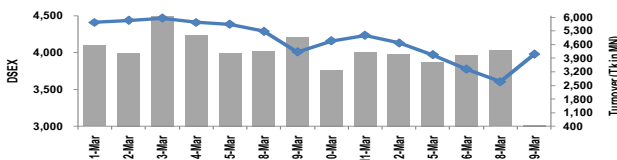


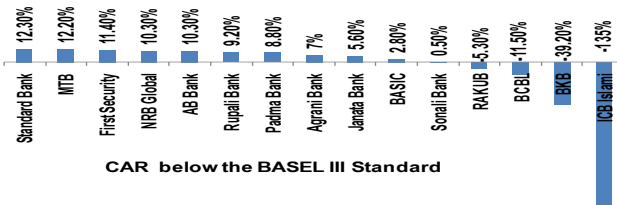
## Desperate regulatory cork to force artificial upswing

The government continued to coerce the scheduled banks to buy stocks under a special scheme offered by Bangladesh Bank (BB) in a bid to pump the ailing stock market though they appeared to be hesitant to pour fund in stocks due to the free-fall bear run in the market and uncertainty over the coronavirus pandemic. Earlier in February, BB asked scheduled banks to invest up to Tk2b in excess of regulatory limit till January 13, 2020 though most of the banks were reluctant to form such fund. Out of the scheduled banks, only nine formed funds of around Tk16b (up to March 16) while the incentive package was supposed to make Tk120b available for investing in the capital market. Though the banks assured the government to invest in stock market from March 18, 2020 after a series of meetings, only eight banks invested on the day. Only in March (up to March 18, 2020), DSEX lost 876.28 points or 19.56% and settled at 3,603.95 points where after the official announcement of three maiden cases of COVID-19 on March 08, the index shed 279.32 points, or 6.52% as on March 09, the biggest ever single-day fall since the introduction of the index in 2013. Up to March 18, market capitalization of the prime bourse was wiped off by Tk556.01b or 16.21%. However, DSEX soared by a shooting 371.01 points or 10.29% in a special session of just half an hour on March 19 as the BSEC intervened in a desperate move to resist the free-fall of the stock market by putting lower side circuit breaker and artificially hiking the opening prices, averaging the closing prices of the last five trading session. It ensured that the index would rise significantly even if a single trade was not executed that day.



## Majority banks technically meet CAR target

Most of the scheduled banks complied with the capital adequacy standard of Basel III within the deadline ended on December 31, 2019. As per the roadmap prepared by Bangladesh Bank (BB) in 2014, scheduled banks were instructed to raise their minimum Capital Adequacy Ratio (CAR) to 12.5% from 10% against their Risk-Weighted Assets (RWA) by 2019. Of them, 43 banks met the regulatory standard within the deadline while 15 banks including the 8 state-run banks failed to implement the standard, according to reports of BB. Consequently, the CAR of the banking sector stood at 11.57% at the end of 2019, much lower than the regulatory limit of 12.50%. As per BB, the CAR of foreign banks was 24.45% at the end of 2019 followed by private banks (13.62%) and state banks (4.99%). However, economists questioned the authenticity of the CAR of the banks as the banks fortified their capital base by dint of the relaxed loan rescheduling policy offered by the central bank. In 2019, the banks rescheduled a record amount of Tk501.86b where Tk185.84b was regularized with only 2% down payment.



## Import bills drop in Jul-Jan of FY20

Overall import payment registered a negative growth of 4.43% (Y-o-Y) to US\$32b in the first seven months (Jul-Jan) of FY2019-20 from US\$33.49b in the same period of the previous fiscal year, according to the latest statistics of Bangladesh Bank (BB). The figures reveal that the Letters of Credit (LCs) settlement dropped by 8.84% (Month-on-Month) to US\$4.54b only in January last from US\$4.98b in the preceding month. Meanwhile, LCs opened by the importers dropped by 12.48% (Month-on-Month) to US\$4.63b, which was US\$5.29b a month earlier. Payment against the import of intermediate goods and capital machineries fell by 3.29% and 13.19% (Y-o-Y) to US\$19.81b and US\$7.7b respectively during the period, as per BB statistics. Experts attributed the fall in the overall import to the disruption in the supply chain due to the Coronavirus outbreak in China from the end of December last year. Subsequently, actual import of top five sectors including yarn, textiles and machinery from the major trading partner China declined by 20% (Y-o-Y) in the Jul-Feb period of FY2019-20, as per the statistics of National Board of Revenue (NBR).

