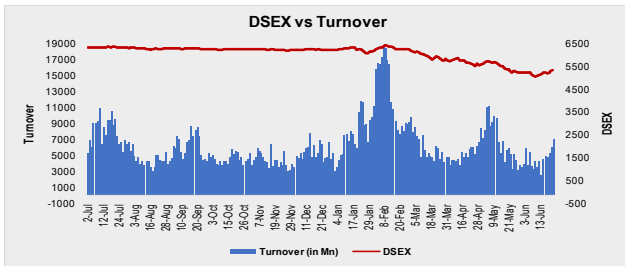


Capital market vibrant with price swings

The capital market was in a bearish vibe for a prolonged period. Investors lost their confidence due to the alleged unprofessional and unethical activities of the last two chairmen of the Bangladesh Securities and Exchange Commission (BSEC) during their tenures. The institutional framework of the securities regulator has been destroyed over the years to the benefit of a handful of people. However, the investors started showing increasing interest on the market after 05 August 2024 following the end of autocratic regime. DSEX, the key index of Dhaka Stock Exchange (DSE) climbed by 197.16 points or 3.77% to close at 5,426.42 points on 06 August 2024. It was the highest single day gain since 03 January 2021, when DSEX stood at 5,618.96 points. The turnover of the market was Tk7.50b, which was Tk2.08b on the previous trading day. The second day of trade since the fall of the past 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. The key index increased by 91.09 points or 1.53% to close at 6,015.90 points on 11 August 2024, hitting its highest point in five months. Earlier the DSEX posted its highest at 6,058.39 points on 11 March 2024.



Turnover reached Tk20.10b, the biggest single-day transaction since 20 September 2022, when it scaled a record amount of Tk28.28b. After a massive jump, stocks slipped back into the red as risk-averse investors chose to lock in profits on quick-gaining shares. The prime index decreased by 84 points to settle at 5952.77 points on 12 August 2024. The market was going through a correction phase after the surge in the prices. DSEX lost 108.4 points, or 1.90% and closed at 5,606.96 on 21 August 2024. At the end of the week on 22 August 2024, DSEX stood at 5,699.92 points, with gains of 92.96 points.

Taka devalued again

Bangladeshi Taka (BDT) depreciated against the US Dollar again due to higher demand and low supply of the greenback. The Dollar was quoted at Tk120 in the interbank market on 21 August 2024, up from Tk118, according to the Bangladesh Bank (BB) reports. Earlier in May 2024, the central bank devalued the taka from Tk110 to Tk117 a Dollar as part of its adoption of the crawling peg exchange rate system. The crawling peg system was introduced 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) was 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 was the biggest single-day depreciation. Consequently, it went up to Tk125 in the informal market on the day.

BB's liquidity support under scrutiny

In a concerning development within the banking sector, six banks-including four Shariah-based banks-continue to grapple with significant current account deficits despite receiving special liquidity support from the Bangladesh Bank (BB) for over a year. According to the central bank data, these lenders collectively reported a shortfall of Tk146.21b as of 07 August 2024, with their total deficit, including the Cash Reserve Ratio (CRR), reaching a staggering Tk207.74b, raising questions about their financial resilience and risk management practices. First Security Islami Bank leads the list with the highest current account deficit of Tk66.93b, followed by Social Islami Bank with Tk28.77b. National Bank, Union Bank, Bangladesh Commerce Bank and Global Islami Bank also face substantial deficits, raising red flags about their financial health. Moreover, BB's decision to provide liquidity support without securities, as directed by former governor, raised concerns about the integrity of the central bank. Consequently, these ongoing deficits signal that deeper, systemic problems persist in the banking sector of the county. Meanwhile, BB will no longer extend liquidity support to save any ailing bank by providing it special liquidity support.

