

## ACI forms bioscience subsidiary

STAR BUSINESS REPORT

Advanced Chemical Industries PLC (ACI) has approved the formation of a new subsidiary named "ACI Biosciences Limited" with an authorised capital of Tk 100 crore and a paid-up capital of Tk 25 crore.

ACI will hold a 90 percent stake in the newly proposed venture, which is subject to regulatory approval, the company said in a disclosure on the Dhaka Stock Exchange (DSE) website yesterday.

The decision was taken at the company's board meeting on July 28.

The move to expand into biosciences comes after ACI's losses in the third quarter of fiscal year 2024-25.

The company reported a consolidated loss of Tk 13.69 crore, compared to a profit of Tk 1.65 crore in the same period a year earlier.

As of June 30, 2025, sponsors and directors held 45.77 percent of ACI shares, while institutional investors owned 34.14 percent and the general public 20.09 percent, according to DSE data.

## Stocks extend losses

STAR BUSINESS REPORT

Stock indices in Bangladesh continued their downward trend for a third straight trading session yesterday, with market turnover also edging lower.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), lost 33.59 points, or 0.63 percent, to settle at 5,298, according to the day's market update by BRAC EPL Stock Brokerage.

The Shariah-compliant index, DSES, declined 0.95 percent to 1,147.

The DS30, comprising the blue-chip shares, dropped 0.85 percent to close at 2,044.

Turnover, a key gauge of investor participation, amounted to Tk 717.32 crore, down from Tk 865.04 crore in the previous day's session.

Block trades contributed 3.6 percent of the overall market turnover.

City Bank Limited emerged as the most traded stock, with a turnover of Tk 55.9 crore.

A total of 188,215 trades were executed, while block transactions amounted to Tk 26 crore across 31 scrips. Market participation was negative, with 82 stocks advancing, 250 declining, and 64 remaining unchanged.

Among A-category scrips, 51 made gains, 139 suffered losses, and 27 remained unchanged.

**Turnover amounted to Tk 717.32 crore, down from Tk 865.04 crore in the previous day's session**

In the B-category, 17 stocks rose and 53 fell, while there was no activity in the N-category.

Segment-wise, mutual funds posted mixed performance, with two advancing and 19 declining. In the bond market, one corporate bond gained, while one government bond declined.

Among individual performers,

Karnaphuli Insurance Company Ltd topped the gainers' list with an 8 percent rise, while Bay Leasing & Investment Ltd was the worst performer, dropping 8 percent.

All the sectors that account for large amounts in market capitalisation, which refers to the total value of a company's outstanding shares of stock, posted negative performances.

The telecommunication sector experienced the highest loss of 1.49 percent, followed by the fuel & power sector (1.33 percent), the engineering sector (1.31 percent), non-banking financial institutions (1.07 percent), the food & allied sector (0.82 percent), the banking sector (0.30 percent), and the pharmaceuticals sector (0.23 percent).

At the Chittagong Stock Exchange (CSE), the CSE All Share Price Index (CASPI) – the main index of the port city bourse – dropped by 65.47 points, or 0.44 percent, to close the day at 14,858.

## Gold regains some ground

REUTERS

Gold prices rose on Tuesday as initial euphoria over the US-EU trade truce ebbed, while investors looked forward to the upcoming Federal Reserve policy meeting for clarity on the US interest rate trajectory.

Spot gold was up 0.4 percent at \$3,327.30 per ounce, as of 0827 GMT. Bullion hit its lowest point since July 9 on Monday.

US gold futures gained 0.5 percent to \$3,325.40.

"We are seeing a reset of sentiments in the market after a couple of trade deals, but there are still some hurdles that must be overcome," said Ricardo Evangelista, senior analyst at brokerage firm ActivTrades.

If the US and China fail to ink an agreement and there is no extension of the deadline and then we could see a return of risk off and we could see the return of global economic uncertainty dominating the sentiment of investors."

