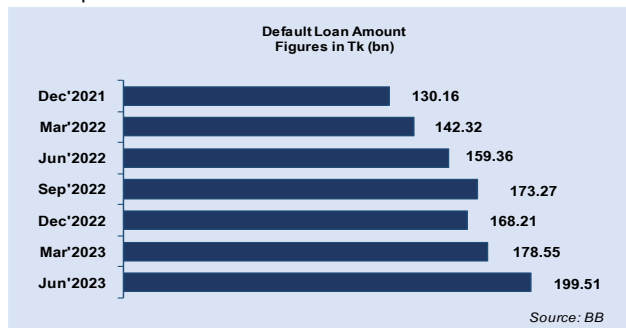


Loan write-offs pile up

As per latest Bangladesh Bank (BB) statistics, loan write-off grew by 12.12% to Tk677.21b at the end of June 2023 while the figure was Tk604.02b on 30 June 2023 and Tk568.89b on 30 June 2021. Every year the banks have been witnessing a rise in the volume of written-off loans which has no possibility of recovery. As per the rules, the banks must keep 100% provision against the written-off loans. Despite different initiatives from the central bank, the volume of Non-Performing Loans (NPLs) rose to Tk1,560.39b at the end of June 2023 from Tk1,252.57b at the end of June 2022 and Tk992.05b at the end of June 2021. NPL figure in June 2023 is the highest in the history of the banking sector since independence. The second highest was recorded in September quarter of 2022 with Tk1,343.96b reported.

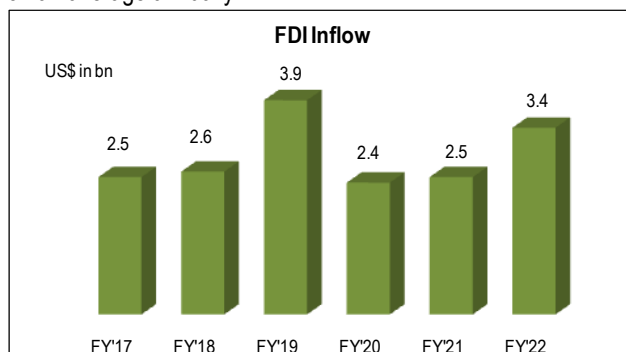
Classified loan in NBFIs up in Q2

The volume of Non-Performing Loans (NPLs) in the Non-Bank Financial Institutions (NBFIs) rose to Tk199.51b at the end of June 2023 from Tk178.55b at the end of March, which was Tk168.21b in December 2022, according to Bangladesh Bank (BB). The central bank has instructed NBFIs to reduce their NPLs and capital shortfall by December this year. Currently, there are 35 NBFIs operating in Bangladesh. Most of these institutions have been facing an image crisis due to a wide range of corruption and maladministration.



FDI fell by 5.88%

Foreign Direct Investment (FDI) in Bangladesh fell by 5.88% to US\$3.04b in the FY2022-23, according to the recent reports published by Bangladesh Bank (BB). However, reinvestment of earnings soared by 16% to US\$2.37b (Y-on-Y). On the contrary, equity capital and intra-company loans dropped to US\$796m and US\$29m in FY2022-23 from the US\$1.35b and US\$48m respectively in FY2021-22. Although Bangladesh has created high expectations of remarkable growth in FDI as a fast-growing economy, it is lagging other competing countries like Vietnam, in terms of attracting FDI, which received US\$8b-US\$10b as FDI on an average annually.

