DHAKA TUESDAY SEPTEMBER 2, 2025, BHADRA 18, 1432 BS ● starbusiness@thedailystar.net

Star BUSINESS

BB buys nearly $1b from market as dollar falls

MD MEHEDI HASAN

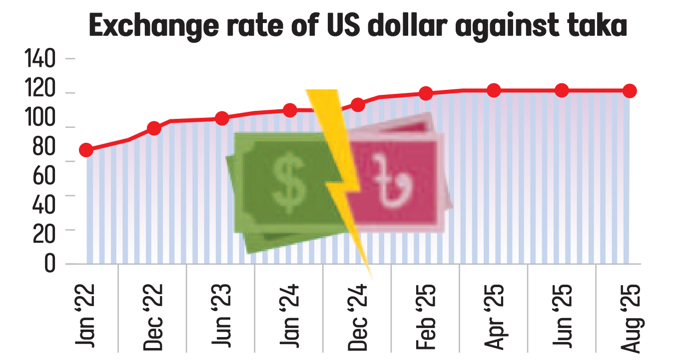
The Bangladesh Bank (BB) has purchased around $1 billion in just one and a half months as the dollar weakened against taka amid steady inflows and subdued import demand.

Between 13 July and August, the central bank bought $948 million from commercial banks through seven auctions, reversing its earlier approach of selling dollars to contain the rapid depreciation of local currency taka and support state agencies in paying import bills.

Over the past three years until fiscal year 2024-25, the BB sold more than $25 billion from its foreign exchange reserves, largely to cover import bills for fuel, fertiliser and food.

KEY POINTS

- BB buys USD to maintain band
- Dollar purchase boosts reserves
- Forex reserves rose to $**26.16**b on Aug 28 (BPM**6**)
- USD trades at Tk **121** to Tk **122**



SOURCE: BANGLADESH BANK

According to economists, a weaker dollar could hurt remittances and exports, and the recent purchases by the BB are intended to maintain a steady supply of the greenback.

After the fall of the Awami League-led government in August last year in a mass uprising, the BB suspended dollar support for government imports amid low foreign currency reserves.

Subsequently, a larger-than-usual inflow of remittances and improved export earnings provided the interim government with some much-needed relief.

In March this year, as foreign exchange reserves began to rebound and the decline of taka slowed, the central bank began to purchase dollars.

A senior BB official said the dollar purchase is to stabilise the forex market, since sharp upward or downward movements are not good for the market.

Earlier, in May, the BB adopted a floating exchange rate regime to meet conditions tied to a $5.5 billion International Monetary Fund (IMF) loan programme, a year after introducing a crawling peg system under which the exchange rate moved within a band.

Central bank officials said that despite the market-based exchange rate, they would intervene if the rate rose above Tk 123 per dollar or fell below Tk 121, maintaining the exchange rate band.

Yesterday, the dollar traded at Tk 121.72, according to central bank data.

The purchases are also part of a plan to rebuild foreign exchange reserves, which had fallen below $20 billion, raising concerns about the country's ability to pay for imports, according to officials.

Reserves began to recover this calendar year thanks to higher remittances, export earnings and a slow import growth. It reached $26.19 billion by August 28, according to the IMF's calculation method.

At the same time last year, reserves stood at $20.59 billion, BB data show.

Areif Hussain Khan, executive director and spokesperson for the BB, said the central bank intervenes to prevent excessive market volatility.

"We want to keep the forex market stable because neither a big rise nor a steep fall is a good indicator. If the dollar weakens too much, exporters and remitters feel discouraged and suffer losses," said Khan.

Ashikur Rahman, principal economist at the Policy Research Institute, said low investment and reduced imports of capital machinery have lowered demand for dollars.

READ MORE ON B3

Bangladesh enters 5G era with limited rollout

MAHMUDUL HASAN

Bangladesh has finally entered the 5G era, as the country's top two mobile operators yesterday announced the limited launch of the technology, aiming to provide ultra-fast internet, low latency, improved connectivity, and support for smart services and digital innovation.

Unlike previous generations, 5G, or the fifth generation of global wireless technology, can handle far more devices simultaneously, making it crucial for the Internet of Things (IoT), smart cities, autonomous vehicles, and advanced healthcare applications.

Robi Axiata, the country's second-largest operator, became the first to launch the service in seven areas across Dhaka, Chattogram, and Sylhet yesterday afternoon.

The areas include Fakirapul (Paltan), parts of Dhaka University, Moghbazar Chowrasta, Khulshi in Chattogram, and Sagor Dighir Par.

Grameenphone (GP), the country's largest telecom operator, followed suit within less than two hours. In a surprise move, the company's CEO Yasir Azman announced the launch of its 5G service in all divisional cities in a post on GP's Facebook page.

Although GP claimed coverage in all divisional cities, users in Kawran Bazar, Dhaka, reported not receiving a 5G connection.

Company officials said the rollout is initially limited to certain areas and will gradually expand.

Robi has not disclosed the number of towers initially connected, but Shahed Alam, chief corporate and regulatory affairs officer, said the operator aims to connect 200 towers by November 2025.

Bangladesh's mobile journey began with 2G in the mid-1990s, when Grameenphone and Robi introduced GSM services, making voice calls and SMS widely accessible.

READ MORE ON B3

Remittance rises 9% in August

STAR BUSINESS REPORT

Remittance inflow to Bangladesh grew 9 percent year-on-year in August, the second month of the current fiscal year.

Expatriates sent home $2.42 billion during the month, up from $2.22 billion in the same period a year earlier, according to the latest Bangladesh Bank data.

The increase has been attributed to a narrowing gap between official and informal exchange rates, a crackdown on money laundering, and a renewed sense of patriotism among expatriates following last year's political changeover, industry insiders said.

However, August's inflow was 2.22 percent lower than the previous month. In July, Bangladesh received $2.47 billion in remittances.

Growth in August was also weaker compared to recent months: 30 percent in July, 11 percent in June, 32 percent in May, and 34.6 percent in April, the data showed.

Areif Hossain Khan, executive director and spokesperson of the central bank, said the latest figure reflects sustainable growth.

"If we want higher growth in remittance earnings, then we will have to increase manpower exports," he added.

Between July and August of this fiscal year, Bangladesh received $4.9 billion in remittances, up 18.4 percent from $4.13 billion in the same period last year.

In fiscal year 2024-25, remittance flow crossed $30 billion for the first time and rose by a record $6.4 billion. Before this, Bangladesh received the highest volume of remittance at $24.8 billion in fiscal year 2020-21.

Have missing containers shaken Ctg port's credibility?

ANALYSIS

MOHAMMAD SUMAN, *Ctg*

Chattogram port, Bangladesh's busiest maritime gateway, plays a central role in the country's trade, handling nearly 95 percent of imports and exports. Its smooth operation is critical not only for the $100 billion maritime trade it facilitates annually but also for the broader competitiveness of Bangladesh's economy as it prepares to graduate from Least Developed Country status.

