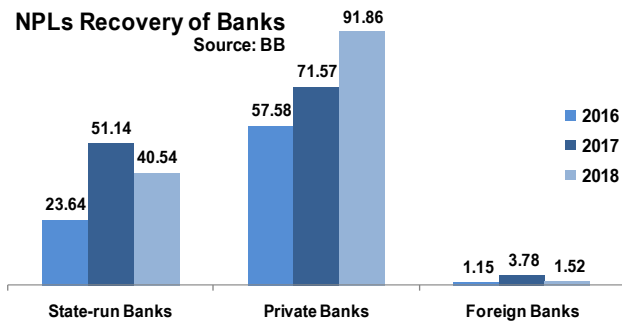


Banks hobble to recover NPLs

The volume of Non-Performing Loans (NPLs) recovered by banks was not up to the mark in 2018 though the escalation of NPLs in the same period continued as usual, signaling a tough time looming large for the banking sector. As per the statistics of Bangladesh Bank (BB), the banks recovered Tk133.92b of NPLs in 2018, up by 5.86% from a year earlier while the toxic loans in the sector soared by 26.38% to Tk939.11b at the end of 2018. However, the lenders rescheduled a record amount of default loans worth Tk232.10b in 2018, up by 22% from a year earlier. Experts have opined that recovery of bad loans is a very hard task in Bangladesh and it is tougher for State-owned Banks (SoBs). According to BB, the SoBs recovered only Tk40.54b in 2018, down by 21% (Y-o-Y) whereas the private banks recovered over Tk91.85b, up by 28% (Y-o-Y). On the other hand, foreign banks recovered Tk1.52b last year, down by 60% (Y-o-Y). Experts have opined that the recovery by private banks was not good enough considering the volume of default loans. They have also urged the government to offer judicial support to the banks to recover NPLs.

NPLs Recovery of Banks

Source: BB

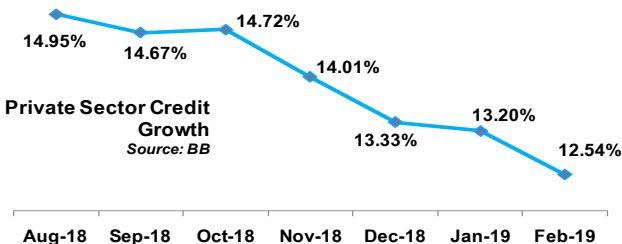


Private credit growth dives to 53-month low

Disbursement of credits to the private sector has continued the sluggish trend in February even after the parliamentary polls held in December last year as banks, particularly the private banks, are in tight corner to disburse loans due to the ongoing liquidity crunch. As per the latest figures disclosed by Bangladesh Bank (BB), the private sector credit growth has slipped to 12.54% in February of 2019, the lowest since October 2014, while the growth rate was 13.20% in the previous month. The achieved growth in February was 3.96% lower than the target of 16.50% set by BB for the second half (January-June) of the FY2018-19 in the Monetary Policy Statement (MPS). Economists have attributed that scarcity of deposits and purchase of greenback in volume to meet import bills are the root causes of the lackluster scenario in private credit disbursement. Moreover, some banks have maintained 'go-slow' policy for loan disbursements as they are taking preparations to comply with the revised Advance-Deposit Ratio (ADR). Experts have also urged the government to calibrate the interest rates of saving certificates for the sake of restoring stability in the financial sector.

Private Sector Credit Growth

Source: BB



NBFIs too enjoy relaxed write-off policy

Bangladesh Bank (BB) has revised the loan write-off policy for Non-Bank Financial Institutions (NBFIs) by allowing them to write off more toxic loans without facing any legal hassle to help reduce the amount of classified loans in the financial sector. The new policy will allow NBFIs to write off bad loans worth up to Tk0.2m without filing any case with *Artha Rin Adalat* (Money Loan Court). Previously, NBFIs had to file suit to write off bad loans amounting more than Tk50,000. The bad loans will have to be written off after remaining classified for three consecutive years, according to the new policy, as against five years in the previous policy. In addition, BB has provided NBFIs with a discretionary power to write off bad loans without filing any court case where the individual borrower is deceased after taking the loans or it was taken by the entities owned by the deceased persons. BB claimed the changes in policy as time-befitting considering the existing ground realities of the financial sector. Earlier, the central bank issued similar type of circular for the scheduled banks on February 06, 2019, enabling banks to clear their balance sheet. Global Credit Rating Agency like Moody's and local economists, meanwhile, criticized BB for the relaxed policy, cautioning it will only artificially reduce default loans.

