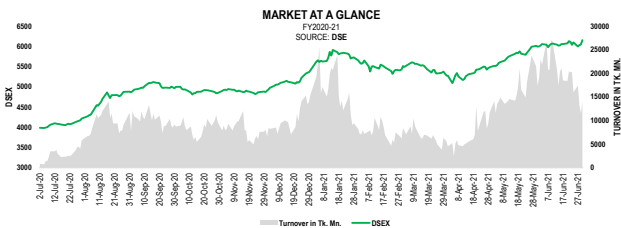


**Stocks end FY21 with buoyancy despite Covid-worries**

The capital market concluded FY2020-21 with bullish momentum as DSEX, the key index of the Dhaka Stock Exchange (DSE), climbed by 54.18% (Y-o-Y) in spite of the persistent economic worries centering the Covid-19 epidemic. The market started the fiscal year with stagnancy as the virus-infused economic shock took a toll on public confidence keeping the index hovering around 4000-points mark. Besides, the introduction of floor price mechanism by the securities regulator to tackle free-fall of stock prices in the wake of the pandemic, affected movements in the market, hindering the usual flow of liquidity. However, the market started to rebound at the beginning of August 2020 when the turnover in DSE crossed Tk10b-mark with the DSEX crossing 4500-points level on the back of expansionary monetary policy by the central bank to stimulate the economy and the confidence-building measures taken by the newly appointed commission. In December 2020, the index exceeded the next psychological threshold of 5000 points-mark riding on the bullish market sentiments.



Lower yield in the money market, positive regulatory measures alongside of enlistments of several quality issues through Initial Public Offerings (IPOs) prompted the vibrancy in the capital market. Moreover, the special money-whitening provision offered in the Finance Bill 2020-21 lured some investments in the market. Market capitalization in the premier bourse soared by Tk2,023.15b during the period and reached an all-time high of Tk5.14 trillion on 30 June 2021 from Tk3.12 trillion on the same day of the previous year. Average daily turnover during the fiscal year was around Tk10.29b against that of Tk3.84b in the previous FY2019-20. DSEX soared to 6150.48 points on the last trading session of FY2020-21 – which was the highest in 41 months since January 29, 2018.

**NBFI borrowers not to be classified until August**

Bangladesh Bank (BB) extended further policy support for loan repayments to the Non-Bank Financial Institutions (NBFIs) by their borrowers. BB issued a circular in this regard on June 05, 2021 asking all NBFIs not to downgrade any loans if the borrowers repay only 50% of their June quarter-end overdue amount within August 31, 2021. But the balance of the installment has to be paid with the next installment, as per the circular. The central bank came up with the deferral policy for loan classification amid a fresh surge in coronavirus infection rate. The borrowers will not be charged any additional fee or penalty for delaying in the repayment. The NBFIs will not be allowed to show their unearned interest as income, the circular added. In this year, at first, the facility was extended till March based on the NBFI-customer relationship basis. It was later extended to 30 June. Earlier, the same facility was provided to the borrower of banks. On June 27, this year the central bank extended further the policy relaxation involving loan repayments to scheduled banks by their borrowers for two months on the same ground.

**BSEC forms Capital Market Stabilization Fund**

The Bangladesh Securities and Exchange Commission (BSEC) has finalized the rules to form a fund titled Capital Market Stabilization Fund (CMSF) with undistributed dividends aiming to provide liquidity support to the capital market. The Commission has published a gazette notification on June 27, 2021 detailing the relevant rules. The CMSF would be a perpetual fund for functioning as a custodian of undistributed or unclaimed or unsettled cash and stock dividends or un-allotted rights shares or non-refunded public subscription money in favor of the shareholders or stockholders or investors of listed companies and mutual funds. The BSEC asked all listed companies, brokerage houses, merchant banks and asset management companies to transfer such funds including accrued interest thereon for a period of three years from the date of declaration or approval or record date to the CMSF within July 30, 2021. However, the fund would make necessary disbursement against any claim made by investors, following verification by the issuer companies. Besides, the CMSF will be free to accept funds as loans or grants, from the government and other organizations for the development of the capital market. To ensure depth to the market, maximum 40% of the cash balance of the fund may be used for direct buying and selling of the listed securities. At least 50% of cash balance of the fund shall be used for providing loan to market intermediaries for refinancing as margin loan. The remaining 10% of the cash balance may be used for investment in other securities such as fixed deposits and government securities, according to the investment ceiling as defined by the rules. The total fund worth Tk210b will come from the undistributed or unsettled dividends in cash, stock and rights.