In recent months, however, three goods-laden containers have reportedly gone unaccounted for within the port's secured premises, prompting concern among traders, logistics operators and analysts.

While the port authority maintains that the missing containers are likely still on site, the incidents have highlighted the operational and oversight challenges that accompany the rapid growth of Bangladesh's trade volumes.

Of the missing containers, two, containing 51 tonnes of fabric, had already been auctioned by customs in February after importers failed to clear them. The third one, a 40-foot container, was found missing in April. In each case, the goods had entered the port and passed into official custody. In each case, they could not be traced.

"I had personally inspected the goods before winning the auction but was told by port officials on February 25 that the containers could not be found," Mohammad Selim Reza, buyer of one of the containers, said.

The container that went missing in April was declared to hold 25 tonnes of fabric.

The container, which arrived at the port on December 29 last year aboard MV Maersk Songkhla from Ningbo Port, was stored at the New Mooring Container Terminal (NCT). It was declared under the Import General Manifest (IGM) by shipping agent CMX (Pvt) Ltd, listing Seasons Dresses Ltd of Tongi, Gazipur as the importer.

However, Md Bahauddin Chowdhury, managing director of Seasons Dresses Ltd, denied any knowledge of the shipment. "My company has been shut down for 11 months."

The port authority maintains that the containers are likely still inside the premises. But with six months having passed since the first disappearance, importers and analysts see the incidents as evidence of weaknesses in Bangladesh's most critical trade hub.

This is not without precedent. In 2018, customs authorities reported that 295 consignments had gone missing from Chattogram's restricted area. They were supposed to be auctioned after importers failed to claim them. A high-level probe committee was formed, but no clear explanation was ever made public.

The recurrence has revived long-standing questions about how such losses can happen in a system designed to leave little room for irregularities.

HOW THE SYSTEM WORKS

Normally, before cargo arrives, shipping agents must file an Import General Manifest with the revenue authority. Clearing and forwarding (C&F) agents then lodge a Bill of Entry, which contains the relevant banking details and a full description of the goods on the server.

They also submit all related documents to customs officials in person, initiating the assessment process of the goods. After all the duties are paid and the paperwork is submitted, the importer becomes eligible to take delivery.

READ MORE ON B3

Wahiduddin Mahmud

'Universal social protection more urgent than ever'

STAR BUSINESS REPORT

The urgency to establish a universal social protection system has never been greater for Bangladesh, Planning Adviser Wahiduddin Mahmud said yesterday, as the country moves towards upper-middle-income status.

The country must secure minimum protections for all citizens before its planned graduation from least developed country (LDC) status next year, he said at the National Conference on Social Protection 2025 at the Bangladesh-China Friendship Conference Centre in Dhaka.

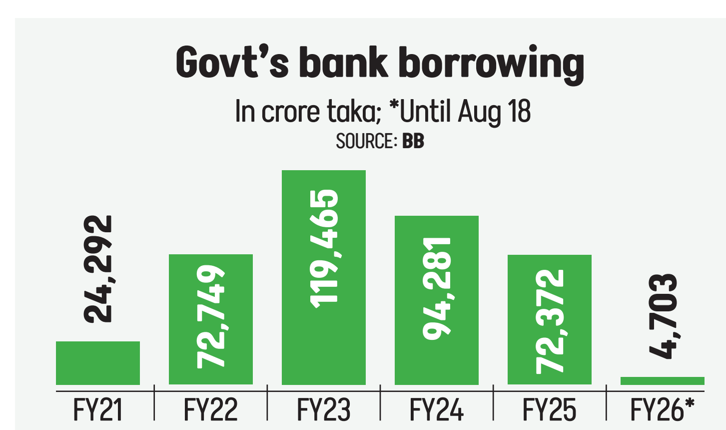
The Cabinet Division and General Economics Division, in association with Australian Aid and the UNDP, organised the event.

"As a student of economics, I firmly believe that no country, no matter how poor, can be so destitute that it cannot provide its people with at least the essentials for survival.

"Bangladesh is no longer at that stage. It is set to graduate from the LDC category and gain lower-middle-income status. There is now no excuse not to establish universal social protection for all," he said.

READ MORE ON B3

Govt's bank borrowing falls amid weak ADP spending



MD MEHEDI HASAN

Government borrowing from banks has slowed in the first weeks of the current fiscal year thanks to sluggish development spending curbing the appetite for funds.

From July to August 18 of the current fiscal year, the government took out Tk 4,703 crore from the banking system, a 77 percent drop compared with the same period a year earlier, according to the latest Bangladesh Bank data.

In the corresponding period last year, borrowing stood at Tk 20,180 crore.

In the first seven weeks of the current fiscal year, the government took Tk 6,495 crore from the Bangladesh Bank, mainly through ways and means advances. This allows the government to secure short-term loans from the central bank to manage temporary cash flow mismatches between its receipts and payments.

During the period, the government repaid Tk 1,792 crore to scheduled banks.

The national budget for the current fiscal year set a target of Tk 104,000 crore for government borrowing from the banking sector.

According to central bank data, government bank borrowing amounted to Tk 72,372 crore in the fiscal year 2024-25, down from Tk 94,282 crore in FY 2023-24.

"Development project implementations are progressing very slowly, mainly because the interim government is being extremely cautious, thoroughly reviewing projects to assess their

READ MORE ON B3

Gold trades near record highs

REUTERS

Gold hit a more than four-month high on Monday to trade around $30 shy of all-time highs, buoyed by US Federal Reserve rate cut bets and a softer dollar, while silver breached $40 per ounce for the first time since 2011.

Spot gold was up 0.7 percent at $3,469.84 per ounce by 1049 GMT, its highest since April 22 when it touched a record high of $3,500.05. US gold futures for December delivery gained 0.8 percent to $3,542.80.

The US dollar was trading near its lowest since July 28 against rivals, making greenback-priced bullion cheaper for overseas buyers.

"Gold, and especially silver, extended Friday's strong gains, supported by sticky US inflation, weakening consumer sentiment, (expected) rate cuts ... and concerns over Fed independence," Saxo Bank's head of commodity strategy, Ole Hansen, said.

The US personal consumption expenditures price index rose 0.2 percent month-on-month and 2.6 percent year-on-year, in line with expectations, data showed on Friday.

"Silver is making a move higher in response to expectations of lower rates, while a tight supply market is helping to maintain an upward bias," KCM Trade's chief market analyst, Tim Waterer, said.

Le Méridien offers benefits to EBL clients

Constantinos S Gavriel, general manager of Le Méridien Dhaka, and M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, pose for photographs after signing the agreement in Dhaka recently. PHOTO: EASTERN BANK

STAR BUSINESS DESK

Le Méridien Dhaka, an international five-star hotel chain, has recently signed an agreement with Eastern Bank PLC (EBL).

