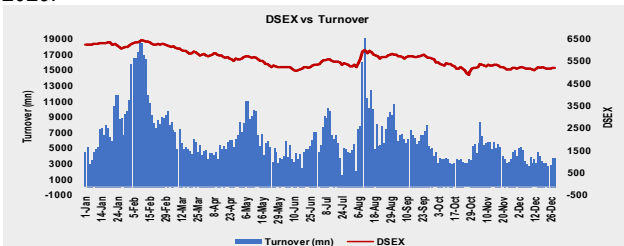


DSEX recovery falls short amid challenges

The Dhaka Stock Exchange (DSE) had a turbulent 2024, marked by a 16.49% (Y-o-Y) decline in the benchmark DSEX index, which fell by 1,030.5 points - down from 6,246.50 at the end of 2023. The year began with optimism as the Bangladesh Securities and Exchange Commission (BSEC) lifted the floor price mechanism on 21 January 2024, boosting market activity and liquidity in large-cap stocks. This led to a surge in market capitalization (excluding G-Securities), peaking at Tk4,591.49b during the same month, and the DSEX reached its highest point of 6,447.07 on 11 February. However, macroeconomic challenges and political uncertainty soon dampened sentiment. The mutual fund sector faced significant setbacks as regulatory violations came to light. In January, the Anti-Corruption Commission (ACC) accused several officials from Universal Financial Solutions Limited, trustee and custodian of the funds and two audit firms of embezzling Tk3.11b. Later, in June, the BSEC found irregularities in ten mutual funds managed by Bangladesh RACE Management PCL. These issues highlighted systemic weaknesses in the sector and contributed to broader market volatility. Political instability further exacerbated challenges. The fall of the Awami League government on 05 August 2024 led to sweeping changes at the BSEC. Between August 06 and 10, the DSEX surged by 786 points, adding Tk690b in market capitalization. However, the momentum was short-lived as the reforms pursued by the new leadership yielded limited immediate outcomes. The primary market showed moderate activity in 2024. Ten new issues got listed on the DSE, which is one issue higher compared to the previous calendar year. Tax reforms in November capped capital gains tax at 15% for high-net-worth individuals, aiming to rejuvenate investor interest. However, persistent policy rate hikes by the Bangladesh Bank, which raised the rates five times to reach 10% in October, diverted funds to fixed-income assets, intensifying margin sell-offs in equities. Consequently, the DSEX fell to a four-year-low to 4,898.53 marks on 28 October 2024. In 2024, there were 235 trading days on the DSE. The year concluded with the DSEX at 5,216.44 points, the Shariah index (DSES) at 1,168.90 and the Blue-Chip index (DS30) at 1,939.73. While average daily turnover rose 9.32% (Y-o-Y) to Tk6.32b - up from Tk5.78b in 2023.



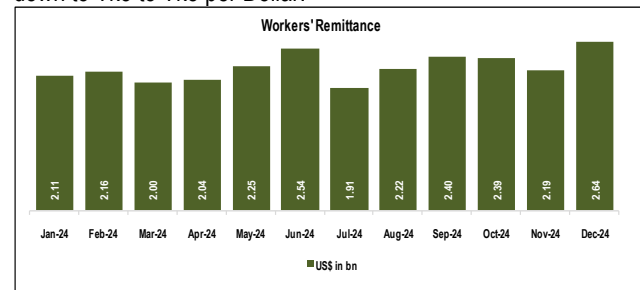
The published White Paper reveals capital market loot and delivers a scathing indictment of the capital market, exposing systemic manipulation by influential players, from entrepreneurs to regulators. Regulatory gaps have been found to be glaring, with allegations that BSEC officials exploited legal loopholes and granted concessions, undermining their role as watchdogs. The capital market regulator has formed a five-member committee to launch an extensive probe into the past irregularities, market manipulation, and corruption, with a particular focus on high-profile cases linked to Beximco Sukuk, Sreepur Township bonds and the involvement of Salman F Rahman.

