

ICB seeks Tk50b to gear up support as market falters

Investment Corporation of Bangladesh (ICB), the state-owned investment company, has sought Tk50b from the government as soft loan to back the stock market since the market has continued to bleed for the last eleven consecutive weeks. After the stock market debacle in 2010, the government gave a similar soft loan to the ICB before forming the Bangladesh Fund to help stabilize the capital market. However, the ICB got approval to float subordinated bonds worth of Tk20b in the last part of 2018 to support the market and the state-owned investment company has already issued such bonds worth Tk12.90b and the rest of the amount is in the process of issuing that will also be invested in the stock market. Amid the free fall of the market, small investors fear that the bearish vibe would sweep out their capital. Last week DSEX, the broad index of the Dhaka Stock Exchange (DSE), shed 133.52 points or 2.45% to settle at 5,326.39 points. Earlier DSEX lost 329.10 points or 5.65% in the last two months (February-March) while the index gained 539.76 points or 10.22% in the previous two months. The stakeholders have placed some proposals to the market watchdog including approval of quality IPOs and enhancement of liquidity in the secondary market to reinstate the confidence of investors. However, some veteran market experts opined that a syndicated gang of rouge investors appears to have upper hand on the market in absence of stern actions from the market regulator.

Healthy export earnings reduce trade deficit

Trade deficit under the Balance of Payments (BoP) account has narrowed by 8.42% or US\$0.98b in July-February period of FY2018-19 in effect of a boost in export earnings mainly from RMG products. However, the slowed import of major goods especially the negative growth of capital machinery has also contributed to shrink the balance of trade deficit. As per the statistics of Bangladesh Bank (BB), the amount of trade deficit decreased to US\$10.69b in July-February period of the current fiscal year from US\$11.67b in the same period of last year. During the period, export earnings increased by 12.44% (Y-o-Y) to US\$27.14b from US\$24.14b in the corresponding period of the last fiscal while RMG export registered a robust growth of 14.17% to US\$23.13b against US\$20.26b in the first eight months of the last fiscal. On the flip side, import payments grew moderately by 5.64% (Y-o-Y) to US\$37.83b in the period whereas the figure was US\$35.82b in the same period of the last fiscal year. The figure of current account deficit declined to US\$4.27b as against US\$5.90b in the same period of the previous fiscal thanks to the rise in remittance inflows by 9.15% (Y-o-Y) in the period. Meanwhile, net Foreign Direct Investment (FDI) increased by 24.79% to US\$1.18b from US\$948m in the corresponding period of the previous fiscal. In the period, deficit in the overall balance of BoP narrowed to US\$499m as against US\$978m in the same period of FY2017-18. BB officials have attributed that import slowed down during the period mainly for the reduced food import while US-China trade conflict helped Bangladesh gear up RMG export to the US market. Economists have, however, warned that import growth is likely to pick up shortly as many development works are in process and so they have urged the government to diversify the export basket.

BoP (July-February) Amount in USD Million

	FY18	FY19	Change (%)
Trade Balance	-11,679	-10,695	-8.4%
Current Account Balance	-5,899	-4,270	-27.6%
Overall Balance	-978	-499	-49.0%

Source: BB

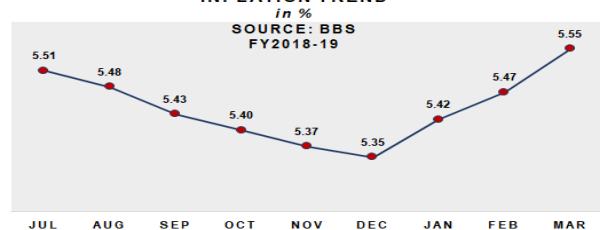
Sales of saving certificates drop by 23.27% in Feb

The recent government step to bring automated transactions in saving tools led the sales of the instrument to drop by 23.27% in February last against that of previous month. Government borrowing from the savings certificates stood at Tk46.06b in February of FY2018-19 compared to Tk60.02b in January last, according to the figures of the Directorate of National Savings (DNS). The government introduced National Savings Scheme Online Management System on February 03, 2019 on trial basis under which investors will require to submit Tax Identification Number (TIN), National Identity (NID) Number, Bank accounts and mobile numbers to buy the savings tool. Bangladesh Bank (BB) issued a letter for all the banks stating that all interests and principal payments of National Saving Certificates (NSCs) will be made to subscribers' respective bank accounts via Bangladesh Electronic Funds Transfer Network (BEFTN) from July 01, 2019. The automation is brought to prevent individuals purchasing the instrument beyond the allowable limit. According to officials concerned, many high net worth individuals purchased NSCs beyond the limit to get high interest as they do not have any better investment option, aggravating the interest burden for the government. The sales of the saving certificates exceeded the target of Tk291.97b set by government for FY2018-19 within seven months of the fiscal year. The net sales of savings certificates stood at Tk356.02b during the July-February of FY2018-19 period against Tk331.19b in the same period of the previous fiscal year.

