

### Bangladesh market snapshot

|                   | Last closing |
|-------------------|--------------|
| DSEX Index        | 6,316.98     |
| % change          | 0.28%        |
| DS30 Index        | 2,144.21     |
| % change          | 0.59%        |
| DSES Index        | 1,372.17     |
| % change          | -0.03%       |
| Turnover (BDT mn) | 7,342.06     |
| Turnover (USD mn) | 67.05        |
| % change          | 60.95%       |

Source: Dhaka Stock Exchange

### International market snapshot

|                                     | Last closing |
|-------------------------------------|--------------|
| <b>Dow Jones Industrial Average</b> | 34,443.19    |
| % change                            | -1.28%       |
| <b>S&amp;P 500</b>                  | 4,465.48     |
| % change                            | -1.09%       |
| <b>Nikkei 225</b>                   | 33,045.45    |
| % change                            | 1.18%        |
| <b>FTSE 100</b>                     | 7,426.14     |
| % change                            | -0.64%       |

Source: Bloomberg

### Exchange rate

|     | Low (BDT) | High (BDT) |
|-----|-----------|------------|
| USD | 109.50    | 110.00     |
| EUR | 117.46    | 118.00     |
| GBP | 136.92    | 137.59     |
| INR | 1.31      | 1.32       |

Source: BB

### Money market

| Date     | Call Money Rate Range (%) | Weighted Average |
|----------|---------------------------|------------------|
| 4-Sep-23 | 5.50-7.75                 | 6.29             |
| 3-Sep-23 | 5.50-8.00                 | 6.32             |

Source: BB

### Commodities

|                             | Price    | % Change |
|-----------------------------|----------|----------|
| Brent Crude (Oil), USD/bbl. | 90.3     | 1.98%    |
| Gold Spot, USD/t oz.        | 1,919.23 | -1.07%   |
| Cotton, USD/lb.             | 86.13    | -4.25%   |

Source: Bloomberg

### International Economy

#### Asian markets drop as oil spike fuels inflation worry

Most Asian markets fell Wednesday as a jump in oil prices to 10-month highs rekindled worries of another US Federal Reserve interest rate hike. The selling came after US traders returned from a long weekend to spark a sell-off after Saudi Arabia and Russia said they would extend crude output cuts to the end of the year. The news, which surprised some owing to the length of time, sent both main oil contracts to levels not seen since November, with Brent above \$90 for the first time this year. They were marginally higher Wednesday.

<https://www.thedailystar.net/business/global-economy/news/asian-markets-drop-oil-spike-fuels-inflation-worry-3412826>

### Bangladesh Economy

#### August import LC openings highest in last 5 months

The opening of import letters of credit (LCs) in August was the highest in the last five months even though settlements decreased due to the ongoing dollar crisis. According to central bank data, import LCs worth \$5.59 billion were opened in August, the second month of the current fiscal year. LC opening has been dwindling since March, which saw \$5.79 billion worth of LCs, hitting a three-year low of \$4.23 billion in June, the last month of the last fiscal year. But imports started to pick up in the new fiscal year.

<https://www.tbsnews.net/economy/august-import-lc-openings-highest-last-5-months-696062>

#### Buyer's credit contracts, cuts industrial output

Buyer's credit taken by private sector slides largely for gradual but significant fall in import of capital machinery amid forex dearth, according to sources. The decline, it is feared, might lead to contraction of industrial production. Economists and analysts see this downward cycle as one reason for an inexorable volatility on the domestic market apart from alleged manipulation of the supply chain.

<https://today.thefinancialexpress.com.bd/first-page/buyers-credit-contracts-cuts-industrial-output-1694023287>

#### Govt's desperate search for funds to tackle crisis

As part of a desperate attempt to weather the ongoing financial crisis, the government has launched an initiative to collect all cash available in government offices and institutions and deposit it to the treasury. In separate letters last month, the Finance Division instructed ministries, departments, and deputy commissioners to promptly deposit these funds to the treasury, according to few officials involved in the process. According to them, government is in the process of reclaiming unspent funds held by various state institutions, non-tax revenue accumulated by public organisations, and dividend payments from institutions in which the government holds equity or has financing.

