

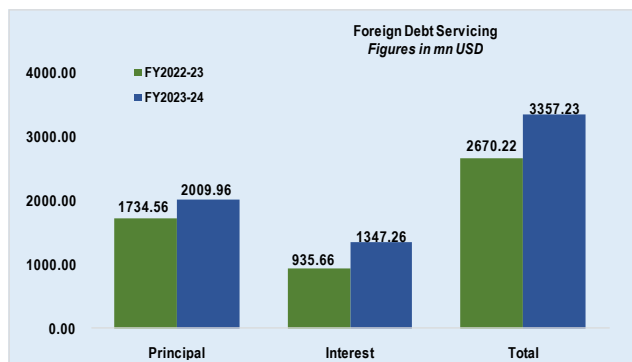
Brokers ordered to reallocate Tk4b

In a recent regulatory sweep, the Bangladesh Securities and Exchange Commission (BSEC) uncovered significant non-compliance among 57 broker and dealer firms. These entities collectively diverted nearly Tk4b into non-listed companies, loans to sister concerns, real estate and fixed deposits ventures explicitly prohibited under Rule 8 (2) of the Securities and Exchange Rules 2020. As per the Rule, brokers and dealers are barred from diverting funds to unrelated business activities. The findings were based on compliance reports submitted by the Dhaka Stock Exchange (DSE), scrutinizing financial statements up to June 30, 2023. The BSEC through a Directive issued on 18 July 2024 has ordered these firms to repatriate the misallocated funds by October 2024, emphasizing that these resources should instead be utilized in their core businesses. The DSE, responsible for overseeing the corrective measures, must report back to the commission within seven working days.

Major Firms Accused	
Company	Figures in Mn Tk
Akij Capital Management	334.21
Multi Securities & Services	319.38
Sheltech Brokerage	286.82
Moshihor Securities	219.16
Salta Capital	207.59
KHB Securities	203.25
Source: BSEC	

External debt repayment pressure soars

Foreign debt servicing surged 25.73% (Y-o-Y) to US\$3.36b in the FY2023-24 due to an increased interest burden and an expanded foreign loan portfolio. According to the reports from the Economic Relations Division (ERD), the government paid US\$3.36b as principal and interests, which was US\$2.67b in FY2022-23. Interest payment on external debt has crossed the US\$1b mark in a fiscal for the first time. The government paid US\$2.01b as principal and US\$1.35b as the interest payments in the previous fiscal year, as per the ERD. Meanwhile, the foreign loan commitments have also swelled to US\$10.72b in FY2023-24 against US\$8.80b a year back. ERD figures show Bangladesh had paid US\$1.12b for external debt servicing in FY2016-17 and it took five years to double the repayment to US\$2.02b in FY2021-22. In FY2017-18 a total of US\$1.41b was paid to external creditors. Multilateral and bilateral development partners committed US\$169.49b of loans from FY1971-72 to FY2021-22.



New Directive for mutual funds

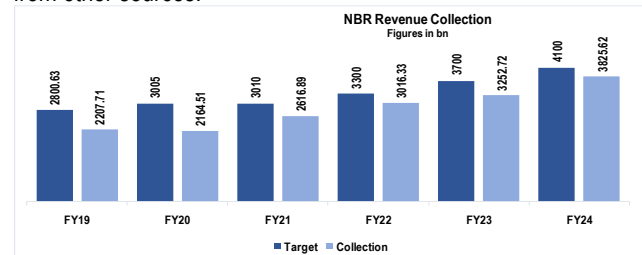
As part of its reform efforts for the mutual fund industry, the Bangladesh Securities and Exchange Commission (BSEC) set specific requirements for private limited companies intending to be a sponsor of any mutual fund. According to a Directive issued on 18 July 2024 a private company must have a minimum net worth of Tk100m to become a sponsor of a mutual fund. The interested company shall have sufficient cash and cash equivalent or ready to liquid assets at least equivalent to the committed subscription as a sponsor of any mutual fund. The board of directors of the company shall comprise of at least three members, including an independent director. The company or any of its directors shall not be a loan defaulter as per Credit Information Bureau (CIB) report of Bangladesh Bank. The sponsoring company will not be eligible to sponsor a mutual fund if it, or any of its directors, is allegedly involved in money laundering or terrorism funding.

