

Interest spread widens in December

Interest rate spread in the banking sector further widened to 3.19% in the closing month of 2021 as the average lending rate grew in recent months with gradual reopening of economic activities, both domestic and global, after more than a year of pandemic related disruptions. The spread between the weighted average lending rate and deposit rate was 3.16% in November and 3.14% in October. As per the recent Bangladesh Bank (BB) report, the weighted average interest rate on lending rose to 7.18% in December 2021 after remaining stagnant at 7.15% in the last consecutive two months. Meanwhile, such rate on deposit products remained unchanged at 3.99% even though the central bank directed the scheduled banks not to set the deposit rate below the prevailing inflation rate. Earlier on August 08, 2021 BB has set a floor on deposit interest rates and instructed banks not to fix the rates for deposits below the inflation rate published three months before. The interest spread in the State owned Commercial Banks (SCBs), Private Commercial Banks (PCBs), Foreign Commercial Banks (FCBs) and Specialized Banks (SBs) stood at 2.34%, 3.31%, 5.23%, and 1.56% respectively at the end of December, as per the BB report. In November, 2021 the spread was 2.18% in SCBs, 3.30% in PCBS, 5.15% in FCBs and 1.54% in SBs.

| Particulars | Weighted Average Interest Rate | | Spread |
|-------------|--------------------------------|----------|--------|
| | Deposits | Advances | |
| January | 4.51% | 7.56% | 3.05% |
| February | 4.44% | 7.48% | 3.04% |
| March | 4.40% | 7.45% | 3.05% |
| April | 4.36% | 7.40% | 3.04% |
| May | 4.14% | 7.40% | 3.26% |
| June | 4.13% | 7.33% | 3.20% |
| July | 4.11% | 7.30% | 3.19% |
| August | 4.05% | 7.24% | 3.19% |
| September | 4.08% | 7.24% | 3.16% |
| October | 4.01% | 7.15% | 3.14% |
| November | 3.99% | 7.15% | 3.16% |
| December | 3.99% | 7.18% | 3.19% |

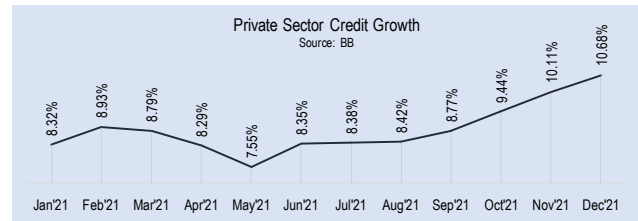
Source: Bangladesh Bank

External debt repayment rises

The amount of government debt taken from abroad or external sources is increasing. Meanwhile, external debt repayment has increased gradually in recent times aided by an inflow of a huge amount of foreign loans from multilateral and bilateral partners in the forms of project aid and budget support. According to the Economic Relations Division (ERD) data, Bangladesh repaid US\$1.04b to external lenders between July and December of FY2021-22. The amount was US\$900m in the same period a year ago. However, in the entire fiscal year of FY2016-17, the state spent only US\$1.14b on external debt repayment. According to the estimation, the government has set aside US\$2.09b to service external debts for the current fiscal year of 2021-22. Of the foreign loan repaid in the first six months of FY22, the principal amount was US\$781.05m and interests amounted to US\$259.33m. Of the US\$900.22m repaid in FY21, the principal amount was US\$661.89m and the interest payment was US\$238.33m.

