

New guidelines for ATB-SME companies

The directors of the companies transferred from the Over-The-Counter (OTC) market to the Alternative Trading Board (ATB) and Small & Medium Enterprises (SME) platform cannot buy, sell or transfer shares-properties of their organization without permission of the regulator. The Bangladesh Securities and Exchange Commission (BSEC) issued such an order on 07 July 2022. The directors of companies transferred from OTC to ATB and SME will have to hold a combined 30% stake in the company and each one alone has been directed to hold 2% shares individually. Also these companies will not be able to raise the paid up capital. BSEC, with the involvement of the exchanges, decided to transfer the particular listed companies from the OTC market to the ATB-SME platforms based on the individual potential and merit they have found through investigating financial and non-financial information of those companies. BSEC issued an order on 16 September 2021 asking both the exchanges, the companies in the OTC market and Central Depository Bangladesh Limited (CDBL) to complete dematerialization of the shares and transfer from one platform to the other within 30 days. To this effect, the regulator made a list of 23 out of the 70 OTC companies to shift those to the SME platform of the bourses while another 18 companies would be transferred to the ATB platform. The remaining 29 companies would be delisted from the exchanges following applicable rules.

Export hits all-time high of \$52b in FY22

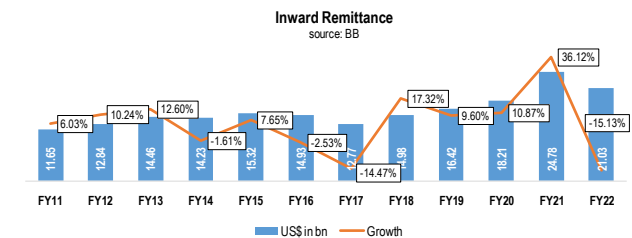
Export earnings hit a new record in FY2021-22 with the highest-ever single month receipt in June on the back of buoyancy in the apparel shipments. In addition, some other sectors such as home textile, leather and leather goods, jute and jute goods also made a promising contribution in earning foreign currency and each raked in more than US\$1b. As per the statistics from the Export Promotion Bureau (EPB), exporters fetched US\$52.08b in FY22 against US\$38.75b in the previous fiscal year. This marked the first time in the history that export earnings crossed the milestone of US\$50b, comfortably overshooting the target of US\$43.5b set for the FY22. Exports only in June 2022 fetched US\$4.908b. The previous highest was registered in December last year when the earnings stood at US\$4.907b. Ready-made Garments (RMG) shipment that contributes nearly 85% of the total export rose by 35.48% (Y-o-Y) to US\$42.61b during the last financial year from US\$31.45b in FY21. Of the total RMG shipments, US\$23.21b came from knitwear items with 36.88% (Y-o-Y) growth, while the woven garments export earned US\$19.39b with a 33.82% (Y-o-Y) growth.

Export Earnings					
				Source: EPB	
Year	US\$ in bn	Growth (Y-o-Y)	Year	US\$ in bn	Growth (Y-o-Y)
FY11	22.93	41.49%	FY17	34.66	1.16%
FY12	24.30	5.99%	FY18	36.67	5.81%
FY13	27.03	11.22%	FY19	40.54	10.55%
FY14	30.19	11.69%	FY20	33.67	-16.93%
FY15	31.21	3.39%	FY21	38.75	15.07%
FY16	34.26	9.77%	FY22	52.02	34.25%

Home textile fetched US\$1.62b in FY22, registering a growth of 43.36% from US\$1.13b in FY21. Among other notable sectors, during the same period, agricultural products registered a growth of 13.73% to US\$1.16b from US\$1.02b in the last fiscal year. Leather and leather goods registered a growth of 32.23% to US\$1.24b which was US\$941.67m in the same period of the previous fiscal year.

