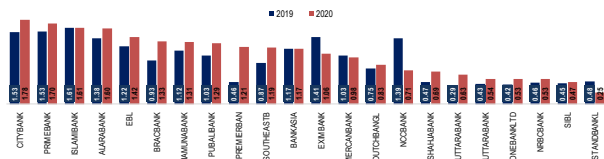


Most banks declare higher cash dividends in pandemic

Despite shrinking opportunity to garner profit in the continued pandemic-induced economic slowdown, cash dividend payout by the banks for the year 2020 increased by around 12% (Y-o-Y). Earlier on February 07, 2021, the central bank issued a circular where banks were allowed to pay maximum 35% in dividend, including 17.5% in cash. Banks struggled to generate income throughout the year 2020 due to lack of investment opportunity that resulted in excess liquidity in the system. At the end of last December, such excess liquidity stood at Tk2047b. Besides, the loan repayment moratorium facility to tackle the pandemic period resulted in relief from provisioning requirement against probable loan losses, inflated the profit figures. Out of thirty-one listed banks, twenty-two have so far declared cash dividend for the year ending on 31 December 2020. The cash dividend disbursement by these banks totaled at nearly Tk22.80b for pandemic-hit 2020, which was Tk20.40b a year ago where the directors are entitled for about Tk10b. Meanwhile, 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 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). As per the statistics of BB, NPLs stood at Tk887.34b at the end of December last year as against Tk943.31b in the end of the previous year, as a result of rescheduling and remissions. Experts, however, expressed concern on the cash dividend declaration stating that the performance of banking sector might deteriorate substantially once the banks start classifying the loans following the withdrawal of loan moratorium facility.

Total Cash Dividend of Listed Banks
Figures in Tk (bn)
Source: BB



Trade deficit widen in first eight months

The overall trade deficit increased by 9.48% during the July-February period of FY2020-21 over the corresponding period of the earlier year as import payment rose but export earnings fell, indicating a sluggish trend in the economy. As per Bangladesh Bank (BB) figures, trade deficit rose to US\$11.79b in the first eight months of the current fiscal year from US\$10.77b in the same period of FY2019-20. Import payments stood at US\$37.06b in the same period, compared to US\$36.37b in the previous fiscal year. Apparently, the increasing trend of import growth may not sustain in the upcoming days owing to the present situation of the global Covid-19 pandemic. On the other hand, export earnings dropped by 1.25% to US\$25.27b in the first eight months of FY2020-21 from US\$25.59b a year ago. The falling trend of export may increase further consequent to the fresh lock-down that started from April 05 this year in the wake of the second wave of Covid-19 outbreak. The current account surplus stood at US\$1.55b in the July-February period, which was a US\$2.10b deficit in the same period of the last fiscal year due mainly to higher import payments as well as a slight decline in exports. Meanwhile, Foreign Direct Investments (FDI) still remained sluggish in the first eight months of FY2020-21. Net FDI during July-February fell by 31.21% to US\$606m only.

Per capita income leaps to US\$2,227

The per capita income of Bangladesh increased to US\$2,227 in the current fiscal year, that is equivalent to Tk188,873, according to the Bangladesh Bureau of Statistics (BBS). In the last fiscal year per capita income was US\$2,064. Tk188,873 has been calculated at the rate of Tk84.81 per US Dollar. The Gross Domestic Product (GDP) has also increased to Tk30873b now from Tk27963.58b. The country's per capita income was US\$1,054 in FY2012-13 and gradually increased over the next few years to stand at US\$1,610 in FY2016-17, and US\$1,751 in FY2017-18, BBS data shows. In FY2018-19, the per capita income was US\$1,909, up from US\$1,751 in the previous year. The official statistics shows that the per capita income grew several times, however, inequality between the rich and the poor widened over the same time.

BB slap more restriction on banks

Any permanent or contractual official of a bank would not be allowed to hold directorship position in a bank after their retirement or termination or end of contract with the same bank. Bangladesh Bank (BB) issued a circular in this regard on May 12, 2021. In its circular, BB also instructed that former bank director, managing director, chief executive officer or the employees two ranks immediate next to the position of chief executive officer can not be appointed as advisors or consultant of the same bank within five years since their retirement. Earlier, the time limit for such appointments was only one year.

