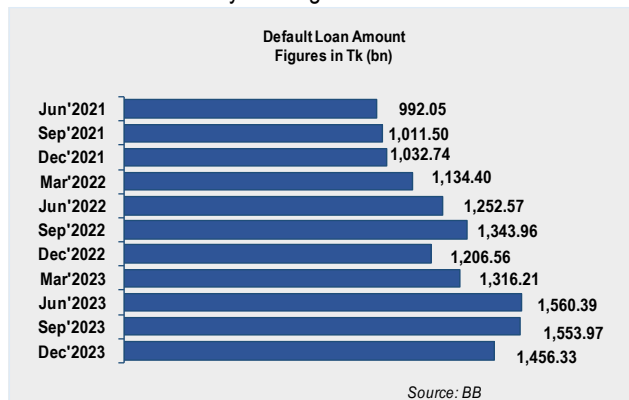


Classified loan up in 2023

Despite different initiatives from the central bank, defaulted loans continue to be on a rising trend. According to Bangladesh Bank (BB) reports, the volume of Non-Performing Loans (NPLs) surged by Tk249.77b at the end of 2023. Overall NPLs rose to Tk1,456.33b at the end of December 2023 from Tk1,206.56b in December 2022. It represents a substantial increase from the Tk1,032.74b in December 2021 and Tk887.34b in December 2020. The NPLs hit a record high of Tk1,560.39b in June 2023 which edged down by a meager Tk6.42b to Tk1,553.97b at the end of September 2023 following two major rescheduling events of about Tk115b by state-owned Janata Bank. The slow loan recovery amid the economic slowdown is the reason for the growing trend of bad loans. The total amount of rescheduled loans increased by Tk73.01b or 63.43% to Tk188.12b at the end of September 2023, up from Tk115.11b in the same period of 2022. In December 2023, the total amount of defaulted loans in private commercial banks rose to Tk709.81b. In state-owned commercial banks it increased to Tk657.81b. The amounts in foreign commercial banks and specialized banks were Tk32b and Tk56.69b respectively, in December. 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.



Current account surplus US\$1.92b in H1

Current account surplus under Balance of Payment (BoP) account stood at US\$1.92b compared to the US\$4.9b deficit recorded in the same period of the earlier fiscal year. Economists attributed the growing trend of the surplus in current account balance to the contraction of trade deficit arising from fall in imports. According to latest Bangladesh Bank (BB) reports, imports dropped by 18.19% (Y-o-Y) to US\$33.68b in the first half of FY2023-24 against US\$41.17b in the matching period of FY2022-23. Export earnings in July-December of FY2023-24 increased by 0.48% to US\$27.56b compared to US\$27.31b in the same period of FY2022-23, according to Export Promotion Bureau (EPB). Consequently, the trade deficit stood at \$4.59b in the first half of FY2023-24 that was \$12.31b a year back. Remittance increased by 2.91% to US\$10.79b in H1 of the current fiscal year. The deficit in the financial account stood at US\$5.39b against a surplus of US\$144m in the same period of FY2022-23. In the last fiscal year, financial accounts experienced a deficit of US\$2.14b.

BB tightens rules on appointing bank directors

The Bangladesh Bank (BB) tightened rules of appointing bank directors to ensure good governance in the sector. The central bank issued two separate circulars on the appointment of shareholder director and independent directors of banks. In the first circular issued on 11 February 2024, BB fixed the minimum age limit for directors at 30. Previously, there was no minimum age limit. The directors must have at least 10 years of management or business or professional experience. Banks will have to appoint a director who is not associated with any company registration or license of which has been revoked. Meanwhile, BB through a circular issued on 14 February 2024 has set the age limit for an independent director to be between 45 and 75 and none of their family members can hold shares in the bank. In addition to having 10 years of management or professional experience, independent bank directors must hold a post-graduation qualification either in economics, banking, finance, business administration, law, or accounting from a recognized university. For digital banks, priority will be given to independent directors with higher education in information technology. According to the circular, the maximum tenure of an independent director will be three years and can be reappointed in accordance with the Bank Company Act. In case of appointing a shareholder or independent director there must be an assurance that person concerned cannot be convicted of any criminal offences or were not involved in any forgery, financial crime or other illegal activities. A person listed as a willful defaulter is ineligible to become a director until five years after being discharged. The notification specifies that a bank can have a maximum of 20 directors with three independent directors. However, if the number of directors is less than 20, the number of independent directors will be only two.

