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The BICM Financial Market Review provides analytical insights about the performance of the financial market in Bangladesh on a monthly basis.



Efficient financial resource allocation with an effective banking sector would help accelerate the recovery and restore the robust growth momentum. Addressing financial sector vulnerabilities, particularly NPLs in state-owned commercial banks (SOCBs), and to increase private sector credit allocation remain a priority.

- IMF Director for the Asia and Pacific Department (APD), Krishna Srinivasan.



Economy of Bangladesh

Key indicators at a glance

Countries	Nominal GDP (USD in billion)	Real GDP Growth (yearly % Change)	Inflation Point to point (as of Jun, '23)	Currency Appreciation/Depreciation against USD	Reserve (Billion USD)	Currency Exchange Rates (per USD)
Bangladesh	426.85	6.03%	9.74%	-1.42%	24.75	108.39
Emerging Economies						
India	3,750.00	7.20%	4.81%	0.86%	509.02	82.58
China	19,373.00	4.50%	0.00%	-1.71%	3193	7.18
Developed Economies						
USA	23,618.00	2.90%	2.97%	0%	246	1
UK	3,080.00	1.90%	7.90%	2.40%	117.2	0.78

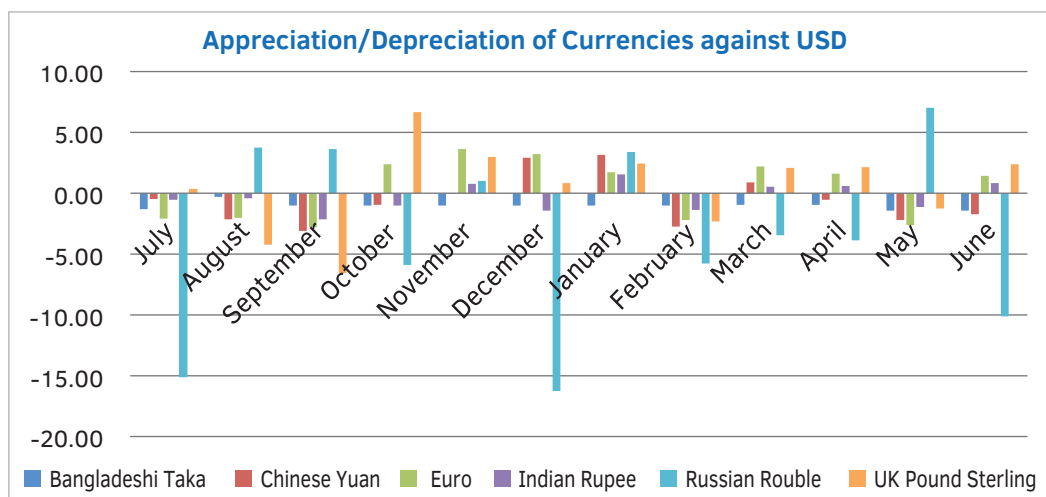


Figure 1: Appreciation or Depreciation of Different Currencies against USD

A visual tour of the key statistics

Import-Export Delta (Percentage Change upto May, 2023)

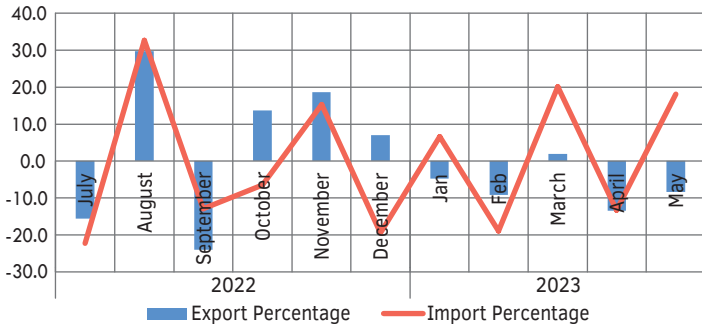


Figure 2: Import-Export Delta (Percentage Change upto May, 2023)

Total Domestic Credit M3 (In Crore of BDT)

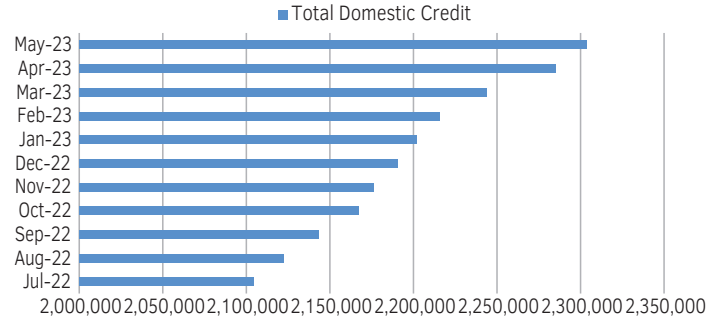


Figure 7: Total Domestic Credit

Foreign Remittance Growth of FY 2022-23

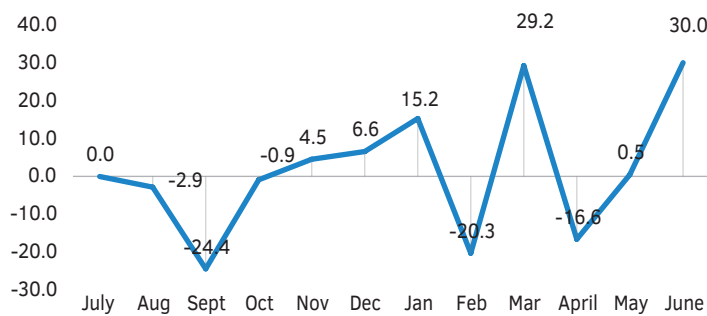


Figure 3: Foreign Remittance Growth of FY 2022-23

12- Month Average Inflation (In Percentage)

