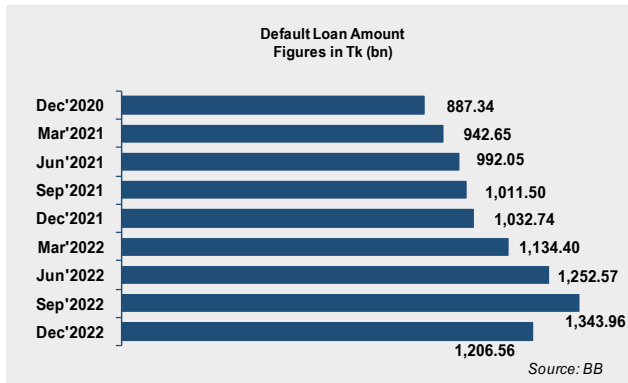


Classified loan up in December

Default loans in the banking sector rose by Tk173.82 at the end of December 2022, despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. Bangladesh Bank (BB) has once again substantially relaxed the policy for rescheduling defaulted loans citing the old justification of maintaining stability in the financial sector and proper management of classified loans. According to a circular issued on 18 December 2022, loans cannot be classified if 50% of installments are paid by December 2022. As per the previous instructions, borrowers were required to pay 75% of a loan installment to avert being declared classified. A large loan defaulter having a term loan above Tk5b can get repayment period of up to 29 years while agriculture and micro loan defaulters will get up to 10.5 years to repay loans through rescheduling, according to the circular. The BB has also declared a significant relaxation of rules on down payments. The loan repayment rules were relaxed at a time when most banks are suffering from a liquidity crisis. As per the latest BB statistics, liquidity glut in the banking system further dropped to Tk1,457.28b in December 2022 from Tk1,531.77b a month earlier. It is to be noted that despite the undue benefits, the amount of defaulted loans has not decreased. On the contrary, the volume of non-performing loans stood at Tk1206.56b at the end of December 2022, up from Tk1032.74b at the end of December 2021. In December 2022, the total amount of defaulted loans in private commercial banks had reached Tk564.38b. The volume of such loans in state-owned commercial banks increased to Tk564.60b. The amounts in foreign commercial banks and specialized banks soared to Tk30.48b and Tk47.09b respectively in December 2022.



Foreign aid disbursement and commitment drop

In the first seven months of the current fiscal year, both foreign aid disbursement and commitments decreased primarily due to the lack of spending capacity of the government agencies. As per reports from the Economic Relations Division (ERD), foreign development partners, including the World Bank (WB), Asian Development Bank (ADB), Islamic Development Bank (IDB) as well as Japan, disbursed US\$4.25b during the period, which was US\$4.69b in the corresponding period of the last year. Commitments was also reduced to US\$1.76b in July-January this year, which was US\$4.69b in the same period of the last fiscal year. In the last fiscal year foreign assistance went up by 25.63% to US\$10b compared to the FY2020-21, mostly riding on the pandemic related budget assistance released by the development partners.

Treasury bond investment limit relaxed

The Bangladesh Securities and Exchange Commission (BSEC) has reduced the investment limit of market intermediaries including merchant bankers, portfolio managers, asset managers, stock-dealers and mutual funds in the listed Treasury bonds. Earlier, although there was an obligation to invest at least 3% of the portfolios, the capital market regulator has instructed the intermediaries to invest at least 1% of their portfolios in listed Treasury bonds. Apart from reducing the investment limit, BSEC has also extended the time till 30 June 2023. BSEC issued a directive in this regard on 19 February 2023.

Eight banks in provision shortfall

Provisioning shortfall against loans in the banking system swelled in December 2022, even though loan classification has been on a relaxed mode because of the pandemic related deferments. The amount of provision shortfall increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). Meanwhile, eight scheduled banks failed to maintain required provisions against classified loans at the end of December 2022. The combined shortfall of these banks was Tk198.33b as on 31 December 2022. According to the latest statistics of Bangladesh Bank (BB), the provisioning shortfall of the three state-owned commercial banks stood at Tk117.73b, one specialized bank Tk3.36b and four private banks had such deficit of Tk72.72b. National Bank recorded the highest shortfall at Tk66.18b followed by the four state-owned BASIC Bank, Agrani Bank, Rupali Bank and Bangladesh Krishi Bank. As per BB, the scheduled banks must keep 0.25% to 2% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against bad or loss category loans.

