

Major Economic Indicators	GDP	Inflation	Investment as % of GDP
Target for FY '20	8.20%	5.50%	32.80%

Monthly Commentary on Selected Economic Indicators

According to the International Monetary Fund's October 2019 version of the World Economic Outlook (WEO), Bangladesh's economy is expected to clock the world's third-highest growth in 2019 based on its strong exports, remittance and manufacturing sector, which is an impressive ratification of the country's growth momentum. IMF projected 7.8% growth for 2019 calendar year. On the other hand, the Bangladesh economy is expected to grasp the second highest growth rate in South Asia this fiscal year, the World Bank said in its biennial regional economic review. The World Bank has projected 7.2% growth in FY 20 and 7.3% growth in FY 21 for the country in the latest edition of the 'South Asia Economic Focus, Making (De)centralisation Work'.

- Country's point-to-point inflation increased in September to 5.54% from 5.49% in August accelerated by rising both food & non-food inflation. Food & non-food inflation reached to 5.30% & 5.92% in September from that of 5.27% & 5.82% in August respectively. Prices of food items went up in September in the country due to flood and rain that caused damages to essential commodities and higher import costs. Besides, the expenditure for treatment, education materials and fire-wood also increased in September, causing an upward trend in the overall inflation.
- According to BB, the public sector credit growth stood at 34.4% (YoY) in August compared to 32.3% (YoY) in July. Public sector credit stood at USD 19.26 bn having 5.4% growth (MoM) in August. Besides, net sales of National Savings Certificate has increased by 2.1% in August after the 6-month downtrend and stood at USD 261 mn. Total outstanding of NSCs stood at USD 34,309 mn in August.
- The private sector credit growth hit a nine-year low in August this fiscal year. Private sector credit growth stood at 10.68% YoY in August which is the lowest after September 2010. The liquidity crisis in the banks due to a slow deposit growth along with banks' cautiousness in issuing credit are responsible for the slump in the private sector credit growth.
- Export earnings were noted at USD 2.92 bn having 2.67% growth (MoM) & 7.31% (YoY) degrowth in September. Besides, total import was USD 3.81 bn in August compared to USD 4.81 bn in July.
- BDT has remained unchanged against Dollar at 84.50 at the end of September for the 5th consecutive month. The anticipated depreciation of BDT against USD may impact the trade balance unfavorably by making the import costlier and export dearer and will upswing the inflationary pressure, however the remittance flow will improve. Moreover, the Country received USD 1,468 mn remittances having 0.97% degrowth (MoM) in September.
- The net foreign investment on DSE has kept falling for the 7th consecutive month in September because of eroding investor confidence and the rising fear of depreciation of the local currency. Net foreign investment dipped to BDT 603.6 mn negative in September compared to BDT 1,025.3 mn negative in August as well.

Inflation (P-P)

	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
General (%)	5.43	5.40	5.37	5.35	5.42	5.47	5.55	5.58	5.63	5.52	5.62	5.49	5.54
Food (%)	5.42	5.08	5.29	5.28	5.33	5.44	5.72	5.54	5.49	5.40	5.42	5.27	5.30
Non-food (%)	5.45	5.90	5.49	5.45	5.57	5.51	5.29	5.64	5.84	5.71	5.94	5.82	5.92

Domestic Fiscal

	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Tax Revenue (NBR) Earnings (USD mn)	2,092	1,935	2,058	2,185	2,237	1,987	2,368	2,323	2,432	3,583	1,827	-	-
Net Foreign Aid (USD mn)	164	365	354	932	266	740	285	276	236	906	263	-	-
Net Sale of NSC (USD mn)	520	527	457	397	715	547	490	443	385	380	256	261	-

Money & Banking

	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Call Money Rate (%)	4.02	3.32	3.81	4.61	4.47	4.53	4.54	4.53	4.55	4.54	4.46	5.07	5.02
Inter Bank Repo Rate (%)	3.17	1.43	2.08	5.19	4.12	5.51	6.27	6.13	5.75	4.82	3.45	5.98	5.59
Lending Rate (%)	9.54	9.47	9.42	9.49	9.49	9.49	9.50	9.46	9.51	9.58	9.59	9.60	-
Deposit Rate (%)	5.27	5.25	5.30	5.26	5.34	5.34	5.35	5.42	5.46	5.43	5.56	5.60	-
Spread	4.27	4.22	4.12	4.23	4.15	4.15	4.15	4.04	4.05	4.15	4.03	4.00	-
Monthly Deposit (USD mn)	872	1,063	674	2,180	(100)	570	1,100	269	1,699	3,016	760	-	-
Monthly Credit (USD mn)	1,174	1,584	1,669	1,707	846	701	1,173	750	2,167	1,913	-	-	-
Excess Liquidity (USD mn)	9,682	9,761	-	9,105	8,058	7,596	7,626	7,905	7,166	-	-	-	-
Private Credit (USD mn)	109,701	111,192	112,371	114,285	114,807	115,312	116,283	116,984	118,452	119,557	118,694	119,219	-
Public credit (USD mn)	13,770	13,822	14,229	14,481	14,655	13,882	13,837	13,851	16,271	16,169	18,270	19,264	-
Domestic credit (USD mn)	123,471	125,014	126,600	128,766	129,462	129,193	130,120	130,835	134,723	135,726	136,965	138,483	-
Classified Loan (%) - Quarterly	11.45	-	-	10.30	-	-	11.87	-	-	11.69	-	-	-

External Sector

	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Export fob (USD mn)	3,146	3,711	3,422	3,426	3,680	3,383	3,340	3,034	3,813	2,784	3,888	2,840	2,916
Import fob (USD mn)	4,774	5,132	4,701	4,391	5,663	4,353	4,528	4,738	4,742	3,592	4,810	3,814	-
Current Account Balance-YTD (USD mn)	(1,354)	(1,992)	(2,558)	(3,082)	(4,337)	(4,270)	(4,234)	(5,065)	(5,175)	(5,254)	240	313	-
BOP-YTD (Overall Balance) (USD mn)	(720)	(444)	(837)	(513)	(975)	(499)	(329)	(590)	(682)	12	124	139.00	-
Remittance (USD mn)	1,140	1,239	1,178	1,203	1,591	1,318	1,459	1,434	1,756	1,368	1,598	1,483	1,468
Remittance Growth % (MoM)	-19.23%	8.73%	-4.91%	2.09%	32.25%	-17.17%	10.70%	-1.69%	22.44%	-22.07%	16.77%	-7.19%	-0.97%
Exchange Rate (BDT/USD)	83.75	83.85	83.90	83.90	83.95	84.15	84.25	84.45	84.50	84.50	84.50	84.50	84.50
Foreign Ex. Reserve (USD mn)	31,956	32,078	31,188	32,016	31,235	32,234	31,787	32,123	31,266	32,537	32,127	32,775	31,833

Capital Market

	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Index (DSEX)	5,369	5,284	5,281	5,386	5,821	5,712	5,492	5,203	5,378	5,422	5,139	5,096	4,948
Total Turnover (USD mn)	1,768	1,453	1,391	1,038	2,662	1,637	1,115	827	913	905	1,059	875	1,005