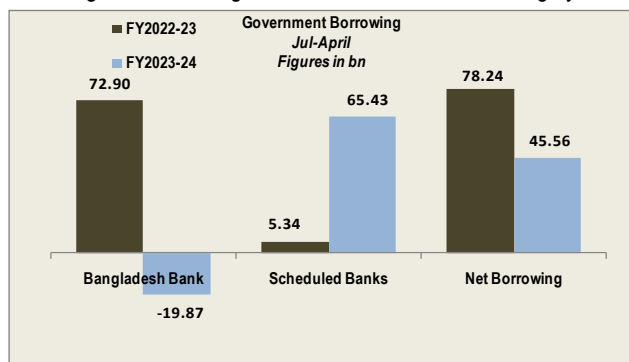


Seven non-compliant companies under scanner

Operating status and associated issues of seven non-compliant companies will be examined by the Bangladesh Securities and Exchange Commission (BSEC). The seven are - Fareast Islami Life Insurance, Delta Life Insurance, Phoenix Finance and Investment, Prime Finance and Investment, Stylecraft, MIDAS Financing and Newline Clothing. BSEC will inspect the overall business status of these companies which did not submit their financial statements for the last few years, did not paid dividends and did not arrange Annual General Meetings (AGM). Besides, the capital market regulator will also inspect profitability and related issues. Inspection teams formed by BSEC will submit their findings to the Commission within 30 working days. Out of seven non-compliant companies, Fareast Life Insurance, New Line Clothing, Prime Finance and Investment has been downgraded to Z-category from 04 March 2024. Delta Life Insurance and Phoenix Finance belong to A –category whereas MIDAS Financing and Stylecraft belong to B –category.

Government bank borrowing surges

Net bank borrowing by the government has surged in the first ten months of the current fiscal year through the sale of treasury bills and bonds. As per the latest figures from the Bangladesh Bank (BB) between 01 July and 22 April of FY2023-24 the government borrowed Tk654.31b, compared to a meager Tk53.34b during the same period of the previous fiscal year. Meanwhile, the government repaid Tk198.74b to the central bank bringing the net borrowing amount to Tk455.57b. In the first ten months of FY2022-23 the government had borrowed Tk782.38b. Yields on government treasury instruments have started rising and crossed 11% for the first time in more than a decade amid tightened liquidity situation in the financial sector. A record increase in the yields of treasury bills and bonds prompted commercial banks to invest in those instead of lending to the private sector. Credit disbursement to the private sector dropped to 9.96% in February 2024 from 12.14% in the same month a year back. As per BB, on 02 May 2024 the yield of 91 days Treasury Bills stood at 11.35%, 182 days Treasury Bills at 11.40% and for 364 days Treasury Bills at 11.50%. In January this year, the interest on all kinds of Treasury Bills ranged from 7.29% to 8.10%. The yields on long-term treasury instruments rose substantially as well. Banks are getting 12% to 12.25% interest by investing in 2 to 20 year bonds. In FY2022-23, the government borrowed Tk1241.22b from the banking system against Tk686.52b a year ago. Initially, the target for borrowing from the banking system in FY2022-23 was set at Tk1,063.44b, which was later revised upwards to Tk1,154.25b. For FY2023-24, the government has set a target of borrowing Tk1.32-trillion from the banking system.