Remittances drop 15.13% in FY22

Inward remittance to Bangladesh from expatriate workers in the immediate past fiscal year saw a 15.13% decline despite providing various facilities including incremental incentives. Remittance decreased by US\$3.75b to US\$21.03b in FY2021-22 from US\$24.78b in FY2020-21, according to Bangladesh Bank (BB) figures. Inward remittance hit a record high with over 36% growth despite the ongoing Covid-19 pandemic in the FY21. During the pandemic period, the expatriates wired their earnings by preferring the formal channels over the illegal 'hundi' conduit due to the worldwide movement restrictions. Fund transfers through informal channels have made a comeback with the resumption of normal economic activities. Although the central bank encourage overseas Bangladeshis to send money through the formal banking channel instead of the illegal and informal 'hundi' system, money transfers through informal channels rose due mainly to a gap between official exchange rate of the US dollar and *kerb* market rates. US Dollar was quoted at Tk93 to Tk94 in the interbank market while the exchange rate in the informal *kerb* market is ranging between Tk98 to Tk100, as per BB. Addressing the declining trend of remittance, the government has raised the cash incentive on remittance by 0.5-percentage points to 2.5% and at the same time relaxed the requirements for availing 2.5% cash incentive for inward remittances worth US\$5,000 or above in a bid to discourage the sending of remittance through unofficial channels.



Tax receipts from DSE swells in FY22

Tax receipts from Dhaka Stock Exchange (DSE) surged 9.39% in the just concluded financial year 2021-22, compared with that in the previous financial year, due mainly to a surge in turnover. According to the latest statistics from DSE, the National Board of Revenue (NBR) in FY22 collected Tk2.91b in taxes, including tax on turnover and tax on sponsor-directors share sales, against collection of Tk2.66b in FY21. Government's revenue earnings in the FY22 from the DSE hit a 11-year high. Of the total amount, Tk2.18b came from brokerage commission and the rest Tk728.7m from the tax on share sales by sponsor-directors and placement holders. In FY21 Tk1.81b came from brokerage commission and Tk862.8m from the tax on share sales by sponsor-directors and placement holders. However, the prime bourse paid tax worth Tk4.47b in the FY2010-11, the highest in its history, when the market witnessed a wild trend before crashing eventually.

Forex reserve drop below US\$40b

Forex exchange (forex) reserves dropped below US\$40b on 12 July 2022, reaching US\$39.77b, for the first time in last two years, owing to regular import payments and a slowdown in remittance flow. The Bangladesh Bank (BB) cleared US\$1.99b as import payments to the Asian Clearing Union (ACU) on the day. Prior to the payment, forex reserves were US\$41.98b on 07 July 2022. The reserves stood at US\$46.15b in December last year.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,863.16	3,854.43	0.23
FTSE 100	7,159.01	7,196.59	-0.52
Nikkei 225	26,788.47	26,297.24	1.87
SENSEX	53,760.78	54,175.22	-0.76
KSE 100	42,074.91	41,344.01	1.77

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,324.50	6,366.96	-0.67
Total Turnover, Tk	19,624,441,144	38,138,591,970	-48.54
Market Capital, Tk	4,484,672,499,371	4,512,134,878,154	-0.61
No of Issue Gain	114	168	
No of Issue Loss	234	187	
No of Unchanged Issues	39	33	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Golden Son	17.40	20.00	14.94	320,819,000
Sunlife Insurance	48.10	54.90	14.14	152,831,000
Eastern Cables	178.90	203.30	13.64	173,103,000
ISN	56.30	63.00	11.90	122,342,000
Miracle Industries	31.50	35.00	11.11	105,403,000
Fine Foods	45.40	50.40	11.01	85,467,000
National tubes	83.10	89.80	8.06	99,824,000
Nurani Dyeing	7.30	7.80	6.85	33,246,000
Titas Gas	43.80	46.70	6.62	945,670,000
Atlas Bangladesh	108.40	115.50	6.55	8,812,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Janata Insurance	34.90	31.90	-8.60	17,182,000
Pragati Life Insurance	79.90	74.60	-6.63	6,007,000
NRB Commercial Bank	20.70	19.40	-6.28	33,447,000
Yeakin Polymer	21.30	20.10	-5.63	15,182,000
Robi Axiata	35.70	33.70	-5.60	17,360,000
Meghna Insurance	54.00	51.00	-5.56	8,991,000
Monno Fabrics	27.20	25.70	-5.51	99,215,000
Khulna Power Co.	31.30	29.60	-5.43	34,719,000
Emerald Oil Ind.	44.20	41.80	-5.43	36,350,000
BGIC	44.50	42.10	-5.39	2,921,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	454.71	456.09	-0.30	623.04	1,368.29	-54.47
Cement	358.07	364.10	-1.66	151.42	633.45	-76.10
Ceramic	876.12	900.25	-2.68	656.62	1,428.05	-54.02
Engineering	6,852.44	6,876.69	-0.35	1,954.16	3,023.69	-35.37
Food & Al.	5,014.15	5,029.33	-0.30	1,036.92	2,256.45	-54.05
Fuel & Pow.	4,161.61	4,142.78	0.45	1,905.94	3,498.79	-45.53
Insurance	2,349.94	2,390.93	-1.71	1,293.35	2,630.24	-50.83
IT	510.88	523.11	-2.34	747.33	1,846.73	-59.53
Jute	1,107.96	1,086.81	1.95	16.84	18.37	-8.32
Misc.	2,667.21	2,701.19	-1.26	2,055.84	4,192.09	-50.96
Mutual Fund	480.08	484.45	-0.90	101.04	221.27	-54.34
NBFI	1,234.45	1,235.92	-0.12	1,501.24	1,744.87	-13.96
Paper	11,990.39	12,262.01	-2.22	308.18	1,712.21	-82.00
Pharma	1,607.51	1,617.41	-0.61	1,274.88	3,010.25	-57.65
Service	1,641.14	1,666.93	-1.55	240.80	598.06	-59.74
Tannery	1,108.30	1,113.76	-0.49	1,013.39	1,273.09	-20.40
Telecom	3,972.30	4,038.95	-1.65	197.41	1,789.19	-88.97
Textile	1,867.52	1,865.32	0.12	3,411.09	4,858.19	-29.79
Travel & Leis.	634.17	639.06	-0.76	220.76	321.00	-31.23

