

Foreign investor sues BSEC

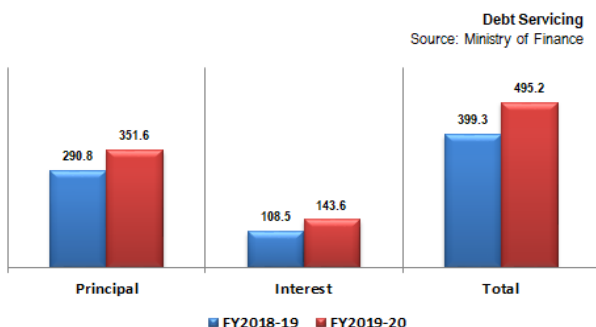
City of London Investment Management (CLIM), an overseas portfolio investment firm, as a unitholder of the local EBL First Mutual Fund, has sued the Bangladesh Securities Exchange Commission (BSEC) for allowing closed-end mutual funds to extend their tenure without the consent of majority unitholders. Following the lawsuit, the High Court bench of Justice Moyeenul Islam Chowdhury and Justice Khandaker Diliruzzaman issued a rule calling upon the respondents to show cause on why the decision should not be declared unlawful. The show cause notice also asks why the respondents will not be ordered to liquidate the fund and distribute proceeds among unitholders. The High Court also ordered the asset manager not to take any asset management fee until the ruling is disposed of. The Investment Corporation of Bangladesh (ICB), as the trustee of the fund, and Bangladesh Race Management Private Company Ltd, as the asset manager of the fund, are included among the respondents. According to the writ petition, the securities regulator failed to ensure compliance with the relevant securities law and the prospectus of the fund while allowing it to extend tenure.

Net sales of NSCs plunged 65% in Jul-Sept 2019

Net sales of National Savings Certificates (NSCs) nosedived to Tk46.98b in the first quarter of FY2019-20, which is 65% lower than Tk134.13b in previous corresponding period, mainly after digitalizing the selling process and increasing source tax, though these instruments still offer attractive rates ranging from 11.04% to 11.76%. In the July-September period, government sold NSCs worth Tk174.21b and repaid principal and interests of Tk127.23b as per the Department of National Savings. In the current fiscal year, the National Savings Scheme Online Management System was launched to refrain the high net worth individuals from excessive purchase. Additionally, Tax Identification Number (TIN) and bank account were made mandatory for purchasing NSCs worth more than TK0.1m. Consequent to the plunge, the government borrowed Tk335.87b from the banking system in the first four months of the fiscal year as against its total target of Tk473.64b for the year.

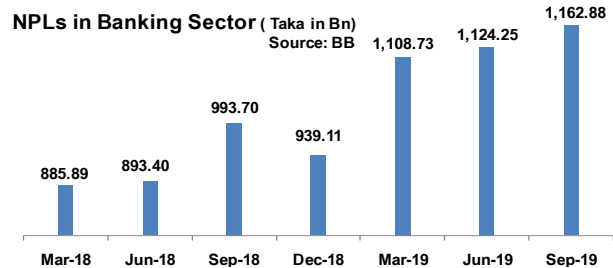
Foreign debt payment rises by 24% in Jul-Sep

Foreign debt payment soared 24% (Y-o-Y) to US\$495.2m during the first quarter of FY2019-20, compared to US\$399.3m in the same period of the last fiscal year, as per quarterly debt-servicing data published by the Finance Division. Concurrently, total interest payment also increased to US\$143.6m, a 35% (Y-o-Y) hike during the period. Government should ponder ways and means to reduce the volume of loan repayment, experts opined. Despite increasing pressure of foreign debt obligation, the government still expects to receive US\$8.5b in foreign loans and assistance to finance the development projects.



