

Grameen Bank-AIMS First Unit Fund declare dividend

The Trustee of the Grameen Bank-AIMS First Unit Fund (Micro-Savers Special Purpose Growth Scheme), under management of AIMS of Bangladesh Limited has declared for the first time a 5% cash dividend for the unitholders. As of its inception on 19 March 2023, the declared dividend translates to an annualized return of 9.31% for the primary unitholders. Record date of the Fund was set for 30 September 2023. Net Asset Value (NAV) per Unit at Cost and Market on 30 September 2023 was Tk10.56 and Tk10.64 respectively and Earning per Unit (EPU) was Tk0.56.

Finance Company Act draft approved

The cabinet has approved the final draft of the Finance Company Act 2023, reducing the maximum number of family members to two to serve as directors at any Non-Bank Financial Institutions (NBFIs). The proposed law sets the maximum number of directors at 15, including two independent directors. The existing law does not specify a term limit for NBFIs directors, but the proposed law sets the term restriction at three years. Additionally, there was no limit on the percentage of shares an individual could hold. The new law prohibits individuals or family members from owning more than 15% shares. Those who hold more than 15% shares will get two years to reduce their holdings to the new limit after the new law comes into effect. The proposed law includes a definition of willful defaulters. The list of willful loan defaulters must be sent to Bangladesh Bank (BB) and it can impose ban on overseas travel against them. The regulator can also suspend a willful defaulter's registration with the Bangladesh Securities and Exchange Commission (BSEC) and the Registrar of Joint Stock Companies and Firms (RJSC). As per the BB's stress test report, out of 35 NBFIs, 14 were in the red zone last year. The volume of non-performing loans of this sector rose to Tk199.51b at the end of June 2023 from Tk178.55b at the end of March, which was Tk168.21b in December 2022, according to BB. The central bank has instructed NBFIs to reduce their NPLs and capital shortfall by December this year.

Further deterioration of 15 weak banks

The central bank instructed 15 banks to speed up their recovery drives from defaulters as their record in recovering delinquent loans has remained quite dismal. Out of 15 ailing banks, eight banks have observers - Sonali Bank, Agrani Bank, Rupali Bank, Janata Bank, Bangladesh Krishi Bank, ICB Islamic Bank, Islami Bank Bangladesh and First Security Islami Bank. Meanwhile coordinators have been appointed in seven other banks - National Bank, AB Bank, Padma Bank, One Bank, BASIC Bank, Bangladesh Commerce Bank and Bangladesh Development Bank. However, the financial situation of most of the banks under special supervision has deteriorated in the last one year. At the end of June 2023, the Non-Performing Loans (NPLs) of these banks stood at Tk1089.51b, going up from Tk866.92b at the end of June 2022.

Fifteen Banks NPLs Scenario

Banks	Amount in Tk (bn)				
	Jun-23	Jun-22	Jun-23	Jun-22	
Janata Bank	285.41	172.63	Padma Bank	36.72	39.50
Sonali Bank	123.81	121.25	One Bank	28.31	27.93
Agrani Bank	164.95	105.57	Bangladesh Krishi Bank	31.88	26.25
National Bank	93.91	93.94	First Security Bank	19.86	19.85
AB Bank	59.53	43.45	Bangladesh Commerce Bank	11.58	9.84
BASIC Bank	80.25	82.49	Bangladesh Development Bank	9.71	7.67
Rupali Bank	80.38	64.65	ICB Islamic Bank	6.92	6.80
Islami Bank	56.29	45.10	Total	1089.51	866.92

