

### National budget for FY2024-25 unveiled

The national budget for FY2024-25 has been placed in the parliament on 06 June 2024, the first one of the current government's new five-year term. The Gross Domestic Product (GDP) growth target is set at 6.75% despite a slower pace of economic growth and the inflation rate is expected to come down to 6.50% in the coming FY2024-25. Due to the present local context and global economic factors, the target for the next fiscal appears quite ambitious as the 12-month average inflation rate between June 2023 and May 2024 was recorded at 9.73%.

Budget Highlights (Figures in Tk Bn)			
Particulars	FY2024-25	FY2023-24 (Revised)	Change
NBR Tax	4,800.00	4,100.00	17.07%
Non-NBR Tax	150.00	190.00	-21.05%
Non Tax Receipt	460.00	490.00	-6.12%
<b>Total Tax Revenue</b>	<b>5,410.00</b>	<b>4,780.00</b>	<b>13.18%</b>
Non-Development Expenditure	4,689.83	4,340.57	8.05%
Development Expenditure	2,814.53	2,600.07	8.25%
Other Expenditure	465.64	203.54	128.77%
<b>Total Expenditure</b>	<b>7,970.00</b>	<b>7,144.18</b>	<b>11.56%</b>
<b>Budget Deficit</b>	<b>(2,560.00)</b>	<b>(2,364.18)</b>	<b>8.28%</b>

Source: MoF

The size of 53rd and the largest-ever budget for Bangladesh is proposed at Tk7.97-trillion, 4.6% higher than the ongoing year. The overall budget deficit is estimated at Tk2.56-trillion against Tk2.62-trillion deficit in the current fiscal year. The total revenue earnings have been estimated at Tk5.41-trillion, of which the National Board of Revenue (NBR) will collect Tk4.80-trillion and another Tk610b is to be collected from other sources. On filling the deficit, the government plans to finance by borrowing Tk1.37-trillion from banking system, such borrowing is Tk1.32-trillion in FY2023-24. The scope for legalizing undisclosed money with an amnesty makes a return in the next financial year after three fiscal year interval. The facility expired on 30 June 2021. To legalize such 'black' money, one must pay a flat 15% tax. On the other hand, high-net-worth honest tax paying individuals will face a tax rate increase in the next fiscal year to 30% from the current 25% at the highest slab. For the first time individual investors are to face a 15% capital gains tax on earnings exceeding Tk5m from the stock market, which would further dampen the sluggish stock market. Apart from imposing capital gain tax, sponsors and directors of listed companies will have to face 10% tax deduction at source on capital gains from share transfers against the existing 5% rate. However, the tax-free income limits for individual taxpayers remain unchanged at Tk0.35m.

### Supplementary Budget for FY2023-24 placed

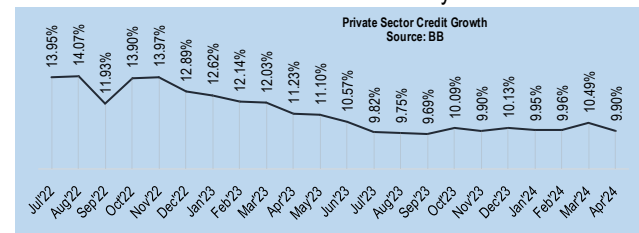
The finance minister placed the Supplementary Budget for the FY2023-24 in the parliament on 06 June 2024 along with the National Budget for FY2024-25. As per the supplementary budget the original targets of revenue and expenditure were reduced by 6.22% and 4.40% respectively. The total allocation for ministries and divisions has also been reduced to Tk7.14-trillion for the FY2023-24 from Tk7.62-trillion under the original allocation.

Supplementary Budget Highlights (Figures in Tk Bn)				
	Budget FY2023-24	Revised Budget FY2023-24	Change (%)	Actual (Up to March)
NBR Tax	4,300.00	4,100.00	-4.65%	2,494.07
Non-NBR Tax	200.00	190.00	-5.00%	60.84
Non Tax Receipt	500.00	490.00	-2.00%	308.66
<b>Total Tax Revenue</b>	<b>5,000.00</b>	<b>4,780.00</b>	<b>-4.40%</b>	<b>2,863.57</b>
Non-Development Expenditure	4,362.47	4,340.57	-0.50%	2,432.50
Development Expenditure	2,775.82	2,600.07	-6.33%	820.34
Other Expenditure	479.56	203.54	-57.56%	56.49
<b>Total Expenditure</b>	<b>7,617.85</b>	<b>7,144.18</b>	<b>-6.22%</b>	<b>3,309.33</b>
<b>Budget Deficit</b>	<b>(2,617.85)</b>	<b>(2,364.18)</b>	<b>-9.69%</b>	<b>(445.76)</b>
External Source	1,063.90	797.93	-25.00%	275.59
Domestic Source	1,553.95	1,566.25	0.79%	171.52

