

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



March, 2022

**Research Department**  
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## Highlights in March 2022

- *Broad index of DSE and all share price index of CSE stood at 6757.84 points and 19748.83 points respectively at the end of March 2022, which were 6739.45 points and 19641.26 points respectively at the end of February 2022.*
- *DSEX Shariah index (DSES) and CSE Shariah index (CSES) stood at 1468.11 points and 1245.39 points respectively at the end of March 2022, which were 1453.48 points and 1225.85 points respectively at the end of February 2022.*
- *Total turnover value of traded shares of DSE and CSE stood at BDT 185.43 billion and BDT 6.64 billion respectively at the end of March 2022, which were BDT 221 billion and BDT 8.27 billion respectively at the end of February 2022.*
- *The market capitalization of DSE and CSE stood at BDT 5394.15 billion and BDT 4546.00 billion respectively at the end of March 2022, which were BDT 5437.19 billion and BDT 4587.74 billion respectively at the end of February 2022.*
- *The Price-Earning (P/E) ratio of DSE and CSE stood at 15.63 and 16.80 respectively at the end of March 2022 which were 16.15 and 17.09 respectively at the end of February 2022.*

## Capital Market Development in Bangladesh

March, 2022

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 March 2022, both DSE and CSE exhibited an upward trend in terms of index but downward trend in terms of turnover as compared to the end of February 2022. Broad index of DSE and all share price index of CSE were 0.27 percent and 0.55 percent higher respectively than that of the previous month. On the other hand, total turnover value of traded shares of DSE and CSE were 16.10 percent and 19.71 percent lower respectively than that of February 2022.

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

(BDT in billions)

End of Month	Enlisted issues (Incl. Mutual Funds/Deb.)		Issued capital and Debentures (Billion BDT)		Market Capitalization (Billion BDT)		Turnover during the month (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 Broad Index (DSE Shariah index)	CSE All Share Price Index (CSE Shariah index)	DSE	CSE	DSE	CSE
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)	17795.0 (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

Source: Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE),

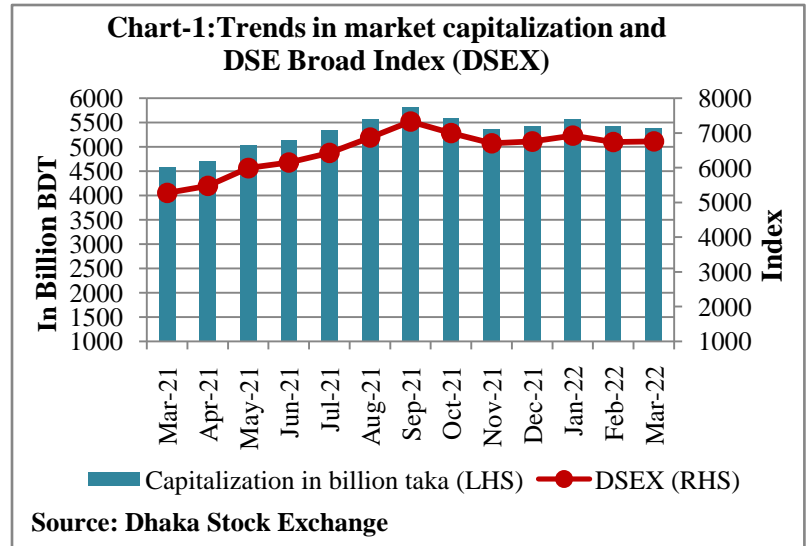
Note: BDT= Bangladeshi Currency (Taka)

<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 623 at the end of March 2022. Among listed securities, there were 349 companies, 36 mutual funds, 222 government bonds, 8 debentures, and 8 corporate bonds. The number of companies consists of 33 banks, 23 financial Institutions, 53 insurance companies, and 240 other companies.



DSE Broad Index (DSEX) stood at 6757.84 points at the end of March 2022 which was 0.27 percent higher than that of February 2022 as well as 28.03 percent higher than that of the same month of the previous year. The market capitalization of DSE stood at BDT 5394.15 billion at the end of March 2022 which was 0.79 percent lower than that of February 2022 but 17.54 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 15.28 percent at the end of March 2022 which was 15.40 percent at the end of February 2022 and 16.41 percent in the corresponding month of the previous year (Table-2).

