

DSE attracts higher foreign investment in April

Foreign investments in the Dhaka Stock Exchange (DSE) have maintained a downward trend since last couple of years despite the regulator's efforts to retain existing investors and attract new ones. Foreign investors were in a confidence crisis stemming from Dollar shortage and depreciation of Taka, imposition of floor price and worries about the weakening macroeconomic situation. Foreign investors' turnover hit decade-low at Tk870m in March 2023, the lowest since August 2012 when it stood at Tk680m, DSE figures showed. In last February, the foreign investors transacted shares worth Tk1.92b while their net investment was negative of Tk120m. However, the market witnessed a rise in foreign investments during last April 2023 over the previous month. As per DSE statistics, foreign investors bought more shares than they sold in April this year, which increased their net investment to Tk810m compared to just Tk30m in March.

Shabby performance of SCBs

Overall condition of the State-owned Commercial Banks (SCBs) has been deteriorating over time. 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. Bangladesh Bank (BB) also asked the banks to take prompt measures to strengthen their capital base since these six banks have been facing capital shortfall for a long time. 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 the SCBs 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, Sonali Bank Tk120.05b, 15.43% of its disbursed loans, and Rupali Bank Tk66.31b which is 15.43% of its disbursed loans.

Govt bank borrowing surge

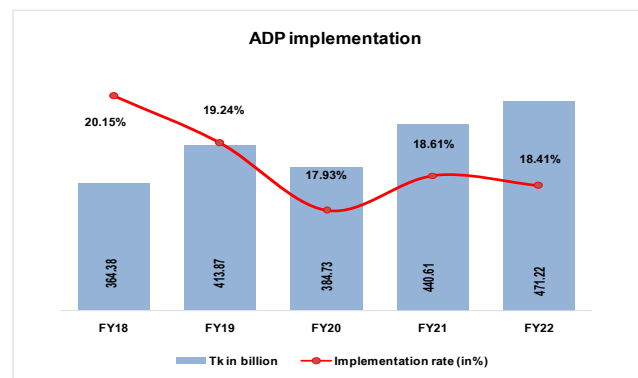
Net bank borrowing by the government has surged behind a drastic fall in net sales of national savings certificates. In the first ten months of the current fiscal year, the government borrowed Tk820.57b from the banking system, as per the latest figures from the Bangladesh Bank (BB). BB data shows that in April the borrowing was Tk296.97b, being the highest amount of borrowing in a single month during FY2022-23. In March, the borrowing was Tk177.70b while in February, it was Tk68.03b. 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. For deficit financing, the government targeted to borrow Tk872.87b from the banking system in FY2021-22 against the Tk797.49b revised target for FY2020-21, according to budget documents. As per the latest figures from the National Savings Directorate (NSD), the net sales of National Savings Certificates (NSCs) turned negative in March due to the imposition of tighter investment rules, reduction of interest rate on the certificates and rising inflationary pressure. The net sales of NSCs turned negative at Tk6.52b in March 2023 which was Tk4.40b negative in February against Tk0.37b positive in January. The net sales of NSCs were Tk199.16b in FY2021-22 which was much higher at Tk419.59b in FY2020-21.

GDP growth target revised down

The government has revised down the economic growth projection for the current fiscal year to 6.3% from the previous estimate of 7.2%. Experts, however, say that 6.3% GDP growth is still an ambitious target as the country is facing the blow of global phenomena of Russia-Ukraine war while trying to recover from the prolonged pandemic shocks. Earlier in April 2023, the World Bank (WB) revised down its economic growth projection for the FY2022-23 of Bangladesh to 5.2% from the previous estimate of 6.1%. The Manila-based Asian Development Bank (ADB) in its Asian Development Outlook (ADO) 2023 also revised down GDP growth projection to 5.3% for FY2022-23, which was earlier projected to be 6.6% in the September outlook. However, the International Monetary Fund (IMF) in its World Economic Outlook (WEO) report has kept its projection unchanged at 5.5%. The GDP registered 7.1% growth in the FY2021-22. The investment ratio to GDP in the last fiscal year increased to 32.05% compared to 31.02% in FY2020-21. Out of that, the private investment ratio to GDP increased to 24.52% while the public investment ratio to GDP also enhanced to 7.53% in the last fiscal year. The GDP growth rate was 6.94% in FY2020-21 and 7.88% in FY2018-19, which tumbled to 3.51% in FY2019-20 as the economy then came to a standstill due to Covid-19 crisis. Meanwhile, the Bangladesh Bureau of Statistics (BBS), started calculating GDP by changing the base year to 2015-16 from the previous base year of 2005-06. On the other hand, according to the provisional projection of BBS, the per capita income declined to US\$2,765 in FY2022-23 from US\$2,793 recorded in FY2021-22 owing to the devaluation of the local currency against the US Dollar.