NPLs soar to Tk1.16t despite rescheduling

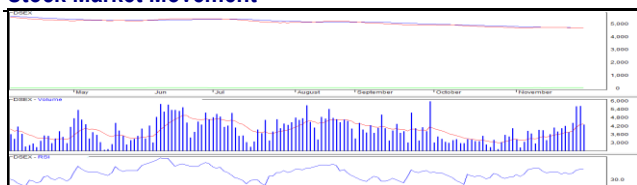
Non-Performing Loans (NPLs) in the banking sector swelled by Tk223.77b or 24% in the first nine months of 2019 as the central bank remained lenient to habitual defaulters. According to the statistics of Bangladesh Bank (BB), the volume of NPLs soared to Tk1,162.88b, where Tk1,004.73b or 86.40% of the total NPLs is categorized as Bad Debt, at the end of September of 2019 as against Tk939.11b at the end of 2018. In the third quarter (July-September), the amount of NPLs increased by more than 3% or Tk38.63b from Tk1,124.25b in the preceding quarter. The statistics of BB revealed that the chunk of NPLs amplified to 11.99% of the total loans at the end of September while the ratio was 10.30% at the end of 2018. Among the banks, the eight State-owned Banks (SoBs) held more than 50% of the total NPLs. At the end of September, the eight SoBs had NPLs of Tk596.22b, up by 11.47% from nine months back whereas forty Private Commercial Banks (PCBs) reported defaulted loans of Tk545.74b, soaring by 43% from the previous three quarters. Earlier, BB issued a relaxed loan rescheduling policy on May 16, 2019, offering special facilities to the loan defaulters including rescheduling of loans for 10 years by making only 2% down payment, instead of the existing 10%-50% down payment with maximum interest rate of 9%. Veteran bankers are of the view that the generous loan rescheduling policy of the central bank encouraged many regular borrowers to discontinue installment payments to avail such facilities.



SC directs GP to pay Tk20b in evaded taxes

Appellate Division (AD) of the Bangladesh Supreme Court (SC) instructed stock market giant Grameenphone (GP) to pay Tk20b to the Bangladesh Telecommunication Regulatory Commission (BTRC) within the next three months amid contention between the two parties over audit claim. The Court also ordered that if the leading telecom operator failed to pay within the stipulated time, the Court would stay the High Court order which issued an injunction on the move of the BTRC to realize the total audit claim and the BTRC could take measures including appointing administrator in GP. However, GP can file review petition against the decision within one month. Earlier, the BTRC served a demand notice on GP on April 2 this year after an audit firm determined that GP had not paid Tk125.80b in taxes and fees to the BTRC and the National Board of Revenue (NBR) since 1997. Later, GP moved to the district court and then the High Court (HC) for settling the dispute over the amount. The BTRC moved to the AD of SC after the HC issued a two-month injunction on realization of the dues following a petition filed by GP. However, GP at a hearing in the AD held on November 14 offered payment of Tk2b while the BTRC demanded payment of 50% of the audit claim. After the Court order, GP in a statement informed that they would wait for the certified copy of the order to determine the next course of action.

Stock Market Movement



Global Markets

	This Week	Last Week	+/- %
S&P 500	3,140.98	3,110.29	0.99
FTSE 100	7,346.53	7,326.81	0.27
Nikkei 225	23,293.91	23,112.88	0.78
SENSEX	40,793.81	40,359.41	1.08
KSE 100	39,287.65	37,925.79	3.59

DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4,731.44	4,706.67	0.53
Total Turnover, Tk	23,760,650,381.00	19,814,991,260.00	19.91
Market Capital, Tk	2,983,893,375,535	2,987,415,977,240	-0.12
No of Issue Gain	180	172	
No of Issue Loss	156	148	
No of Unchanged Issues	19	35	

Top Gainers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Tosnifa Industries	9.70	14.50	49.48	37,727,000
Saiham Textile Mills	28.30	38.70	36.75	27,000,000
Zaheen Spinning	5.90	8.00	35.59	56,044,000
Maksons Spinning	4.20	5.30	26.19	34,644,000
Yeakin Polymer	8.40	10.60	26.19	48,742,000
Queen South Textile	27.50	33.80	22.91	155,776,000
LafargeHolcim	31.60	38.50	21.84	557,382,000
Al-Haj Textile Mills	37.20	45.30	21.77	121,775,000
Central Pharma	7.90	9.60	21.52	76,984,000
Miracle Industries	17.50	21.00	20.00	98,272,000

Top Losers

Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Safko Spinnings Mills	11.70	9.30	-20.51	11,864,000
M.L. Dyeing Limited	39.40	32.20	-18.27	169,230,000
Legacy Footwear Ltd.	84.60	73.10	-13.59	129,159,000
Silco Pharmaceuticals	34.80	30.10	-13.51	91,190,000
Confidence Cement	129.60	112.60	-13.12	84,860,000
National tubes Ltd.	159.10	138.30	-13.07	463,743,000
Fortune Shoes Limited	30.60	26.80	-12.42	483,123,000
Renwick Jaineswar	995.30	880.90	-11.49	4,727,000
Shepherd Industries	33.30	29.50	-11.41	7,900,000
Rupali Life Insurance	55.70	50.00	-10.23	158,264,000

Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
	Bank	380.77	379.32	0.38	2,590.87	1,585.60
Cement	232.63	212.29	9.58	653.53	150.94	332.98
Ceramic	626.29	629.13	-0.45	323.46	504.31	-35.86
Engineering	2,042.54	2,052.90	-0.50	3,149.94	2,659.18	18.46
Food & Al.	3,579.82	3,595.26	-0.43	786.85	700.34	12.35
Fuel & Pow.	3,693.18	3,729.00	-0.96	1,606.02	977.50	64.30
Insurance	1,608.67	1,637.20	-1.74	3,179.81	4,496.80	-29.29
IT	324.23	318.72	1.73	386.05	367.23	5.12
Jute	1,480.30	1,521.56	-2.71	65.16	81.89	-20.43
Misc.	1,110.23	1,109.19	0.09	984.98	702.06	40.30
Mutual Fund	385.15	388.64	-0.90	355.84	537.20	-33.76
NBFI	970.38	930.96	4.24	1,115.70	650.46	71.52
Paper	6,903.17	6,317.57	9.27	104.70	58.57	78.77
Pharma	1,122.93	1,142.74	-1.73	3,149.82	2,474.00	27.32
Service	915.35	876.41	4.44	98.23	67.32	45.92
Tannery	637.98	650.87	-1.98	720.90	601.91	19.77
Telecom	2,945.06	3,046.45	-3.33	689.57	1,138.84	-39.45
Textile	1,232.92	1,102.52	11.83	3,206.17	1,400.56	128.92
Travel & Leis	516.18	517.37	-0.23	231.00	272.55	-15.24

Technical Talk

Dhaka bourse closed with a modest gain in the last week ended on Thursday as prudent investors showed interest on lucrative stocks. Many investors took interest on cement, financial institution and bank issues, as their shares became lucrative following the recent sharp correction. Among the major sectors, Textile sector increased by 11.83% over the week followed by Cement 9.58%, NBFI 4.24% and Bank 0.38%.

DSE Broad Index (DSEX) reached 4,731.44 points increased by 24.77 points or 0.53% from the previous week. Total turnover reached at Tk23,760.65m which was 19.91% higher than the previous week. Market capitalization decreased by 0.12% and stood at Tk2,983.89b (\$35.15b) at the weekend against Tk2,987.42b. DSE 30 decreased by 2.92 points or 0.18% and closed at 1,647.7 points against 1,650.63 points. Last week's weighted average Market PE was 12.26 which was 12.38 previous week.

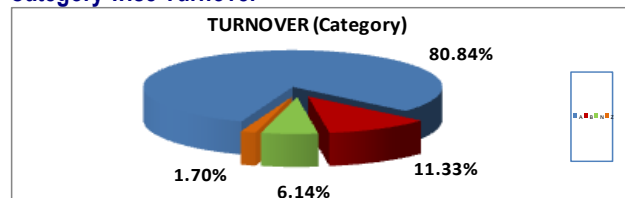
Top Turnover Companies

Company	Volume	Value (Tk)	% of total
LafargeHolcim	15,856,062	557,382,000	2.35
Sonar Bangla Insurance	10,699,993	530,070,000	2.23
Square Pharmaceuticals	2,287,845	485,191,000	2.04
Fortune Shoes Limited	17,728,267	483,123,000	2.03
National tubes Ltd.	3,028,401	463,743,000	1.95
Beacon Pharmaceuticals	12,435,935	450,951,000	1.90

Top 10 Market Capital

			In million
GP	429,665	BRACBANK	71,536
BATBC	193,068	BERGERPBL	65,430
Square Pharma	175,855	ICB	63,161
United Power	138,389	MARICO	53,619
RENATA	93,848	Lafarge Holcim	44,713

Category wise Turnover



Commodity Price

	This Week	Last Week	Change %
Gold (USD/oz.)	1,453.40	1,463.10	-0.66
Silver (USD/oz.)	16.91	17.05	-0.81
Brent Crude Oil (USD/bbl.)	63.01	63.97	-1.50

Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.80	84.85	0.12	0.12
EUR	94.02	94.17	93.96	94.01	0.06	0.17
GBP	110.03	110.10	109.11	109.18	0.84	0.84
AUD	57.73	57.76	57.84	57.88	-0.19	-0.19
JPY	0.78	0.78	0.79	0.79	-0.68	-0.68
CAD	64.27	64.31	64.07	64.11	0.31	0.31
SAR	22.75	22.77	22.73	22.77	0.12	-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
ADN Telecom Limited	Nov 04 - Nov 11, 2019	27	570