

**Liquidity in banks shrink**

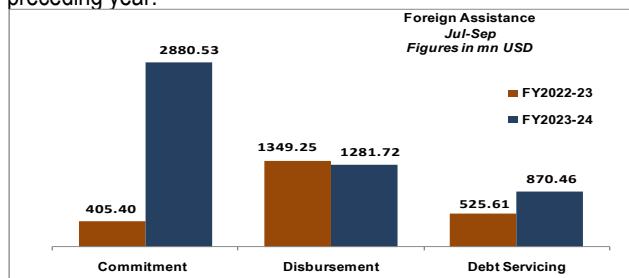
Liquidity surplus in the banking sector declined by Tk600b in August 2023 from that of July 2023 as high inflation have put pressure on bank deposits. Alongside, the extensive purchase of US Dollar by the scheduled banks for settling import payments aggravated contraction of circulation of liquidity in the money market over the months. Additionally, government borrowing from the banking system also escalated during the period that also created a pressure on the money market reserve amount. Moreover, liquidity crunch deepened further as the central bank recently raised the policy rate to tackle ongoing inflationary pressure. The central bank has at long last re-fixed repurchase agreement (repo) rate upwards by 75 basis points. On the earlier occasion, BB raised the repo rate by 50 basis points to 6.50% on 18 June 2023. According to the BB figures, the excess liquidity in the banking sector dropped to Tk1.74-trillion in August 2023 from Tk1.80-trillion a month ago and Tk2.03-trillion recorded in June 2022. In all indications, the decreasing trend in excess liquidity is likely to persist even in the upcoming months. Interbank borrowing from the call money market is increasing because of the lack of liquidity. The call-money rate reached 7.25% on 31 October 2023 from 6.60% recorded on 01 October 2023.

**Shabby performance of SCBs**

Overall condition of the State-owned Commercial Banks (SCBs) has been deteriorating over time. The central bank instructed four SCBs - Sonali, Janata, Agrani and Rupali and two specialized banks - BASIC Bank and Bangladesh Development Bank to keep non-performing loans within the limit they had agreed under the Bangladesh Bank’s (BB) annual performance agreements for the financial year 2022-23. The central bank has instructed them to speed up their recovery drives from defaulters as their record in recovering delinquent loans has remained quite dismal. Sonali Bank agreed to keep the Non-Performing Loans (NPL) at Tk115b in FY2022-23 under the signed agreement, but the amount stood at Tk119.78b. At the end of FY2022-23 NPL of Janata Bank stood at Tk139.50b against its agreed limit of Tk120b. Agrani Bank’s NPL stood at Tk148.10b although its management had agreed to keep the amount within Tk95b. Rupali Bank had a target to keep such loans within Tk55b, but the amount stood at Tk99.25b. Bangladesh Development Bank agreed to keep the amount within Tk7b but the amount stood at Tk10.24b.

**Foreign debt repayment increases**

The external debt servicing shot up by 65.61% (Y-on-Y) to US\$870.5m in the July-September period of the current fiscal year. Principal amount was US\$492m and the interest payment was US\$378.5m during the period. Foreign loan commitments have witnessed a remarkable surge, increasing more than sevenfold to US\$2.88b in the first quarter of the current fiscal year compared to a mere US\$405.4m in the same period of the preceding year.



**Food inflation hits 12-year high**

The point-to-point inflation jumped to 9.93% in October 2023 due to the surge in staple food item prices. Since last March, inflation has consistently remained above 9%. According to the Bangladesh Bureau of Statistics (BBS), food inflation surged 12.56% in October, the highest in the last 12 years. The previous highest was recorded way back in October 2011, when it was recorded at a peak of 12.82%. Non-food inflation also saw substantial increase, rising to 8.30% from 7.82% in September this year. The overall inflation in October stood at 9.93%, the highest in the last five months. The earlier highest rate was 9.94% in May 2023. In the rural areas October inflation was 9.99% which was 9.75% in September. On the other hand, in the urban areas in October it was 9.72%, which was 9.24% in September. Average inflation in FY2022-23 stood at 9.02%, the highest in 12 years. The 12-months average inflation widely exceeded the revised target of 7.5% set for FY2022-23.

