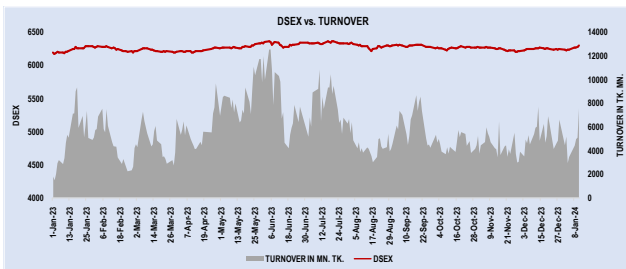


Stocks gain after national polls

Dhaka stocks fell with low turnover in the first trading session of 2024 amid volatile trading. DSEX, the key index of the Dhaka Stock Exchange (DSE), lost 3.62 points or 0.58% and settled at 6,242.87 points on 01 January 2024 after a modest gain of 2.61 points on 28 December 2023 from previous session. The turnover on the DSE decreased to Tk4.44b compared with that of Tk6.61b in the previous trading session. DSEX, lost 9.45 points or 0.15% and settled at 6,233.41 points on the second trading session of the year, hitting its lowest in a month. Before that DSEX posted its lowest at 6,231.94 points on 03 December 2023. Turnover stood at Tk2.92b, hitting a nine-month low on 03 January as most of the investors preferred to be on the sideline ahead of national election due on 07 January 2024. Before that the lowest turnover was Tk2.72b on 28 March 2023. However, Dhaka stocks soared in the first trading day after the national election as the tensions surrounding the national election eased. DSEX increased by 25.3 points or 0.41% to settle at a two-month high of 6,269.51 points on 08 January 2024. The turnover increased to Tk4.41b compared with that of Tk3.44b in the previous trading session. At the end of the week on 11 January 2024, the index hit a 4-month high at 6,301.69 points. Turnover climbed at Tk7.53b up from the previous day's Tk5.08b.



Attendance in person mandatory at AGMs

Listed companies have been ordered to comply with mandatory physical presence of a minimum of 25% of board members, including the chairman and managing director at the Annual General Meeting (AGM) and Extraordinary General Meetings (EGMs). At present, majority of companies are holding AGM solely through digital platforms. However, every company is required to conduct its general meetings through both physical and online options. Earlier, in 2020, coronavirus outbreak prompted BSEC to mandate the use of an online platform for all meetings, including AGMs and EGMs. Later in 2021, BSEC issued guidelines for conducting meetings through a hybrid system that allows listed companies to have meetings with directors and shareholders participating both in person and virtually.

WB downgrade GDP growth forecast

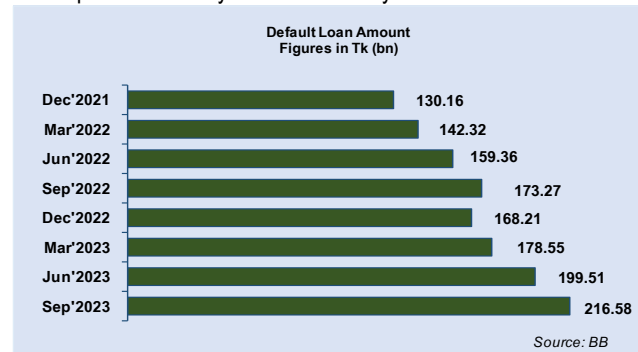
The multilateral development financier World Bank (WB) has revised down its Gross Domestic Product (GDP) projection for Bangladesh to 5.6% for FY2023-24 from the previous estimate of 6.2% as inflation remains steep and reserves keep receding. The forecast remains lower than the one of the International Monetary Fund (IMF) and Asian Development Bank's (ADB) estimate of 6% and 6.5% respectively. However, the assessments made by all the three multilateral development financiers falls well short of the ambitious target of 7.5% growth set by the government for the FY2023-24.

