

Capital Market Development in Bangladesh



June, 2022

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Division-4
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Highlights in June 2022

- *Total number of listed securities of DSE and CSE stood at 625 and 364 respectively at the end of June 2022.*
- *Broad Index of DSE and All Share Price Index of CSE stood at 6376.94 and 18727.51 respectively at the end of June 2022, which were 6392.86 and 18667.50 respectively at the end of May 2022.*
- *DSEX Shariah Index (DSES) and CSE Shariah Index (CSES) stood at 1386.78 and 1183.43 respectively at the end of June 2022, which were 1403.53 and 1186.20 respectively at the end of May 2022.*
- *Total turnover value of traded securities of DSE and CSE increased to BDT 179.40 billion and BDT 8.13 billion respectively at the end of June 2022, which were BDT 144.65 billion and BDT 4.59 billion respectively at the end of May 2022.*
- *The market capitalization of DSE and CSE increased to BDT 5177.82 billion and BDT 4333.69 billion respectively at the end of June 2022, which were BDT 5167.65 billion and BDT 4310.83 billion respectively at the end of May 2022.*
- *The Price-Earning (P/E) ratio of DSE and CSE stood at 14.44 and 15.61 respectively at the end of June 2022 which were 14.45 and 18.21 respectively at the end of May 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 June 2022, the DSE exhibited a slight downward trend in terms of index but an upward trend in terms of turnover, whereas CSE exhibited an upward trend in terms of both index and turnover as compared to those at the end of May 2022. Broad Index of the DSE was 0.25 percent lower but all share price index of the CSE was 0.32 percent higher than that of the previous month. Total turnover value of traded securities of DSE and CSE were 24.02 percent and 77.12 percent higher respectively than that of May 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)		Turnover during the month (Billion BDT)		Major Indices		Price/Earning Ratio ²		Yield ³	
	DSE	CSE	DSE	CSE	DSE ¹	CSE	DSE	CSE	DSE Broad Index (DSE Shariah index)	CSE All Share Price Index (CSE Shariah index)	DSE	CSE	DSE	CSE
June-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
Jun-21	609	348	1397.34	833.65	5142.82	4383.65	435.09	21.30	6150.48 (1314.76)	17795.00 (1091.85)	18.50	17.68	3.98	3.63

Note: BDT= Bangladeshi Currency (Taka)

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

² P/E = $\frac{\text{closing price}}{\text{earning per share}}$; ³ 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 June 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 6376.94 at the end of June 2022 which was 0.25 percent lower than that of May

2022 but 3.68 percent higher than that of the same month of the preceding year. The market capitalization of DSE stood at BDT 5177.82 billion at the end of June 2022 which was 0.20 percent and 0.68 percent higher respectively than that 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 13.02 percent at the end of June 2022 which was 13.00 percent at the end of May 2022 and 18.39 percent in the corresponding month of the previous year (Table-2).

