

BB raises repo rates again

Bangladesh Bank (BB) has re-fixed repurchase agreement (repo) rate upwards by 50 basis points than the earlier levels with the aim of curbing inflation by tightening the cost of borrowing. The new rate of 7.75% came into effect from 27 November 2023. Interest rate corridor margin also increased to 3.75% from 3.50% and banks are allowed to add the margin with the SMART (Six Months Moving Average Rate of Treasury Bills) rate when extending loans. Thus, the maximum lending rate of banks will be 11.18% because the SMART rate stands at 7.43%. Earlier in 04 October 2023, the central bank, in its monetary policy statement, raised repurchase agreement (repo) rate to 7.25% from 6.50%. However, experts fear the adjustment would hardly have any immediate impact. According to the Bangladesh Bureau of Statistics (BBS), food inflation surged 12.56% in October, the highest in the last 12 years and the overall inflation at 9.93%.

SCBs recovery from top defaulters dismal

Four State-owned Commercial Banks (SCBs) are struggling with challenges for recovering defaulted loans from their top loan defaulters. According to Bangladesh Bank (BB) reports, Sonali Bank, Janata Bank, Agrani Bank and Rupali Bank managed to collect a meager Tk1.19b from their top 20 defaulting borrowers, a mere 5.43% of the ambitious target of collecting Tk21.90b at the end of June 2023. The top 20 defaulters of four SCBs collectively account for a Tk234.21b in bad loans, out of which the top loan defaulters of Janata Bank had Tk87.39b, Agrani Bank Tk68.54b, Sonali Bank Tk42.84b and those of Rupali Bank Tk35.44b as of June 2023. The recovery performance of these banks is poor with Janata Bank achieving Tk160m of its Tk8.70b target, Agrani Bank reaching Tk120m of its Tk6.85b target, Sonali Bank securing Tk260m of its Tk3b target and Rupali Bank recovering Tk650m of its Tk3.35b target. According to BB reports, the volume of Non-Performing Loans (NPLs) rose to Tk1560.39b at the end of June 2023 from Tk1316.21b at the end of March 2023, which was Tk1206.56b at the end of December 2022. The toxic loans kept rising at a time when the banking sector is under pressure to reduce default loans to comply with the International Monetary Fund (IMF) conditions over releasing installments of US\$4.7b loans to support economic policies and help retain macroeconomic stability of Bangladesh.

Revenue collection up by 14.36% in Jul-Oct

Revenue collection by the National Board of Revenue (NBR) went up by 14.36% (Y-on-Y) in July-October of the current fiscal year. However, the aggregate tax revenue collection in the said period fell short of target by Tk123.18b. The NBR collected Tk1,039.76b against Tk909.18b in the corresponding period of last year. Both Value-Added Tax (VAT) and income-tax collection grew by 17% in the period while import-duty collection grew by 9.12%. The VAT wing collected Tk400.48b while income-tax wing Tk312.59b in the July-October period. However, target for the wings were Tk433.64b and Tk360.62b respectively. The revenue-collectors collected Tk326.68b in customs duty against its target of Tk368.68b. Meanwhile, the total revenue earnings have been estimated at Tk5-trillion for FY2023-24. Of this, NBR will collect Tk4.30-trillion and further Tk700b will be collected from other sources. In FY2022-23, NBR collected Tk3.25-trillion in revenue, registering a 7.84% growth against 15.26% in the previous fiscal year.

Limit on spread withdrawn

Bangladesh Bank (BB) withdrew the 4% interest rate spread limit for both bank loans and deposits. The new interest rate formula has helped keep the rates of all types of loans at a logical level and maintain a tolerable deposit rate, the central bank claimed in a notice. Earlier in 2018, the BB directed all to maintain a 4% interest rate spread for loans and deposits. According to the available figures from BB, interest rate spread in the banking sector stood at 3.31% in September 2023 against 3.33% a month earlier. The weighted average interest rate on deposits stood at 4.52% in September 2023, being the highest in 32 months. Earlier the highest rate was 4.51% in January 2021. Meanwhile, the weighted average lending rate stood at 7.83% in September 2023, down from 7.85% a month ago. 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.