Source: BB

Nagad and Kori get digital banking license

The Bangladesh Bank (BB) granted digital banking licenses to Nagad Digital Bank PLC and Kori Digital PLC on 22 October 2023. Three other firms - Smart Digital Bank PLC, Northeast Digital Bank PLC and Japan-Bangladesh Digital Bank PLC will be given letter of intent after six months by overseeing the performance of the above-mentioned two digital banks. Besides, the central bank also decided to allow bKash of Brac Bank, DigiAll of Bank Asia and Digi-10 of 10 commercial banks - City Bank, Eastern Bank, Mercantile Bank, Midland Bank, NCC Bank, Mutual Trust Bank, Prime Bank, Pubali Bank, Trust Bank and Dutch-Bangla Bank to open digital banking windows after preparing necessary guideline for the same. Earlier, a total of 52 companies filed applications for licenses to set up digital banks. The operations of the digital banks will be governed by the Bank Company Act. The digital banks require Tk1.25b in paid-up capital each, whereas for conventional bank it is Tk5b. The deadline for applying for the license ended on 17 August 2023 after it was extended by 16 days. Digital banking activity will be conducted through digital channels, such as mobile apps and websites and without any traditional physical branch networks. Nevertheless, the development is coming at a time when the banking sector is plagued with challenges, including record non-performing loans, distressed assets, capital shortfalls and foreign exchange reserves shortages.

Government bank borrowing goes ballooning

In the first two months of the current fiscal year, the government borrowed Tk750.24b from the banking system, substantially up from Tk381.12b in the same period of the previous fiscal year, as per the latest figures from the Bangladesh Bank (BB). 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 the 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. However, increased borrowing from commercial banks could potentially exacerbate the existing liquidity crisis in the banking sector. According to the BB figures, the excess liquidity in the banking sector dropped to Tk1.74-trillion in August 2023 from Tk1.80-trillion a month ago. The decreasing trend in excess liquidity is likely to persist in the upcoming days as the central bank recently raised the policy rate to tackle ongoing inflationary pressure. The central bank has at long last re-fixed repurchase agreement (repo) rate upwards by 75 basis points. The new rate of 7.25% came into effect on 04 October 2023.

Forex reserves at US\$20.89b

The foreign currency reserves of Bangladesh stood at US\$20.89b on 25 October 2023 as per the definition of the International Monetary Fund (IMF). Foreign exchange reserves have kept falling since it surged to a record high of US\$48b in August 2021. Meanwhile, declining inward remittance dragged foreign reserves down. Remittance inflow declined to US\$1.34b in September 2023, down from US\$1.59b in August this year, according to Bangladesh Bank reports. To boost the inflow of the Greenback, banks have been allowed to take remittances by offering an additional Tk2.75 to Tk112.75 per Dollar. As a result, remitters will now receive Tk115.50 per Dollar if they send the money through the banking channel.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,117.37	4,224.16	-2.53
FTSE 100	7,291.28	7,402.14	-1.50
Nikkei 225	30,991.69	31,259.36	-0.86
SENSEX	63,782.80	65,397.62	-2.47
KSE 100	50,958.45	50,674.52	0.56

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,275.83	6,289.01	-0.21
Total Turnover, Tk	18,353.01	25,027.98	-26.67
Market Capital, Tk	4,475,709,927,836	4,483,067,283,211	-0.16
No of Issue Gain	53	97	
No of Issue Loss	102	54	
No of Unchanged Issues	216	228	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
CAPITECGBF	13.30	19.30	45.11	56.39
Ambee Pharma	884.40	1153.60	30.44	160.15
Libra Infusions	1346.10	1690.00	25.55	362.75
Aramit	293.80	347.20	18.18	150.66
Prime Bank	20.30	22.40	10.34	96.52
Eastern Lubricants	2031.60	2241.50	10.33	303.63
BD Monospool Paper	280.70	305.20	8.73	303.50
Miracle Industries	37.90	41.10	8.44	223.71
CAPMIBLMF	10.10	10.80	6.93	20.75
Sena Kalyan Ins.	49.70	53.10	6.84	104.39

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Crystal Insurance	109.40	89.60	-18.10	144.30
Al-Haj Textile Mills	163.40	136.70	-16.34	49.36
Eastern Insurance	75.30	63.90	-15.14	195.92
Republic Insurance	52.90	45.80	-13.42	159.32
KBPPWBIL	35.10	30.50	-13.11	289.37
Paramount Insurance	67.10	59.50	-11.33	99.01
Deshbandhu Polymer	42.00	37.50	-10.71	359.91
Union Insurance	73.70	66.10	-10.31	263.38
Asia Pacific General Ins.	58.90	52.90	-10.19	55.72
National Tea	507.10	458.80	-9.52	36.29

