

Eight banks in provision shortfall

The amount of provision shortfall in banks increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). Eight scheduled banks failed to maintain required provisions against classified loans as of 30 September 2023. According to the latest figures from Bangladesh Bank (BB), three state-owned and five private banks reported a combined provisioning shortfall of Tk288.47b. The provisioning shortfall of the two state-owned commercial banks and one specialized bank stood at Tk135.46b and five private banks had such deficit of Tk153.01b. National Bank recorded the highest shortfall at Tk137.92b, up from Tk116.82b in June 2023 and Tk66.17b at the end of December 2022. BASIC Bank suffered the second highest provision shortfall of Tk47.48b followed by the two other state-owned Agrani Bank and Rupali Bank. As per BB requirements, the scheduled banks must keep 0.50% to 5% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against the bad or loss category loans. A central bank report shows that 16 banks have deferred provision shortfalls worth about Tk500b for a period of up to nine years. These banks are - Sonali, Rupali, Janata, Agrani, BASIC, National, AB, One, NCC, Dhaka, Bangladesh Commerce, IFIC, Standard, First Security Islami, Southeast and South Bangla Agriculture & Commerce Bank. Among these, National Bank has taken the maximum deferral benefit of Tk108.69b followed by Janata Bank with Tk85.03b and AB Bank with Tk62.45b. If the deferred provisioning amount was included, the figure would have been Tk788.47b.

Provisioning Shortfall as of September 2023			
Amount in Tk (bn)			
State-owned Banks	Amount	Private Commercial Banks	Amount
BASIC Bank	47.48	National Bank	137.92
Agrani Bank	46.00	Bangladesh Commerce Bank	5.42
Rupali Bank	41.98	Dhaka Bank	3.98
		NCC Bank	3.35
		Standard Bank	2.34

Source: BB

Eight companies downgraded to Z category

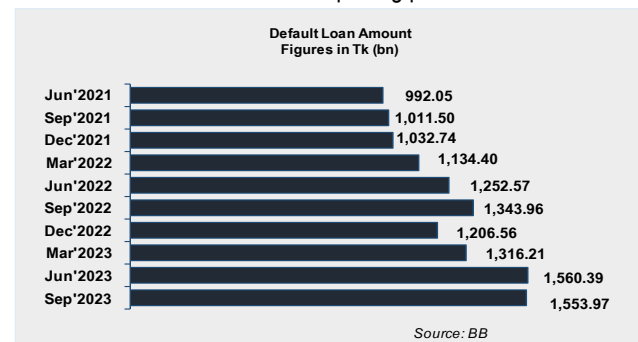
Eight companies are going to be downgraded from A and B category to Z category due to their non-compliance with dividend disbursements. The companies are - Fortune Shoes, Taufika Food and Lovello Ice-cream, Advent Pharma, Lub-ref, Safko Spinning Mills, Associated Oxygen, Pacific Denims, and S. S. Steel. All these companies had previously declared cash dividends for the FY2021-22, but they finally did not disburse the announced dividends. The Bangladesh Securities and Exchange Commission (BSEC) in a letter sent to the non-compliant companies said non-payment of dividends among shareholders after announcements within the stipulated timeframe tantamount to market manipulation.

Foreign loan repayment up, disbursement down

Foreign debt repayment in the first four months of the current fiscal year stood at US\$1.97b, nearly 52% higher than the amount paid against the concessional loans in the same period of the last fiscal year. Meanwhile, the foreign loan disbursements by the development partners dipped by US\$344.44m to US\$1.63b, as per Economic Relations Division (ERD) data. Meanwhile, the loan commitment swelled to US\$3.63b during July-October period of the FY2023-24. In the same period of FY2022-23, Bangladesh got confirmation of US\$413.81m in loans and grants.

