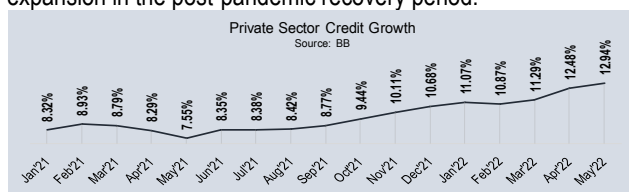


**Loan rescheduling relaxed further**

Bangladesh Bank (BB) has once again substantially relaxed policy for rescheduling defaulted loans citing the old justification of maintaining stability in the financial sector and proper management of classified loans. The central bank issued a circular in this regard on 18 July 2022. As per the new circular, defaulters will be allowed to reschedule their Non-Performing Loans (NPLs) four times whereas previously they could do so three times. It allows defaulters to repay term loans over a maximum period of eight years whereas it was previously two years. In the new circular, rescheduling facilities are separate for big and small loan defaulters. A big loan defaulter having a term loan above Tk5b can get repayment period up to 29 years while agriculture and micro loan defaulters will get up to 10.5 years to repay loans through rescheduling, according to the circular. As per the new rules, defaulters who avail working capital and demand loans would be permitted to pay back their loans over a period of five to seven years, which previously was six to 18 months. In case of term loans, the rescheduling time has been extended to six-eight years in place of previous nine to 24 months. Clients will also enjoy a grace period between six months to one year before they need to start repaying the rescheduled loans. The BB has also declared a significant relaxation of rules on down payments. Under the fresh provisions, defaulters who took term loans would have to repay only 2.5% to 6.5% of their total NPLs instead of the previous 10% to 30%. In case of working capital or demand loans, defaulters will have to deposit 2.5% to 5% of their total NPLs instead of the previous 5% to 15% range. The board of directors of the bank has been given the full authority to settle the applications of loan rescheduling and restructuring. The central bank restructured its rescheduling policy on 22 June 2022 just a week after the new governor joined. It is to be noted that despite the benefit of no re-payment of loan installments, the amount of defaulted loans has not decreased. On the contrary, the volume of non-performing loans stood at Tk1134.41b at the end of March 2022 from Tk1032.74b in December 2021.

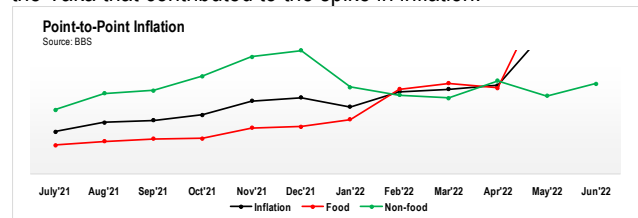
**Private sector credit growth hits 41-month high**

Credit disbursement to the private sector rebounded to reach a 41-month high in May with signs of acceleration of economic recovery. Disbursement rose to 12.94% in May 2022 from 12.48% a month back, as per Bangladesh Bank (BB) reports. However, the growth rate was 1.86 percentage points lower than the monetary target set at 14.8% for the FY2021-22. For the FY2022-23, BB has inched down the private sector credit growth target to 14.01%. The growth rate in May 2022 was the highest after 13.2% recorded in January 2019. As a fallout of the pandemic-induced sluggish economic activities, credit growth registered a historic low of 7.55% in May 2021, which turned upward in June 2021 (8.35%) and maintained the uptrend till now. The growth saw a big jump in May 2022 mainly due to higher trade financing and rising credit demand amid business expansion in the post-pandemic recovery period.



