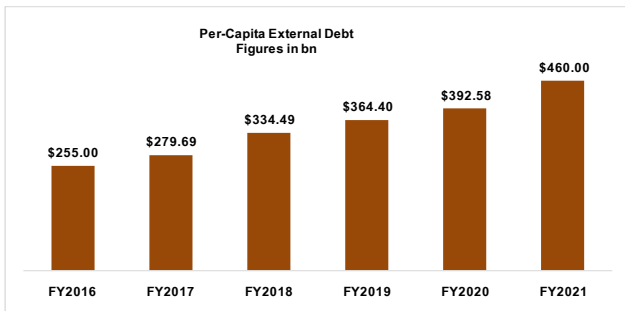


**DSE rebalances DSEX and DS30**

The Dhaka Stock Exchange (DSE) adjusted its benchmark index (DSEX) and blue-chip index (DS30) effective from January 23, 2022 to better reflect the market. The bourse included 27 more companies to the DSEX. After the annual rebalancing, there are total of 338 scrips in the index. As a part of semi-annual rebalancing, the DSE also replaced five companies to the DS30. The new companies are-Islami Bank Bangladesh, IFIC Bank, Orion Pharma, Power Grid Company and Fortune Shoes. The companies that are excluded from the DS30 are-Confidence Cement, Pubali Bank, National Bank, ACME Laboratories and IFAD Autos. The criteria for inclusion in DSEX includes a company must have a float-adjusted market capitalization above Tk100m and must have a minimum six-month average daily value traded of Tk1m as of the rebalancing reference date, as per the DSE Bangladesh Index Methodology, designed by S&P Dow Jones Indices. For DS30, a company must have a float-adjusted market capitalization above Tk500m and must have a minimum three-month average daily value traded of Tk5m as of the rebalancing reference date.

**Per capita foreign debt hits US\$460**

Bangladesh is taking an increasingly higher level of debt to fund its infrastructure spending. Per-capita foreign debt ballooned to US\$460 in the FY2020-21, up by over US\$67 from the figure a year before, according to the Bangladesh Bank (BB) reports. Eight mega projects are now under implementation, along with some other important infrastructural projects, which is raising the debt level. At the end of last fiscal year, total debt to Gross Domestic Product (GDP) ratio of Bangladesh hit a 13-year-high of 38%. As on June 30, 2021 total outstanding debt stood at Tk11442.97b, of which 36.7% is attributed to foreign sources.



**Foreign aid inflow soars in H1**

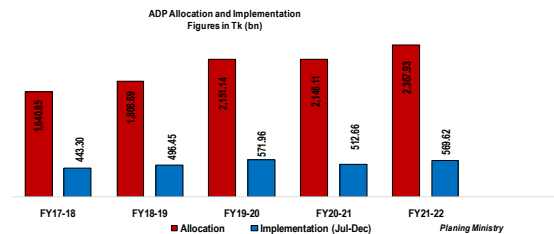
Inflow of foreign assistance went up by 39% in the first half (H1) of the current fiscal year, compared to the corresponding period of the previous fiscal year. According to the Economic Relations Division (ERD) reports, foreign development partners, including the World Bank (WB), Asian Development Bank (ADB), Islamic Development Bank (IDB), as well as Japan and China disbursed US\$4.17b during the period, against US\$3b in the corresponding period of the last year. Out of the total US\$4.17b in assistance released during the July-December period of FY22, the development partners extended US\$4.02b in loans and US\$148.83m in grants. The Manila-based development partner, ADB released the highest amount of US\$1.5b during the period followed by Japan (US\$817m). Meanwhile, during the first six months of this year, the government repaid US\$1.04b in interest and principal against the total outstanding loans. The amount was US\$900.02m during the corresponding period of the last year.

