

Dismal recovery by SCBs

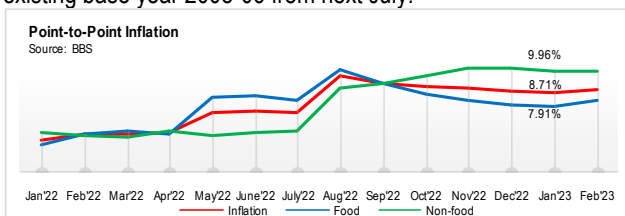
Overall condition of the state-owned commercial banks (SCBs) has been deteriorating overtime. The central bank instructed four SCBs - Sonali, Janata, Agrani and Rupali and two specialized banks - BASIC Bank and Bangladesh Development Bank to speed up their recovery drives from defaulters as their record in recovering delinquent loans has remained quite dismal. The Bangladesh Bank (BB) also asked the banks to take prompt measures to strengthen their capital base since these six banks have been facing a capital shortfall for a long time. Default loans in the banking sector rose by Tk173.82b at the end of December 2022, despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. The volume of Non-Performing Loans (NPLs) 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. At the end of December 2022, NPLs of Agrani Bank stood at Tk148.1b, which is 22.31% of its disbursed loans followed by Janata Bank with Tk143.87b, which is 18.24% of its loans and Sonali Bank Tk120.05b, 15.43% of its disbursed loans.

| NPLs in SCBs Amount in Tk (bn) | | |
|-----------------------------------|--------|---------------------|
| State-owned Banks | Amount | % of Disbursed Loan |
| Agrani Bank | 148.10 | 22.31 |
| Bangladesh Development Bank | 10.24 | 48.29 |
| BASIC Bank | 76.04 | 57.55 |
| Janata Bank | 143.87 | 18.24 |
| Rupali Bank | 66.31 | 16.56 |
| Sonali Bank | 120.05 | 15.43 |

Source: BB

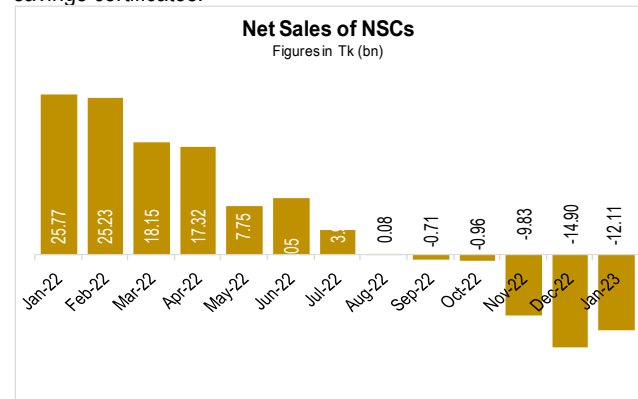
Inflation shoots up in February

Point-to-Point (P-to-P) inflation grew by 21-basis points in February 2023 mainly against surge in food prices. As per the recent release from the Bangladesh Bureau of Statistics (BBS), the point-to-point inflation stood at 8.78% in February this year, up from 8.57% in the preceding month. In February of 2022, the rate was recorded at 6.17%. Monthly inflation rate rose to a decade high of 9.52% in August 2022, as per records. Prices of almost all essential food items continued to maintain an upward trend taking the inflation high. Food inflation was 8.13% in February against 7.76% in January. The BBS data, however, show that the non-food inflation was 9.82% in February compared with 9.84% in January. In February, the rural inflation increased to 8.80% from 8.67% in the preceding month. Urban inflation also rose to 8.75% in February from 8.39% in January 2023. Considering the present financial situation and the International Monetary Fund (IMF) suggestions, BBS will calculate inflation using the base year 2021-22 instead of the existing base year 2005-06 from next July.



Net sale of NSCs negative

As per the latest figures from the National Savings Directorate (NSD), the net sales of National Savings Certificates (NSCs) remained negative for the fifth consecutive month in January 2023 due to various discouraging conditions including reduction of interest rate on the certificates, the imposition of maximum investment limit and some major policy shifts in budgetary and taxation measures. The net sales of NSCs turned negative at Tk12.11b in January after it was Tk706.3m negative in September 2022. Earlier in December 2021, the net sales of NSCs were negative at Tk4.35b. The net sales of NSCs were Tk199.16b in FY2021-22 which was Tk419.59b in FY2020-21. The government lowered the interest rates on all types of savings certificates in September 2021. These new rates are applicable for both individuals and institutional investors. To contain the surging sales of NSCs, the government barred individuals from purchasing the certificates totaling over Tk0.2m without having e-TIN. The Bangladesh Bank has made it mandatory to show proof of the income tax returns for investment in savings certificates worth more than Tk0.5m. Alongside, the central bank reduced commission for the banks against the sales of NSCs. Meanwhile, net bank borrowing by the government has surged behind a drastic fall in the net sales of national savings certificates. In FY2021-22 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 also planned to borrow Tk350b through savings certificates.



