

Bangladesh Market Snapshot
Source: Dhaka Stock Exchange

| DSEX | DSES | DS30 | Turnover (BDT mn) | Market Cap (BDT bn) |
|----------|----------|----------|-------------------|---------------------|
| 5,335.87 | 1,082.39 | 2,030.88 | 7,787 | 6,844 |
| +0.14% | +0.50% | +0.03% | -0.12% | -0.12% |

Bangladesh Macro Snapshot
Source: Bangladesh Bank

| Treasury Bill Yield | Call Money Rate | Inflation rate | GDP Growth Rate | Reserve (BPM-6) |
|----------------------|------------------|-----------------|--------------------------|-----------------|
| 10.50% | 9.95% | 9.04% | 3.03% | 29.91bn USD |
| Maturity: 23-05-2027 | Date: 24-05-2026 | Period: 2026-04 | Period: Oct'25 to Dec'25 | Date: 31-May-26 |

Exchange Rate
Source: Bloomberg

| USD | EUR | INR | CNH | GBP |
|--------|--------|--------|--------|--------|
| 122.53 | 142.83 | 1.29 | 18.10 | 165.58 |
| +0.00% | -0.15% | +0.00% | +0.06% | +0.00% |

International Market
Source: Bloomberg

| MSCI Frontier | S&P 500 | SSE Comp | Nikkei 225 | FTSE 100 |
|---------------|----------|----------|------------|-----------|
| 817.00 | 7,580.06 | 4,072.76 | 67,038.24 | 10,409.30 |
| +0.00% | +0.22% | +0.01% | +1.02% | -0.16% |

Commodities (USD)
Source: Bloomberg

| Gold (Troy ounce) | Brent (Barrel) | Cotton (Pound) | Silver (Troy ounce) | Wheat (Bushel) |
|-------------------|----------------|----------------|---------------------|----------------|
| 4,553.60 | 92.98 | 76.25 | 75.94 | 653.00 |
| -0.86% | +2.04% | +0.67% | +0.09% | +0.50% |

Macroeconomy
Govt gunning for 6.5pc growth next year

The government is setting a high growth target for the next fiscal year, banking on the possibility of stability returning to the Middle East by June next year and the expansionary fiscal and monetary policies being pursued. Even though GDP growth has been declining for three consecutive years, the government is targeting 6.5 percent growth for the next fiscal year, The Daily Star has learned from finance ministry officials involved with the proceedings.

<https://www.thedailystar.net/news/bangladesh/news/govt-gunning-65pc-growth-next-year-4186106>

Govt eyes \$51b reserves in FY27

The government expects the country's gross foreign currency reserves to hit a record \$51.4 billion by the end of next fiscal year, provided that remittance inflow is strong and interest rates high. On September 1, 2021, strong remittance inflows and lower imports sent the country's gross foreign reserves to \$48.09 billion, which remains a record.

<https://www.thedailystar.net/business/economy/news/govt-eyes-51b-reserves-fy27-4186996>

Govt turns to foreign loans to plug deficit

The government is set to move away from its reliance on domestic borrowing to fund the budget deficit next fiscal year and go for foreign borrowing in a bid to free up resources for the private sector and contain inflationary pressures, according to the draft budget plan. The overall deficit has been projected at Tk 2,35,000 crore, which is 3.4 percent of GDP and 17.5 percent higher than the revised target for this fiscal year.

<https://www.thedailystar.net/news/bangladesh/news/govt-turns-foreign-loans-plug-deficit-4185241>

ADB to provide \$1.4b to Bangladesh for four projects

The Asian Development Bank will provide Bangladesh with \$1.4 billion in financing and assistance for four major projects aimed at strengthening economic management, social protection and infrastructure development in the country. The financing agreement was signed on Sunday between Bangladesh's Economic Relations Division (ERD) under the Ministry of Finance and the ADB at a bilateral signing ceremony held at a hotel in the capital.

<https://www.thefinancialexpress.com.bd/economy/bangladesh/adb-to-provide-14b-to-bangladesh-for-four-projects>

ADB president meets PM Tarique, says it intends to provide \$5b over five years

Asian Development Bank President Masato Kanda has met Prime Minister Tarique Rahman in Dhaka to discuss Bangladesh's development priorities during a visit that highlighted funding announcements totalling \$5 billion. The ADB said it intends to provide \$5 billion over five years for the Integrated Growth Network Development Initiative, presented by Kanda during the visit.

<https://www.tbsnews.net/economy/adb-president-meets-pm-announces-5b-bangladeshs-development-1448261>

ADP for health doubles, delivery still a concern

The government's decision to nearly double the health development budget for the next fiscal year has been welcomed as a step in the right direction though serious doubts persist over the implementation capacity of health authorities. Under the new Annual Development Programme (ADP), the health sector has been allocated Tk 35,530 crore for fiscal 2026-27 – up from Tk 18,148 crore in fiscal 2025-26 – representing 11.86 percent of the total ADP outlay. It is the third-largest sectoral allocation, behind transport and communication and education.