**June inflation at 9-year high**

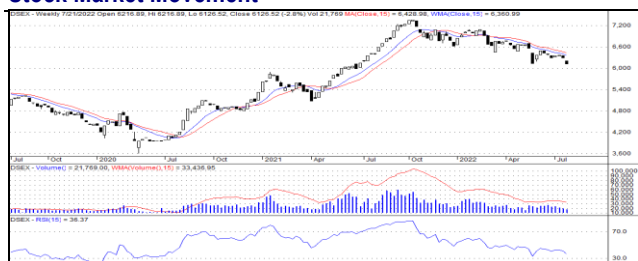
Inflation hit a 9-year high in June this year due mainly to the price hike of both food and non-food items. Meanwhile, the Russia-Ukraine war that began in late February also disrupted the global supply chain that eventually intensified the inflationary pressure. The previous highest was recorded way back in July 2013, when the point-to-point inflation was recorded at a new peak of 7.85%. The rate of the point-to-point inflation in May 2022 was 7.42% which was also the highest in seven years, the Bangladesh Bureau of Statistics (BBS) data showed. The inflation in June 2021 was recorded much lower at 5.64%. The monthly inflation rate on the basis of base-year 2005-06 continues to maintain an upward trajectory for five months in a row. Prices of almost all essential food items continued to maintain an upward trend in the final month of the recently-concluded financial year taking the inflation high. The BBS recorded the monthly inflation rate at 6.17% in February 2022, a 16-month high after the rate rose to 6.44% in October 2020. The monthly inflation rate was recorded at 5.86% in January and 6.05% in December last year. The 12-months average inflation, which stood at 6.15%, exceeded the government revised target of 5.7% set for the fiscal year 2021-22. Inflationary pressures on both the food and non-food items in June were higher, the BBS data showed. Food inflation that was at 8.3% in May 2022 was roaming at 8.37% in June. Non-food inflation soared 25-basis points to 6.33% in June from 6.08% May. Like in the previous month, the rural population is the worst victim of the inflationary pressure as the point-to-point inflation in June was recorded at 8.09% from 7.94% in May. On the other hand, the inflation rate in urban areas was comparatively lower at 6.62% in the last month from 6.49% in May 2022. The Bangladesh Bank (BB) has re-fixed repurchase agreement (repo) rate upwards by 25 basis points to 5% on 29 May 2022 in order to control inflation. Economists have viewed that higher inflationary pressure may sustain in future following the move by the government to make an upward adjustment to the piped gas prices and devaluation of the Taka that contributed to the spike in inflation.



**ADP implementation 92.79% in FY22**

With the record-highest single-month spending, the Annual Development Program (ADP) implementation rate rebounded in the FY2021-22 following a two-year disruption caused by Covid-19. As per records of the Implementation Monitoring and Evaluation Division (IMED), government agencies implemented 92.79% of the ADP in fiscal year 2021-22. In June 2022, the ministries and agencies spent 27.23% of the Tk2.19-trillion ADP. IMED data shows that government agencies and ministries spent Tk2.037 trillion of funds from the total ADP outlay of Tk2.19 trillion in FY22. Meanwhile, development spending was 94.66% in FY2018-19. Amid the coronavirus pandemic, it dropped to 80.39% in FY2019-20 and 82.11% in FY2020-21. The government has approved Tk2.46-trillion ADP for the FY2022-23 aiming to facilitate quick recovery of the economy.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	3,961.63	3,863.16	2.55
FTSE 100	7,276.37	7,159.01	1.64
Nikkei 225	27,914.66	26,788.47	4.20
SENSEX	56,072.23	53,760.78	4.30
KSE 100	40,077.30	42,074.91	-4.75

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,126.52	6,324.50	-3.13
Total Turnover, Tk	27,706,624,231	19,624,441,144	41.18
Market Capital, Tk	4,357,784,096,724	4,484,672,499,371	-2.83
No of Issue Gain	45	114	
No of Issue Loss	331	234	
No of Unchanged Issues	11	39	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
H.R. Textile	101.40	123.10	21.40	321,141,000
KDS Accessories	64.80	74.50	14.97	600,440,000
Orion Infusion	95.70	107.10	11.91	563,660,000
Prime Textile	38.70	41.70	7.75	264,813,000
Aramit Cement	30.80	33.00	7.14	120,050,000
Standard Ceramic	145.90	155.30	6.44	46,069,000
Sunlife Insurance	54.90	58.10	5.83	308,685,000
Alif Industries	51.10	53.80	5.28	110,704,000
M.L. Dyeing Limited	25.00	26.30	5.20	272,495,000
AIBLPBOND	4700.00	4910.00	4.47	40,000