Toxic loan edges down in Q3

The volume of Non-Performing Loans (NPLs) edged down by a meager Tk6.42b at the end of September 2023 following two major rescheduling events of about Tk115b by Janata Bank. Because of the said rescheduling, NPLs of state banks dropped but increased in private banks. According to Bangladesh Bank (BB) reports, overall NPLs dropped to Tk1,553.97b at the end of September 2023 from Tk1,560.39b at the end of June 2023. The June NPL figure is the highest in the history of the banking sector since independence. The second highest was recorded in September quarter of 2022 with Tk1343.96b. In September 2023, the total amount of defaulted loans in state-run banks declined slightly to Tk657.97b from Tk744.54b in June 2023. The volume of such loans in private commercial banks rose to Tk815.37b from Tk736.35b, those in the foreign banks to Tk32.86b from Tk31.96b and in the specialized banks to Tk47.77b from Tk47.53b in the reporting period.



Yields on treasury instruments up

Yields on government treasury instruments have started rising and crossed a recent high of 10%. As per Bangladesh Bank (BB), last auctions of 91-days bill, 120-days bill and 364-days bill were held on 19 November 2023 when the cut-off yield stood at 10.20%, 10.40% and 10.60% respectively. The last auction of 14-days bill was held on 09 November where cut-off yield was 9.50%. In January this year, the interest on all kinds of Treasury Bills ranged from 7.29% to 8.10%. The yields on long-term treasury instruments rose substantially as well. The cut-off yield on Treasury-Bonds with a maturity of two years and five years stood at 10.90% and 10.99% on 21 November 2023. The higher interest of treasury instruments will impact the lending rate of banks because the central bank introduced a new lending rate system linked with the debt instrument. The lending rate cap has been replaced by a market based but controlled corridor named SMART reference rate, calculated on the average rate of 182 days Treasury Bills with a 3% top up margin for banks and 5% for Non-Bank Financial Institutions (NBFIs). The interest on deposits will also increase consequent to hike in lending rates.

Call money rate jump to 8.16%

The interbank call money rate soared to 8.16% on 22 November 2023 from 6.56% on 04 October 2023. Increased liquidity pressures have led to a steady rise in the weighted average call money rate since June this year when it stood at 6%. According to figures released by Bangladesh Bank (BB), the weighted average interest rate in the inter-bank money market was 5.80% in December 2022 compared with 4.88% in June of the same year. The call money-rate surged after 21 March 2022, when it stood at only 2.05%.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,559.34	4,514.02	1.00
FTSE 100	7,488.20	7,504.25	-0.21
Nikkei 225	33,625.53	33,585.20	0.12
SENSEX	65,970.04	65,794.73	0.27
KSE 100	59,173.34	57,016.96	3.78

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,233.71	6,257.15	-0.37
Total Turnover, Tk	20,021.02	21,752.74	-7.96
Market Capital, Tk	4,453,860,887,534	4,468,242,069,870	-0.32
No of Issue Gain	43	50	
No of Issue Loss	120	105	
No of Unchanged Issues	215	213	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Fu-Wang Ceramic	17.40	22.20	27.59	1,589.61
Khulna Printing	20.30	25.30	24.63	872.57
Evince Textiles	10.60	12.60	18.87	440.04
Yeakin Polymer	27.90	32.90	17.92	862.48
Pacific Denims	12.70	14.80	16.54	586.52
GQ Ball Pen	113.40	130.40	14.99	62.95
Dacca Dyeing	14.80	17.00	14.86	200.25
Aziz Pipes	100.60	115.00	14.31	205.38
Central Pharma	15.20	17.00	11.84	725.15
Oimex Electrode	21.70	23.90	10.14	203.63

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Emerald Oil	114.20	97.50	-14.62	528.48
United Insurance	51.20	44.70	-12.70	42.82
Republic Insurance	46.40	41.60	-10.34	86.94
Union Insurance	66.40	60.10	-9.49	170.36
Continental Insurance	43.60	39.90	-8.49	210.65
Deshbandhu Polymer	39.50	36.20	-8.35	195.12
Standard Insurance	52.00	47.70	-8.27	43.67
Reliance Insurance	73.90	68.10	-7.85	43.90
Eastern Insurance	72.10	66.60	-7.63	281.66
SK Trims & Industries	30.20	27.90	-7.62	121.51

