Dhaka stocks rally as DSEX hits 9-month high

STAR BUSINESS REPORT

The Dhaka bourse ended the week on a strong note, with the benchmark DSEX surging to a nine-month high yesterday, driven by gains in blue-chip stocks and improved investor confidence.

The index gained 91.21 points, or 1.70 percent, yesterday, to settle at 5,443.41, the highest in nine months.

Previously, the DSEX logged its highest level on October 9 last year, when it closed at 5,422.06.

The other indices also had a positive performance before the end of the day's trading. The Shariah-compliant DSES went up 1.40 percent to 2,114.35.

The DS30, comprising the blue-chip shares, gained 2.37 percent to close at 2,044.13. Turnover, a key gauge of investor participation, was Tk 1,063.39 crore, up from Tk 743.16 crore the previous session.

A total of 235,393 trades were executed, while block transactions amounted to Tk 30.76 crore across 36 scrips.

Market breadth was mixed, with 150 stocks advancing, 167 declining, and 77 remaining unchanged.

Among A-category scrips, 101 gained, 82 lost, and 34 remained unchanged. The B-category saw 21 stocks rise and 47 fall, while there was no activity in the N-category.

Segment-wise performance was mixed. In mutual funds, 11 issues advanced and 6 declined.

Corporate bonds saw just one issue decline, while the government bond market saw one issue decline as well.

Among individual performers, Trust Bank topped the gainers' list with a 9 percent rise, while Midland Bank was the worst performer, dropping 9 percent.

Renata launches hormone disorder drug in Europe

STAR BUSINESS REPORT

Renata PLC, one of Bangladesh's leading pharmaceutical companies, has launched Cabergoline 0.5mg tablets in France and the Nordic countries, two key markets in Europe.

Renata's factory, which holds the European Union's Good Manufacturing Practice (GMP) compliance certificate, manufactures the dopamine receptor agonist that treats hyperprolactinemic disorders by reducing high prolactin levels.

It is also prescribed for Parkinson's disease, the Bangladeshi drug manufacturer said in a press release yesterday. Hyperprolactinemic disorders involve abnormally high levels of the prolactin hormone, often causing menstrual issues, infertility, and other medical complications.

This marks Renata's entry into the French and Nordic healthcare markets, following its earlier launch of the same product in the UK, a highly regulated and strategic market for the company.

In Bangladesh, the medicine is marketed under the brand name Cabolin.

The simultaneous launch in France and the Nordics reflects Renata's ambition to grow as a global pharmaceutical manufacturer and reinforces its commitment to expanding access to specialised medications in international markets.

Rupee slumps on Trump tariff jolt

REUTERS, Mumbai

The Indian rupee fell to an over five-month low on Thursday, hurt by US President Donald Trump's threat of a 25 percent tariff on the Asian country's exports, and the central bank likely stepped in to arrest its fall, traders said.

The rupee slipped to 87.74 per US dollar before paring losses to quote at 87.56 as of 11:30 a.m. IST, down 0.2 percent on the day.

The currency, within touching distance of its all-time low of 87.95 hit in February, is down 2 percent so far this year, making it one of the worst Asian performers.

ANZ said the uncertainty on trade is likely to keep the rupee under pressure and the Reserve Bank of India will likely step in to contain volatility, "if not aggressively defend a level for long."

Talal Al Gergawi appointed Emirates country manager

STAR BUSINESS DESK

Talal Al Gergawi has been appointed as the country manager for Bangladesh at Emirates, effective August 1, 2025.

Talal Al Gergawi

In his new role, Talal will oversee the airline's operations in Bangladesh, spearhead commercial growth, and further strengthen Emirates' market presence in the country.

He succeeds Jaber Mohamed, who has been appointed as manager for Sri Lanka and the Maldives, according to a press release.

This leadership transition forms part of Emirates' ongoing global management rotation strategy, aimed at advancing its commercial objectives across the West Asia and Indian Ocean (WAIO) region. Talal will report to Essa Sulaiman Ahmad, senior vice-president of commercial operations for WAIO.