Seven banks in provision shortfall

The amount of provision shortfall in banks increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). Seven scheduled banks failed to maintain required provisions against classified loans as of 31 December 2023. According to the latest figures from Bangladesh Bank (BB), three state-owned and four private banks reported a combined provisioning shortfall of Tk241.87b. The provisioning shortfall of the three state-owned commercial banks stood at Tk118.08b and four private banks had such a deficit of Tk123.80b. In the September quarter last year, the provision shortfall of eight banks amounted to Tk288.47b. National Bank recorded the highest shortfall at Tk116.97b. BASIC Bank suffered the second highest provision shortfall of Tk51.95bb followed by the two other state-owned Agrani Bank and Rupali Bank. 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.

Provisioning Shortfall as of December 2023			
Amount in Tk (bn)			
State-owned Banks	Amount	Private Commercial Banks	Amount
BASIC Bank	51.95	National Bank	116.97
Agrani Bank	43.40	Bangladesh Commerce Bank	3.85
Rupali Bank	22.73	Standard Bank	2.31
		Probashi Kallyan Bank	0.67

Source: BB

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	5,005.57	5,026.61	-0.42
FTSE 100	7,711.71	7,572.58	1.84
Nikkei 225	38,487.24	36,897.42	4.31
SENSEX	72,426.64	71,595.49	1.16
KSE 100	59,800.98	63,042.45	-5.14

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,336.25	6,373.35	-0.58
Total Turnover, Tk	74,403.97	84,752.08	-12.21
Market Capital, Tk	4,311,953,327,629	4,360,868,100,336	-1.12
No of Issue Gain	73	340	
No of Issue Loss	309	38	
No of Unchanged Issues	16	18	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Sikder Insurance	30.90	49.30	59.55	269.76
Taufika Foods	36.80	47.20	28.26	1,094.74
Best Holdings	31.90	40.90	28.21	2,947.45
Monno Fabrics	19.80	23.90	20.71	345.15
KBPPWBIL	197.30	231.60	17.38	566.48
SBAC Bank	10.00	11.70	17.00	241.74
Safko Spinnings Mills	16.60	19.20	15.66	81.01
Aftab Automobiles	54.00	61.90	14.63	1,191.93
EBL First M.F.	5.60	6.40	14.29	9.78
Al-Haj Textile Mills	140.60	160.40	14.08	149.29

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
WMSHIPYARD	16.50	13.90	-15.76	566.40
Ring Shine Textiles	7.60	6.60	-13.16	51.91
Shyampur Sugar Mills	252.60	220.40	-12.75	67.20
Yeakin Polymer	30.50	26.70	-12.46	300.16
Bangladesh Building	19.30	16.90	-12.44	73.45
Olympic Accessories	21.20	18.60	-12.26	863.46
Nurani Dyeing	6.80	6.00	-11.76	8.76
Evince Textiles	18.30	16.20	-11.48	567.72
VAMLRBBF	7.10	6.30	-11.27	10.89
Rupali Bank	41.80	37.10	-11.24	326.74

