

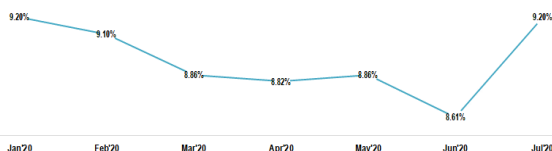
Market Cap regains Tk852.05b since floor-price slap

Dhaka Stock Exchange (DSE) regained Tk852.05b in market capitalization till 03 September 2020 since introduction of floor-price mechanism on 19 March 2020 by the securities regulator to tackle continued free-fall of the market, owing to persisting lack of confidence. Bangladesh Securities & Exchange Commission (BSEC) set the lowest prices for all securities on March 19 last to prevent investors from dumping stocks in frustration and also in the backdrop of growing Coronavirus fears. Earlier on March 18, before regulatory intervention, DSE recorded the lowest market capitalization in 2020 at only Tk2873.83b with the benchmark index, DSEX, falling to its yearly lowest of 3603.95 points. Market capitalization since then recovered Tk824.52b to settle at Tk3698.34b and DSEX rose to 4879.15 points in 68 sessions till 31 August 2020. The adoption of expansionary fiscal and monetary policies by the government and the central bank to stimulate economy along with the regulatory drive against recalcitrant companies induced optimism among investors – that, in turn, prompted appreciation of market capitalization, experts opine. Till last 03 September, market capitalization and DSEX rose to Tk3725.88b and 4927.82 points respectively. Average daily turnover also increased to Tk6.43b in the last two months (July-August) from Tk3.86b in the first six months of 2020.

Private credit growth improves in July

Private sector credit registered 9.20% (Y-o-Y) growth in July 2020, reviving from 8.61% (Y-o-Y) growth in the previous month, indicating an impact of gradual reopening of the economy. However, the growth is still way behind the target of 14.8% set by Bangladesh Bank (BB) for FY2020-21.

PRIVATE SECTOR CREDIT GROWTH
SOURCE: BB



The recent growth in private credit was mostly induced by the disbursement of government declared stimulus packages, it is assumed. Government is set to disburse two major stimulus packages worth Tk500b in total within October this year - which is an extension from the previous deadline of August 31, 2020. According to economists, the recovery of private sector credit growth in July last was too insignificant to support the V-shaped economic recovery projection by the government to attain 8.2% economic growth in FY2020-21. At the end of July 2020, the total outstanding loan in private sector stood at Tk10,952.02b against Tk10,029.66b in the same period of the previous year.

RMG export back on positive trajectory

After registering negative growth for seven consecutive months due to the Covid-19 outbreak, export receipts from the Ready-made Garments (RMG) sector bounced back in August this year, posting a robust growth of 44.63% (Y-o-Y) this year. According to the latest statistics of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), RMG exporters fetched US\$3.24b in the month than the US\$2.23b in August 2019. However, the number of fresh orders to the apparel makers has not increased that much in number of shipments indicating that the August shipments hold a major portion of orders that had been postponed during the March-April period as a result of lockdown during the spread of the pandemic.

11 banks in Tk101.77b provisioning shortfall

Eleven scheduled banks, four state-owned and seven private, reported a combined provisioning shortfall of Tk101.77b in the April-June quarter of 2020 as financial strength of the banks deteriorated further in the midst of the Covid-19 outbreak. According to the figures from Bangladesh Bank (BB), provision shortfalls of the banks increased by 17.90% to Tk101.77b in the quarter from Tk86.32b in the previous quarter. Of the banks, shortfalls of six banks declined while the same for five banks went up during the quarter as against the previous quarter. Among the banks, BASIC Bank topped the list with a provision shortfall of Tk33.14b at the end of June followed by National Bank (Tk16.96b) and AB Bank (Tk12.14b). However, the rest of the banks, other than these eleven banks, maintained more provisions than the amount required by the central bank and thus the total provision shortfall in the banking sector stood at Tk44.99b at the end of June 2020. As per BB, the volume of default loans in the banking sector soared by Tk36.06b to Tk961.16b (9.16% of the total outstanding loans) in the second quarter of the calendar year despite waiver on loan classification.