Particulars	Weighted Average Interest Rate		
	Deposits	Advances	Spread
May'22	4.02%	7.08%	3.06%
Jun'22	3.97%	7.09%	3.12%
July'22	4.04%	7.09%	3.05%
August'22	4.07%	7.11%	3.04%
September'22	4.09%	7.12%	3.03%
October'22	4.13%	7.15%	3.02%
November'22	4.22%	7.18%	2.96%
December'22	4.23%	7.22%	2.99%
January'23	4.29%	7.24%	2.95%
February'23	4.31%	7.27%	2.96%
March'23	4.35%	7.31%	2.96%
April'23	4.38%	7.29%	2.91%
May'23	4.41%	7.32%	2.91%
Jun'23	4.38%	7.31%	2.93%
July'23	4.46%	7.75%	3.29%
August'23	4.52%	7.85%	3.33%
September'23	4.52%	7.83%	3.31%

Source: Bangladesh Bank

Independent directors require consent from BSEC

All listed companies will be required to seek prior approval from the securities regulator before appointing independent directors to their boards. The Bangladesh Securities and Exchange Commission (BSEC) issued a notification in this regard on 28 November 2023. In accordance with all other applicable rules, the notification stipulates that a minimum of two or one-fifth of the directors on the company boards must be independent. Those listed as defaulters in the latest Credit Information Bureau (CIB) report due to unpaid loans, advances or obligations to a bank or financial institutions will not be qualified to serve as independent directors.

FDI fell by 5.88%

Foreign Direct Investment (FDI) in Bangladesh fell by 5.88% to US\$3.04b in the FY2022-23, according to the reports published by Bangladesh Bank (BB). However, reinvestment of earnings soared by 16% to US\$2.37b (Y-on-Y). On the contrary, equity capital and intra-company loans dropped to US\$796m and US\$29m in FY2022-23 from the US\$1.35b and US\$48m respectively in FY2021-22. Although Bangladesh has created high expectations of growth in FDI as a fast-growing economy, it is lagging other competing countries like Vietnam, in terms of attracting FDI, which received US\$8b-US\$10b as FDI on an average annually.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	4,594.63	4,559.34	0.77
FTSE 100	↑	7,529.35	7,488.20	0.55
Nikkei 225	↓	33,431.51	33,625.53	-0.58
SENSEX	↑	67,481.19	65,970.04	2.29
KSE 100	↑	61,779.73	59,173.34	4.40

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	6,223.03	6,233.71	-0.17
Total Turnover, Tk	↓	19,079.15	20,021.02	-4.70
Market Capital, Tk	↓	4,451,219,853,659	4,453,860,887,534	-0.06
No of Issue Gain		63	43	
No of Issue Loss		62	120	
No of Unchanged Issues		222	215	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
GQ Ball Pen	130.40	173.00	32.67	176.29
Aftab Automobiles	25.50	31.30	22.75	331.84
Standard Ceramic	108.70	131.20	20.70	54.51
Libra Infusions	1223.10	1449.10	18.48	280.29
Samata Leather	60.10	71.10	18.30	59.86
ADN Telecom	96.20	109.50	13.83	119.37
Monno Agro	539.10	604.30	12.09	130.14
Samorita Hospital	88.70	97.70	10.15	198.65
ISN	45.10	49.40	9.53	31.73
Orion Infusion	303.70	329.70	8.56	313.77

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Bd.Thai Aluminium	20.10	15.50	-22.89	371.27
Dacca Dyeing	17.00	13.20	-22.35	160.30
Evince Textiles	12.60	9.80	-22.22	255.91
Pacific Denims	14.80	11.80	-20.27	644.00
Fu-Wang Ceramic	22.20	18.10	-18.47	634.56
Shyampur Sugar Mills	224.70	195.20	-13.13	65.53
Simtex Industries	20.80	18.10	-12.98	41.11
Olympic Accessories	13.20	11.50	-12.88	295.39
WMSHIPYARD	13.10	11.50	-12.21	262.08
Yeakin Polymer	32.90	29.50	-10.33	699.31

