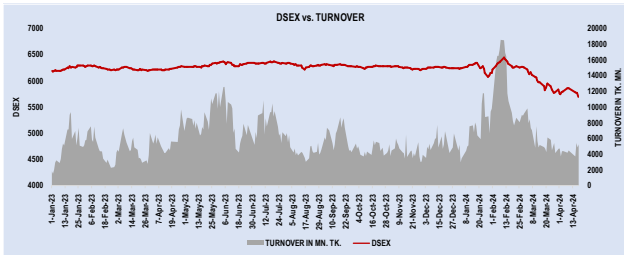


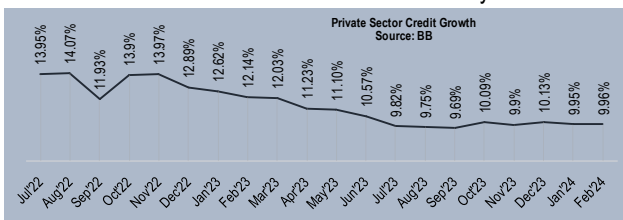
DSEX slumps below 5,700 points

The capital market has been in the doldrums since the beginning of the year amid a continued crisis of confidence among investors. A significant portion of them have been showing increased apathy to be active again. The Central Depository Bangladesh Limited (CDBL) reported the number of active Beneficiary Owners' (BO) account at 1.79m on 18 April 2024, down by 0.08m from 1.87m a year ago. DSEX, the key index of the Dhaka Stock Exchange (DSE), dropped to a three-year low on 18 April 2024 when it slipped to 5,686.69 points, being the lowest since 09 May 21 when it was at 5,645.69 points. The major index of the DSE lost a total of 559.81 points from the beginning of 2024, including 143.01 points in the last ten days.



Credit growth further drops in February

Credit disbursement to the private sector dropped to 9.96% in February 2024 from 12.14% in the same month a year back as the lending rate went up due to contractionary monetary policy. The rate was 9.95% in January 2024, as per Bangladesh Bank reports. It was 10.13% in December, 9.9% in November and 10.09% in October 2023. Influenced by the increased policy rate and a surge in the Six Month Moving Average Rate of Treasury Bills (SMART) rate, borrowing costs have been rising consistently for the past few months. SMART stood at 9.61% in February, which was 8.68% in January. As part of tightening the money supply, the central bank adopted the latest adjustment by raising the policy rate to 8% from 7.75% that came into effect from January 2024. The central bank cut the private sector credit growth target to 10% for the January-June period of FY2023-24 from 11% set for the first half of the current fiscal year.



Q2 GDP growth shrinks to 3.78%

Bangladesh Bureau of Statistics (BBS) released the second quarter Gross Domestic Product (GDP) figure in line with the condition of the structural reform program set by the International Monetary Fund (IMF). Second quarterly GDP grew at 3.78% in October-December of FY2023-24. This represents a significant drop from 7.08% recorded in the same period for FY2022-23. In the first quarter GDP growth rate was recorded at 6.01%. The government has revised down the economic growth projection for the current fiscal year to 6.5% from the previous estimate of 7.5%. Besides, multilateral development financiers World Bank (WB), Asian Development Bank (ADB) and IMF also forecast down the GDP growth to 5.7%, 6.1% and 5.7% respectively for FY2023-24 amid the slowdown in economic activity.

