Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,257.98
% change	-1.10%
DS30 Index	1930.40
% change	-0.90%
DSES Index	1,174.13
% change	-0.74%
Turnover (BDT mn)	3,068.91
Turnover (USD mn)	25.57
% change	3.56%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	43,275.91
% change	0.09%
S&P 500	5,864.67
% change	0.40%
Nikkei 225	38,981.75
% change	0.18%
FTSE 100	8,358.25
% change	-0.32%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	130.33	130.36
GBP	155.88	155.89
INR	1.43	1.43
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
17-Oct-24	9.30 - 10.50	9.55
16-Oct-24	9.30 - 10.50	9.54
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	73.06	-1.87%
Gold Spot, USD/t oz.	2,720.00	1.03%
Cotton, USD/lb.	70.99	0.33%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.10% in the last trading day, closing at 5,257.98 points.
- The daily turnover increased 3.56% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.09% gain, S&P 500 posted 0.40% gain and FTSE 100 posted 0.32% loss.
- One of the leading Asian market indices, NIKKEI posted 0.18% gain in the last trading day.

Key macro indicators

- While the USD exchange rate remained stable, the Euro and GBP depreciated, whereas the INR appreciated against the BDT.
- The average overnight rate increased in the past week
- The current weighted average overnight rate stood at 9.55% with a high rate of 10.50% and low rate of 9.30%.
- The oil price decreased 1.87% in the last trading day.

Bangladesh Macro Update

How 'self-financing' Padma Bridge triggered money market crisis, inflation

- The foreign currency spending for the Padma Bridge construction of nearly USD 1.9 billion, equivalent to about BDT 20,000 crore sourced from the domestic market, triggered crises in both the forex and local currency markets leading to the erosion of the country's foreign exchange reserves.
- The state-owned Agrani Bank arranged the entire amount of foreign currency for the project from the local market which experts consider one of the main reasons behind the money market crisis that the country has been facing over the last two years.
- The dollar expenditure was used for importing capital machinery, raw materials, and paying the salaries of foreign labourers.
- The government had to fund this massive foreign currency requirement from its own resources after the World Bank cancelled its USD 1.2 billion (BDT 84 billion) financing package to build Bangladesh's longest bridge, citing corruption concerns in 2012.
- It is because the government had to borrow local currency through treasury bills and bonds at interest rates of 7% to 8%, compared to the maximum 1% cost of the World Bank loan.

News Source:

https://www.tbsnews.net/economy/how-self-financing-padma-bridge-triggered-money-market-crisis-inflation-970156

Structural reforms demanded for SME sector development

- Policymakers and business leaders have called for the timely formulation and proper implementation of a better policy to reform the small and medium enterprises (SME) sector to protect the interests of entrepreneurs and the national economy.
- They voiced the demand during a discussion titled "Reform of SME Policy-2019 for Sustainable Growth and Innovation" organised by the Dhaka Chamber of Commerce and Industry (DCCI).
- Speakers noted that the SME policy, introduced in 2019 with a five-year validity, expired in June this year without being fully implemented.
- For instance, while BSCIC and the SME Foundation have been tasked with adding new market growth and export opportunities to the SME policy, the EPB has not been included.
- SME Foundation General Manager Md Nazeem Hassan Satter said that although SME policies and action plans were formulated, the necessary funding from the government was not allocated.

News Source:

https://www.tbsnews.net/economy/coordination-structural-reforms-must-sme-sector-development-speakers-970546

Sectoral Update

Banks, NBFIs, and Insurance

Dollar spending on credit cards drops to 13-month low in August

- All types of credit card transactions experienced a sharp decline in August, particularly dollar spending, which dropped to a 13-month low.
- This decline is attributed to factors such as instability throughout the country following the ouster of the Awami League government amid a mass uprising, liquidity shortages in some banks, and disruptions in the financial sector.
- Dollar transactions using credit cards amounted to BDT 373 crore, compared to BDT 418 crore in the same month last year, according to a Bangladesh Bank report.
- Banks faced challenges in conducting normal operations due to persistent inflation, which reduced consumer spending, alongside the unrest across the country, according to a bank official.
- The issuance of new credit cards in the banking sector has also decreased considerably during these two months.