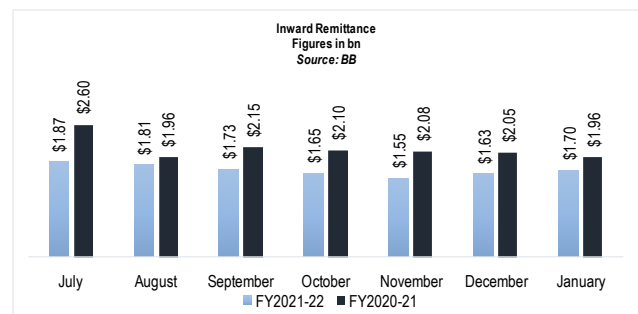
Private sector credit growth up in December

Private sector credit growth picked up in December, rising for the seventh consecutive month, thanks to the strong rebound in economic activities from Covid-induced sluggishness. The credit flow rose to 10.68% from 10.11% a month before, as per the Bangladesh Bank (BB) latest statistics. However, the growth rate remained below the monetary target set at 14.8% for the FY2021-22. The local economy has entered into recovery phase in line with the global economy. However, the private sector credit growth has not improved that much. In January 2021, the credit growth was 8.32% which increased in February to 8.93% and in March to 8.79%. But the flow dropped in the next two months. After the sluggish trend, the credit flow started rising gradually from June as the severity of Covid eased, maintaining a stable trend until December last year. Credit growth to the private sector hit a 2-year high at 10.11% in November, surging from 9.44% in the previous month. The growth increased in December mainly due to higher trade financing for settling import-payment obligations. Overall imports have increased significantly in the first five months of the current fiscal year following gradual revival of economic activities. As per the recent reports from BB, settlement of Letters of Credit (LCs) during the first five months (July-November) of FY2021-22 swelled by 54% (Y-o-Y) to US\$31.17b against US\$20.24b in the same period of the previous fiscal year.



Inward remittance keeps falling

Inward remittance to Bangladesh continues to slide on a year-on-year basis as it dropped by 13.27% in January 2022 to US\$1.70b from US\$1.96b in the same month of the last year even though the central bank raised the cash incentives on such inward remittance to 2.5% from 2% earlier. The expatriates remit their hard-earned money through informal channels as possibly fund transfers through informal channels like *hundi* have made a comeback with the resumption of normal economic activities. In December, 2021 the remittances amounted to US\$1.63b. During the July-January period of the FY2021-22, inward remittance plummeted 19.92% (Y-o-Y) to stand at US\$11.94b against US\$14.91b in the corresponding period of the last fiscal year, as per the Bangladesh Bank (BB).



Stock Market Movement



Global Markets

| | This Week | Last Week | +/- % |
|------------|-----------|-----------|-------|
| S&P 500 | 4,500.53 | 4,431.85 | 1.55 |
| FTSE 100 | 7,516.40 | 7,466.07 | 0.67 |
| Nikkei 225 | 27,439.99 | 26,717.34 | 2.70 |
| SENSEX | 58,644.82 | 57,200.23 | 2.53 |
| KSE 100 | 45,909.65 | 45,077.91 | 1.85 |

DSE Indicators

| | This Week | Last Week | +/- % |
|------------------------|-------------------|-------------------|-------|
| DSE Broad Index | 7,023.52 | 7,027.55 | -0.06 |
| Total Turnover, Tk | 64,288,713,596 | 61,492,887,920 | 4.55 |
| Market Capital, Tk | 4,948,944,494,318 | 4,956,508,607,114 | -0.15 |
| No of Issue Gain | 184 | 99 | |
| No of Issue Loss | 166 | 268 | |
| No of Unchanged Issues | 38 | 21 | |

Top Gainers

| Company | Weighted avg. Closing Price (Tk) | | | Turnover (Tk) |
|-----------------------|----------------------------------|-----------|----------|---------------|
| | Last Week | This Week | Change % | |
| Union Insurance | 25.60 | 40.90 | 59.77 | 1,825,000 |
| BD Thai Food | 14.60 | 23.30 | 59.59 | 652,000 |
| BD Building Systems | 22.00 | 30.20 | 37.27 | 1,607,744,000 |
| Yeakin Polymer | 17.70 | 21.90 | 23.73 | 402,781,000 |
| National Polymer | 52.10 | 63.90 | 22.65 | 1,249,809,000 |
| ACME Pesticides | 29.10 | 34.20 | 17.53 | 340,953,000 |
| Union Bank | 12.10 | 14.00 | 15.70 | 1,845,815,000 |
| Kattali Textile | 29.40 | 33.20 | 12.93 | 304,456,000 |
| Rupali Life Insurance | 69.80 | 78.80 | 12.89 | 342,891,000 |
| Sunlife Insurance | 39.20 | 44.00 | 12.24 | 50,775,000 |

