

DSE launch SME platform

The Dhaka Stock Exchange (DSE) commenced trading on the new Small & Medium Enterprises (SME) platform on September 30, 2021 aiming to create an opportunity for small-cap companies to get listed on the stock market. The platform started trading with six companies, out of which two are newly listed enterprises that raised funds through Qualified Investor Offer (QIO) while four others came from the recently abolished Over-The-Counter (OTC) market. Investors with at least Tk5m investment in the capital market will be allowed to trade shares on the SME platform. The Bangladesh Securities and Exchange Commission (BSEC) issued an order on September 16, 2021 asking both the exchanges, the companies in the OTC market and Central Depository Bangladesh Limited (CDBL) to complete dematerialization of the shares and effect transfer from one platform to the other within 30 days. To this effect, the regulator made a list of 23 out of the 70 OTC companies to shift those to the SME platform of the bourses while another 18 companies would be transferred to the Alternative Trading Board (ATB). The remaining 29 companies would be thrown out from the market following the applicable rule. Of those 23 companies allowed to move to the OTC platform, only 7 are apparently in production while the other 16 are out of operation. Trading at the SME platform already started in Chittagong Stock Exchange (CSE) on June 10, this year.

Inflation on the rise in August

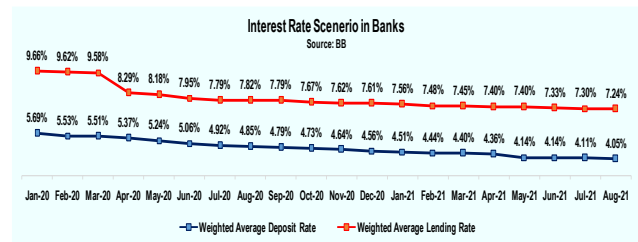
The point-to-point inflation increased by 0.18 percentage points to 5.54% in August from 5.36% in the previous month, due mainly to the price hike of both food and non-food items. As per the recent release from the Bangladesh Bureau of Statistics (BBS), Food inflation grew by 8-basis points to 5.16% in August 2021 from 5.08% a month earlier due to the surge in staple food item prices. Similarly, non-food inflation surged by 33-basis points and stand at 6.13% in August from 5.80% in July 2021 on the back of the high cost of transportation following the reopening of the economy from the coronavirus-induced lockdowns. The inflation rate increased in urban and rural areas also. Meanwhile, inflation in rural areas reached 5.71% in August from 5.53% in the previous month, primarily triggered by the price surge in food and non-food items. The food and non-food inflation in the rural areas were recorded at 5.67% and 5.79% respectively in August from 5.61% and 5.47% respectively in July. Similarly, urban inflation reached 5.22% last month from that of 5.06% in July. The food inflation in the urban areas rose a little bit to 4.02% in August from 4.01% in the previous month along with the non-food items increasing to 6.59% last month from that of 6.24% in July.

Months	Point-to-Point Inflation	Food Inflation	Non-food Inflation
Jul-20	5.53%	5.70%	5.28%
Aug-20	5.68%	6.08%	5.05%
Sep-20	5.97%	6.50%	5.12%
Oct-20	6.44%	7.34%	5.00%
Nov-20	5.52%	5.73%	5.19%
Dec-20	5.29%	5.34%	5.21%
Jan-21	5.02%	5.23%	4.69%
Feb-21	5.32%	5.42%	5.17%
Mar-21	5.47%	5.51%	5.39%
Apr-21	5.56%	5.57%	5.55%
May-21	5.26%	4.87%	5.86%
Jun-21	5.64%	5.45%	5.94%
Jul-21	5.36%	5.08%	5.80%
Aug-21	5.54%	5.16%	6.13%

Source: BBS

Interest rate spread remain unchanged

The interest rate spread in the banking sector remain unchanged at 3.19% in August 2021 as it was in June this year as the banks proportionately cut their interest rate against deposit and lending products. However, both the weighted average lending rate and deposit rate witnessed the new lowest ever in the month. As per recent statistics of Bangladesh bank (BB), the weighted average deposit rate fell to 4.05% in August 2021 from 4.11% in the preceding month even though the central bank directed the scheduled banks not to set the deposit rate below the prevailing inflation rate. In the month of August, point-to-point inflation stood at 5.54%, indicating further blow to the savers, particularly the small ones. On the other side, interest rate on lending products also came down to 7.24% in August from 7.30% in July, as per BB.