<https://www.thedailystar.net/health/news/adp-health-doubles-delivery-still-concern-4187691>

Bangladesh eyes \$4-5b IMF package with three-year reform plan

Bangladesh will exit the existing International Monetary Fund (IMF) loan programme signed under the previous government and negotiate a new credit facility with a three-year window to implement priority reforms, the Finance Ministry said on Monday. Officials hinted the new programme is expected to be worth \$4-5 billion, while two tranches under the previous facility, totalling \$1.86 billion, remained undisbursed as key economic and banking reform conditions were unmet.

<https://tob.news/bangladesh-eyes-4-5b-imf-package-with-three-year-reform-plan/>

BD in critical reform phase ahead of LDC graduation, says ADB

Bangladesh is entering a critical reform phase ahead of its scheduled graduation from the Least Developed Country (LDC) category, according to the latest report of the Asian Development Bank (ADB), which warns that weak governance, fiscal vulnerabilities and institutional fragmentation could undermine the country's long-term economic ambitions. In a report titled "Bangladesh at a Crossroads of Reforms", the Manila-based lender said the country must implement broad institutional and macro-fiscal reforms to sustain growth momentum and manage post-LDC transition challenges.

<https://www.thefinancialexpress.com.bd/economy/bangladesh/bd-in-critical-reform-phase-ahead-of-ldc-graduation-says-adb>

Bangladesh sees sharp decline in foreign aid commitments

Bangladesh saw a sharp decline in foreign aid commitments in the first 10 months of fiscal year 2025-26, even as the government's external debt repayment burden continued to rise, reflecting growing pressure on the country's fiscal and external financing position. Data from the Economic Relations Division (ERD) showed that foreign assistance commitments dropped 34 percent year-on-year to \$2.81 billion during July-April of FY26.

<https://www.thedailystar.net/business/news/bangladesh-sees-sharp-decline-foreign-aid-commitments-4183586>

Banks

Bank deposits grow 11.76pc on higher rates, remittances

Bank deposit growth surged by 11.76 per cent year-on-year in March, the fastest pace in years, as rising remittances and higher interest rates pulled fresh money into the banking system. Bangladesh Bank data showed that total deposits stood at Tk 20.32 lakh crore at the end of March, up from Tk 18.18 lakh crore a year earlier.

<https://www.newagebd.net/post/banking/301180/bank-deposits-grow-1176pc-on-higher-rates-remittances>

Fuel & Power

Octane, Petrol and Kerosene prices raised by Tk 5 per litre; Diesel unchanged

The government has revised fuel oil prices in the domestic market, increasing the prices of octane, petrol and kerosene by Tk 5 per litre, while keeping diesel prices unchanged. Under the new rate, diesel will continue to be sold at Tk 115 per litre at the consumer level. The price of octane has been set at Tk 145 per litre, petrol at Tk 140 per litre and kerosene at Tk 135 per litre.

<https://thefinancialexpress.com.bd/trade/octane-petrol-and-kerosene-prices-raised-by-tk-5-per-litre>

Bangladesh eyes greater energy security with Tk 36b investment plan

Bangladesh is moving to strengthen its energy security and expand electricity access through a new set of government-funded projects targeting gas exploration, power generation and energy sector capacity building. According to a list of proposed projects under the power and energy sector, the government has taken initiatives worth over Tk 3,600 crore to help meet the country's growing demand for electricity and fuel amid rapid industrialisation, urbanisation and expanding economic activities.

<https://www.thefinancialexpress.com.bd/economy/bangladesh/bangladesh-eyes-greater-energy-security-with-tk-36b-investment-plan>

Construction

VAT on steel rods may rise by 10%

The National Board of Revenue is considering raising the specific tax – a form of value-added tax (VAT) – on mild steel (MS) products and related items by around 10% at the production stage, according to sources at the Ministry of Finance. The proposed change may be included in the Finance Bill accompanying the upcoming national budget. A similar increase in the specific tax on these products was introduced in the previous budget as well.

<https://www.tbsnews.net/nbr/vat-steel-rods-may-rise-10-1451351>

Textile

India announces customs duties waiver on cotton import for five months

India today announced a waiver of all customs duties on the import of cotton for five months this year, in a move aimed at boosting the availability of the raw material for the domestic textile industry. The finance ministry issued a notification granting full exemption from basic customs duty as well as the Agriculture Infrastructure and Development Cess (AIDC) on imported cotton. The waiver will remain in force until October 30, 2026.

