

Floor price to be revised after bonus and rights

The stock market regulator have now decided to allow revision and adjustment of the floor prices of listed stocks based on any dilution effect, following the record date after any corporate declaration of bonus or right share issuance by the companies. The issue came in the forefront when the multinational British American Tobacco Bangladesh Company Limited announced 200% Bonus share for the year ended on December 31, 2020. This would have taken the unadjusted price of the company on post-record date far above its floor price that was likely to artificially inflate market capitalization of the company by 60%. Bangladesh Securities and Exchange Commission (BSEC) introduced the floor price mechanism on last March 19, 2020 in a desperate move to reign in unbridled slide of stock prices then.

Use of plastic money hits all time high

Electronic and online based transactions had gained popularity as users find transactions through card-based payment system are apparently easier and safer. Consequently the majority of the scheduled banks issued a substantial number of credit and debit cards to meet their clients' demand. In 1997, Standard Chartered Bank issued credit card for the first time in the country. Use of both credit and debit cards hit an all-time high in last December as a section of users became more apt to online transactions after the coronavirus outbreak. Total card loans held by issuers stood at Tk15.61b in December, 2020 up by 8.84% from that a month earlier and 23.78% (Y-on-Y), as per Bangladesh Bank (BB) reports. With the surge in credit card-based transactions, the volume of debit card-based transactions also increased as the figure stood at Tk187.95b, up by 8.44% from that a month earlier and 16.51% (Y-on-Y).

(Tk in bn)		
	Credit Card Transaction	Debit Card Transaction
January	13.57	152.69
February	12.18	147.76
March	11.35	151.36
April	5.23	83.35
May	7.14	117.95
June	8.98	125.28
July	12.52	181.23
August	15.52	132.02
September	12.45	152.11
October	13.81	165.29
November	14.34	173.32
December	15.61	187.95

Source:BB

Government bank borrowing target slashed

The government has slashed its bank borrowing target by more than 3% to Tk820b for the current fiscal year because of lower implementation of the Annual Development Program (ADP) and higher sales of the savings instruments. The original bank borrowing target was Tk849.80b which may be cut even further considering the execution of development projects. From July to December of FY2020-21, the ministries and agencies spent Tk512.66b from the total Tk2,146.11b in outlay, as per records of the Implementation Monitoring and Evaluation Division (IMED). The net sales of savings certificates were Tk204.87b during the July-December period of FY2020-21 compared to Tk54.33b in the same period of the previous fiscal year, as per the Department of National Savings (DNS).

Eleven banks in provision shortfall

Although the central bank put an embargo on downgrading loans considering the pandemic induced economic distress, eleven scheduled banks failed to maintain required provision against their loans as of December last year. According to the latest statistics of Bangladesh Bank (BB), three state-owned, six private and two specialized banks reported a combined provisioning shortfall of Tk71.46b in the October-December quarter of 2020. The shortfall amount, however, fell by 24.53% (Y-o-Y) or Tk23.23b from Tk94.69b in the July-September period of 2020. Among the banks, state-run banks recorded the highest provision shortfall of Tk54.29b where BASIC bank suffered the most with a provision shortfall of Tk32.88b at the end of December followed by Agrani Bank and Rupali Bank. Meanwhile, Sonali Bank managed to keep adequate provision in the last quarter of the calendar year 2020. On the other side, six private banks saw a total of Tk15.51b deficit in provision. Accumulated shortfall in two specialized bank, Bangladesh Krishi Bank and Probashi Kallyan Bank, stood at Tk1.66b. Default loans in the banking sector slipped by 5.93% (Y-o-Y) to stand at Tk887.34b at the end of December last year than that of Tk943.31b a year earlier, as per BB statistics. Experts have warned that bad loans might escalate at a faster pace in 2021 as the moratorium facility that was introduced on March 19, 2020 for all types of borrowers to tackle the adverse impact of the COVID-19 has already been lifted.