BB issues bank merger guidelines

The Bangladesh Bank (BB) on 04 April 2024 approved guidelines for mergers, both voluntary and forced, specifying the process, requirements and its policy or liquidity support for successful mergers. Under the guidelines, mergers can occur between banks, between banks and financial institutions or between financial institutions themselves. However, in the case of mergers involving foreign bank branches, a decision will take place by their parent banks. The guideline comes four months after BB issued the 'Prompt Corrective Action (PCA) Framework' aimed at providing a procedural direction for mergers and acquisitions amidst the deteriorating financial condition of some banks and financial institutions. As per the circular, banks that agree to merge voluntarily will obtain some policy support, as necessary. Those support include exemptions, loss absorption and financial assistance. Temporary exemptions will be granted to maintain minimum Capital Adequacy Ratio (CAR), Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). A grace period will be given to adjust the total losses of the weak bank with the income of the acquiring bank or to convert it into goodwill. The central bank will offer cash assistance through long-term bond purchases, support capital enhancement through share issuance, perpetual bond, or subordinated bond issuance. If an entity fails to merge voluntarily and if the capital deficit, high non-performing loans, liquidity, and good governance deficit are ongoing, then BB will step in and initiate the process of a forced merger. In the case of a forced merger, an administrator will be appointed by dissolving the board of the weak banks or financial institutions. Later, the regulator will seek bids from interested buyers. According to the guideline, BB can make decisions to settle claims from depositors or shareholders of merged entities as it thinks fit. The guideline ensures job security of the employees of the merged entity, prohibiting their dismissal for three years post-merger by the acquiring company. Additionally, board members and top executives of the banks and financial institutions that will see a merger will not be able to hold any position in the acquiring entity. After five years, such board members may be eligible to obtain positions based on their shareholding and other qualifications. Reportedly BB has floated or received several merger proposals from banks but plans not to receive any such applications for the time being before the completion of the initial bids. Under the recommend proposals, state-run Sonali Bank is to acquire Bangladesh Development Bank, Bangladesh Krishi Bank is to take over Rajshahi Krishi Unnayan Bank. The ailing BASIC Bank is likely to be merged with The City Bank while United Commercial Bank to take over the troubled National Bank. Meanwhile, Bank Asia plans to acquire local operations of Pakistan-based Bank Alfalah. Earlier on 18 March 2024 Padma Bank signed a Memorandum of Understanding (MoU) for merger with Exim Bank.

Foreign aid disbursement drops, commitment rise

Inflow of foreign assistance decreased by 5% to US\$4.99b in the first eight months of the current fiscal year which was US\$4.75b in the same period of FY2022-23, as per reports from the Economic Relations Division (ERD). Meanwhile, the foreign-aid commitments during the July-February period of FY2023-24 increased to US\$7.2b compared to US\$1.79b in the same period of FY2022-23. In the last fiscal year foreign assistance went up by 25.63% to US\$10b, compared to the figures of FY2020-21.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↓	4,967.23	5,211.49	-4.69
FTSE 100	↓	7,895.85	7,967.27	-0.90
Nikkei 225	↓	37,068.35	39,773.14	-6.80
SENSEX	↓	73,088.33	74,355.56	-1.70
KSE 100	↑	70,944.20	68,369.94	3.77

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,686.69	5,796.12	-1.89
Total Turnover, Tk	↓	19,128.14	21,742.01	-12.02
Market Capital, Tk	↓	4,096,663,218,114	4,112,697,683,966	-0.39
No of Issue Gain		89	188	
No of Issue Loss		285	168	
No of Unchanged Issues		21	39	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Asiatic Laboratories	43.00	50.80	18.14	12.11
Deshbandhu Polymer	29.60	34.90	17.91	196.75
SEMLLECMF	7.40	8.70	17.57	5.33
GLDNJMF	10.00	11.50	15.00	1,132.88
Paramount Ins.	50.90	58.20	14.34	89.37
Salvo Chemical	46.90	53.50	14.07	31.95
Fu Wang Food	25.80	29.40	13.95	21.22
1STPRIMFMF	34.40	39.00	13.37	975.05
Taufika Foods	59.60	66.90	12.25	245.13
BD Thai Food	30.00	33.50	11.67	597.95

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
National Bank	7.00	6.00	-14.29	14.14
Maksons Spinning Mills	14.30	12.60	-11.89	10.05
Metro Spinning	21.20	18.80	-11.32	3.64
Fareast Finance & Inv.	4.50	4.00	-11.11	403.09
IDLC Finance	37.30	33.20	-10.99	0.32
DBH	42.10	37.90	-9.98	86.49
Kattali Textile	17.70	16.00	-9.60	104.89
Shepherd Industries	14.90	13.50	-9.40	343.89
Power Grid	43.30	39.50	-8.78	8.16
VFS Thread Dyeing	17.20	15.70	-8.72	50.13