Inflation							
Month	Inflation	Food	Non-food	Month	Inflation	Food	Non-food
Jan'22	5.86%	5.60%	6.26%	Dec'22	8.71%	7.91%	9.96%
Feb'22	6.17%	6.22%	6.10%	Jan'23	8.57%	7.76%	9.84%
Mar'22	6.22%	6.34%	6.04%	Feb'23	8.78%	8.13%	9.82%
Apr'22	6.29%	6.23%	6.39%	Mar'23	9.33%	9.09%	9.72%
May'22	7.42%	8.30%	6.08%	Apr'23	9.24%	8.84%	9.72%
June'22	7.56%	8.37%	6.33%	May'23	9.94%	9.24%	9.96%
July'22	7.48%	8.19%	6.39%	June'23	9.74%	9.73%	9.60%
Aug'22	9.52%	9.94%	8.85%	July'23	9.69%	9.76%	9.47%
Sep'22	9.10%	9.08%	9.13%	Aug'23	9.92%	12.54%	7.95%
Oct'22	8.91%	8.50%	9.58%	Sep'23	9.63%	12.37%	7.82%
Nov'22	8.85%	8.14%	9.98%	Oct'23	9.93%	12.56%	8.30%

**Financial account deficit US\$3.9b in Q1**

In the first quarter of the current fiscal year, financial accounts experienced a deficit of US\$3.9b against a surplus of US\$839m in the same period of FY2022-23. Sluggish foreign direct investment reduced net foreign loans and grants and a decline in foreign portfolio investments contributed to the deficit in the financial account. The trade deficit narrowed to US\$1.81b in July-September of FY2023-24 compared with that of US\$7.57b in the same period of FY2022-23. As per Bangladesh Bank (BB) figures, import payments declined by 23.78% to US\$14.74b compared with that of US\$19.34b in the same period in the previous year. On the other hand, as per Export Promotion Bureau (EPB) figures, exports increased by 9.86% to US\$12.93b in the first three months of the FY2023-24 from US\$11.77b in the same period of previous fiscal year. During the Q1 period, current account posted a surplus of US\$892m against a deficit balance of US\$3.68b during the same period a year before. In the last fiscal year, financial accounts experienced a deficit of US\$2.14b, while it was a surplus of US\$15.45b in FY2021-22.

**Forex reserve drops further**

Even though remittances bounced back in October, the foreign currency reserves stood at US\$19.5b on 08 November 2023 due to higher import-payment obligations along with a routine payment to the Asian Clearing Union (ACU). Foreign exchange reserves have kept falling since it surged to a record high of US\$48b in August 2021. Remittance inflow surged to US\$1.98b in October 2023 compared to US\$1.59b in October last year, as the exchange rate for collecting remittance saw an increase. The remittance incentive has been increased from 2.5% to 5% at the end of October this year for which inflow has been substantially higher in this month, it is deduced.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,415.24	4,358.34	1.31
FTSE 100	7,360.55	7,417.73	-0.77
Nikkei 225	32,568.11	31,949.89	1.93
SENSEX	64,904.68	64,363.78	0.84
KSE 100	55,399.66	53,175.71	4.18

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,271.84	6,267.90	0.06
Total Turnover, Tk	25,975.69	21,952.33	18.33
Market Capital, Tk	4,476,668,957,286	4,479,709,458,418	-0.07
No of Issue Gain	75	70	
No of Issue Loss	69	79	
No of Unchanged Issues	226	229	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Khulna Printing	11.70	17.80	52.14	502.11
KBPPWBIL	40.20	56.40	40.30	594.69
Olympic Accessories	9.90	13.40	35.35	361.16
Apex Footwear	260.00	319.10	22.73	616.83
Eastern Insurance	65.30	78.30	19.91	604.17
Bd.Thai Aluminium	13.20	15.70	18.94	136.71
National Feed Mill	13.80	16.30	18.12	117.47
Central Pharma	12.10	14.10	16.53	346.65
Samata Leather	58.60	65.90	12.46	24.48
Intraco Refueling	32.20	36.00	11.80	347.61

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
CAPITECGBF	20.80	13.80	-33.65	356.18
Eastern Lubricants	2027.8	1764.50	-12.98	161.77
Libra Infusions	1470.8	1281.80	-12.85	261.31
National Tea	503.90	439.80	-12.72	21.83
Ambee Pharma	989.60	873.90	-11.69	144.46
Sonali Aansh Industries	673.40	598.00	-11.20	270.38
Imam Button	202.50	182.80	-9.73	66.91
ADN Telecom	123.50	112.30	-9.07	247.17
GQ Ball Pen	138.10	125.80	-8.91	78.64
Orion Infusion	345.20	320.90	-7.04	438.56