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
Imam Button Industries	148.30	134.30	-9.44	3,686,000
CVO Petrochemical	186.30	168.80	-9.39	171,081,000
Fortune Shoes	88.30	80.10	-9.29	491,730,000
Meghna Insurance	51.00	46.30	-9.22	2,845,000
ISN	63.00	57.20	-9.21	61,701,000
Shinepukur Ceramics	48.00	43.60	-9.17	347,259,000
Provati Insurance	66.00	60.00	-9.09	74,182,000
Genex Infosys	76.50	69.60	-9.02	181,750,000
Bangladesh Finance	47.70	43.40	-9.01	37,030,000
Shyampur Sugar Mills	114.30	104.00	-9.01	8,998,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	449.04	454.71	-1.25	1,573.88	623.04	152.61
Cement	347.58	358.07	-2.93	505.38	151.42	233.76
Ceramic	809.48	876.12	-7.61	707.25	656.62	7.71
Engineering	6,677.47	6,852.44	-2.55	2,634.55	1,954.16	34.82
Food & Al.	4,858.33	5,014.15	-3.11	1,603.68	1,036.92	54.66
Fuel & Pow.	3,956.48	4,161.61	-4.93	2,173.05	1,905.94	14.01
Insurance	2,236.04	2,349.94	-4.85	2,116.25	1,293.35	63.63
IT	488.79	510.88	-4.33	896.48	747.33	19.96
Jute	1,081.17	1,107.96	-2.42	37.22	16.84	120.96
Misc.	2,529.70	2,667.21	-5.16	2,690.19	2,055.84	30.86
Mutual Fund	467.87	480.08	-2.54	199.91	101.04	97.86
NBFI	1,186.73	1,234.45	-3.87	1,003.02	1,501.24	-33.19
Paper	11,702.04	11,990.39	-2.40	1,256.74	308.18	307.80
Pharma	1,586.33	1,607.51	-1.32	2,937.20	1,274.88	130.39
Service	1,536.01	1,641.14	-6.41	270.16	240.80	12.19
Tannery	1,061.15	1,108.30	-4.25	619.87	1,013.39	-38.83
Telecom	3,892.50	3,972.30	-2.01	779.95	197.41	295.10
Textile	1,814.65	1,867.52	-2.83	4,092.02	3,411.09	19.96
Travel & Leis.	587.59	634.17	-7.35	217.86	220.76	-1.31

### Technical Talk

Dhaka stocks continued correction for the third straight week as jittery investors dumped their holdings to avoid further erosion of their portfolios amid fears over a possible economic recession ahead. All the five trading sessions of the week saw the stocks fall. The turnover declined 38% to Tk3.19b on 19 July 2022 which is the lowest since 05 April 2021. Among the major sectors, Fuel and Power decreased by 4.93% followed by Insurance 4.85% and NBFIs 3.87%.

DSE Broad Index (DSEX) stood at 6,126.52 points after decreasing by 197.99 points or 3.13% from the previous week. Total turnover reached at Tk27706.62m, which was 41.18% higher than the previous week. Market capitalization decreased by 2.83% and stood at Tk4357.78b (\$46.14b) at the weekend against Tk4484.67b. DSE 30 decreased by 73.02 points or 3.21% and closed at 2,200.83 points against 2,273.85 points. Last week's weighted average Market PE was 13.93 which was 14.33 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 36.37

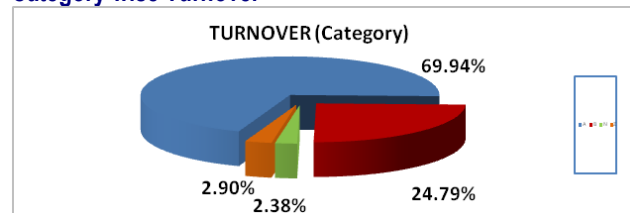
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	11,923,230	1,455,897,000	5.25
Sonali Paper	1,570,212	981,941,000	3.54
Delta Life Insurance	5,014,089	754,929,000	2.72
Intraco Refueling	20,567,013	616,221,000	2.22
KDS Accessories	8,850,678	600,440,000	2.17
Orion Infusion	5,526,570	563,660,000	2.03

### Top 10 Market Capital

Company	Volume	Value (Tk)	In million
GP	387,671	United Power	138,257
Walton Hi-Tech	321,256	RENATA	127,384
BATBC	282,636	Beximco	102,179
Square Pharma	188,105	Berger paint	80,466
Robi	166,566	LafargeHolcim	77,580

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,725.30	1,706.50	1.10
Silver (USD/t oz.)	18.49	18.66	-0.91
Brent Crude Oil (USD/bbl.)	103.63	100.94	2.66

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	94.45	94.50	93.95	94.00	0.53	0.53
EUR	98.40	98.45	96.70	96.75	1.76	1.76
GBP	115.66	115.73	113.61	113.68	1.80	1.80
AUD	65.75	65.79	64.17	64.20	2.46	2.48
JPY	0.70	0.70	0.69	0.69	1.45	1.45
CAD	73.50	73.54	72.47	72.50	1.42	1.43
SAR	25.27	25.28	25.15	25.16	0.48	0.48

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)
-	-	-	-