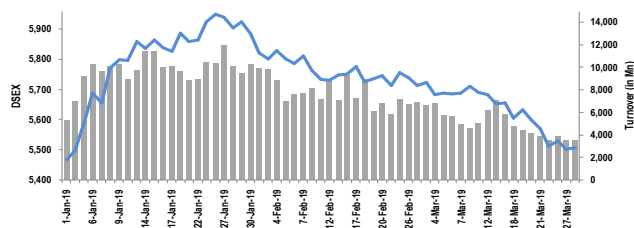


Stock market mired in confidence deficiency

The Dhaka Stock Exchange (DSE) has endured persistent gloomy vibe for the last nine consecutive weeks as anxious investors have continued their selling binge irrespective of sectors. The inertia of institutional investors has broken the psychological threshold of general investors as most of the institutional investors have opted to remain dormant. After the parliamentary polls held in December last year, the market started the year with a flying note and continued the vibe before January 27 this year. Afterwards, the activity of the market participants has dropped drastically as the institutional investors have settled in sidelines while retail investors have gone for panic sell-off. Moreover, the rumor that ICB, the state-owned investment company, is also selling shares instead of giving support to the market has also left the investors in despair.



In the last 41 trading sessions, DSEX, the benchmark index of the premier bourse, lost points in 24 sessions. In the last two months, the broad index shed 315.51 points or 5.42% while the index gained 539.76 points or 10.22% in the previous two months. On the other hand, average turnover in the bourse dropped to Tk6.34b in the last two months from Tk7.57b in the previous two months. The market capitalization also decreased by Tk45.04b or 1.08% whereas the market cap added Tk345.78b in the previous two months. Stock market experts have attributed that the secondary market currently faces liquidity shortage as many companies raised fund through IPOs and placement shares in the last few months. Moreover, institutional investors have paused to inject fresh funds in the market and most continued with their selling spree to avoid further losses in the current gloomy environment. Along with, some of the banks and NBFIs have declared lower dividends despite reporting higher earnings and that has frustrated the expectations of the investors and consequently, they have dumped those shares. On the other hand, the officials of the capital market regulator have stated that they have detected the existence of a kerf market centering on placement shares and a committee has already been formed to check any irregularities in such placement of shares.

Private banks in dearth of deposits

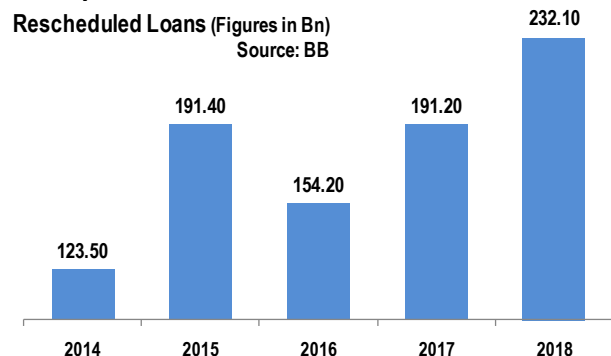
The liquidity crunch in private banks is exacerbating each day as the banks struggle to attract and retain deposits required to improve the condition. The average deposit growth of private banks came down to 11.59% in December 2018 compared to 12.58% growth in December 2017 though the overall deposit growth in the banking system stood at 11.19% as of December 2018, riding up from 10.25% in September in the same year, according to Bangladesh Bank. However, experts have expressed doubt about the growth of the overall deposit published by the central bank as the banking sector lost 21.6% of its excess liquidity in December from June due to the ongoing significant gap between deposit and loan growth. The excess liquidity came down to Tk763.93b in December from Tk974.70b in June 2018. Consequently, many banks are reportedly offering double digit interest rates to attract depositors.