Technical Talk

Dhaka stocks continued correction for the second straight week as risk-averse investors maintained sell-off on major sector issues amid growing macroeconomic worries. Last week saw three trading days. Trading on the bourse remained closed for the first two days on the occasion of Eid-ul-Azha and all three sessions saw the stocks fall. Among the major sectors, Insurance decreased by 1.71% followed by Telecom 1.65% and Mutual Fund 0.90%.

DSE Broad Index (DSEX) stood at 6,324.50 points after decreasing by 42.46 points or 0.67% from the previous week. Total turnover reached at Tk19624.44m, which was 48.54% lower than the previous week. Market capitalization decreased by 0.61% and stood at Tk4484.67b (\$47.73b) at the weekend against Tk4512.13b. DSE 30 decreased by 19.92 points or 0.87% and closed at 2,273.85 points against 2,293.77 points. Last week's weighted average Market PE was 14.33 which was 14.45 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 41.54

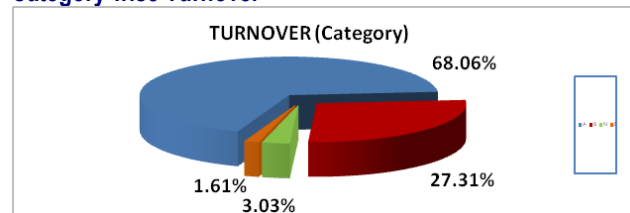
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	9,560,679	1,240,309,000	6.32
IPDC	17,801,222	1,120,846,000	5.71
Titas Gas	20,693,543	945,670,000	4.82
Fortune Shoes	10,480,159	939,368,000	4.79
Delta Life Insurance	2,738,205	413,082,000	2.10
Shinepukur Ceramics	7,331,675	358,369,000	1.83

Top 10 Market Capital

	In million		
GP	389,832	United Power	143,648
Walton Hi-Tech	326,678	RENATA	129,362
BATBC	290,736	Beximco	112,169
Square Pharma	190,321	Berger paint	80,934
Robi	176,518	ICB	79,776

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,706.50	1,728.80	-1.29
Silver (USD/t oz.)	18.66	18.97	-1.61
Brent Crude Oil (USD/bbl.)	100.94	105.45	-4.28

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	93.95	94.00	93.45	93.50	0.54	0.53
EUR	96.70	96.75	97.26	97.32	-0.58	-0.59
GBP	113.61	113.68	113.87	113.93	-0.23	-0.22
AUD	64.17	64.20	64.03	64.06	0.22	0.22
JPY	0.69	0.69	0.70	0.70	-1.43	-1.43
CAD	72.47	72.50	72.14	72.18	0.46	0.44
SAR	25.15	25.16	25.02	25.03	0.52	0.52

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)
-	-	-	-