

Liquidation await listed NBFi Peoples Leasing

The Peoples Leasing & Financial Services Limited, a listed Non-Bank Financial Institution (NBFi) is directed to be liquidated by the government as per proposal of the central bank. If liquidated, it will be the first public company in financial sector to face dissolution. The Bangladesh Bank (BB) sent a proposal detailing the deteriorating financial health of the company to the Ministry of Finance (MoF) which gave the go-ahead on June 27, 2019 whereas the same Ministry did not give any opinion when BB sought such decision to liquidate another NBFi - Bangladesh Industrial Finance (BIFC) last year. Based on previous record, two banks, which were moribund, were earlier restructured but not liquidated. The development deepened the worry among stock market investors further. The general shareholders of the company are highly likely to lose their entire investment. As of May 2019, retail investors held 67.84% of the total number of shares of Peoples Leasing while sponsors and institutions had 23.21% and 8.76% respectively. Based on the paid-up capital of the NBFi, the loss general and institutional investors likely to count are Tk1.94b and Tk0.25b respectively if there is no money left to distribute after paying off its creditors, depositors and preference shareholders (if any). As of 31 March 2019, the Net Asset Value (NAV) per share of Peoples Leasing stood at Tk67.66 in the negative, making it less likely for the shareholders to get anything after the wind-up. The financial condition of the NBFi started to deteriorate from 2013-14 when some of its directors siphoned off more than Tk10b using fake documents, as per BB report. According to annual report of Peoples Leasing as of December 2017, fifteen banks and NBFis had Tk8.5b stuck with the ailing NBFi. BB, however, assured that the depositors would be getting back their money.

Current account balance improves further

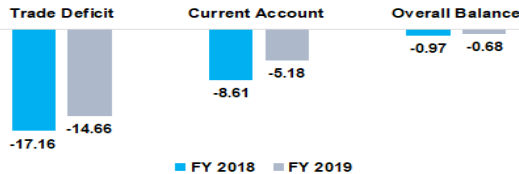
The deficit in current account balance shrunk significantly at the end of eleven months of FY2018-19 aided by a major decline in import payment and a surge in inward remittance. The current account deficit narrowed by 40% during the period to US\$5.7b, as per Bangladesh Bank (BB) figures. In July-March period of the just-concluded fiscal year, export earnings surged by 11.45% (Y-o-Y) to US\$37.18b while import grew by only 2.62% (Y-o-Y) to US\$51.84b easing the trade deficit by 14.56% (Y-o-Y) to US\$14.65b. The inflow of net Foreign Direct Investment (FDI) also rose by 34.05% to US\$2.06b in July-May of FY2018-19 against US\$1.54b in the same period of FY2017-18. The inward remittance increased by 10.66% (Y-o-Y) to US\$15.05b contributing to narrow the current account deficit.

BALANCE OF PAYMENT

In billion US\$

(Jul-May)

Source: BB



Credit growth slightly up in May 2019

The private sector credit turned from its sluggish trend, which continued for the last seven months in a row till April, recorded 12.16% growth in May 2019 from 12.07% growth in previous month. However the growth was insignificant and still behind the target of 16.5% growth set by Bangladesh Bank (BB) for the FY2018-19. Economists, however, do not see much possibility of the continuation of the change in the following months as the liquidity problem in banking sector is yet to be resolved.

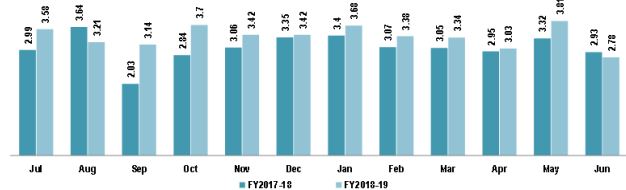
Export receipts cross US\$40b milestone

Export earnings registered a vigorous growth of 10.55% (Y-o-Y) in the just concluded FY2018-19, fetching a robust figure of US\$40.53b as against US\$36.66b in the previous FY, according to the Export Promotion Bureau (EPB). The performance of apparel exports predominantly led to surpass the target set for the fiscal by 3.94%. However, after hitting a milestone of US\$3.81b in May, export receipts in June fell at US\$2.78b, short by 22.65% of the target. Ready-made Garment (RMG) sector contributed 84% of the total receipts amounting US\$34.13b, up by 11.49% (Y-o-Y) in the FY2018-19 on the back of rising orders from US buyers as a consequence of the ongoing US-China trade war. Export receipts from apparel products to the US market grew by 14.60% in the FY19. Apart from RMG, export receipts from frozen and live fish increased by 1.58% to US\$0.50b and exports of agricultural products rose by 34.92% to US\$0.90b in the fiscal year. On the other hand, leather and leather goods as well as jute and jute products continued their downbeat trend throughout the fiscal registering negative growth of 6.06% and 20.41% respectively. Economists attributed the cheerful export receipts in the last fiscal to the depreciation of Bangladeshi Taka against the US dollar.