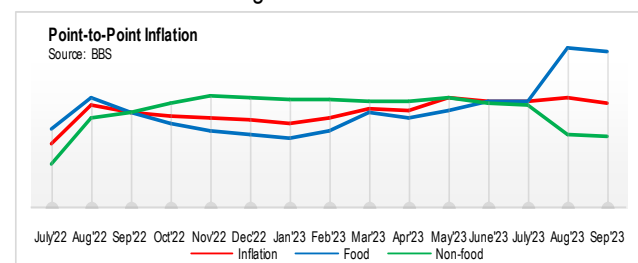


Liquidity in banks shrink

Liquidity surplus in the banking sector declined by Tk600b in August 2023 from that of July 2023 as high inflation have put pressure on bank deposits. Alongside, the extensive purchase of US Dollar by the scheduled banks for settling import payments aggravated contraction of circulation of liquidity in the money market over the months. Additionally, government borrowing from the banking system also escalated during the period that also created a pressure on the money market reserve amount. Moreover, liquidity crunch deepened further as the central bank recently raised the policy rate to tackle ongoing inflationary pressure. The central bank has at long last re-fixed repurchase agreement (repo) rate upwards by 75 basis points. The new rate of 7.25% came into effect on 04 October 2023. On the earlier occasion, BB raised the repo rate by 50 basis points to 6.50% on 18 June 2023. According to the BB figures, the excess liquidity in the banking sector dropped to Tk1.74-trillion in August 2023 from Tk1.80-trillion a month ago and Tk2.03-trillion recorded in June 2022. In all indications, the decreasing trend in excess liquidity is likely to persist even in September this year. Interbank borrowing from the call money market is increasing because of the lack of liquidity. The call-money rate reached 7.72% on 18 October 2023 from 6.60% recorded on 01 October 2023.

Inflation eases in September

Inflation fell 0.29 percentage points in September 2023 from the previous month due to decline both in food and non-food inflation, but it is still as high as 9.63%. Since last March, inflation has consistently remained above 9%. In July and June, the rate was 9.69% and 9.74% respectively. Food inflation stayed above 12% for the second consecutive month. According to the Bangladesh Bureau of Statistics (BBS), food inflation stood at 12.37% last month, slightly down from 12.54% in August 2023 but nearly three percentage points higher from the rate seen in the identical month a year prior. August food inflation was the highest in the last 12 years. The previous highest was recorded way back in October 2011, when the food inflation was at a new peak of 12.82%. Non-food inflation also fell to 7.82%, which was 7.95% in August. Average inflation in FY2022-23 stood at 9.02%, also the highest in 12 years. The 12-months average inflation exceeded the revised target of 7.5% set for FY2022-23.



Independent directors not to be liable

The Bangladesh Securities and Exchange Commission (BSEC) through an Order issued on 18 October 2023 freed independent directors from the responsibility of furnishing and signing documents on behalf of the companies to get bank loans or any other mortgage. They are also relieved from extending any guarantee for the purpose of loan or any other liabilities or obligations of the companies. The Order said the role and responsibilities of independent directors needed to be clearly defined so they could work for good governance, sustainability, and overall welfare of the companies they were appointed to.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,224.16	4,327.78	-2.39
FTSE 100	7,402.14	7,599.60	-2.60
Nikkei 225	31,259.36	32,315.99	-3.27
SENSEX	65,397.62	66,282.74	-1.34
KSE 100	50,674.52	49,517.54	2.34

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,289.01	6,269.35	0.31
Total Turnover, Tk	25,027.98	20,150.46	24.21
Market Capital, Tk	4,483,067,283,211	4,472,625,124,618	0.23
No of Issue Gain	97	56	
No of Issue Loss	54	91	
No of Unchanged Issues	228	219	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Libra Infusions	1055.50	1346.10	27.53	206.91
KBPPWBIL	28.10	35.10	24.91	623.84
Eastern Insurance	64.00	75.30	17.66	488.29
Alif Industries	74.90	86.90	16.02	350.50
Kay & Que	202.20	234.00	15.73	51.98
Deshbandhu Polymer	36.40	42.00	15.38	695.53
Sonali Aansh	619.30	710.30	14.69	737.61
Eastern Lubricants	1779.90	2031.60	14.14	221.35
Kohinoor Chemicals	449.90	507.90	12.89	391.10
BD Monospool Paper	254.90	280.70	10.12	199.73

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Legacy Footwear	84.00	78.30	-6.79	104.77
Intech	25.90	24.30	-6.18	17.20
BSC	117.70	110.50	-6.12	348.73
Fu Wang Food	32.70	30.80	-5.81	922.92
Miracle Industries	40.20	37.90	-5.72	275.59
Yeakin Polymer	26.40	25.10	-4.92	195.44
Apex Footwear	297.70	283.10	-4.90	404.39
Intraco Refueling	35.70	34.00	-4.76	98.46
Oimex Electrode	22.10	21.20	-4.07	167.12
Bashundhara Paper	66.90	64.20	-4.04	52.41

