

**Bangladesh lags behind frontier market peers**

According to Asia Frontier Capital (AFC), the Bangladeshi stock market performed poorly with a negative return of 24.1% for the period 30 December 2023 to 16 December 2024, even though most Asian frontier stock markets performed well during the period. The local capital market experienced persistent crises of confidence and bear-run. Volatility infested the market sentiment hence a significant portion of the investors have been showing reluctance to actively involve in the market. Among the Asian frontier stock markets, Pakistan is the best performer with an 88.6% return, followed by Sri Lanka (52%) and Iraq (43.1%). However, AFC predicted a bullish outlook towards the second half of the next year as the interim government took several reform measures to be implemented across the economy, including in the capital market to boost investors confidence.



**Negative equity burden spurs extension plea**

The Stockbrokers, a key intermediary in the capital market, have proposed an extension until 2030 to gradually address negative equity and unrealized losses, currently burdening the capital market by Tk97b. Since the 2010 crash, when excessive leverage and regulatory leniency drove negative equity to Tk250b, the market has struggled to recover. This marks the sixth request from brokers for relaxation since provisions for negative equity in margin accounts and unrealized losses in dealer accounts were introduced in 2016 as mandatory provisioning could significantly strain their financial health. The current extension, granted by the Bangladesh Securities and Exchange Commission (BSEC), is set to expire on 31 January 2025. The DSE Brokers Association has proposed a phased provisioning plan - starting at 5% in 2025 and reaching full compliance by 2030 - arguing that immediate enforcement could lead to widespread insolvency among brokers and a ripple effect on earnings of the parent companies. The proposal also seeks reforms to limit additional margin loans for negative equity accounts and exclude accrued interest from income calculations. Additionally, the association recommends unlocking shares held by directors under margin loans to prevent further accumulation of negative equity. These measures aim to provide breathing room for the industry, enabling gradual recovery while safeguarding market stability, they claimed.

**Trade deficit narrows in July-October**

Trade deficit during the first four months of FY2024-25 stood at US\$6.63b, down from US\$7.54b in the same period of FY2023-24, according to the latest Bangladesh Bank report. The narrowing trade deficit is attributed to a rise in export earnings coupled with a decline in import expenditure. During the review period, export receipts grew 8.3% to US\$14.29b, while import costs decreased to nearly US\$20.95b or 1% (Y-o-Y). The current account deficit during July-October of FY2024-25 stood at US\$752m, significantly lower than the US\$3.16b deficit during the same period of last fiscal year.

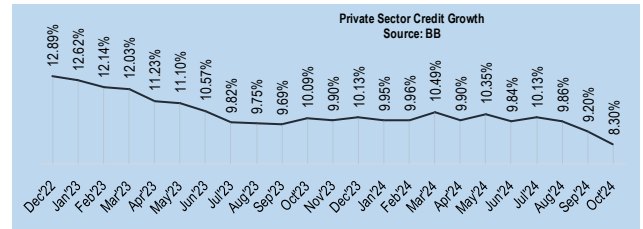
**Six dividend defaulters face penalties**

Six listed companies face penalties for failing to distribute declared dividends within the stipulated timeframe. Earlier the Bangladesh Securities and Exchange Commission (BSEC) set a deadline of 15 December 2024 for these companies to complete the disbursement of dividends. The companies are - BD Paints, Safko Spinning Mills, Lub-rref (Bangladesh), Krishibid Feed, Pacific Denims and Krishibid Seed. Under listing regulations, companies must distribute dividends within 30 days of the Annual General Meeting (AGM). If company directors, excluding independent directors, miss the deadline for disbursing dividends, subsequently fines ranging from a minimum of Tk1m to a maximum of Tk23.5m for each director will be imposed. Among the six companies, directors of Lub-rref (Bangladesh) will have to pay Tk23.5m each in fine, the highest penalty among the non-compliant companies, as it failed to disburse 2% cash dividends for FY2022-23. Meanwhile, if the default continues, directors will have to pay Tk10,000 as penalty for every day.