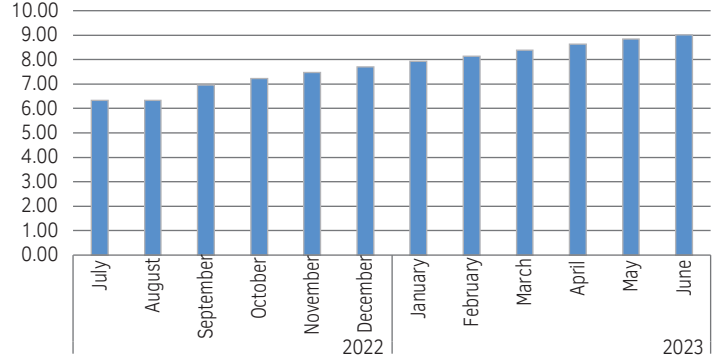


Figure 8: 12- Month Average Inflation (In Percentage)

Percentage Change of Foreign Reserve of Bangladesh

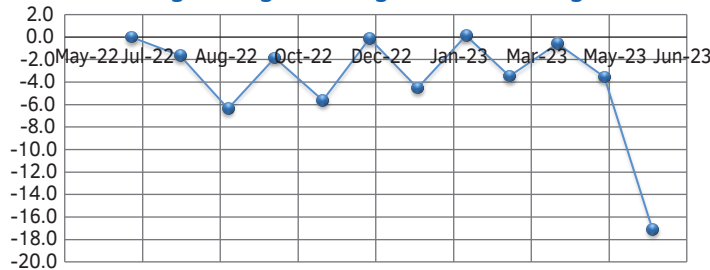


Figure 4: Percent Change of Foreign Reserve

Period Average Exchange Rate

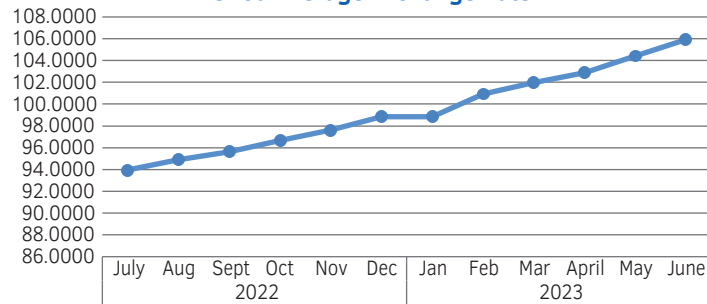


Figure 5: Period Average Exchange Rate of Bangladesh

Country-wise Workers' Remittance (In Crore of BDT)

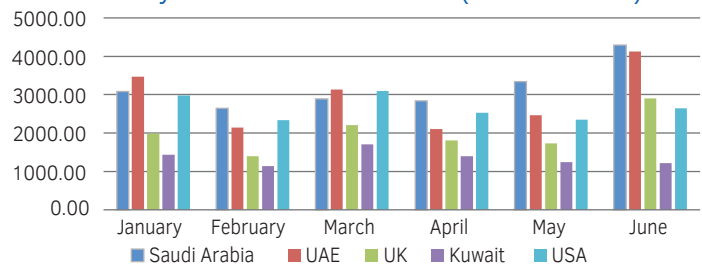


Figure 6: Country-wise Workers' Remittance

Numbers to Note

1. BDT was found to be depreciating by 1.42% per USD while other big South Asian economies had mixed effect against USD in this month.
2. Import increased very drastically while export decreased indicating a big deficit of trade.
3. Foreign remittance growth increased by 30% in June, 2023 which is a very surprising and positive economic event for this month.
4. The reserve is now 24.75 billion US Dollar which is lower because of following IMF guidelines.
5. The average monthly exchange rate is now 105.92 Taka per US Dollar that represents continuous depreciation over the last few months.
6. The Debt to GDP percentage in 2023 is 38% which was 37.5% in the previous year.
7. The 12-month average inflation is 9.02% which is increasing per month.

Economic Challenges Ahead

1. Though Bangladesh makes progress in IMF's suggested reforms implementation, the lower reserve depiction may make foreign direct investment less lucrative.
2. The falling export and increasing import value is a big concern to maintain the price level and demand level regular.
3. The Debt to GDP ratio is forecasted to cross 40% which may become an alarming issue to address.
4. The Non-Performing Loans may shrink the scopes of improvement for the economy.
5. Bangladesh's export may increase by 300% to India because of currency swap that must be considered as a big opportunity as well as challenge because, the relevant production target has to be energized here locally.
6. The rising inflation and increasing cost of commodities may turn on the switch of the economic depression in Bangladesh unless tackled properly.
7. Inflation and devaluation of Taka may slowdown manufacturing growth at a rapid rate.

[Data Source: Bangladesh Bank, IMF, WB & BBS]

Capital Market Oscillation ended up losing 19 Points in July



Capital Market

In July 2023, the market demonstrated a 0.29% decrease in the DSEX index compared to the previous month of June. The prices of the majority of issues remained unchanged along with capricious trend in major shares.

It is glaringly apparent by analyzing the capital market snapshot of July 2023 that the DSE market indices demonstrated a downward movement along with a positive trend in the last week of the month. The prices of the majority of issues decreased compared to the previous month. Other indices have also decreased compared to those of June except a positive return of 1.73% in high cap index. During July, on an average, only 80 issues advanced, 85 issues declined and the remaining 180 issues closed unchanged. The AD ratio compares the number of stocks that increased in value to the number of stocks that decreased in value. By shedding light on the AD ratio of this month, it is evident that the 22-trading day denoted a somewhat volatile trend in the market throughout the month along an increase in the second and third week of the month.

