



## AT Capital Market Update

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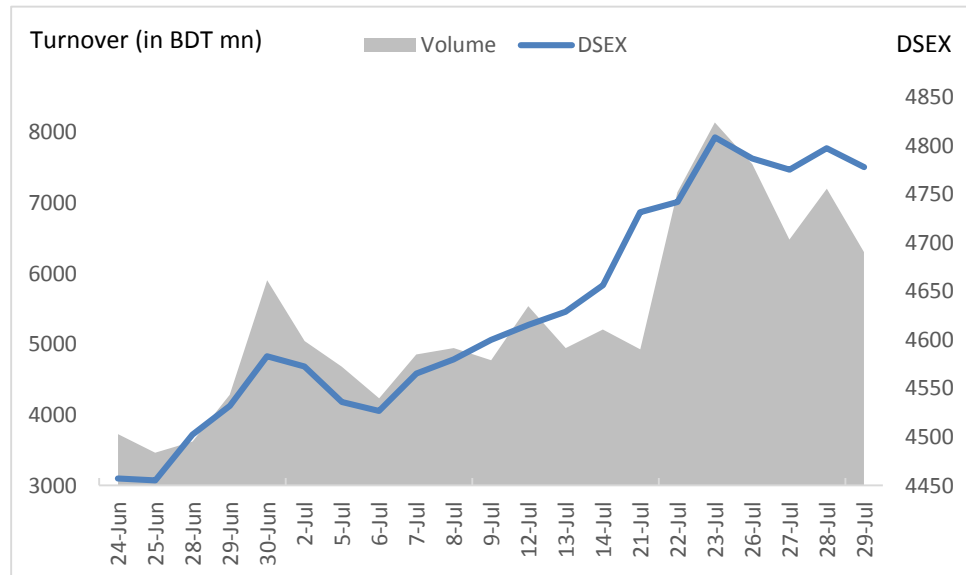
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- The market performed according to our expectation in relation to EID seasonality. The market was slow during the first couple of weeks of Ramadan but picked up during the last two weeks, continuing to rally after EID.
- The market was up by 4.44% this month.
- There were no surprises from the Semi-Annual Bangladesh Bank Monetary Policy Statement (MPS) just released today. All key policy rates were kept unchanged. This was broadly in line with market expectations. But easing will be considered if point-to-point headline general inflation and core CPI inflation demonstrate a sustained declining trend.
- The policy aims to support a GDP growth rate of 7 percent and maintain inflation rate of 6.2 percent for the fiscal year 2015-16.
- Reserve money is projected to grow at 16 percent and broad money (M2) at 15.6 percent which are adequate to support the growth and inflation targets.
- The target domestic credit growth is 16.5 percent. The target for private sector credit growth is 15.0 percent and public sector credit growth 23.7 percent.
- Governance and supervision in the banking system will be scaled up in order to clamp down on loan delinquencies.
- The monetary policy also aims to maintain the exchange rate stability for the current fiscal year. The Central Bank exercises a managed float system to maintain the exchange rate stability.
- We expect the market to rally 10-12% over the next 6 months.

### DSE Performance



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