Four funds of RACE face special audit

The Bangladesh Securities and Exchange Commission (BSEC) has decided to take away trusteeship control from Bangladesh General Insurance Company (BGIC) and replace it with the Investment Corporation of Bangladesh (ICB) as trustee of four mutual funds managed by Bangladesh RACE Management PCL. The four funds are - Popular Life 1st Mutual Fund, PHP First Mutual Fund, EBL NRB Mutual Fund and AB Bank 1st Mutual Fund. The capital market regulator has instructed ICB to conduct a special audit and submit the report to the Commission within 30 working days. Following the completion of the special audit, BSEC will make further decisions. All the four funds failed to declare any dividend in the FY2023-24. Meanwhile, the trusteeship of the "Bangladesh Fund" would also revert from BGIC to its earlier trustee ICB. ICB initially served as the trustee of the fund before the role was assigned to BGIC in 2021.

Remittance hits all-time high

The inward remittance to Bangladesh from expatriate workers in December 2024 hit a record high of US\$2.64b. Remittance increased by 32.58% in the last month of 2024 compared to the same month a year before, according to Bangladesh Bank (BB). The previous highest US\$2.59b was received in July 2020 during the Covid pandemic period while the third highest of US\$2.54b was in June last. With the latest figures, Bangladesh received US\$26.87b in remittances last year - reflecting a 22% (Y-o-Y) increase. Remittances surpassed US\$2b in all eleven months of 2024 except July (US\$1.91b) when a five-day internet blackout and a three-day bank closure related to a mass uprising and expatriates' solidarity affected inflows. The flexible exchange rate or the narrow difference in the exchange rate between the formal and informal markets accounts for the spike in remittance uptick. In 2023, the exchange rate gap between the formal and informal channels was Tk7 to Tk10 per Dollar. Last year, the gap came down to Tk3 to Tk5 per Dollar.



Crawling Peg rate raises

The Bangladesh Bank (BB) has raised the crawling-peg rate by Tk2, bringing it from Tk117 to Tk119 in a move aimed at managing the US Dollar exchange rate. The Bangladesh Bank (BB) introduced the crawling peg system on 08 May 2024, 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 to the decision at that time, Bangladeshi Taka (BDT) dipped 6.36% from Tk110 to Tk117, which is the biggest single-day depreciation. It went up to Tk125 in the informal market on the day.

Stock Market Movement



Global Markets

| | This Week | Last Week | +/- % |
|------------|-----------|-----------|-------|
| S&P 500 | 5,942.47 | 5,970.84 | -0.48 |
| FTSE 100 | 8,223.98 | 8,149.78 | 0.91 |
| Nikkei 225 | 39,894.54 | 40,281.16 | -0.96 |
| SENSEX | 79,223.11 | 78,699.07 | 0.67 |
| KSE 100 | 117,724.9 | 111,449.5 | 5.63 |

DSE Indicators

| | This Week | Last Week | +/- % |
|------------------------|-------------------|-------------------|-------|
| DSE Broad Index | 5,199.62 | 5,184.45 | 0.29 |
| Total Turnover, Tk | 13,924.84 | 11,741.50 | 18.60 |
| Market Capital, Tk | 3,559,787,957,343 | 3,538,861,207,892 | 0.59 |
| No of Issue Gain | 164 | 101 | |
| No of Issue Loss | 182 | 250 | |
| No of Unchanged Issues | 50 | 45 | |