Bangladesh remains a key market for Emirates, which is set to mark 39 years of operations in the country. Talal's extensive experience across various Emirates outstations is expected to enhance operational efficiency and expand both online and offline sales channels.

Private credit growth

But Bangladesh Bank Governor Ahsan H Mansur said if Bangladesh cannot ensure macroeconomic stability, then growth must be forgotten.

"There is no country in the world that achieves good growth without macro stability. So, macro stability is a precondition for stable growth," he said.

The central bank governor said political stability plays a major role in achieving good GDP growth, and in the current context of Bangladesh, there is indeed uncertainty.

"There is no way to deny that. And this cannot be covered by monetary policy," said Mansur.

According to the monetary policy statement, the public sector credit growth target was set at 20.4 percent for the six months till December this year.

In December last year, public sector credit growth hit 18.1 percent, owing to the government's low credit demand, as it has been selectively spending on priority projects as part of austerity measures.

Moreover, the government's budgetary target to borrow a total of Tk 104,000 crore from the banking system has also been duly considered in projecting the public sector credit growth limit, it added.

Md Ezazul Islam, executive director of the Monetary Policy Department of the central bank, presented a paper on the macroeconomic overview, outlook, and challenges for the first half of the fiscal year 2025-26 at the press conference.

He highlighted that the economy's major challenges include the persistence of high inflation, exchange rate pressure, tight liquidity in the banking sector, elevated non-performing loans, and the need to restore good governance in banks and non-bank financial institutions.

He also mentioned the prolonged Russia-Ukraine war, escalating geopolitics and geo-economics, conflict in the Middle East, and Trump's tariff hikes as other challenges.

The four deputy governors and other high officials of the central bank were present at the press conference.

While discussing sustainable growth, the BB governor said, "If we want sustainable growth, then we must ensure a comfortable position in our balance of payments."

"We also need to be in three specialised task forces, including the Banking Sector Reforms Task Force (BSR-TF), it said.

The BSR-TF is leading efforts to strengthen the regulatory framework, improve asset quality, and establish a structured mechanism for effective bank resolution, it added.

Regarding reforms in the banking sector and bank merger initiatives, the central bank governor said there is no issue of depositors not getting their money back.

"Depositors are completely safe. They will get back every single taka they have deposited. The current situation of those banks will significantly improve," said Mansur.

"This is because a substantial amount of capital will be injected into them. At the same time, this is not a superficial remedy — it is more like a major surgical operation," he said.

Through this process, the capital base of the banks will be strengthened and their governance will be improved, he added.

The monetary policy statement said the surge in non-performing loans (NPLs) has led to growing concerns for the banking sector.

"This sharp increase in NPLs is primarily attributed to the implementation of stricter loan classification guidelines, which took effect on 30 September 2024," it said.

FINANCIAL SECTOR REFORMS

The MPS said banking sector reform has become a top priority under the current interim government.

To steer these reforms, the BB has constituted

"Moreover, the introduction of comprehensive loan classification and provisioning guidelines aligned with international best practices came into force on 1 April 2025," it added.

BB to intervene

to contain inflation and anchor market expectations without reverting to a fixed exchange rate system, it added.

The BB also acknowledged that greater exchange rate flexibility was necessary to offset the impact of declining export demand amid rising global trade tariffs.

To ensure transparency, the central bank publishes a reference exchange rate twice daily, which acts as a benchmark for market price discovery.

Its continued commitment to a flexible exchange rate regime is aimed at ensuring exchange rate stability and rebuilding reserves to better withstand external shocks, the statement added.

4 crore people face multidimensional poverty

The index offers a broader view of deprivation by assessing three key dimensions: education, health, and living standards.

A person is considered multidimensionally poor if they are deprived in at least one-third of the weighted indicators.

Living standards are measured through gauges such as access to electricity, sanitation, drinking water, housing, cooking fuel, assets, and internet.

Education includes school attendance and years of schooling, while health is assessed through nutrition and reproductive health.

The new data show that while multidimensional poverty still affects a large portion of the population, the number of people experiencing hunger and other forms of deprivation declined by around 2.5 crore—from 6.5 crore in 2012-13 to 4 crore in 2019.