Amount in Tk (bn)			
State-owned Banks	Amount	Private Commercial Banks	Amount
BASIC Bank	45.36	National Bank	66.18
Agrani Bank	44.22	Bangladesh Commerce Bank	3.44
Rupali Bank	28.15	Mutual Trust Bank	1.71
Bangladesh Krishi Bank	3.36	Standard Bank	1.39

Source: BB

Revenue falls short by Tk171.70b of target

The National Board of Revenue (NBR) missed the target once again. As per latest figures from the NBR, revenue collection in July-January period of FY2022-23 was Tk1724.05b, registering a growth of 12.36% (Y-o-Y) from Tk1534.39b in the same period of the last fiscal year. However, total tax receipts fell short of target set for the seven-month period by Tk171.70b. Among the three wings of the NBR, income tax wing collected Tk551.6b against the target of Tk560.2b, while collection from the two other wings, VAT (Value Added Tax) and customs wing stood at Tk612.96b against the target of Tk691.34b and Tk559.48b against the target of Tk644.21b. Total revenue earnings have been estimated at Tk4.33-trillion for the current fiscal year. Of this, NBR will collect Tk3.70-trillion and another Tk630b will be collected from other sources. Out of Tk3.70-trillion NBR revenue, the income tax wing will collect Tk1.22-trillion, the customs wing Tk1.11-trillion and VAT wing Tk1.37-trillion. The revenue board will have to collect Tk1975.95b or 46.6% of the revenue target in the remaining months of the ongoing fiscal year.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,090.46	4,136.48	-1.11
FTSE 100	7,882.45	7,901.80	-0.24
Nikkei 225	27,670.98	27,509.46	0.59
SENSEX	60,682.70	60,841.88	-0.26
KSE 100	41,741.78	40,471.16	3.14

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,205.12	6,246.21	-0.66
Total Turnover, Tk	10,925,120,305	21,111,968,839	-48.25
Market Capital, Tk	4,401,995,004,080	4,423,288,546,635	-0.48
No of Issue Gain	15	27	
No of Issue Loss	153	151	
No of Unchanged Issues	182	197	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Al-Haj Textile Mills	132.30	152.30	15.12	423,409,000
BENGALWTL	34.50	39.30	13.91	259,348,000
ADN Telecom	111.00	122.70	10.54	307,276,000
Monno Agro	917.50	1006.20	9.67	232,227,000
Beach Hatchery	35.20	38.00	7.95	292,436,000
Apex Spinning	114.30	123.20	7.79	36,714,000
Fine Foods	61.80	65.70	6.31	204,217,000
Apex Footwear	306.00	325.20	6.27	742,481,000
ICB3RDNRB	6.50	6.90	6.15	1,715,000
Bangladesh Lamps	252.80	267.40	5.78	249,742,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
GLDNJMF	9.90	7.50	-24.24	1,637,000
Intraco Refueling	35.70	32.20	-9.80	314,248,000
Shinepukur Ceramics	52.20	47.30	-9.39	1,035,732,000
Orion Infusion	397.50	360.50	-9.31	645,596,000
eGeneration	49.70	45.30	-8.85	46,681,000
Eastern Housing	103.40	94.70	-8.41	539,182,000
BGIC	67.90	62.30	-8.25	17,723,000
Pragati Insurance	67.30	61.80	-8.17	23,555,000
BD Thai Food	38.50	35.50	-7.79	72,043,000
Genex Infosys	106.20	98.60	-7.16	1,403,104,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	455.12	455.23	-0.02	242.18	254.99	-5.02
Cement	320.24	320.97	-0.23	3.14	8.74	-64.14
Ceramic	805.44	823.34	-2.17	722.07	1,387.86	-47.97
Engineering	6,609.05	6,620.50	-0.17	541.54	934.37	-42.04
Food & Al.	4,889.19	4,903.53	-0.29	964.76	2,537.20	-61.98
Fuel & Pow.	3,863.54	3,867.66	-0.11	241.94	439.55	-44.96
Insurance	2,311.36	2,370.25	-2.48	756.53	1,520.88	-50.26
IT	626.70	663.86	-5.60	1,503.99	2,757.85	-45.47
Jute	1,964.66	2,036.73	-3.54	17.72	178.59	-90.08
Misc.	2,448.34	2,477.22	-1.17	1,057.08	1,665.33	-36.52
Mutual Fund	449.73	450.26	-0.12	8.32	36.51	-77.20
NBFI	1,178.38	1,179.24	-0.07	40.21	73.31	-45.15
Paper	13,791.84	15,103.87	-8.69	450.48	1,648.32	-72.67
Pharma	1,633.90	1,642.00	-0.49	991.67	2,211.49	-55.16
Service	1,763.84	1,809.05	-2.50	319.80	773.16	-58.64
Tannery	1,142.36	1,170.43	-2.40	298.73	755.24	-60.45
Telecom	3,822.47	3,822.47	0.00	11.98	5.77	107.65
Textile	1,832.12	1,842.47	-0.56	284.11	650.10	-56.30
Travel & Leis.	1,306.07	1,292.41	1.06	653.25	1,037.97	-37.06