The market rode along the lifting curve for the first week of the month but on later weeks lost points on maximum trading days of the month. Investment in the market decreased as total traded value decreased by 5.18% over the month and whereas average trade volume increased by 43.87%. This month was quite chaotic for the country's capital market as post-Eid July was the first month of new fiscal year along with the political tension among mass people due to several political events around the country. Country's foreign exchange reserves (gross) rose to \$31 billion. Lots of factors contributed to lower investment in the market including higher inflationary pressure, lower remittance flow during the month, and tax uncertainty in recent monetary policy. Moreover, institutional and eligible investors were tethered to increase or decrease their exposure to many stocks due to the imposed rule of floor price. Banks' investment of more than BDT 16,000 crore have remained stuck in stock market during the last one year. The falling trade deficit, along with the increase in export earnings from sales of garments products might work as an optimistic way forward. Overall 15 IPOs are in the pipeline to penetrate the market waiting for the approval from the BSEC. Asiatic Laboratories Limited has got their approval from BSEC to come to the IPO. Analyzing the returns of the world's major indices it is apparent that major indexes of India, USA and UK showed a positive return in July compared to that of Bangladesh and Japan. Among those, UK's FTSE 250 index had a positive return of more than 3% greater than any other countries in comparison. In terms of

global commodity future markets, except Natural Gas every major commodity futures showed a positive trend. Natural Gas lost a maximum value of 3.31% whereas Soybean and Crude Oil prices have increased by more than 9% in the month of July.

The market PE ratio of the Dhaka Stock Exchange Limited this month was 17.54 on an average. FUWANGFOOD was in the top position based on turnover; JANATAINS was the top gainer in terms of price with 51% increase over the month whereas RUPALILIFE was the top loser. In terms of sector return, insurance sector, cement, jute sector, textile sector, and travel sector performed well in this month. Aggregately, the average trade volume increased 43% whereas the average trade value decreased by 5% along with a 0.57% decrease in the average market capitalization compared to the previous month. A piece of positive news this month for the economy of Bangladesh is that import growth decreased and we retained our 2nd position in terms of exporting of RMG.

BSEC and BB already have taken several actions to improve the market performance. The United Nations Development Program and the Bangladesh Securities and Exchange Commission on Monday signed a memorandum of understanding to strengthen cooperation in the development of the ecosystem for the issuance of thematic bonds to achieve the Sustainable Development Goals in Bangladesh. This kind of policy level assistance will ensure a vibrant capital market for the upcoming days.

DSE Market Indices

Index Name	1-Jul-23	31-Jul-23	Change	% Change
DSEX	6,343.30	6,324.81	-18.49	-0.29%
DSES	1,376.29	1,370.92	-5.37	-0.39%
DS30	2,191.94	2,157.41	-34.53	-1.58%
CDSET	1,211.84	1,209.97	-1.87	-0.15%
DSMEX	1,291.31	1,313.66	22.35	1.73%
Scripts Movement	Advance		Decline	Unchanged
	80		85	180

Table 1: DSE Market Indices

Market Aggregates

	31 Jul 2023	30 Jun 2023	Change	% Change
Average Market Capital (TK Million)	7,666,588.06	7,710,571.40	-43,983.34	-0.57%
Average Traded Value (TK Million)	7,785.27	8,210.24	-424.97	-5.18%
Average Number of Trades	175,445.09	178,823.67	-3,378.58	-1.89%
Average Trade Volume	208,863,884.27	145,179,514.86	63,684,369.42	43.87%

Table 2: Market Aggregates

Performance Comparison of DSE Major Index

		Turnover		Gainer		Loser			
Sl	Stock	Turnover	Total (%)	Sl	Stock	Return(%)	Sl	Stock	Return(%)
1	FUWANGFOOD	564.98	46.47%	1	JANATAINS	51.24%	1	RUPALLIFE	-50.53%
2	SEAPEARL	426.18	-1.30%	2	FUWANGFOO	46.47%	2	CLICL	-25.64%
3	KBPPWBIL	419.2	40.68%	3	CRYSTALINS	44.87%	3	PROGRESLIF	-24.71%
4	DELTALIFE	355.6	4.68%	4	CONTININS	44.76%	4	MEGHNA PET	-23.53%
5	LRBDL	313.78	0.00%	5	DESHBANDHI	43.89%	5	PRIMELIFE	-18.26%

Table 3: Performance Comparison of DSE Major Index

Performance comparison of World's Major Index

Country	Index Name	Return
India	BSESENSEX	2.03%
USA	DOWJONES	3.32%
Japan	Nikkei 225	-1.72%
UK	FTSE 250	3.44%
Bangladesh	DSEX	-0.29%

Table 4: Performance Comparison of World's Major Index

Performance comparison of commodity futures

Commodity name	Return
SUGAR	3.34%
NATURAL GAS	-3.31%
COTTON	2.94%
SOYBEAN	8.90%
GOLD	2.11%
CRUDEOIL	16.47%

