

BSEC withdraw floor prices for all

The Bangladesh Securities and Exchange Commission (BSEC) removed the floor prices for all listed securities through issuing a directive on June 17, 2021. The capital market regulator earlier introduced the unique mechanism to prevent free-fall of market centering the pandemic fear. The directive that was issued prior to the imposition of the first countrywide lockdown, restricted the price movement of all the listed securities to as low as the average closing prices of immediate preceding five trading sessions till its effective date on March 19, 2020. The provision was highly criticized by market experts as it hampered the free price movement in the market, affecting the flow of liquidity. However, the Commission continued with the system for one year as the general investors were in confidence crisis fearing that the market might crash if the floor prices were lifted. BSEC initially lifted the floor prices of 66 listed companies on April 07, 2021 that resulted in sharp loss of 82.56 points or 1.55% of the benchmark index of Dhaka Stock Exchange (DSE), DSEX on the following session. Observing the reaction, the Commission set the downward limit of the daily circuit breaker to 2%. BSEC, then, removed the floor prices of 30 more listed stocks on June 03, 2021 in another phase. The last directive repealed all the previous directives regarding floor prices, resuming the regular price change limit applicable to all the listed securities.

Investors to receive interest from CCA

The capital market regulator has instructed the stockbrokerage houses to distribute the interest income earned from the Consolidated Customer Accounts (CCA) among its eligible investors within 30 days of the end of each financial year. Bangladesh Securities and Exchange Commission (BSEC) has issued a directive in this regard on June 21, 2021. As per the directive, investors who have maintained a minimum of Tk0.1m credit balance in their CCAs continuously for at least one month in a financial year and entitled to a minimum of Tk500 as interest income will be considered as eligible investors. The directive also includes that all the stockbroker must operate and maintain the CCA as per the provisions of Rule 6 of the Securities and Exchange Rules, 2020. According to Sub-rule (1) of Rule 6 of the Securities and Exchange Rules, 2020, registered stockbrokers are required to distribute the net interest income earned (after adjusting bank charges, if any) from the bank accounts opened for consolidated customers account to the customers proportionately and if any undistributed interest income is left, that shall be transferred to the Investors' Protection Fund of the exchanges within 30 days of the end of each financial year. In case of any delay in transferring the aforesaid interest income to the Investors' Protection Fund of the exchanges, an additional penal 2% interest per month shall be charged on such income, which shall also be transferred to the Investors' Protection Fund, as per the rule.

WB upgrades GDP growth forecast

The World Bank has revised upward its economic growth projection in the current fiscal year for Bangladesh to 3.6% from its previous projection of 1.6%, but the figure is still substantially lower than the government's revised target of 6.1%. The development lender, in its flagship publication "Global Economic Prospects", also anticipated that the Gross Domestic Product (GDP) of Bangladesh will grow by 5.1% in the next fiscal year, which is also lower than the budgetary target of 7.2%.

Eleven banks still fail to maintain required provision

The provisioning shortfall against loans in the banking system swelled in the first quarter of the calendar year despite the fact that loan classification has been on a relaxed mode because of the pandemic. The amount of provision shortfall increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). Default loans in the banking sector stood at Tk950.85b in the first quarter of 2021 from Tk887.34b in the preceding quarter, according to Bangladesh Bank (BB) reports. Eleven scheduled banks failed to maintain required provisions against classified loans as of March, 2021. According to the latest statistics of BB, four state-owned, six private and one specialized banks reported a combined provisioning shortfall of Tk126.49b in the January-March quarter of 2021. Meanwhile, provision shortfall in four state-owned banks stood at Tk109.65b, of which, Janata Bank alone had a shortfall of Tk52.55b. Janata Bank, which was not in the list till December 2020, became a fresh defaulter in terms of maintaining provision against its toxic loans. This huge provision shortfall of scam-hit Janata Bank has put the entire banking sector in jeopardy. However, Probashi Kallyan Bank managed to get rid of the provision shortfall status in this quarter. As of March 31, 2021, six private commercial banks had a combined shortfall of Tk15.19b while Bangladesh Krishi Bank had Tk1.65b of shortfall in provisioning. As per BB, scheduled banks have to keep 0.25% to 2.0% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against bad or loss category loans.

