

Average inflation climbs 12-year high

The inflation rate has been increasing since the beginning of the outgoing fiscal year. The Bangladesh Bureau of Statistics (BBS) reported that average inflation in the just-concluded fiscal year stood at 9.02%, the highest in 12 years. The 12-months average inflation exceeded the revised target of 7.5% set for the FY2022-23. The monthly inflation rate was recorded at 9.74% in June, a drop of 0.2 percentage points from the previous month. In May 2023, inflation surged to a decade high of 9.94%. Bangladesh Bank (BB) has re-fixed repurchase agreement (repo) rate upwards by 50 basis points to 6.50% effective from 01 July 2023 with a view to control inflation.

Export hits all-time high of \$55.55b in FY2022-23

Export earnings hit a new record in FY2022-23 on the back of buoyancy in apparel shipments. As per the statistics from the Export Promotion Bureau (EPB), exporters fetched US\$55.55b in FY2022-23 against US\$52.08b in the previous fiscal year. Export earnings crossed the milestone of US\$50b for the second consecutive fiscal year but fell short of the US\$58b target. Ready-made Garments (RMG) shipment that contributes nearly 85% of the total export rose by 10.28% (Y-o-Y) to US\$46.99b during the last financial year from US\$42.61b in FY2022-21. Of the total RMG shipments, US\$25.73b came from knitwear items with 10.86% (Y-o-Y) growth, while the woven garments export earned US\$21.25b with a 9.59% (Y-o-Y) growth. Apart from the RMG sector, alarmingly most of the notable export sectors like leather, jute, home textiles, agricultural products and engineering products saw negative growth in the outgoing fiscal year.

Export Earnings					
Year	US\$ in bn	Growth (Y-o-Y)	Year	US\$ in bn	Growth (Y-o-Y)
FY12	24.30	5.99%	FY18	36.67	5.81%
FY13	27.03	11.22%	FY19	40.54	10.55%
FY14	30.19	11.69%	FY20	33.67	-16.93%
FY15	31.21	3.39%	FY21	38.75	15.07%
FY16	34.26	9.77%	FY22	52.08	34.25%
FY17	34.66	1.16%	FY23	55.55	6.66%

Eleven banks face capital shortfall

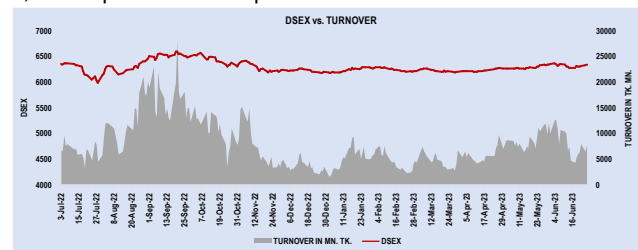
According to Bangladesh Bank (BB) reports, 11 banks out of 61 operating in the country faced capital shortfall of around Tk335.74b at the end of March 2023. Five State-owned Commercial Banks (SCBs), four Private Commercial Banks (PCBs) and two Specialized Banks has been placed on the list of banks with insufficient capital. The combined shortfall of these banks was Tk307.02b at the end of 2022. The volume of Non-Performing Loans (NPLs) rose to Tk1316.21b at the end of March 2023 from Tk1206.56b at the end of December 2022, bringing a negative impact to the capital base in the sector, requiring higher provisioning. Bangladesh Krishi Bank had the highest amount of shortfall at Tk140.94b at the end of March this year. Although these 11 banks have suffered capital shortfalls, the remaining 50 banks have managed to maintain adequate capital against their risk weighted assets.

Capital Shortfall as March 31, 2023			
Figures in Tk (bn)			
Private Banks	Amount	State-run Banks	Amount
ICB Islamic Bank	16.96	Agrani Bank	33.60
National Bank	10.59	Rupali Bank	25.75
Bangladesh Commerce Bank	10.31	Janata Bank	23.89
Padma Bank	3.93	Sonali Bank	23.45
Specialised Bank	Amount	BASIC Bank	23.29
Bangladesh Krishi Bank	140.94		
Rajshahi Krishi Unnayan Bank	23.03		

Source: Bangladesh Bank

Stocks end FY2022-23 in despair

The local stock market endured a painful and hopeless fiscal year ending on 30 June 2023, suffering deterioration in all indicators. DSEX, the key market index of Dhaka Stock Exchange (DSE), lost 32.85 points or 0.52% (Y-o-Y) to close at 6,344.09 points against 6,376.94 points on 30 June 2022. The capital market experienced persistent crises of confidence and was stuck in the stagnant floor price trap throughout the year. The Central Depository Bangladesh Limited (CDBL) reported the number of active Beneficiary Owners' (BO) account at 1.86m on 26 June 2023, down by 0.19m from 2.05 a year ago. DSEX, 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 the fiscal year while the peak was recorded at 6,600.88 points on 19 September 2022.



