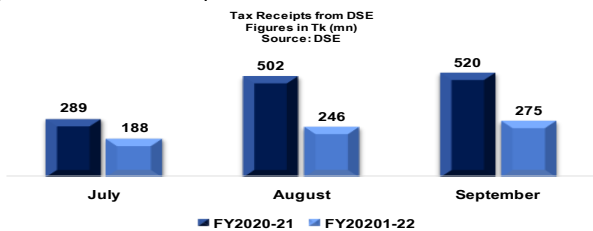


BB on dollar selling spree

The exchange rate of the US dollar (USD) against the local currency has continued to rise in recent weeks due mainly to the surge in imports. Meanwhile, Bangladesh Bank (BB) continued to inject USD into the market to halt the depreciation of the local currency and meet the growing appetite of the economy. The central bank had bought a record amount of USD amounting to US\$7.93b from the local banks in the last fiscal year but BB switched gears after August as the demand for the greenback grew in keeping with the trade and business recovery; it sold US\$946m between August and September as many banks are facing a shortage of USD. The declining trend of remittances, the rising price of commodities in the global market and the end of deferral support on payments for imports were the drivers behind the tightening situation in foreign exchange market. A majority of banks held a hefty amount of US dollars throughout last year and in the first half of 2021, due to strong inflow of remittance, lower import demand and moderate exports, all influenced by the coronavirus pandemic. As a result, foreign exchange reserve increased to US\$46.21b in September from US\$33b before the coronavirus outbreak in the country in March, 2020.

Tax receipts from DSE swells in Q1

Tax receipts from Dhaka Stock Exchange (DSE) surged 85% (Y-o-Y) in the July-September period of FY2021-22 since the trading volume as well as market turnover rose significantly on the back of the buoyant participation of the investors riding on supportive regulatory measures. According to the latest statistics of DSE, earnings from the bourse stood at Tk1,311m during the period against Tk709m in the same period of the previous fiscal year. Of the total earnings, Tk1,191m came from brokerage commission and the rest Tk120m from the tax on share sales by sponsor-directors and placement holders.



Shabby performance of SCBs

Overall condition of the State-owned Commercial Banks (SCBs) has been deteriorating overtime. The central bank instructed four state banks-Sonali, Janata, Agrani and Rupali to speed up recovery drives from defaulters as their record in realizing delinquent loans has remained dismal. The Bangladesh Bank (BB) also asked the banks to take prompt measures to strengthen their capital base since four SCBs have been facing a capital shortfall for a long time. According to latest report of BB, the four SCBs faced accumulated capital shortfall of Tk207.77b as of June 2021. High deposit growth also caused interest losses for the banks. The interest income of four banks were negative Tk14b in June this year, according to BB. All four banks collected fixed deposits at above 5%-6% during the pandemic crisis when industry average deposit rate was 3% to 4%. High deposits have contributed to the pile up of excess liquidity. In addition, the central bank had set a loan recovery target of Tk16.1b from the top defaulters of the banks for 2021. But they got back only Tk533.8m as of June. Similarly, the banks recovered Tk3.2b from other defaulters in contrast to an annual target of Tk17b, according to statistics from the central bank.

Net sale of NSCs drop in July

According to the latest figures from National Savings Directorate (NSD), in July the net sales of National Savings Certificates (NSCs) dropped by 43.22% to Tk21.04b against Tk37.05b recorded in the same period of the previous fiscal year. Compared with June 2021, net sales dropped by 54% to Tk45.73b. Sales of NSCs may drop further in the immediate future as the government has lowered interest rates on all types of savings certificates. The revised interest rate was made effective from September 21, 2021. This new rates of interest will be applicable for both individuals and institutional investors. However, the revised rate will only be applicable for fresh investments while the existing certificate holders will continue receiving previous rates until the maturity of their instruments. Investments below Tk1.5m in the savings schemes will continue to enjoy the previous interest rates as well. If the investment amount is higher than Tk1.5m, investors will get a lower interest rate. The slabs of investment have been rearranged on the basis of yield rates. Alongside, the central bank reduced commission for the banks against the sales of NSCs. In the FY2020-21 net sales of NSCs were Tk419.59b which was Tk144.28b in the FY2019-20. For FY2021-22, the borrowing target from saving certificates is set at Tk320b.

