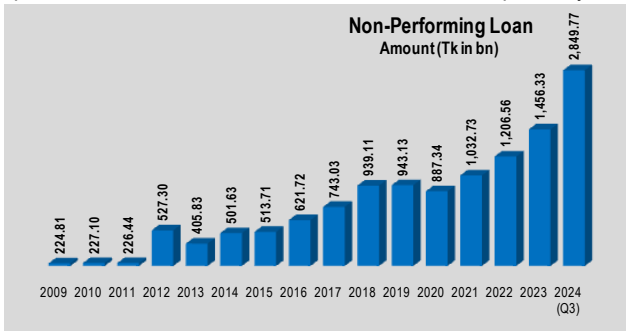


**NPLs hit historic high**

The volume of Non-Performing Loans (NPLs) in the banking sector hit an all-time high at the end of the third quarter of the year. The figure includes a staggering Tk735.86b defaulted in just three months through September. According to Bangladesh Bank (BB) report, overall NPLs rose to Tk2,849.77b at the end of September 2024 from Tk2,113.91b at the end of June 2024 and Tk1,822.95b at the end of March 2024. The total disbursed loans stood at Tk16,828.22b at end of September 2024 with 16.93% classified as non-performing. This is the highest ratio of NPLs to total disbursed loans in the past 15 years since 2009, when the Awami League assumed power. At that time, the total defaulted loan stood at Tk222.41b. The NPLs in September 2023 was recorded at Tk1,553.97b. The classified loans are feared to balloon further if the volume of write-offs and rescheduled loans and loans with court injunctions is included in the figure. Additionally, a large volume of loans will rapidly sour consequent to downfall of the autocratic Awami League government as those loans were taken by influential crony business groups through fake documents and irregularities using their political clout. 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 deposit of 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. By the end of September, the total amount of defaulted loans with 43 private commercial banks rose to Tk1,498.06b from Tk709.81b in December 2023. It was Tk999.22b as on 30 June 2024. The volume of such bad loans in state-owned commercial banks jumped to Tk1,261.11b from Tk657.81b in December 2023. It was Tk1,024.84b in Q2 of this calendar year. The amounts in foreign commercial banks and specialized banks were Tk32.45b and Tk58.13b respectively.



**Contribution of LTUs in national exchequer surge**

Despite the economic downturn, the contribution of Large Taxpayer's Unit (LTU) to the national exchequer rose 12.14% (Y-o-Y) in the first quarter of FY2024-25 mainly due to sharp growth in banks, telecommunication and tobacco sectors. The LTU collected Tk63.01b in the first three months of FY2024-25 reviving its position from negative growth (11.19%) in July. Growth could have been much higher if six private commercial banks had not been in fragile financial state. As per the statistics, some 1,313 entities pay taxes under the unit. Large companies, mainly from the banking, insurance, telecommunication, pharmaceutical, cement, ceramic, petroleum, gas, luxury hotels, tobacco and beverage sectors, account for almost 56% of the total Value-Added Tax (VAT) collection by the NBR.

**Bangladesh faces Moody's second downgrade**

Moody's has downgraded long-term rating of Bangladesh to B2 with a "negative" outlook, citing escalating political risks, weakening growth and rising fiscal vulnerabilities. This marks the second downgrade in two years, as persistent political unrest, slower growth and heightened liquidity and banking vulnerabilities continue to weigh on the credit profile. The transition to an interim government has brought reform promises, but execution risks loom large amidst inflationary pressures and high unemployment. As short-term domestic debt now meets over 40% of FY2024-25 financing needs, compared to 20% in FY2022-23, treasury yields rose to 12% in October 2024, sharply raising debt-servicing costs amid weak revenue mobilization. Moody's revised growth forecast to 4.5% for FY2024-25, down from 6.3%, reflects a challenging macroeconomic outlook as the Readymade Garments (RMG) sector faces headwinds from political instability and Bangladesh graduating from Least Developed Countries (LDCs) status in 2026, which will erode trade benefits. On the external front, foreign reserves, though stabilizing at US\$19.8b (3.2 months of import cover) as of October, remain precariously low. While remittance inflows and International Monetary Fund (IMF) disbursements offer some relief, the negative outlook signals heightened risks to growth and fiscal stability. Moody's downgrade could raise borrowing costs, further straining an already fragile economic environment.

