

**Compromises to endanger banking sector**

Bangladesh Bank (BB) has slashed the Cash Reserve Requirement (CRR) of commercial banks by 1% to 5.5% compromising with the demand from owners of private commercial banks facing of liquidity crisis. The sweeping decision is expected to free extra fund worth Tk101b for the scheduled banks. Under the revised rules to be effective from April 15, the banks are instructed to maintain 5.50% CRR with the BB from their total demand and time liabilities on a bi-weekly basis. By changing the CRR, BB has backtracked from its previous stance just after two months of the announcement of the Monetary Policy Statement (MPS) for the second half of FY2017-18, which advocated measures to tackle the soaring private sector credit growth. Moreover, the central bank has also cut the interest rate on Repurchase Agreement (Repo) by 75 basis points to 6% from the existing level of 6.75% while the reverse repo rate will remain unchanged at 4.75%. Additionally, the government has paved the way for private banks to receive 50% of the government funds where earlier the private banks could hold 20% of the Annual Development Program (ADP) funds and 25% from the revenue budget. Earlier in January this year, the government amended the banking law to allow private banks to have four directors from a family instead of two and extended the tenure of bank directors to nine years at a stretch. Economists and banking sector experts have denounced the bending down policy of the government to the unwarranted demands of private bank owners. The experts have asserted that there was enough liquidity in banks except a few and these short-sighted decisions from the government might lead to a bigger crisis in the already under-pressure banking sector. They have further opined that the decisions will benefit the scam-hit banks to avoid penalties for non-compliance of maintaining CRR but it does little to improve the corporate governance of the sector. They have added that the move of the government might encourage the banks with poor corporate governance to go for an aggressive lending policy which might subsequently push up defaulted loans. And above all, the experts have doubted the promise of directors of different banks to bring down the lending rate to a single digit within a month.

**Overseas investment bounces back in March**

Foreign portfolio investment in Dhaka bourse has rebounded in March following a negative net investment in the previous month as overseas investors have opted for cheaper stocks in the bearish market. According to the figure released by the bourse, net overseas investment in the month has registered Tk1.57b from a negative net investment of Tk947.2m in February. In the ongoing volatility of the stock market, the share prices are currently enduring sharp corrections on the back of worries of general investors over liquidity crisis, uncertainty over selection of strategic investor of Dhaka Stock Exchange and tension over political unrest ahead of upcoming national elections. DSEX, the key index of the DSE, lost 207 points in March to close at 5,597.45 points on the last trading session of the month. In March, foreign investors have bought shares worth of Tk4.56b against their sales of shares worth of Tk2.99b whereas the buy and sales in February were Tk3.93b and Tk4.88b respectively. The total foreign turnover on the bourse has, however, declined by 14% to Tk7.55b in March from that of Tk8.81b in the previous month.

**Export plunged 1.38% in March**

Export earnings tumbled in March 2018 slowing down the export growth observed so far in FY2017-18. Exporters fetched US\$3.05b in March, making the earnings growth slide by 1.38% compared to US\$3.09b of the same month of last fiscal year. The Export Promotion Bureau (EPB) statistics showed that the receipt during the month from export fell short of the US\$3.16b target by 3.19%. The overall export earnings in the first nine months of FY2017-18 were US\$27.45b which is 0.38% lower than the government set target of US\$27.55b. According to EPB records, leather and leather goods sector, which is the second largest export earning sector of the country, witnessed a significant decline during the month pulling the overall export down to negative growth. The shipments of leather and leather products during the nine-month period of FY2017-18 fetched US\$848.78m which is 8.04% lower than the receipt it made in same period of last fiscal year. Industry stakeholders attributed the shrinkage in leather export mainly to the relocation of tanneries from Hazaribagh to Savar. All the tanneries have been relocated, but only 25 out of 155 have so far started production in their new location, according to the industry insiders. However, country's largest export earner, apparel sector observed 9.11% (Y-o-Y) growth by fetching US\$22.83b in the July-March period of FY2017-18. The sector experts presume that 10% growth in overall apparel export is likely at the end of this fiscal year as the market trend is favorable for Bangladesh.

