B a n g l a d e s h

Weekly Market Review

1117th Issue

A p r i l 2 9 , 2 0 2 1

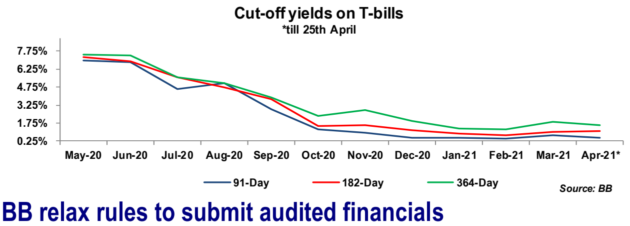
Year 23 No. 19

Interest rate-cap on margin loan deferred

The Bangladesh Securities and Exchange Commission (BSEC) directed the market intermediaries on 13 January 2021 last to set ceiling of interest rate on margin loans at 12%. The initial deadline to reset the margin loan interest rate was February 01, 2021 that was later extended to June 30, 2021 by the regulator since the market took a battering owing to apparent forced sale by the stock brokers and merchant banks as the time neared. Last week, the capital market regulator extended the effective date of implementation of the rate-cap further to January 01, 2022 considering the overall market condition during the ongoing Covid-19 situation. As per the order, the other terms and conditions of the directive issued on 13 January 2021 will remain unchanged that includes the maximum 3% spread over cost of fund for charging interest on margin loans.

Yields on treasury instruments drop

Yields on government treasury instruments has started falling since May 2020 and continued until February 2021. The cut-off as well as the weighted average yield, however, went up slightly on March and then further dropped drastically on April, 2021 since surplus liquidity in the banking system led the scheduled banks to quote lower bidding rate in the auction of government treasury securities. Besides, the government borrowing through selling treasury instruments declined due to the slow implementation of development expenditure amidst the pandemic fallout. As reported by the Bangladesh Bank (BB), liquidity glut in the banking system swelled by 92.42% (Y-o-Y) to Tk2.0 trillion at the end of February 2021. Meanwhile, credit disbursement to the private sector also slowed down on the back of the fresh lock-down started from April 05 this year in the wake of the second wave of Covid-19 outbreak. Consequently, bankers are offering lower interest rate to invest their excess liquidity chunk in the risk-free government securities. According to BB, cut-off yield on the 91-day bill fell to 0.55% on April 25 from 0.70% of the previous auction, held on April 05 this year. Again, the cut-off yield on the 364-day bill went down to 1.54% on the day from 1.75% of the previous auction, held April 12. On April 27 this year, the yields on long term treasury instruments plunged notably as well. The cut-off yield on government treasury bonds with a maturity of 15-year and 20-year came down to 5.87% and 6.64% respectively from 6.66% and 6.95% earlier, as per BB reports.



BB relax rules to submit audited financials

The Bangladesh Bank (BB) has relaxed rules allowing all the scheduled banks to submit their audited financial statements by June 30, 2021 instead of April 30 this year due to the ongoing Covid-19 pandemic. The central bank issued a circular in this regard on April 27, 2021. The decision was made as per the power conferred on the BB under section 121 of Bank Company Act in consultation with the government. The banks were exempted from following section 40 of the act and were allowed to submit audited annual financial statements by June 30, 2021, as per BB.

Forex reserve hits all time high

The foreign exchange (forex) reserve crossed the US$44b-mark to reach US$44.7b for the first time on April 27, 2021. Sluggish import payment and surge in inward remittance flow contributed to the robust figure of the central bank reserve. Forex reserve touched the US$41b-mark on October 28 last year and rose to US$42b on December 15 and then to US$43b on December 30 last year. The reserves touched US$44b-mark for the first time on February 24 last year. In the July-March period, inward remittance rose to US$18.60b, reflecting an over 35% rise against the corresponding period of last fiscal year. The amount received in the last nine months has also exceeded the total figure of remittance received in the last fiscal year by 2.19%. Remittance receipt was US$18.21b in FY2019-20, as reported by BB.