Remittance continues to rise

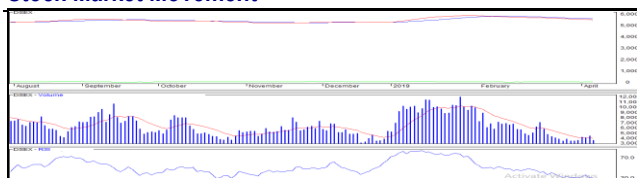
Remittance inflow kept upbeat momentum till end of March of FY2018-19 as the banks proactively took steps to encourage remitters with an eye to mitigating shortage of foreign currency. Bankers reportedly offered remitters lucrative rates, even higher rates than the average Bills for Collection (BC) selling rate to boost foreign currency inflow in the banks. Moreover, the Bangladesh Bank (BB) took a number of initiatives to cease illegal cross-border fund transfer known as *hundi*. The expatriates remitted US\$11.87b in July-March period of this fiscal year, BB reports. It was a 10.28% (Y-o-Y) rise during this nine month period as the continuous devaluation of Taka against the US Dollar stimulated the inward flow of remittance. Inward remittance increased by 12.17% (Y-o-Y) in March 2019 to US\$1.46b, according to BB statistics. However, economists fear that the increase so far in remittance is not sufficient enough to give necessary support to lighten the bloated deficit in the current account balance. In fact, the role of remittance in the Gross Domestic Product (GDP) diminished significantly over the years, according to economists.

Import up by 9% in Jul-Feb of FY19

The increase in imports of intermediary goods and fuel oils led the overall imports to grow by more than 9% in the July-February period of FY2018-19. As per the figures of Bangladesh Bank (BB), the actual import in terms of settlement of Letters of Credit (LCs) increased to US\$36.9b during the first eight months of the ongoing fiscal year from US\$33.84b in the corresponding period of FY2017-18. Import of intermediate goods such as coal, hard coke, clinker, scrap vessels and various construction materials jumped by 38.58% (Y-o-Y) to US\$3.68b during the period under review. Import of petroleum products including liquefied natural gas (LNG) soared by 35.08% to US\$2.61b during the period. However, import of capital machinery or industrial equipment decreased by more than 7% to US\$3.25b during the July-February period of FY2018-19 though import of industrial raw materials posted an increase. Import of food grains and consumer goods dropped during the period.

The week's data runs 28 March 2019 to 04 April 2019

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	2,892.74	2,834.40	2.06
FTSE 100	↑	7,446.87	7,279.19	2.30
Nikkei 225	↑	21,807.50	21,205.81	2.84
SENSEX	↑	38,862.23	38,672.91	0.49
KSE 100	↓	37,521.81	38,649.34	-2.92

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,459.91	5,505.50	-0.83
Total Turnover, Tk	↑	20,126,674,850.00	14,460,418,308.00	39.18
Market Capital, Tk	↓	3,485,725,021,832	3,531,516,983,635	-1.30
No of Issue Gain		124	146	
No of Issue Loss		189	169	
No of Unchanged Issues		37	35	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
United Insurance	50.10	64.50	28.74	124,547,000
Federal Insurance	10.20	12.00	17.65	75,103,000
Prime Insurance	16.40	19.20	17.07	31,839,000
Eastern Lubricants	1503.40	1707.70	13.59	231,688,000
Paramount Ins	14.40	16.20	12.50	18,453,000
Renwick Jaineswar	1493.50	1667.80	11.67	130,553,000
Agrani Insurance Co	34.60	38.50	11.27	179,233,000
Asia Insurance Co.	25.60	28.20	10.16	121,851,000
BNICL	18.90	20.50	8.47	59,933,000
Global Insurance Co.	15.40	16.70	8.44	61,629,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
aamra networks limited	56.20	48.70	-13.35	26,387,000
S. S. Steel Limited	31.30	27.20	-13.10	76,026,000
aamra technologies	28.50	25.30	-11.23	27,688,000
Quasem Industries	41.30	37.40	-9.44	40,095,000
Southeast Bank Ltd.	15.40	14.20	-7.79	46,380,000
Monno Jute Staffers	1765.1	1629.40	-7.69	318,451,000
Meghna Pet Industries	12.50	11.60	-7.20	791,000
Mercantile Insurance	30.60	28.40	-7.19	17,780,000
BIFC	5.80	5.40	-6.90	197,000
Legacy Footwear Ltd.	145.10	135.10	-6.89	166,859,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	430.98	435.02	-0.93	2,079.50	1,856.44	12.02
Cement	307.63	305.55	0.68	409.13	206.87	97.77
Ceramic	768.66	788.97	-2.57	832.81	644.89	29.14
Engineering	2,469.59	2,510.82	-1.64	2,355.40	2,137.42	10.20
Food & Al.	4,962.86	4,909.15	1.09	1,497.70	1,166.84	28.36
Fuel & Pow.	4,408.29	4,518.62	-2.44	3,223.69	1,860.50	73.27
Insurance	1,492.47	1,477.40	1.02	1,619.66	761.60	112.67
IT	330.46	344.73	-4.14	325.24	228.06	42.61
Jute	2,350.39	2,417.06	-2.76	56.51	84.06	-32.77
Misc.	1,440.73	1,411.72	2.05	464.51	387.05	20.01
Mutual Fund	430.07	432.46	-0.55	68.99	46.80	47.42
NBFI	1,178.51	1,196.25	-1.48	631.14	400.44	57.61
Paper	9,677.43	9,985.54	-3.09	56.68	46.29	22.46
Pharma	1,208.41	1,213.18	-0.39	2,023.48	1,760.16	14.96
Service	1,114.23	1,140.91	-2.34	113.21	90.57	25.00
Tannery	931.19	913.36	1.95	733.27	501.89	46.10
Telecom	3,624.29	3,790.58	-4.39	1,424.58	870.42	63.67
Textile	1,467.66	1,478.68	-0.75	1,465.91	1,130.55	29.66
Travel & Leis	489.54	482.24	1.51	121.09	54.39	122.63

