

Ten banks face capital shortfall

According to the latest report from Bangladesh Bank (BB), ten banks out of the total 60 faced accumulated capital deficit of Tk346.39b as on December 2021. In September last year, the shortfall of 11 banks totaled to Tk279.20b, which was Tk253.53b at the end of June, 2021. Five State-owned Commercial Banks (SCBs), three Private Commercial Banks (PCBs) and two Specialized Banks has been placed on the list of banks with insufficient capital. As per the report, Bangladesh Krishi Bank had the highest amount of shortfall at Tk124.28b at the end of the year. Default loans in the banking sector rose by Tk145.4b on December 31, 2021, bringing a negative impact to the capital base in the sector. The volume of Non-Performing Loans (NPLs) stood at Tk1032.74b at the end of December 2021 from Tk887.34b a year ago. High default loans require maintaining a higher provision, which puts pressure on the capital base of banks. Four state-owned and five private banks reported a combined provisioning shortfall of Tk225.73b at the end of December last year. 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.

Capital Shortfall as December 31, 2021			
Figures in Tk (bn)			
Private Banks	Amount	State-run Banks	Amount
ICB Islamic Bank	16.61	Janata Bank	42.56
Bangladesh Commerce Bank	10.88	Agrani Bank	38.77
National Bank	4.57	Sonali Bank	36.39
Specialised Bank	Amount	Rupali Bank	30.38
Bangladesh Krishi Bank	124.28	BASIC Bank	25.30
Rajshahi Krishi Unnayan Bank	16.65		

Source: Bangladesh Bank

Brokers with CCA deficit to face the music

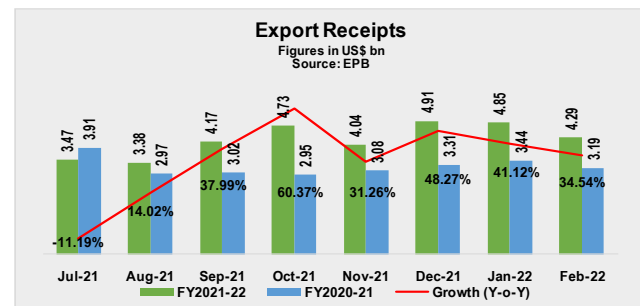
Bangladesh Securities and Exchange Commission (BSEC) is set to limit facilities by imposing restrictions on the brokerage firms that have deficit in their Consolidated Customer Accounts (CCA) in an effort to safeguard the funds of the investors. As per the upcoming restrictions, the brokerage houses will be slapped with penalties such as suspension of Initial Public Offering (IPO) quota facility, dividends of stock exchanges and opening of new branches and digital booths, if it fails to maintain the compliance regarding consolidated accounts of clients. Similar restrictions will be imposed on any brokerage firm which fails to pay the Beneficiary Owners (BO) Account maintenance fees to the Central Depository Bangladesh Limited (CDBL).

Revenue collection up by 16.12%

Revenue collection by the National Board of Revenue (NBR) went up by 16.12% (Y-o-Y) in the first seven months of the current fiscal year, indicating recovery of business activities from the Covid-induced slowdown. The revenue board managed to bag Tk1534.38b during the period against Tk1321.33b a year earlier, according to the latest reports. However, total tax receipts fell Tk191.83b short of the target of Tk1726.21b set for the July-January period. Of the three types of revenues, the growth in customs was the highest 22.45% in the first seven months of FY22, while value-added tax saw a 12.68% and income tax 14.20% increase compared to those of the previous fiscal year. A rapid surge in imports keeping pace with sharply growing local demand amid the easing of the Covid-19 situation played a crucial role in generating higher customs revenue, as well as the overall revenue.

