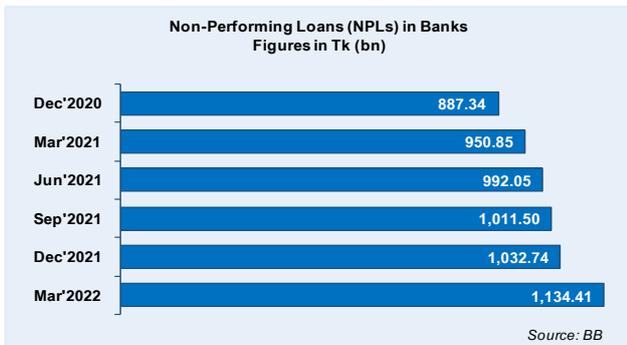


Toxic loan up in Jan-Mar period

Default loans in the banking sector rose by Tk101.67b during the first quarter of 2022 as the central bank revoked policy relaxation on loan repayment for large borrowers any longer since the economic activities have resumed coming out from the Covid-19-induced fallouts. However, SME clients can avail the moratorium facility by paying only 15% of their loans until June 2022. The central bank offered a repayment and loan classification moratorium facility for all types of borrowers in several phases during 2020 and 2021, considering the economic distress arising from Covid-19 pandemic. According to Bangladesh Bank (BB) reports, the volume of Non-Performing Loans (NPLs) stood at Tk1134.41b at the end of March 2022 from Tk1032.74b in December 2021. The amount of classified loans is feared to balloon further if the amount of write-offs is included in the figure. Private banks have been overwhelmed with defaulted loans and the amount of such loans in these banks is higher than that of state-owned banks at the end of Q1 of the current year. The BB data showed that the defaulted loans in the private commercial banks rose to Tk578.04b at the end of March from Tk515.21b in December 2021 while at state-owned banks it stood at Tk487.37b as on 31 March 2022 from Tk449.77b in December 2021. Specialized and foreign commercial banks saw their defaulted loans increase to Tk40.16b and Tk28.85b respectively at the end of March from Tk39.91b and Tk27.85b during the preceding quarter.



Excess liquidity further drops in April

Liquidity surplus in the banking sector declined by Tk115.20b in April this year against the backdrop of the growing credit demand in the private sector amid gradual economic recovery in the post pandemic period. Credit disbursement to the private sector rose to 12.48% in April 2022 from 11.29% a month ago. Apart from the private sector, government borrowing from the banking system also escalated during the period that also created a pressure in the money market reserve amount. Besides, the extensive purchase of US Dollars by the scheduled banks for settling import payments contracted the circulation of liquidity in the money market over the months. As per the latest Bangladesh Bank (BB) statistics, liquidity glut in the banking system further dropped to Tk1,865.96b in April 2022 from Tk1,981.15b a month earlier. The amount of excess liquidity reached a record high of Tk2,314.63b in June 2021 from Tk1,033.58b in January 2020. Meanwhile, the interbank call money rate has reached a two-year high, exceeding 5%, amid a rising liquidity crisis in banks. As per latest statistics from BB, the weighted average call money rate in the money market stood at 5.02% on 13 June 2022. The previous peak was recorded on 16 June 2020 when the rate stood at 5.03%.

Government securities to be traded through BO accounts

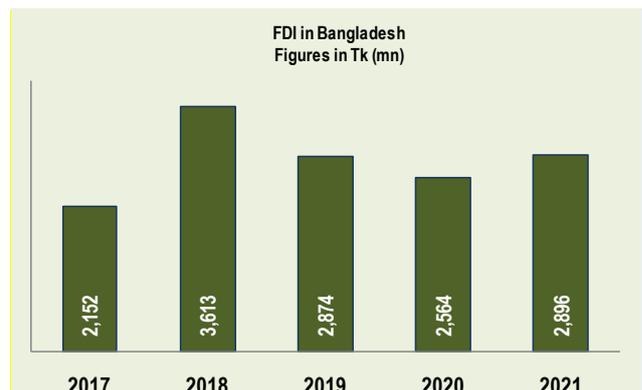
The government securities will commence trading through BO (beneficiary owner's) accounts soon. In order to activate the bond market a Memorandum of Understanding (MoU) was signed in this regard between the Bangladesh Bank, Bangladesh Securities and Exchange Commission, Central Depository Bangladesh Limited, Dhaka and Chittagong Stock Exchange Limited on 12 June 2022. The face value of the traded securities will be Tk100 and the market lot will be Tk1000. The yield curve of different term bonds will now be available due to trading of the government securities on the stock exchange trading platform. At present, government securities are traded between institutional shareholders only, including banks and financial institutions. However, the general investors would be able to invest in the government securities easily once the trading of the government securities on the stock exchanges begin.

