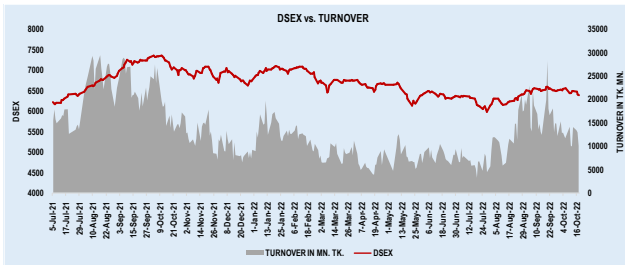


Stocks bleed as investors lost hope

The stock market has been in doldrums for the past couple of 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 28 July 2022 when it slipped below the 6,000-mark to close at 5,980.51 points on that day, which was the lowest in this year. The turnover declined 43% to Tk4.41b from the previous session on 28 July 2022. However, the market started to rebound when the Bangladesh Securities and Exchange Commission (BSEC) set the floor prices again for all listed securities through issuing an Order on 28 July 2022 to prevent free-fall of stock prices. Nevertheless fears of a looming global recession continue to haunt the capital market. On top of that, investors reacted negatively to the BSEC's recent restriction on purchasing shares before cheque encashment of deposits. Investors' participation in DSE declined as many were looking for an exit having no optimism to hold on, but could not sell shares at their expected prices. To ease the liquidity crisis, the capital market regulator has urged all banks to further support the market with their entire exposure limits. As per the Banking Companies Act 1991, a bank's investment in the capital market is limited to 25% of its capital, which includes paid-up capital, share premium, statutory reserve, and retained earnings.

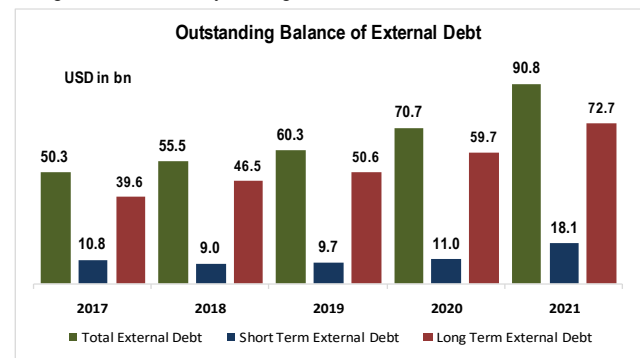


Liquidity in banks shrink on rising inflation

Liquidity surplus in the banking sector declined by Tk157.33b in August this year as high inflation have put pressure on bank deposits. Besides, growing credit demand in the private sector and 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. Apart from that, government borrowing from the banking system also escalated during the period that also created a pressure in the money market reserve amount. Credit disbursement to the private sector rose 14.07% in August 2022 from 13.95% a month back. August growth rate surpassed the monetary target set at 14.1% for the FY2022-23. The monthly inflation rate rose to an 11-year high at 9.52% in August 2022. As per the latest Bangladesh Bank (BB) statistics, liquidity glut in the banking system further dropped to Tk1,741.77b in August 2022 from Tk1,899.1b 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. Interbank borrowing from the call money market is increasing as a result of the lack of liquidity. The BB has set a floor on deposit interest rates as banks have been reducing such rates. No bank can pay interest on term deposits less than the prevailing rate of inflation. However, BB's endeavor is not very successful as soaring level of inflation is causing a decline in bank deposit.

External debt rises

The amount of government debt availed from overseas or external sources has increased significantly. According to the Bangladesh Bank (BB) reports, total outstanding external debt stood at US\$90.8b in 2021, up 28.4% from a year ago. Short and long-term external debt surged by 64.6% and 21.8% respectively last year. Bangladesh is taking an increasingly higher level of debt to fund its infrastructure spending which create pressure on the foreign exchange reserve due to repayment obligations. The reserve meanwhile fell to around US\$35.9b on 20 October 2022 from US\$46.15b in December 2021. Foreign exchange reserve rose to a record high of US\$48.06b in August 2021. At the end of FY21, total debt to Gross Domestic Product (GDP) ratio of Bangladesh hit a 13-year-high of 38%.