The financial year 2022-23 had a total 241 trading sessions when floor price mechanism squeezed average daily turnover by 40.27% (Y-o-Y) to Tk7.93b in from Tk13.27b of the previous fiscal year. The two other stock indices - DS30, group of 30 dominant companies and the DSE Shariah Index (DSES) also decreased by 4.48% (Y-o-Y) to 2,192.823 and 0.71% (Y-o-Y) to 1,377 points respectively.

Banks post mixed operating profits

The provisional earnings of banks in the past six months of 2023 as revealed in media reports shows a mixed performance by the banks, some suffering from volatility in the foreign exchange market and ballooning non-performing loans. As per the reports, Sonali Bank earned highest Tk16.79b in operating profit. Pubali Bank secured the second position with Tk6.94b profit. On the other hand, operating profit of Mercantile Bank decreased to Tk2.75b in the first half of 2023 compared to Tk3.89b in the same period of 2022. Similarly, for Dhaka Bank it decreased to Tk3.19b from Tk3.76b. Premier Bank's operating profit in the first half of 2022 was Tk3.81b, which is Tk4b this year.

Banks Operating Profit as June, 2023					
Figures in Tk (bn)					
Banks	Jan-June-23	Jan-June-22	Banks	Jan-June-23	Jan-June-22
Sonali Bank	16.79	10.45	Dhaka Bank	3.19	3.76
Pubali Bank	6.94	6.49	Mercantile Bank	2.75	3.89
Shahjaha Islami Bank	4.91	4.71	Union Bank	2.25	1.72
Premier Bank	4.00	3.81	Socaila Islami Bank	1.80	1.69
Rupali Bank	3.40	0.57			

Taka sees steepest devaluation

Bangladeshi Taka (BDT) depreciated further with steepest devaluation against the US Dollar as the central bank sold the Dollar to commercial banks at Tk108.85 on 03 July 2023 which is Tk2.85 more than the previous rate. The central bank sold record US\$13.58b to banks grappling with a severe Dollar crisis in FY2022-23, whereas in FY2021-22 it sold US\$7.62b from the reserves for the same purposes. On 01 June 2022, the central bank sold the Dollar at a rate of Tk89. Within a year, the price of Dollar has jumped to Tk108.85.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	4,398.95	4,348.33	1.16
FTSE 100	↓	7,256.94	7,461.87	-2.75
Nikkei 225	↓	32,388.42	32,781.54	-1.20
SENSEX	↑	65,280.45	62,979.37	3.65
KSE 100	↑	44,284.92	40,090.36	10.46