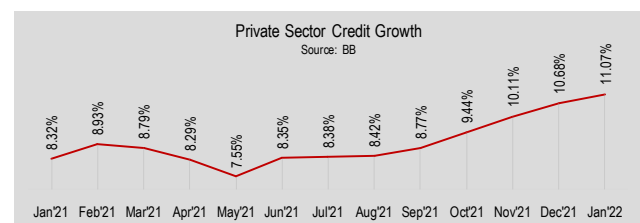
Export earnings exceed target in Jul-Feb

Merchandise shipment experienced an upward trajectory with a 30.86% (Y-o-Y) growth in the July to February period of the current fiscal year, riding on the pleasant performance of the Readymade Garment (RMG) sector. According to the recent release from the Export Promotion Bureau (EPB), exporters fetched US\$33.84b in the first eight months of FY2021-22 against US\$25.86b in the corresponding period of last fiscal year. The overall export earnings also surpassed the set target of US\$29b set for the mentioned period by US\$4.84b. During the period, apparel shipment surged by 30.73% (Y-o-Y) to US\$27.49b from US\$21.03b a year earlier. Of the total RMG export, earnings from the knitwear shot up by 32.87% (Y-o-Y) to US\$15.07b whereas woven garments rose by 28.23% (Y-o-Y) to US\$12.43b throughout the last eight months. Meanwhile, home textiles sector placed the second position in earning foreign currency and registering 35.98% (Y-o-Y) growth to US\$993.76m. Export receipts from leather and leather goods in July-February period of FY2021-22 grew by 29.61% (Y-o-Y) to US\$784.98m from US\$605.67m in the same period of the past fiscal year. Export earnings from agricultural goods, engineering products, frozen and live fish and pharmaceutical products rose to US\$853.2m, US\$534.38m, US\$407.1m and US\$130.57m respectively. However, export of jute and jute goods declined by 7.34% (Y-o-Y) in the July-February period of this fiscal year with US\$799.42m in earnings, which was US\$862.74m a year ago.



Private sector credit flow rises further

Private-sector credits picked up further in January this year as the economy has entered into a recovery phase after the Covid pandemic shock. The credit flow rose to 11.07% from 10.68% a month before, as per the Bangladesh Bank (BB) statistics. However, the growth rate was 3.37 percentage points lower than the monetary target set at 14.8% for the FY2021-22. As a result of the pandemic-induced sluggish economic activities, credit growth registered a historic low of 7.55% in May 2021, which turned upward in June (8.35%) and maintained the uptrend till now. The growth rate in FY2020-21 was 8.35%. In FY19 and FY20, the private sector credit growth rate was 11.32% and 8.61% respectively.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,463.12	4,204.31	6.16
FTSE 100	7,404.73	7,155.64	3.48
Nikkei 225	26,827.43	25,162.78	6.62
SENSEX	57,863.93	55,550.30	4.16
KSE 100	43,029.97	43,653.33	-1.43

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,765.59	6,668.15	1.46
Total Turnover, Tk	38,865,892,242	39,721,420,634	-2.15
Market Capital, Tk	4,735,579,944,158	4,681,150,208,646	1.16
No of Issue Gain	259	207	
No of Issue Loss	103	156	
No of Unchanged Issues	24	23	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
BDCOM Online	34.30	45.00	31.20	1,177,661,000
Silco Pharma	23.80	28.30	18.91	174,870,000
Envoy Textiles	42.00	49.90	18.81	158,497,000
CAPMIBBLMF	14.20	16.60	16.90	62,954,000
Shurwid Industries	19.50	22.50	15.38	245,204,000
Advent Pharma	25.90	29.80	15.06	426,379,000
MHSML	32.60	37.40	14.72	294,385,000
VFS Thread Dyeing	22.80	26.00	14.04	562,101,000
Silva Pharma	19.40	22.00	13.40	149,181,000
VAMLBDMF1	7.10	8.00	12.68	13,824,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Zeal Bangla Sugar Mills	168.50	156.00	-7.42	11,350,000
Takaful Islami Ins.	75.00	69.50	-7.33	39,162,000
United Insurance	55.80	51.80	-7.17	7,834,000
BSC	116.10	107.80	-7.15	681,081,000
Yeakin Polymer	25.80	24.30	-5.81	474,296,000
Meghna Pet Industries	30.30	28.60	-5.61	9,659,000
Imam Button Industries	37.30	35.30	-5.36	5,422,000
Asia Insurance	85.20	80.80	-5.16	150,616,000
Federal Insurance	33.30	31.60	-5.11	11,671,000
Reliance Insurance	73.80	70.10	-5.01	16,389,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	497.91	491.29	1.35	2,649.94	2,970.94	-10.80
Cement	375.82	365.89	2.72	530.08	718.62	-26.24
Ceramic	786.83	774.82	1.55	445.79	400.98	11.18
Engineering	6,966.64	6,879.74	1.26	4,265.56	3,451.59	23.58
Food & Al.	5,476.41	5,341.05	2.53	1,842.46	2,679.82	-31.25
Fuel & Pow.	4,169.76	4,128.73	0.99	1,955.22	1,672.93	16.87
Insurance	2,705.19	2,758.81	-1.94	2,134.66	3,108.08	-31.32
IT	666.30	646.99	2.99	4,113.62	2,398.71	71.49
Jute	1,088.80	1,076.05	1.19	20.21	25.94	-22.08
Misc.	2,830.18	2,791.77	1.38	4,106.71	4,376.62	-6.17
Mutual Fund	507.59	477.70	6.26	743.35	454.13	63.69
NBFI	1,290.61	1,279.19	0.89	1,235.09	1,529.55	-19.25
Paper	12,944.17	13,096.91	-1.17	601.69	1,101.29	-45.36
Pharma	1,667.16	1,640.95	1.60	4,452.50	4,846.71	-8.13
Service	1,794.82	1,753.33	2.37	665.34	606.49	9.70
Tannery	1,251.48	1,281.56	-2.35	554.02	1,834.13	-69.79
Telecom	4,330.28	4,323.29	0.16	365.44	529.63	-31.00
Textile	1,925.76	1,893.75	1.69	6,000.74	5,141.78	16.71
Travel & Leis.	644.72	618.34	4.27	287.03	219.57	30.72

