

Monthly Report on
Capital Market Development in Bangladesh*



May, 2021

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Capital Market Highlights in May 2021

- *At the end of May 2021, both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) exhibited upward trend in terms of index and turnover compared to that of the end of April 2021.*
- *Broad index of DSE and all share price index of CSE rose to 5990.99 points and 17359.57 points respectively at the end of May 2021, which were 5479.62 points and 15844.80 points respectively at the end of April 2021.*
- *Total turnover value of traded shares of DSE and CSE were BDT 310.10 billion and BDT 15.46 billion respectively at the end of May 2021, which were 115.69 percent and 78.03 percent higher respectively than that of April 2021.*

Capital Market Development in Bangladesh

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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 turn-over of capital market contributes to the GDP of the country. Capital market in Bangladesh consists of two full-fledged automated 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 May 2021, both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) exhibited upward trend in terms of index and turnover compared to the end of April 2021. Broad index of DSE and all share price index of CSE rose to 5990.99 points and 17359.57 points at the end of May 2021 which were 5479.62 points and 15844.80 points at the end of April 2021. Total turnover value of traded shares of DSE and CSE were BDT 310.10 billion and BDT 15.46 billion at the end of May 2021, which were 115.69 percent and 78.03 percent higher than that of April 2021.

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		Yield	
	DSE	CSE	DSE	CSE	DSE [#]	CSE	DSE	CSE	DSE Broad Index (DSEX Shariah Index)	CSE All Share Price Index (CSE Shariah Index)	DSE	CSE	DSE	CSE
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
Jan-21	597	338	1368.94	803.28	4790.29	4072.72	339.59	17.28	5649.86 (1265.37)	16474.97 (1031.29)	18.00	18.19	3.01	2.95
Dec-20	597	338	1375.28	809.29	4482.30	3754.95	215.88	9.18	5402.07 (1242.11)	15592.92 (1018.85)	16.53	14.98	3.16	3.11
Nov-20	593	335	1316.10	754.02	3899.79	3212.33	174.07	5.80	4866.84 (1113.98)	13991.43 (919.67)	12.98	12.82	3.73	3.46
Oct-20	593	335	1315.83	750.21	3912.52	3227.92	170.40	5.41	4846.1022 (1098.80)	13824.13 (888.06)	13.21	12.89	3.70	3.43
Sep-20	592	334	1311.98	748.25	3996.42	3300.77	222.58	7.19	4963.29 (1120.39)	14167.23 (912.64)	13.51	13.97	3.61	3.36
Aug-20	591	333	1306.01	744.83	3698.34	2997.00	186.18	5.94	4879.15 (1132.85)	13908.14 (902.97)	13.06	12.68	3.69	3.87
Jul-20	590	332	1300.96	743.24	3257.33	2572.76	60.01	3.50	4214.43 (976.50)	11957.06 (777.28)	11.37	11.40	4.29	4.56
Jun-20 [@]	589	331	1297.44	735.90	3119.67	2447.57	47.80	9.53	3989.09 (925.08)	11332.59 (733.28)	10.78	10.68	4.43	4.73

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

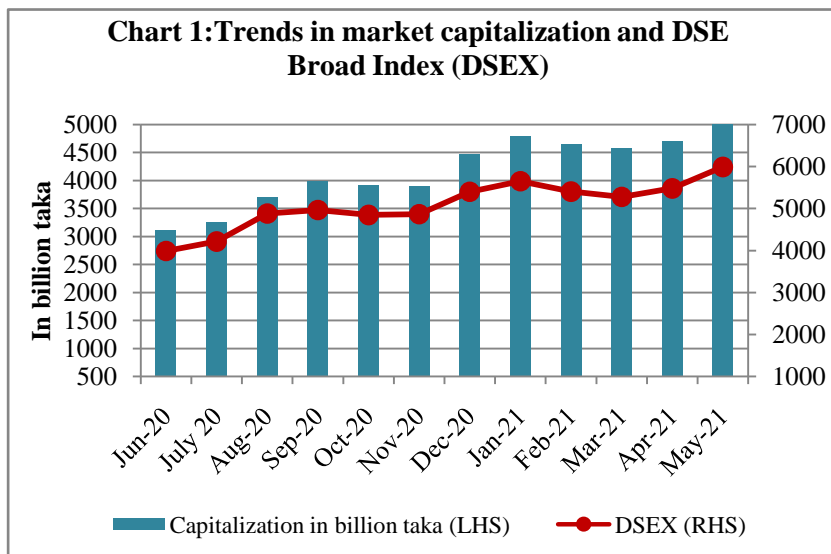
[@] No transactions were made in April & May, 2020 due to ordinary holiday for Covid-19

