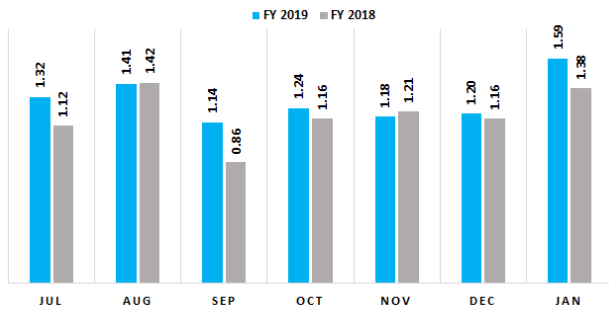


**Remittance starts the year strong**

Remittance inflow set forth the year in a rising manner as it grew by 15.23% (Y-o-Y) in January 2019 to US\$1.59b on the back of persistent devaluation of the Taka against US Dollar. According to Bangladesh Bank (BB) statistics, overall remittance increased by 9.24% to US\$9.08b in the first seven months of FY2018-19 compared to US\$8.31b in the same period of last fiscal year.

**REMITTANCE INFLOW**  
figures in billion US\$  
SOURCE: BB



The appreciation of the US Dollar against the local currency encouraged the expatriates to send money via legal channels, fueling the surge in the official figure of remittance. The exchange rate of Dollar currently stands at Tk83.95 (February 7, 2018) which was Tk82.9 in January last year and Tk78.7 in January 2017. Alongside, price appreciation in the global oil market accelerated economic activities in the Middle East countries, leading to an increase in earnings of the expatriates. BB set the remittance growth target at about 11% for the second half of FY2018-19 in its latest Monetary Policy Statement. Remittance inflows last fiscal year amounted to US\$14.98b.

**Trade deficit eases in H1, driven by slow import**

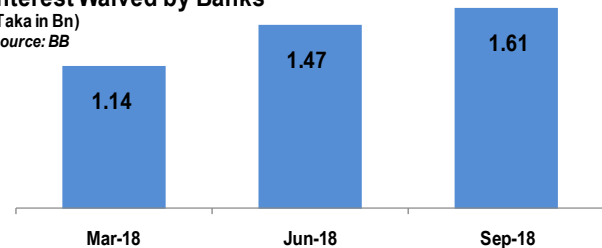
Trade deficit narrowed significantly in July-December period of FY2018-19 as import slowed down during the period while export witnessed strong rise. Bangladesh Bank (BB) reported that the deficit stood at US\$7.66b in the said period, down by 11.22% from US\$8.62b in the first half (H1) of FY2017-18. Import and export growths were 5.73% and 14.01% respectively in the first six months of FY2018-19 as against 25.76% and 7.8% respectively during the corresponding period of previous fiscal year. Economists attributed the surge in export to the US-China trade war which led to more buy orders for Ready-Made Garments (RMG) exporters from Bangladesh. On the other hand, reduced pressure of food import due to higher yield of rice which led to drop in rice import and decline in capital machinery import due to the slowdown in business activity ahead of national parliamentary election resulted to the lower import growth. Import payments stood at US\$27.82b in the first half of the ongoing fiscal year against US\$26.31b of the same period of previous fiscal year. Export earnings rose to US\$20.16b during the period under review from US\$17.67b in the same period of FY2017-18. However, overall deficit stood at US\$513m in the six months of FY2018-19 compared to US\$354m in the same period of FY2017-18. Current account balance also improved as the deficit in the balance narrowed to US\$3.08b in the H1 of this fiscal year from US\$5.07b in the same period of last fiscal year on the back of rising remittance and Foreign Direct Investment (FDI) inflow.

**Banks waive Tk4.22b interest in 9 months of 2018**

Banks have forgone due interest of Tk4.22b against bad loans in the first nine months of 2018, extending privilege to the malpractice of habitual defaulters. However, the figure of waived interest is 48% lower than the Tk8.19b in the same period a year ago. Some highly placed officials of Bangladesh Bank (BB) have revealed that the total amount of interest waived in the first nine months of 2018 was under-calculated as some state-owned banks lagged in submitting interest waiver-related information to the central bank. As a result, the total amount of interest written off in 2018 is expected to mount as banks usually open their arms in the last quarter of a year. Such unethical soft-corners of the banks in the recent years trigger the burgeoning growth of default loans in the banking sector. At the end of September 2018, the amount of bad loans in the banking system rose to Tk993.70b, which is 11.48% of the total outstanding loans (Tk8.66-trillion) as per the statistics of BB.