Table 5: Performance comparison of commodity futures

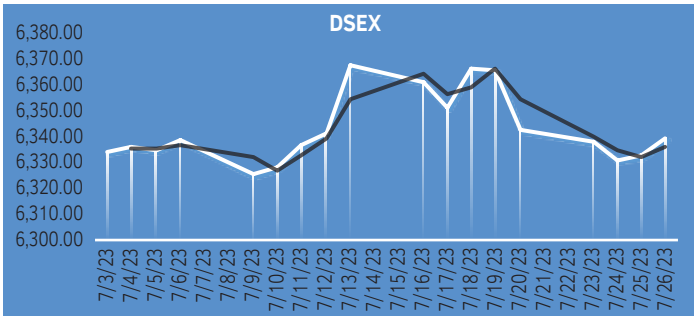


Figure 9: DSEX

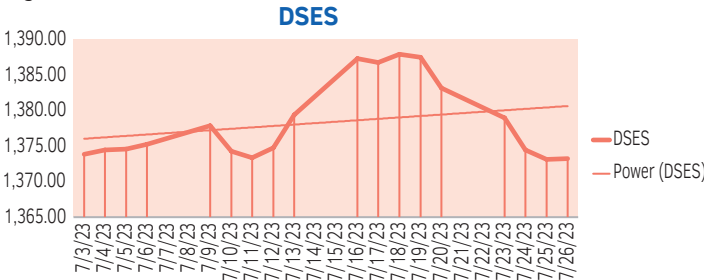


Figure 10: DSES

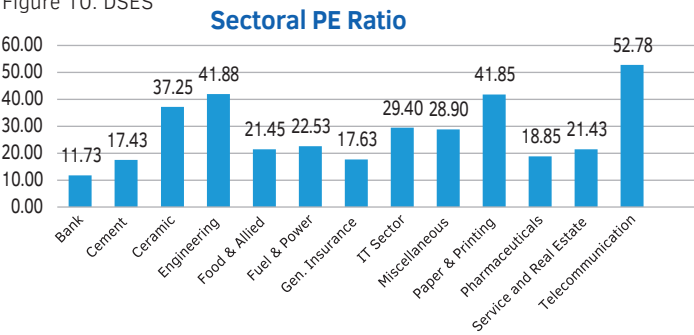


Figure 11: Sectoral PE Ratio

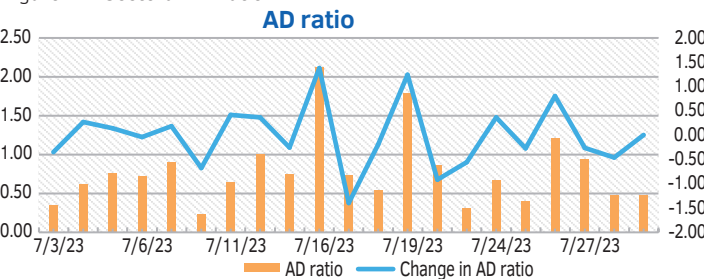


Figure 12: AD Ratio

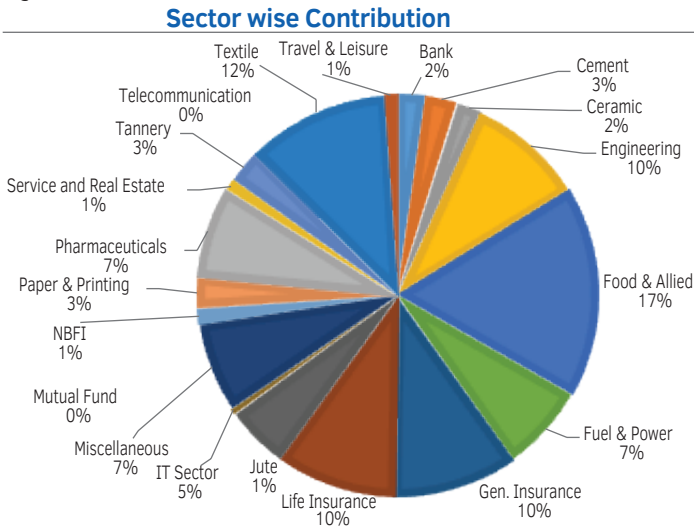


Figure 13: Sector wise Contribution

SECTOR RETURN

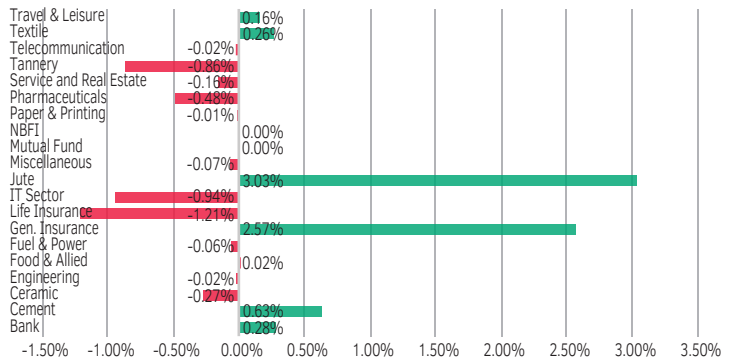


Figure 14: Sector Return

Internet banking has been widely adopted, thanks to the rising number of internet users and the accessibility of smartphones



Money Market

Demand deposits and time deposits both grew by 8.97 and 8.79 percent respectively, as of May 2023, contributing to a total deposit growth of around 8.81 percent on a yearly basis.

Total amount of bank credits has increased by 9.2 percent yearly. Bank advances and bills both increased by 11.72 and 8.97 percentage points YoY, while bank investments fell by 0.07 percent YoY. [Table-06]

Scheduled Banks' Deposits and Credits

Deposits held in DMBS (Taka in Millions)				Percentage Changes	
Items	May, 2023	Apr, 2023	May, 2022	May, 2023 over Apr, 2022	May, 2023 over May, 2022
Demand Deposits	1843475	1842878	1691690	0.03	8.97
Time Deposits	13791522	13639106	12677758	1.12	8.79
Total	15634997	15481984	14369448	0.99	8.81

Banks' Credits (Taka in Millions)				Percentage Changes	
Items	May, 2023	Apr, 2023	May, 2022	May, 2023 over Apr, 2022	May, 2023 over May, 2022
Advances	14478281	14353131	12959885	0.87	11.72
Bills (Import & Inlands Bills)	394726	387489	362219	1.87	8.97
Investments	3513655	3389820	3516196	3.65	-0.07
Total	18386662	18130440	16838300	1.41	9.2

Table 06: Deposits held in DMBS and Bank Credit

Notes: 1. Deposits exclude Interbank Deposits and Government Deposits, 2. Advances include Loans & Advance, Money at Call, Balances & R. Repo with NBFIs' & Accrued Interest, 3. Investments include Treasury Bills, Treasury Bonds, Share & Securities with accrued interest.

