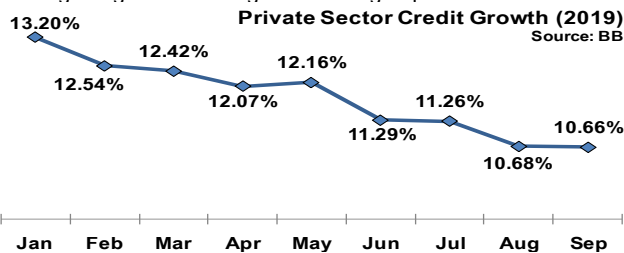


**Commission to now consider DSE opinion on IPOs**

On instructions from the Bangladesh Securities and Exchange Commission (BSEC), the Dhaka Stock Exchange (DSE) formed a six-member review committee to scrutinize the Initial Public Offering (IPO) proposals in order to ensure that only well-performing companies get listed with the stock exchanges. The market regulator assured that each IPO proposal will be evaluated by the high-profile committee, headed by an independent director of DSE. The prime bourse decided to form an expert panel of 12-15 auditors to assist the committee in reviewing the IPO proposals. The committee has already been instructed to formulate the Terms of Reference (ToR) to analyze the IPO and other relevant proposals. The committee pledged to prevent the listing with the bourses of fundamentally weak companies having window-dressed financials.

**Private credit growth 9-year low in September**

Private sector credit growth shrank to only 10.66% (Y-o-Y) in September 2019, hitting the lowest point after September 2010 when the growth stood at 6.09%, as per Bangladesh Bank (BB) figures. The credit growth in the last month was 2.54% lower than the 13.20% target set by BB for the first half of FY2019-20. In August, the private sector credit growth was 10.68% (Y-o-Y) while it was 11.26% (Y-o-Y) in July of the current fiscal year. At the end of September 2019, accumulated outstanding loans with the private sector rose to Tk10.17-trillion from Tk9.19-trillion a year ago. The stagnant investment activities in private sector led to the deceleration of credit growth as import bills of capital machineries and industrial raw materials declined in the recent months. On top of that, the ongoing liquidity crunch in the money market contributed to lackluster investment in the private sector. Moreover, aggressive government borrowing from the banking channel also squeezed private investments as banks preferred funding the government against lending to private entities.



**Foreign assistance fell in Q1**

Foreign assistance from the Development Partners (DPs) dropped by US\$56m to US\$940.80m in July-September (Q1) of the current fiscal year compared to the corresponding period of the previous fiscal year. According to the provisional data of Economic Relations Division (ERD), around US\$935.23m out of the total disbursement came as loan while the remaining US\$5.57m was grant. Meanwhile, aid commitment from DPs including the World Bank (WB), the Asian Development Bank (ADB), the Japan International Cooperation Agency (JICA), China and India increased by US\$193m to US\$2.01b in the Q1 of the current fiscal. Out of US\$2.1b aid commitment, loan assistance and grant amounts were US\$1.99b and US\$25m respectively. With such increment in loan amount, debt service of the government rose to US\$495.18m in Q1 of FY2019-20 from US\$443.37m in the same period of last. Considering higher investment in development programs, government set an ambitious target of receiving US\$6.0b in concessional foreign assistance and commitment of US\$8.47b during FY2019-20.

**Government bank borrowing rockets**

Net bank borrowing of the government soared to Tk276.34b so far in FY2019-20 (Up to October 21), 58% more than the target set, as per an internal report of Bangladesh Bank (BB). Of the amount, government borrowed Tk256.88b from scheduled banks through Treasury instruments and the rest Tk19.46b from the central bank. Earlier, the government set bank borrowing target at Tk473.64b for FY2019-20, up from Tk308.95b in the previous fiscal. Declining trend in sales of National Savings Certificates (NSCs) along with lackluster growth in revenue collection pushed the government to aggressive bank borrowing to finance a hefty budget deficit. Total sales of savings instruments stood nearly Tk90b in the first quarter of the fiscal year, which is 59.4% lower compared to the same period of previous fiscal year. On the flip side, revenue collection by the National Board of Revenue (NBR) fell short by Tk93.17b to Tk296.20b in the July-August period as against the target of Tk389.37b. Moreover, the limit of short term borrowing by the government from the central bank was raised by 50% after more than six years to avoid mismatch in cash management. As per the amended rules, the government would be able to borrow up to a maximum amount of Tk60b from the central bank without issuing any securities. Economists opined that the volume of borrowing might increase in coming months as the government would have to pay more than Tk100b against maturities of Treasury securities.

