

IMF agrees to provide US\$4.5b

The multilateral lender International Monetary Fund (IMF) would provide US\$4.5b in loans to support economic policies and help retain macroeconomic stability of Bangladesh. It will be available in seven installments till December 2026. The first installment of US\$447.78m will be disbursed in February 2023. The rest will come in six installments, each amounting US\$659.18m. With floating interest rate in nature, the interest rate of the loan will be 2.2%. The IMF has set a number of conditions that needs to be met, including reducing the non-performing loans in banks, increasing revenue collection, adjusting fuel oil prices periodically based on the international market price, containing inflation and modernizing the monetary policy framework. The IMF suggested increasing the Tax to Gross Domestic Product (GDP) ratio to 9% while the ratio was 7.6% in FY22. The IMF has also suggested bringing changes to calculation of inflation and GDP and also reforms to the banking sector for curbing bad loans that soared to Tk1252.57b at the end of June 2022 from Tk992.05b at the end of June 2021. Under the agreed policies, the Bangladesh Bank (BB) needs to follow the net calculation method instead of the present gross one to determine the foreign exchange reserves. Currently, the gross reserves are calculated by including spending for the Export Development Fund (EDF) and loans to Sri Lanka. If the amount is excluded, the foreign exchange reserves will stand at US\$26b.

Banks get more time to adjust exposure limit

The banks have been allowed to adjust their overexposure in the capital market by 31 December 2023. Earlier on 04 August 2022 the Bangladesh Bank (BB) through issuing a circular stated that banks can calculate their stock market exposure on the cost price basis instead of market value of the securities. The decision came after a longstanding demand from stock market intermediaries, stock exchanges and also the securities regulator. As per that circular, the purchasing price of shares of companies, mutual funds, debentures and corporate bond would be considered while counting the highest exposure limit of the banks. As per the Banking Companies Act 1991, a bank's investment in the capital market is limited to 25% of its capital, which includes paid-up capital, share premium, statutory reserve, and retained earnings. The banks now get one more year to streamline additional investments in the capital market as investments of several banks have been found overexposed.

Trade deficit balloons in Q1

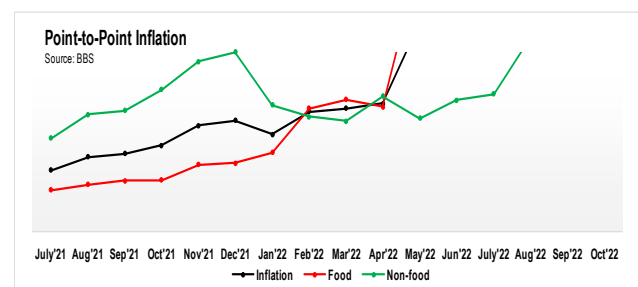
Trade deficit in the first quarter of the current fiscal year widened by US\$770m to US\$7.54b from that of US\$6.77b in the same period of the previous fiscal year due to massive increase in import payments. Although both import and exports grew substantially, the growth in imports were higher than the export earnings that kept the trade deficit high. As per Bangladesh Bank (BB) figures, in the first three months of FY23, import payments rose by 11.72% to US\$19.35b from US\$17.32b in the same period of the past year. On the other hand, exports increased by 5.12% to US\$11.8b from US\$10.54b in Jul-Sep of FY22. Since April, the government has taken a number of initiatives to contain imports but still there is no sign of a slowdown. The deficit in current account hit US\$3.61b from deficit balance of US\$2.54b in the same months in the previous year. As per BB figures, trade deficit rose to US\$33.25b in FY2021-22 from US\$23.78b a year before.

Govt bank borrowing surge while NSC sales drop

Net bank borrowing by the government has surged behind a drastic fall in net sales of national savings certificates. In the first four months of the current fiscal year, the government borrowed Tk183.23b from the banking system, while in FY2021-22 such borrowings was Tk647.55b against Tk260.78b a year ago. For deficit financing, the government targeted to borrow Tk872.87b from the banking system in FY22 against the Tk797.49b revised target for FY21, according to the budget documents. The government has set a target of borrowing Tk1.06-trillion from the banking system in FY2022-23 and planned to borrow Tk350b through savings certificates. According to the latest figures from the National Savings Directorate (NSD), the net sales of National Savings Certificates (NSCs) turned negative in September 2022 after 9 months. The net sales of NSCs turned negative at Tk706.3m in September against positive Tk28.26b in the same month a year ago. In the 9 months before, the net sales had turned negative Tk4.36b in December 2021. The net sales of NSCs were Tk199.16b in the FY2021-22 which was Tk419.59b in FY2020-21.