Table 5: Deposits held in DMBS and Bank Credit

Compared to previous month, call money rate soared upward with a monthly average of 6.30 percentage in July. [Figure-15]. Nominal interest rates for both lending and deposit rates continues to rise and reached at 7.32 and 4.41 percentage respectively. [Figure-16]

Call Money Rate of July '23 (%)

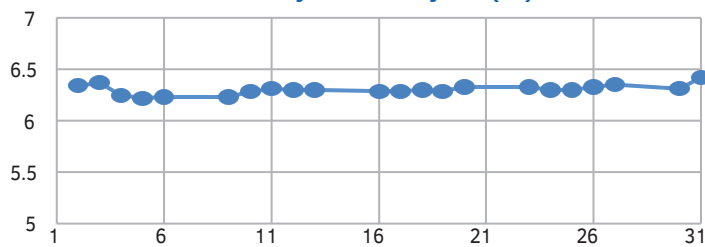


Figure 15: Call Money Rate of July '23

Nominal Interest Rates (%)

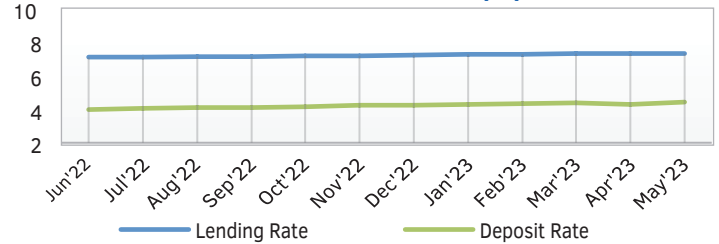


Figure 16: Nominal Interest Rates

Both cost of funds and adjusted cost of funds remained high and reached at 6.84 and 8.21 percentage respectively. [Figure-17]. Up to the end of the first eleven months of FY23, government borrowing from the banking sector totaled 92,288 crores, 82.68% of its target. Target sets for FY24 is around 1,32,395 crores. [Figure-18]

Cost of Funds of NBFIs (%)

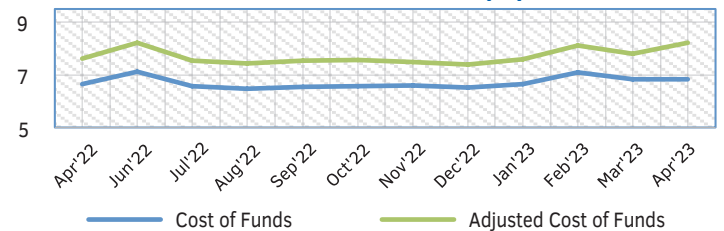


Figure 17: Cost of Funds of NBFIs

Govt. Borrowing from Banking Sector (In Crore)

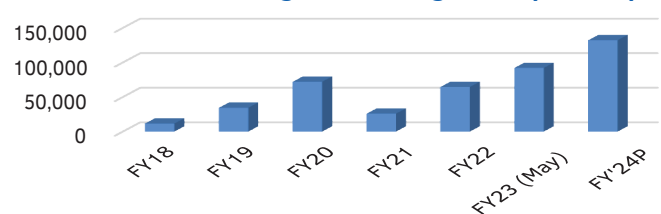


Figure 18: Govt. Borrowing

Private sector credit growth remained sluggish and reached at 10.57 percentage as of June 2023. [Figure-19].

Private Sector Credit Growth (%)

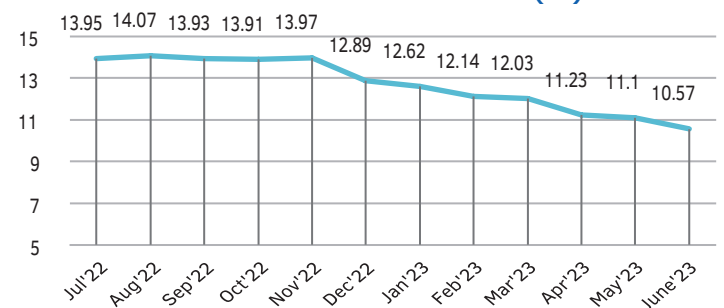


Figure 19: Private Sector Credit Growth

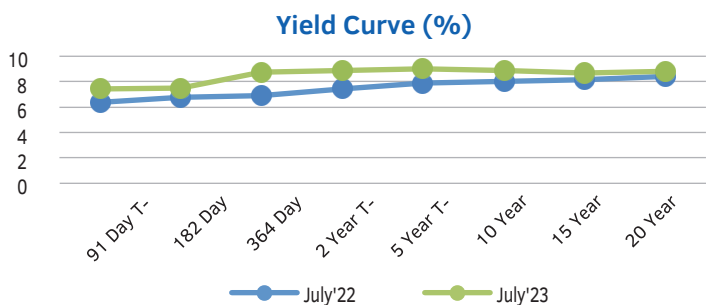


Figure 20: Yield Curve

Compared to previous month, yield on T-Bills rose to 6.95, 7.25 and 8.30 percentage for 91, 182 and 364 days respectively. The yields on the 2, 5, 10, 15 and 20 year T-Bonds hit 8.90, 9.04, 8.91, 8.68 and 8.83 percent respectively. [Figure-20].