Dividend Payout Failure		
Amount in Tk (mn)		
	Cash Dividend for FY22 & FY23	Fines for each Director
Lub-rref (Bangladesh)	2%	23.50
BD Paints	10%	9.70
Safko Spinning	2%	9.00
Pacific Denims	1%	1.30
Krishibid Feed	10%	1.00
Krishibid Seed	5%	1.00

**Credit growth hit 41-month low**

Credit growth rate in the private sector fell sharply to 8.3% in October 2024 from 9.2% a month ago amid turmoil in the banking sector and economic uncertainty. October growth rate was the lowest in 41 months. The previous lowest was recorded in May 2021 when the credit growth fell to 7.55% during the Covid outbreak lockdowns. Persistent inflation, rising lending rates, repeated hikes in the policy rate and poor loan recovery weighed on the credit growth. In addition, loan disbursement capacity of banking sector also diminished due to high amount of defaulted loans. Besides, contractionary monetary policy also weighed heavily on the private sector credit growth. The central bank has set the private sector credit growth target at 9.80% for the first half of FY2024-25. Meanwhile, October growth was 1.5 percentage points lower than the target.



**IMF slashes growth forecast**

The Washington-based multilateral lender International Monetary Fund (IMF) has revised down the Gross Domestic Product (GDP) projection for Bangladesh to 3.8% for FY2024-25 from the previous estimate of 4.5% due to output losses caused by the public uprising, industrial unrest and floods weigh heavily on economic activities. It predicts inflation is likely to remain around 11%, supported by tighter policies and easing supply pressures. IMF's latest projection is lower than the 4% growth predicted by the World Bank (WB).

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	5,930.85	6,051.09	-1.99
FTSE 100	8,084.61	8,300.33	-2.60
Nikkei 225	38,701.90	39,470.44	-1.95
SENSEX	78,041.59	82,133.12	-4.98
KSE 100	109,835.6	114,659.1	-4.21

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,221.57	5,105.43	2.27
Total Turnover, Tk	14,922.95	16,109.26	-7.36
Market Capital, Tk	3,565,190,007,911	3,493,392,510,237	2.06
No of Issue Gain	172	76	
No of Issue Loss	168	293	
No of Unchanged Issues	57	23	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Orion Infusion	320.20	397.80	24.23	670.82
Associated Oxygen	15.10	17.90	18.54	113.08
Sharp Industries	16.20	18.90	16.67	21.14
Beacon Pharma	118.10	136.50	15.58	156.91
Hami Industries	85.40	98.70	15.57	33.26
ACME Laboratories	71.10	79.40	11.67	694.51
BSC	84.30	93.90	11.39	538.16
Gemini Sea Food	153.90	171.10	11.18	58.69
Oimex Electrode	24.40	27.00	10.66	259.04
Fine Foods	198.40	219.50	10.64	281.16

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Zaheen Spinning	6.70	5.90	-11.94	7.13
H.R.Textile	34.70	30.90	-10.95	27.48
New Line Clothings	8.00	7.30	-8.75	67.52
Meghna Petroleum	215.00	197.30	-8.23	65.36
Emerald Oil Industries	24.40	22.70	-6.97	47.92
Maksons Spinning Mills	7.20	6.70	-6.94	7.96
Aramit Cement	12.50	11.70	-6.40	0.23
Miracle Industries	28.90	27.10	-6.23	46.76
BENGALWTL	18.90	17.80	-5.82	21.51
Aamra technologies	18.90	17.80	-5.82	8.50