The European Union and the United States announced a tariff deal on Sunday that will see most EU exports face a 15 percent tariff, nearly three months after Britain locked in a 10 percent baseline tariff rate.

## BB forms \$500m forex intervention fund

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In contrast, BB frequently sold dollars during the peak of the Covid-19 pandemic to stabilise the exchange rate.

Over FY22, FY23 and FY24, net foreign currency sales reached \$7.4 billion, \$13.4 billion and \$9.4 billion, respectively, reflecting increased intervention efforts to support the taka.

In three years, the total sales stood at \$30.2 billion. This approach, however, contributed to a decline in foreign exchange reserves, prompting the authorities to gradually allow the taka to depreciate.

In a further step towards exchange rate liberalisation, the central bank has repealed the

previous circular that imposed a Tk 1 spread limit.

This rule required authorised dealers (ADs) to maintain uniformity in their buy and sell rates across all transactions for a given business day.

Under the revised framework, ADs are now permitted to negotiate rates freely with both clients and other dealers.

The policy review recalls that Bangladesh maintained a fixed exchange rate from independence until May 30, 2003, with occasional adjustments to preserve export competitiveness.

A floating exchange rate was adopted on May 30, 2003, allowing market forces to determine the value of the taka.

To manage excessive volatility, BB has retained the option of intervening in the market by buying or selling dollars when deemed necessary.

Until April 2022, the exchange rate was largely stable at Tk 86.45 per US dollar, thanks to active intervention by the central bank.

But recognising that the overvalued taka was not sustainable, BB permitted gradual depreciation of 9.3 percent in FY22, 11.84 percent in FY23 and 10.14 percent in FY24.

To introduce greater flexibility, BB rolled out a crawling peg system on May 8 last year, pegged to a currency basket with a mid-rate aligned to the Real Effective Exchange

Rate (REER) index. The Crawling Peg Mid Rate (CPMR) was set at Tk 117 per dollar, with trading permitted around that benchmark.

Initially, on May 9 last year, BB allowed a trading band of Tk 1 above and below the CPMR.

This was widened to 2.5 percent on either side from August 19 last year to allow more efficient market functioning and ease the transition towards a market-led exchange rate.

On December 30 last year, the BB governor announced that the CPMR would be revised upwards to Tk 119 per dollar, effective from January 1 of this year. The 2.5 percent band remained unchanged.

The policy rate, or repo rate (repurchase rate), is the interest rate at which the central bank lends

money to commercial banks when there is a shortage of funds.

In simpler terms, it is the rate at which banks borrow money from the central bank for short-term needs, usually against government securities.

"The interest rate should be lowered, considering the current economic situation," said Anwarul Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries (BCI).

He cited concerns over the cost of borrowing, a deteriorating investment climate, and rising non-performing loans.

"Business people are now facing trouble because of high bad loans in the banking sector and

automatically, let's accept this argument for the sake of discussion."

"In that case, credit demand may rise, which could in turn stimulate investment."

"However, there's no guarantee that investment will actually increase, because the current investment stagnation is driven by uncertainty—something a policy rate cut cannot resolve," he said.

The expected benefits of a rate cut are unlikely to materialise as long as this uncertainty persists, he stated. "On the other hand, lowering the policy rate would increase credit demand, which could, in turn, create fresh inflationary pressure in the market."

## Is there room to cut policy rate from 10%?

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The International Monetary Fund (IMF), which approved a \$4.7 billion loan package for Bangladesh, has recommended keeping the policy rate unchanged until at least mid-FY26 to prevent inflation from rebounding. It has also urged the central bank to move towards market-based monetary tools and interest rate flexibility.

However, some stakeholders, especially businesspeople, have criticised the central bank's tight monetary stance, arguing that the high interest rate is constraining investment.

On December 30 last year, the BB governor announced that the CPMR would be revised upwards to Tk 119 per dollar, effective from January 1 of this year. The 2.5 percent band remained unchanged.

The policy rate, or repo rate (repurchase rate), is the interest rate at which the central bank lends

the overall investment environment," he pointed out.

