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Daily Insights

Prepared By: FINTRA. Research Department
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Thursday, Jul 09, 2026

Macro Updates

Bangladesh economy to grow 4.4% in FY27: HSBC

Bangladesh's economy is expected to grow by 4.4 percent in the current fiscal year 2026-27, supported by easing global headwinds and domestic economic reforms, according to HSBC. Lower oil prices, a stabilising outlook for US tariffs and resilient global growth should help revive Bangladesh's export sector, the multinational lender said, while reforms undertaken at home are expected to strengthen private investment and consumption.

Current account deficit narrows on record remittances

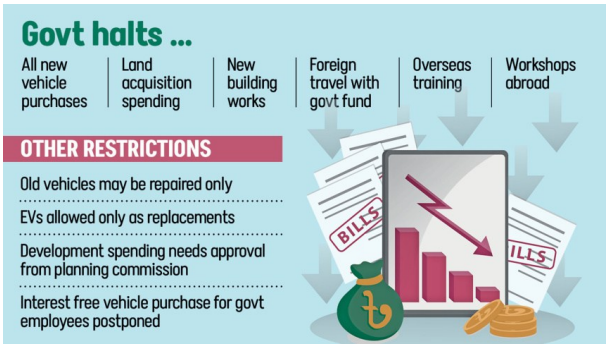
The country's current account deficit narrowed in the first 11 months of fiscal year 2025-26, helped by record remittance inflows, although weak economic activity continued to hold back trade and investment.

During the July-May period of FY26, the current account deficit stood at $301 million, down from $778 million in the same period of the previous fiscal year.



Govt tightens the belt with fresh spending curbs

The government has imposed a fresh round of austerity measures for the fiscal year 2026-27, restricting spending on new vehicles, buildings, land acquisition and most foreign travel to rein in public expenditure, curb inflation and preserve macroeconomic stability. The move comes as the government faces mounting challenges in maintaining public expenditure amid slower-than-expected revenue growth.



In the just-concluded fiscal year, government borrowing from the banking sector exceeded its initial target of Tk 104,000 crore. The total collection of the National Board of Revenue (NBR) might reach Tk 415,000 crore in the 2025-26 financial year, falling Tk 88,000 crore short of its target.

Structural bottlenecks, import costs keep inflation elevated in Bangladesh: GED

Persistent inflation in Bangladesh is being driven primarily by structural supply constraints and rising import costs, rather than excessive domestic demand. The report says inflationary pressures have become increasingly broad-based, reflecting deeper structural weaknesses across the economy. Headline inflation rose to 9.42% in May 2026, up from 9.04% in April, as both food and non-food prices continued to increase. Supply-side disruptions, global commodity price volatility and higher energy import costs remain the main drivers of inflation. Rising production and transportation costs are gradually being passed on to consumers, keeping prices elevated across multiple sectors.

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Financial account rebounds to over $4b surplus in 11 months

The country's financial account staged a major recovery to register a surplus of $4.16 billion during the first 11 months of the fiscal 2025-26, rebounding from a deficit of $214 million in the same period of the previous fiscal year.

The balance of payments data, released by the Bangladesh Bank yesterday (8 July), indicates that a sharp turnaround in trade credit was the primary driver behind this financial account surplus.

The trade credit position – which involves short-term capital flows from deferred payments on imports – surged to a surplus of $2.90 billion during the July-May period, recovering from a deep deficit of $2.57 billion recorded during the corresponding period of FY25.

Govt to adopt roadmap this month to make leather sector globally competitive: Minister



The government will adopt a comprehensive roadmap this month to transform Bangladesh's leather industry into a more competitive and environmentally sustainable sector in the global market, Industries Minister Khandakar Abdul Muktadir told parliament today (8 July).

The roadmap will help raise annual leather export earnings to $10-12 billion by improving environmental compliance, waste management, and global standards.

SMEs struggle as trade finance faces mounting risks



Bangladesh's trade finance sector is facing mounting risks due to a sharp rise in default loans and limited access to finance for small and medium enterprises (SMEs).

Trade-backed non-performing loans (NPLs) have exceeded 80 per cent in some financially distressed banks, mainly due to unpaid back-to-back letters of credit without legally enforceable contractual safeguards.

SMEs account for only around 9.0 per cent of total trade finance, as many are unable to meet collateral requirements of up to 150 per cent, limiting their access to formal financing.

