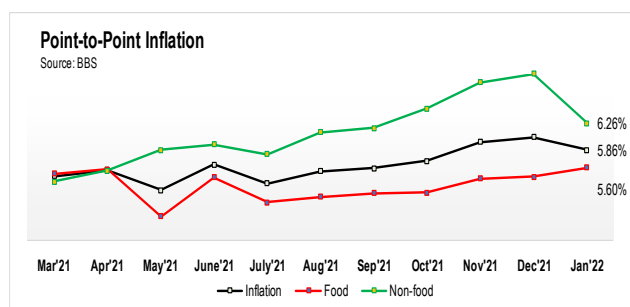


**Intermediaries asked to clean up negative equity**

The Bangladesh Securities and Exchange Commission (BSEC) instructed the capital market intermediaries to get rid of their negative equity by the end of December 2022. The Commission found that 116 firms out of 460 brokerage houses and merchant banks were carrying the burden of negative equity in the margin accounts for the past one decade. As per the report compiled by the BSEC, the negative equity amounted to Tk86.74b as of 30 September 2021 of which around Tk50.28b and Tk36.45b were held by 87 brokerage firms and 29 merchant banks respectively. However, out of the total negative equity, around 86% was concentrated with only 15 brokerage houses and 12 merchant banks. The securities regulator sought strategies and action plans from the firms to bring down the negative equity to zero by December 2022. These market intermediaries have been dragging the negative equity since the stock market crash in 2010-11 following an order from the Commission restricting the firms from forced selling of stocks on account of losing investors. The BSEC also waived the brokers and merchant banks from maintaining provision against risky assets in such margin accounts. The exemption, however, is scheduled to end on 31 December this year and the deadline will not be extended, the regulator emphasized.

**Inflation inches down though food prices surge**

Point-to-Point (P-to-P) inflation eased down by 19-basis points in January 2022. As per the recent release from the Bangladesh Bureau of Statistics (BBS), the point-to-point inflation stood at 5.86% in January this year, down from 6.05% in the preceding month. The last 12-months average inflation declined to 5.61%, which was 5.64% in the preceding year. As per the BBS, the non-food inflation slid significantly by 74-basis points to 6.26% in the last month from 7% in December last year despite rising prices of fuel oils. Meanwhile, the global supply chain disruption has pushed the import cost that elevated the inflationary pressure on the food items. Food inflation grew 14-basis points to 5.60% in January, which was 5.46% in December last year, BBS reported. Economists questioned the BBS data as the real scenario of the inflationary pressure is missing in the statistics since the low and middle-class citizens grappled with the pinch of abnormal price spiral, especially, of the commodity items. Moreover, the BBS data does not reflect the real market situation as the Consumer Price Index (CPI) was made on the 2005-06 base year data. In January, the rural inhabitants faced a significantly higher rate of inflation than urban areas. However, inflation in both rural and urban areas decreased to 6.07% and 5.47% respectively in the past month from 6.27% and 5.66% in December last year.



**NBFIs borrowers get special bailout facility**

Bangladesh Bank (BB) has relaxed further the repayment policy for the borrowers of outstanding loans or leases from the Non-Banking Financial Institutions (NBFIs). The central bank offered a one-time-exit facility to defaulting borrowers of the NBFIs. Defaulting borrowers would be eligible to apply for the facility by making minimum 2% down payment. The repayment period can be extended by one year considering the NBFIs-customer relationship, as per a circular issued on February 15, 2022. The facility is to be based on the balance calculated on December 31, 2021. Meanwhile, Default loans with the 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 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 scam and 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 in scrutinizing 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 the loans even if the repayment of such loans were found to be 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 30.21% in seven months**

The Annual Development Program (ADP) implementation rate in the first seven months of the current fiscal year was 30.21% of the yearly target. As per records of the Implementation Monitoring and Evaluation Division (IMED), the implementing ministries and divisions have so far spent Tk715.32b from July to January of FY22 out of the allocated Tk2367.93b for carrying out development activities in FY22. Besides, the implementation rate was 6.15% in January of the fiscal year 2021-22. Even amidst the pandemic, the health service has been one of the low performing divisions spending only Tk13.89b from its total allocation of Tk130b. 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. The 10 major sectors have got 93.39% of the total allocation of FY22. 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.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	↓ 1,890.10	1,900.80	-0.56
FTSE 100	↑ 24.33	23.95	1.57
Nikkei 225	↑ 94.46	93.65	0.86
SENSEX	↓ 1,890.10	1,900.80	-0.56
KSE 100	↑ 24.33	23.95	1.57