Provision Shortfall (April-June, 2020)

(Figures in Tk Bn)

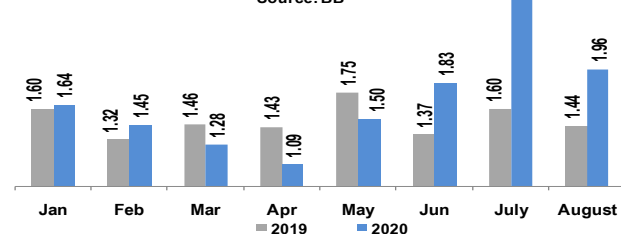
Basic Bank	33.14	Bangladesh Commerce Bank	5.65
National Bank	16.96	Mutual Trust Bank	2.44
AB Bank	12.14	Dhaka Bank	2.03
Rupali Bank	9.20	Social Islami Bank	1.98
Sonali Bank	8.92	Trust Bank	0.42
Agrani Bank	8.86		

Source: BB

Inward remittance rises by 35.66% in August

Inward remittance continued its growth momentum in August for the third month despite all odds during the ongoing Covid-19 pandemic. Remittance inflow stood at US\$1.96b in August, swelling up by 35.66% (Y-o-Y), according to the latest statistics of Bangladesh Bank (BB). In July, inward remittance soared by 62.73% (Y-o-Y) to US\$2.6b ahead of Eid-ul-Adha, breaking all previous records of monthly receipts in history. Correspondingly, the forex reserve reached a record amount of US\$39.04b for the first time at the end of August on the back of increasing trend of remittance and foreign assistance of US\$300m from the Japan International Cooperation Agency (JICA). Moreover, most expatriates sent their hard-earned money through legal banking channels as the central bank relaxed the conditions for providing incentives on the money sent by the remitters to boost the remittance inflow. Remitters can enjoy 2% cash incentive on remittance of up to Tk0.50m without showing any documents that was Tk0.15m earlier. However, economists have cautioned that there is no scope of complacency about the rise of remittance in the pandemic period as possibly a large number of Bangladeshis are sending all their savings before their permanent return to home.

Inward Remittance (Figures in US\$ Bn)
Source: BB



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	↓ 3,426.96	3,508.01	-2.31
FTSE 100	↓ 5,799.08	5,963.57	-2.76
Nikkei 225	↓ 23,205.43	23,279.92	-0.32
SENSEX	↓ 38,357.18	39,847.03	-3.74
KSE 100	↑ 42,023.00	41,056.22	2.35

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↑ 4,927.82	4,873.18	1.12
Total Turnover, Tk	↑ 42,394,378,633.00	41,442,213,384.00	2.30
Market Capital, Tk	↑ 3,138,480,851,730	3,108,710,601,477	0.96
No of Issue Gain	178	181	
No of Issue Loss	154	150	
No of Unchanged Issues	28	29	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
BDFINANCE	11.60	16.20	39.66	453,522,000
Anwar Galvanizing	87.90	117.80	34.02	248,478,000
GQ Ball Pen	180.00	229.60	27.56	187,250,000
Salvo Chemical	12.00	15.20	26.67	58,622,000
BDCOM Online Ltd.	20.70	25.40	22.71	249,724,000
Khan Brothers PP	7.60	9.30	22.37	16,664,000
AB Bank Limited	9.00	11.00	22.22	122,402,000
Aziz Pipes Ltd.	109.20	132.00	20.88	105,688,000
Bay Leasing	15.00	18.10	20.67	39,236,000
Hakkani Pulp	76.10	91.80	20.63	250,034,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Bangladesh Welding	26.40	23.50	-10.98	33,189,000
CAPM IBBL Isl. MF	12.30	11.10	-9.76	99,756,000
National Life Insurance	257.60	237.30	-7.88	13,664,000
BGIC	30.70	28.30	-7.82	21,162,000
Federal Insurance	15.90	14.70	-7.55	56,527,000
Sandhani Life	24.90	23.10	-7.23	28,876,000
Meghna Pet Industries	18.00	16.70	-7.22	2,109,000
Queen South Textile	33.60	31.20	-7.14	73,003,000
Peoples Insurance	34.30	31.90	-7.00	145,803,000
Pioneer Insurance	65.90	61.60	-6.53	255,888,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	376.40	371.44	1.34	3,407.19	3,612.13	-5.67
Cement	256.78	264.31	-2.85	874.96	1,446.84	-39.53
Ceramic	566.55	568.21	-0.29	394.67	440.62	-10.43
Engineering	1,993.21	1,965.96	1.39	3,509.38	3,402.81	3.13
Food & Al.	3,604.84	3,671.83	-1.82	1,726.88	1,954.75	-11.66
Fuel & Pow.	3,902.39	3,852.84	1.29	2,420.96	3,177.81	-23.82
Insurance	1,719.70	1,775.28	-3.13	3,425.14	3,838.75	-10.77
IT	377.91	359.19	5.21	1,171.83	781.49	49.95
Jute	1,243.35	1,253.53	-0.81	186.97	278.47	-32.86
Misc.	1,289.11	1,275.90	1.04	3,712.86	4,499.52	-17.48
Mutual Fund	424.96	430.72	-1.34	761.14	1,182.46	-35.63
NBFI	1,068.93	1,024.78	4.31	2,607.12	1,122.63	132.23
Paper	7,540.61	6,890.38	9.44	362.07	173.03	109.25
Pharma	1,282.15	1,274.91	0.57	9,182.64	8,439.42	8.81
Service	1,017.29	938.04	8.45	216.51	150.93	43.46
Tannery	630.25	634.86	-0.73	394.94	378.18	4.43
Telecom	3,016.10	2,945.37	2.40	1,107.90	1,586.89	-30.18
Textile	1,190.70	1,180.96	0.82	2,411.58	3,184.42	-24.27
Travel & Leis	573.56	577.61	-0.70	76.38	89.23	-14.40

