

Uniform dollar exchange rates set

In order to bring stability in the foreign exchange market and considering the overall market situation, banks and foreign exchange dealers agreed to set uniform rates in foreign-exchange dealings upon instructions from the central bank. As per the decision, banks will be able to quote a maximum Tk108 for bringing remittances from exchange houses and Tk99 for procuring export proceeds. In case of settling import-payment obligations, the banks will keep highest Tk1 as spread over the weighted average of the exchange houses and the exporters' rates. This weighted-average rate will be calculated on a five-day rolling average basis by each bank, based on its actual cost if the US dollar buying is from inter-bank market, excluding from the central bank. The new dollar rates come as the foreign currency reserves slipped to US\$37.13b on 12 September 2022 from US\$46.15b in December 2021, according to the central bank. Foreign exchange reserve rose to a record high of US\$48.06b in August 2021 from US\$32.76b in January 2020. 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. The BB has so far injected US\$2.76b 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. Recently the central bank observed some anomalies in the money exchanges. So far BB has conducted inspections in more than 100 exchange houses and issued show-cause notices to 44 houses and suspended licenses of five of those. The central bank also moved for stern action against eleven private commercial banks and one foreign bank for alleged involvement in taking advantage of the volatility in the foreign exchange market. Bangladeshi Taka (BDT) depreciated further against the dollar on 12 September 2022, more than a month after a similar fall. The new interbank exchange rate was set at 96 per USD on the day from Tk95 a day before. The interbank exchange rate of Tk95 per USD was set on 08 August 2022.

Industrial credit rises 28% in FY22

Credit flow to the industrial sector witnessed a 28% jump (Y-on-Y) in FY2021-22, riding on high import costs and rising dollar prices. In the last fiscal year, banks and Non-Bank Financial Institutions (NBFIs) disbursed Tk4815.17b in loans to the industrial sector while the disbursement was Tk3747.19b in FY21, according to the Bangladesh Bank (BB) report. In the FY2019-20 credit disbursement to industrial sector plunged 15% (Y-o-Y) to Tk3613.03b, indicating a weak economic recovery from the impact of the coronavirus pandemic. As per BB figures, trade deficit rose to US\$33.25b during the July-June period of FY2021-22 from US\$23.78b a year before. Between July and June last fiscal year, imports increased to US\$85.33b, up 35.95% (Y-on-Y) when exports grew 33.45% to US\$52.08b. In the last month of FY22, the private sector credit growth jumped to 13.66%, the highest in the last 45 months, mainly backed by soaring import payments. As part of tightening money flow, BB has inched down the private sector credit growth target to 14.01% for FY23 from 14.8% of FY22. Most of the loans are used to facilitate overseas purchases. The credit growth has been rising for five months despite a number of measures from the central bank aimed at curbing import bills.

BSEC ask merchant banks to explain

The Bangladesh Securities and Exchange Commission (BSEC) served show-cause notices to some issue managers that have brought low-performing companies to the capital market. The capital market regulator on 12 September 2022 asked the companies to submit explanations within seven working days. When a company goes public, issue managers work on behalf of them and give a due diligence certificate that all the information contained in the prospectus are true. BSEC asked the merchant banks to explain why their issue management activities would not be suspended over their involvement in the listing of non-performing companies as the financial performance of many of the companies they have introduced to the market worsened after their listing.