M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, and Constantinos S Gavriel, general manager of Le Méridien Dhaka, signed the agreement in the capital, according to a press release.

Under the agreement, EBL Priority clients will be entitled to exclusive privileges from Le Méridien Dhaka.

Sarmin Atik, head of liability and wealth management of the bank; Tanzeri Hoque, head of priority and women banking; Farzana Qader, head of retail alliance; and Zubair Faroque Chowdhury, director of sales and marketing, the international hotel chain; and Taslim Nayla Adita, assistant manager of marketing and communication; along with other senior officials, were also present.

Kamal Uddin Jasim appointed AMD of Islami Bank

STAR BUSINESS DESK

M Kamal Uddin Jasim

M Kamal Uddin Jasim has been appointed additional managing director (AMD) of Islami Bank Bangladesh PLC.

Prior to this appointment, Jasim was serving as the bank's chief human resources officer, CAMLCO, head of operations and development wings, and concurrently as a deputy managing director.

He joined Islami Bank as a probationary officer in 1992 and has since worked in various capacities, according to a press release.

Before entering the banking sector, he worked in journalism, contributing to newspapers such as The Bangladesh Observer and Dainik Ajker Kagoj.

Jasim is the treasurer of the Dhaka University Alumni Association and the elected vice-president of the DU Mass Communication and Journalism Alumni Association. He is also a member of the Asiatic Society of Bangladesh and the Bangladesh Economic Association.

He earned both his bachelor's and master's degrees in mass communication and journalism from the University of Dhaka, and later obtained a PhD from IBS at the University of Rajshahi.

Pubali Bank donates Tk 40 lakh to Dhaka National Medical Institute Hospital

Prof Brig Gen (retd) Iffat Ara, director of Dhaka National Medical Institute Hospital, receives a Tk 40 lakh donation cheque from Mohammad Ali, managing director and CEO of Pubali Bank PLC, at a function in Dhaka recently. PHOTO: PUBALI BANK

STAR BUSINESS DESK

Pubali Bank PLC has donated Tk 40 lakh to Dhaka National Medical Institute Hospital as part of its corporate social responsibility (CSR).

Mohammad Ali, managing director and CEO of Pubali Bank PLC, handed over the cheque to Prof Brig Gen (retd) Iffat Ara, director of Dhaka National Medical Institute Hospital, at a function in the capital recently, according to a press release.

Commenting on the initiative, Ali said, "Pubali Bank does business not only to earn profit but also with a strong sense of social responsibility. In this context, this financial grant has been provided to Dhaka National Medical Institute Hospital."

Md Shahnewaz Khan, deputy managing director of the bank, and Rezaul Haque Rony, deputy director of the hospital, along with other senior officials from both organisations, were also present.

Guardian Life launches redesigned mobile app

STAR BUSINESS DESK

Guardian Life Insurance Limited has unveiled a newly redesigned mobile application, Guardian Life, redefining the way people engage with insurance.

The app, now available on both Android and iOS platforms, combines functionality with intuitive design, offering a seamless and modern user experience, according to a press release.

Following months of research, design innovation and technological development, the insurer has created a platform that is both smart and accessible to a wide spectrum of users.

Catering to long-standing policyholders as well as first-time explorers, the app provides a comprehensive one-stop solution.

Commenting on the launch, Sheikh Rakibul Karim, additional managing director and acting chief executive officer of Guardian Life Insurance Limited, said: "We have been working tirelessly to enhance the digital experience across all platforms."

Dhaka Bank launches co-branded Mastercard World Credit Card

STAR BUSINESS DESK

Dhaka Bank PLC, in partnership with Mastercard, recently unveiled a co-branded credit card for members of Gulshan Youth Club Limited (GYC) at a ceremony held at Radisson Blu Water Garden Hotel in the capital.

Designed to complement both professional and personal lifestyles, the new card combines premium financial services with a wide range of privileges across travel, dining, lifestyle, and more.

AKM Shahnawaj, managing director (current charge) of Dhaka Bank PLC, inaugurated the card as chief guest, according to a press release.

Commenting on the launch, Shahnawaj said, "We are pleased to collaborate with GYC and Mastercard in introducing this co-branded card. It reflects our commitment to providing personalised financial solutions while enhancing the lifestyles of our valued clients, both locally and internationally."

The card offers a seamless banking experience with lifestyle benefits, including annual fee waivers for the first three years and continued renewal fee waivers upon meeting transaction thresholds.

Dual currency and contactless features enable global convenience, while exclusive privileges include unlimited lounge access at HSIA Balaka Lounge in Dhaka, complimentary international airport lounge visits, signature dining offers such as year-round "Buy 1 Get up to 3" buffet deals, and discounts at thousands of partner outlets.

Additional conveniences such as e-commerce transaction facilities, airport meet-and-greet, pick-and-drop services, and round-the-clock customer support further enhance the experience.

Humayun Kabir, president of GYC; Wahiduzzaman Tamal, secretary general; Mehadi Hasan, vice-president; Md Mostaque Ahmed and Akhlaqur Rahman, deputy managing directors of Dhaka Bank PLC; and Zakia Sultana, director of Mastercard; along with senior officials from all participating organisations, were also present.

AKM Shahnawaj, managing director (current charge) of Dhaka Bank PLC, inaugurates the co-branded credit card launched jointly by the bank and Mastercard at an event at Radisson Blu Water Garden Hotel in Dhaka recently. PHOTO: DHAKA BANK

Bangladesh Krishi Bank holds business conference in Khulna

STAR BUSINESS DESK

Bangladesh Krishi Bank has recently organised a divisional conference on achieving business targets for Khulna Division in Khulna.

Sanchia Binte Ali, managing director of Bangladesh Krishi Bank, inaugurated the conference as the chief guest, according to a press release.

In her speech, Binte Ali said Bangladesh Krishi Bank has been making steady progress in supporting agriculture and small entrepreneurs, mobilising deposits, and disbursing loans.

She called on officials to achieve 100 percent of business targets through collective efforts to build momentum in the current fiscal year (FY2025-26).

Md Abu Hashem Miah, general manager (in charge) of the bank's Khulna Division, presided over the conference.

Md Abdur Rahim and Mohd Khaleduzzaman, deputy managing directors of the state-owned bank, along with other senior officials, were also present.

PHOTO: BANGLADESH KRISHI BANK

Sanchia Binte Ali, managing director of Bangladesh Krishi Bank, inaugurates a divisional conference on achieving business targets for Khulna division recently.

Shimanto Bank brings Visa Platinum Credit Card

STAR BUSINESS DESK

Shimanto Bank PLC launched its new "Visa Platinum Credit Card" at the bank's corporate headquarters in Dhaka on Sunday.

Designed to offer unparalleled convenience, privileges, and financial flexibility, the card aims to enhance the banking experience for Shimanto Bank's valued customers.