Banks in Question	
Amount in Tk (bn)	
State-owned Banks	Amount
First Security Islami Bank	66.93
Social Islami Bank	28.77
National Bank	25.86
Union Bank	20.97
Bangladesh Commerce Bank	3.36
Global Islami Bank	0.32

Source: BB

Negative net sale of NSCs in FY2023-24

The net sales of National Savings Certificates (NSCs) turned negative for the second consecutive year in FY2023-24 due to rising inflationary pressure and high bank interest rates. As per the latest statistics from the National Savings Directorate (NSD), the net sales of NSCs were Tk211.24b negative in FY2023-24, which was Tk32.95b negative in FY2022-23. Meanwhile, government borrowing through the sales of treasury bonds and bills jumped fivefold in the previous fiscal year behind a drastic fall in net sales of NSCs. As per the latest figures from the Bangladesh Bank (BB), Tk628.12b was mobilized by issuing bills and bonds in FY2023-24 up from Tk134.56b in FY2022-23. Out of the total, the government borrowed Tk211.29b through the auction of treasury bonds and Tk416.83b through treasury bills. The scope for investment in saving certificates has been set at Tk180b for FY2023-24. In June alone, the net sales dropped to negative Tk33.81b contrasting with a negative Tk2.67b in June of the previous year.

Foreign aid disbursement drops, commitment rise

Inflow of foreign assistance decreased by 5% to US\$4.75b in the first eight months of the current fiscal year which was US\$4.99b in the same period of FY2022-23, as per reports from the Economic Relations Division (ERD). Meanwhile, the foreign-aid commitments during the July-February period of FY2023-24 increased to US\$7.2b compared to US\$1.79b in the same period of FY2022-23. In the last fiscal year foreign assistance went up by 25.63% to US\$10b, compared to the figures of FY2020-21.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	5,634.61	5,554.25	1.45
FTSE 100	8,327.78	8,311.41	0.20
Nikkei 225	38,364.27	38,062.67	0.79
SENSEX	81,086.21	80,436.84	0.81
KSE 100	78,814.74	78,163.73	0.83

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,699.92	5,903.84	-3.45
Total Turnover, Tk	31,220.52	64,111.28	-51.30
Market Capital, Tk	3,971,564,930,070	4,156,210,006,337	-4.44
No of Issue Gain	32	105	
No of Issue Loss	357	278	
No of Unchanged Issues	5	15	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Midland Bank	21.50	24.10	12.09	214.80
National Bank	7.50	8.20	9.33	101.30
Olympic Industries	164.90	178.60	8.31	164.34
Midland Bank	39.90	43.00	7.77	498.36
Dulamia Cotton	66.70	70.70	6.00	0.69
Standard Bank	7.50	7.90	5.33	82.53
Associated Oxygen	22.00	23.10	5.00	167.48
Rangpur Foundry	157.80	164.60	4.31	12.46
Kay & Que	233.90	242.30	3.59	56.83
AMCL (PRAN)	144.50	149.50	3.46	132.47

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
SEML FBLSL Growth Fund	6.20	5.30	-14.52	2.94
Orion Infusion	424.90	365.20	-14.05	131.50
Heidelberg Cement	359.30	308.90	-14.03	116.04
Rupali Life Insurance	153.40	131.90	-14.02	15.19
KBPPWBIL	93.80	80.80	-13.86	0.73
Beximco Pharma	85.40	73.60	-13.82	77.52
Crystal Insurance	74.10	63.90	-13.77	3.02
Paramount Insurance	48.80	42.10	-13.73	39.77
Orion Pharma	56.50	48.80	-13.63	267.62
Sonali Paper	232.30	200.80	-13.56	193.90