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	479.92	476.54	0.71	8,983.12	6,369.97	41.02
Cement	371.79	371.86	-0.02	1,171.30	1,157.91	1.16
Ceramic	747.11	775.75	-3.69	2,548.22	2,247.23	13.39
Engineering	5,402.66	5,709.10	-5.37	7,465.72	12,940.45	-42.31
Food & Al.	5,077.73	5,082.10	-0.09	4,904.13	6,088.19	-19.45
Fuel & Pow.	3,299.00	3,369.45	-2.09	2,656.13	2,720.14	-2.35
Insurance	2,535.24	2,611.90	-2.94	4,796.12	9,310.82	-48.49
IT	684.93	677.80	1.05	4,397.59	4,055.01	8.45
Jute	2,275.53	2,406.36	-5.44	343.51	228.23	50.51
Misc.	2,768.66	2,741.75	0.98	3,051.06	3,515.79	-13.22
Mutual Fund	447.89	463.94	-3.46	1,008.56	1,504.08	-32.94
NBFI	955.83	987.74	-3.23	2,572.04	2,557.58	0.57
Paper	13,463.60	14,188.05	-5.11	1,952.98	3,791.93	-48.50
Pharma	1,607.26	1,629.36	-1.36	12,743.66	12,733.82	0.08
Service	1,723.00	1,768.32	-2.56	1,456.73	1,308.87	11.30
Tannery	1,112.81	1,110.61	0.20	2,125.71	1,984.44	7.12
Telecom	3,764.67	3,769.23	-0.12	165.03	174.59	-5.48
Textile	1,676.78	1,748.28	-4.09	6,668.36	9,182.13	-27.38
Travel & Leis.	1,753.72	1,577.27	11.19	3,537.93	991.25	256.92

Technical Talk

Dhaka stocks closed in red trajectory in the last week as investors liquidated shares to book some profit on quick-gaining stocks. Out of its five trading days, the market gained only on the first trading day of the week. Among the major sectors, Engineering decreased by 5.37% followed by Textile 4.09%, Mutual Fund 3.46%, NBFI by 3.23% and Insurance by 2.94%.

DSE Broad Index (DSEX) stood at 6,336.25 points after decreasing by 37.10 points or 0.58% from the previous week. Total turnover reached at Tk74403.97m, which was 12.21% lower than the previous week. Market capitalization decreased by 1.12% and stood at Tk4311.95b (\$39.20b) at the weekend against Tk4360.87b. DSE 30 increased by 18.44 points or 0.88% and closed at 2,157.06 points against 2,138.22 points. Last week's weighted average Market PE was 12.61 which was 12.77 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 53.98.

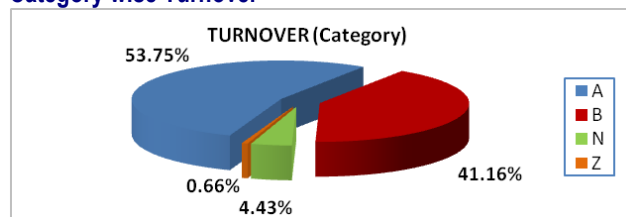
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Best Holdings	68,111,680	2,947.45	3.96
Orion Infusion	4,029,843	2,767.13	3.72
Orion Pharma	26,124,622	2,267.08	3.05
Fortune Shoes	31,183,625	1,967.84	2.64
IFIC Bank	130,584,685	1,848.09	2.48
Fu-Wang Ceramic	66,741,542	1,688.07	2.27

Top 10 Market Capital

Company	Volume	Value (BDT mn)	% of total
GP	386,996	RENETA	112,965
BATBC	280,098	BEXIMCO	103,842
Walton Hi-Tech	235,315	United Power	102,896
Square Pharma	195,019	Berger Paint	88,137
ROBI	157,138	LafargeHolcim BD	85,361

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	2,025.50	2,038.70	-0.65
Silver (USD/t.oz.)	23.48	22.67	3.55
Brent Crude Oil (USD/bbl.)	83.30	81.94	1.66

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	124.49	124.49	124.58	124.58	-0.07	-0.07
GBP	145.55	145.55	145.87	145.87	-0.22	-0.22
AUD	72.22	72.22	72.13	72.13	0.12	0.12
JPY	0.74	0.74	0.74	0.74	0.00	0.00
CAD	81.99	81.99	82.14	82.14	-0.18	-0.18
SAR	29.48	29.48	29.48	29.48	0.00	0.00

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)
-	-	-	-