

**Debutants surge abnormally in 2018**

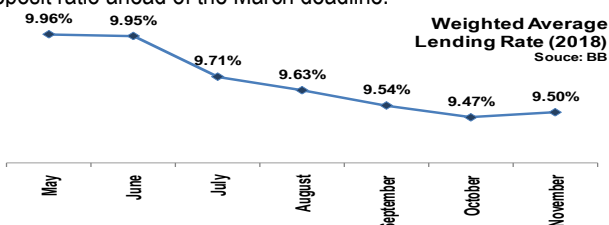
Most of the newly listed companies in the stock exchanges experienced flying start in 2018 though the abnormal hypes sustained rarely. In 2018, the weighted average return of debutants in the first trading session was at 123.45%. Similar return was 273% in the previous year.

Company	Offer Price	Close Price		Hike on Debut Day
		Debut Day	Year End (2018)	
Advent Pharma	10	48.4	40.9	384%
Indo-Bangla	10	44.3	31.1	343%
Intraco	10	43.6	26.8	336%
SK Trims	10	40.9	46.3	309%
Queen South	10	32.5	38.1	225%
VFS Thread	10	30.7	57.8	207%
Silva Pharma	10	29	30.1	190%
Kattali Tex	10	24.4	25.3	144%
ML Dyeing	10	24.1	29.7	141%
Aman Cotton	36	74.3	42.1	106%
Bashundhara Paper	72	130.8	83.8	82%
CAPM IBBL MF	10	9	9.6	-10%

Among the newly listed companies, share price of Advent Pharma hiked mostly by 384% to Tk48.4 on its debut day followed by Indo-Bangla 343%, Intraco 336% and SK Trims 309%. Aman Cotton Fibrous and Bashundhara Paper Mills, that went public under book building method, also spiked by 106% to Tk74.30 and 82% to Tk130.80 respectively on the first trading session but failed to maintain the momentum as the share prices of the companies dropped to Tk42.10 and Tk83.80 respectively at the end of 2018. Stock market experts have asserted that abnormal hype of debutants has become a regular phenomenon in the stock market as investors rushed to buy shares of debutants without analyzing the financial health of the companies and that consequently leads to an abnormal surge in share price on the very first day. Experts have also attributed that most of the companies that got approval in 2018 were small-cap stocks and as a result some unscrupulous investors found it easier to push up the share prices.

**Lending rates inch up in November**

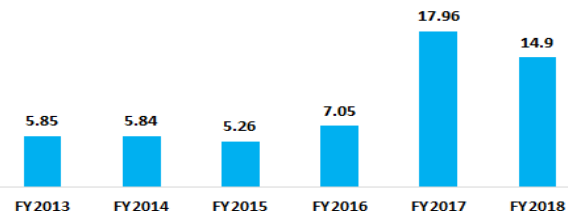
Lending rates of banks made headway in November of 2018 though the rates started to decline from July following the assurance of private bankers. According to the statistics of Bangladesh Bank (BB), the weighted average interest rate of banks edged up to 9.50% in November of 2018, from 9.47% in the previous month. Earlier, a platform of private bankers promised to bring down the interest rate on lending to 9% in exchange of the revision of Cash Reserve Ratio (CRR) by 1% to 5.5% though most of the banks could not slash the lending rate to the promised level. At present, 28 out of the 40 private banks are currently lending at double digits. Bankers have attributed that the soaring import bills mainly from the mega projects of government has exacerbated the liquidity status of the banking sector as the banks are purchasing greenback in bulk from the central bank to pay the dues of LCs. Moreover, banks have started to mobilize deposits at higher rates to adjust their loan-deposit ratio ahead of the March deadline.



**Per capita debt rises to US\$205 in FY2018**

The external debt has been on rise for the past three fiscal years from FY2015-16 to FY2017-18. According to Economic Relations Division (ERD), the total outstanding external debt stood at US\$33.52b as of 30 June 2018, taking the per capita debt to US\$204.85 from US\$177.12 of the same period of FY2016-17. The external debt soared mainly because of the large loans taken from Russia and China during the period for some transformational projects. ERD explained that the government received huge foreign assistance commitment during the last five years, leading to the spike in external debt. As per ERD statistics, bilateral and multilateral development partners committed US\$50.7b during the aforesaid period, escalating by 1.3 times over the previous five years. The commitment recorded US\$17.96b and US\$14.90b in FY2016-17 and FY2017-18 respectively. However, the matter of concern is that the amount of unused foreign aid in the pipeline also shot up, as the commitment increased. At present, the unused portion of foreign loan and assistance is US\$44.31b, of which 68.53% is from FY2016-17 and FY2017-18. The delay in utilization of foreign financing leads to the further rise in expenditure to finish the project. However, people related to the matter argue that the slow utilization of foreign assistance also gives a chance to choose the priority sectors, leading to effective execution.

