

BSEC warns hibernating AMCs

Asset Management Companies (AMCs) which have not floated any mutual fund even after three years from obtaining registration will be facing regulatory actions. The Bangladesh Securities and Exchange Commission (BSEC) has issued a Directive in this regard on 17 December 2023 stating that such asset or fund managers shall have to operate at least one mutual fund or any type of collective investment scheme under its management within three years from the date of registration as asset manager, or within one year from the date of the Directive, whichever comes later. If any AMC fails to comply with the direction, it shall not be entitled to quota facility in any Initial Public Offering (IPO). In addition, necessary steps may be taken to revoke the registration of the asset manager or fund manager. So far, 64 companies have obtained AMC licenses, of which 27 do not manage any mutual funds.

Fourteen banks face capital shortfall

According to Bangladesh Bank (BB) reports, 14 banks out of 61 operating in the country faced capital shortfall of Tk375.07b at the end of September 2023. Previously, capital shortfall in 15 banks was Tk337.32b in June and that in 11 banks was Tk335.74b at the end of March 2023. Four state-owned commercial banks, six private commercial banks, two specialized banks and two foreign banks have been placed on the list of banks with insufficient capital. Sonali Bank addressed its capital shortfall, turning a Tk0.5b surplus from a Tk0.1b deficit in June and a Tk23.44b deficit in March 2023. Bangladesh Krishi Bank had the highest shortfall at Tk158.04b as of September 30 this year which was Tk155.4b in the earlier quarter. The volume of Non-Performing Loans (NPLs) rose to Tk1,553.97b at the end of September 2023, bringing a negative impact to the capital base in the sector, requiring higher provisioning. Although these 14 banks have suffered capital shortfalls, the remaining 47 banks have managed to maintain adequate capital against their risk weighted assets.

Capital Shortfall as 30 September 2023			
Figures in Tk (bn)			
Private Banks	Amount	State-run Banks	Amount
ICB Islamic Bank	18.23	Agrani Bank	48.29
National Bank	20.24	Rupali Bank	21.22
Bangladesh Commerce Bank	14.02	Janata Bank	30.30
Padma Bank	6.08	BASIC Bank	31.50
Bengal Commercial Bank	0.71	Foreign Banks	
Citizens Bank	0.95	Habib Bank	0.33
Specialized Bank		National Bank of Pakistan	0.44
Bangladesh Krishi Bank	158.04		
Rajshahi Krishi Unnayan Bank	24.72		

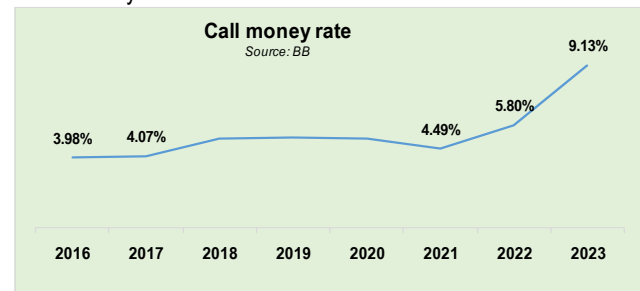
Source: Bangladesh Bank

ADB downgrade GDP growth forecast

The Manila-based Asian Development Bank (ADB) in its Asian Development Outlook (ADO) for December 2023 has revised down the Gross Domestic Product (GDP) growth projection for Bangladesh to 6.2% for FY2023-24 from the previous estimate of 6.5%, as inflation remains steep and reserves keep receding. Meanwhile, the Washington-based multilateral lender International Monetary Fund (IMF) also downgraded economic growth forecast to 6% from the previous estimate of 6.5%. The revised growth forecast by the IMF comes a week after the World Bank (WB) lowered the GDP growth projection to 5.6% from the previous estimate of 6.2%. However, the assessments made by all the three multilateral development financiers fall well short of the ambitious target of 7.5% growth set by the government for the FY2023-24.

Call money rate decade high

The interbank call money rate soared to 9.13% on 20 December 2023, the highest in 10 years. According to figures released by Bangladesh Bank (BB), banks borrowed Tk31.87b on that day which pushed the call money rate to a decade high. The previous highest was recorded way back in 2013, when it was recorded at a peak of 12.82%. 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%, increasing slightly to 6.42% in July. The sharp increase in the call money rate correlates with the policy rate rise to 7.75% from 7.25%. The new rate came into effect from 27 November 2023. 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%.



