

LR Global to continue managing two MFs

The Bangladesh Securities and Exchange Commission (BSEC) kept LR Global Bangladesh as the asset manager of two Mutual Funds (MFs), DBH First Mutual Fund and Green Delta Mutual Fund, after a procrastinated dispute. The Asset Management Company (AMC) was about to be replaced by another AMC for the aforementioned MFs upon a plea of two-third unitholders of the funds as per the Section 31 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules 2001. The plea was placed in 2019 and since then, the series of legal battles was carried on by the asset manager to prevent the handover. The asset manager was alleged for jeopardizing interest of investors and breach of rules through investing in non-approved private equities at exorbitant prices. Lately, an investigation committee, assigned by the BSEC, reported six counts of rules violations in the investment made by the asset manager in an online news portal. However, BSEC allowed the asset manager to regain the right to manage the mutual funds on conditions that include - following rules, bringing back the money invested in the news portal, paying fines and withdrawing legal actions against market intermediaries. On the other hand, the plea was also apparently turned invalid as the two-third unitholders of the funds who appealed for the change of asset manager made an exit from the funds. According to BSEC, the regulator is working on to reduce dispute in the mutual fund sector in order to bring discipline.

WB doubles GDP growth forecast

The World Bank (WB) has more than doubled its Gross Domestic Product (GDP) growth estimates for Bangladesh for the current fiscal year. In the latest South Asia Economic Focus released on March 31, 2021, WB expects the economy to grow 3.6% in FY2020-21, up from a projection of 1.6% made earlier in the Global Economic Prospects report published in January, 2021. The GDP growth is expected to rise to 5.1% in FY2021-2022 and to 6.2% in FY2022-2023, it said. The newly forecasted figure is, however, far lower than the ambitious target of 8.2% projected by the government for the fiscal year. WB cited that remittance inflow had a double-digit growth in 2021 due to the increased use of formal channels to send money home and the government incentives against such transfers. Export growth is forecasted to remain weak, especially in the readymade garment segment. In September last year, the Asian Development Bank (ADB) estimated that Bangladesh would have a strong economic recovery in the current fiscal year with a 6.8% GDP growth. A month later, the International Monetary Fund (IMF) released its projection of 4.4% economic growth for FY2020-21.

Poor industrial credit demand in 2020

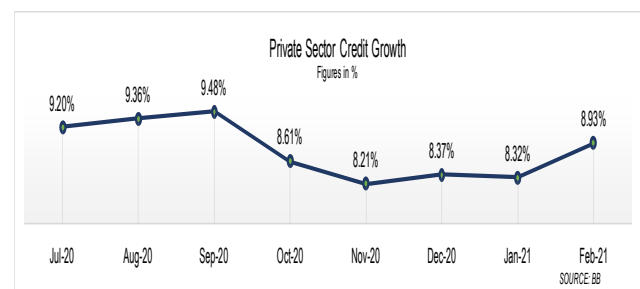
Credit disbursement to industrial sector plunged 15% (Y-o-Y) to Tk3,613.03b in 2020, indicating a weak economic recovery from the impact of the coronavirus pandemic, according to the latest figures from Bangladesh Bank (BB). In the October-December quarter of last year, industries borrowed Tk1,005.33b from the banks, which was 9.94% (Y-o-Y) lower from Tk1,116.23b in the same period of 2019. As per BB, disbursement of industrial loans declined by 35.25% and 12.86% (Y-o-Y) in the June and September quarters of 2020 respectively. Similarly, the industrial loan recovery also dropped 8.92% (Y-o-Y) to Tk3,192.74b in the last year, owing to the loan moratorium facility provided by the central bank.