Top Gainers

Weighted avg. Closing Price (Tk)

| Company | Last Week | This Week | Change % | Turnover (in BDTmn) |
|----------------------|-----------|-----------|----------|---------------------|
| WMSHIPYARD | 6.40 | 9.20 | 43.75 | 17.79 |
| Khulna Printing | 7.90 | 10.20 | 29.11 | 37.52 |
| Yeakin Polymer | 8.40 | 10.00 | 19.05 | 13.54 |
| Legacy Footwear | 53.00 | 61.40 | 15.85 | 113.36 |
| Rupali Bank | 21.30 | 24.40 | 14.55 | 42.94 |
| Mercantile Insurance | 22.50 | 25.50 | 13.33 | 0.69 |
| Hami Industries | 100.80 | 113.80 | 12.90 | 20.55 |
| Shepherd Industries | 22.10 | 24.80 | 12.22 | 29.39 |
| SALAMCRST | 9.70 | 10.80 | 11.34 | 6.16 |
| One Bank | 8.30 | 9.20 | 10.84 | 115.38 |

Top Losers

Weighted avg. Closing Price (Tk)

| Company | Last Week | This Week | Change % | Turnover (in BDTmn) |
|--------------------------|-----------|-----------|----------|---------------------|
| Prime Finance First M.F. | 30.40 | 26.80 | -11.84 | 144.12 |
| KBPPWBIL | 144.20 | 130.10 | -9.78 | 236.60 |
| Orion Infusion | 424.80 | 387.20 | -8.85 | 829.92 |
| Jute Spinners | 266.20 | 242.90 | -8.75 | 0.67 |
| Beacon Pharma | 141.10 | 129.80 | -8.01 | 130.53 |
| Mithun Knitting | 14.20 | 13.10 | -7.75 | 5.08 |
| Rupali Life Insurance | 108.90 | 101.60 | -6.70 | 268.54 |
| Daffodil Computers | 63.10 | 58.90 | -6.66 | 4.88 |
| Northern Jute | 118.30 | 110.90 | -6.26 | 1.10 |
| Dragon Sweater | 11.40 | 10.70 | -6.14 | 122.03 |

Sectoral Index & Turnover

| Sector | Sectoral Index | | | Turnover (Tk.M) | | |
|----------------|----------------|-----------|----------|-----------------|-----------|----------|
| | This Week | Last Week | Change % | This Week | Last Week | Change % |
| Bank | 473.05 | 457.26 | 3.45 | 2,453.50 | 1,167.99 | 110.06 |
| Cement | 266.78 | 269.53 | -1.02 | 104.28 | 105.76 | -1.40 |
| Ceramic | 405.97 | 405.06 | 0.22 | 65.06 | 41.37 | 57.27 |
| Engineering | 3,554.56 | 3,512.05 | 1.21 | 1,036.37 | 1,135.30 | -8.71 |
| Food & Al. | 3,938.55 | 3,918.80 | 0.50 | 1,109.58 | 790.70 | 40.33 |
| Fuel & Pow. | 2,534.22 | 2,538.92 | -0.18 | 667.73 | 549.52 | 21.51 |
| Insurance | 1,825.69 | 1,842.64 | -0.92 | 1,127.12 | 1,011.94 | 11.38 |
| IT | 413.14 | 420.18 | -1.68 | 345.70 | 304.44 | 13.55 |
| Jute | 1,671.26 | 1,757.44 | -4.90 | 76.54 | 78.23 | -2.16 |
| Misc. | 2,513.03 | 2,519.34 | -0.25 | 836.38 | 821.14 | 1.86 |
| Mutual Fund | 327.61 | 324.71 | 0.89 | 415.09 | 326.06 | 27.31 |
| NBFI | 720.28 | 730.78 | -1.44 | 367.73 | 357.49 | 2.86 |
| Paper | 6,293.09 | 6,324.47 | -0.50 | 142.92 | 116.89 | 22.26 |
| Pharma | 1,264.42 | 1,278.78 | -1.12 | 2,169.79 | 2,055.91 | 5.54 |
| Service | 1,084.70 | 1,103.79 | -1.73 | 129.64 | 109.78 | 18.09 |
| Tannery | 756.25 | 740.93 | 2.07 | 148.29 | 80.03 | 85.29 |
| Telecom | 4,035.94 | 3,963.30 | 1.83 | 664.13 | 594.14 | 11.78 |
| Textile | 1,256.92 | 1,179.37 | 6.58 | 1,042.88 | 1,119.67 | -6.86 |
| Travel & Leis. | 876.17 | 871.02 | 0.59 | 142.19 | 109.39 | 29.99 |

Technical Talk

Dhaka stocks rebound last week as a section of investors put fresh funds on sector-wise lucrative stocks. Among the major sectors, Textile increased by 6.58% followed by Bank 3.45%, Engineering 1.21% and Mutual Fund 0.89%.

