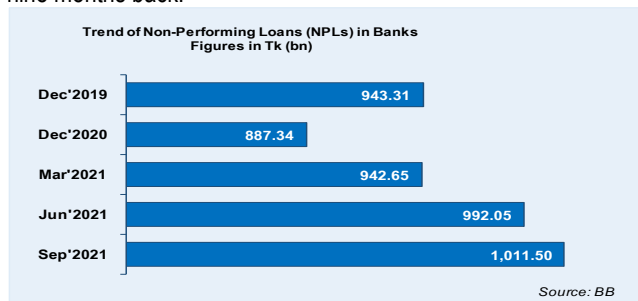


Toxic loans up again

Default loans in the banking sector rose by Tk124.16b as on September 30, 2021, despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. According to the Bangladesh Bank (BB) reports, the volume of Non-Performing Loans (NPLs) stood at Tk1011.5b at the end of September 2021, which was 8.12% of the total outstanding loans from the banking sector. The amount of classified loans was Tk887.34b as on December 31, 2020. Default loans went down last year as the central bank offered a repayment and loan classification moratorium facility for all kinds of borrowers, considering the economic distress arising from Covid-19 pandemic. But in a new circular issued by BB on March 24, 2021, it has been clarified that the repayment moratorium would now be offered for specific sectors on the basis of bank-customer relationships. Different types of facilities have been extended depending on the type of loans. Some banks did not extend the deferral facility for bad customers, which was one of the reasons for the increasing trend of NPLs. Later on June 27, this year, BB again extended the policy relaxation on loan installments payments. Under the new deadline, if 20% of the installment that was required to be paid by 30 June is paid by 31 August, the borrower will not be considered as a defaulter. Later on August 26, 2021, through a circular, BB has again extended the policy relaxation involving loan installment repayments. Under the new arrangement, if 25% of the installment due that was scheduled to be paid within 31 December has been made, the borrower will not be classified as defaulter but the remainder of each installment will have to be paid within the next year. Meanwhile, the state-owned banks have been overburdened with defaulted loans, the amount of which in these banks rose to Tk440.16b from Tk422.73b as on December 31 last year. On the other hand, the total amount of classified loans with private banks reached Tk507.43b as on September 30 last from Tk403.61b, in the final quarter of last year. Foreign commercial banks saw defaulted loans increase to Tk26.92b from Tk20.38b in Q4 of 2020. However, classified loans in specialized banks came down to Tk36.99b as on September 30 last from Tk40.61b nine months back.



GDP base year revised to 2015-16

The Gross Domestic Product (GDP) was recorded at 5.43% in the FY2020-21 consequent to the adoption of a new base year for calculating the ratio. The base year has been revised to 2015-16 from the current 2005-06. According to the report of Bangladesh Bureau of Statistics (BBS), the size of GDP stood at Tk34,840b at current prices, considering the new base year. The per capita income for the FY2020-2021 has also been adjusted with the new 2015-16 base year and increased to US\$2,554, which was US\$2,227 with the 2005-06 base year, as per the BBS.

Money market in doldrums

Even though the central bank persistently continued the auction of BB Bills since August this year, liquidity glut in the banking system rose by 0.6% (M-o-M) to stand at Tk2208.80b as of October 2021, as per the recent Bangladesh Bank (BB) report. However, of the total excess fund, Tk1685.08b is concentrated in only twelve banks. As per records, the central bank has sold BB bills worth Tk620.82b in total. Meanwhile, scheduled banks have to purchase US Dollars to supply to their clients on the back of rising import payments, for which liquidity condition in most of the banks has dried up in recent months. Consequently, the liquidity-stressed banks desperately turn to the inter-bank call money market to borrow funds. Consequently, the overnight borrowing rate has increased to a 15-month high on November 17. The weighted average interest rate in the inter-bank money market on the day increased to 4.42%, the highest after the 4.49% on August 31, 2020. The rate was hovering at 2% and was even below 2% for a long period of time since August 2020. However, bankers urged the central bank to halt the BB Bills auction so that the excess cash holders may invest their fund in the call money market to ease the liquidity flow in the money market. In response, the BB has already started to reduce the sales of the bills, addressing the soaring call money rate environment. On November 18, BB rejected all bids placed by eight banks for the purchase of the 7-day BB bills worth Tk9.16b and the schedule for auction on November 24 has been suspended.