Trade deficit widen in first two months

As per Bangladesh Bank (BB) figures, trade deficit in the first two month of the current fiscal year rose to US\$4.12b from US\$697m in the same period of FY2020-21 because of rising import payment pressure. Import payments increased by 46.22% to US\$10.85b in July-August period of FY2021-22 compared to US\$7.43b in the same period of last year. On the other hand, export receipts went marginally down by 0.44% (Y-o-Y) in the July-August period of the FY2021-22, as factories were closed in July due to Eid-ul-Azha holidays and Covid related movement restrictions. In July and August combined, exporters fetched US\$6.85b against US\$6.88b a year earlier. Foreign Direct Investment (FDI) increased by 12% to US\$583m during the period from US\$518m in the same period of last year. Current account balance posted US\$1.24b in the negative from US\$3.23b surplus in the first two months. Trade deficit rose to US\$22.80b in FY2020-21 from US\$17.86b a year before, as per BB.

IMF downgrade GDP growth forecast

The Washington-based multilateral lender International Monetary Fund (IMF) in its latest World Economic Outlook (WEO) report has revised down the Gross Domestic Product (GDP) growth projection for Bangladesh to 6.5% for FY2021-22, amid continued Covid-19 concerns, which was earlier projected to be 7.5% in the April outlook. The projection is lower than the 7.2% target forecasted by the government. The IMF also forecasted a 7.1% GDP growth for Bangladesh in FY26. The estimate is in line with the projection made by the World Bank (WB), which said last week that the GDP would grow by 6.4% this fiscal year. The IMF projected 5.7% inflation in the current fiscal year, slightly higher than that of the previous fiscal year. The report anticipated a moderate inflation for the following years, which would drop to 5.4% in 2026. Earlier in September this year the Manila-based Asian Development Bank (ADB) has also revised down the GDP growth projection for Bangladesh to 6.8% for FY2021-22 from its earlier projection of 7.2%.

Stock Market Movement



Global Markets

| | This Week | Last Week | +/- % |
|------------|-----------|-----------|-------|
| S&P 500 | 4,471.37 | 4,391.34 | 1.82 |
| FTSE 100 | 7,234.03 | 7,095.55 | 1.95 |
| Nikkei 225 | 29,068.63 | 28,048.94 | 3.64 |
| SENSEX | 61,305.95 | 60,059.06 | 2.08 |
| KSE 100 | 44,821.53 | 44,477.23 | 0.77 |

DSE Indicators

| | This Week | Last Week | +/- % |
|------------------------|-------------------|-------------------|--------|
| DSE Broad Index | 7,243.27 | 7,342.97 | -1.36 |
| Total Turnover, Tk | 90,621,153,153 | 127,249,653,701 | -28.78 |
| Market Capital, Tk | 5,152,555,165,627 | 5,223,243,959,787 | -1.35 |
| No of Issue Gain | 124 | 272 | |
| No of Issue Loss | 231 | 13 | |
| No of Unchanged Issues | 23 | 4 | |

Top Gainers

Weighted avg. Closing Price (Tk)

| Company | Last Week | This Week | Change % | Turnover (Tk) |
|----------------------|-----------|-----------|----------|---------------|
| NRBC Bank | 24.40 | 31.60 | 29.51 | 1,376,553,000 |
| Shepherd Industries | 23.60 | 29.40 | 24.58 | 324,479,000 |
| Far East Knitting | 17.90 | 21.80 | 21.79 | 979,126,000 |
| Eastern Lubricants | 2096.20 | 2506.20 | 19.56 | 95,561,000 |
| Deshbandhu Polymer | 23.10 | 27.50 | 19.05 | 450,332,000 |
| Kattali Textile | 27.80 | 32.40 | 16.55 | 526,208,000 |
| Fortune Shoes | 87.50 | 99.50 | 13.71 | 3,578,851,000 |
| Aman Feed | 56.60 | 63.40 | 12.01 | 376,012,000 |
| Orion Pharma | 103.40 | 115.20 | 11.41 | 4,644,657,000 |
| Delta Life Insurance | 175.00 | 193.20 | 10.40 | 2,211,576,000 |