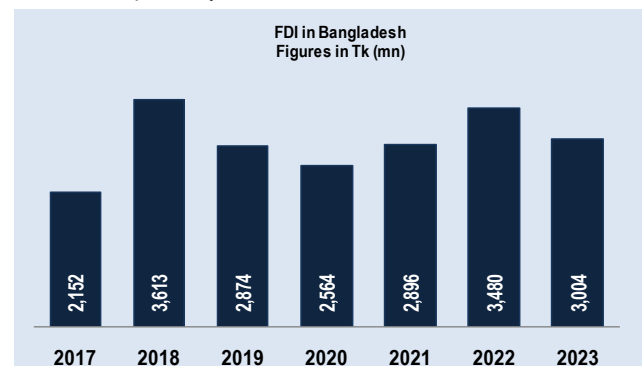


Banks CRAR weakens further

The Capital-to-Risk Weighted-Asset Ratio (CRAR) of all the scheduled banks weakened further in September 2023 due mainly to growing bad loans in the sector. As per Bangladesh Bank (BB) report, at the end of the third quarter of last year, bank’s CRAR stood at 11.08%, down from 11.19% of the preceding quarter. At the end of March 2023 CRAR was recorded at 11.23%. However, in both quarters, the ratio was higher than the regulatory requirement of 10%. The CRAR was 11.83% in December 2022. The central bank figures showed that 14 banks out of 61 operating in the country faced capital shortfall of around Tk375.07b at the end of September 2023. Previously, capital shortfall in 15 banks was Tk337.32b in June and that in 11 banks was Tk335.74b at the end of March 2023. The volume of Non-Performing Loans (NPLs) rose to Tk1,553.97b at the end of September 2023, bringing a negative impact on the capital base of the sector. According to the recently released financial stability report of BB, if the top three borrowers of every bank were to default, a total of 29 banks would fail to meet the minimum required CRAR. The report further stated that at the end of September 2023, 25 banks were holding the CRAR ranging from 10% to less than 15%.

FDI fell by 13.68% last year

Net Foreign Direct Investment (FDI) in Bangladesh fell by 13.68% to US\$3b in year 2023 amid countless economic challenges. According to the reports published by Bangladesh Bank (BB) such investment was US\$3.48b in 2022. In 2023, the highest amount of net FDI inflow of around US\$614m was from the United Kingdom while the Netherlands was in the second position with US\$367m. The textile sector was the highest FDI receiver with US\$591m while the banking and power sectors were in second and third positions with US\$434m and US\$310m respectively. Reinvestment of earnings dropped by 12.13% to US\$22.1b (Y-o-Y). At the same time, equity capital and intra-company loans dropped by 30.99% to US\$706m and 253.45% to US\$58m respectively.



Imports drop

Imports dropped by 6.92% (Y-o-Y) to US\$49.91b in the first nine months of FY2023-24, compared to US\$53.62b in the same period a year earlier amid a volatile foreign exchange situation. According to latest Bangladesh Bank (BB) figures, overall import orders also decreased by 7.67% (Y-o-Y) to US\$50.94b against US\$55.17b in the same period of the last fiscal year. There has been a severe shortage of the greenbacks and the foreign exchange reserves dropped to US\$19.91b at the end of March 2023. The central bank restricted imports of non-essential items to limit the free fall of the reserves.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	5,127.79	5,099.96	0.55
FTSE 100	8,213.49	8,139.83	0.90
Nikkei 225	38,236.07	37,934.76	0.79
SENSEX	73,878.15	73,730.16	0.20
KSE 100	71,971.82	72,744.94	-1.06

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,615.65	5,518.48	1.76
Total Turnover, Tk	28,237.34	27,649.00	2.13
Market Capital, Tk	4,047,144,323,264	3,998,045,284,374	1.23
No of Issue Gain	228	57	
No of Issue Loss	133	327	
No of Unchanged Issues	34	10	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
JMI Syringes	126.60	157.00	24.01	45.74
Apex Tannery	83.80	102.80	22.67	19.27
Asiatic Laboratories	52.90	64.80	22.50	1,451.68
Sinobangla Ind.	36.10	44.20	22.44	63.24
Sonargaon Textiles	22.40	27.40	22.32	53.94
Oimex Electrode	22.60	27.60	22.12	381.03
Pragati Life Ins.	98.70	119.10	20.67	188.15
Maksons Spinning	11.30	13.60	20.35	99.23
Far East Knitting	12.50	15.00	20.00	7.36
Alltex Industries	11.70	14.00	19.66	4.59

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (in BDTmn)
Rupali Bank	27.70	23.10	-16.61	82.54
ADN Telecom	120.50	106.70	-11.45	124.08
Premier Bank	13.20	12.00	-9.09	105.84
IFAD Autos	35.20	32.10	-8.81	28.27
Prime Finance First M. F.	43.10	39.50	-8.35	91.97
H.R. Textile	67.10	61.50	-8.35	34.22
Aftab Automobiles	45.60	41.90	-8.11	151.28
Meghna Cement Mills	83.70	77.00	-8.00	37.56
MBL 1st Mutual Fund	5.30	4.90	-7.55	1.44
ACME Pesticides	19.90	18.40	-7.54	59.09

