

Market celebrating ouster of autocrat

The Dhaka Stock Exchange (DSE) opened with flying colors and upbeat throughout the day after the end of an autocratic regime and victory to the people power. DSEX, the key index of DSE climbed by 197.16 points or 3.77% to close at 5,426.42 points on 06 August 2024, on the very first trading day following the end of Sheikh Hasina's fascist regime. It was the highest single day gain since 03 January 2021, when DSEX stood at 5,618.96 points. The turnover of the market stood at Tk7.50b, which was Tk2.08b on the previous trading day. Spontaneous engagement motivated by excitement and hopes drove up the index. Hasina, daughter of the independence leader Sheikh Mujibur Rahman ruled for more than 15 years through rigged and sham elections as Prime Minister before hastily fleeing to India. The protests started as a student movement for reforms to the government recruiting mechanism for sought-after jobs which later turned into an anti-discrimination public movement led to deadly clashes, mobile internet shut down and curfews. Following weeks of unrest, the anti-discrimination student protesters called for a countrywide non-cooperation movement starting from 04 August 2024 to drive home their one-point demand - the resignation of Prime Minister Sheikh Hasina. The second day of trade since the fall of the Awami League led government, the DSEX soared by 192.37 points, or 3.55% from that on the previous day and closed at 5,618.79 points. Total turnover also witnessed a jump on the day, posting Tk7.76b.

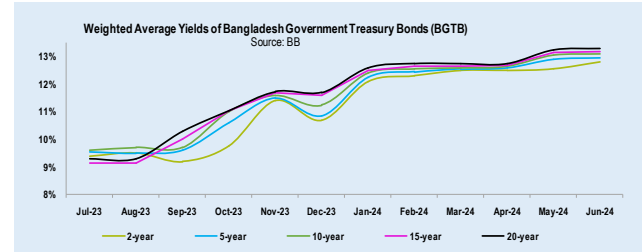
Movement of DSEX

Date	DSEX	Change (points)	Change (%)
14-Jul-24	5482.79		
15-Jul-24	5484.97	2.17	0.04%
16-Jul-24	5483.14	-1.82	-0.03%
18-Jul-24	5446.50	-36.64	-0.67%
24-Jul-24	5350.83	-95.67	-1.76%
25-Jul-24	5413.65	62.81	1.17%
28-Jul-24	5383.72	-29.93	-0.55%
29-Jul-24	5330.24	-53.48	-0.99%
30-Jul-24	5269.53	-60.72	-1.14%
31-Jul-24	5280.47	10.95	0.21%
1-Aug-24	5333.94	53.46	1.01%
4-Aug-24	5229.27	-104.67	-1.96%
6-Aug-24	5426.42	197.16	3.77%
7-Aug-24	5618.79	192.37	3.55%
8-Aug-24	5924.81	306.02	5.45%
Source: DSE		Total	442.02

The financial market framework, institutions, and practices were deliberately destroyed over the past decade to benefit only a handful of scammers and manipulators close to the government. Therefore, the market turnaround after the regime change was expected. At the end of the week on 08 August 2024, DSEX stood at 5,924.81 points, with gains of 306.02 points, being a single day record since DSEX was introduced on 28 January 2013 when turnover also hit five months high at Tk16.06b. The DSEX added a total of 695.55 points in the past three days since the fall of the despot. Nobel laureate Dr Muhammad Yunus is to lead the interim government until elections are held after reform of the institutions and systems left shattered by the prolonged autocratic regime. The Executive and officers of the regulating institutions have also called for a overhaul to eliminate favoritism and crony capitalism.