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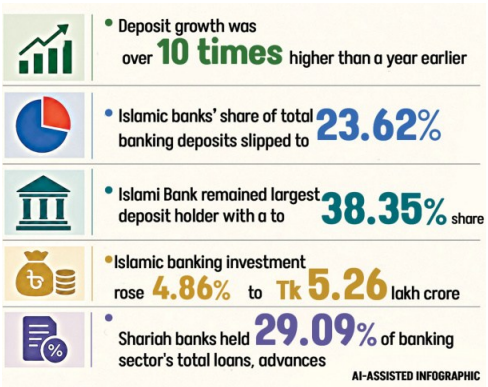
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Bank

Islamic banking deposits up 8.35% in Q1

Bangladesh's Islamic banking system posted strong deposit growth in the first quarter of 2026, as more customers placed their money with Islamic banks as well as Islamic banking branches and windows operated by conventional banks.

Deposits at Islamic banks rose 8.35 percent year-on-year to Tk 4.79 lakh crore at the end of March 2026, up from Tk 4.42 lakh crore a year earlier, according to Bangladesh Bank's (BB) quarterly report published yesterday. The growth was more than ten times higher than the 0.8 percent increase recorded in the same period last year.



Full repayment with interest, no haircut for troubled banks' depositors: FinMin

Depositors of troubled banks will receive their full deposits with interest, with no "haircut" imposed, Finance Minister Amir Khosru Mahmud Chowdhury told parliament today (8 July), adding that the process would take time due to the banks' mounting losses.

The government is implementing a multi-dimensional resolution framework under the Bank Resolution Act, 2026 to address the banking sector crisis. Under the framework, five troubled banks – EXIM Bank, First Security Islami Bank, Global Islami Bank, Social Islami Bank, and Union Bank – have been merged into Islami Bank PLC, with all depositors' claims transferred to and preserved under the new entity.

He said the Deposit Protection Act, 2026 raised the protected deposit limit to Tk2 lakh from Tk1 lakh. Special forensic audits into loan irregularities and money laundering involving the five banks are underway, with asset recovery and legal action to follow based on investigation findings.

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Capital Market

Blue-chip profit-taking drags DSEX lower for second consecutive day

The benchmark index of the Dhaka Stock Exchange (DSE) extended its correction for a second consecutive session today (8 July) as investors continued to book profits in blue-chip stocks following their recent gains.

While selective buying interest in low-cap and momentum-driven stocks provided some support, it was insufficient to offset the selling pressure in heavyweight counters, leaving the market in negative territory at the close of the day, according to market insiders.

The broad DSEX index shed 11 points, or 0.19%, to settle the session at 5,770. The downturn was also evident in the blue-chip segment, where the DS30 index slipped by 12 points to finish at 2,169.

Market participation saw a notable contraction, with daily turnover on the DSE dropping by 17% to stand at Tk1,156 crore, compared to the previous session's volume. The market's volatility underscores investors' cautious approach as they assess whether the recent rally can be sustained.

Govt to identify those behind stock market crash, take action: PM tells JS

Prime Minister Tarique Rahman has said the government will identify those responsible for the continued stock market downturn that caused losses to thousands of investors and bring them to justice.

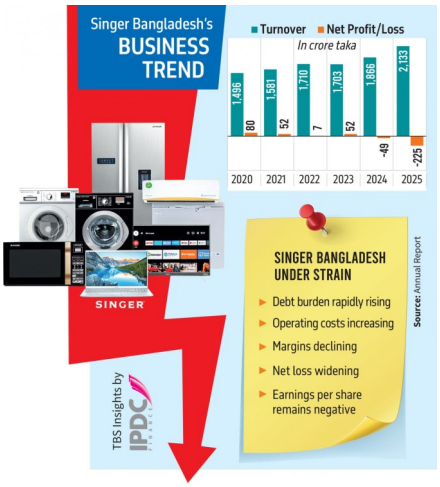
The government is also determined to restore investor confidence through a fair investigation and trial of the irregularities and manipulations that happened during the Awami League regime.

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Listed Companies

Singer Bangladesh: Once a blue chip now in debris



Appliance maker Singer Bangladesh's revenue was Tk670 crore in 2012, yielding a net profit of Tk49 crore. Thirteen years later, although its revenue surged to Tk2,133 crore, the company plunged into a staggering net loss of Tk225 crore. The downward course has continued into this year.

