



## Highlights from the Week

- ✚ **Economy still in contraction mode**
- ✚ **No limit on cash withdrawal from 08th September, 2024 : Bangladesh Bank**
- ✚ **Bank deposits fall Tk8,200 crore in July amid internet blackouts, unrest**
- ✚ **Reserves stand at \$19.46b after paying \$1.37b ACU's bills**
- ✚ **No more 'illegal' liquidity support for weak banks: BB governor**
- ✚ **More R&D needed to boost sustainable production: experts**
- ✚ **Chinese firm to invest \$50m in Bepza Economic Zone**
- ✚ **Mr. Abdul Hai Sarkar becomes BAB chairman**
- ✚ **Bangladesh Bank gets two new deputy governors**
- ✚ **Mr. Syed Abu Naser Bukhtear Ahmed appointed Agrani Bank chairman**
- ✚ **Mr. Mehmood Husain elected IFIC bank chairman**

## Economy still in contraction mode

- Economic activities picked up in August compared to the month prior but could not recover from the trend of contraction that took hold in July, when the overall business environment deteriorated in the face of deadly protests, according to the latest Bangladesh Purchasing Managers' Index (PMI).
- The overall PMI rose 6.6 points to 43.5 in August from 36.9 the month prior. A PMI reading above 50 indicates expansion of economic activities, the mid-point reading of 50 means 'no change', and anything below that represents contraction.
- According to the latest PMI, the manufacturing sector recorded an increase of 13.6 points to reach 47.7 in August, indicating continued contraction despite general improvements. After six months of continuous expansion before July, the agriculture sector recorded 38.7 in August, reflecting a 3.3-point improvement.

## No limit on cash withdrawal from 08th September, 2024 : Bangladesh Bank

- The Bangladesh Bank (BB) has suspended the restriction on cash withdrawal and said the decision will come into effect from 08<sup>th</sup> September, 2024.
- Earlier on 8 August, the central bank asked all government and private banks not to allow cash withdrawals over Tk1 lakh, mainly to stop politicians and unscrupulous businessmen from withdrawing money from banks.
- On 10 August, the central bank said no more than Tk2 lakh cash could be withdrawn from the account. Then on 17 August the limit was newly set at Tk3 lakh. In the first week of this month, the withdrawal limit was Tk5 lakh.

## Bank deposits fall Tk8,200 crore in July amid internet blackouts, unrest

- Bangladesh's banking sector experienced a significant decline in deposits in July, falling by Tk8,200 crore, mainly due to a 5-day internet blackout, three days of bank closures, and a general slowdown in banking activity due to unrest in the country. Along with the fall in deposits, the amount of cash held by the public increased by approximately Tk1,200 crore in July, due to uncertainty.
- July's total deposits fell to Tk17.42 lakh crore, reflecting a negative month-on-month growth of 0.47%. Year-on-year, the deposit growth for July stood at 7.91%, the lowest in 16 months, with the previous low of 7.53% recorded in March 2023.

### CURRENCY OUTSIDE BANKS RISES AS DEPOSITS FALL

**CURRENCY OUTSIDE BANKS**  
Figures in lakh crore taka



Currency outside banks rises by **TK1,194cr** in a month

**TOTAL BANK DEPOSITS**  
Figures in lakh crore taka



Deposits decrease by **TK8,198cr**

Source: Bangladesh Bank

## Reserves stand at \$19.46b after paying \$1.37b ACU's bills

- Bangladesh Bank (BB) has paid USD \$1.37 billion in import liabilities of member countries of the Asian Clearing Union (ACU) for the last two months of July and August.
- After paying the ACU's liabilities, the central bank's foreign exchange reserves stood at \$19.46 billion on Tuesday as per the BPM6 formula accepted by the International Monetary Fund (IMF).
- The BB reported in early September before paying ACU's bill that the gross reserve was \$25.56 billion. According to BPM6, the reserves are \$20.54 billion. But after paying the bill for two months (July to August), the reserve as BPM6 stands at \$19.46 billion, while the gross reserves are \$24.53 billion.