Foreign aid release surges 58.64%

Inflow of foreign assistance went up by 58.64% in the first ten 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. As per the reports from the Economic Relations Division (ERD), during the period foreign development partners, including the World Bank (WB), Asian Development Bank (ADB), Islamic Development Bank (IDB) as well as Japan disbursed US\$7.71b, which was US\$4.86b in the corresponding period of the last year. The Manila-based development lender ADB topped the fund disbursement list with US\$1.99b. Japan has become the second biggest financial support provider with US\$1.7b. The third highest lender is WB, which disbursed US\$1.16b. The development partners made an aid commitment of US\$5.89b in the first ten months of FY22. Meanwhile, the government made loan repayments of US\$1.75b during July-April of FY2021-22. At the same time last year, it was US\$1.6b, the ERD reports revealed.

FDI up by 12.95% last year

Foreign Direct Investment (FDI) in Bangladesh rose by 12.95% to US\$2.9b in 2021, according to the World Investment Report 2022 prepared by the United Nations Conference on Trade and Development (UNCTAD). Of the South Asian nations, Bangladesh received the highest FDI after India in 2020, even in stagnation in the economy created by the global Covid-19 pandemic. Bangladesh received US\$2.56b FDI, down from US\$2.87b a year ago. However, a record FDI came into the country in 2018, which was US\$3.61b, the highest since 1990.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,674.84	3,900.86	-5.79
FTSE 100	7,016.25	7,317.52	-4.12
Nikkei 225	25,963.00	27,824.29	-6.69
SENSEX	51,360.42	54,303.44	-5.42
KSE 100	42,140.76	42,014.73	0.30

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,425.74	6,480.30	-0.84
Total Turnover, Tk	43,000,459,563	43,419,136,880	-0.96
Market Capital, Tk	4,519,865,261,472	4,555,548,355,635	-0.78
No of Issue Gain	117	206	
No of Issue Loss	251	157	
No of Unchanged Issues	21	26	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Meghna Insurance	12.10	19.30	59.50	126,000
Monno Fabrics	20.60	29.20	41.75	718,769,000
Shinepukur Ceramic	41.10	50.30	22.38	2,360,919,000
H.R. Textile	84.10	100.00	18.91	494,507,000
Miracle Industries	28.60	32.50	13.64	153,318,000
Tosrifa Industries	20.70	23.50	13.53	252,786,000
HAKKANIPUL	55.40	62.10	12.09	90,429,000
SALAMCRST	32.30	35.90	11.15	242,895,000
KBPPWBIL	11.90	13.20	10.92	79,886,000
Shurwid Industries	19.70	21.80	10.66	217,515,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
BGIC	50.40	45.70	-9.33	12,480,000
Renwick Jaineswar	1127.0	1025.10	-9.04	6,003,000
Rupali Insurance	36.80	33.50	-8.97	41,912,000
Green Delta Insurance	80.30	73.20	-8.84	37,097,000
Eastland Insurance	34.30	31.30	-8.75	32,671,000
Mercantile Insurance	42.50	38.80	-8.71	15,248,000
Phoenix Insurance	47.10	43.00	-8.70	19,058,000
Paramount Insurance	62.70	57.30	-8.61	51,220,000
PAPERPROC	199.80	185.10	-7.36	102,099,000
Desh General Ins.	34.00	31.50	-7.35	13,125,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	459.39	465.48	-1.31	2,006.01	2,926.02	-31.44
Cement	367.67	373.53	-1.57	549.70	676.95	-18.80
Ceramic	943.95	852.51	10.73	3,916.80	1,661.07	135.80
Engineering	6,876.30	6,930.34	-0.78	3,971.96	3,979.93	-0.20
Food & Al.	5,080.23	5,147.95	-1.32	2,149.58	2,363.48	-9.05
Fuel & Pow.	4,075.32	4,089.84	-0.36	1,382.34	2,064.52	-33.04
Insurance	2,433.36	2,547.79	-4.49	3,004.67	5,821.36	-48.39
IT	515.42	531.88	-3.10	1,544.67	1,879.98	-17.84
Jute	1,063.17	1,072.81	-0.90	39.39	58.84	-33.06
Misc.	2,727.58	2,706.49	0.78	4,746.48	3,873.48	22.54
Mutual Fund	485.35	495.87	-2.12	346.21	625.41	-44.64
NBFI	1,253.48	1,252.56	0.07	3,365.26	3,184.49	5.68
Paper	10,735.72	11,072.22	-3.04	432.24	404.81	6.78
Pharma	1,636.37	1,646.98	-0.64	3,898.28	4,492.73	-13.23
Service	1,731.49	1,674.08	3.43	741.84	787.82	-5.84
Tannery	1,195.30	1,231.82	-2.96	571.78	646.12	-11.51
Telecom	3,956.82	3,985.67	-0.72	324.04	515.47	-37.14
Textile	1,834.39	1,817.37	0.94	5,356.26	3,963.61	35.14
Travel & Leis.	659.88	651.68	1.26	522.05	404.64	29.02