Ambitious ADP but poor implementation

The government has approved a Tk2.63-trillion Annual Development Program (ADP) for the next fiscal year, with the transport and communications sector receiving the highest allocation, followed by energy and power and education sectors. The new ADP is 11.18% higher than the revised ADP of Tk2.36-trillion and 6.91% higher than the original ADP of Tk2.46-trillion for the FY2022-23. A total of 1,220 development projects are included in the ADP and another 89 projects are for the autonomous and semi-autonomous organizations. However, in the first ten months of FY2022-23, all ministries and divisions spent only Tk1190.64b of ADP in the current year. As per records of the Implementation Monitoring and Evaluation Division (IMED), government agencies implemented 92.79% of the ADP in fiscal year 2021-22. The government agencies and ministries spent Tk2.037 trillion of funds from the total ADP outlay of Tk2.19 trillion in FY2021-22.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,191.98	4,124.08	1.65
FTSE 100	7,756.87	7,754.62	0.03
Nikkei 225	30,808.35	29,388.30	4.83
SENSEX	61,729.68	62,027.90	-0.48
KSE 100	41,614.87	41,487.58	0.31

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,290.20	6,272.43	0.28
Total Turnover, Tk	36,796,824,638	39,573,553,591	-7.02
Market Capital, Tk	4,472,210,701,188	4,460,024,938,407	0.27
No of Issue Gain	109	118	
No of Issue Loss	74	47	
No of Unchanged Issues	205	226	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Trust Islami Life Ins.	11.00	17.60	60.00	44,000
Meghna Insurance	29.90	43.00	43.81	242,843,000
Paramount Ins.	38.40	50.90	32.55	131,793,000
Global Insurance	29.30	38.70	32.08	158,650,000
Oimex Electrode	19.50	25.60	31.28	297,952,000
Rupali Life Insurance	95.00	118.90	25.16	1,147,745,000
Islami Insurance	40.70	49.90	22.60	111,711,000
Simtex Industries	18.90	23.00	21.69	530,383,000
Chartered Life Ins.	63.80	76.50	19.91	422,227,000
Continental Ins.	29.70	35.50	19.53	110,677,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
National Tea Company	651.60	273.20	-58.07	21,889,000
Gemini Sea	912.10	732.90	-19.65	1,290,050,000
Heidelberg Cement	304.40	268.70	-11.73	246,777,000
GBB Power	17.80	15.90	-10.67	98,187,000
Midland Bank	15.70	14.10	-10.19	336,434,000
Sonali Aansh Industries	516.70	465.70	-9.87	287,359,000
BD Welding Electrodes	29.00	26.70	-7.93	82,011,000
Hwa Well Textiles	64.40	59.40	-7.76	58,899,000
Apex Spinning	147.70	137.10	-7.18	72,452,000
BRAC Bank	38.50	35.80	-7.01	1,362,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	454.24	459.66	-1.18	855.64	1,011.59	-15.42
Cement	345.82	355.13	-2.62	917.39	2,320.86	-60.47
Ceramic	808.08	800.63	0.93	346.91	245.73	41.18
Engineering	6,652.80	6,634.91	0.27	1,821.91	2,014.22	-9.55
Food & Al.	4,903.17	4,946.69	-0.88	3,880.03	4,804.01	-19.23
Fuel & Pow.	3,914.83	3,906.52	0.21	2,424.99	2,402.46	0.94
Insurance	2,542.22	2,354.04	7.99	7,985.79	2,497.69	219.73
IT	685.24	701.68	-2.34	3,234.44	5,257.20	-38.48
Jute	1,916.55	2,041.08	-6.10	320.50	627.99	-48.96
Misc.	2,505.92	2,502.28	0.15	2,739.94	2,796.37	-2.02
Mutual Fund	445.71	445.29	0.09	21.42	6.55	227.00
NBFI	1,193.21	1,193.27	0.00	37.89	55.83	-32.12
Paper	14,602.24	14,534.67	0.46	1,733.21	1,734.86	-0.10
Pharma	1,625.86	1,628.06	-0.14	1,990.89	3,532.54	-43.64
Service	1,869.07	1,917.79	-2.54	1,043.78	1,781.34	-41.40
Tannery	1,229.69	1,243.75	-1.13	572.42	761.81	-24.86
Telecom	3,822.47	3,822.47	0.00	12.87	5.52	133.32
Textile	1,893.15	1,889.47	0.19	3,040.53	3,165.32	-3.94
Travel & Leis.	1,175.30	1,187.58	-1.03	1,869.17	2,296.52	-18.61

