

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



**November, 2021**

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

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## Highlights in November 2021

- *At the end of November 2021, both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) exhibited a downward trend in terms of index and turnover compared to that of the end of October 2021.*
- *Broad index of DSE and all share price index of CSE stood at 6703.26 points and 19614.38 points respectively at the end of November 2021, which were 7000.95 points and 20480.31 points respectively at the end of October 2021.*
- *Total turnover value of traded shares of DSE and CSE stood at BDT 266.83 billion and BDT 9.56 billion respectively at the end of November 2021, which were BDT 370.17 billion and BDT 13.77 billion respectively at the end of October 2021.*
- *The market capitalization of DSE and CSE also stood at BDT 5344.40 billion and BDT 4552.33 billion respectively at the end of November 2021, which were BDT 5595.79 billion and BDT 4782.45 billion respectively at the end of October 2021.*

## Capital Market Development in Bangladesh

### November, 2021

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 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 November 2021, both DSE and CSE exhibited a downward trend in terms of index and turnover as compared to the end of October 2021. At the end of November 2021, Broad index of DSE and all share price index of CSE were 4.25 percent and 4.23 percent lower than that of October 2021. At the same time, total turnover value of traded shares of DSE and CSE were 27.92 percent and 30.57 percent lower than that of October 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 <sup>2</sup>		Yield <sup>3</sup>	
	DSE	CSE	DSE	CSE	DSE <sup>1</sup>	CSE	DSE	CSE	DSE Broad Index (DSEX Shariah Index)	CSE All Share Price Index (CSE Shariah Index)	DSE	CSE	DSE	CSE
Nov-21	614	353	1458.53	847.86	5344.40	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
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

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

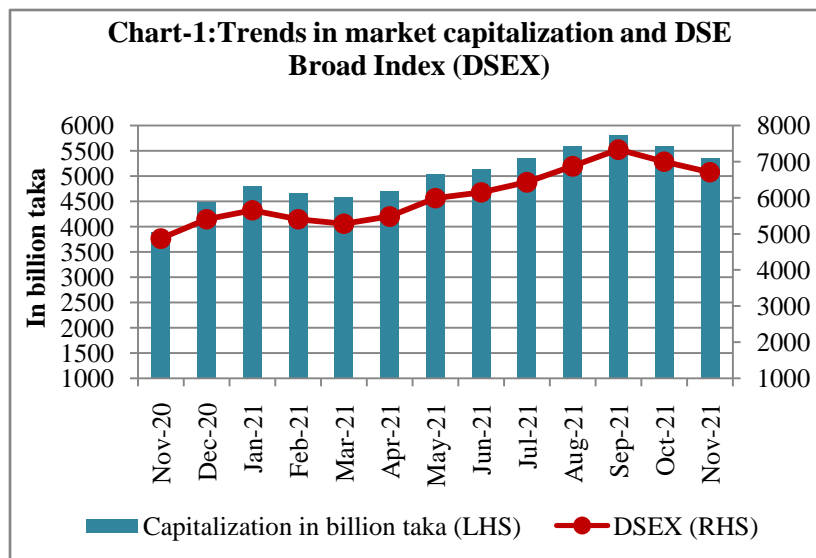
Note- 1: Total Market Capitalization of all listed securities includes companies, mutual funds, corporate bonds, treasury bonds and debentures.

2:  $P/E = \frac{\text{closing price}}{\text{earning per share}}$ ; 3:  $Yield = \frac{\text{dividend per share}}{\text{closing Price}} \times 100$

## Dhaka Stock Exchange (DSE)

The total number of listed securities stood at 614 at the end of November 2021. Among listed securities, there were 345 companies, 37 mutual funds, 222 government bonds, 8 debentures, and 2 corporate bonds. The number of companies consists of 32 banks, 23 financial Institutions, 52 insurance companies, and 238 other companies.

