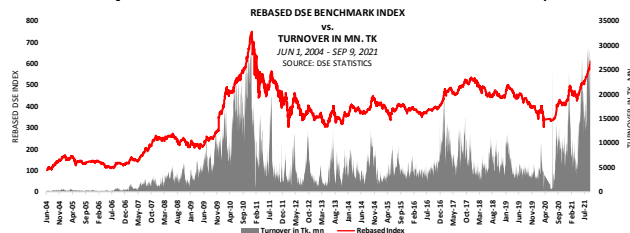


DSEX crosses 7,000 points-mark

The Bangladesh stock market reached new height as the benchmark index of the premier bourse, DSEX, crossed 7,000 points-mark last week. The buoyant participation of investors extended the bull-run of stocks taking all three indices and market capitalization of Dhaka Stock Exchange (DSE) to the fresh new peak. At the end of the session last week on 9 September 2021, DSEX, DSES and DS30 closed at 7,258.75 points, 1,592.31 points and 2,647.14 points respectively. Market capitalization in DSE stood at Tk5.86 trillion which was the highest in the history of the local capital market. Average turnover hovered around Tk27.78b last week. The upbeat momentum is apparently driven by excess liquidity in the money market, lower bank interest rates and yield on money market instruments, lack of investment opportunity and confidence-building measures by the stock market regulator. However, experts expressed concern as most of the junk stocks rose abnormally high on the back of manipulation creating price bubbles and thereby putting the general investors' at the high-risk zone. Experts suggest investors to be more cautious at this stage of the index as it was at overbought territory. The following graph depicts the rebased index and turnover history from 01 June, 2004 to 09 September, 2021. The chart shows that the market reached its peak on 05 December 2010 with the DSE General Index (DGEN) and turnover hitting 8,918.51 points and Tk32.49b that was followed by price debacle in 2010. Later on January 28, 2013, the bourse introduced the DSEX under a Standard and Poor's-developed free-float methodology replacing the then key index, DGEN, which then was at 4,171.41 points.



Private credit growth on rise in July

Credit growth rate in the private sector increased to 8.38% in July 2021 from 8.35% a month ago, with signs of acceleration of the economic recovery. Meanwhile, the figure is still 2.62% lower than the monetary target of 11% for the first half of the FY2021-22 set by the central bank. The overall private sector credit growth in the last fiscal year was 8.62%, against a backdrop of the interrupted economic activities due to the intermittent lockdowns amid the second wave of Covid-19 pandemic.

Bangladesh joins New Development Bank

Another path of infrastructure financing has opened up for Bangladesh. The New Development Bank (NDB), which was created by the BRICS (Brazil, Russia, India, China and South Africa) in 2015, registered Bangladesh as a new member. Since its inception six years ago, the NDB has approved around 80 projects in all its member countries, for a total portfolio of US\$30b. Projects in fields like transport, water and sanitation, clean energy, digital infrastructure, social infrastructure and urban development are within the scope of the Bank. The NDB was intended to be an alternative to the US-dominated World Bank (WB) and International Monetary Fund (IMF). The United Arab Emirates and Uruguay are also reportedly joining the development bank.

Eleven banks face capital shortfall

According to the latest report of Bangladesh Bank (BB), eleven banks faced accumulated capital shortage of Tk253.53b as on June 2021, which was Tk247.83b at the end of March 31 this year. As per the report, two specialized banks - Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank contributed Tk133.49b to the accumulated figure while five state-run banks and four private commercial banks failed to maintain the capital base against their Risk Weighted Assets (RWA). Although these eleven banks have suffered capital shortfalls, the remaining 49 banks have managed to maintain adequate capitals against their risk weighted assets. During the second quarter of 2021, total regulatory capital in the scheduled banks grew nearly 2% (Q-o-Q) to Tk1381.08b against Tk1354.07b at the end of March 31, 2021. The amount was Tk1328.34b at the end of December 31, 2020, the statistics shows. The central bank issued letters to these eleven banks directing to submit plans for overcoming the capital shortfall.