News Source:

https://www.tbsnews.net/economy/banking/dollar-spending-credit-cards-drops-13-month-low-august-969466

BB will help Nagad management to make it worthy competitor of bKash: Governor

- The Bangladesh Bank will work with Nagad's new management in a bid to ready it for new strategic investors and make it a real worthy competitor of bKash, according to Governor Ahsan H Mansur.
- Our objective is not to destroy Nagad, rather it is to rebuild it much stronger, he added.
- Basically, we have one player – bKash whereas Nagad is considered number two as it has lots of other issues, including transparency, accountability, not having proper licence, not following the regulatory guideline and so on.
- Bangladesh's financial market's depth was about 64% of GDP in 2016, however, now it has decreased to 54%.
- Other banking and financial experts attributed some challenges in the current MFS system.

News Source:

https://www.tbsnews.net/economy/banking/bb-will-help-nagad-management-make-it-worthy-competitor-bkash-governor-969476

Apparel and Textile

Labour unrest inflicts $400m loss on main export industry

- Bangladesh's export-earning apparel industry suffered production loss worth USD 400 million for labour unrest for over a month since end of August, on the cusp of a regime change.

- Bangladesh Garment Manufacturers and Exporters Association (BGMEA) came up Saturday with the claim of cost of industrial action and sought preventive actions against any recurrence of violence so they can make a rebound.
- The association said the apparel industry was now stable after a challenging period and called on the government to take necessary measures to ensure law and order in the sector to help them sustain trade competitiveness and drive further growth.
- Some of the buyers have shifted work orders from Bangladesh to other competitive countries for the unrest, according to BGMEA president Khandoker Rafiqul Islam.
- Some 39 affected factories were unable to pay wages for September because of the labour unrest, leading the BGMEA to request interest-free bank loans on easy terms from the government to support them.

News Source:

https://today.thefinancialexpress.com.bd/first-page/labour-unrest-inflicts-400m-loss-on-main-export-industry-1729357094

Energy

Govt's tender for drilling 26 onshore wells likely to be delayed: Sources

- The government's initiative to invite an open tender for the drilling of 26 wells across various onshore gas fields, aimed at boosting domestic gas production, is likely to face a delay of another month, according to official sources.
- The delay is primarily due to the ongoing preparation of tender documents.
- Three gas exploration and production companies under the state-owned Bangladesh Minerals, Oil, and Gas Corporation, commonly known as Petrobangla – Sylhet Gas Fields Limited (SGFL), Bangladesh Gas Fields Company Limited (BGFCL), and Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) were expected to float the tender by the second week of October.
- However, the companies were unable to do so as the documents were not finalised for publication in newspapers and on relevant government websites.

News Source:

https://www.tbsnews.net/bangladesh/energy/govts-tender-drilling-26-onshore-wells-likely-be-delayed-sources-970896

Capital Market

Key stock index lowest in two and a half months

- Stocks in Bangladesh sank to a two-and-a-half-month low yesterday as investors poured their funds only into selective shares to pocket short-term gains amid price fluctuations.
- The DSEX, the main index of the Dhaka Stock Exchange (DSE), fell by 1.09% from the day before to close at 5,257 points, marking four days of constant decline.
- The DSES index representing Shariah-compliant companies edged down 0.74% from the day prior to close at 1,174 points and the DS30 index comprising blue-chip stocks slipped by 0.90% to close at 1,930 points.

- Of the 395 scrips traded at the DSE, 53 saw their prices rise while that of 293 fell and 49 did not witness any movement.
- At the Chittagong Stock Exchange, the CASPI, the main index of the port city bourse, slipped by 1.01% from the previous session to settle the day at 14,821 points.

News Source:

https://www.thedailystar.net/business/news/key-stock-index-lowest-two-and-half-months-3730081

60 DSE companies dropped off FTSE Frontier Index due to poor turnover

- Global index provider FTSE Russell has recently completed its annual review of the Bangladesh stock market, which led to the exclusion of 60 Dhaka Stock Exchange (DSE) companies from the FTSE Frontier Index Series.
- The primary reason for their exclusion in the September review, which analysed Bangladeshi stocks' eligibility to be a part of its global composites, was due to the companies' shares' poor liquidity in the bourses.
- This development comes shortly after the positive news of FTSE Russell resuming the review of Bangladeshi stocks after a year and a half.
- While only two Bangladeshi small-cap companies – Kohinoor Chemical and Khan Brothers PP Woven Bag Industries successfully entered the updated FTSE stock universe as their market capitalisation reached above the minimum FTSE threshold for small cap firms, Bangladesh saw the highest number of companies removed from the index.
- The country was found to have been at the bottom of the frontier market list in getting fresh entrants.

News Source:

https://www.tbsnews.net/economy/stocks/60-dse-companies-dropped-ftse-frontier-index-due-poor-turnover-970766