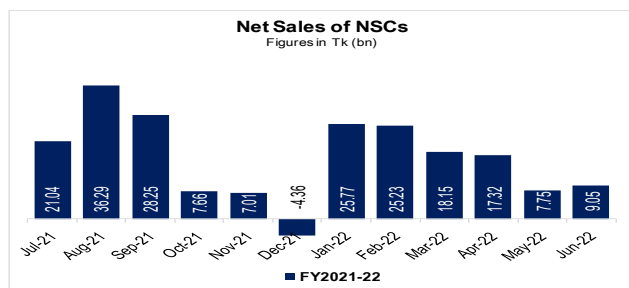


**BB ask six more banks to explain**

Bangladesh Bank (BB) has sought explanation from six more banks for alleged involvement in taking advantage of the volatility in the foreign exchange market. BB sent show-cause letters to six commercial banks on 07 September 2022 in this regard with instructions to reply within seven working days. The banks are - United Commercial Bank, Bank Asia, Dhaka Bank, Mercantile Bank, Islami Bank Bangladesh and Shahjalal Islami Bank. The mentioned six banks were asked to explain their position for making unusual profits by selling dollars. Earlier on 17 August 2022, BB sought explanation from six other banks - Brac Bank, Dutch-Bangla Bank, The City Bank, Southeast Bank, Prime Bank and Standard Chartered Bank of making excessive profits from selling dollars at high rates. The central bank also moved for stern action earlier against the first six banks by ordering them to remove their treasury heads for their alleged involvement in irregularities while trading US Dollars. The central bank also detected anomalies in the money exchanges. BB limited money exchange houses dollar purchase-sale spread to Tk1.5 and for the banks it set the difference at Tk1. Due to the BB initiatives, the dollar price on the *kerb* market reduced to Tk110 recently. The exchange rate for the USD in the informal or *kerb* market crossed Tk119 for the first time ever on 10 August 2022 from Tk115 a day earlier. Currently, Bangladeshi Taka (BDT) is maintaining a depreciating mode against the US Dollar due to higher demand for the greenback to settle import payments. The local currency lost its value by Tk9.20 or more than 10% since January 2022. The Dollar traded at Tk85.80 on 08 January last. At present, the interbank exchange rate is Tk95 per USD which was set on 08 August 2022.

**NSC sales drop**

The net sales of National Saving Certificates (NSCs) decreased by 52.54% (Y-on-Y) in the FY2021-22 due to various discouraging conditions including reduction of interest rate of the savings certificates, the imposition of maximum investment limit and some major policy shifts, including budgetary and taxation measures. As per the latest statistics from the National Savings Directorate (NSD), the net sales of NSCs were Tk199.16b in the FY2021-22 which was Tk419.59b in FY2020-21. Government has lowered the interest rates on all types of savings certificates in September last year. These new rates will be applicable for both individuals and institutional investors. Meanwhile, net bank borrowing by the government has surged behind a drastic fall in the net sales of national savings certificates. In FY22 the government borrowed Tk647.55b from the banking system which was Tk260.78b a year ago. The government has set a target of borrowing Tk1.06-trillion from the banking system in FY2022-23. Besides, the government planned to borrow Tk350b through savings certificates. In July FY23, the net sale of savings certificates stood at only Tk3930m which was Tk21.04b in the same month of FY22.



**NBFI borrowers get relaxed rescheduling facility**

Despite receiving a mixed-bag of reactions, the Bangladesh Bank (BB) relaxed its loan rescheduling policy for defaulted loans to some extent. The central bank issued a circular in this regard for the Non-Bank Financial Institutions (NBFIs) making clarifications and additions in some areas on loan rescheduling for their borrowers in line with the relaxed rescheduling policy for banks. The new rescheduling policy will allow defaulters to repay their term loans for a period of six years for the first phase and a maximum of five years each in the second and third phases. Even defaulters might get the rescheduling facility for the fourth time following special consideration. As per the earlier policy, defaulters used to get a grace period of two to four years in three phases. There will be an opportunity to renew the loan with only a 4% down payment in the first phase. The down payment has been fixed at 5% of the total outstanding for the second time and 6% for the third and fourth times. Earlier, borrowers had to make a down payment of 10%, 20% and 30% for the first, second and third times, respectively. In addition, the new guidelines allow rescheduling with a payment of 7% of overdue installments for the first time, 8% for the second time and 9% for the third time. Earlier, borrowers had to pay 15%, 30% and 50%, respectively. Meanwhile, Default loans with the NBFIs rose by Tk29.2b as on June 2022, despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. As per the BB reports, the amount of defaulted loans stood at Tk159.36b at the end of June 2022 which was Tk130.16b at the end of the December 2021. Currently, there are 34 NBFIs operating in Bangladesh. Most of these institutions have been facing an image crisis due to a wide range of corruption and maladministration. A number of NBFIs are unfortunately mired in fraud and financial problems.