GED Member Monzur Hossain said that the findings are still relevant for policymaking, even though they are based on data from 2019.

"It shows that the multidimensional poverty rate was higher than income poverty. So, it can be assumed that the multidimensional poverty rate is expected to be higher than the income poverty estimated in 2022," he said.

"It has policy relevance. There is a district-wise variation between income and multidimensional poverty levels. Targeted policies and interventions can be taken in districts where the multidimensional poverty rate is high," Hossain added.

Hossain, a former research director at the Bangladesh Institute of Development Studies (BIDS), said public investments and social protection programmes could be tailored using MPI data.

In a written statement, Professor Wahiduddin Mahmud, adviser to the Ministry of Planning, said, "MPI as a multidimensional approach can better guide the design of impactful development programs and services."

He described the index as an "innovative tool" to pinpoint disadvantaged groups and regions in the drive to eradicate poverty and meet the Sustainable Development Goals (SDGs).

A breakdown of the 2019 data by age shows that children are particularly vulnerable. Around 29 percent of those under 18 live in multidimensional poverty, compared to 21 percent of adults.

Still, the situation has improved significantly for children. In 2012-13, half of all children under 18 were multidimensionally poor. By 2019, this had fallen to 29 percent, lifting roughly 1.3 crore children out of deprivation.

The report attributes this progress to improvements in electricity coverage, housing, asset ownership, and sanitation—outcomes it links to targeted efforts across social services and infrastructure.

Urban areas fare better than their rural counterparts. Just 13 percent of the urban population is considered multidimensionally poor, compared to 27 percent in rural areas.

Poverty rates also vary sharply by division. In Khulna, 15 percent of the population is multidimensionally poor, while the rate stands at 38 percent in Sylhet.

The disparity is even sharper at the district level, as only 9 percent of people in Jhenaidah fall under this category, while in Bandarban, it rises to 65 percent.

A highly visible form of deprivation is poor housing. Roughly 21 percent of the population does not have improved floors, roofs, or walls and is counted as multidimensionally poor due to inadequate shelter.

Among the weighted indicators, child school attendance contributes the most to the national MPI, followed by years of schooling, nutrition, and housing.

Three indicators—housing, internet access, and sanitation—show high levels of deprivation nationwide. In each category, more than 20 percent of people are poor by MPI standards.
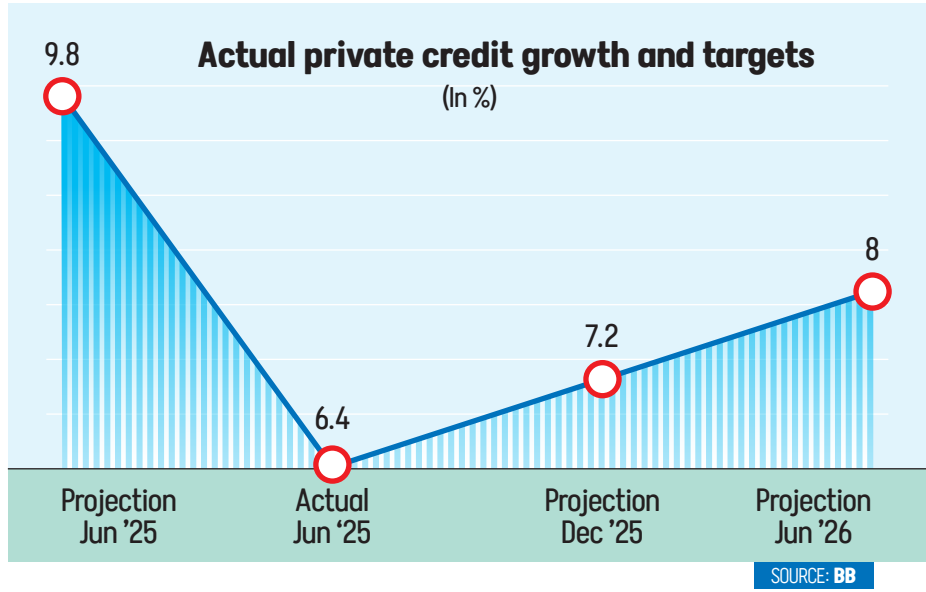
The report suggests that, alongside educational investments, government efforts should focus on improving access to housing, sanitation, and connectivity to reduce multiple forms of deprivation affecting millions.

