

BB grants six months more to adjust ADR

Bangladesh Bank (BB) has extended the deadline for banks to adjust their Advance-Deposit Ratio (ADR) by six months with a view to easing the crunch in the money market. The central bank has sanctioned the extension for the fourth time since January 2018. BB has issued a circular extending the deadline to September 30, 2019 from previous deadline of March 31, 2019. The circular has also required the banks with higher ADR to submit a concrete action plan to the central bank within a stipulated time period and to report on a monthly basis about the progress. Earlier in January of 2018, the central bank directed to lower ADR to 83.5% from 85% for conventional banks and to 89% from 90% for Shariah-based banks to arrest aggressive lending practices. BB officials have clarified that the central bank has extended the deadline again finding no other way as 23 banks still posted a higher ADR in January than the existing regulatory limit. However, bankers have hailed the decision and opined that the extension would give some breathing space for them. They have envisaged that the private sector credit growth would get pace due to the extension as the private sector credit growth was stuck at 13.2% in January amid the cautious lending stance taken by the banks to adjust the ADR. However, experts have opined that the ADR was revised to check the aggressive lending of the banks but the frequent extensions might pamper the banks to go slow to adjust their ADR.

Dubious private placements exceed IPOs

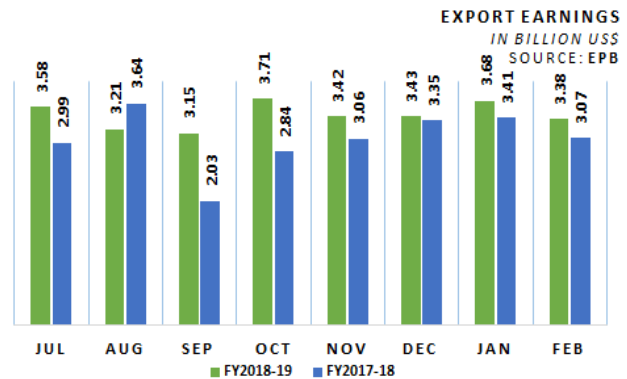
Some 28 companies that were listed with the twin bourses in the last three years raised more funds through private placements before listing than that through Initial Public Offerings (IPOs). The amount of total paid-up capital of the companies before getting IPO approval escalated by 221% to Tk20.73b as against Tk6.45b three years back while the same companies collected only Tk7.32b through IPOs. SS Steels, a newly listed company, had paid-up capital of Tk99.5m in 2015 but the figure soared to Tk2.20b in the next year through issuing placement shares whereas the company raised mere Tk250m through IPO. The same phenomenon is observed in the companies waiting to get approval of IPOs. Total paid-up capital of some 15 companies in the queue to raise funds through fixed price method has hiked by 6.16b in the last five years where most of the fund was raised through private placements while the companies intend to raise Tk4.01b through IPOs. Market insiders have concluded that the investors, who had bought the placement shares, divested most of their holding after one year lock-in period from the issue date of prospectus. Experts have asserted that some unprincipled companies go public with small size of IPO to reap a hefty profit by selling placement shares.

Revenue collection hit hard in July-January

Sluggish revenue collection by the National Board of Revenue (NBR) poses a great headache for the government at the end of seven months (July-January) of the FY2018-19 as all three wings of the tax authorities failed to achieve their respective targets. According to the provisional figures of NBR, revenue collection fell short of the target by Tk333.03b in the first seven months of the fiscal year. During the period, the tax officials could collect Tk1.18 trillion with a growth of only 7.09%, much lower than the average growth rate of 14% in last five years. The NBR faced the highest deficit in Value-Added Tax (VAT) of Tk139.75b followed by customs duty Tk113.28b and income tax Tk80b. Economists have hinted that the NBR would have to desperately expedite revenue collection drive in the coming months to minimize the hefty shortfall in revenue collection.