Moody's rates Bangladesh B1

The Moody's Investor Services kept unchanged the B1 rating for Bangladesh with stable outlook. It indicates the rating agency does not anticipate any significant changes in the economy's creditworthiness or its ability to meet financial obligations. Earlier in May 2023 it downgraded long-term ratings to B1 from Ba3. Moody's assessment for Bangladesh is that heightened external vulnerability and liquidity risks are persistent, and that, together with institutional weaknesses uncovered during the ongoing crisis, the decline in foreign exchange reserves indicate sustained pressures on external position. In July 2023, after Moody's Investor Services, the international rating agency S&P Global downgraded the long-term rating outlook for Bangladesh to negative from stable, citing risks that external liquidity position could deteriorate in the next year while foreign exchange reserves remain under pressure.

Debt-to-GDP ratio up

The debt-to-Gross Domestic Product (GDP) ratio of Bangladesh rose by around two percentage points to 32.55% at the end of September 2023, according to the Ministry of Finance (MoF). The ratio is expected to reach 35.6% at the end of this year, up from 33.2% in 2022. Besides, the ratio will continue increasing to 36.4% in 2024 and 37.2% in the following year. Though the debt-to-GDP ratio grew in the quarter, the ministry said it was still significantly lower than what the International Monetary Fund (IMF) recommended at less than 55%. The total outstanding debt was Tk14,483.33b at the end of September 2023, up from Tk13,598.98b as on 31 December 2022. Out of the total debt, 63% was domestic and the remaining 37% is owed abroad. The domestic debt-to-GDP ratio rose to 20.57% from the previous 19.42%. Meanwhile, the external debt-to-GDP ratio went up to 12.01% from 11.14%. As on 30 September 2023, total domestic debt stood at Tk9153.15b.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	4,754.63	4,719.19	0.75
FTSE 100	7,697.51	7,576.36	1.60
Nikkei 225	33,169.05	32,970.55	0.60
SENSEX	71,106.96	71,483.75	-0.53
KSE 100	61,608.15	66,136.02	-6.85

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,249.29	6,266.85	-0.28
Total Turnover, Tk	29,278.60	29,817.73	-1.81
Market Capital, Tk	4,463,781,288,295	4,473,012,514,248	-0.21
No of Issue Gain	49	110	
No of Issue Loss	133	65	
No of Unchanged Issues	206	212	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Golden Jubilee M. F.	9.00	11.70	30.00	144.08
1STPRIMFMF	23.10	28.20	22.08	450.42
ATCSLGF	9.70	11.30	16.49	315.69
Kohinoor Chemicals	402.10	468.30	16.46	257.39
NCCBL Mutual Fund	7.00	8.10	15.71	29.86
Orion Infusion	364.10	413.20	13.49	1,624.00
Kay & Que	217.80	243.30	11.71	165.83
Evince Textiles	12.00	13.30	10.83	884.65
Reliance 1 M. F.	9.90	10.90	10.10	47.14
KBPPWBIL	95.50	104.70	9.63	393.70

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Sea Pearl Beach Resort	160.70	124.00	-22.84	666.58
Emerald Oil	93.90	77.20	-17.78	319.89
Dominage Steel	18.70	16.50	-11.76	267.89
Aftab Automobiles	32.70	29.00	-11.31	181.48
SK Trims	34.10	30.60	-10.26	339.28
GQ Ball Pen	156.80	140.90	-10.14	199.11
Aziz Pipes	141.90	127.70	-10.01	321.89
Dacca Dyeing	15.30	13.80	-9.80	151.85
Yeakin Polymer	31.30	28.30	-9.58	444.88
Simtex Industries	20.70	18.80	-9.18	34.79

