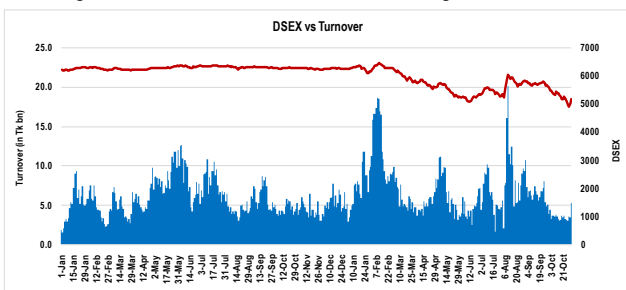


## Rate rise, margin sell-offs hammer DSEX

DSEX, the prime index of the Dhaka Stock Exchange (DSE), declined by 66.87 points to reach a four-year low of 4,898.53 points on 28 October 2024. This marks a 4.22% decline since last week, when it was at 5,114.60 points on 24 October 2024. The last time DSEX was below 4,900 points was on 30 November 2020, when it stood at 4,866.84 points. Meanwhile, the blue-chip index DS30, representing 30 leading companies, dropped over 73.28 points to 1,805.89 since last week while the DSES index, which tracks shariah-compliant companies, declined by 56.55 points to 1,087.46. Turnover at the end of trading stood at Tk3.57b, reflecting a 16.74% decline from the previous week. Market experts attribute this slump to both regulatory interventions and economic pressures. Key factors include the appointment of new board members at the exchange without consulting stakeholders and a series of policy rate hikes, now at 10%, that have boosted deposit rates and drawn funds away from equities to fixed-income options. This sentiment has been compounded by margin calls as persistent stock declines forced sell-offs and the sudden reclassification of numerous companies as “junk” stocks has intensified market anxiety. A lack of consultation around these regulatory decisions has hurt investor confidence, making substantial capital inflow unlikely until rates are lowered. In a bid to restore stability, the Bangladesh Securities and Exchange Commission (BSEC) has set up a four-member committee to investigate the recent market activity, with findings expected in ten days. In the hope of government interventions, DSEX made a comeback jumping 118.80 points to 5,017.33 on 29 October and reached 5,164.84 on 30 October. Meanwhile, the Finance Adviser has highlighted the importance of enhancing the depth of the equity market, focusing on listing high-quality and multinational companies during his recent meeting with the Commission on 30 October. Key discussions included liquidity, tax reforms, mutual funds and mechanisms to address negative equity burdens. Discussions on tax and banking reforms indicate a structured vision of the interim government across short, mid and long-term horizons.



## Foreign debt repayments outpace new disbursements

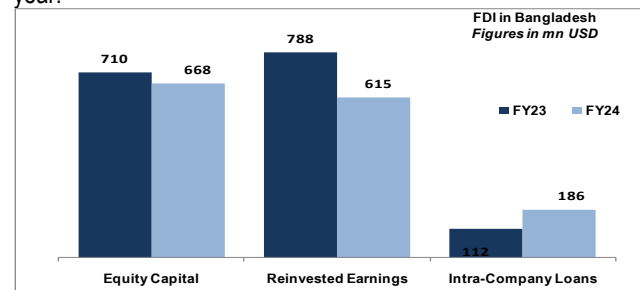
Foreign debt repayments increased by 39.33% (Y-o-Y) in the July-September period of FY2024-25 as grace periods for certain large-scale projects have expired. As per the latest release from the Economic Relations Division (ERD), the foreign debt repayments totaled US\$685.50m in the first quarter of FY2024-25, up from US\$492m during the corresponding period of FY2023-24. Additionally, the interest payments amounted to US\$441.01m, up from US\$378.46m. On the other hand, the foreign loan disbursements from the development partners decreased by US\$435.6m, dropping to US\$846.12m. The foreign aid commitments from the development partners amounted to only US\$27.41m in Q1 of FY2024-25, a significant drop from US\$2.88b in the same period last year.

