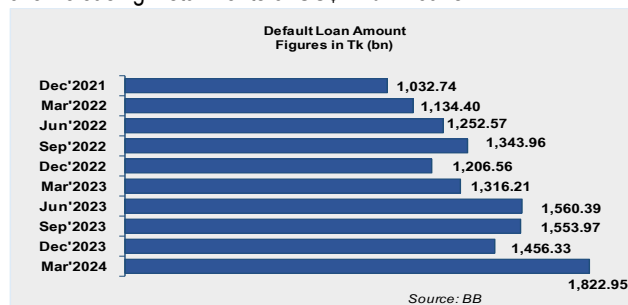


Toxic loans at historic high

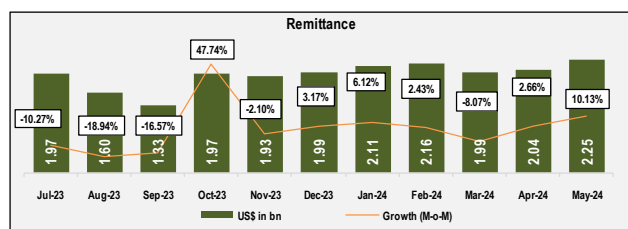
The volume of Non-Performing Loans (NPLs) hit an all-time high at the end of March 2024. According to Bangladesh Bank (BB) reports, overall NPLs rose to Tk1,822.95b at the end of March 2024 from Tk1,456.33b in December 2023, Tk1,206.56b in December 2022, Tk1,032.74b in December 2021 and Tk887.34b in December 2020. The amount of classified loans is feared to balloon further if the amount of write-offs and rescheduled loans and loans with court injunctions is included in the figure. Banks are struggling with challenges for recovering defaulted loans from their top loan defaulters. The latest NPL figure is the highest in the history of the banking sector since independence. The second highest was recorded in June quarter of 2023 with Tk1,560.39b reported. The toxic loans kept rising at a time when the banking sector is under pressure to reduce default loans to comply with the International Monetary Fund (IMF) conditions over releasing installments of US\$4.7b in loans.



In March 2024, the total amount of defaulted loans in state-run banks rose to Tk843.27b from Tk657.81b in December 2023. At crisis-hit Janata Bank, default loans skyrocketed to a record Tk304.95b in March, representing 31% of its total loan disbursement. This was a significant increase from Tk250.09b in December 2023 and a double from Tk150.05b in March 2023. The volume of such loans in private commercial banks rose to Tk889.27b in March 2024 from Tk709.81b in the same period earlier year. The stale amounts in foreign commercial banks and specialized banks were Tk34.57b and Tk55.84b respectively from Tk32b and Tk56.70b recorded at the end of December 2023.

Remittances hit US\$2.25b in May

Bangladeshis working abroad sent home a total of US\$2.25b in May 2024, up by 10.13% to US\$2.04b in the previous month, driven by a hike in the Dollar rate and the forthcoming Eid-ul-Azha festival. Currently, the official exchange rate for remittance is Tk117, in line with the crawling peg system which was introduced last month following recommendation from the International Monetary Fund (IMF). Additionally, banks may provide a maximum of 5% incentive, including the 2.5% from the government, contributing to the increased remittance flow. The inflow was US\$1.69b in May 2023. In the last calendar year diasporas sent home a total of US\$21.82b, up by 2.54% (Y-o-Y) from US\$21.28b in 2022.



Ten banks face capital shortfall

According to Bangladesh Bank (BB) reports, 10 banks out of 61 operating in the country faced capital shortfall of Tk400.88b at the end of December 2023. Previously, capital shortfall in 14 banks was Tk375.07b in September 2023 and that in 15 banks was Tk337.32b at the end of June 2023. Bangladesh Krishi Bank had the highest shortfall at Tk157.40b at the end of December 2023, slightly lower from Tk158.04b as of September 30 last year. Although these 10 banks have suffered capital shortfalls, the remaining 51 banks have managed to maintain required capital against their risk weighted assets.

