

BB instructs NBFIs to ensure loan utilization

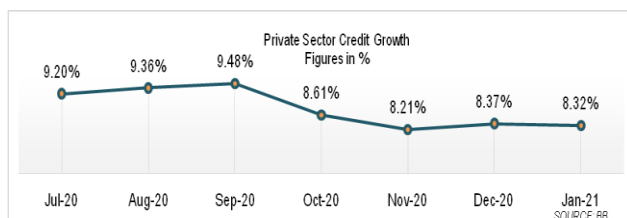
Bangladesh Bank (BB) has ordered all Non-Bank Financial Institutions (NBFIs) to ensure proper utilization of loans as it looks to restore corporate governance in the financial sector, which has been tainted by multiple scams recently. In a circular issued on February 28, 2021, BB said that regular monitoring is needed to see whether loans from one sector are being used in another. The circular said that BB should be informed immediately if any serious irregularity is detected during the monitoring. Loans cannot be used to repay or adjust other loans. If a loan is disbursed in installments, the next installment has to be disbursed after ensuring that the previous installment was used fully and in for the right purpose. To ensure utilization of a loan, an internal inspection report should be prepared and it should be stored along with the loan documents. The central bank notice comes at a time when a dozen of NBFIs are mired in financial problems, including high amount of defaulted loans. Classified loans in the NBFIs soared 15% to Tk102.45b during the first nine months of 2020 despite the loan classification moratorium facility offered by the central bank.

Revenue collection up by 4.76%

According to the latest figures from the National Board of Revenue (NBR), revenue collection grew by 4.76% (Y-o-Y) to Tk1.32 trillion in the July-January period of FY2020-21. Taxmen raked Tk1.26 trillion in the same period of last fiscal year. However, total tax receipts fell short of target by Tk368.40b set by the government since the economic activities are yet to be retrieved fully from the pandemic fallout. Among the three wings of NBR, customs wing posted a growth of 7.10% (Y-o-Y), collecting Tk397.93b during the period. Two other divisions, Income tax and Value Added Tax (VAT) also made positive growth. Collection from income tax rose by 5.06% (Y-o-Y) to Tk409.5b while collection from VAT slightly went up by 2.26% (Y-o-Y) to Tk514.22b during the period. Meanwhile, all the three wings of NBR missed their respective targets for the period. VAT wing faced a shortfall of Tk136.58b due mainly to the hurdles in implementing the new VAT and Supplementary Duty Act- 2012. The customs wing faced Tk150.88b in shortfall while deficit from income tax stood at Tk80.95b.

Private sector credit growth drop in January

Private sector credit growth inched down by 5-basis points in January 2021 after edging up slightly in the previous month since credit demand from businesses and industries remained lethargic during the second wave of the Covid-19 pandemic. According to the Bangladesh Bank (BB) statistics, credit growth in the private sector fell to 8.32% in January 2021 from 8.37% in December last year. The growth rate was 8.21% in November last year. The credit growth was well far away from the monetary target of 14.8% that was set to be achieved by the end of FY2020-21.



Export receipt registers 1.45% fall in Jul-Feb

During July-February of FY2020-21, export receipts registered 1.45% (Y-o-Y) negative growth on the backdrop of the persisting distress in the Ready-Made Garments (RMG) sector because of the existing shutdown and slowdowns in the major destinations like United States and Europe consequent to the second wave of Covid-19 pandemic. The exporters fetched US\$25.86b during the period over that of US\$26.24b in FY2019-20, according to the latest statistics from the Export Promotion Bureau (EPB). RMG shipment, which contributes more than 80% to the national export, dropped by 3.73% (Y-o-Y) to US\$21.03b in the first eight months of the current fiscal year. The knitwear exporters bagged US\$11.34b during the period, registering a 4.06% (Y-o-Y) rise, while export earnings from woven garments fell by 11.49% (Y-o-Y) to US\$9.69b, as per the reports. Apart from RMG, earnings from leather and leather goods export declined by 4.15% (Y-o-Y) to US\$605.67m and earnings from agricultural product exports slightly went down by 0.04% (Y-o-Y) to US\$665m. On the other hand, jute and jute goods export rose by 23.67% (Y-o-Y) to US\$862.74m in July-February months of the current fiscal year than that of US\$697.63m in the last fiscal.



