

Mutual fund portfolio depreciates in 2018

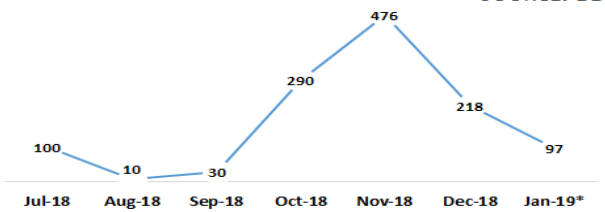
The volatility of stock market in 2018 also hit mutual funds significantly. At the end of last year, the Net Asset Value (NAV) of both listed (closed-end) and non-listed (open-end) mutual funds experienced negative growth compared to the value they recorded at the end of 2017. NAV of closed-end funds plunged by 16% to Tk57.18b at the end of 2018 whereas it was at Tk68.40b in end December 2017. Among the fund managers, Vanguard posted the most loss in portfolio returns by losing 17.7%, followed by VIPB 17.7%, ICB Asset 17.7%, LR Global 12.8%, Race 11.5%, AT Capital 11% and AIMS 8.1% at the end of 2018, as per market research prepared by LankaBangla Finance. On the other hand, total NAV of open end funds plunged by 10.94% to Tk1.25b during the concluded year from Tk1.40b in 2017. Among the Asset Management Companies (AMCs) which manage open-end funds, Peninsula Asset lost 18.66% (Y-o-Y) in value of total AUM in 2018, followed by Alliance 16.64%, Impress 15.90%, Credence 15.62%, Lanka 13.65%, UFS 13.55%, VIPB 11.35%, Prime asset 9.73%, IDLC 9.60%, National Asset 9%, CAPM 3.10% and Alif 1.66%. State-owned ICB and ICB Asset lost 1.1% and 16.07% respectively. During the period under review, the market experienced high volatility and declined by 13.75% on the back of distresses in the financial sector, devaluation of local currency against the US dollar and political tension ahead of the national election. The daily average turnover at Dhaka Stock Exchange (DSE) dropped by 37.46% to Tk5.51b in 2018 compared with that of Tk8.72b in the previous year. The bear-run was fueled by the exit of many local and foreign investors from the stock market.

Dollar injection by BB keeps rising

Bangladesh Bank (BB) injected more than US\$1.20b so far during July to December period of FY2018-19 into the money market to help check the devaluation of Taka against US Dollar. The central bank sold US Dollar directly to the commercial banks as liquidity support for meeting their import payment obligations. During the last FY2017-18, BB sold US\$2.31b which was the highest since FY2009-10. Economists fear further turbulence in the foreign exchange market during the ongoing fiscal year due to rising trend of imports. Import outpaced export earnings and remittance inflow in the last six months, resulting in an imbalance in the market and creating a dollar crisis. The foreign exchange reserves stood at US\$31b as per last available statistics, down from US\$32.07b a year earlier. Import pressure intensified due to the ongoing mega projects of government along with increasing import of petroleum products and capital machineries for power plants. At present, around 70 power plants out of the total 127 across the country are running on oil. The machineries import in the industrial sector is also on the rise, escalating the demand for US Dollar further. On the other hand, a drop in net Foreign Direct Investment (FDI) during the period compared to the same period of previous fiscal year has added pressure in the forex reserve.

US\$ SELLING BY BB TO BANKS

SOURCE: BB



* till 10 January, 2019

17 companies relegated to 'Z' category in two years

Total seventeen companies, listed with the Dhaka Stock Exchange (DSE), were downgraded to 'Z' category from superior categories in the last two years as these companies failed to comply with the requirements of the superior categories. Among the companies, eight were degraded to the 'Z' category in 2017 while the nine others were in 2018. At present, forty-four companies are being traded with the bourse under 'Z' category. According to the settlement and transaction regulations of the DSE, a company will be downgraded to 'Z' category if it does not declare any dividend or do not hold Annual General Meeting (AGM) regularly or is out of operation for more than six months. In 2018, Emerald Oil Industries, Tung Hai Knitting & Dyeing, AB Bank, Eastern Cables, Padma Islami Life Insurance, Evince Textiles, Northern Jute Manufacturing Company and GBB Power were downgraded from 'A' category whereas Fareast Finance & Investment was from 'B' category. Of these companies, GBB Power, Northern Jute, Evince Textiles, Padma Islami Life Insurance, AB Bank and Fareast Finance & Investment were downgraded for declaring 'No dividend' in their last financial year. On the flip side, Tung Hai Knitting, Eastern Cables and Emerald Oil were downgraded as these companies failed to hold their AGMs. Moreover, there are thirteen companies under 'Z' category that failed to declare any dividend in the last five years though a company can be de-listed from the bourse for not declaring any dividend for five years since the last declaration of dividend as per the Listing Regulations 2015. The thirteen companies that are currently under the scanner of DSE include-Jute Spinners, Meghna Condensed Milk Industries, Meghna Pet Industries, ICB Islamic Bank, Dulamia Cotton Spinning Mills, Samata Leather Complex, Shyampur Sugar Mills, Zeal Bangla Sugar Mills, Imam Button Industries, Savar Refractories, Beximco Synthetics, Shinepukur Ceramics and Sonargaon Textiles.