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	459.05	452.47	1.45	1,329.58	1,612.80	-17.56
Cement	272.37	271.36	0.37	119.67	136.01	-12.01
Ceramic	413.17	410.54	0.64	88.66	123.95	-28.47
Engineering	3,525.79	3,491.00	1.00	1,207.38	1,411.11	-14.44
Food & Al.	3,861.71	3,818.66	1.13	913.33	1,133.42	-19.42
Fuel & Pow.	2,604.60	2,582.65	0.85	833.96	820.05	1.70
Insurance	1,860.71	1,843.57	0.93	853.46	892.27	-4.35
IT	418.76	414.81	0.95	585.52	694.15	-15.65
Jute	1,789.33	1,749.88	2.25	125.63	169.10	-25.71
Misc.	2,505.36	2,464.84	1.64	897.61	681.90	31.63
Mutual Fund	326.76	328.10	-0.41	346.98	628.49	-44.79
NBFI	758.10	765.83	-1.01	381.69	539.81	-29.29
Paper	6,474.62	6,423.87	0.79	159.52	171.23	-6.83
Pharma	1,292.84	1,246.72	3.70	3,655.88	2,592.84	41.00
Service	1,125.95	1,105.28	1.87	232.38	248.08	-6.33
Tannery	740.34	733.54	0.93	52.10	64.74	-19.53
Telecom	4,001.62	3,820.86	4.73	813.81	289.75	180.87
Textile	1,201.47	1,210.43	-0.74	1,497.19	2,425.07	-38.26
Travel & Leis.	882.55	874.32	0.94	162.70	244.35	-33.42

## Technical Talk

Dhaka stocks rebounded last week largely supported by state-run investment Corporation of Bangladesh (ICB). Among the major sectors, Pharma increased by 3.7% followed by Bank 1.45%, Food & Allied 1.13% and Engineering 1%.

DSE Broad Index (DSEX) stood at 5,221.57 points after increasing by 116.14 points or 2.27% from the previous week. Total turnover reached at Tk14922.95m, which was 7.36% lower than the previous week. Market capitalization increased by 2.06% and stood at Tk3565.19b (US\$29.71b) at the weekend against Tk3493.39b. DSE 30 increased by 56.4 points or 3% and closed at 1,938.30 points against 1,881.90 points. Last week's weighted average Market PE was 9.5 which was 9.28 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 43.82 and 47.42 declining from 41.37 and 39.54 respectively, indicating a downtrend.

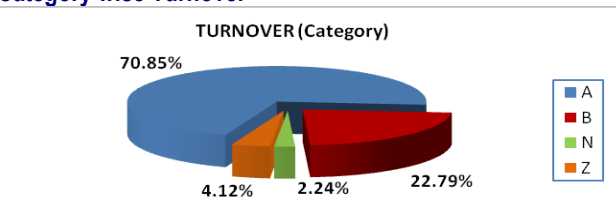
### Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Square Pharma	3,963,407	879.75	5.90
ACME Laboratories	8,872,501	694.51	4.65
Orion Infusion	1,778,945	670.82	4.50
BSC	5,769,505	538.16	3.61
Robi Axiata	15,754,410	435.99	2.92
Grameenphone	989,573	318.14	2.13

### Top 10 Market Capital

Company	Volume	Value (BDT mn)	% of total
GP	439,388	BEXIMCO	103,847
Square Pharma	197,501	Brac Bank	85,477
BATBC	187,218	Berger Paint	83,499
Robi	148,234	Islami Bank	76,636
Walton Hi-Tech	148,041	Renata	75,103

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,640.50	2,665.90	-0.95
Silver (USD/toz.)	30.08	31.00	-2.98
Brent Crude Oil (USD/bbl.)	72.99	74.34	-1.82

### 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	131.43	131.43	132.34	132.34	-0.69	-0.69
GBP	158.41	158.41	159.02	159.02	-0.38	-0.38
AUD	75.39	75.39	76.76	76.76	-1.78	-1.78
JPY	0.77	0.77	0.79	0.79	-2.53	-2.53
CAD	83.94	83.94	84.76	84.76	-0.97	-0.97
SAR	32.13	32.13	32.10	32.10	0.09	0.09

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)
-	-	-	-