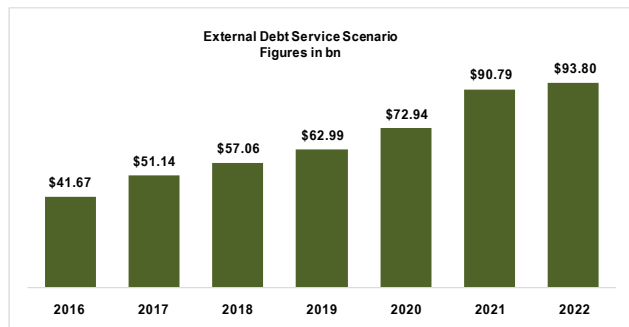


Bank borrowing eased for stock intermediaries

The Bangladesh Bank (BB) has relaxed the provisioning rules of bank loans to brokerage houses, merchant banks and stock dealers to make it easier for intermediaries to obtain funds. BB issued a circular on 02 February and instructed that banks will have to maintain a provision of 1% on the unclassified amount of loans with effect from 30 March 2022. As per the previous circular, banks were advised to maintain 2% provision on the unclassified amount for loans to brokerage houses, merchant banks and stock dealers. However, BB's recent move may not have an impact immediately as banks are suffering from a liquidity crisis. Liquidity surplus in the banking sector declined by Tk577.07b in December last year from that of June 2022. As per the latest BB statistics, liquidity glut in the banking system further dropped to Tk1,457.28b in December 2022 from Tk1,531.77b a month earlier.

External debt rise

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\$93.8b in 2022, up 3.32% from a year ago. Out of US\$93.8b in foreign debts, public sector took US\$69.48b while private sector foreign loans stood at US\$24.3b. Bangladesh is taking an increasingly higher level of debt to fund infrastructure spending which create pressure on the foreign exchange reserve due to repayment obligations. The reserve meanwhile fell to around US\$33.75b at the end of December 2022 from US\$46.15b in December 2021. However, under the International Monetary Fund's (IMF) condition, BB needs to follow the net calculation method instead of the present gross one to determine the foreign exchange reserves. Currently, the gross reserves are calculated by including spending for the Export Development Fund (EDF) and loans to Sri Lanka. If the amount is excluded, the foreign exchange reserves will stand at US\$26b.

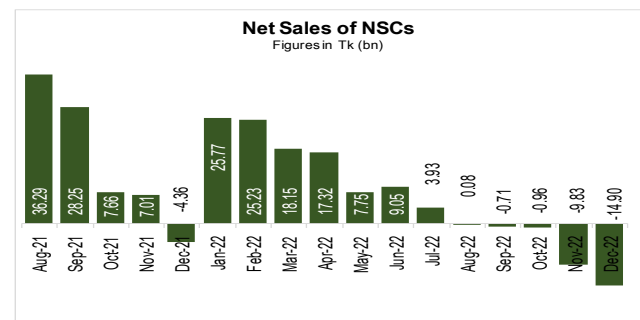


Inflation eases in January

The point-to-point inflation decreased to 8.57% in January 2023 from 8.71% in the preceding month. It was recorded at 5.86% in January 2022. Food inflation fell by 0.15 percentage points to 7.76% in January from the previous month's 7.91%. Non-food inflation dropped by 0.12 percentage points to 9.84% in January compared to 9.96% in December. The monthly inflation rate rose to a decade high of 9.52% in August 2022, the Bangladesh Bureau of Statistics (BBS) figures showed. Despite the fall in recent months, the last 12-months average inflation rose significantly to 7.67%, exceeding the monetary target of 5.60% set for the whole of fiscal year 2022-23.