**FOREIGN ASSISTANCE COMMITMENT**  
in billion US\$  
SOURCE: ERD



**High exposure of NBFIs in household raises concern**

Bangladesh Bank (BB) reported that the Non-bank Financial Institutions (NBFIs) concentrated half of their overall loan portfolio on household debts, leaving the non-banking sector vulnerable to shock. According to the report, scheduled banks provided around 70% of total household debt while NBFIs, those with authority to receive deposits, distributed the remaining 30%. However, the central bank could not identify any alarming shocks in the sector and pointed out that such shock is not quite likely in a highly-populated country where the demand for land will remain high. NBFIs also dismissed the possibility of any shock due to such high exposure in household debt, reiterating that they have already secured maximum mortgages against those debts, particularly housing loans, to avert possible shocks. According to the quarterly Financial Stability Assessment Report for July-September 2018, household debt disbursed by banks and the NBFIs have been gradually increasing, although the growth trended slow in the last few years. Household debt to Gross Domestic Product (GDP) ratio of Bangladesh remained mostly stable since 2015 and stood at 7.6% in 2017 – the lowest ratio compared to the neighboring countries as well as some other Southeast Asian economies. The report concluded that the low and stable household debt-to-GDP ratio in Bangladesh indicates low possibility of systemic risk from the household sector since the magnitude of disruption in the financial system from any negative shock in the household sector is likely to be minimal.

## Stock Market Movement



### Global Markets

		This Week	Last Week	+/- %
S&P 500	↓	2,664.76	2,670.71	-0.22
FTSE 100	↓	6,809.22	6,968.33	-2.28
Nikkei 225	↑	20,773.56	20,666.07	0.52
SENSEX	↓	36,025.54	36,386.61	-0.99
KSE 100	↑	40,264.78	39,306.50	2.44

### DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	5,950.01	5,825.57	2.14
Total Turnover, Tk	↓	48,277,441,271.00	52,716,803,888.00	-8.42
Market Capital, Tk	↑	3,609,091,246,307	3,531,950,151,872	2.18
No of Issue Gain		196	160	
No of Issue Loss		136	170	
No of Unchanged Issues		16	18	

### Top Gainers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
Sonar Bangla Ins	27.00	39.20	45.19	632,227,000
Far East Knitting	15.60	19.00	21.79	426,708,000
IFIC Bank Ltd.	13.40	16.10	20.15	829,103,000
United Insurance	58.20	69.90	20.10	132,253,000
Agrani Insurance	32.10	38.10	18.69	502,858,000
Premier Bank Ltd.	14.50	17.10	17.93	1,866,004,000
Kamaphuli Insurance	22.90	26.40	15.28	213,569,000
First Security Islami	11.70	13.40	14.53	469,122,000
BD.Autocars Ltd.	324.30	370.60	14.28	179,481,000
United Finance	27.50	31.40	14.18	981,468,000