Provisioning Shortfall as of December 2020			
Amount in Tk (bn)			
State-owned Banks	Amount	Private Commercial Banks	Amount
BASIC Bank	32.88	Bangladesh Commerce Bank	5.09
Agrani Bank	13.19	National Bank	4.36
Rupali Bank	8.22	Mutual Trust Bank	2.1
Specialized Banks		Dhaka Bank	1.91
Bangladesh Krishi Bank	1.65	Standard Bank	1.32
Probashi Kallyan Bank	0.0078	Social Islami Bank	0.73

Source: BB

Trade deficit narrows in H1

Trade deficit during the first six months of the current fiscal year has declined significantly over the corresponding period of FY2019-20 mainly because of dwindling imports amid the economic slowdown. Between July and December, the trade deficit stood at US\$6.46b, down by 21.37% year-on-year, as per Bangladesh Bank (BB) statistics. During the period, imports declined by 6.8% from that a year earlier to US\$25.22b. Imports like capital machinery and industrial raw materials have dropped significantly owing to the pandemic. Capital machinery import stood at US\$1.5b in the first half of FY2020-21, down by 29.17% from a year earlier. Import of intermediate goods, including industrial raw materials, dipped 8.8% to US\$15.33b. Export earnings also dropped 0.44% to about \$18.76b in H1 of FY2020-21 from a year ago. Current account balance stood at US\$4.32b in the July-December period in contrast to a deficit of US\$1.66b a year before. Lower imports and an increase in remittances have widened the current account. Between July and December, expatriate Bangladeshis sent home remittances worth \$12.94b, up 37.60% year-on-year. The large balance in the current account has also contributed to the ballooning of the foreign exchange reserve, which stood at US\$43.17b at the end of December, 2020.

The week's data runs 11 February 2021 to 18 February 2021

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,906.71	3,934.83	-0.71
FTSE 100	6,624.02	6,589.79	0.52
Nikkei 225	30,203.84	29,520.07	2.32
SENSEX	50,860.16	51,544.30	-1.33
KSE 100	46,227.65	45,808.36	0.92

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,475.99	5,485.02	-0.16
Total Turnover, Tk	44,376,697,257	40,861,264,180	8.60
Market Capital, Tk	4,064,563,258,122	4,105,117,911,041	-0.99
No of Issue Gain	127	24	
No of Issue Loss	122	252	
No of Unchanged Issues	117	91	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
BD National Ins.	49.20	58.70	19.31	28,903,000
Libra Infusions	539.80	624.40	15.67	14,993,000
Far East Knitting	8.90	10.20	14.61	34,086,000
Miracle Industries	27.20	30.60	12.50	113,916,000
Anlima Yarn Dyeing	35.40	39.80	12.43	76,826,000
Beacon Pharma	84.10	94.20	12.01	586,719,000
Beximco Pharma	169.70	187.10	10.25	3,036,690,000
Fortune Shoes	16.60	18.30	10.24	123,304,000
Eastern Insurance	91.50	100.30	9.62	36,458,000
Active Fine Chemical	15.90	17.40	9.43	168,589,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Robi Axiata Limited	44.80	39.30	-12.28	2,492,298,000
Zeal Bangla Sugar Mills	131.90	115.80	-12.21	3,514,000
Prime Insurance	39.40	35.40	-10.15	67,920,000
Mir Akhter Hossain	88.50	81.70	-7.68	557,293,000
BRAC Bank	48.30	45.10	-6.63	135,801,000
BATBC	1700.3	1592.3	-6.35	4,110,533,000
Bd.Thai Aluminium	25.80	24.30	-5.81	63,735,000
Eastern Bank	36.10	34.10	-5.54	24,689,000
United Insurance	46.40	44.00	-5.17	8,671,000
Al-Arafah Islami Bank	21.80	20.70	-5.05	9,962,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	368.72	377.36	-2.29	2,073.77	3,008.67	-31.07
Cement	280.97	281.43	-0.16	663.73	848.19	-21.75
Ceramic	578.62	578.29	0.06	266.85	259.78	2.72
Engineering	6,556.82	6,198.20	5.79	2,452.30	2,611.82	-6.11
Food & Al.	4,904.45	5,143.55	-4.65	4,770.38	5,259.22	-9.29
Fuel & Pow.	3,710.04	3,722.44	-0.33	2,735.23	3,130.84	-12.64
Insurance	2,011.02	1,994.97	0.80	2,533.26	2,032.46	24.64
IT	333.53	331.39	0.65	172.62	250.78	-31.17
Jute	1,144.65	1,094.11	4.62	31.29	26.94	16.16
Misc.	1,938.54	1,858.74	4.29	12,183.44	7,537.89	61.63
Mutual Fund	480.36	479.97	0.08	491.96	712.16	-30.92
NBFI	1,162.72	1,161.39	0.11	3,825.26	3,398.10	12.57
Paper	6,447.02	6,493.33	-0.71	11.77	17.59	-33.13
Pharma	1,367.69	1,350.90	1.24	5,805.64	4,421.24	31.31
Service	1,061.54	1,051.73	0.93	260.50	311.30	-16.32
Tannery	596.21	588.01	1.39	127.33	89.11	42.89
Telecom	4,690.24	5,042.27	-6.98	3,203.33	3,435.35	-6.75
Textile	1,125.91	1,118.16	0.69	888.08	683.52	29.93
Travel & Leis	550.92	549.56	0.25	14.09	21.13	-33.29

