

BSEC eases floor price for block market

Back stepping in considering the current bearish and stagnant market situation, the Bangladesh Securities and Exchange Commission (BSEC) through issuing an Order on 15 November 2022 relaxed trading in the block market allowing shares to be transacted up to 10% lower than the current floor prices. However, transactions in the main board will be executed in line with the existing floor system. Earlier on 28 July 2022 the capital market regulator set the floor prices for all listed securities to prevent free-fall of stock prices. According to that order, opening price of any listed security shall be set at the average of the closing price of 28 July 2022 and closing price of immediate preceding four trading days and this average price calculated for each security shall be considered as the floor price and lowest limit of the circuit breaker. In case of stock dividend and right share issuance, the floor price would be adjusted on immediate prior record date price of the stock and declared corporate actions. Floor price for newly listed securities shall be reference price for the closing price of the first trading day, the Order said.

Eight banks in provision shortfall

Provisioning shortfall against loans in the banking system swelled in the third quarter of the year, despite the fact that loan classification has been on a relaxed mode because of the pandemic related deferrals. The amount of provision shortfall increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). Meanwhile, eight scheduled banks failed to maintain required provisions against classified loans at the end of September 2022. The combined shortfall of these banks was Tk198.33b as on 30 September 2022. According to the latest statistics of Bangladesh Bank (BB), the provisioning shortfall of the four state-owned commercial banks stood at Tk116.96b and four private banks had such deficit of Tk81.37b. National Bank recorded the highest shortfall at Tk74.75b followed by the four state-owned BASIC Bank, Agrani Bank, Rupali Bank and Janata Bank. As per BB, the scheduled banks have to keep 0.25% to 2% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against bad or loss category loans.

Provisioning Shortfall as of September 2022			
Amount in Tk (bn)			
State-owned Banks	Amount	Private Commercial Banks	Amount
BASIC Bank	45.62	National Bank	74.75
Agrani Bank	35.22	Bangladesh Commerce Bank	3.44
Rupali Bank	30.13	Mutual Trust Bank	1.71
Janata Bank	5.99	Standard Bank	1.47

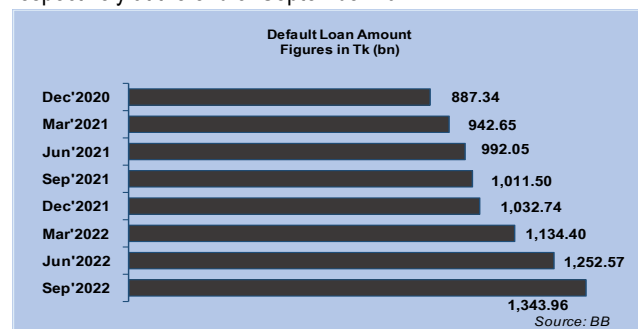
Source: BB

Higher investment limit for QI in SME platform stayed

The High Court has stayed, for three months the condition of Bangladesh Securities and Exchange Commission (BSEC) to invest at least Tk3m which is the required investment limit of Qualified Investors (QIs) for eligibility in trading on the SME platform. Earlier on 27 July 2022 BSEC has extended the required investment limit of QIs for eligibility in trading on the SME platform. Any investor registered with the stock exchanges electronic subscription system and maintaining a minimum investment of Tk3m, in place of Tk2m in listed stocks as earlier, 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 only Tk10m in the shares of listed companies in the capital market.

