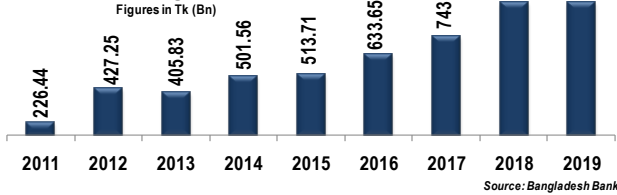


NPLs creep up despite record rescheduling

Despite rescheduling a record amount, Non-Performing Loans (NPLs) in banking sector edged up by 0.42% (Y-o-Y) at the end of December, 2019, according to the figures from Bangladesh Bank (BB). As per the statistics, total amount of NPLs stood at Tk943.13b at the end of December last as against Tk939.11b a year earlier. However, the volume of NPLs declined in the final quarter of 2019 by 18.90% from Tk1,162.88b in the preceding quarter. The ratio of toxic loans also decreased to 9.32% of the total outstanding loans at the end of 2019 while it was 11.99% three months back and 10.30% on December 2018. At the end of December, the amount of toxic loans with the six State-owned Banks (SoBs) decreased to Tk439.94b as against Tk549.22b three months before. Simultaneously, NPLs of forty-one private banks fell to Tk442.74b from Tk545.74b a quarter earlier. However, NPLs of nine foreign banks increased to Tk21.04b from Tk20.91b in the same timeframe. In the last year, government desperately tried to restate the amount of NPLs and framed generous policies to record the so far toxic loans as regularized. Consequently, a record amount of Tk501.86b was rescheduled in 2019 where Tk185.84b was regularized with only 2% down payment. However, it was revealed that Tk132.84b of the bad loans regularized last year defaulted again. Prominent economists cautioned not to feel complacent on the temporary relief on NPLs as the generous facilities to habitual defaulters might tempt the good ones to default. They also urged the banks to rev up their recovery drives as the banks recovered only Tk4.79b as down payment under the relaxed policy.

Non-Performing Loans (NPLs) in Banking Sector



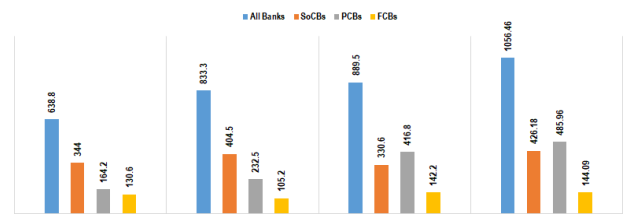
Deposit rates of postal schemes halved

The government chopped interest rates of all types of postal savings schemes to augment implementation of single-digit interest in the banking sector from April 01, 2020. As per the decision of the Internal Resources Division under the Ministry of Finance, interest rate for three-year fixed deposit was slashed to 6% from 11.28% while fixed deposit with two-year maturity was cut to 5.5% from 10.70% followed by one-year deposit to 5% from 10.20%. Interest rate on ordinary accounts was also trimmed to 5% from previous 7.5%. Under the schemes of post office, savers can park maximum Tk3m individually and Tk6m jointly. As on June 30, 2019, total outstanding liability of the government stood at Tk2,892.67b whereas deposits in post offices accounted 13.97% of the total figure, as per the statistics of Directorate of National Savings (DNS). The DNS statistics also revealed that the net investment in post office was around Tk80b in FY2018-2019. So far, the government has taken many rash decisions to bring down interest rate of banking sector with a view to boosting private sector investment as private sector credit growth hit 12-year low at 9.83% in December, 2019. Amid the growing confusion, the government clarified that existing rates of National Savings Certificates (NSCs) would be unchanged. Moreover, Finance Minister assured to revisit the decision of slashing the rates of postal schemes as the move would impact the small and marginal savers adversely.

Excess liquidity with banks cross Tk1.0 trillion

Excess liquidity with banks hit Tk1.06-trillion approximately at the end of December, 2019 owing to the shrinking private sector credit growth. The amount increased by 19% from Tk889.50b as of September in 2019, according to the latest central bank statistics. According to Bangladesh Bank (BB), the surplus cash in banks at the end of March stood at Tk638.80b which grew to Tk833.30b in April last year. The central bank noted that the extra liquidity does not mean idle money for the banks as the major portion of this excess cash has already been invested in government securities, making the possibility of spike in private credit growth unlikely. Moreover, the interest rate capping to single digit by the government may make banks more reluctant to disburse loans to the private sector. The private sector credit growth came down to 9.83% at the end of December last from 13.2% growth in the same month of 2018, BB reported.