Dollar puts pressure on Taka

The value of Bangladeshi Taka continues to erode against the greenback as mounting demand for the US dollar has surpassed the supply of the same. According to figures from Bangladesh Bank (BB), the Bangladeshi currency has deflated to Tk84.25 in the interbank foreign exchange market after eroding Tk0.29 in the last one year despite frequent sales of US dollar by BB. In the FY2018-19, BB has so far injected US\$1.82b to ease the demand for the US dollar while the central banks had to sell US\$2.31b in the previous fiscal year for the same purpose. Against the backdrop of the accelerating demand for greenback, the forex reserve of BB has slipped to US\$31.69b as on March 20 this year as against US\$32.23b in the previous month. BB officials have attributed that the soaring import bills for the ongoing development projects and LNG imports has contributed to flare the demand for US dollar.

Loan rescheduling sets new record

The banking sector has rescheduled a record volume of default loans in 2018 raising further concern for the health of the sector. As per the figures of Bangladesh Bank (BB), Non-Performing Loans (NPLs) amounting to Tk232.10b were rescheduled in 2018, up by 22% from a year earlier. The amount of NPLs in the banking sector touched the record amount of Tk993.70b at the end of September 2018 though it came down to Tk939.11b at the end of the year. A major chunk of the NPLs was rescheduled by taking special approvals from the central bank on a case-to-case basis. Among the banks, Islami Bank Bangladesh Limited rescheduled the highest amount of default loans of Tk48.14b, 21% of the total rescheduled loans in 2018. Reportedly, the central bank gave some 200 special approvals on loan rescheduling applications of Islami Bank sidestepping its own policy as the amount of default loans of the bank increased by 31% (Y-o-Y) to Tk33.17b in 2018. However, the Financial Stability Reports of the central bank for the years of 2016 and 2017 expressed concerns about the malign culture of loan rescheduling linked to poor due diligence, influenced lending and negligence in compliance with risk management practices. Economists have opined that the majority of the lenders rescheduled their default loans on a wholesale basis without verifying the cash flow of the borrowers or without securing the required down payment. They have further stated that the bankers also patronize such a bad practice to avoid keeping provisioning against the toxic loans and show healthy net profits. However, they have warned that rescheduling will not bring any good in the long run as the generous flexibility can nothing but artificially reduce the amount of default loans.



Stock Market Movement



Global Markets

| | This Week | Last Week | +/- % |
|------------|-----------|-----------|-------|
| S&P 500 | 2,834.40 | 2,800.71 | 1.20 |
| FTSE 100 | 7,279.19 | 7,207.59 | 0.99 |
| Nikkei 225 | 21,205.81 | 21,627.34 | -1.95 |
| SENSEX | 38,672.91 | 38,164.61 | 1.33 |
| KSE 100 | 38,649.34 | 38,531.87 | 0.30 |

DSE Indicators

| | This Week | Last Week | +/- % |
|------------------------|-------------------|-------------------|--------|
| DSE Broad Index | 5,505.50 | 5,570.15 | -1.16 |
| Total Turnover, Tk | 14,460,418,308.00 | 17,201,677,630.00 | -15.94 |
| Market Capital, Tk | 3,531,516,983,635 | 3,561,531,112,695 | -0.84 |
| No of Issue Gain | 146 | 105 | |
| No of Issue Loss | 169 | 223 | |
| No of Unchanged Issues | 35 | 22 | |

Top Gainers

| Company | Weighted avg. Closing Price (Tk) | | | Turnover (Tk) |
|---------------------|----------------------------------|-----------|----------|---------------|
| | Last Week | This Week | Change % | |
| Agrani Insurance Co | 30.30 | 34.60 | 14.19 | 69,437,000 |
| JMI Syringes | 327.00 | 368.80 | 12.78 | 361,986,000 |
| Monno Ceramic | 317.10 | 355.80 | 12.20 | 613,403,000 |
| Kay & Que Ltd. | 216.50 | 234.10 | 8.13 | 1,831,970,000 |
| Golden Harvest Agro | 33.50 | 36.00 | 7.46 | 24,177,000 |
| ICBEPMF1S1 | 5.60 | 6.00 | 7.14 | 2,250,000 |
| BSCCL | 143.70 | 153.30 | 6.68 | 293,174,000 |
| Legacy Footwear | 136.30 | 145.10 | 6.46 | 236,611,000 |
| Sonar Bangla Ins | 51.10 | 54.30 | 6.26 | 52,075,000 |
| Atlas Bangladesh | 132.70 | 140.70 | 6.03 | 62,237,000 |