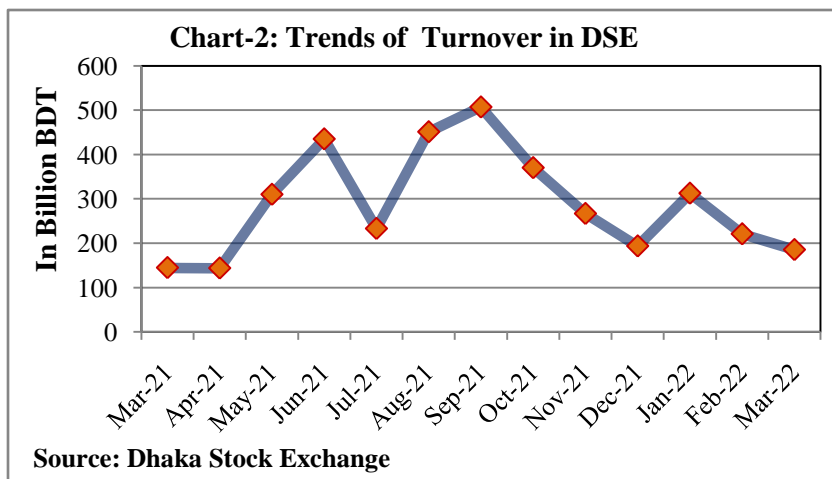
**Table-2: Market Capitalization to GDP ratio<sup>4</sup>**

Month	Market Capitalization to GDP ratio
Mar-22	15.28
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

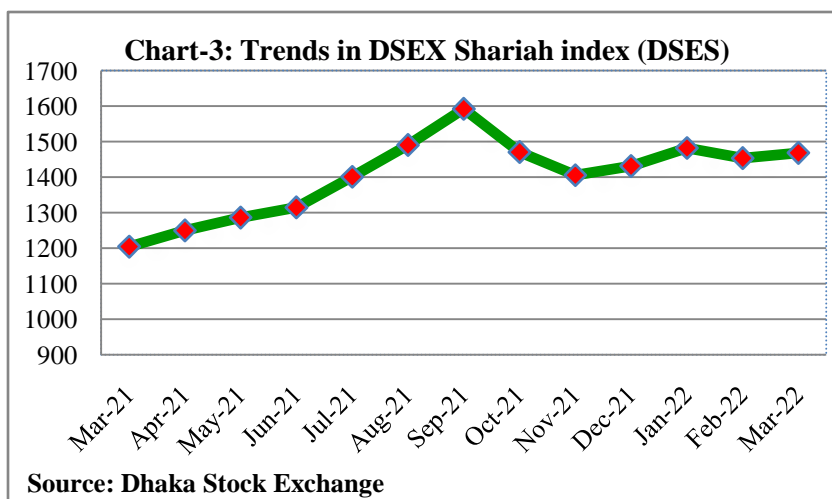
Source: Wing's own calculation

<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) of the fiscal year in which this particular month belongs.

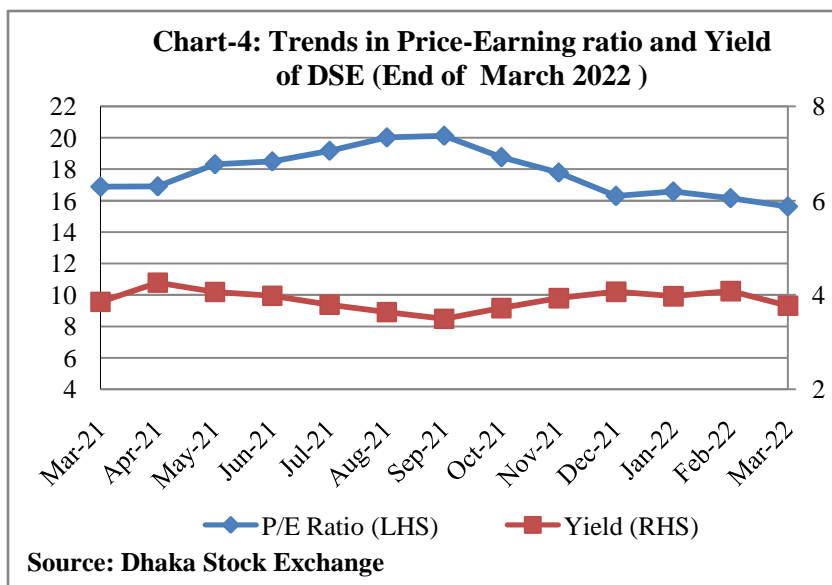
During March 2022, value of total turnover traded shares stood at BDT 185.43 billion which was 16.10 percent lower than that of February 2022 but 28.05 percent higher than that of the corresponding month of the previous year. The trend of turnover in DSE is shown in chart-2.



