

Trading of government bonds commence

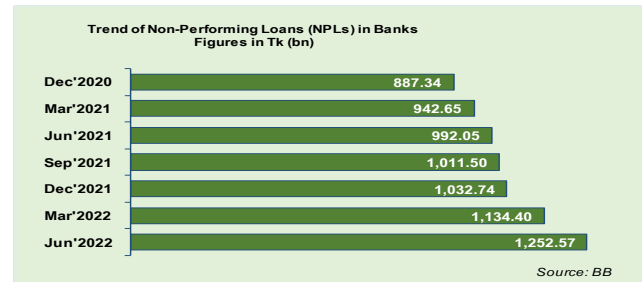
No trading of government securities was executed on 10 October, the day of trading commencement, due to technical glitch. However, on 11 October 2022, the next day, the trading of treasury bonds took place for the first time, albeit with only two at Dhaka and one at Chittagong valuing only Tk1.009m, which were conducted by City Brokerage and Lanka Bangla Securities Limited as the debutants. Trading of treasury bonds and bills are now allowed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) trading platform to facilitate the participation of general public. At present, there are about 250 treasury bonds available with tenure from 2 to 20 years. The instruments have been beyond the reach of the general investors other than banks, insurers and non-bank financial institutions due to the lack of a vibrant secondary market platform. The market lot of the bonds consists of 1000 with a face value of Tk100. The trading in government securities was scheduled to start on 16 August 2022 in line with instructions from the securities regulator. But the exchanges were not able to commence trading as some preparations remained incomplete. Stakeholders Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges and the Central Depository (CDBL), signed a memorandum of understanding (MoU) on 12 June 2022 on facilitating trading of the government securities in the secondary market.

Trade deficit widen in July-August

Trade deficit in the first two months of the current fiscal year surged to US\$4.55b from that of US\$4.28b in the same period of the previous fiscal year due to massive increase in import payments. Although both import and exports grew substantially, the growth in imports were higher than the export earnings that kept the trade deficit high. As per Bangladesh Bank (BB) figures, in the first two months of FY23, import payments rose by 17.05% to US\$12.7b from US\$10.85b in the same period of the past year. On the other hand, export increased by 23.93% to US\$8.13b from US\$6.56b in July-August of FY22. As a result of the sharp increase in import payments against a contraction in export earnings, Bangladeshi Taka (BDT) depreciated and faced a steep devaluation against the US Dollar. The deficit in current account hit US\$1.5b from deficit balance of US\$1.41b in the same months in the previous year. Trade deficit increased by 39.82% (Y-o-Y) in FY2021-22 due to significant upward trajectory in import payments. Even though the export earnings, for the first time in the history, crossed the milestone of US\$50b, comfortably overshooting the target of US\$43.5b set for the FY22, import payments have outpaced export growth that kept the trade deficit quite high. As per BB figures, trade deficit rose to US\$33.25b during the July-June period of FY2021-22 from US\$23.78b a year before. Between July and June last fiscal year, imports increased to US\$85.33b, up 35.95% (Y-on-Y) when exports grew 33.45% to US\$52.08b. Meanwhile, the higher trade deficit along with lower inflow of remittances pushed up the current account deficit to a record high of US\$18.25b during the time. In FY21, the current account deficit was at US\$4.57b. The previous widest deficit in the current account was US\$9.56b recorded in FY18. In the FY22 inward remittance saw a 15.13% decline despite providing various facilities and incentives. Remittance decreased by US\$3.75b to US\$21.03b in FY2021-22 from US\$24.78b in FY2020-21, according to BB figures.

Write-off declines though toxic loans pick up

As per latest Bangladesh Bank (BB) statistics, loan write-off declined in the first half of 2022 despite the upward trend of default loans. Write-off of classified bad loans stood at Tk43.36b at the end of the first six months of the current year while the scheduled banks removed a total Tk44.08b from the balance sheet at the end of December 2021. It amounted to Tk43.54b in June last year. Banks every year have been witnessing rise in the volume of written-off loans which have low possibility to be recovered. The banks have to keep 100% provision against the written-off loans. Meanwhile, default loans in the banking sector rose by Tk118.17b as on 30 June 2022, despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. 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 classified loans increased by Tk66.92b to Tk554.29b in June 2022 from Tk487.37b in March 2022. In the specialized and the foreign commercial banks, the amount of defaulted loans stood at Tk41.94b and Tk29.57b respectively at the end of June 2022.