Brig Gen Md Shahadat Sikder, additional director general (headquarters) of Border Guard Bangladesh and chairman of the bank's audit committee, inaugurated the card, according to a press release.

The introduction of the Visa Platinum Credit Card is expected to strengthen Shimanto Bank's position in the country's competitive credit card market.

The bank has consistently focused on innovative banking solutions tailored to the evolving needs of its clientele.

This launch adds to its portfolio of retail banking products, enabling customers to enjoy premium services with enhanced benefits.

Mohammad Azizul Hoque, managing director and CEO (current charge) of the bank; Md Sahidul Islam, head of business; and Sharif Zahirul Islam, head of cards and ADC; along with other senior executives, were also present.

Brig Gen Md Shahadat Sikder, additional director general (headquarters) of Border Guard Bangladesh and chairman of the audit committee of Shimanto Bank PLC, inaugurates the bank's "Visa Platinum Credit Card" at its corporate headquarters in Dhaka on Sunday. PHOTO: SHIMANTO BANK

Speed up logistics reforms to sustain trade growth

Stakeholders say

STAR BUSINESS REPORT

Bangladesh must accelerate reforms in its logistics sector, widely regarded as the backbone of the country's global trade, if it is to sustain export growth and remain competitive as preferential trade agreements begin to phase out in the coming decade, industry stakeholders warned yesterday.

Speaking at a business session hosted by Norwegian Ambassador Håkon Arald Gulbrandsen at his residence, they called for speeding up digitalisation of clearance processes, implementing strategic port projects on time, promoting multimodal transport, and embedding sustainability into future logistics planning.

The session, "Navigating the Future: The Evolving Landscape of Logistics in Bangladesh," was jointly organised by the Royal Norwegian Embassy in Dhaka, HSBC Bangladesh and the Nordic Chamber of Commerce and Industry (NCCI), reads a press statement.

Regulators, global operators, and economic experts at the event discussed how Bangladesh can address persistent bottlenecks in trade facilitation, reduce logistics costs, and enhance competitiveness as the country undergoes economic transformation.

Without urgent reforms, the country risks losing ground in global value chains as preferential trade agreements expire in the coming decade, said keynote speaker M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh.

He stressed that even small improvements could yield large gains. For instance, a 1 percent cut in transport costs could increase garment exports by around 7.4 percent, while reducing overall logistics costs by 25 percent could boost national exports by 20 percent.

Speakers at the event also highlighted that over 90 percent of Bangladesh's trade is handled through Chittagong port, leaving the economy dependent on a single gateway.

While projects such as the Bay Terminal, Matarbari deep-sea port, and Mongla expansion are in progress, delays in customs clearance, infrastructure gaps, and policy bottlenecks remain major challenges, they said.

"An efficient logistics sector is not just a priority, it is a necessity," said Ambassador Gulbrandsen.

NCCI President Tanveer Mohammad and HSBC Bangladesh CEO Md Mahbub ur Rahman also underscored the need for reforms and greater collaboration.

Hilsa prices have soared to Tk 2,200 per kg this year from Tk 1,600 a year ago, making the national fish unaffordable for many with fishermen saying catches remain low. The photo was taken recently from Barishal city. PHOTO: TITU DAS

Stocks snap two-day rally

STAR BUSINESS REPORT

Indices at the Dhaka Stock Exchange (DSE) closed lower yesterday, ending a two-day rally, with turnover dropping by over Tk 115 crore.

The DSEX, the benchmark index of the country's premier bourse, slipped 10.60 points, or 0.18 percent, to close at 5,583.78. The fall came after the DSEX soared the previous day to an 11-month high.

The other two major indices of the DSE also witnessed declines. The DSES index, which represents Shariah-compliant stocks, dropped 0.21 percent to 1,225.03, while the DS30, which tracks blue-chip shares, was down 0.22 percent to 2,188.76.

Turnover, a key measure of market participation, stood at Tk 1,181.13 crore, compared with Tk 1,296.43 crore in the previous session.

The pharma sector dominated the turnover chart, accounting for 14.6 percent of the total.

Taufika Foods and Lovello Ice-cream PLC were the most-traded shares, with a turnover of Tk 28.9 crore.

In total, 315,801 trades were executed, including block transactions worth Tk 36.42 crore across 38 scrips.

Market breadth was negative, with 119 issues advancing, 244 declining, and 35 unchanged.

Among A-category stocks, 69 rose, 128 fell, and 23 remained flat. In the B-category, 22 gained and 60 dropped, while the N-category saw no activity.

Turnover, a key measure of market participation, stood at Tk 1,181.13 crore, compared with Tk 1,296.43 crore in the previous session

Segment-wise, the picture was mixed. Mutual funds recorded one gainer against 17 losers. In the bond market, both corporate and government bonds recorded one issue advancing and one declining.

On the individual front, Intech Ltd surged 10 percent to top the gainers' list. Prime Finance & Investment, down 6 percent, was the day's worst performer.

Sector-wise, jute, life insurance, and services & real estate were the top three sectors that closed positive yesterday, according to the market update by UCB Stock Brokerage Ltd. Travel & leisure, ceramics, and textile were the top three sectors that closed negative.

Most of the sectors that account for large amounts of market capitalisation — the total value of a company's outstanding shares of stock — posted negative performance, according to BRAC EPL Stock Brokerage Limited.

The fuel & power sector experienced the highest loss of 1.59 percent, followed by non-bank financial institutions (0.87 percent), the telecommunication sector (0.85 percent), the food & allied sector (0.43 percent), the pharmaceuticals sector (0.30 percent), and the banking sector (0.11 percent).

Engineering was the lone sector that showed some grit amid the downturn, making a 1.34 percent gain.

At the Chittagong Stock Exchange, the CSE All Share Price Index (CASPI) — the prime index of the port city bourse — ticked up 0.10 percent, or 17.02 points, before closing the day at 15,606.

Islami Bank profit plunges 87% in Apr-Jun

STAR BUSINESS REPORT

Islami Bank Bangladesh's profit declined significantly in the second quarter of 2025 as the bank saw its payout to depositors surge.

The Shariah-based lender's profit slumped 87 percent year-on-year in the April-June quarter to Tk 37.63 crore.

It posted a profit of Tk 307 crore in the same quarter of the previous year, according to a price-sensitive information (PSI) disclosure published yesterday.

The profit decline follows the bank's performance in 2024, when its profit plummeted 83 percent year-on-year to Tk 108.78 crore. Its profit stood at Tk 635.33 crore in 2023.

Its consolidated earnings per share (EPS) stood at Tk 0.24 for the second quarter of 2025, down from Tk 1.91 in the corresponding period of 2024.

The bank said the fall in EPS was mainly due to an increase in profit paid on deposits by Tk 1,347.39 crore.

