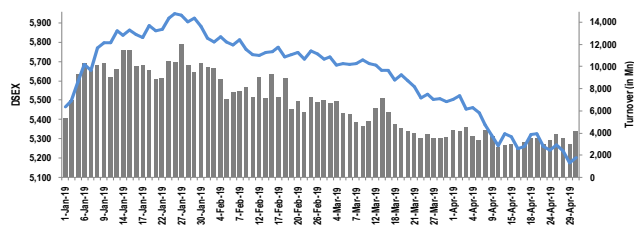


**BSEC seek reasons behind bear-run**

The Bangladesh Securities and Exchange Commission (BSEC) sought to find out reasons behind the ongoing bearish wave in the stock market at the meeting with representatives of the top 20 brokers and DSE Brokers Association (DBA) as the bourse faltered thirteen consecutive weeks. The broad index, DSEX, lost around 700.23 points during the period to close at 5266.18 points. The meeting identified acute confidence deficiency in the stock market. The BSEC chairman pointed to three key reasons behind the bear run – rumor of requiring TIN (Tax Identification Number) for stock investments, hefty claim on telecom giant Grameenphone by the telecom regulator and dismissal of the plea of share sale to a foreign company by a power company that holds directorship on United Power Generation and Distribution Company Limited. However, market experts have stated that the reasoning pointed by the regulator are very recent phenomena whereas the market has been bleeding for last three months. The participants at the meeting marked some issues behind the gloomy market including glut of poor IPOs, kerf market centering on placement shares, increasing bank deposit rates and inertia of institutional and foreign investors. To revamp the ailing market, the delegates placed a bunch of proposals that include floating multinational and strong local companies, reviewing the declaration of Re-Investment Units (RIUs) by the Mutual Funds (MFs), allowing brokerage houses to issue bonds without including in capital market exposure and beefing up the monitoring of the market watchdog.



**Central bank pondering bailout for moribund NBFIs**

Bangladesh Bank (BB) is likely to devise a bailout plan to rescue up to eight troubled NBFIs as the financial institutions currently have no capacity to payback the funds taken from their clients. In a recent meeting with the central bank, the Managing Directors (MDs) of the NBFIs requested the central bank to formulate a bailout plan akin to the package offered to the Farmers Bank (now renamed as Padma Bank). Like the majority banks, most of the NBFIs are currently mired in toxic loans. As per the statistics of BB, the figure of default loans in the NBF sector stood at Tk78.90b representing 11.2% of the total outstanding loans at the end of September of 2018 as against Tk45.20b at the end of 2017. Moreover, the stress testing report of the BB revealed that 12 out of 34 NBFIs were in the ‘Red Zone’ denoting high vulnerability whereas only 4 NBFIs were in the ‘Green Zone’ or safer state and 18 NBFIs were in the ‘Yellow Zone’ indicating less risky state. The list of companies that are categorized in ‘Red Zone’ includes- Bangladesh Industrial Finance Corporation, First Finance, Bay Leasing, Fareast Finance, FAS Finance, International Leasing and Financial Services, People’s Leasing and Financial Services, Premier Leasing, Prime Finance, Reliance Finance and Union Capital. Of the NBFIs in the ‘Red Zone’, Bangladesh Industrial Finance Corporation has reported 95.31% of its total disbursed loans as defaulted. Earlier, BB proposed the Ministry of Finance (MoF) to liquidate the company though the MoF is yet to respond to the proposal.