83% of annual target of NSCs sales by July-November

The government accumulated Tk216.62b from sales of National Savings Certificates (NSCs) during the July-November period of FY2018-19 while the collection was 83% of the total target for the entire fiscal year. In the national budget for the current fiscal, the government set the target of financing through NSCs at Tk261.97b. Moreover, sales of NSCs increased by 2.31% or Tk4.90b in July-November period compared with that of the corresponding period of the previous fiscal, according to the latest statistics of Directorate of National Savings (DNS). The small savers mostly rush for the NSCs as the instruments offer higher interest rates than that of the banks ranging between 11.04% and 11.76%. The DNS officials have feared that if the current trend of sales continues in the rest seven months of the fiscal year, fund collection from NSCs might double of its annual target. Veteran economists have sounded alarms that unbridled sales of NSCs have become a fiscal burden for the government as the volume of sales is rising every year.

Revenue collection hit hard in H1

Sluggish revenue collection poses a great threat for the government at the end of the first half (H1) of the FY2018-19 as hefty shortfall in revenue collection has triggered increased bank borrowing by the government. According to the provisional figures of National Board of Revenue (NBR), revenue collection fell short of the target by around Tk290b with a rise of 5.5% (Y-o-Y) in the first six months of the FY2018-2019. Tax officials managed to collect Tk972.40b during July-December period as against the target of Tk1.26 trillion for the specific period.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	2,670.71	2,596.26	2.87
FTSE 100	↑	6,968.33	6,918.18	0.72
Nikkei 225	↑	20,666.07	20,359.70	1.50
SENSEX	↑	36,386.61	36,009.84	1.05
KSE 100	↑	39,306.50	39,049.08	0.66

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	5,825.57	5,797.30	0.49
Total Turnover, Tk	↑	52,716,803,888.00	49,256,464,127.00	7.03
Market Capital, Tk	↑	3,531,950,151,872	3,515,365,201,843	0.47
No of Issue Gain		160	261	
No of Issue Loss		170	79	
No of Unchanged Issues		18	7	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Agrani Insurance Co	20.90	32.10	53.59	379,288,000
Sonar Bangla Ins	17.60	27.00	53.41	417,193,000
United Finance	19.80	27.50	38.89	620,633,000
United Insurance	43.90	58.20	32.57	262,730,000
Federal Insurance	11.60	15.20	31.03	231,871,000
Kamaphuli Insurance	17.50	22.90	30.86	177,180,000
Eastern Insurance	32.50	41.10	26.46	91,452,000
City General Ins	15.60	19.20	23.08	170,781,000
Purabi Gen. Ins	14.90	18.20	22.15	226,387,000
BNICL	18.70	22.50	20.32	208,969,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Meghna Condensed	30.7	23.80	-22.48	12,159,000
Meghna Pet Industries	21.0	16.60	-20.95	4,192,000
Beach Hatchery Ltd.	17.0	13.90	-18.24	22,600,000
Tung Hai Knitting	6.2	5.20	-16.13	6,714,000
United Airways (BD)	3.5	3.00	-14.29	21,476,000
Imam Button Industries	30.2	26.10	-13.58	2,851,000
Beximco Synthetics	9.4	8.20	-12.77	5,669,000
C & A Textiles Limited	5.4	4.80	-11.11	16,205,000
Bengal Windsor	34.8	31.30	-10.06	25,568,000
Information Services	31.6	28.5	-9.81	9,699,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	466.79	463.67	0.67	4,905.66	6,120.15	-19.84
Cement	325.02	329.01	-1.21	459.92	737.55	-37.64
Ceramic	772.25	770.20	0.27	455.58	437.77	4.07
Engineering	2,776.97	2,643.53	5.05	7,051.78	7,237.88	-2.57
Food & Al.	4,108.66	4,113.33	-0.11	3,003.95	2,604.08	15.36
Fuel & Pow.	4,373.94	4,276.70	2.27	5,391.78	3,855.25	39.86
Insurance	1,746.79	1,618.13	7.95	7,464.61	3,849.67	93.90
IT	316.28	321.63	-1.66	1,675.60	1,911.16	-12.33
Jute	2,858.40	2,930.27	-2.45	421.80	337.66	24.92
Misc.	1,249.94	1,229.84	1.63	2,030.99	2,215.14	-8.31
Mutual Fund	466.61	469.59	-0.63	196.67	299.27	-34.28
NBFI	1,401.88	1,366.60	2.58	4,573.65	2,878.35	58.90
Paper	12,100.61	12,371.84	-2.19	248.87	321.96	-22.70
Pharma	1,200.86	1,201.97	-0.09	5,681.22	5,466.60	3.93
Service	1,274.32	1,266.54	0.61	549.00	462.04	18.82
Tannery	926.78	926.50	0.03	684.70	528.90	29.46
Telecom	3,461.32	3,583.97	-3.42	648.90	880.23	-26.28
Textile	1,633.19	1,668.03	-2.09	6,390.2	8,296.8	-22.98
Travel & Leis	508.65	526.69	-3.42	357.13	384.49	-7.12

