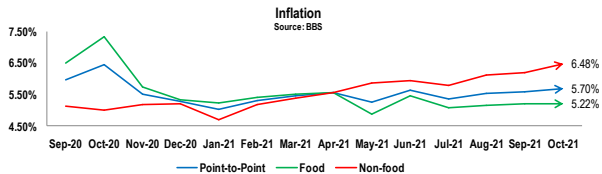


**Non- food inflation hits 5-year high**

Point-to-point inflation grew by 11-basis points to 5.70% in October this year from 5.59% in the preceding month, on the back of a steeper rise of the Consumer Price Index (CPI). The rising prices of various commodities in the local and international markets have begun to have an impact, especially on non-food products. The increase in the general inflation was driven by non-food inflation. As per the latest report published by the Bangladesh Bureau of Statistics (BBS), the non-food inflation registered the highest in the last five years, soaring to 6.48% in October, 29- basis points higher from 6.19% in the last month. It was 5% in the same month of 2020, BBS revealed. The rising demands consequent to resumption of economic activities, supply crisis, increasing shipping cost and devaluation of the Taka contributed to the spike in the non-food inflation. Meanwhile, food inflation marginally rose to 5.22% in October from 5.21% in September. In October last year, food inflation was 7.34%. According to the statistics, point-to-point inflation in both rural and urban areas also surged to 5.81% and 5.50% in October from 5.71% and 5.25% in September respectively. On November 04, 2021 the government has raised the price of fuel oil like diesel and kerosene almost by 23%, which might further accelerate the inflation in the coming months, economist have warned.



**Eleven banks face capital shortfall**

According to the latest report of Bangladesh Bank (BB), eleven banks out of the total 60 faced accumulated capital shortage of Tk279.20b as on September 2021, which was Tk253.53b at the end of June this year. Five State-owned Commercial Banks (SCBs), four Private Commercial Banks (PCBs) and two Specialized Banks has been placed on the list of banks with insufficient capital. As per the report, Bangladesh Krishi Bank had the highest amount of shortfall at Tk121.44b as on September 30, 2021. Although these eleven banks have suffered capital shortfalls, the remaining 49 banks have managed to maintain adequate capitals against their risk weighted assets. However, the amount narrowed significantly because of the increase in the defaulted loans. The sector had a surplus capital of Tk124.18b during the third quarter of 2021, down by 22% from December last year. The volume of Non-Performing Loans (NPLs) stood at Tk1011.5b at the end of September 2021, which rose by 14% or Tk887.34b from December 2020 despite providing policy support by the central bank.

Figures in Tk (bn)			
Private Banks	Amount	State-run Banks	Amount
ICB Islamic Bank	16.52	Sonali Bank	26.33
Bangladesh Commerce Bank	11.43	Agrani Bank	24.63
Padma Bank	5.40	BASIC Bank	23.53
AB Bank	3.55	Janata Bank	14.16
Specialised Bank	Amount	Rupali Bank	16.78
Bangladesh Krishi Bank	121.44		
Rajshahi Krishi Unnayan Bank	15.43		

Source: Bangladesh Bank

**Ten banks still failed to maintain required provisions**

Even though the central bank relaxed the loan moratorium facilities quite a number of times over the year considering the pandemic induced sluggish economic activities, provisioning shortfall in the banking sector kept recording a steep rise. According to latest reports from Bangladesh Bank (BB), ten banks including four state-owned, one specialized and five private commercial banks reported a combined provision shortfall of Tk153.51b as at end of September this year. Among the troubled banks, the state-run banks recorded the highest provision shortfall of Tk120.26b where Janata bank suffered the most with a provision shortfall of Tk53.13b at the end of September. It is followed by Basic Bank and Agrani Bank. On the other hand, five private banks saw a total of Tk33.04b deficit in provisions and one specialized bank by Tk0.21b during the period. Among the private commercial banks, National Bank recorded the highest level of shortfall at Tk23.85b, followed by Bangladesh Commerce Bank, Dhaka Bank, Mutual Trust Bank and Standard Bank. Social Islami Bank, which suffered Tk0.15b in provision shortfall at the June-end quarter, managed to maintain adequate provision at the September-end quarter. As per BB, scheduled banks have to keep 0.25% to 2.0% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against bad or loss category loans. The provision situation may erode further as default loans are expected to jump next year once the central bank lifts the now relaxed loan classification policy.