Toxic loans up though rescheduling falls

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. Despite the fact default loans in the banking sector is increasing every three months. According to the Bangladesh Bank (BB) report, the volume of Non-Performing Loans (NPLs) rose by Tk118.16b to Tk1252.57b in the second quarter of 2022. The amount was Tk1134.41b in the first quarter and Tk1032.74b in December 2021. Under the relaxed loan rescheduling policy defaulters will be allowed to reschedule their 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. Last year, Tk123.8b defaulted loans were regularized. In 2020, Tk134.70b was rescheduled. A record amount of Tk527.70b in classified loans was rescheduled earlier in 2019.

Revenue collection up by 12.63% in Q1

Revenue collection by the National Board of Revenue (NBR) went up by 12.63% (Y-o-Y) in the first quarter of the current fiscal year. However, total tax receipts fell short of target by Tk55.19b set for the three month period. According to the latest statistics, taxmen managed to bag Tk657.37b against the quarterly target set at Tk712.56b. Of the total Q1 collections, customs duty, income tax and Value Added Tax (VAT) collection grew by 16.44%, 11.55% and 10.06% respectively. Among the three wings of the NBR, VAT wing fetched the highest revenue of Tk232.15b while collection from the two other wings, customs and income tax, stood at Tk224.33b and Tk200.87b during the period. Total revenue earnings have been estimated at Tk4.33-trillion for the current fiscal year. Of this, NBR will collect Tk3.70-trillion and another Tk630b will be collected from other sources.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,752.75	3,583.07	4.74
FTSE 100	6,969.73	6,858.79	1.62
Nikkei 225	26,890.58	27,090.76	-0.74
SENSEX	59,307.15	57,919.97	2.39
KSE 100	42,213.48	41,948.50	0.63

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,392.30	6,494.25	-1.57
Total Turnover, Tk	58,012,450,465.00	48,329,225,429.00	20.04
Market Capital, Tk	4,460,265,817,237.4	4,505,630,293,461	-1.01
No of Issue Gain	41	101	
No of Issue Loss	171	118	
No of Unchanged Issues	174	166	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
ADN Telecom	77.50	97.30	25.55	984,431,000
Anwar Galvanizing	424.30	520.90	22.77	2,166,659,000
Sunlife Insurance	59.40	69.20	16.50	232,113,000
Aramit	327.60	379.40	15.81	223,478,000
Eastern Lubricants	1921.50	2210.20	15.02	188,974,000
Rangpur Foundry	197.00	223.80	13.60	508,576,000
Sonali Aansh	751.60	851.70	13.32	506,844,000
KDS Accessories	78.80	87.10	10.53	1,102,005,000
Sonali Paper	784.50	860.00	9.62	970,442,000
Rahima Food	242.00	258.30	6.74	529,479,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
BDCOM Online	69.60	48.40	-30.46	584,934,000
Peninsula Chittagong	36.30	27.60	-23.97	355,596,000
BD Building Systems	31.00	24.30	-21.61	1,085,938,000
Far East Knitting	22.50	18.20	-19.11	542,963,000
Aftab Automobiles	34.40	28.20	-18.02	112,429,000
Indo-Bangla Pharma	27.40	22.50	-17.88	787,134,000
RSRMSTEEL	20.50	17.00	-17.07	25,448,000
Yeakin Polymer	24.30	20.20	-16.87	131,653,000
Unique Hotel & Resorts	70.00	59.40	-15.14	481,336,000
Advent Pharma	29.50	25.20	-14.58	334,089,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	450.45	451.36	-0.20	841.04	607.77	38.38
Cement	325.46	349.14	-6.78	634.09	659.92	-3.91
Ceramic	810.82	851.95	-4.83	1,167.56	1,670.62	-30.11
Engineering	6,670.96	6,722.88	-0.77	8,399.44	5,898.63	42.40
Food & Al.	4,878.08	4,875.96	0.04	3,606.32	1,677.55	114.98
Fuel & Pow.	3,891.16	3,914.18	-0.59	1,951.89	2,053.26	-4.94
Insurance	2,279.60	2,315.44	-1.55	2,002.52	1,339.78	49.47
IT	541.07	551.46	-1.88	2,949.48	1,560.45	89.01
Jute	1,716.83	1,603.52	7.07	535.38	326.17	64.14
Misc.	2,690.01	2,841.31	-5.33	7,675.23	6,326.73	21.31
Mutual Fund	460.91	462.00	-0.24	13.06	78.45	-83.36
NBFI	1,168.25	1,181.49	-1.12	580.86	1,129.23	-48.56
Paper	16,277.59	15,721.88	3.53	4,067.66	4,012.22	1.38
Pharma	1,738.44	1,747.89	-0.54	10,148.10	10,167.05	-0.19
Service	1,955.28	2,117.06	-7.64	3,987.80	2,671.27	49.28
Tannery	1,083.33	1,094.57	-1.03	376.97	287.53	31.11
Telecom	3,822.47	3,822.47	0.00	255.81	444.73	-42.48
Textile	1,914.65	1,943.39	-1.48	2,542.79	1,943.10	30.86
Travel & Leis.	874.69	990.19	-11.66	1,773.60	1,912.06	-7.24

