

**16 banks defer provisioning**

The amount of provision shortfall increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). According to Bangladesh Bank (BB) reports, the volume of NPLs rose to Tk1316.21b at the end of March 2023 from Tk1206.56b at the end of December 2022. As per BB, four state-owned and four private banks reported a combined provisioning shortfall of Tk201.59b as of March 2023. Nevertheless, a recent central bank report shows that 16 banks have deferred provision shortfalls worth about Tk500b for a period of up to nine years. These are - Sonali, Rupali, Janata, Agrani, BASIC, National, AB, One, NCC, Dhaka, Bangladesh Commerce, IFIC, Standard, First Security Islami, Southeast and South Bangla Agriculture & Commerce Bank. If the deferred provisioning amount was included, the figure would have been Tk701.59b. The aggregate sum of Tk289.65b of five state-run banks has been deferred for periods ranging from one year to nine years. As per BB requirements, the scheduled banks must keep 0.50% to 5% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against the bad or loss category loans.

Banks Provision Deferral as of March 2023			
Amount in Tk (bn)			
Banks	Provision Deferral	Banks	Provision Deferral
BASIC Bank	47.85	Standard Bank	2.99
Agrani Bank	59.11	AB Bank	62.46
Rupali Bank	60.46	One Bank	10.24
Janata Bank	85.03	NCC Bank	6.85
Sonali Bank	37.20	IFIC Bank	4.20
National Bank	108.69	First Security Islami Bank	1.70
Bangladesh Commerce Bank	4.28	Southeast Bank	1.21
Dhaka Bank	4.98	SABC Bank	0.37

Source:BB

**NBFIs interest spread dips to historic low**

The interest rate spread of Non-Bank Financial Institutions (NBFIs) dropped to a historic low in July 2023 due to an increase in Non-Performing Loans (NPLs) and lack of deposits. The volume of NPLs in the NBFIs rose to Tk178.55b at the end of March 2023 from Tk168.21b at the end of December 2022. From January to July, the interest rate spread of NBFIs has steadily declined. Lower interest spread is eroding profits, expert opine. As per the Bangladesh Bank report, the interest rate spread of the NBFIs was more than 1% in March 2023. But since then, the spread has been below 1% and is steadily decreasing. Central bank data reveal that the NBFIs collected deposits at an average interest rate of 8.02% in July, while the interest rate on loans stood at 8.18%. Consequently, the spread narrowed down to 0.16%. Currently, the maximum interest rate on deposits is 9.10% and the lending rate is 12.10%. As per the central bank report, out of 35 NBFIs, 12 had negative interest spreads in July 2023.

Particulars	Weighted Average Interest Rate		Spread
	Deposits	Advances	
January'23	7.74%	8.88%	1.14%
February'23	7.72%	8.87%	1.15%
March'23	7.78%	8.89%	1.11%
April'23	7.83%	8.27%	0.44%
May'23	7.88%	8.25%	0.37%
Jun'23	7.93%	8.20%	0.27%
July'23	8.02%	8.18%	0.16%

Source: Bangladesh Bank

**US Dollar jumps to Tk117**

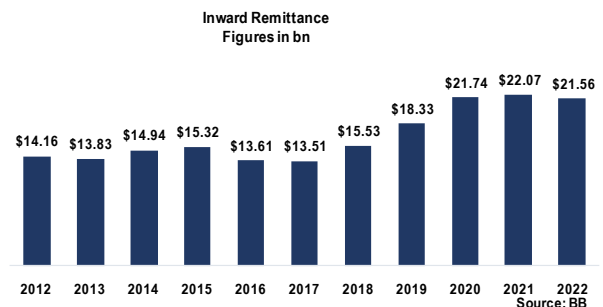
The exchange rate gap in the official and unofficial channels has started to widen after a few months of break as the US Dollar is getting costlier in the informal market. The price of the Dollar reached Tk117.50 on 30 August 2023 in the *kerb* market. It was Tk112.50 on 30 July 2023. The exchange rate gap between official channels and unofficial channels has widened by at least Tk8. The state-owned banks are offering 1 Dollar at Tk109.50. From Sunday the new rate would be increased by 0.50 to Tk110. As per rule, money exchange markets can sell the Dollar with the highest Tk1 spread. Meanwhile, Bangladesh Bank has suspended licenses of seven money changers and served show-cause notices on 10 others over their alleged involvement in trading the US Dollar in the *kerb* market at rates higher than that prescribed. A recent Bangladesh Bank report stated that the local currency lost its value by 13.3% against the US Dollar in 2022. The interbank exchange rate stood at Tk85.80 per US Dollar on 02 January 2022 whereas it was Tk105.40 on 01 December 2023. Despite the Taka depreciation, the central bank sold record US\$13.58b to banks grappling with a severe Dollar crisis in FY2022-23, whereas in FY2021-22 it sold only US\$7.62b from the reserves for the same purposes.

