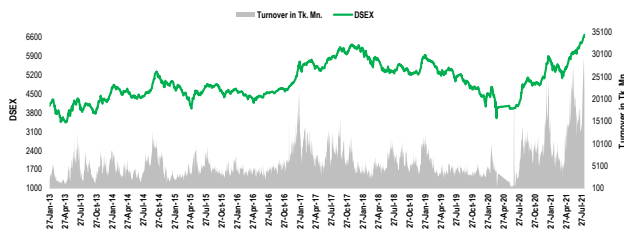


DSE price indices, market cap hit all-time high

Dhaka Stock Exchange (DSE) continued its record-breaking rally. All the three price indices and market capitalization, number of trades and trade volume hit all-time highs on August 12, 2021. Previously, all records had been set in 2010 when the market suffered a bubble-bust. The market gained around 1,465 points in the last 18 weeks and such a surge in a short period of time had not been seen after the bubble in 2009-10. DSEX, the key index of the DSE, gained 1.14%, or 76.07 points, to close at 6,699.39 points on August 12, 2021, the highest peak since introduction. In 2013, the bourse launched the index under a Standard and Poor's-developed free-float methodology replacing the then key index, DGEN, which then was at 4,171.41 points. Apart from the broad index, the two other indices - the DS30 index, a group of 30 prominent companies, and the DSE Shariah Index (DSES) - followed suit to close at record high of 2,427 and 1,459, after gaining 29.92 points and 14.96 points respectively. The DSE launched the DS30 index on January 27, 2013 with a base point of 1,460.30, while the DSE Shariah Index was introduced on January 20, 2014 with a base point of 941.27. The DSE market capitalization also hit a fresh all-time high at Tk5478.69b, surpassing the previous high of Tk5447.20b recorded just three days back.



Deposit rates not to go below inflation rate

The Bangladesh Bank (BB) has set a floor on deposit interest rates and instructed banks not to fix the rates for deposits below the inflation rate. The central bank issued a circular in this regard on August 08, 2021, stating that banks would have to follow the rules for term-deposit of three months or above tenure as the BB deemed it prudent to protect the interest of the depositors and to maintain asset-liability balance of the banks. This would be effective for individuals and pension funds of government or private entities and term deposits of any amount meant for the payment of post-retirement benefits. In case of setting a monthly interest rate on deposits, the banks have been instructed to calculate average inflation of the previous three months, as per the circular. According to BB and Bangladesh Bureau of Statistics (BBS), the average interest rate on bank deposits in June, 2021 was only 4.1%, while the average inflation rate in the same month was 5.56%. Currently, most banks are offering only 2% to 4% interest rates on deposits, which is the lowest in recent history. Apart from the coronavirus-induced poor credit demand, the central bank has set a 9% lending rate cap from April 01 last year. As a result, banks went for a massive cut in deposit rates to adjust their cost of fund. The weighted average rates on deposit came down to 4.13% in June 2021 from 5.06% a year before. On the other hand, the weighted average rates on lending came down to 7.33% in June 2021 from 7.95% a year before. Lower yield on bank deposits boosted government savings certificate sales. There are four types of such savings certificates with yield rates up to 11.76%.

Banks to report capital market investment daily

Bangladesh Bank (BB) has instructed the scheduled banks to from now on report to the regulator the status of their capital market net exposure or investments on a daily basis. The BB issued letter to all banks on the matter on August 12, 2021. The banks will be required to submit information on short-term loans and placement (bank-to-bank deposits). The central bank also asked the banks to send their daily reports on their subsidiaries and others' net exposures on the capital market in line with a prescribed format within the stipulated timeframe. Earlier, the banks used to share the information fortnightly with the central bank. The BB recently has found that some of the borrowers have diverted stimulus funds to unproductive sectors like stock market or real estate instead of proper utilization in the selected purpose. In a letter earlier sent to the banks on 25 July, BB instructed all scheduled banks to strengthen their internal monitoring and auditing system to ensure proper utilization of low-cost stimulus funds in the targeted sectors. Meanwhile, to ensure a smooth flow of money in the market, the central bank has already started to mop up excess liquidity from the banking system through the Bangladesh Bank Bills auctions.