For the first half of 2025, its consolidated net operating cash flow per share (NOCFPS) dropped to Tk 17.68 from Tk 54.79 in the January-June period of 2024, according to a separate PSI.

The bank attributed the decline to a rise in investment in customers by Tk 12,610 crore during the second quarter ended on June 30.

As of July 31, 2025, the bank's shareholding structure was: sponsor/director 0.19 percent, institute 74.98 percent, foreign 17.88 percent, and public 6.95 percent, according to Dhaka Stock Exchange data.

DCCI team to join Taiwan agriculture expo

STAR BUSINESS REPORT

An eight-member business delegation of the Dhaka Chamber of Commerce and Industry (DCCI) will leave Dhaka for Taiwan today to take part in the Taiwan Smart Agriweek Expo 2025, scheduled for September 3-5.

The team, led by Razeev H Chowdhury, senior vice-president of DCCI, will explore smart solutions in agriculture, aquaculture, livestock and feed, cold-chain, agro-food, and sustainable farming, said a press release yesterday.

The participating companies will also engage with industry leaders and potential partners to learn about the latest innovations, modern technology, and smart agro-processing across the value chain.

The Taiwan Smart Agriweek focuses on five core values: sustainability, market, advancement, resilience, and technology. The event will highlight technology-driven equipment and solutions to address agricultural challenges across the farm-to-table chain.

During the visit, the DCCI delegates will attend conferences on emerging topics and hold several matchmaking meetings with Taiwanese counterparts.

Bangladesh enters 5G era

FROM PAGE B1

It reduced dependence on landlines, expanded nationwide connectivity, boosted business interactions, and empowered village women.

More than a decade later, 3G service was introduced in 2013, providing faster internet and video calling, though coverage remained limited.

Five years later, 4G was rolled out, enabling mobile broadband, app-based services, e-commerce, ride-sharing, and mobile banking to flourish.

Upgrading to 5G faced delays due to infrastructure limitations and ecosystem readiness concerns.

The Awami League's 2018 election manifesto pledged 5G bandwidth by 2021-23, prompting the Bangladesh Telecommunication Regulatory Commission (BTRC) to form committees for guidelines and spectrum pricing. In March 2022, 190 MHz of spectrum was auctioned for $1.23 billion, requiring operators to launch 5G within six months.

But the 5G guidelines were delayed until 2024 and omitted clear rollout obligations. Operators cited high costs, limited demand, and insufficient ecosystem readiness, delaying nationwide deployment.

The first 5G demonstration occurred on 25 July 2018 by Robi-Huawei, followed by Teletalk's experimental launch in six locations on 12 December 2018. In 2022, Grameenphone conducted trials in Dhaka, Chattogram, and all eight divisional cities.

Globally, 5G is rapidly expanding. India launched 5G commercially on 1 October 2022 and, by early 2025, had over 250 million active subscribers with 469,000 base stations. Across the globe, 5G subscriptions surpassed 2.4 billion in Q1 2025 and are projected to reach nearly 2.9 billion by year-end, according to the Ericsson Mobility Report (Q1 2025).

At Robi's launch yesterday, Md Emdad ul Bari of BTRC emphasised that 5G is about solving real-life problems, not just the technology itself.

He urged Robi to expand services to rural areas, particularly in health, education, and smart farming, warning against widening the digital divide.

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority of the ICT and telecom ministry, highlighted the need to accommodate the Internet of Things (IoT) and machine-to-machine communication.

He noted that 4G networks in Bangladesh are still subpar and collectively blamed regulators, the government, and operators for not being able to ensure quality service.

Meanwhile, regarding GP's 5G service launch, CEO Yasir Azman said, "This is a proud moment for Grameenphone as we launch 5G services across all divisional headquarters, delivering transformative technology to the people of Bangladesh.

"With 5G, we are introducing a faster, more reliable network while opening the door for innovation, entrepreneurship, and smart solutions that will shape the nation's future."

M Riyaaz Rasheed, acting CEO of Robi Axiata PLC, said, "Thanks to the government's vision and policy support, we have been able to bring 5G to life in record time.

"This rollout will play an important role in taking Bangladesh's digital economy to the next stage. For the first time, our customers can experience hands-on what the future of connectivity looks like."

Universal social

FROM PAGE B1

The adviser noted that Bangladesh has long implemented various social safety net programmes, from cash transfers to food aid and stipends.

However, he said these programmes remain fragmented, narrowly targeted, and often poorly managed, with "nearly half of the beneficiaries being either ghost or politically favoured recipients."

"We must recognise that vulnerability is shifting. Today, any secure family can face sudden misfortune from erosion, illness, job loss, or legal disputes. A national, digitised, and regularly updated register of beneficiaries is needed to protect all," said the adviser.

Mahmud identified the "missing middle," what experts describe as families who are just above the poverty line but remain highly vulnerable, as one of the key gaps in the current system. "This means that many families, despite earning a minimum income, cannot meet their minimum consumption needs."

For instance, he said, "Imagine a man standing in a river with water up to his nose. Even the smallest wave will drown him. This is the reality of the missing middle."

Echoing principles of social justice, the adviser said that universal social protection is not a luxury but a moral and constitutional obligation.

He stated that education and healthcare are interconnected and rooted in the values of the 1971 Liberation and last year's July Uprising, which called for an egalitarian society. "While incomes may differ, equal opportunities for all are the cornerstone of a just society."

"Just offering primary education or healthcare is not enough. Alongside those, every individual must also have access to the minimum means of survival," he said.

The planning adviser pointed out that certain regions in the country have long been poverty-prone. "Rangpur, for instance, once suffered from seasonal poverty known as Monga." He said while the seasonal hunger in Rangpur has eased, poverty persists, and new poverty hotspots have emerged in districts like Netrokona, Sunamganj, Satkhira, and Patuakhali.

BB buys nearly

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"In such a situation, the taka could appreciate. If the taka strengthens, both exports and remittances will be significantly discouraged. To ensure they remain competitive, artificial demand for dollars is being created through these purchases," he said.

He added that the buying supports exports and remittances while helping rebuild reserves.

"If any shock hits in the coming days, this will allow the authorities to manage it. In the current context, for the next six months, this is the right strategy. Buying dollars to build up reserves essentially means sustaining the positive momentum for remittances and exports," said the economist.

Have missing containers

FROM PAGE B1

Goods not cleared within 30 days are placed under auction, with bidders allowed to inspect them beforehand. At each stage, documentation, surveillance, and physical checks are meant to ensure accountability.

If there is any intelligence tip-off or suspicion, customs authorities may intercept the consignment at any stage from importation to delivery.

In such cases, the goods are subjected to 100 percent physical inspection. The customs either imposes penalties and releases the cargo, or confiscates it altogether if a false declaration is proven.

In theory, the system leaves little scope for irregularities. But the disappearance of containers at multiple stages suggests that safeguards are not always functioning as intended.