Sectors	FY2018-19	FY2019-20	Tk in billion
Yarn	98.79	56.23	-43%
Woven Textile Fabrics	56.45	30.63	-46%
Knit Textile Fabrics	51.09	29.63	-42%
RMG Accessories	42.97	19.53	-55%
Mobile phone Parts & Accessories	30.4	13.56	-55%

Source: NBR

## Only 37.09% of ADP implemented in eight months

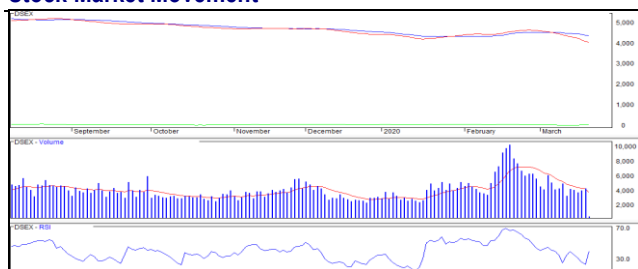
The implementation rate of Annual Development Program (ADP) slipped to three-year low in the first eight months (Jul-Feb) of FY2019-20 as COVID-19 pandemic took toll on implementation of the mega projects. The government agencies executed only 37.09% or Tk797.86b of the total ADP during the period compared to 39.13% in the previous corresponding period of FY2018-19, according to the figures of the Implementation Monitoring and Evaluation Division (IMED) under the Ministry of Planning. The implementation of donor-funded portion of the ADP dropped to 35.09% in the period from 40.37% in the same period of the previous fiscal year. On the encouraging side, the progress rate of government-funded ADP rose to 40.08% in the period of the current fiscal year from 38.03% in the same period of the last year. As per the IMED statistics, government would have to spend in the remaining months 63% or Tk1.35-trillion of the total allocation of Tk2.15-trillion for the entire fiscal year.

## Higher deposit rates of postal schemes reinstated

The government restored the previous interest rates on deposits in post office savings schemes against the backdrop of criticism from various quarters as marginal and low-income savers mostly park their savings in postal schemes. Earlier, the government chopped interest rates of all types of postal savings schemes to augment implementation of single-digit interest in the banking sector. As per the previous decision, 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%. The government repealed its decision after making automation of the postal savings scheme to prevent the misuse of the schemes designed for marginal savers. Under the automated system, savers will have to provide National Identification Number to park any deposits while Tax Identification Number (TIN) will be required for deposits more than Tk0.2m.

The week's data runs 12 March 2020 to 19 March 2020

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	2,304.92	2,711.02	-14.98
FTSE 100	5,190.78	5,366.11	-3.27
Nikkei 225	16,552.83	17,431.05	-5.04
SENSEX	29,915.96	34,103.48	-12.28
KSE 100	30,667.41	36,060.88	-14.96

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	3,974.96	4,129.96	-3.75
Total Turnover, Tk	12,584,885,918.00	20,885,475,958.00	-39.74
Market Capital, Tk	2,524,771,981,442	2,629,814,509,140	-3.99
No of Issue Gain	45	25	
No of Issue Loss	304	326	
No of Unchanged Issues	9	7	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Monno Ceramic	122.50	131.40	7.27	493,151,000
Popular Life	78.50	84.00	7.01	967,000
Green Delta MF	6.60	7.00	6.06	296,000
Daffodil Computers	54.50	57.30	5.14	18,460,000
FAS Finance	3.90	4.10	5.13	59,498,000
Reliance One MF	8.40	8.80	4.76	4,187,000
The IBN SINA	223.40	233.60	4.57	8,847,000
BSRMLTD	57.30	59.70	4.19	30,671,000
Bata Shoe	715.10	745.00	4.18	6,502,000
SEBL 1STMF	9.60	10.00	4.17	2,184,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
BIFC	2.80	2.00	-28.57	374,000
Delta Spinners Ltd.	3.80	2.80	-26.32	3,517,000
Fareast Finance	2.60	2.00	-23.08	1,028,000
EXIM Bank 1st MF	4.40	3.50	-20.45	3,003,000
R.N. Spinning Mills Ltd.	4.00	3.30	-17.50	11,534,000
Keya Cosmetics Ltd.	2.70	2.30	-14.81	8,615,000
Zeal Bangla Sugar Mills	35.80	31.10	-13.13	302,000
Aramit Cement Limited	12.60	11.00	-12.70	5,210,000
Generation Next	2.40	2.10	-12.50	5,611,000
Eastern Cables Ltd.	153.90	135.00	-12.28	22,563,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	305.25	314.45	-2.93	1,045.72	1,363.30	-23.29
Cement	223.57	231.68	-3.50	335.43	655.11	-48.80
Ceramic	509.63	521.92	-2.35	583.58	531.06	9.89
Engineering	1,716.48	1,774.46	-3.27	1,403.99	2,840.28	-50.57
Food & Al.	2,980.95	3,205.23	-7.00	558.81	840.66	-33.53
Fuel & Pow.	3,240.73	3,320.19	-2.39	863.76	1,621.18	-46.72
Insurance	1,325.80	1,369.44	-3.19	494.19	840.25	-41.19
IT	307.72	318.51	-3.39	241.18	512.71	-52.96
Jute	973.31	1,041.87	-6.58	80.78	180.09	-55.14
Misc.	1,020.99	1,058.82	-3.57	550.83	967.33	-43.06
Mutual Fund	365.76	380.22	-3.80	185.62	353.03	-47.42
NBFI	784.27	836.14	-6.20	409.48	494.19	-17.14
Paper	6,766.09	6,900.58	-1.95	148.94	552.75	-73.05
Pharma	1,007.92	1,049.52	-3.96	2,465.58	4,411.55	-44.11
Service	820.26	873.91	-6.14	70.96	101.52	-30.11
Tannery	620.96	616.89	0.66	230.26	399.63	-42.38
Telecom	2,180.18	2,296.48	-5.06	443.70	555.25	-20.09
Textile	1,024.01	1,092.46	-6.26	1,125.73	2,382.89	-52.76
Travel & Leis	571.41	583.65	-2.10	202.86	384.70	-47.27