Top Losers

Weighted avg. Closing Price (Tk)

| Company | Last Week | This Week | Change % | Turnover (Tk) |
|------------------------|-----------|-----------|----------|---------------|
| Daffodil Computers | 75.00 | 65.30 | -12.93 | 11,038,000 |
| Unique Hotel & Resorts | 59.20 | 52.40 | -11.49 | 120,374,000 |
| Envoy Textiles | 47.00 | 41.70 | -11.28 | 128,504,000 |
| H.R. Textile | 76.30 | 68.20 | -10.62 | 56,232,000 |
| Silva Pharma | 27.40 | 24.50 | -10.58 | 254,464,000 |
| Fareast Finance | 7.80 | 7.00 | -10.26 | 3,615,000 |
| Central Pharma | 19.80 | 17.90 | -9.60 | 127,470,000 |
| Active Fine Chemicals | 32.10 | 29.10 | -9.35 | 665,322,000 |
| Matin Spinning Mills | 71.70 | 65.00 | -9.34 | 338,867,000 |
| Silco Pharmaceuticals | 33.60 | 30.50 | -9.23 | 135,720,000 |

Sectoral Index & Turnover

| Sector | Sectoral Index | | | Turnover (Tk.M) | | |
|---------------|----------------|-----------|----------|-----------------|-----------|----------|
| | This Week | Last Week | Change % | This Week | Last Week | Change % |
| Bank | 491.34 | 490.35 | 0.20 | 8,881.96 | 5,393.69 | 64.67 |
| Cement | 511.26 | 522.41 | -2.13 | 6,478.59 | 10,404.93 | -37.74 |
| Ceramic | 891.88 | 945.76 | -5.70 | 1,048.22 | 2,816.67 | -62.79 |
| Engineering | 7,813.65 | 7,956.04 | -1.79 | 7,698.43 | 15,096.32 | -49.00 |
| Food & Al. | 6,330.26 | 6,115.14 | 3.52 | 3,421.45 | 3,403.87 | 0.52 |
| Fuel & Pow. | 4,577.21 | 4,734.87 | -3.33 | 9,066.16 | 15,138.78 | -40.11 |
| Insurance | 3,100.18 | 3,035.70 | 2.12 | 5,692.35 | 6,702.11 | -15.07 |
| IT | 635.31 | 639.36 | -0.63 | 2,496.30 | 2,745.76 | -9.09 |
| Jute | 1,159.94 | 1,166.54 | -0.57 | 39.63 | 70.04 | -43.42 |
| Misc. | 2,655.56 | 2,688.74 | -1.23 | 4,718.64 | 9,221.06 | -48.83 |
| Mutual Fund | 564.08 | 553.30 | 1.95 | 1,302.63 | 1,068.41 | 21.92 |
| NBFI | 1,622.72 | 1,714.48 | -5.35 | 4,796.70 | 10,690.30 | -55.13 |
| Paper | 7,314.35 | 7,706.95 | -5.09 | 1,073.35 | 1,198.12 | -10.41 |
| Pharma | 1,777.42 | 1,774.35 | 0.17 | 13,753.99 | 20,696.65 | -33.54 |
| Service | 1,813.13 | 1,957.91 | -7.39 | 1,577.16 | 2,984.31 | -47.15 |
| Tannery | 1,108.84 | 1,055.39 | 5.06 | 3,687.62 | 1,045.83 | 252.60 |
| Telecom | 4,898.12 | 5,056.54 | -3.13 | 1,537.22 | 2,032.44 | -24.37 |
| Textile | 1,920.86 | 1,919.37 | 0.08 | 10,689.00 | 12,746.95 | -16.14 |
| Travel & Leis | 581.54 | 639.61 | -9.08 | 543.39 | 1,582.11 | -65.65 |
| Treasury | - | - | - | 0.11 | - | - |

Technical Talk

Dhaka stocks dropped in the past week as most major sectors witnessed price correction. Of the five trading sessions last week, market dropped in four sessions. Among the major sectors, NBFI decreased by 5.35%, followed by Fuel & Power 3.33%, Telecom 3.13%, Cement 2.13% and Engineering 1.79%.

