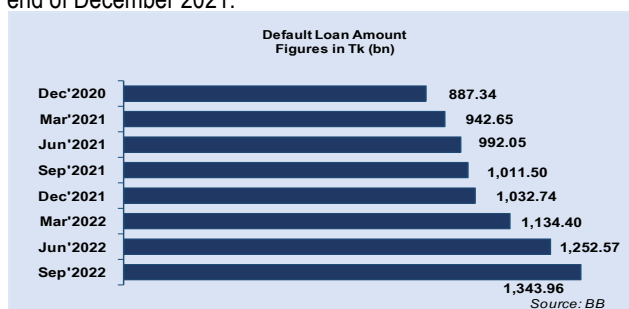


H2 monetary policy unveiled

Bangladesh Bank (BB) has unveiled the monetary policy for second half of the financial year 2022-23, pursuing a cautiously accommodative policy stance to contain inflationary and exchange rate pressures. BB has started to pursue the Monetary Policy Statement (MPS) for a whole fiscal year, first time, replacing the tradition of releasing it on half-yearly basis from FY2018-19. The International Monetary Fund (IMF) fixed some guidelines for BB when the multinational lender agreed to provide US\$4.5b in loans to support economic policies and help retain macroeconomic stability of Bangladesh. One of the conditions was announcing the monetary policy twice a year. Focusing on the IMF's conditions, to contain inflationary and exchange rate pressure by ensuring the necessary flow of funds and making money more expensive for banks, BB unveiled its new monetary policy with changed policy and lending rates along with the removal of specific deposit rates. In the new monetary policy, private sector credit growth has been kept unchanged at 14.1% while public sector credit growth has been revised up to 37.7% from the previous ceiling of 36%. The reserve money is set to grow by 14% while the broad money growth ceiling is set at 11.5%. In the latest MPS, the repo rate was raised to 6% from 5.75% and the reserve repo rate to 4.25% from 4%. The Gross Domestic Product (GDP) projection has been set at 6.5% while inflation target has been reset at 7.5% from the earlier target of 5.6%. The point-to-point inflation rate stood at 8.71% in December 2022. BB raised the lending rate cap for consumer loans up to 12%. Banks have been following a 9% cap on lending since April 2020. It also levied the minimum deposit rate in August 2021. BB has withdrawn the floor on the deposit rate. Earlier, the minimum deposit rate was the average of three months inflation rate.

Write-off declines though toxic loans pick up

As per latest Bangladesh Bank (BB) statistics, loan write-off declined at the end September 2022 despite the upward trend of default loans. Write-off of classified bad loans stood at Tk11.48b at the end of September last year while the scheduled banks removed a total Tk20.1b from the balance sheet at the end of September 2021. Banks every year have been witnessing rise in the volume of written-off loans which have low possibility to be recovered. The banks must keep 100% provision against the written-off loans. Meanwhile, 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. According to BB reports, the volume of Non-Performing Loans (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.



No investment limit in SME platform

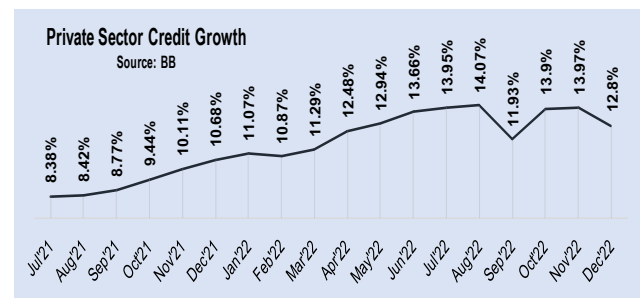
The High Court rejected the appeal made by the Bangladesh Securities and Exchange Commission (BSEC) on retaining the requirement of having at least Tk3m in investments for being eligible as a Qualified Investors (QIs) in trading on the SME platform. As a result, there is no more investment limit condition in the SME market. Earlier on 27 July 2022 BSEC increased 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.

