

Interim government unveil FY2025-26 budget

The national budget for FY2025-26 was unveiled by the interim government on 02 June 2025 and in the 54 years history the proposed national budget is smaller than its predecessor, down by 0.9% from the original FY2024-25 outlay. Finance Adviser Dr Salehuddin Ahmed declared the Tk7.90-trillion budget, which is 12.65% of the Gross Domestic Product (GDP), marking the lowest budget-to-GDP ratio in 15 years. The overall budget deficit is estimated at Tk2.26-trillion against Tk2.56-trillion deficit in the current fiscal year, representing 3.62% of the GDP. The total revenue earnings have been estimated at Tk5.64-trillion, of which the National Board of Revenue (NBR) will collect Tk4.99-trillion and another Tk650b will be collected from other sources. On filling the deficit, the government plans to finance by borrowing Tk1.25-trillion from the domestic sources and Tk1.01-trillion from foreign lenders and financiers. Within the domestic component, Tk1.04-trillion will come from the banking system and Tk210b from non-bank sources. The target for borrowing through savings certificates has been set at Tk125b, 12% lower than the revised target of Tk140b in FY2024-25. The budget projects inflation will fall to 6.5% in FY2025-26, down from the 9% forecast for FY2024-25. The Annual Development Program (ADP) allocation is projected at Tk2.30-trillion, a reduction from Tk2.65-trillion in the FY2024-25.

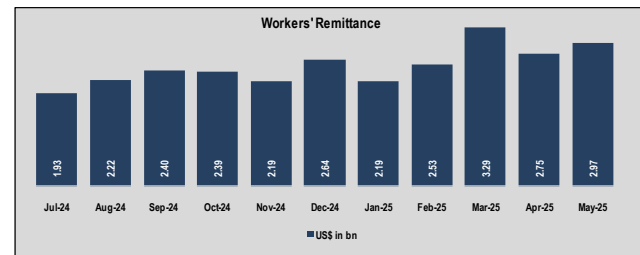
Budget Highlights (Figures in Tk Bn)			
Particulars	FY2025-26	FY2024-25 (Revised)	Change
NBR Tax	4,990.00	4,635.00	7.66%
Non-NBR Tax	190.00	145.00	31.03%
Non Tax Receipt	460.00	400.00	15.00%
Total Tax Revenue	5,640.00	5,180.00	8.88%
Non-Development Expenditure	4,987.83	4,828.76	3.29%
Development Expenditure	2,456.09	2,315.99	6.05%
Other Expenditure	456.08	295.25	54.47%
Total Expenditure	7,900.00	7,440.00	6.18%
Budget Deficit	(2,260.00)	(2,260.00)	0.00%

Source: MoF

Provision of whitening undeclared money through higher tax rates when invested in land and housing has been kept under certain conditions. However, it has since been indicated that this may have to be deleted. For the assessment year FY2025-26, the tax-exempted threshold for individual taxpayers has been kept at Tk350,000 of annual income. The government has introduced a new category, July Warriors, under personal income tax and offered tax relief on incomes up to Tk525,000 for two years, beginning from the FY2026-27. New taxpayers will pay Tk1,000 tax if their annual taxable income falls below Tk450,000. Minimum tax for regular taxpayers will be Tk3,000-Tk5,000, depending on the area. The excise duty exemption limit on bank deposits is poised to increase to Tk0.3m from Tk0.1m, offering relief to small savers. Currently, listed companies enjoy a corporate tax rate of 20% but due to strict conditions, many fail to qualify for the rate and end up paying 22.5%. Under the new proposal, these conditions will be met simply by conducting transactions through bank transfers. In the upcoming budget, the corporate tax for non-listed companies will be set at 27.5%. To encourage the listing of profitable and well-known domestic and international companies, the tax differential between listed and non-listed companies has been widened from 5% to 7.5%. To further stimulate investment and trading, the source tax on the total value of securities transactions collected from brokerage houses has been reduced from 0.05% to 0.03%. Furthermore, the corporate tax rate for merchant banks has been cut from 37.5% to 27.5%.

Remittance hits US\$2.97b in May

The inward remittance to Bangladesh from expatriate workers touched the second-highest monthly transfer of US\$2.97b in May 2025 as the diasporas sent higher amount of money ahead of Eid-ul-Azha festival. The highest receipt ever recorded was in March 2025 at US\$3.29b. Remittance inflow remained above US\$2b consecutively since August 2024. After the political shift on 05 August 2024, remittance inflow through formal channel surged significantly. With the latest figures, Bangladesh received US\$27.5b remittances in the first eleven months of the current fiscal year, up from US\$21.37b during the same period in the previous fiscal year. Remittance inflow reached US\$23.9b in FY2023-24, from US\$21.6b in FY2022-23.



