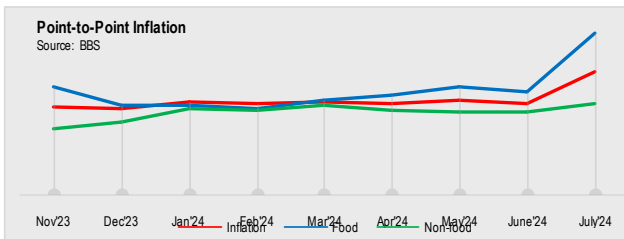


BSEC suspends last floor price decision

The Bangladesh Securities and Exchange Commission (BSEC) has recently found itself at the center of a regulatory twist on 11 August 2024 as it reversed a recent Directive to remove the floor prices for BEXIMCO and five other stocks. This decision followed the resignation of its chairman, Prof. Shibli Rubaiyat Ul Islam, who signed the initial order to abolish the floor prices for six companies on 08 August 2024, away from his office. The timing of the former chairman's resignation, along with his order, has raised questions about the governance and decision-making processes within the BSEC. Notably, this order was not discussed in any regular Commission meeting, underscoring discretionary power of the chairman. Consequently, the floor price removal order has been perceived by many as potentially advantageous to certain stakeholders, including former Prime Ministerial adviser Salman F. Rahman. The floor price mechanism, originally implemented in March 2020 to prevent a precipitous decline in stock prices during COVID-19, had been gradually lifted. The context of this decision, however, traces back to July 2022, when BSEC re-imposed the floor price to arrest the free-fall of market indices. Later in January the capital market regulator removed these price controls though the recent events indicate ongoing deliberations regarding their appropriate application.

Inflation hits 13-year high

The point-to-point inflation jumped to a 13-year high of 11.66% in July 2024 from 9.72% in June 2024 due to the surge in staple food item prices. July inflation was higher than the average 10.9% inflation calculated in FY2010-11 but lower than the average 12.30% in FY2007-08. Since March 2023, inflation has consistently remained above 9%. As per the recent release from the Bangladesh Bureau of Statistics (BBS), food inflation surged 14.10% in July, the highest in the last 13 years as a result in supply chain disruption because of the curfew imposed by the immediate past autocratic government to tackle demonstrations throughout the country. Food-inflation has touched double digits for the fourth consecutive month this year, almost close to the average 14.11% in FY2001-11 as well. Non-food inflation also climbed to 9.68% from 9.15% a month ago. Rural inflation soared to 11.89% with food inflation at 14.06% and non-food inflation at 9.84%. In urban areas it was 11.27% during the same month with food inflation at 14.22% and non-food inflation at 9.43%.

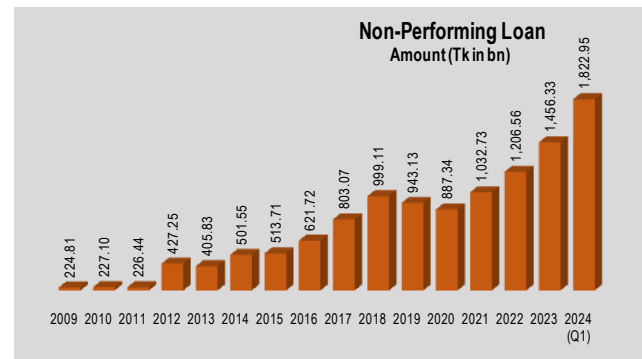


ADP implementation 80.92% in FY2023-24

Even after a downward revision of the Annual Development Program (ADP), government agencies implemented only 80.92% of the Tk2.54-trillion revised outlay in fiscal year 2023-24, as per records of the Implementation Monitoring and Evaluation Division (IMED). The implementation rate is 4.25 percentage points lower than the previous fiscal year. Underperformance by several vital sectors dragged to a four-year low utilization rate of development budget in the FY2023-24.

Toxic loan increased by 711% in 15 years

The banking sector has been hemorrhaging for years as a result of deliberately destroying the institutional framework through incorporating corruption and irregularities that benefitted the scammers of the former autocratic Awami League government. According to the Bangladesh Bank (BB) reports, the volume of Non-Performing Loans (NPLs) hit an all-time high of Tk1,822.95b at the end of March 2024 against Tk224.81b in December 2009 due to scams through business groups and bank scandals. The NPLs have surged by 710.88% over the last 15 years during the AL regime. The despotic regime also allowed different alleged hostile takeovers of private banks by vested interest groups. Chittagong based conglomerate S Alam Group, allegedly backed by the government, took control of some banks namely - Islami Bank, First Security Islami Bank, Social Islami Bank, Union Bank, Global Islami Bank, National Bank, Bangladesh Commerce Bank by violating the Bank Company Act. The central bank implemented a liberal framework to control the NPLs for the last couple of years such as the extension of grace periods, special concessions on relaxing loan write-offs and loan restructurings, regularizing NPLs by depositing between 2.5% to 6.5% of the due amount from previously required depositing 10% to 30%, increasing the repayment period of the NPLs ranging from 5 to 8 years while the maximum repayment period was only 2 years before. Moreover, the central bank also delegated the authority to the board of directors of the respective banks to provide concessions and reschedule default loans where approval was required from the central bank previously.