Top Losers

| Company | Weighted avg. Closing Price (Tk) | | | Turnover (Tk) |
|-------------------------|----------------------------------|-----------|----------|---------------|
| | Last Week | This Week | Change % | |
| Samorita Hospital | 112.50 | 92.50 | -17.78 | 146,323,000 |
| Hamid Fabrics | 26.70 | 23.40 | -12.36 | 154,417,000 |
| ICB | 143.10 | 127.00 | -11.25 | 158,519,000 |
| Eastern Lubricants | 2521.3 | 2257.70 | -10.45 | 74,625,000 |
| Malek Spinning Mills | 33.90 | 30.70 | -9.44 | 736,688,000 |
| National Life Insurance | 226.90 | 205.60 | -9.39 | 307,934,000 |
| Simtex Industries | 19.40 | 17.70 | -8.76 | 64,598,000 |
| Desh Garments | 183.70 | 167.70 | -8.71 | 67,212,000 |
| Active Fine Chemicals | 27.80 | 25.50 | -8.27 | 304,109,000 |
| Safko Spinnings Mills | 26.30 | 24.20 | -7.98 | 140,035,000 |

Sectoral Index & Turnover

| Sector | Sectoral Index | | | Turnover (Tk.M) | | |
|---------------|----------------|-----------|----------|-----------------|-----------|----------|
| | This Week | Last Week | Change % | This Week | Last Week | Change % |
| Bank | 512.31 | 509.24 | 0.60 | 4,571.13 | 2,610.96 | 75.08 |
| Cement | 413.67 | 405.28 | 2.07 | 2,058.62 | 778.32 | 164.50 |
| Ceramic | 892.47 | 935.62 | -4.61 | 1,638.27 | 1,604.63 | 2.10 |
| Engineering | 6,954.28 | 6,984.45 | -0.43 | 8,514.53 | 5,123.03 | 66.20 |
| Food & Al. | 5,954.54 | 6,005.90 | -0.86 | 3,578.24 | 4,921.11 | -27.29 |
| Fuel & Pow. | 4,306.02 | 4,329.53 | -0.54 | 3,703.66 | 4,618.30 | -19.80 |
| Insurance | 3,055.77 | 3,030.12 | 0.85 | 6,333.41 | 5,968.17 | 6.12 |
| IT | 656.81 | 643.92 | 2.00 | 1,916.42 | 1,453.45 | 31.85 |
| Jute | 1,073.79 | 1,080.14 | -0.59 | 24.76 | 48.34 | -48.78 |
| Misc. | 2,878.62 | 2,886.42 | -0.27 | 8,160.12 | 8,911.16 | -8.43 |
| Mutual Fund | 510.03 | 509.57 | 0.09 | 355.92 | 292.22 | 21.80 |
| NBFI | 1,442.65 | 1,521.59 | -5.19 | 1,987.78 | 1,832.16 | 8.49 |
| Paper | 14,041.49 | 13,774.55 | 1.94 | 940.59 | 1,540.88 | -38.96 |
| Pharma | 1,704.44 | 1,699.54 | 0.29 | 6,591.07 | 6,845.64 | -3.72 |
| Service | 1,908.90 | 1,914.99 | -0.32 | 1,756.99 | 1,578.48 | 11.31 |
| Tannery | 1,275.94 | 1,332.88 | -4.27 | 1,527.65 | 2,512.17 | -39.19 |
| Telecom | 4,742.85 | 4,691.65 | 1.09 | 572.90 | 1,035.22 | -44.66 |
| Textile | 1,870.62 | 1,897.39 | -1.41 | 7,551.40 | 7,434.39 | 1.57 |
| Travel & Leis | 613.50 | 624.72 | -1.79 | 436.56 | 469.53 | -7.02 |

Technical Talk

The Dhaka stocks witnessed downturn last week riding on panic sell-offs by investors. Investors went for selling major sector shares amid fears of further price erosion. Out of its five trading sessions the first two sessions saw massive drop while three other saw corrections. Among the major sectors, NBFIs decreased by 5.19%, followed by Ceramic 4.61%, Textile 1.41% and Fuel & Power 0.54%.

