

Bangladesh market snapshot

	Last closing
DSEX Index	6,269.35
% change	0.21%
DS30 Index	2,141.54
% change	0.01%
DSES Index	1,358.29
% change	0.09%
Turnover (BDT mn)	4,182.97
Turnover (USD mn)	39.46
% change	-2.81%
Market Capitalization (BDT bn)	7,772
Market Capitalization (USD bn)	73.32
% change	0.13%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	33,670.29
% change	0.12%
Nikkei 225	32,315.99
% change	-0.55%
FTSE 100	7,599.60
% change	-0.59%

Source: Bloomberg

Exchange rate

	Low (BDT)	High (BDT)
USD	110.50	110.50
EUR	117.32	117.36
GBP	136.04	136.08
INR	1.33	1.33

Source: BB

Money market

Date	Call Money Rate Range (%)	Weighted Average (%)
12-Oct-2023	6.75-8.75	7.45
11-Oct-2023	6.75-8.50	7.38

Source: BB

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl.	90.89	5.69%
Gold Spot, USD/t oz.	1,932.82	3.42%
Cotton, USD/lb.	86.06	1.34%

Source: Bloomberg

Macro

Call money rate rises to 7.45pc amid liquidity crisis

The interbank call money rate advanced further to record 7.45 % on October 12 from 6.56 % on October 4 following a policy rate hike. The rate experienced a sharp spike as the Bangladesh Bank on October 5 raised the policy rate by 75 basis points, moving it from 6.5 % to 7.25 % in an effort to combat inflationary pressures.

<https://www.newagebd.net/article/214973/call-money-rate-rises-to-745pc-amid-liquidity-crisis>

\$400m ADB budget support likely by Dec

The depleting foreign-exchange reserve in Bangladesh may get a bit relief by this December as the Asian Development Bank is likely to confirm \$400-million budget support, officials said on Saturday. The central bank data showed the forex reserve came down to \$21.06 billion at the end of September from that of \$36.47 billion a year ago.

<https://today.thefinancialexpress.com.bd/first-page/400m-adb-budget-support-likely-by-dec-1697301363>

Lending, exchange rates still not market-driven: IMF

Bangladesh Bank introduced a new formula in June to determine the lending interest rate and brought about a single exchange rate recently but both are yet to be determined by the open market, the International Monetary Fund (IMF) has said. The IMF team suggested that the BB officials take policy measures for the rates to be determined by the free market.

<https://www.thedailystar.net/business/economy/news/lending-exchange-rates-still-not-market-driven-imf-3441161>

Bank and NBFIs

NBFIs' sour loans soar by Tk2,091cr in April-June

Defaulted loans in the country's NBFIs have nearly tripled compared to fresh disbursements in the April-June quarter following the end of the moratorium on repayment and economic sluggishness. NBFIs disbursed Tk885 crore in the three months through June but reported an increase in NPLs of Tk2,091 crore.

<https://www.tbsnews.net/economy/nbfis-sour-loans-soar-tk2091cr-april-june-717650>

MFS

MFS transactions up 25% in August

Mobile financial services (MFS) transactions grew by more than 25% year-on-year last August as people increasingly embrace digital payments. MFS transactions through 13 MFS operators in Bangladesh totalled Tk1.10 lakh crore in August, from Tk87,635 crore in the same month last year. Daily transactions averaged Tk3,534 crore in August this year. Total number of MFS subscribers reached 21.24 crore at the end of August, up by 28 lakh from the previous month.

<https://www.tbsnews.net/economy/mfs-transactions-25-august-717558>

Textile

Share of non-traditional markets growing

During the July-September period of FY24, non-traditional markets accounted for 19.3 % of the \$11.6 billion earned through garment exports. Garment exports to non-traditional markets, which include Japan, India, Australia and South Korea, grew 25 % year-on-year. In contrast, the growth in Europe, the biggest market for Bangladesh's exporters, was 11.4 %. And in the US, the second largest destination from Bangladesh's apparel, it was far lower, around 3 %.

<https://www.thedailystar.net/business/news/share-non-traditional-markets-growing-3443421>

Telecommunication

Number of internet users showing sharp growth

The number of internet users in Bangladesh witnessed a notable upswing of 10 lakh in August, predominantly attributed to the expansion of the country's mobile subscriber network. The rise has brought the cumulative count of internet subscribers to 13.19 crore. Mobile internet users now account for 90.79 % of the total internet subscriber base in the country.

