

# Capital Market Development in Bangladesh



July, 2022

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## Highlights in July 2022

- *Total number of listed securities of DSE and CSE stood at 625 and 364 respectively at the end of July 2022.*
- *Broad Index of DSE and All Share Price Index of CSE stood at 6133.96 and 17976.66 respectively at the end of July 2022, which were 6376.94 and 18727.51 respectively at the end of June 2022.*
- *DSEX Shariah Index (DSES) and CSE Shariah Index (CSI) stood at 1339.48 and 1132.58 respectively at the end of July 2022, which were 1386.78 and 1183.43 respectively at the end of June 2022.*
- *Total turnover value of traded securities of DSE and CSE stood at BDT 122.84 billion and BDT 3.61 billion respectively at the end of July 2022, which were BDT 179.40 billion and BDT 8.13 billion respectively at the end of June 2022.*
- *The market capitalization of DSE and CSE stood at BDT 5028.78 billion and BDT 4187.29 billion respectively at the end of July 2022, which were BDT 5177.82 billion and BDT 4333.69 billion respectively at the end of June 2022.*
- *The Price-Earning (P/E) ratio of DSE and CSE stood at 13.83 and 17.02 respectively at the end of July 2022 which were 14.44 and 15.61 respectively at the end of June 2022.*

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Capital market acts as a bridge of long term financing for the industrial development of a country through the sale and purchase of shares, debentures, bonds, mutual funds, treasury bills, certificates etc. and the turnover of capital market contributes to the GDP of the country. Capital market in Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates the stock exchanges of the country.

### Capital Market Activities during the Month

At the end of July 2022, Broad Index of the DSE and all share price index of the CSE were 3.81 percent and 4.01 percent lower respectively than that of the previous month. Total turnover value of traded securities of DSE and CSE were 31.53 percent and 55.60 percent lower respectively than that of June 2022.

**Table-1: Position of Important Indicators of DSE and CSE**

End of Month	Enlisted Securities		Issued capital and Debentures (Billion BDT)		Market Capitalization (Billion BDT)		Total Turnover (Billion BDT)		Major Indices				Price/Earning Ratio <sup>2</sup>		Yield <sup>3</sup>	
	DSE	CSE	DSE	CSE	DSE <sup>1</sup>	CSE	DSE	CSE	DSE		CSE		DSE	CSE	DSE	CSE
									Broad Index	Shariah index	All Share Price Index	Shariah index				
Jul-22	625	364	1523.44	911.23	5028.78	4187.29	122.84	3.61	6133.96	1339.48	17976.66	1132.58	13.83	17.02	4.00	3.72
Jun-22	625	364	1521.59	910.64	5177.82	4333.69	179.40	8.13	6376.94	1386.78	18727.51	1183.43	14.44	15.61	3.88	3.60
May-22	623	363	1514.01	907.65	5167.65	4310.83	144.65	4.59	6392.86	1403.53	18667.50	1186.20	14.45	18.21	3.85	3.44
Apr-22	623	363	1510.68	904.39	5369.61	4509.40	121.05	4.56	6655.67	1446.98	19474.45	1218.27	15.40	19.20	3.68	3.43
Mar-22	623	363	1506.79	896.80	5394.15	4546.00	185.43	6.64	6757.84	1468.11	19748.83	1245.39	15.63	16.80	3.77	3.43
Feb-22	622	361	1505.36	891.35	5437.19	4587.74	221.00	8.27	6739.45	1453.48	19641.26	1225.85	16.15	17.09	4.08	3.76
Jan-22	622	361	1505.10	891.12	5569.82	4745.74	312.61	9.41	6926.29	1481.89	20298.59	1265.70	16.58	17.66	3.97	3.63
Dec-21	617	356	1463.66	850.09	5421.96	4585.54	193.65	11.07	6756.66	1431.12	19666.07	1211.44	16.29	17.29	4.07	3.71
Nov-21	614	353	1458.53	847.86	5364.95	4552.33	266.83	9.56	6703.26	1405.55	19614.38	1197.96	17.79	18.01	3.93	3.51
Oct-21	612	351	1456.74	847.20	5595.79	4782.45	370.17	13.77	7000.95	1470.50	20480.31	1266.48	18.75	18.94	3.72	3.35
Sep-21	611	351	1411.06	847.04	5815.43	5037.43	507.06	18.42	7329.04	1592.10	21377.07	1367.49	20.12	19.97	3.49	3.16
Aug-21	611	351	1410.72	846.96	5579.72	4804.20	451.19	17.09	6869.25	1490.30	19997.45	1277.18	20.02	19.23	3.64	3.31
Jul-21	610	349	1400.36	837.15	5344.05	4576.75	233.03	9.05	6425.26	1401.05	18635.40	1177.70	19.17	18.32	3.79	3.88