Technical Talk

Dhaka stocks continued the bearish vibe in the last week ended on Thursday extending the losing streak for the tenth straight week as anxious investors continued their selling spree. The discontent investors sold their holdings mostly from large-cap sectors particularly from telecoms, power, engineering, bank, pharma and textile sectors. Among the major losers, Telecom sector decreased by 4.39% over the week followed by Fuel & Power 2.44%, Engineering 1.64%, NBFI 1.48%, Bank 0.93%, Textile 0.75% and Pharma 0.39%.

DSE Broad Index (DSEX) reached 5,459.91 points decreased by 45.59 points or 0.83% from the previous week. Total turnover reached at Tk20126.67m which was 39.28% higher than the previous week. Market capitalization also decreased by 1.30% and stood at Tk3485.73b (\$41.35b) at the weekend against Tk3531.52b. DSE 30 decreased by 20.22 points or 1.03% and closed at 1,948.47 points against 1,968.68 points. Last week's weighted average Market PE was 15.92 which was 16.02 previous week.

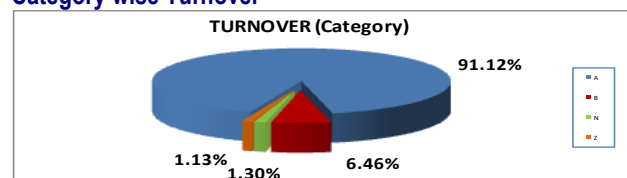
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
United Power Generation	5,019,830	2,023,511,000	10.05
BATBC	265,475	1,215,122,000	6.04
Grameenphone Ltd.	1,986,239	806,225,000	4.01
Monno Ceramic	2,277,496	805,914,000	4.00
Bangladesh Submarine	3,861,069	618,357,000	3.07
Fortune Shoes Limited	13,567,051	461,796,000	2.29

Top 10 Market Capital

			In million
GP	523,781	Berger Paint	86,801
BATBC	273,930	BRAC Bank	83,333
Square Pharma	211,060	ICB	78,837
United Power	184,640	LafargeHolcim	47,849
RENATA	93,615	MARICO	45,924

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,289.00	1,289.80	-0.06
Silver (USD/t.oz)	15.04	14.92	0.80
Brent Crude Oil (USD/bbl.)	69.40	67.10	3.43

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.30	84.35	84.25	84.30	0.06	0.06
EUR	95.10	95.16	95.29	95.35	-0.20	-0.20
GBP	110.27	110.34	111.43	111.50	-1.04	-1.04
AUD	60.27	60.31	60.07	60.10	0.34	0.34
JPY	0.76	0.76	0.77	0.77	-1.36	-1.35
CAD	63.27	63.31	63.18	63.22	0.15	0.15
SAR	22.59	22.60	22.58	22.59	0.04	0.04

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

ASSET & INVESTMENT MANAGEMENT SERVICES OF BANGLADESH LIMITED

Unique Trade Center (UTC), Level 6 (S), 8 Panthopath, Karwan Bazar, Dhaka 1215, Bangladesh

Tel : +(880-2) 913 6432-4 (Three Lines), Fax : +(880-2) 913 6162-3 (Two Lines)

e-mail : hello@aims-bangladesh.com; web: http://www.aims-bangladesh.com