Provision Shortfall till March 31, 2021			
		Tk in billion	
State-owned Banks	Amount	Private Commercial Banks	Amount
Janata Bank	52.55	Bangladesh Commerce Bank	4.59
Agrani Bank	35.65	National Bank	3.88
Basic Bank	13.56	Dhaka Bank	2.46
Rupali Bank	7.88	Mutual Trust Bank	1.95
		Standard Bank	1.58
		Social Islami Bank	0.73
Specialised Bank	Amount		
Bangladesh Krishi Bank	1.65		

Source: BB

FDI fell by 10.8% last year

Foreign Direct Investment (FDI) in Bangladesh fell by 10.8% last year owing to the stagnation in the economy created by the global Covid-19 pandemic. Bangladesh received US\$2.56b FDI in 2020, down from US\$2.87b a year ago, said the World Investment Report 2021, released by the United Nations Conference on Trade and Development (UNCTAD). Equity investment rose 4.8% to US\$842.29m, while reinvestment increased by 6.73% to US\$1,566.12m last year. However, intra-company loans fell 74.26% to US\$155.17m. The global FDI dropped by 35% in 2020 due to the Covid-19 pandemic, according to the UNCTAD report. Lockdowns caused by the pandemic around the world slowed down existing investment projects, and the prospects of a recession led multinational enterprises to reassess new projects, the report said. As per the World Investment Report 2021, in South Asia, FDI inflows rose 20% to US\$71b, thanks to India. Economists opined that it was a global phenomenon as most other countries faced dearth of foreign investment during the pandemic. However, the state of FDI in Bangladesh was never satisfactory due to infrastructural problems.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,280.70	4,166.45	2.74
FTSE 100	7,136.07	7,017.47	1.69
Nikkei 225	29,066.18	28,964.08	0.35
SENSEX	52,925.04	52,344.45	1.11
KSE 100	47,603.36	48,238.67	-1.32

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,092.84	6,052.76	0.66
Total Turnover, Tk	95,242,918,817	97,986,798,255	-2.80
Market Capital, Tk	4,506,364,443,179	4,482,645,474,239	0.53
No of Issue Gain	224	148	
No of Issue Loss	140	210	
No of Unchanged Issues	11	17	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Malek Spinning Mills	22.70	34.70	52.86	1,879,093,000
KBPPWBIL	10.80	14.00	29.63	284,614,000
Kattali Textile	25.70	33.10	28.79	1,464,714,000
Salvo Chemical	27.10	33.60	23.99	412,975,000
Sonargaon Textiles	19.90	24.60	23.62	68,292,000
Olympic Accessories	8.40	10.30	22.62	214,092,000
DESHBANDHU	13.20	16.10	21.97	238,030,000
Unique Hotel	34.20	41.70	21.93	180,605,000
Prime Textil	18.60	22.50	20.97	84,665,000
Envoy Textiles	26.00	31.00	19.23	63,771,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Sea Pearl Beach Resort	65.10	46.60	-28.42	331,281,000
Prime Islami life Ins.	90.50	69.20	-23.54	143,318,000
Standard Ceramic	252.00	205.90	-18.29	109,955,000
Central Insurance	68.30	56.50	-17.28	194,897,000
Samata Leather	87.70	72.60	-17.22	93,393,000
SK Trims & Industries	51.20	42.80	-16.41	690,954,000
Pioneer Insurance	201.00	170.70	-15.07	3,672,189,000
Reliance Insurance	121.60	104.60	-13.98	293,784,000
Green Delta Insurance	135.70	118.50	-12.68	616,990,000
Takaful Islami Ins.	65.00	57.00	-12.31	28,720,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	460.27	442.35	4.05	7,804.54	6,671.71	16.98
Cement	355.55	359.16	-1.00	1,555.55	1,818.57	-14.46
Ceramic	666.17	672.61	-0.96	1,006.06	874.77	15.01
Engineering	7,541.75	7,623.96	-1.08	8,980.67	10,847.09	-17.21
Food & Al.	4,946.45	4,891.20	1.13	2,252.73	2,124.23	6.05
Fuel & Pow.	3,906.08	3,946.99	-1.04	4,479.25	6,247.52	-28.30
Insurance	3,052.38	3,292.37	-7.29	14,525.99	24,573.19	-40.89
IT	479.55	480.46	-0.19	1,145.52	1,415.09	-19.05
Jute	1,061.37	1,057.79	0.34	54.86	61.10	-10.21
Misc.	2,164.22	2,218.26	-2.44	11,255.67	11,842.86	-4.96
Mutual Fund	577.99	562.16	2.82	2,022.80	2,228.67	-9.24
NBFI	1,243.96	1,228.07	1.29	3,560.36	4,207.83	-15.39
Paper	6,714.83	6,579.87	2.05	373.81	226.61	64.95
Pharma	1,408.76	1,389.63	1.38	7,593.10	6,937.54	9.45
Service	1,299.62	1,333.24	-2.52	1,122.43	1,329.56	-15.58
Tannery	705.30	692.93	1.78	1,500.43	1,736.96	-13.62
Telecom	4,786.17	4,767.41	0.39	1,314.29	1,331.29	-1.28
Textile	1,540.49	1,387.45	11.03	18,223.75	10,284.29	77.20
Travel & Leis	481.46	482.60	-0.24	609.17	223.19	172.93