### Top Losers

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

Company	Last Week	This Week	Change %	Turnover (Tk)
Northern Jute	1388.9	1126.90	-18.86	36,716,000
SEML IBBL Shariah MF	8.6	7.40	-13.95	2,359,000
Sonali Aansh Industries	762.1	657.80	-13.69	152,410,000
JMI Syringes & Medical	463.0	401.70	-13.24	646,008,000
S. S. Steel Limited	50.1	44.80	-10.58	502,835,000
Al-Haj Textile Mills	108.5	97.80	-9.86	242,728,000
Quasem Industries	52.7	47.90	-9.11	116,890,000
CVO Petrochemical	223.6	204.20	-8.68	272,824,000
Progressive Life Ins	77.4	70.80	-8.53	2,959,000
Savar Refractories	151.9	139.8	-7.97	7,633,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
	Bank	494.15	466.79	5.86	9,613.69	4,905.66
Cement	326.31	325.02	0.40	428.36	459.92	-6.86
Ceramic	761.99	772.25	-1.33	336.41	455.58	-26.16
Engineering	2,728.48	2,776.97	-1.75	4,809.00	7,051.78	-31.80
Food & Al.	4,072.33	4,108.66	-0.88	1,877.25	3,003.95	-37.51
Fuel & Pow.	4,478.98	4,373.94	2.40	3,464.88	5,391.78	-35.74
Insurance	1,746.62	1,746.79	-0.01	6,246.42	7,464.61	-16.32
IT	316.27	316.28	-0.01	1,226.76	1,675.60	-26.79
Jute	2,405.12	2,858.40	-15.86	190.97	421.80	-54.72
Misc.	1,256.82	1,249.94	0.55	1,543.07	2,030.99	-24.02
Mutual Fund	480.18	466.61	2.91	407.78	196.67	107.34
NBFI	1,411.12	1,401.88	0.66	5,100.36	4,573.65	11.52
Paper	12,089.29	12,100.61	-0.09	147.13	248.87	-40.88
Pharma	1,200.63	1,200.86	-0.02	4,458.46	5,681.22	-21.52
Service	1,277.72	1,274.32	0.27	430.65	549.00	-21.56
Tannery	923.81	926.78	-0.32	815.09	684.70	19.04
Telecom	3,657.89	3,461.32	5.68	1,043.57	648.90	60.82
Textile	1,664.89	1,633.19	1.94	5,473.2	6,390.2	-14.35
Travel & Leis	510.41	508.65	0.35	302.80	357.13	-15.21

## Technical Talk

Dhaka stocks prolonged the winning spells for the sixth straight week ended on Thursday as investors showed their interest in large-cap shares. The rational investors showed their buying appetite in banks, telecom, financial institutions and power sectors. Among the major gainers, Banks increased by 5.86% over the week followed by Telecom 5.68%, Mutual Fund 2.91%, Fuel & Power 2.40%, Textile 1.94% and NBFI 0.66%.

DSE Broad Index (DSEX) reached at 5,950.01 points increased by 124.44 points or 2.14% from the previous week. Total turnover reached at Tk48277.44m which was 8.42% lower than the previous week. Market capitalization increased by 2.18% and stood at Tk3609.09b (\$43.02b) at the weekend against Tk3531.95b. DSE 30 has increased by 39.52 points or 1.97% and closed at 2,049.00 points against 2,009.49 points. Last week's weighted average Market PE was 16.55 which was 16.28 previous week.

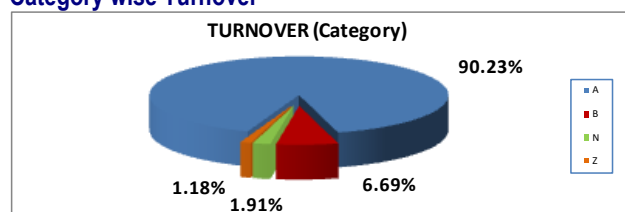
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Premier Bank Ltd.	115,175,199	1,866,004,000	3.87
United Power Generation	4,422,082	1,609,592,000	3.33
United Finance Limited	34,364,849	981,468,000	2.03
Dhaka Bank Ltd.	46,696,028	875,793,000	1.81
Square Pharmaceuticals	3,137,537	832,149,000	1.72
IFIC Bank Ltd.	55,563,453	829,103,000	1.72

### Top 10 Market Capital

	In million		
GP	534,044	ICB	91,605
Square Pharma	209,087	BRAC Bank	90,519
BATBC	207,564	Berger Paint	65,082
United Power	178,029	LafargeHolcim	53,307
RENATA	91,875	Olympic Ind.	48,585

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,279.10	1,281.30	-0.17
Silver (USD/t oz.)	15.25	15.29	-0.26
Brent Crude Oil (USD/bbl.)	61.52	62.65	-1.80

### 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	96.27	96.32	95.90	95.95	0.39	0.39
GBP	111.06	111.12	108.38	108.44	2.48	2.48
AUD	60.64	60.68	60.47	60.50	0.29	0.29
JPY	0.77	0.77	0.77	0.77	0.22	0.21
CAD	63.85	63.89	63.63	63.67	0.35	0.35
SAR	22.48	22.50	22.48	22.50	-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)
Runner Automobiles	Jan 31 - Feb 10, 2019	67	400
Esquire Knit Composite	Jan 06 - Jan 20, 2019	40	562
Genex Infosys	Nov 18 - Nov 29, 2018	10	200
SEML FBLSL Growth Fund	Dec 02 - Dec 13, 2018	10	1,000