WB and IMF downgrades GDP growth forecast

The World Bank (WB) has revised down its economic growth projection for the current fiscal year for Bangladesh to 6.1% from the previous estimate of 6.7%. The global lender also found no significant symptoms to rebound the economy in the next fiscal year and projects a higher GDP growth at 6.2% for the next FY2024. Inflation is projected to accelerate to 6.7% in FY23 from 6.2% in FY22 due to the rise in food and fuel prices. Despite a wider trade deficit, the current account deficit is expected to narrow from 4.1% of GDP in FY22 to 3.6% of GDP in FY23 due to increased remittances. The International Monetary Fund (IMF) has also lowered its Gross Domestic Product (GDP) growth projection to 6% for FY2022-23 from 6.7% as projected in April this year. The Manila-based Asian Development Bank (ADB) in its Asian Development Outlook (ADO) 2022 has revised down the Gross Domestic Product (GDP) growth projection for Bangladesh to 6.6% for FY2022-23 which was earlier projected to be 7.1% in the April outlook. The Bangladesh government has set a growth target of 7.5% for the current fiscal year. Even though the country is facing the blow of global phenomena of European war while trying to recover from the prolonged pandemic shocks, the government has set an ambitious economic growth target for the FY2022-23.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,583.07	3,683.28	-2.72
FTSE 100	6,858.79	6,954.65	-1.38
Nikkei 225	27,090.76	27,311.30	-0.81
SENSEX	57,919.97	58,222.10	-0.52
KSE 100	41,948.50	42,196.47	-0.59

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,494.25	6,569.51	-1.15
Total Turnover, Tk	48,329,225,429.00	52,781,780,498.00	-8.44
Market Capital, Tk	4,505,630,293,461	4,541,962,831,737	-0.80
No of Issue Gain	101	101	
No of Issue Loss	118	94	
No of Unchanged Issues	166	192	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
BD Monospool Paper	267.20	360.80	35.03	740,950,000
Indo-Bangla Pharma	21.00	27.40	30.48	1,222,877,000
Orion Infusion	753.70	951.30	26.22	1,089,973,000
Navana CNG	29.20	35.80	22.60	275,330,000
Aftab Automobiles	29.00	34.40	18.62	216,148,000
Paper Processing	245.20	287.00	17.05	963,057,000
Monno Ceramic	103.90	120.30	15.78	568,097,000
Eastern Housing	110.70	127.80	15.45	2,160,875,000
ISN	54.70	62.80	14.81	146,736,000
Apex Foods	254.60	289.60	13.75	341,540,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
BSC	157.00	139.20	-11.34	861,009,000
Beacon Pharma	380.80	340.70	-10.53	355,164,000
Bashundhara Paper Mill	84.70	76.10	-10.15	486,604,000
Coppertech Industries	51.10	46.00	-9.98	452,261,000
Orion Pharma	148.00	133.70	-9.66	4,237,127,000
National Polymer	62.70	56.70	-9.57	232,698,000
Shahjibazar Power	85.80	78.00	-9.09	312,299,000
Kohinoor Chemicals	686.00	623.80	-9.07	156,345,000
BBS Cables	60.50	55.30	-8.60	553,853,000
Malek Spinning Mills	37.50	34.50	-8.00	276,690,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	451.36	453.16	-0.40	607.77	937.63	-35.18
Cement	349.14	356.54	-2.08	659.92	951.52	-30.65
Ceramic	851.95	863.86	-1.38	1,670.62	2,506.24	-33.34
Engineering	6,722.88	6,771.63	-0.72	5,898.63	7,440.14	-20.72
Food & Al.	4,875.96	4,893.86	-0.37	1,677.55	2,041.89	-17.84
Fuel & Pow.	3,914.18	3,971.72	-1.45	2,053.26	4,944.96	-58.48
Insurance	2,315.44	2,272.45	1.89	1,339.78	2,475.25	-45.87
IT	551.46	570.43	-3.33	1,560.45	5,113.91	-69.49
Jute	1,603.52	1,478.80	8.43	326.17	165.08	97.58
Misc.	2,841.31	2,913.38	-2.47	6,326.73	12,466.45	-49.25
Mutual Fund	462.00	461.45	0.12	78.45	63.82	22.92
NBFI	1,181.49	1,207.11	-2.12	1,129.23	1,968.27	-42.63
Paper	15,721.88	15,288.45	2.84	4,012.22	3,226.28	24.36
Pharma	1,747.89	1,778.06	-1.70	10,167.05	11,406.55	-10.87
Service	2,117.06	2,087.19	1.43	2,671.27	4,537.39	-41.13
Tannery	1,094.57	1,102.65	-0.73	287.53	263.23	9.23
Telecom	3,822.47	3,824.75	-0.06	444.73	397.43	11.90
Textile	1,943.39	1,903.08	2.12	1,943.10	3,877.30	-49.89
Travel & Leis.	990.19	949.96	4.23	1,912.06	3,935.37	-51.41