Classified loan up in Q3

Default loans in the banking sector rose by Tk91.39b as on 30 September 2022, despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. Bangladesh Bank (BB) has once again substantially relaxed the policy for rescheduling defaulted loans citing the old justification of maintaining stability in the financial sector and proper management of classified loans. According to a circular issued on 18 July 2022, 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 only two years. In the new circular, rescheduling facilities are separate for large and small 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. 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%. Despite the fact default loans in the banking sector is increasing every three months. According to BB reports, the volume of NPLs rose to Tk1343.96b at the end of September 2022 from Tk1252.57b at the end of June 2022. On 30 September 2021 NPLs of the banking sector were Tk1011.50b which was Tk1032.74b at the end of December 2021. Of the total amount of defaulted loans, the amount in the private commercial banks increased by Tk40.17b to Tk666.95b in September 2022 from Tk626.78b three months ago. In the state-owned banks, the defaulted loans increased by Tk50.72b to Tk605.01b in September 2022 from Tk554.29b in June 2022. In the specialized banks and foreign commercial banks, the amount of defaulted loans stood at Tk42.28b and Tk29.70b respectively at the end of September 2022.



Per capita income now leaps to US\$2,824

The per capita income of Bangladesh increased to US\$2,824 in the fiscal year 2021-22. In a year, the average annual income rose by US\$233 from US\$2,591 in the previous fiscal year, according to the annual report on the activities of the ministries and divisions in FY22. Per capita income was claimed at US\$1,054 in FY2012-13 and gradually increased over the next few years to stand at US\$1,610 in FY2016-17 and US\$1,751 in FY2017-18, Bangladesh Bureau of Statistics figures recorded. In FY2018-19, the per capita income was US\$1,909. The official statistics shows that the per capita income grew several times, however, inequality between the rich and the poor widened over the same time. The Gross Domestic Product (GDP) was reported at 7.25% in the last fiscal year.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,965.34	3,992.93	-0.69
FTSE 100	7,385.52	7,318.04	0.92
Nikkei 225	27,899.77	28,263.57	-1.29
SENSEX	61,663.48	61,795.04	-0.21
KSE 100	42,730.24	43,092.95	-0.84

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,265.99	6,353.77	-1.38
Total Turnover, Tk	30,200,184,006.00	58,223,076,183.00	-48.13
Market Capital, Tk	4,429,736,914,473.4	4,463,347,217,763	-0.75
No of Issue Gain	44	34	
No of Issue Loss	76	129	
No of Unchanged Issues	265	223	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Chartered Life Ins.	25.60	40.90	59.77	837,000
Monno Agro	520.20	566.50	8.90	131,682,000
Padma Islami Ins.	53.30	57.40	7.69	186,459,000
Aamra networks	48.90	52.40	7.16	748,820,000
eGeneration	60.40	64.70	7.12	186,013,000
Sea Pearl Resort	174.30	184.80	6.02	848,451,000
Monno Ceramic	104.50	110.70	5.93	260,156,000
Bengal Windsor	24.20	25.40	4.96	46,546,000
Bata Shoe	926.40	965.70	4.24	37,173,000
BGIC	49.50	51.40	3.84	39,292,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Anwar Galvanizing	426.80	231.90	-45.67	288,214,000
JMISMDL	356.40	255.50	-28.31	127,660,000
Orion Pharma	125.70	93.40	-25.70	2,357,965,000
Eastern Housing	121.20	93.30	-23.02	1,059,673,000
JMI Hospital Requisite	100.70	78.20	-22.34	642,425,000
Gemini Sea Food	529.40	414.40	-21.72	346,206,000
Kohinoor Chemicals	574.20	474.30	-17.40	60,249,000
Paper Processing	247.00	212.00	-14.17	301,854,000
Navana Pharma	117.40	101.00	-13.97	1,307,845,000
Sinobangla Ind.	90.40	78.00	-13.72	533,756,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	448.02	449.27	-0.28	761.16	830.18	-8.31
Cement	334.65	331.89	0.83	521.56	914.90	-42.99
Ceramic	810.50	804.61	0.73	265.49	323.80	-18.01
Engineering	6,571.87	6,637.78	-0.99	1,414.53	4,096.91	-65.47
Food & Al.	4,846.39	4,852.06	-0.12	1,117.01	1,699.12	-34.26
Fuel & Pow.	3,887.13	3,891.44	-0.11	1,137.80	2,921.63	-61.06
Insurance	2,389.74	2,363.67	1.10	2,036.37	4,331.49	-52.99
IT	653.49	675.42	-3.25	5,860.62	9,938.35	-41.03
Jute	1,622.33	1,706.33	-4.92	269.01	266.37	0.99
Misc.	2,477.51	2,568.77	-3.55	2,784.45	5,276.56	-47.23
Mutual Fund	461.19	461.02	0.04	72.58	7.50	867.58
NBFI	1,166.80	1,167.78	-0.08	158.36	210.67	-24.83
Paper	17,687.50	19,558.99	-9.57	2,447.56	4,536.75	-46.05
Pharma	1,639.08	1,714.77	-4.41	5,333.99	9,088.57	-41.31
Service	1,872.71	2,075.62	-9.78	2,149.69	3,646.27	-41.04
Tannery	1,068.70	1,051.09	1.68	41.73	285.68	-85.39
Telecom	3,822.47	3,822.47	0.00	14.58	42.75	-65.91
Textile	1,900.90	1,904.29	-0.18	505.75	2,462.76	-79.46
Travel & Leis.	1,000.03	1,008.37	-0.83	1,214.68	1,867.19	-34.95

