

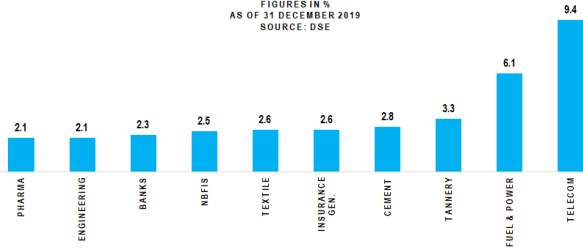
Institutions turned away from stock market

The institutional investors became reluctant in investing in stock market as the return from stock investment shrunk drastically. According to Dhaka Stock Exchange (DSE) statistics, sector-wise dividend yield hovered around 1%-3%, except for telecom and fuel & power sector as on 31 December, 2019. In contrast, Treasury-Bills (T-Bills) and Treasury Bonds (T-Bonds) of different maturity generated better returns turning the less risky government debt securities lucrative to institutional investors.

T-Bills Yield			T-Bonds Yield		
Maturity	Yield (in %)		Maturity	Yield (in %)	
91-Days	7.01		2-Years	8.16	
182-Days	7.61		5-Years	8.93	
364-Days	7.98		10-Years	9.20	
			15-Years	9.30	
			20-Years	9.40	

Source: **BB**
At the end of December last year, government-issued 91-days T-Bills and 20 years T-Bonds generated yield of around 7.1% and 9.4% respectively, as per Bangladesh Bank (BB) records. DSE statistics also illustrated that eighteen out of 19 sectors posted negative return last year. In fact, return from overall stock market was negative by 17.3% in 2019, as per DSE statistics. Subsequently, institutional investors either stayed on the sideline or withdrew their investments from stock market as the government securities have been offering better reward at minimum risk.

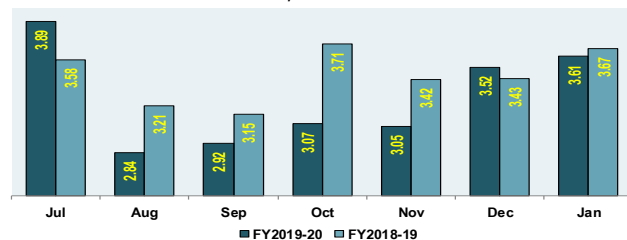
DIVIDEND YIELD OF MAJOR SECTORS IN DSE
FIGURES IN %
AS OF 31 DECEMBER 2019
SOURCE: DSE



Export performance remain gloomy in January

Export receipts plummeted to US\$22.91b during the first seven months (July-January) of FY2019-20, registering a negative growth of 5.21% (Y-o-Y) from US\$24.18b in the corresponding period of previous fiscal year, according to Export Promotion Bureau (EPB) statistics. Meanwhile, exporters fetched US\$3.61b in the single-month January, which was US\$3.67b a year earlier. As per EPB figures, Ready-made Garments (RMG) exporters earned Tk19.06b during the period, 5.71% (Y-o-Y) less than that of US\$20.21b in FY2018-19. The worldwide downtrend in price and consumption of apparel items in sluggish global economy along with the growing competitiveness pushed the merchandise shipment to fall short of the target by 13%. Leather and leather goods export, the second highest foreign currency earners, also maintained the falling trend in the period and recorded US\$559m with 10.78% (Y-o-Y) negative growth. However, pharmaceuticals and jute & jute products export registered 8.11% and 20.82% (Y-o-Y) positive growth respectively.

Export Receipts
US\$ in billion
Source: Export Promotion Bureau



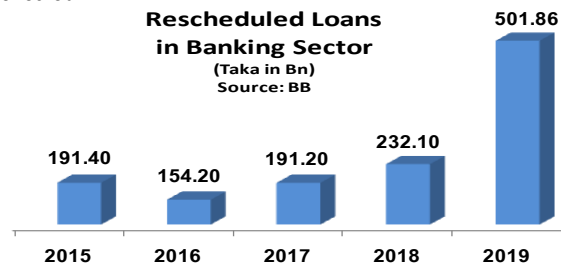
Debt-servicing exerts stress on economy

Foreign debt repayment soared by 13.12% (Y-o-Y) to US\$845m in the first half of the current FY2019-20 compared to US\$747m in the same period of previous fiscal year, as per the preliminary data from the Foreign Aid Budget and Accounts Wing of Economic Relations Division (ERD). To repay the external debt government had to keep aside US\$1.85b for FY2019-20, where US\$1.2b is for principal and US\$570m for interest, however the total repayment was US\$1.59b in FY2018-19. In FY2018-19, the external debt to GDP ratio stood at 14.7%, rising from 12.8% two years back, as per ERD statistics. Although, the ratio is far below from the risk ceiling of 40%, domestic and foreign debt together make the total debt to GDP ratio above 33%. Earlier, Bangladesh Bank (BB) expressed concern about the rapid growth of short-term foreign loans in a financial stability assessment report. Economists warned about debt-servicing pressure in the coming days if foreign loans for mega projects are not dealt with proper negotiation and cautions. The concern also deepened because of rising operating cost of government, shrinking revenue growth, mounting domestic borrowing and lack of efficiency in public project management.