**Record amount whitened**

Since 1971, different political governments have entertained calls for money whitening facilities in the annual budgets. In the outgoing fiscal year 2020-21, the government also had allowed legalizing the untaxed income which appears quite effective this time as individuals with money earned from undisclosed sources legalized a record amount in Bangladesh history in the just-concluded fiscal year. According to the National Board of Revenue (NBR), a total of 11,859 people whitened their black money worth Tk206b under a special scheme offered in the budget. Previously, the highest volume worth Tk96.83b was legalized in the FY2008-09. In the last fiscal year, some 7,055 untaxed money holders have whitened the highest Tk168.34b in assets in the forms of cash, bank deposit, savings certificates and other financial instruments by paying tax worth Tk16.83b. The second highest volume of undisclosed assets worth Tk34.12b were legalized in the real estate sector, where 4,518 people availed the opportunity. However, only 286 people availed the special scheme to legalize their untaxed money by investing in stock markets while they invested Tk4b during the period. Black money whiteners consisted of doctors, government officials, readymade garment exporters, bank directors, gold traders and several others. The provision of whitening black money has been extended for another fiscal year. However, the government amended the provision by raising the tax rate from 10% to 25% plus a 5% penalty on investment in the previously allowed options i.e., stocks, saving schemes, bonds, real estates and also merely disclosing cash. In addition, the no question asked by government agencies about the source of undisclosed money remains.

## Stock Market Movement



### Global Markets

|            | This Week | Last Week | +/- % |
|------------|-----------|-----------|-------|
| S&P 500    | 4,369.55  | 4,352.43  | 0.39  |
| FTSE 100   | 7,121.88  | 7,123.27  | -0.02 |
| Nikkei 225 | 27,940.42 | 28,783.28 | -2.93 |
| SENSEX     | 52,386.19 | 52,484.67 | -0.19 |
| KSE 100    | 47,563.45 | 47,686.18 | -0.26 |

### DSE Indicators

|                        | This Week         | Last Week         | +/- % |
|------------------------|-------------------|-------------------|-------|
| DSE Broad Index        | 6,212.77          | 6,150.48          | 1.01  |
| Total Turnover, Tk     | 64,107,073,388    | 56,246,625,633    | 13.97 |
| Market Capital, Tk     | 4,569,494,309,002 | 4,543,349,960,531 | 0.58  |
| No of Issue Gain       | 230               | 197               |       |
| No of Issue Loss       | 136               | 162               |       |
| No of Unchanged Issues | 10                | 17                |       |

### Top Gainers

| Company               | Weighted avg. Closing Price (Tk) |           |          | Turnover (Tk) |
|-----------------------|----------------------------------|-----------|----------|---------------|
|                       | Last Week                        | This Week | Change % |               |
| Sonali Life Insurance | 11.00                            | 16.00     | 45.45    | 350,000       |
| Renwick Jaineswar     | 757.70                           | 993.40    | 31.11    | 25,986,000    |
| International Leasing | 6.30                             | 8.00      | 26.98    | 157,805,000   |
| Aman Feed             | 53.40                            | 66.40     | 24.34    | 971,586,000   |
| CVO Petrochemical     | 88.20                            | 109.50    | 24.15    | 87,979,000    |
| Apollo Ispat          | 8.40                             | 10.20     | 21.43    | 670,100,000   |
| ISNLTD                | 37.90                            | 45.30     | 19.53    | 118,645,000   |
| Beacon Pharma         | 123.60                           | 147.20    | 19.09    | 545,766,000   |
| IT Consultants        | 36.10                            | 42.80     | 18.56    | 313,499,000   |
| Silco Pharma          | 26.10                            | 30.90     | 18.39    | 411,204,000   |