<https://www.tbsnews.net/economy/india-announces-customs-duties-waiver-cotton-import-five-months-1450836>

Automobile

Japanese EV brand glafit to launch 800-bike pilot project in Bangladesh

Japanese electric vehicle company 'glafit' is set to launch a pilot project in Bangladesh with 800 electric bikes in the city, aiming to position the country as a regional hub for its innovative EV business model. The initiative is backed by Musashi, a key supplier for Honda, whose representatives are currently visiting Dhaka to review preparations for the project, including the installation of charging and battery-swapping infrastructure.

<https://www.newagebd.net/post/automobile/300774/japanese-ev-brand-glafit-to-launch-800-bike-pilot-project-in-bangladesh>

Capital Market

BRB Cables moves toward capital market listing, signs deal with ICB Capital

BRB Cable Industries Limited has taken steps toward listing on the capital market after signing an advisory and issue management agreement with ICB Capital Management Limited (ICML). The agreement was signed today (24 May) at BRB Cable's head office and manufacturing facility in Kushtia. Under the deal, ICB Capital will provide advisory and issue management services to facilitate the company's listing process on the stock market.

<https://www.tbsnews.net/economy/stocks/brb-cables-moves-toward-capital-market-listing-signs-deal-icb-capital-1447811>

Stocks

GPH Ispat's Q3 losses widen 14-fold as weak demand hits sales

GPH Ispat saw its losses widen sharply in the third quarter ended March 2026, as sluggish demand and a steep fall in sales volume weighed heavily on the company's earnings. The Chittagong-based steel maker reported a quarterly loss of Tk 152 million for January-March 2026, up nearly 14 times from a loss of Tk 10.71 million recorded in the same quarter a year earlier. Its loss per share rose to Tk 0.31 in the March quarter from Tk 0.02 in the corresponding quarter of the previous year, according to the company's unaudited financial statements published on Sunday.

<https://thefinancialexpress.com.bd/stock/bangladesh/gph-ispats-q3-losses-widen-14-fold-as-weak-demand-hits-sales>

Disclaimer

For U.S. persons only: This research report is a product of UCB Stock Brokerage Ltd. ("UCB"), a company authorized to engage in securities activities in Bangladesh, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution by only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, UCB has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by UCB Stock Brokerage Limited (UCB) with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of UCB and UCB accepts no liability whatsoever for the actions of third parties in this respect.

EQUITY RECOMMENDATION STRUCTURE (ABSOLUTE RATINGS)

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% |

ANALYST CERTIFICATION

Respective analyst(s) identified in this report certifies, with respect to the companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. The research analyst(s) named on this report are not registered / qualified as research analysts with FINRA.

It has not been determined in advance whether and in what intervals this document will be updated. Unless otherwise stated current prices refer to the most recent trading day's closing price.

Contact Us

Research Team

| | | | |
|------------------------------|-------------------------|-------------------------------|-------------------|
| Md. Hasib Reza, CFA | Head of Research | hasib.reza@ucbstock.com.bd | +880 1755 658 997 |
| Anik Mahmood Ibne Anwar, CFA | Deputy Head of Research | anik.mahmood@ucbstock.com.bd | +880 1701 205 074 |
| Fahmid Islam Sadhin | Research Associate | fahmid.islam@ucbstock.com.bd | +880 1325 086 738 |
| Numair M N Ahmmed | Research Associate | ahmmed.numair@ucbstock.com.bd | +880 1324 719 484 |

Institutional & Foreign Trade

| | | | |
|-----------------|--------------------------------|---------------------------------|-------------------|
| Tahmidur Rahman | First Assistant Vice President | rahman.tahmidur@ucbstock.com.bd | +880 1726 995 520 |
|-----------------|--------------------------------|---------------------------------|-------------------|

Office Premises

Head Office

Gulshan

Bulus Center

+880 2955 8481

Extensions of Head Office

| | | | | |
|---|--|---------------------------------------|--------------------------------------|---|
| Dilkusha +880 1701 205 090 | Dilkusha (NIK Tower) +880 1701 205 000 | Dhanmondi +880 1713 205 703 | Nikunja +880 1701 205 013 | Mohammadpur +880 1324 243 212 |
| Bashundhara +880 1718 106 217 | Mirpur-1 +880 1713 205 723 | Mirpur-12 +880 1911 197 188 | Banasree +880 1701 205 075 | Uttara +880 1913 128 156 |

Branch Offices

| | |
|--|------------------------------------|
| Chattogram +880 1701 205 038 | Sylhet +880 1713 205 760 |
|--|------------------------------------|

Digital Booths

| | | | | |
|------------------------------------|---|--|--------------------------------------|-------------------------------------|
| Khulna +880 1717 411 466 | Barishal +880 1713 205 762 | Cumilla +880 1324 243 163 | Jashore +880 1324 243 203 | Gazipur +880 1324 243 165 |
| Feni +880 1324 243 210 | Khatungonj +880 1713 205 742 | Chawkbazar +880 1817 206 965 | Madhobdi +880 1324 243 156 | |
| | Narayangonj +880 1324 243 207 | Agrabad +880 1324 243 198 | | |