Toxic loan in NBFIs up in June 2022

Default loans with the Non-Bank Financial Institutions (NBFIs) stood at Tk159.36b at the end of June 2022 which was Tk142.32b in March 2022 and Tk130.16b in December 2021, according to the Bangladesh Bank (BB). Currently, there are 34 NBFIs operating in Bangladesh. Most of these institutions have been facing an image crisis due to a wide range of corruption and maladministration. A number of NBFIs are unfortunately mired in fraud and financial problems. To get out of the fallout, some NBFIs are collecting deposits at high interest rates without following the existing market rate and trends. As a result, the cost of funds of the institutions is increasing unreasonably, which has resulted in disbursement of loans at high interest rates. The central bank imposed interest rate cap on deposits and lending aiming to bring such arbitrary practices to halt. The BB has fixed the interest rate at minimum 7% on deposits and maximum 11% on lending by NBFIs. The instruction came into effect from 01 July 2022. Negligence to scrutinize while giving loans to any company has increased the number of default loans in the whole of the NBFIs sector. However, at the beginning of the current year, the surveillance of NBFIs has increased. The BB said that the financial institutions would have to classify short-term loans, term loans, lease loans and home loans if any kind of confusion or doubt surface over the recovery of loans even if the repayment of such loans were found regular. Along with keeping provision at the rate of 20%, 50% and 100% against substandard, doubtful and bad loans respectively, the NBFIs are also asked to maintain general provision against regular loans at variable rates depending on the nature of the loans.

NBFIs	NPL	NBFIs	NPL
Tk in (bn)			
BIFC	7.59	IDLC Finance	3.41
First Finance	8.20	IPDC	2.92
FAS Finance & Inv.	17.20	BIFFL	1.79
International Leasing	31.51	BD Finance	0.83
Premier Leasing	9.19	Bay Leasing	2.47
Uttara Finance	12.47	DBH Finance	0.35
National Finance	2.68	Far East Finance	8.81
IIDFC	5.36	GSP Finance	1.5
Aviva Finance	8.54	Islamic Finance	0.76
Union Capital	3.99	Meridian Finance	0.71
Hajj Finance	2	MIDAS Finance	1.86
CVC Finance	1.61	National Housing Finance	1.06
IDCOL	9.18	Prime Finance	1.38
Phoenix Finance	6.38	SABINCO	0.25
LankaBangla Finance	4.35	United Finance	0.7

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,873.33	4,067.36	-4.77
FTSE 100	7,236.68	7,351.07	-1.56
Nikkei 225	27,567.65	28,214.75	-2.29
SENSEX	58,840.79	59,793.14	-1.59
KSE 100	41,679.49	41,948.16	-0.64

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,515.01	6,560.02	-0.69
Total Turnover, Tk	70,829,299,724	90,912,261,616	-22.09
Market Capital, Tk	4,527,745,576,467	4,551,415,357,297	-0.52
No of Issue Gain	96	68	
No of Issue Loss	183	265	
No of Unchanged Issues	109	54	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
JMI Hospital	92.70	115.80	24.92	2,630,538,000
Sea Pearl Resort	68.60	85.50	24.64	433,560,000
JMI Syringes	356.80	439.90	23.29	548,769,000
Sonali Aansh	603.00	721.20	19.60	364,730,000
Northern Jute	241.30	288.30	19.48	36,117,000
Ambee Pharma	511.20	604.60	18.27	99,429,000
Union Capital	9.60	11.30	17.71	113,205,000
Monno Agro	498.10	563.80	13.19	98,805,000
BD Thai Food	37.70	42.50	12.73	269,588,000
AMCL(PRAN)	312.70	351.30	12.34	215,472,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Sunlife Insurance	69.90	63.20	-9.59	100,040,000
Simtex Industries	20.30	18.60	-8.37	97,679,000
Dacca Dyeing	20.40	18.70	-8.33	91,836,000
Far East Knitting	21.70	19.90	-8.29	126,958,000
Aman Cotton Fibrous	29.60	27.20	-8.11	35,526,000
Orion Pharma	125.90	116.20	-7.70	7,008,014,000
Fu-Wang Ceramic	19.10	17.70	-7.33	132,619,000
Silva Pharma	23.90	22.20	-7.11	86,702,000
Silco Pharma	26.70	24.90	-6.74	73,642,000
IFAD Autos	52.60	49.20	-6.46	115,705,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	457.25	459.12	-0.41	1,925.58	2,606.86	-26.13
Cement	388.86	408.16	-4.73	1,811.14	3,897.34	-53.53
Ceramic	861.76	866.60	-0.56	1,897.71	1,947.16	-2.54
Engineering	6,738.16	6,773.23	-0.52	6,106.91	10,345.49	-40.97
Food & Al.	4,926.41	4,924.00	0.05	2,487.39	4,218.07	-41.03
Fuel & Pow.	3,973.26	4,028.80	-1.38	3,114.62	5,024.75	-38.01
Insurance	2,336.68	2,346.48	-0.42	2,886.98	5,070.01	-43.06
IT	525.85	507.49	3.62	2,011.60	2,662.05	-24.43
Jute	1,609.61	1,322.27	21.73	536.17	255.77	109.63
Misc.	2,850.90	2,794.78	2.01	12,970.34	12,560.04	3.27
Mutual Fund	465.64	465.58	0.01	95.89	439.04	-78.16
NBFI	1,237.54	1,251.45	-1.11	2,725.35	3,155.01	-13.62
Paper	13,572.10	13,707.90	-0.99	1,277.53	2,333.49	-45.25
Pharma	1,733.86	1,752.81	-1.08	13,249.89	16,267.64	-18.55
Service	1,868.68	1,897.14	-1.50	1,793.47	3,816.80	-53.01
Tannery	1,116.70	1,094.41	2.04	432.87	486.62	-11.05
Telecom	3,834.09	3,834.28	0.00	918.19	948.71	-3.22
Textile	1,920.04	1,963.20	-2.20	5,563.00	9,217.24	-39.65
Travel & Leis.	804.26	720.52	11.62	1,439.52	2,110.19	-31.78