Banks rescheduled Tk501.86b in 2019

Scheduled banks rescheduled a record amount of defaulted loans in 2019 with the help of the generous policy support by Bangladesh Bank (BB) to contain bad debt and boost profit. As per the statistics of BB, banks regularized a total of Tk501.86b in the last year where default loan of Tk185.84b was rescheduled under the relaxed policy of the central bank. On May 16, 2019, BB allowed defaulters to reschedule their classified loans with a down payment of only 2% of the outstanding amount instead of the existing 10%-50%. Under the relaxed policy, banks recovered only Tk4.79b as down payment from the rescheduled loans. In the year, private banks rescheduled Tk305.47b or 61% of the total rescheduled loans while eight State-owned Banks (SoBs) regularized Tk196.01b followed by foreign banks (Tk381m). Veteran economists opined that rescheduling toxic loans in wholesale basis would not be the solution to the bulging defaulted loans in the banking sector as Tk132.84b of the loans regularized last year has already become defaulted, BB statistics revealed.

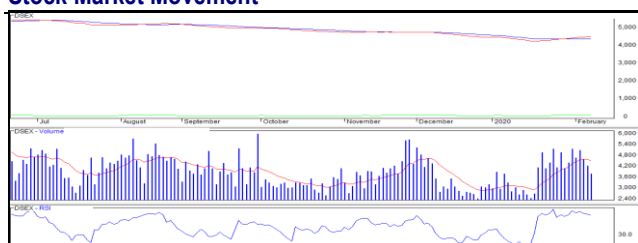
Rescheduled Loans
in Banking Sector
(Taka in Bn)
Source: BB



Remittance rises by 21.43% (Y-o-Y) in July-January

Inward remittance logged an impressive growth of 21.43% (Y-o-Y) amounting to US\$11.04b in the first seven months of FY2019-20 as against US\$9.09b in the corresponding period of previous fiscal. In January 2020, expatriates remitted US\$1.64b, which was 2.50% up from a year earlier, as per the statistics of Bangladesh Bank (BB). However, remittance inflow in January decreased by 2.96% or US\$48.65m as against the previous month. BB officials attributed the robust growth of remittance to the 2% cash incentive announced by government. The government allocated Tk30.60b as incentive for remitters in the budget for the FY2019-20 to encourage expatriate workers to send their hard-earned money through legal channels.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,327.71	3,225.52	3.17
FTSE 100	7,466.70	7,286.01	2.48
Nikkei 225	23,827.98	23,205.18	2.68
SENSEX	41,141.85	39,735.53	3.54
KSE 100	40,143.63	41,630.94	-3.57

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4,452.96	4,469.66	-0.37
Total Turnover, Tk	22,220,631,177.00	22,254,561,636.00	-0.15
Market Capital, Tk	2,820,124,911,101	2,825,477,688,504	-0.19
No of Issue Gain	173	118	
No of Issue Loss	152	218	
No of Unchanged Issues	33	22	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Phoenix Fin 1st MF	6.70	8.30	23.88	63,295,000
BD.Autocars Ltd.	129.90	159.80	23.02	65,265,000
Monno Jute Stafflers	706.10	867.20	22.82	211,535,000
Hakkani Pulp	44.50	53.70	20.67	69,341,000
Mercantile Ins	27.20	31.90	17.28	137,170,000
Dragon Sweater	9.70	11.20	15.46	191,674,000
Advent Pharma	23.10	26.40	14.29	249,533,000
Samata Leather	154.50	176.30	14.11	69,136,000
Gemini Sea Food	156.10	177.00	13.39	32,059,000
Metro Spinning Ltd.	6.90	7.80	13.04	51,758,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
United Airways (BD)	1.9	1.60	-15.79	20,321,000
C & A Textiles Limited	1.9	1.70	-10.53	2,385,000
The Dacca Dyeing	3.4	3.10	-8.82	397,000
Daffodil Computers	55.6	50.80	-8.63	9,847,000
Fu-Wang Ceramic	7.6	7.00	-7.89	18,167,000
Dhaka Bank Ltd.	11.7	10.80	-7.69	29,642,000
Tosirfa Industries	11.9	11.00	-7.56	4,384,000
LafargeHolcim	50.3	46.60	-7.36	1,564,784,000
City Bank Ltd.	19.1	17.70	-7.33	120,984,000
Sonargaon Textiles	32.1	29.8	-7.17	48,198,000