**Twelve banks face capital shortfall**

According to Bangladesh Bank (BB) reports, 12 banks out of 61 operating in the country faced capital shortfall of around Tk300b at the end of June 2022. Five State-owned Commercial Banks (SCBs), five Private Commercial Banks (PCBs) and two Specialized Banks has been placed on the list of banks with insufficient capital. In June 2021, eleven banks faced accumulated capital shortage of Tk253.53b. Default loans in the banking sector rose by Tk118.17b as on 30 June 2022, bringing a negative impact to the capital base in the sector. High default loans require maintaining a higher provision, which puts pressure on the capital base of the banks. According to BB reports, the volume of Non-Performing Loans (NPLs) rose to Tk1252.57b at the end of June 2022 from Tk1134.4b at the end of March 2022. On 30 June 2021 NPLs of the banking sector were Tk992.05b which was Tk1011.50b at the end of September 2021. The defaulted loans jumped by Tk219.84b in six months from Tk1032.74b in December 2021. Of the total amount of defaulted loans, the amount in the private commercial banks increased by Tk48.74b to Tk626.78b in June 2022 from Tk578.04b three months ago. In the state-owned banks, the defaulted loans increased by Tk66.92b to Tk554.29b in June 2022 from Tk487.37b in March 2022. In the specialized banks and foreign commercial banks, the amount of defaulted loans stood at Tk41.94b and Tk29.57b respectively at the end of June 2022. According to BB reports, 32 banks held more than Tk10b in defaulted loans each and six of them accounted for more than Tk50b till June 2022.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,067.36	3,924.26	3.65
FTSE 100	7,351.07	7,281.19	0.96
Nikkei 225	28,214.75	27,650.84	2.04
SENSEX	59,793.14	58,803.33	1.68
KSE 100	41,948.16	42,309.11	-0.85

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,560.02	6,508.61	0.79
Total Turnover, Tk	90,912,261,616	95,145,413,164	-4.45
Market Capital, Tk	4,551,415,357,297	4,543,478,192,169	0.17
No of Issue Gain	68	249	
No of Issue Loss	265	83	
No of Unchanged Issues	54	56	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Orion Infusion	310.30	419.00	35.03	1,636,949,000
Kohinoor Chemicals	475.60	631.70	32.82	683,381,000
Beacon Pharma	260.20	327.90	26.02	373,030,000
Orion Pharma	104.80	125.90	20.13	5,955,068,000
Sonali Aansh	510.10	603.00	18.21	228,248,000
Sea Pearl Resort	58.70	68.60	16.87	490,152,000
IBN SINA Pharma	302.20	342.50	13.34	218,232,000
Desh General Ins.	36.50	41.30	13.15	172,512,000
Fine Foods	52.70	59.60	13.09	345,090,000
Sunlife Insurance	63.20	69.90	10.60	178,616,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Phoenix Finance & Inv.	20.50	16.30	-20.49	161,752,000
Eastern Housing	101.40	82.40	-18.74	2,340,986,000
Union Capital	11.50	9.60	-16.52	97,119,000
SEMLFBSLGF	9.80	8.40	-14.29	7,324,000
RSRMSTEEL	24.50	21.00	-14.29	126,336,000
National Tea Company	792.40	681.90	-13.94	231,332,000
Apex Foods	262.60	227.30	-13.44	243,456,000
Paper Processing	252.40	222.20	-11.97	365,572,000
Prime Finance & Inv.	14.60	12.90	-11.64	139,842,000
EBL NRB Mutual Fund	7.30	6.50	-10.96	75,174,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	459.12	462.09	-0.64	2,606.86	3,556.24	-26.70
Cement	408.16	397.25	2.75	3,897.34	2,714.68	43.57
Ceramic	866.60	875.51	-1.02	1,947.16	1,553.57	25.33
Engineering	6,773.23	6,827.09	-0.79	10,345.49	10,599.00	-2.39
Food & Al.	4,924.00	4,954.82	-0.62	4,218.07	5,280.29	-20.12
Fuel & Pow.	4,028.80	4,039.29	-0.26	5,024.75	4,801.80	4.64
Insurance	2,346.48	2,412.70	-2.74	5,070.01	5,595.62	-9.39
IT	507.49	511.73	-0.83	2,662.05	2,271.26	17.21
Jute	1,322.27	1,190.72	11.05	255.77	110.36	131.75
Misc.	2,794.78	2,722.97	2.64	12,560.04	10,396.19	20.81
Mutual Fund	465.58	486.73	-4.35	439.04	745.47	-41.11
NBFI	1,251.45	1,294.58	-3.33	3,155.01	5,169.19	-38.97
Paper	13,707.90	14,101.27	-2.79	2,333.49	2,701.34	-13.62
Pharma	1,752.81	1,672.47	4.80	16,267.64	11,282.51	44.18
Service	1,897.14	2,093.96	-9.40	3,816.80	4,266.22	-10.53
Tannery	1,094.41	1,096.72	-0.21	486.62	2,376.93	-79.53
Telecom	3,834.28	3,856.73	-0.58	948.71	589.14	61.03
Textile	1,963.20	2,020.52	-2.84	9,217.24	16,501.15	-44.14
Travel & Leis.	720.52	704.32	2.30	2,110.19	1,382.49	52.64