DSE Broad Index (DSEX) stood at 7,243.27 points after decreasing by 99.70 points or 1.36% from the previous week. Total turnover reached at Tk90621.15m, which was 28.78% lower than the previous week. Market capitalization decreased by 1.35% and stood at Tk5152.56b (\$60.16b) at the weekend against Tk5223.24b. DSE 30 decreased by 48.25 points or 1.74% and closed at 2,719.14 points against 2,767.39 points. Last week's weighted average Market PE was 19.52 which was 20.21 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 illustrates if the change of price movements is in overbought or oversold territory. Last week, a pullback in price took place as RSI declined to 78.59 from 85.22 in previous week.

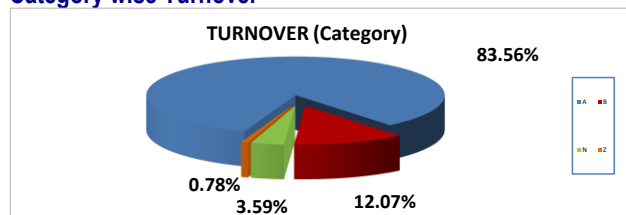
Top Turnover Companies

| Company | Volume | Value (Tk) | % of total |
|--------------------|-------------|---------------|------------|
| LafargeHolcim BD | 59,229,084 | 5,843,861,000 | 6.45 |
| Orion Pharma | 41,555,273 | 4,644,657,000 | 5.13 |
| IFIC Bank | 237,659,079 | 4,213,705,000 | 4.65 |
| Fortune Shoes | 37,430,927 | 3,578,851,000 | 3.95 |
| Beximco | 24,634,036 | 3,424,972,000 | 3.77 |
| Power Grid Company | 46,764,489 | 3,285,102,000 | 3.63 |

Top 10 Market Capital

| Company | Volume | Value (Tk) | % of total |
|----------------|---------|------------------|------------|
| GP | 495,425 | United Power | 154,199 |
| Walton Hi-Tech | 388,692 | RENATA | 139,955 |
| BATBC | 374,177 | Beximco Ltd. | 122,334 |
| ROBI | 212,136 | ICB | 116,763 |
| Square Pharma | 208,582 | LafargeHolcim BD | 111,376 |

Category wise Turnover



Commodity Price

| | This Week | Last Week | Change % |
|----------------------------|-----------|-----------|----------|
| Gold (USD/t oz.) | 1,768.10 | 1,757.20 | 0.62 |
| Silver (USD/t oz.) | 23.35 | 22.69 | 2.91 |
| Brent Crude Oil (USD/bbl.) | 84.85 | 85.58 | -0.85 |

Exchange Rate

| | This Week | | Last Week | | Change % | |
|-----|-----------|--------|-----------|--------|----------|-------|
| | TT | BC | TT | BC | TT | BC |
| USD | 85.65 | 85.70 | 85.60 | 85.65 | 0.06 | 0.06 |
| EUR | 101.38 | 101.44 | 101.03 | 101.09 | 0.35 | 0.35 |
| GBP | 120.16 | 120.23 | 118.88 | 118.94 | 1.08 | 1.08 |
| AUD | 63.90 | 63.93 | 62.90 | 62.94 | 1.59 | 1.57 |
| JPY | 0.76 | 0.76 | 0.77 | 0.77 | -1.30 | -1.30 |
| CAD | 69.61 | 69.65 | 69.03 | 69.07 | 0.84 | 0.84 |
| SAR | 22.95 | 22.96 | 22.94 | 22.95 | 0.04 | 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) |
|---------------------------|-----------------------|-------------|------------|
| Sena Kalyan Ins. Co. Ltd. | 03 Oct - 07 Oct, 2021 | 10 | 160 |
| ACME Pesticides Ltd. | 12 Oct - 18 Oct, 2021 | 10 | 300 |