

Multilateral lenders divided on growth projection

Multilateral lending institutions made contrasting projections on the estimation of growth in Gross Domestic Product (GDP) of Bangladesh for FY2020-21 as the haze over near-term trajectory of the global economy got denser due to the untamed pandemic. The lenders are not unanimous on the forecasts as there are many critical assumptions, including probable span of second wave of the coronavirus and pace of recovery of local as well as global economy. The most recent report came from International Monetary Fund (IMF) that lowered its previous growth forecast for Bangladesh to 4.4% for FY21 from 5.7% in earlier projection. However, the lender also projected that Bangladesh would surpass India in per capita GDP in 2020. According to the IMF, per capita GDP of Bangladesh would rise to US\$1,887.97 at current prices at the end of 2020 while per capita GDP of India would fall to US\$1,877. The World Bank (WB) projected the most conservative GDP growth of 1.6% for Bangladesh while the Asian Development Bank (ADB) delivered optimistic projection of 6.8% for the current fiscal year. However, the government expects to achieve 8.2% GDP growth against all odds, as per the budget for FY2020-21. Economists have clarified that the divergence in growth projections appeared as some predictions were more conservative than others. They have also added that the GDP growth of Bangladesh for the current fiscal year would depend mainly on pace of revival of the local demand as about 85% of the GDP is dependent on domestic demand.

Foreign Investors divest 6.03% of Brac Bank

During January-September 2020, foreign investors pulled out a portion of their stake from some strong local companies. The investors opted to trim stake amidst the scourge of the pandemic that battered the bullish growth momentum of the country as elsewhere around the globe and squeezed the turnovers of the blue chip companies. In the period, the foreign investors divested most from Brac Bank Limited after the introduction of the single-digit interest rate as the profitability of the bank, concentrated on SME segment, was apprehended to slip badly. At the end of September 2020, stake of foreign investors on Brac Bank slipped to 37.45% from 43.48% in December last, followed by Beximco Pharma (3.09%) and Islami Bank (2.90%). Share price of Brac Bank also dropped by 28.72% during the period.

Top 10 Companies in terms of Foreign Stake

Company	2019	2020*	Change
Olympic Industries	40.09%	39.73%	-0.36%
DBH	42.08%	39.58%	-2.50%
Brac Bank	43.48%	37.45%	-6.03%
Beximco Pharma	36.70%	33.61%	-3.09%
Renata	22.67%	22.74%	0.07%
ML Dyeing	21.89%	21.89%	0.00%
Islami Bank	23.57%	20.67%	-2.90%
Shepherd	19.52%	18.40%	-1.12%
VFS Thread	18.30%	18.30%	0.00%
BSRM Limited	17.07%	17.07%	0.00%

* Up to September

Source: DSE

NBR collects Tk499.90b in Q1

Tax receipt grew by 4.11% (Y-o-Y) in the July-September period of the current FY2020-21 as the economic activities started to pick up. According to the provisional figures of National Board of Revenue (NBR), taxmen managed to collect Tk499.90b in the first quarter from Tk480.17b in the same period of last fiscal year. Despite registering a marginal growth in revenue collection, the figure fell short of the target by 21.54% or Tk137.24b set for the period. Customs Duty wing posted growth of 6.79% (Y-o-Y) and collection stood at Tk159.59b. Similarly, income tax collection increased by 5.65% (Y-o-Y) to Tk159.20b and Value-Added Tax (VAT) rose by 4.25% (Y-o-Y) to Tk181.11b in the period.

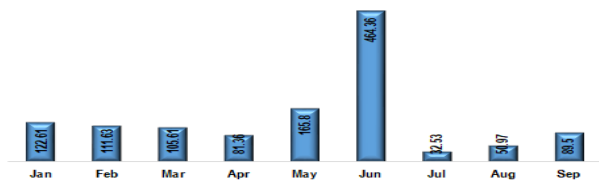
Yields on 91-day T-Bills fall below 1.0%

The yields on 91-day Treasury Bills (T-Bills) came down below 1.0% last week after more than 10 years. The cut off yields on 91-day T-bills declined to 0.94% on 18 October 2020 from 1.39% at the previous auction which was held on 11 October 2020, as a result of high demand from banks. Furthermore, the cut off yields on 364-day T-bills dropped to 2.49% during the day from 3.99% of the previous auction. According to Bangladesh Bank (BB), the banks are inclined to invest their excess liquidity in risk-free securities through quoting lower yields. As per BB statistics, the overall excess liquidity with the commercial banks hit all time high at around Tk1.6 trillion in August 2020 from Tk1.41 trillion a month before. Bankers attributed the increase in excess liquidity to the lower private sector credit growth and the buyback of the US Dollar from the banking sector by the central bank, to control appreciation of the Bangladeshi Taka against US Dollar along with the expansionary monetary policy by BB to support the government-announced stimulus packages to pace up recovery of the pandemic-hit economy. BB injected Tk222.77b in the market through buying US\$2.63b from the banks in the July-September period of the FY2020-21. Lower call money rate in the inter-bank market is also responsible for the sharp rise in demand for T-Bills.