## Technical Talk

Dhaka stocks closed higher for the fourth consecutive week as investors continued to inject fresh funds amid recent rally in the market. Out of its five trading sessions, the first two sessions saw the stocks fall while the last three sessions ended higher. Investors putting fresh funds in stocks whose financial year ended in June anticipating strong earnings and dividend declarations ahead. Among the major sectors, Pharma increased by 4.80% followed by Travel and Leisure 2.30% and Fuel & Power by 2.25%.

DSE Broad Index (DSEX) stood at 6,560.02 points after increasing by 51.41 points or 0.79% from the previous week. Total turnover reached at Tk90912.26m, which was 4.45% lower than the previous week. Market capitalization increased by 0.17% and stood at Tk4551.42b (\$47.91b) at the weekend against Tk4543.48b. DSE 30 increased by 70.51 points or 3.06% and closed at 2,376.17 points against 2,305.66 points. Last week's weighted average Market PE was 14.56 which was 14.53 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 53.37.

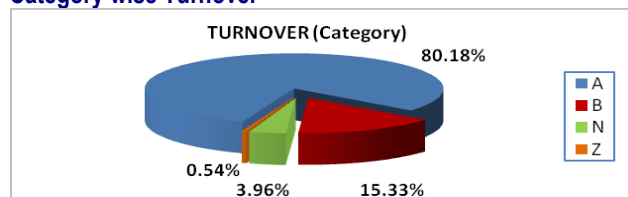
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	52,770,817	6,632,001,000	7.29
Orion Pharma	52,533,216	5,955,068,000	6.55
LafargeHolcim	45,384,891	3,651,633,000	4.02
JMI Hospital Requisite	30,435,706	2,945,338,000	3.24
Nahee Aluminum	29,158,510	2,435,141,000	2.68
Eastern Housing	24,753,608	2,340,986,000	2.57

### Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	387,536	United Power	136,112
Walton Hi-Tech	317,378	RENATA	127,384
BATBC	280,098	Beximco	115,762
Square Pharma	188,016	LafargeHolcim	96,162
Robi	157,138	Berger Paint	82,849

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz.)	1,727.60	1,722.60	0.29
Silver (USD/oz.)	18.79	17.91	4.89
Brent Crude Oil (USD/bbl.)	92.18	93.44	-1.35

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	95.00	95.05	95.00	95.05	0.00	0.00
EUR	96.78	96.83	96.46	96.51	0.33	0.33
GBP	111.50	111.56	111.54	111.60	-0.04	-0.04
AUD	64.22	64.25	65.06	65.09	-1.29	-1.29
JPY	0.67	0.67	0.68	0.68	-1.47	-1.47
CAD	72.74	72.78	72.70	72.74	0.06	0.05
SAR	25.41	25.42	25.40	25.42	0.04	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)
Navana Pharma	13 Sep - 19 Sep, 2022	24	750