Inflation eases in October on food prices drop

The point-to-point inflation decreased to 8.91% in October this year from 9.10% in the preceding month. The monthly inflation rate rose to an 11-year high at 9.52% in August 2022. In October last year, the inflation rate was much lower at 5.70%. Food inflation that was at 9.08% in September 2022 dropped to 8.5% in October. Non-food inflation soared 45-basis points to 9.58% in October from 9.13% in September. The government targeted to leash inflation within 5.6% limit in the current FY2022-23. The average inflation rate in the last fiscal year was recorded at 6.15%, same as the previous FY2021, as per Bangladesh Bureau of Statistics (BBS) reports. The Bangladesh Bank (BB) has re-fixed repurchase agreement (repo) rate upwards by 25 basis points to 5.75% on 02 October 2022 in order to control inflation. Experts opine that the adjustment in policy rate hardly has any impact on the market as there is a cap on lending rate at 9%. Higher inflationary pressure may sustain in future following the move by the government to make an upward adjustment to the piped gas prices. Additionally, on 05 August 2022 a price hike of fuel oil by 40%-50% is also going to play the key role in mounting the inflationary pressure. Economists, however, questioned the BBS data as the real scenario of the inflationary pressure is missing in the statistics, since the low and middle-income population grappled with the pinch of abnormal price spiral, especially, of the essential commodity items. Moreover, the BBS data does not reflect the real market situation as the Consumer Price Index (CPI) was prepared on the 2005-06 base year data.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,992.93	3,770.55	5.90
FTSE 100	7,318.04	7,334.84	-0.23
Nikkei 225	28,263.57	27,199.74	3.91
SENSEX	61,795.04	60,950.36	1.39
KSE 100	43,092.95	41,856.31	2.95

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,353.77	6,410.67	-0.89
Total Turnover, Tk	58,223,076,183.00	54,727,023,891.00	6.39
Market Capital, Tk	4,463,347,217,763	4,487,417,355,646	-0.54
No of Issue Gain	34	121	
No of Issue Loss	129	146	
No of Unchanged Issues	223	222	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Chartered Life Ins.	16.00	25.60	60.00	73,000
Genex Infosys	87.40	112.70	28.95	4,653,282,000
Pragati Life Ins.	74.20	95.00	28.03	336,984,000
Apex Foods	214.90	259.20	20.61	173,481,000
Summit Alliance Port	32.70	38.20	16.82	1,049,632,000
Sinobangla Ind.	77.60	90.40	16.49	808,822,000
Bashundhara Paper	106.60	117.90	10.60	2,936,726,000
Navana Pharma	109.60	117.40	7.12	2,376,309,000
Al-Haj Textile Mills	132.20	140.90	6.58	176,558,000
Gemini Sea Food	502.10	529.40	5.44	369,280,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Indo-Bangla Pharma	20.40	17.00	-16.67	268,078,000
Desh General Ins.	43.90	37.50	-14.58	328,766,000
Hakkani Pulp & Paper	68.20	58.40	-14.37	135,912,000
Eastern	228.30	196.40	-13.97	234,588,000
Samorita Hospital	85.50	74.10	-13.33	153,133,000
ADN Telecom	144.10	127.10	-11.80	827,459,000
Aamra technologies	53.30	47.10	-11.63	960,598,000
Lub-ref (Bangladesh)	48.30	43.00	-10.97	1,256,551,000
ISN	67.10	59.90	-10.73	187,347,000
Doreen Power	68.30	61.00	-10.69	11,949,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	449.27	448.38	0.20	830.18	902.16	-7.98
Cement	331.89	329.64	0.69	914.90	908.48	0.71
Ceramic	804.61	815.63	-1.35	323.80	660.60	-50.98
Engineering	6,637.78	6,676.86	-0.59	4,096.91	4,801.51	-14.67
Food & Al.	4,852.06	4,861.77	-0.20	1,699.12	1,665.04	2.05
Fuel & Pow.	3,891.44	3,915.02	-0.60	2,921.63	3,228.82	-9.51
Insurance	2,363.67	2,418.11	-2.25	4,331.49	5,139.81	-15.73
IT	675.42	659.51	2.41	9,938.35	7,000.15	41.97
Jute	1,706.33	1,755.40	-2.80	266.37	225.40	18.18
Misc.	2,568.77	2,613.45	-1.71	5,276.56	8,136.62	-35.15
Mutual Fund	461.02	461.92	-0.20	7.50	12.38	-39.39
NBFI	1,167.78	1,169.62	-0.16	210.67	497.16	-57.63
Paper	19,558.99	18,823.59	3.91	4,536.75	4,110.58	10.37
Pharma	1,714.77	1,737.73	-1.32	9,088.57	8,090.99	12.33
Service	2,075.62	2,064.62	0.53	3,646.27	2,470.52	47.59
Tannery	1,051.09	1,069.59	-1.73	285.68	41.04	596.15
Telecom	3,822.47	3,822.47	0.00	42.75	34.81	22.82
Textile	1,904.29	1,912.62	-0.44	2,462.76	1,721.13	43.09
Travel & Leis.	1,008.37	1,094.20	-7.84	1,867.19	2,717.74	-31.30