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	465.11	462.71	0.52	193.47	112.53	71.92
Cement	358.10	354.40	1.04	334.09	655.28	-49.02
Ceramic	792.27	792.11	0.02	1.73	3.26	-46.89
Engineering	6,625.23	6,630.57	-0.08	961.96	1,692.96	-43.18
Food & Al.	5,131.80	5,122.15	0.19	2,837.44	3,995.34	-28.98
Fuel & Pow.	3,897.95	3,899.51	-0.04	503.37	488.27	3.09
Insurance	2,607.00	2,690.06	-3.09	4,062.76	4,988.79	-18.56
IT	626.07	623.79	0.37	614.11	882.30	-30.40
Jute	2,568.08	2,640.69	-2.75	602.62	742.70	-18.86
Misc.	2,483.35	2,490.07	-0.27	1,113.79	1,794.22	-37.92
Mutual Fund	482.23	470.13	2.57	86.86	38.31	126.73
NBFI	1,193.56	1,193.56	0.00	2.84	6.98	-59.35
Paper	13,574.97	13,475.68	0.74	893.89	1,490.11	-40.01
Pharma	1,640.14	1,641.25	-0.07	2,059.50	2,222.57	-7.34
Service	1,734.79	1,739.97	-0.30	148.91	264.51	-43.71
Tannery	1,202.57	1,205.24	-0.22	157.92	531.96	-70.31
Telecom	3,822.47	3,822.47	0.00	2.13	1.29	65.50
Textile	1,862.49	1,873.77	-0.60	1,226.56	828.18	48.10
Travel & Leis.	1,023.06	1,100.41	-7.03	787.33	1,379.17	-42.91

Technical Talk

Dhaka stocks closed in red trajectory in the last week ended on Thursday, snapping the two-week gaining streak as investor confidence waned due to increasing political uncertainties ahead of the national election. Out of its four trading sessions, two sessions experienced declines while two saw slight gains. Among the major sectors, Insurance decreased by 3.09% followed by Textile 0.66% and Tannery by 0.22%.

DSE Broad Index (DSEX) stood at 6,275.83 points after decreasing by 13.18 points or 0.21% from the previous week. Total turnover reached at Tk18353.01m, which was 26.67% lower than the previous week. Market capitalization decreased by 0.16% and stood at Tk4475.71b (\$40.50b) at the weekend against Tk4483.07b. DSE 30 decreased by 4.89 points or 0.23% and closed at 2,135.56 points against 2,140.45 points. Last week's weighted average Market PE was 14.32 which was 14.34 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 47.88.

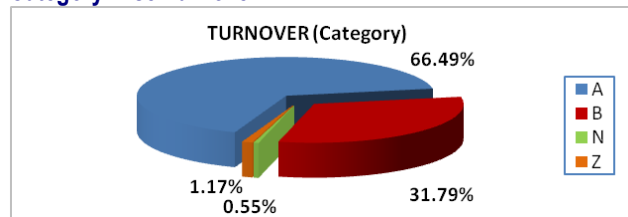
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Emerald Oil	5,491,008	725.85	3.95
Sea Pearl Resort	3,469,724	677.02	3.69
Sonali Aansh	819,953	599.83	3.27
Fu Wang Food	18,050,099	548.15	2.99
Gemini Sea Food	675,374	543.52	2.96
Square Pharma	2,400,411	505.04	2.75

Top 10 Market Capital

Company	Volume	Value (BDT mn)	% 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	186,953	Berger Paint	83,067
ROBI	157,138	LafargeHolcim BD	82,458

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	2,016.30	1,993.10	1.16
Silver (USD/t.oz.)	23.24	23.53	-1.23
Brent Crude Oil (USD/bbl.)	88.84	92.43	-3.88

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.50	110.50	110.50	110.50	0.00	0.00
EUR	121.44	121.44	121.76	121.76	-0.26	-0.26
GBP	137.44	137.44	137.81	137.81	-0.27	-0.27
AUD	70.35	70.35	70.16	70.16	0.27	0.27
JPY	0.75	0.75	0.74	0.74	1.35	1.35
CAD	80.07	80.07	80.97	80.97	-1.11	-1.11
SAR	29.60	29.60	29.62	29.62	-0.07	-0.07

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)
-	-	-	-