Ambitious ADP on poor implementation record

The government has approved Tk2253.24b Annual Development Program (ADP) for the next fiscal year. Out of the total Tk2253.24b proposed ADP, Tk1373b will come from internal resources and the remaining Tk880.24b will come from foreign assistance. The 10 major sectors have got 93.39% of the total allocation. Transport and communications sector has received the highest allocation of Tk617.21b or 27.39% of the total outlay. As a ministry and department, the Local Government Division has received the highest allocation of Tk338.96b. The Rooppur nuclear power plant has received the highest allocation of Tk184.26b as a single project. A total of 1,426 projects have been included in the ADP with allocation. Of these, 1,308 are investment projects and 118 are technical assistance projects. In the first ten months of FY2020-21, all ministries and divisions spent only Tk969.75b of ADP in the current year. Consequently, the size of ADP has been slashed down to Tk1976.43b from Tk2051.45b in the original plan. To implement the revised ADP, a sum of Tk1006.68b needs to be spent in May and June, which experts say is impossible.

Sales of NSCs poised to double fiscal year target

Net borrowing target from National Savings Certificates (NSCs) was set at Tk200b under the current year national budget but just in the first half of the current fiscal year the net sales of NSCs surpassed the target set for the entire fiscal year. The net sales of savings certificates were Tk204.87b during the H1 period of FY2020-21 compared to only Tk54.33b in the same period of the FY2019-20, as per the Department of National Savings (DNS) figures. The trend continues as in the July-March period of FY2020-21 net sales of NSCs swelled by 196.38% (Y-o-Y) to 332.03b against that of Tk112.03b in the FY2019-20. If the upswing continues, savings instruments sales may surpass Tk400b in the last three months of the current fiscal year. As the bank interest rate on deposits is minimal, the sales of savings tolls will be increasing automatically.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	↓ 4,155.86	4,173.85	-0.43
FTSE 100	↓ 7,018.05	7,043.61	-0.36
Nikkei 225	↑ 28,317.83	28,084.47	0.83
SENSEX	↑ 50,540.48	48,732.55	3.71
KSE 100	↑ 45,914.98	45,178.62	1.63

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↑ 5,813.07	5,750.50	1.09
Total Turnover, Tk	↑ 84,244,623,640	42,089,588,281	100.16
Market Capital, Tk	↑ 4,326,466,489,173	4,303,223,463,125	0.54
No of Issue Gain	169	257	
No of Issue Loss	149	61	
No of Unchanged Issues	53	54	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
NRB Bank	19.60	28.00	42.86	1,192,256,000
Genex Infosys	54.70	76.00	38.94	1,310,465,000
Prime Bank	19.70	24.10	22.34	2,550,204,000
Index Agro Industries	73.20	88.20	20.49	289,693,000
Provati Insurance	155.50	183.80	18.20	290,763,000
NCC Bank	14.90	17.10	14.77	759,237,000
Shurwid Industries	15.00	17.20	14.67	111,773,000
Ring Shine Textiles	6.20	7.10	14.52	458,276,000
Premier Leasing	6.90	7.90	14.49	60,128,000
One Bank	10.50	12.00	14.29	527,288,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Golden Son	15.70	14.00	-10.83	141,106,000
Far East Knitting	11.70	10.50	-10.26	93,704,000
Malek Spinning Mills	20.80	18.70	-10.10	199,099,000
Bd.Thai Aluminium	25.60	23.30	-8.98	642,190,000
Fortune Shoes	23.90	21.80	-8.79	684,663,000
Simtex Industries	16.00	14.70	-8.13	59,115,000
New Line Clothings	18.60	17.10	-8.06	136,463,000
Paramount Insurance	87.90	81.10	-7.74	233,029,000
Emerald Oil Industries	22.00	20.40	-7.27	26,461,000
Agrani Insurance	55.70	51.70	-7.18	353,007,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	435.15	414.43	5.00	13,711.19	3,489.66	292.91
Cement	333.84	339.04	-1.53	1,438.19	490.63	193.13
Ceramic	646.52	653.51	-1.07	564.20	168.75	234.34
Engineering	6,967.67	6,968.60	-0.01	4,551.73	1,795.04	153.57
Food & Al.	5,054.68	4,961.30	1.88	3,288.79	1,360.86	141.67
Fuel & Pow.	3,919.49	3,948.70	-0.74	4,966.65	2,318.06	114.26
Insurance	2,547.13	2,485.23	2.49	15,217.52	4,717.29	222.59
IT	455.13	411.49	10.60	2,523.89	530.21	376.02
Jute	1,193.96	1,193.98	0.00	52.54	16.65	215.58
Misc.	2,093.45	2,080.62	0.62	9,933.90	3,613.02	174.95
Mutual Fund	533.27	529.68	0.68	1,742.51	809.14	115.35
NBFI	1,151.30	1,144.21	0.62	4,587.23	1,376.81	233.18
Paper	6,239.65	6,359.11	-1.88	92.97	78.82	17.95
Pharma	1,376.25	1,382.55	-0.46	4,577.99	2,299.27	99.11
Service	1,249.11	1,221.57	2.25	2,667.54	460.16	479.70
Tannery	613.13	623.22	-1.62	754.88	385.66	95.73
Telecom	4,836.66	4,914.74	-1.59	2,521.26	1,089.84	131.34
Textile	1,155.90	1,167.11	-0.96	6,355.06	2,698.28	135.52
Travel & Leis	501.47	507.30	-1.15	58.97	24.87	137.09