Technical Talk

Dhaka stocks continued correction for the second straight week as risk-averse investors' maintained sell-off to avoid further erosion of their portfolios. Investor confidence is affected by the growing economic worries, poor earnings disclosures of most listed companies coupled with fears of a liquidity crisis in the banking industry. Among the major sectors, Pharma decreased by 4.41% followed by IT 3.25%, Engineering 0.99% and Bank by 0.28%.

DSE Broad Index (DSEX) stood at 6,265.99 points after decreasing by 87.78 points or 1.38% from the previous week. Total turnover reached at Tk30200.18m, which was 48.13% lower than the previous week. Market capitalization decreased by 0.75% and stood at Tk4429.74b (\$41.43b) at the weekend against Tk4463.35b. DSE 30 decreased by 36.06 points or 1.61% and closed at 2,199.91 points against 2,235.97 points. Last week's weighted average Market PE was 14.56 which was 14.79 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 42.80

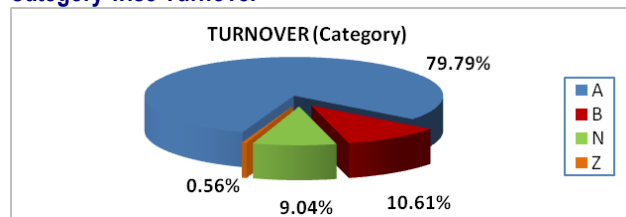
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Genex Infosys	31,306,285	3,318,473,000	10.99
Orion Pharma	22,920,231	2,357,965,000	7.81
Bashundhara Paper	14,335,208	1,534,344,000	5.08
Navana Pharma	13,118,371	1,307,845,000	4.33
Eastern Housing	10,293,151	1,059,673,000	3.51
Summit Alliance Port	27,427,833	1,027,111,000	3.40

Top 10 Market Capital

Company	Market Capital (In million)
GP	386,996
Walton Hi-Tech	317,378
BATBC	280,098
Square Pharma	186,864
Robi	157,138
United Power	135,475
RENATA	130,550
BEXIMCO	101,302
LafargeHolcim	78,741
MARICO	76,277

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,752.00	1,774.20	-1.25
Silver (USD/t oz.)	20.98	21.80	-3.76
Brent Crude Oil (USD/bbl.)	87.86	95.89	-8.37

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.92	106.92	106.44	106.44	0.45	0.45
EUR	111.94	111.94	112.43	112.43	-0.44	-0.44
GBP	128.93	128.93	128.53	128.53	0.31	0.31
AUD	71.28	71.28	71.71	71.71	-0.60	-0.60
JPY	0.76	0.76	0.77	0.77	-1.30	-1.30
CAD	79.81	79.81	80.71	80.71	-1.12	-1.12
SAR	28.43	28.43	28.46	28.46	-0.11	-0.11

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)
Islami Commercial Insurance	20 Nov-24 Nov, 2022	10	202.61