S&P rates Bangladesh 'B+'

The international rating agency S&P Global has downgraded Bangladesh's long-term creditworthiness ratings to B+ from BB- citing pressures on external metrics and the ongoing turbulence in the country. The US global credit-rating agency specified reasons for the downgrading like depleting foreign-exchange reserves, unfavorable balance of payments and rising debt service. According to the S&P assessment, transitioning to a crawling-peg exchange rate regime from May 2024, allowing the taka to depreciate and tightening monetary policy, could help rebuild external buffers, though progress would likely be gradual. The agency noted persistent pressures on external metrics, marked by a continued decline in foreign exchange reserves despite import compression measures by the Bangladesh Bank and a smaller current account deficit. As high inflation, rising domestic interest rates, limited access to foreign exchange, and policies aimed at compressing imports continue to bite, domestic demand will likely remain modest in comparison to the long-term trend, it notes. Earlier in May 2024, Fitch downgraded its outlook on Bangladesh's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'B+' from 'BB-' owing to the lingering weakening of the external buffers.

NBR misses FY2023-24 target

The National Board of Revenue (NBR) collected Tk3,825.62b in revenue during FY2023-24, registering a 17.61% growth against 7.84% in the previous fiscal year. However, total tax receipts fell short of the revised target set for the period by Tk274.38b. Among the three wings of the NBR, the Value-Added Tax (VAT) wing collected Tk1,507.17b, the income tax wing collected Tk1,310.25b and the customs wing got Tk1,008.19b, according to the NBR reports. Meanwhile, the total revenue earnings have been estimated at Tk5.41-trillion for the FY2024-25. Of this, NBR will collect Tk4.80-trillion and another Tk610b will be collected from other sources.



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	5,240.03	5,459.10	-4.01
FTSE 100	8,026.69	8,285.71	-3.13
Nikkei 225	35,689.27	37,667.41	-5.25
SENSEX	79,465.81	81,332.72	-2.30
KSE 100	77,606.69	78,144.16	-0.69

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,333.94	5,413.65	-1.47
Total Turnover, Tk	23,946.09	22,204.46	7.84
Market Capital, Tk	3,680,078,885,119	3,639,439,903,109	1.12
No of Issue Gain	49	220	
No of Issue Loss	327	154	
No of Unchanged Issues	21	22	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Techno Drugs	42.30	63.50	50.12	1,622.44
One Bank	7.20	8.00	11.11	75.55
United Finance	11.20	12.40	10.71	26.57
Midland Bank	289.00	318.10	10.07	400.64
Alif Industries	109.30	119.40	9.24	730.01
Islami Insurance	37.40	40.50	8.29	2.49
NRB Bank	12.80	13.80	7.81	653.01
Miracle Industries	31.40	33.80	7.64	66.99
Reliance Insurance	61.70	66.00	6.97	11.76
AMCL (PRAN)	32.30	34.30	6.19	1,174.19

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Padma Islami Life Ins.	24.80	20.10	-18.95	8.29
Fareast Islami Life Ins.	33.80	29.70	-12.13	15.49
CAPM BDBL M. F.	7.30	6.50	-10.96	4.43
National Tea Company	332.70	298.40	-10.31	2.12
Khulna Printing	19.70	17.70	-10.15	27.00
GQ Ball Pen Industries	154.00	138.50	-10.06	90.06
Uttara Finance and Inv.	19.00	17.10	-10.00	0.39
Mithun Knitting	24.90	22.50	-9.64	15.30
Yeakin Polymer	22.40	20.30	-9.37	9.32
Aman Feed	28.90	26.20	-9.34	19.41