MAJOR RISKS

Masrur Reaz, an economist and chairman of Policy Exchange Bangladesh, warns of major risks, including damage to the country's reputation and security threats.

"The disappearance of goods or goods-loaded containers from a high-security zone like a port is extremely rare worldwide. Such incidents are not considered normal at any international port," he said.

There are several repercussions to such incidents, he noted.

First, if cargo under official custody can vanish undetected, it raises questions about whether items of potential security concern might also slip through, he said.

Second, there is the matter of lost revenue, since auctioned goods that never reach buyers represent foregone state income. "Besides, the lapse also exposes serious flaws in our border and port security."

Third, and perhaps most long-term, is the reputational damage. "Such incidents damage our credibility abroad, as trading partners and foreign companies form negative perceptions about Bangladesh," Reaz said.

Globally, the loss of containers is typically associated with accidents at sea. The World Shipping Council recorded 576 containers lost worldwide in 2024, up from a record-low 221 in 2023 but still well below the decade-long average. It did not, however, report any cases of containers going missing inside ports.

"AUTHORITY TREATING THE ISSUE TOO LIGHTLY"

For veteran shipping agent Syed Mohammad Arif, who has spent four decades in the trade, the situation is perplexing.

"To the best of my knowledge, I have not heard of a container going missing from any other port," he said.

"How can a container go missing? This is quite big in size. If you have CCTV surveillance in all the places, nothing is supposed to be lost."

Arif alleges that removing a container from inside the port requires collusion among terminal operators, port officials, and customs staff. "A large-scale smuggling syndicate is believed to be behind these disappearances."

LDC graduation

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"While inquiries are coming in, actual order placements have yet to materialise, as brands and retailers remain cautious."

She welcomed the government's role in tariff talks. "Through active government negotiations, the 35 percent additive was successfully reduced to 20 percent," she said.

Urging unity, she said, "A perfect partnership between the public and private sector. The country needs to come together and rise above biases. Not all business people are thieves or culprits."

"Businesses may fail or face challenges, but as long as there is courage and aspiration to overcome them all, the private sector will rise. But without policy support and constant negative rhetoric, the entrepreneurs will feel abandoned and will shy away from investments."

"Tough times call for collaboration and vision. Bangladesh is on the edge; either we grow wings and soar to the next level or we take a leap of faith and perish," she concluded.

Gov's bank borrowing falls

FROM PAGE B1

necessity and appropriate cost," said M Masrur Reaz, chairman of the Policy Exchange of Bangladesh.

The economist said even existing projects are advancing sluggishly amid an overall slowdown in the civil service. "The government is preoccupied with other issues and is not prioritising project implementation at the moment."

Development expenditure fell to a historic low last fiscal year, with only 68 percent of the revised Annual Development Programme (ADP) executed.

This was the weakest performance since the fiscal year 1976-77.

Government data show that ministries and divisions managed to spend Tk 153,452 crore out of a revised Tk 226,165 crore allocation.

In the first month of the current fiscal year, ADP implementation fell to a seven-year low, with just Tk 1,644 crore disbursed. This is only 0.69 percent of the Tk 2.39 lakh crore allocated for the year.

Out of 57 ministries and divisions, 12 did not spend a single taka from their allocation in the first month of the fiscal year, show official data.

This is the lowest start since the fiscal year 2018-19, when July expenditure was 0.57 percent of the ADP.

Meanwhile, the government has taken Tk 7,179 crore from non-bank sources such as financial institutions, insurers and individual investors in the current fiscal year until August 18. This brings total domestic borrowing to Tk 11,882 crore, excluding the net position in national saving certificates.

The government mainly borrows from the banking sector through treasury bills and bonds.

Rubana Huq

LDC graduation: Leveraging deferment for a stronger future

Rubana Huq says Bangladesh needs more time to prepare

REFAYET ULLAH MIRDHA

Ahead of the country's scheduled graduation from the least developed country (LDC) category in November next year, former BGMEA president Rubana Huq says Bangladesh needs at least another five years to prepare for the transition.

Despite progress over the past two decades, Huq argued that the country has yet to resolve long-standing challenges in logistics, industrial modernisation and market diversification.

"Criticism often falls on the private sector for not preparing adequately, but serious shortcomings remain in infrastructure and connectivity," she said.

Huq was the first woman to serve as president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), holding office from 2019 to 2021.

In an interview with The Daily Star, she pointed to the World Bank's Logistics Performance Index, where Bangladesh improved slightly from 100th to 88th place in the past seven years, while its infrastructure ranking slipped from 100th to 108th. Tracking and tracing fell from 79th to 105th.

"These figures raise legitimate concerns about rising logistics costs and the slow pace of customs and port modernisation, as well as the lack of meaningful progress in infrastructure and connectivity upgrades," said the former BGMEA president.

On the private sector side, she identified three urgent priorities. Those are industrial modernisation, market diversification and sectoral diversification.

Bangladesh, she said, holds little share in original design and brand manufacturing. Its exports remain concentrated in low-value products, with mark-ups usually below 4 percent. Reliance on labour-intensive output has created millions of jobs but kept productivity growth in check.

Huq said markets and product categories have stayed narrow. Ready-made garment exports to non-traditional destinations fell to 16.36 percent in 2024-25 from 17.10 percent in 2019-20.

Product diversification, she noted, improved only slightly, from 22.42 percent to 24.71 percent over the same period.

"In practice, Bangladesh's narrative of moving into higher value-added products has not yet convinced global buyers," Huq said. "What they look for instead is effective governance, and it is precisely this gap that has limited the country's ability to attract substantial FDI [foreign direct investment]."

She said it is not a question of blame. Rather, both the government and private sector should share responsibility and devise coordinated strategies for a sustainable graduation.

Huq said that discussions on deferment have been ongoing. "I trust that policymakers are fully aware of these deliberations and have taken them into consideration."

"As representatives of the private sector, we can only hope that the hard-won success in tariff negotiations with the United States will not be undermined by the loss of trade privileges that would negatively affect businesses," she commented.

Huq said no one wishes to remain under the LDC label indefinitely. However, readiness is crucial, particularly at a time when global shocks are unfolding beyond the control of any single nation.

She warned that the combined effects of Covid-19 and global instability could wipe more than $3 billion from exports. Meanwhile, Bangladesh's apparel competitors hold strong advantages.

"China enjoys Most Favoured Nation access. Turkey benefits from tariff and quota-free access to the EU customs union, while Vietnam already has a free-trade agreement (FTA) with the EU."

In such circumstances, she asked why Bangladesh should risk potential failure when seeking deferment through the UN and preparing for GSP+ with the EU would provide the breathing space the country deserves.

She emphasised the need for government leadership in economic diplomacy. "The immediate priority is to engage with the EU on the changes to its GSP scheme."

