

Deadline for 30% sponsor/director shareholding

Listed companies have been ordered to comply with the notification on holding of minimum 30% shares of paid-up capital by sponsors and directors. The non-complaint companies must submit a comprehensive plan to the Bangladesh Securities and Exchange Commission (BSEC) by 30 September 2023. The BSEC in its instruction issued for Dhaka and Chittagong Stock Exchanges also ordered to appoint at least two additional independent directors to the companies subject to the approval of the Commission within 15 days. If a company fails to comply with the rules within the deadline, the regulator will act as per securities rules. As of 31 May 2023, 29 listed companies had not complied with the 30% requirement. Earlier in July 2020, the BSEC had directed 44 listed companies to have the stake held by sponsors and directors combined within the next 60 days. As per the directives of the regulatory body, sponsors, promoters, and directors must jointly always hold a minimum of 30% of the paid-up capital of a company.

Inward remittance drops to 6-months low

Inward remittance from overseas to Bangladesh by expatriate workforce declined to US\$1.59b in August 2023 from US\$2.03b in the same month of 2022, according to Bangladesh Bank (BB) reports. Before August the lowest inflow of remittance was US\$1.56b which was recorded in February 2023. The declining inward remittance dragged the foreign exchange reserves down. The reserve fell to around US\$23.06b in August 2023. The inward remittance increased to US\$21.61b in FY2022-23 from US\$21.03b in the previous year. Earlier in FY2020-21 remittance hit a record high of US\$24.78b, up from US\$18.21b in FY2019-20.

Government bank borrowing surge

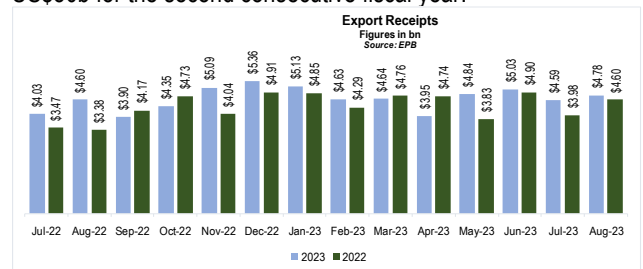
Net bank borrowing by the government has surged behind a drastic fall in net sales of national savings certificates. In the first two months of the current fiscal year, the government borrowed Tk750.24b from the banking system, up from Tk381.12b in the same period of the previous fiscal year, as per the latest figures from the Bangladesh Bank. In FY2022-23, the government borrowed Tk1241.22b from the banking system against Tk686.52b a year ago. Of the total amount, Tk988.26b was borrowed from the central bank and remaining Tk252.96b from the commercial banks. Initially, the target for borrowing from the banking system in FY2022-23 was set at Tk1063.44b, which was later revised upwards to Tk1154.25b. For FY2023-24 the government has set a target of borrowing Tk1.32-trillion from the banking system.

Interest spread at 40-month high

Interest rate spread in the banking sector stood at 3.29% in July 2023, being highest in 40 months, according to Bangladesh Bank (BB). The weighted average interest rate on deposits stood at 4.46% in July 2023, being the highest in 30 months. Earlier the highest rate was 4.51% in January 2021. Meanwhile, the weighted average lending rate stood at 7.75% in July 2023, up from 7.31% a month back. Earlier the highest spread was 4.07% in March 2020, when the interest rate on deposits and lending were 5.51% and 9.58%, respectively. The interest rate spread stood at 2.93% in June, which was 2.91% in the previous month. The spread, however, has been below 3% for the last eight months. The central bank on 15 January 2023 raised the lending rate cap for consumer loans at 12%. BB set a floor on deposit interest rates and instructed the banks not to fix the rate for deposits below the last published three months inflation rate.