### Top Losers

| Company                | Weighted avg. Closing Price (Tk) |           |          | Turnover (Tk) |
|------------------------|----------------------------------|-----------|----------|---------------|
|                        | Last Week                        | This Week | Change % |               |
| Monno Fabrics          | 30.60                            | 25.50     | -16.67   | 128,906,000   |
| NRB Commercial Bank    | 32.10                            | 28.10     | -12.46   | 450,859,000   |
| Agrani Insurance       | 68.10                            | 60.00     | -11.89   | 153,680,000   |
| Prime Islami life Ins. | 69.30                            | 61.30     | -11.54   | 34,135,000    |
| Purabi Gen. Insurance  | 49.20                            | 43.80     | -10.98   | 222,219,000   |
| Global Insurance       | 67.50                            | 60.40     | -10.52   | 106,877,000   |
| Pragati Life Insurance | 115.30                           | 104.20    | -9.63    | 56,115,000    |
| Crystal Insurance      | 63.50                            | 57.60     | -9.29    | 101,414,000   |
| Trust Bank             | 37.90                            | 34.40     | -9.23    | 99,522,000    |
| Federal Insurance      | 39.90                            | 36.30     | -9.02    | 125,027,000   |

### Sectoral Index & Turnover

| Sector        | Sectoral Index |           |          | Turnover (Tk.M) |           |          |
|---------------|----------------|-----------|----------|-----------------|-----------|----------|
|               | This Week      | Last Week | Change % | This Week       | Last Week | Change % |
| Bank          | 457.97         | 465.50    | -1.62    | 4,408.23        | 5,321.00  | -17.15   |
| Cement        | 379.52         | 362.65    | 4.65     | 1,909.72        | 920.45    | 107.48   |
| Ceramic       | 675.42         | 666.28    | 1.37     | 649.06          | 479.52    | 35.35    |
| Engineering   | 7,616.01       | 7,596.03  | 0.26     | 5,456.81        | 4,321.90  | 26.26    |
| Food & Al.    | 4,980.08       | 4,960.13  | 0.40     | 2,227.55        | 1,584.22  | 40.61    |
| Fuel & Pow.   | 3,934.80       | 3,903.48  | 0.80     | 2,777.79        | 2,129.85  | 30.42    |
| Insurance     | 3,047.45       | 3,181.02  | -4.20    | 5,891.35        | 8,688.23  | -32.19   |
| IT            | 502.24         | 478.46    | 4.97     | 1,450.75        | 796.70    | 82.10    |
| Jute          | 1,146.06       | 1,078.50  | 6.26     | 40.18           | 17.62     | 127.99   |
| Misc.         | 2,195.12       | 2,130.03  | 3.06     | 7,298.15        | 4,352.57  | 67.67    |
| Mutual Fund   | 607.07         | 571.62    | 6.20     | 3,301.76        | 1,295.41  | 154.88   |
| NBFI          | 1,297.92       | 1,285.33  | 0.98     | 4,268.83        | 2,632.00  | 62.19    |
| Paper         | 6,884.65       | 6,785.99  | 1.45     | 510.32          | 559.12    | -8.73    |
| Pharma        | 1,455.70       | 1,419.91  | 2.52     | 7,158.04        | 4,832.26  | 48.13    |
| Service       | 1,304.54       | 1,278.24  | 2.06     | 705.01          | 626.96    | 12.45    |
| Tannery       | 706.79         | 698.33    | 1.21     | 536.67          | 567.58    | -5.45    |
| Telecom       | 4,823.84       | 4,813.14  | 0.22     | 752.50          | 790.24    | -4.78    |
| Textile       | 1,604.82       | 1,548.77  | 3.62     | 11,661.56       | 11,684.21 | -0.19    |
| Travel & Leis | 443.15         | 461.33    | -3.94    | 242.41          | 312.15    | -22.34   |

