

**Monthly Report on  
Capital Market Development in Bangladesh\***



**February, 2022**

**Research Department  
(Special Studies and Fiscal Affairs Division)**

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## Highlights in February 2022

- *Broad index of DSE and all share price index of CSE stood at 6739.45 points and 19641.26 points respectively at the end of February 2022, which were 6926.29 points and 20298.59 points respectively at the end of January 2022.*
- *DSEX Shariah index (DSES) and CSE Shariah index (CSES) stood at 1453.48 points and 1225.85 points respectively at the end of February 2022, which were 1481.89 points and 1265.70 points respectively at the end of January 2022.*
- *Total turnover value of traded shares of DSE and CSE stood at BDT 221 billion and BDT 8.27 billion respectively at the end of February 2022, which were BDT 312.61 billion and BDT 9.41 billion respectively at the end of January 2022.*
- *The market capitalization of DSE and CSE stood at BDT 5437.19 billion and BDT 4587.74 billion respectively at the end of February 2022, which were BDT 5569.82 billion and BDT 4745.74 billion respectively at the end of January 2022.*
- *The Price-Earning (P/E) ratio of DSE and CSE stood at 16.15 and 17.09 respectively at the end of February 2022 which were 16.58 and 17.66 respectively at the end of January 2022.*

## Capital Market Development in Bangladesh

February, 2022

Capital market acts as a bridge of long term financing for the industrial development of a country through the selling and purchasing 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 the watchdog regulates the stock exchanges of the country.

### Capital Market Activities during the Month

At the end of February 2022, both DSE and CSE exhibited a downward trend in terms of index and turnover as compared to the end of January 2022. Broad index of DSE and all share price index of CSE were 2.70 percent and 3.24 percent lower respectively than that of the previous month. At the same time, total turnover value of traded shares of DSE and CSE were 29.30 percent and 12.11 percent lower respectively than that of January 2022.

**Table-1: Monthly Trends in Important Indicators of DSE and CSE**

(BDT in billions)

End Month	Enlisted issues (Incl. Mutual Funds/Deb.)		Issued capital and Debentures (Billion Taka)		Market Capitalization (Billion Taka)		Turnover during the month (Billion Taka)		Indices		Price/Earning Ratio <sup>2</sup>		Yield <sup>3</sup>	
	DSE	CSE	DSE	CSE	DSE <sup>1</sup>	CSE	DSE	CSE	DSE Broad Index (DSE Shariah Index)	CSE All Share Price Index (CSE Shariah Index)	DSE	CSE	DSE	CSE
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)	17795.0 (1091.85)	18.50	17.68	3.98	3.63
May-21	604	345	1392.44	827.92	5038.69	4288.28	310.10	15.46	5990.99 (1286.20)	17359.57 (1044.59)	18.31	17.40	4.06	3.70
Apr-21	604	345	1387.28	824.31	4707.13	3973.52	143.77	8.69	5479.62 (1249.82)	15844.80 (1003.67)	16.91	16.44	4.26	3.59
Mar-21	603	344	1384.62	820.22	4589.02	3861.42	144.80	9.44	5278.16 (1204.18)	15264.62 (982.59)	16.89	17.27	3.85	3.61
Feb-21	600	341	1371.79	806.75	4657.37	3919.44	144.49	7.71	5404.80 (1222.84)	15603.80 (983.85)	17.41	16.70	3.09	2.99

