

**BSEC sets deadline to ensure 2% shareholding**

The Bangladesh Securities and Exchange Commission (BSEC) has asked 61 directors of 22 listed companies to comply with the notification on holding of minimum 2% shares by each director, other than independent one, in their respective companies within 45 days. Otherwise, the directorship of the non-compliant directors will be vacated automatically, as per the notification. The capital market regulator issued letters to the non-compliant 22 companies on July 02, 2020 in this regard. However, officials of the BSEC have admitted that there are some more non-compliant directors in the other listed companies and they will also be asked later to ensure minimum holding. Of the 22 companies, 14 companies are insurance companies with 49 non-compliant directors. Moreover, 31 of the 61 directors individually hold less than 0.1% shares in their respective companies. On November 22, 2011, the BSEC made it mandatory for each sponsor-director to hold minimum 2% shares of a company by issuing a notification that was amended later in 2019 imposing more restrictions. However, many directors have continued holding their position despite repeated warnings from the BSEC. Market experts have opined that lack of punitive action and accountability has encouraged the companies to continue the errant practices.

**Six listed SoEs to issue 7.19b shares against deposit**

The six State-owned Enterprises (SoEs) listed with the Dhaka bourse have to issue shares to the government by August, 2020 against share money deposits worth of Tk71.94b, as the entities deprived the government from ownership and dividend income, as per recent observations from the newly established Financial Reporting Council (FRC). The FRC recommended the Ministry of Finance to give necessary directions to the companies regarding issuing shares. Earlier, the FRC issued a directive in February this year requiring share money deposits to be converted into capital within six months of receiving the fund to prevent misuse. According to the FRC, Powergrid Company reported Tk50.71b as share money deposit as on June 30, 2019 followed by Rupali Bank Tk6.80b, DESCO Tk5.69b, Bangladesh Submarine Cables Tk1.66b, Titas Gas Tk1.51b and Meghna Petroleum Tk49.5m. The FRC also revealed that the government was deprived of dividends worth Tk11.16b in FY2018-19 and Tk9.49b in the previous fiscal year as the six companies did not issue shares against the deposits. Some companies pleaded the FRC for waiver as the issuance of such a high number of shares would adversely affect share prices and Earnings per Shares (EPS) of the companies which would consequently hurt the general shareholders. However, the FRC proposed the government to issue irredeemable preference shares or preference shares convertible into ordinary shares with rational dividends.

**Remittance inflow crosses US\$18b-mark in FY20**

Inward remittance recorded a positive growth of 9.80% (Y-o-Y) in the just-concluded fiscal year by crossing US\$18b-mark despite decline during March-May because of the Covid-19 outbreak. Total receipt stood at US\$18.02b in FY2019-20, as per the latest statistics of Bangladesh Bank (BB). Expatriates sent US\$1.66b in the first 28 days of June 2020 - which contributed significantly to the overall rise in remittance inflow during the fiscal year as it was 21.17% higher than US\$1.37b in the same month of previous year. The declaration of 2% cash incentive on inward remittance in the Finance Bill-2019 lured the expatriates to send their hard-earned money through legal channels that boosted the remittance inflow during the fiscal year, BB reported.

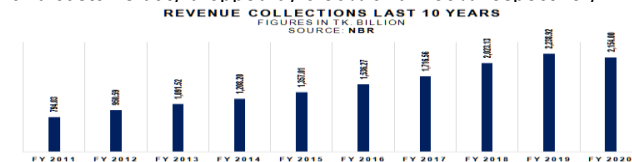
**Exports register record fall in FY20**

Export earnings experienced negative growth of 16.93% (Y-o-Y) during the concluded fiscal year for the first time since FY2001-02 when it dropped by 7.43% (Y-o-Y). As per the provisional figures by Export Promotion Bureau (EPB), exporters fetched US\$33.67b in FY2019-20, down from US\$40.53b in the previous fiscal year. Export receipt fell short of target by 25.99% during the period. The government set an export earnings target of US\$45.5b for the fiscal year. According to economists, the ongoing pandemic hit the major export earning sectors hard, leading to the poor export performance during FY2019-20. Ready-Made Garments (RMG), the key export earning sector of Bangladesh, witnessed a negative growth of 18.12% (Y-o-Y) and stood at US\$27.94b at the end of the fiscal year. Only jute and pharmaceutical among the major sectors demonstrated positive year-on-year growth of 8.10% and 4.49% respectively in FY20.



