

Bangladesh market snapshot

	Last closing
DSEX Index	6,278.51
% change	0.08%
DS30 Index	2,139.23
% change	0.05%
DSSES Index	1,362.41
% change	0.01%
Turnover (BDT mn)	5,122.16
Turnover (USD mn)	46.78
% change	0.42%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,763.00
% change	-0.69%
S&P 500	4,335.50
% change	-0.86%
Nikkei 225	32,042.25
% change	0.00%
FTSE 100	7,588.00
% change	-0.95%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	116.85	116.89
GBP	134.56	134.61
INR	1.32	1.32

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average
18-Oct-23	6.75 - 8.50	7.72
17-Oct-23	6.75 - 8.75	7.62

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	91.06	-0.40%
Gold Spot, USD/t oz.	1,947.25	0.46%
Cotton, USD/lb.	83.73	0.56%

Source: Bloomberg

International Economy

Oil jumps 2% as hospital blast increases Middle East tensions

Oil prices surged on Wednesday as tension escalated in the Middle East after hundreds were killed in a blast at a Gaza hospital, sparking concerns about potential oil supply disruptions from the region. Brent crude futures advanced \$1.75, or 2 percent, to \$91.65 a barrel at 0609 GMT. West Texas Intermediate crude (WTI) futures were up \$1.91, or 2.2 percent, at \$88.57 a barrel. In earlier trade, both benchmarks gained more than \$2 to touch their highest levels in two weeks.

<https://www.thedailystar.net/business/global-economy/news/oil-jumps-2-hospital-blast-increases-middle-east-tensions-3446626>

Bangladesh Economy

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

Foreign loans, the key source of financing development projects, is rapidly becoming costlier for Bangladesh with an increasing reliance on higher-cost borrowing, also known as hard loans, tied to market-based or floating interest rates. Experts point out that this trend not only increases the burden of interest payments but also raises the pressure of principal payments. This is because market-based interest loans typically come with shorter grace and repayment periods – three and 12 years respectively – compared to five and 20 years for fixed-rate loans.

<https://www.tbsnews.net/economy/debt-burden-climbs-hard-loans-double-three-years-721866>

Excess liquidity in banks falls to Tk1.74 lakh crore

Excess liquidity in banks decreased by approximately Tk6,000 crore in August compared to July following some steps taken by the Bangladesh Bank to control inflation in line with its contractionary policy stance. The central bank ceased printing money to lend the government amid continuous sale of dollars from the reserves. The government is paying the central bank back by borrowing from commercial banks, which also fuels the liquidity stress. According to central bank data, excess liquidity in banks reached Tk1.74 lakh crore at the end of August from Tk1.80 lakh crore a month ago. The decreasing trend in excess liquidity is likely to continue even in September, according to BB officials.

<https://www.tbsnews.net/economy/banking/excess-liquidity-banks-falls-tk174-lakh-crore-721974>

Market-driven exchange rate not before national polls

The exchange rate volatility and its strain on the foreign currency reserves would not disappear anytime soon after Bangladesh Bank Governor said a floating US dollar rate would not be materialised before the upcoming national election. The delay in introducing a market-based exchange rate is aimed at bringing down consumer prices as

the central bank thinks a free-floating regime might stoke inflationary pressures further. So, the BB governor asked banks to step up their efforts to bring export proceeds to the country in order to give a much-needed fillip to the flow of the American greenback.

<https://www.thedailystar.net/business/economy/news/market-driven-exchange-rate-not-national-polls-3447036>

IMF may disburse \$650 million by December

Bangladesh may receive US\$650 million by December in a second tranche from a \$4.7 billion worth of IMF loan package, as hectic negotiations on the prerequisites yield positive signals. The visiting staff mission of the Washington-based global lender will sit with the Finance Division for a wrap-up discussion today (Thursday) where the team could give positive hints to the government on the upcoming tranche, according to a Ministry of Finance (MoF) official. The expected \$650 million worth of programme loan will give a cushion to Bangladesh government amid the depleting foreign-exchange reserves, counted at \$21.06 billion as per BPM6 method, at the end of September, down from \$36.47 billion a year ago, according to Bangladesh Bank (BB) data.

<https://today.thefinancialexpress.com.bd/first-page/imf-may-disburse-650-million-by-december-1697652451>

Capital Market

Borak Real Estate holds roadshow to raise Tk400cr

Borak Real Estate — a concern of the Unique Group — is planning to raise Tk400 crore from the capital market through an initial public offering (IPO) under the book-building method. Recently, the company arranged a roadshow at the hotel Sheraton Dhaka where the company presented its business status and future plan to the eligible investors. Of the IPO fund, Borak Real Estate will use Tk200 crore for constructing a seven-star hotel in Gulshan, Tk100 crore for Hotel Taj, and Tk100 crore for loan repayment.

<https://www.tbsnews.net/economy/stocks/borak-real-estate-holds-roadshow-raise-tk400cr-721794>