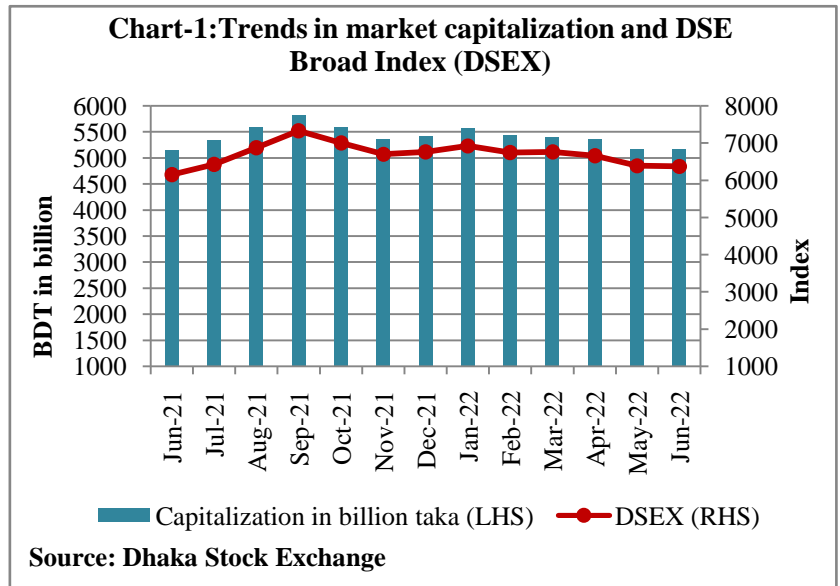


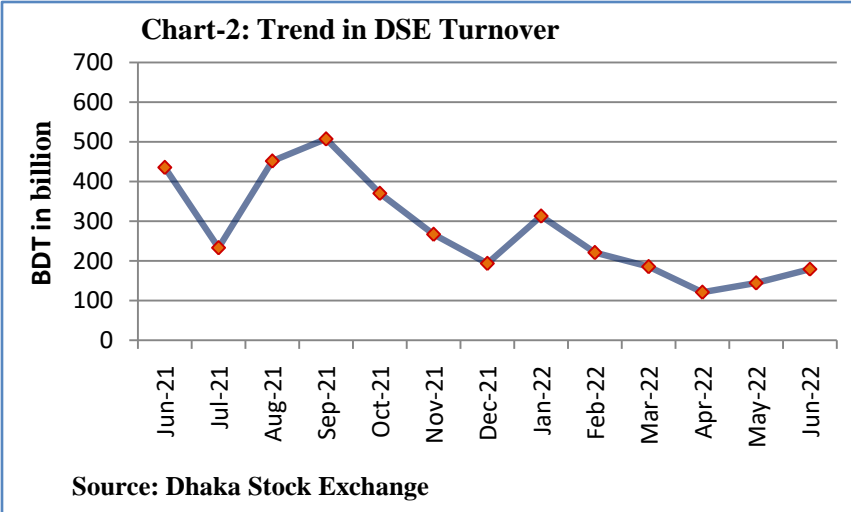
Table-2: Market Capitalization to GDP ratio⁴

End of Month	Market Capitalization to GDP ratio
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
June-2021	18.39

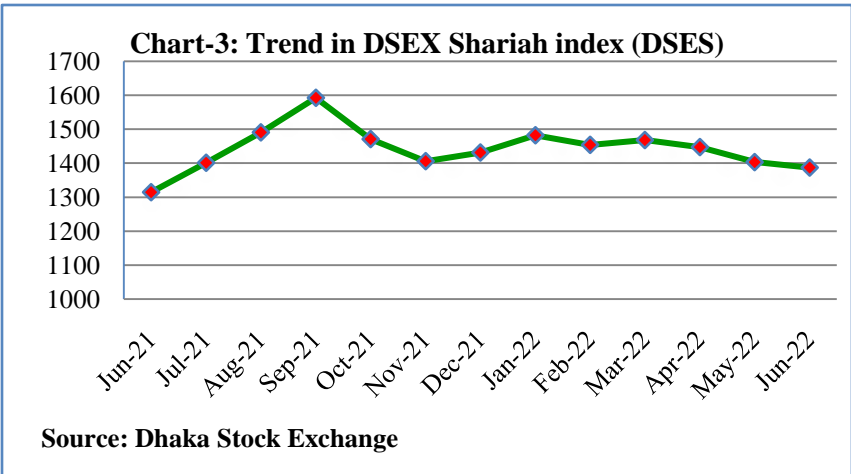
Source: Wing's own calculation

⁴The 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 (39764.62 billion tk) of the fiscal year in which this particular month belongs.

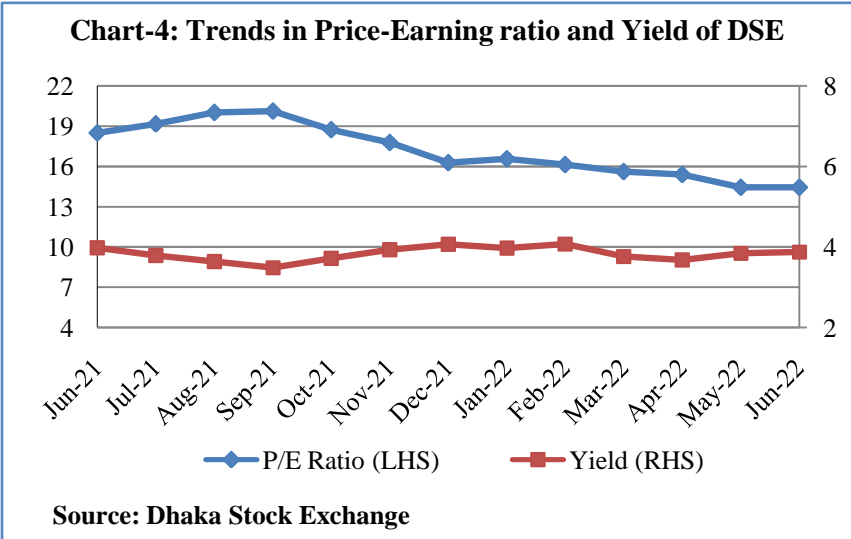
During June 2022, value of total turnover of the traded securities stood at BDT 179.40 billion which was 24.02 percent higher than that of May 2022 but 58.77 percent lower than that of the corresponding month of the previous year. The trend in total turnover in the DSE is shown in chart-2.