Export receipt up by 7.11% in July-August

Export earnings traversed an upward trajectory with 9.19% (Y-on-Y) growth in the first two months of the current fiscal year, as usual riding on the performance of Readymade Garments (RMG). According to a recent release from the Export Promotion Bureau (EPB), exporters earned US\$9.38b in July-August of FY2023-24 against US\$8.59b in the corresponding period of the last fiscal year. Earnings from the RMG sector grew by 12.52% to US\$8b from US\$7.11b in the same period of FY2022-23. Export earnings from knitwear increased by 17.14% to US\$4.58b from US\$3.91b. Earnings from woven garments export grew by 6.90% to US\$3.41b from US\$3.19b in the same period of FY2022-23. Apart from the RMG sector, most of the notable export sectors like leather, jute, home textiles, agricultural products and engineering products saw negative growth in the first two months of FY2023-24. Export earnings hit a new record in FY2022-23 with US\$55.55b recorded against US\$52.08b in the previous fiscal year. The earnings crossed the milestone of US\$50b for the second consecutive fiscal year.



Classified loan in NBFIs up in Q1

The volume of Non-Performing Loans (NPLs) in the Non-Bank Financial Institutions (NBFIs) rose to Tk178.55b at the end of March 2023 from Tk168.21b at the end of December 2022, according to Bangladesh Bank (BB). Currently, there are 35 NBFIs operating in Bangladesh. Most of these institutions have been facing an image crisis due to a wide range of corruption and maladministration. As per the BB report, six NBFIs - People's Leasing & Financial Services, Bangladesh Industrial Finance Company, Fareast Finance & Investment, International Leasing & Financial Services, First Finance and FAS Finance & Investment were in the red zone. However, amidst all the adversities, some NBFIs are still managing to do good business. The NPL ratio in ten NBFIs remains below 10%.

NBFIs with NPL ratio below 10%			
As of March 2023			
NBFIs	NPL ratio	NBFIs	NPL ratio
Alliance Finance	0.20%	IDLC Finance	4.73%
DBH Finance	0.88%	SABINCO	6.30%
Agrani SME	3.10%	National Housing	6.90%
United Finance	4.30%	BD Finance	7.30%
IDLC Finance	4.46%	LankaBangla Finance	8.30%

Source: Bangladesh Bank

Private sector foreign debt falls

Short-term foreign debt in the private sector has continued to fall since January this year. In July 2023 foreign debt in the private sector stood at US\$13.38b, down by 2% from US\$13.65b a month earlier. In January this year the figure was US\$15.58b. In 2021, the private sector availed US\$33.96b as short-term financing from foreign lenders against total repayments of US\$29.15b for that year. In 2022, repayments stood at US\$36.73b against US\$37.26b borrowed.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,457.49	4,515.77	-1.29
FTSE 100	7,478.19	7,464.54	0.18
Nikkei 225	32,606.84	32,710.62	-0.32
SENSEX	66,598.91	65,387.16	1.85
KSE 100	46,077.39	45,324.50	1.66

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,307.08	6,299.50	0.12
Total Turnover, Tk	26,228.07	22,287.14	17.68
Market Capital, Tk	4,492,193,552,869	4,488,184,162,881	0.09
No of Issue Gain	82	90	
No of Issue Loss	78	68	
No of Unchanged Issues	223	224	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Eastern Insurance	48.90	63.20	29.24	352.37
Paramount Ins.	41.60	52.60	26.44	177.50
Asia Pacific Gen. Ins.	56.80	67.90	19.54	496.31
Miracle Industries	40.90	48.70	19.07	500.70
Crystal Insurance	62.10	72.50	16.75	824.29
ISN	46.60	52.30	12.23	60.69
Pioneer Insurance	70.80	79.40	12.15	235.92
Islami Insurance	46.50	51.80	11.40	73.33
Reliance Insurance	67.60	75.20	11.24	88.01
United Insurance	39.20	43.50	10.97	15.42

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
KBPPWBIL	28.30	24.90	-12.01	592.09
Daffodil Computers	86.40	78.50	-9.14	243.19
Sea Pearl Beach Resort	181.90	165.80	-8.85	700.05
Meghna Pet Industries	36.40	33.70	-7.42	9.49
SK Trims & Industries	30.70	29.00	-5.54	199.87
Paper Processing	236.50	223.90	-5.33	91.84
RSRMSTEEL	18.00	17.10	-5.00	5.87
Intraco Refueling Station	41.30	39.30	-4.84	372.70
Northern Jute	212.70	202.80	-4.65	9.40
Khulna Printing	11.10	10.60	-4.50	31.38