ADP spending stands at 8.06% in Q1

Development spending by the government declined by 0.25% (Y-o-Y) to Tk173.01b in the first quarter (Q1) of FY2020-21 against the backdrop of the government restrictions on the disbursement of funds for the low-priority projects since July 2020. In July-September period of FY2020-21, the ministries managed to spend 8.06% of the total Tk2.15-trillion allocation of Annual Development Program (ADP), keeping the implementation rate same as previous fiscal year. Government agencies spent Tk118.43b during the period from its own coffers while spending from the foreign assistance part was recorded at Tk54.58b. However, the monthly ADP outlay surged by 16% (Y-o-Y) to Tk89.50b in September last, indicating a reviving state of the development programs after the pandemic pause.

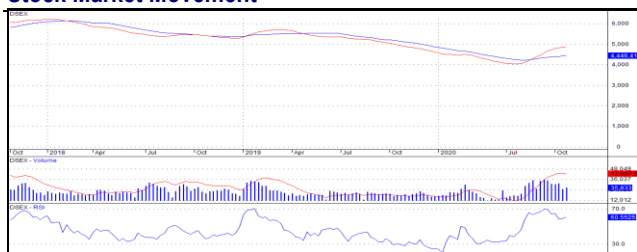
ADP Spending in 2020
Figures in billion Tk



Textile sector suffered in Jan-Mar last

Textile sector, the major export-earner of Bangladesh, suffered significantly during the third quarter (Q3) of FY2019-20. The sorry state of the sector was revealed by the quarterly disclosure of listed textile companies for January-March period of FY2019-20. According to Dhaka Stock Exchange (DSE) reports, forty-three listed companies, around 84% of the total listed textile stocks, reported decline in their EPS during that quarter of FY2019-20 against the EPS in the same period of previous fiscal year. Industry circles attributed the fall in earnings to the decline in demand arising from the outbreak of the novel coronavirus in a number of countries during the period which, in turn, led to order cancellations by the large retailers. Out of the total 56 listed textile companies, fifty-one disclosed their quarterly financials so far and among these 51 companies, only six reported moderate growth during the quarter.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,465.39	3,483.81	-0.53
FTSE 100	5,860.28	5,919.58	-1.00
Nikkei 225	23,516.59	23,410.63	0.45
SENSEX	40,685.50	39,982.98	1.76
KSE 100	41,266.00	40,164.02	2.74

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4,914.04	4,872.30	0.86
Total Turnover, Tk	42,407,921,440.00	33,582,455,827.00	26.28
Market Capital, Tk	3,373,564,250,238	3,392,950,419,984	-0.57
No of Issue Gain	125	68	
No of Issue Loss	183	262	
No of Unchanged Issues	51	29	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Global Insurance Co.	30.60	51.40	67.97	795,990,000
Provati Insurance	42.10	67.40	60.10	853,723,000
Asia Insurance Co.	48.20	68.60	42.32	574,504,000
Prime Insurance	29.00	39.00	34.48	112,734,000
United Insurance	44.70	59.80	33.78	124,237,000
Mercantile Insurance	31.00	41.30	33.23	339,773,000
The Peninsula	17.30	22.00	27.17	292,148,000
Dhaka Insurance Co.	42.30	53.30	26.00	366,676,000
Takaful Islami Ins	40.90	51.20	25.18	176,856,000
Peoples Insurance	31.90	39.80	24.76	706,640,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Savar Refractories	341.80	279.50	-18.23	30,091,000
Bd.Thai Aluminium Ltd.	23.60	20.50	-13.14	208,424,000
Meghna Pet Industries	16.60	14.60	-12.05	3,332,000
Usmania Glass Sheet	60.30	53.20	-11.77	9,004,000
Evince Textiles Limited	10.00	8.90	-11.00	82,318,000
Dulamia Cotton	83.60	74.60	-10.77	5,070,000
Far East Knitting	12.30	11.00	-10.57	28,276,000
Bangladesh Indus. Fin	5.70	5.10	-10.53	1,173,000
Hamid Fabrics Limited	27.50	24.70	-10.18	100,733,000
Alltex Industries Ltd.	8.90	8.00	-10.11	1,990,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	375.17	372.10	0.83	1,425.87	1,896.17	-24.80
Cement	242.72	237.25	2.31	232.39	285.66	-18.65
Ceramic	548.71	559.68	-1.96	158.44	274.93	-42.37
Engineering	4,803.39	5,145.00	-6.64	1,943.63	2,762.44	-29.64
Food & Al.	3,669.56	3,658.56	0.30	585.40	691.41	-15.33
Fuel & Pow.	3,837.02	3,891.57	-1.40	580.88	955.60	-39.21
Insurance	2,181.06	1,935.59	12.68	13,457.22	12,186.43	10.43
IT	363.11	365.90	-0.76	544.55	515.74	5.59
Jute	1,162.96	1,219.53	-4.64	163.13	72.96	123.60
Misc.	1,183.40	1,193.31	-0.83	1,192.61	1,519.55	-21.52
Mutual Fund	483.51	488.21	-0.96	1,277.55	3,450.51	-62.98
NBFI	1,109.83	1,075.01	3.24	1,172.79	1,933.70	-39.35
Paper	6,640.93	6,799.37	-2.33	98.06	119.83	-18.17
Pharma	1,250.68	1,241.10	0.77	2,336.73	2,433.68	-3.98
Service	926.36	947.37	-2.22	72.61	90.75	-19.99
Tannery	588.90	588.63	0.05	143.81	110.69	29.93
Telecom	3,085.23	3,182.88	-3.07	641.18	756.48	-15.24
Textile	1,207.34	1,242.77	-2.85	1,538.74	2,638.92	-41.69
Travel & Leis	591.65	582.65	1.54	215.57	84.63	154.72