According to her, about $20 billion of exports now enjoy duty-free entry to the EU. Graduation would jeopardise this, since GSP+ requires compliance with double transformation rules of origin rather than the single transformation allowed under the Everything but Arms (EBA) scheme.

Meeting these rules will demand major investment in synthetic and functional fibres, as well as stronger backward linkages, said the former BGMEA president.

Huq said government backing will be vital, with policies to encourage man-made fibre production, promote FDI, manage the exchange rate, and pursue regional and bilateral trade deals.

She called for bilateral FTA talks with the EU and other trading partners, and for joint ventures in diversified fibre-based industries to reduce risks.

Vietnam offers lessons, she said, with its broader export base, stable macroeconomic policies, and success in attracting FDI since its Doi Moi reforms.

"Bangladesh must design a comparable national export and industrial strategy to achieve similar diversification."

She said an effective public-private working group should run continuously to address GSP+ requirements, monitor compliance, and propose adjustments to the policy framework.

She also urged the government to request extended cumulation with regional partners to tackle the double transformation hurdle.

Premature termination of EBA, Huq argued, without recognising Bangladesh's vulnerabilities, would contradict the EU's founding principles.

She contrasted Bangladesh's export scale with Nepal and Laos, whose far smaller economies rely heavily on remittances or tourism.

"With a significantly larger population, far greater export volume, and a deeply integrated role in global supply chains, Bangladesh's context and challenges are of an entirely different order," she said.

She said that Myanmar and Timor-Leste have delayed their graduations, while Angola has deferred multiple times. "Precedents for deferment do exist," she said.

After the graduation, Huq said there would be tariff shocks across the sectors.

She said leather, footwear, frozen fish, agro-processed goods and home textiles would face duties of 8 to 15 percent, while jute products could face 3 to 6 percent. Pharmaceuticals would lose TRIPS flexibilities, and ICT services would suffer preference erosion.

Emerging sectors such as light machinery, bicycles and electronics could struggle to compete with Vietnam, Cambodia and China, which enjoy stronger FTAs and better logistics.

About new work orders after the new US tariffs, she said, "It is still too early to make a definitive comment."

READ MORE ON B3

TAKEAWAYS FROM INTERVIEW

Graduation readiness

Readiness is crucial, particularly when global shocks are beyond any single nation's control

Industrial modernisation, market diversification, and sectoral diversification are urgent needs

Private sector priorities

Exports remain concentrated in low-value products with margins below **4%**

Infrastructure & logistics challenges

Logistics costs remain high as infrastructure and connectivity lag behind global standards

Bangladesh slipped in infrastructure ranking despite slight improvement in logistics index

Trade & diplomatic strategy

Govt leadership in economic diplomacy is vital to secure GSP+ and trade deals

Vietnam offers lessons with its broader export base, stable policies, and FDI success

Call for collaboration

A perfect partnership between public and private sector is the only way forward

Bangladesh and the US tariff on India

MAMUNUR RAHMAN

When Washington imposed a 50 percent tariff on Indian garments this week, it did not just rattle New Delhi. It cracked open a multi-billion-dollar market window that will not stay open for long. For Bangladesh, the stakes could not be clearer: move quickly and claim this ground, or watch rivals take it away.

The numbers speak louder than speculation. In 2024, the US imported about $4.1 billion worth of apparel and textiles from India. Overnight, those goods have become prohibitively expensive. At the same time, Bangladesh shipped $9.7 billion in ready-made garments to the US that year. Absorbing even half of India's displaced trade would mean a huge leap in market share, enough to fuel hundreds of thousands of jobs and ripple growth across our textile ecosystem. This is not just a windfall. It is a chance to redefine Bangladesh's place in global apparel for the next generation.

But opportunities this big attract predators. Vietnam exported $14.5 billion to the US in 2024, with its growing reputation for high-value, complex garments. Cambodia, with $4.3 billion in US exports, offers an alternative for buyers of basics. Indonesia is also moving steadily, exporting nearly $5.2 billion in apparel to the US, with strong competitiveness in knitwear and footwear. And while China remains the largest supplier by far, shipping over $28 billion in garments and textiles, it faces continuing US trade restrictions that create openings for others.

If Bangladesh hesitates, the $4.1 billion India has lost will not vanish. It will be redistributed among these rivals.

So, the choice before us is stark: act like a stopgap supplier, or step forward as a strategic partner for US buyers. That requires strengthening backward linkages to reduce reliance on imported raw materials and cut lead times. It also means moving up the value chain, producing not just T-shirts and trousers, but high-end apparel, technical textiles, outerwear and fashion-forward designs. Diversification is now critical. US buyers are looking for a wider portfolio, including knitwear, athleisure, lingerie, footwear and home textiles. If Bangladesh broadens its export basket beyond basic garments, it can embed itself deeper in the US supply chain.

Equally vital is tackling infrastructure bottlenecks. Ports, customs and transport inefficiencies make us vulnerable in a time-sensitive market. Every extra day in transit strengthens Vietnam's hand. We need efficiency that matches our scale.

Sustainability must be the other pillar. US brands face rising consumer scrutiny on ethical and green manufacturing. Bangladesh has a strong story to tell here. With more than 200 LEED-certified green factories, the sector has set global benchmarks. Ella Pad's pioneering model, turning garment waste into reusable sanitary pads, rebranded the country as the leading global case of circular fashion, proving that Bangladesh can lead not only in volume but in innovation. By promoting these achievements, we can outflank competitors who still struggle to shed reputations of exploitative practices.

Diplomacy must keep pace with industry. Government and associations need to be in Washington, lobbying for trade preferences, reassuring buyers of political stability, and showcasing our transformation. If we combine scale with speed, sustainability and policy outreach, Bangladesh can not only absorb India's lost share but also move into the spaces left vulnerable by China's trade disputes and Indonesia's slower climb.

The tariff on India is more than a penalty. It is a shockwave reshaping sourcing strategies. Bangladesh can let the moment pass and watch others divide the spoils, or it can seize it to secure long-term dominance in the US market. The window is open, but it will not stay that way. Now is the time to move fast, smart and united.

The writer is coordinator of Ella Alliance and founder of Ella Pad

India is not 'profiteering' from Russian oil imports

Minister says

REUTERS, *New Delhi*

India is not "profiteering" from Russian oil imports and its purchases have stabilised markets while keeping prices from rising to as much as $200 a barrel, Hardeep Singh Puri, country's oil minister, said in the Hindu newspaper on Monday.

The US has targeted India for its Russian oil purchases, with President Donald Trump imposing tariffs on Indian exports to the US to discourage the country's crude buying.

Treasury Secretary Scott Bessent accused India of profiteering by importing Russian oil at lower prices and then reselling refined fuel at a higher rate. White House trade adviser Peter Navarro said Indian purchases were funding Moscow's war in Ukraine.

"Some critics allege that India has become a 'laundromat' for Russian oil. Nothing could be further from the truth," Puri wrote in an editorial.

