

### Padma Bank merging with Exim Bank

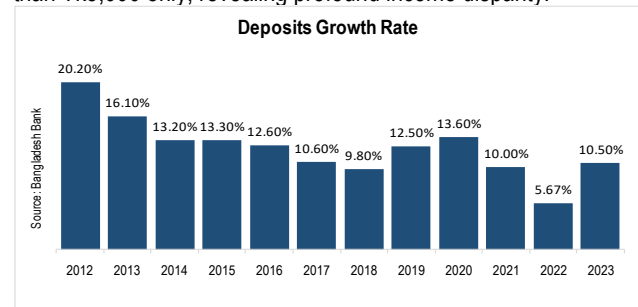
Scam and crisis-stricken unlisted and conventional Padma Bank signed a Memorandum of Understanding (MoU) on 18 March 2024 for merger with the Shariah-based publicly listed Exim Bank. The decision came after Bangladesh Bank (BB) asked banks to prepare for merger either voluntarily or forced. It will be the first voluntary merger of local banks in the country. Padma Bank will cease to exist as a separate entity, with both banks operating under the Exim Bank brand. The board members of Padma will not be on the board of the merged bank but stay on as shareholders. Padma Bank, previously named as Farmers Bank, commenced its operation in 2013 as a fourth-generation bank. The bank faced multiple challenges mainly because of massive loan scams resulting to ballooning Non-Performing Loans (NPLs) within a few years of its existence. When Padma Bank was nearing collapse due to massive lending anomalies, four State-owned Commercial Banks (SCBs) – Sonali, Janata, Agrani, and Rupali and the Investment Corporation of Bangladesh (ICB) came up with a Tk7.15b bailout package. The four SCBs also invested an additional around Tk10b in the bank in other forms like subordinate bonds and fixed deposits. At the end of 2023, Padma Bank's outstanding loans amounted to Tk57.41b, of which Tk35.52b was defaulted and toxic. The bank recorded a capital shortfall of Tk6.08b at the end of September 2023. Exim Bank commenced operation back in 1999 and was listed on the stock exchanges in 2004. According to the BB reports, at the end of December 2023, Exim Bank's NPL was Tk16.29b which is 3.47% of the entire outstanding loans of Tk469.37b. The bank had paid a 10% cash dividend for 2022 and it posted net profit of Tk3.72b that year. The bank is yet to release the December 2023 closing financial statement. Meanwhile, the merger announcement has negatively impacted the share price of Exim Bank. On 18 March 2024 the day merger was announced, its share price decreased by 3% to Tk9.70 compared to Tk10 in the previous day. In December 2023, BB issued a guideline titled as the 'Prompt Corrective Action (PCA) Framework' to give a procedural direction for mergers and acquisitions amidst the deteriorating financial condition of some banks and financial institutions. It is reported that out of 61 banks 40 are performing comparatively well and among the remaining 21, merger might happen for 8-10. The central bank clarified that banks could merge voluntarily until December this year; else BB would decide on the issue. Meanwhile, BB has prepared another draft guideline on mergers, keeping the provision of incentivizing strong banks interested to go for merger with weak banks.

### CSE to introduce first local commodity exchange

The Chittagong Stock Exchange (CSE) will introduce the first - ever Commodity Exchange of Bangladesh. As part of the move, the port-city bourse got the license on 20 March 2024. In September 2021, the Bangladesh Securities and Exchange Commission (BSEC) gave the nod to establish a commodity exchange subject to ensuring consumer rights and all other necessary infrastructure facilities. In 2007, the Bangladesh government took initiative to establish a commodity exchange that did not translate into reality due to complexities over warehouses and the lack of adequate eligible traders. The bourse has signed a contract with the Multi Commodity Exchange of India Limited (MCX) under which MCX will work with the CSE as consultant to identify the right products for the market and provide other technical assistances.