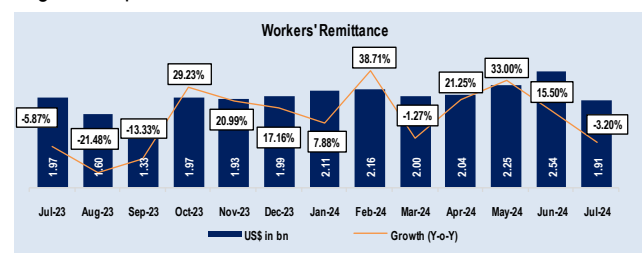
Government bonds soar with monetary tightening

Amid the contractionary monetary policy of the central bank aimed at curbing inflation and stabilizing forex reserves, interest rates on government Treasury Bonds surged to 12.79% in June 2024. The yield on Treasury Bonds now ranges from 12.25% to 12.79%, a significant increase from 8.69% to 11.16% in December 2023, as per Bangladesh Bank (BB). Treasury Bonds yields ranged from 8.09% to 9.09% during the same period last year. Bankers attribute this surge to the tightening measures of BB, which increased rates to control inflation. Meanwhile, inflation reached 9.72% in June this year. The weighted average interest rates for Treasury Bonds maturing within two, five, ten, fifteen, and twenty years now stand at 12.25%, 12.43%, 12.59%, 12.70%, and 12.79% respectively. Despite raising the policy rate to 8.50% and allowing market-determined lending rates, the government struggled to meet its borrowing target due to a severe liquidity crisis and high non-performing loans. Short-term Treasury Bills also saw yields rise, with 91-day, 182-day and 364-day bills increasing to 11.64%, 11.8%, and 12% respectively in June 2024, compared to 6.8%, 7.07%, and 7.9% in June 2023.



Remittance dips during student protest movement

The remittance inflow to Bangladesh declined by 3.20% (Y-o-Y) amid political uncertainty. Reversing from a prior verbal directive to increase the remittance rate, Bangladesh Bank (BB) instructed banks not to exceed the fixed remittance rate of Tk118. Inward remittance figure of July stood at US\$1.91b, lowest since September 2023 when it dipped to US\$1.33b. In comparison, remittance inflow was US\$2.54b in the previous month and US\$1.97b in July 2023. Typically, Bangladesh receives about US\$2b monthly from expatriates. Recent student unrest from the government job quota reform movement, a five-day internet blackout and a three-day bank closure likely to have significant negative impact on the remittance inflow.



Interest spread at 16-years high

Interest rate spread in the banking sector widened to 5.86% in May 2024, being highest in 16 years, according to Bangladesh Bank. The earlier highest was recorded at 5.96% in January 2008. The weighted average interest rate on deposits and lending rate stood at 5.42% and 11.28% in May 2024. The spread was 4.66% in December last year, significantly up from 2.93% in June 2023.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,344.16	5,240.03	1.99
FTSE 100	↑	8,168.10	8,026.69	1.76
Nikkei 225	↓	35,025.00	35,689.27	-1.86
SENSEX	↑	79,705.91	79,465.81	0.30
KSE 100	↑	78,529.84	77,606.69	1.19

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	5,924.81	5,333.94	11.08
Total Turnover, Tk	↑	33,398.63	23,946.09	39.47
Market Capital, Tk	↑	4,079,621,074,463	3,680,078,885,119	10.86
No of Issue Gain		339	49	
No of Issue Loss		47	327	
No of Unchanged Issues		11	21	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
The Dacca Dyeing	8.50	11.10	30.59	3.36
Grameen2	11.50	15.00	30.43	4.47
Islamic Finance	8.50	11.00	29.41	2.71
Midland Bank	5.10	6.60	29.41	105.39
ACME Pesticides	15.40	19.90	29.22	167.05
Monno Ceramic	71.20	91.90	29.07	66.30
Olympic Industries	119.80	154.60	29.05	116.64
Dhaka Insurance	39.60	51.10	29.04	29.45
ACI	124.00	160.00	29.03	51.57
AMCL (PRAN)	69.60	89.80	29.02	372.00

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Gemini Sea Food	314.00	278.10	-11.43	87.42
Beximco Pharma.	108.40	96.20	-11.25	74.66
Alif Industries	119.40	106.00	-11.22	235.99
Shinepukur Ceramics	32.20	28.70	-10.87	1.70
Beximco Green Sukuk	74.50	66.50	-10.74	5.23
Global Heavy Chemical	43.10	38.50	-10.67	105.06
Techno Drugs	63.50	57.30	-9.76	826.53
Sea Pearl Beach Resort	72.80	65.90	-9.48	611.56
SALAMCRST	22.30	20.20	-9.42	19.76
Salvo Chemical	51.40	46.90	-8.75	217.29

