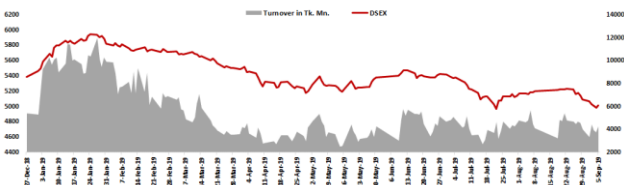


Stocks bleed as investors lack confidence

The panic sell-offs by investors dragged down the key index of the premier bourse below the psychological threshold of 5,000-points mark for the second time during the year. The key index, DSEX came down to 4,986.37 points on Wednesday (September 04, 2019) last week amid continuation of negative-run for six consecutive sessions which, however, changed the direction and recovered 26.64 points to close at 5,013.01 points on the last trading (next) day of the week. The stock market experienced such free-fall on July 22, 2019 when the DSEX plummeted to 4,966.44 points. The DSEX lost a cumulative 165.69 points while it eroded 936.99 points till Thursday last since January 24 this year, when the index peaked at 5,950 points. The market capitalization was also down by Tk103.76b during the past seven consecutive sessions while it lost Tk470b in the past seven and a half months, as per the DSE statistics. The recent downtrend was mainly triggered by the continuous decline in the heavyweight shares like Grameenphone (GP), Brac Bank and British American Tobacco. The tussle between GP and the telecom regulator dragged the price of GP down to Tk295.5 within six months from Tk408 on April 01, 2019. The telecom regulator recently threatened to cancel the license of the largest company by market capitalization over unpaid audit claims of more than Tk125.79b that startled the investors further. Foreign funds in Dhaka Stock Exchange (DSE) also kept on shrinking from March 2019. The net foreign investment plunged to Tk1.02b in the negative in August last. Institutional investors remained mostly inactive and sold more shares than they bought. Investors' participation in DSE declined as many were looking for an exit finding no optimism, but could not sell shares at their expected prices. The share prices of other two large market-cap companies - Brac Bank and British American Tobacco declined as they logged lower profits in the last two quarters. The rising Non-Performing Loans (NPLs), liquidity crisis and government's incentives to loan defaulters shaped a negative sentiment about the financial stocks, fueling further confidence shortfall.



Remittances logged 5.08% (Y-o-Y) growth in August

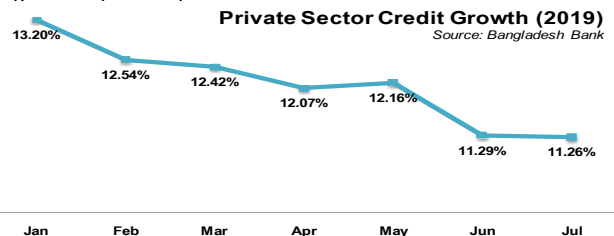
Inward remittance posted 5.08% growth to US\$1.48b in August 2019 compared to US\$1.41b in the same month of the previous year, followed by 21% (Y-o-Y) growth in July last. Remittance recorded nearly 13% (Y-o-Y) growth in the first two months of FY2019-20. In July-August, the expatriates remitted US\$3.08b centering Eid-ul-Azha festival and declaration of 2% cash incentive on remittance if made via formal channels. This fiscal incentive is going to be implemented soon and the expatriates can remit up to US\$1,500 without being asked for any documentation. In August, the private banks received US\$1.09b in remittances which is almost one-third of the total flow. On the contrary, state-owned banks received US\$359.53m, followed by foreign banks US\$11.89m and specialized banks US\$23.89m worth of remittances. This uptrend in remittance inflow is being expected to continue in the coming months riding on the cash incentive facility, devaluation of the Taka against greenback and strong surveillance of the central bank against illegal *hundi*.

BB extends deadline for rescheduling loans

Bangladesh Bank (BB) extended the deadline for submitting loan rescheduling proposals by defaulters to October 20, 2019 under the relaxed policy. The earlier deadline was until September 7, 2019. Under the relaxed policy, defaulters can make a 2% down payment to reschedule their classified loans for 10 years with one year grace period at only 9% interest rate. However, such borrowers would not be allowed to get fresh loans from banks, if they enjoy the rescheduling facility. The Hall-Mark Group that siphoned off about Tk30b from Sonali Bank also got green signal from the government to take advantage of the rescheduling facility. Amazingly, the Group meanwhile requested the Sonali Bank to consider its previous payments as down payment to regularize their loans.