## Technical Talk

The Dhaka stocks extended the winning streak for the third straight week, the first week of the new fiscal year, as investors continued their buying interest on major sector despite worries over virus-infused shock to the economy. The trading in the capital markets remained closed on Sunday as per the banking schedule. Out of its four trading sessions two sessions closed higher while two faced mild correction. The regulatory decision to keep the market open in line with the banks amid countrywide striker lockdown, removal of the floor price restriction from all listed securities, lower returns from the money market had positively impacted the investors' sentiment. Among the major sectors, Mutual Funds increased by 6.20%, followed by Cement 4.65%, Textile 3.62%, Pharma 2.52%, NBFI 0.98% and Fuel & Power 0.80%.

DSE Broad Index (DSEX) stood at 6,212.77 points after increasing by 62.29 points or 1.01% from the previous week. Total turnover reached at Tk64107.07m, which was 13.97% higher than the previous week. Market capitalization increased by 0.58% and stood at Tk4569.49b (\$53.82b) at the weekend against Tk4543.35b. DSE 30 increased by 39.83 points or 1.80% and closed at 2,248.21 points against 2,208.38 points. Last week's weighted average Market PE was 18.60 which was 18.50 previous week.

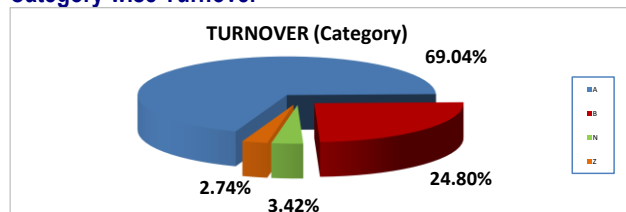
### Top Turnover Companies

| Company             | Volume      | Value (Tk)    | % of total |
|---------------------|-------------|---------------|------------|
| Beximco Ltd.        | 47,957,094  | 4,364,360,000 | 6.81       |
| LafargeHolcim BD    | 25,042,775  | 1,555,654,000 | 2.13       |
| Keya Cosmetics      | 148,343,401 | 1,365,172,000 | 2.13       |
| M.L. Dyeing         | 35,138,419  | 1,157,918,000 | 1.81       |
| LankaBangla Finance | 27,730,558  | 1,031,474,000 | 1.61       |
| National Feed Mill  | 25,821,502  | 994,949,000   | 1.55       |

### Top 10 Market Capital

| Company        | Volume  | Value (Tk)   | In million |
|----------------|---------|--------------|------------|
| GP             | 475,036 | United Power | 144,186    |
| Walton Hi-Tech | 404,500 | RENATA       | 117,035    |
| BATBC          | 291,600 | ICB          | 89,637     |
| ROBI           | 228,374 | Berger Paint | 83,030     |
| Square Pharma  | 183,622 | Beximco Ltd. | 80,972     |

### Category wise Turnover



### Commodity Price

|                            | This Week | Last Week | Change % |
|----------------------------|-----------|-----------|----------|
| Gold (USD/t oz.)           | 1,808.60  | 1,787.70  | 1.17     |
| Silver (USD/t oz.)         | 26.19     | 26.60     | -1.54    |
| Brent Crude Oil (USD/bbl.) | 75.57     | 76.11     | -0.71    |

### 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 | 102.14    | 102.20 | 103.07    | 103.17 | -0.90    | -0.94 |
| GBP | 119.97    | 120.03 | 120.55    | 120.62 | -0.48    | -0.49 |
| AUD | 63.75     | 63.78  | 64.21     | 64.24  | -0.72    | -0.72 |
| JPY | 0.78      | 0.78   | 0.78      | 0.78   | 0.00     | 0.00  |
| CAD | 68.15     | 68.19  | 67.84     | 68.88  | 0.46     | -1.00 |
| 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) |
|----------------|-----------------------|-------------|------------|
| SBAC Bank Ltd. | July 05-July 12, 2021 | 10          | 7846       |