Technical Talk

Dhaka stocks registered a marginal rise in last week as major sectors performed mixed as investors opted to diversify their portfolios. Among the five sessions in the last week, the DSEX advanced in first three sessions and declined marginally in last two sessions. Among the major sectors, Insurance increased by 12.68% over the week followed by NBFI 3.24%, Bank 0.83% and Pharma 0.77% while Engineering, Telecom, Textile, Fuel & Power and Mutual Fund decreased by 6.64%, 3.07%, 2.85%, 1.40% and 0.96% respectively.

DSE Broad Index (DSEX) stood at 4,914.04 points increased by 41.74 points or 0.86% from the previous week. Total turnover reached at Tk42,407.92m which was 26.28% higher than the previous week. Market capitalization decreased by 0.57% and stood at Tk3,373.56b (\$39.74b) at the weekend against Tk3,392.95b. DSE 30 increased by 21.98 points or 1.32% and closed at 1,692.44 points against 1,670.45 points. Last week's weighted average Market PE was 13.38 which was 13.51 previous week.

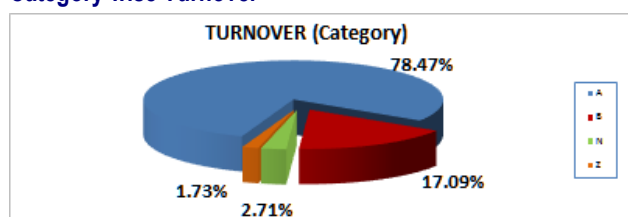
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Continental Insurance	26,147,853	1,476,355,000	3.48
Beximco Pharma	11,501,920	1,332,640,000	3.14
Republic Insurance	22,905,198	1,161,826,000	2.74
Asia Pacific General	14,878,770	1,054,722,000	2.49
Beximco	43,681,619	1,051,472,000	2.48
BRAC Bank Ltd.	23,550,900	971,909,000	2.29

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	445,599	RENATA	101,160
Walton Hi-Tech	228,953	ICB	74,979
BATBC	199,746	Marico	71,300
Square Pharma	185,274	Berger Paint	62,559
United Power	155,516	Brac Bank	54,759

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,901.10	1,903.20	-0.11
Silver (USD/t.oz)	24.67	24.19	1.95
Brent Crude Oil (USD/bbl)	42.46	43.16	-1.62

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	102.73	102.79	101.77	101.83	0.94	0.94
GBP	113.55	113.61	113.24	113.31	0.27	0.27
AUD	60.93	60.97	60.88	60.91	0.08	0.08
JPY	0.82	0.82	0.81	0.81	0.55	0.61
CAD	64.97	64.01	64.89	64.93	0.13	-1.41
SAR	22.75	22.77	22.75	22.76	0.02	0.02

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
Associated Oxygen Ltd.	Sep 10-16, 2020	10	150
Dominage Steel	Oct 19-25, 2020	10	300
Crystal Insurance	Nov 10-16, 2020	10	160
Robi Axiata Limited	Nov 17-23, 2020	10	5,237