

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

The country's first-ever offshore bond denominated in taka was worth the equivalent of USD 9.5 mn and issued by the World Bank's investment unit, the IFC. The initial issuance will aim at creating a benchmark tool for such instruments and the country may step up dollar borrowing in next year, depending on economic development and financial conditions. Bangladesh is rated BB- at S&P Global Ratings, on par with Brazil, Greece and Macedonia. The taka bonds issued by the IFC, privately placed in July, 2019, mature in 2022 and carry a 6.3% coupon. They are also listed on the London Stock Exchange. The Repayment of such offshore bonds is in local currency, which means investors are assuming the risk of exchange rates.

- According to the latest BBS statistics, food inflation increased by 0.19 percentage points to 5.49% in October as onion prices jumped significantly during the month. However, the point-to-point inflation slightly dropped to 5.47% in October from that of 5.54% in September due to a decline in non-food inflation. Non-food inflation also declined by 0.47 percentage points and stood at 5.45% in October from that of 5.92% in September. The overall inflation had declined as the prices of most essential products, except for onion, were under control while the prices of a few items, including rice, had fallen in the month.
- According to BB, the public sector credit growth stood at 44.4% (YoY) in September compared to 34.4% (YoY) in August. Public sector credit stood at USD 19.71 bn having 2.3% growth (MoM) in September. Besides, net sales of National Savings Certificate increased by 2.1% (MoM) 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.
- Private-sector credit growth reached a nine-year low in September of this fiscal year. In September, private sector credit growth stood at 10.66% (YoY), the lowest since September 2010. Slow growth in deposits, along with the cautious movement of big banks in issuing credit are responsible for the slowdown in credit growth in the private sector.
- Export earnings were noted at USD 3.07 bn 17.19% (YoY) degrowth in October. Besides, total import was USD 4.63 bn in September compared to USD 3.82 bn in August.
- BDT has depreciated slightly against Dollar at 84.75 at the end of October. We anticipate the further 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. Moreover, the Country received USD 1,640 mn remittances having 11.66% growth (MoM) in October.
- The net foreign investment on DSE has kept falling for the 8th consecutive month in October as the foreign investors went for large scale sale of shares due to long-drawn-out confidence crisis in the market. Net foreign investment dipped to BDT 969.3 mn negative in October compared to BDT 603.6 mn negative in September as well.

### Inflation (P-P)

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

### Domestic Fiscal

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Tax Revenue (NBR) Earnings (USD mn)	1,935	2,058	2,185	2,237	1,987	2,368	2,323	2,432	3,583	1,827	1,679	-	-
Net Foreign Aid (USD mn)	365	354	932	266	740	285	276	236	906	263	306	-	-
Net Sale of NSC (USD mn)	527	457	397	715	547	490	443	385	380	256	261	-	-

### Money & Banking

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Call Money Rate (%)	3.32	3.81	4.61	4.47	4.53	4.54	4.53	4.55	4.54	4.46	5.07	5.02	3.61
Inter Bank Repo Rate (%)	1.43	2.08	5.19	4.12	5.51	6.27	6.13	5.75	4.82	3.45	5.98	5.59	2.54
Lending Rate (%)	9.47	9.42	9.49	9.49	9.49	9.50	9.46	9.51	9.58	9.59	9.60	9.56	-
Deposit Rate (%)	5.25	5.30	5.26	5.34	5.34	5.35	5.42	5.46	5.43	5.56	5.60	5.65	-
Spread	4.22	4.12	4.23	4.15	4.15	4.15	4.04	4.05	4.15	4.03	4.00	3.91	-
Monthly Deposit (USD mn)	1,063	674	2,180	(100)	570	1,100	269	1,699	3,016	760	1,112	-	-
Monthly Credit (USD mn)	1,584	1,669	1,707	846	701	1,173	750	2,167	1,913	1,253	939	-	-
Excess Liquidity (USD mn)	9,761	-	9,105	8,058	7,596	7,626	7,905	7,166	-	-	-	-	-
Private Credit (USD mn)	111,192	112,371	114,285	114,807	115,312	116,283	116,984	118,452	119,557	118,694	119,219	120,319	-
Public credit (USD mn)	13,822	14,229	14,481	14,655	13,882	13,837	13,851	16,271	16,169	18,270	19,264	19,708	-
Domestic credit (USD mn)	125,014	126,600	128,766	129,462	129,193	130,120	130,835	134,723	135,726	136,965	138,483	140,027	-
Classified Loan (%) - Quarterly	-	-	10.30	-	-	11.87	-	-	11.69	-	-	-	-

### External Sector

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Export fob (USD mn)	3,711	3,422	3,426	3,680	3,383	3,340	3,034	3,813	2,784	3,888	2,840	2,916	3,073
Import fob (USD mn)	5,132	4,701	4,391	5,663	4,353	4,528	4,738	4,742	3,592	4,810	3,816	4,628	-
Current Account Balance-YTD (USD mn)	(1,992)	(2,558)	(3,082)	(4,337)	(4,270)	(4,234)	(5,065)	(5,175)	(5,254)	240	313	(678)	-
BOP-YTD (Overall Balance) (USD mn)	(444)	(837)	(513)	(975)	(499)	(329)	(590)	(682)	12	124	139.00	(204)	-
Remittance (USD mn)	1,239	1,178	1,203	1,591	1,318	1,459	1,434	1,756	1,368	1,598	1,483	1,468	1,640
Remittance Growth % (MoM)	8.73%	-4.91%	2.09%	32.25%	-17.17%	10.70%	-1.69%	22.44%	-22.07%	16.77%	-7.19%	-0.97%	11.66%
Exchange Rate (BDT/USD)	83.85	83.90	83.90	83.95	84.15	84.25	84.45	84.50	84.50	84.50	84.50	84.50	84.75
Foreign Ex. Reserve (USD mn)	32,078	31,188	32,016	31,235	32,234	31,787	32,123	31,266	32,537	32,127	32,775	31,833	32,435

### Capital Market

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Index (DSEX)	5,284	5,281	5,386	5,821	5,712	5,492	5,203	5,378	5,422	5,139	5,096	4,948	4,683
Total Turnover (USD mn)	1,453	1,391	1,038	2,662	1,637	1,115	827	913	905	1,059	875	1,005	828