EXPORT EARNINGS

US\$ in bn

Source: Export Promotion Bureau (EPB)



22 banks exceed ADR limit

The Advance-to-Deposit Ratio (ADR) of the Private Commercial Banks (PCBs) edged up by 0.3% at the end of March of 2019 as the growth of loans and advances continued to outpace the sluggish growth in deposits. According to the latest quarterly report of the Bangladesh Bank (BB), deposit collection by the PCBs registered a 11.9% (Y-o-Y) growth in March when credit growth stood at 13.4% (Y-o-Y) in the same period. Consequently, ADR of the PCBs rose to 86.2% at the end of March from 85.9% at the end of December last year though the BB set ADR limit to 83.5% for all the conventional banks and 89% for the Shariah-based Islamic banks. As per the report, ADR of 22 banks crossed the limit at the end of March. However, the overall ADR of the banking sector was within the limit though the overall ADR in the banking sector increased to 78.3% at the end of March from 77.5% at the end of December last year.

Net sale of savings certificates rises by 8

Net borrowing of government from savings instruments rose by 8% (Y-o-Y) in the eleven month July-May period of FY2018-19. As per the statistics of the Department of National Savings (DNS), net sales in the period amounted to Tk467.31b up from Tk433.63b in the corresponding period of FY2017-18. The statistics disclosed that interest payments against the certificates also increased to Tk224.51b in the period up by more than 22% as against in the same period of the previous fiscal. In the period, net sales also exceeded the revised target set for the FY2018-19 even though the government increased the target to Tk450b from Tk261.97b. The government raised the borrowing target from the instruments to Tk270b for FY2019-20. However, officials of the DNS opined that sales of the certificates might fall in the coming months as the government increased source tax on yields of the certificates to 10% from 5%.

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

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	3,013.77	2,990.41	0.78
FTSE 100	↓	7,505.97	7,553.14	-0.62
Nikkei 225	↓	21,685.90	21,746.38	-0.28
SENSEX	↓	38,736.23	39,513.39	-1.97
KSE 100	↓	33,672.49	34,190.02	-1.51

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,222.30	5,380.79	-2.95
Total Turnover, Tk	↑	21,128,754,038.00	19,474,719,133.00	8.49
Market Capital, Tk	↓	3,274,782,626,795	3,384,896,139,866	-3.25
No of Issue Gain		60	159	
No of Issue Loss		281	172	
No of Unchanged Issues		13	23	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
SEML FBLSL GF	11.00	17.60	60.00	5,712,000
Prime Insurance	21.00	26.20	24.76	180,554,000
ATCSLGF	11.10	13.60	22.52	561,974,000
Pragati Life	134.00	158.50	18.28	197,353,000
Nitol Insurance Co.	27.80	31.60	13.67	92,306,000
SEML IBBL SF	8.10	9.20	13.58	22,111,000
Dhaka Insurance Co.	34.00	38.40	12.94	231,769,000
CAPM BDBL MF1	8.00	9.00	12.50	30,039,000
SEML Lecture MF	8.10	9.00	11.11	51,629,000
Prime Fin 1 st MF	17.40	19.20	10.34	159,080,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Peoples Leasing & Fin.	4.00	3.00	-25.00	3,035,000
United Airways (BD)	2.40	1.80	-25.00	31,412,000
Samata Leather	69.40	56.30	-18.88	4,658,000
Shyampur Sugar Mills	27.40	22.40	-18.25	885,000
Meghna Pet Industries	11.20	9.20	-17.86	1,731,000
Beximco Synthetics Ltd.	5.80	4.80	-17.24	3,306,000
Jute Spinners Ltd.	98.10	81.80	-16.62	599,000
Tung Hai Knitting	3.70	3.10	-16.22	2,147,000
Beach Hatchery Ltd.	15.80	13.30	-15.82	10,987,000
BIFC	5.20	4.40	-15.38	1,179,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	407.14	414.75	-1.83	1,122.32	1,157.76	-3.06
Cement	256.16	270.85	-5.42	149.16	124.91	19.41
Ceramic	608.32	649.13	-6.29	427.72	338.23	26.46
Engineering	2,491.60	2,600.90	-4.20	2,578.25	2,971.86	-13.24
Food & Al.	4,374.47	4,464.65	-2.02	692.39	661.65	4.64
Fuel & Pow.	4,279.73	4,329.99	-1.16	922.87	1,145.69	-19.45
Insurance	1,704.13	1,698.15	0.35	4,697.36	2,304.91	103.80
IT	337.01	364.11	-7.44	431.53	627.37	-31.22
Jute	2,022.43	2,062.12	-1.92	75.29	48.61	54.88
Misc.	1,191.57	1,230.62	-3.17	946.62	1,020.00	-7.19
Mutual Fund	487.87	479.89	1.66	2,416.42	606.58	298.37
NBFI	1,079.80	1,128.43	-4.31	537.28	540.27	-0.55
Paper	9,497.40	10,171.75	-6.63	154.32	339.78	-54.58
Pharma	1,173.19	1,191.45	-1.53	1,857.40	2,143.00	-13.33
Service	1,053.96	1,115.43	-5.51	137.54	181.86	-24.37
Tannery	846.88	871.66	-2.84	386.54	381.41	1.34
Telecom	3,076.98	3,337.72	-7.81	500.74	578.16	-13.39
Textile	1,449.56	1,549.83	-6.47	2,364.70	3,512.49	-32.68
Travel & Leis	457.02	475.21	-3.83	101.05	119.46	-15.41