During November 2021, total turnover value of traded shares stood at BDT 266.83 billion which was 27.92 percent lower than that of October 2021 and 53.29 percent higher than that of the same month of the last year (Table-1).



Source: Dhaka Stock Exchange

DSE Broad Index (DSEX) stood at 6703.26 at the end of November 2021 which was 4.25 percent lower than that of October 2021 and 37.73 percent higher than that of the same month of the previous year. The market capitalization of DSE stood at BDT 5344.40 billion at the end of November 2021 which was 4.49 percent lower than that of October 2021 and 37.04 percent higher than that of November 2020 (Chart-1). The ratio of market capitalization to GDP (at current market price) stood at 15.34 percent at the end of November 2021 which was 18.58 percent at the end of October 2021.

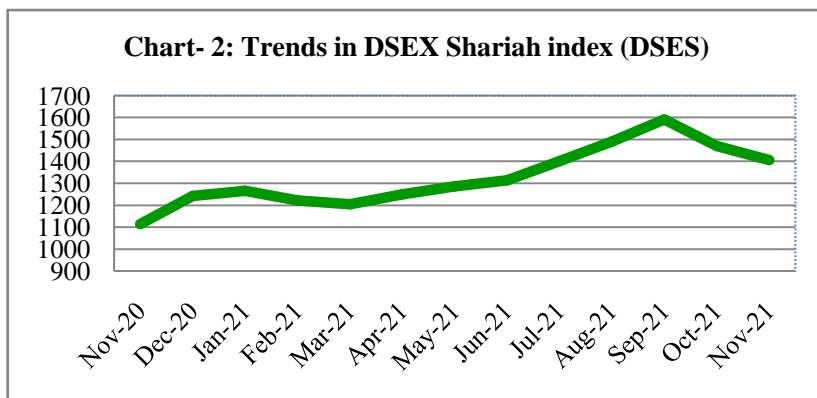
**Table-2: Market Capitalization to GDP ratio<sup>4</sup>**

Month	Market Cap. to GDP ratio
Nov-21	15.34
Oct-21	18.58
Sep-21	19.31
Aug-21	18.53
Jul-21	17.75
Jun-21	18.39
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

Source: RD own calculation

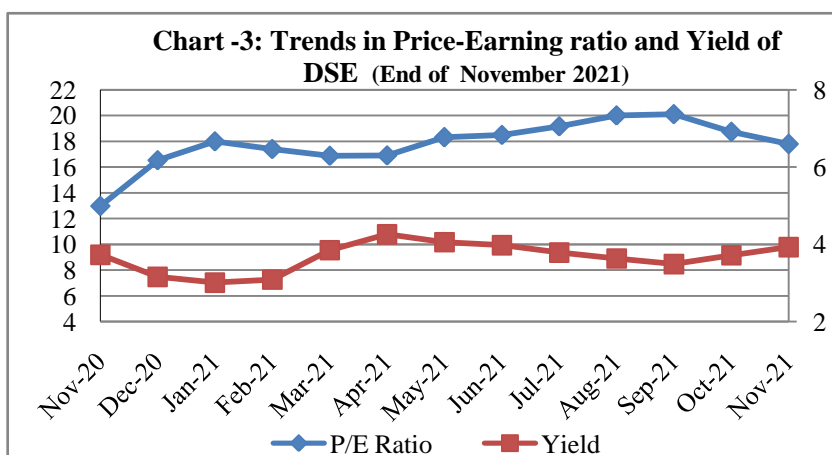
**Note-4:** The ratio of market capitalization to GDP is calculated as market capitalization divided by GDP of FY21<sup>P</sup> at current market price (base year 2015-16) multiplied by 100 which is 15.34 [ (5344.40/34840.33) x 100 = 15.34]

Sharia'h Index named DSES stood at 1405.55 points at the end of November 2021 which was 1470.50 points at the end of October 2021 and 1113.98 points at the end of November 2020 (Chart -2).