Banks CRAR improves on generous policy of BB

The Capital-to-Risk Weighted-Asset Ratio (CRAR) of all the scheduled banks rose to 11.64% as on December 31, 2020 from 11.57% on the same day of the last year, as per Bangladesh Bank (BB) report. The capital base of the banks improved marginally at the end of 2020 mainly due to the decline in the volume of their Non-Performing Loans (NPLs). The suspension of the usual practice of classifying loans that had been put into effect by the BB in March 2020 following the outbreak of Covid-19 was largely responsible for the shrinking of the classified loans in the banking sector. The risk weighted assets in the banking sector stood at Tk11.32 trillion at the end of the last quarter of 2020. The banking sector maintained Tk1.31 trillion in capital against the risk weighted assets whereas the sector is required to maintain Tk1.15 trillion. Meanwhile, the total regulatory capital increased by 8.83% (Y-o-Y) in the final quarter of 2020 from Tk1.21 trillion a year before. However, capital shortfalls in 10 banks swelled by 50.36% (Q-o-Q) or Tk96.95b in the October-December period of the year 2020 as the scheduled banks had to keep higher provision against defaulted loans. As per Bangladesh Bank (BB) statistics, the shortfall in the banks widened to Tk289.49b at the end of December 2020 compared to Tk192.54b capital shortfall in 11 banks as of September 2020. At the end of December last year, five state-owned commercial banks, two state-owned specialized banks and three private commercial banks witnessed capital shortfalls.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,841.94	3,811.15	0.81
FTSE 100	6,630.52	6,483.43	2.27
Nikkei 225	28,864.32	28,966.01	-0.35
SENSEX	50,405.32	49,099.99	2.66
KSE 100	45,837.35	45,865.02	-0.06

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,515.78	5,416.39	1.83
Total Turnover, Tk	35,959,779,246	23,352,856,679	53.98
Market Capital, Tk	4,138,660,165,539	4,077,862,767,865	1.49
No of Issue Gain	199	121	
No of Issue Loss	100	126	
No of Unchanged Issues	68	118	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
eGeneration	24.70	39.40	59.51	280,203,000
Anwar Galvanizing	100.10	118.80	18.68	105,562,000
GQ Ball Pen Ind.	114.40	135.40	18.36	106,704,000
GBB Power	25.50	29.60	16.08	1,087,497,000
Beacon Pharma	102.10	118.50	16.06	525,177,000
Quasem Industries	37.60	42.40	12.77	111,702,000
Libra Infusions	644.50	717.20	11.28	71,117,000
Fine Foods	51.60	57.40	11.24	91,223,000
Taufika Foods & Agro	22.60	25.00	10.62	445,392,000
AIBL 1st Islamic MF	8.50	9.40	10.59	37,185,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
BABC	1527.1	556.80	-63.54	2,416,441,000
Unilever	3222.5	2822.20	-12.42	89,647,000
Walton Hi-Tech Ind.	1264.1	1193.40	-5.59	519,498,000
Rupali Bank	26.70	25.30	-5.24	8,671,000
Prime Finance & Inv.	11.50	10.90	-5.22	56,737,000
Golden Son	14.70	14.10	-4.08	129,308,000
BEXIMCO	85.50	82.10	-3.98	5,633,616,000
United Insurance	46.00	44.20	-3.91	17,214,000
Padma Islami Life Ins.	18.50	17.80	-3.78	2,323,000
Pioneer Insurance	66.10	63.80	-3.48	75,178,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	373.21	366.53	1.82	1,833.07	1,195.62	53.32
Cement	290.93	289.21	0.59	1,221.06	611.27	99.76
Ceramic	571.25	576.03	-0.83	173.58	124.87	39.01
Engineering	6,746.85	6,962.50	-3.10	2,343.26	1,543.45	51.82
Food & Al.	5,029.29	4,748.94	5.90	3,419.73	1,908.21	79.21
Fuel & Pow.	3,800.62	3,772.83	0.74	3,951.95	1,938.01	103.92
Insurance	2,040.94	2,022.13	0.93	2,156.02	1,376.06	56.68
IT	389.25	365.30	6.56	498.61	109.22	356.53
Jute	1,126.47	1,112.06	1.30	41.53	14.95	177.76
Misc.	1,855.75	1,872.39	-0.89	6,357.49	5,777.92	10.03
Mutual Fund	482.57	476.28	1.32	504.56	299.89	68.25
NBFI	1,135.92	1,132.00	0.35	2,415.08	1,871.23	29.06
Paper	6,612.90	6,504.91	1.66	96.12	7.89	1,118.71
Pharma	1,382.36	1,353.52	2.13	4,851.27	3,090.87	56.95
Service	1,147.06	1,098.35	4.44	574.63	174.29	229.69
Tannery	596.69	597.18	-0.08	99.39	52.72	88.53
Telecom	4,864.78	4,700.24	3.50	3,222.20	2,115.45	52.32
Textile	1,131.69	1,120.69	0.98	918.59	530.49	73.16
Travel & Leis	555.00	551.46	0.64	41.55	7.47	455.89

