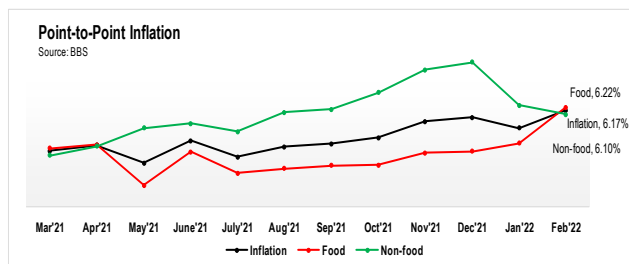


Brokerage houses with CCA deficit face restrictions

Bangladesh Securities and Exchange Commission (BSEC) has imposed several restrictions on the errant brokerage firms that have deficit in their Consolidated Customer Accounts (CCA), in an effort to safeguard the funds of the investors and bring back discipline in the capital market. In a directive issued on March 21, 2022, the capital market regulator said that renewal of licenses of TREC (Trading Right Entitlement Certificate) holder companies and their DP (Depository Participant) will remain suspended until they adjust the shortages found in the consolidated customers' accounts. Such brokers will not also be entitled to enjoy different other facilities. As eligible or qualified investors, the stock brokers avail quota facility in Initial Public Offering (IPO), Repeat Public Offering (RPO) and Qualified Investors Offer (QIO). As per the restrictions, such facilities will also remain suspended. The stock exchanges must suspend free limit facility, dividends against ownership of stock exchanges and opening of new branches and booths for the brokerage houses. Even after the adjustment of shares and cash, the stock exchange and the Central Depository Bangladesh Limited (CDBL) will continue special supervision on errant brokerage houses and examine CCA and depository participants twice a month for a minimum of one year.

Inflation 16-months high in February

Inflation hit a 16-month high after October 2020, in February this year, fuelled by the escalating level of food inflation. Meanwhile, the Russian invasion of Ukraine too disrupted the global supply chain distribution that eventually intensified the inflationary pressure. In October 2020, the inflation rate was recorded at 6.44%. As per the recent release from the Bangladesh Bureau of Statistics (BBS), the point-to-point inflation stood at 6.17% in February this year, rising by 31-basis points from 5.86% in the preceding month. Food inflation was the main driver behind the hike, rising by 62 basis points from 5.60% in January to 6.22% in February. Although food inflation increased in the last month, non-food inflation witnessed a downward trend. According to BBS, non-food inflation went down to 6.10% in February from 6.26% in January, which may highlight that consumers have cut spending on non-essential items. Dwellers of both rural and urban areas faced the bite of this ballooning inflation as the point-to-point inflation rose to 6.49% and 5.59% in the rural and urban areas respectively from 6.07% and 5.47% only a month ago. Economists, however, questioned the BBS data as the real scenario of the inflationary pressure is missing in the statistics, since the low and middle- income population grappled with the pinch of abnormal price spiral, especially, of the essential 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.



Ten banks exceeds ADR

Ten banks could not manage to come within the regulatory requirement of Advance-Deposit Ratio (ADR) in January 2022, even after the central bank increased their lending capacity in the wake of the Covid-19 pandemic. As per Bangladesh Bank (BB), the conventional banks are allowed to keep ADR at 87% and Shariah-based banks at 92% after the upward adjustment of ADR limit by 2% which was set in 2020 to tackle the adverse economic impacts arising from the pandemic fallout. Despite the ease in required limit of ADR, nine private and one state-owned bank could not manage to come within the regulatory limit. BASIC Bank, AB Bank, EXIM Bank, First Security Islami Bank, Global Islami Bank, National Bank, NRB Commercial Bank, Padma Bank, Pubali Bank and Union bank exceeded the ADR limit. The ADR of Padma Bank was the highest at 97.76% followed by EXIM Bank 96.65% and Union Bank 96.20%.

