

Close-end MFs declare lower dividend for FY2018-19

All of the close-end Mutual Funds (MFs) except three declared lower dividends for the financial year ended on June 30, 2019 as those could not book sufficient profit in an environment of pessimism in the stock market mainly during election centric tension and indiscipline in the scam-hit financial sector. In FY2018-19, DSEX, the benchmark index of the Dhaka bourse, added only 16.16 points or 0.30%. Total twenty-nine closed-end MFs declared cash dividends for the financial year ranging from 3% to 13% whereas the MFs declared cash dividend ranging 2% to 14% in the previous year. The MFs declared only cash dividends this time as the Bangladesh Securities and Exchange Commission (BSEC) revoked the provision of declaring Re-Investment Unit (RIU) by the MFs on July 16, 2019. Two MFs under the management of AIMS of Bangladesh Limited, the first private Asset Management Company (AMC), declared 9% and 10% cash dividend thanks to prudent strategies of the AMC despite all odds in the stock market. Nine MFs under the management of ICB AMCL, the state-owned AMC, declared cash dividend ranging from 4% to 6% for the year while the MFs declared 5% to 9% in the previous year. Ten MFs under Race Asset Management declared the lowest cash dividend for the year ranging 3% - 3.5% only.

Cash Dividend Declared by MFs (For June 30, 2019)

Source: DSE

AMC	Number of MFs	2019	2018
AIMS	2	9% - 10%	11% - 12%
ICB AMCL	8	4% - 6%	5% - 9%
VIPB	2	12% - 13%	13% - 14%
AT CAPITAL	1	7.50%	12%
CAPM	2	5% - 8%	0% - 7%
LR GLOBAL	2	8%	9%
RACE	10	3% - 3.5%	2% - 3%
SEML	3	5%	4% - 7%

Remittance soars by 21% (Y-o-Y) in July

Expatriate Bangladeshis remitted US\$1.60b in the first month of FY2019-20, which is 21.2% higher than that of US\$1.32b in the same period of the previous fiscal year, as per the statistics of Bangladesh Bank (BB). *Eid-ul-Azha*, one of the biggest festivals of Muslims, is perceived as the major driver behind the robust inflow of remittance. Devaluation of Bangladeshi Taka against the greenback is another motivating factor for the remitters to send money through legal channels. Remittance inflow hit record amount of US\$16.40b in FY2018-19 breaking the previous highest level of US\$15.32b in FY2014-15. BB officials opined that remittance might boost further if the government implement its decision to give 2% cash incentive against remittance. In the national budget for FY2019-20, government allocated Tk30.60b to provide incentive on remittance so that the remitters prefer legal channels to send their hard-earned money.

Government revenue from DSE slipped by 13% in July

Tax receipts from the Dhaka Stock Exchange (DSE) dropped by 13% (Y-o-Y) to Tk195m in July 2019 mainly for declining trade volume amid acute confidence deficiency among investors. Of the total tax earnings, government earned Tk90m from brokerage commission and Tk150m from the share sales by sponsors-directors and placement holders. The daily average turnover of the bourse plunged by 55% to Tk3.83b in July as against Tk8.48b in the corresponding period of previous year. DSEX, the benchmark index of the Dhaka bourse, also shed 283 points or 5.22% in July.

BB moves to ease cash crisis in NBFIs

The Bangladesh Bank (BB) extended the borrowing limit for Non-Bank Financial Institutions (NBFIs) to give some respite to the troubled sector. The liquidity problem has crippled the sector alarmingly and consequently, many NBFIs have failed to repay depositors' money on demand even after maturity. The recent BB move is intended to alleviate the crisis as it will unveil more borrowing capacity for the NBFIs from the call money market. The latest directive will allow NBFIs to borrow as high as 40% of their total equity from the call money market, up from 30% of total equity as per previous BB directive circulated on 29 January, 2017. However, economists think that the move will ease the issue only in the short-run and will be less effective in long-run if the real underlying causes behind the liquidity shortage are not addressed. Banking experts attributed the crisis to the rising bad loans in NBFIs resulting from aggressive loan disbursement to their own directors and individuals linked with them. The crisis deepened as many banks started panic deposit withdrawal from the NBFIs and became reluctant to deal with them, following the decision taken by BB to liquidate the troubled People's Leasing and Financial Services Limited (PLFSL).