Trade deficit narrows in July-May

Trade deficit during the first eleven months of FY2023-24 stood at US\$20b, decreasing by 16.67% (Y-o-Y) due to a fall in imports. The deficit was over US\$24b at the end of the same period of FY2022-23. A substantial factor in this worsening deficit is the revelation of inflated export figures, initially reported by the Export Promotion Bureau (EPB). The figures for July-May of FY2023-24, compiled separately by Bangladesh Bank and EPB, show a significantly wide US\$13.79b gap. Actual export receipts were US\$33.68b, a 6.82% (Y-o-Y) decline, while import payments dropped by 12.33% (Y-o-Y) to US\$55.37b. Current accounts have plunged deeper into deficit, reaching US\$5.73b, after enjoying ten months of surplus. The financial account which remained in negative territory for long turned into surplus at US\$2.23b during the period under review. According to BB updates, the trade deficit rose to US\$33.25b in FY2021-22 from US\$23.78b a year before.

Stock Market Movement



Global Markets

| | This Week | Last Week | +/- % |
|------------|-----------|-----------|-------|
| S&P 500 | 5,554.25 | 5,344.16 | 3.93 |
| FTSE 100 | 8,311.41 | 8,168.10 | 1.75 |
| Nikkei 225 | 38,062.67 | 35,025.00 | 8.67 |
| SENSEX | 80,436.84 | 79,705.91 | 0.92 |
| KSE 100 | 78,163.73 | 78,529.84 | -0.47 |

DSE Indicators

| | This Week | Last Week | +/- % |
|------------------------|-------------------|-------------------|-------|
| DSE Broad Index | 5,903.84 | 5,924.81 | -0.35 |
| Total Turnover, Tk | 64,111.28 | 33,398.63 | 91.96 |
| Market Capital, Tk | 4,156,210,006,337 | 4,079,621,074,463 | 1.88 |
| No of Issue Gain | 105 | 339 | |
| No of Issue Loss | 278 | 47 | |
| No of Unchanged Issues | 15 | 11 | |

Top Gainers

| Company | Last Week | This Week | Change % | Turnover (in BDTmn) |
|-----------------------|-----------|-----------|----------|---------------------|
| Islamic Finance | 11.00 | 16.20 | 47.27 | 161.65 |
| Pragati Life Ins. | 144.00 | 187.50 | 30.21 | 621.10 |
| Phoenix Finance | 8.20 | 10.20 | 24.39 | 57.02 |
| Midland Bank | 11.10 | 13.60 | 22.52 | 125.33 |
| AB Bank | 9.00 | 11.00 | 22.22 | 970.80 |
| Premier Leasing | 4.50 | 5.50 | 22.22 | 7.00 |
| Heidelberg Cement | 294.50 | 359.30 | 22.00 | 602.17 |
| Fareast Finance | 4.20 | 5.10 | 21.43 | 10.77 |
| First Finance Limited | 4.20 | 5.10 | 21.43 | 12.00 |
| AMCL (PRAN) | 11.30 | 13.70 | 21.24 | 847.72 |

Top Losers

| Company | Last Week | This Week | Change % | Turnover (in BDTmn) |
|------------------------|-----------|-----------|----------|---------------------|
| GQ Ball Pen Industries | 168.00 | 144.50 | -13.99 | 133.46 |
| Hami Industries | 140.50 | 120.90 | -13.95 | 7.27 |
| Navana Pharma | 83.80 | 72.20 | -13.84 | 133.17 |
| Sonali Paper | 269.10 | 232.30 | -13.68 | 302.52 |
| Global Heavy Chemical | 38.50 | 33.30 | -13.51 | 82.20 |
| Emerald Oil Industries | 43.10 | 37.30 | -13.46 | 176.54 |
| Salvo Chemical | 46.90 | 40.60 | -13.43 | 300.94 |
| Deshbandhu Polymer | 32.40 | 28.10 | -13.27 | 85.88 |
| Shinepukur Ceramics | 28.70 | 24.90 | -13.24 | 5.14 |
| Central Pharma | 20.60 | 17.90 | -13.11 | 200.58 |