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	461.71	462.71	-0.22	110.88	144.42	-23.22
Cement	349.70	349.82	-0.03	273.01	402.92	-32.24
Ceramic	809.95	814.09	-0.51	972.69	1,843.14	-47.23
Engineering	6,640.69	6,652.26	-0.17	3,139.51	2,878.44	9.07
Food & Al.	5,036.52	5,038.74	-0.04	2,363.67	2,241.76	5.44
Fuel & Pow.	3,898.22	3,896.10	0.05	526.07	464.81	13.18
Insurance	2,492.34	2,519.22	-1.07	1,426.89	2,288.81	-37.66
IT	595.57	576.50	3.31	474.67	426.72	11.24
Jute	2,387.12	2,420.26	-1.37	309.68	265.51	16.64
Misc.	2,485.48	2,479.14	0.26	1,016.29	1,086.89	-6.50
Mutual Fund	466.10	467.71	-0.34	86.90	162.31	-46.46
NBFI	1,193.89	1,194.09	-0.02	40.98	41.65	-1.62
Paper	13,784.50	13,450.97	2.48	1,292.27	1,207.56	7.02
Pharma	1,630.40	1,630.46	0.00	1,967.68	1,403.00	40.25
Service	1,729.87	1,715.70	0.83	330.06	233.10	41.60
Tannery	1,176.23	1,184.94	-0.73	239.26	307.22	-22.12
Telecom	3,822.47	3,822.47	0.00	1.98	2.40	-17.31
Textile	1,895.15	1,915.60	-1.07	1,822.61	2,461.90	-25.97
Travel & Leis.	977.07	992.27	-1.53	775.43	716.16	8.28

Technical Talk

Dhaka stocks continued correction for the third straight week as cautious investors continued offloading their holdings, fearing further erosion of their portfolios due to increasing political uncertainties ahead of the national election. Of the five trading sessions, the first three sessions experienced declines while the remaining two managed to recover some losses. Among the major sectors, Textile decreased by 1.07% followed by Insurance 1.06% and Mutual Fund by 0.34%.

DSE Broad Index (DSEX) stood at 6,223.03 points after decreasing by 10.68 points or 0.17% from the previous week. Total turnover reached at Tk19079.15m, which was 4.70% lower than the previous week. Market capitalization decreased by 0.06% and stood at Tk4451.22b (\$40.37b) at the weekend against Tk4453.86b. DSE 30 increased by 1.60 points or 0.08% and closed at 2,108.32 points against 2,106.72 points. Last week's weighted average Market PE was 14.39 which was 14.40 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 40.45.

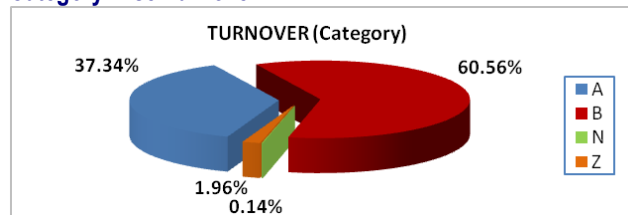
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Khulna Printing	36,232,068	875.30	4.59
Central Pharma	46,419,119	827.40	4.34
Yeakin Polymer	22,834,391	699.31	3.67
Fu Wang Food	22,504,853	667.15	3.50
Sea Pearl Resort	3,635,093	661.98	3.47
Pacific Denims	47,615,798	644.00	3.38

Top 10 Market Capital

Company	Value (BDT mn)	% of total
GP	386,996	139,689
Walton Hi-Tech	317,378	135,475
BATBC	280,098	103,571
Square Pharma	185,977	79,775
ROBI	157,138	79,554

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,091.70	2,003.70	4.39
Silver (USD/t oz.)	25.90	24.38	6.21
Brent Crude Oil (USD/bbl.)	79.10	80.44	-1.67

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.25	110.25	110.50	110.50	-0.23	-0.23
EUR	124.81	124.81	125.76	125.76	-0.76	-0.76
GBP	143.56	143.56	142.79	142.79	0.54	0.54
AUD	73.95	73.95	73.11	73.11	1.15	1.15
JPY	0.76	0.76	0.75	0.75	1.33	1.33
CAD	82.09	82.09	81.45	81.45	0.79	0.79
SAR	29.54	29.54	29.63	29.63	-0.30	-0.30

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)
-	-	-	-