Banks	Shortfall as of Sep 2023	Shortfall as of Dec 2023
Bangladesh Krishi Bank	158.04	157.40
National Bank	20.24	46.79
Agrani Bank	48.29	44.50
BASIC Bank	31.50	29.85
Janata Bank	30.30	27.50
Rajshahi Krishi Unnayan Bank	24.72	24.13
Rupali Bank	21.22	21.93
ICB Islamic Bank	18.23	18.42
Padma Bank	6.08	16.34
Bangladesh Commerce Bank	14.02	14.02

Source: Bangladesh Bank

Millionaire accounts drop in Q1

The number of bank accounts, with deposits exceeding Tk10m, has decreased by 1,018 in the first quarter of 2024 possibly due to runaway inflation. Moreover import-export activities have been continuously decreasing over the last two years, resulting a decline in deposits in such accounts. According to Bangladesh Bank (BB) figures, the number of millionaire account holders stood at 1,15,890 at the end of March 2024, down from 1,16,908 three months earlier. At the end of September 2023, there were 1,13,586 such accounts and 1,09,946 at the end of December 2022. According to the central bank figures, 92,516 accounts held deposits ranging from Tk10m to Tk50m. Bank deposits in millionaire accounts fell by Tk13.16b to Tk7,401.50b at the end of March 2024. Overall deposit receipt at the same time contracted 0.75% to Tk17.62-trillion at the end of March over its preceding quarter.

WB set 5.7% GDP growth target for FY2024-25

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. In its June edition of Global Economic Prospects, WB projected 5.7% GDP growth for the FY2024-25, one percentage point lower than the government target of 6.75% set for the FY2024-25. The Bangladesh Bureau of Statistics (BBS) provisionally estimated GDP growth at 5.82% for FY2023-24. 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.

Foreign debt repayment pressure mounts

Foreign debt servicing surged 44% (Y-o-Y) to around US\$3b due to an increased interest burden. In the first ten months of FY2023-24, the government paid US\$2.81b as principal and interests, which was US\$1.95b in the same period of the previous year, according to the Economic Relations Division (ERD) reports. Interest payment on external debt has crossed the US\$1b mark to reach US\$1.15b in the July-April period of FY2023-24, which was US\$485.9m in the same period of last year.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,487.03	5,346.99	2.62
FTSE 100	↓	8,191.29	8,245.37	-0.66
Nikkei 225	↓	38,475.60	38,683.93	-0.54
SENSEX	↑	77,267.13	76,693.36	0.75
KSE 100	↑	76,742.43	73,816.32	3.96

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,117.81	5,237.32	-2.28
Total Turnover, Tk	↓	18,822.74	22,580.25	-16.64
Market Capital, Tk	↓	3,346,008,686,623	3,433,232,789,602	-2.54
No of Issue Gain		54	115	
No of Issue Loss		323	248	
No of Unchanged Issues		17	27	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Samata Leather	45.10	53.30	18.18	16.45
Atlas Bangladesh	57.90	67.60	16.75	2.10
Mithun Knitting	27.20	31.60	16.18	115.13
Safko Spinnings Mills	10.90	12.50	14.68	3.91
Unilever	2015.20	2294.00	13.83	450.20
Crystal Insurance	94.70	106.50	12.46	257.08
CAPITECGBF	11.30	12.50	10.62	116.75
GHCL	35.60	39.30	10.39	35.56
VFS Thread Dyeing	12.70	13.90	9.45	74.87
Sena Kalyan Ins.	43.30	47.00	8.55	22.07

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (in BDTmn)
	Last Week	This Week	Change %	
Bangladesh Finance	18.00	15.20	-15.56	24.03
Global Islami Bank	7.50	6.40	-14.67	23.74
Sonali Aansh Industries	266.10	228.90	-13.98	71.58
KBPPWBIL	140.60	121.00	-13.94	1.06
Coppertech Industries	33.50	29.00	-13.43	35.50
NCC Bank	11.10	9.70	-12.61	9.38
Rupali Bank	27.60	24.20	-12.32	20.05
AIBL 1st Islamic M.F.	8.40	7.40	-11.90	12.09
National Polymer	40.00	35.40	-11.50	35.03
BIFC	10.50	9.30	-11.43	0.43