Trade deficit widen in July

Trade deficit in the first month of the current fiscal year rose to US\$1.36b from US\$85m in the same month of FY21, as import payments rose slightly but export earnings fell, indicating a sluggish trend in the economy. In July of FY22, export earnings dropped to US\$2.89b from US\$3.25b in the same month of FY21. Closure of factories in July due to Eid-ul-Azha holidays and Covid related movement restrictions were the key reasons for the export earnings to fall. Import payments stood at US\$4.76b in July, up from US\$3.91b in the same month of the past year. Current account balance dropped sharply to US\$336m in July from US\$2.14b in the same month of the past year. Overall trade deficit increased Y-o-Y by 27.66% in FY2020-21 because of the rising import payment pressures on the economy. As per Bangladesh Bank figures, trade deficit rose to US\$22.80b during the July-June period of FY2020-21 year, which was at US\$17.86b a year ago. Economists, however, assure that the large trade deficit would not turn into a matter of concern for the economy as the foreign exchange reserve and inflow of remittance was now in a quite comfortable position.

Private sector credit growth up in August

Credit growth rate in the private sector increased to 8.42% in August 2021 from 8.38% a month ago, with signs of acceleration of economic recovery. Meanwhile, the figure is still 6.38% lower than the monetary target of 14.8% for the first half of the FY2021-22 as set by the central bank. The overall private sector credit growth in the last fiscal year was 8.62%, against the backdrop of interrupted economic activities due to the intermittent lockdowns amid the second wave of Covid-19 pandemic. Besides, banks have adopted a cautious approach in giving out credits which tend to become non-performing, given the business slowdown. Consequently, the single-digit credit growth rate remained far below the monetary target of 14.8% which was set to be achieved by the end of FY2020-21.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,357.04	4,455.48	-2.21
FTSE 100	7,027.07	7,051.48	-0.35
Nikkei 225	28,771.07	30,248.81	-4.89
SENSEX	58,765.58	60,048.47	-2.14
KSE 100	44,871.70	45,073.52	-0.45

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	7,329.04	7,250.60	1.08
Total Turnover, Tk	111,456,647,334	97,094,928,811	14.79
Market Capital, Tk	5,216,902,471,849	5,170,295,218,528	0.90
No of Issue Gain	146	162	
No of Issue Loss	221	198	
No of Unchanged Issues	4	18	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Orion Pharma	77.60	94.00	21.13	5,561,841,000
Unique Hotel	53.10	62.80	18.27	257,027,000
LafargeHolcim BD	78.50	92.40	17.71	7,477,502,000
ICB	133.10	155.90	17.13	611,717,000
SAIF Powertec	38.10	44.30	16.27	2,181,608,000
ACME Laboratories	93.20	107.70	15.56	741,680,000
Silva Pharma	22.80	26.30	15.35	734,704,000
Matin Spinning Mills	59.50	68.30	14.79	515,710,000
Daffodil Computers	63.50	72.80	14.65	28,671,000
Prime Finance	16.00	18.30	14.38	314,860,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Desh Garments	266.90	226.90	-14.99	112,658,000
Mithun Knitting	21.00	18.20	-13.33	10,451,000
Meghna Pet Industries	32.20	28.60	-11.18	5,704,000
Shyampur Sugar Mills	125.40	111.40	-11.16	14,762,000
Zeal Bangla Sugar Mills	152.40	137.20	-9.97	5,603,000
Meghna Con. Milk I	23.20	20.90	-9.91	12,922,000
Renwick Jaineswar	1292.2	1168.90	-9.54	12,968,000
Rupali Life Insurance	86.30	78.40	-9.15	203,599,000
C & A Textiles	7.70	7.00	-9.09	74,667,000
BD Monospool Paper	187.30	170.90	-8.76	16,393,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	495.05	499.07	-0.81	5,234.46	5,227.36	0.14
Cement	506.72	452.88	11.89	8,397.01	2,989.80	180.85
Ceramic	900.65	891.05	1.08	1,046.95	1,014.38	3.21
Engineering	7,991.11	8,080.34	-1.10	12,067.50	9,316.47	29.53
Food & Al.	5,927.46	5,927.20	0.00	2,752.57	2,804.18	-1.84
Fuel & Pow.	4,635.93	4,525.82	2.43	10,114.74	6,351.10	59.26
Insurance	3,221.13	3,292.10	-2.16	8,775.80	12,537.56	-30.00
IT	618.71	588.54	5.13	3,574.03	2,441.88	46.36
Jute	1,271.75	1,322.56	-3.84	78.60	118.04	-33.41
Misc.	2,661.37	2,654.12	0.27	6,518.66	7,502.54	-13.11
Mutual Fund	560.14	579.08	-3.27	899.07	1,105.05	-18.64
NBFI	1,738.78	1,601.00	8.61	10,478.48	9,554.18	9.67
Paper	7,783.30	7,690.90	1.20	739.13	1,123.97	-34.24
Pharma	1,702.69	1,696.71	0.35	16,853.21	12,343.70	36.53
Service	1,886.07	1,711.67	10.19	3,157.29	2,663.84	18.52
Tannery	1,002.41	1,021.06	-1.83	866.38	658.78	31.51
Telecom	5,041.13	5,066.53	-0.50	1,445.66	1,185.40	21.96
Textile	1,951.53	1,932.80	0.97	13,755.27	13,219.13	4.06
Travel & Leis	669.58	580.99	15.25	1,507.49	1,117.79	34.86