This raises a critical question: How did a former market giant dive so deep into the red, failing to pay a dividend from its 2025 earnings for the first time in its history? As the accumulated losses exceeded its capital, the Dhaka Stock Exchange (DSE) downgraded the company's shares to the junk "Z" category.

The company, majority-owned by Turkish conglomerate Arcelik, and listed on the DSE, reported a net loss after tax of Tk225 crore for 2025, widening significantly from a loss of less than Tk50 crore a year ago. Earnings per share dropped further into negative territory to Tk22.56 from negative Tk4.91 in 2024.

Intech sinks to junk category as losses wipe out paid-up capital

The Dhaka Stock Exchange has downgraded Intech Limited to the "Z" category - commonly known as the junk stock segment - following a regulatory directive after the company's accumulated losses wiped out its entire paid-up capital.

The regulatory move, effective from today (8 July), follows a mandatory policy by the Bangladesh Securities and Exchange Commission requiring companies with negative retained earnings exceeding their total paid-up capital to be shifted to the lowest trading tier.

The announcement triggered an immediate sell-off, causing Intech's share price to hit the lower circuit breaker, plunging 9.77% to close at Tk31.40. Under the BSEC (Margin) Rules 2025, stockbrokers and merchant bankers are now strictly prohibited from providing margin loan facilities to investors for purchasing Intech securities

Non-compliant Emerald Oil shares hit daily limit on factory restart announcement

The share price of Emerald Oil Industries surged by the maximum daily limit, jumping 9.62% on the Dhaka Stock Exchange (DSE) following the announcement that it is preparing to resume production at its factory, which has been shuttered for over two years.

Its factory remained shuttered down since 1 January 2024 due unavailability of gas. It also turned non-compliant as it stopped disclosing its quarterly and annual financials in January 2023. It had published its half-yearly financials for FY23, and since then investors remained in the dark about the company.

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Fuel and Power

Oil jumps over 6% to two-week high after Trump says deal with Iran 'over'



Oil prices jumped more than 6% today (8 July), hitting a two-week high after US President Donald Trump said the memorandum of understanding to end the conflict with Iran was "over", renewing fears of disruptions to Middle East oil supplies.

Brent crude futures were up $4.57, or 6.16%, to $78.73 a barrel at 0948 GMT, while US West Texas Intermediate crude climbed $4.23, or 6.01%, to $74.67 a barrel. The benchmarks are at their highest levels since 22 June.

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International

US military carries out fresh strikes on Iran, prompting Iran attacks on Kuwait and Bahrain

The US military said on Wednesday it launched fresh strikes on Iran to keep the Strait of Hormuz open to shipping, triggering Iranian attacks on Kuwait and Bahrain in the latest escalation to derail efforts to end the war." US Central Command forces have started conducting additional strikes against Iran to further degrade their ability to threaten freedom of navigation in the Strait of Hormuz," CENTCOM, the US military's Middle East command, wrote on X.

The US strikes rattled several cities along Iran's southern coast and left some areas without power. Iran responded with a second day of attacks on Kuwait and Bahrain, both home to US military bases.

Trump orders halt to US trade with Spain over NATO spending, Iran

US President Donald Trump on Wednesday (8 July) ordered an immediate halt to all trade with NATO ally Spain, escalating tensions over defence spending and the Iran war, despite European Union rules requiring trade negotiations to be conducted as a single bloc.

During a NATO summit in Ankara, which European leaders had hoped would cap rifts within the military alliance, Trump instead reignited the dispute with Spain, calling it a "terrible partner". He also irked another NATO ally Denmark by reiterating that his country should control Greenland. Denmark promised to defend every inch of its territory.

Dollar around one-week high

The US dollar was steady at around its highest level in roughly a week on Wednesday. The US dollar index, which measures its strength against a basket of six currencies, was little changed on the day at 101.17. It was last hovering around its highest since July 2, in a somewhat choppy session for the safe-haven currency.



IMF lowers 2026 world growth forecast

The IMF on Wednesday cut its 2026 growth projection for the world economy again, saying an AI boom has not fully offset the fallout from war in the Middle East.

Global economic growth is now estimated at 3.0 percent this year, the International Monetary Fund said, down from 3.1 percent in its April forecast. The estimate was made before fresh exchanges of fire between the United States and Iran in recent hours.

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