Technical Talk

The Dhaka stocks closed the week in green trajectory for the sixth straight week as investors kept buying shares for sector-specific scripts. The proposal to reduce corporate tax for all the production-oriented companies strengthened the investors' confidence in the market. The key index advanced in three out of five trading days in the past week. Among the major sectors, IT sector increased the most by 10.60% over the week followed by Banks 5.00%, Insurance 2.49% and Mutual Funds 0.68%.

DSE Broad Index (DSEX) stood at 5,813.07 points after increasing by 62.57 points or 1.09% from the previous week. Total turnover reached at Tk84244.62m, which was 100.16% higher than the previous week. Market capitalization increased by 0.54% and stood at Tk4326.47b (\$50.96b) at the weekend against Tk4303.22b. DSE 30 increased by 8.40 points or 0.38% and closed at 2,178.47 points against 2,186.87 points. Last week's weighted average Market PE was 17.83 which was 17.73 previous week.

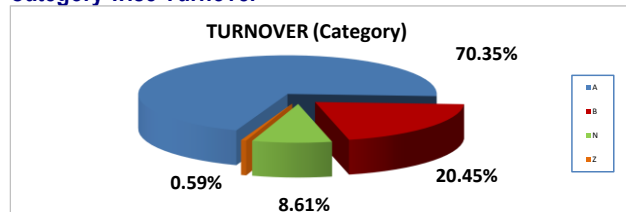
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	79,629,198	7,006,747,000	8.32
Prime Bank	101,114,512	2,550,204,000	3.03
SAIF Powertec	96,599,472	2,482,548,000	2.95
BATBC	3,582,550	2,000,953,000	2.38
LankaBangla Finance	53,880,433	1,912,502,000	2.27
Robi Axiata	39,363,871	1,899,511,000	2.25

Top 10 Market Capital

Company	Market Capital (In million)
GP	147,928
Walton Hi-Tech	115,219
BATBC	81,147
ROBI	79,570
Square Pharma	74,979

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,884.80	1,844.00	2.21
Silver (USD/t oz.)	27.66	27.53	0.47
Brent Crude Oil (USD/bbl.)	66.64	68.84	-3.20

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	105.52	105.58	105.03	105.09	0.47	0.47
GBP	122.94	122.91	122.88	122.85	0.05	0.05
AUD	66.05	66.09	66.59	66.63	-0.81	-0.81
JPY	0.79	0.79	0.79	0.79	0.00	0.00
CAD	70.45	70.49	70.41	70.45	0.06	0.06
SAR	22.75	22.77	22.75	22.76	0.00	0.04

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)
Sonali Life Ins. Co. Ltd.	May 30-Jun 03,2021	10	190