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	505.61	432.80	16.82	5,845.94	2,719.06	115.00
Cement	354.79	314.33	12.87	740.86	689.76	7.41
Ceramic	623.42	533.58	16.84	279.57	200.27	39.60
Engineering	4,772.98	4,273.86	11.68	2,426.19	1,350.18	79.69
Food & Al.	4,505.27	3,761.51	19.77	3,661.21	2,452.18	49.30
Fuel & Pow.	3,097.74	2,726.17	13.63	954.78	473.14	101.80
Insurance	2,263.82	2,070.17	9.35	1,787.43	1,450.06	23.27
IT	565.91	532.92	6.19	1,229.60	1,625.41	-24.35
Jute	1,258.77	1,252.07	0.54	134.07	165.72	-19.10
Misc.	2,561.42	2,528.60	1.30	1,001.88	548.68	82.60
Mutual Fund	415.20	354.29	17.19	970.15	888.21	9.23
NBFI	869.69	692.64	25.56	999.48	289.35	245.42
Paper	8,832.32	8,373.26	5.48	408.88	377.25	8.38
Pharma	1,453.70	1,380.54	5.30	6,529.57	5,813.91	12.31
Service	1,479.33	1,384.02	6.89	451.65	182.67	147.25
Tannery	935.60	862.55	8.47	300.14	205.88	45.79
Telecom	4,026.98	3,199.76	25.85	870.52	376.73	131.07
Textile	1,547.35	1,359.10	13.85	2,516.67	2,127.76	18.28
Travel & Leis.	1,317.22	1,269.21	3.78	985.39	770.84	27.83

Technical Talk

Dhaka stocks saw a big jump in the previous week due to a surge in the last three trading days as investors started to regain confidence after the end of an autocratic regime. The DSEX added a total of 695.55 points in the past three days since the fall of the despot. Among the major sectors, Telecom increased by 25.85% followed by NBFI 25.56%, Food & Allied 19.77%, Mutual Fund by 17.19% and Bank 16.82%.

DSE Broad Index (DSEX) stood at 5,924.81 points after increasing by 590.87 points or 11.08% from the previous week. Total turnover reached at Tk33398.63m, which was 39.47% higher than the previous week. Market capitalization increased by 10.86% and stood at Tk4079.62b (US\$34.57b) at the weekend against Tk3680.08b. DSE 30 increased by 231.88 points or 12.20% and closed at 2,132.73 points against 1,900.85 points. Last week's weighted average Market PE was 11.42 which was 10.06 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 31.32.

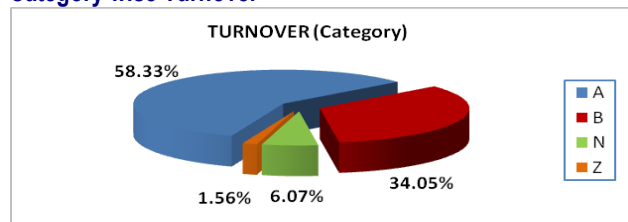
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
BATBC	3,662,741	1,386.19	4.15
Square Pharma	5,004,737	1,133.74	3.39
City Bank	44,557,083	1,027.62	3.08
Unilever	341,254	886.50	2.65
Techno Drugs	14,014,644	826.53	2.47
Uttara Bank	32,292,708	728.85	2.18

Top 10 Market Capital

Company	Volume	Value (BDT mn)	% of total
GP	429,125	BEXIMCO	103,842
BATBC	220,806	Reneta	86,516
Square Pharma	209,557	United Power	86,085
Walton Hi-Tech	201,538	Berger Paint	85,697
Robi	159,757	Brac Bank	82,999

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,470.60	2,433.30	1.53
Silver (USD/toz.)	27.54	27.21	1.23
Brent Crude Oil (USD/bbl.)	79.74	76.70	3.96

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	135.26	135.26	135.25	135.25	0.01	0.01
GBP	158.18	158.18	157.59	157.59	0.37	0.37
AUD	77.94	77.94	77.81	77.81	0.17	0.17
JPY	0.81	0.81	0.81	0.81	0.00	0.00
CAD	86.38	86.38	86.13	86.13	0.29	0.29
SAR	31.60	31.60	31.59	31.59	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)
-	-	-	-