Technical Talk

Dhaka stocks bounced back in the last week, after a single-week break as investors resumed buying shares, especially those of textile and bank sector companies. Stocks rebounded as institutional investors remained active in the market due to removal of the floor price restriction from all listed securities. Out of five trading sessions in the week the core index advanced in three sessions. Among the major sectors, Textile increased by 11.03% over the week followed by Bank 4.05%, Mutual Fund 2.82%, Pharma 1.38% and Telecom 0.39%.

DSE Broad Index (DSEX) stood at 6,092.84 points after increasing by 40.08 points or 0.66% from the previous week. Total turnover reached at Tk95242.92m, which was 2.80% lower than the previous week. Market capitalization increased by 0.53% and stood at Tk4506.36b (\$53.08b) at the weekend against Tk4482.65b. DSE 30 decreased by 2.47 points or 0.11% and closed at 2,199.53 points against 2,197.06 points. Last week's weighted average Market PE 18.35 was which was 18.24 previous week.

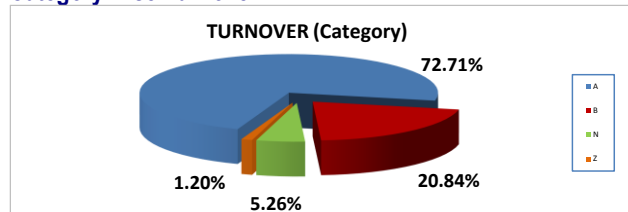
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	68,469,985	6,540,301,000	6.87
Pioneer Insurance	19,587,330	3,672,189,000	3.86
National Feed Mill	55,211,670	2,306,806,000	2.42
Maksons Spinning Mill	97,096,018	1,921,378,000	2.02
Malek Spinning Mills	61,935,097	1,879,093,000	1.97
Orion Pharma	25,120,889	1,489,304,000	1.56

Top 10 Market Capital

			In million
GP	467,474	United Power	145,029
Walton Hi-Tech	401,259	RENATA	115,698
BATBC	291,168	ICB	85,723
ROBI	230,993	Berger Paint	81,722
Square Pharma	179,907	Beximco Ltd.	81,235

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,781.80	1,763.90	1.01
Silver (USD/t oz.)	26.19	25.85	1.32
Brent Crude Oil (USD/bbl.)	75.33	73.18	2.94

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	103.37	103.43	103.88	103.94	-0.49	-0.49
GBP	120.80	120.87	121.89	121.86	-0.89	-0.81
AUD	64.74	64.78	65.11	65.15	-0.57	-0.57
JPY	0.77	0.77	0.77	0.78	0.00	-1.28
CAD	69.41	69.46	69.71	69.55	-0.43	-0.13
SAR	22.75	22.77	22.75	22.77	0.00	0.00

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)
Sonali Life Ins. Co. Ltd.	May 30-Jun 03,2021	10	190
Baraka Patenga Power Ltd.	June 13- Jun 17, 2021	29	2250