Sectoral Index & Turnover

Sectoral Index

Turnover (Tk.M)

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	351.97	358.80	-1.90	916.35	1,213.63	-24.50
Cement	255.14	268.16	-4.86	1,748.61	2,067.22	-15.41
Ceramic	593.80	576.31	3.03	486.94	319.42	52.44
Engineering	1,844.80	1,846.80	-0.11	3,356.76	3,548.15	-5.39
Food & Al.	3,585.40	3,599.51	-0.39	947.77	1,106.68	-14.36
Fuel & Pow.	3,604.95	3,566.65	1.07	2,219.66	1,246.78	78.03
Insurance	1,582.61	1,594.71	-0.76	1,833.23	1,903.00	-3.67
IT	322.27	337.17	-4.42	848.52	1,084.96	-21.79
Jute	1,178.38	1,143.70	3.03	254.15	263.30	-3.47
Misc.	1,101.50	1,095.12	0.58	1,209.71	1,293.99	-6.51
Mutual Fund	388.10	377.03	2.94	326.80	292.88	11.58
NBFI	879.14	896.25	-1.91	480.78	488.11	-1.50
Paper	6,418.28	6,683.21	-3.96	148.82	123.70	20.31
Pharma	1,072.17	1,066.34	0.55	2,311.85	2,242.43	3.10
Service	933.57	922.62	1.19	161.19	264.22	-38.99
Tannery	661.93	655.96	0.91	264.67	227.96	16.10
Telecom	2,429.66	2,404.73	1.04	780.38	910.67	-14.31
Textile	1,143.99	1,118.37	2.29	2,981.03	2,695.33	10.60
Travel & Leis	560.48	570.37	-1.73	154.74	233.82	-33.82

Technical Talk

Dhaka Stocks continued in red in the last week ended on Thursday for the two straight weeks as investors liquidated shares in the move of government to bring surplus money of state and autonomous agencies to the national exchequer. Moreover, many investors were cautious amid the recent volatility of the market while some rebalanced portfolio based on quarterly earnings. Among the major sectors, Cement sector decreased by 4.86% over the week followed by NBFI 1.91%, Bank 1.90%, Insurance 0.76% and Engineering 0.11%.

DSE Broad Index (DSEX) reached 4,452.96 points decreased by 16.70 points or 0.37% from the previous week. Total turnover reached at Tk22,220.63m which was 0.15% lower than the previous week. Market capitalization decreased by 0.19% and stood at Tk2,820.12b (\$33.22b) at the weekend against Tk2,825.48b. DSE 30 decreased by 10.18 points or 0.67% and closed at 1,513.86 points against 1,524.04 points. Last week's weighted average Market PE was 11.71 which was 11.73 previous week.

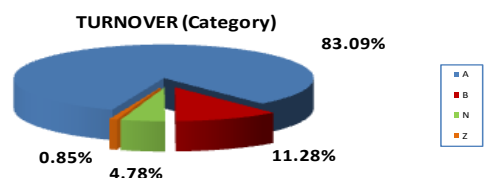
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
LafargeHolcim	32,316,645	1,564,784,000	7.04
Khulna Power	12,004,962	639,803,000	2.88
Summit Power Ltd.	14,364,374	597,860,000	2.69
ADN Telecom Limited	13,311,745	591,180,000	2.66
Bangladesh Shipping	10,375,050	524,691,000	2.36
Grameenphone Ltd.	1,805,108	477,169,000	2.15

Top 10 Market Capital

			In million
GP	352,023	BERGERPBL	65,314
BATBC	191,358	BRAC Bank Ltd.	58,479
Square Pharma	178,047	ICB	58,339
United Power	134,384	LafargeHolcim	54,120
RENATA	87,446	MARICO	53,307

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,565.10	1,583.50	-1.16
Silver (USD/t oz.)	17.79	17.95	-0.91
Brent Crude Oil (USD/bbl.)	54.93	57.33	-4.19

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	93.40	93.46	94.67	94.72	-1.33	-1.33
GBP	109.74	109.81	112.40	112.47	-2.36	-2.36
AUD	56.94	56.97	57.13	57.17	-0.34	-0.34
JPY	0.78	0.78	0.79	0.79	-1.23	-1.23
CAD	64.10	64.14	64.47	64.51	-0.57	-0.57
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)
N/A			