

Bangladesh market snapshot

	Last closing
DSEX Index	6,262.44
% change	-0.17%
DS30 Index	2,134.55
% change	0.00%
DSES Index	1,356.81
% change	-0.06%
Turnover (BDT mn)	4,971.73
Turnover (USD mn)	45.40
% change	6.70%

Source: Dhaka
Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,096.00
% change	-1.44%
S&P 500	4,249.25
% change	-1.59%
Nikkei 225	30,571.43
% change	-2.29%
FTSE 100	7,470.16
% change	-0.54%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	115.76	115.80
GBP	133.55	133.57
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
3-Oct-23	6.00 - 7.75	6.58
2-Oct-23	6.00 - 7.75	6.56

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	90.86	1.09%
Gold Spot, USD/t oz.	1,822.34	0.07%
Cotton, USD/lb.	87.35	-0.29%

Source: Bloomberg

Bangladesh Economy

WB lowers Bangladesh's economic growth projection

Bangladesh's economy may grow at a slower pace in the current fiscal year than it did in the previous year as it faces significant economic headwinds such as high inflation, external payment pressure, financial sector vulnerabilities and uncertainty, the World Bank said today. The country's economic growth is projected to slow down to 5.6 percent in the 2023-24 fiscal year ending next June, from 6 percent the previous fiscal year, said the multilateral lender in its Bangladesh Development Update. In its previous projection in April, the World Bank forecasted a 6.2 percent GDP growth for the current fiscal year. Growth is expected to accelerate to 5.8 percent in FY25, as inflation eases and external sector normalises gradually.

<https://www.thedailystar.net/business/economy/news/wb-lowers-bangladeshs-economic-growth-projection-3433576>

Pain deepens as food inflation stays above 12%

Food inflation in Bangladesh stayed above 12 percent for the second consecutive month in September as prices showed no signs of cooling down, hitting the pockets of the consumers who spend most of their incomes to feed their families. According to the data released yesterday by the Bangladesh Bureau of Statistics (BBS), food inflation stood at 12.37 percent last month, slightly down from August's 12.54 percent but nearly three percentage points higher from the rate seen in the identical month a year prior. Non-food inflation also fell, to 7.82 percent, which was 7.95 percent in August.

<https://www.thedailystar.net/business/economy/news/pain-deepens-food-inflation-stays-above-12-3434321>

Private sector credit growth hits 22-month low in August

Private sector credit growth in Bangladesh slumped to 9.75% in August, the lowest in 22 months, as businesses and individuals reined in borrowing amid economic headwinds and uncertainty surrounding the upcoming national elections. According to Bangladesh Bank data, the last time private sector credit growth dipped below this figure was in October 2021 registering a growth of 9.44%. Loans to the private sector have been declining consistently since November 2022. The credit growth was 13.97% in November 2022, which came down to 9.82% in July this year, central bank data shows.

<https://www.tbsnews.net/economy/private-sector-credit-growth-hits-22-month-low-august-711706>

Financial sector vulnerabilities may worsen: WB

Bangladesh's financial sector vulnerabilities may worsen due to an increase in bad loans and create further pressure in terms of liquidity in the banking system, warned the World Bank (WB) yesterday. The caution comes due to a rise in total stressed assets, including re-scheduled loans, non-performing loans (NPLs) and net written-off

loans. At the end of June this year, default loans hit an all-time high of Tk 156,039 crore due to a relaxed central bank policy, slowdown in business sales and deliberate non-payments, showed Bangladesh Bank data.

<https://www.thedailystar.net/business/economy/news/financial-sector-vulnerabilities-may-worsen-wb-3434336>

Banks' interest rate spread hits 41-month high in August

According to the latest data from the central bank, banks collected deposits at an average interest rate of 4.52% in August, which was 4.46% in July. These deposits were invested as loans at an average interest of 7.85%, 10 basis points up from July. The differences or interest spread between these two interest rates stood at 3.33%. The spread was 3.29% in July. Earlier in March 2020, the interest spread was 4.07% with average deposit interest rate at 5.51% and average lending interest rate at 9.58%.

<https://www.tbsnews.net/economy/banking/banks-interest-rate-spread-hits-41-month-high-august-711702>

Use of bandwidth to shoot up by 600% in 7 years

The use of internet bandwidth will shoot up by 600 percent in seven years to 30,000Gbps as people ramp up internet use, according to the telecom minister. Currently, around 13 crore people are using around 5,000 Gbps internet. 30,000 Gbps internet will be used in the country in 2030. In 2008, the cost of internet per Mbps was Tk 27,000 but now it has been reduced to only Tk 60 under the 'One Country One Rate' initiative. Moreover, 4G network coverage had reached 98 percent of the country.

<https://www.thedailystar.net/business/economy/industries/ict/news/use-bandwidth-shoot-600-7-years-3434001>

Mutual Fund Industry

Mutual funds' dividend payment falls amid market turmoil

Dividend payment by the country's mutual fund industry has decreased significantly year-on-year in the fiscal 2022-23, owing to the multifaceted challenges the industry is facing. This has affected the income of asset management companies – which operate mutual funds – in fund management. The companies paid a dividend of Tk283 crore to investors in fiscal 2022-23, compared to Tk630 crore a year ago. According to fund management industry insiders, mutual funds are doing well despite the downturn in the capital market. The funds have given better returns compared to equities and fixed deposit receipts during the last 10 years.

<https://www.tbsnews.net/economy/stocks/mutual-funds-dividend-payment-falls-amid-market-turmoil-711674>

Capital Market

Protection Fund to compensate clients of scam-hit brokers

The Investors' Protection Fund (IPF) of the Dhaka Stock Exchange

(DSE) will disburse for the first time Tk 250 million to compensate investors, who fell victim to scams committed by four brokers. In a directive signed on Sunday, the Bangladesh Securities and Exchange Commission (BSEC) asked the Dhaka bourse to pay the money to those who are yet to get any refund after losing assets to fund embezzlement. As per the regulatory order, clients of Crest Securities, Banco Securities, Tamha Securities, and Shah Mohammad Sagir & Company will be paid on a pro-rata basis from the Fund.

<https://today.thefinancialexpress.com.bd/stock-corporate/protection-fund-to-compensate-clients-of-scam-hit-brokers-1696354947>