EXCESS LIQUIDITY POSITION IN 2019
figures in billion Tk.
Source: BB



Foreign aid allocation shrink by 13.65%

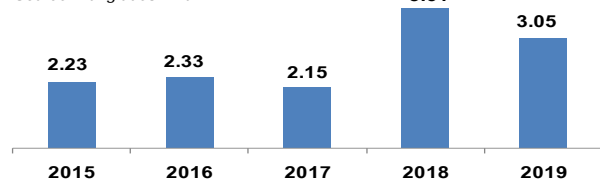
Allocation of foreign aid has reduced down by 13.65% or Tk98b in the revised Annual Development Program (ADP) for FY2019-20 due to sluggish project implementation by the ministries and divisions. According to the Implementation Monitoring and Evaluation Division (IMED), the ministries and divisions spent only Tk174.95b or 24.37% of foreign aid in the first six months of the current fiscal year. Considering the ongoing development projects, the government targeted to utilize foreign aid of Tk718b in FY2019-20, which has been revised down to Tk620b. The size of the ADP for the current fiscal year was Tk2.15 trillion, of which a total of only Tk567.16b, or 26.37%, has been spent during the first half of FY2019-20.

FDI drop significantly in 2019

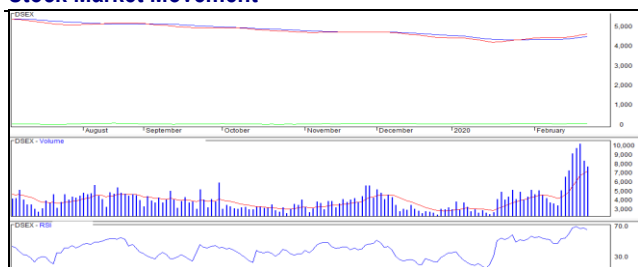
The inflow of Foreign Direct Investment (FDI) plunged by 15.57% in 2019 despite improvement in the ease of doing business index, the ongoing infrastructure development and political stability. According to the provisional figure of Bangladesh Bank (BB), Bangladesh received US\$3.05b as FDIs in 2019 which is less by US\$562m than the receipt of US\$3.61b in 2018. Economists expressed concern about the amount of FDI inflow considering the size of the economy since it should be at least US\$9b, as per the Seventh Five-year Plan. They also expressed worry about the ongoing tussle between the government and the foreign companies in telecom sector as it gave a bad signal to the potential foreign investors.

Foreign Direct Investment (FDI)

(Figures in USD Bn)
Source: Bangladesh Bank



Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	↓ 3,337.75	3,380.16	-1.25
FTSE 100	↓ 7,403.92	7,409.13	-0.07
Nikkei 225	↓ 23,386.74	23,687.59	-1.27
SENSEX	↓ 41,170.12	41,257.74	-0.21
KSE 100	↑ 40,249.22	40,243.26	0.01

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	↑ 4,733.14	4,564.61	3.69
Total Turnover, Tk	↑ 45,217,474,944.00	25,965,049,959.00	74.15
Market Capital, Tk	↑ 3,005,155,420,945	2,884,189,762,990	4.19
No of Issue Gain	242	246	
No of Issue Loss	91	94	
No of Unchanged Issues	25	18	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
M.I. Cement Factory	39.30	55.10	40.20	24,454,000
Premier Cement	54.50	76.00	39.45	13,121,000
Kohinoor Chemicals	343.80	465.00	35.25	121,935,000
Bangladesh Steel	53.70	68.40	27.37	206,273,000
Regent Textile Mills	8.70	10.80	24.14	85,720,000
ICB Employees MF	6.00	7.40	23.33	79,172,000
M.L. Dyeing Limited	50.60	62.20	22.92	270,040,000
Western Marine	12.70	15.60	22.83	622,123,000
Saiham Textile Mills	35.20	43.20	22.73	198,654,000
Global Heavy Chem	28.40	34.50	21.48	20,998,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Standard Ceramic	577.2	501.70	-13.08	295,288,000
Samata Leather	163.0	146.60	-10.06	97,472,000
Sinobangla Industries	65.5	59.30	-9.47	233,278,000
Shyampur Sugar Mills	30.0	27.30	-9.00	1,005,000
Provati Insurance	30.3	27.90	-7.92	102,762,000
Shepherd Industries	25.0	23.10	-7.60	593,545,000
Islami Insurance BD.	30.3	28.00	-7.59	136,934,000
Paramount Insurance	43.6	40.30	-7.57	60,444,000
FAS Finance	5.5	5.10	-7.27	45,928,000
Anlima Yarn Dyeing	40.4	37.6	-6.93	102,001,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	365.05	359.21	1.62	3,065.19	1,245.67	146.07
Cement	280.05	265.82	5.35	1,802.75	1,509.16	19.45
Ceramic	619.57	606.10	2.22	646.28	363.40	77.84
Engineering	2,100.89	1,926.37	9.06	6,700.82	3,738.13	79.26
Food & Al.	3,630.77	3,619.38	0.31	1,987.99	830.28	139.44
Fuel & Pow.	3,822.80	3,701.98	3.26	4,631.27	2,126.89	117.75
Insurance	1,617.94	1,586.59	1.98	3,754.59	1,712.69	119.22
IT	347.92	331.65	4.91	1,316.96	902.25	45.97
Jute	1,206.83	1,113.89	8.34	270.94	279.86	-3.19
Misc.	1,157.40	1,123.27	3.04	2,597.63	1,564.27	66.06
Mutual Fund	426.32	413.72	3.04	1,126.60	767.64	46.76
NBFI	943.22	965.77	-2.33	1,059.63	530.79	99.63
Paper	8,023.47	7,361.69	8.99	467.80	225.04	107.88
Pharma	1,127.52	1,089.21	3.52	5,743.96	3,910.33	46.89
Service	1,035.82	1,016.14	1.94	404.64	263.21	53.74
Tannery	690.54	669.42	3.15	729.22	452.47	61.16
Telecom	2,741.53	2,412.22	13.65	1,348.24	605.29	122.74
Textile	1,255.38	1,193.99	5.14	6,093.57	3,581.76	70.13
Travel & Leis	597.69	573.56	4.21	329.54	153.87	114.16