Technical Talk

Dhaka stocks extended the losing streak for the fourth straight week as the investors followed a cautious stance amid poor participation of investors. The market lost in most of the sessions in the past week. Among the major sectors, IT decreased by 5.60% followed by Insurance 2.48%, Textile by 0.56% and Food by 0.29%.

DSE Broad Index (DSEX) stood at 6205.11 points after decreasing by 41.09 points or 0.66% from the previous week. Total turnover reached at Tk10,925.12m, which was 48.25% lower than the previous week. Market capitalization decreased by 0.48% and stood at Tk4,402.00b (\$41.14b) at the weekend against Tk4,423.29b. DSE 30 decreased by 2.86 points or 0.13% and closed at 2,221.34 points against 2,224.20 points. Last week's weighted average Market PE was 14.32 which was 14.38 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 41.76.

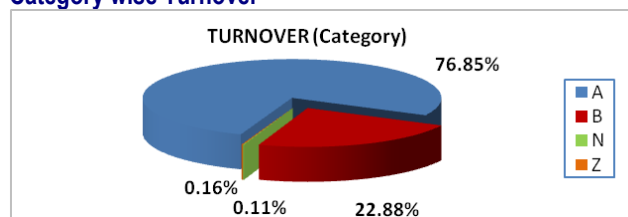
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BSC	10,413,668	1,438,177,000	6.81
Genex Infosys	13,885,019	1,403,104,000	6.65
Shinepukur Ceramics	21,012,645	1,035,732,000	4.91
Olympic Industries	6,343,086	952,660,000	4.51
Sonali Paper	1,286,564	898,270,000	4.25
Sea Pearl Resort	3,006,266	853,163,000	4.04

Top 10 Market Capital

			In million
GP	386,996	RENETA	149,467
Walton Hi-Tech	317,378	United Power	135,475
BATBC	280,098	BEXIMCO	103,571
Square Pharma	185,977	MARICO	76,277
Robi	157,138	LafargeHolcim	75,257

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,876.40	1,877.70	-0.07
Silver (USD/t oz.)	22.01	22.40	-1.74
Brent Crude Oil (USD/bbl.)	86.45	79.76	8.39

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.31	106.31	105.25	105.25	1.01	1.01
EUR	116.36	116.36	115.91	115.91	0.39	0.39
GBP	130.98	130.98	129.44	129.44	1.19	1.19
AUD	74.32	74.32	73.25	73.25	1.46	1.46
JPY	0.82	0.82	0.81	0.81	1.23	1.23
CAD	79.51	79.51	78.96	78.96	0.70	0.70
SAR	28.48	28.48	28.19	28.19	1.03	1.03

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)
Grameen Bank	22 Jan-07 Mar, 2023	10	362
-AIMS First Unit Fund			
Midland Bank	16 Feb-23 Feb, 2023	10	700