Note: BDT= Bangladeshi Currency (Taka)

<sup>1</sup>Total market capitalization of all listed securities includes companies, mutual funds, corporate bonds, treasury bonds and debentures.

<sup>2</sup> P/E =  $\frac{\text{closing price}}{\text{earning per share}}$ ;

<sup>3</sup> Yield =  $\frac{\text{dividend per share}}{\text{closing price}} \times 100$

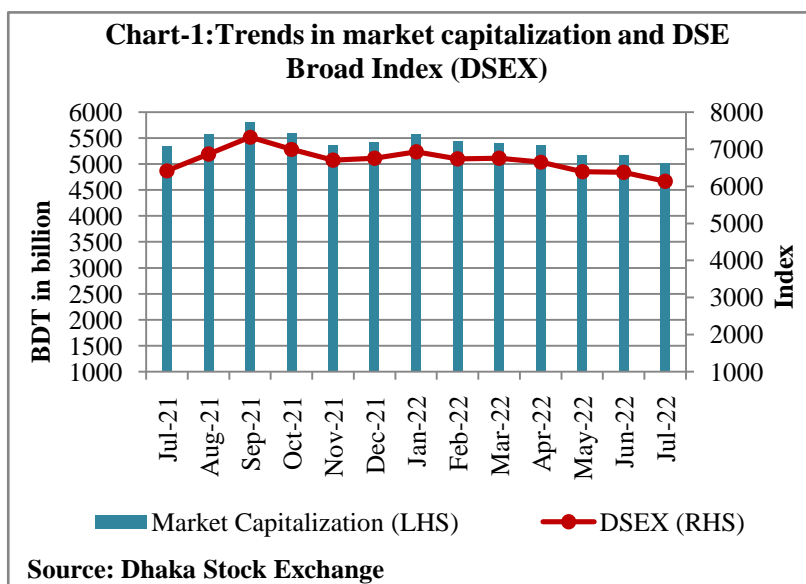
## Dhaka Stock Exchange (DSE)

The total number of listed securities stood at 625 at the end of July 2022. Among the listed securities, there were 350 companies, 36 mutual funds, 222 government bonds, 8 debentures, and 9 corporate bonds. The number of companies consists of 33 banks, 23 financial institutions, 53 insurance companies, and 241 other companies.

DSE Broad Index (DSEX) stood at 6133.96 at the end of July 2022 which was 3.81 percent and 4.53

percent lower respectively than those of June 2022 and the same month of the preceding year. The market capitalization of DSE stood at BDT 5028.78 billion at the end of July 2022 which was 2.88 percent and 5.90 percent lower respectively than those of the previous month and the same month of the previous year. The trends in market capitalization and DSE Broad Index (DSEX) are shown in chart-1.

The ratio of market capitalization to GDP (at current market price) stood at 12.65 percent at the end of July 2022 which was 13.02 percent at the end of June 2022 and 13.44 percent in the corresponding month of the previous year (Table-2).