**BSEC reviews some provisions in the face of criticism**

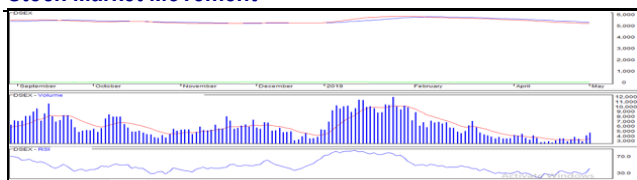
The Bangladesh Securities & Exchange Commission (BSEC) decided to take some initiatives to recuperate the investors’ falling confidence as the panic sale by investors and traders kept the stock market in deep bear grip. The stock market continued negative-run for the last thirteen-weeks in a row on the back of liquidity crisis in financial sector fueling further by careless remarks from political quarters along with lack of trust among investors on the regulators. Market sentiment got worsened further due to lack of regulatory measures against stock price manipulators, regulator’s approval of fundamentally weak companies with significant number of placement shares, sale of directors’ shares in the public market and unregulated corporate declarations of stock dividends. Investors even staged a token hunger strike in front of Dhaka Stock Exchange (DSE) protesting against the regulator’s inactivity to tackle the incessant share price fall. In the face of such criticisms, BSEC called an urgent meeting with the stakeholders and decided to revise some of the existing provisions to pull up the ailing stock market. The Commission will review the existing provision which requires an individual director to hold minimum 2% shares and sponsors altogether at least 30% shares as sponsor-director of any listed companies. Failing to maintain the aforementioned provision will lead the companies to be put under a different category which will be introduced later. From now on, no prior approval will be required to be taken from BSEC to issue shares under private placement; however, BSEC will investigate whether the raised capital was utilized properly according to the checklist after receiving application from the company for Initial Public Offering (IPO). A minimum of Tk500m is needed to be raised through IPO under the fixed price method while the minimum size of IPO under book-building method will be Tk1.0b, as per new revision. Moreover, BSEC decided that the provision regarding the existing one-year lock-in period for placement shares will remain in force from the date of debut trading of the shares. Henceforth, listed companies will have to explain the reasons for raising funds through issuing stock dividend. The Commission also decided to review the auction system in bidding process under book building method. According to the new system, the bidders will have to buy the lots they bid for at their bid-prices. Moreover, the IPO quota for institutional investors would be scrapped if they do not follow their responsibilities according to the rule. As part of the action, BSEC has already postponed receiving any new IPO application until the public issue rules 2015 are amended.

**DSE launch Small-cap board**

The Dhaka Stock Exchange (DSE) inaugurated a new “DSE SME Platform” to facilitate access to finance for Small & Medium Enterprises (SMEs) and to trade those issues. The new platform is introduced to expedite growth of SMEs in the country. According to the rule titled BSEC (Qualified Investor Offer by Small Capital Companies) Rules 2018, any public limited company is eligible to raise funds and get listed in this DSE SME Platform. After listing with the platform, the company’s paid-up-capital will stand between Tk50m and Tk300m to be traded on the specific board. However, if the paid-up capital of the SME exceeds Tk300m, the company shall apply for listing in the main board of the exchanges. Companies which are willing to raise capital through book-building system, require having paid-up capital of Tk100m before listing with the platform. However, only qualified investors will be eligible to invest in such companies.

The week's data runs 25 April 2019 to 02 May 2019

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	2,945.64	2,939.88	0.20
FTSE 100	7,380.64	7,428.19	-0.64
Nikkei 225	22,258.73	22,258.73	0.00
SENSEX	38,963.26	39,067.33	-0.27
KSE 100	36,122.95	37,130.63	-2.71

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,286.75	5,266.18	0.39
Total Turnover, Tk	15,333,429,215.00	13,662,856,373.00	12.23
Market Capital, Tk	3,301,777,825,510	3,307,976,985,599	-0.19
No of Issue Gain	214	96	
No of Issue Loss	110	224	
No of Unchanged Issues	26	28	

### Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Genex Infosys	39.10	48.00	22.76	379,668,000
Kattali Textile Limited	17.00	19.60	15.29	86,396,000
Advent Pharma	31.00	35.50	14.52	206,097,000
National Feed Mill	8.50	9.70	14.12	13,063,000
National Polymer	93.50	105.80	13.16	488,236,000
Indo-Bangla	23.00	26.00	13.04	235,793,000
Legacy Footwear	111.00	124.90	12.52	146,784,000
aamra networks	51.00	57.20	12.16	18,764,000
Apex Foods Limited	154.90	172.40	11.30	44,375,000
Oimex Electrode	28.70	31.80	10.80	21,894,000

### Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Agrani Insurance Co	31.00	25.40	-18.06	39,960,000
Bata Shoe Company	1141.3	950.40	-16.73	76,983,000
Malek Spinning Mills	18.50	15.70	-15.14	22,972,000
AB Bank Limited	11.50	9.90	-13.91	21,477,000
Savar Refractories	136.00	118.70	-12.72	5,889,000
ACI Limited.	304.10	266.00	-12.53	43,836,000
Berger Paints	1718.5	1540.20	-10.38	61,137,000
Bangladesh Lamps	204.40	184.90	-9.54	40,403,000
Rupali Bank Ltd.	41.90	38.00	-9.31	26,180,000
Sonar Bangla Insurance	53.50	48.60	-9.16	105,076,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	406.52	409.29	-0.68	1,467.22	1,357.80	8.06
Cement	281.53	280.06	0.53	188.65	108.38	74.07
Ceramic	684.56	682.83	0.25	673.89	858.16	-21.47
Engineering	2,427.10	2,389.71	1.56	2,486.09	2,033.89	22.23
Food & Al.	4,564.11	4,702.62	-2.95	729.07	578.89	25.94
Fuel & Pow.	4,008.98	3,891.40	3.02	1,442.76	1,447.70	-0.34
Insurance	1,418.00	1,439.36	-1.48	725.67	807.70	-10.16
IT	355.68	332.04	7.12	663.72	420.38	57.88
Jute	2,133.89	2,118.77	0.71	31.31	48.22	-35.07
Misc.	1,291.91	1,360.17	-5.02	738.91	537.01	37.60
Mutual Fund	432.66	427.18	1.28	52.50	68.30	-23.13
NBFI	1,118.80	1,105.28	1.22	292.60	265.62	10.16
Paper	9,110.10	8,983.38	1.41	93.40	75.04	24.47
Pharma	1,172.64	1,167.82	0.41	1,721.12	1,044.90	64.72
Service	1,109.47	1,082.48	2.49	113.77	86.39	31.69
Tannery	829.19	912.58	-9.14	836.41	1,170.81	-28.56
Telecom	3,353.90	3,411.51	-1.69	573.24	703.64	-18.53
Textile	1,496.96	1,454.86	2.89	1,579.32	1,164.48	35.62
Travel & Leis	473.34	463.33	2.16	58.65	86.47	-32.17

## Technical Talk

Dhaka bourse bounced back to green trajectory in the last week ended on Thursday breaking the losing streak of thirteen straight weeks as the initiatives of taken by the market regulator relieved the general investors. The investors went for bargain hunting expecting the turnaround of the market following the assurance of the government. Among the major gainers, Fuel & Power sector increased by 3.02% over the week followed by Textile 2.89%, Engineering 1.56% and NBFIs 1.22%.

DSE Broad Index (DSEX) reached 5,286.75 points increased by 20.57 points or 0.39% from the previous week. Total turnover reached at Tk15333.43m which was 12.23% higher than the previous week. Market capitalization, however, decreased by 0.19% and stood at Tk3301.78b (\$39.11b) at the weekend against Tk3307.98b. DSE 30 increased by 6.64 points or 0.36% and closed at 1,870.58 points against 1,863.94 points. Last week's weighted average Market PE was 14.18 which was 14.11 previous week.

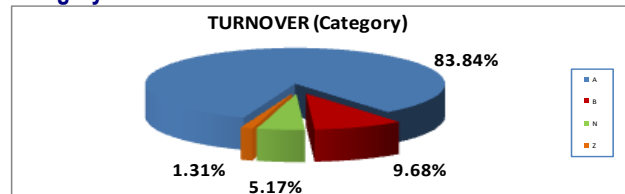
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Fortune Shoes Limited	15,735,188	587,568,000	3.83
National Polymer	4,880,401	488,236,000	3.18
Monno Ceramic	2,119,253	472,704,000	3.08
United Power Generation	1,546,762	460,542,000	3.00
Genex Infosys Limited	8,593,695	379,668,000	2.48
Bangladesh Submarine	2,398,064	364,714,000	2.38

### Top 10 Market Capital

			In million
GP	483,677	BRAC Bank	77,949
BATBC	246,528	ICB	76,326
Square Pharma	205,142	Berger Paint	71,431
United Power	147,415	LafargeHolcim	46,339
RENATA	94,412	Olympic Ind.	45,046

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,269.70	1,276.40	-0.52
Silver (USD/t oz.)	14.54	14.88	-2.28
Brent Crude Oil (USD/bbl.)	70.75	74.35	-4.84

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.43	84.48	84.35	84.40	0.09	0.09
EUR	95.09	95.14	94.56	94.62	0.55	0.55
GBP	111.57	111.64	109.27	109.33	2.11	2.11
AUD	59.62	59.65	59.69	59.72	-0.12	-0.12
JPY	0.77	0.77	0.76	0.76	0.54	0.54
CAD	63.23	63.27	63.01	63.05	0.35	0.35
SAR	22.63	22.64	22.61	22.62	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
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
Sea Pearl Beach Resort	Apr 23 - May 06, 2019	10	150