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	442.75	435.60	1.64	1,977.28	1,665.54	18.72
Cement	332.28	324.75	2.32	389.92	448.72	-13.10
Ceramic	629.38	620.18	1.48	812.36	886.74	-8.39
Engineering	4,466.00	4,484.56	-0.41	2,951.37	2,863.87	3.06
Food & Al.	3,936.00	3,906.29	0.76	3,606.59	3,562.04	1.25
Fuel & Pow.	2,754.94	2,753.72	0.04	513.62	476.82	7.72
Insurance	2,160.59	2,089.20	3.42	1,514.78	1,453.64	4.21
IT	588.67	589.04	-0.06	2,043.91	1,242.32	64.52
Jute	2,379.90	2,325.25	2.35	872.43	50.72	1,620.09
Misc.	2,576.41	2,569.50	0.27	547.37	409.76	33.58
Mutual Fund	378.58	388.07	-2.45	671.55	1,071.57	-37.33
NBFI	692.60	686.22	0.93	281.99	290.93	-3.07
Paper	11,072.29	10,996.38	0.69	309.41	249.54	23.99
Pharma	1,424.95	1,405.42	1.39	7,420.84	6,307.10	17.66
Service	1,408.76	1,384.99	1.72	211.39	181.02	16.78
Tannery	935.23	907.07	3.11	361.61	356.88	1.33
Telecom	3,116.50	3,084.48	1.04	426.22	596.10	-28.50
Textile	1,498.90	1,441.65	3.97	4,299.86	2,946.72	45.92
Travel & Leis.	1,628.71	1,523.87	6.88	1,015.20	1,006.89	0.83

Technical Talk

Stocks ended two-week losing streak last week riding on selective large-cap issues. The core index increased in all four trading days last week. Among the major sectors, Textile increased by 3.97% followed by Insurance 3.42%, Bank 1.64% and Pharma by 1.39%.

DSE Broad Index (DSEX) stood at 5,615.65 points after increasing by 97.17 points or 1.76% from the previous week. Total turnover reached at Tk28237.34m, which was 2.13% higher than the previous week. Market capitalization increased by 1.23% and stood at Tk4047.14b (US\$36.79b) at the weekend against Tk3998.05b. DSE 30 increased by 33.35 points or 1.69% and closed at 2,007.86 points against 1,974.51 points. Last week's weighted average Market PE was 10.99 which was 10.31 in previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

Relative Strength Index (RSI)

The RSI indicator illustrates if the change of price movements is in overbought or oversold territory. RSI stood at 26.75.

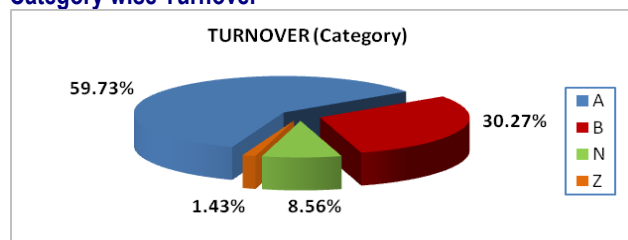
Top Turnover Companies

Company	Volume	Value (BDT mn)	% of total
Malek Spinning Mills	1,565.00	39,219,902.00	5.54
Asiatic Laboratories	1,451.68	24,461,871.00	5.14
Orion Infusion	1,157.87	1,831,522.00	4.10
Taufika Foods	1,114.32	14,124,995.00	3.95
ITC	904.15	17,104,652.00	3.20
Sonali Aansh	839.34	1,390,241.00	2.97

Top 10 Market Capital

Company	Volume	Value (BDT mn)	% of total
GP	320,831	BEXIMCO	103,842
BATBC	199,260	RENETA	87,250
Square Pharma	186,953	Berger Paint	80,201
Walton Hi-Tech	184,574	Lafarge Holcim	75,954
ROBI	130,948	United Power	74,085

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	2,310.10	2,349.60	-1.68
Silver (USD/t oz.)	26.79	27.52	-2.65
Brent Crude Oil (USD/bbl.)	82.82	88.10	-5.99

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	110.00	110.00	110.00	110.00	0.00	0.00
EUR	124.30	124.30	123.54	123.54	0.62	0.62
GBP	144.94	144.94	144.29	144.29	0.45	0.45
AUD	73.09	73.09	72.23	72.23	1.19	1.19
JPY	0.73	0.73	0.70	0.70	4.29	4.29
CAD	80.79	80.79	80.88	80.88	-0.11	-0.11
SAR	29.48	29.48	29.48	29.48	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)
-	-	-	-