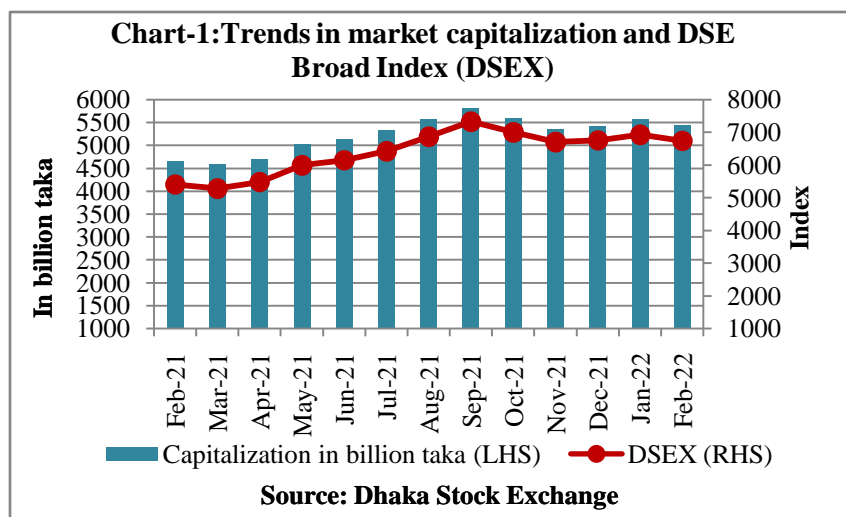
Source: Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE) Note: BDT= Bangladeshi Currency (Taka)

Note- 1: Total 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:  $\text{Yield} = \frac{\text{dividend per share}}{\text{closing Price}} \times 100$

## Dhaka Stock Exchange (DSE)

The total number of listed securities stood at 622 at the end of February 2022. Among listed securities, there were 348 companies, 37 mutual funds, 222 government bonds, 8 debentures, and 7 corporate bonds. The number of companies consists of 33 banks, 23 financial Institutions, 53 insurance companies, and 239 other companies.



DSE Broad Index (DSEX) stood at 6739.45 points at the end of February 2022 which was 2.70 percent lower than that of January 2022 and 24.69 percent higher than that of the same month of the previous year. The market capitalization of DSE stood at BDT 5437.19 billion at the end of February 2022 which was 2.38 percent lower than that of January 2022 and 16.74 percent higher than that of the same month of the preceding year (Chart-1).

The ratio of market capitalization to GDP (at current market price) stood at 15.40 percent at the end of February 2022 which was 15.78 percent at the end of January 2022 and 16.65 percent in the corresponding month of the previous year (Table-2).

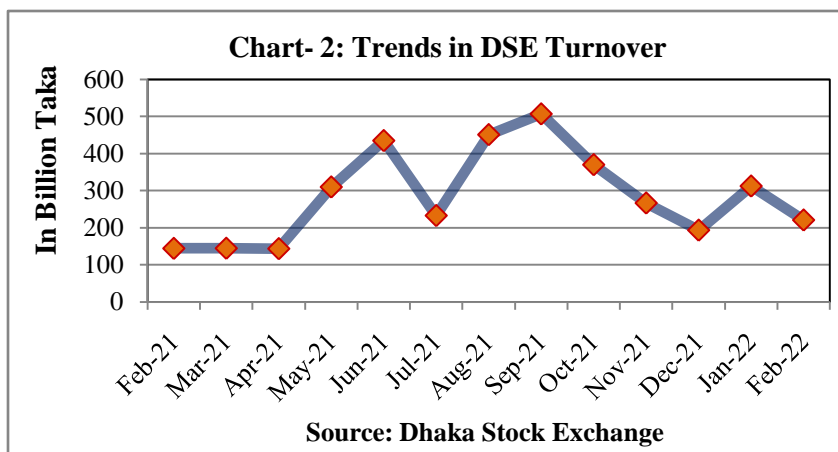
**Table-2: Market Capitalization to GDP ratio<sup>4</sup>**

Month	Market Cap. to GDP ratio
Feb-22	15.40
Jan-22	15.78
Dec-21	15.36
Nov-21	15.14
Oct-21	15.85
Sep-21	16.47
Aug-21	15.81
Jul-21	15.14
Jun-21	18.39
May-21	18.02
Apr-21	16.83
Mar-21	16.41
Feb-21	16.65