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	463.39	464.31	-0.20	183.95	308.45	-40.36
Cement	353.68	352.35	0.38	507.52	569.63	-10.90
Ceramic	792.11	792.11	0.00	1.80	0.50	256.15
Engineering	6,645.95	6,621.97	0.36	2,764.70	1,200.57	130.28
Food & Al.	5,115.85	5,121.68	-0.11	4,635.85	4,245.64	9.19
Fuel & Pow.	3,911.06	3,902.00	0.23	1,186.51	794.64	49.31
Insurance	2,612.81	2,613.36	-0.02	4,879.13	3,636.94	34.15
IT	616.81	626.81	-1.60	1,137.08	910.11	24.94
Jute	2,302.40	2,532.70	-9.09	272.92	651.82	-58.13
Misc.	2,486.03	2,484.30	0.07	1,517.00	1,398.17	8.50
Mutual Fund	472.00	485.20	-2.72	408.79	259.90	57.29
NBFI	1,193.89	1,193.56	0.03	58.27	2.31	2,421.29
Paper	13,792.20	13,444.52	2.59	1,560.91	945.59	65.07
Pharma	1,635.88	1,642.48	-0.40	2,130.23	2,026.28	5.13
Service	1,759.25	1,761.97	-0.15	746.94	1,017.92	-26.62
Tannery	1,219.12	1,188.75	2.55	763.34	272.45	180.17
Telecom	3,822.47	3,822.47	0.00	1.51	1.60	-5.14
Textile	1,902.83	1,901.19	0.09	892.58	700.73	27.38
Travel & Leis.	1,021.37	1,054.89	-3.18	564.75	1,090.17	-48.20

## Technical Talk

Dhaka stocks advanced last week, snapping a two-week losing streak. Of the five trading sessions this week, the first two sessions closed higher while the three others suffered losses amid countrywide blockade. Among the major sectors, Engineering increased by 0.36% followed by Fuel & Power 0.20% and Textile by 0.15%.

DSE Broad Index (DSEX) stood at 6,271.84 points after increasing by 3.94 points or 0.06% from the previous week. Total turnover reached at Tk25975.69m, which was 18.33% higher than the previous week. Market capitalization decreased by 0.07% and stood at Tk4476.67b (\$40.33b) at the weekend against Tk4479.71b. DSE 30 decreased by 7.72 points or 0.36% and closed at 2,127.84 points against 2,133.74 points. Last week's weighted average Market PE was 14.49 which was 14.51 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 47.29.

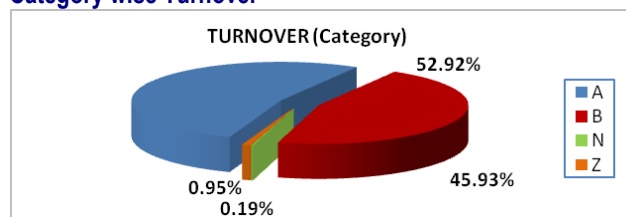
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Fu Wang Food	44,233,898	1,521.47	5.86
Emerald Oil	8,183,862	1,035.13	3.98
Deshbandhu Polymer	18,323,767	768.90	2.96
Beach Hatchery	13,767,582	718.47	2.77
Union Insurance	9,805,350	699.82	2.69
Apex Footwear	1,994,993	616.83	2.37

### Top 10 Market Capital

Company	Market Cap (In million)
GP	386,996
Walton Hi-Tech	317,378
BATBC	280,098
Square Pharma	186,155
ROBI	157,138
RENETA	139,689
United Power	135,475
BEXIMCO	103,571
LafargeHolcim BD	81,761
Berger Paint	81,203

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,942.70	1,999.90	-2.86
Silver (USD/t oz.)	22.31	23.34	-4.41
Brent Crude Oil (USD/bbl.)	81.70	85.15	-4.05

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	111.00	111.00	111.00	111.00	0.00	0.00
EUR	123.35	123.35	123.90	123.90	-0.44	-0.44
GBP	139.10	139.10	140.83	140.83	-1.23	-1.23
AUD	71.02	71.02	72.66	72.66	-2.26	-2.26
JPY	0.74	0.74	0.75	0.75	-1.33	-1.33
CAD	80.84	80.84	81.67	81.67	-1.02	-1.02
SAR	29.74	29.74	29.74	29.74	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)
-	-	-	-