**Interest Waived by Banks**

(Taka in Bn)  
Source: BB



In another development, BB has introduced a fresh loan write-off policy by extending scope of the banks to write-off bad debts without filing any lawsuit to clear up the toxic assets on the balance sheets. As per the new policy, BB would allow banks to write-off loans worth up to Tk0.2m without filing any lawsuit in place of the previous limit of Tk50,000. Veteran economists have opined that exemption given to habitual and influential defaulters might subsequently create a moral hazard in the financial sector and demoralize the good borrowers.

**Net FDI inflow rises by 10.57% in H1**

Net Foreign Direct Investment (FDI) registered a growth of 10.57% (Y-o-Y) in the first half (H1) of FY2018-19 though portfolio investment has declined in the same period against the backdrop of the tension reeling from the parliamentary polls. According to the statistics released by Bangladesh Bank, net FDI accounted US\$910m in the July to December period of current fiscal against US\$823m in the corresponding period of previous fiscal year. In the period, the figure of gross FDI has also risen to US\$1.53b, marking a 10.61% (Y-o-Y) growth. However, net portfolio investment has plunged by 66% to US\$71m in the first half of FY2018-19 whereas portfolio investment accounted US\$209m in the same period of the previous fiscal year.

**38,244 new BO accounts opened in January**

A total of 38,244 Beneficiary Owners' (BO) account were opened in January featured with 20 trading sessions amid bullish vibe in the stock market after the December 30 national elections. At the end of January of 2019, the number of BO accounts stood at 2.82m while the figure was 2.78m as of December 31 last year. In the last month, DSEX, the key index of Dhaka Stock Exchange (DSE) soared by 8.08% or 435 points reaching the highest 5,950 points in the month where the daily average turnover was over Tk9b. Stock market experts have attributed that investors usually open new BO accounts or revive their suspended accounts when they find the primary and secondary market vibrant.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	2,707.88	2,706.53	0.05
FTSE 100	7,071.18	7,020.22	0.73
Nikkei 225	20,333.17	20,788.39	-2.19
SENSEX	36,546.48	36,469.43	0.21
KSE 100	40,887.35	41,112.71	-0.55

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,811.92	5,821.01	-0.16
Total Turnover, Tk	41,197,538,656.00	51,713,336,420.00	-20.33
Market Capital, Tk	3,621,852,615,647	3,573,992,772,717	1.34
No of Issue Gain	124	105	
No of Issue Loss	208	238	
No of Unchanged Issues	17	5	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Berger Paints	1471.70	1844.60	25.34	512,899,000
Libra Infusions	899.30	1066.70	18.61	179,156,000
Monno Jute Stafflers	1800.60	2123.70	17.94	411,803,000
Shurwid Industries	34.20	39.20	14.62	462,005,000
Marico Bangladesh	1238.10	1402.20	13.25	72,586,000
Atlas Bangladesh	128.90	145.70	13.03	120,749,000
GlaxoSmithKline	1382.50	1558.80	12.75	52,483,000
Reckitt Benckiser	2375.20	2642.60	11.26	95,770,000
BNICL	24.90	27.50	10.44	468,220,000
Sonar Bangla Ins	44.20	48.80	10.41	625,947,000