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	6,334.79	6,319.25	0.25
Total Turnover, Tk	↑	35,857,482,155	29,584,744,162	21.20
Market Capital, Tk	↑	4,496,458,608,102	4,490,997,617,583	0.12
No of Issue Gain		90	162	
No of Issue Loss		23	23	
No of Unchanged Issues		185	208	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
KBPPWBIL	19.50	27.10	38.97	996,178,000
Olympic Accessories	12.10	16.50	36.36	611,914,000
Fu Wang Food	23.50	32.00	36.17	2,084,731,000
Dacca Dyeing	13.30	16.20	21.80	295,189,000
Generation Next	6.00	7.30	21.67	446,713,000
Rupali Bank	25.20	29.40	16.67	119,142,000
Rupali Life Insurance	210.00	244.00	16.19	957,953,000
Simtex Industries	21.70	24.70	13.82	516,066,000
Sonargaon Textiles	33.10	37.00	11.78	264,765,000
Union Capital	8.80	9.80	11.36	153,777,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Northern Jute	281.00	218.20	-22.35	16,056,000
Shurwid Industries	19.20	15.40	-19.79	32,765,000
RSRMSTEEL	22.50	19.70	-12.44	22,328,000
Monno Agro	1105.3	980.60	-11.28	136,279,000
Khulna Printing	13.70	12.20	-10.95	179,903,000
Yeakin Polymer	27.60	24.70	-10.51	368,653,000
Dhaka Insurance	59.80	54.20	-9.36	24,892,000
Oimex Electrode	25.60	23.30	-8.98	87,924,000
Bangas	152.50	139.30	-8.66	97,451,000
Central Pharma	12.90	11.80	-8.53	65,656,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	459.11	451.74	1.63	383.00	486.35	-21.25
Cement	358.31	351.40	1.97	411.92	530.02	-22.28
Ceramic	803.83	807.69	-0.48	776.46	146.68	429.36
Engineering	6,668.42	6,673.89	-0.08	2,996.81	1,958.36	53.03
Food & Al.	5,155.74	5,132.11	0.46	4,851.85	2,513.23	93.05
Fuel & Pow.	3,907.73	3,912.37	-0.12	1,559.72	849.27	83.66
Insurance	2,629.16	2,637.80	-0.33	4,718.98	6,235.61	-24.32
IT	684.09	689.69	-0.81	1,441.88	1,701.22	-15.24
Jute	1,984.26	1,970.59	0.69	110.54	176.56	-37.39
Misc.	2,492.48	2,506.96	-0.58	2,455.05	1,799.99	36.39
Mutual Fund	448.72	448.96	-0.05	101.45	135.23	-24.98
NBFI	1,198.49	1,197.34	0.10	566.07	155.89	263.12
Paper	14,608.91	14,737.07	-0.87	929.61	1,092.40	-14.90
Pharma	1,631.40	1,634.51	-0.19	1,740.35	1,992.48	-12.65
Service	1,811.15	1,824.48	-0.73	435.46	538.75	-19.17
Tannery	1,247.96	1,260.39	-0.99	474.92	567.72	-16.35
Telecom	3,822.47	3,822.47	0.00	4.87	7.40	-34.26
Textile	1,919.13	1,893.78	1.34	6,631.67	1,660.23	299.44
Travel & Leis.	1,163.02	1,139.61	2.05	1,424.96	699.03	103.85

Technical Talk

Dhaka stocks advanced in the last week but investors concentrated mostly on the rumor-based junk stocks. Some low-performing companies were on the list of the top gainers. Among the major sectors, Bank increased by 1.63% followed by Textile 1.34% and Food & Allied 0.46%.

DSE Broad Index (DSEX) stood at 6,334.79 points after increasing by 15.54 points or 0.25% from the previous week. Total turnover reached at Tk35857.48m, which was 21.20% higher than the previous week. Market capitalization increased by 0.12% and stood at Tk4496.46b (\$41.25b) at the weekend against Tk4490.99b. DSE 30 increased by 3.72 points or 0.17% and closed at 2,191.46 points against 2,187.74 points. Last week's weighted average Market PE was which was 14.31 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 54.62.

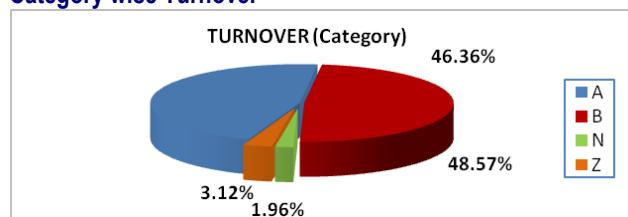
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Fu Wang Food	77,704,971	2,084,731,000	5.81
Khan Brothers	39,185,055	996,178,000	2.78
Sea Pearl Resort	4,349,390	981,788,000	2.74
Rupali Life Insurance	3,963,211	957,953,000	2.67
JMI Hospital Requisite	9,006,055	750,053,000	2.09
Trust Islami Life Ins.	6,479,390	653,609,000	1.82

Top 10 Market Capital

			In million
GP	386,996	RENETA	139,689
Walton Hi-Tech	317,378	United Power	135,475
BATBC	280,098	BEXIMCO	103,571
Square Pharma	185,977	Berger Paint	81,365
Robi	157,138	LafargeHolcim BD	80,019

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,930.50	1,930.30	0.01
Silver (USD/t oz.)	23.29	22.46	3.70
Brent Crude Oil (USD/bbl.)	78.29	74.32	5.34

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	109.00	109.00	109.24	109.24	-0.22	-0.22
EUR	121.98	121.98	121.38	121.38	0.49	0.49
GBP	142.75	142.75	141.67	141.67	0.76	0.76
AUD	73.28	73.28	73.33	73.33	-0.07	-0.07
JPY	0.77	0.77	0.77	0.77	0.00	0.00
CAD	82.54	82.54	83.29	83.29	-0.90	-0.90
SAR	29.20	29.20	29.27	29.27	-0.24	-0.24

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)
-	-	-	-