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	462.71	462.40	0.07	112.53	186.50	-39.66
Cement	354.40	359.49	-1.41	655.28	880.16	-25.55
Ceramic	792.11	792.11	0.00	3.26	0.54	504.26
Engineering	6,630.57	6,626.81	0.06	1,692.96	1,369.47	23.62
Food & Al.	5,122.15	5,107.36	0.29	3,995.34	2,995.78	33.37
Fuel & Pow.	3,899.51	3,893.14	0.16	488.27	318.44	53.33
Insurance	2,690.06	2,637.47	1.99	4,988.79	4,096.98	21.77
IT	623.79	632.05	-1.31	882.30	864.91	2.01
Jute	2,640.69	2,382.68	10.83	742.70	401.08	85.17
Misc.	2,490.07	2,483.17	0.28	1,794.22	1,311.92	36.76
Mutual Fund	470.13	445.29	5.58	38.31	6.32	506.46
NBFI	1,193.56	1,193.56	0.00	6.98	1.55	351.91
Paper	13,475.68	13,484.02	-0.06	1,490.11	266.32	459.52
Pharma	1,641.25	1,632.12	0.56	2,222.57	1,215.71	82.82
Service	1,739.97	1,745.25	-0.30	264.51	274.20	-3.53
Tannery	1,205.24	1,214.50	-0.76	531.96	229.40	131.89
Telecom	3,822.47	3,822.47	0.00	1.29	1.04	23.99
Textile	1,873.77	1,866.02	0.42	828.18	813.69	1.78
Travel & Leis.	1,100.41	1,093.33	0.65	1,379.17	1,426.23	-3.30

Technical Talk

Dhaka stocks extended winning streak for two consecutive weeks as some investors kept pursuing particular stocks ahead of the upcoming corporate earning declarations. Out of its five trading sessions, the first session saw a marginal fall while the last four ended higher. Among the major sectors, Mutual Fund increased by 5.58% followed by Insurance 1.99%, Pharma 0.56% and Textile by 0.42%.

DSE Broad Index (DSEX) stood at 6,289.01 points after increasing by 19.66 points or 0.31% from the previous week. Total turnover reached at Tk25027.98m, which was 24.21% higher than the previous week. Market capitalization increased by 0.23% and stood at Tk4483.07b (\$40.57b) at the weekend against Tk4472.63b. DSE 30 decreased by 1.09 points or 0.05% and closed at 2,140.45 points against 2,141.54 points. Last week's weighted average Market PE was 14.34 which was 14.33 in 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 49.62.

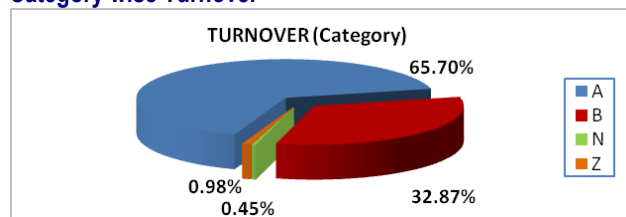
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Sea Pearl Resort	5,749,887	1,200.26	4.80
Sonali Paper	1,565,778	965.40	3.86
Gemini Sea Food	1,169,476	958.91	3.83
Fu Wang Food	29,032,841	922.92	3.69
Sonali Aansh	1,106,809	737.61	2.95
Deshbandhu Polymer	17,518,990	695.53	2.78

Top 10 Market Capital

Company	Volume	Value (BDT mn)	% of total
GP	386,996	RENETA	139,689
Walton Hi-Tech	317,378	United Power	135,475
BATBC	280,098	BEXIMCO	103,571
Square Pharma	187,928	Berger Paint	83,638
ROBI	157,138	LafargeHolcim BD	81,296

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,993.10	1,945.90	2.43
Silver (USD/t oz.)	23.53	22.90	2.77
Brent Crude Oil (USD/bbl.)	92.43	90.94	1.64

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.50	110.50	110.50	110.50	0.00	0.00
EUR	121.76	121.76	118.49	118.49	2.76	2.76
GBP	137.81	137.81	136.92	136.92	0.65	0.65
AUD	70.16	70.16	69.89	69.89	0.39	0.39
JPY	0.74	0.74	0.75	0.75	-1.33	-1.33
CAD	80.97	80.97	81.32	81.32	-0.43	-0.43
SAR	29.62	29.62	29.61	29.61	0.03	0.03

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)
-	-	-	-