

Floor price re-imposed on 169 securities

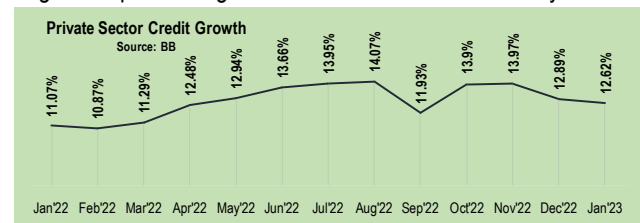
The Bangladesh Securities and Exchange Commission (BSEC) re-imposed floor prices on 169 listed securities through issuing an Order on 01 March 2023. According to the new Order, opening price of 169 listed securities shall be determined at the floor price that was set during the time of reintroducing floor prices on 28 July 2022 or average of the closing price from 26 February 2023 to 01 March 2023, whichever is lower. Other conditions of the BSEC Order issued on 28 July 2022 remain unchanged. Earlier, on 21 December 2022, the BSEC lifted the floor price from these 169 listed securities. The capital market regulator first introduced the unique mechanism to prevent free-fall of market centering the pandemic fear. On 19 March 2020, the BSEC fixed the floor price of the stocks to prevent a similar massive fall of the index at the onset of the coronavirus pandemic. The Order that was issued prior to the imposition of the first countrywide lockdown, restricted the price movement of all the listed securities to as low as the average closing prices of immediately preceding five trading sessions till its effective date on 19 March 2020. The provision was highly criticized by experts as it hampered the free price movement in the market, affecting the flow of liquidity. However, the Commission continued with the system for one year as the general investors were in confidence crisis, fearing that the market might crash if the floor prices were lifted. BSEC initially lifted the floor prices of 66 listed companies on 07 April 2021 that resulted in sharp loss of 82.56 points or 1.55% of the benchmark index of DSE on the following session. Observing the reaction, the Commission set the downward limit of the daily circuit breaker to 2%. BSEC then removed the floor prices of 30 more listed stocks on 03 June 2021 in another phase. On 17 June 2021, BSEC removed the floor prices for all listed securities, resuming the regular price change limit applicable to all the listed securities. Later on 28 July 2022 BSEC set the floor prices again for all listed securities. 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 immediately 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 the newly listed securities shall be reference price for the closing price of the first trading day, the Order said.

Foreign remittance drops in February

Inward remittance from overseas to Bangladesh by the expatriate workforce declined to US\$1.56b in February 2023 from US\$1.95b in the previous month, according to Bangladesh Bank (BB). Before February, the inflow of remittance had increased for three consecutive months until January. The volume of remittance reached US\$14.01b in the first eight months of FY2022-23. The amount was US\$13.43b recorded in the corresponding period last fiscal year. However, the government and the central bank have taken several initiatives to increase the flow of remittances. The government has raised the cash incentive on remittance by 0.5-percentage points to 2.5%. Besides, remitters would not have to make any declaration to send remittances up to US\$20,000. As per records, in 2022 the expatriate remitters transferred US\$21.56b, dropping by 2.31% (Y-o-Y) from US\$22.07b in 2021.

Private sector credit growth drops in January

Credit disbursement to the private sector dropped slightly in January 2023 as banks slowed loan disbursement amid increasing liquidity crunch and an unfavorable business environment resulting from the ongoing economic crisis. As per the latest Bangladesh Bank (BB) statistics, liquidity glut in the banking system further dropped to Tk1,376b in January 2023 from Tk1,457.28b a month earlier. Over the past few months, excess liquidity in the banking sector has steadily decreased due to various factors, such as rising inflationary pressure, extensive purchase of US dollars by the scheduled banks for settling import payments. These compounded and aggravated contraction of circulation of liquidity in the money market. Additionally, government borrowing from the banking system also escalated during the period that also created a pressure on the money market reserve amount. The amount of excess liquidity was Tk2,034.35b in June 2022, but since then it has dropped continuously. It reached a record high of Tk2,314.63b in June 2021. Interbank borrowing from the call money market is increasing because of the lack of liquidity. The weighted average interest rate in the inter-bank money market soared to 5.80% at the end of December 2022. It reached to 7% on 25 January 2023, which is a six year high. Credit disbursement to the private sector decreased to 12.62% in January this year from 12.89% a month back, as per BB reports. In November 2022, the growth was 13.97%. 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 reached 14.07%, which surpassed the monetary target of 14.1% set for FY2022-23. Private sector credit growth target is kept unchanged at 14.1% for the current fiscal year.



Interest spread at 27-month low

Interest rate spread in the banking sector stood at 2.95% in January 2023, being lowest in 27 months. Earlier the spread between the weighted average lending rate and deposit rate was 2.94% in October 2020, according to Bangladesh Bank (BB). The central bank on 15 January 2023 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 on 08 August 2021, BB has set a floor on deposit interest rates and instructed the banks not to fix the rate for deposits below the inflation rate published three months before. In recent months deposit growth tumbled as saving became difficult. Not only bank deposits, savers have also been pulling out their funds from government savings certificates. An increasing number of people are currently unable to save because of the rising inflation, which stood at 8.57% in January this year.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,045.64	4,090.46	-1.10
FTSE 100	7,947.11	7,882.45	0.82
Nikkei 225	27,927.47	27,670.98	0.93
SENSEX	59,808.97	60,682.70	-1.44
KSE 100	41,337.00	41,741.78	-0.97

