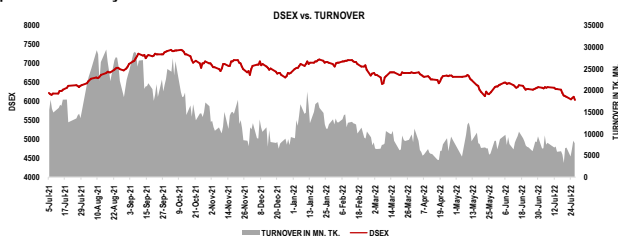


DSEX slumps below 6,000 points

The capital market has been in doldrums for the past six months amid crisis of confidence among investors. Multiple factors such as Russia-Ukraine war, soaring inflation, energy crisis and volatile money market have together hurt investors' sentiment. DSEX, the key index of the Dhaka Stock Exchange (DSE), witnessed a massive fall on 24 July 2022 when it slipped below the 6,100-mark to close at 6,052.44 points on that day, which is the lowest since 29 June 2021 when it was at 6,042.49 points. The turnover declined 38% to Tk3.19b from previous session on 19 July 2022 which is the lowest since 05 April 2021 when the turnover value was Tk2.37b. Meanwhile, stocks increased by 0.5% or 30.45 point to close at 6,082.89 points on 25 July 2022 after losing 314 points in the previous nine sessions. Dhaka stocks plummeted again on 27 July 2022, when the DSEX decreased 74.24 points or 1.21% to close at 6,038. Shares on the DSE tumbled again on 28 July 2022; index hitting a 14-month low at 5,980.51 points. Previously, the lowest was on 27 May 2021 when the index hit 5,984.51 points. Turnover, another key indicator of the market, dropped to Tk4.42b down from the previous day's Tk7.78b.



Interest spread squeezes

The interest rate spread in the banking sector declined to 3.06% in May, 2022 from 3.10% a month earlier. As per a recent Bangladesh Bank (BB) report, the weighted average deposit rate stood at 4.02%, while such rate on lending was 7.08% in May 2022. The overall interest rate spread declined for the second consecutive month as banks had to spend higher for deposits amid rising inflation. A surge in inflation compelled the banks to adjust deposit rates as BB in August 2021 barred banks from offering interests lower than the prevailing inflation rate. The point-to-point inflation in April 2022 hit 6.17%, a 17-month high after October 2020, fuelled by the escalating level of food and non-food inflation. In August 2021, when the BB linked the interest rate of term deposits with the inflation rate, the rate of inflation was 5.54%.

Particulars	Weighted Average Interest Rate		Spread
	Deposits	Advances	
July'21	4.11%	7.30%	3.19%
August'21	4.05%	7.24%	3.19%
September'21	4.08%	7.24%	3.16%
October'21	4.01%	7.15%	3.14%
November'21	3.99%	7.15%	3.16%
December'21	3.99%	7.18%	3.19%
January'22	4.01%	7.13%	3.12%
February'22	4.02%	7.10%	3.08%
March'22	4.01%	7.11%	3.10%
April'22	4.02%	7.09%	3.07%
May'22	4.02%	7.08%	3.06%

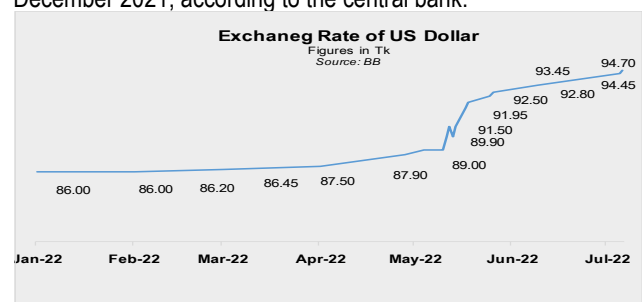
Source: Bangladesh Bank

BSEC raises qualification limit for QIs in SME

The Bangladesh Securities and Exchange Commission (BSEC) has extended the required investment limit of Qualified Investors (QIs) for eligibility in trading on the SME platform. The securities regulator took the decision of revising investment on 27 July 2022. As per the existing rules, QIs are required to have a minimum investment of Tk2m to conduct trades in SME board. From now on, any investor registered with the stock exchanges electronic subscription system and maintaining a minimum investment of Tk3m instead of Tk2m in listed stocks will be allowed to trade on the small capital board. In order to be considered eligible for trading shares in the small capital platform launched in 2021, initially there was an obligation to invest Tk10m in the shares of listed companies in the capital market. To increase participation of investors in the SME platform the investment limit was reduced to Tk5m. Later on 17 February 2022 the minimum investment limit was further reduced to Tk2m.