At the end of March 2022, DSEX Shariah Index (DSES) stood at 1468.11 points which was 1453.48 points at the end of February 2022 and 1204.18 points at the end of March 2021. The trend in DSEX Shariah index (DSES) is shown in chart-3.

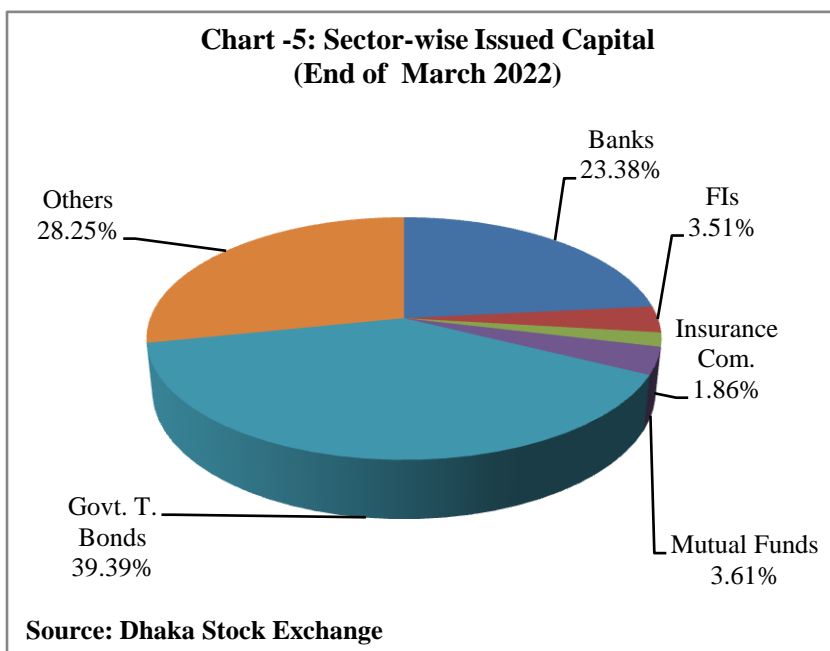


The Price-Earning (P/E) ratio stood at 15.63 at the end of March 2022 which was 16.15 at the end of February 2022. This ratio was 16.89 at the end of March 2021. The yield of all share slightly decreased to 3.77 at the end of March 2022 which was 4.08 at the end of February 2022 and 3.85 at the end of March 2021. Trends of price-earnings ratio and yield are shown in the Chart-4.