Source: MoF

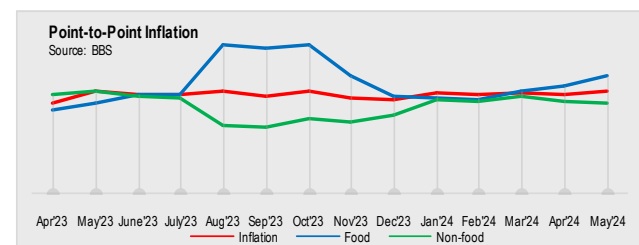
### Private sector credit growth 9.90% in April

Credit disbursement to the private sector slowed further with higher lending rates. Liquidity crunch in the banking sector and continued government borrowing through the banking channels likely exacerbated the slowdown. Credit disbursement dropped to 9.90% in April 2024 from 10.49% a month back, as per Bangladesh Bank (BB) reports. In April 2023 the rate was 11.23%. In January 2023, credit flow to private sector was 12.62% and since then, it consistently decreased until September when the rate was 9.69%, the lowest in the calendar year 2023. The central bank cut the private sector credit growth target to 10% for the January-June period of FY2023-24 from 11% set for the first half of the current fiscal year.



### Food inflation above 10%

Led by the surge in staple food item prices, point-to-point inflation jumped to 9.89% in May 2024, the highest since October 2023, when overall inflation hit 9.93%. Since March 2023, inflation has consistently remained above 9%. Food-inflation has touched double digits for the second consecutive month this year, swelling from 10.22% in April by 0.54 percentage points to 10.76% in May. On the other hand, non-food inflation dropped by 0.15 percentage points to 9.19% from 9.34% a month ago, as per the recent release from the Bangladesh Bureau of Statistics (BBS). According to BBS figures, rural inflation stood at 9.99% in May with food inflation at 10.73% and non-food inflation at 9.31%. In urban areas it was 9.72% during the same month with food inflation at 10.86% and non-food inflation at 9.03%.



### Nagad becomes first digital bank

Mobile Financial Service (MFS) provider Nagad received the first ever digital bank license on 03 June 2024. Earlier Nagad Digital Bank PLC and Kori Digital PLC received letters of intent from the Bangladesh Bank (BB). Nagad met all conditions within the stipulated time with exemption on the shareholding of three institutional investors. Under the Bank Company Act, a person, organization, company or member of the same family cannot hold more than 10% share whether individually or jointly. Digital banks must also follow all existing banking laws as per the policy guidelines approved by BB. The digital banks require Tk1.25b in paid-up capital, whereas for conventional bank it is Tk5b. Digital banking activity will be conducted through digital channels, such as mobile apps and websites and without any traditional physical branch networks.

## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,346.99	5,277.51	1.32
FTSE 100	↓	8,245.37	8,275.38	-0.36
Nikkei 225	↑	38,683.93	38,487.90	0.51
SENSEX	↑	76,693.36	73,961.31	3.69
KSE 100	↓	73,816.32	75,881.88	-2.72

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,237.32	5,251.96	-0.28
Total Turnover, Tk	↑	22,580.25	19,507.45	15.75
Market Capital, Tk	↓	3,433,232,789,602	3,456,643,284,617	-0.68
No of Issue Gain		167	115	
No of Issue Loss		204	248	
No of Unchanged Issues		22	27	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Central Pharma	16.50	20.10	21.82	484.61
Fortune Shoes	28.20	33.90	20.21	535.35
Emerald Oil	38.00	45.40	19.47	264.16
Nurani Dyeing	3.70	4.40	18.92	6.05
Rupali Life Insurance	155.40	184.30	18.60	555.51
Tung Hai Knitting	4.00	4.70	17.50	12.76
Bd.Thai Aluminium	16.60	19.50	17.47	216.81
Trust Islami Life Ins.	42.50	49.70	16.94	102.90
Standard Ceramic	87.50	99.90	14.17	8.49
Aftab Automobiles	28.50	32.40	13.68	203.20

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
KBPPWBIL	163.40	140.60	-13.95	42.07
Hami Industries	154.40	133.90	-13.28	27.70
BIFC	12.00	10.50	-12.50	6.72
Orion Infusion	572.10	508.90	-11.05	415.67
Rahim Textile Mills	126.90	114.10	-10.09	8.86
NCC Bank	12.30	11.10	-9.76	9.56
First Finance	4.30	3.90	-9.30	0.53
Golden Jubilee M.F.	17.40	15.80	-9.20	67.18
IBBLPBOND	777.00	706.00	-9.14	0.14
Phoenix Insurance	32.10	29.20	-9.03	2.02