Earning scopes of banking sector squeeze

The local banking sector is struggling to generate higher income while holding excessive liquidity in hand as businesses is yet to utilize their full capacity amidst Covid-19 fallout. As per statistics from Bangladesh Bank (BB), liquidity glut in the banking sector reached Tk2,040.70b in January this year, surging by 97.44% (Y-o-Y) from Tk1,033.58b in the same period of previous year. Apart from lower credit disbursement to the private sector, the imposition of single-digit interest rate in April last year resulted in a decline in the weighted average deposit rate in the banking sector, which compelled depositors to switch investments in the government savings instruments. As of January 2021, banks were offering only 4.51% return on deposit products while the inflation rate was at 5.02%. Meanwhile, there are four types of National Savings Certificates (NSCs) with yield rates up to 11.76%. Massive sales of NSCs along with the slow execution of development expenditure led the government to borrow less from the banking system through the government treasury instruments like T-bills and T-bonds. Consequently, the yield on T-bills and T-bonds also dropped sharply in the recent months that have squeezed the scope of receiving higher return from the government securities. As per BB statistics, cut-off yield on the T-bonds with a maturity of 5- years, 10- years, 15- years and 20-years stood at 4.02%, 5.42%, 6.63%, and 6.89% respectively in January this year where the yields of the corresponding instruments were at 8.05%, 8.62%, 8.69%, and 8.90% June 2020. The yields on treasury bills plunged substantially as well. The cut-off yield on 91-day bill, 182-day bill, and 364-day bill fell to 0.49%, 0.86%, and 1.31% correspondingly in January, BB report shows.

Credit growth rises in February

Private sector credit growth inched up by 61-basis points in February 2021, although credit demand from businesses and industries remained lethargic during the second wave of the Covid-19 pandemic. According to the latest statistics of Bangladesh Bank (BB), credit growth rate in the private sector increased to 8.93% in February from 8.32% in January 2021. This 8.93% growth rate is also the highest since October last year, when it was 8.61%. Even though the credit growth rose slightly in February, it remained well below the monetary target of 14.8% which was set to be achieved by the end of FY2020-21. The existing business slowdown indicates that there is little chance to achieve the target. The credit growth has been hovering around the 8% mark for a few months as businesses remain cautious on making fresh investment decisions amid the pandemic crisis.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	↑ 4,019.87	3,974.54	1.14
FTSE 100	↓ 6,737.30	6,740.59	-0.05
Nikkei 225	↑ 29,854.00	29,176.70	2.32
SENSEX	↑ 50,029.83	49,008.50	2.08
KSE 100	↓ 44,300.95	45,521.63	-2.68

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↓ 5,270.53	5,327.22	-1.06
Total Turnover, Tk	↓ 20,288,190,344	30,088,429,861	-32.57
Market Capital, Tk	↓ 3,997,300,970,485	4,045,230,630,920	-1.18
No of Issue Gain	91	53	
No of Issue Loss	123	221	
No of Unchanged Issues	157	94	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
CAPM IBBL MF	13.40	17.20	28.36	63,810,000
Provati Insurance	75.40	89.20	18.30	457,614,000
CAPM BDBL MF	7.30	8.20	12.33	29,424,000
VAMLRBBF	6.40	7.10	10.94	4,810,000
Prime Finance MF	13.90	15.10	8.63	17,219,000
Nitol Insurance	48.80	52.90	8.40	226,168,000
SEMLIBLSF	8.40	9.10	8.33	15,089,000
BD National Ins.	69.10	74.00	7.09	195,465,000
Rahima Food	236.70	252.40	6.63	412,149,000
Heidelberg Cement	164.70	175.30	6.44	22,251,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
IFIC Bank	11.90	10.00	-15.97	295,319,000
Dutch-Bangla Bank	66.30	56.90	-14.18	24,469,000
Active Fine Chemicals	16.20	14.00	-13.58	66,734,000
Aman Cotton Fibrous	29.00	25.20	-13.10	46,037,000
Shyampur Sugar Mills	46.50	40.50	-12.90	1,893,000
Appollo Ispat Complex	6.10	5.60	-8.20	23,999,000
Union Capital	6.70	6.20	-7.46	5,044,000
UCB	14.80	13.80	-6.76	12,698,000
Padma Islami Life Ins.	18.20	17.00	-6.59	2,577,000
Premier Leasing	6.30	5.90	-6.35	7,318,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	376.56	379.85	-0.87	2,262.02	3,669.85	-38.36
Cement	274.77	280.47	-2.03	671.22	881.06	-23.82
Ceramic	560.13	557.98	0.39	108.52	148.27	-26.81
Engineering	6,662.43	6,688.98	-0.40	969.47	1,636.28	-40.75
Food & Al.	4,813.07	4,940.40	-2.58	1,162.73	1,624.95	-28.45
Fuel & Pow.	3,713.80	3,753.80	-1.07	1,443.59	2,690.27	-46.34
Insurance	1,983.34	1,928.23	2.86	2,751.31	2,550.91	7.86
IT	362.53	362.56	-0.01	159.95	267.06	-40.11
Jute	1,147.11	1,194.76	-3.99	23.12	118.80	-80.54
Misc.	1,871.59	1,858.92	0.68	3,224.03	4,106.76	-21.49
Mutual Fund	448.34	437.87	2.39	388.44	289.93	33.98
NBFI	1,014.52	1,032.03	-1.70	1,275.82	1,840.26	-30.67
Paper	6,528.06	6,504.91	0.36	33.78	112.87	-70.08
Pharma	1,310.55	1,327.74	-1.29	2,742.72	3,970.53	-30.92
Service	1,046.56	1,068.42	-2.05	165.18	242.20	-31.80
Tannery	589.46	590.07	-0.10	76.81	164.62	-53.34
Telecom	4,612.20	4,714.63	-2.17	1,356.89	2,158.09	-37.13
Textile	1,087.88	1,099.32	-1.04	366.68	549.17	-33.23
Travel & Leis	549.01	551.74	-0.49	16.74	31.74	-47.27