At the end of June 2022, DSEX Shariah Index (DSES) stood at 1386.78 which was 1403.53 at the end of May 2022 and 1314.76 at the end of June 2021. The trend in the DSEX Shariah index (DSES) is shown in chart-3.

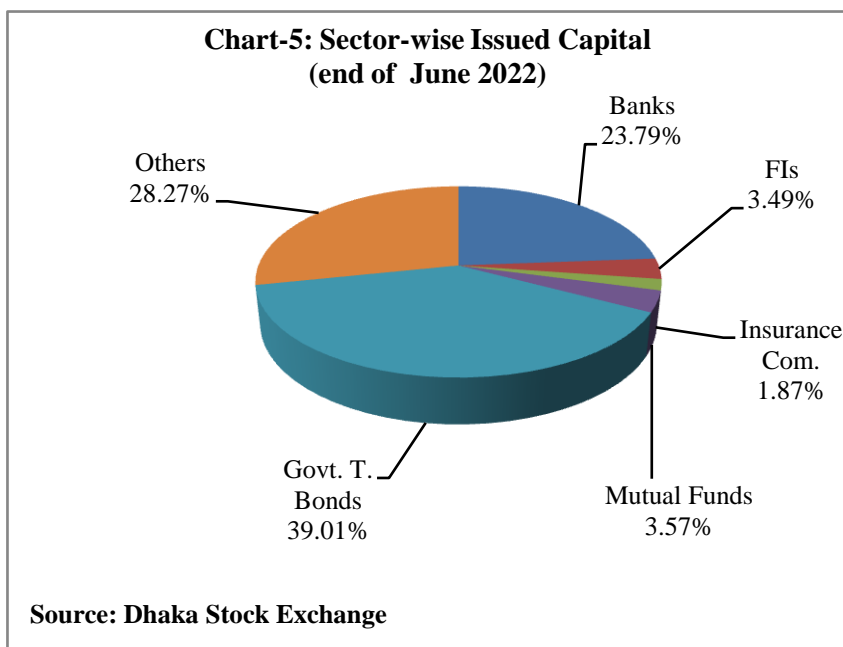


The Price-Earning (P/E) ratio of all securities stood at 14.44 at the end of June 2022 which was 14.45 at the end of May 2022. This ratio was 18.50 at the end of June 2021. The yield of all securities increased to 3.88 at the end of June 2022 which was 3.85 at the end of May 2022 and 3.98 at the end of June 2021. Trends in price-earnings ratio and yield are shown in Chart-4.