Technical Talk

Dhaka stocks fell marginally in the last week extending the losing streak for the fifth straight week amid dismal participation from investors. In the week, the shaky investors continued their sell-offs in major stocks and the investors were also disinterested to pour fresh fund. Among the major sectors, Telecom decreased by 6.98% over the week followed by Bank 2.29% and Fuel & Power 0.33% while Engineering, Pharma and Insurance sectors increased by 5.79%, 1.24% and 0.80% respectively, resulting in marginal correction in the broad index.

DSE Broad Index (DSEX) stood at 5,475.99 points after decreasing by 9.03 points or 0.16% from the previous week. Total turnover reached at Tk44376.70m which was 8.60% higher than the previous week. Market capitalization decreased by 0.99% and stood at Tk4064.56b (\$47.87b) at the weekend against Tk4105.12b. DSE 30 decreased by 5.12 points or 0.24% and closed at 2,105.58 points against 2,110.70 points. Last week's weighted average Market PE was 17.39 which was 17.56 previous week.

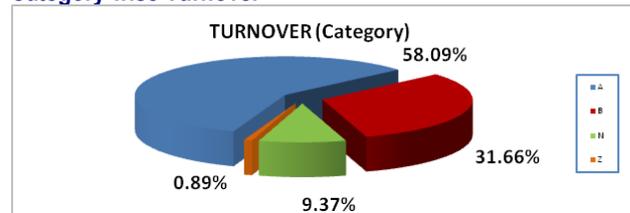
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Beximco	125,518,831	11,563,940,000	26.06
BATBC	2,569,010	4,110,533,000	9.26
Beximco Pharma	16,051,106	3,036,690,000	6.84
Robi Axiata	59,367,528	2,492,298,000	5.62
LankaBangla Finance	62,626,457	2,384,481,000	5.37
Square Pharma	4,483,354	1,006,688,000	2.27

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	478,681	United Power	143,290
Walton Hi-Tech	350,761	RENATA	103,419
BATBC	286,614	BEXIMCO	79,833
ROBI	205,851	ICB	76,821
Square Pharma	188,687	Beximco Pharma	75,880

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,782.10	1,824.80	-2.34
Silver (USD/t.oz)	27.52	27.45	0.26
Brent Crude Oil (USD/bbl.)	63.68	62.64	1.66

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	104.25	104.31	104.99	105.05	-0.70	-0.70
GBP	120.53	120.60	120.50	120.57	0.02	0.02
AUD	66.14	66.17	65.99	66.03	0.23	0.21
JPY	0.81	0.81	0.82	0.82	-1.12	-1.17
CAD	67.15	67.19	67.22	67.26	-0.10	-0.10
SAR	22.75	22.77	22.75	22.77	0.00	0.00

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)
Lub-rref(Bangladesh)	Jan 26-Feb 01, 2021	27	1,500
NRB Commercial Bank	Feb 03-Feb 09,2021	10	1,200
Desh General Insurance	Feb 14-Feb 18,2021	10	160
Index Agro Ind. Ltd.	Feb 22-Feb 28, 2021	50	500