**Table-2: Market Capitalization to GDP ratio<sup>4</sup>**

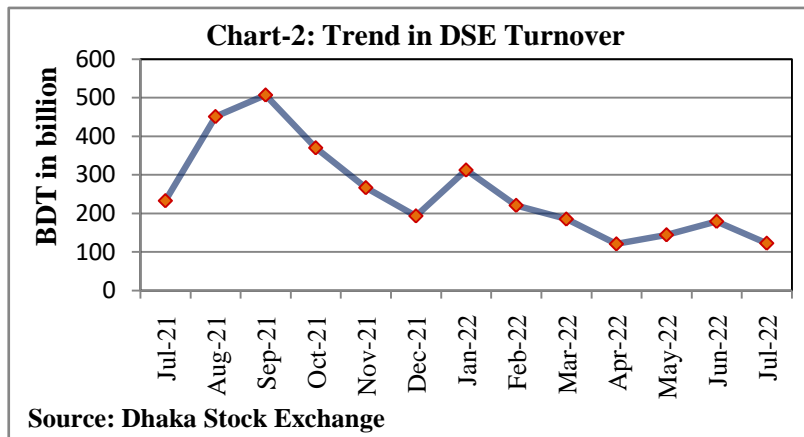
End of Month	Market Capitalization to GDP ratio
July -2022	11.30*
June -2022	13.02
May -2022	13.00
April-2022	13.50
March-2022	13.57
February-2022	13.67
January-2022	14.01
December-2021	13.64
November-2021	13.44
October-2021	14.07
September-2021	14.62
August-2021	14.03
July-2021	13.44

Source: Wing's own calculation

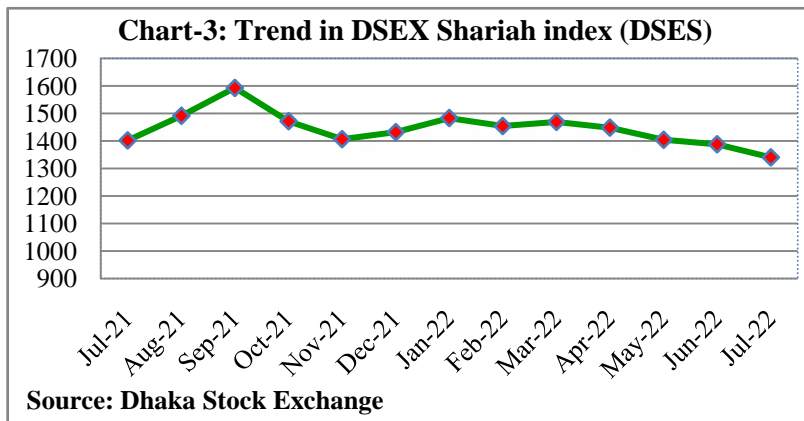
<sup>4</sup>The ratio of market capitalization to GDP for a particular month is calculated as total market capitalization of that month divided by the total GDP at current market price in which this particular month belongs.

\* Estimated GDP (44499.59 billion BDT) from the National Budget Speech 2022-2023 is considered for July-2022.

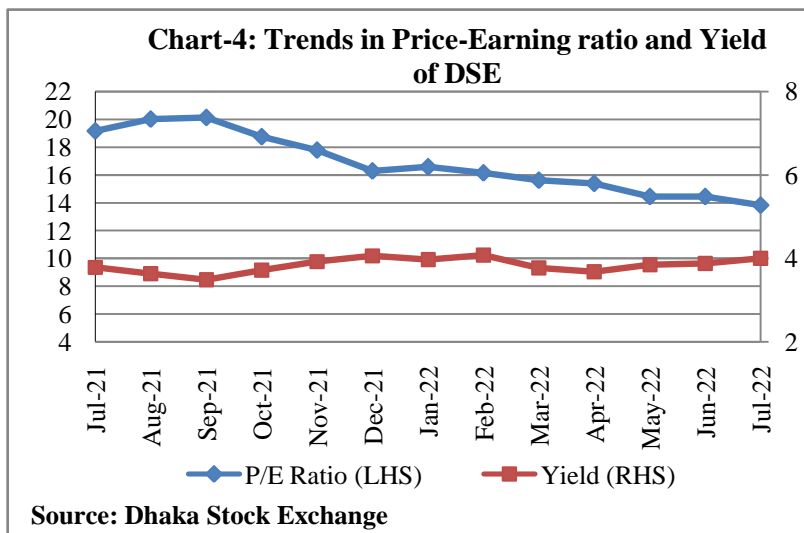
During July 2022, value of total turnover of the traded securities stood at BDT 122.84 billion which was 31.53 percent and 47.29 percent lower respectively than those of June 2022 and the corresponding month of the previous year. The trend in total turnover in the DSE is shown in chart-2.



At the end of July 2022, DSEX Shariah Index (DSES) stood at 1339.48 which was 1386.78 at the end of June 2022 and 1401.05 at the end of July 2021. The trend in the DSEX Shariah index (DSES) is shown in chart-3.