Private investment to GDP hits five-year low

Private investment has slipped to a five-year low, falling to 22.48% of Gross Domestic Product (GDP) in FY2024-25 from 23.96% (Y-o-Y), according to the provisional figures from Bureau of Statistics (BBS) as of May 2025. This slowdown reflects a combination of eroding business confidence as well as macroeconomic and political stress. Moreover, a persistent gas shortage for industrial units and a steep spike in lending rates, now hovering at 16%-17%, coincides with this downturn. Against this backdrop, the goal of raising private investment to 27.35% of GDP by 2025, as outlined in the 8th Five Year Plan appears increasingly unfeasible. Key indicators that corroborate this slowdown are a liquidity-strapped banking sector, exchange rate volatility and sluggish credit growth. Private sector credit growth rate stood at 7.50% in April 2025, well below the 9% target set by the central bank while capital machinery imports dropped to 26.02% (Y-o-Y) in past nine months of FY2024-25. A slower private investment has broader economic implications as it undermines job creation, stalls capacity upgrades and diminishes national competitiveness at a time when it is preparing for Least Developed Country (LDC) graduation. The policy environment is further clouded by political instability and delays in reform, which continue to elevate risk premiums. The market is now likely to discount overly optimistic growth forecasts, especially if investor sentiment and Foreign Direct Investment (FDI) flows remain depressed.

Inflation eases in May

Inflation continued its downward trend for a sixth straight month in May but still remained above 9% for the past 27 months. According to the latest figures from the Bangladesh Bureau of Statistics (BBS), the point-to-point inflation decreased to 9.05% in May 2025 from 9.17% in the preceding month. Food inflation fell to 8.59% from 8.63% in the previous month of April. The rate of non-food inflation also decreased to 9.38% last month from 9.61% in the previous month. Meanwhile, rural inflation stood at 9.05% in May, down from 9.15% in April. In the urban areas, the rate of inflation last month was recorded at 9.50% from that of 9.59% in the previous month of April.

The week's data runs 29 May 2025 to 04 June 2025

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,976.97	5,911.69	1.10
FTSE 100	↑	8,850.63	8,772.38	0.89
Nikkei 225	↓	37,834.25	37,965.10	-0.34
SENSEX	↓	81,118.60	81,451.01	-0.41
KSE 100	↑	122,300.60	119,867.80	2.03

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	4,709.09	4,637.92	1.53
Total Turnover, Tk	↓	9,640.51	15,813.13	-39.03
Market Capital, Tk	↑	3,163,631,704,885	3,114,862,081,820	1.57
No of Issue Gain		229	68	
No of Issue Loss		104	303	
No of Unchanged Issues		61	24	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Aftab Automobiles L	25.50	29.30	14.90	35.81
Desh Garments	66.20	75.80	14.50	32.97
M.L. Dyeing	8.10	9.10	12.35	51.57
Sonali Ansh Ind.	139.60	156.20	11.89	54.61
Titas Gas	17.10	19.00	11.11	11.16
Sea Pearl Resort	44.50	49.30	10.79	222.83
Taufika Foods	80.30	88.70	10.46	423.24
Union Insurance	25.00	27.60	10.40	11.58
Emerald Oil	20.10	22.00	9.45	9.25
Asia Pacific Ins.	27.80	30.40	9.35	6.47

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Peoples Leasing	2.00	1.80	-10.00	1.39
Shurwid Industries	6.90	6.30	-8.70	1.23
Midland Bank	27.10	24.90	-8.12	208.06
Uttara Bank	20.30	21.10	3.94	146.47
Rupali Insurance	19.50	18.00	-7.69	7.25
Social Islami Bank	7.80	7.20	-7.69	9.12
Trust Bank	19.40	18.00	-7.22	10.61
Bay Leasing & Inv.	4.40	4.10	-6.82	1.88
Sonali Life Insurance	49.90	47.00	-5.81	1.21
First Finance	3.50	3.30	-5.71	0.60