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
	Bank	407.50	414.39	-1.66	1,469.33	1,087.44
Cement	298.58	298.79	-0.07	129.73	203.59	-36.28
Ceramic	564.85	565.07	-0.04	271.15	332.48	-18.45
Engineering	3,916.28	4,032.61	-2.88	1,317.55	1,186.51	11.04
Food & Al.	3,635.18	3,646.78	-0.32	2,181.52	2,116.90	3.05
Fuel & Pow.	2,743.27	5,523.98	-50.34	620.62	292.31	112.32
Insurance	2,003.58	2,077.93	-3.58	1,333.20	1,508.34	-11.61
IT	516.21	541.61	-4.69	917.54	960.90	-4.51
Jute	1,209.57	1,343.62	-9.98	99.74	161.76	-38.34
Misc.	2,508.30	2,550.54	-1.66	295.52	389.09	-24.05
Mutual Fund	387.68	386.16	0.39	1,303.66	1,046.88	24.53
NBFI	675.79	702.26	-3.77	250.72	173.71	44.33
Paper	8,969.78	9,288.16	-3.43	275.21	220.35	24.90
Pharma	1,314.01	1,336.80	-1.70	3,336.22	4,322.08	-22.81
Service	1,412.28	1,431.30	-1.33	215.78	192.28	12.22
Tannery	844.56	866.66	-2.55	249.79	184.09	35.69
Telecom	2,870.31	2,879.47	-0.32	236.00	185.88	26.96
Textile	1,424.15	1,441.20	-1.18	2,187.14	2,007.70	8.94
Travel & Leis.	1,473.58	1,478.89	-0.36	571.24	739.38	-22.74

## Technical Talk

Dhaka stocks extended the losing streak for the fourth straight week as the investors remained cautious throughout the week to observe the market trend ahead of the national budget that was declared on 06 June 2024. Among the major sectors, Mutual Fund decreased by 4% followed by Engineering 3.18%, Pharma 1.41% and Food & Allied by 0.63%.

DSE Broad Index (DSEX) stood at 5,237.32 points after decreasing by 14.64 points or 0.28% from the previous week. Total turnover reached at Tk22580.25m, which was 15.75% higher than the previous week. Market capitalization decreased by 0.68% and stood at Tk3433.23b (US\$29.11b) at the weekend against Tk3456.64b. DSE 30 decreased by 16.86 points or 0.90% and closed at 1,857.98 points against 1,874.84 points. Last week's weighted average Market PE was 9.71 which was 9.78 in previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

### Relative Strength Index (RSI)

The RSI indicator illustrates if the change of price movements is in overbought or oversold territory. RSI stood at 21.61.

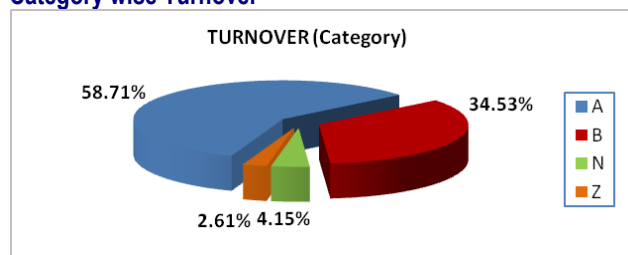
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Meghna Petroleum	3,582,292	712.58	3.16
BATBC	2,006,320	650.74	2.88
Taufika Foods	6,690,981	590.47	2.61
Beach Hatchery	7,572,247	576.38	2.55
Rupali Life Insurance	3,180,776	555.51	2.46
Asiatic Laboratories	9,930,558	539.85	2.39

### Top 10 Market Capital

Company	Value (BDT mn)	% of total
GP	307,328	103,842
Square Pharma	180,304	76,060
BATBC	176,310	73,389
Walton Hi-Tech	144,830	72,832
Robi	113,663	69,218
BEXIMCO		103,842
Berger paint		76,060
United Power		73,389
Reneta		72,832
LafargeHolcim		69,218

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,311.10	2,347.70	-1.56
Silver (USD/t oz.)	29.27	30.56	-4.21
Brent Crude Oil (USD/bbl.)	79.49	81.31	-2.24

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	117.95	118.00	117.90	117.95	0.04	0.04
EUR	133.80	133.86	133.67	133.73	0.10	0.10
GBP	157.58	157.65	157.18	157.25	0.25	0.25
AUD	78.05	78.08	78.31	78.34	-0.33	-0.33
JPY	0.76	0.76	0.76	0.76	0.00	0.00
CAD	86.12	86.16	86.36	86.39	-0.28	-0.27
SAR	31.61	31.62	31.59	31.60	0.06	0.06

Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CAD- Canadian Dollar, SAR-Saudi Riyal.

### Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
Techno Drugs Ltd.	09 Jun-13 Jun, 2024	24	1,000