These issues should be considered when formulating the monetary policy, he added.

However, Zahid Hussain, former lead economist of the World Bank Dhaka office, said there is currently no scope to increase the policy rate.

"The issue now is whether to cut it immediately or wait. If we consider cutting it now, we need to assess the potential benefits versus the risks," he stated.

He went on to explain, "Let's assume a reduction in the policy rate would lead to a decrease in retail interest rates. Even if not

## Overregulation

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"It should take no more than half an hour to exit an airport. If it still happens, someone must be held accountable."

Similarly, containers at the Chattogram port must be cleared with minimal turnaround time. These steps will build global confidence in Bangladesh's economy," he said.

The BNP leader also noted that investors abroad of Bangladeshi origin are showing strong interest in investing in their home country.

In a commodity derivatives market, participants can trade contracts based on the future prices of goods such as agricultural products, metals, and energy, said CSE

Chairman AKM Habibur Rahman.

Chairing the workshop, Rahman presented a framework outlining how such a market could function smoothly, ensuring transparency, risk management, and efficiency.

The launch of a commodity derivatives market would deepen the country's capital market by creating new investment avenues and attracting both local and foreign investors, he said.

CSE shareholder directors Akhtar Parvez and Major (retd) Emdad, CSE Managing Director M Shafir Rahman Mazumdar, and international commodity market expert Kathir Kamanathan Annamalai also spoke at the event.

## Exporters

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Another local billionaire in the Bangladesh delegation who is involved in commodity trade will also look into ways more US soybean could be imported to help reduce the trade deficit with the US.

Officials from the United States Soybean Export Council (USSEC) will also hold meetings with the Bangladeshi delegation, which includes the business representatives.

Moreover, a group of private sector negotiation initiators, mainly garment exporters focused on the US, is staying in the US to encourage their buyers to persuade Trump to reduce the tariff rate.

The Bangladesh delegation left the country on Monday to join the third and final round of negotiations with the Trump administration in the hope of reaching consensus on a much lower tariff rate on exports to the American market.

The third round of negotiations is scheduled to begin on July 29 and continue up to July 31, as Trump's new reciprocal tariff rate will come into effect from August 1 for the countries concerned.

## Export data gap

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Hossain said BB includes exports under merchandising, which means a trader purchasing goods from one country and selling them to a buyer in another country, and goods procured in ports by carriers, such as fuels and supplies, in the export calculation.

Besides, he said there is a time lag between shipment and actual export proceeds realisation.

Additionally, Hossain said in the absence of any code for samples sent by

## CREDIT RATING REPORT

ONE Bank PLC

...We Make Things Happen

Corporate HQ

2/F HRC Bhaban, 46 Kawran Bazar C.A., Dhaka-1215

ONE Bank PLC has been rated by the Emerging Credit Rating Limited (ECRL) on the basis of Financial Statements for the year ended 31 December 2024. The summary of the rating is presented below:

Valid From	Valid Till	Long Term Rating	Short Term Rating	Outlook
March 10, 2025	March 9, 2026	AA	ST-2	Developing
March 10, 2024	March 9, 2025	AA	ST-2	Stable
March 10, 2023	March 9, 2024	AA	ST-2	Stable

John Sarkar  
DMD & Company Secretary

## Government of the People's Republic of Bangladesh

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## e-Tender Notice

An e-Tender has been invited for the following work through e-GP Portal, which will be visible from Today. Registered person/organization on e-GP Portal can visit (<http://www.eprocure.gov.bd>).

Tender ID No.	Name of work	Last selling date & time	Closing date & time	Opening date & time
88/e-GP/OTM/RHD/E/DRD/2024-2025 (Re-Tender 02) Tender ID No. 1133370	Supplying of Spare Parts of Excavator & other heavy equipment under Road Division, Dinajpur during the year 2024-2025.	06/08/2025 17.00	07/08/2025 13.30	07/08/2025 025

Reference No. 35.01.2764.413.07.003.25-1689

Date: 28/05/2025

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