Technical Talk

Dhaka stocks finished with marginal gain in the last week ended on Thursday as some investors bagged profit following a sharp rise in the market after the parliamentary polls. The rational investors showed their buying appetite in financial institutions, banks, engineering and power sectors. Among the major gainers, Insurance increased by 7.95% over the week followed by Engineering 5.05%, NBFI 2.58%, Fuel & Power 2.27%, Banks and 0.67%.

DSE Broad Index (DSEX) reached at 5,825.57 points increased by 28.27 points or 0.49% from the previous week. Total turnover reached at Tk52716.80m which was 7.03% higher than the previous week. Market capitalization increased by 0.47% and stood at Tk3531.95b (\$42.10b) at the weekend against Tk3515.37b. DSE 30 has decreased by 2.26 points or 0.11% and closed at 2,009.49 points against 2,011.74 points. Last week's weighted average Market PE was 16.18 which was 16.26 previous week.

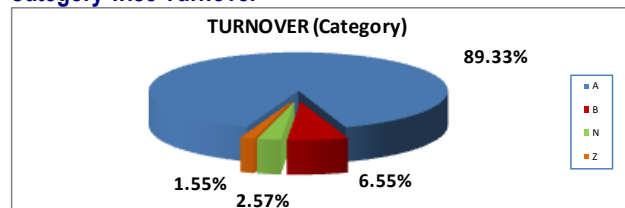
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Khulna Power Company	24,618,135	1,715,769,000	3.25
BBS Cables Limited	11,867,905	1,321,257,000	2.51
Olympic Industries	4,715,913	1,264,160,000	2.40
JMI Syringes	1,840,113	859,326,000	1.63
United Power Generation	2,467,165	829,244,000	1.57
BRAC Bank Ltd.	9,815,159	796,597,000	1.51

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	506,498	RENATA	92,157
Square Pharma	208,298	BRAC Bank	86,765
BATBC	207,336	Berger Paint	64,321
United Power	165,860	LafargeHolcim	52,959
ICB	94,465	Olympic Ind.	51,124

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz.)	1,281.30	1,288.10	-0.53
Silver (USD/oz.)	15.29	15.62	-2.08
Brent Crude Oil (USD/bbl.)	62.65	60.64	3.31

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	83.90	83.95	83.90	83.95	0.00	0.00
EUR	95.90	95.95	96.72	96.78	-0.85	-0.85
GBP	108.38	108.44	108.11	108.18	0.24	0.24
AUD	60.47	60.50	60.91	60.95	-0.73	-0.73
JPY	0.77	0.77	0.78	0.78	-1.11	-1.11
CAD	63.63	63.67	63.60	63.64	0.04	0.04
SAR	22.48	22.50	22.48	22.49	0.03	0.03

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)
Esquire Knit Composite	Jan 06 - Jan 20, 2019	40	562
Genex Infosys	Nov 18 - Nov 29, 2018	10	200
SEMIL FBLSL Growth Fund	Dec 02 - Dec 13, 2018	10	1,000