**Inward Remittance shows growing trend**

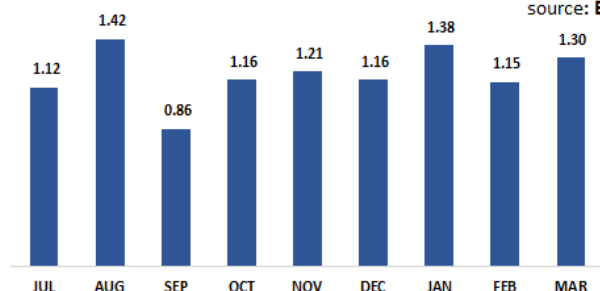
The upbeat mode of inward remittance, which has been observed since January this year, sustained in March as the devaluation of Taka against the US Dollar encouraged the expatriate Bangladeshis to remit more money in to the country. Strict surveillance of the central bank to curb illegal fund transfers also triggered the surge since more remitters chose the legal channels to send money home. Due to internal demand for foreign currencies, most banks are trying to increase remittance receipts from different countries. Global economic activities observed strong pick-up in recent months that might too have contributed to increase the remittance inflow. The overall remittance inflow registered 17.37% (Y-o-Y) growth during the July to March period of FY2017-18. Remitters sent US\$10.76b in total during this nine month of the year, taking it to US\$1.57b more than the amount they remitted last fiscal year, according to Bangladesh Bank (BB) statistics. It is highly likely that the remittance inflow may rise further in the coming months due to the imminent holy month of Ramadan and Eid festivals.

**REMITTANCE INFLOW**

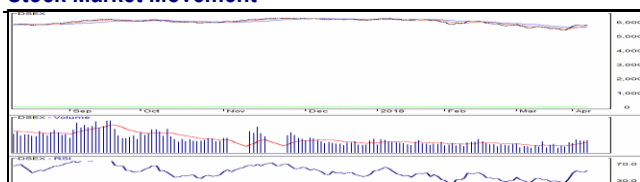
FY2017-18

figures in billion US\$

source: BB



## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	2,604.47	2,640.87	-1.38
FTSE 100	7,183.64	7,056.61	1.80
Nikkei 225	21,567.52	21,454.30	0.53
SENSEX	33,626.97	32,968.68	2.00
KSE 100	46,637.62	45,560.30	2.36

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,841.19	5,597.44	4.35
Total Turnover, Tk	27,146,277,785.00	12,837,063,085.00	111.47
Market Capital, Tk	3,457,123,328,795	3,323,269,234,310	4.03
No of Issue Gain	294	109	
No of Issue Loss	33	202	
No of Unchanged Issues	13	29	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
Monno Jute Staffers	787.60	1117.30	41.86	75,599,000
Shasha Denims	47.60	58.20	22.27	212,929,000
Renwick Jaineswar	562.80	681.80	21.14	37,294,000
Regent Textile Mills	15.40	18.40	19.48	79,338,000
Prime Islami life	45.50	53.90	18.46	20,364,000
BEXIMCO	24.30	28.70	18.11	1,054,243,000
Rupali Life Insurance	46.20	54.30	17.53	184,332,000
ICB	123.40	144.60	17.18	141,247,000
Alif Industries Limited	82.90	95.70	15.44	191,827,000
Jamuna Bank Ltd.	18.30	20.80	13.66	68,422,000

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
Nitol Insurance Co. Ltd.	33.0	27.70	-16.06	538,000
VAMLRBBF	10.7	9.00	-15.89	4,229,000
Central Insurance	22.1	20.80	-5.88	103,000
Beach Hatchery Ltd.	15.9	15.00	-5.66	3,554,000
Zaheen Spinning	14.4	13.60	-5.56	274,134,000
Takaful Islami	26.9	25.60	-4.83	2,846,000
Standard Insurance Ltd.	33.4	32.10	-3.89	41,775,000
Khulna Printing	11.7	11.30	-3.42	10,632,000
Mercantile Insurance	22.0	21.30	-3.18	18,030,000
Sonargaon Textiles	19.1	18.5	-3.14	5,964,000