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	432.80	436.20	-0.78	2,719.06	611.62	344.57
Cement	314.33	324.28	-3.07	689.76	131.82	423.25
Ceramic	533.58	569.33	-4.60	200.27	58.62	241.66
Engineering	4,273.86	4,469.74	-4.38	1,350.18	546.40	147.10
Food & Al.	3,761.51	3,837.35	-1.98	2,452.18	779.20	214.71
Fuel & Pow.	2,726.17	2,803.22	-2.75	473.14	105.01	350.56
Insurance	2,070.17	2,123.30	-2.50	1,450.06	383.13	278.48
IT	532.92	541.50	-1.58	1,625.41	414.72	291.93
Jute	1,252.07	1,297.71	-3.52	165.72	47.52	248.74
Misc.	2,528.60	2,557.41	-1.13	548.68	123.40	344.63
Mutual Fund	354.29	369.94	-4.23	888.21	243.56	264.68
NBFI	692.64	728.59	-4.94	289.35	90.10	221.15
Paper	8,373.26	8,851.00	-5.40	377.25	110.39	241.74
Pharma	1,380.54	1,401.96	-1.53	5,813.91	1,592.22	265.15
Service	1,384.02	1,440.34	-3.91	182.67	63.45	187.89
Tannery	862.55	880.73	-2.06	205.88	67.24	206.20
Telecom	3,199.76	3,169.20	0.96	376.73	118.12	218.93
Textile	1,359.10	1,411.63	-3.72	2,127.76	407.03	422.75
Travel & Leis.	1,269.21	1,328.90	-4.49	770.84	253.85	203.66

Technical Talk

Dhaka stocks continued correction for the third straight week amid economic worries and the ongoing countrywide turmoil. DSEX lost a total of 173 points in the past three straight weeks. Among the major sectors, NBFI decreased by 4.94% followed by Engineering 4.38%, Mutual Fund 4.23% and Textile by 3.72%.

DSE Broad Index (DSEX) stood at 5,333.94 points after decreasing by 79.71 points or 1.47% from the previous week. Total turnover reached at Tk23946.09m, which was 7.84% higher than the previous week. Market capitalization increased by 1.12% and stood at Tk3680.08b (US\$31.19b) at the weekend against Tk3639.44b. DSE 30 decreased by 31.92 points or 1.65% and closed at 1,900.85 points against 1,932.77 points. Last week's weighted average Market PE was 10.06 which was 10.31 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 36.74.

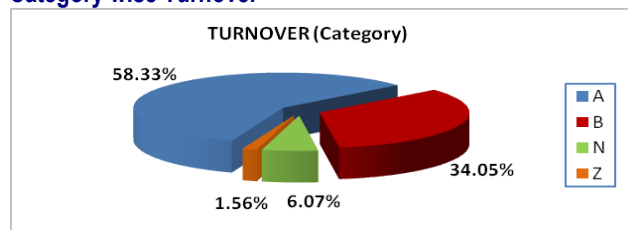
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Techno Drugs	19,574,409	1,784.31	4.01
Agni Systems	11,944,292	1,069.23	2.40
Orion Infusion	14,454,630	1,066.45	2.40
Alif Industries	20,654,014	999.75	2.25
NRB Bank	16,047,625	892.04	2.01
Taufika Foods	39,111,440	801.13	1.80

Top 10 Market Capital

Company	Value (BDT mn)	% of total
GP	344,056	103,842
Square Pharma	189,878	84,380
Walton Hi-Tech	183,363	81,423
BATBC	179,280	75,186
Robi	124,139	72,472

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,433.30	2,385.70	2.00
Silver (USD/t oz.)	27.21	28.07	-3.08
Brent Crude Oil (USD/bbl.)	76.70	79.67	-3.73

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	118.00	118.00	118.00	118.00	0.00	0.00
EUR	135.25	135.25	134.57	134.57	0.51	0.51
GBP	157.59	157.59	159.54	159.54	-1.22	-1.22
AUD	77.81	77.81	77.68	77.68	0.17	0.17
JPY	0.81	0.81	0.78	0.78	3.85	3.85
CAD	86.13	86.13	87.07	87.11	-1.08	-1.13
SAR	31.59	31.59	31.61	31.62	-0.06	-0.09

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)
-	-	-	-