inconvenience and save Tk 500-600 crore annually by eliminating the need for cheque printing, said Bilquis Jahan Rimi, additional secretary.

<https://www.thedailystar.net/business/news/govt-launches-new-account-verification-system-prevent-fraud-3830686>

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## **Foreign subsidiaries can now remit service payments without central bank approval**

Foreign subsidiaries operating in Bangladesh can now remit various service payments to their parent companies abroad without prior approval from the Bangladesh Bank. According to the circular published by BB, resident companies operating as subsidiaries of foreign companies in Bangladesh avail various services from their parent companies abroad. Considering this, and to facilitate transactions between subsidiaries and their parent or group companies, the new directive has been introduced.

<https://www.tbsnews.net/economy/banking/foreign-subsidiaries-can-now-remit-service-payments-without-central-bank-approval>

## **Proposals for full BB autonomy, law to resolve problem banks' issues underway**

Bangladesh Bank will submit a package proposal for transforming the central bank into a fully autonomous body within four months to the head of interim government, as part of full-course reforms in the banking sector Bangladesh Bank Governor Dr Ahsan H. Mansur unveiled the plans, including a new law in the making, while speaking as the chief guest at a discussion Thursday in Dhaka. Under the plan, he said, the central bank will bring necessary changes in laws, departments, functions and areas of focuses in the days ahead to make it a modern central bank.

<https://today.thefinancialexpress.com.bd/public/first-page/proposals-for-full-bb-autonomy-law-to-resolve-problem-banks-issues-underway-1740075277>

## **MFS sees significant growth**

Mobile Financial Services (MFS) in Bangladesh have experienced remarkable growth, with both "NAGAD" and MFS platforms offered by scheduled banks-such as bKash, Rocket, and Upay-contributing to the expansion. As of December 2024, the total number of MFS accounts stood at 238.68 million-107.72 million in urban areas and 130.96 million in rural areas, according to the latest Bangladesh Bank report. The number of transactions reached 670.05 million in December, up from 652.10 million in November, reflecting a 2.75 per cent increase, the central bank data said. Similarly, transactions rose from 591.65 million in September to 643.73 million in October, highlighting a steady upward trend.

<https://today.thefinancialexpress.com.bd/last-page/mfs-sees-significant-growth-1740244901>

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## **Microcredit interest rates in rural Bangladesh declining**

Microcredit-interest rates in the rural areas are declining due to increasing competition, driven by the presence of a substantial number of non-governmental organisations (NGOs), experts and economists said on Thursday. They noted that NGO-led microfinance institutions have played a crucial role in boosting the rural economy, with many villages now having five to six active NGOs, significantly curbing reliance on high-interest loans from traditional moneylenders. These observations were made at a seminar titled "Microfinance Competition in the Presence of Moneylenders: Theory and Evidence," organised by the Bangladesh Institute of Development Studies (BIDS).

<https://today.thefinancialexpress.com.bd/public/last-page/microcredit-interest-rates-in-rural-bangladesh-declining-1740074906>

## **Textile**

### **Large listed RMG makers secure higher profits**

Most listed readymade garment (RMG) producers secured higher profits during the October-December period of this fiscal year, buoyed by global demand even amidst the myriad challenges plaguing Bangladesh's overall business climate. The combined profit of the 40 companies that shared reports showed the continuation of a rising trend after being hit hard during the politically volatile July-September quarter last year. Their total profit soared 50 percent year-on-year to Tk 197 crore in the October to December period of last year, according to data compiled by Sandhani Asset Management Ltd.

<https://www.thedailystar.net/business/economy/news/large-listed-rmg-makers-secure-higher-profits-3831121>

## **Telecommunication**

### **BTRC to hold 700 MHz spectrum auction this year**

The telecom regulator aims to auction spectrum in the 700 MHz band this year to support the expansion of 4G and roll out 5G networks in the country. To ensure a smooth process, the Bangladesh Telecommunication Regulatory Commission (BTRC) has formed a committee to draft auction guidelines, set the base price for the spectrum, and engage with mobile operators.

<https://www.thedailystar.net/business/news/btrc-hold-700-mhz-spectrum-auction-year-3828906>

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## Insurance

### Islamic life insurers required to invest 30% of funds in sukuk

The Insurance Development and Regulatory Authority (IDRA) has mandated that Islamic insurance companies invest in government securities, a requirement that previously applied only to conventional insurers while Shariah-based Islamic insurers were exempt. Under the new directive, Islamic life insurance companies must allocate at least 30% of their funds to government Islamic bonds (Sukuk) or securities, while Islamic general insurance companies are required to invest a minimum of 7.5%.

<https://www.tbsnews.net/economy/stocks/islamic-life-insurers-required-invest-30-funds-sukuk-1075466>

## Capital Market

### Nearly 49,000 BO accounts emptied in six months

Over the past six months, a staggering 49,000 beneficiary owners' (BO) accounts were emptied by 20 February, reflecting growing investor frustration over prolonged poor returns and prompting many to exit the stock market. According to data from the Central Depository Bangladesh Limited (CDBL), which manages BO accounts and shares, the number of BO accounts with zero share balance stood at 3.10 lakh on 6 August last year. By 20 February 2025, this figure had surged to 3.59 lakh, reflecting a sharp increase in investor disengagement.

<https://www.tbsnews.net/economy/stocks/nearly-49000-bo-accounts-emptied-six-months-1075336>

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We calculate our target price by weighting DCF, DDM, SOTP, asset-based and other relative valuation methods, and applying appropriate premiums/ discounts and/or other relevant adjustments.

Expected absolute returns are calculated as the % of difference between our target price and latest close price. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Please note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

Recommendation Type	Holding period (if not otherwise mentioned)	Absolute Return Potential
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between -5% and +15%
Underweight	12 Months	Less than -5%

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