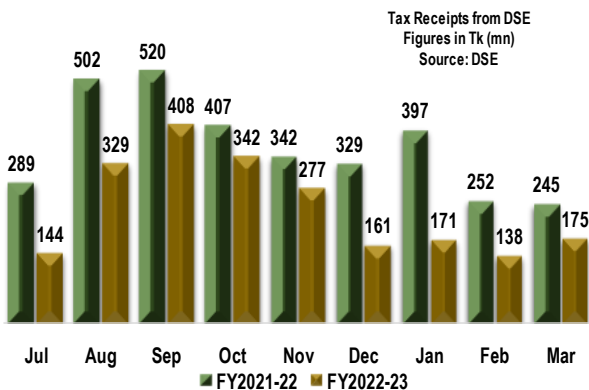


**BSEC relax margin loan rules**

The Bangladesh Securities and Exchange Commission (BSEC) has relaxed margin loan rules for well performing companies to enhance liquidity flow on the market. The capital market regulator issued a Directive in this regard on 18 April 2023. From now on the investors will get credit facility to purchase equity-backed securities with price earnings ratio of 50, higher than the earlier limit of 40, if the company meets two conditions. One condition is the securities must remain in A – category for at least the immediately preceding three consecutive financial years and have a minimum paid-up capital of Tk500m. This cancelled out the previous Directive issued on 15 June 2010, according to which lenders could disburse margin loans for investments in securities having price earnings ratio of 40 or less. The merchant banks and brokers are barred from providing margin loans against Z – category securities. The newly listed companies will remain non-marginable for 30 trading days from the debut trading date, as per the instructions. In case of category change from Z category to categories A or B, stocks will remain non-marginable for the first seven trading days.

**Tax receipt from DSE drops 53.05%**

Tax receipts from the Dhaka Stock Exchange (DSE) dropped by 53.05% in the first nine months of the current fiscal year compared with that in the same period of the previous financial year, owing to a deep decline in turnover and the low volume of sale of shares by the sponsor-directors. According to the figures from DSE, earnings from the bourse stood at Tk2,145m during the period against Tk3,283m in the same period of the previous fiscal year. Of the total earnings, Tk1,493m came from brokerage commission and the rest Tk652m from tax on share sales by sponsor-directors and placement holders. However, month-on month, the tax revenue rose by 26.81% in March to Tk175m from Tk138m, although February saw a drop in earnings by 19.29% from January 2023.



The capital market has been struggling for the past couple of months and turnover in the DSE has dropped to a nadir. Many investors are unable to sell their shares at hand because of floor price constraints. The daily average turnover at DSE plunged by 45% (Y-o-Y) to Tk7.14b during July-March period of the current fiscal year. The DSE statistics shows that, revenue earnings in FY2020-21 from the DSE hit a 10-year high of Tk2.66b. The prime bourse paid tax worth Tk4.47b in FY2010-11, the highest in its history, when the market witnessed a wild trend before crashing eventually.

**IMF alerts on ballooning default loans**

The International Monetary Fund (IMF) reiterated that the bulging defaulted loans made the financial sector of Bangladesh vulnerable, reducing which was one of the conditions for the IMF loan package. The multilateral lending agency expressed disappointment over the poor recovery of default loans especially in the state-owned commercial banks as it was below the target set by the banks. As per the observation of the agency, there was a deficiency in the autonomous capacity and supervisory action of the central bank. With a view to ensuring good governance in the financial sector, the agency called for increasing the number of independent directors in banks and forming a Financial Stability Council. The lending agency claims that Non-Performing Loans (NPLs) ratio of state-owned commercial banks (SCBs) is substantially higher than private banks. 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 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 amounts in foreign commercial banks and specialized banks soared to Tk30.48b and Tk47.09b respectively in December 2022. 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, being 15.43% of its disbursed loans.

**Forex reserve drops further**

Forex exchange (forex) reserves, which witnessed a rapid surge during the pandemic, fell to US\$31.18b on 17 April 2023 due to higher import-payment obligations along with a routine payment to the Asian Clearing Union (ACU). Reserves were steadily rising for several years, breaking one record after another. Due to a slowdown in imports and rising remittance and export earnings during the pandemic, reserves crossed the US\$48.04b mark on 24 August 2021, the highest ever in the history of Bangladesh. The reserve has been on the decline since then. In order to stabilize the foreign exchange market, BB sold over US\$11b to the banks in the past nine months of FY23 while in the FY2021-22 it injected US\$7.62b into the financial market. However, under the International Monetary Fund's (IMF) loan condition, the Bangladesh Bank 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. Meanwhile, from next July the central bank will follow the IMF's formula to calculate the net forex reserve.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,169.48	4,133.52	0.87
FTSE 100	7,870.57	7,914.13	-0.55
Nikkei 225	28,856.44	28,593.52	0.92
SENSEX	61,112.44	59,682.12	2.40
KSE 100	41,580.85	41,007.82	1.40

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,274.06	6,228.65	0.73
Total Turnover, Tk	29,987,079,465	14,750,367,952	103.30
Market Capital, Tk	4,455,112,504,429	4,431,359,252,354	0.54
No of Issue Gain	113	78	
No of Issue Loss	33	44	
No of Unchanged Issues	238	250	

### Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Apex Foods	281.50	393.50	39.79	552,544,000
Heidelberg Cement	179.10	247.80	38.36	129,964,000
Sonali Aansh Ind.	453.50	551.20	21.54	457,311,000
Kohinoor Chemicals	430.40	508.50	18.15	252,596,000
BD Monospool Paper	284.70	329.50	15.74	424,570,000
National Feed Mill	16.70	19.30	15.57	246,672,000
Beach Hatchery	37.20	42.50	14.25	301,034,000
IT Consultants	34.40	38.40	11.63	346,062,000
Paper Processing	173.50	193.60	11.59	205,293,000
Premier Cement	46.10	51.40	11.50	175,176,000

### Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Uttara Bank	25.00	22.00	-12.00	77,351,000
Shyampur Sugar Mills	85.90	77.90	-9.31	7,453,000
Legacy Footwear	76.50	70.10	-8.37	220,531,000
National Tea Company	745.40	683.40	-8.32	75,741,000
Samata Leather	64.60	60.20	-6.81	31,716,000
Al-Haj Textile Mills	171.90	160.30	-6.75	103,030,000
Tosrif Industries	25.00	23.70	-5.20	137,552,000
Prime Islami life Ins.	65.00	62.30	-4.15	74,910,000
Zeal Bangla Sugar Mills	125.20	120.60	-3.67	8,806,000
Apex Footwear	382.70	370.10	-3.29	1,064,281,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	461.09	460.99	0.02	505.75	324.83	55.70
Cement	335.84	322.55	4.12	393.80	27.80	1,316.54
Ceramic	804.35	797.22	0.89	664.01	64.59	928.11
Engineering	6,602.94	6,591.30	0.18	986.39	357.18	176.16
Food & Al.	4,918.20	4,875.60	0.87	4,660.93	2,575.64	80.96
Fuel & Pow.	3,888.95	3,880.68	0.21	739.13	287.02	157.52
Insurance	2,349.79	2,339.17	0.45	1,910.91	1,092.04	74.98
IT	708.79	693.93	2.14	3,885.85	2,241.08	73.39
Jute	2,420.03	2,012.22	20.27	471.80	109.45	331.08
Misc.	2,474.60	2,455.90	0.76	1,974.68	863.91	128.58
Mutual Fund	445.85	445.93	-0.02	6.80	5.63	20.83
NBFI	1,170.47	1,170.98	-0.04	76.27	30.05	153.82
Paper	14,715.76	14,167.62	3.87	1,575.58	490.77	221.04
Pharma	1,616.09	1,608.08	0.50	2,126.68	1,290.50	64.80
Service	1,944.75	1,891.12	2.84	1,825.08	780.69	133.78
Tannery	1,213.96	1,225.03	-0.90	1,334.39	847.35	57.48
Telecom	3,822.47	3,822.47	0.00	5.47	0.85	545.28
Textile	1,853.10	1,848.96	0.22	871.68	668.05	30.48
Travel & Leis.	1,435.14	1,403.01	2.29	3,284.79	1,595.25	105.91

## Technical Talk

Dhaka stocks gained in the post-Eid week, riding on selective large-cap issues. The recent margin loan relaxation also put some buy pressure on selective stocks. The market posted gains in all the four trading days of the week. Among the major sectors, IT increased by 2.14% followed by Food & Allied 0.87% and Pharma by 0.50%.

DSE Broad Index (DSEX) stood at 6,274.06 points after increasing by 45.41 points or 0.73% from the previous week. Total turnover reached at Tk29987.08m, which was 103.30% higher than the previous week. Market capitalization increased by 0.54% and stood at Tk4455.11b (\$41.34b) at the weekend against Tk4431.36b. DSE 30 increased by 5.72 points or 0.26% and closed at 2,208.57 points against 2,202.85 points. Last week's weighted average Market PE was 14.37 which was 14.28 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 50.16.

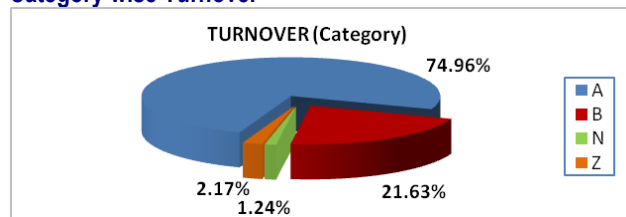
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Unique Hotel	25,212,631	2,086,256,000	6.69
Eastern Housing	12,510,194	1,485,162,000	4.95
Genex Infosys	13,912,780	1,343,512,000	4.48
Sea Pearl Resort	4,014,369	1,195,353,000	3.99
Olympic Industries	6,503,758	1,124,079,000	3.75
Apex Footwear	2,753,502	1,064,281,000	3.55

### Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
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	Berger Paint	81,129
Robi	157,138	MARICO	76,277

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,999.40	1,989.60	0.49
Silver (USD/t.oz)	25.34	24.90	1.75
Brent Crude Oil (USD/bbl)	80.25	80.58	-0.41

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	107.78	107.78	107.61	107.61	0.16	0.16
EUR	121.19	121.19	120.56	120.56	0.52	0.52
GBP	138.26	138.26	136.51	136.51	1.28	1.28
AUD	71.59	71.59	72.26	72.26	-0.93	-0.93
JPY	0.80	0.80	0.81	0.81	-1.23	-1.23
CAD	79.94	79.94	79.80	79.80	0.18	0.18
SAR	28.88	28.88	28.84	28.84	0.14	0.14

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