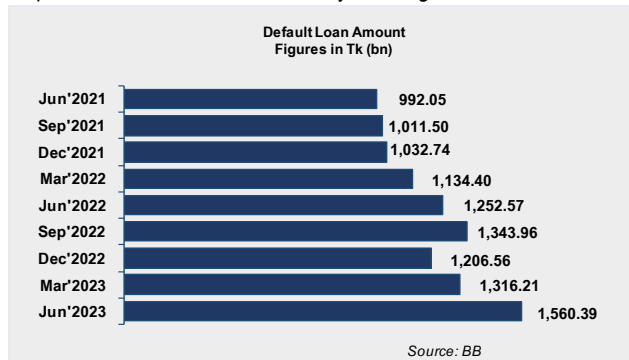


Classified loan up in June

Despite different initiatives from the central bank, defaulted loans continues to be on a rising trend. According to Bangladesh Bank (BB) reports, the volume of Non-Performing Loans (NPLs) rose to Tk1560.39b at the end of June 2023 from Tk1316.21b at the end of March 2023 and from Tk1206.56b at the end of December 2022. It represents a substantial increase from the Tk1032.74b in December 2021 and Tk887.34b in December 2020. The latest NPL figure is the highest in the history of the banking sector since independence. The second highest was recorded in September quarter of 2022 with Tk1343.96b reported. The toxic loans kept rising at a time when the banking sector is under pressure to reduce default loans to comply with the International Monetary Fund (IMF) conditions over releasing installments of US\$4.7b loans to support economic policies and help retain macroeconomic stability of Bangladesh.



BB fines treasury heads of 10 banks

Bangladesh Bank (BB) has fined treasury heads of 10 banks Tk1m each due to trading of Dollars at higher rates than the set one. The banks are - Social Islami Bank, Al-Arafah Islami Bank, Mercantile Bank, Modhumoti Bank, Midland Bank, Brac Bank, Exim Bank, Premier Bank, Shahjalal Islami Bank and Trust Bank. Before imposing the fine, the central bank on 19 September 2023 had sought explanation from those banks. Earlier in August 2022, the central bank asked - Brac Bank, Dutch-Bangla Bank, The City Bank, Southeast Bank, Prime Bank and Standard Chartered Bank to remove their treasury heads on allegations of Dollar manipulation. Later BB backtracked from its earlier decision and allowed the banks to reinstate the treasury chiefs. The Dollar is currently officially trading at Tk110.50 from Tk94.7 in July 2022 and Tk84.8 in July 2021. Previously in August 2022, the central bank detected some anomalies in the money exchanges. BB then conducted inspections in more than 100 exchange houses and issued show-cause notices to 44 houses and suspended licenses of five among those.

WB downgrades GDP growth forecast

The multilateral development financier World Bank (WB) has revised down its Gross Domestic Product (GDP) projection of Bangladesh for the current fiscal year to 5.6% from the previous estimate of 6.2% due to persistent inflationary pressures and external challenges. Growth is expected to accelerate to 5.8% in FY2024-25. The forecast remains lower than the one of Asian Development Bank (ADB) and the International Monetary Fund's (IMF) estimate of 6.5%. However, it falls well short of the government's ambitious target of 7.5% growth set for the period. The WB also forecasted inflation to average 8.5% this fiscal year, which is much higher than the government target of 6%.

Repo rate hiked to rein in inflation

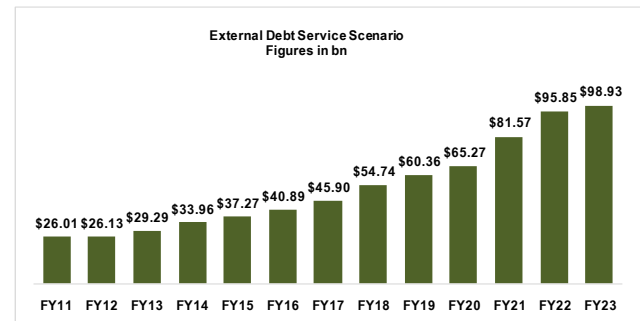
To control inflation, the Bangladesh Bank (BB) has at long last re-fixed repurchase agreement (repo) rate upwards by 75 basis points. The new rate of 7.25% came into effect on 04 October 2023. On the earlier occasion, BB raised the repo rate by 50 basis points to 6.50% on 18 June 2023. However, experts fear the belated adjustment would hardly have any immediate impact. In September 2023, despite its persistently high levels, the point-to-point inflation dropped slightly to 9.63% from 9.92% in August, when food inflation surged 12.54%, the highest in last 12 years. Average inflation in FY2022-23 stood at 9.02%, being a 12 year high. The 12-month average inflation exceeded the revised target of 7.5% set for the year. Meanwhile, BB has increased the lending rate of banks by 50 basis points to 10.70% for the month of October.