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
	Bank	400.41	409.55	-2.23	1,038.87	1,328.59
Cement	291.40	299.71	-2.77	149.72	143.11	4.62
Ceramic	531.86	565.97	-6.03	197.50	425.39	-53.57
Engineering	3,604.79	3,791.90	-4.93	1,206.66	2,204.57	-45.27
Food & Al.	3,590.12	3,612.31	-0.61	2,400.72	2,969.11	-19.14
Fuel & Pow.	2,624.67	2,726.50	-3.73	266.32	1,012.45	-73.70
Insurance	1,933.76	2,017.30	-4.14	1,528.65	1,774.89	-13.87
IT	498.89	524.06	-4.80	726.80	992.60	-26.78
Jute	1,100.78	1,204.54	-8.61	72.64	48.69	49.17
Misc.	2,485.28	2,471.57	0.55	247.09	375.32	-34.17
Mutual Fund	355.84	372.17	-4.39	483.12	840.36	-42.51
NBFI	650.13	679.78	-4.36	165.48	264.77	-37.50
Paper	8,044.13	8,787.73	-8.46	134.19	236.76	-43.32
Pharma	1,275.16	1,295.52	-1.57	3,881.90	3,465.26	12.02
Service	1,341.58	1,412.25	-5.00	114.98	172.91	-33.50
Tannery	863.49	884.64	-2.39	537.50	626.26	-14.17
Telecom	2,812.23	2,887.81	-2.62	261.78	174.58	49.95
Textile	1,366.41	1,424.18	-4.06	1,762.37	2,506.50	-29.69
Travel & Leis.	1,384.53	1,454.67	-4.82	897.28	677.98	32.35

Technical Talk

Dhaka stocks prolonged the losing streak for the fifth straight week amid dismal participation from investors. In the week, the shaky investors continued their sell-offs due to lack of positive triggers. Among the major sectors, Engineering decreased by 4.93% followed by IT 4.80%, Mutual Fund 4.39%, NBFI 4.36% and Insurance by 4.14%.

DSE Broad Index (DSEX) stood at 5,117.81 points after decreasing by 119.51 points or 2.28% from the previous week. Total turnover reached at Tk18822.74m, which was 16.64% lower than the previous week. Market capitalization decreased by 2.54% and stood at Tk3346.01b (US\$28.37b) at the weekend against Tk3433.23b. DSE 30 decreased by 36.09 points or 1.94% and closed at 1,821.89 points against 1,857.98 points. Last week's weighted average Market PE was 9.46 which was 9.71 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 21.11.

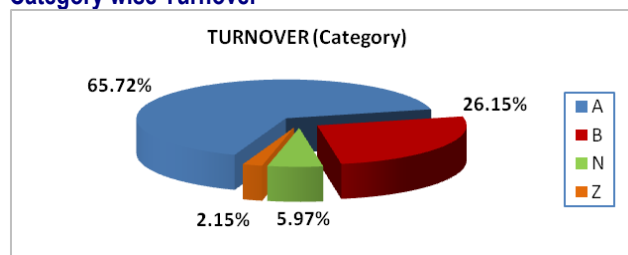
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Beacon Pharma	5,955,557	862.12	4.58
Taufika Foods	7,758,299	708.62	3.76
Asiatic Laboratories	12,533,032	688.91	3.66
Sea Pearl Resort	5,590,190	527.12	2.80
Central Pharma	22,188,497	471.18	2.50
Orion Pharma	6,433,336	459.82	2.44

Top 10 Market Capital

Company	Value (BDT mn)	% of total
GP	302,602	103,842
Square Pharma	177,290	80,234
BATBC	172,638	70,882
Walton Hi-Tech	135,197	69,679
Robi	107,378	68,521

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,344.20	2,311.10	1.43
Silver (USD/t oz.)	29.51	29.27	0.80
Brent Crude Oil (USD/bbl.)	85.34	79.49	7.36

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	117.95	118.00	117.95	118.00	0.00	0.00
EUR	132.98	133.03	133.80	133.86	-0.61	-0.62
GBP	157.40	157.46	157.58	157.65	-0.11	-0.12
AUD	78.99	79.03	78.05	78.08	1.20	1.22
JPY	0.75	0.76	0.76	0.76	-1.32	0.00
CAD	86.41	86.44	86.12	86.16	0.34	0.32
SAR	31.60	31.61	31.61	31.62	-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)
-	-	-	-