Technical Talk

The Dhaka stocks closed the week in green trajectory, snapping a four-week losing streak as a section of investors showed buying appetite for sector-specific scripts. The market remained closed on March 17 due to a public holiday. Out of its four trading sessions, the first session saw sharp rise while the last three closed flat. Among the major sectors, Mutual Fund increased by 6.26%, followed by Cement 2.72%, Textile 1.69%, Pharma 1.60%, Bank 1.35% and Engineering 1.26%.

DSE Broad Index (DSEX) stood at 6,765.59 points after increasing by 97.44 points or 1.46% from the previous week. Total turnover reached at Tk4735.58m, which was 2.15% lower than the previous week. Market capitalization increased by 1.16% and stood at Tk4735.58b (\$55.06b) at the weekend against Tk4681.15b. DSE 30 increased by 33.38 points or 1.38% and closed at 2,458.49 points against 2,425.11 points. Last week's weighted average Market PE was 16.03 which was 15.84 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 rose slightly to 49.17.

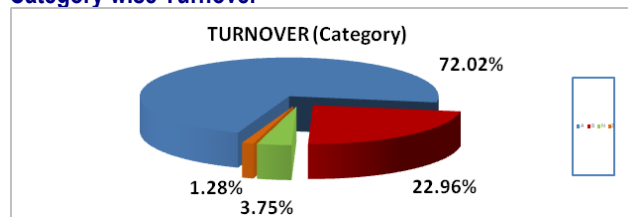
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	19,237,777	2,963,070,000	7.62
BDCOM Online	28,293,785	1,177,661,000	3.03
Dragon Sweater	40,812,377	880,355,000	2.27
Agni Systems	26,278,614	759,947,000	1.96
Orion Pharma	7,077,692	720,389,000	1.85
Aamra technologies	18,278,489	715,337,000	1.84

Top 10 Market Capital

			In million
GP	440,063	United Power	145,214
Walton Hi-Tech	329,677	Beximco Ltd.	135,917
BATBC	321,462	RENATA	132,568
Square Pharma	193,158	ICB	90,332
Robi	182,804	Berger Paints	81,546

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,921.50	1,992.30	-3.55
Silver (USD/t.oz.)	25.14	26.22	-4.14
Brent Crude Oil (USD/bbl.)	107.75	112.34	-4.09

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	97.01	97.05	95.73	95.78	1.34	1.33
GBP	115.65	115.71	114.39	114.45	1.10	1.10
AUD	64.11	64.14	63.02	63.06	1.73	1.71
JPY	0.73	0.73	0.74	0.74	-1.35	-1.35
CAD	68.58	68.62	67.83	67.86	1.11	1.12
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)
-	-	-	-