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,213.74	6,205.12	0.14
Total Turnover, Tk	17,939,342,282	10,925,120,305	64.20
Market Capital, Tk	4,405,969,505,357	4,401,995,004,080	0.09
No of Issue Gain	56	27	
No of Issue Loss	111	151	
No of Unchanged Issues	205	197	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
BGIC	48.30	59.20	22.57	921,925,000
ADN Telecom	116.40	141.00	21.13	5,326,000
Al-Haj Textile Mills	146.30	172.00	17.57	464,341,000
Pragati Life Ins.	104.60	121.60	16.25	285,403,000
Gemini Sea Food	424.00	475.00	12.03	144,445,000
Aamra technologies	33.90	37.30	10.03	541,638,000
Dhaka Insurance	60.00	64.90	8.17	48,922,000
Pragati Insurance	58.60	63.30	8.02	394,061,000
BENGALWTL	37.70	40.60	7.69	231,361,000
Delta Life Insurance	136.50	146.00	6.96	29,894,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Islami Commercial Ins.	35.40	31.80	-10.17	48,516,000
International Leasing	6.20	5.60	-9.68	345,000
Union Capital	9.90	9.00	-9.09	273,000
Premier Leasing & Fin.	7.40	6.80	-8.11	11,000
Emerald Oil	31.90	30.00	-5.96	405,645,000
Paper Processing	174.40	165.90	-4.87	30,047,000
Orion Infusion	332.20	316.60	-4.70	46,575,000
Bangladesh Welding	27.30	26.10	-4.40	4,223,000
Jute Spinners	250.00	239.20	-4.32	250,224,000
BDCOM Online	40.40	38.70	-4.21	20,102,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	455.33	455.12	0.05	200.67	242.18	-17.14
Cement	320.25	320.24	0.00	10.01	3.14	219.20
Ceramic	809.65	805.44	0.52	1,077.60	722.07	49.24
Engineering	6,641.50	6,609.05	0.49	844.49	541.54	55.94
Food & Al.	4,867.61	4,889.19	-0.44	1,407.83	964.76	45.93
Fuel & Pow.	3,861.33	3,863.54	-0.06	441.01	241.94	82.28
Insurance	2,362.57	2,311.36	2.22	2,201.55	756.53	191.01
IT	675.52	626.70	7.79	3,219.80	1,503.99	114.08
Jute	1,899.50	1,964.66	-3.32	77.76	17.72	338.76
Misc.	2,414.18	2,448.34	-1.40	1,218.57	1,057.08	15.28
Mutual Fund	450.17	449.73	0.10	1.94	8.32	-76.68
NBFI	1,175.22	1,178.38	-0.27	37.80	40.21	-6.00
Paper	13,843.08	13,791.84	0.37	717.13	450.48	59.19
Pharma	1,628.87	1,633.90	-0.31	1,430.23	991.67	44.22
Service	1,771.40	1,763.84	0.43	567.00	319.80	77.30
Tannery	1,152.81	1,142.36	0.92	339.08	298.73	13.51
Telecom	3,822.47	3,822.47	0.00	5.15	11.98	-56.97
Textile	1,853.62	1,832.12	1.17	678.88	284.11	138.95
Travel & Leis.	1,387.58	1,306.07	6.24	1,024.78	653.25	56.88

Technical Talk

Dhaka stocks ended four-week losing streak last week, mainly driven by the price surge in selective stocks. The stock market tried to bounce back as the Bangladesh Securities and Exchange Commission re-imposed floor prices on 169 listed securities. Among the major sectors, IT increased by 7.79% followed by Insurance 2.22%, Textile 1.17% and Engineering 0.49%.

DSE Broad Index (DSEX) stood at 6,213.74 points after increasing by 8.62 points or 0.14% from the previous week. Total turnover reached at Tk17939.34m, which was 64.20% higher than the previous week. Market capitalization increased by 0.09% and stood at Tk4405.97b (\$41.07b) at the weekend against Tk4401.99b. DSE 30 decreased by 5.05 points or 0.23% and closed at 2,216.29 points against 2,221.34 points. Last week's weighted average Market PE was 14.32 which was 14.32 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 43.12.

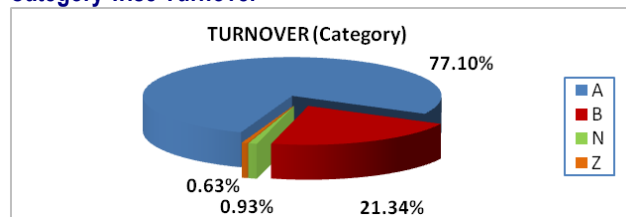
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Genex Infosys	12,439,513	1,129,531,000	6.30
BSC	7,522,441	979,551,000	5.46
ADN Telecom	7,066,955	921,925,000	5.14
Sea Pearl Resort	3,182,449	886,585,000	4.94
Shinepukur Ceramics	19,255,796	867,779,000	4.84
Gemini Sea Food	1,213,497	541,638,000	3.02

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	386,996	149,467	149.467
Walton Hi-Tech	317,378	135,475	135.475
BATBC	280,098	103,571	103.571
Square Pharma	185,977	76,277	76.277
Robi	157,138	75,257	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