Technical Talk

Stocks observed strong recovery last week as a section of investors showed buying appetite for sector-specific scripts. The continuous negative-run in the previous six weeks brought down the price-level of stocks at lucrative level, which led the bargain hunters to take fresh positions on cheap stocks last week. Among the major sectors, Food & Allied increased by 5.90% over the week followed by Telecom 3.50%, Pharma 2.13%, Bank 1.82%, Mutual Fund 1.32% and Textile 0.98%.

DSE Broad Index (DSEX) stood at 5,515.78 points after increasing by 99.39 points or 1.83% from the previous week. Total turnover reached at Tk35959.78m, which was 53.98% higher than the previous week. Market capitalization increased by 1.49% and stood at Tk4138.66b (\$48.75b) at the weekend against Tk4077.86b. DSE 30 increased by 46.89 points or 2.27% and closed at 2,112.68 points against 2,065.80 points. Last week's weighted average Market PE was 16.83 which was 17.45 previous week.

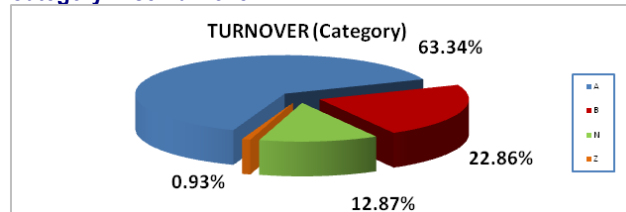
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	67,194,025	5,633,616,000	15.67
Robi Axiata	59,194,192	2,768,638,000	7.70
BATBC	1,815,177	2,416,441,000	6.72
Beximco Pharma	10,990,861	2,066,763,000	5.75
LankaBangla Finance	44,968,024	1,533,351,000	4.26
Summit Power	28,574,921	1,293,401,000	3.60

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	459,507	United Power	144,608
Walton Hi-Tech	361,515	RENATA	102,976
BATBC	300,672	ICB	77,358
ROBI	251,421	Beximco Pharma	76,894
Square Pharma	184,382	Berger Paint	72,210

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/foz)	1,733.00	1,782.10	-2.76
Silver (USD/foz)	26.70	27.52	-2.98
Brent Crude Oil (USD/bbl)	64.40	63.68	1.13

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	105.39	105.45	104.25	104.31	1.09	1.09
GBP	123.14	123.71	120.53	120.60	2.17	2.58
AUD	67.95	67.99	66.14	66.17	2.74	2.75
JPY	0.81	0.81	0.81	0.81	0.00	0.00
CAD	68.22	68.26	67.15	67.19	1.59	1.59
SAR	22.76	22.77	22.75	22.77	0.04	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)
Lub-rref(Bangladesh)	Jan 26-Feb 01, 2021	27	1,500
NRB Commercial Bank	Feb 03-Feb 09,2021	10	1,200
Desh General Insurance	Feb 14-Feb 18,2021	10	160
Index Agro Ind. Ltd.	Feb 22-Feb 28, 2021	50	500