Inward remittance drops to 41-months low

Inward remittance from overseas to Bangladesh by expatriate workforce dropped to a 41-month low in September 2023, according to figures released by Bangladesh Bank (BB). Last September, migrant workers sent home US\$1.34b, down from US\$1.59b in August this year. Before last month lowest inflow of remittance was US\$1.09b which was recorded in April 2020. In September 2022, remittances were at US\$1.54b, resulting a (Y-on-Y) decrease of approximately 13%. The inward remittance increased to US\$21.61b in FY2022-23 from US\$21.03b in the previous year. Earlier in FY2020-21 remittance hit a record high of US\$24.78b, up from US\$18.21b in FY2019-20.

External debt rise

The amount of government debt availed from overseas or external sources has increased significantly. According to the Bangladesh Bank (BB), total outstanding external debt stood at US\$98.93b at the end of June 2023, up 3.21% from a year ago. Out of US\$98.93b in foreign debts, public sector took US\$76.67b while the private sector foreign loans stood at US\$22.26b. Bangladesh is taking an increasingly higher level of debt to fund infrastructure spending which create pressure on the foreign exchange reserve due to repayment obligations. The reserve meanwhile fell to around US\$21.15b on 27 September 2023, according to International Monetary Fund guidelines.



Private sector credit growth 22-month low

Credit disbursement to the private sector slowed further and hit a 22-month low in August 2023 due to weak credit demand. Disbursement decreased to 9.75% in August 2023 from 9.82% a month back, as per Bangladesh Bank (BB) reports. The growth rate in August 2023 was the lowest after 9.44% recorded in October 2021. Growth has been declining since November last year when it was recorded at 13.97%. BB has fixed the private sector credit growth ceiling at 11% for FY2023-24 against that of 14.01% for FY2022-23.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	4,308.50	4,288.05	0.48
FTSE 100	↓	7,494.58	7,608.08	-1.49
Nikkei 225	↓	30,994.67	31,857.62	-2.71
SENSEX	↑	65,995.63	65,828.41	0.25
KSE 100	↑	47,508.67	46,252.02	2.72

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	6,261.72	6,284.63	-0.36
Total Turnover, Tk	↑	23,357.08	18,143.31	28.74
Market Capital, Tk	↓	4,468,717,548,901	4,492,193,552,869	-0.52
No of Issue Gain		37	47	
No of Issue Loss		120	114	
No of Unchanged Issues		205	205	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Deshbandhu Polymer	22.50	29.80	32.44	574.19
Libra Infusions	848.50	1054.20	24.24	198.71
Ambee Pharma	770.10	887.10	15.19	166.18
Renwick Jaineswar	753.40	861.10	14.30	53.59
National Tea	405.60	437.90	7.96	26.76
Beach Hatchery	42.70	45.80	7.26	170.24
Khulna Printing	9.60	10.20	6.25	31.69
BENGALWTL	23.40	24.60	5.13	45.58
BSC	111.40	117.00	5.03	506.66
Republic Insurance	53.90	56.60	5.01	699.49

Top Losers

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Emerald Oil	136.80	111.10	-18.79	391.55
Apex Foods	427.10	367.00	-14.07	408.73
Paramount Insurance	71.10	62.90	-11.53	191.49
Imam Button Industries	147.00	131.30	-10.68	46.51
Continental Insurance	46.20	41.50	-10.17	194.16
Alif Industries	78.70	70.90	-9.91	176.36
Union Insurance	68.60	62.00	-9.62	540.05
Meghna Life Insurance	83.30	75.70	-9.12	165.54
Rangpur Dairy	40.50	36.90	-8.89	226.87
Trust Islami Life Ins.	59.20	54.00	-8.78	74.13

