

Insurers asked to comply shareholding rule

The Insurance Development and Regulatory Authority (IDRA) issued a letter to the insurance companies asking again to comply with the minimum shareholding and paid-up capital requirement applicable for them. Earlier, in January 2021 also, IDRA directed the insurance companies to comply with the rule. According to the Insurance Act 2010, the minimum paid-up capital and shareholding by sponsors of insurance companies were set at Tk300m-Tk400m and 60% of the total paid-up capital respectively. The life and non-life insurance companies shall have minimum Tk300m and Tk400m in paid-up capital respectively. The insurance regulatory authority on March 22, 2022 sent a letter to 30 general insurance companies. Of the companies, 23 complied with the rule regarding the minimum required paid-up capital but none of the sponsors of the companies collectively hold 60% share of their paid-up capital.

ADP implementation 36% only in Jul-Feb

Even though the Covid situation has improved, implementation of Annual Development Program (ADP) was as usual sluggish in the first eight months of FY2021-22, as only Tk847.65b or 36% of the ADP allocation was spent, according to Implementation, Monitoring & Evaluation Division (IMED). Consequently, the implementation agencies and ministries will have to implement the remaining 64% of the large ADP in the next four months, which might create a pressure on the agencies to execute the development projects in a hurry that might cause wastage of money and leave a negative effect on the quality of works. The implementation rate was 34% in the same period of last fiscal year whereas the average spending in the corresponding period prior to the pandemic was 37% to 39%. In the current fiscal year, ten major sectors have got 93.39% of the total ADP allocation of Tk2367.93b. During the period, health ministry managed to spend Tk26.74b or 20.57% of the total allocation of Tk130b, although the sector was responsible for purchasing Covid jab and nationwide inoculation. However, the National Economic Council (NEC) has this month revised downward the total outlay to Tk2075.50b for the FY22, which is the biggest cut in the ADP size in the last five fiscal years on the back of the slow implementation rate of the foreign-funded projects. The Rooppur nuclear power plant that has received the highest allocation of Tk184.26b as a single project saw the biggest reduction of Tk32b in foreign loans as this project is being funded by Russia.

Revenue falls short Tk361.84b of target

According to latest figures from the National Board of Revenue (NBR), revenue collection in the July-February period of FY2021-22 was Tk1838.16b, registering a growth of 18.26% (Y-o-Y) from Tk1554.4b in the same period of last fiscal year. However, total tax receipts fell short of target set for the eight month period by Tk361.84b. Among the three wings of NBR, VAT collection was the highest at Tk668.71b followed by income tax collection Tk599.87b and customs duty at Tk569.58b. A rapid surge in imports, consequent to sharply growing local demand with the easing of the Covid-19 situation, played a dominant role in generating higher customs revenue, as well as the overall revenue. 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.

Interest spread squeeze further

The interest rate spread in the banking sector declined to 3.08% in February, 2022 from 3.12% a month earlier, as the banks had to increase their deposit rates, while lending rates dropped slightly. As per a recent Bangladesh Bank (BB) report, the weighted average deposit rate rose to 4.02% in February from 4.01% in the previous month, the rate was 3.99% in December, 2021 while such rate on lending fell to 7.10% in February 2022 from 7.13% in the previous month. The weighted average lending rate was 7.18% in December last year. The overall interest rate spread declined for the second consecutive month as banks had to spend higher for deposits amid rising inflation. A surge in inflation compelled the banks to adjust deposit rates as BB in August 2021 barred banks from offering interests lower than the prevailing inflation rate. The point-to-point inflation in February 2022 hit 6.17%, a 16-month high after October 2020, fuelled by the escalating level of food inflation. In August 2021, when the BB linked the interest rate of term deposits with the inflation rate, the rate of inflation was 5.54%.