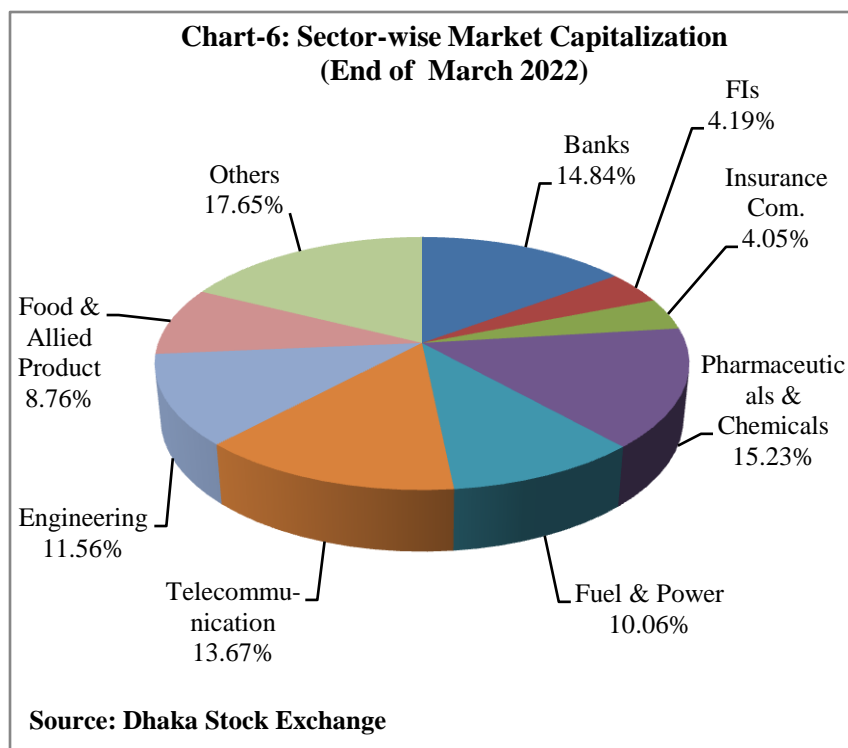


## Sector-wise issued capital and market capitalization of DSE

The total amount of issued capital stood at BDT 1506.79 billion at the end of March 2022, which were BDT 1505.36 billion at the end of February 2022 and BDT 1384.62 billion at the end of March 2021. Among different sectors, Bangladesh Govt. Treasury Bonds (BGTBs) dominated the market in terms of issued capital at the end of March 2022. This sector alone issued around 39.39 percent of the capital followed by Banks 23.38 percent, Mutual Funds 3.61 percent, Financial Institutions (FIs) 3.51 percent, Insurance Companies 1.86 percent and others 28.25 percent (Chart-5).



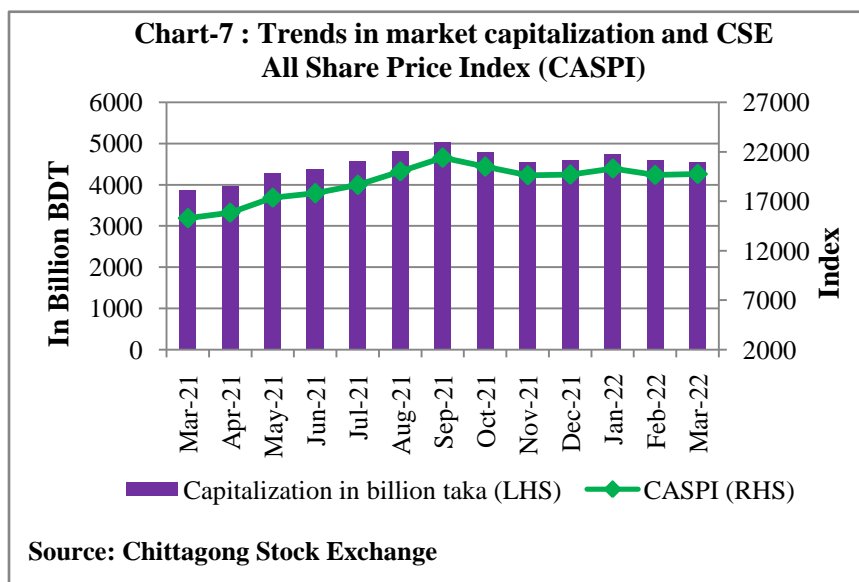
The total amount of market capitalization was BDT 5394.15 billion at the end of March 2022, which were BDT 5437.19 billion at the end of February 2022 and BDT 4589.02 billion at the end of March 2021. Among different sectors, Pharmaceuticals & Chemicals alone recorded as the highest contributor of market capitalization which was 15.23 percent followed by Banks 14.84 percent, Telecommunication 13.67 percent, Engineering 11.56 percent, Fuel & Power 10.06 percent, Food & Allied Product 8.76 percent, Financial Institutions 4.19 percent, Insurance Companies 4.05 percent and others 17.65 percent (Chart-6)<sup>5</sup>.



<sup>5</sup> 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 taking part in trading in the market.

## Chittagong Stock Exchange (CSE)

The total number of listed securities in the CSE stood at 363 at the end of March 2022. During March 2022, value of total turnover of traded shares stood at BDT 6.64 billion which was 19.71 percent lower than that of February 2022 and 29.66 percent lower than that of the same month of the previous year. The market capitalization of CSE stood at BDT 4546.0 billion at the end of March 2022 which was 0.91 percent lower than that of February 2022 but 17.73 percent higher than that of the same month of the previous year.



All Share Price Index of CSE stood at 19748.83 at the end of March 2022 which was 0.55 percent higher than that of February 2022 and 29.38 percent higher than that of the same month of the previous year. The trend of market capitalization and all share price index of CSE is shown at chart-7.

CSE Shariah Index 'CSES' stood at 1245.39 points at the end of March 2022 which was 1225.85 points at the end of February 2022 and 982.59 points at the same month of the previous year. The total amount of issued capital stood at BDT 896.8 billion at the end of March 2022 which were BDT 891.35 billion at the end of February 2022 and BDT 820.22 billion at the end of the same month of the previous year. Price Earnings (P/E) ratio in CSE decreased to 16.8 at the end of March 2022 which was 17.09 at the end of February 2022. The ratio was 17.27 at the end of March 2021. At the same time, the yield decreased to 3.43 at the end of March 2022 which was 3.76 at the end of February 2022 and it was 3.61 at the end of March 2021.