

Bangladesh market snapshot

	Last closing
DSEX Index	6,265.15
% change	-0.07%
DS30 Index	2,136.43
% change	-0.24%
DSSES Index	1,358.74
% change	0.03%
Turnover (BDT mn)	4,760.76
Turnover (USD mn)	43.48
% change	13.81%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	32,022.34
% change	1.15%
S&P 500	4,393.25
% change	-0.18%
Nikkei 225	32,048.54
% change	1.23%
FTSE 100	7,630.63
% change	0.41%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	116.12	116.16
GBP	134.15	134.23
INR	1.32	1.32

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
16-Oct-23	6.75 - 8.75	7.47
12-Oct-23	6.75 - 8.50	7.38

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	89.64	-1.38%
Gold Spot, USD/t oz.	1,916.07	-0.87%
Cotton, USD/lb.	84.78	-1.49%

Source: Bloomberg

International Economy

Oil prices steady above \$90 as investors assess Israel-Hamas war

Brent oil futures steadied above \$90 a barrel on Monday after passing the threshold on Friday, as investors waited to see if the Israel-Hamas conflict draws in other countries. Brent futures were down 39 cents, or 0.43 percent, at \$90.50 a barrel at 0855 GMT. US West Texas Intermediate (WTI) crude fell 26 cents, or 0.3 percent, to \$87.43 a barrel. Both benchmarks climbed nearly 6 percent on Friday, taking Brent 7.5 percent higher on the week and WTI up 5.9 percent, as investors priced in the possibility of a wider Middle East conflict.

<https://www.thedailystar.net/business/global-economy/news/oil-prices-steady-above-90-investors-assess-israel-hamas-war-3445056>

Bangladesh Economy

Dollar crisis spurs rise in reinvested earnings, but new FDI shrinks

Bangladesh saw a record increase in reinvested earnings by foreign companies operating here in the fiscal 2022-23 and a significant decline in fresh investments, thanks to the ongoing dollar crisis that has hindered the repatriation of profits to their shareholders. According to data from the Bangladesh Bank, reinvested earnings soared by 16% to \$2.37 billion year-on-year in FY23. On the contrary, equity capital or new investments dropped to below \$796 million from \$1.35 billion a year ago. Consequently, overall FDI into the country declined by 7% to \$3.19 billion in FY23 compared to the previous fiscal year.

<https://www.tbsnews.net/economy/dollar-crisis-spurs-rise-reinvested-earnings-new-fdi-shrinks-720170>

Delays in 6 mega projects cause Tk1.12 lakh crore in economic loss

Delays in timely completion of six major transport infrastructure projects have caused losses amounting to an estimated Tk1.12 lakh crore, shows a review of project documents. The amount would have been enough to build four Padma Bridges. A significant portion of this sum comprises direct loss through increases in project costs, while a big chunk is financial loss resulting from unrealised tolls and fare revenue from both passengers and freight transport. Besides, these delays also mean economic loss and delayed benefits for citizens and the country.

<https://www.tbsnews.net/bangladesh/infrastructure/delays-6-mega-projects-cause-tk112-lakh-crore-economic-loss-720150>

Industrial output index dives amid inflation, fist-tightening

Major production sector in Bangladesh slips in rebound from a global upset as the country's industrial-output index showed the deepest drop at the end of past fiscal year, with food, clothing, paper, and printing shrinking. Half of the large-scale manufacturing (LSM) indus-

trial sectors in Bangladesh marked decline in June on a year-on-year (y-o-y) basis, according to data prepared by the Bangladesh Bureau of Statistics (BBS) in IMF-prescribed new methodology. The government agency prepares the data under the IMF's system of national accounting (SNA) meant for use in the measurement of the GDP. It prepares the data for 22 large-scale industries of Bangladesh which have around 11-percent contribution to the gross domestic product or GDP.

<https://today.thefinancialexpress.com.bd/first-page/industrial-output-index-dives-amid-inflation-fist-tightening-1697481037>

IMF urged to downsize forex reserves to \$20b as term for next loan instalment

Bangladesh has now requested the International Monetary Fund (IMF) to lower the requirement of foreign exchange reserves at \$20 billion as a condition of releasing the second installment of the \$4.7 billion loans, an official of Bangladesh Bank confirmed this on Monday, according to UNB. Despite different measures taken by the including cutting unnecessary and luxury goods imports, in the last three months, gross reserves declined by \$2.58 billion. Two main sources of foreign exchange earnings -inward remittances flow saw a record decline to \$1.34 billion in September and export earnings failed to achieve the target. Considering the situation, the central bank proposed to the IMF mission led by Rahul Anand to revise the reserves down to \$20 billion. Under the terms of the \$4.7 billion IMF loan, the actual reserves were supposed to be maintained at \$24.46 billion last June and \$25.30 billion in September. At the end of December, Bangladesh must maintain at least \$26.81 billion in net reserves.

<https://today.thefinancialexpress.com.bd/last-page/imf-urged-to-downsize-forex-reserves-to-20b-as-term-for-next-loan-instalment-1697481411>

Banks suffering for growing liquidity stress

A majority of banks in Bangladesh, including some Shariah-based ones, are facing difficulties to run their activities due to a liquidity crisis, according to industry people. The liquidity crunch deepened further as the central bank recently raised the policy rate to tackle ongoing inflationary pressure in the country. As such, these lenders are now dependent on the call money market, a short-term money market, and Bangladesh Bank to secure funds for meeting their payment obligations.

<https://www.thedailystar.net/business/economy/news/banks-suffering-growing-liquidity-stress-3445351>

Agent banking loan disbursement up 24pc in August as remittance takes a hit

Agent banking in August this year witnessed a remarkable surge in loan disbursement compared to the previous month, while two other key banking indicators - deposit collection and remittance inflow - did not fare well, reflecting economic constraints mostly in rural Bangladesh and the price pressure village people are now facing. Loan dis-

bursement through agent banking surged by 24.12 per cent in August this year to over Tk 8.43 billion from July's Tk 6.79 billion, according to the latest data of the Bangladesh Bank (BB).

<https://today.thefinancialexpress.com.bd/last-page/agent-banking-loan-disbursement-up-24pc-in-august-as-remittance-takes-a-hit-1697481456>

Export to Russia rebounds on alternative measures

It was thought that the shipment of garment items to Russia would come to a standstill because of the outbreak of the war with neighbouring Ukraine since February 24 in 2022. Following the outbreak of the war, the shipment of goods, especially garment items, almost stopped and many Russia-bound ships had to wait for the green signal at Chattogram port. However, the shipments were finally made through alternative routes -- Poland and Germany's Hamburg. The shipments did not stop through the alternative routes as the local garment makers continued to meet the demand of the Russian clothing retailers and brands.

<https://www.thedailystar.net/business/economy/news/export-russia-rebounds-alternative-measures-3445311>

Capital Market

IMF offers support in law, policy issues to improve stock market capital inflow: BSEC chairman

The visiting International Monetary Fund mission has said it would support any law or policy related matters to improve capital inflow to the stock market. The IMF mission also asked about what developments took place in the market in the past year. They further asked about the new products in the securities market, such as in the bond and equity markets, according to the BSEC Chairman Professor Shibli Rubayat-UI-Islam.

<https://www.tbsnews.net/economy/stocks/imf-offers-support-law-policy-issues-improve-stock-market-capital-inflow-bsec>