Puri's comments come as Prime Minister Narendra Modi is meeting Russian President Vladimir Putin in China at a regional summit.

India has emerged as the largest buyer of Russian seaborne oil. The country has taken advantage discounts for the oil as Russia sought new buyers after European countries and the US shunned purchases and imposed sanctions on Moscow for its invasion of Ukraine in February 2022.

"Russian oil has never been sanctioned like Iranian or Venezuelan crude; it is under a G-7/European Union price cap system deliberately designed to keep oil flowing while capping revenues" Puri said.

He said every Indian oil transaction is done using "legal shipping and insurance, compliant traders and audited channels".

European factories return to growth, Asia activity shrinks

REUTERS, *Bengaluru/Tokyo*

Euro zone factory activity expanded for the first time since mid-2022 as domestic demand offset the impact from US tariffs while the Asian manufacturing sector saw shrinkage, private surveys showed on Monday.

There were mixed signals over the Chinese economy, however, as one such survey unexpectedly indicated modest expansion, contradicting an official readout the day before which showed activity continuing to shrink.

Export powerhouses Japan, South Korea and Taiwan all saw manufacturing activity shrink in August, underscoring the challenge Asia faces in weathering the hit from sharply higher trade barriers erected by US President Donald Trump.

In Europe, Greece and Spain led factory growth while manufacturing in Germany, the bloc's largest economy, shrank albeit at a slower pace.

The HCOB Eurozone Manufacturing Purchasing Managers' Index (PMI) rose to an over-three-year high of 50.7 in August from 49.8 in July, surpassing the 50.0 threshold that separates growth from contraction.

"The recovery is real but remains fragile. Inventory levels continue to decline, and the slightly accelerated drop in order backlogs shows that companies are still suffering from uncertainty," said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank.

"Domestic orders have risen and are offsetting the weakening demand from abroad. In fact, the best remedy against US tariffs may be to strengthen domestic demand."

Meanwhile, manufacturing in Germany rose to a 38-month high of 49.8, a whisker away from the 50 mark, offering hope for the economy that shrank 0.3 percent last quarter on slowing demand from its top trading partner the US.

The EU and the US struck a framework trade deal in late July but only the baseline tariff of 15 percent has so far been implemented.

In Britain, outside the European Union, factory activity suffered a fresh setback in August after signs of a recovery due to worries about trade tensions and tax increases at home.

The S&P Global Japan Manufacturing Purchasing Managers' Index (PMI) stood at 49.7 in August, improving from 48.9 in July but staying below the 50 threshold for two straight months.

South Korea's factory activity also shrank with the S&P Global PMI standing at 48.3 in August, up from 48.0 in July but contracting for the seventh straight month.

Both countries struck a trade deal with the US that eased, but not removed, the pressure on their export-reliant economies.

"It's a double-whammy for Asian economies, as they face higher US tariffs and competition from cheap Chinese exports," said Toru Nishihama, chief emerging market economist at Dai-ichi Life Research Institute.

"We'll likely see the hit from US tariffs intensify going forward, with countries reliant on US-bound shipments like Thailand and South Korea particularly vulnerable," he said.

However, the RatingDog China General Manufacturing PMI, compiled by S&P Global, unexpectedly rose to 50.5 in August from 49.5 in July, exceeding the 50-mark that separates growth from contraction.

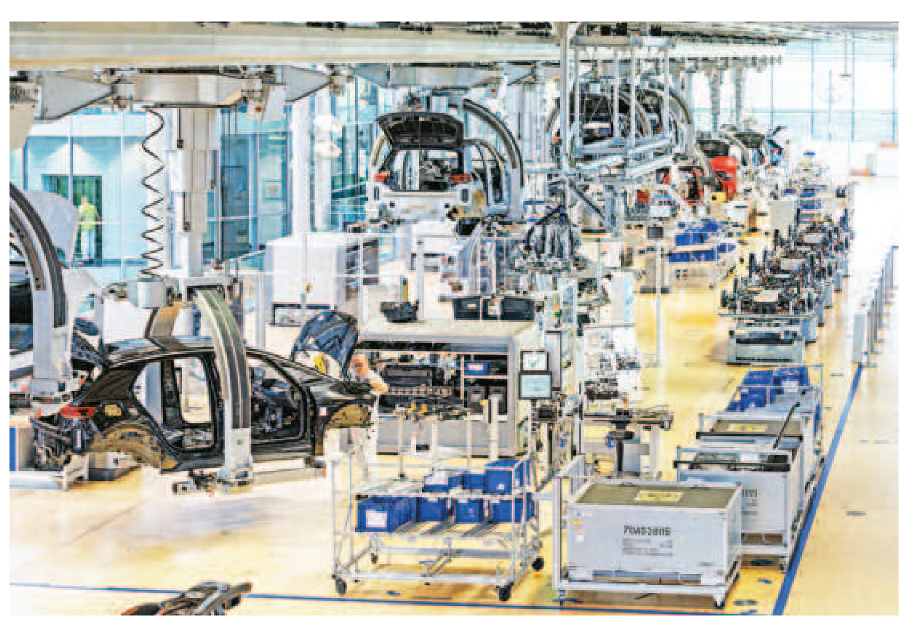

PHOTO: AFP/FILE

Employees work on the assembly line for an electric car of German carmaker Volkswagen at its production site in Dresden, eastern Germany. Manufacturing in Germany, Europe's largest economy, shrank in August albeit at a slower pace.

Dollar hits lowest since end-July

REUTERS

The dollar hit a five-week low on Monday as investors looked ahead to a raft of US labour market data this week that could affect expectations for the Federal Reserve's monetary easing path.

Traders were also assessing Friday's US inflation figures and a court ruling that most of Donald Trump's tariffs are illegal, as well as the US president's ongoing tussle with the Fed over his attempt to fire Governor Lisa Cook.

Money markets have recently priced an around 90 percent chance of a 25 basis-point Fed rate cut in September and around 100 bps of easing by autumn 2026, according to the CME FedWatch tool.

Against a basket of currencies, the dollar eased 0.22 percent to 97.64 , after hitting 97.534, its lowest level since July 28. It clocked a monthly decline of 2.2 percent on Friday.

Investors will be focussed on Friday's US nonfarm payrolls report, which will be preceded by data on job openings and private payrolls.

Analysts said the US economy is no longer outperforming as it did for much of the past decade, justifying a weaker dollar, and further signs of a softening labour market are expected to bolster that narrative.

"Severe weakness (in economic data) would point to an even more forceful Fed response than market pricing predicts," Societe Generale economist Klaus Baader said.

"But if May/June weakness is revealed as a statistical mirage, rate cuts would seem unwarranted given the almost certain prospect of rising inflation over the next year or so."

Some analysts still see the chance of a 50 basis-point move by the Fed later this month.