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
	Bank	444.18	453.78	-2.11	1,421.41	1,301.91
Cement	332.99	339.73	-1.99	253.58	317.43	-20.12
Ceramic	659.73	690.58	-4.47	1,013.49	1,719.26	-41.05
Engineering	4,658.54	4,784.87	-2.64	1,885.78	2,031.37	-7.17
Food & Al.	4,151.11	4,211.07	-1.42	2,413.31	2,017.68	19.61
Fuel & Pow.	2,855.53	2,945.15	-3.04	311.56	346.34	-10.04
Insurance	2,214.29	2,224.86	-0.47	1,437.29	1,348.84	6.56
IT	576.95	590.83	-2.35	512.65	735.73	-30.32
Jute	2,225.61	2,249.15	-1.05	63.44	47.83	32.65
Misc.	2,626.88	2,647.51	-0.78	243.23	293.92	-17.25
Mutual Fund	401.89	397.91	1.00	842.27	259.35	224.77
NBFI	750.97	794.72	-5.51	298.68	400.92	-25.50
Paper	11,503.46	11,910.38	-3.42	180.17	235.45	-23.48
Pharma	1,434.41	1,447.15	-0.88	3,521.36	3,793.99	-7.19
Service	1,462.39	1,494.77	-2.17	145.97	173.71	-15.97
Tannery	959.44	975.21	-1.62	321.63	442.70	-27.35
Telecom	3,105.70	3,212.68	-3.33	183.97	441.68	-58.35
Textile	1,528.76	1,589.11	-3.80	2,419.20	3,311.44	-26.94
Travel & Leis.	1,620.20	1,596.23	1.50	759.38	567.62	33.78

Technical Talk

Dhaka stocks witnessed a sharp fall in the previous week after the closure from 10 April to 14 April. The core index dropped in all four trading days. DSEX hit a three-year low on 18 April 2024 when it slipped to 5,686.69 points, being the lowest since 09 May 21 when it was at 5,645.69 points. Among the major sectors, NBFI decreased by 5.51% followed by Textile 3.8%, Telecom 3.33%, Food & Allied 3.04% and Engineering by 2.64%.

DSE Broad Index (DSEX) stood at 5,686.69 points after decreasing by 109.43 points or 1.89% from the previous week. Total turnover reached at Tk19128.14m, which was 12.02% lower than the previous week. Market capitalization decreased by 0.39% and stood at Tk4096.66b (\$37.04b) at the weekend against Tk4112.69b. DSE 30 decreased by 30.36 points or 1.51% and closed at 1,984.57 points against 2,014.93 points. Last week's weighted average Market PE was 11.39 which was 11.67 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 28.61.

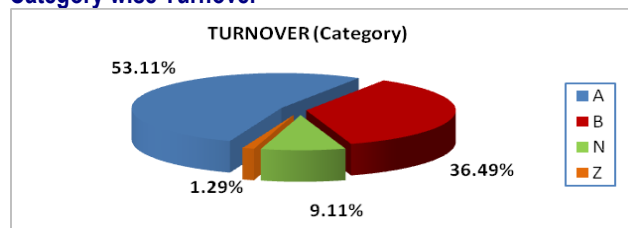
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Asiatic Laboratories	20,040,219	935.61	4.89%
Taufika Foods	12,700,861	807.68	4.22%
Alif Industries	4,655,425	546.47	3.36%
Best Holdings	16,711,674	621.75	3.25%
Fu Wang Food	18,256,609	562.02	2.94%
Fu-Wang Ceramic	20,853,550	530.69	2.77%

Top 10 Market Capital

Company	Value (BDT mn)	% of total
GP	316,915	103.842
BATBC	212,652	91.803
Walton Hi-Tech	195,783	81.862
Square Pharma	189,789	79.708
ROBI	133,044	76.548

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/ton)	2,406.70	2,312.40	4.08
Silver (USD/ton)	28.75	27.32	5.23
Brent Crude Oil (USD/bbl)	87.20	89.32	-2.37

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	123.09	123.09	125.23	125.23	-1.71	-1.71
GBP	142.93	142.93	146.12	146.12	-2.18	-2.18
AUD	70.96	70.96	72.73	72.73	-2.43	-2.43
JPY	0.72	0.72	0.73	0.73	-1.37	-1.37
CAD	80.38	80.38	81.79	81.79	-1.72	-1.72
SAR	29.47	29.47	29.48	29.48	-0.03	-0.03

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)
-	-	-	-