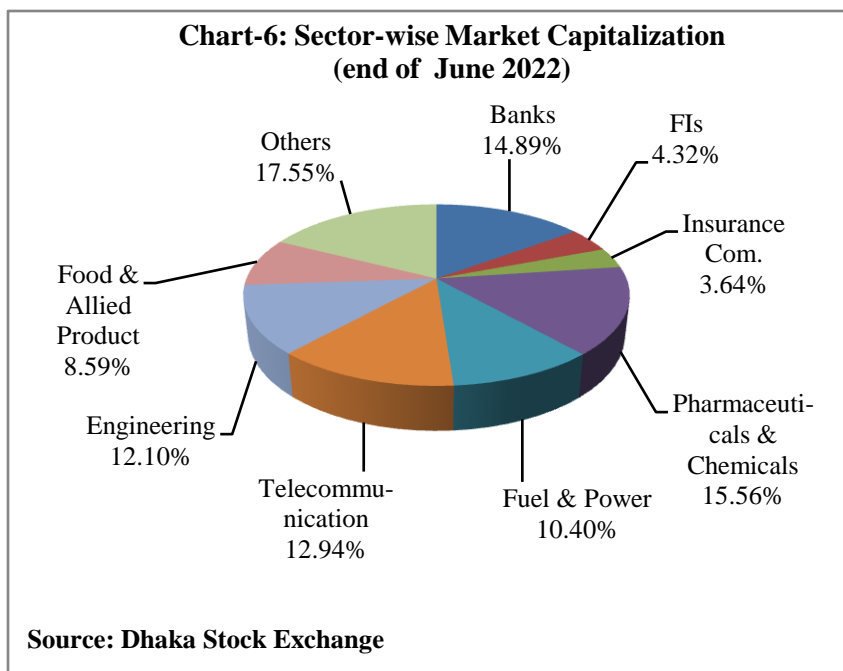


Sector-wise Issued Capital and Market Capitalization of DSE

The total amount of issued capital stood at BDT 1521.59 billion at the end of June 2022, which were BDT 1514.01 billion at the end of May 2022 and BDT 1397.34 billion at the end of June 2021. Among different sectors, Bangladesh Govt. Treasury Bonds (BGTBs) dominated the market in terms of issued capital at the end of June 2022. This sector alone issued around 39.01 percent of the capital followed by Banks 23.79 percent, Mutual Funds 3.57 percent, Financial Institutions (FIs) 3.49 percent, Insurance Companies 1.87 percent and others 28.27 percent (Chart-5).

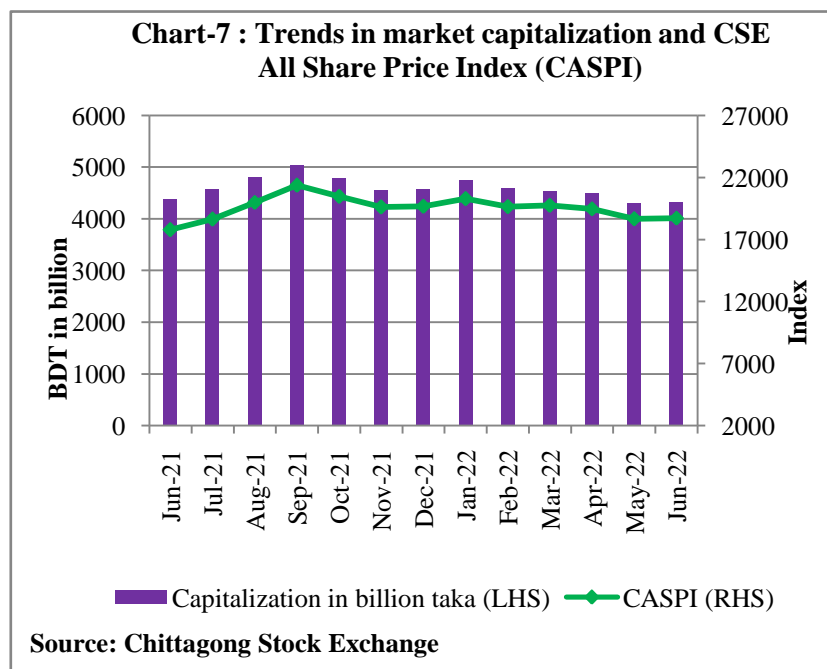


The total amount of market capitalization was BDT 5177.82 billion at the end of June 2022, which were BDT 5167.65 billion at the end of May 2022 and BDT 5142.82 billion at the end of June 2021. Among different sectors, Pharmaceuticals & Chemicals alone recorded as the highest contributor of market capitalization which was 15.56 percent followed by Banks 14.89 percent, Telecommunication 12.94 percent, Engineering 12.10 percent, Fuel & Power 10.40 percent, Food & Allied Product 8.59 percent, Financial Institutions 4.32 percent, Insurance Companies 3.64 percent and others 17.55 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 June 2022. The total amount of issued capital stood at BDT 910.64 billion at the end of June 2022 which were BDT 907.65 billion at the end of May 2022 and BDT 833.65 billion at the end of the same month of the previous year. All Share Price Index of CSE (CASPI) stood at 18727.51 at the end of June 2022 which was 0.32 percent higher than that of May 2022 and 5.24 percent higher than that of the same



month of the previous year. CSE Shariah Index 'CSES' stood at 1183.43 at the end of June 2022 which was 1186.20 at the end of May 2022 and 1091.85 at the corresponding month of the previous year. The market capitalization of the CSE stood at BDT 4333.69 billion at the end of June 2022 which was 0.53 percent higher than that of May 2022 but 1.14 percent lower than that of 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 June 2022, value of total turnover of traded securities stood at BDT 8.13 billion which was BDT 4.59 billion at the end of May 2022 but BDT 21.30 billion at the end of the same month of the previous year. Price Earnings (P/E) ratio in CSE decreased to 15.61 at the end of June 2022 which was 18.21 at the end of May 2022. The ratio was 17.68 at the end of June 2021. On the other hand, the yield stood at 3.60 at the end of June 2022 which was 3.44 at the end of May 2022 but it was 3.63 at the end of June 2021.