Government debt rises

The amount of government debt availed from internal and external sources have increased significantly. According to the Bangladesh Bank (BB) reports, total debt liabilities stood at Tk13.60-trillion as of December 2022. Of the total public debts, domestic borrowing was Tk8.64-trillion and external Tk4.96-trillion. Simultaneously, external debt repayment has increased gradually in recent times, aided by an inflow of foreign loans from multilateral and bilateral partners in the forms of project aid and budget support. According to the Economic Relations Division (ERD) reports, Bangladesh repaid US\$2.02b to external lenders in FY2021-22. Of the amount, US\$1.53b was principal and US\$492m interest. ERD figures show Bangladesh had paid US\$1.12b for external debt servicing in FY2016-17 and it took five years to double the repayment to US\$2.02b in FY2021-22. At the end of 2022, total debt to Gross Domestic Product (GDP) ratio of Bangladesh stood at 30.56%.

Stock Market Movement



Global Markets

| | This Week | Last Week | +/- % |
|------------|-----------|-----------|-------|
| S&P 500 | 3,916.64 | 3,861.59 | 1.43 |
| FTSE 100 | 7,335.40 | 7,748.35 | -5.33 |
| Nikkei 225 | 27,333.79 | 28,143.97 | -2.88 |
| SENSEX | 57,989.90 | 59,135.13 | -1.94 |
| KSE 100 | 41,329.95 | 41,793.87 | -1.11 |

DSE Indicators

| | This Week | Last Week | +/- % |
|------------------------|-------------------|-------------------|-------|
| DSE Broad Index | 6,220.24 | 6,260.18 | -0.64 |
| Total Turnover, Tk | 25,401,027,940 | 25,849,790,985 | -1.74 |
| Market Capital, Tk | 4,413,838,096,526 | 4,431,609,054,414 | -0.40 |
| No of Issue Gain | 15 | 135 | |
| No of Issue Loss | 141 | 23 | |
| No of Unchanged Issues | 222 | 225 | |

Top Gainers

| Company | Weighted avg. Closing Price (Tk) | | | Turnover (Tk) |
|----------------------|----------------------------------|-----------|----------|---------------|
| | Last Week | This Week | Change % | |
| Al-Haj Textile Mills | 173.70 | 194.30 | 11.86 | 417,798,000 |
| City General Ins. | 31.80 | 34.70 | 9.12 | 182,571,000 |
| Union Capital | 7.50 | 8.10 | 8.00 | 33,693,000 |
| Olympic Industries | 147.80 | 158.20 | 7.04 | 940,907,000 |
| Oimex Electrode | 16.60 | 17.70 | 6.63 | 75,395,000 |
| UNILEVERCL | 2849.00 | 2987.60 | 4.86 | 202,439,000 |
| Rangpur Dairy | 39.40 | 40.90 | 3.81 | 390,652,000 |
| National Feed Mill | 13.80 | 14.10 | 2.17 | 36,061,000 |
| AIBL MudarabaBond | 4900.00 | 4999.00 | 2.02 | 100,000 |
| Fine Foods | 65.30 | 66.10 | 1.23 | 213,588,000 |

Top Losers

| Company | Weighted avg. Closing Price (Tk) | | | Turnover (Tk) |
|------------------------|----------------------------------|-----------|----------|---------------|
| | Last Week | This Week | Change % | |
| BGIC | 64.50 | 54.20 | -15.97 | 10,074,000 |
| Metro Spinning | 38.90 | 33.70 | -13.37 | 130,398,000 |
| Legacy Footwear | 49.90 | 43.50 | -12.83 | 11,364,000 |
| Sena Kalyan Insurance | 55.10 | 48.50 | -11.98 | 87,864,000 |
| Apex Foods | 264.50 | 235.40 | -11.00 | 70,493,000 |
| Intech | 23.30 | 20.80 | -10.73 | 8,327,000 |
| Pragati Life Insurance | 121.80 | 109.80 | -9.85 | 108,913,000 |
| Orion Infusion | 322.90 | 291.10 | -9.85 | 292,142,000 |
| Dominage Steel | 17.90 | 16.20 | -9.50 | 314,959,000 |
| Islami Commercial Ins. | 32.30 | 29.30 | -9.29 | 73,456,000 |