Private credit growth edges down in July

Rate of credit growth in the private sector kept the downward trend, hitting six-year low of 11.26% at the end of the first month of FY2019-20 amid hefty government borrowing of Tk262.49b from the banking sector in the first 51 days, as reported by Bangladesh Bank (BB). The ongoing liquidity crisis, pressure to lend at single-digit interest rate and implementation of revised Advance-Deposit Ratio (ADR) made bankers reluctant to disburse fresh loans, which resulted in failure to achieve the target of 14.80% set for the fiscal year, though such target in the previous fiscal year was 16.5%. Economists view increasing dependency of government on the banking sector might exert a negative impact on private sector investments.



NSC sales fell by 57.10% (Y-o-Y) in July

Net sales of National Savings Certificates (NSCs) plunged by 57.10% (Y-o-Y) or Tk28.76b in the first month of the FY2019-20 as a consequence of the increase in tax rate on interest income from the instruments. Moreover, the Department of National Savings (DNS) made Tax Identification Number (TIN) mandatory for purchasing savings certificates which also discouraged the high net worth investors from purchasing the instruments in apprehension of further consequences. According to statistics of the DNS, the government sold NSCs worth Tk60.91b in July as against repayment of total Tk39.31b in the same month. As a consequence of the drastic fall in sales of the NSCs, government borrowed Tk262.49b from the banking sector in just 51 days of the current fiscal year. In the Finance Act-2019, the government had increased the Tax Deducted at Source (TDS) on savings tools to 10% from 5% as bankers were pressing the government for reducing the interest rates on NSCs for the implementation of single digit interest rates. However, the National Board of Revenue (NBR) has recently issued a Statutory Regulatory Order (SRO) slashing the TDS on interest income from NSCs worth up to Tk0.5m to 5% from 10% with effect from August 28, 2019. According to the SRO, an investor with total investment of Tk0.5m would enjoy the reduced tax rate irrespective of the time of making investment while the benefit would not be applicable if investment exceeds Tk0.5m, when 10% tax would be applicable to the total investment.

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	2,978.71	2,926.46	1.79
FTSE 100	↑	7,282.34	7,207.18	1.04
Nikkei 225	↑	21,199.57	20,704.37	2.39
SENSEX	↓	36,981.77	37,332.79	-0.94
KSE 100	↑	30,467.20	29,672.12	2.68

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↓	5,013.02	5,095.78	-1.62
Total Turnover, Tk	↓	19,733,107,554.00	22,435,384,833.00	-12.04
Market Capital, Tk	↓	3,161,309,958,942	3,223,468,605,806	-1.93
No of Issue Gain		104	48	
No of Issue Loss		233	302	
No of Unchanged Issues		18	5	

Top Gainers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Kay & Que Ltd.	192.10	234.60	22.12	220,707,000
Monno Jute Stafflers	1512.90	1777.60	17.50	630,291,000
Stylecraft Limited	751.20	870.80	15.92	586,222,000
Gemini Sea Food	246.60	272.50	10.50	67,940,000
SEML IBBL SF	9.60	10.60	10.42	28,926,000
Deshbandhu Poly	12.20	13.40	9.84	23,128,000
Desh Garments Ltd.	175.50	192.10	9.46	20,820,000
Sonali Aansh	486.40	530.60	9.09	142,901,000
Green Delta MF	7.40	8.00	8.11	19,034,000
Pharma Aids Ltd.	542.40	585.50	7.95	210,851,000

