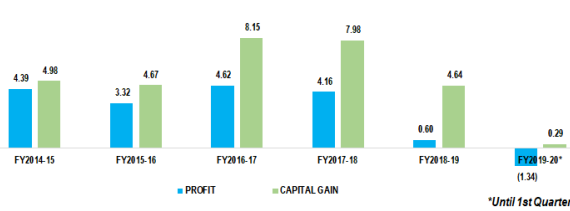


ICB incurred loss in attempt to prevent market freefall

The state-owned investment entity – Investment Corporation of Bangladesh (ICB) – whose one of the objectives is to support the stock market, recorded loss after twelve years by reporting net loss of Tk1.34b in the first quarter (Q1) of FY2019-20. As the main objective of the company is to invest in stock market, the market movement plays a significant role on its earnings. Consequently, the ongoing bear-run in the stock market took a toll on its earnings and profitability. In the previous FY2018-19, the corporation experienced drop in income to a twelve-year low to Tk601.3m from Tk4.16b in FY2017-18 due to a significant slide in its capital gains - the major source of its revenue. At the end of FY2018-19, the portfolio value of ICB stood at Tk126.24b and if ICB had decided to sell off its holdings on 30 June 2019 it, reportedly, would have realized losses of around Tk10.17b. The company also saw decline in dividend income which is another significant source of its income, as most of the listed companies declared rather poor dividends for FY2018-19.

Profits and Capital Gains of ICB
figures in billion taka
Source: ICB

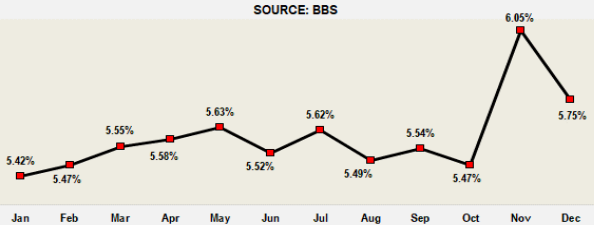


During July-September of FY2019-20, ICB reported net loss of Tk2.06b from interest income. The company earned Tk633.15m and Tk289.59m from dividends and capital gain respectively during the period, down from Tk912.5m and Tk1,142.86m it earned from the same respective sources in the same period of the previous FY2017-18. Earnings Per Share (EPS) of the entity declined to Tk1.93 in negative during the quarter of FY2019-20 against Tk0.41 in the same period of FY2018-19.

Inflation on average edged up in 2019

According to official statistics, the twelve-month average inflation inched up by 0.04%-points in 2019 to 5.59% against 5.55% in 2018. Point-to-Point inflation witnessed volatility throughout the year in 2019 driven by hike in both food and non-food inflation, as per Bangladesh Bureau of Statistics (BBS) figures. In December last year, overall inflation fell by 30 basis points to 5.75% due to a drop in food inflation compared to 6.05% in the previous month. The BBS report showed that the food inflation declined to 5.88% in December 2019 from 6.41% in the previous month, while the non-food inflation rate, however, increased slightly to 5.55% in December from 5.47% in November last year. Nevertheless, general inflation at the end of December remained up above the government-set target of 5.5% for FY2019-20. Economists attributed the inflationary pressure to the demand-pull effect fueled by sharp rise in public sector borrowing and remittance along with supply-chain disruptions during the year.

Inflation 2019
SOURCE: BBS



Dozen banks fail to keep minimum CAR

Capital shortfall in the banking system reached Tk176.59b at the end of September 2019 on the back of mounting Non-Performing Loans (NPLs) which forced the banks to keep provision in large amounts, according to the statistics of Bangladesh Bank (BB). During the third quarter (July-September) of 2019, the figure of capital shortfall grew by Tk16.57b from Tk160.02b as of June 30, 2019. The Capital Adequacy Ratio (CAR) of the banking sector stood at 11.65% on September 30 against 12.50% minimum CAR by 2019 as per the guidelines of BB in line with the BASEL III requirements. BB reported that seven state-run banks contributed Tk146.64b to the accumulated figure while four private commercial banks and one foreign bank failed to maintain the capital base against their Risk Weighted Assets (RWA). Despite recapitalizing the state lenders since 2009, the capital bases of the banks are yet to be strengthened in absence of acceptable level of corporate governance.