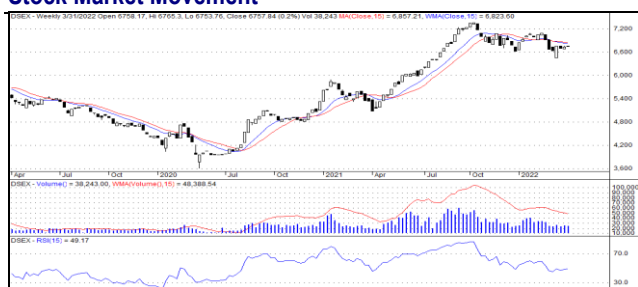
Particulars	Weighted Average Interest Rate		Spread
	Deposits	Advances	
January'21	4.51%	7.56%	3.05%
February,21	4.44%	7.48%	3.04%
March'21	4.40%	7.45%	3.05%
April'21	4.36%	7.40%	3.04%
May'21	4.14%	7.40%	3.26%
June'21	4.13%	7.33%	3.20%
July'21	4.11%	7.30%	3.19%
August'21	4.05%	7.24%	3.19%
September'21	4.08%	7.24%	3.16%
October'21	4.01%	7.15%	3.14%
November'21	3.99%	7.15%	3.16%
December'21	3.99%	7.18%	3.19%
January'22	4.01%	7.13%	3.12%
February'22	4.02%	7.10%	3.08%

Source: Bangladesh Bank

Dollar gets dearer

Bangladeshi Taka (BDT) depreciated against the US Dollar in spite of repeated interventions by the Bangladesh Bank (BB), due to higher demand for the greenback to settle import payments, a pickup in international travels, moderate exports and falling remittance. The exchange rate was stable at Tk84.80 to Tk84.90 against the Dollar for most of the time in 2020 and the first half of 2021. The Dollar was quoted at Tk86.20 in the interbank market on March 29, 2022. The exchange rate for the US dollar in the informal or *kerb* market is more than Tk90 per USD. However, the central bank had managed to keep the market stable by buying greenbacks continuously for the last one and a half years. In the FY2020-21, BB bought a total of US\$8b from the commercial banks, which is registered as a record purchase ever. Meanwhile, BB switched gears after August, 2021 as the demand for foreign exchange surged in keeping with the trade and business recovery. The continued rally of the greenback prompted the central bank to change course from buying to selling mode in order to help the forex market handle the sudden growth. The central bank injected a record US\$3.78b into banks in the July-February period of the current fiscal year. The previous high was registered in FY2018-19 when the BB sold US\$2.34b.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,545.86	4,543.06	0.06
FTSE 100	7,537.90	7,483.35	0.73
Nikkei 225	27,665.98	28,149.84	-1.72
SENSEX	59,276.69	57,362.20	3.34
KSE 100	45,152.11	43,551.14	3.68

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,757.84	6,752.87	0.07
Total Turnover, Tk	46,833,485,102	39,011,983,057	20.05
Market Capital, Tk	4,722,714,706,595	4,711,289,693,183	0.24
No of Issue Gain	179	105	
No of Issue Loss	170	264	
No of Unchanged Issues	35	16	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
BD National Ins.	87.40	103.10	17.96	466,725,000
IPDC Finance	35.10	41.30	17.66	490,120,000
Janata Insurance	38.30	44.40	15.93	46,925,000
Continental Ins.	37.90	42.90	13.19	99,000,000
Fortune Shoes	126.60	142.80	12.80	3,659,723,000
Agrani Insurance	47.30	53.30	12.68	53,918,000
Taufika Foods	37.10	41.70	12.40	194,995,000
PF1STMF	10.80	12.10	12.04	106,269,000
Bangladesh Lamps	315.10	352.30	11.81	818,439,000
PAPERPROC	263.70	291.90	10.69	348,715,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Dutch-Bangla Bank	76.90	67.70	-11.96	46,172,000
Atlas Bangladesh	125.20	115.50	-7.75	18,764,000
GBB Power	34.40	31.90	-7.27	126,200,000
Rupali Life Insurance	80.10	74.70	-6.74	200,772,000
Khulna Power Co.	35.00	32.80	-6.29	140,228,000
Shasha Denims	27.40	25.80	-5.84	22,113,000
Bashundhara Paper Mill	58.90	55.50	-5.77	100,558,000
Envoy Textiles	45.40	42.80	-5.73	57,975,000
Meghna Life Insurance	79.00	74.50	-5.70	36,441,000
Aamra networks	47.80	45.10	-5.65	272,962,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	484.13	494.60	-2.12	3,002.32	3,336.14	-10.01
Cement	398.23	385.29	3.36	1,155.62	412.78	179.96
Ceramic	774.81	756.95	2.36	340.88	248.23	37.32
Engineering	6,941.06	6,931.26	0.14	4,389.87	3,038.45	44.48
Food & Al.	5,399.42	5,411.30	-0.22	2,735.02	2,161.08	26.56
Fuel & Pow.	4,190.24	4,153.84	0.88	1,595.38	1,685.89	-5.37
Insurance	2,777.93	2,718.27	2.19	4,018.84	2,783.19	44.40
IT	636.21	640.92	-0.74	4,283.05	3,052.39	40.32
Jute	1,142.36	1,111.31	2.79	80.70	53.03	52.17
Misc.	2,831.74	2,853.99	-0.78	3,471.02	5,760.82	-39.75
Mutual Fund	495.38	495.21	0.03	528.97	345.52	53.10
NBFI	1,250.96	1,233.52	1.41	1,590.11	989.94	60.63
Paper	14,773.12	14,366.98	2.83	2,938.87	1,344.34	118.61
Pharma	1,673.46	1,667.48	0.36	4,299.31	4,556.76	-5.65
Service	1,752.63	1,773.36	-1.17	501.33	675.44	-25.78
Tannery	1,399.77	1,314.09	6.52	4,089.07	1,458.32	180.40
Telecom	4,315.58	4,290.09	0.59	276.19	354.03	-21.99
Textile	1,883.38	1,888.44	-0.27	3,947.18	4,827.40	-18.23
Travel & Leis.	639.42	626.13	2.12	362.94	189.78	91.24