Technical Talk

Dhaka stocks closed the week in green trajectory as a section of investors showed buying appetite for sector-specific scripts. DSEX, the key index of the DSE, hit a new high and stood at 7,329.04 points in the past week. Among the major sectors, Cement increased by 11.89%, followed by NBFI 8.61%, Fuel & Power 2.43%, Textile 0.97% and Pharma 0.35%.

DSE Broad Index (DSEX) stood at 7,329.04 points after increasing by 78.44 points or 1.08% from the previous week. Total turnover reached at Tk111456.65m, which was 14.79% higher than the previous week. Market capitalization increased by 0.90% and stood at Tk5216.90b (\$61.02b) at the weekend against Tk5170.30b. DSE 30 increased by 36.97 points or 1.38% and closed at 2,710.53 points against 2,673.56 points. Last week's weighted average Market PE was 20.11 which was 20.71 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 was 85.77.

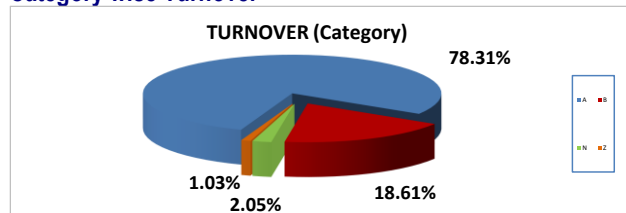
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
LafargeHolcim BD	87,388,295	7,477,502,000	6.71
Orion Pharma	64,466,319	5,561,841,000	4.99
Beximco	34,421,619	4,730,094,000	4.24
Beximco Pharma	11,453,687	2,736,882,000	2.46
Shahjibazar Power	21,671,065	2,679,357,000	2.40
SAIF Powertec	53,274,249	2,181,608,000	1.96

Top 10 Market Capital

Company	Volume	Value (Tk)	In million
GP	513,384	United Power	158,784
Walton Hi-Tech	386,567	RENATA	126,904
BATBC	351,540	Beximco Ltd.	120,231
ROBI	215,803	ICB	119,644
Square Pharma	204,475	LafargeHolcim BD	107,311

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,761.30	1,750.60	0.61
Silver (USD/t oz.)	22.57	22.42	0.67
Brent Crude Oil (USD/bbl.)	79.12	78.03	1.40

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	85.50	85.55	85.30	85.35	0.23	0.23
EUR	101.15	101.21	101.88	101.94	-0.72	-0.72
GBP	118.17	117.24	118.68	118.75	-0.43	-1.27
AUD	62.37	62.40	62.03	62.07	0.55	0.53
JPY	0.78	0.78	0.78	0.79	0.00	-1.27
CAD	67.93	67.97	67.19	67.23	1.10	1.10
SAR	22.91	22.93	22.85	22.87	0.26	0.26

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	16 Aug - 06 Sep, 2021	100	7,500
Sena Kalyan Ins. Co. Ltd.	03 Oct - 07 Oct, 2021	10	160
ACME Pesticides Ltd.	12 Oct - 18 Oct, 2021	10	300