Treasury yield hits record high

Yields on government treasury instruments have started rising and crossed 11% for the first time in more than a decade amid tightened liquidity situation in the financial sector. The interest rate of 91-day Treasury Bills was 11.15% on 04 January 2024, which was 6.75% on 05 June 2023. Similarly, the interest rate of 182-day Treasury Bills also increased to 11.20%, which was 7.05% last June. For the 364-day Treasury Bills, the interest rate increased to 11.50%, which was 7.75% last June. The yields on long-term treasury instruments rose substantially as well. The cut-off yield on Treasury-Bonds with a maturity of 2-years, 5-years, 10-years, 15-years and 20-years stood at 11.60%, 10.35%, 10.74%, 11.10% and 11.20% in the last auction. The higher interest of treasury instruments will impact the lending rate of the banks as well because the central bank introduced a new lending rate system linked with the debt instrument. The lending rate cap was replaced in June 2023 with a market based but controlled corridor named SMART (Six Months Moving Average Rate of Treasury Bills) reference rate, calculated on the average rate of 182 days Treasury Bills with a 3.75% top up margin for banks and 5.75% for Non-Bank Financial Institutions (NBFIs). The SMART currently stands at 8.14%. Therefore, banks can now charge a maximum lending rate of 11.89%. The interest on deposits will also increase consequent to hike in lending rates. Bangladesh Bank has also withdrawn the ceiling on the interest rate of bank deposits.

Classified loan in NBFIs up in Q3

The volume of Non-Performing Loans (NPLs) in the Non-Bank Financial Institutions (NBFIs) rose to Tk216.58b at the end of September 2023 from Tk199.51b at the end of June 2023, which was Tk173.27b in September 2022, according to Bangladesh Bank (BB) reports. As per the central bank stress test report, out of 35 NBFIs, 10 were in the red zone. Of the total Tk216.58b bad loans, the amount of defaulted loans of 10 NBFIs stood at Tk146.16b. Most of these institutions have been facing an image crisis due to a wide range of corruption and maladministration. The central bank has instructed the NBFIs to reduce their NPLs and capital shortfall by December this year.



Forex reserve drops further

Even though remittances bounced back in December, the foreign exchange reserves stood at US\$20.38b on 09 January 2024 due to routine payment to the Asian Clearing Union (ACU). Foreign exchange reserves have kept falling since it surged to a record high of US\$48b in August 2021. Remittance inflow increased to US\$1.99b in December 2023 compared with that of US\$1.69b in the same month of the past year, as the exchange rate for collecting remittance saw an increase.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	4,783.83	4,697.24	1.84
FTSE 100	↓	7,624.93	7,689.61	-0.84
Nikkei 225	↑	35,577.11	33,377.42	6.59
SENSEX	↑	72,568.45	71,951.44	0.86
KSE 100	↑	64,638.55	64,522.31	0.18

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	6,301.70	6,244.17	0.92
Total Turnover, Tk	↑	21,978.61	15,972.77	37.60
Market Capital, Tk	↑	4,504,602,540,562	4,466,705,971,919	0.85
No of Issue Gain		147	72	
No of Issue Loss		33	99	
No of Unchanged Issues		200	201	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Union Capital	9.20	11.70	27.17	363.72
Rupali Bank	31.90	38.20	19.75	642.81
International Leasing	5.60	6.60	17.86	106.11
Bashundhara Paper	60.20	70.10	16.45	288.75
KBPPWBIL	112.10	129.90	15.88	304.33
FAS Finance & Inv.	5.40	6.20	14.81	125.43
AIBL 1st Islamic M.F.	7.50	8.60	14.67	66.76
MIDAS Financing	11.20	12.80	14.29	87.03
1STPRIMFMF	31.00	35.00	12.90	218.90
Rupali Life Insurance	115.10	129.70	12.68	313.63

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Sinobangla Industries	59.30	53.10	-10.46	79.31
Standard Ceramic	148.20	134.20	-9.45	100.98
IFIL Islamic M. F.1	7.50	6.80	-9.33	122.82
Libra Infusions	895.40	846.60	-5.45	36.94
Shyampur Sugar Mills	200.90	190.50	-5.18	16.51
Standard Insurance	59.90	56.80	-5.18	285.47
Yeakin Polymer	28.70	27.30	-4.88	228.06
PRIME1ICBA	8.10	7.80	-3.70	80.26
GLDNJMF	13.80	13.40	-2.90	231.56
Zeal Bangla Sugar Mills	143.80	139.80	-2.78	3.24

