

Bangladesh advance 8 notches in Doing Business

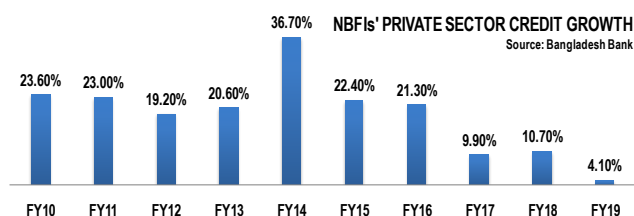
Bangladesh moved 8 notches up to 168 out of 190 countries in the Ease of Doing Business Index 2020 prepared by World Bank (WB) from the previous ranking of 176th. Bangladesh scored 45 out of 100 as against 41.97 in the previous year. Despite improving in ranking, Bangladesh was the second least performer among the South Asian countries after Afghanistan. Among the South Asian countries, India was ranked 63rd followed by Bhutan 89th, Nepal 94th, Sri Lanka 99th, Pakistan 108th, Maldives 147th and Afghanistan 173rd. However, the multilateral lender included Bangladesh among the 20 economies that experienced progress in at least three out of ten areas of the index. The WB report highlighted three recent developments- cost of starting business, electricity supply and access to credit information, that helped improve the ranking.

RMG export woes in major destinations

Ready-made garments (RMG) exports to European Union (EU), Canada and some other non-traditional markets slipped in the first quarter (July-September) of the FY2019-20 while it managed a minimal growth in the USA market as per the statistics of Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The statistics showed that RMG shipment in EU and Canada edged down by 3.21% (Y-o-Y) to US\$4.94b and 1.55% (Y-o-Y) to US\$0.25b respectively in the first quarter. On the flip side, RMG exports inched up by 0.46% (Y-o-Y) to US\$1.49b in the USA that contributed 18.5% of the total RMG export. As per the statistics, apparel export to Belgium, Germany, Italy, Spain, Australia, Brazil, Chile, China, South Africa and Turkey also experienced a negative growth of 1.12%, 7.37%, 11.80%, 2.08%, 1.83%, 26.07%, 5.30%, 1.65%, 10.82% and 39.87% respectively. Economists attributed the lackluster RMG export receipts to the US-China trade war, BREXIT, contraction of the world economy and devaluation of currencies.

NBFIs register marginal credit growth

Credit disbursement in private sector by the Non-Bank Financial Institutions (NBFIs) experienced a meager growth of 4.04% (Y-o-Y) in the FY2018-19 mainly for growing distrust on the NBFIs while the NBFIs disbursed 10.70% more in private sector in the previous fiscal, according to reports of Bangladesh Bank (BB). The statistics revealed that outstanding credit of the NBFIs to the private sector amounted Tk670b at the end of FY2018-19 as against Tk644b in the previous fiscal year. The NBFIs experienced sluggish growth of loan disbursement in the private sector in the fiscal year as the sector was under intense liquidity crisis mainly for a series of scams and irregularities in the past several years. The situation got worse after the move of BB to liquidate People's Leasing and Financial Services Limited (PLFSL). Moreover, the stagnancy in private sector credit demand was also responsible for the marginal growth. Veteran experts opined that scarcity of source of fund that resulted in high rate of interest in the NBFIs was another reason for the fall in the private sector credit growth as NBFIs largely depended on short term deposit from banks and individuals due to absence of long-term source of fund.



NPLs in industrial sector up by 48%

The Non-Performing Loans (NPLs) in industrial sector increased significantly in FY2018-19 as a substantial amount of rescheduled loans turned classified again to fresh default loans. The NPLs swelled by 48.58% (Y-o-Y) in the industrial sector to Tk572.01b in FY2018-19 compared to Tk384.99b in FY2017-18. According to bankers, slower repayment by influential borrowers also contributed to the surge of NPLs in the sector. Banking experts opined that the sporadic announcements of policy relaxation stimulated sluggish repayment attitude among borrowers. Moreover, many borrowers failed to repay instalments properly as their industries suffered due to lack of utility services like gas, power etc. The credit disbursement in industries in the form of working capital and term loans increased by 15.43% to Tk3.99-trillion in the last fiscal year from Tk3.46-trillion in the FY2017-18, as per Bangladesh Bank (BB) report. The total outstanding loans in the industrial sector increased by around 22% (Y-o-Y) to Tk5.27-trillion in FY2018-19, as per the report. According to BB finding, total 22 commercial banks and Non-Banking Financial Institutions (NBFIs) reported more than 15% of their total industrial outstanding loans.