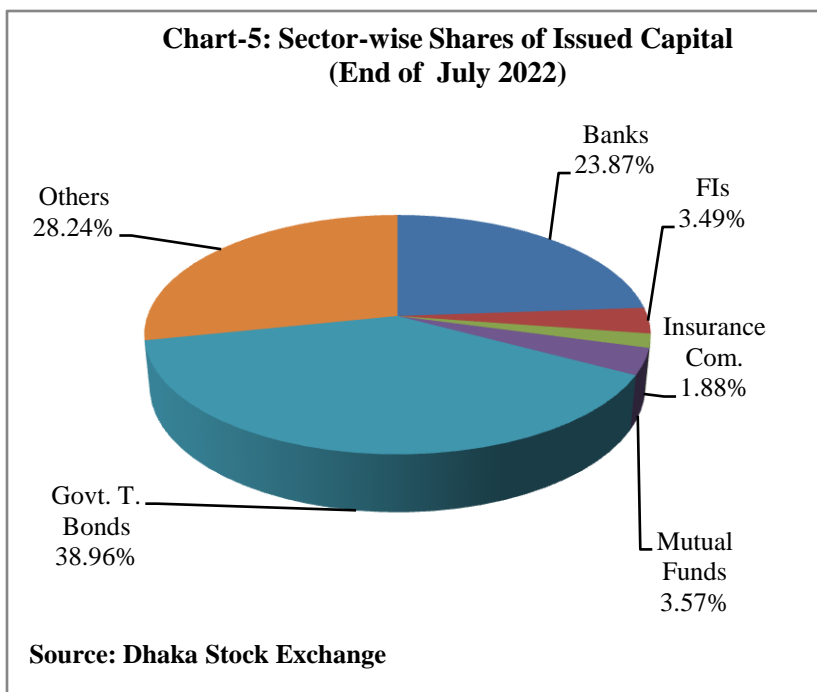


The Price-Earning (P/E) ratio of all securities stood at 13.83 at the end of July 2022 which was 14.44 at the end of June 2022. This ratio was 19.17 at the end of July 2021. The yield of all securities increased to 4.00 at the end of July 2022 which was 3.88 at the end of June 2022 and 3.79 at the end of July 2021. Trends in price-earnings ratio and yield are shown in Chart-4.

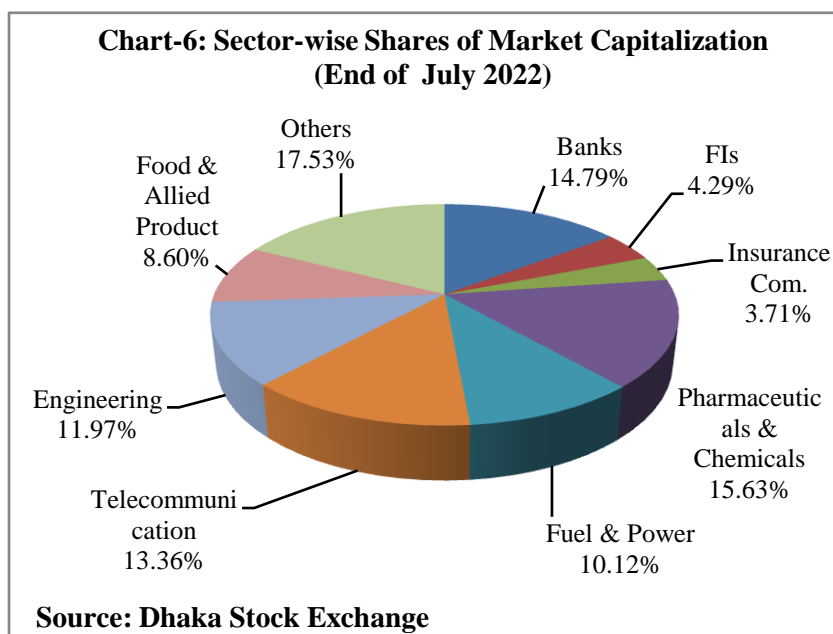


## Sector-wise Issued Capital and Market Capitalization of DSE

The total amount of issued capital stood at BDT 1523.44 billion at the end of July 2022, which were BDT 1521.59 billion at the end of June 2022 and BDT 1400.36 billion at the end of July 2021. Among different sectors, Bangladesh Govt. Treasury Bonds (BGTBs) dominated the market in terms of issued capital at the end of July 2022. This sector alone issued around 38.96 percent of the capital followed by Banks 23.87 percent, Mutual Funds 3.57 percent, Financial Institutions (FIs) 3.49 percent, Insurance Companies 1.88 percent and others 28.24 percent (Chart-5).