[#]Total Market Capitalization of all listed securities includes companies, mutual funds, corporate bonds, treasury bonds and debentures.

Dhaka Stock Exchange (DSE)

The total number of listed securities stood at 604 at the end of May 2021. Among listed securities, there were 336 companies, 37 mutual funds, 221 government bonds, 8 debentures, and 2 corporate bonds. The number of companies consists of 31 banks, 23 financial Institutions, 50 insurance companies and 232 others companies.

Total turnover value of traded shares was BDT 310.10 billion during May 2021 which was 115.69 percent higher than that of April 2021 (Table-1).



DSE Broad Index (DSEX) stood at 5990.99 points at the end of May 2021, which was 9.33 percent higher than 5479.62 points at the end of April 2021 (Chart-1).

The market capitalization of DSE stood at BDT 5038.69 billion at the end of May 2021 which was 7.04 percent higher than BDT 4707.13 billion at the end of April 2021 (Chart-1). The ratio of market capitalization to GDP (at current market price) stood higher at 18.02 percent* at the end of May 2021 which was 16.83 percent at the end of April 2021.

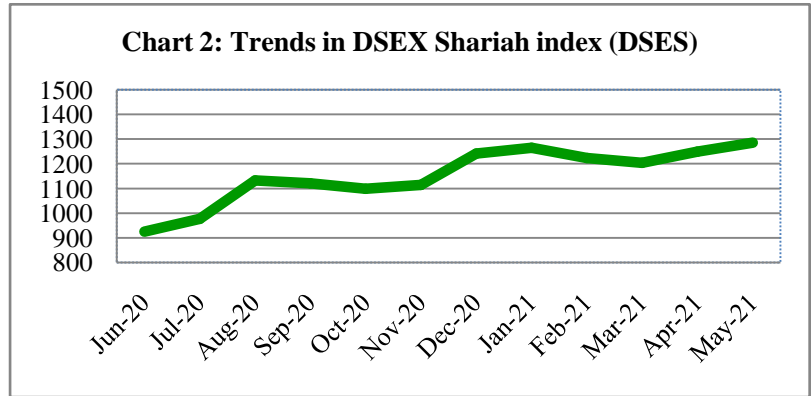
Table-2: Market Capitalization to GDP ratio

Month	Market Cap. to GDP ratio
May-21	18.02
Apr-21	16.83
Mar-21	16.41
Feb-21	16.65
Jan-21	17.13
Dec-20	16.03
Nov-20	13.95
Oct-20	13.99
Sep-20	14.29
Aug-20	13.23
Jul-20	11.65
Jun-20	11.16