Capital Shortfall in Banking Sector
As of September 30, 2019

Banks	Tk in billion	Banks	Tk in billion
Bangladesh Krishi Bank	90.78	Bangladesh Commerce Bank Limited	6.91
Sonali Bank	20.56	AB Bank	6.52
ICB Islamic Bank	15.91	Basic Bank	5.62
Janata Bank	9.33	Rupali Bank	5.46
Agrani Bank	7.88	National Bank of Pakistan	0.59
Rajshahi Krishi Unnayan Bank	7.01	Community Bank Bangladesh	0.03

Source: Bangladesh Bank

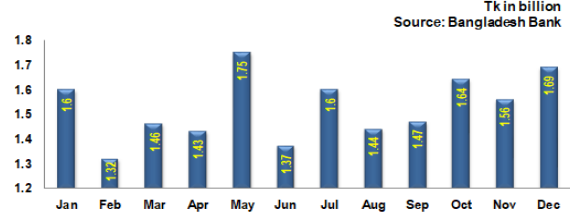
Export passed a troublesome H1

Export receipts in the first six months (Jul-Dec) of FY2019-20 registered a negative growth of 5.84% (Y-o-Y) at US\$19.3b from US\$20.49b in the corresponding period of previous fiscal year, according to the Export Promotion Bureau (EPB) figures. Meanwhile, exporters fetched US\$3.52b in the single-month December 2019, slightly up by 2.89% (Y-o-Y) since the apparel exports improved during the month of the year. Export receipts from Ready-made Garments (RMG) sector that contributes more than 80% to the national export declined by 6.21% (Y-o-Y) during the six-month period to US\$16.02b, which was US\$17.08b a year earlier, as per EPB figures. The downtrend in global price and consumption of apparel items against the backdrop of global economic woes along the growing competitiveness pushed the merchandise shipment to fall short of the half-yearly (H1) export target of US\$22.12b.

Remittance registers record inflow in 2019

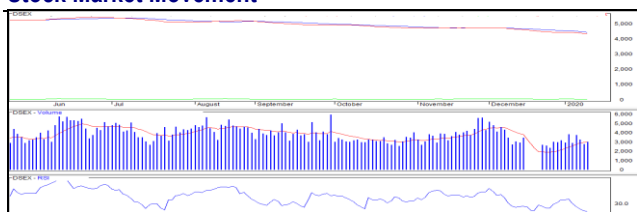
Inward remittance soared to US\$18.32b, hitting an all-time high record in the calendar year 2019, thanks to financial incentive provided by the government along with devaluation of Bangladeshi Taka against the US Dollar, as per reports of the Bangladesh Bank (BB). In the just concluded year 2019, remittance registered a sharp 18% (Y-o-Y) growth from US\$15.53b in 2018. The inward remittance jumped by 25.59% (Y-o-Y) in the last half of the year and received more than 50% of the total figure or US\$9.40b mainly after the disbursement of 2% cash incentive to the remitters, according to BB. Due to the strong position against the illegal transfer such as *hundi* by the central bank and also to avail the financial benefit, the expatriates sent their hard-earned money through the formal channel during the period.

Inward Remittance-2019
Tk in billion
Source: Bangladesh Bank



The week's data runs 02 January 2020 to 09 January 2020

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	3,265.35	3,234.85	0.94
FTSE 100	↓	7,587.85	7,622.40	-0.45
Nikkei 225	↑	23,850.57	23,656.62	0.82
SENSEX	↑	41,599.72	41,464.61	0.33
KSE 100	↑	43,207.05	42,323.30	2.09