Source: Dhaka Stock Exchange

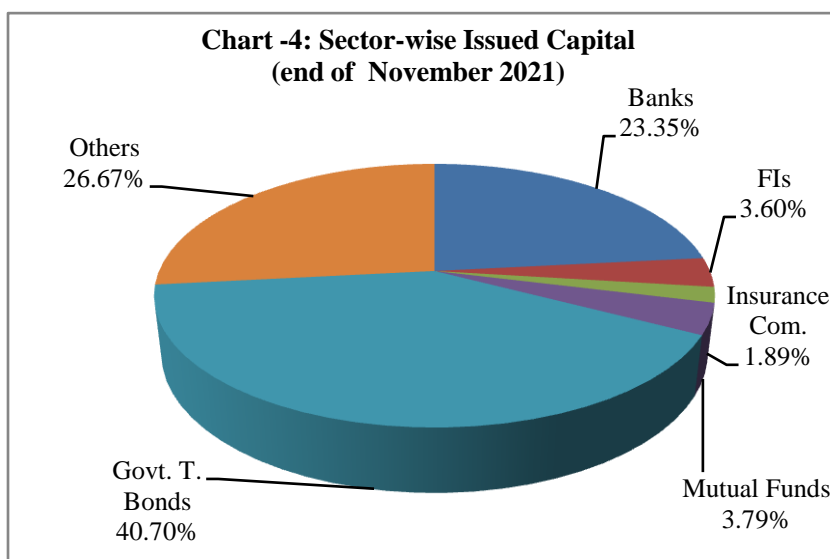
The Price-Earning (P/E) ratio stood at 17.79 at the end of November 2021 which was 18.75 at the end of October 2021. The ratio was 12.98 at the end of November 2020. On the other hand, the yield of all share slightly increased to 3.93 at the end of November 2021 which was 3.72 at the end of October 2021 and 3.73 at the end of November 2020. Trends of price-earnings ratio and yield are shown in the Chart-3.



Source: Dhaka Stock Exchange

### Sector-wise issued capital and market capitalization<sup>5</sup> of DSE

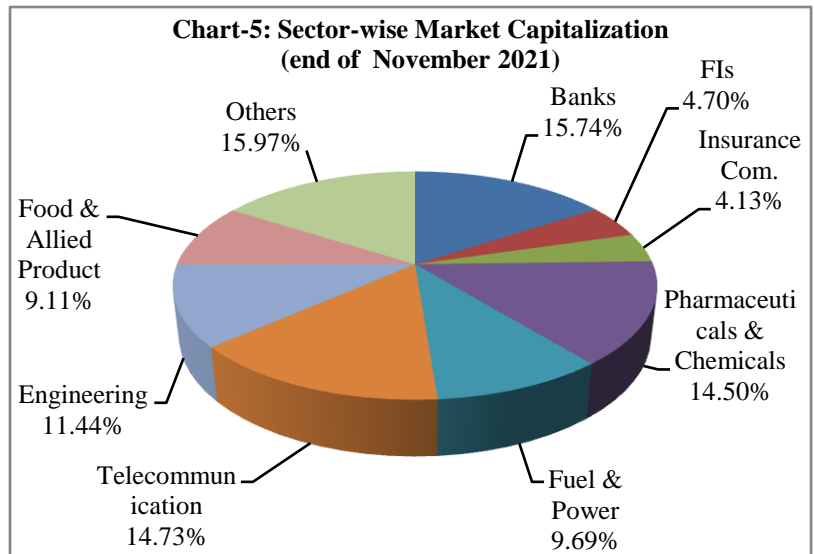
The total amount of issued capital was BDT 1458.53 billion at the end of November 2021, which were BDT 1456.74 billion at the end of October 2021 and BDT 1316.10 billion at the end of November 2020. Among different sectors, Bangladesh Govt. Treasury Bonds (BGTBs) dominate the market in terms of issued capital at the end of November 2021. This sector issued around 40.70 percent of the capital followed by Banks 23.35 percent, Mutual Funds 3.79 percent, Financial Institutions (FIs) 3.60 percent, Insurance Companies 1.89 percent and others 26.67 percent (Chart-4).