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↓ 6,839.44	6,991.36	-2.17
Total Turnover, Tk	↓ 39,878,925,295	59,671,297,845	-33.17
Market Capital, Tk	↓ 4,831,339,791,192	4,936,832,246,256	-2.14
No of Issue Gain	73	87	
No of Issue Loss	297	280	
No of Unchanged Issues	17	19	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Dragon Sweater	16.20	19.90	22.84	551,661,000
Crown Cement	61.50	74.60	21.30	30,251,000
Apex Spinning	147.60	172.10	16.60	423,934,000
ADN Telecom	51.30	57.40	11.89	320,685,000
Pacific Denims	11.90	13.30	11.76	227,316,000
Zahintex Industries	7.50	8.20	9.33	17,557,000
Shurwid Industries	17.40	19.00	9.20	61,228,000
Zaheen Spinning	9.00	9.80	8.89	43,187,000
Monno Agro	551.70	593.10	7.50	154,554,000
Delta Spinners	9.90	10.60	7.07	190,747,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Genex Infosys	159.20	137.80	-13.44	310,798,000
Yeakin Polymer	25.60	22.30	-12.89	390,172,000
QUEENSOUTH	27.90	24.80	-11.11	269,394,000
Stylecraft	139.60	124.30	-10.96	100,650,000
Bangladesh Lamps	349.10	312.90	-10.37	178,026,000
BSC	132.40	120.10	-9.29	964,091,000
1STPRIMFMF	18.40	16.70	-9.24	11,794,000
Asia Insurance	95.00	86.30	-9.16	226,032,000
Zeal Bangla Sugar Mills	151.90	138.20	-9.02	3,677,000
Apex Foods	232.10	211.50	-8.88	202,142,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	498.33	508.33	-1.97	2,145.93	4,041.99	-46.91
Cement	395.50	411.03	-3.78	648.06	782.56	-17.19
Ceramic	847.60	854.70	-0.83	538.49	581.15	-7.34
Engineering	7,097.73	7,179.51	-1.14	4,294.24	6,415.31	-33.06
Food & Al.	5,704.67	5,761.90	-0.99	2,697.48	3,862.03	-30.15
Fuel & Pow.	4,237.68	4,317.59	-1.85	1,678.40	2,446.82	-31.40
Insurance	2,839.60	2,964.63	-4.22	2,979.04	5,230.19	-43.04
IT	621.78	663.39	-6.27	1,398.04	1,245.23	12.27
Jute	1,081.96	1,120.51	-3.44	95.42	99.51	-4.11
Misc.	2,821.46	2,877.56	-1.95	4,570.61	6,923.62	-33.99
Mutual Fund	500.60	507.21	-1.30	189.25	277.79	-31.88
NBFI	1,334.74	1,397.06	-4.46	1,382.04	2,491.09	-44.52
Paper	13,182.51	13,401.38	-1.63	1,278.18	1,785.29	-28.40
Pharma	1,692.87	1,718.73	-1.50	4,529.02	7,772.57	-41.73
Service	1,840.35	1,902.41	-3.26	726.51	1,473.56	-50.70
Tannery	1,318.72	1,382.13	-4.59	3,054.50	5,594.78	-45.40
Telecom	4,521.76	4,693.97	-3.67	354.16	453.39	-21.89
Textile	1,901.17	1,903.15	-0.10	5,296.49	5,484.87	-3.43
Travel & Leis.	634.90	641.69	-1.06	346.88	938.41	-63.04

## Technical Talk

Dhaka stocks dropped in the past week extended the losing streak for a second week as investors increased share sales. Most listed securities, especially large-cap companies, saw price corrections. Out of its four trading sessions, three sessions faced corrections and one session closed marginally higher. Among the major sectors, NBFI decreased by 4.46%, followed by Insurance 4.22%, Cement 3.78% and Telecom 3.67%.

DSE Broad Index (DSEX) stood at 6,839.44 points after decreasing by 151.92 points or 2.17% from the previous week. Total turnover reached at Tk39878.93m, which was 33.17% lower than the previous week. Market capitalization decreased by 2.14% and stood at Tk4831.34b (\$56.18b) at the weekend against Tk4936.83b. DSE 30 decreased by 58.87 points or 2.29% and closed at 2,514.98 points against 2,573.85 points. Last week's weighted average Market PE was 16.34 which was 16.70 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. Last week, RSI plunged to 50.77.

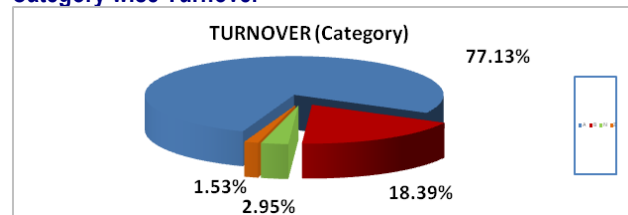
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	19,797,858	2,956,762,000	7.41
Fortune Shoes	19,292,459	2,523,791,000	6.33
Orion Pharma	12,244,408	1,326,756,000	3.33
BSC	7,610,701	964,091,000	2.47
National Life Insurance	2,874,628	624,247,000	1.57
Anwar Galvanizing	1,348,829	583,625,000	1.46

### Top 10 Market Capital

			In million
GP	461,668	United Power	147,069
Walton Hi-Tech	341,733	RENATA	132,822
BATBC	333,072	Beximco Ltd.	131,360
Square Pharma	197,767	ICB	93,475
Robi	190,661	BXPBARMA	83,958

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,890.10	1,900.80	-0.56
Silver (USD/t.oz.)	24.33	23.95	1.57
Brent Crude Oil (USD/bbl.)	94.46	93.65	0.86

### 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	98.87	98.93	99.34	99.40	-0.47	-0.47
GBP	117.62	117.69	119.25	119.32	-1.37	-1.37
AUD	62.54	62.57	62.01	62.05	0.85	0.84
JPY	0.75	0.75	0.76	0.76	-1.32	-1.32
CAD	68.03	68.07	67.86	67.90	0.25	0.25
SAR	23.04	23.06	23.03	23.05	0.04	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)
JMI Hospital Req. Mfg. Ltd.	27 Feb - 03 Mar, 2022	20.0	Tk750