## Q4 registered 3.91% GDP growth

Gross Domestic Product (GDP) growth sharply declined in the fourth quarter of FY2023-24 as all three sectors—industry, services and agriculture performed worse. GDP is reported to stand at 3.91% in the fourth quarter of FY2023-24 which was claimed to be at 6.88% in the last quarter of FY2022-23, according to Bangladesh Bureau of Statistics (BBS). The growth in the first three quarters of FY2022-23 was 6.25%, 7.05% and 3.02% respectively while in FY2023-24 stood at 6.04%, 4.78% and 5.42% respectively. According to BBS data, the industrial sector saw the steepest decline to 3.98% in April-June down from 10.16% of the year-ago period. The agriculture sector witnessed 5.27% growth in the April-June period compared to 6.55% in the same period of FY2022-23 and the service sector's growth stood at 3.67% down from 4.82% in the final quarter of the year before. BBS is calculating the quarterly GDP figure for the first time in line with the condition of the structural reform program set by the International Monetary Fund (IMF) since the beginning of FY2023-24.

## FDI drops in FY2023-24

Net Foreign Direct Investment (FDI) in Bangladesh fell by 8.76% to US\$1.47b in FY2023-24 compared to the previous fiscal year in a challenging environment. According to the reports published by Bangladesh Bank (BB), such investment was US\$1.61b in FY2022-23 and US\$1.72b in FY2021-22. The textile sector was the highest FDI receiver with US\$436m while the power, gas and petroleum sector was in second position with US\$230m. Other sectors, such as pharmaceuticals and chemicals, food also saw substantial investments. Reinvestment of earnings dropped by 21.95% to US\$615m (Y-o-Y). At the same time, equity capital and intra-company loans dropped by 5.92% to US\$668m and 66.07% to US\$186m respectively. Economists warn that Bangladesh's recent credit rating downgrades could further affect FDI. S&P Global Ratings in July 2024 revised outlook from stable to negative, citing weakened liquidity and potential policy risks tied to domestic political conditions. Moody's Investors Service also downgraded its rating from Ba3 to B1 in May this year.



## Sixteen NBFIs in provision shortfall

The amount of provision shortfall in Non-Bank Financial Institutions (NBFIs) increased significantly mainly due to the rising trend of the volume of Non-Performing Loans (NPLs). According to Bangladesh Bank (BB) reports, at the end of June 2024, NPLs in the NBFIs rose to Tk247.11b which was Tk199.51b in June 2023. Meanwhile, sixteen NBFIs reported a combined provisioning shortfall of Tk19.54b at the end of June 2024. As per BB requirements, the NBFIs must keep 0.25% to 5% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against the bad or loss category loans.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	5,728.80	5,808.12	-1.37
FTSE 100	8,177.15	8,248.84	-0.87
Nikkei 225	38,053.67	37,913.92	0.37
SENSEX	79,724.12	79,402.29	0.41
KSE 100	91,126.48	90,128.77	1.11

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,199.40	5,114.60	1.66
Total Turnover, Tk	20,832.63	16,934.28	23.02
Market Capital, Tk	3,570,991,995,171	3,489,498,335,474	2.34
No of Issue Gain	279	34	
No of Issue Loss	101	345	
No of Unchanged Issues	15	17	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
BSC	59.20	80.70	36.32	403.51
Esquire Knit Composite	15.40	20.70	34.42	64.63
Hami Industries	55.20	73.10	32.43	4.43
Khulna Power	9.40	11.80	25.53	43.65
Central Insurance	35.70	44.70	25.21	22.88
Purabi Gen. Ins.	16.40	20.30	23.78	14.34
Standard Insurance	26.30	32.40	23.19	27.19
Keya Cosmetics	4.90	6.00	22.45	65.57
Padma Life Ins.	14.00	16.80	20.00	2.09
Dacca Dyeing	10.10	12.10	19.80	5.97

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
IFAD Autos	27.30	21.90	-19.78	83.26
Bangladesh Finance	14.30	11.50	-19.58	46.12
Al-Haj Textile Mills	116.60	94.50	-18.95	36.79
Meghna Cement Mills	58.30	48.30	-17.15	1.40
Hamid Fabrics	10.80	9.10	-15.74	12.44
Rangpur Dairy & Food	22.40	19.00	-15.18	75.57
VFS Thread Dyeing	8.60	7.30	-15.12	8.91
Anlimayam Dyeing	25.20	21.60	-14.29	4.11
Islamic Finance & Inv.	13.40	11.50	-14.18	49.66
Pragati Life Insurance	160.50	139.40	-13.15	40.10