Technical Talk

Dhaka stocks continued correction for the second straight week as investors remained worried about ongoing economic uncertainty. Out of its five trading sessions, core Index dropped in the first four sessions. Among the major sectors, Insurance decreased by 1.55% followed by Textile 1.48% and NBFIs 1.12%.

DSE Broad Index (DSEX) stood at 6,392.30 points after decreasing by 101.95 points or 1.57% from the previous week. Total turnover reached at Tk58012.45m, which was 20.04% higher than the previous week. Market capitalization decreased by 1.01% and stood at Tk4460.27b (\$42.22b) at the weekend against Tk4505.63b. DSE 30 decreased by 30.41 points or 1.32% and closed at 2,277.65 points against 2,308.06 points. Last week's weighted average Market PE was 14.73 which was 14.86 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 46.79.

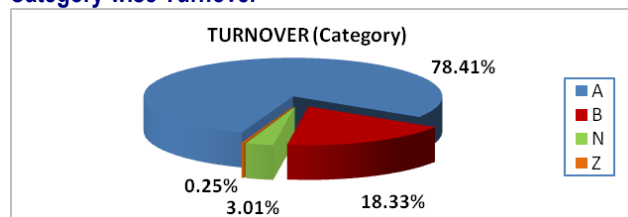
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	30,972,992	3,864,175,000	6.66
Eastern Housing	25,912,902	3,489,458,000	6.02
Orion Pharma	26,971,126	3,355,023,000	5.78
Anwar Galvanizing	4,312,103	2,166,659,000	3.73
JMI Syringes	3,084,396	1,544,613,000	2.66
JMI Hospital Requisite	11,882,342	1,476,346,000	2.54

Top 10 Market Capital

Company	Market Cap (In million)
GP	386,996
Walton Hi-Tech	317,378
BATBC	280,098
Square Pharma	185,977
Robi	157,138
RENATA	139,694
United Power	135,475
BEXIMCO	108,138
LafargeHolcim	76,302
MARICO	76,277

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/ton)	1,662.50	1,650.20	0.75
Silver (USD/ton)	19.40	18.20	6.59
Brent Crude Oil (USD/bbl)	93.50	91.72	1.94

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	105.65	105.65	106.65	106.65	-0.94	-0.94
EUR	106.30	106.30	105.77	105.77	0.50	0.50
GBP	121.84	121.84	121.54	121.54	0.25	0.25
AUD	67.73	67.73	66.43	66.43	1.96	1.96
JPY	0.72	0.72	0.72	0.72	0.00	0.00
CAD	77.85	77.85	77.22	77.22	0.82	0.82
SAR	28.25	28.25	28.54	28.54	-1.02	-1.02

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)
Chartered Life Insurance	25 Sep-29 Sep, 2022	10	150
Global Islami Bank	16 Oct-20 Oct, 2022	10	4250