Net sale of NSCs negative while bank borrowing up

As per the latest figures from the National Savings Directorate (NSD), the net sales of National Savings Certificates (NSCs) remained negative for the fourth consecutive month in December 2022 due to various discouraging conditions including reduction of interest rate on the certificates, the imposition of maximum investment limit and some major policy shifts in budgetary and taxation measures. The net sales of NSCs turned negative at Tk14.90b in December after it was Tk706.3m negative in September 2022. Earlier in December 2021, the net sales of NSCs turned negative at Tk4.35b. The net sales of NSCs were Tk199.16b in FY2021-22 which was Tk419.59b in FY2020-21. The government has lowered the interest rates on all types of savings certificates in September 2021. These new rates will be applicable for both individuals and institutional investors. To contain the surging sales of NSCs, the government barred individuals from purchasing the certificates totaling over Tk0.2m without having e-TIN. The Bangladesh Bank has made it mandatory to show proof of the income tax returns for investment in savings certificates worth more than Tk0.5m. Alongside, the central bank reduced commission for the banks against the sales of NSCs. Meanwhile, net bank borrowing by the government has surged behind a drastic fall in the net sales of national savings certificates. In FY2021-22 the government borrowed Tk647.55b from the banking system which was Tk260.78b a year ago. The government has set a target of borrowing Tk1.06-trillion from the banking system in FY2022-23. Besides, the government also planned to borrow Tk350b through savings certificates.



7.1% GDP growth in FY2021-22

The Gross Domestic product (GDP) registered 7.1% growth in the FY2021-22, which was 7.25% during the provisional estimate, according to the Bangladesh Bureau of Statistics (BBS). The GDP growth rate was 6.94% in FY2020-21 and 7.88% in FY2018-19, which tumbled to 3.51% in FY2019-20 as the economy then came to a standstill due to Covid-19 crisis. Meanwhile, the BBS started calculating GDP by changing the base year to 2015-16 from the previous base year of 2005-06. The investment ratio to GDP in the last fiscal year increased to 32.05% compared to 31.02% in FY2020-21. Out of that, the private investment ratio to GDP increased to 24.52% while the public investment ratio to GDP also enhanced to 7.53% in the last fiscal year. The higher GDP size also boosted the per-capita income to US\$2,793 in the last fiscal year, up from US\$2,591 recorded in FY2020-21. The per capita income in FY2019-20 was \$2,326 up from US\$2,209 in FY2018-19, according to BBS. The government has revised down the economic growth projection for the FY2022-23 to 6.5% from the previous estimate of 7.5%.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	↓ 4,090.46	4,136.48	-1.11
FTSE 100	↓ 7,882.45	7,901.80	-0.24
Nikkei 225	↑ 27,670.98	27,509.46	0.59
SENSEX	↓ 60,682.70	60,841.88	-0.26
KSE 100	↑ 41,741.78	40,471.16	3.14

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↓ 6,283.31	6,294.73	-0.18
Total Turnover, Tk	↑ 32,436,679,172	28,395,510,143	14.23
Market Capital, Tk	↓ 4,441,311,878,295	4,447,316,934,342	-0.14
No of Issue Gain	42	53	
No of Issue Loss	138	124	
No of Unchanged Issues	200	208	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Apex Footwear	261.90	306.00	16.84	463,101,000
Sonali Aansh Ind.	402.00	459.00	14.18	270,471,000
Monno Agro	812.00	917.50	12.99	222,803,000
Gemini Sea Food	444.10	499.50	12.47	896,724,000
Orion Infusion	364.60	397.50	9.02	826,471,000
Sea Pearl Resort	271.00	293.00	8.12	1,163,031,000
Fine Foods	57.30	61.80	7.85	52,377,000
Sonali Paper	615.10	661.00	7.46	362,070,000
Olympic Industries	143.90	153.50	6.67	1,411,566,000
BSC	133.40	142.20	6.60	2,875,895,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Pragati Life Insurance	149.60	125.80	-15.91	315,242,000
Oimex Electrode	18.40	15.90	-13.59	25,074,000
Pragati Insurance	74.10	67.30	-9.18	39,226,000
Popular Life Insurance	81.30	74.00	-8.98	161,373,000
Aamra networks	69.70	64.30	-7.75	994,630,000
Sonali Life Insurance	69.70	64.30	-7.75	171,697,000
Pioneer Insurance	80.00	74.10	-7.38	113,766,000
BD Thai Food	41.50	38.50	-7.23	70,123,000
Green Delta Insurance	70.60	65.90	-6.66	33,131,000
Sandhani Life Ins.	29.30	27.40	-6.48	29,351,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	455.70	454.66	0.23	344.24	291.87	17.94
Cement	321.87	323.90	-0.63	281.11	223.14	25.98
Ceramic	840.70	819.57	2.58	2,314.42	1,156.09	100.19
Engineering	6,613.81	6,600.44	0.20	728.72	478.07	52.43
Food & Al.	4,885.41	4,842.22	0.89	2,820.54	2,073.39	36.04
Fuel & Pow.	3,874.19	3,867.90	0.16	917.64	953.13	-3.72
Insurance	2,436.03	2,588.39	-5.89	2,819.91	3,192.41	-11.67
IT	678.45	703.08	-3.50	5,206.84	5,887.72	-11.56
Jute	2,062.58	1,652.40	24.82	279.85	76.15	267.50
Misc.	2,498.28	2,488.15	0.41	3,314.16	1,917.27	72.86
Mutual Fund	459.32	460.76	-0.31	17.12	20.66	-17.14
NBFI	1,181.13	1,186.63	-0.46	112.90	197.36	-42.79
Paper	15,095.30	15,255.44	-1.05	1,732.77	1,969.05	-12.00
Pharma	1,650.83	1,656.35	-0.33	4,090.92	2,383.16	71.66
Service	1,888.89	1,852.75	1.95	1,541.04	2,120.72	-27.33
Tannery	1,157.27	1,146.23	0.96	475.79	58.69	710.69
Telecom	3,822.47	3,822.47	0.00	7.78	9.73	-20.07
Textile	1,843.07	1,855.77	-0.68	473.27	512.93	-7.73
Travel & Leis.	1,360.97	1,316.36	3.39	1,588.21	1,519.97	4.49

