

### Crawling Peg replace SMART

The Bangladesh Bank (BB) introduced the crawling peg system in foreign exchange rates as per the International Monetary Fund (IMF) advise in a bid to stabilize the reserves and rationalize exchange rates. Under this system, a Crawling Peg Mid Rate (CPMR) has been set at Tk117 per US Dollar with effect from 09 May 2024. Scheduled banks may purchase and sell US Dollars freely around the CPMR with their customers and in interbank deals, the circular issued by the central bank on 08 May 2024 said. Consequent on the decision, Bangladeshi Taka (BDT) dipped 6.36% from Tk110 to Tk117, which is the biggest single-day depreciation. Consequently, it went up to Tk125 in the informal market on the day. Also, to let the market determine the lending rates, BB withdrew the Six Months Moving Average Rate of Treasury Bill (SMART) cap system from 09 May 2024. Earlier, after lifting the 9% lending rate ceiling, the cap was replaced in June 2023 with an apparently market based but controlled corridor named SMART reference rate, calculated on the average rate of 182-day Treasury Bills with a 3% top up margin. Given the current SMART of 11.13%, the highest limit for bank lending rate stood at 14.13% for May, which was 13.55% in April.

### BB raises policy rate

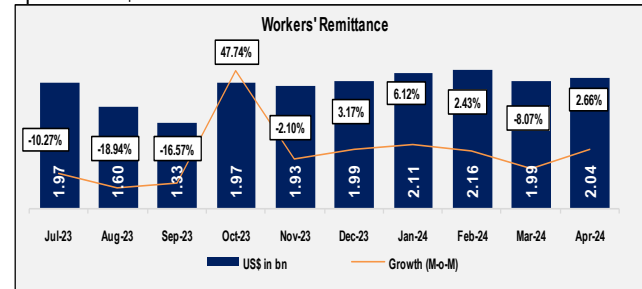
The Bangladesh Bank (BB) raised the policy rate by 50 basis points with the aim of curbing inflation. The new rate of 8.50% came into effect from 09 May 2024. Apart from the policy rate, the highest ceiling on policy rate corridor of Standing Lending Facility (SLF) rate has been increased by 50 basis points to 10% while the lowest limit on Standing Deposit Facility (SDF) rate has been raised to 7% from 6.50%. Inflation has persisted above 9% since March 2023. According to the Bangladesh Bureau of Statistics (BBS), 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. Earlier in 17 January 2024, BB raised its policy rate by 25 basis points to 8% from 7.75%. Notably, at the end of 2022, the policy rate was 5.75% but the central bank since then continuously hiked the policy rate in an effort to manage inflation.

### NBL board dissolved again

The Bangladesh Bank (BB) on 05 May 2024 dissolved the board of the scam and crisis-stricken National Bank Limited (NBL) just five months after restructuring it. This time the central bank put one sponsor director as the new chairman and kept two directors of the dissolved board in the new one. Meanwhile, the reigning family has lost its grip on the bank board. The central bank also appointed three independent directors in the new 10-member board. Earlier on 21 December 2023, BB dissolved the previous board after receiving a recommendation from the Bangladesh Securities and Exchange Commission (BSEC). According to the financial statements, NBL incurred losses of Tk14.97b and bad loans stood at Tk123.68b at the end of December 2023 which was 28.92% of its total disbursed loans and the bank went into severe liquidity crisis. Reportedly BB has floated or received several merger proposals from banks, under the recommend proposals, the ailing NBL was proposed to be merged with the United Commercial Bank. But the reconstituted board, now apparently under the control of a Chittagong based conglomerate owing a few other private banks, announced that the bank would not go for the merger and rather strive to restructure.

### April sees remittance rise

Inward remittance increased by 2.31% to US\$2.04b in April this year compared to US\$1.99b in March 2024 as the diasporas sent higher amount of money during Ramadan and Eid-ul-Fitr festival season. The monthly increase can also be attributed to bank remittance rate hikes. Including the figures of April, remittance grew 7.84% to US\$19.11b in the July-April period of FY2023-24. In FY2022-23, Bangladeshis working abroad sent home a total of US\$21.61b which was US\$21.03b the year ago. Earlier in FY2020-21 remittance hit a record high of US\$24.78b, up from US\$18.21b in FY2019-20.

