

**BSEC reset circuit breaker lower limit**

The Bangladesh Securities and Exchange Commission (BSEC) reset the regular circuit breaker on all listed securities to prevent recent free-fall of the market. The regulator lowered the downward circuit breaker limit to 2% from 10% which was made effective from March 09, 2022. The upper limit would remain unchanged at 10%. On March 07, 2022 the DSEX, key index of Dhaka Stock Exchange (DSE), lost 182.12 points, the highest single-day fall since March 16, 2020 when the DSEX lost 196 points. Earlier, on March 19, 2020, the BSEC fixed the floor price of the stocks to prevent a massive fall of the index at the onset of the coronavirus pandemic. That move was criticized by market experts as it hindered free market driven price movements, affecting seamless flow of liquidity. However, the Commission continued with the system for one year as the general investors were in crisis of confidence, fearing that the market might crash if the floor prices were lifted. BSEC initially lifted the floor prices of 66 listed companies on April 07, 2021 that resulted in sharp loss of 82.56 points or 1.55% of the benchmark index of DSE on the following session. Observing the reaction, the Commission set the downward limit of the daily circuit breaker to 2%. BSEC, then, removed the floor prices of 30 more listed stocks on June 03, 2021 in another phase. On June 17, 2021, BSEC removed the floor prices for all listed securities, resuming the regular price change limit applicable to all the listed securities. Meanwhile, the market index returned to positive territory immediately with the reset as the DSEX soared 155.73 points or 2.40% to settle at 6,630.02 points on 09 March, 2022. At the end of the week on 10 March 2022, DSEX closed at 6,668.14 points.

**Soaring import payment drag Forex reserve down**

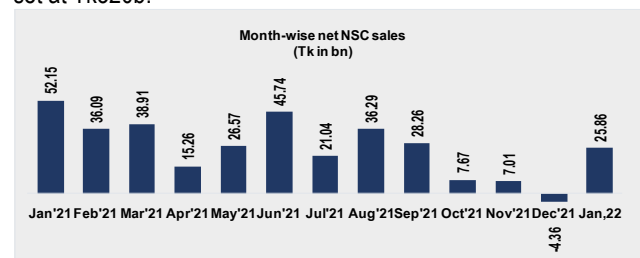
Overall import surged during the first seven months of the current fiscal year riding on higher prices of food grains, consumer goods and fuel oil in the international market. Besides, the global supply-chain disruption pushed the shipping cost that too contributed to the rise in the import payment. The actual import in terms of settlement of Letters of Credit (LCs) increased by 52.70% (Y-o-Y) to US\$45.48b during the July-January period of FY2021-22 from US\$29.78b in the corresponding period of the previous fiscal year, according to the recent reports from the Bangladesh Bank (BB). On the other hand, opening of LCs, generally known as import orders, rose by 49.22% (Y-o-Y) to US\$52.36b in the first seven months of the current fiscal year from US\$35.09b in the same period of the FY2020-21. Meanwhile, Inward remittance to Bangladesh continues to slide. During the July-February period of the FY2021-22, inward remittance slid 19.47% (Y-o-Y) to fall at US\$13.44b against the US\$16.69b recorded in the corresponding period of the previous fiscal year. This ballooning import payment as well as declining inward remittance dragged foreign exchange (forex) reserves down. As on March 06, 2022, the forex reserve balance stood at US\$43.93b after the scheduled payment of US\$2.10b to the Asian Clearing Union (ACU) against imports. Economists, however, expressed their concern on the skyrocketing fuel prices and the rising commodity prices in the global market due to the Russian invasion of Ukraine, which might raise the import costs at the highest level in the coming months that will eventually create pressure on the reserve position.