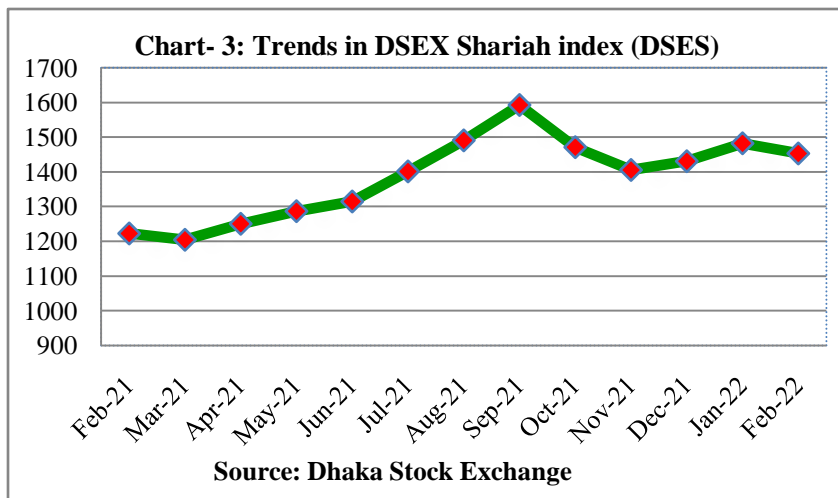
Source: RD own calculation

**Note-4:** The ratio of market capitalization to GDP is calculated as market capitalization divided by GDP of FY21 (final) at current market price (base year 2015-16) multiplied by 100 which is 15.40  $[(5437.19/35301.85) \times 100 = 15.40]$

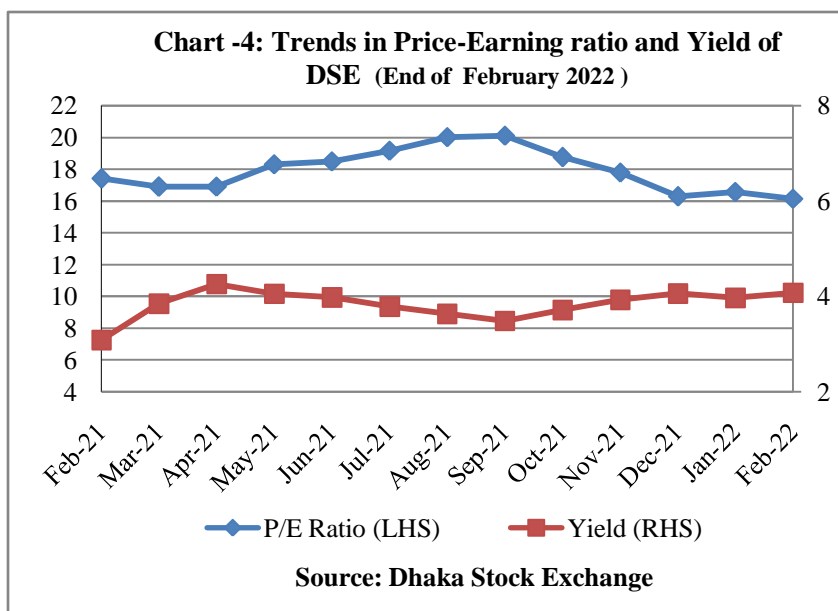
During February 2022, total turnover value of traded shares stood at BDT 221 billion which was 29.30 percent lower than that of January 2022 and 52.95 percent higher than that of the corresponding month of the previous year (Chart-2).



At the end of February 2022, DSEX Shariah Index (DSES) stood at 1453.48 points which was 1481.89 points at the end of January 2022 and 1222.84 points at the end of February 2021 (Chart -3).