**Tax receipt dropped by 3.79% (Y-o-Y) in FY20**

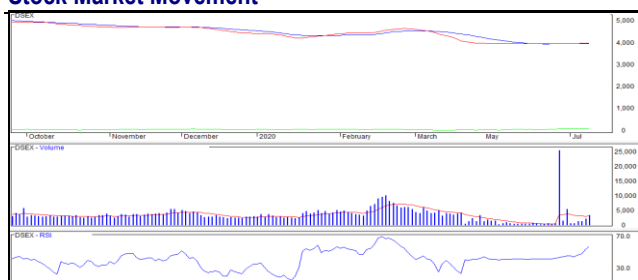
Revenue collection recorded negative growth in a fiscal year for the first time in recent memory as the National Board of Revenue (NBR) lagged behind by Tk84.92b in FY2019-20 from the collection of the previous fiscal year. As per the provisional figures of NBR, the collection during the concluded fiscal year shrunk by 3.79% to Tk2,154b against that of Tk2,238.92b in FY2018-19. Tax receipt also fell short by Tk851b from the revised target of Tk3,005b for the fiscal year. However, the contraction in revenue collection was expected due to the standstill economic activities since March 26 this year as a consequence of countrywide general shut-down and movement restriction to contain the spread of coronavirus, according to the tax authority. The statistics show that only income tax observed a marginal growth of 0.41% (Y-o-Y) in FY2019-20, while VAT and customs duty dropped by 6.86% and 4.39% respectively.



**FDI drops by 13.8% during Jul-May**

Gross Foreign Direct Investment (FDI) flow in Bangladesh declined by 13.8% to US\$3.73b during the July-May period of FY2019-20 against receipt of US\$4.33b in the same period of FY2018-19. According to United Nations Conference on Trade and Development (UNCTAD) forecast, the ongoing coronavirus pandemic is likely to shrink global FDI flows by up to 40% in 2020 from US\$1.54-trillion a year ago. Net inflow of FDI to Bangladesh dropped by 19.04% (Y-o-Y) to US\$1.97b during the 11-month period of FY2019-20, as per figures by Bangladesh Bank (BB). The pandemic, however, created an opportunity for emerging countries like Bangladesh to attract foreign investments as many nations plan to reduce their significant dependence on China. With a view to seizing the opportunity, BB relaxed its policy for foreign investors allowing the investors to deposit their dividend incomes earned against the investments to their Foreign Currency (FC) accounts and to remit the fund either to their destination country or reinvest in Bangladesh.

## Stock Market Movement



### Global Markets

|            |   | This Week | Last Week | +/- % |
|------------|---|-----------|-----------|-------|
| S&P 500    | ↑ | 3,185.04  | 3,130.01  | 1.76  |
| FTSE 100   | ↓ | 6,095.41  | 6,157.30  | -1.01 |
| Nikkei 225 | ↓ | 22,290.81 | 22,306.48 | -0.07 |
| SENSEX     | ↑ | 36,594.33 | 36,021.42 | 1.59  |
| KSE 100    | ↑ | 36,190.40 | 35,051.38 | 3.25  |

### DSE Indicators

|                        |   | This Week         | Last Week         | +/- %  |
|------------------------|---|-------------------|-------------------|--------|
| DSE Broad Index        | ↑ | 4,061.57          | 3,986.74          | 1.88   |
| Total Turnover, Tk     | ↓ | 9,405,637,342.00  | 33,348,172,242.00 | -71.80 |
| Market Capital, Tk     | ↑ | 2,567,041,466,391 | 2,535,211,229,238 | 1.26   |
| No of Issue Gain       |   | 142               | 48                |        |
| No of Issue Loss       |   | 22                | 18                |        |
| No of Unchanged Issues |   | 194               | 281               |        |