GDP growth target revised down

The government has revised down its Gross Domestic Product (GDP) growth projection for the current fiscal year. It now expects the economy to grow by 6.1% for FY2020-21, the second revision this fiscal year, reflecting the fear from devastating impacts of the second wave of the coronavirus pandemic on the economy. Initial target of GDP was set at 8.2%. Later, the target was reset at 7.4%. Earlier in this month the International Monetary Fund (IMF) raised its projection for the growth of Bangladesh to 5% for 2021, up from 4.4% it forecasted in October, 2020. On March 2021, the World Bank (WB) has more than doubled its GDP growth estimates for Bangladesh for the current fiscal year. WB expects the economy to grow 3.6% in FY2020-21, up from a projection of 1.6% made earlier in the Global Economic Prospects report published in January, 2021. Experts, however, say higher GDP growth is still uncertain since the country is currently experiencing a fresh surge of coronavirus infections, which have forced the government to impose some strict containment measures. The Asian Development Bank (ADB) also revised downward its projection and set the growth target between 5.5-6% from its earlier projection of 6.8%.

BSEC extends time for financial disclosures

The Bangladesh Securities and Exchange Commission (BSEC) has temporary relaxed listing regulations or other securities laws for all the listed companies relating to requirements of monthly and quarterly submissions of their financial disclosures. The capital market regulator issued a directive in this regard on April 22, 2021. As per the directive, listed companies will be able to make their monthly and quarterly and other submissions to the Commission and bourses up to May 25, 2021. Recently, the Bangladesh Association of Publicly Listed Companies (BAPLC) requested the commission seeking temporary relaxations due to countrywide strict lockdown to curb the recurrent surge in coronavirus cases. According to the securities rules, the companies have to prepare and externally audit their financial rerports within the next 120 days and submit the statement by the following 14 days. Hence, the listed companies have to submit their 2020 annual statements by May 14, 2021. Also, they have the May 15 deadline to submit the unaudited statements for the January-March quarter of this year as companies get 45 days to submit first quarterly statements and 30 days for second and third quarterly statements since the end of the respective quarters.

The week's data runs 22 April 2021 to 29 April 2021

Stock Market Movement

Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	4,181.17	4,180.17	0.02
FTSE 100	↑	6,969.81	6,938.56	0.45
Nikkei 225	↓	28,812.63	29,020.63	-0.72
SENSEX	↑	48,782.36	47,878.45	1.89
KSE 100	↓	44,262.35	44,706.76	-0.99

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	5,479.62	5,435.03	0.82
Total Turnover, Tk	↑	53,221,975,208	42,598,745,789	24.94
Market Capital, Tk	↑	4,114,496,357,890	4,090,367,289,201	0.59
No of Issue Gain		162	206	
No of Issue Loss		145	100	
No of Unchanged Issues		63	63	

Top Gainers

Company	Weighted avg. Closing Price (Tk) Last Week	This Week	Change %	Turnover (Tk)
National Feed Mill	18.70	26.10	39.57	1,227,351,000
Associated Oxygen	41.20	55.00	33.50	545,373,000
Provati Insurance	125.60	163.20	29.94	178,210,000
City Gen. Insurance	28.80	36.50	26.74	424,475,000
Phoenix Insurance	41.80	52.90	26.56	663,207,000
Dhaka Insurance	62.40	78.70	26.12	635,449,000
Mercantile Insurance	40.50	46.90	15.80	309,201,000
Standard Insurance	39.80	46.00	15.58	231,024,000
BGIC	42.90	49.50	15.38	554,969,000
Rahima Food	211.20	241.40	14.30	274,046,000

Top Losers

Company	Weighted avg. Closing Price (Tk) Last Week	This Week	Change %	Turnover (Tk)
Fareast Finance & Inv.	3.60	3.20	-11.11	3,803,000
Keya Cosmetics	5.70	5.10	-10.53	159,007,000
M.L. Dyeing	37.90	34.40	-9.23	439,000
Shurwid Industries	16.90	15.40	-8.88	288,000
Prime Bank	17.20	15.70	-8.72	14,091,000
Shepherd Industries	11.80	10.80	-8.47	1,990,000
BD Finance & Inv.	36.60	33.50	-8.47	1,150,924,000
Nurani Dyeing	6.10	5.60	-8.20	12,155,000
Saiham Textile Mills	18.80	17.30	-7.98	949,000
Saiham Cotton Mills	12.70	11.70	-7.87	3,456,000