12 Banks Holding 76% of Excess Liquidity			
Banks	Tk in bn	Banks	Tk in bn
Sonali Bank	472.13	Dutch Bangla Bank	78.61
Islami Bank	240.7	Rupali Bank	71.73
Agrani Bank	224.55	Southeast Bank	61.3
Janata Bank	202.89	Trust Bank	52.89
Standard Chartered Bank	112.24	Bank Asia	44.64
Pubali Bank	80.71	Jamuna Bank	42.69

Source: BB

Tax receipts register 16.47% growth in Jul-Oct

Collection by the National Board of Revenue (NBR) grew by 16.47% (Y-o-Y) in the first four months of the current fiscal year, indicating economic recovery after the Covid-induced lockdown lag. However, total tax receipts fell short of target by Tk87.53b set for the July-October period. According to the latest reports, taxmen managed to bag Tk793.53b against the quarterly target set at Tk881.06b. Of the total collections, customs duty, value added tax (VAT) and income tax collection grew by 21.31%, 14.26% and 14.12% respectively. Among the three wings of the NBR, the VAT wing fetched the highest revenue of Tk292.79b followed by customs Tk264.04b and income tax Tk236.69b in the period. However, the customs wing suffered a collection shortfall of Tk38.05b, followed by VAT by Tk27.2b and income tax wing by Tk22.26b compared to their respective targets for the period. The monthly revenue collection for October in the FY22 rose by 16.24% over the corresponding period of the previous year. The revenue board managed to collect Tk210.85b in the month, with a shortfall of Tk23.25b. Revenue collection grew by 19.21% (Y-o-Y) in the FY2020-21. According to the NBR statistics, taxmen managed to bag Tk2.60 trillion in FY2020-21 against Tk2.18 trillion in the past fiscal year. The total tax receipt fell short by Tk410b of the revised target set at Tk3.01 trillion for the fiscal year. For the current fiscal year, the government has set a Tk3.89-trillion target.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,594.62	4,697.96	-2.20
FTSE 100	7,044.03	7,223.57	-2.49
Nikkei 225	28,751.62	29,745.87	-3.34
SENSEX	57,107.15	59,636.01	-4.24
KSE 100	44,114.16	46,489.41	-5.11

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,852.09	7,091.82	-3.38
Total Turnover, Tk	63,062,505,017	69,926,184,888	-9.82
Market Capital, Tk	4,815,291,507,399	4,963,805,527,796	-2.99
No of Issue Gain	49	173	
No of Issue Loss	313	191	
No of Unchanged Issues	18	16	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
ACME Pesticides	16.00	25.60	60.00	1,449,000
Sena Kalyan Ins.	25.60	40.90	59.77	2,346,000
One Bank	14.70	18.90	28.57	5,005,335,000
Shurwid Industries	14.90	17.00	14.09	75,950,000
Aman Feed	51.80	59.10	14.09	304,523,000
Tosrifia Industries	18.10	20.40	12.71	55,394,000
Desh Garments	136.30	153.40	12.55	21,636,000
Paramount Textile	88.90	97.50	9.67	1,778,094,000
Pacific Denims	11.80	12.80	8.47	197,478,000
Unique Hotel	47.80	51.50	7.74	63,542,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
LRGLOBMF1	9.20	7.30	-20.65	129,023,000
Kohinoor Chemicals	478.70	393.00	-17.90	22,305,000
Provati Insurance	145.00	120.20	-17.10	102,411,000
NRB Commercial Bank	38.20	32.00	-16.23	1,771,744,000
Premier Leasing	10.70	9.00	-15.89	42,331,000
GPH Ispat	64.40	54.30	-15.68	378,513,000
Hamid Fabrics	31.40	26.60	-15.29	193,373,000
Bengal Windsor	25.10	21.50	-14.34	21,635,000
BIFC	7.70	6.60	-14.29	2,346,000
Tamijuddin Textile Mills	139.10	119.60	-14.02	3,908,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	510.85	539.66	-5.34	23,276.36	16,821.49	38.37
Cement	403.92	428.10	-5.65	888.41	1,503.48	-40.91
Ceramic	776.45	785.91	-1.20	262.90	372.00	-29.33
Engineering	6,905.44	7,233.59	-4.54	2,698.66	3,380.78	-20.18
Food & Al.	5,625.29	5,698.13	-1.28	1,833.76	2,371.28	-22.67
Fuel & Pow.	4,075.36	4,243.33	-3.96	1,826.32	2,822.64	-35.30
Insurance	2,878.54	3,022.42	-4.76	3,585.12	4,755.33	-24.61
IT	631.69	671.92	-5.99	1,758.55	2,197.36	-19.97
Jute	1,005.59	1,059.16	-5.06	19.50	33.78	-42.29
Misc.	2,885.66	2,927.79	-1.44	5,732.12	8,311.00	-31.03
Mutual Fund	528.20	544.09	-2.92	909.24	668.56	36.00
NBFI	1,406.25	1,477.85	-4.84	2,711.62	3,122.22	-13.15
Paper	6,432.09	6,439.23	-0.11	478.68	575.63	-16.84
Pharma	1,644.67	1,685.36	-2.41	4,634.74	8,303.65	-44.18
Service	1,705.56	1,758.96	-3.04	1,078.70	1,028.86	4.84
Tannery	1,103.89	1,175.59	-6.10	1,702.08	2,216.37	-23.20
Telecom	4,739.31	4,742.35	-0.06	373.80	519.27	-28.01
Textile & Leis	1,723.68	1,787.67	-3.58	6,306.31	7,560.37	-16.59
Travel & Leis	562.04	548.08	2.55	567.08	364.25	55.68