### Top Gainers

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

| Company              | Last Week | This Week | Change % | Turnover (Tk) |
|----------------------|-----------|-----------|----------|---------------|
| Paramount Ins        | 43.10     | 66.10     | 53.36    | 76,060,000    |
| Global Insurance Co. | 14.10     | 17.50     | 24.11    | 34,476,000    |
| Janata Insurance     | 14.70     | 17.70     | 20.41    | 10,996,000    |
| Provati Insurance    | 19.40     | 23.30     | 20.10    | 74,439,000    |
| Purabi Gen. Ins      | 12.00     | 14.40     | 20.00    | 55,321,000    |
| Agrani Insurance Co  | 17.60     | 20.90     | 18.75    | 44,786,000    |
| Beacon Pharma        | 60.70     | 71.90     | 18.45    | 339,293,000   |
| Eastern Insurance    | 29.80     | 35.00     | 17.45    | 37,653,000    |
| GQ Ball Pen          | 66.10     | 77.20     | 16.79    | 15,938,000    |
| BNICL                | 17.10     | 19.20     | 12.28    | 18,727,000    |

### Top Losers

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

| Company                 | Last Week | This Week | Change % | Turnover (Tk) |
|-------------------------|-----------|-----------|----------|---------------|
| Tung Hai Knitting       | 2.20      | 2.00      | -9.09    | 719,000       |
| Familytex (BD) Ltd.     | 1.90      | 1.80      | -5.26    | 2,218,000     |
| Emerald Oil Industries  | 10.00     | 9.50      | -5.00    | 791,000       |
| Libra Infusions Limited | 554.50    | 534.40    | -3.62    | 1,159,000     |
| Reckitt Benckiser       | 3562.1    | 3453.40   | -3.05    | 94,618,000    |
| Appollo Ispat Complex   | 3.40      | 3.30      | -2.94    | 2,281,000     |
| Tallu Spinning Mills    | 3.40      | 3.30      | -2.94    | 932,000       |
| Zahintex Industries     | 3.70      | 3.60      | -2.70    | 302,000       |
| Islamic Finance         | 12.40     | 12.10     | -2.42    | 887,000       |
| Linde Bangladesh        | 1281.5    | 1263.10   | -1.44    | 78,883,000    |

### Sectoral Index & Turnover

| Sector        | Sectoral Index |           |          | Turnover (Tk.M) |           |          |
|---------------|----------------|-----------|----------|-----------------|-----------|----------|
|               | This Week      | Last Week | Change % | This Week       | Last Week | Change % |
| Bank          | 319.56         | 312.09    | 2.39     | 978.65          | 480.46    | 103.69   |
| Cement        | 218.63         | 218.60    | 0.01     | 3.97            | 3.53      | 12.28    |
| Ceramic       | 497.76         | 497.76    | 0.00     | 7.14            | 7.38      | -3.25    |
| Engineering   | 1,682.08       | 1,678.34  | 0.22     | 274.61          | 39.07     | 602.91   |
| Food & Al.    | 3,022.63       | 3,016.28  | 0.21     | 227.35          | 78.47     | 189.74   |
| Fuel & Pow.   | 3,247.18       | 3,217.57  | 0.92     | 537.16          | 216.61    | 147.99   |
| Insurance     | 1,370.81       | 1,314.53  | 4.28     | 1,047.16        | 58.52     | 1,689.41 |
| IT            | 305.34         | 303.02    | 0.76     | 64.38           | 4.34      | 1,383.73 |
| Jute          | 970.96         | 978.18    | -0.74    | 28.95           | 22.91     | 26.37    |
| Misc.         | 1,034.47       | 1,016.31  | 1.79     | 252.55          | 35.97     | 602.14   |
| Mutual Fund   | 369.97         | 365.06    | 1.34     | 207.59          | 51.47     | 303.34   |
| NBFI          | 797.90         | 787.91    | 1.27     | 89.95           | 14.37     | 526.20   |
| Paper         | 6,435.45       | 6,412.29  | 0.36     | 9.55            | 1.50      | 535.89   |
| Pharma        | 1,047.93       | 1,030.78  | 1.66     | 3,511.56        | 1,627.27  | 115.79   |
| Service       | 824.02         | 819.64    | 0.53     | 17.38           | 2.30      | 655.76   |
| Tannery       | 588.39         | 588.39    | 0.00     | 4.41            | 1.03      | 326.11   |
| Telecom       | 2,228.53       | 2,216.27  | 0.55     | 575.46          | 315.69    | 82.28    |
| Textile       | 1,022.13       | 1,021.27  | 0.08     | 148.23          | 60.24     | 146.07   |
| Travel & Leis | 570.71         | 570.71    | 0.00     | 1.79            | 9.32      | -80.83   |