**Listed SMEs post higher profit growth**

In spite of persistent high inflation and macroeconomic challenges, the majority of companies listed on the Small & Medium Enterprises (SME) Platform of the Dhaka Stock Exchange (DSE) reported (Y-o-Y) profit growth for FY2023-24. Currently there are 20 companies trading on the SME platform of which 14 published their annual earnings, eight reported profit growth ranging between 3.5% and 167% (Y-o-Y) for FY2023-24. However, six others saw their profits decline between 3% and 46%. The combined profit of these firms grew by 8.74% (Y-o-Y) reaching Tk585m, up from Tk538m the previous year, according to their disclosures. Trading on the newly introduced SME platform commenced on 30 September 2021, aiming to create an opportunity for small-cap companies to get listed on the stock market. The platform started trading with six companies, out of which two are newly listed enterprises that raised funds through Qualified Investor Offer (QIO) while four others came from the defunct Over-The-Counter (OTC) market.

**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 investments was US\$1.61b in FY2022-23 and US\$1.72b in FY2021-22. The previous lowest sum, US\$1.48b, was recorded in FY2013-14. The textile sector was the highest FDI recipient with US\$436m while the power, gas and petroleum sector was in second position with US\$230m. Other sectors, such as pharmaceuticals and chemicals, and 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. Meanwhile, economists warn that Bangladesh's recent credit rating downgrades could further affect FDI.

## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	5,969.34	5,870.62	1.68
FTSE 100	↑	8,262.08	8,063.61	2.46
Nikkei 225	↓	38,283.85	38,642.91	-0.93
SENSEX	↑	79,117.11	77,580.31	1.98
KSE 100	↑	97,931.62	94,703.62	3.41

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,197.58	5,355.33	-2.95
Total Turnover, Tk	↓	23,290.21	27,701.08	-15.92
Market Capital, Tk	↓	3,555,266,206,020	3,654,565,937,522	-2.72
No of Issue Gain		75	148	
No of Issue Loss		287	205	
No of Unchanged Issues		23	31	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Jute Spinners	191.00	243.60	27.54	3.73
Fine Foods	175.10	214.20	22.33	455.79
Trust Islami Life Ins.	30.60	36.40	18.95	56.58
Rupali Life Insurance	92.90	105.20	13.24	147.19
Meghna Insurance	26.90	30.40	13.01	110.61
Samata Leather	40.10	45.30	12.97	11.54
Far Chemical Ind.	15.60	17.40	11.54	13.03
Mithun Knitting	13.60	14.90	9.56	4.57
Nitol Insurance	27.50	30.10	9.45	41.27
Padma Islami Life Ins.	16.70	18.20	8.98	4.56

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
IBBL 2nd Perpetual Bond	4350.0	3250.0	-25.29	0.01
Agni Systems	32.70	25.80	-21.10	739.07
Matin Spinning Mills	57.20	46.30	-19.06	66.34
ACI	147.80	121.40	-17.86	26.47
Shinepukur Ceramics	14.20	12.00	-15.49	95.89
Orion Pharma	42.60	37.00	-13.15	267.34
Western Marine Shipyard	7.70	6.70	-12.99	16.65
Far East Knitting	21.30	18.60	-12.68	486.40
Paramount Textile	51.50	45.00	-12.62	20.49
Best Holdings	21.90	19.40	-11.42	166.92