**Debt-to-GDP ratio of Bangladesh rises**

The debt-to-Gross Domestic Product (GDP) ratio of Bangladesh rose by around two percentage points to 32.55% in the third quarter of FY2022-23, as per the latest quarterly debt bulletin of the Ministry of Finance (MoF). On 31 December 2022, it was 30.56%. Though the debt-to-GDP ratio grew in the quarter, the ministry said it was still significantly lower than what the International Monetary Fund (IMF) recommended at less than 55%. The total outstanding debt was Tk14483.33b at the end of March 2023, up from Tk13598.98b as on 31 December 2022. Out of the total debt, 63% was domestic and the remaining 37% is owed abroad. The domestic debt-to-GDP ratio rose to 20.57% from the previous 19.42%. Meanwhile, the external debt-to-GDP ratio went up to 12.01% from 11.14%. As of 31 March 2023, total domestic debt stood at Tk9153.15b. Of which, 54% was for the banking sector and 39% for savings instruments.

**Bangladesh third in South Asia remittance receipt**

Bangladesh was the third recipient of remittances among South Asian countries in 2022. Expatriate remitters sent home total US\$21.56b in 2022, though dropping by 2.31% (Y-on-Y) from US\$22.07b in 2021, according to the Bangladesh Bank (BB). India is the top recipient with US\$111.20b and Pakistan is in the second place with US\$29.90b in remittances. In case of Bangladesh, contribution of remittance to Gross Domestic Product (GDP) is 4.70%.



## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,515.77	4,405.71	2.50
FTSE 100	7,464.54	7,338.58	1.72
Nikkei 225	32,710.62	31,624.28	3.44
SENSEX	65,387.16	64,886.51	0.77
KSE 100	45,324.50	47,683.04	-4.95

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,299.50	6,280.09	0.31
Total Turnover, Tk	22,287.14	21,906.19	1.74
Market Capital, Tk	4,488,184,162,881	4,480,177,678,944	0.18
No of Issue Gain	90	97	
No of Issue Loss	68	60	
No of Unchanged Issues	224	225	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Fu Wang Food	33.10	40.60	22.66	2,257.12
Daffodil Computers	72.00	86.40	20.00	107.55
Intraco Refueling	35.80	41.30	15.36	637.00
Eastern Housing	82.70	95.10	14.99	768.20
KBPPWBIL	24.80	28.30	14.11	624.46
Emerald Oil	156.50	171.80	9.78	681.64
Metro Spinning	35.70	38.90	8.96	227.36
Crystal Insurance	57.20	62.10	8.57	225.59
Sonali Paper	639.70	690.20	7.89	753.60
Apex Tannery	100.10	107.50	7.39	9.43

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Aramit Cement	28.80	26.60	-7.64	123.94
Sandhani Life Ins.	28.20	26.90	-4.61	30.55
Jute Spinners	344.70	329.90	-4.29	4.63
Reliance Insurance	70.60	67.60	-4.25	10.13
Miracle Industries	42.70	40.90	-4.22	476.07
Meghna Pet Industries	37.70	36.40	-3.45	11.16
Aftab Automobiles	26.80	25.90	-3.36	10.69
Prime Islami life Ins.	56.80	54.90	-3.35	17.47
Sinobangla Industries	72.70	70.40	-3.16	144.88
BENGALWTL	25.70	24.90	-3.11	65.60