Technical Talk

Dhaka stocks advanced for the second consecutive week riding on selective large-cap issues. Out of its five trading sessions, the market declined only one session. In line with the surge in the key index of DSE, DS30 also ended higher. Among the major sectors, IT increased by 2.34% followed by Bank 1.18% and Food & Allied by 0.88%.

DSE Broad Index (DSEX) stood at 6,290.20 points after increasing by 17.77 points or 0.28% from the previous week. Total turnover reached at Tk36796.82m, which was 7.02% lower than the previous week. Market capitalization increased by 0.27% and stood at Tk4472.21b (\$41.15b) at the weekend against Tk4460.02b. DSE 30 decreased by 0.94 points or 0.04% and closed at 2,195.29 points against 2,194.35 points. Last week's weighted average Market PE was 14.53 which was 14.35 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 52.13.

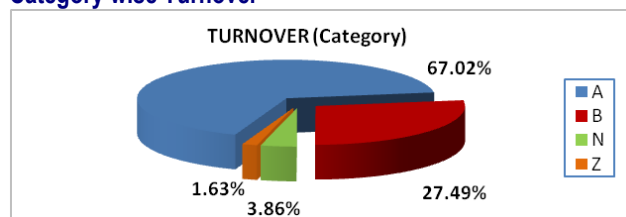
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BSC	13,480,996	1,785,925,000	4.85
Gemini Sea Food	1,671,794	1,290,050,000	3.51
Intraco Refueling Station	31,519,292	1,262,984,000	3.43
Sea Pearl Resort	5,944,855	1,180,483,000	3.21
Rupali Life Insurance	10,626,791	1,147,745,000	3.12
Eastern Housing	7,107,848	789,534,000	2.15

Top 10 Market Capital

Company	Market Capital (In million)
GP	139,689
Walton Hi-Tech	135,475
BATBC	103,571
Square Pharma	83,387
Robi	77,231

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,979.90	2,015.60	-1.77
Silver (USD/t oz.)	24.02	24.13	-0.46
Brent Crude Oil (USD/bbl.)	75.81	74.14	2.25

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	108.67	108.67	108.71	108.71	-0.04	-0.04
EUR	119.78	119.78	120.33	120.33	-0.46	-0.46
GBP	137.98	137.98	138.17	138.17	-0.14	-0.14
AUD	72.65	72.65	72.63	72.63	0.03	0.03
JPY	0.80	0.80	0.81	0.81	-1.23	-1.23
CAD	80.91	80.91	80.64	80.64	0.33	0.33
SAR	29.12	29.12	29.13	29.13	-0.03	-0.03

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)
-	-	-	-