Revenue collection up by 9.11% in H1

Revenue collection by the National Board of Revenue (NBR) went up by 9.11% (Y-o-Y) in the six months of the current fiscal year. The revenue board managed to bag Tk1429.73b during the period against Tk1310.33b a year earlier, according to the latest reports. However, total tax receipts fell short of target set for the six-month period by Tk151.13b. Among the three wings of the NBR, the income tax wing collected Tk446.42b against the target of Tk474.12b, the Value-Added Tax (VAT) wing collected Tk533.92b against the target of Tk561.29b and the customs wing got Tk449.39b against the target of Tk545.45b set for the period, according to the NBR reports. Total revenue earnings have been estimated at Tk4.33-trillion for the current fiscal year. Out of this, NBR will collect Tk3.70-trillion and another Tk630b will be collected from other sources. Out of the Tk3.70-trillion NBR revenue, the income tax wing will collect Tk1.22-trillion, the customs wing Tk1.11-trillion and VAT wing Tk1.37-trillion.

Private sector credit growth drops in December

Credit disbursement to the private sector dropped slightly in December last year as banks slowed loan disbursement amid increasing liquidity crunch. Disbursement decreased to 12.8% in December 2022 from 13.97% a month back, as per Bangladesh Bank (BB) reports. As fallout of the pandemic-induced sluggish economic activities, credit growth registered a historic low of 7.55% in May 2021, which, however, turned upward in June 2021 (8.35%) and maintained the uptrend till January 2022. Growth slowed slightly to 10.87% in February last year and then continued to increase until August despite several measures from the central bank aimed at curbing import bills. August growth rate surpassed the monetary target set for the second half of the FY2022-23. Currently, most banks are suffering from a liquidity crisis. As per the central bank figures, liquidity glut in the banking system fell further to Tk1530b in November 2022 from Tk1695.86b a month earlier.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,972.61	3,999.09	-0.66
FTSE 100	7,770.59	7,844.07	-0.94
Nikkei 225	26,553.53	26,119.52	1.66
SENSEX	26,553.53	60,261.18	-55.94
KSE 100	38,407.98	40,323.45	-4.75

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,265.44	6,215.05	0.81
Total Turnover, Tk	38,505,211,111	21,214,057,919	81.51
Market Capital, Tk	4,427,958,146,702	4,405,244,328,866	0.52
No of Issue Gain	114	62	
No of Issue Loss	68	108	
No of Unchanged Issues	207	210	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Prahati Insurance	61.40	76.30	24.27	150,043,000
City General Ins.	26.10	32.40	24.14	147,547,000
Dhaka Insurance	43.90	52.00	18.45	45,914,000
Genex Infosys	87.60	102.40	16.89	2,920,579,000
BDCOM Online	39.70	46.10	16.12	820,036,000
Indo-Bangla Pharma	17.10	19.80	15.79	218,338,000
Meghna Life Ins.	78.20	90.30	15.47	857,453,000
Global Insurance	30.10	34.70	15.28	50,482,000
Kamaphuli Insurance	27.30	31.20	14.29	41,735,000
Gemini Sea Food	351.80	402.00	14.27	416,600,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Libra Infusions	783.80	745.60	-4.87	1,279,000
Jute Spinners	301.80	287.20	-4.84	389,000
Renwick Jaineswar	866.50	825.10	-4.78	1,132,000
Rahim Textile Mills	189.50	180.50	-4.75	411,000
Zeal Bangla Sugar Mills	161.10	153.50	-4.72	143,000
Emerald Oil Industries	31.90	30.40	-4.70	14,035,000
Shyampur Sugar Mills	85.20	81.20	-4.69	53,000
Alltex Industries	21.60	20.60	-4.63	396,000
Usmania Glass	64.90	61.90	-4.62	2,071,000
Sonargaon Textiles	43.60	41.60	-4.59	716,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	455.22	453.83	0.30	643.42	219.82	192.70
Cement	329.05	322.86	1.92	857.06	8.45	1,046.29
Ceramic	818.56	812.06	0.80	971.74	405.22	139.81
Engineering	6,598.43	6,557.37	0.63	1,915.93	682.13	180.87
Food & Al.	4,839.58	4,839.29	0.01	1,133.91	724.05	56.61
Fuel & Pow.	3,872.47	3,870.78	0.04	1,364.05	981.78	38.94
Insurance	2,526.06	2,397.74	5.35	6,122.56	3,279.52	86.69
IT	706.23	655.58	7.73	6,794.73	3,121.18	117.70
Jute	1,731.82	1,790.19	-3.26	48.07	44.14	8.90
Misc.	2,512.84	2,492.45	0.82	3,608.62	2,264.91	59.33
Mutual Fund	460.22	458.62	0.35	24.82	14.54	70.76
NBFI	1,183.02	1,183.00	0.00	310.35	26.61	1,066.32
Paper	14,959.62	14,823.09	0.92	1,966.81	1,530.76	28.49
Pharma	1,647.19	1,638.61	0.52	4,451.16	2,899.65	53.51
Service	1,776.40	1,760.92	0.88	1,395.65	809.41	72.43
Tannery	1,148.00	1,147.48	0.04	111.18	55.66	99.77
Telecom	3,822.47	3,822.47	0.00	9.80	4.95	98.20
Textile	1,868.31	1,869.70	-0.07	1,725.18	390.01	342.34
Travel & Leis.	1,129.31	1,113.28	1.44	1,193.60	860.37	38.73