Technical Talk

Dhaka stocks closed in red trajectory in the last week ended on Thursday as investors liquidated shares amid uncertain economic outlook. Out of its four trading sessions, two sessions ended higher while two sessions suffered losses. Trading of treasury bonds started on 11 October. Among the major sectors, NBFI decreased by 2.12% followed by Pharma 1.70%, Fuel and Power 1.45% and Engineering by 0.72%.

DSE Broad Index (DSEX) stood at 6,494.25 points after decreasing by 75.26 points or 1.15% from the previous week. Total turnover reached at Tk48329.23m, which was 8.44% lower than the previous week. Market capitalization decreased by 0.80% and stood at Tk4505.63b (\$42.25b) at the weekend against Tk4541.96b. DSE 30 decreased by 53.21 points or 2.27% and closed at 2,308.06 points against 2,361.57 points. Last week's weighted average Market PE was 14.86 which was 14.98 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 50.72.

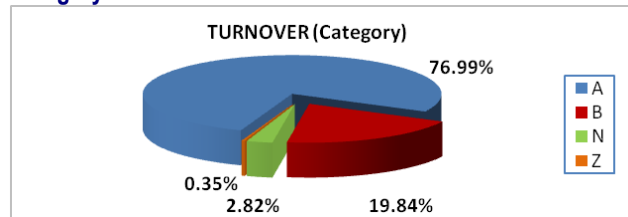
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Orion Pharma	30,556,027	4,237,127,000	8.77
BEXIMCO	27,907,222	3,630,510,000	7.51
Eastern Housing	18,135,231	2,160,875,000	4.47
Sonali Paper	2,146,426	1,630,894,000	3.37
Indo-Bangla Pharma	48,306,245	1,222,877,000	2.53
JMI Hospital Requisite	9,256,202	1,123,795,000	2.33

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	386,996	RENATA	139,694
Walton Hi-Tech	317,378	United Power	135,475
BATBC	280,098	Beximco	114,097
Square Pharma	185,977	LafargeHolcim	83,387
Robi	157,138	Beacon Pharma	78,702

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,650.20	1,688.58	-2.27
Silver (USD/t oz.)	18.20	19.45	-6.43
Brent Crude Oil (USD/bbl.)	91.72	88.65	3.46

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.65	106.65	106.30	106.30	0.33	0.33
EUR	105.77	105.77	107.54	107.54	-1.65	-1.65
GBP	121.54	121.54	123.22	123.22	-1.36	-1.36
AUD	66.43	66.43	69.79	69.79	-4.81	-4.81
JPY	0.72	0.72	0.74	0.74	-2.70	-2.70
CAD	77.22	77.22	78.69	78.69	-1.87	-1.87
SAR	28.54	28.54	28.41	28.41	0.46	0.46

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)
Chartered Life Insurance	25 Sep-29 Sep, 2022	10	150
Global Islami Bank	16 Oct-20 Oct, 2022	10	4250