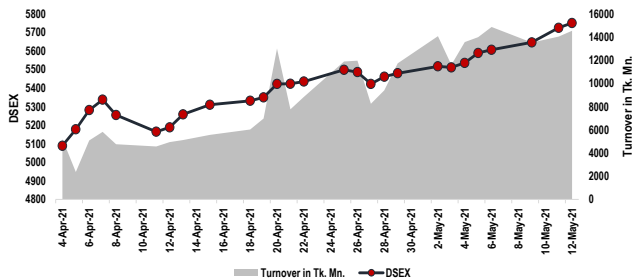


Capital market vibrant during lockdown

The capital market experienced a positive-run during the month-long lockdown period despite economic uncertainties. The key index of Dhaka Stock Exchange (DSE), DSEX, soared by 661.51 points or 13% to close at 5,750.49 points during the lockdown period from April 04, 2021 to May 12, 2021 – the last session before the Eid holidays. The lockdown was clamped by the government on April 05, 2021 to curb the second wave of Covid-19 infections, initially for a week that later continued to be extended. The fourth extension of the ongoing lockdown is expected to end on May 16, 2021, as per a government order. The market remained bullish during the period under review with turnover surging by 178.90% to Tk14.53b on May 12, 2021 from Tk5.21b on April 04, 2021. DSE saw hike in market capitalization by 10.51% from Tk4.43 trillion to Tk4.89 trillion. Market analysts attributed the surge to the supportive regulatory moves that include the enhancement of margin loan limit from 1:0.50 to 1:0.80 till such time the benchmark index remains below 7,000 points-mark. Additionally, the Bangladesh Securities and Exchange Commission (BSEC) also tackled the apparent forced sale by the stockbrokers and merchant banks to adjust the outstanding margin loans ahead of the implementation date of interest rate-cap, by extending the deadline to January 01, 2022.



Surged sales of NSCs led lower bank borrowing

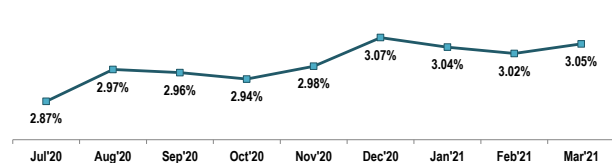
Government borrowing from the scheduled banks stood at Tk442.44b in the July-March period of the current fiscal year, according to the recent reports from Bangladesh Bank (BB). Massive sales of the National Savings Certificates (NSCs) coupled with the slow execution of development expenditure led the government to borrow less from the banking system. The government set its bank borrowing target for the entire fiscal year at Tk849.80b. Later the target was slashed by more than 3% to Tk820b considering the execution level of development projects and higher sales of the savings instruments. Net borrowing target from NSCs was set at Tk200b under the current year national budget but just in the first half of the current fiscal year the net sales of NSCs surpassed the target set for the entire fiscal year. The net sales of savings certificates were Tk204.87b during the July-December period of FY2020-21 as against Tk54.33b in the same period of the previous fiscal year. The trends continue as in the July-February period of FY2020-21 net sales of NSCs swelled by 203.24% (Y-o-Y) to Tk293.11b against that of Tk96.66b during FY2019-20. Banks are offering low interest on all types of deposit products hence savers are diverting their money to the NSCs due to the higher yield rates. There are four types of savings certificates with yield rates up to 11.76%.