### Deposit in banks rises

The amount of bank deposits stood at Tk1,7491.32b in 15,35,60,937 accounts at end of December 2023 though the economy has long been dealing with multiple crises and sustained inflationary pressure. According to Bangladesh Bank (BB) figures, deposit growth in December 2023 was 10.5%, which in 2022 was only 5.7%, being the slowest in 11 years. It was 10% in 2021 and 13.6% in 2020. Nearly half of the total deposits were term deposits. The top five banks had 32.7% of the total deposits while 46.4% of deposits were concentrated in ten banks. At the same time the number of bank accounts with over Tk10m has continued to grow, with 3,322 added between September - December 2023. The number of such accounts with over Tk10m in deposits stood at 1,16,908 at the end of December last year. Three months earlier, there were 1,13,586 such accounts and 1,09,946 at the end of December 2022. Meanwhile, a staggering 111.6m accounts had deposits of less than Tk5,000 only, revealing profound income disparity.



### Financial account deficit hits US\$7.35b

In the July-January period of the current fiscal year financial account deficit stood at US\$7.35b from an only US\$800m deficit in the same period of the last fiscal year. Sluggish foreign direct investment and reduced net foreign loans & grants with also a decline in foreign portfolio investments contributed to the deficit in the financial account. Trade deficit narrowed to US\$4.6b in the first seven months of FY2023-24 compared with that of US\$13.3b in the same period of FY2022-23, with the help of a rising surplus in the current account balance. The current account posted a surplus of US\$3.15b against a deficit balance of US\$4.65b during the same period a year ago. Export earnings in the first seven months of the current fiscal year increased by 2.5% to US\$31.39b while import payments declined by 18.17% to US\$36.02b, compared to the same period of FY2022-23. In the last fiscal year, financial accounts experienced a deficit of US\$2.14b, while it was a surplus of US\$15.45b in FY2021-22.

### Revenue collection up by 15.09% in Jul-Jan

Revenue collection by the National Board of Revenue (NBR) went up by 15.09% (Y-o-Y) during July-January of the current fiscal year. The NBR collected Tk1,978.39b in the first seven months of FY2023-24, which is roughly 51% of the revised target. The initial target was Tk4,300b, which was later revised down to Tk4,100b. Despite achieving a double-digit growth, all the three wings of the revenue board missed their respective targets. Customs tariff collection stood at Tk575.40b against the target of Tk647.7b. The income-tax wing collected Tk630.75b against target of Tk703.02b and Value-Added Tax (VAT) collection amounted Tk772.24b against target of Tk805.17b. In FY2022-23, NBR collected Tk3.25-trillion in revenue, registering a 7.84% growth against 15.26% in the previous fiscal year.

## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,234.18	5,117.09	2.29
FTSE 100	↑	7,930.92	7,727.42	2.63
Nikkei 225	↑	40,888.43	39,634.94	3.16
SENSEX	↑	72,831.94	72,475.25	0.49
KSE 100	↑	65,178.75	65,061.40	0.18

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,941.66	5,968.04	-0.44
Total Turnover, Tk	↓	19,851.41	27,938.81	-28.95
Market Capital, Tk	↓	3,983,868,918,706	4,014,221,476,482	-0.76
No of Issue Gain		133	69	
No of Issue Loss		229	301	
No of Unchanged Issues		33	31	

### Top Gainers

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Asiatic Laboratories	38.80	45.20	16.49	649.25
Central Pharma	26.00	28.60	10.00	635.52
Shinepukur Ceramic	35.30	38.70	9.63	107.66
Paper Processing	143.50	157.10	9.48	25.17
Peoples Leasing	4.60	5.00	8.70	72.71
Midland Bank	12.80	13.80	7.81	65.82
Sonar Bangla Ins.	36.00	38.70	7.50	5.64
Malek Spinning Mills	33.50	35.90	7.16	363.22
Premier Cement Mill	57.80	61.80	6.92	56.66
New Line Clothings	42.70	45.60	6.79	1.63

### Top Losers

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Stylecraft	69.60	64.60	-7.18	10.71
S. S. Steel	16.20	15.10	-6.79	405.37
Jute Spinners	380.40	356.00	-6.41	3.45
Legacy Footwear	73.50	69.00	-6.12	22.06
United Insurance	13.20	12.40	-6.06	4.65
IBBLPBOND	859.00	807.00	-6.05	2.07
National Life Insurance	122.30	114.90	-6.05	15.87
Associated Oxygen	29.00	27.30	-5.86	96.84
Green Delta M. F.	5.40	5.10	-5.56	4.05
Zeal Bangla Sugar Mills	127.80	121.00	-5.32	1.44