Technical Talk

Dhaka stocks extended the gaining streak for the second straight week, riding on selective large-cap issues. Investors, especially the institutional ones, became active after the December-end closing. Of the five trading days last week, only one session suffered losses. Among the major sectors, IT increased by 7.73% followed by Insurance 5.35%, Engineering 0.63% and Pharma by 0.52%.

DSE Broad Index (DSEX) stood at 6,265.44 points after increasing by 50.39 points or 0.81% from the previous week. Total turnover reached at Tk38505.21m, which was 81.51% higher than the previous week. Market capitalization increased by 0.52% and stood at Tk4427.96b (\$41.46b) at the weekend against Tk4405.24b. DSE 30 increased by 9.56 points or 0.43% and closed at 2,208.61 points against 2,199.05 points. Last week's weighted average Market PE was 14.18 which was 14.13 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 45.44.

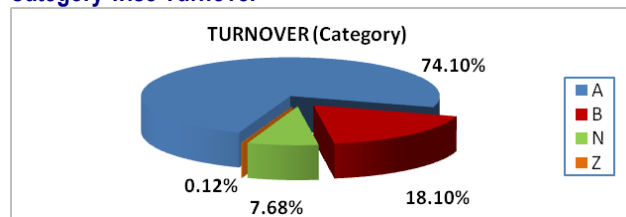
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Genex Infosys	29,628,010	2,920,579,000	7.58
BSC	16,317,057	2,193,346,000	5.70
Bashundhara Paper	18,117,537	1,695,605,000	4.40
Orion Pharma	15,748,649	1,430,118,000	3.71
Aamra networks	16,743,586	999,715,000	2.60
JMI Hospital Requisite	10,043,205	965,215,000	2.51

Top 10 Market Capital

Company	Volume	Value (Tk)	In million
GP	386,996	RENETA	139,689
Walton Hi-Tech	317,378	United Power	135,475
BATBC	280,098	BEXIMCO	101,302
Square Pharma	185,977	LafargeHolcim	76,883
Robi	157,138	MARICO	76,277

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,927.70	1,923.00	0.24
Silver (USD/t.oz)	24.06	24.42	-1.45
Brent Crude Oil (USD/bbl.)	87.61	85.37	2.62

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.79	106.79	106.59	106.59	0.19	0.19
EUR	117.61	117.61	117.77	117.77	-0.14	-0.14
GBP	134.39	134.39	133.02	133.02	1.03	1.03
AUD	74.09	74.09	74.75	74.75	-0.88	-0.88
JPY	0.84	0.84	0.84	0.84	0.00	0.00
CAD	79.51	79.51	79.97	79.97	-0.58	-0.58
SAR	28.59	28.59	28.52	28.52	0.25	0.25

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)
Grameen Bank-AIMS	22 Jan-07 Mar, 2023	10	362
First Unit Fund			