Technical Talk

Dhaka stocks continued correction for the second straight week amid poor participation of investors. The market saw losses in most of the sessions. Among the major sectors, Insurance decreased by 5.89% followed by IT 3.5%, Textile 0.68% and NBFI 0.46%.

DSE Broad Index (DSEX) stood at 6,283.31 points after decreasing by 11.42 points or 0.18% from the previous week. Total turnover reached at Tk32436.68m, which was 14.23% higher than the previous week. Market capitalization increased by 0.14% and stood at Tk4441.31b (\$41.78b) at the weekend against Tk4447.32b. DSE 30 increased by 4.62 points or 0.21% and closed at 2,235.36 points against 2,230.73 points. Last week's weighted average Market PE was 14.43 which was 14.45 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 46.71.

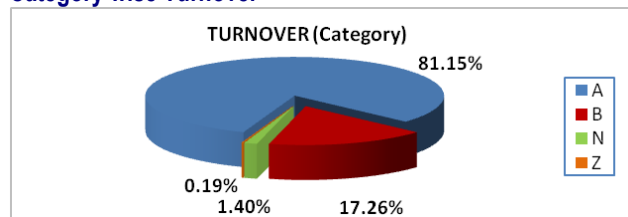
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Genex Infosys	30,428,964	3,271,522,000	10.09
BSC	20,224,262	2,875,895,000	8.87
Shinepukur Ceramics	37,508,596	1,950,843,000	6.01
Orion Pharma	17,084,195	1,577,957,000	4.86
Olympic Industries	9,367,370	1,411,566,000	4.35
Sea Pearl Resort	4,135,808	1,163,031,000	3.59

Top 10 Market Capital

Company	Value (Tk)	In million
GP	317,378	149,467
Walton Hi-Tech	280,098	135,475
BATBC	185,977	103,571
Square Pharma	157,138	76,277
Robi	317,378	75,257

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,876.40	1,877.70	-0.07
Silver (USD/t oz.)	22.01	22.40	-1.74
Brent Crude Oil (USD/bbl.)	86.45	79.76	8.39

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.31	106.31	105.25	105.25	1.01	1.01
EUR	116.36	116.36	115.91	115.91	0.39	0.39
GBP	130.98	130.98	129.44	129.44	1.19	1.19
AUD	74.32	74.32	73.25	73.25	1.46	1.46
JPY	0.82	0.82	0.81	0.81	1.23	1.23
CAD	79.51	79.51	78.96	78.96	0.70	0.70
SAR	28.48	28.48	28.19	28.19	1.03	1.03

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			
Midland Bank	16 Feb-23 Feb, 2023	10	700