FY2020-21 registered 5.47% GDP growth

The Gross Domestic product (GDP) registered 5.47% growth in the FY2020-21, which was well far from the target of 8.2%. According to provisional report of Bangladesh Bureau of Statistics (BBS), the size of the GDP stood at Tk30.11-trillion. The GDP growth rate was 8.15% in FY2018-19, which tumbled to 3.51% in FY2019-20 as the economy then came to a standstill for more than three months due to Covid-19 crisis.

BB resumes auction to mop up excess liquidity

Even though Bangladesh Bank (BB) has announced an expansionary Monetary Policy Statement (MPS) for the FY2021-22, it has initiated a move to mop up excess liquidity flow from the money market. The debt management department of BB issued a notice on August 05, 2021 regarding the auction of Bangladesh Bank Bills from August 09 this year. The last time the central bank held an auction of BB Bills was on March 29, 2018. A splurge of money from stimulus packages and private-investment stalemate prompted the central bank to resume such open-market operation, as a measure of taming inflation. According to the recent statistics of BB, liquidity glut in the banking sector surged by 66% (Y-o-Y) to stand at Tk2,315b at the end of June 30, 2021, hitting the all-time high amount. The figure was Tk1,395b in June 2020 and Tk856b in June 2019. On the other hand, private sector credit growth tumbled to 8.4% in June this year against the monetary target of 14.8%, BB reports. As per the auction notice, the auction for 7-day and 14-day BB-bills would be held on August 09, 16 and 25 whereas the auction for 30-day BB-bills would be held on August 11, 23 and 31. All banks and Non-Bank Financial Institutions (NBFIs) along with all resident Bangladeshi individuals and institutional investors would be eligible to purchase these short-term bills, according to the auction notice. However, the exact amount was not mentioned that would be pulled out from the money market. Till now, BB has drained Tk86.75b from the banks in two auctions held on August 09 and 11. Of the total amount, Tk26.05b has been withdrawn through issuing 7-day and 14-day BB-bills and Tk60.70b through 30-day bills. The cut-off yield on the 7-day bills, 14-day bills and 30-day bills stood at 0.54%, 0.75% and 1.25% respectively, as reported on the BB website.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,468.00	4,436.52	0.71
FTSE 100	7,218.71	7,122.95	1.34
Nikkei 225	27,977.15	27,820.04	0.56
SENSEX	55,437.29	54,277.72	2.14
KSE 100	47,169.84	47,489.95	-0.67

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,699.39	6,596.08	1.57
Total Turnover, Tk	106,541,767,907	70,139,957,396	51.90
Market Capital, Tk	4,875,948,003,841	4,837,692,727,572	0.79
No of Issue Gain	283	199	
No of Issue Loss	83	167	
No of Unchanged Issues	11	11	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
National HousingFin.	47.00	61.00	29.79	913,626,000
Miracle Industries	36.50	45.20	23.84	405,314,000
Appollo Ispat	11.90	14.70	23.53	1,413,483,000
Islamic Finance	23.90	29.40	23.01	1,290,262,000
IFIC Bank	14.50	16.80	15.86	3,390,691,000
IPDC Finance	30.20	34.80	15.23	408,534,000
The ACME Lab.	80.10	92.20	15.11	1,035,258,000
CVO Petrochemical	135.30	155.50	14.93	411,701,000
International Leasing	8.20	9.40	14.63	185,952,000
Delta Spinners	11.20	12.80	14.29	603,049,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Prime Insurance	59.30	52.40	-11.64	67,767,000
Emerald Oil Industries	37.50	33.50	-10.67	90,346,000
ATCSLGF	13.50	12.20	-9.63	212,496,000
CAPM BDBL M. F. 1	13.60	12.30	-9.56	79,421,000
Phoenix Fin. 1st M. F.	11.00	10.00	-9.09	59,158,000
1st Janata Bank M. F.	8.90	8.10	-8.99	126,324,000
National Feed Mill	34.00	31.00	-8.82	407,922,000
EXIM Bank 1st M. F.	9.40	8.60	-8.51	126,682,000
Sonar Bangla Insurance	83.10	76.20	-8.30	187,984,000
Purabi Gen. Insurance	41.70	38.30	-8.15	124,557,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	481.01	470.29	2.28	8,779.04	4,689.48	87.21
Cement	406.59	388.40	4.68	3,137.20	1,054.13	197.61
Ceramic	866.53	859.11	0.86	2,762.53	2,176.78	26.91
Engineering	8,283.24	8,453.27	-2.01	13,988.65	10,846.23	28.97
Food & Al.	5,312.47	5,275.80	0.69	3,838.63	3,386.35	13.36
Fuel & Pow.	4,235.08	4,161.83	1.76	6,286.12	4,230.04	48.61
Insurance	2,944.25	3,083.04	-4.50	5,172.25	5,641.93	-8.32
IT	579.78	567.56	2.15	2,807.65	2,216.28	26.68
Jute	1,189.62	1,199.16	-0.80	219.89	145.34	51.29
Misc.	2,388.01	2,261.08	5.61	10,544.29	4,866.13	116.69
Mutual Fund	611.89	646.86	-5.41	3,411.08	3,400.36	0.32
NBFI	1,413.11	1,341.64	5.33	9,151.10	3,419.54	167.61
Paper	7,360.81	7,157.98	2.83	1,012.26	497.69	103.39
Pharma	1,597.81	1,572.96	1.58	11,588.25	8,730.70	32.73
Service	1,481.94	1,506.81	-1.65	1,420.99	1,895.94	-25.05
Tannery	800.09	796.67	0.43	662.31	439.92	50.55
Telecom	4,887.52	4,977.42	-1.81	1,398.74	1,172.62	19.28
Textile	1,770.78	1,709.69	3.57	16,740.00	9,704.66	72.49
Travel & Leis	497.96	501.88	-0.78	595.76	341.28	74.57

