

Bangladesh market snapshot

	Last closing
DSEX Index	6,272.93
% change	0.13%
DS30 Index	2,134.62
% change	-0.05%
DSES Index	1,357.61
% change	0.02%
Turnover (BDT mn)	4,659.37
Turnover (USD mn)	42.55
% change	-12.41%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,578.00
% change	-1.74%
S&P 500	4,318.00
% change	-1.05%
Nikkei 225	31,288.59
% change	-3.32%
FTSE 100	7,510.72
% change	-1.49%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	116.80	116.84
GBP	134.78	134.83
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
2-Oct-23	6.00 - 7.75	6.56
1-Oct-23	6.00 - 7.75	6.60

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	89.88	-2.81%
Gold Spot, USD/t oz.	1,821.13	-1.20%
Cotton, USD/lb.	87.6	0.01%

Source: Bloomberg

International Economy

Oil prices climb as risk appetite grows, focus returns to supply outlook

Oil prices edged up on Monday, recouping some of the losses suffered at the end of last week, as investors focused on a tight global supply outlook while a last-minute deal that avoided a US government shutdown restored risk appetite. Brent December crude futures rose 25 cents, or 0.3 percent, to \$92.45 a barrel after falling 90 cents on Friday. Brent November futures settled down 7 cents at \$95.31 a barrel at the contract's expiry on Friday. US West Texas Intermediate crude futures gained 29 cents, or 0.3 percent, to \$91.08 a barrel, after losing 92 cents on Friday. Both benchmarks rallied nearly 30 percent in the third quarter on forecasts of a wide crude supply deficit in the fourth quarter after Saudi Arabia and Russia extended additional supply cuts to the end of the year.

<https://www.thedailystar.net/business/global-economy/news/oil-prices-climb-risk-appetite-grows-focus-returns-supply-outlook-3432721>

Bangladesh Economy

Cenbank finally moves to make money costlier to fight inflation

The reference lending rate, also known as SMART (six-month moving average rate of Treasury bill), surged to 7.20% in September, the highest in six months, as Bangladesh has stopped money creation through devolvement for deficit financing to curb money supply amid rising inflation. The surge in the SMART rate indicates that money will be costlier as it is linked with the lending rates of banks.

<https://www.tbsnews.net/economy/banking/cenbank-finally-moves-make-money-costlier-fight-inflation-711010>

External debt nears USD 100 Bn

Bangladesh's overall external debt stock nearly hit the USD 100 Bn mark in June driven by increasing appetite for funds from both public and private sectors, central bank figures showed. The debt buildup, which still within the threshold recommended by the IMF, is becoming a headache for the country in view of the unfavourable developments on various economic fronts.

<https://www.thedailystar.net/business/economy/news/external-debt-nears-100b-3433356>

Jul-Aug foreign loan repayment rises 38.2% amid disbursement slump

Bangladesh's foreign loan disbursement has decreased while debt repayment has increased 38.2% year-on-year in the first two months of the current fiscal year. Foreign aid disbursement has dropped 14.48% to USD 739.07 Mn from USD 864.29 Mn a year ago, according to data published by the Economic Relations Division (ERD).

<https://www.tbsnews.net/economy/banking/jul-aug-foreign-loan-repayment-rises-382-amid-disbursement-slump-710990>

Bangladesh's growth still lowest in South Asia: expert

Although agricultural productivity is growing in Bangladesh, its rate of progress in this regard remains the lowest among nearby countries in South Asia and beyond, according to an analysts. As per the World Development Indicators (WDI), an index comprising international statistics on global development compiled by the World Bank, Bangladesh's agricultural productivity growth stood at 1% in 2021.

<https://www.thedailystar.net/business/economy/news/bangladeshs-growth-still-lowest-south-asia-expert-3433351>

Eight banks' provision shortfall jumps to BDT 261.33 Bn on mounting default loans

The provision shortfall of eight banks – three state-owned and five private – increased to BDT 261.33 Bn at the end of June 2023, which bankers believe is due to mounting defaulted loans. According to data from the central bank, the eight banks' provision shortfall soared by BDT 59.74 Bn in the April-June quarter. As per the policy, banks are required to keep a provision of 0.50% to 5% against deposits.

<https://www.tbsnews.net/economy/banking/eight-banks-provision-shortfall-jumps-tk26133cr-mounting-default-loans-711026>

Urgent dollar support sought for fuel import

The Energy Division has urgently reached out to the Bangladesh Bank, seeking assistance for the state-owned Bangladesh Petroleum Corporation (BPC) to secure the necessary dollars, saying it is crucial to settle overdue import bills that have accumulated over several months. Failure to resolve this issue promptly could potentially lead to increased costs as suppliers may impose penalties for delayed payments.

<https://www.tbsnews.net/bangladesh/energy/urgent-dollar-support-sought-fuel-import-711030>

IMF to check compliance with loan conditions

An International Monetary Fund (IMF) mission is set to assess progress in compliance with the conditions tagged to a \$4.7-billion loan package for Bangladesh, pending release of the next tranche. Officials say a programme-review mission of the IMF is scheduled to meet with the country's revenue authority Thursday for the review. The mission, which is scheduled to visit Bangladesh on October 4-19, will look into improvements in revenue-related affairs dealt by three wings of the National Board of Revenue (NBR), they said. Another mission, focused on tax-expenditure analysis, is scheduled to arrive on November 23 to meet with tax officials.

<https://thefinancialexpress.com.bd/economy/bangladesh/imf-to-check-compliance-with-loan-conditions>

Leather footwear exports fall to five-year low

Bangladesh's leather footwear industry saw its export earnings fall to a five-year low of \$141.83 million in the first quarter of the current fiscal

year due to a decline in export orders from the Eurozone in the face of the ongoing economic crisis. According to data from the Export Promotion Bureau, there was a 32.77 percent decline in year-on-year export earnings. The leather footwear industry shipped goods worth \$210.96 million in the corresponding period of the last fiscal year. Even during the Covid-19-affected period between July and September of FY 2020-21, \$148.36 million worth of shipments were made.

<https://www.thedailystar.net/business/economy/news/leather-footwear-exports-fall-five-year-low-3433371>

Capital Market

DSEX climbs on insurance shares

DSEX, the key index of the Dhaka bourse, witnessed an upturn session as investors poured funds into the insurance shares on Monday. Although in the first hour of the day, the market observed sell pressure which plunged the key index of the Dhaka Stock Exchange (DSE). After that, bargain hunters came into the market and injected their funds into the insurance shares, which helped the index turn around from its downfall.

<https://www.tbsnews.net/economy/stocks/dsex-climbs-insurance-shares-710702>