

BSEC adjust margin restriction for category change

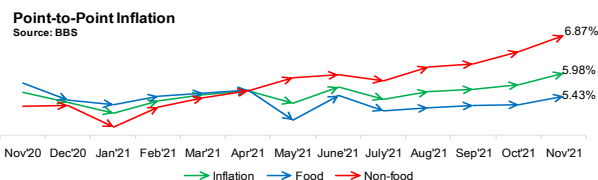
The Bangladesh Securities and Exchange Commission (BSEC) revised margin loan rules for listed companies in case of category change. In the 804th meeting on December 26, 2021, the Commission decided to reduce the duration of the margin loan restriction on the listed companies with category improvement from Z category to other categories i.e. A or B to 7-trading days from that of 30-trading days. The newly listed companies will remain non-marginable for 30 trading days from the debut trading date, as per the instruction. The regulator also notified that the merchant banks and brokers are barred from providing margin loans against Z – category securities. The new directive will replace the earlier directives issued on October 01, 2009 and October 27, 2015 respectively regarding the subject matter. The incumbent Commission adjusted margin loan rules for six times till date since their appointment in 2020.

Banks get full discretion

The Bangladesh Securities and Exchange Commission (BSEC) has exempted banks which issued perpetual bonds from complying with the BSEC instruction of mandatory interest payments to bondholders. Earlier, while approving issuance of perpetual bonds by banks, BSEC has been imposing a condition limiting the capacity of the issuers to withhold periodic interest payment obligations. The BSEC condition, however, contradicts the Bangladesh Bank (BB) guideline on Risk-Based Capital Adequacy issued in 2014, as per international standards. Now, the BSEC has withdrawn the condition and given full discretion to banks on paying interest or profits to the bondholders.

Ballooning inflation exceeds target

The Point-to-Point (P-to-P) inflation has been maintaining upward trend over the last few months. As per the recent release from the Bangladesh Bureau of Statistics (BBS), the point-to-point inflation rose 28-basis points to a 13-month high of 5.98% in November this year from 5.70% in the preceding month. Inflation kept rising on account of hike in energy prices such as diesel and kerosene that eventually fuelled the cost of food as well as non-food items. The last 12-months average inflation stood at 5.48% that swelled over the budgetary target of 5.30%. Non-food inflation that was at 6.48% in October last was roaring at 6.87% in November, the highest since August 2016. Meanwhile, food inflation increased to 5.43% from 5.22% a month earlier. Dwellers of both rural and urban areas felt the bite of ballooning inflation but low-income group from the villages, fixed-income group from the cities were the biggest sufferers. According to BBS, P-to-P inflation in the rural and urban areas went upward to 6.20% and 5.59% in the last month from 5.81% and 5.50% in October respectively. November food and non-food inflation breakdowns in rural areas are 5.90% and 6.78%. The food and non-food breakdowns in cities are 4.37% and 6.99%. Mainly fuel price hike along with rising trend in the global supply chain disruption as well as currency devaluation elevated the inflation in the last two months and it may sustain for some more months as the knock-on effects pass through the rest of the economy.



Foreign aid inflow soars

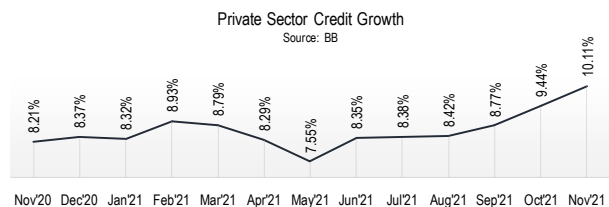
Inflow of foreign assistance went up by 49.28% in the first five months of the current fiscal year, compared to the corresponding period of the previous fiscal year. According to the Economic Relations Division (ERD) reports, during the period foreign development partners, including the World Bank (WB), Asian Development Bank (ADB), Islamic Development Bank (IDB), as well as Japan and China disbursed US\$3.09b, which was US\$2.07b in the corresponding period of the last year. Out of the total US\$3.09b in assistance released during the July-November period of FY22, the development partners disbursed US\$3.01b in loans and US\$76.20m in grants. However, during the first five months of this year, the development partners made an aid commitment of US\$3.93b which is much lower than that of US\$1.71b made in the same period of FY2020-21. The ERD also revealed that the government repaid US\$868.25m in interest and principal against the total outstanding loans during the July-November period of FY22. The amount was US\$746.71m during the corresponding period of the last year.