Banks	ADR	Banks	ADR
Padma Bank	97.76%	Global Islami Bank	92.15%
EXIM Bank	96.65%	National Bank	91.07%
Union Bank	96.20%	BASIC Bank	90.96%
Pubali Bank	96.14%	AB Bank	89.96%
First Security Islami Bank	94.21%	NRBC	87.75%

As of January, 2022, Source: Bangladesh Bank

Trade deficit widen in first 7 months

Trade deficit during the first seven months of the current fiscal year surged by 82.08% over the corresponding period of the last FY2020-21 due to the rising import payment pressure on the economy. Although both import and exports grew substantially, the import growth was higher than the export earnings that kept the trade deficit high. As per Bangladesh Bank (BB) figures, the trade deficit rose to US\$18.7b in July-January period of FY22 from US\$10.27b in the same period of FY21. Export increased by 29.23% to US\$27.98b in July-January of FY22 from US\$21.65b in the corresponding period of FY21. On the other hand, import payments grew by 46.21% to US\$46.67b in the first seven months of FY22 against US\$31.92b in the same period of FY21. Meanwhile, the higher trade deficit along with lower inflow of remittances pushed up the current-account deficit. The deficit in current account rose to US\$10.06b during the July-January period of FY22 which was a US\$1.56b surplus in the same period of the last fiscal year. Inward remittances dropped by 19.92% to US\$11.94b in the first seven months of FY22 from US\$14.91b in the same period of FY21. However, the financial account had a surplus of US\$8.16b in July-January of FY22 against a surplus of US\$4.46b in the same period of FY21. Overall trade deficit increased by 27.66% (Y-o-Y) in FY2020-21. As per the BB, trade deficit rose to US\$22.80b during the July-June period of FY2020-21 from US\$17.86b a year before.

Foreign aid inflow soars

Inflow of foreign assistance went up by 57.9% in the first eight months of the current fiscal year, compared to the corresponding period of the previous fiscal year, mostly riding on the pandemic related budget assistance released by the development partners. According to the Economic Relations Division (ERD) reports, during the period foreign development partners, including the World Bank (WB), Asian Development Bank (ADB), Islamic Development Bank (IDB), as well as Japan and China disbursed US\$5.89b, which was US\$3.73b in the corresponding period of the last year.

The week's data runs 16 March 2022 to 24 March 2022

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,543.06	4,463.12	1.79
FTSE 100	7,483.35	7,404.73	1.06
Nikkei 225	28,149.84	26,827.43	4.93
SENSEX	57,362.20	57,863.93	-0.87
KSE 100	43,551.14	43,029.97	1.21

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,752.87	6,765.59	-0.19
Total Turnover, Tk	39,011,983,057	38,865,892,242	0.38
Market Capital, Tk	4,711,289,693,183	4,735,579,944,158	-0.51
No of Issue Gain	105	259	
No of Issue Loss	264	103	
No of Unchanged Issues	16	24	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Gemini Sea Food	408.60	482.00	17.96	423,564,000
Sonali Paper	712.40	813.90	14.25	927,290,000
Oimex Electrode	18.50	21.10	14.05	66,333,000
Khulna Power Co.	31.60	35.00	10.76	144,710,000
Apex Foods	202.70	222.40	9.72	170,292,000
Bashundhara Paper	54.00	58.90	9.07	152,802,000
Fortune Shoes	116.20	126.60	8.95	1,243,194,000
Atlas Bangladesh	115.10	125.20	8.77	65,161,000
Premier Bank	16.00	17.30	8.13	700,546,000
Al-Haj Textile Mills	95.80	103.50	8.04	201,002,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Delta Brac Housing	76.40	67.80	-11.26	51,870,000
IFIC Bank	15.70	14.20	-9.55	305,721,000
BDCOM Online	45.00	40.90	-9.11	1,055,005,000
Envoy Textiles	49.90	45.40	-9.02	10,584,000
Paramount Insurance	64.60	59.00	-8.67	32,371,000
Meghna Pet Industries	28.60	26.30	-8.04	9,949,000
CAPMIBBLMF	16.60	15.30	-7.83	20,193,000
Meghna Cond. Milk	22.20	20.60	-7.21	9,272,000
Shurwid Industries	22.50	20.90	-7.11	82,855,000
GBB Power	37.00	34.40	-7.03	374,223,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	494.60	497.91	-0.66	3,336.14	2,649.94	25.89
Cement	385.29	375.82	2.52	412.78	530.08	-22.13
Ceramic	756.95	786.83	-3.80	248.23	445.79	-44.32
Engineering	6,931.26	6,966.64	-0.51	3,038.45	4,265.56	-28.77
Food & Al.	5,411.30	5,476.41	-1.19	2,161.08	1,842.46	17.29
Fuel & Pow.	4,153.84	4,169.76	-0.38	1,685.89	1,955.22	-13.77
Insurance	2,718.27	2,705.19	0.48	2,783.19	2,134.66	30.38
IT	640.92	666.30	-3.81	3,052.39	4,113.62	-25.80
Jute	1,111.31	1,088.80	2.07	53.03	20.21	162.42
Misc.	2,853.99	2,830.18	0.84	5,760.82	4,106.71	40.28
Mutual Fund	495.21	507.59	-2.44	345.52	743.35	-53.52
NBFI	1,233.95	1,290.61	-4.39	989.94	1,235.09	-19.85
Paper	14,366.98	12,944.17	10.99	1,344.34	601.69	123.43
Pharma	1,667.48	1,667.16	0.02	4,556.76	4,452.50	2.34
Service	1,773.36	1,794.82	-1.20	675.44	665.34	1.52
Tannery	1,314.09	1,251.48	5.00	1,458.32	554.02	163.22
Telecom	4,290.09	4,330.28	-0.93	354.03	365.44	-3.12
Textile	1,888.44	1,925.76	-1.94	4,827.40	6,000.74	-19.55
Travel & Leis.	626.13	644.72	-2.88	189.78	287.03	-33.88