Technical Talk

Dhaka stocks continued the gaining streak for the eleventh straight week ended on Thursday as investors maintained their buying appetite thanks to the regulatory moves to restore discipline in the capital market. Moreover, lower returns in the money market and gradual recovery of the economy encouraged the investors to pour fresh funds into the market. Among the major sectors, NBFI increased by 4.31% over the week followed by Telecom 2.40%, Engineering 1.39%, Bank 1.34% and Fuel & Power 1.29%.

DSE Broad Index (DSEX) stood at 4,927.82 points increased by 54.64 points or 1.12% from the previous week. Total turnover reached at Tk42394.38m which was 2.30% higher than the previous week. Market capitalization increased by 0.96% and stood at Tk3138.48b (\$36.97b) at the weekend against Tk3108.71b. DSE 30 increased by 25.31 points or 1.50% and closed at 1,715.41 points against 1,690.10 points. Last week's weighted average Market PE was 13.18 which was 13.06 previous week.

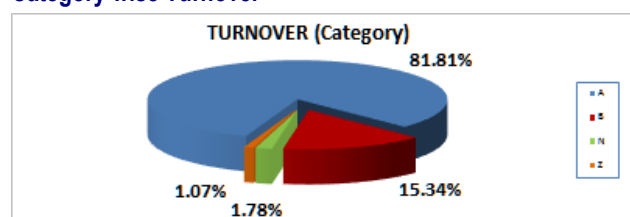
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco Pharma	36,342,173	4,336,472,000	10.23
Beximco	83,916,523	2,302,752,000	5.43
BRAC Bank Ltd.	30,578,112	1,207,787,000	2.85
Orion Pharma Ltd.	18,036,305	1,066,581,000	2.52
Square Pharma	4,700,632	1,014,998,000	2.39
Grameenphone Ltd.	2,364,241	756,641,000	1.78

Top 10 Market Capital

Company	Market Capital (In million)
GP	436,012
BATBC	193,248
Square Pharma	192,682
United Power	148,402
RENATA	95,902
Berger Paint	76,975
ICB	67,605
Marico	62,266
LafargeHolcim	53,035
Brac Bank	50,520

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/ton)	1,927.60	1,964.60	-1.88
Silver (USD/ton)	26.74	27.61	-3.17
Brent Crude Oil (USD/bbl)	44.07	45.81	-3.80

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	102.55	102.61	102.49	102.55	0.06	0.06
GBP	115.67	115.74	114.95	115.02	0.63	0.63
AUD	62.13	62.17	61.77	61.80	0.59	0.59
JPY	0.81	0.81	0.81	0.81	-0.26	-0.26
CAD	65.33	65.37	64.90	64.94	0.66	0.66
SAR	22.75	22.76	22.76	22.76	-0.03	0.00

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)
Associated Oxygen Ltd.	Sep 10-16, 2020	10	150
Walton Hi-Tech indus.	Aug 09-16, 2020	252	1,000