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	465.11	463.91	0.26	682.22	411.74	65.69
Cement	350.30	351.77	-0.42	370.52	451.03	-17.85
Ceramic	809.53	821.69	-1.48	864.83	1,466.47	-41.03
Engineering	6,658.56	6,673.19	-0.22	4,604.05	5,226.64	-11.91
Food & Al.	5,051.12	5,050.00	0.02	1,966.03	2,158.67	-8.92
Fuel & Pow.	3,880.94	3,893.26	-0.32	376.44	772.34	-51.26
Insurance	2,525.34	2,553.16	-1.09	2,192.92	3,250.70	-32.54
IT	599.80	601.09	-0.21	595.94	896.26	-33.51
Jute	2,301.41	2,327.43	-1.12	237.53	191.18	24.24
Misc.	2,526.38	2,528.09	-0.07	1,463.14	2,180.67	-32.90
Mutual Fund	487.61	475.52	2.54	2,221.97	878.77	152.85
NBFI	1,197.36	1,196.95	0.03	348.53	204.83	70.16
Paper	13,565.93	13,566.79	-0.01	1,193.76	1,342.19	-11.06
Pharma	1,642.69	1,640.93	0.11	4,873.65	4,327.96	12.61
Service	1,694.44	1,714.42	-1.17	196.62	366.59	-46.36
Tannery	1,200.64	1,202.06	-0.12	149.21	296.36	-49.65
Telecom	3,822.47	3,822.47	0.00	3.74	3.07	22.15
Textile	1,912.17	1,922.88	-0.56	4,368.95	2,684.99	62.72
Travel & Leis.	805.27	916.39	-12.13	744.44	627.42	18.65

Technical Talk

Dhaka stocks closed in red trajectory in the last week ended on Thursday after two-week break, as investor confidence waned due to increasing political uncertainties ahead of the national election. Of the five trading sessions, three sessions experienced declines while the remaining two managed to edge higher. Among the major sectors, Insurance decreased by 1.09% followed by Textile 0.56% and Fuel & Power by 0.32%.

DSE Broad Index (DSEX) stood at 6,249.29 points after decreasing by 17.56 points or 0.28% from the previous week. Total turnover reached at Tk29278.60m, which was 1.81% lower than the previous week. Market capitalization decreased by 0.21% and stood at Tk4463.78b (\$40.58b) at the weekend against Tk4473.01b. DSE 30 decreased by 12.54 points or 0.60% and closed at 2,094.58 points against 2,107.12 points. Last week's weighted average Market PE was 14.79 which was 14.88 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 45.71.

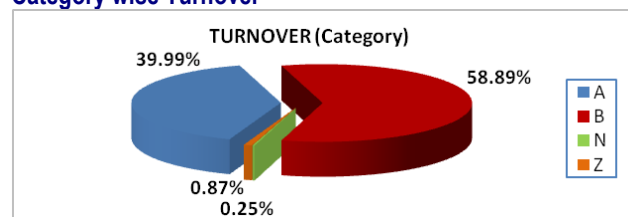
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Orion Infusion	4,020,512	1,624.00	5.55
Olympic Accessories	81,542,452	1,582.87	5.41
Pacific Denims	75,991,446	1,300.01	4.44
Central Pharma	46,219,859	1,072.39	3.66
Khulna Printing	29,699,779	885.60	3.02
Evince Textiles	63,618,742	884.65	3.02

Top 10 Market Capital

Company	Market Capital (in million)
GP	386,996
Walton Hi-Tech	317,378
BATBC	280,098
Square Pharma	185,977
ROBI	157,138
RENETA	139,689
United Power	135,475
BEXIMCO	103,571
Berger Paint	80,493
LafargeHolcim BD	79,902

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/ton)	2,064.50	2,033.80	1.51
Silver (USD/ton)	24.47	24.17	1.24
Brent Crude Oil (USD/bbl.)	78.64	76.89	2.28

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.00	110.00	110.00	110.00	0.00	0.00
EUR	126.00	126.00	124.66	124.66	1.07	1.07
GBP	143.23	143.23	142.99	142.99	0.17	0.17
AUD	75.19	75.19	74.05	74.05	1.54	1.54
JPY	0.78	0.78	0.78	0.78	0.00	0.00
CAD	83.23	83.23	82.62	82.62	0.74	0.74
SAR	29.48	29.48	29.48	29.48	0.00	0.00

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)
Sikder Insurance	21 Dec-28 Dec, 2023	10	160