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Prime Insurance	25.40	19.80	-22.05	73,667,000
Purabi Gen. Insurance	21.60	17.00	-21.30	251,564,000
Paramount Insurance	27.00	21.60	-20.00	191,238,000
Janata Insurance	23.30	18.80	-19.31	115,714,000
Kamaphuli Insurance	24.50	20.00	-18.37	86,627,000
Asia Pacific General Ins	31.60	25.90	-18.04	91,616,000
Global Insurance Co.	22.30	18.30	-17.94	101,097,000
Northern General Ins	28.00	23.10	-17.50	60,199,000
Rupali Insurance	27.20	22.80	-16.18	158,538,000
Peoples Insurance	24.70	20.8	-15.79	16,276,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	460.71	467.67	-1.49	3,205.91	6,103.29	-47.47
Cement	321.90	320.20	0.53	386.72	335.41	15.30
Ceramic	798.22	798.51	-0.04	817.67	633.30	29.11
Engineering	2,695.35	2,692.28	0.11	4,432.42	5,498.25	-19.38
Food & Al.	4,250.50	4,161.25	2.14	1,187.89	1,485.86	-20.05
Fuel & Pow.	4,751.19	4,610.26	3.06	7,656.14	5,425.79	41.11
Insurance	1,616.89	1,720.84	-6.04	6,355.26	8,884.89	-28.47
IT	389.12	310.83	25.19	1,127.33	1,288.82	-12.53
Jute	2,488.30	2,566.55	-3.05	102.40	159.29	-35.71
Misc.	1,474.22	1,291.65	14.13	1,868.93	2,057.96	-9.19
Mutual Fund	460.71	465.72	-1.08	200.46	248.91	-19.46
NBFI	1,287.14	1,312.85	-1.96	1,666.94	3,487.49	-52.20
Paper	10,980.12	11,311.88	-2.93	175.23	186.28	-5.93
Pharma	1,225.35	1,192.80	2.73	3,310.80	4,325.81	-23.46
Service	1,248.01	1,263.72	-1.24	606.88	1,472.36	-58.78
Tannery	961.80	917.20	4.86	881.83	843.49	4.55
Telecom	3,774.55	3,696.14	2.12	2,584.41	2,053.26	25.87
Textile	1,631.73	1,644.61	-0.78	3,843.2	5,812.1	-33.88
Travel & Leis	499.97	502.15	-0.43	169.19	231.78	-27.00

## Technical Talk

Dhaka stocks prolonged the losing streak for the second week ended on Thursday as investors were nervy and sold their financial shares. Against the backdrop of the cautious Monetary Policy Statement (MPS), most of the investors adopted wait and see approach while some others started rebalancing their portfolios. Among the major losers, Insurance decreased by 6.04% over the week followed by NBFIs 1.96%, Banks 1.49% and Textile 0.78%.

DSE Broad Index (DSEX) reached at 5,811.92 points decreased by 9.09 points or 0.16% from the previous week. Total turnover reached at Tk41197.54m which was 20.33% lower than the previous week. Market capitalization, however, increased by 1.34% and stood at Tk3621.85b (\$43.17b) at the weekend against Tk3573.99b. DSE 30 has increased by 18.13 points or 0.90% and closed at 2,026.09 points against 2,007.96 points. Last week's weighted average Market PE was 16.61 which was 16.38 previous week.

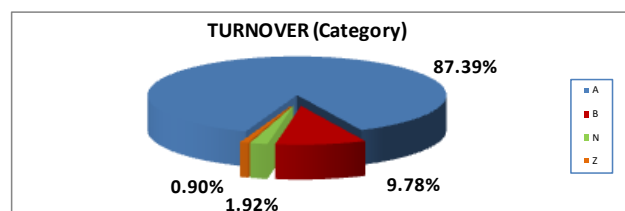
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
United Power Generation	7,885,969	3,160,747,000	7.67
Bangladesh Submarine	12,023,602	1,832,543,000	4.45
Khulna Power Company	14,671,847	956,241,000	2.32
Grameenphone Ltd.	1,881,893	751,862,000	1.83
Premier Bank Ltd.	47,695,428	751,449,000	1.82
Monno Ceramic	2,303,768	707,674,000	1.72

### Top 10 Market Capital

Company	Market Capital (In million)
GP	86,873
BATBC	85,549
Square Pharma	85,256
United Power	50,171
RENATA	49,005

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,313.30	1,317.40	-0.31
Silver (USD/t.oz)	15.82	15.88	-0.35
Brent Crude Oil (USD/bbl.)	62.07	62.82	-1.19

### 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	95.56	95.62	96.62	96.68	-1.10	-1.10
GBP	108.90	108.96	110.12	110.19	-1.12	-1.12
AUD	59.81	59.84	61.17	61.21	-2.23	-2.23
JPY	0.77	0.77	0.77	0.77	-0.22	-0.22
CAD	63.55	63.58	64.42	64.45	-1.35	-1.35
SAR	22.49	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
SEML FBSL Growth Fund	Dec 02 - Dec 13, 2018	10	1,000
New Lines Clothing Ltd.	Feb 18 - Feb 28, 2019	10	300