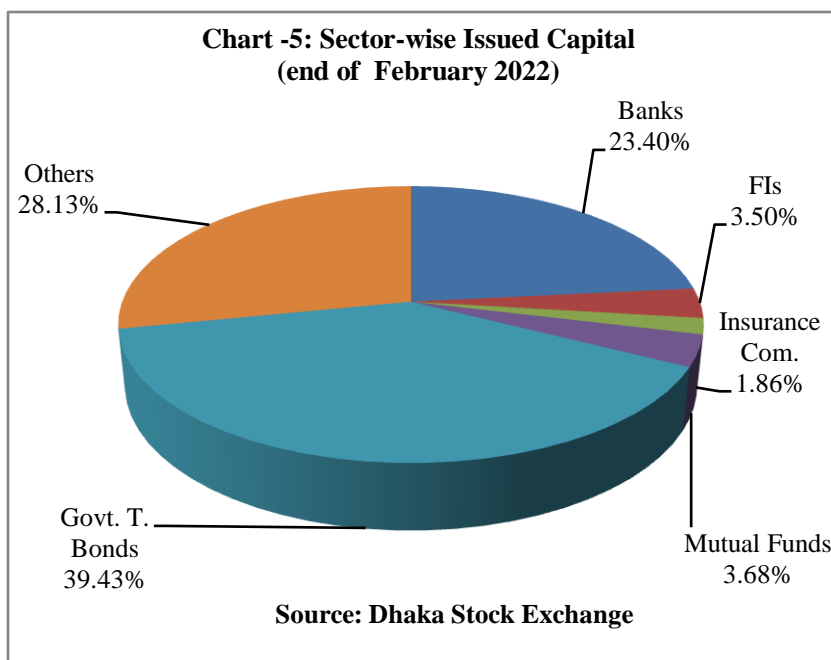


The Price-Earning (P/E) ratio stood at 16.15 at the end of February 2022 which was 16.58 at the end of January 2022. The ratio was 17.41 at the end of February 2021. On the other hand, the yield of all share slightly increased to 4.08 at the end of February 2022 which was 3.97 at the end of January 2022 and 3.09 at the end of February 2021. Trends of price-earnings ratio and yield are shown in the Chart-4.

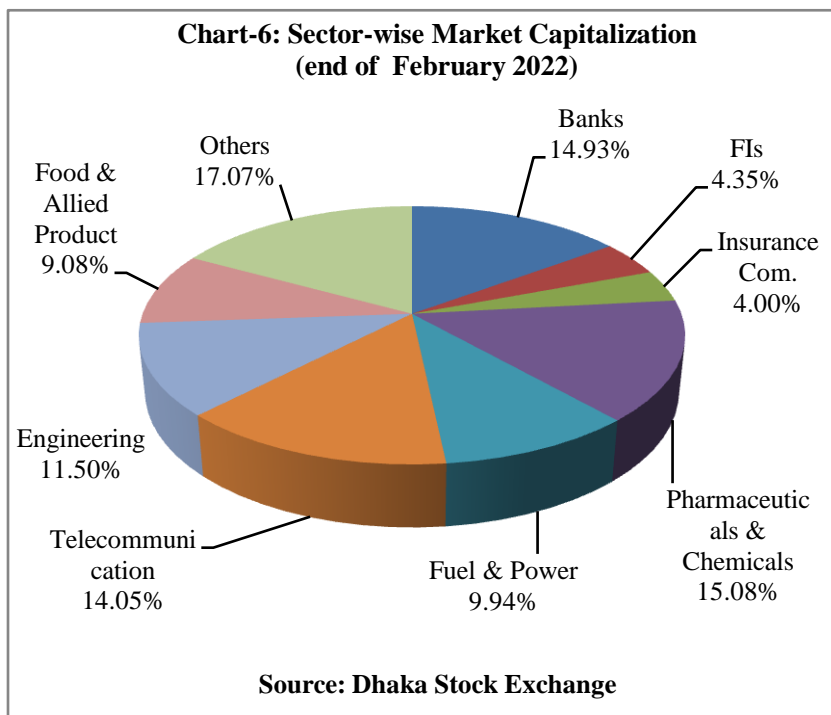


## Sector-wise issued capital and market capitalization of DSE

The total amount of issued capital was BDT 1505.36 billion at the end of February 2022, which were BDT 1505.10 billion at the end of January 2022 and BDT 1371.79 billion at the end of February 2021. Among different sectors, Bangladesh Govt. Treasury Bonds (BGTBs) dominate the market in terms of issued capital at the end of February 2022. This sector alone issued around 39.43 percent of the capital followed by Banks 23.40 percent, Mutual Funds 3.68 percent, Financial Institutions (FIs) 3.50 percent, Insurance Companies 1.86 percent and others 28.13 percent (Chart-5).