<https://www.tbsnews.net/economy/govts-desperate-search-funds-tackle-crisis-695586>

### **Garment makers reducing reliance on imported fabrics**

The import of woven fabrics declined by 25.97 percent in the first seven months of this calendar year, compared to the same period last year, as garment makers have brought down their reliance on imported products because of an increase in local production. Another reason is that international clothing retailers and brands now demand a significantly shorter lead time to catch business in tune with the recovery in the global supply chain from the severe fallouts of the pandemic and Russia-Ukraine war, and so local sourcing of materials is more efficient. International retailers and brands are hungry for new fashion items as they want to establish 12 sales seasons instead of the six or eight of the pre-pandemic times owing to fierce competition in the business.

<https://www.thedailystar.net/business/economy/news/garment-makers-reducing-reliance-imported-fabrics-3412906>

### **Govt may sign MoU with Russia on food import**

Bangladesh may sign a memorandum of understanding (MoU) with Russia soon to import some food items as those were offered at competitive prices, according to the Senior Commerce Secretary. Russia sent a letter to the commerce ministry recently expressing intent to sell wheat, lentil, sunflower seeds and chickpeas. Of the items, the food ministry has been importing wheat from Russia and the commerce ministry is not planning on availing it. However, the commerce ministry will discuss the Russian offer with private sector importers and officials of other ministries concerned as it is open for all.

<https://www.thedailystar.net/business/global-economy/news/govt-may-sign-mou-russia-food-import-3412901>

### **Adani wants \$310m power dues**

Indian conglomerate Adani Group presses for clearing \$310-million overdue payments against power purchase by Bangladesh government from their Jharkhand plant, according to sources. The outstanding payments are set to climb up to \$380 million within the next couple of weeks unless payment is made soon. Bangladesh is already struggling to pay dues to many independent power producers (IPPs), including oil-fired rental and coal-fired plants.

<https://today.thefinancialexpress.com.bd/first-page/adani-wants-310m-power-dues-1694023202>

### **API can earn billions if barriers broken**

Production of local medicine raw materials, better known as active pharmaceutical ingredients (API), holds huge forex-earning potential but faces a host of headwinds from within, according to industry-insiders. The emerging sector has been facing lack of sufficient investment, including bank finance, at a time when it can spread its wings over the world through a passage created by latest world trade rules. The existing lower retention period for repatriating export income in foreign currency has also been hindering the export growth of this industry.

<https://today.thefinancialexpress.com.bd/last-page/api-can-earn-billions-if-barriers-broken-1694023488>

### **Mutual Fund Industry**

#### **Mutual fund investors in a tight spot as earnings, dividends drop drastically**

The mutual fund industry, already struggling with the policy and market adversities amid a poor confidence of investors, is now facing a big dent in their performance, forcing their investors in a tight corner. Of the 36 listed closed-end mutual funds, only one managed to retain its earnings in 2023 while the others saw their earnings per unit (EPU) dropping by 16% to 97% in a year, according to an EBL Securities compilation of close-end mutual funds' performance. And, no fund could pay their investors a higher dividend in 2023 while investors, already deprived of exit opportunities due to the floor price in the secondary market, fell into a tight corner due to the poor dividends from most of the funds this year.

<https://www.tbsnews.net/economy/stocks/mutual-fund-investors-tight-spot-earnings-dividends-drop-dramatically-696114>

### **Capital Market**

#### **BSEC finalising rules to set up commodity exchange**

The Bangladesh Securities and Exchange Commission (BSEC) is finalising a draft of rules regarding the commodity exchange on availing opinions from stakeholders with hopes that the first-ever exchange can be launched within a couple of months. A commodities exchange is a legal entity that determines and enforces rules and procedures for trading standardised commodity contracts and related investment products. According to experts, a commodity exchange allows farmers to lock in prices using forward contracting. This also reduces the risk of a drastic price drop and squeezes out uneven ups and downs of commodity prices in the country.

<https://www.thedailystar.net/business/economy/stock/news/bsec-finalising-rules-set-commodity-exchange-3412061>

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