**Trade deficit drop by 6% in Jul-Aug**

Trade deficit narrowed by 6.26% (Y-o-Y) to US\$1.98b in the first two months of FY2019-20 compared to US\$2.11b in the same period of FY2018-19, following a negative growth in both export and import. In the July-August period of 2019, overall imports fell by 2.3% to US\$8.62b from US\$8.83b in the corresponding period of the last fiscal year. Import of capital machineries, one of the key indicators of economic and investment situation, dropped by 24.42% (Y-o-Y) to US\$760m, slowing down the overall import growth. On the flip side, export earnings also slipped by 0.92% (Y-o-Y) to US\$6.73b in July-August of FY2019-20. Experts fear that this descending trend of import and export represents a distressed state of economy. However, the narrowing trade gap helped current account balance to get back in the positive state after three years. As per BB data, the surplus in current account balance reached US\$313m in July-August of FY2019-20 against a deficit of US\$7m in the same period of FY2018-19.

**Inactive BO accounts rise by 16.98%**

Prolonged bear-run in the stock market shattered the confidence level of retail investors and consequently number of inactive Beneficiary Owners (BO) accounts increased in the recent months. According to the Central Depository Bangladesh Limited (CDBL) figures, around 0.49m or 17.66% of total 2.8m BO accounts were not utilized to trade shares in the FY2018-19 while the figure was 0.42m in the previous fiscal year. As of 30 June 2019, some 1.04m or 37.19% of the total BO accounts closed the fiscal year with no share, CDBL statistics showed. The statistics also revealed that the number of BO accounts with shares was around 1.27m which is only 0.78% of the total population whereas it is 2% of total population in India and reportedly much more in other South Asian countries. Currently the total number of BO accounts stand at 2.56m only.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	3,066.91	3,022.55	1.47
FTSE 100	7,302.42	7,324.47	-0.30
Nikkei 225	22,850.77	22,799.81	0.22
SENSEX	40,165.03	39,058.06	2.83
KSE 100	34,377.61	33,657.46	2.14

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4,682.90	4,772.00	-1.87
Total Turnover, Tk	16,738,807,681.00	15,455,562,453.00	8.30
Market Capital, Tk	2,976,290,246,080	3,028,162,416,894	-1.71
No of Issue Gain	136	90	
No of Issue Loss	204	244	
No of Unchanged Issues	15	21	

### Top Gainers

Company	Last Week	This Week	Change %	Turnover (Tk)
Standard Ceramic	411.40	573.00	39.28	353,393,000
Stylecraft Limited	527.20	727.00	37.90	439,603,000
Yeakin Polymer	6.80	8.50	25.00	22,793,000
Metro Spinning Ltd.	5.30	6.50	22.64	16,951,000
Mozaffar Hossain	6.60	8.00	21.21	12,168,000
Simtex Industries	15.30	18.20	18.95	110,248,000
Alif Manufacturing	6.70	7.90	17.91	90,936,000
VFS Thread Dyeing	21.70	25.30	16.59	293,351,000
Monno Jute Stafflers	908.40	1053.90	16.02	244,980,000
Shurwid Industries	21.50	24.80	15.35	81,894,000