Provision Shortfall of 10 Banks As of September 2021			
State-run Banks	Tk in bn	Private Banks	Tk in bn
Janata Bank	53.13	National Bank	23.85
Basic Bank	36.63	Bangladesh Commerce Bank	4.72
Agrani Bank	21.28	Dhaka Bank	1.91
Rupali Bank	9.22	Mutual Trust Bank	1.57
Specialised Banks	Tk in bn	Standard Bank	0.99
Bangladesh Krishi Bank	0.21		

Source: BB

**Private sector credit growth claw back**

Private sector credit growth, which remained in a slump during the pandemic, jumped to 9.44% in October, 2021 due to rising demand for credit with resumption of economic activities. Credit growth rate in September was 8.77%, up from 8.42% a month ago. Though credit growth rate has been rising for the past several months, it is still far below the monetary ceiling of 14.8% set for the current fiscal year. Nevertheless, the credit growth might face another disruption if the new coronavirus variant Omicron spread in the country. As a result of the pandemic-induced sluggish economic activities, credit growth registered a historic low of 7.55% in May this year, which turned upward in June (8.35%) and maintained the uptrend till now. Meanwhile, the rising credit demand has already put pressure on money rates. Lending rates, call money rates, bond rates all are now on the upward trajectory. Currently Covid-19 cases have come down and investment activities have increased. Consequently, liquidity is also decreasing. According to the recent report of Bangladesh Bank (BB), liquidity glut stood at Tk2208.80b in October 2021. Anticipating that the liquidity stress in the banking sector might deepen further, the central bank has decided not to mop up money from the market for the time being.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,538.43	4,594.62	-1.22
FTSE 100	7,122.32	7,044.03	1.11
Nikkei 225	28,029.57	28,751.62	-2.51
SENSEX	57,696.46	57,107.15	1.03
KSE 100	43,232.83	44,114.16	-2.00

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,936.20	6,852.09	1.23
Total Turnover, Tk	50,399,776,440	63,062,505,017	-20.08
Market Capital, Tk	4,883,025,134,486	4,815,291,507,399	1.41
No of Issue Gain	176	173	
No of Issue Loss	168	191	
No of Unchanged Issues	36	16	

### Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Sena Kalyan Ins.	40.90	65.50	60.15	310,172,000
ACME Pesticides	25.60	36.90	44.14	551,911,000
Orion Infusion	81.40	96.40	18.43	432,011,000
Power Grid Co.	53.50	61.60	15.14	745,479,000
Index Agro	113.70	129.60	13.98	135,747,000
GBB Power	34.10	38.80	13.78	108,580,000
GSP Finance	22.10	24.80	12.22	305,252,000
Active Fine Chemical	21.70	24.30	11.98	387,792,000
BD Submarine Cable	177.40	196.60	10.82	195,301,000
First Security Bank	14.10	15.40	9.22	1,995,748,000

### Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Aramit Cement	38.20	30.10	-21.20	35,901,000
Tung Hai Knitting	7.20	5.90	-18.06	15,521,000
Queen South Textile	29.80	25.20	-15.44	72,398,000
H.R. Textile	64.40	54.70	-15.06	20,119,000
Shurwid Industries	17.00	15.30	-10.00	51,295,000
Tosrifia Industries	20.40	18.40	-9.80	37,666,000
NRB Commercial Bank	32.00	28.90	-9.69	807,495,000
VAMLBDMF1	9.70	8.90	-8.25	30,107,000
Zeal Bangla Sugar Mills	112.90	103.60	-8.24	578,000
Northern Islami Ins.	51.60	47.60	-7.75	35,814,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	518.39	510.85	1.48	13,547.21	23,276.36	-41.80
Cement	407.48	403.92	0.88	657.17	888.41	-26.03
Ceramic	791.62	776.45	1.95	215.42	262.90	-18.06
Engineering	7,090.11	6,905.44	2.67	2,179.70	2,698.66	-19.23
Food & Al.	5,643.10	5,625.29	0.32	1,349.56	1,833.76	-26.40
Fuel & Pow.	4,249.38	4,075.36	4.27	2,274.64	1,826.32	24.55
Insurance	2,875.12	2,878.54	-0.12	3,012.78	3,585.12	-15.96
IT	619.17	631.69	-1.98	1,595.73	1,758.55	-9.26
Jute	1,013.33	1,005.59	0.77	10.45	19.50	-46.43
Misc.	2,882.87	2,885.66	-0.10	6,280.04	5,732.12	9.56
Mutual Fund	524.11	528.20	-0.77	359.85	909.24	-60.42
NBFI	1,462.50	1,406.25	4.00	2,235.26	2,711.62	-17.57
Paper	6,284.87	6,432.09	-2.29	589.56	478.68	23.17
Pharma	1,667.61	1,644.67	1.39	6,276.86	4,634.74	35.43
Service	1,726.96	1,705.56	1.25	683.56	1,078.70	-36.63
Tannery	1,097.19	1,103.89	-0.61	917.77	1,702.08	-46.08
Telecom	4,743.27	4,739.31	0.08	510.12	373.80	36.47
Textile	1,710.10	1,723.68	-0.78	4,172.66	6,306.31	-33.83
Travel & Leis	575.54	562.04	2.40	385.98	567.08	-31.94

## Technical Talk

The Dhaka stocks bounced back in the last week, after a plunge in the previous week as investors went for buying shares amid regulators moves to restore the investors' confidence in the market. 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, Fuel & Power increased by 4.27%, followed by NBFI 4.00%, Engineering 2.67%, Bank 1.48% and Pharma 1.39%.

DSE Broad Index (DSEX) stood at 6,936.20 points after increasing by 84.11 points or 1.23% from the previous week. Total turnover reached at Tk50399.78m, which was 20.08% lower than the previous week. Market capitalization increased by 1.41% and stood at Tk4883.03b (\$56.51b) at the weekend against Tk4815.29b. DSE 30 increased by 33.07 points or 1.27% and closed at 2,635.94 points against 2,602.87 points. Last week's weighted average Market PE was 18.41 which was 18.17 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 was at 58.38.

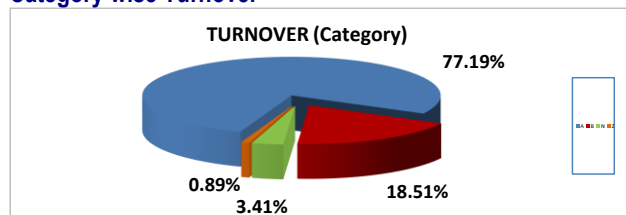
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	33,945,053	5,521,362,000	10.96
One Bank	216,246,211	4,282,929,000	8.50
First Security Bank	136,073,103	1,995,748,000	3.96
IFIC Bank	86,743,470	1,631,343,000	3.24
Delta Life Insurance	6,987,291	1,455,716,000	2.89
Paramount Textile	14,268,017	1,407,279,000	2.79

### Top 10 Market Capital

			In million
GP	484,353	United Power	151,300
Walton Hi-Tech	348,337	Beximco Ltd.	147,397
BATBC	340,956	RENATA	130,668
ROBI	203,232	ICB	98,793
Square Pharma	196,526	Beximco Pharma	93,282

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,783.90	1,793.40	-0.53
Silver (USD/t.oz)	22.57	23.13	-2.42
Brent Crude Oil (USD/bbl.)	69.93	71.56	-2.28

### 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	99.05	99.11	99.08	99.13	-0.03	-0.02
GBP	115.83	115.89	116.78	116.85	-0.81	-0.82
AUD	60.39	60.42	61.46	61.49	-1.74	-1.74
JPY	0.77	0.77	0.76	0.76	1.32	1.32
CAD	67.15	67.19	67.43	67.47	-0.42	-0.41
SAR	22.99	23.00	22.99	23.00	0.00	0.00

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