Top Losers

Company	Weighted avg. Closing Price (Tk)			Turnover (Tk)
	Last Week	This Week	Change %	
Padma Islami Life	18.60	15.80	-15.05	4,305,000
IFIL Islamic Mutual F	6.60	5.90	-10.61	3,614,000
Tallu Spinning Mills	4.80	4.30	-10.42	956,000
Meghna Life Insurance	56.80	51.30	-9.68	27,127,000
Prime Bank 1st ICB	6.20	5.60	-9.68	3,866,000
Al-Haj Textile Mills	73.50	66.40	-9.66	105,482,000
Rupali Life Insurance	51.70	46.90	-9.28	66,807,000
ICB Employees PF	5.40	4.90	-9.26	3,527,000
ICB AMCL Thrd NRB	5.50	5.00	-9.09	639,000
Mithun Knitting	13.30	12.10	-9.02	846,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	383.57	390.82	-1.86	1,052.37	1,056.15	-0.36
Cement	250.76	257.13	-2.48	74.84	155.72	-51.94
Ceramic	666.72	671.40	-0.70	1,286.49	835.93	53.90
Engineering	2,458.20	2,480.57	-0.90	3,299.84	3,819.75	-13.61
Food & Al.	3,955.09	4,057.08	-2.51	605.94	788.30	-23.13
Fuel & Pow.	4,309.23	4,358.44	-1.13	2,151.08	2,186.37	-1.61
Insurance	1,551.19	1,590.36	-2.46	1,058.37	1,691.85	-37.44
IT	356.49	358.64	-0.60	691.42	722.71	-4.33
Jute	2,338.82	2,145.51	9.01	180.44	84.89	112.55
Misc.	1,279.25	1,276.50	0.22	897.81	1,277.74	-29.73
Mutual Fund	397.67	408.64	-2.68	498.61	558.38	-10.70
NBFI	990.25	1,012.55	-2.20	539.33	404.12	33.46
Paper	8,589.56	8,683.26	-1.08	72.21	109.60	-34.12
Pharma	1,211.48	1,223.53	-0.98	3,744.52	4,525.96	-17.27
Service	1,026.78	1,056.22	-2.79	102.58	279.91	-63.35
Tannery	835.78	837.56	-0.21	767.09	553.60	38.56
Telecom	2,750.63	2,896.32	-5.03	399.20	403.36	-1.03
Textile	1,343.94	1,364.46	-1.50	1,783.36	2,173.27	-17.94
Travel & Leis	513.36	520.87	-1.44	129.47	140.39	-7.78

Technical Talk

Dhaka bourse endured a sharp correction for the second consecutive week ended on Thursday as anxious investors opted to dump shares anticipating further loss. Moreover, general investors were panicked over the GP and NPL issues that triggered sell pressure on almost all shares. Among the major losers, Telecom sector decreased by 5.03% over the week followed by Mutual Funds 2.68%, Insurance 2.46%, NBFI 2.20%, Bank 1.86% and Textile 1.50%.

DSE Broad Index (DSEX) reached 5,013.02 points decreased by 82.76 points or 1.62% from the previous week. Total turnover reached at Tk19,733.11m which was 12.04% lower than the previous week. Market capitalization decreased by 1.93% and stood at Tk3,161.31b (\$37.43b) at the weekend against Tk3,223.47b. DSE 30 decreased by 44.85 points or 2.33% and closed at 1,758.20 points against 1,800.06 points. Last week's weighted average Market PE was 13.33 which was 13.59 previous week.

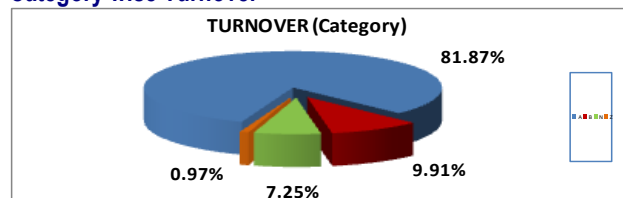
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Monno Ceramic	4,779,717	1,088,393,000	5.52
United Power Generation	2,358,856	917,130,000	4.65
Monno Jute Stafflers Ltd.	372,841	630,291,000	3.19
Stylecraft Limited	701,146	586,222,000	2.97
Fortune Shoes Limited	12,815,507	504,215,000	2.56
Silco Pharmaceuticals	12,623,321	442,161,000	2.24

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	399,014	BERGERPBL	73,694
BATBC	211,050	BRACBANK	71,042
Square Pharma	194,491	ICB	70,116
United Power	186,221	MARICO	55,868
RENATA	99,389	LHBL	43,552

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,515.40	1,526.50	-0.73
Silver (USD/t.oz)	18.57	18.17	2.19
Brent Crude Oil (USD/bbl.)	60.95	60.49	0.76

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	93.62	93.68	93.30	93.36	0.35	0.35
GBP	103.99	104.05	102.95	103.01	1.01	1.01
AUD	58.12	58.15	57.19	57.22	1.63	1.63
JPY	0.79	0.80	0.80	0.80	-1.03	-0.56
CAD	64.44	64.48	63.77	63.80	1.06	1.06
SAR	22.63	22.64	22.63	22.65	-0.02	-0.02

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