Export receipts beat Jul-Feb target for FY19

Export earnings kept momentum till the end of February 2019, leading to a 14.17% (Y-o-Y) rise in the first eight months of FY2018-19. Exporters fetched US\$27.56b during the period, surpassing the target of US\$25.56b for the period. February export receipts stood at US\$3.38b, registering a 10.12% (Y-o-Y) growth, according to Export Promotion Bureau (EPB) statistics. The February receipt also exceeded the monthly target of US\$3.15 by 7.13%. The rise in garments shipment was the main contributor in the recent export growth. During the eight months of the current fiscal year, the earnings from Ready-made Garment (RMG) exports increased by 13.50% to US\$23.12b, compared with that of US\$20.25b in the same period of FY2017-18. The knitwear and woven garments export grew year-on-year by 13.50% and 14.84% respectively during the period under review, backed by the safety measures adopted by the sector and also good performance in non-traditional markets. Economists attributed the growth in apparel exports to the diversion of work orders to Bangladeshi factories from China. Moreover, the US-China trade war resulted in an increased buy orders from the United States (US). However, experts also expressed concern as the RMG export growth is fueled by the volume of sales, and not by any appreciation of value. It worries industry insiders as the buyers are reducing prices of apparel items in almost all seasons. Among other export items, agro products, pharmaceuticals, cotton products and ceramics witnessed growth during the period. On the other hand, exports of leather & leather goods and jute products declined significantly during the eight months compared to that of the same period of the previous fiscal year.



Sales of NSCs hit new record in January

The sales of National Saving Certificates (NSCs) by January 2019 exceeded the total annual target of Tk261.97b set by the government in the national budget for FY2018-19. According to latest statistics, the sales of the government saving tools in July-January of the current fiscal year stood at Tk309.96b, surpassing the target by 18.32%. The net sales of NSCs climbed to a new monthly high in January this year by reaching Tk60.02b, beating the previous high sales worth Tk54b recorded in June 2017. Not only the sales exceeded the target but also the interest payment target has also been crossed. The Finance Division unveiled that the government had to pay interest worth Tk554.72b against the projection of Tk414.57b in FY2017-18. The Finance Ministry projected Tk513.40b worth interest obligation from the saving certificates in the current fiscal year. According to economists, the sales of government-sponsored saving certificates continued to rise as the people do not have any not much better alternative left to invest their savings in.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	2,822.48	2,743.07	2.89
FTSE 100	7,228.28	7,104.31	1.74
Nikkei 225	21,570.19	21,025.56	2.59
SENSEX	38,073.49	36,671.43	3.82
KSE 100	38,477.93	38,950.23	-1.21

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,653.21	5,686.38	-0.58
Total Turnover, Tk	28,841,114,897.00	29,799,266,200.00	-3.22
Market Capital, Tk	3,608,787,399,082	3,542,221,742,326	1.88
No of Issue Gain	70	93	
No of Issue Loss	262	230	
No of Unchanged Issues	18	26	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
BATBC	3750.60	4776.70	27.36	1,826,492,000
Reckitt Benckiser	2642.90	3246.20	22.83	295,270,000
Marico Bangladesh	1294.80	1526.50	17.89	217,442,000
GlaxoSmithKline	1336.60	1566.90	17.23	39,628,000
Berger Paints	1864.50	2087.50	11.96	292,660,000
Bata Shoe Company	1133.60	1265.30	11.62	230,532,000
Kay & Que Ltd.	199.20	219.10	9.99	88,094,000
Dutch-Bangla Bank	199.60	218.10	9.27	1,447,621,000
Delta Brac Housing	139.80	150.70	7.80	281,074,000
BRAC Bank Ltd.	82.40	88.50	7.40	900,532,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Bangladesh National In.	22.60	18.60	-17.70	60,850,000
Prime Insurance	18.90	15.60	-17.46	21,239,000
Indo-Bangla Pharma	30.20	25.10	-16.89	125,282,000
Federal Insurance	12.40	10.40	-16.13	25,194,000
Safko Spinnings Mills	24.10	20.30	-15.77	171,766,000
Asia Insurance Co. Ltd.	31.80	26.90	-15.41	85,548,000
Simtex Industries	33.90	28.70	-15.34	162,550,000
Janata Insurance	16.30	13.80	-15.34	19,244,000
Global Insurance Co.	18.50	16.00	-13.51	31,802,000
Alif Industries Limited	82.80	72.20	-12.80	421,121,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	461.77	460.28	0.32	4,680.20	3,806.51	22.95
Cement	319.70	309.90	3.16	518.57	248.49	108.68
Ceramic	801.91	836.48	-4.13	1,351.27	2,457.25	-45.01
Engineering	2,558.13	2,640.07	-3.10	3,643.96	4,580.21	-20.44
Food & Al.	5,170.87	4,277.34	20.89	2,423.56	626.82	286.64
Fuel & Pow.	4,556.35	4,540.98	0.34	2,876.76	3,121.89	-7.85
Insurance	1,539.36	1,614.35	-4.64	1,905.26	2,302.25	-17.24
IT	348.33	367.89	-5.32	856.51	771.29	11.05
Jute	2,217.68	2,290.65	-3.19	85.60	77.54	10.40
Misc.	1,558.68	1,466.27	6.30	1,061.19	979.41	8.35
Mutual Fund	443.73	445.58	-0.41	116.72	89.83	29.93
NBFI	1,245.16	1,239.94	0.42	1,078.13	863.17	24.90
Paper	10,519.58	10,982.15	-4.21	88.84	82.58	7.58
Pharma	1,228.90	1,202.55	2.19	2,349.72	2,185.20	7.53
Service	1,150.80	1,198.05	-3.94	264.01	175.90	50.10
Tannery	969.14	922.57	5.05	1,045.54	1,243.14	-15.90
Telecom	3,608.92	3,609.09	0.00	915.52	1,456.75	-37.15
Textile	1,500.76	1,584.01	-5.26	2,838.26	3,493.52	-18.76
Travel & Leis	488.45	501.33	-2.57	96.60	236.52	-59.16