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	475.40	477.91	-0.52	3,851.00	3,604.14	6.85
Cement	285.72	279.46	2.24	184.70	258.64	-28.59
Ceramic	397.04	397.33	-0.07	173.50	119.50	45.18
Engineering	3,601.84	3,414.27	5.49	1,390.22	904.01	53.78
Food & Al.	4,066.23	3,917.00	3.81	1,564.89	1,788.15	-12.49
Fuel & Pow.	2,537.41	2,475.67	2.49	773.70	604.43	28.01
Insurance	1,811.46	1,695.95	6.81	1,181.93	860.68	37.32
IT	444.67	445.18	-0.11	1,134.59	974.09	16.48
Jute	2,120.96	2,090.69	1.45	156.74	115.59	35.60
Misc.	2,473.01	2,424.53	2.00	800.57	459.02	74.41
Mutual Fund	343.33	311.72	10.14	477.27	280.74	70.01
NBFI	772.65	747.40	3.38	787.83	502.99	56.63
Paper	4,711.72	4,738.45	-0.56	251.39	178.22	41.05
Pharma	1,261.34	1,235.55	2.09	3,340.84	2,572.42	29.87
Service	1,033.82	974.83	6.05	284.76	123.49	130.59
Tannery	735.71	723.51	1.69	92.39	155.35	-40.53
Telecom	3,885.74	3,777.60	2.86	750.36	642.49	16.79
Textile	1,227.66	1,204.37	1.93	2,150.05	1,351.58	59.08
Travel & Leis.	974.24	928.91	4.88	605.36	410.93	47.31

## Technical Talk

Dhaka stocks rebounded strongly last week ending previous five weeks bearish vibe due to favourable corporate earnings report and positive regulatory interventions. Among the major sectors, Mutual Fund increased by 10.14% followed by Insurance 6.81%, Engineering 5.49%, Food & Allied 3.81% and NBFI 3.38%.

DSE Broad Index (DSEX) stood at 5,199.40 points after increasing by 84.80 points or 1.66% from the previous week. Total turnover reached at Tk20832.63m, which was 23.02% higher than the previous week. Market capitalization increased by 2.34% and stood at Tk3570.99b (US\$29.76) at the weekend against Tk3489.5b. DSE 30 increased by 46.87 points or 2.49% and closed at 1,926.05 points against 1,879.18 points. Last week's weighted average Market PE was 10.05 which was 9.67 in previous week.

Based on the weekly chart of index movement, which is used to track short-term trend, technical readings are as under:

### Relative Strength Index (RSI) & Money Flow Index (MFI)

The RSI illustrates if the change of price movements is in overbought or oversold territory. MFI also depicts the same however; it incorporates trade volume along with the price change. Both weekly RSI and MFI stood at 40.28 and 45.62 rising from 37.06 and 42.70 respectively, indicating a downtrend.

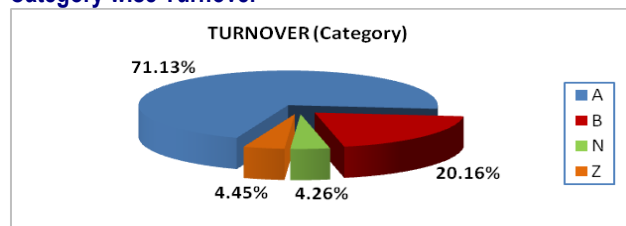
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Brac Bank	11,684,784	586.71	2.82
Islami Bank	10,191,791	522.22	2.51
Taufika Foods	5,703,635	495.21	2.38
Far East Knitting	25,891,575	492.91	2.37
IBN SINA Pharma	1,606,452	485.95	2.33
Brac Bank	1,378,480	427.68	2.05

### Top 10 Market Capital

Company	Volume	Value (BDT mn)	% of total
GP	424,264	BEXIMCO	103,842
BATBC	201,636	Brac Bank	91,317
Square Pharma	193,158	Islami Bank	85,330
Walton Hi-Tech	154,796	Berger Paint	81,945
Robi	145,091	Renata	76,847

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,745.90	2,736.40	0.35
Silver (USD/toz)	32.58	33.93	-3.98
Brent Crude Oil (USD/bbl.)	72.91	73.16	-0.34

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	120.00	120.00	120.00	120.00	0.00	0.00
EUR	136.52	136.52	136.04	136.04	0.35	0.35
GBP	162.91	162.91	163.36	163.36	-0.28	-0.28
AUD	79.13	79.13	79.66	79.66	-0.67	-0.67
JPY	0.79	0.79	0.80	0.80	-1.25	-1.25
CAD	86.45	86.45	86.82	86.82	-0.43	-0.43
SAR	32.13	32.13	32.11	32.11	0.06	0.06

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)
-	-	-	-