DSE Broad Index (DSEX) stood at 7,023.52 points after decreasing by 4.03 points or 0.06% from the previous week. Total turnover reached at Tk64288.71m, which was 4.55% higher than the previous week. Market capitalization decreased by 0.15% and stood at Tk4948.94b (\$57.55b) at the weekend against Tk4956.51b. DSE 30 decreased by 10 points or 0.38% and closed at 2,592.34 points against 2,602.34 points. Last week's weighted average Market PE was 16.74 which was 16.80 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. RSI declined to 57.86.

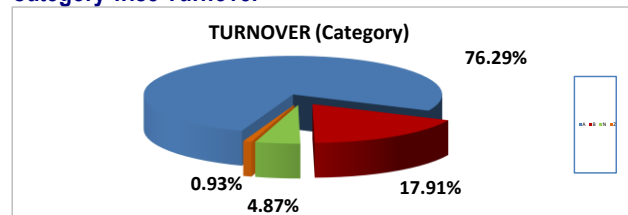
Top Turnover Companies

| Company | Volume | Value (Tk) | % of total |
|---------------------|-------------|---------------|------------|
| BEXIMCO | 29,727,352 | 4,502,390,000 | 7.00 |
| BSC | 21,758,603 | 2,971,496,000 | 4.62 |
| Union Bank | 137,344,289 | 1,845,815,000 | 2.87 |
| Orion Pharma | 16,708,134 | 1,786,709,000 | 2.78 |
| LafargeHolcim BD | 22,185,300 | 1,770,046,000 | 2.75 |
| BD Building Systems | 59,002,923 | 1,607,744,000 | 2.50 |

Top 10 Market Capital

| Company | Volume | Value (Tk) | In million |
|----------------|---------|---------------|------------|
| GP | 479,627 | United Power | 148,228 |
| BATBC | 351,432 | Beximco Ltd. | 132,412 |
| Walton Hi-Tech | 321,346 | RENATA | 131,155 |
| Robi | 203,756 | ICB | 102,339 |
| Square Pharma | 201,402 | LafargeHolcim | 90,587 |

Category wise Turnover



Commodity Price

| | This Week | Last Week | Change % |
|----------------------------|-----------|-----------|----------|
| Gold (USD/t oz.) | 1,808.80 | 1,792.30 | 0.92 |
| Silver (USD/t oz.) | 22.52 | 22.49 | 0.13 |
| Brent Crude Oil (USD/bbl.) | 92.80 | 89.05 | 4.21 |

Exchange Rate

| | This Week | | Last Week | | Change % | |
|-----|-----------|--------|-----------|--------|----------|-------|
| | TT | BC | TT | BC | TT | BC |
| USD | 86.00 | 86.05 | 86.00 | 86.05 | 0.00 | 0.00 |
| EUR | 100.45 | 100.51 | 97.78 | 97.84 | 2.73 | 2.73 |
| GBP | 118.70 | 118.77 | 117.61 | 117.68 | 0.93 | 0.93 |
| AUD | 61.18 | 61.21 | 60.40 | 60.43 | 1.29 | 1.29 |
| JPY | 0.75 | 0.75 | 0.75 | 0.75 | 0.00 | 0.00 |
| CAD | 67.72 | 67.75 | 67.73 | 67.77 | -0.01 | -0.03 |
| SAR | 23.04 | 23.05 | 23.04 | 23.05 | 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) |
|---------|---------------------|-------------|------------|
| - | - | - | - |