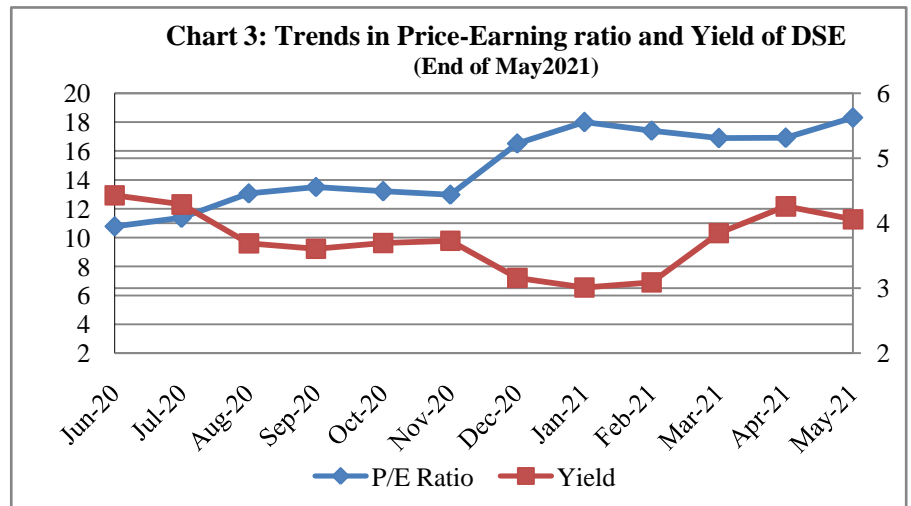
Source: RD own calculation

*The ratio of market capitalization to GDP is calculated as market capitalization divided by GDP of FY20^P at current market price multiplied by 100 which is 18.02 [(5038.69/27963.78) x100 = 18.02]

Sharia'h Compliant index named DSES went up to 1286.20 points at the end of May 2021 which was 1249.82 points at the end of April 2021 (Chart -2).

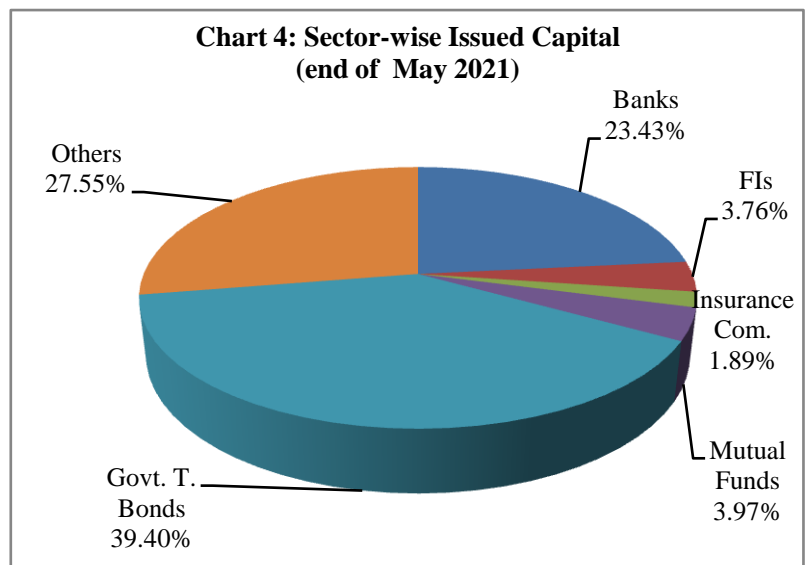


The price-earning (P/E) ratio increased to 18.31 at the end of May 2021 which was 16.91 at the end of April 2021. On the other hand, the yield of all share decreased to 4.06 at the end of May 2021 which was 4.26 at the end of April 2021 (Chart-3).