Source: Dhaka Stock Exchange

**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.

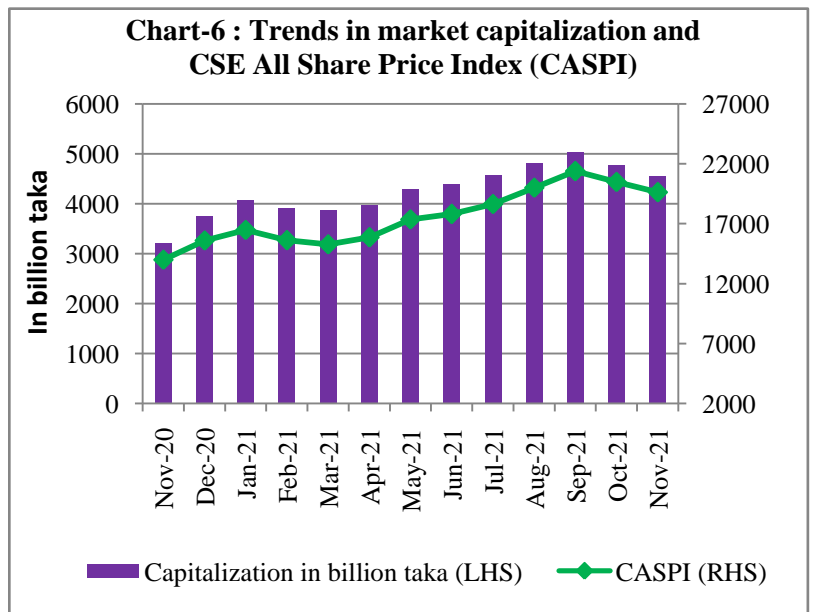
At the end of November 2021, Banks recorded as the highest contributor of market capitalization which was 15.74 percent followed by Telecommunication 14.73 percent, Pharmaceuticals & Chemicals 14.50 percent, Engineering 11.44 percent, Fuel & Power 9.69 percent, Food & Allied Product 9.11 percent, Financial Institutions 4.70 percent, Insurance Companies 4.13 percent and Others 15.97 percent (Chart-5).



Source: Dhaka Stock Exchange

### Chittagong Stock Exchange (CSE)

The total number of listed securities in the CSE stood at 353 at the end of November 2021. During November 2021, total turnover value of traded shares stood at BDT 9.56 billion which was 30.57 percent lower than that of October 2021 and 64.72 percent higher than that of the same month of the previous year. The market capitalization of CSE stood at BDT 4552.33 billion at the end of November 2021 which was 4.81 percent lower than that of October 2021 and 41.71 percent higher than that of November 2020. All Share Price Index of CSE stood at 19614.38 at the end of November 2021 which was 4.23 percent lower than that of October 2021 and 40.19 percent higher than that of November 2020 (Chart-6).



Source: Chittagong Stock Exchange

The Shariah Index 'CSES' went down to 1197.96 points at the end of November 2021 which was 1266.48 points at the end of October 2021 and 919.67 points at the end of November 2020. The total amount of issued capital slightly increased to BDT 847.86 billion at the end of November 2021 which were BDT 847.20 billion at the end of October 2021 and BDT 754.02 billion at the end of November 2020. Price Earnings (P/E) ratio in CSE slightly decreased to 18.01 at the end of November 2021 which was 18.94 at the end of October 2021. The ratio was 12.82 at the end of November 2020. In Chittagong Stock Exchange, the yield slightly increased to 3.51 at the end of November 2021 which was 3.35 at the end of October 2021 and it was 3.46 at the end of November 2020.