### Top Losers

Company	Last Week	This Week	Change %	Turnover (Tk)
Intech Limited	24.40	14.00	-42.62	40,947,000
Usmania Glass Sheet	82.30	51.80	-37.06	35,516,000
Shinepukur Ceramics	13.60	9.40	-30.88	13,852,000
Golden Harvest Agro	27.60	19.20	-30.43	84,531,000
Bd.Thai Aluminium Ltd.	11.90	8.40	-29.41	33,203,000
Tosrifia Industries	13.90	10.10	-27.34	13,905,000
Salvo Chemical	12.40	9.60	-22.58	23,657,000
Generation Next	3.30	2.60	-21.21	22,758,000
Renwick Jaineswar	1423.7	1128.90	-20.71	15,764,000
Global Heavy Chem	33.50	27.30	-18.51	3,019,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	376.34	385.44	-2.36	1,264.25	1,768.27	-28.50
Cement	211.11	219.41	-3.78	172.45	115.81	48.91
Ceramic	619.19	576.84	7.34	739.33	568.37	30.08
Engineering	2,058.30	2,145.69	-4.07	2,412.24	2,273.00	6.13
Food & Al.	3,749.85	3,666.62	2.27	597.85	571.46	4.62
Fuel & Pow.	3,811.47	3,921.44	-2.80	1,067.67	1,360.60	-21.53
Insurance	1,523.00	1,558.61	-2.28	2,076.33	2,405.29	-13.68
IT	311.99	318.82	-2.14	187.27	187.07	0.11
Jute	1,571.15	1,674.14	-6.15	326.04	162.10	101.14
Misc.	1,132.91	1,162.52	-2.55	764.08	581.95	31.30
Mutual Fund	385.51	381.32	1.10	435.12	488.29	-10.89
NBFI	887.92	910.58	-2.49	455.86	272.95	67.01
Paper	6,454.80	6,666.26	-3.17	36.15	30.95	16.81
Pharma	1,159.86	1,172.71	-1.10	1,954.65	1,804.50	8.32
Service	888.10	876.15	1.36	59.55	44.49	33.86
Tannery	710.22	732.44	-3.03	375.43	316.91	18.47
Telecom	2,941.45	3,032.92	-3.02	250.97	584.87	-57.09
Textile	1,113.64	1,092.36	1.95	1,940.29	1,086.95	78.51
Travel & Leis	451.19	438.68	2.85	92.04	66.41	38.58

## Technical Talk

Dhaka bourse endured loss in the last week ended on Thursday as investors opted to dump shares amid discouraging dividend declarations. Moreover, the prolonged bearish trend in the market frustrated general investor. Among the major losers, Engineering sector decreased by 4.07% over the week followed by Telecom 3.02%, Fuel & Power 2.80% and NBFI 2.49%.

DSE Broad Index (DSEX) reached 4,682.90 points decreased by 89.10 points or 1.87% from the previous week. Total turnover reached at Tk16,738.81m which was 8.30% higher than the previous week. Market capitalization decreased by 1.71% and stood at Tk2,976.29b (\$35.14b) at the weekend against Tk3,028.16b. DSE 30 decreased by 47.35 points or 2.83% and closed at 1,627.75 points against 1,675.10 points. Last week's weighted average Market PE was 12.61 which was 12.81 previous week.

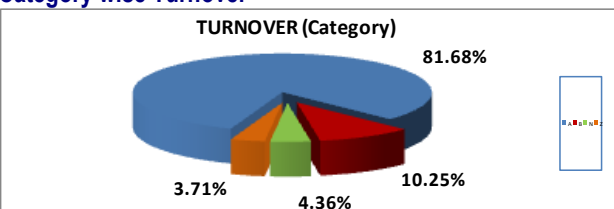
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
National tubes Ltd.	5,314,773	746,204,000	4.46
Sonar Bangla Insurance	14,708,519	584,872,000	3.49
Stylecraft Limited	629,673	439,603,000	2.63
Standard Ceramic	686,903	353,393,000	2.11
Monno Ceramic	2,104,836	322,882,000	1.93
VFS Thread Dyeing	12,291,084	293,351,000	1.75

### Top 10 Market Capital

Company	Value (Tk)	% of total
GP	428,720	68,134
BATBC	206,910	62,409
Square Pharma	185,496	56,721
United Power	142,816	54,338
RENATA	103,988	40,045

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz.)	1,511.40	1,498.90	0.83
Silver (USD/oz.)	18.01	17.74	1.55
Brent Crude Oil (USD/bbl.)	59.62	61.67	-3.32

### 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	95.07	95.13	94.33	94.39	0.78	0.79
GBP	109.85	109.92	108.90	108.96	0.87	0.87
AUD	58.86	58.90	58.09	58.12	1.33	1.33
JPY	0.79	0.79	0.79	0.79	0.44	0.43
CAD	64.82	64.85	65.22	65.26	-0.62	-0.62
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