Industrial Loan			
Particulars	FY 2019	FY 2018	Change (in %)
Loan Disbursement	3,998.57	3,463.97	15.43%
Loan Recovery	3,197.63	2,731.73	17.06%
Non-Performing Loans	572.01	384.99	48.58%
Total Outstanding	5,273.34	4,326.44	21.89%

Source: **BB**

Figures in billion Tk.

ADP execution rate drops in Q1

The Annual Development Program (ADP) execution rate declined to 8.06% in the July-September quarter (Q1) of FY2019-20 compared to the previous rate of 8.25% in the corresponding period of FY2018-19. The Implementation Monitoring and Evaluation Division (IMED) mentioned that the project executors spent only Tk173.44b out of total allocation of Tk2.15-trillion in Q1 of FY2019-20 while it was Tk149.27b out of total ADP size of Tk1.80-trillion in last fiscal year. However, ADP implementation in terms of expenditure is up by Tk24.17b during the period. As per IMED statistics, the overall execution rate plunged in the first quarter due to dismal progress in September 2019 as the government agencies spent only Tk77.17b or 3.59% of the total allocation during the month. A total of 58 government agencies have to implement 1,617 development projects including 1,402 investment projects in the year.

NBR failed to meet Jul-Aug target

The tax receipts in the first two months of FY2019-20 recorded a shortfall of Tk93.17b in the revenue target due to sluggish economic activities and external trade in the country, changes in the cigarette taxation and wide-scale tax exemption offered to different sectors. The revenue board logged a minimal 3.35% (Y-o-Y) growth by collecting Tk296.20b in July-August of FY2019-20 compared to Tk286.61b in the same period of the previous fiscal year. The three wings of the revenue board - the VAT, customs and income tax - collected Tk95.73b, Tk111.99b and Tk88.48b respectively in the first two months of FY2019-20 against the respective targets of Tk149.27b, 150.57b and Tk89.54b, according to the National Board of Revenue (NBR). Income tax collection observed the highest year-on-year growth of 12.56% during the period, followed by custom with 1.02% growth while VAT wing witnessed a negative growth of 1.45% in collection, as per figures by NBR.

The week's data runs 17 October 2019 to 24 October 2019

Stock Market Movement



Global Markets

		This Week	Last Week	+/- %
S&P 500	↑	3,022.55	2,986.20	1.22
FTSE 100	↑	7,324.47	7,150.57	2.43
Nikkei 225	↑	22,799.81	22,492.68	1.37
SENSEX	↓	39,058.06	39,298.38	-0.61
KSE 100	↓	33,657.46	33,870.15	-0.63

DSE Indicators

		This Week	Last Week	+/- %
DSE Broad Index	↑	4,772.00	4,771.00	0.02
Total Turnover, Tk	↓	15,455,562,453.00	15,638,712,718.00	-1.17
Market Capital, Tk	↑	3,028,162,416,894	3,006,188,992,152	0.73
No of Issue Gain		90	128	
No of Issue Loss		244	209	
No of Unchanged Issues		21	18	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
United Power	254.20	292.50	15.07	381,630,000
Malek Spinning Mills	11.50	12.90	12.17	32,179,000
IT Consultants	36.10	40.00	10.80	20,792,000
Padma Oil Co.Ltd.	214.30	237.40	10.78	86,789,000
Far East Knitting	10.50	11.60	10.48	14,114,000
Esquire Knit	28.00	30.70	9.64	42,405,000
IPDC Finance	22.20	24.20	9.01	34,211,000
Shahjalal Islami	22.90	24.90	8.73	65,545,000
Jamuna Oil Com.	155.80	169.40	8.73	79,048,000
Quasem Industries	26.70	28.90	8.24	25,551,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Monno Jute Staffers	1394.6	908.40	-34.86	385,815,000
Safko Spinnings Mills	17.10	13.30	-22.22	33,402,000
Standard Ceramic	525.50	411.40	-21.71	319,375,000
CVO Petrochemical	116.90	96.80	-17.19	24,314,000
Mithun Knitting	8.00	6.80	-15.00	989,000
Stylecraft Limited	616.90	527.20	-14.54	178,357,000
Coppertech Industries	25.70	22.00	-14.40	114,301,000
Beacon Pharma	29.20	25.10	-14.04	160,359,000
National tubes Ltd.	187.10	162.20	-13.31	609,826,000
Generation Next	3.80	3.30	-13.16	29,498,000

Sectoral Index & Turnover

Sectoral Index

Turnover (Tk.M)