**NBFIs toxic loan up in Q3**

Default loans with the Non-Bank Financial Institutions (NBFIs) rose by Tk14.29b as on September 30, 2021, despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. As per the Bangladesh Bank (BB) reports, the amount of defaulted loans stood at Tk117.57b at the end of September 2021, which was Tk103.28b at the end of the June quarter. The NBFIs sector has been facing an image crisis due to a wide range of corruption. A number of NBFIs are mired in financial problems, including high amount of defaulted loans. There are 34 NBFIs in the country of which six are on the verge of collapse with excessive default loans, provision and principal amount deficit. As per BB's report, the defaulted loans of six NBFIs was Tk69.17b till June, 2021, whereas the total defaulted loan in the NBFIs sector was Tk103.28b as on June 30, 2021. Negligence to scrutinize while giving loans to any company has increased the number of default loans in the whole NBFIs sector. However, at the beginning of the current year, the surveillance of NBFIs has increased. The BB said that the financial institutions would have to classify short-term loans, term loans, lease loans and home loans if any kind of confusion or doubt surface over the recovery of loans even if the repayment of such loans were found regular. Along with keeping provision at the rate of 20%, 50% and 100% against substandard, doubtful and bad loans respectively, the NBFIs are also asked to maintain general provision against regular loans at variable rates depending on the nature of the loans.

**ADP implementation below pre-pandemic levels**

The Annual Development Program (ADP) implementation slightly rose by 11.11% (Y-o-Y) in the first half of the current fiscal year. From July to December of FY2021-22, the ministries and agencies spent Tk569.62b up from Tk512.66b in the same period of the earlier fiscal year, as per records of the Implementation Monitoring and Evaluation Division (IMED). This indicates that the implementing ministries and divisions have so far spent 24.06% of their total allocation of Tk2367.93b for carrying out development activities in FY22. Though the overall implementation rose in H1 of FY22, the rate is still below that of the pre-pandemic period (FY2019-20). During the first half of the FY2019-20 the entities could spend Tk571.96b from Tk2151.14b in total allocation. Even amidst the pandemic, the health service has been one of the low performing divisions spending Tk12.79b from July to December, which is only 9.84% of its total allocation of Tk130b. Performance of the health sector was also poor during the last fiscal year. Apart from the health services division, ministries and divisions that spent less than 10% from their respective allocations include the financial institutions division, commerce ministry, security service division, statistics and informatics division and the foreign affairs ministry.



## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,431.85	4,397.94	0.77
FTSE 100	7,466.07	7,494.13	-0.37
Nikkei 225	26,717.34	27,522.26	-2.92
SENSEX	57,200.23	59,037.18	-3.11
KSE 100	45,077.91	45,018.28	0.13

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	7,027.55	7,105.69	-1.10
Total Turnover, Tk	61,492,887,920	82,431,925,135	-25.40
Market Capital, Tk	4,956,508,607,114	4,978,401,599,939	-0.44
No of Issue Gain	99	224	
No of Issue Loss	268	139	
No of Unchanged Issues	21	23	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Union Insurance	16.00	25.60	60.00	84,000
QUEENSOUTH	25.60	32.60	27.34	675,890,000
Bangladesh Lamps	221.40	277.40	25.29	513,078,000
Yeakin Polymer	14.30	17.70	23.78	389,377,000
Sonargaon Textiles	19.10	22.60	18.32	65,645,000
Malek Spinning Mills	29.50	33.90	14.92	623,821,000
Prime Insurance	79.20	90.90	14.77	274,344,000
National Tea Co.	744.30	848.70	14.03	374,289,000
BD Building Systems	19.40	22.00	13.40	81,429,000
Takaful Islami Ins.	56.80	64.30	13.20	137,619,000