Sectoral Index & Turnover

Sector	Sectoral Index This Week	Last Week	Change %	Turnover (Tk.M) This Week	Last Week	Change %
Bank	376.29	377.00	-0.19	2,028.08	1,647.39	23.11
Cement	337.18	318.70	5.80	2,980.66	1,474.36	102.17
Ceramic	647.98	652.73	-0.73	658.31	446.56	47.42
Engineering	6,646.16	6,607.88	0.58	1,803.97	1,181.65	52.66
Food & Al.	4,757.49	4,786.84	-0.61	2,514.55	2,311.58	8.78
Fuel & Pow.	3,814.86	3,767.50	1.26	3,426.55	1,962.82	74.57
Insurance	2,414.08	2,282.73	5.75	14,099.64	10,807.75	30.46
IT	385.43	374.13	3.02	538.15	283.27	89.98
Jute	1,319.31	1,248.00	5.71	142.73	79.86	78.72
Misc.	1,998.99	1,980.63	0.93	7,655.14	7,000.79	9.35
Mutual Fund	487.01	488.70	-0.35	736.08	816.10	-9.81
NBFI	1,062.58	1,101.56	-3.54	2,994.39	4,264.13	-29.78
Paper	6,208.61	6,384.61	-2.76	9.35	10.23	-8.62
Pharma	1,372.23	1,360.21	0.88	5,220.53	3,032.60	72.15
Service	1,098.16	1,101.97	-0.35	346.61	294.49	17.70
Tannery	600.55	593.32	1.22	275.06	74.73	268.07
Telecom	4,763.53	4,754.79	0.18	1,455.83	1,749.33	-16.78
Textile	998.17	989.82	0.84	1,120.13	560.99	99.67
Travel & Leis	495.79	510.11	-2.81	30.13	29.86	0.92

Technical Talk

The Dhaka stocks closed the week in green trajectory extended the winning streak for the third straight week as a section of investors showed buying appetite for sector-specific scripts based on the quarterly earnings and year-end dividend declarations. Of the five trading sessions last week, three sessions closed higher while the other two faced corrections. Among the major sectors, Cement increased by 5.80% over the week followed by Insurance 5.75%, Fuel & Power 1.26%, Pharma 0.88% and Textile 0.84%.

DSE Broad Index (DSEX) stood at 5,479.62 points after increasing by 44.59 points or 0.82% from the previous week. Total turnover reached at Tk53221.98m, which was 24.94% higher than the previous week. Market capitalization increased by 0.59% and stood at Tk4114.50b ($48.46b) at the weekend against Tk4090.37b. DSE 30 increased by 23.36 points or 1.12% and closed at 2,110.91 points against 2,087.55 points. Last week's weighted average Market PE was 16.91 which was 17.14 previous week.

Top Turnover Companies

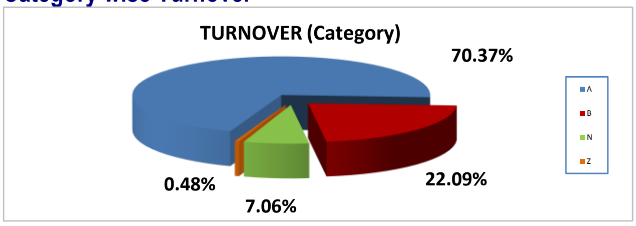
Company	Volume	Value (Tk)	% of total
Beximco	70,542,657	6,024,042,000	11.32
LafargeHolcim BD	42,540,234	2,577,460,000	4.84
Beximco Pharma	13,188,009	2,550,333,000	4.79
BATBC	3,119,451	1,623,126,000	3.05
LankaBangla Finance	42,891,495	1,409,040,000	2.65
National Feed Mill	51,370,984	1,227,351,000	2.31

Top 10 Market Capital

In million

GP	457,752	United Power	147,295
Walton Hi-Tech	360,515	RENATA	112,039
BATBC	279,828	Berger Paint	78,740
ROBI	237,278	Beximco Pharma	77,867
Square Pharma	178,810	Beximco Ltd.	76,240

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,768.80	1,776.70	-0.44
Silver (USD/t oz.)	25.99	26.05	-0.23
Brent Crude Oil (USD/bbl.)	66.63	66.01	0.94

Exchange Rate

	This Week TT	This Week BC	Last Week TT	Last Week BC	Change % TT	Change % BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	104.11	104.17	104.79	104.85	-0.65	-0.65
GBP	120.25	120.32	120.75	120.82	-0.41	-0.41
AUD	65.85	65.89	66.11	66.15	-0.39	-0.39
JPY	0.78	0.79	0.79	0.80	-1.27	-1.25
CAD	69.48	69.52	68.40	68.45	1.58	1.56
SAR	22.75	22.78	22.75	22.77	0.00	0.04

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)
-	-	-	-