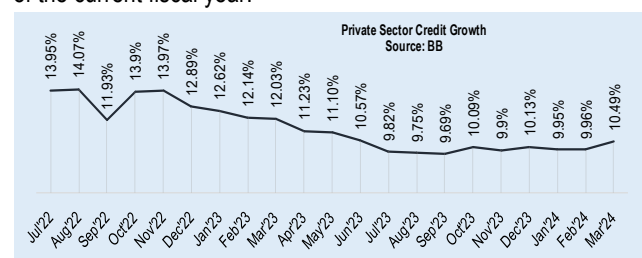


### Export earnings negative in April

Export earnings witnessed a fall in April, the first decline in this year due to a slowdown in apparel product shipments and ongoing negative trends in the other major sectors. According to the recent release from the Export Promotion Bureau (EPB), export earnings fell by 1.01% to US\$3.91b in April 2024 from US\$3.95b in the same month of 2023. The single-month earnings in April fell short of the target by 16.8%. Last month's earnings were also the lowest in six months. The previous lowest was recorded in October 2023 at US\$3.76b. Despite the fall, overall exports, however, rose by 3.94% to US\$47.47b in the July-April period of the current fiscal year compared to the US\$45.67b in the same period of FY2022-23. Export earnings hit a new record in FY2022-23 with US\$55.55b recorded against US\$52.08b in the previous fiscal year.

### Private sector credit growth hit 10-months high

Credit growth rate in the private sector increased to 10.49% in March 2024 from 9.96% a month ago due to increased business activities surrounding Ramadan and Eid-ul-Fitr. This increase marked the highest growth rate since May 2023, when it reached 11.10%. The rate was 9.96% in February and 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. In January 2023, credit flow to private sector was 12.62% and since then, it consistently decreased until September when the rate was 9.69%, the lowest in the calendar year 2023. 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.



## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,222.68	5,127.79	1.85
FTSE 100	↑	8,433.76	8,213.49	2.68
Nikkei 225	↓	38,229.11	38,236.07	-0.02
SENSEX	↓	72,664.47	73,878.15	-1.64
KSE 100	↑	73,110.65	71,971.82	1.58

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	5,661.05	5,615.65	0.81
Total Turnover, Tk	↑	48,027.26	28,237.34	70.08
Market Capital, Tk	↑	4,069,099,229,843	4,047,144,323,264	0.54
No of Issue Gain		240	228	
No of Issue Loss		128	133	
No of Unchanged Issues		25	34	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
SAIF Powertec	17.90	25.50	42.46	401.67
Far East Knitting	15.00	20.50	36.67	967.02
Mithun Knitting	18.90	24.80	31.22	59.29
GQ Ball Pen	112.40	143.50	27.67	252.53
Golden Jubilee M. F.	12.80	16.00	25.00	245.16
Rupali Bank	23.10	27.70	19.91	72.42
GHCL	22.20	26.60	19.82	14.67
PF1STMF	6.30	7.50	19.05	85.13
Tosrifia Industries	20.10	23.80	18.41	102.04
IPDC Finance	22.00	26.00	18.18	244.98

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Uttara Bank	26.00	21.80	-16.15	181.65
Khulna Printing	24.20	21.70	-10.33	78.62
Hami Industries	158.80	142.50	-10.26	13.04
H.R. Textile	61.50	55.20	-10.24	112.75
Aftab Automobiles	41.90	37.80	-9.79	387.04
Bangladesh Lamps	144.00	130.90	-9.10	17.12
Eastern Cables	152.90	140.70	-7.98	12.88
Beach Hatchery	74.00	69.20	-6.49	438.62
IT Consultants	52.60	49.20	-6.46	857.99
Sea Pearl Beach Resort	95.10	89.50	-5.89	754.63