Sectoral Index & Turnover

| Sector | Sectoral Index | | | Turnover (Tk.M) | | |
|----------------|----------------|-----------|----------|-----------------|-----------|----------|
| | This Week | Last Week | Change % | This Week | Last Week | Change % |
| Bank | 510.74 | 505.61 | 1.02 | 15,296.59 | 5,845.94 | 161.66 |
| Cement | 357.92 | 354.79 | 0.88 | 1,290.42 | 740.86 | 74.18 |
| Ceramic | 577.45 | 623.42 | -7.37 | 448.86 | 279.57 | 60.55 |
| Engineering | 4,610.62 | 4,772.98 | -3.40 | 3,324.12 | 2,426.19 | 37.01 |
| Food & Al. | 4,664.19 | 4,505.27 | 3.53 | 4,986.27 | 3,661.21 | 36.19 |
| Fuel & Pow. | 3,016.84 | 3,097.74 | -2.61 | 1,744.82 | 954.78 | 82.75 |
| Insurance | 2,239.27 | 2,263.82 | -1.08 | 3,504.17 | 1,787.43 | 96.04 |
| IT | 549.87 | 565.91 | -2.83 | 1,737.10 | 1,229.60 | 41.27 |
| Jute | 1,952.89 | 1,258.77 | 55.14 | 151.22 | 134.07 | 12.79 |
| Misc. | 2,538.53 | 2,561.42 | -0.89 | 1,086.37 | 1,001.88 | 8.43 |
| Mutual Fund | 410.61 | 415.20 | -1.11 | 1,732.02 | 970.15 | 78.53 |
| NBFI | 893.54 | 869.69 | 2.74 | 2,727.57 | 999.48 | 172.90 |
| Paper | 8,033.71 | 8,832.32 | -9.04 | 608.50 | 408.88 | 48.82 |
| Pharma | 1,434.43 | 1,453.70 | -1.33 | 9,127.75 | 6,529.57 | 39.79 |
| Service | 1,400.02 | 1,479.33 | -5.36 | 476.12 | 451.65 | 5.42 |
| Tannery | 874.12 | 935.60 | -6.57 | 419.82 | 300.14 | 39.87 |
| Telecom | 4,667.85 | 4,026.98 | 15.91 | 6,825.60 | 870.52 | 684.08 |
| Textile | 1,542.99 | 1,547.35 | -0.28 | 5,729.31 | 2,516.67 | 127.65 |
| Travel & Leis. | 1,293.27 | 1,317.22 | -1.82 | 1,155.17 | 985.39 | 17.23 |

Technical Talk

Dhaka stocks closed in red trajectory after a big jump in the previous week as risk-averse investors maintained sell-off on quick-gaining shares. Major sectors witnessed mixed performance. Among the major sectors, Engineering decreased by 3.40% followed by IT 2.83%, Food & Allied 2.61% and Pharma 1.33% 16.82%.

DSE Broad Index (DSEX) stood at 5,903.84 points after decreasing by 20.97 points or 0.35% from the previous week. Total turnover reached at Tk64111.28m, which was 91.96% higher than the previous week. Market capitalization increased by 1.88% and stood at Tk4156.21b (US\$35.22b) at the weekend against Tk4079.62b. DSE 30 increased by 46.62 points or 2.19% and closed at 2,179.35 points against 2,132.73 points. Last week's weighted average Market PE was 11.61 which was 11.42 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 55.73.

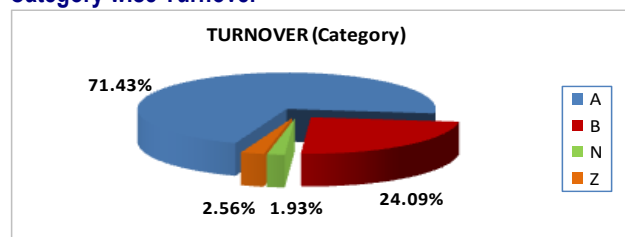
Top Turnover Companies

| Company | Volume | Value (BDT mn) | % of total |
|---------------|-------------|----------------|------------|
| Grameenphone | 13,824,885 | 4,965.03 | 14.87 |
| BRAC Bank | 59,151,079 | 3,042.03 | 9.11 |
| BATBC | 3,927,192 | 1,663.20 | 4.98 |
| Robi Axiata | 49,058,790 | 1,658.62 | 4.97 |
| Square Pharma | 7,056,382 | 1,642.33 | 4.92 |
| IFIC Bank | 149,327,782 | 1,592.26 | 4.77 |

Top 10 Market Capital

| Company | Value (BDT mn) | Value (US\$ mn) |
|----------------|----------------|---------------------|
| GP | 509,063 | BEXIMCO 103,842 |
| BATBC | 231,066 | Brac Bank 93,972 |
| Square Pharma | 208,227 | Reneta 90,518 |
| Walton Hi-Tech | 196,661 | Berger Paint 86,281 |
| Robi | 175,995 | United Power 85,389 |

Category wise Turnover



Commodity Price

| | This Week | Last Week | Change % |
|----------------------------|-----------|-----------|----------|
| Gold (USD/t oz.) | 2,546.20 | 2,470.60 | 3.06 |
| Silver (USD/t oz.) | 29.09 | 27.54 | 5.61 |
| Brent Crude Oil (USD/bbl.) | 79.63 | 79.74 | -0.14 |

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 | 136.65 | 136.65 | 135.26 | 135.26 | 1.03 | 1.03 |
| GBP | 160.40 | 160.40 | 158.18 | 158.18 | 1.40 | 1.40 |
| AUD | 79.12 | 79.12 | 77.94 | 77.94 | 1.51 | 1.51 |
| JPY | 0.81 | 0.81 | 0.81 | 0.81 | 0.00 | 0.00 |
| CAD | 86.71 | 86.71 | 86.38 | 86.38 | 0.38 | 0.38 |
| SAR | 31.60 | 31.60 | 31.60 | 31.60 | 0.00 | 0.00 |

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) |
|---------|---------------------|-------------|------------|
| - | - | - | - |