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	466.38	480.75	-2.99	2,968.59	3,129.48	-5.14
Cement	276.51	282.13	-1.99	394.84	273.40	44.42
Ceramic	398.95	413.83	-3.60	151.48	288.90	-47.57
Engineering	3,496.83	3,589.30	-2.58	1,386.26	1,785.90	-22.38
Food & Al.	3,966.12	4,076.87	-2.72	2,067.23	1,594.54	29.64
Fuel & Pow.	2,611.71	2,717.29	-3.89	943.36	2,160.43	-56.33
Insurance	1,945.92	1,987.48	-2.09	3,325.38	2,419.07	37.47
IT	421.75	438.65	-3.85	1,475.23	962.76	53.23
Jute	1,874.62	1,902.14	-1.45	656.01	461.38	42.19
Misc.	2,495.57	2,525.23	-1.17	852.97	1,725.97	-50.58
Mutual Fund	326.43	338.37	-3.53	430.59	369.19	16.63
NBFI	783.68	780.98	0.35	1,020.28	969.86	5.20
Paper	4,748.12	5,064.12	-6.24	199.05	218.60	-8.94
Pharma	1,264.20	1,303.79	-3.04	3,053.80	3,924.55	-22.19
Service	1,065.46	1,085.18	-1.82	413.13	325.23	27.03
Tannery	729.04	735.41	-0.87	132.61	163.15	-18.71
Telecom	3,846.93	3,948.92	-2.58	457.86	659.74	-30.60
Textile	1,180.48	1,239.00	-4.72	1,945.90	2,348.12	-17.13
Travel & Leis.	912.62	997.34	-8.49	384.43	936.16	-58.94

## Technical Talk

Dhaka stocks suffered heavy losses in the past week after rising for three consecutive weeks as risk-averse investors maintained sell-off on major sector issues. Among the major sectors, Textile decreased by 4.72% followed by Fuel & Power 3.89%, Mutual Fund 3.53% and Pharma 3.04%.

DSE Broad Index (DSEX) stood at 5,197.58 points after decreasing by 157.75 points or 2.95% from the previous week. Total turnover reached at Tk23290.21m, which was 15.92% lower than the previous week. Market capitalization decreased by 2.72% and stood at Tk3555.27b (US\$29.63b) at the weekend against Tk3654.57b. DSE 30 decreased by 67.36 points or 3.39% and closed at 1,919.05 points against 1,986.41 points. Last week's weighted average Market PE was 9.63 which was 9.83 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 44.26 and 45.82 declining from 46.07 and 48.35 respectively, indicating a downtrend.

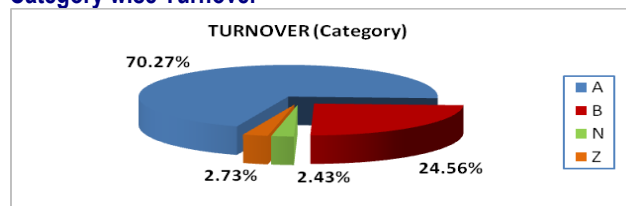
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Agni Systems	25,277,667	739.07	3.17
Sonali Aansh Ind.	2,318,329	651.27	2.80
Islami Bank	10,039,973	547.48	2.35
BSC	5,676,828	541.20	2.32
Beximco Pharma	5,888,581	508.13	2.18
Taufika Foods	5,814,631	501.96	2.16

### Top 10 Market Capital

Company	Value (BDT mn)	% of total
GP	440,198	103,842
BATBC	203,148	92,252
Square Pharma	199,363	91,317
Walton Hi-Tech	149,162	82,780
Robi	139,853	81,795

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,718.20	2,567.40	5.87
Silver (USD/t oz.)	31.41	30.34	3.53
Brent Crude Oil (USD/bbl.)	75.09	71.04	5.70

### 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	131.28	131.28	132.83	132.83	-1.17	-1.17
GBP	157.93	157.93	159.05	159.05	-0.70	-0.70
AUD	78.41	78.41	77.94	77.94	0.60	0.60
JPY	0.78	0.78	0.79	0.79	-1.27	-1.27
CAD	86.27	86.27	85.60	85.60	0.78	0.78
SAR	32.13	32.13	32.13	32.13	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)
-	-	-	-