US Dollar jumps to Tk112

Bangladeshi Taka (BDT) depreciated further and faced a steep devaluation against the US Dollar due to higher demand for the greenback to settle import payments. The Bangladesh Bank (BB) has devalued Taka against the Dollar for the third time in a month by Tk0.25 as the greenback continues to appreciate in the market. The new interbank exchange rate was set at Tk94.70 per USD on 25 July 2022, raising the rate from the earlier Tk94.45 set on 21 July 2022. The local currency lost its value by Tk8.90 or more than 10% since January 2022. The Dollar traded at Tk85.80 on 08 January last. On 21 July 2021, Dollar was traded at Tk84.80, meaning there has been an 11.67% loss in the value of the local currency in a year. Meanwhile, there has also been a Dollar crisis in the open or *kerb* market. The exchange rate for the USD in the informal or *kerb* market has crossed Tk112 for the first time ever on 26 July 2022 from Tk105-107 a day earlier. On 27 July the price dropped to Tk108. Though the government has taken a number of measures, the demand for the USD remained very strong amid high trade deficit-driven depletion of foreign exchange reserve at a disturbing rate. In the first eleven months of the FY22 the trade deficit rose to US\$30.81b surpassing the entire FY21 figure which was US\$22.80b. The BB has so far injected US\$990m from the reserves directly into the commercial banks as liquidity support for settling their import-payment obligations in the current fiscal year. In FY22, the central bank sold US\$7.62b from the reserves to the banks for the same purposes. There is a shortage of Dollar due to rising import payments and declining inflows of remittance. The inflow of remittance fell 15.13% (Year-on-Y) to US\$21.03b in the FY22. Foreign exchange reserves stood at US\$39.49b on 27 July 2022 in contrast to US\$46.15b in December 2021, according to the central bank.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,130.29	3,961.63	4.26
FTSE 100	7,423.43	7,276.37	2.02
Nikkei 225	27,801.64	27,914.66	-0.40
SENSEX	57,570.25	56,072.23	2.67
KSE 100	40,150.36	40,077.30	0.18

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,980.51	6,126.52	-2.38
Total Turnover, Tk	31,691,982,301	27,706,624,231	14.38
Market Capital, Tk	4,248,492,011,898	4,357,784,096,724	-2.51
No of Issue Gain	68	45	
No of Issue Loss	297	331	
No of Unchanged Issues	24	11	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
PF1STMF	9.70	11.30	16.49	66,476,000
United Insurance	44.90	51.30	14.25	1,292,000
Matin Spinning Mills	71.00	78.70	10.85	951,528,000
Envoy Textiles	42.70	46.80	9.60	62,119,000
Safko Spinnings Mills	25.60	27.70	8.20	233,785,000
International Leasing	5.10	5.50	7.84	21,315,000
Square Textiles	64.40	69.20	7.45	435,742,000
Hwa Well Textiles	44.10	47.30	7.26	10,566,000
Sonar Bangla Ins.	47.60	51.00	7.14	41,281,000
Kattali Textile	23.10	24.50	6.06	522,601,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Libra Infusions	951.90	854.10	-10.27	55,099,000
Imam Button Industries	134.30	121.70	-9.38	234,000
Prime Insurance	87.80	79.60	-9.34	58,485,000
Shyampur Sugar Mills	104.00	94.50	-9.13	8,074,000
Bangas	135.10	122.80	-9.10	49,818,000
Miracle Industries	36.00	32.80	-8.89	92,991,000
Standard Ceramic Ind.	155.30	141.60	-8.82	5,983,000
Robi Axiata	31.80	29.00	-8.81	265,258,000
M.L. Dyeing	26.30	24.00	-8.75	139,669,000
BD Monospool Paper	153.10	140.00	-8.56	30,455,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	441.79	449.04	-1.61	1,468.81	1,573.88	-6.68
Cement	332.21	347.58	-4.42	407.83	505.38	-19.30
Ceramic	782.09	809.48	-3.38	671.23	707.25	-5.09
Engineering	6,486.05	6,677.47	-2.87	2,578.01	2,634.55	-2.15
Food & Al.	4,752.55	4,858.33	-2.18	1,145.24	1,603.68	-28.59
Fuel & Pow.	3,797.62	3,956.48	-4.01	1,583.04	2,173.05	-27.15
Insurance	2,199.79	2,236.04	-1.62	1,521.12	2,116.25	-28.12
IT	467.60	488.79	-4.34	727.07	896.48	-18.90
Jute	1,033.55	1,081.17	-4.41	23.87	37.22	-35.88
Misc.	2,470.29	2,529.70	-2.35	2,826.97	2,690.19	5.08
Mutual Fund	468.34	467.87	0.10	350.03	199.91	75.09
NBFI	1,144.52	1,186.73	-3.56	1,448.27	1,003.02	44.39
Paper	11,034.29	11,702.04	-5.71	761.62	1,256.74	-39.40
Pharma	1,561.98	1,586.33	-1.54	2,689.81	2,937.20	-8.42
Service	1,481.33	1,536.01	-3.56	290.58	270.16	7.56
Tannery	1,048.26	1,061.15	-1.22	732.66	619.87	18.20
Telecom	3,780.71	3,892.50	-2.87	525.29	779.95	-32.65
Textile	1,810.86	1,814.65	-0.21	6,610.21	4,092.02	61.54
Travel & Leis.	570.82	587.59	-2.85	137.26	217.86	-37.00