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	385.44	383.11	0.61	1,768.27	1,049.98	68.41
Cement	219.41	219.42	-0.01	115.81	115.02	0.69
Ceramic	576.84	615.76	-6.32	568.37	627.85	-9.47
Engineering	2,145.69	2,185.95	-1.84	2,273.00	2,716.81	-16.34
Food & Al.	3,666.62	3,684.82	-0.49	571.46	458.98	24.51
Fuel & Pow.	3,921.44	3,709.89	5.70	1,360.60	1,218.83	11.63
Insurance	1,558.61	1,591.37	-2.06	2,405.29	1,976.73	21.68
IT	318.82	313.14	1.81	187.07	192.34	-2.74
Jute	1,674.14	1,755.58	-4.64	162.10	137.42	17.96
Misc.	1,162.52	1,181.51	-1.61	581.95	914.85	-36.39
Mutual Fund	381.32	398.56	-4.32	488.29	512.89	-4.80
NBFI	910.58	926.16	-1.68	272.95	275.31	-0.86
Paper	6,666.26	6,810.98	-2.12	30.95	48.06	-35.61
Pharma	1,172.71	1,178.17	-0.46	1,804.50	2,437.61	-25.97
Service	876.15	886.41	-1.16	44.49	47.40	-6.14
Tannery	732.44	742.42	-1.34	316.91	372.76	-14.98
Telecom	3,032.92	2,950.74	2.79	584.87	602.98	-3.00
Textile	1,092.36	1,111.08	-1.68	1,086.95	1,235.00	-11.99
Travel & Leis	438.68	450.50	-2.62	66.41	63.41	4.73

Technical Talk

Dhaka bourse closed flat in the last week ended on Thursday as investors opted cautious stance amid acute deficiency of confidence. Most of the investors remained dormant amid ongoing depressed market outlook while some rebalanced their portfolio based on corporate declarations. Among the major losers, Insurance sector decreased by 2.06% over the week followed by Engineering 1.84%, Textile 1.68%, NBFI 1.68% and Pharma 0.46%. However, Fuel & Power sector increased by 5.7%, followed by Telecom 2.79% and Bank 0.61% leading to a flat session.

DSE Broad Index (DSEX) reached 4,772 points inched up by 1.00 points or 0.02% from the previous week. Total turnover reached at Tk15,455.56m which was 1.17% lower than the previous week. Market capitalization increased by 0.73% and stood at Tk3,028.16b (\$35.75b) at the weekend against Tk3,006.19b. DSE 30 decreased by 3.92 points or 0.23% and closed at 1,675.1 points against 1,679.02 points. Last week's weighted average Market PE was 12.81 which was 12.72 previous week.

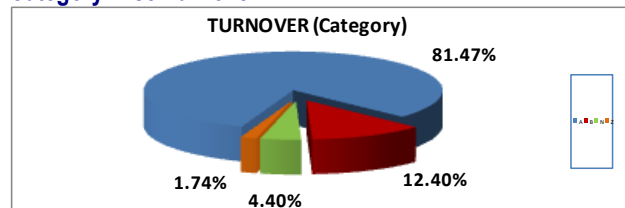
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
National tubes Ltd.	3,546,030	609,826,000	3.95
Grameenphone Ltd.	1,279,371	412,450,000	2.67
Monno Jute Staffers Ltd.	341,034	385,815,000	2.50
United Power Generation	1,361,877	381,630,000	2.47
Standard Ceramic	709,796	319,375,000	2.07
Sonar Bangla Insurance	8,552,336	309,335,000	2.00

Top 10 Market Capital

Company	Volume	Value (Tk)	% of total
GP	442,358	BRACBANK	70,056
BATBC	196,578	BERGERPBL	68,356
Square Pharma	189,520	ICB	59,372
United Power	154,146	MARICO	54,923
RENATA	104,688	Summit Power	40,793

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/t.oz)	1,498.90	1,492.30	0.44
Silver (USD/t.oz)	17.74	17.54	1.16
Brent Crude Oil (USD/bbl.)	61.67	59.91	2.94

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.70	84.75	84.70	84.75	0.00	0.00
EUR	94.33	94.39	95.11	95.16	-0.81	-0.81
GBP	108.90	108.96	110.16	110.23	-1.15	-1.15
AUD	58.09	58.12	58.37	58.40	-0.48	-0.48
JPY	0.79	0.79	0.79	0.79	-0.20	-0.20
CAD	65.22	65.26	64.86	64.90	0.55	0.55
SAR	22.70	22.71	22.70	22.71	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

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