Technical Talk

The Dhaka stocks extended the rally and continued to break previous records. All the three price indices and market capitalization, number of trades and trade volume hit all-time highs in the last trading session amid increased participation of investors. The week featured four trading days as the market remained closed on Sunday in line with banks. Of them, three sessions closed higher while one saw marginal correction. Among the major sectors, NBFI increased by 5.33% over the week followed by Cement 4.68%, Textile 3.57%, Bank 2.28%, Fuel & Power 1.76% and Pharma 1.58%.

DSE Broad Index (DSEX) stood at 6,699.39 points after increasing by 103.31 points or 1.57% from the previous week. Total turnover reached at Tk106541.77m, which was 51.90% higher than the previous week. Market capitalization increased by 0.79% and stood at Tk4875.95b (\$57.43b) at the weekend against Tk4837.69b. DSE 30 increased by 41.67 points or 1.75% and closed at 2,427.57 points against 2,385.90 points. Last week's weighted average Market PE was 19.65 which was 19.59 previous week.

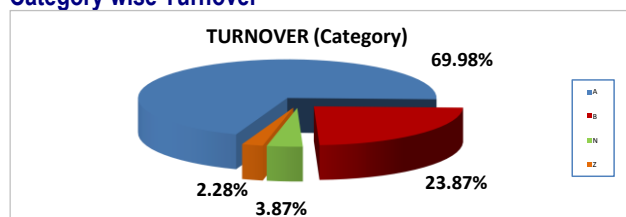
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	77,188,683	7,796,697,000	7.32
IFIC Bank	211,914,094	3,390,691,000	3.18
LankaBangla Finance	57,484,440	2,192,231,000	2.06
Orion Pharma	30,039,772	2,135,239,000	2.00
LafargeHolcim BD	29,047,162	1,924,468,000	1.81
Malek Spinning Mills	51,884,452	1,915,194,000	1.80

Top 10 Market Capital

Company	Value (Tk)	In million	
GP	490,159	United Power	154,410
Walton Hi-Tech	428,613	RENATA	126,133
BATBC	309,042	BEXIMCO	94,204
ROBI	221,565	ICB	93,398
Square Pharma	195,019	Berger Paint	83,819

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,781.50	1,763.50	1.02
Silver (USD/t.oz)	23.74	24.33	-2.42
Brent Crude Oil (USD/bbl.)	70.23	70.28	-0.07

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.9	84.95	0.00	0.00
EUR	102.42	102.48	103.37	103.43	-0.92	-0.92
GBP	119.23	119.30	120.8	120.87	-1.30	-1.30
AUD	64.91	64.95	64.74	64.78	0.26	0.26
JPY	0.79	0.79	0.77	0.77	2.60	2.60
CAD	67.91	67.95	69.41	69.46	-2.16	-2.17
SAR	22.75	22.76	22.75	22.77	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/Issue	Subscription Period	Offer Price	IPO (M.Tk)
Beximco Green Sukuk Al Istisna'a	16 Aug - 23 Aug, 2021	100	7,500