Technical Talk

Dhaka stocks went up in the last week after a fall in the previous week as investors continued cautious trading amid poor confidence on the market. Out of its five trading sessions, the market closed higher in three sessions while two others edged lower amid volatile trading. Among the major sectors, Cement increased by 3.36%, followed by Insurance 2.19%, NBFI 1.41%, Fuel & Power 0.88% and Telecom 0.59%.

DSE Broad Index (DSEX) stood at 6,757.84 points after increasing by 4.97 points or 0.07% from the previous week. Total turnover reached at Tk46833.49m, which was 20.05% higher than the previous week. Market capitalization increased by 0.24% and stood at Tk4722.71b (\$54.79b) at the weekend against Tk4711.29b. DSE 30 increased by 7.27 points or 0.29% and closed at 2,474.01 points against 2,466.74 points. Last week's weighted average Market PE was 15.63 which was 15.94 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 stood at 49.17.

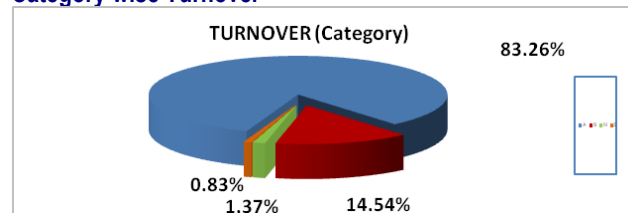
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Fortune Shoes	26,644,004	3,659,723,000	7.81
BEXIMCO	16,890,775	2,623,119,000	5.60
Genex Infosys	15,001,325	1,902,290,000	4.06
Sonali Paper	1,964,539	1,727,699,000	3.69
LafargeHolcim BD	16,918,832	1,271,397,000	2.71
Orion Pharma	11,733,414	1,234,086,000	2.64

Top 10 Market Capital

Company	Market Capital (In million)
GP	147,185
Walton Hi-Tech	134,164
BATBC	131,877
Square Pharma	87,103
Robi	85,014

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,928.50	1,957.60	-1.49
Silver (USD/t oz.)	24.76	25.73	-3.77
Brent Crude Oil (USD/bbl.)	104.37	119.29	-12.51

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	86.20	86.25	86.20	86.25	0.00	0.00
EUR	97.93	97.98	96.36	96.42	1.63	1.62
GBP	115.06	115.13	115.72	115.79	-0.57	-0.57
AUD	64.71	64.75	64.94	64.98	-0.35	-0.35
JPY	0.71	0.71	0.71	0.71	0.00	0.00
CAD	69.06	69.10	69.29	69.33	-0.33	-0.33
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)
-	-	-	-