**Nine banks in provision shortfall**

Provisioning shortfall against loans in the banking system swelled in the last calendar year, despite the fact that loan classification has been on a relaxed mode because of the pandemic related deferments. The amount of provision shortfall increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). Default loans in the banking sector stood at Tk1032.74b at the end of December 2021 from Tk887.34b a year ago, according to Bangladesh Bank (BB) reports. Experts have warned that bad loans might escalate at a faster pace in 2021 as the moratorium facility that was introduced on March 19, 2020 for all types of borrowers to tackle the adverse impact of the COVID-19 has already been lifted. Meanwhile, nine scheduled banks failed to maintain required provisions against classified loans as of December 31, 2021. According to the latest statistics of BB, four state-owned and five private banks reported a combined provisioning shortfall of Tk225.73b. During the final quarter of 2020, 11 banks failed to maintain the required provisioning against their loans. The combined shortfall of these banks was Tk71.46b at the end of 2020. Among the banks such shortfall in four state-owned banks stood at Tk184.28b as on December 31, 2021, of which, Janata Bank alone had a shortfall of Tk104.91b. Among the private commercial banks, National Bank recorded the highest level of shortfall at Tk32.62b followed by Bangladesh Commerce Bank, IFIC, Mutual Trust Bank and Standard Bank. As per BB, the scheduled banks have to keep 0.25% to 2.0% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against bad or loss category loans.

**NSC sales bounce back in January**

According to the latest figures from the National Savings Directorate (NSD), net sales of savings certificate rebounded in January 2022, after turning negative in the previous month. The net sales of NSCs turned negative at Tk4.36b in December 2021 after 19 months as major policy shifts, including budgetary and taxation measures, have appeared as the discouraging factors for the savers to purchase the comparatively high-interest bearing savings instruments. In January 2022, the net sales of NSCs fell by Tk26.29b to Tk25.86b from Tk52.15b in the same month last year. Meanwhile, in the first seven months of the current fiscal year, the net sales of NSCs reached Tk121.76b, which was Tk257.02b in the same period of FY21, as per the Department of National Savings (DNS) records. The government lowered interest rates on all types of savings certificates acquired above Tk1.5m. The revised interest rate was made effective from September 21, 2021. Alongside, the central bank reduced commission for the banks against the sales of NSCs. For FY2021-22, the borrowing target from saving certificates is set at Tk320b.



## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	4,204.31	4,328.87	-2.88
FTSE 100	7,155.64	6,987.14	2.41
Nikkei 225	25,162.78	25,985.47	-3.17
SENSEX	55,550.30	54,333.81	2.24
KSE 100	43,653.33	44,551.35	-2.02

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,668.15	6,696.52	-0.42
Total Turnover, Tk	39,721,420,634	37,458,357,625	6.04
Market Capital, Tk	4,681,150,208,646	4,714,811,353,494	-0.71
No of Issue Gain	207	55	
No of Issue Loss	156	319	
No of Unchanged Issues	23	12	

### Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
BDCOM Online	24.20	34.30	41.74	575,131,000
BD Thai Food	38.50	46.90	21.82	425,485,000
Agni Systems	24.00	27.90	16.25	525,993,000
Intech	28.40	32.20	13.38	53,822,000
Queen South Textile	23.20	26.30	13.36	518,324,000
ADN Telecom	58.80	66.60	13.27	226,493,000
Dragon Sweater	18.90	21.20	12.17	548,989,000
Aamra networks	41.10	46.00	11.92	130,073,000
VFS Thread Dyeing	20.40	22.80	11.76	146,046,000
SEMILLECMF	8.80	9.80	11.36	41,697,000

### Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
VAMLRBBF	8.40	7.10	-15.48	3,181,000
Aramit Cement	40.60	35.50	-12.56	86,856,000
Bangladesh Finance	46.80	41.90	-10.47	128,093,000
IDLC Finance	55.10	50.80	-7.80	130,296,000
Shurwid Industries	21.10	19.50	-7.58	114,886,000
Shyampur Sugar Mills	86.10	80.30	-6.74	11,304,000
Apex Spinning	162.30	151.40	-6.72	124,241,000
Linde Bangladesh	1679.2	1583.1	-5.72	276,892,000
Reckitt Benckiser (Bd.)	5783.1	5463.0	-5.54	42,904,000
BRAC Bank	51.40	48.60	-5.45	343,104,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	491.29	488.75	0.52	2,970.94	3,197.68	-7.09
Cement	365.89	372.77	-1.85	718.62	645.70	11.29
Ceramic	774.82	777.36	-0.33	400.98	417.89	-4.05
Engineering	6,879.74	6,871.28	0.12	3,451.59	3,433.77	0.52
Food & Al.	5,341.05	5,599.09	-4.61	2,679.82	2,220.94	20.66
Fuel & Pow.	4,128.73	4,146.16	-0.42	1,672.93	1,525.92	9.63
Insurance	2,758.81	2,788.08	-1.05	3,108.08	3,033.10	2.47
IT	646.99	605.13	6.92	2,398.71	866.70	176.76
Jute	1,076.05	1,078.86	-0.26	25.94	37.43	-30.71
Misc.	2,791.77	2,820.51	-1.02	4,376.62	5,987.07	-26.90
Mutual Fund	477.70	472.17	1.17	454.13	247.07	83.80
NBFI	1,279.19	1,274.11	0.40	1,529.55	1,176.12	30.05
Paper	13,096.91	13,234.85	-1.04	1,101.29	1,702.38	-35.31
Pharma	1,640.95	1,664.32	-1.40	4,846.71	3,949.78	22.71
Service	1,753.33	1,757.53	-0.24	606.49	678.40	-10.60
Tannery	1,281.56	1,297.18	-1.20	1,834.13	1,240.29	47.88
Telecom	4,323.29	4,367.14	-1.00	529.63	414.27	27.85
Textile	1,893.75	1,851.48	2.28	5,141.78	4,977.35	3.30
Travel & Leis.	618.34	615.48	0.46	219.57	318.64	-31.09

## Technical Talk

Dhaka stocks fell marginally in the last week, easing from the sharp fall in the previous three weeks riding on the regulatory measures imposed to halt the free-fall of stocks. Major sectors posted mixed performances with the IT sector posted the highest gain of 6.92% followed by textile 2.28%. On the other hand, among the major sectors, Food and Allied decreased by 4.61% followed by Cement 1.85% and Pharma 1.40%.

DSE Broad Index (DSEX) stood at 6,668.15 points after decreasing by 28.37 points or 0.42% from the previous week. Total turnover reached at Tk39721.42m, which was 6.04% higher than the previous week. Market capitalization decreased by 0.71% and stood at Tk4681.15b (\$54.43b) at the weekend against Tk4714.81b. DSE 30 decreased by 37.84 points or 1.54% and closed at 2,425.11 points against 2,462.94 points. Last week's weighted average Market PE was 15.84 which was 15.96 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 stood at 46.11.

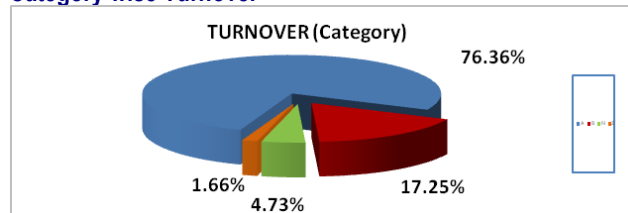
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	17,498,663	2,624,107,000	6.61
Fortune Shoes	13,465,023	1,643,464,000	4.41
BSC	11,952,379	1,339,363,000	3.37
BATBC	1,368,605	790,920,000	1.99
Orion Pharma	7,937,540	773,930,000	1.95
Sonali Paper	800,276	600,875,000	1.51

### Top 10 Market Capital

Company	Value (Tk)	In million	
GP	435,067	United Power	145,040
Walton Hi-Tech	328,708	Beximco Ltd.	133,200
BATBC	312,714	RENATA	128,778
Square Pharma	190,498	ICB	90,735
Robi	188,042	Beximco Pharma	80,034

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/ft.oz.)	1,992.30	1,974.90	0.88
Silver (USD/ft.oz.)	26.22	25.89	1.29
Brent Crude Oil (USD/bbl.)	112.34	118.04	-4.83

### 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	95.73	95.78	95.86	95.92	-0.14	-0.15
GBP	114.39	114.45	116.04	116.11	-1.42	-1.43
AUD	63.02	63.06	63.72	63.75	-1.10	-1.08
JPY	0.74	0.74	0.76	0.76	-2.63	-2.63
CAD	67.83	67.86	67.89	67.93	-0.09	-0.10
SAR	23.04	23.05	23.04	23.05	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)
JMI Hospital Req. Mfg. Ltd.	27 Feb – 03 Mar, 2022	20.0	Tk750