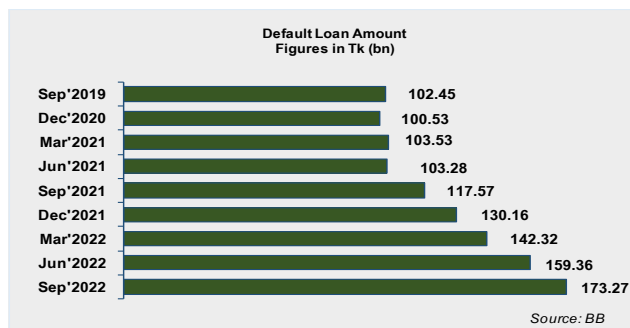


Classified loan in NBFIs up in Q3

Default loans with the Non-Bank Financial Institutions (NBFIs) stood at Tk173.27b at the end of September 2022 which was Tk159.36b in June 2022 and Tk142.32b in March 2022, according to the Bangladesh Bank (BB). 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. Several NBFIs are unfortunately mired in fraud and financial problems. To get out of the fallout, some NBFIs are collecting deposits at high interest rates without following the existing market rate and trends. As a result, the cost of funds of the institutions is increasing unreasonably, which has resulted in disbursement of loans at high interest rates. The central bank imposed interest rate cap on deposits and lending aiming to bring such arbitrary practices to halt. The BB has fixed the interest rate at minimum 7% on deposits and maximum 11% on lending by NBFIs. The instruction came into effect from 01 July 2022. Negligence to scrutinize while giving loans to any company has increased the number of default loans in the whole of the NBFIs sector. However, since the beginning of the current year, the surveillance of NBFIs has also increased. The BB said that the financial institutions would have to classify short-term loans, term loans, lease loans and home loans if any kind of confusion or doubt surface over the recovery of loans even if the repayment of such loans were found regular. Along with keeping provisions at the rate of 20%, 50% and 100% against substandard, doubtful and bad loans respectively, the NBFIs are also asked to maintain general provision against regular loans at variable rates depending on the nature of the loans. Default loans in the banking sector also rose by Tk91.39b as on 30 September 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 NPLs rose to Tk1343.96b at the end of September 2022 from Tk1252.57b at the end of June 2022. On 30 September 2021 NPLs of the banking sector were Tk1011.50b which was Tk1032.74b at the end of December 2021.

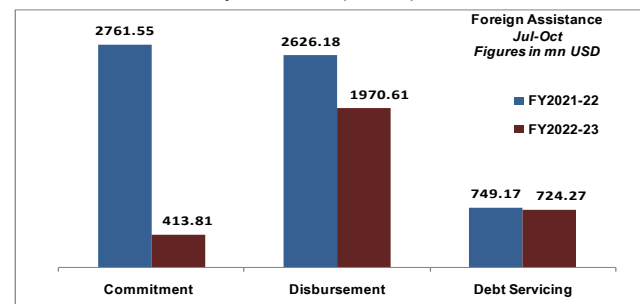


Interest spread squeezes in September

Interest spread in the banking sector declined to 3.03% in September 2022 against 3.04% in the previous month. As per the Bangladesh Bank (BB) report, the weighted average interest rate on lending rose to 7.12% in September 2022 from 7.11% a month earlier. Meanwhile, such rate on deposit products stood at 4.09% from 4.07% in August this year even though the central bank directed the scheduled banks not to set the deposit rate below the prevailing inflation rate. Earlier on 08 August 2021, BB has set a floor on deposit interest rates and instructed the banks not to fix the rate for deposits below the inflation rate published three months before.

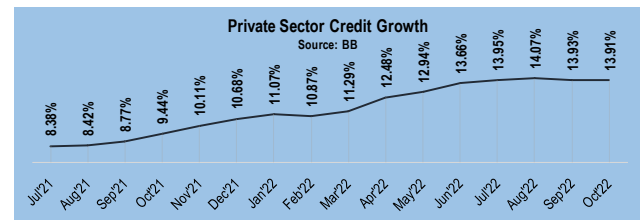
Foreign aid disbursement and commitment drop