Capital Shortfall as June 30, 2021			
Figures in Tk (bn)			
Private Banks	Amount	State-run Banks	Amount
ICB Islamic Bank	16.42	Sonali Bank	35.27
Bangladesh Commerce Bank	11.46	Agrani Bank	19.60
Padma Bank	4.61	BASIC Bank	19.27
AB Bank	3.29	Janata Bank	3.45
Specialised Bank	Amount	Rupali Bank	6.67
Bangladesh Krishi Bank	118.43		
Rajshahi Krishi Unnayan Bank	15.06		

Source: Bangladesh Bank

Remittance dips in July-April

The inward remittance to Bangladesh from expatriate workers maintained an upward trend throughout the last fiscal year; hitting a record high with over 36% growth despite the ongoing Covid-19 pandemic. Remittance increased by US\$6.57b to US\$24.78b in FY2020-21 from US\$18.21b in FY2019-20, according to Bangladesh Bank (BB) figures. Nevertheless the rising trend dropped by 19% year-on-year in the first two months of the current fiscal year. In the July-August period of FY2021-22 remittance inflow dropped to US\$3.68b against US\$4.56b in the same period of the last fiscal year, as per the recent Bangladesh Bank (BB) reports. Remittance inflow declined 8% (Y-on-Y) in August to US\$1.8b, which was the lowest in the past six months.

Surged sales of NSCs led to lower bank borrowing

Net bank borrowing by the government in the previous fiscal year dropped by 63.9% to Tk260.78b from the high of Tk722.46b a year ago, according to Bangladesh Bank (BB). Higher sales of the National Savings Certificates (NSCs) coupled with the slow execution of development expenditure helped the government to borrow less from the banking system. In the FY2020-21 the net sales of NSCs was Tk419.59b, which was Tk144.28b in the FY2019-20, as per the Department of National Savings (DNS) records. The government has already set a lower borrowing target from the banking system to partly meet the budget deficit in FY2021-22. The borrowing target is set at Tk764.52b for FY2021-22 against the Tk797.49b revised target of FY2020-21, as per the budget documents. For FY2021-22, the borrowing target from saving certificates is set at Tk320b. Earlier, net borrowing target through NSCs was revised upward to Tk303.22b in the revised budget for FY2020-21 from the original target of Tk200b.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,458.58	4,535.43	-1.69
FTSE 100	7,029.20	7,138.35	-1.53
Nikkei 225	30,381.84	29,128.11	4.30
SENSEX	58,305.07	58,129.95	0.30
KSE 100	47,198.29	46,957.47	0.51

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	7,258.75	6,981.06	3.98
Total Turnover, Tk	138,881,824,686	89,368,954,348	55.40
Market Capital, Tk	5,260,592,280,730	5,035,105,913,704	4.48
No of Issue Gain	210	247	
No of Issue Loss	155	17	
No of Unchanged Issues	13	21	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Libra Infusions	772.10	1073.70	39.06	215,050,000
Pharma Aids	460.80	620.00	34.55	559,840,000
Eastern Lubricants	1751.70	2316.20	32.23	137,210,000
AMCL Pran	235.50	307.30	30.49	317,688,000
Apex Footwear	236.40	306.60	29.70	141,841,000
Bata Shoe	753.70	975.20	29.39	159,289,000
Desh Garments	190.00	242.00	27.37	180,853,000
Envoy Textiles	34.70	44.00	26.80	302,273,000
BD Submarine Cable	185.80	230.60	24.11	1,875,365,000
ICB AMCL 2 nd M. F.	11.50	14.10	22.61	110,554,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Meghna Con. Milk	29.20	23.10	-20.89	33,233,000
Meghna Pet Industries	35.90	29.50	-17.83	37,613,000
Metro Spinning	31.80	28.50	-10.38	376,856,000
Mithun Knitting	24.40	22.00	-9.84	38,157,000
SEMLFBSLGF	12.20	11.00	-9.84	57,212,000
SBACBANK	23.30	21.10	-9.44	581,951,000
ATCSLGF	13.00	11.80	-9.23	168,390,000
Imam Button Industries	41.20	37.40	-9.22	28,702,000
Asia Insurance	102.70	93.30	-9.15	160,260,000
SEMILLECMF	12.50	11.50	-8.00	44,742,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	507.90	499.30	1.72	8,953.67	6,497.40	37.80
Cement	465.48	455.43	2.21	4,476.75	3,993.81	12.09
Ceramic	950.83	913.52	4.08	2,875.45	1,412.59	103.56
Engineering	8,686.52	8,355.54	3.96	17,230.41	9,321.75	84.84
Food & Al.	6,040.03	5,416.69	11.51	7,488.90	4,217.57	77.56
Fuel & Pow.	4,645.56	4,472.32	3.87	14,671.48	6,488.62	126.11
Insurance	3,261.66	3,308.58	-1.42	12,114.66	14,785.54	-18.06
IT	596.77	593.91	0.48	3,817.85	1,399.84	172.73
Jute	1,431.16	1,317.70	8.61	595.46	348.76	70.74
Misc.	2,514.47	2,461.22	2.16	10,328.18	7,502.92	37.66
Mutual Fund	609.90	602.37	1.25	2,346.62	2,115.22	10.94
NBFI	1,606.32	1,531.61	4.88	10,137.65	7,294.82	38.97
Paper	8,150.49	8,016.15	1.68	1,465.57	628.60	133.15
Pharma	1,700.31	1,610.71	5.56	14,824.78	7,516.40	97.23
Service	1,643.50	1,514.55	8.51	4,330.76	1,454.99	197.65
Tannery	1,001.88	867.28	15.52	1,035.66	646.17	60.28
Telecom	5,158.62	4,887.78	5.54	3,234.33	1,026.43	215.11
Textile	1,918.24	1,862.65	2.98	15,675.14	10,311.88	52.01
Travel & Leis	520.52	491.59	5.89	961.60	201.33	377.62