DSE Broad Index (DSEX) stood at 5,199.62 points after increasing by 15.17 points or 0.29% from the previous week. Total turnover reached at Tk13924.84m, which was 18.6% higher than the previous week. Market capitalization increased by 0.59% and stood at Tk3559.79b (US\$29.18b) at the weekend against Tk3538.86b. DSE 30 increased by 3.69 points or 0.19% and closed at 1,930.97 points against 1,927.28 points. Last week's weighted average Market PE was 9.51 which was 9.44 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 43.12 and 42.16 rising from 42.54 and 41.55 respectively, indicating a downtrend.

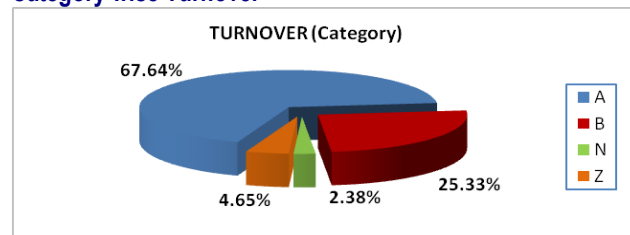
Top Turnover Companies

| Company | Volume | Value (BDT mn) | % of total |
|----------------|------------|----------------|------------|
| Orion Infusion | 2,019,432 | 829.92 | 5.96 |
| Robi Axiata | 14,770,224 | 427.33 | 3.07 |
| BSC | 4,350,838 | 411.60 | 2.96 |
| City Bank | 16,734,730 | 376.30 | 2.70 |
| Pubali Bank | 12,238,261 | 356.78 | 2.56 |
| Fine Foods | 1,383,377 | 313.99 | 2.25 |

Top 10 Market Capital

| Company | Value (BDT mn) | % of total |
|----------------|----------------|------------|
| GP | 437,767 | 103,850 |
| BATBC | 194,400 | 89,370 |
| Square Pharma | 192,005 | 84,500 |
| Robi | 151,900 | 81,949 |
| Walton Hi-Tech | 148,102 | 72,929 |

Category wise Turnover



Commodity Price

| | This Week | Last Week | Change % |
|----------------------------|-----------|-----------|----------|
| Gold (USD/t oz.) | 2,652.70 | 2,636.50 | 0.61 |
| Silver (USD/t oz.) | 30.10 | 29.98 | 0.42 |
| Brent Crude Oil (USD/bbl.) | 76.59 | 73.41 | 4.33 |

Exchange Rate

| | This Week | | Last Week | | Change % | |
|-----|-----------|--------|-----------|--------|----------|------|
| | TT | BC | TT | BC | TT | BC |
| USD | 122.00 | 122.00 | 120.00 | 120.00 | 1.67 | 1.67 |
| EUR | 132.07 | 132.07 | 131.41 | 131.41 | 0.50 | 0.50 |
| GBP | 159.14 | 159.14 | 158.53 | 158.53 | 0.38 | 0.38 |
| AUD | 76.21 | 76.21 | 75.03 | 75.03 | 1.57 | 1.57 |
| JPY | 0.78 | 0.78 | 0.77 | 0.77 | 1.30 | 1.30 |
| CAD | 84.87 | 84.87 | 83.71 | 83.71 | 1.39 | 1.39 |
| SAR | 32.65 | 32.65 | 32.14 | 32.14 | 1.59 | 1.59 |

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