<https://www.thedailystar.net/business/economy/news/number-internet-users-showing-sharp-growth-3442016>

No three-day mobile data packages from today

The country's mobile operators will not be allowed to offer any data package with three-day validity from today, Bangladesh Telecommunication Regulatory Commission sources said. As per the updated guidelines, mobile internet plans must have a duration of 7 days, 30 days and unlimited days. The number of mobile internet packages has also been reduced to 40 from 85.

<https://www.newagebd.net/article/214972/no-three-day-mobile-data-packages-from-today>

Fuel and Power

Govt mulls RLNG import from India

Bangladesh government moves to import re-gasified liquefied natural gas (RLNG) from India through cross-border pipeline under a greater contingency plan for failsafe fuel supply, amid volatility on global energy market. In an initial bid, around 300 million cubic feet per day (mmcf) would be brought in from India's H-Energy by 2025, said the State Minister for Power, Energy and Mineral Resources.

<https://today.thefinancialexpress.com.bd/first-page/govt-mulls-rlng-import-from-india-1697301179>

Stock

Techno Drugs unveils IPO proposal

Bangladeshi drug maker Techno Drugs has decided to raise Tk 1 billion by floating an IPO under the book building method. According to the investment plan, Tk 270 out of the IPO fund will be used for

acquisition and installation of machinery and equipment. Tk 250 million will be used for BMRE (Balancing, Modernization, Rehabilitation and Expansion) while Tk 150 million for construction, Tk 300 million for partial loan repayment and Tk 30 million for IPO expenses.

<https://today.thefinancialexpress.com.bd/stock-corporate/techno-drugs-unveils-ipo-proposal-1697297606>

BSRM in Tk10,000 crore sales club

Bangladesh Steel Re-Rolling Mills (BSRM) Limited has joined the group of listed companies having annual revenues over Tk10,000 crore, thanks to the government's mega projects – completed and ongoing. The leading steelmaker is the fourth among 392 listed firms to join the list of four with Titas Gas, Grameenphone and British American Tobacco Bangladesh Company Limited.

<https://www.tbsnews.net/economy/bsrm-tk10000-crore-sales-club-718694>

Tannery

80% of leather goods and footwear exports going to just 10 countries

Bangladesh's export earnings from leather goods and footwear are concentrated in 10 countries, with these markets buying roughly 80 % of the total shipments from the nation in FY23. Bangladesh is rapidly emerging as a dependable source of leather goods and footwear for many foreign buyers owing to low prices and good quality, according to industry people. Exports have grown from \$224 million in FY09, to \$1.7 billion in FY23.

<https://www.thedailystar.net/business/economy/news/80-leather-goods-and-footwear-exports-going-just-10-countries-3443856>

<https://www.thedailystar.net/business/economy/news/bangladesh-emerging-sourcing-hub-3442026>

Capital Market

BSEC measures to prop up stocks backfire

The main index of the stock market in Bangladesh has been hovering around 6,300 for the past year, with many shares remaining unsold amid scant investor participation. Only junk stocks are performing well thanks to the prevalence of rumour-based trading. Some decisions by the Bangladesh Securities and Exchange Commission (BSEC) has contributed to growing confidence crisis in investors. Of these decisions, the move to stop market intermediaries from executing forced selling following the crash in 2010 and setting floor prices for all stocks were the most impactful, analysts said.

<https://www.thedailystar.net/business/economy/news/bsec-measures-prop-stocks-backfire-3443446>

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Expected absolute returns are calculated as the % of difference between our target price and latest close price. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Please note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

Recommendation Type	Holding period (if not otherwise mentioned)	Absolute Return Potential
Buy	12 Months	More than +15%
Neutral/ Hold	12 Months	Between -5% and +15%
Underweight	12 Months	Less than -5%

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Head Office

Gulshan

Bulus Center

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Bashundhara +880 1718 106 217	Mirpur-1 +880 1713 205 723	Mirpur-12 +880 1911 197 188	Banasree +880 1701 205 075	Uttara +880 1913 128 156

Branch Offices

Chattogram
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Sylhet
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Digital Booths

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Feni +880 1324 243 210	Khatungonj +880 1713 205 742	Chawkbazar +880 1817 206 965	Madhobdi +880 1324 243 156	
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