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	4,197.39	4,459.29	-5.87
Total Turnover, Tk	↑	15,771,296,084.00	13,028,940,731.00	21.05
Market Capital, Tk	↓	2,654,763,217,244	2,825,285,906,886	-6.04
No of Issue Gain		34	232	
No of Issue Loss		310	86	
No of Unchanged Issues		15	38	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
National Feed Mill	9.60	10.60	10.42	92,743,000
LafargeHolcim	36.70	40.50	10.35	909,523,000
BGIC	24.10	25.70	6.64	10,201,000
Mozaffar Hossain S.	10.50	11.10	5.71	19,803,000
Standard Insurance	41.80	43.70	4.55	137,153,000
Yeakin Polymer	11.40	11.80	3.51	39,862,000
Khulna Power	51.90	53.70	3.47	784,908,000
Kay & Que Ltd.	213.80	221.00	3.37	53,364,000
EBL NRB MF	4.20	4.30	2.38	677,000
IFIC Bank 1st MF	4.60	4.70	2.17	14,044,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Sinobangla Industries	82.90	66.70	-19.54	192,445,000
Northern Jute	704.20	578.50	-17.85	228,402,000
Progressive Life	143.80	118.40	-17.66	147,262,000
SEML FBLSL Growth	10.50	8.80	-16.19	36,488,000
National Housing	31.90	27.10	-15.05	42,947,000
CAPM IBBL Islamic MF	8.00	6.80	-15.00	3,539,000
Sonargaon Textiles	31.30	26.70	-14.70	5,353,000
Dhaka Insurance Co.	34.10	29.10	-14.66	20,267,000
Ring Shine Textiles	10.50	9.00	-14.29	197,842,000
Golden Harvest Agro	20.10	17.40	-13.43	55,473,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	343.72	363.77	-5.51	2,041.96	1,531.86	33.30
Cement	225.48	220.33	2.33	952.54	265.67	258.54
Ceramic	578.23	610.61	-5.30	493.83	425.65	16.02
Engineering	1,819.61	1,934.92	-5.96	2,054.55	1,737.34	18.26
Food & Al.	3,131.14	3,290.73	-4.85	490.99	407.15	20.59
Fuel & Pow.	3,430.80	3,499.64	-1.97	1,306.89	988.34	32.23
Insurance	1,525.71	1,633.62	-6.61	1,712.43	1,520.05	12.66
IT	327.11	354.56	-7.74	1,222.07	543.43	124.88
Jute	1,227.85	1,405.10	-12.62	241.01	159.33	51.26
Misc.	1,022.89	1,091.04	-6.25	705.68	716.43	-1.50
Mutual Fund	368.16	381.65	-3.53	204.66	174.30	17.42
NBFI	839.18	911.73	-7.96	395.59	343.02	15.33
Paper	6,274.89	6,825.69	-8.07	49.95	67.43	-25.93
Pharma	971.61	1,049.38	-7.41	1,439.81	1,347.77	6.83
Service	835.70	884.78	-5.55	50.02	69.53	-28.06
Tannery	616.76	650.27	-5.15	182.62	165.50	10.35
Telecom	2,322.69	2,617.36	-11.26	271.36	276.84	-1.98
Textile	1,079.58	1,159.71	-6.91	1,282.0	1,429.9	-10.34
Travel & Leis	495.92	509.83	-2.73	48.75	49.69	-1.90

Technical Talk

Dhaka stocks plunged in the last week with the highest single week fall in core index since 2013 following the panic sales of investors amid severe deficiency of confidence. In the week, investors concentrated mostly on engineering sector which grabbed 14.2% of the market turnover followed by bank 14.1%, pharmaceuticals & chemicals 10% and general insurance 10%.

Among the major sectors, Telecom sector decreased by 11.26% over the week followed by NBFI 7.96%, Pharma 7.41%, Textile 6.91%, Insurance 6.61%, Engineering 5.96% and Bank 5.51%.

DSE Broad Index (DSEX) reached 4,197.39 points decreased by 261.90 points or 5.87% from the previous week. Total turnover reached at Tk15,771.30m which was 21.05% higher than the previous week. Market capitalization decreased by 6.04% and stood at Tk2,654.76b (\$31.27b) at the weekend against Tk2,825.29b. DSE 30 decreased by 99.75 points or 6.62% and closed at 1,406.38 points against 1,506.13 points. Last week's weighted average Market PE was 11.13 which was 11.84 previous week.

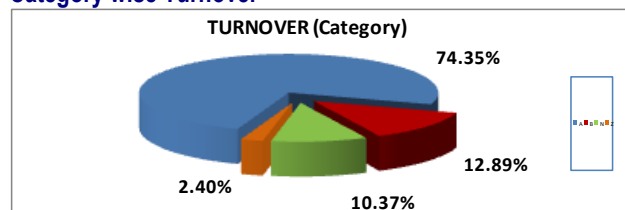
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
LafargeHolcim	23,191,834	909,523,000	5.77
Khulna Power Company	15,056,990	784,908,000	4.98
ADN Telecom Limited	17,547,880	748,088,000	4.74
BRAC Bank Ltd.	12,479,818	587,081,000	3.72
Standard Ceramic	587,727	414,633,000	2.63
Beacon Pharmaceuticals	7,644,147	340,495,000	2.16

Top 10 Market Capital

			In million
GP	338,655	Berger Paint BD	60,222
BATBC	167,130	BRAC Bank Ltd.	57,352
Square Pharma	154,109	ICB	53,184
United Power	134,700	MARICO	50,501
RENATA	82,694	LafargeHolcim	47,036

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,551.70	1,552.19	-0.03
Silver (USD/t.oz)	17.86	18.15	-1.60
Brent Crude Oil (USD/bbl.)	65.37	68.60	-4.71

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	94.92	94.97	95.24	95.30	-0.34	-0.34
GBP	111.21	111.27	111.40	111.47	-0.18	-0.18
AUD	58.92	58.95	59.33	59.36	-0.69	-0.69
JPY	0.78	0.78	0.79	0.79	-1.26	-1.27
CAD	65.38	65.42	65.65	65.69	-0.41	-0.41
SAR	22.75	22.76	22.74	22.76	0.01	0.01

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY- Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
---------	---------------------	-------------	------------