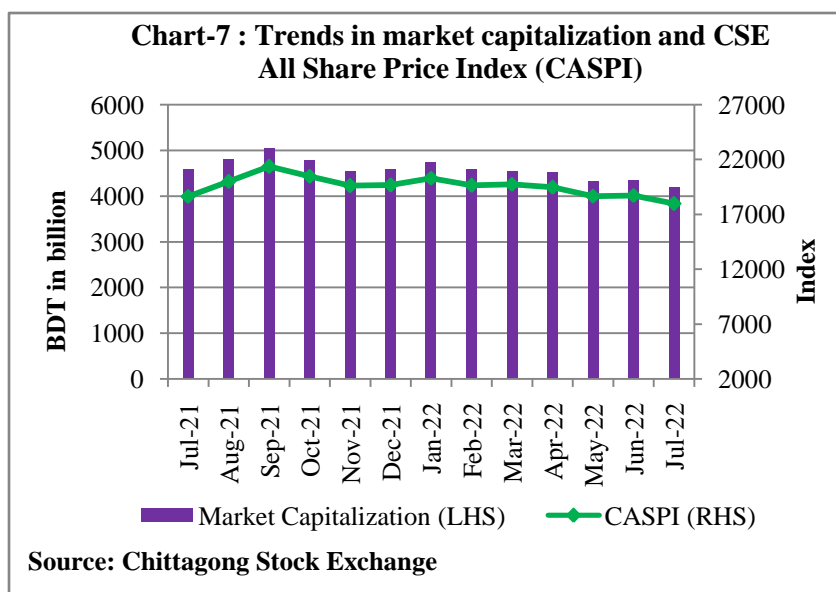


The total amount of market capitalization was BDT 5028.78 billion at the end of July 2022, which was BDT 5177.82 billion at the end of June 2022 and BDT 5344.05 billion at the end of July 2021. Among different sectors, Pharmaceuticals & Chemicals alone recorded as the highest contributor of market capitalization which was 15.63 percent followed by Banks 14.79 percent, Telecommunication 13.36 percent, Engineering 11.97 percent, Fuel & Power 10.12 percent, Food & Allied Product 8.60 percent, Financial Institutions 4.29 percent, Insurance Companies 3.71 percent and others 17.53 percent (Chart-6). It may be mentioned that sector-wise market capitalization of all listed securities excludes that of Bangladesh Govt. Treasury Bonds (BGTBs) and debentures since these two types of products are not traded in the market.



## Chittagong Stock Exchange (CSE)

The total number of listed securities in the CSE stood at 364 at the end of July 2022. The total amount of issued capital stood at BDT 911.23 billion at the end of July 2022 which were BDT 910.64 billion at the end of June 2022 and BDT 837.15 billion at the end of the same month of the previous year. All Share Price Index of CSE (CASPI) stood at 17976.66 at the end of July 2022 which was 4.01 percent and 3.53 percent lower than those of June 2022 and the same month of the previous year. CSE Shariah Index (CSI) stood at 1132.58 at the end of July 2022 which was 1183.43 at the end of June 2022 and 1177.70 at the corresponding month of the previous year. The market capitalization of the CSE stood at BDT 4187.29 billion at the end of July 2022 which was 3.38 percent and 8.51 percent lower respectively than those of June 2022 and the same month of the previous year. The trends of market capitalization and all share price index of the CSE are shown at chart-7.



During July 2022, value of total turnover of traded securities stood at BDT 3.61 billion which was BDT 8.13 billion at the end of June 2022 and BDT 9.05 billion at the end of the same month of the previous year. Price Earnings (P/E) ratio in CSE increased to 17.02 at the end of July 2022 which was 15.61 at the end of June 2022. The ratio was 18.32 at the end of July 2021. At the same time, the yield stood at 3.72 at the end of July 2022 which was 3.60 at the end of June 2022 but it was 3.88 at the end of July 2021.