Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	5,173.11
% change	0.24%
DS30 Index	1,903.79
% change	0.40%
DSES Index	1,156.99
% change	0.12%
Turnover (BDT mn)	3,447.75
Turnover (USD mn)	28.73
% change	-4.87%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	42,931.60
% change	-0.80%
S&P 500	5,853.98
% change	-0.18%
Nikkei 225	39,030.00
% change	0.12%
FTSE 100	8,318.24
% change	-0.48%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	120.00	120.00
EUR	130.39	130.42
GBP	156.58	156.66
INR	1.43	1.43
Source: BB		

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

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	74.09	1.24%
Gold Spot, USD/t oz.	2,719.65	-0.02%
Cotton, USD/lb.	72.20	1.70%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX gained 0.24% in the last trading day, closing at 5,173.11 points.
- The daily turnover decreased 4.87% in the last trading day.

Global Market

- Majority of the leading global indices posted negative returns as Dow Jones posted 0.80% loss, S&P 500 posted 0.18% and FTSE 100 posted 0.48% loss yesterday.
- One of the leading Asian market indices, NIKKEI posted 0.12% gain yesterday.

Key macro indicators

- While USD rate remained stable, the value of Euro and GBP appreciated, whereas INR depreciated against BDT.
- The average overnight rate increased in the last trading day.
- 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 increased 1.24% in the last trading day.

Bangladesh Macro Update

Fitch forecasts macroeconomic pickup if reforms run

- Global credit-rating agency Fitch forecasts macroeconomic pickup in Bangladesh from the political transition-time setback, provided that the reforms spearheaded by the interim government sail through.
- On the downside of the current situation, Fitch Ratings in its latest report notes that Bangladesh's political transition in August 2024 has heightened economic policy uncertainty in the short term.
- For the fiscal year 2025, ending June 30, 2025, Fitch has revised its growth forecast down to 4.5%, from an earlier projection of 5.3%.
- However, it anticipates a recovery in fiscal year 2026, forecasting a growth rate of 5.7%.

News Source:

https://today.thefinancialexpress.com.bd/first-page/fitch-forecasts-macroeconomic-pickup-if-reforms-run-1729533040

Perishables drive inflation surge as import impact declines

- The impact of perishable goods on the country's inflation surged during the first three months of the current fiscal year, while that of the import-concentrated items declined, according to a Bangladesh Bank report.
- The report showed that the contribution of perishable goods to inflation rose from 18% in the June quarter to 23% in the September quarter, while the impact of import-concentrated items fell from 39% to 26%.
- Economist Fahmida Khatun said that the prices of perishable goods have risen due to inadequate preservation.
- Many vegetable fields were destroyed by floods in various parts of the country during the September quarter for which prices have increased due to a supply shortage in the market

News Source:

https://www.tbsnews.net/economy/perishables-drive-inflation-surge-import-impact-declines-972676

IMF to reduce borrowing costs for members as global interest rates soar

- The International Monetary Fund (IMF) executive board reached a consensus on reforms of charges, surcharges, and commitment fees that will substantially reduce the cost of borrowing from the General Resources Account (GRA) at a time of high global interest rates.
- The reform package is expected to lower IMF borrowing costs for members by about USD 1.2 billion annually and reduce payments on the margin of charges and surcharges on average by 36%.
- The number of surcharge payers is expected to decline from 20 to 13 countries in FY2026.
- The executive board on 11 October concluded the Review of Charges and the Surcharge Policy, which for the first time jointly covered charges, surcharges, and commitment fees.

News Source:

https://www.tbsnews.net/economy/imf-reduce-borrowing-costs-members-high-global-interest-rates-soar-972611

ADB to provide BD with $600m to face graduation challenges

- The Asian Development Bank (ADB) has assured Bangladesh of extending its budgetary support to USD 600 million for facing the LDC graduation challenges, according to officials.
- Following Bangladesh's request, the Manila-based lender has assured it of providing the increased budgetary credit.
- The ERD sat with the CPM a week ago in Dhaka to confirm the pipeline loans and grants for Bangladesh up to the year 2026.
- Earlier, the lender assured Bangladesh of providing USD 400 million worth of the budgetary credit.
- A senior MoF official said that the ADB assured the government of enlarging its support by USD 200 million to USD 600 million in tackling LDC-graduation fallout on the economy and improving the business climate, especially the position in the global logistics index.

News Source:

https://today.thefinancialexpress.com.bd/last-page/adb-to-provide-bd-with-600m-to-face-graduation-challenges-1729533427

$1.53b remittance in 19 days of Oct

- Expatriates sent nearly USD 1.53 billion in remittances to Bangladesh during the first 19 days of October in fiscal year FY 2024-25, according to Bangladesh Bank (BB) data.
- On average, daily remittances amounted to USD 80.70 million during this period.
- In comparison, remittances in the first 19 days of September totalled USD 1.47 billion.
- Sector insiders expect the steady inflow to maintain its momentum throughout the month..
- In the recently concluded 2023-24 fiscal year, Bangladesh received a total of USD 23.92 billion in remittances which is the second-highest remittance inflow in the country's history.