Technical Talk

The Dhaka stocks witnessed a major downturn last week riding on panic sell-offs by investors. Investors went for selling major sector shares heavily amid fears of further price erosion. The market had dropped in the last five sessions of the week as investors went for heavy sales amid a sudden liquidity crisis in the money market. Among the major sectors, Cement decreased by 5.65%, followed by Bank 5.34%, Textile 3.58%, Mutual Fund 2.92% and Pharma 2.41%.

DSE Broad Index (DSEX) stood at 7,852.09 points after decreasing by 239.73 points or 3.38% from the previous week. Total turnover reached at Tk63062.51m, which was 9.82% lower than the previous week. Market capitalization decreased by 2.99% and stood at Tk4815.29b (\$56.12b) at the weekend against Tk4963.81b. DSE 30 decreased by 92.08 points or 3.42% and closed at 2,602.87 points against 2,694.95 points. Last week's weighted average Market PE was 18.17 which was 18.78 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, RSI came down to 56.78.

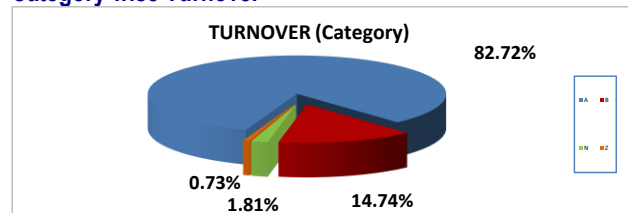
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	29,391,266	5,136,439,000	8.14
One Bank	280,704,331	5,005,335,000	7.94
IFIC Bank	149,575,700	3,048,417,000	4.83
First Security Bank	182,715,305	2,686,811,000	4.26
Paramount Textile	19,002,771	1,778,094,000	2.82
NRB Commercial Bank	51,668,017	1,771,744,000	2.81

Top 10 Market Capital

			In million
GP	486,918	Beximco Ltd.	149,149
BATBC	339,120	United Power	145,619
Walton Hi-Tech	338,674	RENATA	127,150
ROBI	203,232	Beximco Pharma	95,245
Square Pharma	193,512	ICB	94,200

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,793.40	1,846.80	-2.89
Silver (USD/t.oz)	23.13	24.63	-6.09
Brent Crude Oil (USD/bbl.)	71.56	78.46	-8.79

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	85.80	85.85	85.80	85.85	0.00	0.00
EUR	99.08	99.13	98.81	98.86	0.27	0.27
GBP	116.78	116.85	117.78	117.85	-0.85	-0.85
AUD	61.46	61.49	62.40	62.43	-1.51	-1.51
JPY	0.76	0.76	0.76	0.76	0.00	0.00
CAD	67.43	67.47	68.23	68.27	-1.17	-1.17
SAR	22.99	23.00	22.99	23.01	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)
Union Insurance Co. Ltd.	15 Dec - 22 Dec, 2021	10	193.61
BD Thai Food & Bev. Ltd.	23 Dec - 29 Dec, 2021	10	150.00