

# UPDATE ON Dhaka Stock Market



The Journal is running a series of updates on Financial Market of Bangladesh (i.e. Money Market and Capital Market). In this issue of THE COST & MANAGEMENT, Mr. Mohammad Shamsur Rahman, FCMA has given a reflection of relevant changes and updates on Financial Market. The analysis of the market has been done considering the period from March 01, 2020 to April 30, 2020. Mr. Rahman is currently working as Chief Regulatory Officer (CRO) of Chittagong Stock Exchange Limited.

## Bangladesh Economic Outlook

- ◆ The Bangladesh Bank would inject Tk 50,742.5 crore into the money market in the form of refinance scheme out of the government-announced stimulus packages to support the businesses and farmers to overcome the impact of coronavirus pandemic.
- ◆ Reserve money recorded an increase of Taka 21174.00 crore or 9.29 percent at the end of January 2020 against the increase of Taka 17707.00 crore or 8.42 percent at the end of January 2019. Of the sources of reserve money, net foreign assets and net domestic assets of Bangladesh Bank increased by Taka 14175.40 crore and Taka 6998.60 crore respectively or 5.77 percent and 39.91 percent respectively at the end of January 2020 as compared to January 2019 Money multiplier gradually increased and it reached 5.16 at the end of December 2019 from 4.95 at the end of June 2019.
- ◆ The twelve-month average general inflation remained unchanged at 5.60 percent in February, 2020 which was 0.10 percentage point higher than the target of 5.50 percent for FY20.
- ◆ The point to point Food and non-food inflation dropped to 4.97 and 6.23 percent in February, 2020 from 5.12 and 6.30 percent in January, 2020. Therefore, point to point general inflation significantly decreased to 5.46 percent in February, 2020 which was 5.57 percent in January, 2020.
- ◆ The weighted average call money rate in the inter-bank money market increased to 5.15 percent up to March 23, 2020 from 5.06 percent in February, 2020, moving in-between the interest rate (Repo & Reverse Repo) corridor.
- ◆ Bangladesh Taka and Indian Rupee (INR) have depreciated by 0.53 percent and 4.53 percent respectively against the US dollar at the end of February 2020 as compared to its level of end June 2019. As per the latest available data, Bangladesh Taka has recently been appreciating against the Indian Rupee.

The summary of the economic outlook depicted below:

Particulars	19 February 2020	30 April 2020
Foreign Exchange Reserve (In million US\$)	32701.50	33109.81
Interbank Taka-USD Exchange Rate (Average)	84.9500	84.9500
Call Money Rate (Weighted Average Rate)	5.09	4.96
<b>Import (C&amp;F)</b> (in million US\$)	<b>December 2019</b>	<b>February 2020</b>
<b>Import (f.o.b)</b> (in million US\$)	5254.00	4723.70
	4866.00	4371.00
<b>Export (EPB)</b> (in million US\$)	<b>January 2020</b>	<b>April 2020</b>
	3617.31	520.01
<b>Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100)</b>	<b>February 2020</b>	<b>March 2020</b>
a) Twelve Month Average Basis	5.60	5.60
b) Point to Point Basis	5.46	5.48
<b>GDP Growth Rate (in percent, Base: 2005-06=100)</b>	7.86 (2017-18)	8.15 (2018-19)

Source: Bangladesh Bank

## Bangladesh Capital Market Updates

- ◆ Bangladesh Securities and Exchange Commission (BSEC) has approved the Envoy Textiles' proposal of issuing preference shares which will raise a capital worth Tk 870 million issuing cumulative preference shares to expand business and repay high cost debt. The tenure of the preference shares will be five years while the characteristics are non-convertible, fully redeemable and unlisted. The offer price of the preference shares, which will be issued to institutional investors, is Tk 10 million. On the other hand, the shares will be issued to eligible investors at an offer price of Tk 5.0 million each. NDB Capital is working as issue manager of the said preference shares.
- ◆ The market regulator has decided to approve a proposal for amendment to the BSEC (qualified investor offer by small capital companies), 2018, and finalised the BSEC alternate investment rules, 2015, and approved the draft BSEC debt securities rules, 2020 after the end of general holidays.
- ◆ Bangladesh Securities and Exchange Commission has deferred the time for giving public opinions on the draft trading right entitlement certificate rules due to general holidays.

## DSE and CSE Market Updates (from March 01, 2020 to March 25, 2020)

- ◆ The benchmark index of Dhaka Stock Exchange (DSEX) was 10.53 percent lower than of the beginning of the month. The daily turnover was highest on March 03, 2020. Changes in indices of DSE (from March 01, 2020 to March 25, 2020):

Indices	Open	Close	Point Change	% change
DSEX	4,480.23	4008.29	-471.94	-10.53%
DSES	1,044.91	920.69	-124.22	-11.89%
DS30	1,492.37	1330.86	-161.51	-10.82%

(\*considering 1st March as base)

- ◆ The benchmark index of Chittagong Stock Exchange (CSE50) was 16.65 percent lower than of the beginning of the month. The daily turnover was highest on March 25, 2020. Changes in indices of CSE (from March 01, 2020 to March 25, 2020):

Indices	Open	Close	Point change	% Change
CASPI (All share index)	13742.96	11328.00	-2414.96	-17.57%
CSE-30	11912.38	9975.51	-1936.87	-16.26%
CSCX	8332.96	6859.90	-1473.06	-17.68%
CSE 50 (Benchmark)	977.81	815.00	-162.81	-16.65%
CSI (CSE Shariah Index)	901.18	729.30	-171.88	19.07%

(\*considering 1st March as base)

- ◆ The total market capitalization of all shares and debentures of the listed securities of DSE stood lower by 7.62 percent at Tk. 3122.35 billion as on March 25, 2020 from Tk. 3,379.87 billion on March 01, 2020. On the other hand, the total market capitalization of all shares and debentures of the listed securities of CSE stood lower 9.33 percent at Tk. 2,445.72 billion as on March 25, 2020 from Tk. 2,697.46 billion on March 01, 2020.

Source: website of BSEC, DSE & CSE

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