Inflation rose to 5.55% in March

Inflation almost touched the ceiling of 5.6% set by the government for FY2018-19 as it rose to 5.55% in March 2019. According to Bangladesh Bureau of Statistics (BBS), the point-to-point inflation went up by 7 basis points in March from 5.47% in February 2019. The food inflation increased to 5.72% during the month from 5.44% in February last. However, non-food inflation shed 22 basis points and stood at 5.29% from 5.51% a month earlier, counterweighing the rise in food inflation. BBS report showed that the price hike in commodities of the kitchen market played the main role to take the inflation high in the last month. The nearing holy month of Ramadan might have contributed to drive the food prices up, according to experts.

INFLATION TREND

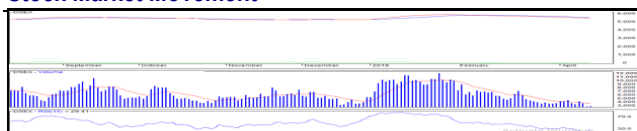


Bangladesh 3rd highest remittance recipient in South Asia

Bangladesh ranked as the third highest remittance receiver in South Asia during 2018, according to the latest World Bank report on Migration and Development Brief. The total remittance receipt for Bangladesh in 2018 was US\$15.5b, a 15% rise from US\$13.47b a year earlier. The report, however, projected that remittance flow to the region will slow down in 2019 due to a moderation of growth in high-income economies and slower migration to the Gulf Cooperation Council (GCC) countries. The report attributed the increase to the stronger economic conditions in the United States and a pick-up in oil prices, which had a positive impact on outward remittances from some GCC countries.

The week's data runs 04 April 2019 to 11 April 2019

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	2,907.41	2,892.74	0.51
FTSE 100	7,437.06	7,446.87	-0.13
Nikkei 225	22,183.87	21,807.50	1.73
SENSEX	38,871.15	38,862.23	0.02
KSE 100	37,453.15	37,521.81	-0.18

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,326.39	5,459.91	-2.45
Total Turnover, Tk	16,734,925,755.00	20,126,674,850.00	-16.85
Market Capital, Tk	3,389,967,419,539	3,485,725,021,832	-2.75
No of Issue Gain	52	124	
No of Issue Loss	280	189	
No of Unchanged Issues	19	37	

Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Eastern Cables Ltd.	295.00	332.90	12.85	445,765,000
Standard Insurance	34.20	35.80	4.68	26,840,000
Kay & Que Ltd.	243.20	254.00	4.44	123,183,000
Green Delta Ins	60.20	62.80	4.32	6,886,000
GlaxoSmithKline	1397.20	1452.30	3.94	74,444,000
Fortune Shoes	35.70	37.10	3.92	668,952,000
Rupali Life Insurance	91.30	94.80	3.83	80,232,000
Trust Bank Ltd.	27.00	28.00	3.70	7,532,000
Eastern Bank Ltd.	39.00	40.20	3.08	52,673,000
Hwa Well Textiles	36.70	37.80	3.00	2,709,000

Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
BATBC	0	1532.60	-66.43	990,008,000
Dutch-Bangla Bank Ltd.	209.20	81.00	-61.28	146,969,000
Heidelberg Cement	362.40	287.20	-20.75	123,116,000
R.N. Spinning Mills Ltd.	7.40	6.10	-17.57	38,845,000
Takaful Islami Ins	32.00	26.50	-17.19	13,129,000
National Housing Fin	44.20	37.40	-15.38	29,908,000
United Insurance	64.50	55.40	-14.11	37,609,000
C & A Textiles Limited	3.30	2.90	-12.12	6,482,000
Genex Infosys Limited	40.60	35.70	-12.07	72,069,000
United Power	385.40	339.50	-11.91	1,006,834,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	414.80	430.98	-3.75	1,335.59	2,079.50	-35.77
Cement	290.58	307.63	-5.54	274.59	409.13	-32.89
Ceramic	744.14	768.66	-3.19	638.47	832.81	-23.34
Engineering	2,415.91	2,469.59	-2.17	2,252.48	2,355.40	-4.37
Food & Al.	4,960.82	4,962.86	-0.04	1,281.57	1,497.70	-14.43
Fuel & Pow.	4,163.43	4,408.29	-5.55	1,952.14	3,223.69	-39.44
Insurance	1,446.61	1,492.47	-3.07	869.84	1,619.66	-46.29
IT	315.61	330.46	-4.49	241.51	325.24	-25.74
Jute	2,276.39	2,350.39	-3.15	58.99	56.51	4.38
Misc.	1,406.95	1,440.73	-2.34	495.02	464.51	6.57
Mutual Fund	424.70	430.07	-1.25	82.28	68.99	19.27
NBFI	1,156.67	1,178.51	-1.85	574.60	631.14	-9.96
Paper	9,160.32	9,677.43	-5.34	44.88	56.68	-20.81
Pharma	1,189.81	1,208.41	-1.54	1,846.27	2,023.48	-8.76
Service	1,075.44	1,114.23	-3.48	84.07	113.21	-25.74
Tannery	922.33	931.19	-0.95	937.18	733.27	27.81
Telecom	3,445.58	3,624.29	-4.93	1,201.38	1,424.58	-15.67
Textile	1,472.34	1,467.66	0.32	1,700.05	1,465.91	15.97
Travel & Leis	478.17	489.54	-2.32	60.94	121.09	-49.68

Technical Talk

Dhaka bourse maintained the bearish vibe in the last week ended on Thursday extending the losing streak for the eleventh straight week as anxious investors continued their selling binge. The nervous investors sold their holdings mostly from telecoms, financial institutions, fuel & power, engineering, bank and pharma sectors. Among the sectors, all except Textile sector closed negative last week. Among the major losing sectors, Fuel & Power decreased by 5.55%, followed by Cement 5.54%, Telecom 4.93%, Bank 3.75% and Insurance 3.07%.

DSE Broad Index (DSEX) reached 5,326.39 points decreased by 133.52 points or 2.45% from the previous week. Total turnover reached at Tk16734.93m which was 16.85% lower than the previous week. Market capitalization also decreased by 2.75% and stood at Tk3389.97b (\$40.19b) at the weekend against Tk3485.73b. DSE 30 decreased by 45.49 points or 2.33% and closed at 1,902.98 points against 1,948.47 points. Last week's weighted average Market PE was 14.48 which was 15.92 previous week.

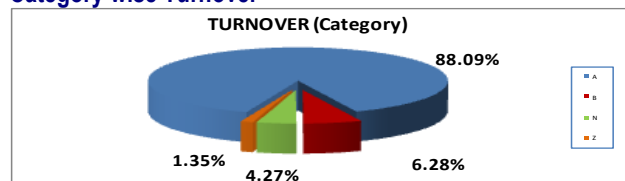
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
United Power Generation	2,780,230	1,006,834,000	6.02
BATBC	601,399	990,008,000	5.92
Grameenphone Ltd.	1,928,670	706,198,000	4.22
Fortune Shoes Limited	18,565,939	668,952,000	4.00
Monno Ceramic	1,869,713	613,304,000	3.66
Bangladesh Submarine	3,104,893	495,183,000	2.96

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	496,505	BRAC Bank	90,900
BATBC	275,868	Berger Paint	84,069
Square Pharma	207,036	ICB	79,396
United Power	162,650	LafargeHolcim	47,732
Renata	93,969	Marico	44,346

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,290.60	1,289.00	0.12
Silver (USD/t oz.)	14.92	15.04	-0.80
Brent Crude Oil (USD/bbl.)	71.55	69.40	3.10

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.35	84.40	84.30	84.35	0.06	0.06
EUR	95.90	95.96	95.10	95.16	0.84	0.84
GBP	110.72	110.79	110.27	110.34	0.41	0.41
AUD	60.82	60.86	60.27	60.31	0.92	0.92
JPY	0.76	0.76	0.76	0.76	-0.09	-0.12
CAD	63.61	63.65	63.27	63.31	0.54	0.54
SAR	22.61	22.62	22.59	22.60	0.08	0.08

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