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	462.32	462.50	-0.04	216.09	225.04	-3.98
Cement	359.81	356.44	0.95	1,042.66	348.26	199.39
Ceramic	792.11	792.11	0.00	0.53	0.31	72.31
Engineering	6,618.38	6,613.27	0.08	1,147.68	495.16	131.78
Food & Al.	5,093.50	5,116.14	-0.44	2,930.82	2,137.21	37.13
Fuel & Pow.	3,895.55	3,897.70	-0.06	287.43	279.40	2.88
Insurance	2,674.11	2,732.94	-2.15	6,495.61	6,778.46	-4.17
IT	640.12	659.46	-2.93	1,028.76	1,522.72	-32.44
Jute	2,065.55	2,121.92	-2.66	179.23	62.42	187.16
Misc.	2,458.46	2,475.50	-0.69	1,715.26	1,401.07	22.42
Mutual Fund	445.45	446.14	-0.16	15.83	10.39	52.39
NBFI	1,193.56	1,193.56	0.00	4.72	10.00	-52.81
Paper	13,603.36	13,954.46	-2.52	1,449.28	524.62	176.26
Pharma	1,632.11	1,631.67	0.03	1,073.98	1,122.88	-4.35
Service	1,746.12	1,796.12	-2.78	376.06	632.08	-40.50
Tannery	1,207.38	1,214.16	-0.56	448.89	354.11	26.77
Telecom	3,822.47	3,822.47	0.00	1.79	1.80	-0.22
Textile	1,867.33	1,873.27	-0.32	758.00	729.23	3.95
Travel & Leis.	1,058.86	1,068.06	-0.86	1,147.12	782.51	46.59

Technical Talk

Dhaka stocks extended the losing streak for the second straight week as investors liquidated shares to book some profit on quick-gaining stocks. Out of its five trading sessions, three sessions suffered losses while two closed marginally higher. Among the major sectors, IT decreased by 2.93% followed by Insurance 2.15% and Food & Allied by 0.44%.

DSE Broad Index (DSEX) stood at 6,261.72 points after decreasing by 22.91 points or 0.36% from the previous week. Total turnover reached at Tk23357.08m, which was 28.74% higher than the previous week. Market capitalization decreased by 0.52% and stood at Tk4468.72b (\$40.44b) at the weekend against Tk4492.19b. DSE 30 decreased by 2.70 points or 0.13% and closed at 2,137.66 points against 2,140.36 points. Last week's weighted average Market PE was 14.32 which was 14.36 in previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

Relative Strength Index (RSI)

The RSI indicator illustrates if the change of price movements is in overbought or oversold territory. RSI stood at 45.10.

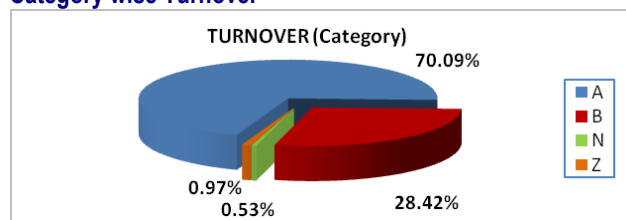
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Sonali Paper	1,729,549	1,094.33	4.69
LafargeHolcim BD	13,075,021	922.21	3.95
Sea Pearl Resort	4,709,908	884.03	3.78
Fu Wang Food	25,193,858	760.64	3.26
Republic Insurance	12,430,016	699.49	2.99
Deshbandhu Polymer	21,034,144	574.19	2.46

Top 10 Market Capital

Company	Market Capital (In million)
GP	386,996
Walton Hi-Tech	317,378
BATBC	280,098
Square Pharma	185,977
ROBI	157,138
RENETA	139,689
United Power	135,475
BEXIMCO	103,571
LafargeHolcim BD	82,341
Berger Paint	81,667

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,847.00	1,864.60	-0.94
Silver (USD/toz.)	21.77	22.39	-2.79
Brent Crude Oil (USD/bbl.)	84.40	92.13	-8.39

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.50	110.50	110.50	110.50	0.00	0.00
EUR	119.35	119.35	119.18	119.18	0.14	0.14
GBP	137.98	137.98	137.53	137.53	0.33	0.33
AUD	70.91	70.91	71.47	71.47	-0.78	-0.78
JPY	0.75	0.75	0.75	0.75	0.00	0.00
CAD	81.29	81.29	81.79	81.79	-0.61	-0.61
SAR	29.61	29.61	29.61	29.61	0.00	0.00

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
-	-	-	-