Technical Talk

Dhaka stocks dropped in the past week after a gain in the previous week as investors were reluctant to make fresh investments in stocks amid the persistent economic crisis. Out of its five trading sessions, the market lost in three sessions. Among the major sectors, Insurance decreased by 2.25% followed by Pharma 1.32% Fuel and Power 0.60% and Engineering by 0.59%.

DSE Broad Index (DSEX) stood at 6,353.77 points after decreasing by 56.90 points or 0.89% from the previous week. Total turnover reached at Tk58223.08m, which was 6.39% higher than the previous week. Market capitalization decreased by 0.54% and stood at Tk4463.35b (\$41.93b) at the weekend against Tk4487.42b. DSE 30 decreased by 17.02 points or 0.76% and closed at 2,235.97points against 2,252.99 points. Last week's weighted average Market PE was 14.79 which was 14.85 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 45.92.

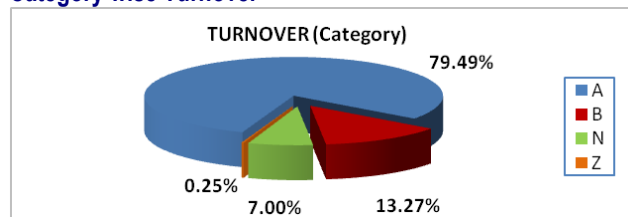
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Genex Infosys	43,033,998	4,653,282,000	7.99
Orion Pharma	28,061,055	3,478,431,000	5.97
Bashundhara Paper	25,063,397	2,936,726,000	5.04
Navana Pharma	20,212,965	2,376,309,000	4.08
Eastern Housing	16,765,937	2,145,219,000	3.68
BEXIMCO	13,527,500	1,565,584,000	2.69

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	101,302
Square Pharma	186,066	LafargeHolcim	77,928
Robi	157,138	MARICO	76,277

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,774.20	1,685.70	5.25
Silver (USD/t oz.)	21.80	20.92	4.21
Brent Crude Oil (USD/bbl.)	95.89	98.64	-2.79

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.44	106.44	106.19	106.19	0.24	0.24
EUR	112.43	112.43	107.92	107.92	4.18	4.18
GBP	128.53	128.53	123.26	123.26	4.28	4.28
AUD	71.71	71.71	69.03	69.03	3.88	3.88
JPY	0.77	0.77	0.73	0.73	5.48	5.48
CAD	80.71	80.71	79.18	79.18	1.93	1.93
SAR	28.46	28.46	28.41	28.41	0.18	0.18

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)
Islami Commercial Insurance	20 Nov-24 Nov, 2022	10	202.61