In the first four months of the current fiscal year, both foreign aid disbursement and commitments decreased primarily due to the lack of spending capacity of government agencies. As per reports of the Economic Relations Division (ERD), commitments declined by 85% (Y-on-Y) during the period while disbursements were down by 25%. Foreign development partners disbursed US\$1.97b in July-October this year which was US\$2.62b in the corresponding period of the last year. Commitments reduced to US\$413.81m which was US\$2.76b in the same period of last fiscal year. The ERD also revealed that the government repaid US\$724.27m in interest and principal against the total outstanding loans during the July-October period of FY23. The amount was US\$749.17m during the corresponding period of last year. The government has set a target to secure US\$12b in foreign assistance in the current fiscal year. In the last fiscal year foreign assistance went up by 25.63% to US\$10b compared to the FY21, mostly riding on the pandemic related budget assistance released by the development partners.

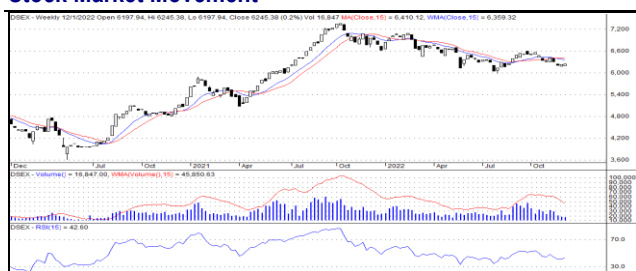


Credit growth further drops in October

Credit disbursement to the private sector dropped for the second consecutive month in October as the banks slowed loan disbursement amid increasing liquidity crunches. Disbursement decreased to 13.91% in October 2022 from 13.93% a month back, as per Bangladesh Bank (BB) reports. September also saw a fall in the credit growth after an upward trend in the previous six straight months. The rate in August was the highest at 14.07% in recent times. Growth slowed slightly to 10.87% in February this year and then continued to increase until August despite several measures from the central bank aimed at curbing import bills. August growth rate surpassed the monetary target set at 14.1% for the FY2022-23. As part of tightening money flow, BB has inched down the private sector credit growth target to 14.01% for FY23 from 14.8% of FY22. However, the rate is still very high considering the low interest rates as inflation has been rising. Currently, most banks are suffering from a liquidity crisis. As per the central bank statistics, liquidity glut in the banking system further fell to Tk1695.86b at the end of October from Tk1741.77b a month earlier. The monthly inflation rate rose to an 11-year high at 9.52% in August 2022. However, the rate fell to 8.91% in October.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,071.70	4,026.12	1.13
FTSE 100	7,556.23	7,486.67	0.93
Nikkei 225	27,777.90	28,283.03	-1.79
SENSEX	62,868.50	62,293.64	0.92
KSE 100	42,150.10	42,936.73	-1.83