Trends in Financial Inclusion and Digital Finance Statistics

There were around 6.98 million internet banking users as of May 2023, an increase of about 16 percent YoY. [Figure-21]. As of April 2023, there were around 203.97 million MFS users, representing a 14.18% YoY increase. [Figure-22]

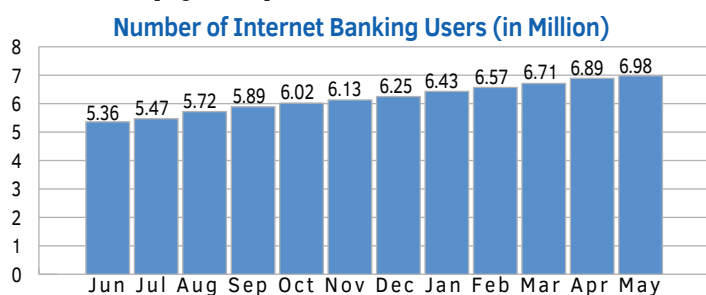


Figure 21: Number of Internet Banking Users

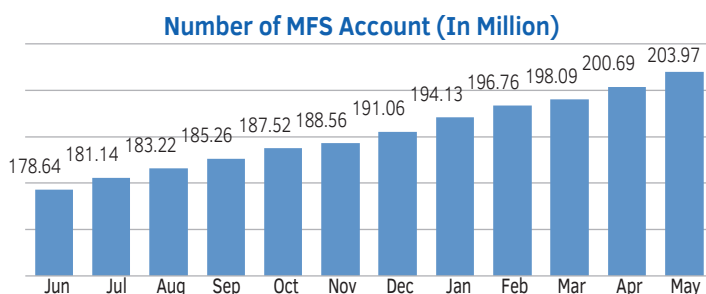


Figure 22: Number of MFS Accounts

If we observe types of transactions conducted through agent banking, deposit, loan disbursement and utility bill payments grew yearly by 22.47, 69.77 and 2.24 percentage respectively but inward foreign remittance declined by 5.35 percentage. [Figure-23]. While observing how users of internet banking interact with different gateways, we can observe that the uses of ATM, POS, CRM and E-commerce grew annually by 31.69%, 14.86%, 126.71% and 37.51% respectively. [Figure-24]

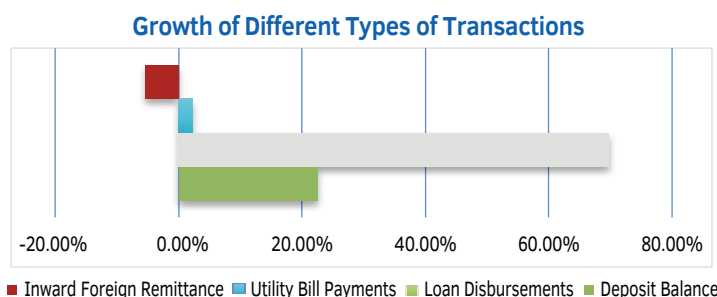


Figure 23: Types of Transactions through Agent Banking

YoY Growth of Different Payment Gateways

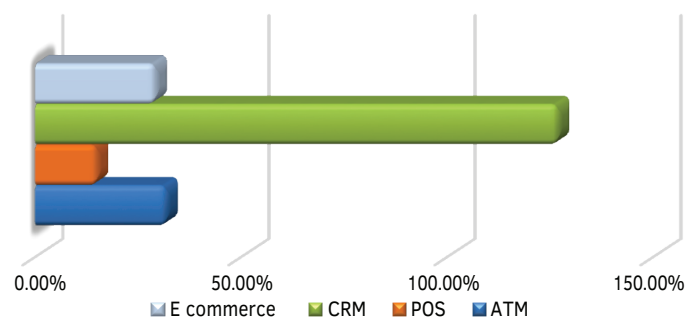


Figure 24: Transactions through Gateways

Key Takeaways

- > Despite the inflation, deposits in banking sector continue to grow since the beginning of 2023. The removal of deposit floor and the regained trust on banking sector are considered to be the prime reasons for such growth. However, the growth in lending remained downward for the past few years mostly owing to the decrease in opening of import letters of credit.
- > Compared to the previous month, call money rate remained high in July due to tight liquidity condition in the banking sector particularly for a few cash-strapped banks.
- > The adoption of new method in determining the lending rate will shoot the rate upward as explained by most of the experts.
- > Non-bank financial institutions (NBFIs) are suffering a significant hit to their profit margins as a result of the rising cost of funds. However, the recent move by Bangladesh Bank to hike the interest rates on deposit collection to 9.13% and loans at 12.13% for NBFIs is expected to ease the situation in upcoming days.
- > Following the slowdown in revenue collection, the government's reliance on bank borrowing increased in the latter half of FY23. Much borrowing of government comes from central bank which may stroke the inflation up.
- > The downward slope of private sector credit growth comes a number of factors. According to bankers, the economy has been confronted with some challenges such as rising inflation, fluctuating currency exchange rates, a scarcity of dollars, and an energy crisis, all of which have combined to reduce commercial activity.
- > Compared to last year, the yield curve is adjusted upward. The rise in short terms rates is larger than those of long-term rates as per the yield curve.
- > Internet banking has been widely adopted, thanks to the rising number of internet users and the accessibility of smartphones. In addition, the increasing utility of digital payments and technological advancement yields higher number of MFS users yet experts believe there is still room to expand this number.
- > If we observe the growth in transaction types by agent banking, all modes except foreign remittance witnessed strong positive growth. Such robust growth proves the success of agent banking to cater the financial services to marginal people.
- > The brick-mortar system of banking has been diverting to modern banking system to a large extent as evidenced by top-notch growth of different transaction gateways.