Top Losers

| Company | Weighted avg. Closing Price (Tk) | | | Turnover (Tk) |
|------------------------|----------------------------------|-----------|----------|---------------|
| | Last Week | This Week | Change % | |
| Singer Bangladesh Ltd. | 268.90 | 192.10 | -28.56 | 743,236,000 |
| Marico Bangladesh Ltd. | 1655.0 | 1430.00 | -13.60 | 108,951,000 |
| Popular Life Insurance | 99.50 | 88.20 | -11.36 | 7,797,000 |
| Rupali Life Insurance | 101.50 | 90.30 | -11.03 | 53,701,000 |
| VAMLRBBF | 7.70 | 6.90 | -10.39 | 248,000 |
| Trust Bank Ltd. | 31.60 | 28.80 | -8.86 | 9,876,000 |
| Global Heavy Chemical | 42.70 | 39.00 | -8.67 | 15,093,000 |
| LafargeHolcim | 44.50 | 41.70 | -6.29 | 85,163,000 |
| Reckitt Benckiser | 3596.5 | 3299.40 | -8.26 | 135,854,000 |
| Renwick Jaineswar | 1627.6 | 1493.50 | -8.24 | 71,155,000 |

Sectoral Index & Turnover

| Sector | Sectoral Index | | | Turnover (Tk.M) | | |
|---------------|----------------|-----------|----------|-----------------|-----------|----------|
| | This Week | Last Week | Change % | This Week | Last Week | Change % |
| Bank | 435.02 | 447.41 | -2.77 | 3,205.91 | 6,103.29 | -47.47 |
| Cement | 305.55 | 313.62 | -2.57 | 386.72 | 335.41 | 15.30 |
| Ceramic | 788.97 | 762.88 | 3.42 | 817.67 | 633.30 | 29.11 |
| Engineering | 2,510.82 | 2,531.91 | -0.83 | 4,432.42 | 5,498.25 | -19.38 |
| Food & Al. | 4,909.15 | 5,061.36 | -3.01 | 1,187.89 | 1,485.86 | -20.05 |
| Fuel & Pow. | 4,518.62 | 4,468.94 | 1.11 | 7,656.14 | 5,425.79 | 41.11 |
| Insurance | 1,477.40 | 1,490.35 | -0.87 | 6,355.26 | 8,884.89 | -28.47 |
| IT | 344.73 | 345.92 | -0.34 | 1,127.33 | 1,288.82 | -12.53 |
| Jute | 2,417.06 | 2,424.67 | -0.31 | 102.40 | 159.29 | -35.71 |
| Misc. | 1,411.72 | 1,484.42 | -4.90 | 1,868.93 | 2,057.96 | -9.19 |
| Mutual Fund | 432.46 | 438.67 | -1.42 | 200.46 | 248.91 | -19.46 |
| NBFI | 1,196.25 | 1,214.71 | -1.52 | 1,666.94 | 3,487.49 | -52.20 |
| Paper | 9,985.54 | 10,053.53 | -0.68 | 175.23 | 186.28 | -5.93 |
| Pharma | 1,213.18 | 1,233.25 | -1.63 | 3,310.80 | 4,325.81 | -23.46 |
| Service | 1,140.91 | 1,139.00 | 0.17 | 606.88 | 1,472.36 | -58.78 |
| Tannery | 913.36 | 926.49 | -1.42 | 881.83 | 843.49 | 4.55 |
| Telecom | 3,790.58 | 3,690.31 | 2.72 | 2,584.41 | 2,053.26 | 25.87 |
| Textile | 1,478.68 | 1,478.79 | -0.01 | 3,843.2 | 5,812.1 | -33.88 |
| Travel & Leis | 482.24 | 485.07 | -0.58 | 169.19 | 231.78 | -27.00 |

Technical Talk

Dhaka stocks continued the bearish vibe in the last week ended on Thursday extending the losing streak for the ninth straight week as nervous investors continued their selling binge. The discontent investors sold their holdings mostly from the food, banking and financial institution sectors amid ongoing corporate declarations. Among the major losers, Food sector decreased by 3.01% over the week followed by Banking 2.77%, Pharmaceuticals 1.63% and Financial Institutions 1.55%. However, Telecommunications sector increased by 2.71% and Fuel & Power by 1.11%.