Technical Talk

Dhaka stocks prolonged the losing streak for the fourth straight week amid dismal participation from investors. Out of five trading sessions, three sessions suffered huge losses while two other saw a modest rise. DSEX fell below 6,000 points on the last trading day, hitting a 14-month low at 5,980.51 points which prompted the regulator to bring back the floor price of the listed securities. Among the major sectors, Fuel and Power decreased by 4.01% followed by NBFIs 3.56% and Telecom 2.87%.

DSE Broad Index (DSEX) stood at 5,980.51 points after decreasing by 146.01 points or 2.38% from the previous week. Total turnover reached at Tk31691.98m, which was 14.38% higher than the previous week. Market capitalization decreased by 2.51% and stood at Tk4248.49b (\$44.86b) at the weekend against Tk4357.78b. DSE 30 decreased by 55.58 points or 2.53% and closed at 2,145.25 points against 2,200.83 points. Last week's weighted average Market PE was 13.59 which was 13.93 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 33.19

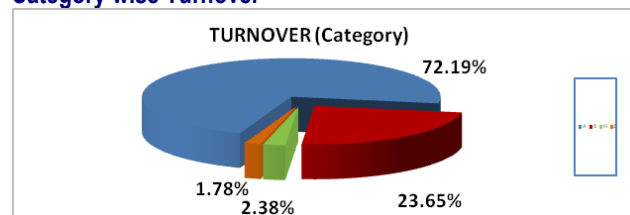
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	16,711,578	1,941,115,000	6.12
Matin Spinning	12,280,048	951,528,000	3.00
KDS Accessories	12,222,386	945,722,000	2.98
Fortune Shoes	8,164,950	654,005,000	2.06
IPDC	10,382,460	605,425,000	1.91
Sonali Paper	947,248	586,888,000	1.85

Top 10 Market Capital

Company	Value (Tk)	In million	
GP	385,781	United Power	133,852
Walton Hi-Tech	313,682	RENATA	126,166
BATBC	277,830	Beximco	100,076
Square Pharma	185,180	Berger paint	79,200
Robi	151,900	Marico	76,548

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,782.70	1,725.30	3.33
Silver (USD/t oz.)	20.34	18.49	9.98
Brent Crude Oil (USD/bbl.)	103.74	103.63	0.11

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	94.70	94.75	94.45	94.50	0.26	0.26
EUR	98.74	98.79	98.40	98.45	0.35	0.35
GBP	117.55	117.61	115.66	115.73	1.63	1.62
AUD	66.50	66.53	65.75	65.79	1.14	1.12
JPY	0.72	0.72	0.70	0.70	2.86	2.86
CAD	74.40	74.73	73.50	73.54	1.22	1.62
SAR	25.34	25.35	25.27	25.28	0.28	0.28

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)
-	-	-	-