News Source:

https://today.thefinancialexpress.com.bd/first-page/153b-remittance-in-19-days-of-oct-1729533195

Sectoral Update

Banks, NBFIs, and Insurance

Cenbank restricts repo lending to Tuesdays from next month

- Starting from 1 November, banks will be able to borrow through repurchase agreements (repo) from the Bangladesh Bank once a week, only on Tuesdays, according to a circular issued by the central bank.
- In addition to the weekly repo lending, banks will be able to take overnight repo on the day of the Reserve Maintenance Period (RMP) for the convenience of maintaining the Cash Reserve Ratio (CRR) of the banks.
- This move comes after the central bank halted its daily repo lending from 1 July, as part of efforts to stabilise the currency market and improve currency management.
- Since then, banks have been able to access repo loans on Mondays and Wednesdays.

- Repo lending allows banks to borrow short-term funds from the central bank.

News Source:

https://www.tbsnews.net/economy/banking/cenbank-provide-repo-lending-banks-only-tuesdays-november-972261

Bank CSR spending drops over 12% in first half of year

- Banks have reduced their Corporate Social Responsibility (CSR) spending by 12.46% in the first six months of this year compared to the same period in 2022, according to the report of Bangladesh Bank.
- A total of BDT 309 crore was spent on CSR as of June.
- The report highlighted significant cuts in spending on education, health, and climate change adaptation initiatives.
- Notably, CSR allocations for environmental and climate change-related projects saw nearly a 50% drop compared to the previous six months.
- Other sectors, including disaster management and infrastructure development, accounted for BDT 166 crore, or 53.76% of total CSR expenditure.

News Source:

https://www.tbsnews.net/economy/banking/banks-csr-spending-drops-12-jan-jun-972506

Ten public banks get new MDs to promote changes

- The government Monday appointed new managing directors (MDs) and chief executive officers (CEOs) to ten public banks amid sweeping changes in the post-uprising interim period.
- The Financial Institutions Division (FID) of the Ministry of Finance appointed four MDs through departmental promotion while sending names of six bankers to the chairmen of six state-owned commercial banks (SoCBs) to complete the procedures for their appointments in the top-level shakeup.
- Earlier on 19 September, the government ordered six SoCBs - Sonali, Janata, Agrani, Rupali, Bangladesh Development Bank and Basic Bank - to cancel the remaining terms of the contracts with their MDs.
- Since then, the MD posts of these banks remained vacant.

News Source:

https://today.thefinancialexpress.com.bd/first-page/ten-public-banks-get-new-mds-to-promote-changes-1729533159

Apparel and Textile

Unrest erodes Bangladesh’s RMG edge over rivals

- Garment exports by Bangladesh's market rivals like India, Vietnam, China and Cambodia have increased to major Western markets due mainly to the latest spell of labour unrest and political changeover earlier in August in the country.
- In September, India's readymade garment (RMG) exports grew by 17.3% year-on-year, capitalising on political instability in Bangladesh.

- The growth comes despite global challenges such as inflation and supply chain disruptions, which have impacted other major garment-exporting nations.
- Many leading apparel exporters have experienced a slowdown in recent months, but India has benefitted from Bangladesh's socio-political unrest, according to Sudhir Sekhri, chairman of the Apparel Export Promotion Council.
- Bangladesh's internal turmoil forced some factories to close temporarily, causing delays in delivery schedules.

News Source:

https://www.thedailystar.net/business/news/unrest-erodes-bangladeshs-rmg-edge-over-rivals-3733291

Capital Market

Stocks break five-day losing streak

- The five-day bear run came to a halt on 21 October, paving the way for a bullish trend that pushed the key index of the Dhaka Stock Exchange (DSE) into positive territory.
- On the day, the DSE's benchmark index, DSEX, rose by 12 points to 5,173, while the blue-chip index, DS30, surged by 7 points to 1,903.
- However, trading activity remained stagnant, with market turnover slightly decreasing by 5% to BDT 344 crore, down from BDT 362 crore in the previous session.
- Out of the 397 issues traded on the DSE, 150 advanced, 184 declined, and 63 remained unchanged.
- It happened as bargain hunters emerged to take positions in the beaten-down scrips, according to market insiders.

News Source:

https://www.tbsnews.net/economy/stocks/dhaka-stock-exchange-sees-early-gains-after-five-day-slump-972076

Brokers urge DSE to act as primary regulator

- Stockbrokers in Bangladesh have urged the Dhaka Stock Exchange (DSE) to regain its role as the primary authority in allowing initial public offerings (IPOs) and monitoring the country's share market.
- This request came at a meeting between leaders of the DSE Brokers Association (DBA), the top 25 brokerage firms and the newly appointed DSE board at their office in Dhaka.
- He added that the DSE should become instrumental in approving IPOs to prevent weak companies from listing in the market.
- Furthermore, Saiful Islam, president of the DBA said that rather than handling all market surveillance, the Bangladesh Securities and Exchange Commission should rely on the DSE to point out issues requiring its attention.

News Source:

https://www.thedailystar.net/business/news/brokers-urge-dse-act-primary-regulator-3733141