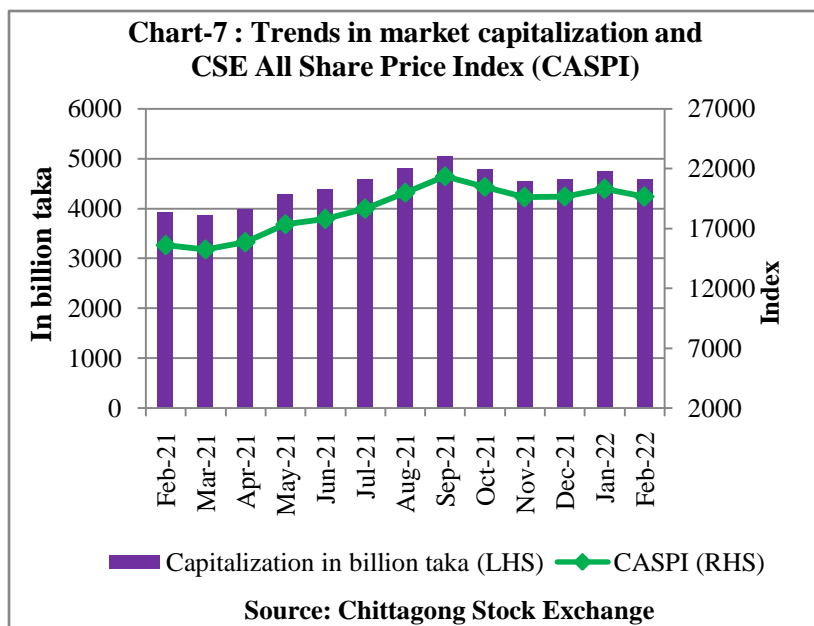
The total amount of market capitalization was BDT 5437.19 billion at the end of February 2022, which were BDT 5569.82 billion at the end of January 2022 and BDT 4657.37 billion at the end of February 2021. Among different sectors, Pharmaceuticals & Chemicals alone recorded as the highest contributor of market capitalization which was 15.08 percent followed by Banks 14.93 percent, Telecommunication 14.05 percent, Engineering 11.50 percent, Fuel & Power 9.94 percent, Food & Allied Product 9.08 percent, Financial Institutions 4.35 percent, Insurance Companies 4.00 percent and others 17.07 percent (Chart-6)<sup>5</sup>.



**Note-5:** Sector-wise Market Capitalization of all listed securities excluding Bangladesh Govt. Treasury Bonds (BGTBs) and debentures since these two types of products are not taking part in trading in the market.

## Chittagong Stock Exchange (CSE)

The total number of listed securities in the CSE stood at 361 at the end of February 2022. During February 2022, total turnover value of traded shares stood at BDT 8.27 billion which was 12.11 percent lower than that of January 2022 and 7.26 percent higher than that of the same month of the previous year. The market capitalization of CSE stood at BDT 4587.74 billion at the end of February 2022 which was 3.33 percent lower than that of January 2022 and 17.05 percent higher than that of the same month of the previous year. All Share Price Index



of CSE stood at 19641.26 at the end of February 2022 which was 3.24 percent lower than that of January 2022 and 25.87 percent higher than that of the same month of the previous year (Chart-7).

The Shariah Index 'CSES' stood at 1225.85 points at the end of February 2022 which was 1265.70 points at the end of January 2022 and 983.85 points at the same month of the previous year. The total amount of issued capital stood at BDT 891.35 billion at the end of February 2022 which were BDT 891.12 billion at the end of January 2022 and BDT 806.75 billion at the end of the same month of the previous year. Price Earnings (P/E) ratio in CSE slightly decreased to 17.09 at the end of February 2022 which was 17.66 at the end of January 2022. The ratio was 16.70 at the end of February 2021. On the other hand, the yield slightly increased to 3.76 at the end of February 2022 which was 3.63 at the end of January 2022 and it was 2.99 at the end of February 2021.