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	443.82	442.75	0.24	2,843.56	1,977.28	43.81
Cement	330.90	332.28	-0.42	401.82	389.92	3.05
Ceramic	629.67	629.38	0.05	1,345.28	812.36	65.60
Engineering	4,447.72	4,466.00	-0.41	4,955.88	2,951.37	67.92
Food & Al.	3,985.14	3,936.00	1.25	3,893.50	3,606.59	7.96
Fuel & Pow.	2,788.45	2,754.94	1.22	876.78	513.62	70.71
Insurance	2,149.48	2,160.59	-0.51	2,366.13	1,514.78	56.20
IT	604.03	588.67	2.61	2,731.29	2,043.91	33.63
Jute	2,462.25	2,379.90	3.46	585.39	872.43	-32.90
Misc.	2,610.81	2,576.41	1.34	1,231.90	547.37	125.06
Mutual Fund	394.69	378.58	4.26	984.06	671.55	46.54
NBFI	746.54	692.60	7.79	599.61	281.99	112.63
Paper	10,721.88	11,072.29	-3.16	355.16	309.41	14.79
Pharma	1,441.41	1,424.95	1.15	10,371.61	7,420.84	39.76
Service	1,624.17	1,408.76	15.29	703.61	211.39	232.85
Tannery	942.91	935.23	0.82	814.05	361.61	125.12
Telecom	3,103.82	3,116.50	-0.41	498.37	426.22	16.93
Textile	1,574.67	1,498.90	5.05	6,493.50	4,299.86	51.02
Travel & Leis.	1,654.25	1,628.71	1.57	2,405.86	1,015.20	136.98

## Technical Talk

Dhaka stocks sustain its gaining streak for two consecutive weeks as a section of investors put fresh funds on sector-wise lucrative stocks. Out of its five trading days, the first two days ended higher while the last three witnessed gain. Among the major sectors, NBFI increased by 7.79% followed by Textile 5.05%, Mutual Fund 4.26% and IT by 2.61%.

DSE Broad Index (DSEX) stood at 5,661.05 points after increasing by 45.40 points or 0.81% from the previous week. Total turnover reached at Tk48027.26m, which was 70.08% higher than the previous week. Market capitalization increased by 0.54% and stood at Tk4069.10b (US\$34.65b) at the weekend against Tk4047.14b. DSE 30 increased by 7.38 points or 0.37% and closed at 2,015.24 points against 2,007.86 points. Last week's weighted average Market PE was 11.16 which was 10.99 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 31.03.

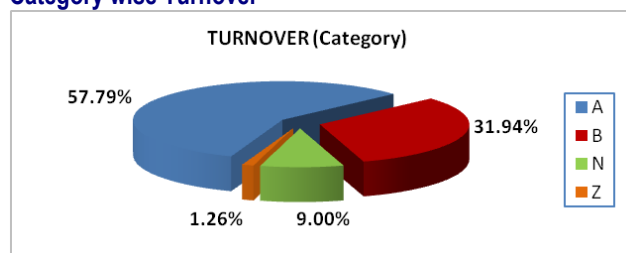
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Asiatic Laboratories	39,219,902	1,565.00	3.90
Taufika Foods	24,461,871	1,451.68	3.20
Orion Infusion	1,831,522	1,157.87	3.11
Best Holding	14,124,995	1,114.32	2.94
Malek Spinning Mills	17,104,652	904.15	2.92
Golden Son	1,390,241	839.34	2.82

### Top 10 Market Capital

			In million
GP	320,561	BEXIMCO	103,842
BATBC	202,500	RENETA	86,470
Square Pharma	188,105	Berger Paint	81,106
Walton Hi-Tech	180,848	United Power	76,636
ROBI	129,377	Lafarge Holcim	76,418

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz.)	2,366.90	2,310.10	2.46
Silver (USD/oz.)	28.40	26.79	6.01
Brent Crude Oil (USD/bbl.)	82.73	82.82	-0.11

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	117.45	117.50	110.00	110.00	6.77	6.82
EUR	132.86	132.91	124.30	124.30	6.89	6.93
GBP	154.46	154.53	144.94	144.94	6.57	6.62
AUD	77.94	77.97	73.09	73.09	6.64	6.68
JPY	0.76	0.76	0.73	0.73	4.11	4.11
CAD	86.35	86.38	80.79	80.79	6.88	6.92
SAR	31.47	31.48	29.48	29.48	6.75	6.78

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)
-	-	-	-