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	510.92	510.74	0.03	8,048.99	15,296.59	-47.38
Cement	335.80	357.92	-6.18	399.00	1,290.42	-69.08
Ceramic	534.12	577.45	-7.50	127.02	448.86	-71.70
Engineering	4,376.14	4,610.62	-5.09	1,409.22	3,324.12	-57.61
Food & Al.	4,518.82	4,664.19	-3.12	2,881.12	4,986.27	-42.22
Fuel & Pow.	2,923.00	3,016.84	-3.11	872.02	1,744.82	-50.02
Insurance	2,061.91	2,239.27	-7.92	969.90	3,504.17	-72.32
IT	520.16	549.87	-5.40	668.84	1,737.10	-61.50
Jute	1,874.17	1,952.89	-4.03	155.52	151.22	2.84
Misc.	2,479.92	2,538.53	-2.31	544.97	1,086.37	-49.84
Mutual Fund	381.72	410.61	-7.04	511.83	1,732.02	-70.45
NBFI	831.94	893.54	-6.89	919.28	2,727.57	-66.30
Paper	7,204.45	8,033.71	-10.32	280.89	608.50	-53.84
Pharma	1,377.83	1,434.43	-3.95	5,166.34	9,127.75	-43.40
Service	1,317.14	1,400.02	-5.92	283.48	476.12	-40.46
Tannery	849.08	874.12	-2.86	185.82	419.82	-55.74
Telecom	4,257.88	4,667.85	-8.78	3,470.92	6,825.60	-49.15
Textile	1,436.69	1,542.99	-6.89	2,062.67	5,729.31	-64.00
Travel & Leis.	1,209.94	1,293.27	-6.44	839.51	1,155.17	-27.33

Technical Talk

Dhaka stocks witnessed a huge decrease in the previous week, falling for the second consecutive week amid turbulence in the financial sector. Out of its five trading sessions, it gained in only one session. Among the major sectors, Insurance decreased by 7.92% followed by Mutual Fund 7.04%, NBFI 6.89%, Textile 6.75%, IT 5.40% and Engineering 5.09%.

DSE Broad Index (DSEX) stood at 5,699.92 points after decreasing by 203.92 points or 3.45% from the previous week. Total turnover reached at Tk31220.52m, which was 51.30% lower than the previous week. Market capitalization decreased by 4.44% and stood at Tk3971.56b (US\$33.10b) at the weekend against Tk4156.21b. DSE 30 decreased by 88.76 points or 4.07% and closed at 2,090.59 points against 2,179.35 points. Last week's weighted average Market PE was 11.11 which was 11.61 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 50.79.

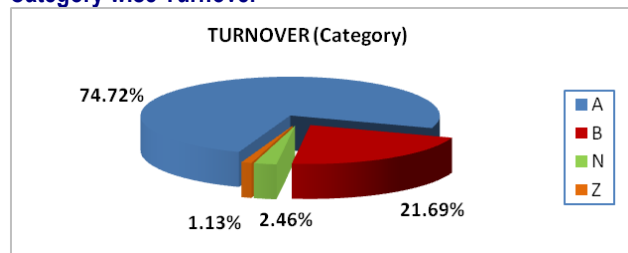
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Grameenphone	8,030,667	2,799.81	8.97
BRAC Bank	40,494,799	2,113.86	6.77
Square Pharma	6,052,116	1,383.52	4.43
UCBL	74,379,135	1,021.25	3.27
BATBC	2,022,825	822.64	2.63
Olympic Industries	4,754,981	816.34	2.61

Top 10 Market Capital

Company	Value (BDT mn)	Value (US\$ mn)
GP	467,474	BEXIMCO 103,842
BATBC	221,292	Brac Bank 94,149
Square Pharma	204,150	Reneta 87,490
Walton Hi-Tech	185,695	Berger Paint 83,837
Robi	157,662	United Power 81,331

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz)	2,548.70	2,546.20	0.10
Silver (USD/t oz)	29.46	29.09	1.27
Brent Crude Oil (USD/bbl.)	79.07	79.63	-0.70

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	120.00	120.00	118.00	118.00	1.69	1.69
EUR	141.03	141.03	136.65	136.65	3.21	3.21
GBP	166.52	166.52	160.40	160.40	3.82	3.82
AUD	81.95	81.95	79.12	79.12	3.58	3.58
JPY	0.84	0.84	0.81	0.81	3.70	3.70
CAD	89.29	89.29	86.71	86.71	2.98	2.98
SAR	32.14	32.14	31.60	31.60	1.71	1.71

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)
-	-	-	-