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	471.82	466.59	1.12	1,861.80	490.45	279.61
Cement	361.04	349.77	3.22	474.58	222.83	112.98
Ceramic	805.48	803.18	0.29	315.64	278.17	13.47
Engineering	6,674.27	6,662.05	0.18	2,679.92	2,019.46	32.70
Food & Al.	5,035.12	5,026.24	0.18	1,377.45	872.78	57.82
Fuel & Pow.	3,887.44	3,883.66	0.10	772.23	521.55	48.06
Insurance	2,628.05	2,580.51	1.84	3,379.90	3,358.13	0.65
IT	630.77	598.82	5.34	1,151.23	437.12	163.36
Jute	2,201.05	2,221.26	-0.91	57.22	68.77	-16.79
Misc.	2,619.02	2,568.20	1.98	951.40	654.54	45.35
Mutual Fund	487.58	485.52	0.42	1,264.00	1,660.03	-23.86
NBFI	1,203.69	1,185.41	1.54	858.68	72.22	1,089.01
Paper	14,011.30	13,351.14	4.94	920.12	565.35	62.75
Pharma	1,649.03	1,636.52	0.76	1,834.00	1,533.60	19.59
Service	1,771.57	1,719.56	3.02	542.17	236.28	129.46
Tannery	1,198.61	1,192.59	0.51	137.74	33.11	316.00
Telecom	3,822.47	3,822.47	0.00	6.28	1.71	266.96
Textile	1,904.81	1,898.02	0.36	820.56	659.74	24.38
Travel & Leis.	800.97	749.12	6.92	859.83	757.82	13.46

Technical Talk

Stocks ended three-week losing streak last week due to increased participation of investors as the tensions surrounding the national election eased. The market remained closed on Sunday due to the election. Of the four trading sessions, only one session ended lower while three other sessions saw gains. Among the major sectors, IT increased by 5.34% followed by Insurance 1.84%, NBFI 1.54% and Bank by 11.12%.

DSE Broad Index (DSEX) stood at 6,301.70 points after increasing by 57.53 points or 0.92% from the previous week. Total turnover reached at Tk21978.61m, which was 37.60% higher than the previous week. Market capitalization increased by 0.85% and stood at Tk4504.60b (\$40.95b) at the weekend against Tk4466.71b. DSE 30 increased by 23.65 points or 1.13% and closed at 2,117.91 points against 2,094.26 points. Last week's weighted average Market PE was 13.23 which was 13.12 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 55.69.

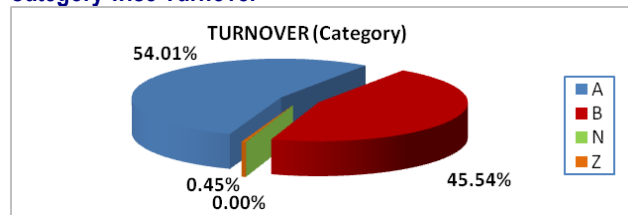
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Bd.Thai Aluminium	29,627,556	905.74	4.12
Sea Pearl Resort	6,634,234	703.81	3.20
Intraco Refueling	15,857,636	675.83	3.07
Rupali Bank	17,384,796	642.81	2.92
Meghna Life Insurance	7,055,720	598.17	2.72
Orion Infusion	1,522,798	562.24	2.56

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	103,842
Square Pharma	187,130	Berger Paint	85,692
ROBI	157,138	LafargeHolcim BD	83,270

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,053.60	2,042.20	0.56
Silver (USD/t oz.)	23.36	23.21	0.67
Brent Crude Oil (USD/bbl.)	78.36	77.86	0.64

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	125.30	125.30	125.07	125.07	0.18	0.18
GBP	143.82	143.82	143.24	143.24	0.40	0.40
AUD	73.92	73.92	74.07	74.07	-0.20	-0.20
JPY	0.77	0.77	0.77	0.77	0.00	0.00
CAD	82.45	82.45	82.67	82.67	-0.27	-0.27
SAR	29.49	29.49	29.48	29.48	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)
Best Holding Ltd.	14 Jan-18 Jan, 2024	24	3,500
NRB Bank Ltd.	28 Jan-01 Feb 2024	10	1,000