Technical Talk

Dhaka stocks advanced for the 12th straight week with all three indices and market-cap surged to new highs. DSEX gained all the sessions of the past week as investors, encouraged by the recent surge, continued buying shares. Among the major sectors, Tannery increased the most by 15.52%, followed by Pharma 5.56%, Telecom 5.54%, NBFI 4.88%, Engineering 3.96% and Fuel & Power 3.87%.

DSE Broad Index (DSEX) stood at 7,258.75 points after increasing by 277.69 points or 3.98% from the previous week. Total turnover reached at Tk138881.82m, which was 55.40% higher than the previous week. Market capitalization increased by 4.48% and stood at Tk5260.59b (\$61.74b) at the weekend against Tk5035.11b. DSE 30 increased by 150.03 points or 6.02% and closed at 2,647.14 points against 2,496.84 points. Last week's weighted average Market PE was 21.16 which was 20.25 previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

Relative Strength Index (RSI)

The RSI indicator reached to overbought territory indicating susceptibility to price correction. Last week, RSI further rose to 85.41 from 82.54 in previous week.

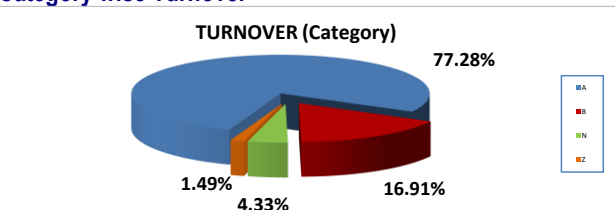
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	59,969,184	7,085,369,000	5.10
BATBC	5,689,335	3,633,749,000	2.62
SAIF Powertec	92,173,730	3,034,919,000	2.19
Beximco Pharma	14,285,044	3,031,625,000	2.18
Square Phar	12,148,942	2,912,712,000	2.10
LafargeHolcim BD	32,000,945	2,576,763,000	1.86

Top 10 Market Capital

Company	Market Cap (Tk)
GP	161,524
Walton Hi-Tech	129,199
BATBC	109,668
ROBI	102,442
Square Pharma	92,213

Category wise Turnover



Commodity Price

Commodity	This Week	Last Week	Change %
Gold (USD/t.oz)	1,788.20	1,829.90	-2.28
Silver (USD/t.oz)	23.76	24.80	-4.19
Brent Crude Oil (USD/bbl)	72.92	72.45	0.65

Exchange Rate

Currency	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	85.20	85.25	85.20	85.25	0.00	0.00
EUR	102.69	102.75	103.28	103.34	-0.57	-0.57
GBP	120.30	120.37	120.53	120.60	-0.19	-0.19
AUD	62.99	63.03	63.88	63.91	-1.39	-1.38
JPY	0.78	0.78	0.78	0.78	0.00	0.00
CAD	67.48	67.52	68.40	68.44	-1.35	-1.34
SAR	22.83	22.84	22.83	22.85	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)
Beximco Green Sukuk Al Istisna'a	16 Aug - 06 Sep, 2021	100	7,500