

Bangladesh market snapshot

	Last closing
DSEX Index	6,262.78
% change	-0.16%
DS30 Index	2,135.37
% change	0.04%
DSSES Index	1,356.06
% change	-0.11%
Turnover (BDT mn)	4,509.86
Turnover (USD mn)	41.19
% change	-3.21%

Source: Dhaka
Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,332.00
% change	0.71%
S&P 500	4,299.50
% change	1.18%
Nikkei 225	30,959.68
% change	1.27%
FTSE 100	7,412.45
% change	-0.77%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.00	110.50
EUR	115.15	115.68
GBP	132.85	133.47
INR	1.32	1.32

Source: BB

Money market

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

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	86.43	-4.88%
Gold Spot, USD/t oz.	1,828.51	0.34%
Cotton, USD/lb.	87.47	0.14%

Source: Bloomberg

Bangladesh Economy

External deficit widens further, mounting pressure on reserves

Deficit in the country's financial account balance swelled to \$2.02 billion at the end of August from \$946 million a month ago, putting further pressure on the dwindling forex reserves. According to the Bangladesh Bank data, the trade deficit widened in August to stand at \$1.01 billion, up from \$0.64 billion in July. At the end of September, the country's reserves stood at \$21.15 billion, down from \$23.26 billion at the end of August.

<https://www.tbsnews.net/economy/external-deficit-widens-further-mounting-pressure-reserves-712486>

Bangladesh Bank's measures failed to control inflation: IMF

The International Monetary Fund (IMF) has said the Bangladesh Bank's monetary policy has failed to control inflation, pointing to the central bank's failure to fix the exchange rate based on the actual market situation and to set a sufficiently high lending rate to reduce money supply. One of the IMF's conditions was to maintain net reserves of \$24.46 billion in June, \$25.30 billion in September and \$26.80 billion in December. The Bangladesh Bank publishes data on total gross reserves and BPM6 reserves, but does not disclose the net reserves data. According to officials, the Bangladesh Bank regularly informs the IMF about the net reserves, which now stand below \$20 billion.

<https://www.tbsnews.net/economy/bangladesh-banks-measures-failed-control-inflation-imf-712394>

Bangladesh Bank sharply raises repo rate by 75 basis points to fight inflation

The Bangladesh Bank has decided to increase the policy rate, also known as repo rate, by 75 basis points to 7.25% to contain inflation by making money costlier. The decision was taken at the monetary policy committee meeting with the move considered a key to tackling the raging levels of inflation. In April of 2020, the repo rate stood at 5.75%, falling to 4.75% at the end of July of the same year.

<https://www.tbsnews.net/economy/banking/bangladesh-bank-sharply-raises-repo-rate-75-basis-points-fight-inflation-712302>

State banks' default loan surges

Default loans in the banking sector shot to a historic high at the end of June this year owing to rising non-performing loans (NPLs) at state-owned commercial banks, according to Bangladesh Bank (BB). The amount of NPLs at the state banks stood at Tk 74,450 crore, up 28.45 percent from that three months ago according to a quarterly report of BB. With the spike, the ratio of their gross classified loans surged to 25.01 percent of their total outstanding loans. Private banks and foreign banks also registered an increase in the volume of NPLs during the period.

<https://www.thedailystar.net/business/economy/news/state-banks-default-loan-surges-3434881>

World Bank to give \$500 million budget support

The World Bank is considering a \$500 million budget support for Bangladesh in the current fiscal year under two programmes, according to its Country Director. In the last fiscal year that ended on June 30, the development lender gave \$500 million in budget support as well. The fund was part of the green and climate-resilient development policy credit.

<https://www.thedailystar.net/business/news/world-bank-give-500-million-budget-support-3434776>

EU GSP Plus depends on labour law reforms

European Parliament and European Commission, parts of European Union (EU), will see whether Bangladesh's labour laws conform to international standards to provide preferential trade benefits under a proposed GSP Plus, according to the EU Ambassador. Even though Bangladesh is scheduled to graduate to developing country status in 2026, the EU will continue to provide the country its trade facilities meant for least developed countries (LDC) up to 2029. Afterwards Bangladesh wants to avail the Generalised Scheme of Preferences (GSP) Plus, a special incentive for developing countries to pursue sustainable development and good governance.

<https://www.thedailystar.net/business/economy/news/eu-gsp-plus-depends-labour-law-reforms-3434821>

New drug act to take pharma sector to greater heights

The new Drugs and Cosmetics Act 2023 will help the pharmaceuticals sector of Bangladesh get rid of adulterated and substandard medicines and climb to the next heights, according to manufacturers. The inclusion of rigorous punishment for offences will also be beneficial. In the Drugs (Control) Ordinance 1982, there was no clause for punishment for adulteration of medicines. On September 6, the parliament passed the Drugs and Cosmetics Bill 2023, replacing the ordinance, a development that manufacturers think will brighten the image of the pharmaceuticals sector tipped to be a major global hub for high quality, low-cost generic medicines.

<https://www.thedailystar.net/business/economy/news/new-drug-act-take-pharma-sector-greater-heights-3434721>