## No more 'illegal' liquidity support for weak banks: BB governor

- The Governor of the Bangladesh Bank Dr Ahsan H Mansur has announced that weak banks including the Shariah-based banks will no longer receive illegal liquidity support from the central bank.
- He stated that actions will be taken against individuals involved in irregularities, not against institutions.

## More R&D needed to boost sustainable production: experts

- Sustainability has become a mainstream issue for businesses across the globe, so Bangladesh should also invest in researching and developing innovative technology to help local companies embrace it in their core strategies, according to analysts. Economists and entrepreneurs made this comment during the Sustainability Summit 2024, jointly organised by the Bangladesh Brand Forum and Sustainable Brand Initiative at Le Méridien Dhaka yesterday. The event was sponsored by AkijBashir Group in association with Intellier and The Daily Star.
- Selim RF Hussain, CEO of Brac Bank, Sabur Khan, chairman of Daffodil International University, Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group, Syed Mahbubur Rahman, CEO of Mutual Trust Bank, Shehzad Munim, former president of the FICCI, and Rupali Chowdhury, managing director of Berger Paints, were present.

## Chinese firm to invest \$50m in Bepza EZ

- China-based Home Joy Socks Bangladesh Company Limited signed an agreement with Bangladesh Export Processing Zones Authority (Bepza) recently to set up a sock and garment manufacturing factory in Bepza Economic Zone with an investment of \$50 million.
- The company has set a target to annually produce 100 million pairs of socks, 100 million pairs of tights, 100 million pieces of lingerie and 50 million pieces of knitwear for infants. The investment will create employment opportunities for 4,980 Bangladeshi nationals at the factory inside Bepza Economic Zone, which is located at Mirsarai in Chattogram.



## Mr. Abdul Hai Sarkar becomes BAB chairman

- Dhaka Bank Chairman Mr. Abdul Hai Sarkar was elected as the new chairman of the Bangladesh Association of Banks (BAB) during the association's board meeting on 9<sup>th</sup> September.
- Abdul Hai succeeded Nazrul Islam Mazumdar, who held the position for 17 years. His appointment comes following a significant leadership change within the association.

## Bangladesh Bank gets two new deputy governors

- The government has appointed Mr. Zakir Hossain Chowdhury and Mr. Md Kabir Ahmed as new deputy governors of Bangladesh Bank.
- The Financial Institutions Division under the Ministry of Finance issued a notification over the appointments.

## Mr. Syed Abu Naser Bukhtear Ahmed appointed Agrani Bank chairman

- The government has appointed Mr. Syed Abu Naser Bukhtear Ahmed as the new chairman of Agrani Bank PLC.
- Mr. Naser, who previously served as a managing director of the bank, has also been appointed as a director of the bank.

## Mr. Mehmood Husain elected IFIC bank chairman

- Md Mehmood Husain has been elected the chairman of the board of directors of IFIC Bank.
- The decision was made at the first meeting of the reconstituted board of the bank held at its head office in Dhaka on 8<sup>th</sup> September, 2024.

## World Commodities

Commodity	Close Price	Value Change	Percentage Change
Crude Oil [WTI]	\$ 67.96	↑ 0.65	↑ 0.97 %
Crude Oil [Brent]	\$ 71.33	↑ 0.72	↑ 1.02 %
Gold Spot	\$ 2,520.23	↑ 8.47	↑ 0.34 %

## Local and Global Stock Indices

Index Name	Close Value	Value Change	Percentage Change
DJIA	\$ 40,861.71	↑ 124.75	↑ 0.31 %
FTSE100	\$ 8,193.94	↓ 12.04	↓ 0.15 %
Nikkei 225	\$ 36,878.42	↑ 1,258.65	↑ 3.53 %

## Inter-Bank Exchange Rate

Currency	Lowest	Highest	Current WAR
USD	120.0000	120.0000	120.0000

**Source:**

- \* News are taken from Daily Newspapers
- \* World Commodities and Global Stock Indices data are taken from bloomberg.com
- \* Exchange Rates are taken from BB website, as on latest update.