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	465.39	465.89	-0.11	354.61	470.47	-24.63
Cement	360.10	359.45	0.18	688.83	697.19	-1.20
Ceramic	792.11	792.49	-0.05	72.26	198.91	-63.67
Engineering	6,632.72	6,636.27	-0.05	1,116.26	1,252.44	-10.87
Food & Al.	5,155.49	5,131.50	0.47	4,575.46	4,262.04	7.35
Fuel & Pow.	3,907.48	3,910.71	-0.08	862.45	466.34	84.94
Insurance	2,537.93	2,529.97	0.31	2,889.05	3,558.61	-18.82
IT	664.93	639.79	3.93	1,265.87	1,097.33	15.36
Jute	2,147.14	2,143.65	0.16	138.57	157.41	-11.97
Misc.	2,536.42	2,538.12	-0.07	2,381.54	1,817.54	31.03
Mutual Fund	446.83	446.69	0.03	47.90	43.96	8.95
NBFI	1,194.77	1,194.95	-0.02	31.66	48.53	-34.76
Paper	14,877.49	14,028.25	6.05	1,222.04	1,122.61	8.86
Pharma	1,643.28	1,643.71	-0.03	1,235.93	1,089.84	13.40
Service	1,767.95	1,694.78	4.32	800.94	195.57	309.54
Tannery	1,232.88	1,236.50	-0.29	355.46	430.87	-17.50
Telecom	3,822.47	3,822.47	0.00	3.94	3.15	25.12
Textile	1,895.23	1,889.70	0.29	1,340.90	1,471.35	-8.87
Travel & Leis.	1,024.42	994.78	2.98	802.80	1,132.45	-29.11

## Technical Talk

Dhaka stocks extended the gaining streak for the second consecutive week as some investors went for buying shares. Out of its five trading sessions, four sessions ended higher while one suffered losses. Among the major sectors, IT increased by 3.93% followed by Food & Allied 0.47% and Insurance by 0.31%.

DSE Broad Index (DSEX) stood at 6,299.50 points after increasing by 19.41 points or 0.31% from the previous week. Total turnover reached at Tk22287.14m, which was 1.74% higher than the previous week. Market capitalization increased by 0.18% and stood at Tk4488.18b (\$40.80b) at the weekend against Tk4480.18b. DSE 30 increased by 11.11 points or 0.52% and closed at 2,141.61 points against 2,130.50 points. Last week's weighted average Market PE was 14.39 which was same in 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 49.73.

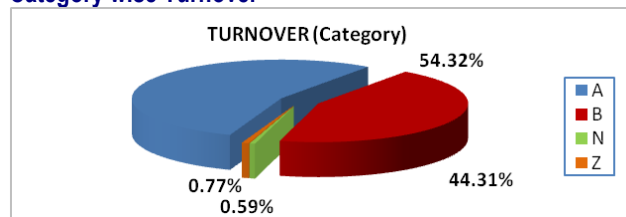
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Fu Wang Food	60,629,045	2,257.12	10.13
Rupali Life Insurance	8,469,996	970.30	4.35
Eastern Housing	8,245,562	768.20	3.45
Sonali Paper	1,075,706	753.60	3.38
Emerald Oil	4,143,708	681.64	3.06
Sea Pearl Resort	3,695,661	660.15	2.96

### 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	187,130	Berger Paint	86,203
ROBI	157,138	LafargeHolcim BD	81,180

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,966.20	1,943.30	1.18
Silver (USD/t.oz)	24.55	24.29	1.07
Brent Crude Oil (USD/bbl.)	88.91	84.14	5.67

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.00	110.00	109.50	109.50	0.46	0.46
EUR	120.92	120.92	120.67	120.67	0.21	0.21
GBP	141.28	141.28	140.51	140.51	0.55	0.55
AUD	71.35	71.35	70.45	70.45	1.28	1.28
JPY	0.76	0.76	0.76	0.76	0.00	0.00
CAD	81.32	81.32	80.91	80.91	0.51	0.51
SAR	29.48	29.48	29.34	29.34	0.48	0.48

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)
-	-	-	-