Technical Talk

Dhaka stocks dropped in the past week after a gain in the previous two weeks as investors apparently were not happy with the budgetary measures on the capital market and went for selling shares. Longstanding demand like allowing undisclosed money in the stock market, increasing the corporate tax gap between listed and non-listed companies and raising the tax-free dividend income limit has not been incorporated in the proposed budget. Among the major sectors, NBFIs decreased by 0.94% followed by Textile 0.80%, Pharma 0.48% and Cement 0.21%.

DSE Broad Index (DSEX) stood at 6,425.74 points after decreasing by 54.56 points or 0.84% from the previous week. Total turnover reached at Tk43000.46m, which was 0.96% lower than the previous week. Market capitalization decreased by 0.78% and stood at Tk4519.87b (\$48.63b) at the weekend against Tk4555.55b. DSE 30 decreased by 24.44 points or 1.40% and closed at 2327.95 points against 2,352.38 points. Last week's weighted average Market PE was 14.47 which was 14.62 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 43.54

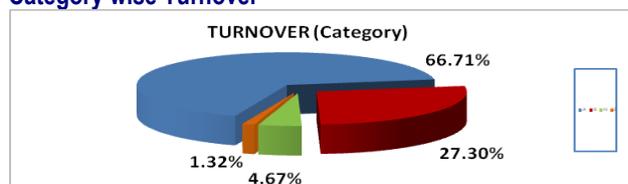
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Shinepukur Ceramics	50,065,154	2,360,919,000	5.49
BEXIMCO	15,710,292	2,064,078,000	4.80
IPDC	30,604,629	1,726,691,000	4.02
JMI Hospital Requisite	16,757,261	1,384,327,000	3.22
RAK Ceramics	20,468,715	1,041,242,000	2.42
Monno Fabrics	26,983,722	718,769,000	1.67

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	411,977	United Power	145,388
Walton Hi-Tech	327,526	RENATA	129,304
BATBC	296,190	Beximco	117,953
Square Pharma	191,207	LafargeHolcim	83,387
Robi	152,948	ICB	80,662

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,841.90	1,875.20	-1.78
Silver (USD/t oz.)	21.63	21.93	-1.35
Brent Crude Oil (USD/bbl.)	113.56	121.77	-6.74

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	92.95	93.00	92.95	93.00	0.00	0.00
EUR	99.02	99.07	101.75	101.80	-2.68	-2.68
GBP	115.32	115.38	118.91	118.97	-3.02	-3.02
AUD	65.57	65.60	67.09	67.13	-2.27	-2.28
JPY	0.70	0.70	0.70	0.70	0.00	0.00
CAD	72.48	72.52	74.39	74.43	-2.57	-2.57
SAR	24.90	24.91	24.90	24.62	0.00	1.18

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)
-	-	-	-