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	416.51	410.38	1.49	1,950.21	2,685.61	-27.38
Cement	231.75	243.56	-4.85	107.20	135.59	-20.94
Ceramic	406.55	408.00	-0.36	203.74	618.58	-67.06
Engineering	3,111.32	3,048.16	2.07	690.06	1,515.98	-54.48
Food & Al.	3,184.67	3,121.19	2.03	1,297.92	1,609.72	-19.37
Fuel & Pow.	2,420.22	2,358.73	2.61	549.58	1,338.80	-58.95
Insurance	4,042.85	1,540.39	162.46	463.03	778.20	-40.50
IT	346.54	345.56	0.28	114.50	301.94	-62.08
Jute	1,219.34	1,103.74	10.47	56.22	38.32	46.70
Misc.	2,436.67	2,441.49	-0.20	391.38	516.89	-24.28
Mutual Fund	336.72	332.78	1.18	332.86	789.11	-57.82
NBFI	565.49	567.73	-0.40	132.70	296.73	-55.28
Paper	6,168.01	6,106.95	1.00	175.40	442.06	-60.32
Pharma	1,169.81	1,156.02	1.19	972.11	1,538.88	-36.83
Service	989.26	983.00	0.64	76.95	74.96	2.65
Tannery	697.10	689.07	1.17	57.49	144.88	-60.32
Telecom	3,517.73	3,294.34	6.78	117.93	211.35	-44.20
Textile	1,134.11	1,120.55	1.21	946.67	1,447.07	-34.58
Travel & Leis.	763.79	741.18	3.05	259.38	274.78	-5.61

Technical Talk

Dhaka stocks advanced ahead of ten-day holiday for Eid-ul-Azha, riding on selective large-cap issues. Among the major sectors, Fuel & Power increased by 2.61% followed by Engineering 2.07%, Food & Allied 2.03%, Bank 1.49% and Textile 1.21%.

DSE Broad Index (DSEX) stood at 4,709.09 points after increasing by 71.17 points or 1.53% from the previous week. Total turnover reached at Tk9640.51m, which was 39.03% lower than the previous week. Market capitalization increased by 1.57% and stood at Tk3163.63b (US\$25.93b) at the weekend against Tk3114.86b. DSE 30 increased by 32.74 points or 1.89% and closed at 1,762.37 points against 1,729.63 points. Last week's weighted average Market PE was 9.02 which was 8.83 in previous week.

Based on the weekly chart of index movement, which is used to track short-term trend, technical readings are as under:

Relative Strength Index (RSI) & Money Flow Index (MFI)

The RSI illustrates if the change of price movements is in overbought or oversold territory. MFI also depicts the same however, it incorporates trade volume along with the price change. Both weekly RSI and MFI stood at 22.12 and 18.34 decreasing from 22.43 and 25.17 respectively, indicating a downtrend.

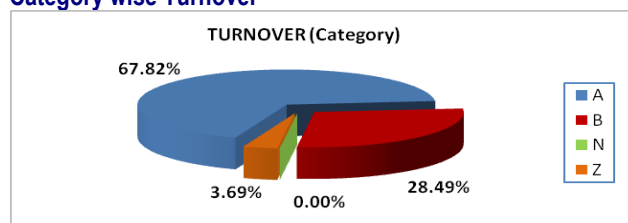
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Brac Bank	16,074,766	773.44	8.02
Taufika Foods	4,986,878	423.24	4.39
Fine Foods	1,406,613	315.41	3.27
Square Pharma	1,543,897	312.80	3.24
Sea Pearl Resort	4,625,925	222.83	2.31
BSC	2,464,137	216.27	2.24

Top 10 Market Capital

			In million
GP	386,456	BEXIMCO	103,850
Square Pharma	179,772	Brac Bank	97,555
BATBC	144,180	Berger Paint	80,340
Robi	125,710	Marico	74,340
WALTONHIL	120,990	United Power	69,679

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	3,452.60	3,313.10	4.21
Silver (USD/t oz.)	36.37	33.08	9.96
Brent Crude Oil (USD/bbl.)	74.56	62.69	18.93

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	122.00	122.00	122.00	122.00	0.00	0.00
EUR	145.18	145.18	142.61	142.61	1.80	1.80
GBP	170.48	170.48	169.16	169.16	0.78	0.78
AUD	79.57	79.57	78.86	78.86	0.90	0.90
JPY	0.86	0.86	0.86	0.86	0.00	0.00
CAD	90.26	90.26	89.24	89.24	1.14	1.14
SAR	32.69	32.69	32.68	32.68	0.03	0.03

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)
-	-	-	-

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