Import grew by 6% in FY19

Import payments rose by 6.04% (Y-o-Y) in the immediate past FY2018-19 to US\$54.64b from US\$51.53b in the fiscal year before, according to the latest statistics of Bangladesh Bank (BB). Import of intermediate goods such as construction materials, coal, clinker and scrap vessel jumped by 34.50% to US\$5.53b in the just concluded fiscal year from US\$4.11b in FY2017-18, causing the overall import payments to go up. During the period, industrial raw materials import increased by 4.61% (Y-o-Y) to US\$19.06b. On the contrary, import of capital machinery, the driving force of industrial sector, significantly fell by 9.43% to US\$4.67b in the concluded fiscal year from US\$5.16b in FY2017-18. According to the report, payment for petroleum products import grew by 11.69% (Y-o-Y) to US\$3.74b in the last fiscal year on the heels of increasing use of gasoline items, particularly for power generation. However, payment for food grains import as well as consumer goods slumped by 52% (Y-o-Y) and 25% (Y-o-Y) respectively at the end of fiscal year 2018-19. According to economists, import of intermediate goods along with petroleum products might increase in the ongoing fiscal year mainly due to the faster execution of the mega projects under implementation.

FOREX reserves dip slightly in July

The foreign exchange reserve dropped by 1.26% to US\$32.13b at the end of July 2019 from US\$32.54b in the previous month, as per the statistics of Bangladesh Bank (BB). It, however, experienced a slight growth of 0.08% (Y-o-Y) in July of FY2019-20. BB injected only US\$36m greenback into the local market in July of FY2019-20 while it injected US\$195b in a month on average in the last fiscal year, indicating diminishing demand of the greenback in local market. Demand for dollars in the local market declined significantly in recent months as the banks reserved enough fund to meet up the lower import payment obligations that was earned from higher remittance and exports, compared to those of the previous fiscal year. However, the exchange rate remained unchanged at Tk84.50 in July 2019 compared to previous month, despite injection of lower amount of greenback in the local market.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	2,888.68	2,932.05	-1.48
FTSE 100	7,117.15	7,407.06	-3.91
Nikkei 225	20,418.81	21,087.16	-3.17
SENSEX	37,350.33	37,118.22	0.63
KSE 100	28,764.63	31,666.41	-9.16

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	5,201.42	5,169.74	0.61
Total Turnover, Tk	23,695,976,703.00	22,022,309,455.00	7.60
Market Capital, Tk	3,278,733,915,677	3,273,353,336,625	0.16
No of Issue Gain	195	182	
No of Issue Loss	141	154	
No of Unchanged Issues	19	18	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Pragati Life	109.90	139.00	26.48	138,016,000
Al-Haj Textile Mills	53.20	63.20	18.80	175,291,000
Monno Jute Staffers	1054.10	1249.30	18.52	413,563,000
Khulna Power	50.60	58.40	15.42	524,630,000
Global Insurance Co.	25.70	29.00	12.84	162,619,000
Dragon Sweater	17.20	19.00	10.47	298,833,000
JMI Syringes	466.10	509.80	9.38	645,252,000
Takaful Islami	26.20	28.50	8.78	8,069,000
Bangladesh Finance	11.60	12.60	8.62	38,141,000
Summit Alliance Port	21.00	22.80	8.57	31,074,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
SEML IBBL Shariah F.	11.60	8.60	-25.86	50,968,000
SEML FBLSL GF	32.40	24.80	-23.46	12,940,000
VFS Thread Dyeing	47.70	39.50	-17.19	310,801,000
SEML Lecture Equity	9.00	7.70	-14.44	72,449,000
Bangladesh Welding	20.90	18.00	-13.88	15,404,000
Emerald Oil Industries	12.60	11.10	-11.90	6,498,000
Phoenix Fin 1st MF	7.80	7.00	-10.26	60,858,000
Kay & Que Ltd.	195.80	179.30	-8.43	51,873,000
CAPM BDBL MF1	7.60	7.00	-7.89	11,054,000
Aziz Pipes Ltd.	152.10	140.40	-7.69	18,883,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	412.77	408.12	1.14	1,564.01	1,302.26	20.10
Cement	260.49	258.02	0.96	148.39	191.93	-22.68
Ceramic	648.09	636.17	1.87	1,187.70	847.80	40.09
Engineering	2,502.94	2,477.07	1.04	3,087.99	2,325.58	32.78
Food & Al.	4,141.46	4,188.91	-1.13	714.24	752.48	-5.08
Fuel & Pow.	4,390.12	4,270.11	2.81	2,488.93	1,885.94	31.97
Insurance	1,625.18	1,603.92	1.33	1,493.45	2,278.37	-34.45
IT	360.40	356.90	0.98	780.49	763.28	2.25
Jute	2,025.82	2,088.24	-2.99	109.22	96.32	13.39
Misc.	1,250.35	1,244.76	0.45	1,485.56	1,716.61	-13.46
Mutual Fund	440.26	451.88	-2.57	784.27	1,800.58	-56.44
NBFI	1,055.71	1,047.20	0.81	502.13	391.09	28.39
Paper	9,053.34	9,176.82	-1.35	88.99	80.93	9.96
Pharma	1,197.35	1,186.93	0.88	3,356.81	2,979.29	12.67
Service	1,067.21	1,019.05	4.73	176.77	175.04	0.99
Tannery	848.54	861.81	-1.54	914.59	1,322.97	-30.87
Telecom	2,967.45	3,132.31	-5.26	579.26	516.44	12.17
Textile	1,408.09	1,403.10	0.36	2,636.10	1,806.25	45.94
Travel & Leis	533.16	527.94	0.99	173.79	249.13	-30.24