## Technical Talk

Dhaka stocks stumbled for fourth straight week ended on Thursday amid growing tension over the impacts of coronavirus pandemic. However, stocks rebounded strongly on the last session of the week as the capital market regulator imposed new circuit breaker to end the free-fall of the market. All sectors declined during the four sessions of last week except Tannery sector. Among the major sectors, Textile decreased by 6.26% over the week followed by NBFI 6.20%, Telecom 5.06%, Pharma 3.96%, Engineering 3.27%, Insurance 3.19%, Bank 2.93% and Fuel & Power 2.39%.

DSE Broad Index (DSEX) reached 3,974.96 points decreased by 155.00 points or 3.75% from the previous week. Total turnover reached at Tk12,584.89m which was 39.74% lower than the previous week. Market capitalization decreased by 3.99% and stood at Tk2,524.77b (\$29.74b) at the weekend against Tk2,629.81b. DSE 30 decreased by 55.78 points or 4.04% and closed at 1,325.81 points against 1,381.59 points. Last week's weighted average Market PE was 10.52 which was 10.96 previous week.

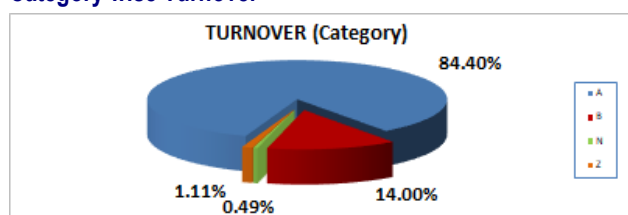
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Square Pharma	3,195,607	531,277,000	4.22
Monno Ceramic	3,845,278	493,151,000	3.92
Grameenphone Ltd.	1,613,146	368,529,000	2.93
Orion Pharma Ltd.	6,857,421	291,112,000	2.31
LafargeHolcim	6,643,208	230,946,000	1.84
BATBC	250,206	220,369,000	1.75

### Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	317,996	Berger Paint	60,774
BATBC	160,848	ICB	52,033
Square Pharma	153,928	Marico	48,825
United Power	118,469	LafargeHolcim	42,390
RENATA	83,290	Brac Bank	38,728

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,478.60	1,589.30	-6.97
Silver (USD/t oz.)	12.10	15.96	-24.21
Brent Crude Oil (USD/bbl.)	28.47	33.22	-14.30

### 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	91.26	91.32	94.78	94.83	-3.71	-3.71
GBP	99.27	99.32	104.46	104.52	-4.97	-4.97
AUD	49.49	49.52	52.78	52.81	-6.24	-6.24
JPY	0.77	0.77	0.79	0.80	-2.61	-2.60
CAD	59.41	59.44	61.83	61.87	-3.93	-3.93
SAR	22.71	22.72	22.73	22.75	-0.12	-0.12

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			

ASSET & INVESTMENT MANAGEMENT SERVICES OF BANGLADESH LIMITED

Unique Trade Center (UTC), Level 6 (S), 8 Panthopath, Karwan Bazar, Dhaka 1215, Bangladesh

Tel : +(880-2) 913 6432-4 (Three Lines), Fax : +(880-2) 913 6162-3 (Two Lines)

e-mail : hello@aims-bangladesh.com; web: http://www.aims-bangladesh.com