DSE Broad Index (DSEX) reached 5,505.50 points decreased by 64.65 points or 1.16% from the previous week. Total turnover reached at Tk14,460.42m which was 15.94% lower than the previous week. Market capitalization also decreased by 0.84% and stood at Tk3,531.52b (\$41.92b) at the weekend against Tk3,561.53b. DSE 30 decreased by 24.31 points or 1.22% and closed at 1,968.68 points against 1,993.00 points. Last week's weighted average Market PE was 16.02 which was 16.18 previous week.

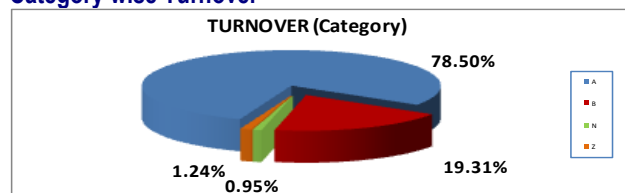
Top Turnover Companies

| Company | Volume | Value (Tk) | % of total |
|-------------------------|-----------|-------------|------------|
| United Power Generation | 2,177,909 | 870,443,000 | 6.02 |
| BATBC | 186,551 | 852,291,000 | 5.89 |
| Singer Bangladesh Ltd. | 3,863,693 | 743,236,000 | 5.14 |
| Monno Ceramic | 1,752,459 | 613,403,000 | 4.24 |
| Grameenphone Ltd. | 1,422,631 | 577,250,000 | 3.99 |
| BRAC Bank Ltd. | 6,077,655 | 467,695,000 | 3.23 |

Top 10 Market Capital

| Company | Market Capital (In million) |
|------------------------|-----------------------------|
| GP | 550,112 |
| BATBC | 268,986 |
| Singer Bangladesh Ltd. | 211,533 |
| United Power | 193,120 |
| RENATA | 95,854 |
| Berger Paint | 83,476 |
| BRAC Bank | 82,904 |
| ICB | 81,489 |
| LafargeHolcim | 48,429 |
| Olympic Ind. | 46,526 |

Category wise Turnover



Commodity Price

| | This Week | Last Week | Change % |
|----------------------------|-----------|-----------|----------|
| Gold (USD/t.oz.) | 1,289.80 | 1,311.60 | -1.66 |
| Silver (USD/t.oz.) | 14.92 | 15.35 | -2.76 |
| Brent Crude Oil (USD/bbl.) | 67.10 | 67.03 | 0.10 |

Exchange Rate

| | This Week | | Last Week | | Change % | |
|-----|-----------|--------|-----------|--------|----------|-------|
| | TT | BC | TT | BC | TT | BC |
| USD | 84.25 | 84.30 | 84.25 | 84.30 | 0.00 | 0.00 |
| EUR | 95.29 | 95.35 | 95.82 | 95.88 | -0.56 | -0.56 |
| GBP | 111.43 | 111.50 | 111.65 | 111.71 | -0.20 | -0.20 |
| AUD | 60.07 | 60.10 | 60.12 | 60.06 | -0.10 | 0.07 |
| JPY | 0.77 | 0.77 | 0.77 | 0.77 | -0.22 | -0.22 |
| CAD | 63.18 | 63.22 | 63.15 | 63.18 | 0.05 | 0.05 |
| SAR | 22.58 | 22.59 | 22.58 | 22.59 | 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 | 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 |
| Coppertech Industries | Mar 31 - Apr 09, 2019 | 10 | 200 |