Technical Talk

Dhaka stocks finished with another bearish week ended on Thursday extending the losing streak for the seventh straight week as nervous investors continued their selling binge on sector-wise shares. The shaky investors sold their holdings mostly from general insurance, textile, ceramic and engineering sectors to avoid further losses. Among the major losers, Textile decreased by 5.26% over the week followed by Insurance 4.64%, Ceramic 4.13% and Engineering 3.10%.

DSE Broad Index (DSEX) reached 5,653.21 points decreased by 33.17 points or 0.58% from the previous week. Total turnover reached at Tk28841.11m which was 3.22% lower than the previous week. Market capitalization, however, increased by 1.88% and stood at Tk3608.79b (\$42.83b) at the weekend against Tk3542.22b. DSE 30 has decreased by 12.36 points or 0.62% and closed at 2,005.49 points against 1,993.13 points. Last week's weighted average Market PE was 16.39 which was 16.07 previous week.

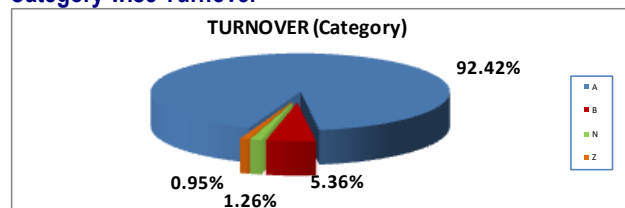
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
BATBC	393,599	1,826,492,000	6.33
United Power Generation	3,774,214	1,506,492,000	5.22
Dutch-Bangla Bank Ltd.	7,047,359	1,447,621,000	5.02
Monno Ceramic	3,402,334	1,287,706,000	4.46
BRAC Bank Ltd.	10,587,951	900,532,000	3.12
Singer Bangladesh Ltd.	3,106,299	847,730,000	2.94

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	522,701	96,814	96.814
BATBC	286,602	94,916	94.916
Square Pharma	211,139	85,884	85.884
United Power	194,222	53,075	53.075
RENATA	97,110	48,085	48.085

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,297.30	1,297.20	0.01
Silver (USD/t oz.)	15.25	15.27	-0.08
Brent Crude Oil (USD/bbl.)	67.16	66.30	1.30

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.25	84.30	84.20	84.25	0.06	0.06
EUR	96.00	96.06	95.16	95.22	0.88	0.88
GBP	112.30	112.37	109.90	109.97	2.18	2.18
AUD	60.25	60.29	59.72	59.75	0.90	0.90
JPY	0.76	0.76	0.77	0.77	-0.29	-0.30
CAD	63.57	63.60	63.12	63.16	0.71	0.71
SAR	22.58	22.59	22.57	22.58	0.06	0.06

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	1,000
Esquire Knit Composite	Jan 06 - Jan 20, 2019	40	1,500
New Line Clothings	Feb 18 - Feb 28, 2019	10	300
Silco Pharmaceuticals	Mar 07 - Mar 19, 2019	10	300