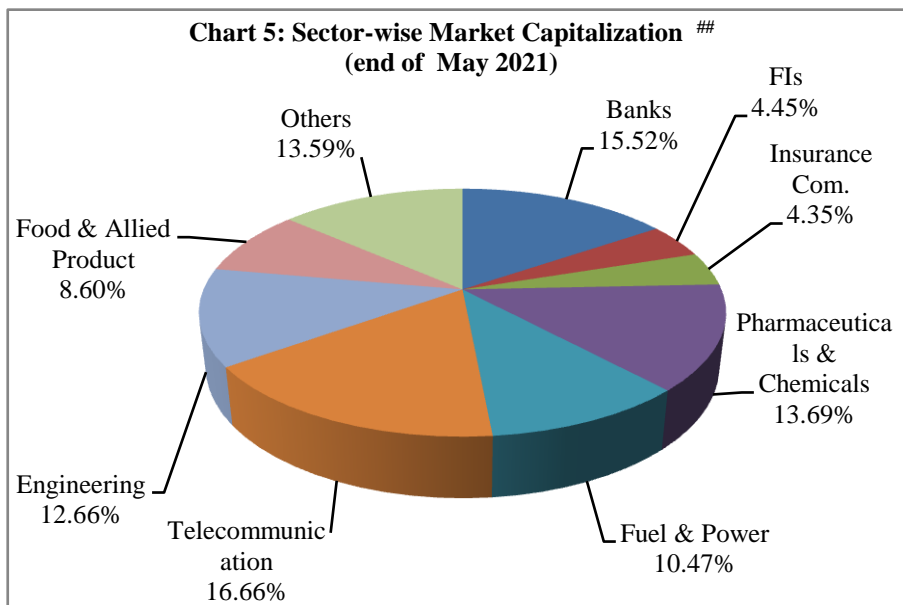


Sector wise Issued capital and market capitalization of DSE

The total amount of issued capital was BDT 1392.44 billion at the end of May 2021, which was BDT 1387.28 billion at the end of April 2021. Among different sectors, Bangladesh Govt. Treasury Bonds (BGTBs) dominate the market in terms of issued capital at the end of May 2021. This sector issued around 39.40 percent of the capital followed by Banks 23.43 percent, Mutual Funds 3.97 percent, Financial Institutions (FIs) 3.76 percent, Insurance Companies 1.89 percent and others 27.55 percent (Chart-4).

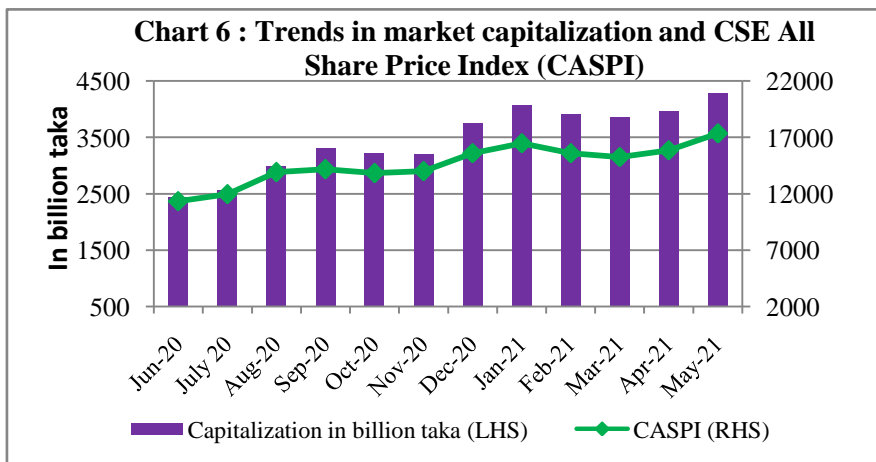


At the end of May 2021, Telecommunication recorded as the highest contributor of market capitalization which was 16.66 percent followed by banks 15.52 percent, Pharmaceuticals & Chemicals 13.69 percent, Engineering 12.66 percent, Fuel & Power 10.47 percent, Food & Allied Product 8.60 percent, Financial Institutions 4.45 percent, Insurance Companies 4.35 percent, and Others 13.59 percent (Chart-5).



Chittagong Stock Exchange (CSE)

The total number of listed securities in Chittagong Stock Exchange (CSE) stood at 345 at the end of May 2021. Total turnover value of traded shares was BDT 15.46 billion during May 2021, which was 78.03 percent higher than that of April 2021. The market capitalization of CSE stood at BDT 4288.28 billion at the end of May 2021, which was 7.92 percent higher than that of April 2021. All Share Price Index of CSE stood at 17359.57 points at the end of May 2021 which was 9.56 percent higher than 15844.80 points at the end of April 2021 (Chart-6).



The Shariah Compliant index 'CSES' went up to 1044.59 points at the end of May 2021 which was 1003.67 points at the end of April 2021. The total amount of issued capital increased to BDT 827.92 billion at the end of May 2021 which was BDT 824.31 billion at the end of April 2021. Price Earnings (P/E) ratio in CSE increased to 17.40 at the end of May 2021 which was 16.44 at the end of April 2021. In Chittagong Stock Exchange, the yield slightly increased to 3.70 at the end of May 2021 which was 3.59 at the end of April 2021.

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.