Source: Bangladesh Bank Website

POS: Point of Sale
ATM: Automated Teller Machine
MFS: Mobile Financial Service

NBFI: Non-Bank Financial Institution
CRM: Cash Recycling Machine
YoY: Year on Year



Gourav Roy

“ A Brief Anatomy of ESG: A Mirror for Picking Sustainable Stock ”

The write up is based on the unpublished ongoing researches on ESG and presentation of that before International Finance Corporation, the World Bank by Mr. Gourav Roy, Lecturer, BICM - May 23, 2023.



Introduction

It is very crucial to pick a good stock to invest into the capital market. Because, the ups and downs for any stock is a clear replication of its inherent risk and fluctuation in returns always mirrors a volatile capital market. If the investors think two steps backwards and try to understand what are the main causes behind volatility of the returns, they will realize that it's all about sustainable income generated by the companies. The more a company performs sustainable practices, the higher the probabilities of sustainable returns and lower the risk. Thus, the higher the firm value and the higher price per share. In this regard, the most important concept and avenue of channeling the corporate strategies is investing in ESG conscious asset classes.

What is ESG?

ESG stands for Environmental, Social and Governance Management of any type of organization. ESG represents the entity's efforts to systematically assess, manage, and monitor risks of material and potential impact to the strategic and financial decisions of the company. The term ESG is often used as a synonym for sustainability, CSR, public relations, social investment, or environmental compliance. While some of these elements may factor into an ESG program, at the center of ESG is the management of risk and the preservation of shareholder value.

Differences between ESG and CSR

CSR (corporate social responsibility)	vs	ESG (environmental, social, and governance)
a business model for companies that impacts their internal processes & culture		a measurable sustainably assessment, popular with investors
encompasses the activities a company undertakes to have a greater global impact		has become a set of criteria for sustainability assessment
nowadays needs to be a priority, as consumers are demanding it		financial performance is a key purpose of ESG valuation
about building accountability		about quantifying existing accountability
can be used for good but also to mislead		can be used for good but also to mislead

Why Concern for Sustainable Business has been Created?

Actually, the concern for ESG concerned investment has started since the world has understood the concern for aggregate pollution. The concern that business activities are destroying the environment for what climatic changes are disordering the ecology. The abatement of ecological balance is evolving the costs of adaptability with climatic losses. Thus, profitability gets traded off with twice the losses. Thus, Sustainable Development Goals (SDGs) have been mandated for all of the countries to ensure the least level of climate

changes losses. Profiting from endangering the ecology is never a sustainable business at all. From a different perception, when the businesses are not concerned of sustainable investment of the funds they raise, this is also against the concept of sustainable business. Again, the business activities should not violate corporate governance guidelines. Greenwashing, marketing the ESG concepts of applying in a company without practically doing that, is also prevalent in Bangladesh. So, for economic sustainability and profitability for the long run, ESG focused investment is mandatory.

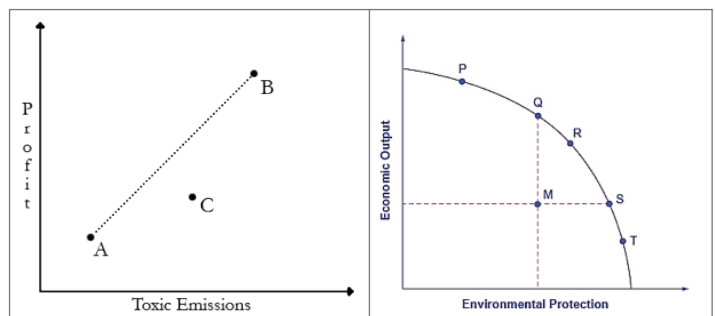
Concerns of ESG (The Fundamental Corporate Concerns)



Figure: Fundamental Corporate Factors of ESG

General Hypothesis about ESG (Is It a Myth?)

The common myth about ESG investment is that, the higher the investment in ESG, the lower the profitability is. Two significant researches have been done which show following outcomes:



Source: Michigan State University
https://www.canr.msu.edu/afre/centers_services/economic_analysis_of_sustainable_ag_food_systems/environment_profit_trade_offs

Source: OpenStax College
<https://www.khanacademy.org/economics-finance-domain/microeconomics/market-failure-and-the-role-of-government/environmental-regulation/a/the-tradeoff-between-economic-output-and-environmental-protection-cnx>

From the earlier figures, we see those two researches, one in Michigan State University and the other in Openstax College both having similar results on their samples. The results show that with increase in toxic emissions (low ESG compliance) profitability increases. On the other hand, with increase in environmental protection (higher ESG compliance), the economic output decreases.

Proving the General Hypothesis into A Myth

MSCI World SRI Index
Performance since 1 January 2013

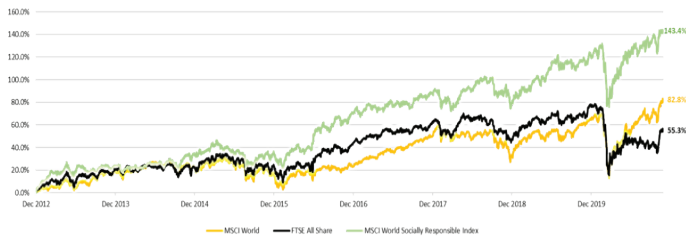


Figure: MSCI World SRI Index

It clearly shows that ESG following SRI index is performing higher than common indices. Thus, the earlier studies are now myths and dogmatic ideas which are now not prevalent in reality. Also, there are different benefits of ESG to nullify the concept that ESG investment decreases the profitability.