Technical Talk

Dhaka stocks closed in the green trajectory in the last week ended on Thursday as investors opted to put fresh funds in shares riding on the incentive package to boost the ailing market. The Bangladesh Bank (BB) allowed all scheduled banks to form a Tk2b special fund each by taking low-interest loans from the BB to invest in the stock market. Among the major sectors, Telecom sector increased by 13.65% over the week followed by Engineering 9.06%, Cement 5.35%, Textile 5.14%, Pharma 3.52%, Fuel & Power 3.26%, Mutual Funds 3.04% and Bank 1.62%.

DSE Broad Index (DSEX) reached 4,733.14 points increased by 168.53 points or 3.69% from the previous week. Total turnover reached at Tk45,217.47m which was 74.15% higher than the previous week. Market capitalization increased by 4.19% and stood at Tk3,005.16b (\$35.40b) at the weekend against Tk2,884.19b. DSE 30 increased by 56.17 points or 3.66% and closed at 1,592.80 points against 1,536.63 points. Last week's weighted average Market PE was 12.56 which was 12.06 previous week.

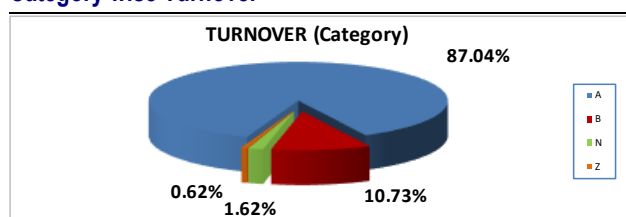
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
LafargeHolcim	26,681,055	1,310,255,000	2.90
Khulna Power	19,758,349	1,145,193,000	2.53
Summit Power Ltd.	23,346,593	1,017,115,000	2.25
Orion Pharma Ltd.	19,496,570	873,532,000	1.93
Grameenphone Ltd.	2,985,534	831,412,000	1.84
Golden Harvest Agro	33,492,174	705,166,000	1.56

Top 10 Market Capital

			In million
GP	399,149	Berger Paint BD Ltd.	65,481
BATBC	193,860	ICB	65,463
Square Pharma	187,804	BRAC Bank Ltd.	59,202
United Power	139,285	LafargeHolcim	54,933
RENATA	89,040	MARICO	52,791

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,616.60	1,581.80	2.20
Silver (USD/t.oz)	18.31	17.60	4.03
Brent Crude Oil (USD/bbl.)	59.31	56.34	5.27

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	92.55	92.61	92.44	92.50	0.12	0.12
GBP	110.38	110.45	111.07	111.14	-0.62	-0.62
AUD	56.56	56.59	57.31	57.35	-1.31	-1.31
JPY	0.77	0.77	0.78	0.78	-1.64	-1.64
CAD	64.54	64.58	64.39	64.42	0.24	0.24
SAR	22.75	22.76	22.75	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			