Sectoral Index & Turnover

| Sector | Sectoral Index | | | Turnover (Tk.M) | | |
|----------------|----------------|-----------|----------|-----------------|-----------|----------|
| | This Week | Last Week | Change % | This Week | Last Week | Change % |
| Bank | 455.21 | 455.62 | -0.09 | 249.94 | 278.06 | -10.11 |
| Cement | 320.24 | 321.38 | -0.36 | 22.55 | 459.11 | -95.09 |
| Ceramic | 802.03 | 813.63 | -1.43 | 649.07 | 1,064.69 | -39.04 |
| Engineering | 6,604.57 | 6,611.53 | -0.11 | 1,112.43 | 1,269.34 | -12.36 |
| Food & Al. | 4,948.60 | 4,908.05 | 0.83 | 2,216.24 | 2,115.20 | 4.78 |
| Fuel & Pow. | 3,873.54 | 3,881.93 | -0.22 | 391.63 | 877.80 | -55.39 |
| Insurance | 2,354.48 | 2,435.73 | -3.34 | 4,938.43 | 3,799.10 | 29.99 |
| IT | 697.08 | 723.24 | -3.62 | 4,320.81 | 4,255.38 | 1.54 |
| Jute | 1,830.10 | 1,942.36 | -5.78 | 75.47 | 126.35 | -40.27 |
| Misc. | 2,443.25 | 2,468.82 | -1.04 | 915.72 | 1,766.86 | -48.17 |
| Mutual Fund | 448.05 | 449.48 | -0.32 | 14.73 | 37.28 | -60.49 |
| NBFI | 1,172.41 | 1,173.38 | -0.08 | 82.02 | 99.32 | -17.42 |
| Paper | 14,372.90 | 14,936.56 | -3.77 | 762.12 | 1,203.54 | -36.68 |
| Pharma | 1,619.17 | 1,627.38 | -0.50 | 1,386.41 | 1,848.75 | -25.01 |
| Service | 1,798.22 | 1,874.30 | -4.06 | 823.61 | 1,308.72 | -37.07 |
| Tannery | 1,152.01 | 1,170.45 | -1.58 | 293.51 | 526.07 | -44.21 |
| Telecom | 3,822.47 | 3,822.47 | 0.00 | 7.48 | 9.64 | -22.37 |
| Textile | 1,840.26 | 1,840.10 | 0.01 | 714.22 | 702.19 | 1.71 |
| Travel & Leis. | 1,382.39 | 1,434.27 | -3.62 | 1,418.55 | 1,470.99 | -3.57 |

Technical Talk

Dhaka stocks closed in red trajectory in the last week ended on Thursday as investors liquidated shares to book some profit from the ailing market. Of the five trading days last week, three sessions suffered losses while the two others managed to close in the green. Among the major sectors, IT decreased by 3.62% followed by Insurance 3.34% and Tannery 1.58%.

DSE Broad Index (DSEX) stood at 6,220.24 points after decreasing by 39.94 points or 0.64% from the previous week. Total turnover reached at Tk25401.03m, which was 1.74% lower than the previous week. Market capitalization decreased by 0.40% and stood at Tk4413.84b (\$41.09b) at the weekend against Tk4431.61b. DSE 30 decreased by 8.21 points or 0.37% and closed at 2,218.76 points against 2,226.97 points. Last week's weighted average Market PE was 14.35 which was 14.40 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 43.96.

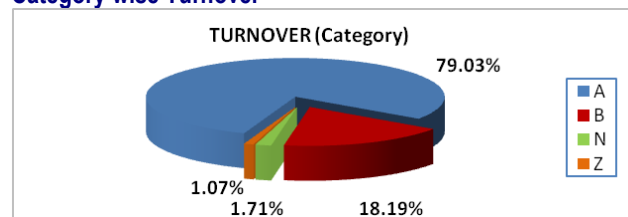
Top Turnover Companies

| Company | Volume | Value (Tk) | % of total |
|-----------------------|------------|---------------|------------|
| Rupali Life Insurance | 13,196,579 | 1,450,830,000 | 5.71 |
| Genex Infosys | 9,431,802 | 1,176,603,000 | 4.63 |
| Sea Pearl Resort | 3,697,376 | 1,140,501,000 | 4.49 |
| Meghna Life Insurance | 11,144,266 | 1,036,883,000 | 4.08 |
| ADN Telecom | 6,140,570 | 978,229,000 | 3.85 |
| Olympic Industries | 6,106,344 | 940,907,000 | 3.70 |

Top 10 Market Capital

| | | | In million |
|----------------|---------|---------------|------------|
| GP | 386,996 | RENETA | 139,689 |
| 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.) | 1,993.70 | 1,872.70 | 6.46 |
| Silver (USD/t oz.) | 22.75 | 20.61 | 10.41 |
| Brent Crude Oil (USD/bbl.) | 72.53 | 82.73 | -12.33 |

Exchange Rate

| | This Week | | Last Week | | Change % | |
|-----|-----------|--------|-----------|--------|----------|-------|
| | TT | BC | TT | BC | TT | BC |
| USD | 107.42 | 107.42 | 107.60 | 107.60 | -0.17 | -0.17 |
| EUR | 116.91 | 116.91 | 116.83 | 116.83 | 0.07 | 0.07 |
| GBP | 133.44 | 133.44 | 132.05 | 132.05 | 1.05 | 1.05 |
| AUD | 72.29 | 72.29 | 71.14 | 71.14 | 1.62 | 1.62 |
| JPY | 0.82 | 0.82 | 0.81 | 0.81 | 1.23 | 1.23 |
| CAD | 78.65 | 78.65 | 78.21 | 78.21 | 0.56 | 0.56 |
| SAR | 28.74 | 28.74 | 28.81 | 28.81 | -0.24 | -0.24 |

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) |
|------------------------|---------------------|-------------|------------|
| Trust Islami Life Ins. | 03 Apr-09 Apr, 2023 | 10 | 160 |