It calls for geographical targeting, urging immediate government support in districts with the highest MPI rates.

In Bandarban, for instance, 65 percent of residents are classified as MPI poor. This stands at 47 percent in both Cox's Bazar and Sunamganj.

The report also recommends identifying and prioritising sectors that demand urgent attention. Addressing educational deprivation, especially school attendance and years of schooling, is key to reducing multidimensional poverty nationwide.

GED collaborated with the Bangladesh Bureau of Statistics (BBS), Unicef Bangladesh, and the Oxford Poverty and Human Development Initiative (OPHI) for the MPI publication.

Actual private credit growth and targets (In %)

- Projection Jun '25: 9.8
- Actual Jun '25: 6.4
- Projection Dec '25: 7.2
- Projection Jun '26: 8

SOURCE: BB

Dhaka eyes

Bangladeshi private sector importers also played a key role in shaping the outcome, especially those shipping in American wheat, soybean, liquefied petroleum gas (LPG) and cotton. Their coordination with US suppliers helped pave the way for the likely tariff cut.

Throughout the talks, the USTR urged Bangladesh to reduce its reliance on Chinese industrial inputs, such as fabrics, yarn, accessories, chemicals and machinery, according to the same official.

To minimise the trade gap, which currently favours Bangladesh, Dhaka has agreed to import large volumes of soybean seeds, cotton, wheat and LPG from the United States.

"The American private sector, especially exporters of soybeans, cotton and LPG, has shown strong interest in expanding shipments to Bangladesh and have lobbied their government to clinch this deal," the official said.

He added that Bangladesh could soon import these goods worth over $2 billion, provided the government offers policy and logistical support to increase imports from the US.

On the likely tariff outcome, the official said Bangladesh may get a rate much lower than India's, which currently stands at 25 percent "plus an unspecified penalty".

"Bangladesh's position is very strong in this negotiation. The American suppliers of wheat, cotton, LPG and soy seed also pushed the Trump administration for a lower tariff for Bangladesh," he said.

Trump's pause of what he called "reciprocal" tariffs, announced on April 2, expires on August 1. Once it ends, higher tariffs could come back into play, according to CNBC.

So far, the US has signed only 8 agreements in the past 120 days, including one with the 27-member European Union, according to CNBC.

Tariffs already imposed by Washington include 20 percent on Vietnam, 19 percent on Indonesia and the Philippines, 10 percent on the UK, 25 percent on India, and 15 percent on Japan, the EU and South Korea.

Banks to come

"It will support proactive risk management, adequate supervision, and increased confidence among investors and depositors, while reducing the likelihood of financial shocks."

The BB said it is also developing an emergency liquidity assistance framework to address the issue of liquidity shortfalls due to unexpected and substantial deposit withdrawals.

"This framework, currently under review, will outline the application process, interest rate, collateral requirements, duration, maximum limit, approval mechanisms, and execution procedures for providing liquidity support to banks facing such challenges."

Global gold demand up 3% in Q2

REUTERS, London

Global gold demand including over-the-counter (OTC) trading rose by 3 percent year-on-year to 1,248.8 metric tons in the second quarter of 2025 as investment jumped 78 percent, the World Gold Council said on Thursday.

Spot gold prices are up 26 percent so far this year after hitting a record $3,500 per troy ounce in April as uncertain global trade policy and geopolitical turbulence fuelled inflows into safe-haven assets.

Demand for gold bars rose 21 percent in the second quarter, offsetting a continuing slump in demand for coins, said the WGC, an industry body whose members are global gold miners.

Physically backed gold exchange-traded funds recorded their largest semi-annual inflow since the first half of 2020 from January to June, the WGC said earlier in July.