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	463.41	462.95	0.10	1,273.31	1,680.29	-24.22
Cement	364.86	358.25	1.84	714.67	432.43	65.27
Ceramic	693.31	680.71	1.85	858.79	1,702.78	-49.57
Engineering	5,060.13	5,104.03	-0.86	3,111.46	4,862.26	-36.01
Food & Al.	4,337.20	4,451.52	-2.57	1,941.17	3,533.63	-45.07
Fuel & Pow.	3,010.76	3,041.76	-1.02	665.10	775.09	-14.19
Insurance	2,339.36	2,363.01	-1.00	1,197.23	1,824.37	-34.38
IT	607.08	612.18	-0.83	542.09	651.97	-16.85
Jute	2,352.18	2,371.37	-0.81	44.44	66.02	-32.68
Misc.	2,661.30	2,665.00	-0.14	506.20	867.15	-41.62
Mutual Fund	416.01	419.60	-0.86	231.27	412.15	-43.89
NBFI	833.75	845.58	-1.40	337.06	361.20	-6.68
Paper	12,426.65	12,540.56	-0.91	198.96	256.93	-22.56
Pharma	1,489.40	1,498.79	-0.63	3,710.60	3,730.71	-0.54
Service	1,564.25	1,571.29	-0.45	173.46	201.55	-13.93
Tannery	1,029.41	1,031.61	-0.21	347.43	586.47	-40.76
Telecom	3,285.63	3,354.07	-2.04	436.40	342.06	27.58
Textile	1,595.93	1,600.31	-0.27	1,936.09	3,088.54	-37.31
Travel & Leis.	1,706.43	1,658.40	2.90	798.41	765.21	4.34

### Technical Talk

Dhaka stocks continued correction for the six straight weeks as risk-averse investors' maintained sell-off on major sector issues. DSEX, dropped to three year low on 19 March 2024 when it slipped to 5,814.09 points. Of the four trading sessions, first two days suffered big losses while two other sessions saw gains. Among the major sectors, Food & Allied decreased by 2.57% followed by NBFI 1.4%, Fuel & Power 1.02% and Insurance by 1%.

DSE Broad Index (DSEX) stood at 5,941.66 points after decreasing by 26.38 points or 0.44% from the previous week. Total turnover reached at Tk19851.41m, which was 28.95% lower than the previous week. Market capitalization decreased by 0.76% and stood at Tk3983.87b (\$36.22b) at the weekend against Tk4014.22b. DSE 30 decreased by 0.53 points or 0.03% and closed at 2,051.05 points against 2,051.58 points. Last week's weighted average Market PE was 12.15 which was 12.24 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 34.19.

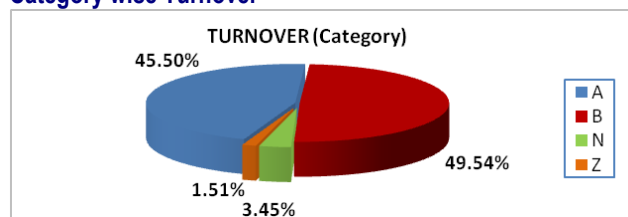
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Golden Son	34,093,942	727.50	3.67
Fu-Wang Ceramic	27,704,608	704.74	3.55
Asiatic Laboratories	15,116,363	649.25	3.27
Best Holdings	17,123,041	645.36	3.26
Central Pharma	22,697,260	635.52	3.20
Lafarge Holcim	7,980,764	583.39	2.95

### Top 10 Market Capital

Company	Market Cap (In million)
GP	103,842
BATBC	96,792
Walton Hi-Tech	86,664
Square Pharma	86,058
ROBI	83,160
BEXIMCO	103,842
RENETA	96,792
United Power	86,664
LafargeHolcim BD	86,058
Berger Paint	83,160

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,166.50	2,150.40	0.75
Silver (USD/t oz.)	24.84	25.21	-1.47
Brent Crude Oil (USD/bbl.)	85.58	85.67	-0.11

### 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	124.84	124.84	125.76	125.76	-0.73	-0.73
GBP	145.59	145.59	147.08	147.08	-1.01	-1.01
AUD	72.03	72.03	72.59	72.59	-0.77	-0.77
JPY	0.73	0.73	0.75	0.75	-2.67	-2.67
CAD	81.25	81.25	81.66	81.66	-0.50	-0.50
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)
-	-	-	-