Technical Talk

Dhaka stocks closed in red trajectory in the last week ended on Thursday as investors liquidated shares to book some profit from large-cap issues that witnessed price surge. Out of its five trading sessions, three sessions suffered losses while two sessions closed marginally higher. Two other indices also ended lower last week. Among the major sectors, Textile decreased by 2.20% followed by Fuel & Power 1.38%, NBFI by 1.11% and Pharma 1.08%.

DSE Broad Index (DSEX) stood at 6,515.01 points after decreasing by 45.01 points or 0.69% from the previous week. Total turnover reached at Tk70829.3m, which was 22.09% lower than the previous week. Market capitalization decreased by 0.52% and stood at Tk4527.75b (\$42.39b) at the weekend against Tk4551.42b. DSE 30 decreased by 29.85 points or 1.25% and closed at 2,346.35 points against 2,376.17 points. Last week's weighted average Market PE was 14.71 which was 14.56 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 51.94.

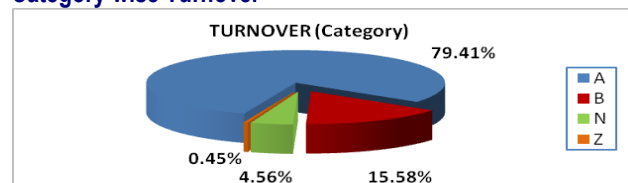
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	66,325,305	9,116,055,000	12.47
Orion Pharma	58,055,192	7,008,014,000	9.89
JMI Hospital Requisite	25,091,101	2,630,538,000	3.71
LafargeHolcim	23,994,948	1,943,130,000	2.74
Shinepukur Ceramics	37,470,991	1,856,076,000	2.62
BSC	13,281,991	1,843,084,000	2.60

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	386,996	United Power	136,634
Walton Hi-Tech	317,378	RENATA	127,160
BATBC	280,098	Beximco	119,092
Square Pharma	186,155	LafargeHolcim	90,355
Robi	157,138	Berger Paint	82,089

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,684.50	1,727.60	-2.49
Silver (USD/t.oz)	19.62	18.79	4.45
Brent Crude Oil (USD/bbl.)	91.58	92.18	-0.65

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.80	106.80	95.00	95.05	12.42	12.36
EUR	108.65	108.65	96.78	96.83	12.26	12.21
GBP	125.58	125.58	111.50	111.56	12.63	12.57
AUD	72.55	72.55	64.22	64.25	12.97	12.92
JPY	0.75	0.75	0.67	0.67	11.94	11.94
CAD	81.52	81.52	72.74	72.78	12.07	12.01
SAR	28.55	28.55	25.41	25.42	12.36	12.31

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)
Navana Pharma	13 Sep - 19 Sep, 2022	24	750
Chartered Life Insurance	25 Sep-29 Sep, 2022	10	150