Technical Talk

Dhaka stocks witnessed a marginal correction in the last week, snapping previous week's winning streak. Out of its five trading sessions, the market closed lower in three sessions and two others edged up amid volatile trading. Among the major sectors, Mutual Fund decreased by 2.44%, followed by Textile 1.94%, Telecom 0.93%, Bank 0.66% and Engineering 0.51%.

DSE Broad Index (DSEX) stood at 6,752.87 points after decreasing by 12.72 points or 0.19% from the previous week. Total turnover reached at Tk39011.98m, which was 0.38% higher than the previous week. Market capitalization increased by 51% and stood at Tk4711.29b (\$54.66b) at the weekend against Tk4735.58b. DSE 30 increased by 8.25 points or 0.34% and closed at 2,466.74 points against 2,458.49 points. Last week's weighted average Market PE was 15.94 which was 16.03 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 48.97.

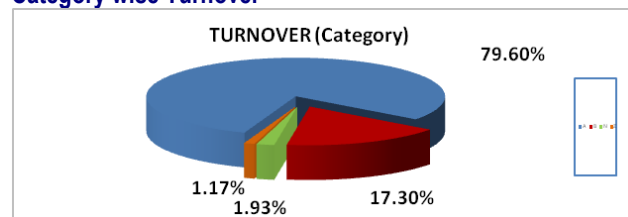
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	29,140,036	4,608,551,000	11.81
Fortune Shoes	10,067,635	1,243,194,000	3.19
Orion Pharma	11,151,890	1,153,414,000	2.96
BDCOM Online	24,748,949	1,055,005,000	2.70
Dragon Sweater	44,519,927	979,395,000	2.51
Sonali Paper	1,189,351	927,290,000	2.38

Top 10 Market Capital

	In million		
GP	439,658	United Power	145,446
Walton Hi-Tech	328,283	Beximco Ltd.	138,108
BATBC	316,494	RENATA	131,068
Square Pharma	194,753	ICB	85,094
Robi	177,042	Berger Paints	83,735

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz.)	1,957.60	1,921.50	1.88
Silver (USD/t.oz.)	25.73	25.14	2.35
Brent Crude Oil (USD/bbl.)	119.29	107.75	10.71

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	86.20	86.25	86.00	86.05	0.23	0.23
EUR	96.36	96.42	97.01	97.05	-0.67	-0.65
GBP	115.72	115.79	115.65	115.71	0.06	0.07
AUD	64.94	64.98	64.11	64.14	1.29	1.31
JPY	0.71	0.71	0.73	0.73	-2.74	-2.74
CAD	69.29	69.33	68.58	68.62	1.04	1.03
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)
-	-	-	-