

Blue-chip stocks contribute 55% to DSEX rise

DSEX, the key index of Dhaka Stock Exchange (DSE), increased to as high as 7,376.99 points on 10 October 2021 since the official confirmation of first case of coronavirus infection that led the index to plummet to its historical lowest of 3,603.95 points on 18 March 2020. Due to the pandemic induced nationwide lockdown, economic uncertainty resulted in prolonged negative market sentiment. However, the panic sale by retail investors and freefall of the stocks were attempted to be tackled by the market regulator by introducing a novel floor price mechanism. As economic activities restarted, the market also started to experience vibrancy with confidence building initiatives by the newly reconstituted Bangladesh Securities and Exchange Commission (BSEC). The bull-run in stock market, which mainly became visible from July 2020, took the benchmark index in new high breaking all records but eventually slowed down after adding 3,764.05 points or 104.44% between 18 March 2020 and 10 October 2021. Among the major index movers, some 30 companies contributed more than 55% of the total rise. Of these 30 companies, twenty were included in the DS30, the blue-chip stocks index of DSE. Among those, Beximco together with sister concern Beximco Pharma contributed the most 529.30 points or 14.06% to the total surge. Following these two, British American Tobacco Bangladesh, Square Pharmaceuticals, Beacon Pharma, Lafarge Holcim and Renata contributed 223.26 points, 178.65 points, 109.64 points, 100.69 points and 93.76 points respectively. Listing of the new issues added 190.94 points to the overall index as on 10 October 2021. Grameenphone and Walton Hi-Tech added only 73.98 points and 13.99 points to the rise respectively due to low free-float shares, which is the primary metric to calculate index and index movement, although they are the top market capitalization stocks in the market.

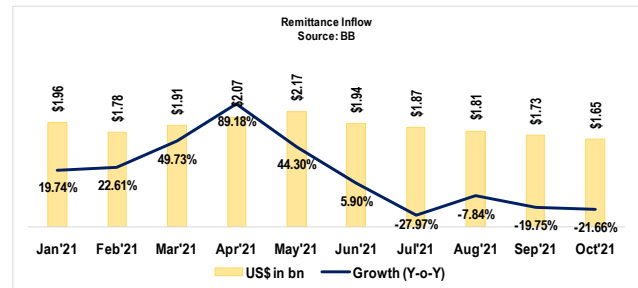
Top 10 Companies with most contribution to Index Movement			
STOCKS	CONTRIBUTION	STOCKS	CONTRIBUTION
Beximco Ltd	297.45	LafargeHolcim	100.69
Beximco Pharma	231.85	RENATA	93.76
BATBC	223.26	ICB	90.09
Square Pharma	178.65	GP	73.98
Beacon Pharma	109.64	Brac Bank	66.04

Fitch alerts on ballooning default loans

Considering the prolonged phase of the Covid-19 pandemic, the scope for loan rescheduling by banks has been extended until 31 December 2021. Fitch, the global rating agency in its evaluation report for the 2021 released on 08 November, 2021 raised concern about the health of the banking sector consequent to fallout from such relaxed policy. The rating agency fears that default loans will increase significantly after the ongoing loan moratorium facility is lifted, putting the banking industry under stress. However, despite the deferral of installment repayments, the amount of defaulted loans has not decreased. On the contrary, the volume of Non-Performing Loans (NPLs) stood at Tk992.05b at the end of June 2021, which was 8.18% of the total outstanding loans of the sector, according to Bangladesh Bank (BB) reports. The latest Fitch evaluation report claims that NPL ratio of state-owned banks is substantially higher than private banks, therefore, the global rating agency fears the both to rise significantly when repayment relief is withdrawn next year.

Inward remittance keeps falling

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 20% (Y-o-Y) in the first four months of the current fiscal year. Despite the 2% cash incentive, inward remittance registered a 17-month low figure in October 2021, as possibly fund transfers through informal channels like *hundi* have made a comeback with the resumption of normal economic activities. As per the BB report, remitters sent US\$1.64b in October, 21.9% (Y-o-Y) down from US\$2.10b. In September this year, the money sent by Bangladeshi migrant workers amounted US\$1.73b. In the first four months of the FY2021-22, remittance inflow plunged 20% (Y-o-Y) to US\$7.05b against US\$8.82b in the same period of the last fiscal year. Experts opine that the decline in remittance inflow would ultimately create pressure on the economy. The foreign exchange reserve, which touched record US\$48b mark on August 24, 2021 with a huge inflow of remittance and low import payments, would gradually decline if the import payments remain high against the low remittance receipts.