### Technical Talk

Dhaka stocks closed higher in the last week ended on Thursday as investors showed optimism following the deadline set by the stock market regulator for complying with minimum 2% shareholding of directors. Moreover, normal schedule of four-hour trading on the bourses also resumed from Wednesday. Among the major sectors, Insurance increased by 4.28% over the week followed by Banks 2.39%, Pharma 1.66%, NBFI 1.27%, Fuel & Power 0.92% and Telecom 0.55%.

DSE Broad Index (DSEX) reached 4,061.57 points increased by 74.83 points or 1.88% from the previous week. Total turnover reached at Tk9405.64m which was 71.80% lower than the previous week. Market capitalization increased by 1.26% and stood at Tk2567.04b (\$30.24b) at the weekend against Tk2535.21b. DSE 30 increased by 29.87 points or 2.23% and closed at 1,369.37 points against 1,339.49 points. Last week's weighted average Market PE was 10.90 which was 9.30 previous week.

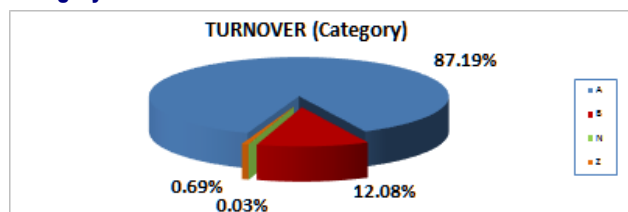
### Top Turnover Companies

| Company           | Volume    | Value (Tk)  | % of total |
|-------------------|-----------|-------------|------------|
| Square Pharma     | 4,578,925 | 792,168,000 | 8.42       |
| Beximco Pharma    | 8,999,973 | 617,764,000 | 6.57       |
| Beacon Pharma     | 5,214,370 | 339,293,000 | 3.61       |
| Grameenphone Ltd. | 1,312,554 | 314,658,000 | 3.35       |
| BSCCL             | 3,102,688 | 260,802,000 | 2.77       |
| Wata Chemicals    | 728,449   | 235,995,000 | 2.51       |

### Top 10 Market Capital

|               | In million |               |        |
|---------------|------------|---------------|--------|
| GP            | 323,802    | Berger Paint  | 61,632 |
| BATBC         | 163,368    | ICB           | 53,644 |
| Square Pharma | 157,993    | Marico        | 49,219 |
| United Power  | 116,361    | LafargeHolcim | 42,296 |
| RENATA        | 82,646     | Brac Bank     | 41,693 |

### Category wise Turnover



### Commodity Price

|                            | This Week | Last Week | Change % |
|----------------------------|-----------|-----------|----------|
| Gold (USD/t oz.)           | 1,799.20  | 1,784.00  | 0.85     |
| Silver (USD/t oz.)         | 18.88     | 18.24     | 3.50     |
| Brent Crude Oil (USD/bbl.) | 42.35     | 43.14     | -1.83    |

### 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 | 97.87     | 97.93  | 97.54     | 97.59  | 0.35     | 0.35 |
| GBP | 109.32    | 109.39 | 108.13    | 108.20 | 1.10     | 1.10 |
| AUD | 59.31     | 59.34  | 59.04     | 59.07  | 0.46     | 0.46 |
| JPY | 0.80      | 0.80   | 0.80      | 0.80   | 0.54     | 0.54 |
| CAD | 62.80     | 62.84  | 62.73     | 62.77  | 0.11     | 0.11 |
| SAR | 22.75     | 22.77  | 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) |
|-------------------|-----------------------|-------------|------------|
| Express Insurance | June 14-July 02, 2020 | 10          | 260.79     |