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	464.10	465.39	-0.28	243.18	354.61	-31.42
Cement	358.05	360.10	-0.57	455.64	688.83	-33.85
Ceramic	792.11	792.11	0.00	29.71	72.26	-58.88
Engineering	6,630.45	6,632.72	-0.03	1,271.79	1,116.26	13.93
Food & Al.	5,146.35	5,155.49	-0.18	4,291.14	4,575.46	-6.21
Fuel & Pow.	3,904.84	3,907.48	-0.07	615.78	862.45	-28.60
Insurance	2,661.11	2,537.93	4.85	7,070.15	2,889.05	144.72
IT	651.85	664.93	-1.97	1,084.55	1,265.87	-14.32
Jute	2,127.31	2,147.14	-0.92	144.67	138.57	4.41
Misc.	2,557.62	2,536.42	0.84	2,121.06	2,381.54	-10.94
Mutual Fund	446.83	446.83	0.00	32.62	47.90	-31.89
NBFI	1,194.55	1,194.77	-0.02	39.49	31.66	24.74
Paper	14,453.57	14,877.49	-2.85	783.53	1,222.04	-35.88
Pharma	1,641.35	1,643.28	-0.12	1,297.05	1,235.93	4.95
Service	1,790.99	1,767.95	1.30	1,106.06	800.94	38.09
Tannery	1,235.62	1,232.88	0.22	516.69	355.46	45.36
Telecom	3,822.47	3,822.47	0.00	1.68	3.94	-57.41
Textile	1,896.00	1,895.23	0.04	1,288.14	1,340.90	-3.94
Travel & Leis.	1,016.97	1,024.42	-0.73	1,201.01	802.80	49.60

Technical Talk

Dhaka stocks extended the gaining streak for the third consecutive week, riding on selective issues. Investors were mostly active in general insurance. Last week featured four trading days. Of them, two sessions ended higher while two suffered losses. Among the major sectors, Insurance increased by 69.72% followed by NBFIs 24.74%, Engineering 13.93% and Pharma by 4.95%.

DSE Broad Index (DSEX) stood at 6,307.08 points after increasing by 7.58 points or 0.12% from the previous week. Total turnover reached at Tk26228.07m, which was 17.68% higher than the previous week. Market capitalization increased by 0.09% and stood at Tk4492.19b (\$40.84b) at the weekend against Tk4488.18b. DSE 30 decreased by 4.51 points or 0.21% and closed at 2,137.10 points against 2,141.61 points. Last week's weighted average Market PE was 14.40 which was 14.39 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 50.63.

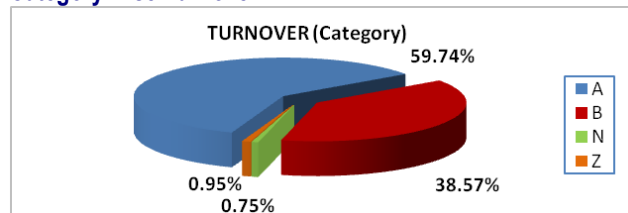
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Fu Wang Food	57,384,816	2,399.74	9.15
Eastern Housing	10,562,686	1,071.27	4.08
Crystal Insurance	11,736,963	824.29	3.14
Sea Pearl Resort	3,939,109	700.05	2.67
Rupali Life Insurance	5,224,091	597.72	2.28
KBPPWBIL	21,309,006	592.09	2.26

Top 10 Market Capital

Company	Value (BDT mn)	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	186,775	Berger Paint 88,457
ROBI	157,138	LafargeHolcim BD 80,599

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/ton)	1,942.60	1,966.20	-1.20
Silver (USD/ton)	23.20	24.55	-5.50
Brent Crude Oil (USD/bbl)	90.43	88.91	1.71

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.00	110.00	110.00	110.00	0.00	0.00
EUR	120.08	120.08	120.92	120.92	-0.69	-0.69
GBP	139.91	139.91	141.28	141.28	-0.97	-0.97
AUD	70.51	70.51	71.35	71.35	-1.18	-1.18
JPY	0.75	0.75	0.76	0.76	-1.32	-1.32
CAD	81.05	81.05	81.32	81.32	-0.33	-0.33
SAR	29.47	29.47	29.48	29.48	-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)
-	-	-	-