Trade deficit widen in Q1

Trade deficit in the first quarter of the current fiscal year rose to US\$6.50b from US\$2.04b in the same period of FY21 because of rising import payment pressure. Foreign trade has picked up in recent months with gradual reopening of economic activities, both domestic and global, after more than a year of pandemic Covid-19 shocks. As per Bangladesh Bank (BB) figures, import payments increased by 47.53% to US\$17.32b in July-September of FY2021-22 compared to US\$11.74b in the same period of FY2020-21. On the other hand, export earnings increased by 11.55% to US\$10.82b in the first three months of FY22 from US\$9.70b a year ago. The current-account deficit stood at US\$2.31b during the Q1 period of FY22 which was a US\$3.48b surplus in the same period of the last fiscal year. The falling trend in current account deficit may continue in the coming months if the lower inflow of remittances and higher import payment obligations persist. The financial account had a surplus of US\$1.92b in Q1 of FY22 following higher inflows of medium- and long-term loans as well as aid flows which was a US\$510m deficit in Q1 of FY21. Higher inflow of net Foreign Direct Investment (FDI) has also helped achieve higher growth of the financial-account surplus. The amount of net FDI rose by 49.34% to US\$339m during the period from US\$227m in the same period of last year.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,682.85	4,697.53	-0.31
FTSE 100	7,347.91	7,303.96	0.60
Nikkei 225	29,609.97	29,611.57	-0.01
SENSEX	60,686.69	60,067.62	1.03
KSE 100	45,749.15	47,295.80	-3.27

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,995.93	6,906.72	1.29
Total Turnover, Tk	58,984,734,690	64,304,092,857	-8.27
Market Capital, Tk	4,918,326,733,677	4,869,037,429,537	1.01
No of Issue Gain	141	90	
No of Issue Loss	208	270	
No of Unchanged Issues	30	18	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Genex Infosys	134.90	156.10	15.72	2,147,761,000
Safko Spinnings Mills	26.80	30.60	14.18	277,570,000
Shinepukur Ceramic	33.80	38.20	13.02	326,753,000
Beacon Pharma	203.50	229.10	12.58	164,993,000
AFC Agro Biotech	28.90	32.50	12.46	194,744,000
Golden Son	17.80	19.90	11.80	615,175,000
BRAC Bank	43.70	48.70	11.44	184,080,000
Gemini Sea Food	230.20	252.50	9.69	208,891,000
BEXIMCO	170.60	185.00	8.44	9,007,436,000
Peninsula Chittagong	31.50	34.10	8.25	127,363,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Pharma Aids	624.80	518.50	-17.01	243,299,000
Alif Manufacturing Co.	22.20	18.70	-15.77	1,743,942,000
Aziz Pipes	105.00	89.30	-14.95	32,532,000
Standard Ceramic	206.40	180.80	-12.40	33,705,000
Doreen Power	75.60	67.80	-10.32	105,283,000
Bd.Thai Aluminium	26.40	23.80	-9.85	196,067,000
Central Pharma	15.60	14.10	-9.62	67,518,000
GBB Power	41.80	37.90	-9.33	178,947,000
Monno Fabrics	22.90	20.90	-8.73	17,155,000
Paper Processing	166.00	151.90	-8.49	28,596,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	497.57	490.69	1.40	6,397.31	7,770.78	-17.67
Cement	435.03	429.36	1.32	2,364.63	2,018.50	17.15
Ceramic	830.48	813.98	2.03	505.30	503.11	0.44
Engineering	7,305.05	7,197.78	1.49	3,458.17	3,858.34	-10.37
Food & Al.	5,589.20	5,570.33	0.34	2,596.20	3,007.72	-13.68
Fuel & Pow.	4,276.84	4,258.06	0.44	2,379.82	2,977.91	-20.08
Insurance	2,948.23	3,020.78	-2.40	3,082.20	4,576.71	-32.65
IT	631.69	594.72	6.21	2,562.23	1,633.28	56.88
Jute	1,137.96	1,151.43	-1.17	26.34	35.36	-25.50
Misc.	3,023.19	2,881.75	4.91	8,336.91	7,063.05	18.04
Mutual Fund	537.02	538.97	-0.36	508.85	842.09	-39.57
NBFI	1,437.02	1,449.04	-0.83	2,390.12	2,934.73	-18.56
Paper	6,633.59	6,893.57	-3.77	634.22	721.17	-12.06
Pharma	1,704.87	1,677.06	1.66	7,818.13	7,255.73	7.75
Service	1,843.82	1,808.90	1.93	1,473.31	2,059.40	-28.46
Tannery	1,153.36	1,172.70	-1.65	857.36	1,514.19	-43.38
Telecom	4,774.84	4,717.58	1.21	523.00	747.18	-30.00
Textile	1,862.28	1,898.41	-1.90	8,188.79	12,234.78	-33.07
Travel & Leis	568.11	557.73	1.86	252.08	295.73	-14.76