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Tamijuddin Textile Mills	187.90	162.70	-13.41	31,718,000
Kattali Textile	33.90	29.40	-13.27	248,529,000
Paper Processing	260.70	230.30	-11.66	119,700,000
Premier Cement Mills	65.80	58.60	-10.94	31,236,000
Global Heavy Chemical	40.30	36.00	-10.67	14,043,000
Golden Son	22.20	19.90	-10.36	477,140,000
ACME Pesticides	32.20	29.10	-9.63	104,032,000
Monno Fabrics	25.40	23.00	-9.45	30,274,000
Jute Spinners	122.60	112.00	-8.65	1,793,000
GBB Power	37.00	34.00	-8.11	155,100,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	509.24	504.58	0.92	2,610.96	3,959.10	-34.05
Cement	405.28	412.62	-1.78	778.32	1,191.68	-34.69
Ceramic	935.62	892.84	4.79	1,604.63	2,516.28	-36.23
Engineering	6,984.45	7,105.34	-1.70	5,123.03	7,595.04	-32.55
Food & Al.	6,005.90	5,891.24	1.95	4,921.11	4,703.44	4.63
Fuel & Pow.	4,329.53	4,436.04	-2.40	4,618.30	6,897.05	-33.04
Insurance	3,030.12	3,044.24	-0.46	5,968.17	7,766.93	-23.16
IT	643.92	652.31	-1.29	1,453.45	1,380.96	5.25
Jute	1,080.14	1,108.70	-2.58	48.34	61.08	-20.86
Misc.	2,886.42	2,980.68	-3.16	8,911.16	11,721.72	-23.98
Mutual Fund	509.57	517.52	-1.54	292.22	400.92	-27.11
NBFI	1,521.59	1,447.95	5.09	1,832.16	2,826.67	-35.18
Paper	13,774.55	13,661.74	0.83	1,540.88	1,322.80	16.49
Pharma	1,699.54	1,708.69	-0.54	6,845.64	8,549.70	-19.93
Service	1,914.99	1,968.89	-2.74	1,578.48	3,919.82	-59.73
Tannery	1,332.88	1,324.95	0.60	2,512.17	4,134.70	-39.24
Telecom	4,691.65	4,769.82	-1.64	1,035.22	1,357.84	-23.76
Textile	1,897.39	1,892.10	0.28	7,434.39	8,817.21	-15.68
Travel & Leis	624.72	644.02	-3.00	469.53	1,123.10	-58.19

## Technical Talk

Dhaka stocks dropped in the past week snapping a four-week winning streak as investors went for profit booking amid growing virus tension. Investors booked profit on sector-wise stocks as many large-cap stocks saw price surge in the last four weeks. Despite the market plunge, stocks of some low-cap companies saw an upsurge in prices. Among the major sectors, Textile increased by 5.44%, followed by Pharma 1.68%, Insurance 0.98% and Bank 0.27%.

DSE Broad Index (DSEX) stood at 7,027.55 points after decreasing by 78.14 points or 1.10% from the previous week. Total turnover reached at Tk61492.89m, which was 25.40% lower than the previous week. Market capitalization decreased by 0.44% and stood at Tk4956.51b (\$57.63b) at the weekend against Tk4978.40b. DSE 30 decreased by 33.04 points or 1.25% and closed at 2,602.34 points against 2,635.38 points. Last week's weighted average Market PE was 16.80 which was 16.93 previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

### Relative Strength Index (RSI)

The RSI indicator illustrates if the change of price movements is in overbought or oversold territory. RSI declined to 58.24.

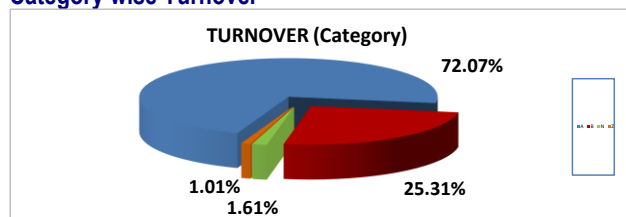
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	31,125,764	4,855,589,000	7.90
BSC	27,543,774	3,471,927,000	5.65
Power Grid	23,632,140	1,710,605,000	2.78
Asia Insurance	12,591,137	1,305,685,000	2.12
RAK Ceramics	22,027,020	1,252,814,000	2.04
BATBC	1,857,116	1,233,429,000	2.01

### Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	474,495	United Power	146,025
BATBC	354,240	Beximco Ltd.	134,515
Walton Hi-Tech	324,315	RENATA	129,801
Robi	199,565	ICB	115,312
Square Pharma	195,728	Beximco Pharma	88,509

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz)	1,792.30	1,836.10	-2.39
Silver (USD/oz)	22.49	24.35	-7.64
Brent Crude Oil (USD/bbl)	89.05	87.78	1.45

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	86.00	86.05	86.00	86.05	0.00	0.00
EUR	99.51	99.57	100.38	100.44	-0.87	-0.87
GBP	118.93	118.99	120.29	120.36	-1.13	-1.14
AUD	62.10	62.14	62.97	63.01	-1.38	-1.38
JPY	0.76	0.76	0.76	0.76	0.00	0.00
CAD	68.70	68.74	69.13	69.17	-0.62	-0.62
SAR	23.04	23.06	23.03	23.04	0.04	0.09

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)
-	-	-	-