Interest spread widens in March

Interest spread in the banking sector widened to 3.05% in March 2021 as the banks slashed the deposit rates more than the lending ones, aiming at reducing cost of fund. Banks are offering historically low interest against their deposit products, resulting from the excess liquidity situation in the banking system. As per statistics from Bangladesh Bank (BB), liquidity glut in the banking sector reached Tk2,040.70b in January this year, surging by 97.44% (Y-o-Y) from Tk1,033.58b in the same period of the previous year. Private sector credit growth decelerated in recent months following lower-than-usual credit demand amid the ongoing coronavirus pandemic. Most of the banks slashed their interest rates on all types of deposit because of the higher liquidity inflow. Private sector credit growth stood at 8.79% in March 2021, remaining well below the monetary target of 14.8% which was set to be achieved by the end of FY2020-21. The overall weighted average spread between the lending rate and the deposit rate rose by 0.03% in March 2021 from 3.02% in February 2021. In March, 2021 the interest spread in the private commercial banks stood at 3.18% with their weighted average deposit and lending rate of 4.54% and 7.72% respectively. In the state-owned banks, the rate was 2.04%, with the weighted average deposit and lending rates hovering at 4.47% and 6.51% respectively. In the specialized banks, the weighted average deposit rate was 5.69% and the lending rate was 7.45%, taking the spread to 1.76%. Even after imposing the cap on the spread at 4 percentage points, the average spread in the foreign commercial banks remained high at 5.54 percentage points based on a weighted average deposit and advance rate of 1.16% and 6.7% respectively in March, 2021. In March, 15 banks made a profit margin or spread above the BB-set limit of 4% points although the overall interest rate spread in the banking sector remained below the cap. Of these 15 banks, Standard Chartered Bank and Dutch-Bangla Bank maintained the highest overall spread of 6.98% and 6.41% at the end of March.

Interest Rate Spread

Source: Bangladesh Bank



Development spending at 11 years low

In the first ten months of FY2020-21, all ministries and divisions spent only Tk969.75b under the Annual Development Program (ADP). Consequently, the size of ADP has been slashed down to Tk1976.43b from Tk2051.45b in the original plan, keeping the local portion of the funding almost unchanged while trimming the foreign part. The allocation of the government fund to the revised ADP was trimmed by only Tk0.7m to Tk1346.43b but the portion of foreign funds has been slashed by 10.64% to Tk630b from Tk705.02b. The Implementation Monitoring and Evaluation Division (IMED) have been publishing monthly ADP review data since FY2010-11. Since then, such a large amount of money never remained unspent in the first ten months of a fiscal year. To implement the revised ADP, a sum of Tk1006.68b needs to be spent in May and June, which experts say is impossible.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	↓ 4,173.85	4,232.60	-1.39
FTSE 100	↓ 7,043.61	7,129.71	-1.21
Nikkei 225	↓ 28,084.47	29,357.82	-4.34
SENSEX	↓ 48,732.55	48,782.36	-0.10
KSE 100	↑ 45,178.62	45,174.67	0.01

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↑ 5,750.50	5,606.02	2.58
Total Turnover, Tk	↓ 42,089,588,281	68,076,760,621	-38.17
Market Capital, Tk	↑ 4,303,223,463,125	4,180,673,900,696	2.93
No of Issue Gain	257	254	
No of Issue Loss	61	69	
No of Unchanged Issues	54	48	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
NRB Bank	14.90	19.60	31.54	870,449,000
Pioneer Insurance	87.10	107.90	23.88	795,589,000
Kattali Textile	10.70	13.20	23.36	357,852,000
VFS Thread Dyeing	18.50	22.20	20.00	131,773,000
Pacific Denims	8.60	10.30	19.77	107,062,000
Evince Textiles	7.20	8.60	19.44	36,225,000
Nurani Dyeing	5.90	7.00	18.64	28,962,000
Rupali Bank	24.80	29.30	18.15	29,285,000
eGeneration	45.30	53.30	17.66	383,181,000
Keya Cosmetics	5.20	6.10	17.31	143,013,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Agrani Insurance	65.70	55.70	-15.22	309,222,000
United Insurance	56.70	51.60	-8.99	36,192,000
Rupali Life Insurance	66.90	62.30	-6.88	179,893,000
Padma Islami Life Ins.	26.30	24.60	-6.46	11,414,000
Eastern Lubricants	1261	1183.70	-6.13	32,725,000
Sandhani Life Ins.	32.10	30.20	-5.92	172,124,000
Fareast Islami Life In.	47.60	44.90	-5.67	20,942,000
Takaful Islami Ins.	58.60	55.30	-5.63	77,909,000
Standard Insurance	52.50	49.60	-5.52	134,390,000
One Bank	11.10	10.50	-5.41	130,170,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	414.50	394.82	4.99	3,489.66	3,351.99	4.11
Cement	339.04	335.79	0.97	490.63	2,682.62	-81.71
Ceramic	653.51	649.71	0.58	168.75	643.78	-73.79
Engineering	6,968.60	6,723.61	3.64	1,795.04	2,369.05	-24.23
Food & Al.	4,961.30	4,781.63	3.76	1,360.86	1,870.36	-27.24
Fuel & Pow.	3,948.70	3,882.08	1.72	2,318.06	3,317.67	-30.13
Insurance	2,484.87	2,473.66	0.45	4,717.29	21,019.87	-77.56
IT	411.49	396.84	3.69	530.21	643.89	-17.66
Jute	1,193.98	1,216.26	-1.83	16.65	100.17	-83.38
Misc.	2,080.62	2,039.54	2.01	3,613.02	10,716.95	-66.29
Mutual Fund	529.68	527.11	0.49	809.14	1,841.00	-56.05
NBFI	1,144.21	1,112.18	2.88	1,376.81	4,167.19	-66.96
Paper	6,359.11	6,125.22	3.82	78.82	87.32	-9.73
Pharma	1,382.55	1,371.64	0.80	2,299.27	4,374.94	-47.44
Service	1,221.57	1,173.10	4.13	460.16	546.24	-15.76
Tannery	623.22	614.05	1.49	385.66	480.58	-19.75
Telecom	4,914.74	4,731.33	3.88	1,089.84	1,909.01	-42.91
Textile	1,167.11	1,091.70	6.91	2,698.28	4,116.44	-34.45
Travel & Leis	507.30	517.56	-1.98	24.87	53.71	-53.69