Technical Talk

Dhaka bourse continued gains for the third consecutive week ended on Thursday as the investors expected positive vibe after Eid vacation. Most of the investors took fresh position on large-cap shares expecting high dividend. Among the major gainers, Fuel & Power sector decreased by 2.81% over the week followed by Insurance 1.33%, Banks 1.14%, Engineering 1.04% and Pharma 0.88%.

DSE Broad Index (DSEX) reached 5,201.42 points increased by 31.68 points or 0.61% from the previous week. Total turnover reached at Tk23,695.98m which was 7.60% higher than the previous week. Market capitalization increased by 0.16% and stood at Tk3,278.73b (\$38.62b) at the weekend against Tk3,273.35b. DSE 30 edged down by 0.75 points or 0.04% and closed at 1,837.75 points against 1,838.50 points. Last week's weighted average Market PE was 13.73 which was 13.57 previous week.

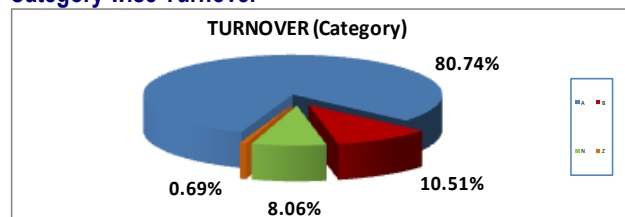
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
United Power Generation	2,747,750	1,069,942,000	4.52
Monno Ceramic	4,645,807	986,663,000	4.16
Bangladesh Shipping	12,454,694	736,640,000	3.11
JMI Syringes & Medical	1,323,660	645,252,000	2.72
Fortune Shoes Limited	14,975,124	611,582,000	2.58
Coppertech Industries	14,409,054	587,851,000	2.48

Top 10 Market Capital

			In million
GP	428,990	BRAC Bank	75,976
BATBC	220,932	ICB	74,582
Square Pharma	198,120	Berger Paint	70,007
United Power	189,287	Marico	56,401
RENATA	95,644	LafargeHolcim	46,687

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,519.60	1,420.90	6.95
Silver (USD/t oz.)	17.19	16.12	6.62
Brent Crude Oil (USD/bbl.)	58.23	60.50	-3.75

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	94.13	94.19	94.30	94.36	-0.18	-0.18
GBP	102.88	102.94	102.93	102.99	-0.05	-0.05
AUD	57.56	57.59	57.72	57.76	-0.28	-0.28
JPY	0.80	0.80	0.80	0.80	0.20	0.20
CAD	63.97	64.01	64.30	64.34	-0.51	-0.51
SAR	22.63	22.64	22.63	22.64	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)
Ring Shine Textile	Aug 25 - Sep 09, 2019	10	1500