## Sectoral Index & Turnover

### Sectoral Index

### Turnover (Tk.M)

#### Sector

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	458.59	436.30	5.11	5,233.97	2,120.14	146.87
Cement	382.79	366.24	4.52	451.38	159.42	183.14
Ceramic	726.71	703.03	3.37	622.64	252.87	146.23
Engineering	2,531.79	2,371.64	6.75	3,586.92	1,362.05	163.35
Food & Al.	4,128.91	4,128.29	0.02	1,118.44	586.10	90.83
Fuel & Pow.	3,299.45	3,189.13	3.46	1,168.86	612.51	90.83
Insurance	1,365.75	1,303.27	4.79	853.03	307.50	177.41
IT	285.96	264.12	8.27	1,259.09	364.71	245.23
Jute	979.19	957.32	2.28	63.94	42.28	51.23
Misc.	181.05	157.96	14.62	1,790.40	477.35	275.07
Mutual Fund	517.85	510.03	1.53	524.19	249.65	109.97
NBFI	1,423.57	1,297.82	9.69	1,618.86	554.59	191.90
Paper	1,262.40	1,251.49	0.87	14.93	3.98	275.05
Pharma	1,235.06	1,215.77	1.59	2,666.30	1,864.15	43.03
Service	1,301.60	1,236.12	5.30	145.59	70.73	105.83
Tannery	885.84	886.81	-0.11	433.85	185.53	133.84
Telecom	4,353.78	4,216.83	3.25	319.56	523.74	-38.98
Textile	1,274.57	1,205.24	5.75	2,837.5	1,266.3	124.08
Travel & Leis.	577.35	540.72	6.77	668.85	166.51	301.69

## Technical Talk

Dhaka bourse closed the last week with robust gain of 4.35%, the biggest single-week gain since its inception in January 2013 following the declaration of stimulus package for banking sector.

During the week, Fuel & Power sector dominated the turnover chart capturing 18% of the week's total turnover value followed by Banking 16% and Pharmaceuticals 15%. Among the major gainers, NBFI increased by 9.69% over the week closely followed by Engineering 6.75%, Textile 5.75%, Bank 5.11%, Insurance 4.79% and Fuel & Power 3.46%.

DSE Broad Index (DSEX) reached at 5,841.19 points increased by 243.75 points or 4.35% from the previous week. Total turnover reached at Tk27146.28m which was 111.47% higher than the previous week mainly for four sessions in the previous week. Market capitalization moved up by 4.03% and stood at Tk3457.12b (\$41.43b) at the weekend against Tk3323.27b. DSE 30 has increased by 88.51 points or 4.20% and closed at 2,194.54 points against 2,106.02 points. Last week's weighted average Market PE was 16.28 which was 15.84 previous week.

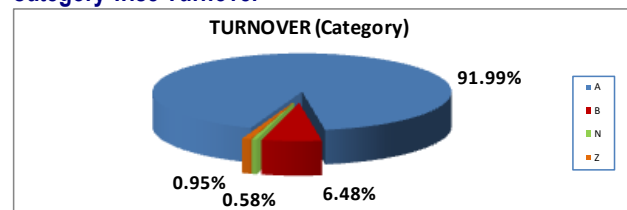
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BEXIMCO	39,207,926	1,054,243,000	3.88
BRAC Bank Ltd.	9,487,337	958,579,000	3.53
IFAD Autos Limited	5,534,203	679,442,000	2.50
LankaBangla Finance	20,947,303	664,010,000	2.45
Unique Hotel & Resorts	9,669,188	593,893,000	2.19
Monno Ceramic	3,581,329	514,443,000	1.90

### Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	644,228	Renata	87,448
Square Pharma	232,426	Lafarge Holcim	69,799
BATBC	204,816	United Power	64,038
ICB	96,080	Olympic	54,903
BRAC Bank	88,514	Islami Bank	46,207

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz)	1,332.20	1,325.00	0.54
Silver (USD/oz)	16.32	16.21	0.68
Brent Crude Oil (USD/bbl)	67.03	69.41	-3.43

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	83.45	83.50	83.45	83.50	0.00	0.00
EUR	103.03	103.09	103.36	103.42	-0.32	-0.32
GBP	117.93	118.00	117.21	117.28	0.61	0.61
AUD	64.41	64.45	64.42	64.46	-0.01	-0.01
JPY	0.79	0.79	0.79	0.79	-0.67	-0.62
CAD	65.63	65.67	65.04	65.08	0.91	0.91
SAR	22.36	22.38	22.37	22.38	-0.01	-0.01

Based on Standard Chartered selling rates to public in Taka. 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)
AdventPharma	Feb 11 - Feb 19, 2018	10	200
Infracore Refueling Station Ltd.	Mar 18 - Mar 27, 2018	10	300