Technical Talk

Dhaka bourse endured a significant downturn in the last week as investor went for panic sale triggering the benchmark index of the prime bourse reeling down in all five sessions of the week. The general insurance sector dominated the turnover board, capturing 14% of the week's total turnover, followed by textile 13% and engineering 12.9%. Among the major losers, Telecom sector decreased by 7.81% over the week followed by IT 7.44%, Textile 6.47%, Ceramic 6.29%, Cement 5.42%, NBFI 4.31%, Engineering 4.20% and Bank 1.83%.

DSE Broad Index (DSEX) reached 5,222.30 points decreased by 158.49 points or 2.95% from the previous week. Total turnover reached at Tk21128.75m which was 8.49% higher than the previous week. Market capitalization decreased by 3.25% and stood at Tk3274.78b (\$38.78b) at the weekend against Tk3384.90b. DSE 30 decreased by 52.36 points or 2.74% and closed at 1,857.71 points against 1,910.08 points. Last week's weighted average Market PE was 13.67 which was 14.18 previous week.

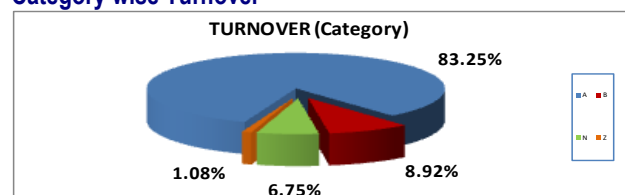
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
National Life Insurance	2,995,693	785,861,000	3.72
Runner Automobiles	5,454,387	574,412,000	2.72
ATCSLGF	42,417,545	561,974,000	2.66
JMI Syringes & Medical	950,670	454,702,000	2.15
Rupali Insurance	17,043,008	424,131,000	2.01
Sinobangla Industries	5,785,221	371,767,000	1.76

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	447,759	Berger Paint	77,086
BATBC	233,964	BRAC Bank	76,186
Square Pharma	203,722	ICB	64,864
United Power	180,951	LafargeHolcim	47,256
RENATA	94,799	Olympic Ind.	46,226

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,404.30	1,417.70	-0.95
Silver (USD/t oz.)	15.07	15.25	-1.21
Brent Crude Oil (USD/bbl.)	66.52	63.82	4.23

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.45	84.50	84.45	84.50	0.00	0.00
EUR	95.68	95.73	95.29	95.35	0.40	0.40
GBP	106.48	106.54	106.06	106.12	0.40	0.40
AUD	59.57	59.61	59.24	59.28	0.56	0.56
JPY	0.79	0.79	0.79	0.79	0.52	0.51
CAD	65.14	65.17	64.91	64.95	0.35	0.35
SAR	22.63	22.64	22.63	22.65	-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)
Coppertech Industries	Mar 31 - Apr 09, 2019	10	200
Sea Pearl Beach Resort	Apr 23 - May 06, 2019	10	150

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