Box 0.1: Benefits of ESG Management

Managing environmental, social, and governance factors can contribute to various corporate value drivers:

- Revenue generation:**
Innovation
New consumer needs
Access to new markets
Increased customer loyalty
- Cost savings:**
Optimizing use of natural resources (water, energy, and other inputs) in production
Establishing partnerships and developing suppliers
- Productivity and intellectual capital:**
Attracting and retaining talent
Raising workforce productivity
- Risk mitigation:**
Reducing exposure to environmental and social risks
Impact on operational, market, financial, and other risks
- Compliance with and anticipation of legal requirements**
- Enhancement of reputation and image**

Figure: Benefits of ESG Investment

ESG Scorecard Approach

In this strategy every company will follow a scorecard where it will identify sectors and subsectors of ESG factors in the form of sourcing and investing of funds. And, on the basis of types, activity, tolerance level, and trends the factors will be indexed. Then linking to SDG goals and local and foreign laws and expectation to be ESG leaders, weightage will be assigned to every score given to every sector and subsector. Then, for E, S and G the weighted average score for the company will be calculated. This will be audited by independent accountants like Chartered Accountants. A demonstration is shown below:

Type	Indicator -	Active?	Status	Tolerance Levels	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Trend
Risk	ESG 1.1 Energy Consumption Total - Actuals (wh/kWh)	Yes	within tolerance	High low: 3.750 n/a	4168	3462	3621	3659	3623	3612	↘
Risk	ESG 1.1 Energy Consumption Total - Benchmark (wh/kWh)	Yes	within tolerance	High low: 4.7 n/a	3000	3006	3000	3000	3000	3000	↔
Performance	ESG 1.2 Energy Consumption / Employee - Actuals (wh/kWh)	Yes	above tolerance	High low: 4.6 n/a	4.6	4.6	4.6	4.6	4.6	4.7	↗
Risk	ESG 1.2 Energy Consumption / Employee - Benchmark (wh/kWh)	Yes	within tolerance	High low: 4.0 n/a	4.0	4.0	4.0	4.0	4.0	4.0	↔
Risk	ESG 2.1 GHG Emissions Total (Mt)	Yes	within tolerance	High low: 0.300 n/a	0.366	0.289	0.241	0.235	0.235	0.233	↘
Performance	ESG 2.2 CO2 Emissions at Northwestern Plant (Mt)	Yes	within tolerance	High low: 0.300 n/a	0.096	0.097	0.097	0.097	0.097	0.096	↔
Performance	ESG 2.2 Methane Emissions at South American Plant (Mt)	Yes	within tolerance	High low: 0.020 n/a	0.029	0.029	0.030	0.030	0.030	0.027	↘
Performance	ESG 3.1 Staff Turnover Rate Per Month (% FTE)	Yes	within tolerance	High low: 0.25 n/a	0.5	0.4	0.4	0.5	0.4	0.5	↔
Performance	ESG 3.4 Diversity - Male Board Members (% of total)	Yes	above tolerance	High low: 40% 40%	44	44	44	44	44	44	↔
Performance	ESG 3.4 Diversity - Visible Minorities in S< Positions (%)	Yes	within tolerance	High low: 40% 40%	42	41	42	42	41	41	↔
Performance	ESG 5.2 Percent of Workforce to Retire in 5 Yrs (% FTE)	Yes	above tolerance	High low: 20% 10%	17	17	17	19	19	20	↗
Performance	ESG 8.1 Revenue from Countries with Corruption Index < 65	Yes	within tolerance	High low: 25% 10%	27	26	24	22	21	20	↘

Figure: Year-wise Sectoring and Sub-sectoring the E, S, G Factors

ESG Key Factors	Major Criteria	Sub-Criteria	Link to SDG	Scores (out of 30)	Weights	Weighted Average	Compliance Level
E	E-1	E-1-1	1	5	0.066667	0.33333333	0-4 Below Average ESG Compliance
	E-2	E-2-1	2	6	0.066667	0.4	
	E-3	E-3-1	3	8	0.066667	0.53333333	
	E-4	E-4-1	4	7	0.066667	0.46666667	
	E-5	E-5-1	5	9	0.066667	0.6	
S	S-1	S-1-1	2	6	0.066667	0.4	4.1-7 Average ESG Compliance
	S-2	S-2-1	7	7	0.066667	0.46666667	
	S-3	S-3-1	9	5	0.066667	0.33333333	
	S-4	S-4-1	1	8	0.066667	0.53333333	
	S-5	S-5-1	2	7	0.066667	0.46666667	
G	G-1	G-1-1	13	9	0.066667	0.6	7.1 to 10 Best ESG Compliance
	G-2	G-2-1	14	5	0.066667	0.33333333	
	G-3	G-3-1	2	6	0.066667	0.4	
	G-4	G-4-1	11	0	0.066667	0	
	G-5	G-5-1	6	1	0.066667	0.06666667	
				Total		5.93333333	Average ESG Compliance 5.9

Figure: Weighted Average ESG Score

(Source: Author Generated Model for ESG Scoring)

Conclusion

The ESG score will let the investors identify the sustainable companies' stocks and asset classes. The higher ESG score a company has, the more sustainable and profitable in the long run that company's stock will be. Bangladesh is lagging behind and doesn't follow such approaches widely. If the economy wants to grow sustainably and the stock market to have less amount of volatility, there remains no other option but to follow this approach.

References

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