Technical Talk

Stocks ended four-week losing streak last week as a section of investors put fresh funds on sector-wise lucrative stocks. Out of its five trading sessions, the first two sessions ended lower while the last three ended sharply higher. In line with the surge in the key index of DSE, two other indices-DS30 and DSE Shariah Index (DSES) also ended higher. Among the major sectors, Pharma increased by 1.66%, followed by Engineering 1.49%, Bank 1.40% and Cement 1.32%.

DSE Broad Index (DSEX) stood at 6,995.93 points after increasing by 89.21 points or 1.29% from the previous week. Total turnover reached at Tk58984.73m, which was 8.27% lower than the previous week. Market capitalization increased by 1.01% and stood at Tk4918.33b (\$57.32b) at the weekend against Tk4869.04b. DSE 30 decreased by 79.69 points or 3.06% and closed at 2,680.97 points against 2,601.28 points. Last week's weighted average Market PE was 18.63 which was 18.45 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. Following four-week corrections, RSI stood at 63.8.

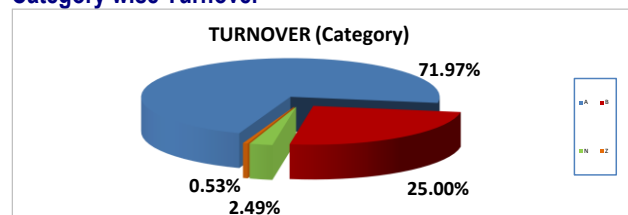
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	50,673,708	9,007,436,000	15.27
Orion Pharma	27,070,434	2,718,236,000	4.61
NRB Commercial Bank	63,892,334	2,489,474,000	4.22
Genex Infosys	14,591,425	2,147,761,000	3.64
IFIC Bank	107,304,055	1,982,586,000	3.36
LafargeHolcim BD	23,765,065	1,933,494,000	3.28

Top 10 Market Capital

			In million
GP	484,893	Beximco Ltd.	162,119
Walton Hi-Tech	354,396	United Power	157,619
BATBC	334,314	RENATA	141,777
ROBI	207,946	Beximco Pharma	101,535
Square Pharma	191,651	ICB	96,940

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,867.70	1,820.00	2.62
Silver (USD/t.oz.)	25.41	24.25	4.78
Brent Crude Oil (USD/bbl.)	82.01	82.39	-0.46

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	85.80	85.85	85.75	85.80	0.06	0.06
EUR	100.24	100.30	101.19	101.25	-0.94	-0.94
GBP	117.43	117.50	118.08	118.15	-0.55	-0.55
AUD	63.24	63.28	63.80	63.84	-0.88	-0.88
JPY	0.76	0.76	0.76	0.76	0.00	0.00
CAD	69.75	68.79	69.16	69.20	0.85	-0.59
SAR	22.99	23.01	22.98	22.99	0.04	0.09

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)
-	-	-	-