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,245.38	6,215.12	0.49
Total Turnover, Tk	20,246,451,506	20,679,582,482	-2.09
Market Capital, Tk	4,412,861,260,305	4,402,051,935,170	0.25
No of Issue Gain	56	23	
No of Issue Loss	40	80	
No of Unchanged Issues	271	275	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Paper Processing	187.10	215.70	15.29	210,818,000
Monno Agro	584.00	670.20	14.76	197,076,000
Aamra networks	47.10	53.90	14.44	843,828,000
Bengal Windsor	24.80	28.10	13.31	46,918,000
Gemini Sea Food	372.70	414.00	11.08	204,755,000
Beacon Pharma	271.50	300.30	10.61	139,543,000
Fine Foods	55.10	60.70	10.16	26,917,000
Apex Foods	259.50	285.30	9.94	223,831,000
Unique Hotel	55.80	61.20	9.68	279,106,000
Sonali Aansh	713.90	780.00	9.26	112,309,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Orion Infusion	662.40	527.50	-20.37	178,794,000
Padma Islami Life Ins.	57.50	51.50	-10.43	412,326,000
Bashundhara Paper	90.10	82.10	-8.88	1,105,833,000
Progressive Life Ins.	85.40	78.20	-8.43	77,048,000
Genex Infosys	97.90	91.20	-6.84	1,292,419,000
Summit Alliance Port	34.00	31.70	-6.76	242,129,000
BD Welding Electrodes	31.80	29.80	-6.29	129,915,000
Hwa Well Textiles	47.50	45.00	-5.26	12,133,000
Republic Insurance	36.40	34.60	-4.95	2,549,000
Prime Islami life Ins.	58.80	56.10	-4.59	17,708,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	453.86	453.32	0.12	362.53	295.04	22.88
Cement	330.28	325.02	1.62	283.12	319.52	-11.39
Ceramic	806.89	803.09	0.47	153.11	82.65	85.25
Engineering	6,533.21	6,526.99	0.10	566.81	516.60	9.72
Food & Al.	4,861.51	4,849.96	0.24	655.25	558.71	17.28
Fuel & Pow.	3,879.93	3,875.88	0.10	722.32	676.31	6.80
Insurance	2,409.84	2,413.25	-0.14	2,730.31	2,799.62	-2.48
IT	594.24	599.80	-0.93	3,657.04	2,491.09	46.80
Jute	1,638.14	1,499.82	9.22	136.27	117.71	15.77
Misc.	2,445.58	2,446.75	-0.05	1,282.01	835.92	53.36
Mutual Fund	460.82	460.75	0.02	11.97	7.20	66.28
NBFI	1,165.93	1,166.00	-0.01	28.75	120.72	-76.18
Paper	15,107.50	15,642.54	-3.42	1,709.99	1,393.81	22.68
Pharma	1,636.12	1,620.26	0.98	2,809.00	2,766.94	1.52
Service	1,745.44	1,790.61	-2.52	765.25	965.92	-20.78
Tannery	1,060.05	1,061.08	-0.10	2.43	38.56	-93.71
Telecom	3,822.47	3,822.47	0.00	173.32	2.98	5,725.78
Textile	1,894.46	1,895.15	-0.04	106.76	105.85	0.87
Travel & Leis.	993.79	955.10	4.05	820.19	630.79	30.03

Technical Talk

Stocks bounced back ended three-week losing streak last week as a section of investors put fresh funds on sector-wise lucrative stocks. Out of its five trading sessions, the four sessions closed higher while one suffered loss. Among the major sectors, Pharma increased by 0.98% followed by Food and Allied 0.24% and Bank by 0.12%.

DSE Broad Index (DSEX) stood at 6,245.38 points after increasing by 30.26 points or 0.49% from the previous week. Total turnover reached at Tk20246.45m, which was 2.09% lower than the previous week. Market capitalization increased by 0.25% and stood at Tk4412.86b (\$41.90b) at the weekend against Tk4402.05b. DSE 30 increased by 26.46 points or 1.21% and closed at 2,216.13 points against 2,189.67 points. Last week's weighted average Market PE was 14.51 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 42.60

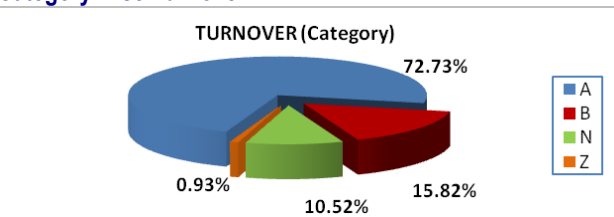
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Genex Infosys	13,758,517	1,292,419,000	6.38
Bashundhara Paper	13,661,134	1,105,833,000	5.46
Aamra networks	16,101,465	843,828,000	4.17
Chartered Life Ins.	11,239,700	801,941,000	3.96
Orion Pharma	7,782,503	670,985,000	3.31
Navana Pharma	7,077,485	648,546,000	3.20

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	386,996	United Power	135,475
Walton Hi-Tech	317,378	RENATA	130,550
BATBC	280,098	BEXIMCO	101,302
Square Pharma	185,977	LafargeHolcim	77,231
Robi	157,138	MARICO	76,277

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,811.40	1,755.00	3.21
Silver (USD/t.oz)	23.36	21.48	8.73
Brent Crude Oil (USD/bbl.)	86.01	83.69	2.77

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	105.31	105.31	105.72	105.72	-0.39	-0.39
EUR	113.24	113.24	112.64	112.64	0.53	0.53
GBP	132.08	132.08	130.53	130.53	1.19	1.19
AUD	71.87	71.87	71.89	71.89	-0.03	-0.03
JPY	0.79	0.79	0.77	0.77	2.60	2.60
CAD	78.58	78.58	79.71	79.71	-1.42	-1.42
SAR	28.17	28.17	28.27	28.27	-0.35	-0.35

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)