Technical Talk

Dhaka stocks plunged further in the last week extending the losing streak for the third week as panic-driven investors continued their sell-offs amid an alarming surge in the number of COVID-19 infection cases and deaths in the country. Four trading days has been observed during the week. The government on Saturday announced a countrywide lockdown for seven days from April 05 to fight the fresh wave of COVID-19 outbreak. Among the major sectors, Telecom faced the highest correction; losing 2.17% over the week followed by cement sector 2.03%, NBFI 1.70%, pharma 1.29% and fuel and power by 1.07%.

DSE Broad Index (DSEX) stood at 5,270.53 points after decreasing by 56.69 points or 1.06% from the previous week. Total turnover reached at Tk20288.19m, which was 32.57% lower than the previous week. Market capitalization decreased by 1.18% and stood at Tk3997.30b (\$47.08b) at the weekend against Tk4045.23b. DSE 30 decreased by 37.60 points or 1.86% and closed at 1,983.30 points against 2,020.90 points. Last week's weighted average Market PE was 16.88 which was 16.43 previous week.

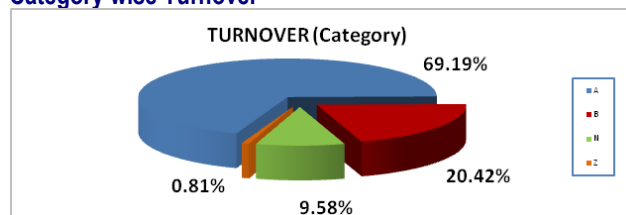
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	39,006,970	2,931,225,000	14.45
Beximco Pharma	7,457,612	1,395,942,000	6.88
Robi Axiata	20,942,401	941,726,000	4.64
LankaBangla Finance	25,842,493	737,845,000	3.64
Square Pharma	3,198,211	633,259,000	3.12
LafargeHolcim BD	11,277,601	565,309,000	2.79

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	439,523	United Power	138,758
Walton Hi-Tech	365,847	RENATA	103,534
BATBC	284,472	Berger Paint	81,203
ROBI	234,136	Beximco Pharma	74,947
Square Pharma	165,809	ICB	67,382

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,730.30	1,731.60	-0.08
Silver (USD/t.oz.)	20.05	25.11	-20.15
Brent Crude Oil (USD/bbl.)	64.64	64.29	0.54

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	101.56	101.62	102.42	102.48	-0.84	-0.84
GBP	119.96	112.03	119.23	119.30	0.61	-6.09
AUD	64.61	64.65	64.91	64.95	-0.46	-0.46
JPY	0.78	0.78	0.79	0.79	-1.27	-1.27
CAD	67.78	67.82	67.91	67.95	-0.19	-0.19
SAR	22.75	22.76	22.75	22.76	0.00	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)
Index Agro Ind. Ltd.	Feb 22-Feb 28, 2021	50	500