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	462.71	463.65	-0.20	144.42	139.68	3.39
Cement	349.82	352.99	-0.90	402.92	388.58	3.69
Ceramic	814.09	796.86	2.16	1,843.14	151.05	1,120.24
Engineering	6,652.26	6,642.19	0.15	2,878.44	2,682.54	7.30
Food & Al.	5,038.74	5,085.84	-0.93	2,241.76	2,876.16	-22.06
Fuel & Pow.	3,896.10	3,905.93	-0.25	464.81	668.34	-30.45
Insurance	2,519.22	2,597.35	-3.01	2,288.81	2,755.36	-16.93
IT	576.50	587.62	-1.89	426.72	790.83	-46.04
Jute	2,420.26	2,312.25	4.67	265.51	121.84	117.92
Misc.	2,479.14	2,484.83	-0.23	1,086.89	1,508.34	-27.94
Mutual Fund	467.71	468.95	-0.26	162.31	295.26	-45.03
NBFI	1,194.09	1,194.22	-0.01	41.65	48.52	-14.15
Paper	13,450.97	13,618.56	-1.23	1,207.56	1,144.97	5.47
Pharma	1,630.46	1,635.61	-0.32	1,403.00	1,572.00	-10.75
Service	1,715.70	1,726.36	-0.62	233.10	306.40	-23.92
Tannery	1,184.94	1,191.00	-0.51	307.22	567.76	-45.89
Telecom	3,822.47	3,822.47	0.00	2.40	1.34	79.36
Textile	1,915.60	1,912.23	0.18	2,461.90	1,732.60	42.09
Travel & Leis.	992.27	990.78	0.15	716.16	498.56	43.65

Technical Talk

Dhaka stocks continued correction for the second straight week as investors participation remained sluggish due to increasing political uncertainties ahead of the national election. Of the five trading sessions, three sessions experienced declines while the remaining two saw modest gains. Among the major sectors, Insurance decreased by 3.01% followed by IT 1.89% and Food & Allied by 0.93%.

DSE Broad Index (DSEX) stood at 6,233.71 points after decreasing by 23.44 points or 0.37% from the previous week. Total turnover reached at Tk20021.02m, which was 7.96% lower than the previous week. Market capitalization decreased by 0.32% and stood at Tk4453.86b (\$40.31b) at the weekend against Tk4468.24b. DSE 30 decreased by 12.22 points or 0.58% and closed at 2,106.72 points against 2,118.94 points. Last week's weighted average Market PE was 14.40 which was 14.46 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 41.91.

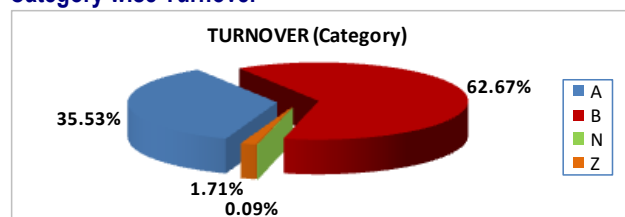
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Fu Wang Food	73,566,981	1,589.61	7.94
Khulna Printing	38,622,725	872.57	4.36
Yeakin Polymer	28,374,954	862.48	4.31
Central Pharma	42,744,149	725.15	3.62
C & A Textiles	58,534,011	610.15	3.05
Sea Pearl Resort	3,323,468	609.93	3.05

Top 10 Market Capital

Company	Market Capital (In million)
GP	139,689
Walton Hi-Tech	135,475
BATBC	103,571
Square Pharma	79,742
ROBI	78,973

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,003.70	1,983.50	1.02
Silver (USD/t oz.)	24.38	23.78	2.54
Brent Crude Oil (USD/bbl.)	80.44	80.59	-0.19

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.50	110.50	111.00	111.00	-0.45	-0.45
EUR	125.76	125.76	125.09	125.09	0.54	0.54
GBP	142.79	142.79	141.01	141.01	1.26	1.26
AUD	73.11	73.11	72.15	72.15	1.33	1.33
JPY	0.75	0.75	0.74	0.74	1.35	1.35
CAD	81.45	81.45	81.39	81.39	0.07	0.07
SAR	29.63	29.63	29.77	29.77	-0.47	-0.47

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)
-	-	-	-