BB closes window of loan moratorium

The Bangladesh Bank (BB) has decided not to extend the loan moratorium facility for large borrowers any longer as the economic activities have resumed coming out from the Covid-19-induced fallouts. However, SME clients can avail the moratorium facility by paying only 15% of their loans until June next. The loan moratorium facility was introduced on March 19, 2020 for all types of borrowers to tackle the adverse impact of COVID-19. After extending the deadline in several phases, BB through a circular issued on August 26, 2021 has again extended the policy relaxation involving loan installment repayments to scheduled banks by their borrowers. Under the new arrangement, if 25% of the installment due that was scheduled to be paid within 31 December, 2021 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. Subsequently, the BB on December 14, 2021 allowed the banks to report their unrealized interest earnings against the moratorium loans as income in the account for the year ended on 31 December 2021 if at least 25% of the payable amounts were settled by the borrowers.

Private sector credit growth hits 2-year high

The private sector credit growth recouped its pre-pandemic level in November this year as import payments increased significantly in the first five months of this fiscal year thanks to the strong rebound in economic activities from Covid-induced sluggishness. Credit growth to the private sector hit the 2-year high at 10.11% in November, surging from 9.44% in the previous month. However, the growth rate remained below the monetary target set at 14.8% for the FY2021-22. From September 2019, credit growth rate started to decline and hovered below 10% for the last 25 months.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,766.18	4,725.79	0.85
FTSE 100	7,384.54	7,372.10	0.17
Nikkei 225	28,791.71	28,782.59	0.03
SENSEX	58,253.82	57,124.31	1.98
KSE 100	44,596.07	44,118.39	1.08

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,756.66	6,702.61	0.81
Total Turnover, Tk	41,605,094,815.00	38,146,612,049	9.07
Market Capital, Tk	4,776,918,061,538	4,748,500,194,608	0.60
No of Issue Gain	164	81	
No of Issue Loss	185	295	
No of Unchanged Issues	33	5	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
BSC	49.40	71.90	45.55	2,514,625,000
Atlas Bangladesh	99.00	125.70	26.97	34,513,000
Daffodil Computers	61.00	70.90	16.23	45,182,000
Prime Insurance	70.20	81.40	15.95	284,619,000
Dacca Dyeing	21.00	24.10	14.76	242,362,000
BD Submarine Cable	184.60	210.10	13.81	568,049,000
Sonali Paper	853.50	957.70	12.21	3,404,566,000
Alif Industries	40.00	44.40	11.00	57,795,000
BD Building Systems	16.50	18.30	10.91	52,628,000
Bata Shoe	877.40	966.90	10.20	58,796,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Savar Refractories	219.00	191.40	-12.60	3,753,627
Eastern Lubricants	3322.1	2947.5	-11.28	18,594,741
AMCL(PRAN)	315.40	292.50	-7.26	39,335,531
Stylecraft	131.50	122.00	-7.22	16,582,215
ISN	44.90	41.70	-7.13	62,906,075
Sonali Aansh Industries	504.50	469.00	-7.04	8,168,462
Pragati Life Insurance	95.80	89.10	-6.99	4,158,054
Sena Kalyan Insurance	83.10	77.30	-6.98	2,664,406
MEGCONMILK	15.40	14.40	-6.49	3,106,428
Meghna Pet Industries	19.60	18.40	-6.12	5,010,743

