

Bangladesh market snapshot

	Last closing
DSEX Index	6,307.08
% change	-0.16%
DS30 Index	2,137.09
% change	-0.33%
DSES Index	1,369.19
% change	-0.22%
Turnover (BDT mn)	7,007.85
Turnover (USD mn)	64.00
% change	-4.55%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	34,576.59
% change	0.39%
S&P 500	4,457.49
% change	-0.18%
Nikkei 225	32,606.84
% change	-1.33%
FTSE 100	7,478.19
% change	0.70%

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
7-Sep-23	5.50-7.75	6.28
4-Sep-23	5.50-7.75	6.29

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	90.65	0.39%
Gold Spot, USD/t oz.	1919.06	-0.01%
Cotton, USD/lb.	85.91	-0.26%

Source: Bloomberg

International Economy

Oil prices rise to 9-month high on worries about tight supply

Oil prices gained almost 1 percent to a nine-month high on Friday on rising US diesel futures and worries about tight oil supplies after Saudi Arabia and Russia extended supply cuts this week. Brent futures rose 73 cents, or 0.8 percent, to settle at \$90.65 a barrel, while US West Texas Intermediate Both crude benchmarks remained in technically overbought territory for a sixth straight day, with Brent's settlement its highest since Nov. 16. WTI's settlement was its highest since Sept. 6, which was its highest since November.

<https://www.thedailystar.net/business/global-economy/news/oil-prices-rise-9-month-high-worries-about-tight-supply-3414551>

US interest rates in 'good place,' for now: Fed officials

High US interest rates are doing their job in the fight against inflation, but more hikes may yet be needed, senior US Federal Reserve officials said Thursday. The comments from three regional Fed presidents with a vote on setting interest rates will likely solidify expectations that the US central bank intends to hold rates steady later this month amid growing signs of weaker labour market conditions. The Fed has raised its benchmark lending rate 11 times over the past 18 months to a level not seen for 22 years as it grapples with inflation still stubbornly above its long-run target of two percent.

<https://www.thedailystar.net/business/global-economy/news/us-interest-rates-good-place-now-fed-officials-3414886>

Bangladesh Economy

Private sector credit growth drops to single digit

The private sector credit growth in Bangladesh nosedived to single digit in July as both banks and borrowers face multiple challenges amid lingering economic uncertainty at home and abroad and the growing political crisis centring next year's national elections. In the first month of the current financial year of 2023-24, the credit growth fell to 9.82 percent from 10.57 percent a month ago, Bangladesh Bank data showed. July's credit expansion was the lowest since October 2021 when it stood at 9.44 percent.

<https://www.thedailystar.net/business/economy/news/private-sector-credit-growth-drops-single-digit-3413641>

Reserves decline may invite negative credit ratings

Bangladesh risks negative credit ratings for external finance factors, including sustained declines in foreign-exchange reserves, says global rating-agency Fitch Ratings. Earlier, another assessment by Moody's had forewarned that Bangladesh's heightened external vulnerability and liquidity risks stay persistent, and together with institutional weaknesses uncovered during the ongoing crisis, the sovereign's credit profile remained as before in B1 grade.

<https://today.thefinancialexpress.com.bd/public/first-page/reserves-decline-may-invite-negative-credit-ratings-1694194719>

Cenbank asks NBR to reconsider 20% tax on foreign loan interests

The Bangladesh Bank has made a formal request to the National Board of Revenue (NBR) to reconsider the 20% "withholding tax" imposed on interest payments for foreign loans in the current budget, arguing that this tax would increase borrowing costs from foreign sources by one-fourth. The plea from the central bank, communicated in a letter dated 31 August, points out that the NBR had previously waived the tax on interest for foreign loans through a circular issued on 29 November 1976. However, this beneficial provision was rescinded with the issuance of a circular on 23 May this year.

<https://www.tbsnews.net/economy/banking/cenbank-asks-nbr-reconsider-20-tax-foreign-loan-interests-697674>

Apparel shipment to US plunges 20% in Jan-Jul

Bangladesh's apparel shipments to the US declined 19.82 percent year-on-year in the January-July period this year in spite of a gradual improvement in retail sales. Though the US is Bangladesh's single largest export destination, the drop has been recorded by other countries as well, as American retailers are still struggling to recover from the severe fallouts of the pandemic and Russia-Ukraine war. Shipment of garments from all over the world to the US has been declining because of inflation and bank interest remaining high in America over the last three years for the pandemic and war.

<https://www.thedailystar.net/business/economy/news/apparel-shipment-us-plunges-20-jan-jul-3413636>

Govt pushes Chevron for nonstop gas production

Government high-ups have requested American energy giant Chevron to continue gas production from its three onshore fields uninterruptedly amid overdue payments piling up for fund constraints, sources say. Chevron Bangladesh company has backtracked on its hard line for now and continues production. The development comes following recent discussions of the finance minister and the central bank governor with top officials of Chevron to pacify it to continue operations, according to sources.

<https://today.thefinancialexpress.com.bd/first-page/govt-pushes-chevron-for-nonstop-gas-production-1694277812>

Capital Market

Stocks slide amid last-hour selloff but post weekly gains

Stocks on both Dhaka and Chattogram bourses closed higher last week compared to the previous one, despite inching down on Thursday due to the last-hour selloff. Stockbrokers said investors, having their concerns about rising interest rates and the uncertainties regarding the upcoming corporate earnings for fiscal 2022-23, preferred some profit booking at the eleventh hour. DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), opened higher on Thursday, mainly riding on general insurance stocks as the sector was expected not to be a loser in case of an interest rate hike in coming days.

<https://www.tbsnews.net/economy/stocks/stocks-slide-amid-last-hour-selloff-post-weekly-gains-696734>