Technical Talk

The Dhaka stocks extended the winning streak for the fifth straight week as investors kept buying shares ahead of Eid holidays. The week witnessed three trading days and all its sessions closed higher. The investors continued their buying interest on major sector stocks illustrating growing confidence in the market as recent market momentum showed optimism. The stock market remained close in May 13-15 on the occasion of Eid-ul-Fitr. Among the major sectors, Textile increased by 6.91%, followed by Bank 4.99%, Telecom 3.88%, Engineering 3.64% and NBFI 2.88%.

DSE Broad Index (DSEX) stood at 5,750.50 points after increasing by 144.48 points or 2.58% from the previous week. Total turnover reached at Tk42089.59m, which was 38.17% lower than the previous week. Market capitalization increased by 2.93% and stood at Tk4303.22b (\$50.69b) at the weekend against Tk4180.67b. DSE 30 increased by 49.58 points or 2.32% and closed at 2,186.87 points against 2,137.29 points. Last week's weighted average Market PE was 17.73 which was 17.11 previous week.

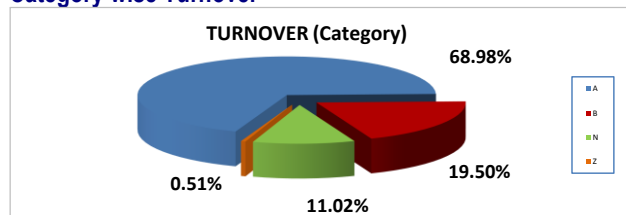
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	39,186,445	3,469,627,000	8.24
National Feed Mill	45,562,040	1,572,598,000	3.74
Robi Axiata	27,917,256	1,335,697,000	3.17
BATBC	2,162,028	1,176,487,000	2.80
Square Pharma	4,965,994	1,039,613,000	2.47
LankaBangla Finance	26,067,010	917,924,000	2.18

Top 10 Market Capital

			In million
GP	468,014	United Power	148,138
Walton Hi-Tech	374,268	RENATA	114,759
BATBC	292,464	Berger Paint	83,387
ROBI	249,326	Beximco Ltd.	76,678
Square Pharma	177,290	Beximco Pharma	74,663

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,844.00	1,832.00	0.66
Silver (USD/t.oz)	27.53	27.57	-0.15
Brent Crude Oil (USD/bbl.)	68.84	68.19	0.95

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	105.03	105.09	105.35	105.41	-0.30	-0.30
GBP	122.88	122.85	121.62	121.69	1.04	0.95
AUD	66.59	66.63	66.95	66.99	-0.54	-0.54
JPY	0.79	0.79	0.79	0.79	0.00	0.00
CAD	70.41	70.45	70.30	70.34	0.16	0.16
SAR	22.75	22.76	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)
Nialco Alloys Ltd.	May 16-May 20, 2021	10	75
Sonali Life Ins. Co. Ltd.	May 30-June 03, 2021	10	190