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	494.99	488.84	1.26	3,717.99	4,694.37	-20.80
Cement	386.07	382.51	0.93	604.98	448.67	34.84
Ceramic	771.72	762.58	1.20	190.84	234.22	-18.52
Engineering	7,084.26	7,072.18	0.17	1,672.70	1,730.11	-3.32
Food & Al.	5,730.65	5,740.26	-0.17	1,372.97	2,041.69	-32.75
Fuel & Pow.	4,081.16	4,037.91	1.07	1,911.96	1,777.16	7.59
Insurance	3,063.24	3,051.67	0.38	7,461.21	6,063.99	23.04
IT	664.95	658.57	0.97	1,010.32	1,164.64	-13.25
Jute	1,116.38	1,179.30	-5.33	56.07	169.60	-66.94
Misc.	2,725.99	2,712.26	0.51	5,745.48	5,185.99	10.79
Mutual Fund	500.88	501.61	-0.15	237.63	257.76	-7.81
NBFI	1,419.13	1,383.16	2.60	1,567.34	1,783.84	-12.14
Paper	14,355.52	13,308.89	7.86	3,562.23	1,435.58	148.14
Pharma	1,642.26	1,630.30	0.73	3,646.24	3,849.84	-5.29
Service	1,661.23	1,633.95	1.67	446.59	563.78	-20.79
Tannery	1,145.36	1,129.36	1.42	900.58	1,312.13	-31.36
Telecom	4,531.17	4,545.09	-0.31	830.90	449.46	84.87
Textile	1,717.12	1,689.27	1.65	2,663.53	2,353.68	13.16
Travel & Leis	571.18	553.38	3.22	402.39	183.40	119.40

Technical Talk

Dhaka stocks bounced back in the last week of 2021 as investors showed their buying appetite in sector-specific issues.

The market remained bullish from the beginning of 2021 amid growing investor participation driven by various regulatory measures and favourable macro-economic conditions. All three indices ended higher in the last trading session. Among the major sectors, NBFI increased by 2.60%, followed by Textile 1.65%, Bank 1.26%, Fuel & Power 1.07% and Pharma 0.73%.

DSE Broad Index (DSEX) stood at 6,756.66 points after increasing by 54.05 points or 0.81% from the previous week. Total turnover reached at Tk41605.09m, which was 9.07% higher than the previous week. Market capitalization increased by 0.60% and stood at Tk4776.92b (\$55.68b) at the weekend against Tk4748.5b. DSE 30 increased by 20.59 points or 0.82% and closed at 2,532.58 points against 2,511.99 points. Last week's weighted average Market PE was 17.58 which was 17.48 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 52.15.

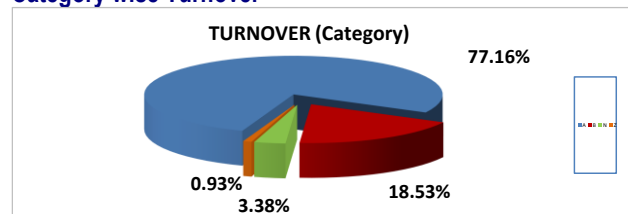
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Sonali Paper	3,753,627	3,404,566,000	8.18
BEXIMCO	18,594,741	2,776,139,000	6.67
BSC	39,335,53	2,514,625,000	6.04
Asia Insurance	16,582,215	2,006,492,000	4.82
One Bank	62,906,075	870,839,000	2.09
Fortune Shoes	8,168,462	767,668,000	1.85

Top 10 Market Capital

Company	Value (Tk)	% of total
GP	471,930	141,562
Walton Hi-Tech	348,004	130,046
BATBC	343,224	127,852
Square Pharma	189,966	99,841
ROBI	181,232	85,966

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,830.50	1,810.10	1.13
Silver (USD/t.oz)	23.36	22.91	1.96
Brent Crude Oil (USD/bbl.)	77.68	76.58	1.44

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	99.25	99.31	99.24	99.30	0.01	0.01
GBP	118.09	118.15	116.82	116.88	1.09	1.09
AUD	62.60	62.84	62.11	62.15	0.79	1.11
JPY	0.75	0.75	0.76	0.76	-1.32	-1.32
CAD	67.43	67.47	67.13	67.18	0.45	0.43
SAR	22.97	22.98	22.97	22.98	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)
BD Thai Food & Bev. Ltd.	23 Dec - 29 Dec, 2021	10	150.00
Union Bank Limited	26 Dec - 30 Dec, 2021	10	4,280.00